JAN 19 1948

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS
FIRST SESSION

VOLUME 93—PART 5

MAY 21, 1947, TO JUNE 11, 1947
(PAGES 5561 TO 6850)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1947

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS
FIRST SESSION

VOLUME 93—PART 5

MAY 21, 1947, TO JUNE 6, 1947
(PAGES 5001 TO 6520)

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, MAY 21, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Charles W. Sheerin, D. D., rector of the Church of the Epiphany, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, guide, we beseech Thee, this body in its deliberations and work. In these days of confusion and doubt, we pray Thee that, as we seek for truth, we may find that the search leads us to Thyself. Give us courage to speak honestly and reverence to speak humbly; and when our minds are perplexed and we cannot find Thee, give us patience to go on with our daily duties.

Thou hast taught us that Thou wilt require much from those to whom much is given; grant that we in this country, whom Thou hast called to so goodly a heritage, may extend more abundantly that which we so richly enjoy in learning to serve our fellow men, and thus may we know the glory of serving Thee. May men everywhere learn that with mutual forbearance and good will Thy paths may be discovered. When we are weary, comfort us with the remembrance that we have not shirked. When we are ill rewarded, save us from bitterness and give us sympathy with all who suffer wrong. Lead us ever more deeply into the knowledge of Thy life and ours, and make us faithful interpreters of life to our fellow men and an example to all who love liberty in government and the welfare of mankind.

We ask this through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 20, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 193. An act to amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 191), as amended;

H. R. 1584. An act authorizing the erection and operation of a memorial museum and shop on the Fort Hall Reservation, Idaho; and

H. R. 2123. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 261. An act conferring jurisdiction upon the District Court of the United States for the Northern District of California, Northern Division, to hear, determine, and render judgment upon the claims of all persons for reimbursement for damages and losses sustained as a result of a flood which occurred in December 1937 in levee district No. 10, Yuba County, Calif.;

H. R. 408. An act for the relief of Lawson Ashby; Mrs. Ora Ashby; and Lawson Ashby, the legal guardian of Betty Mae Ashby, a minor; Darrel Ashby, a minor; Kenneth Ashby, a minor; and Vernon Ashby, a minor;

H. R. 436. An act for the relief of Roger Edgar Lapierre;

H. R. 651. An act for the relief of the estate of Rubert W. Alexander;

H. R. 836. An act for the relief of Mrs. Augusta McCall;

H. R. 888. An act for the relief of certain owners of land who suffered loss by fire in Lake Landing Township, Hyde County, N. C.;

H. R. 893. An act for the relief of Myron R. Leard;

H. R. 984. An act for the relief of A. J. Crozat, Jr.;

H. R. 989. An act for the relief of the estate of Mathew C. Cowley, deceased, and the estate of Louisa Cowley, deceased;

H. R. 1408. An act for the relief of August W. Dietz;

H. R. 1513. An act for the relief of John C. Garrett;

H. R. 1523. An act for the relief of the estate of Marion S. Griggs, deceased;

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R. 1586. An act for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry;

H. R. 2915. An act for the relief of Mrs. Frederick Faber Wesche (formerly Ann Maureen Bell); and

H. R. 3493. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 193. An act to amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 191), as amended;

H. R. 1584. An act authorizing the erection and operation of a memorial museum and shop on the Fort Hall Reservation, Idaho; and

H. R. 2123. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended.

CALL OF THE ROLL

Mr. MILLIKIN obtained the floor.

Mr. WHITE. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. MILLIKIN. I yield for that purpose.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	Pepper
Barkley	Hill	Reed
Brewster	Hoey	Revercomb
Bricker	Holland	Robertson, Va.
Bridges	Ives	Robertson, Wyo.
Brooks	Jenner	Russell
Bushfield	Johnson, Colo.	Saltonstall
Butler	Johnston, S. C.	Smith
Byrd	Kem	Sparkman
Cain	Kilgore	Stewart
Capehart	Knowland	Taft
Capper	Lodge	Taylor
Chavez	Lucas	Thomas, Okla.
Connally	McCarthy	Thye
Cooper	McClellan	Tobey
Cordon	McFarland	Tydings
Donnell	McGrath	Umstead
Downey	McKellar	Vandenberg
Dworshak	McMahon	Wagner
Ecton	Magnuson	Watkins
Ellender	Malone	Wherry
Ferguson	Martin	White
Flanders	Maybank	Wiley
Fulbright	Millikin	Williams
George	Moore	Wilson
Green	Morse	Young
Gurney	Murray	
Hatch	Myers	

Mr. WHERRY. I announce that the Senator from Delaware [Mr. BUCK] is necessarily absent, and the Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Nevada [Mr. MCCARRAN], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Wyoming [Mr. O'MAHONEY] is necessarily absent.

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

The Senator from Colorado [Mr. MILLIKIN] has the floor.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine and other business was transacted:

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"Senate Joint Resolution 6

"Joint resolution memorializing and petitioning the President and Congress of the United States to pass appropriate legislation to enable veterans who obtained guaranteed loans prior to December 28, 1945, to come within provisions of Public Law 268

"Whereas the Seventy-eighth Congress of the United States passed Public Law 346 cited as Servicemen's Readjustment Act of 1944, a section of which enabled veterans to obtain loans for the purchase of homes, farms and business property, which loans were guaranteed up to 50 percent by the Veterans' Administration provided the aggregate amounts did not exceed $2,000, with an interest rate not exceeding 4 percent per annum, as provided in title III, chapter V, of said law; and

"Whereas the Seventy-ninth Congress passed Public Law 268, an amendment to the Servicemen's Readjustment Act of 1944, which among other amendments, provided the guaranty up to 50 percent by the Government on veterans' loans for homes, farms, and business, provided that the aggregate amount guaranteed shall not exceed $2,000 in case of non-real-estate loans, nor $4,000 in case of real-estate loans; or a prorated portion on loans of both types or combinations thereof, with an interest rate not exceeding 4 percent per annum, as provided in title III, chapter V, of said law; and

"Whereas no provision was made for veterans who obtained such loans prior to the aforesaid amendment to take advantage of the increased Government guaranty and more liberal interest rate: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California (jointly), That the President and the Congress of the United States are hereby respectfully memorialized and requested to take such steps as may be necessary by legislation or otherwise, to enable all veterans to have the opportunity of coming within the provisions of the aforesaid amendment; and be it further

"Resolved, That the secretary of the senate prepare and transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Lands:

"Senate Joint Resolution 17

"Joint resolution relative to the development of deposits of mineral ores in the United States

"Whereas the discovery and development of mineral ores has been a major factor in the industrial growth of the western portion of the United States; and

"Whereas although many surveys and other works have been accomplished by men of ability and integrity in the United States Geological Survey and the Bureau of Mines, it remains a fact that the mineral resources of this country have been discovered and developed largely by the adventurous resident population of these Western States, their efforts having been spurred on under our traditional mining laws by the knowledge that discovery of ore deposits on the public domain could lead to ownership and development of the deposit by the discoverer; and

"Whereas in recent years the policy of the Department of the Interior has been to modify this traditional right to enter upon the public domain for the purpose of search for and discovery of ore deposits, and to restrict the right of development by the discoverer to a mere leasehold from the Government; and

"Whereas this policy is inimical to the development of the Western States in that it robs the individual mining man of his incentive to undergo the hardships and privations incident to discovery and development of the ore deposits which under private ownership create new wealth and develop the community, and instead builds up in the Government of the United States an absentee landlordism in powerful bureaucratic authority contrary to democratic government and the American way of life; and

"Whereas depletion of known ore deposits progressed rapidly during the unprecedented production of the war years, and it is now imperative that new ore deposits be discovered and developed immediately: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the President of the United States and the Secretary of the Interior are hereby memorialized to abandon the policy of prohibiting entry upon large areas of the public domain, and to abandon also the policy of restricting to leasing right only the development of ore deposits discovered on the public domain, and to follow the intent of Congress as expressed in the traditional mining laws of the United States, by encouraging entry upon the public domain for the purpose of searching for ore deposits, and giving assurance that the discoverer of such ore deposits may acquire title and develop such deposits under private ownership; all to the end that the greatest possible impetus may be given to the search for new ore deposits and the most rapid development of such properties, in order that needed deposits may early be made available for industrial use throughout the United States and that throughout the western United States new and stable communities may continue to grow up in the course of development of such properties, to the greater development of California and the other Western States, to the strengthening of our democratic way of life, and to the enrichment of the whole United States; and be it further

"Resolved, That the secretary of the senate transmit copies of this resolution to the President of the United States, to the Secretary of the Interior, to the President pro tempore of the United States Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from the State of California in the Congress of the United States."

A petition of the members of the Tampa (Fla.) Townsend Club, No. 3, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

By Mr. CAPPER:

A petition signed by 423 citizens of San Juan, Puerto Rico, praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAYBANK, from the Committee on Banking and Currency:

S. 1230. A bill to amend sections 2 (a) and 603 (a) of the National Housing Act, as amended; without amendment (Rept. No. 195).

INCREASE IN EXPENDITURES OF COMMITTEE ON RULES AND ADMINISTRATION

Mr. BROOKS. Mr. President, I report favorably from the Committee on Rules and Administration Senate Resolution 114, submitted on May 19 by me. The resolution is reported unanimously by the committee, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The clerk will read the resolution for the information of the Senate.

The legislative clerk read the resolution, as follows:

Resolved, That the limit of expenditures authorized under Senate Resolution 54, Eightieth Congress, agreed to January 17, 1947 (authorizing the expenditure of funds and the employment of assistants by the Committee on Rules and Administration in carrying out the duties imposed upon it by subsection (o) (1) (D) of rule XXV of the Standing Rules of the Senate), is hereby increased by $85,000.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. BARKLEY. Reserving the right to object, may I ask the Senator whether the report from the Committee on Rules and Administration is unanimous?

Mr. BROOKS. It is unanimous.

Mr. BARKLEY. As I understand, it provides additional funds in connection with some duties in regard to contested elections?

Mr. BROOKS. The Senator is correct.

Mr. BARKLEY. I have no objection.

There being no objection, the resolution was considered and agreed to.

CROP INSURANCE—REPORT OF A COMMITTEE

Mr. AIKEN, from the Committee on Expenditures in the Executive Departments, submitted a report (No. 196) and recommendations on the audit report of the Comptroller General of the Federal Crop Insurance Corporation for the fiscal year ended June 30, 1945.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON:

S. 1323. A bill to exclude certain lands from becoming a part of the Colville Indian Reservation; to the Committee on Public Lands.

By Mr. SALTONSTALL:

S. 1324. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; to the Committee on Civil Service.

By Mr. WILEY:

S. 1325. A bill to encourage employment of veterans with pensionable or compensable service-connected disabilities through Fed-

eral reimbursement to any employer, insurer, or fund, of amounts of workmen's compensation paid on account of disability or death arising out of such employment; to the Committee on Finance.

By Mr. AIKEN (for himself and Mr. McCLELLAN):

S. 1326. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture and Forestry.

By Mr. MORSE:

S. 1327. A bill to provide automobiles and other conveyances for disabled veterans; to the Committee on Labor and Public Welfare.

S. 1328. A bill to increase the number of copies of the daily CONGRESSIONAL RECORD furnished to the Vice President and each Senator; to the Committee on Rules and Administration.

By Mr. THOMAS of Utah (for himself and Mr. LODGE):

S. J. Res. 117. Joint resolution providing for acceptance by the United States of America of the constitution of the International Labor Organization instrument of amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States; to the Committee on Foreign Relations.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 261. An act conferring jurisdiction upon the District Court of the United States for the Northern District of California, Northern Division, to hear, determine, and render judgment upon the claims of all persons for reimbursement for damages and losses sustained as a result of a flood which occurred in December 1937 in levee district No. 10, Yuba County, Calif.;

H. R. 408. An act for the relief of Lawson Ashby; Mrs. Ora Ashby; and Lawson Ashby, the legal guardian of Betty Mae Ashby, a minor; Darrel Ashby, a minor; Kenneth Ashby, a minor; and Vernon Ashby, a minor;

H. R. 436. An act for the relief of Roger Edgar Lapierre;

H. R. 651. An act for the relief of the estate of Rubert W. Alexander;

H. R. 836. An act for the relief of Mrs. Augusta McCall;

H. R. 888. An act for the relief of certain owners of land who suffered loss by fire in Lake Landing Township, Hyde County, N. C.;

H. R. 893. An act for the relief of Myron R. Leard;

H. R. 984. An act for the relief of A. J. Crozat, Jr.;

H. R. 989. An act for the relief of the estate of Mathew C. Cowley, deceased, and the estate of Louisa Cowley, deceased;

H. R. 1408. An act for the relief of August W. Dietz;

H. R. 1513. An act for the relief of John C. Garrett;

H. R. 1523. An act for the relief of the estate of Marion S. Griggs, deceased;

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R. 1586. An act for the relief of Mrs. Leslie Price, Philip C. Price, Mrs. Louise Keyton, Annie Curry, and James Curry; and

H. R. 2915. An act for the relief of Mrs. Frederick Faber Wesche (formerly Ann Maureen Bell); to the Committee on the Judiciary.

H. R. 3493. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ANNOUNCEMENT OF ST. LAWRENCE SEAWAY HEARINGS

Mr. WILEY. Mr. President, a week from today, May 28, in the Senate Office Building caucus room, a subcommittee of the Senate Foreign Relations Committee, consisting of Senators SMITH, HICKENLOOPER, THOMAS of Utah, and HATCH, and myself as chairman, will open hearings on the St. Lawrence seaway project, Senate Joint Resolution 11, which was introduced by the Senator from Michigan [Mr. VANDENBERG] on behalf of himself and 15 other Senators, including myself.

Prior hearings on this very subject before the Foreign Relations Committee were held in 1933 and 1946. In the latter years they covered 1,400 printed pages of testimony. In 1941 the House Rivers and Harbors Committee held hearings on this subject, and they covered 2,400 pages of testimony. The issues of the seaway project have been long and widely debated in public forums and the press.

In view of this extensive consideration of the matter, I feel that it is unnecessary and inadvisable to rehash the issues already discussed, to go over ground that has already been covered, and to waste thereby the precious time of legislators and of witnesses, as well as to expend the money of taxpayers.

PHASES NOW TO BE CONSIDERED

I have, therefore, indicated that the hearings will be confined largely, until the subcommittee determines otherwise, to two phases of the legislation:

(a) The self-liquidation phase; and

(b) The national defense phase.

Under (a) there will be considered that entirely new provision of the bill which provides for placing the project on a self-sustaining basis by tolls on vessels using it, which are to defray the costs of operation, maintenance, repairs, and interest, so that the project will not be a burden on the taxpayer. The subcommittee will secure the most accurate statistics and estimates available from the finest type of engineering personnel and other qualified experts as to the currently expected cost of the project, the expected traffic, and related matters.

NATIONAL DEFENSE

Under (b), the national defense part, I expect testimony to develop, for instance, for the affirmative, which will demonstrate that this project is necessary, in this atomic age, as a means of national security. Included in this matter is the question of the ore and power facilities that will be vital in this age to furnish matériel for our armed forces, as well as our private needs.

IMPARTIAL TREATMENT OF BILL

Mr. President, I am a cosponsor of the bill, but I want to make it absolutely clear that the subcommittee is going to seek light on this matter with complete impartiality, and with complete equality of opportunity afforded to both sides of the controversy.

I feel that it is necessary, however, that we take as short a time as possible in evaluating this legislation, and that we then report it to the full committee, and I trust soon thereafter to the full Senate, in order that, if it is at all possible, the Senate may take action on it one way or another at this session.

The Senate of the Eightieth Congress I believe is confronted, in this issue, with a challenge to show how speedily and adequately it can handle a long-standing, much-debated problem.

INVITATION OF WITNESSES

I, therefore, invite all those of my colleagues and others who may be interested in testifying on this subject, and specifically on the two phases which I have mentioned above, to communicate with this subcommittee of the Foreign Relations Committee. The testimony will, as I have indicated, however, be strictly limited in time—15 minutes, usually, at the most—and limited in nature. All witnesses will be asked to confine their remarks to concise, factual presentations, with as few generalities as possible, and as much statistical support as possible.

We expect to hear orally from very prominent witnesses from Federal, State, and local governments, as well as from private life.

I am issuing invitations to many of those who cannot be heard in the hearings, but who have previously indicated an interest in this subject, to convey to me briefly in writing their current views on the project, particularly on the two phases of it that I have specified above. I regret that all the well-qualified individuals who are deeply interested in this legislation will not have the opportunity to be heard because of the time limitation we are placing on the hearings, but I am sure that they will understand the reasons therefor in the public interest.

Mr. WHITE subsequently said: Mr. President, I wish to say a very brief word in response to what the Senator from Wisconsin [Mr. WILEY] has said in the way of notice to Members of the Senate. I can only gather from his statement that it is the purpose of the majority of a subcommittee of the Senate Foreign Relations Committee to make short shrift in the hearings of any opposition there may be. We have been told in effect that we are to be limited in time, and we are told in effect that we are to be limited in our interrogations of those who may be in favor of this new proposal and as to the substance of testimony which may be offered by those opposed to this waterway project.

I want this to be a matter of protest from me as to any such proceeding. I think a Senator of the United States on a question of this importance has a right to have something to say about the testimony that shall be taken before a committee. I think a Senator of the United States has a right to express his views before a committee. We should not in this arbitrary manner and in advance of any meeting where the matter has been discussed by the full committee be advised of the proposed limitations. I think there is no possible justification for the notice which has just been given to the Senate and to those of us who hold contrary views about this hearing

PRESENTATION OF AWARD TO J. EDGAR HOOVER

Mr. FERGUSON. Mr. President, Mr. G. A. Richards, president of radio stations WJR, Detroit; WGAR, Cleveland; and KMPC, of Los Angeles, yesterday announced the presentation in Washington of the G. A. Richards 1946 WJR good will award for the outstanding speech on Americanism broadcast on the radio, to Mr. J. Edgar Hoover, Director of the FBI.

In conferring this award on Mr. Hoover in Washington, Mr. Richards observed that the address delivered by Mr. Hoover at the annual convention of the American Legion in San Francisco on September 30, 1946, struck the keynote of the day in building the defenses of Americanism against the insidious advances of communism which have penetrated our shores.

Mr. Hoover, in accepting the award, commended Mr. Richards for his civic consciousness and his desire to focus widespread public attention upon the theme of Americanism and the responsibilities of citizenship.

I think Mr. Richards is to be commended for establishing the G. A. Richards award, to be conferred annually on the American citizen who makes the outstanding radio speech on the subject of Americanism and the preservation of our constitutional form of government, to which principles, of course, he and his stations are dedicated. In addition to the award for the outstanding speech on Americanism, he advises us that in the future awards will be made for speeches selected by a board of judges which will be announced later, to receive second, third, fourth, and fifth recognition. Besides the plaques, the awards in the future will consist of cash prizes.

Mr. President, I know that all Members of the Senate have read the two addresses delivered by Mr. Hoover. I certainly hope that every citizen, and particularly those of school age and in our colleges will read these outstanding speeches on Americanism as Mr. Hoover sees it. I agree with what Mr. Hoover stated in them.

THE REPUBLICAN PARTY TODAY—ADDRESS BY SENATOR GREEN

[Mr. McGRATH asked and obtained leave to have printed in the RECORD a radio address entitled "The Republican Party Today—A Reply to the Chairman of the Republican National Committee," delivered by Senator GREEN at Providence, R. I., on May 19, 1947, which appears in the Appendix.]

ADDRESS BY THE CHIEF JUSTICE AT PRESENTATION OF INTERNATIONAL HUMANITARIAN AWARD TO JAMES F. BYRNES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD the address delivered by the Chief Justice of the United States on the occasion of the presentation to former Secretary of State Byrnes of the Variety Club International's humanitarian award, which appears in the Appendix.]

WHAT LABOR WANTS—ARTICLE FROM THE AMERICAN LEGION MAGAZINE BY DAVE BECK

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article entitled "What Labor Wants," by Dave Beck, appearing in the American Legion Magazine for May 1947, which appears in the Appendix.]

THE WEST IN REVOLT—EDITORIAL FROM THE RALEIGH (N. C.) NEWS AND OBSERVER

[Mr. HATCH asked and obtained leave to have printed in the RECORD an editorial entitled "The West in Revolt," published in the May 10, 1947, issue of the Raleigh (N. C.) News and Observer, which appears in the Appendix.]

THE HOUSE AND SENATE LABOR BILLS—ARTICLE BY DONALD R. RICHBERG

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "The House and Senate Labor Bills," by Donald R. Richberg, published in the May 15, 1947, issue of the Washington Daily News, which appears in the Appendix.]

FOOD PRICES—EDITORIAL FROM THE BOSTON POST

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "Why Food Stays High," published in the Boston Post, which appears in the Appendix.]

JUVENILE DELINQUENCY: ITS CAUSE AND CURE—ADDRESS BY HERBERT GARRETT, JR.

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an address entitled "Juvenile Delinquency: Its Cause and Cure," delivered by Herbert Garrett, Jr., of Woodruff, S. C., in the South Carolina speech contest of the Knights of Pythias, which appears in the Appendix.]

BOARD OF VISITORS TO THE COAST GUARD ACADEMY

Mr. WHITE. Mr. President, under authority of the standing rules of the Senate, some days ago I appointed, acting as chairman of the Committee on Interstate Commerce, two Senators as a Board of Visitors to the Coast Guard Academy at New London. Because of the pendency of the present tax bill and its importance and its interest to all Members of the Senate, the Senators designated by me find it impossible to go at the time originally contemplated. I am giving notice that by arrangement with those two Senators, they will visit the Coast Guard Academy, in their capacity as a Board of Visitors, at a later time, to be arranged.

NATIONAL SCIENCE FOUNDATION—MAGNUSON-FULBRIGHT AMENDMENT

Mr. MAGNUSON. Mr. President, I desire, for the information of the Senate, to submit a brief statement regarding a matter that took place yesterday. At that time, I submitted an amendment to the bill passed yesterday by the Senate, the amendment relating to the appointment of the so-called Director of the National Science Foundation. The amendment contained a provision that the Director might be removed by the President or the Foundation.

The amendment was originally submitted in that manner, but, before its actual presentation, I went to the distinguished Senator from New Jersey and said that I was first going to attempt to submit the amendment with the words "or the Foundation" stricken from the amendment. That meant that the Director would be removable by the President. There were two copies of the amendment at the desk, one a carbon copy and the other an original, which included the three words "or the Foundation." I took the carbon copy and submitted that. That was the copy that was read by the clerk, and that was the copy obviously that today's RECORD shows was voted on by the Senate.

About 5 minutes later, while I was busy, the Senator from Wyoming [Mr. ROBERTSON] asked that the amendment be read again, but I did not hear his request. Inadvertently, the clerk read the original copy, which included the words "or the Foundation." The Senator from West Virginia changed his vote upon finding those words to be in the amendment; and I am sure that but for the confusion which existed in the Senate at that time, during the vote, probably the Senator from New Jersey himself would have voted against the amendment.

I regret what happened, but I intended to submit the original amendment, omitting the three words. The amendment in that form was submitted, and that is what was voted on by the Senate. I merely wanted to make this explanation.

Mr. REVERCOMB. Mr. President, the Senator from Washington [Mr. MAGNUSON] has called the attention of the Senate to a situation which arose yesterday during consideration of and voting on the National Science Foundation bill. As stated by him, the vote which concerns the situation I now speak of had to do with the method of appointing the Director. The amendment as originally drawn and offered by the Senator from Washington provided that the Director could be removed by the President or the Foundation. The Senator from Washington struck out the words "or the Foundation," leaving the removal of the Director solely within the discretion and power of the President. I am informed there were two copies of the amendment at the desk, one copy not containing the deletion of the words "or the Foundation." When the amendment was read the second time and prior to the vote, through a mistake it was read containing the words "or the Foundation." The President pro tempore will recall that I changed my vote. I voted in favor of that amendment at first because I believed that when I voted it contained the power in the Foundation to remove the Director. Before the vote was announced I was advised of the change that had been made in the amendment, and I changed my vote.

I make this statement, Mr. President, because I feel that other Senators—in fact one so stated to me this morning—voted on the amendment under the misapprehension that the words "or the Foundation" were still in the amendment. I think the RECORD ought to be clear upon the subject. For that reason, I make the statement at this time.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. REVERCOMB. I yield.

Mr. FERGUSON. Has the Senator considered a motion to reconsider first the bill, and then the vote by which the amendment was agreed to?

Mr. REVERCOMB. I have considered it, and desire to take up the question later, if it is proper to do so.

Mr. FERGUSON. Does not the rule require that a motion for reconsideration be made the following day?

Mr. REVERCOMB. That is a question about which I wish to inquire.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FERGUSON. What is the time limit within which a motion to reconsider may be filed in the ordinary course?

The PRESIDENT pro tempore. The motion may be made today or tomorrow, under the rule.

Mr. SMITH. Mr. President, following up what the distinguished Senator from West Virginia has said, I should like to state that I have talked with several Members of the Senate this morning. I myself was laboring under a misapprehension as to the words in controversy yesterday. Had I known that the words "or the Foundation" were definitely out of the amendment I would have voted differently than I did. Had it not been for the fact that my vote as a sponsor of the bill was determinative of that question I would not raise the point now; but it is a fact that if I had been informed, as I should have been, I would have voted differently. I am not trying to evade any responsibility. I should have known what I was voting on. However, the fact remains that without the discretion in the Foundation I would not have voted for the amendment. Therefore, I shall move that the vote be reconsidered. I am advised that I must first move that the vote by which the bill was passed be reconsidered and then move to reconsider the vote on this particular amendment. I ask the parliamentary question whether the motion is in order. If so, as a proponent of the bill, I am glad to make both motions.

The PRESIDENT pro tempore. The motion is privileged and is in order. The Senator can enter the motion and call it up later or he can pursue the subject now.

Mr. SMITH. I prefer to enter the motion now and call it up later, because I do not wish to interfere with the Senator from Colorado [Mr. MILLIKIN] in the matter which he is to present to the Senate today. I wish to enter the motion and call it up later.

The PRESIDENT pro tempore. The motion will be entered.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. What is the motion?

The PRESIDENT pro tempore. The motion is to reconsider the vote on the passage of the National Science Foundation bill for the purpose, as the Chair understands, of subsequently moving to reconsider the vote by which the so-called Magnuson-Fulbright amendment was agreed to.

Mr. LUCAS. Was not a motion made to reconsider the vote on the very amendment we are discussing, and was not a motion to lay on the table the motion to reconsider agreed to? I make the inquiry whether, in connection with a motion to reconsider the vote by which the bill was passed, it is in order to move to reconsider the vote on an amendment with respect to which a motion to reconsider was laid on the table.

The PRESIDENT pro tempore. The Chair is unable to answer the Senator's question until he consults the RECORD to see precisely what happened.

Mr. LUCAS. As I recall, I made a motion to reconsider the vote as the result of a division, with respect to this very amendment. Then there was a yea-and-nay vote on the amendment, and it was agreed to. I made a motion to reconsider that vote, and that motion was laid on the table. After that the bill was passed, and no motion was made to reconsider it after it was passed. I think I am correct. If so, I make a point of order against the reconsideration of any amendment with respect to which a motion to reconsider was laid on the table.

The PRESIDENT pro tempore. The Chair understands that the Senator from New Jersey is not pursuing the matter at the present time. He is merely entering the motion. The Chair wishes to consult the RECORD at first hand before passing upon the question raised by the Senator from Illinois. The Chair will do so, and rule later.

Mr. HILL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HILL. Do I correctly understand that the Senator from New Jersey has entered a motion to reconsider the vote by which the National Science Foundation bill was passed?

The PRESIDENT pro tempore. The Senator is correct.

The PRESIDENT pro tempore subsequently said: The Chair is now prepared to rule on the point of order raised by the Senator from Illinois [Mr. LUCAS]. The Chair has examined the RECORD, and finds that no motion to table occurred in connection with the treatment of the Magnuson-Fulbright amendment. The history of the situation is as follows:

The Magnuson-Fulbright amendment was disagreed to by the Senate on a division. The Senator from Illinois moved to reconsider the vote, which motion was agreed to by a vote of 40 to 39. The question then recurred on agreement to the amendment, and the Senate agreed to the Magnuson-Fulbright amendment by a vote of 42 to 41. That is the end of the RECORD with respect to that amendment. Therefore there was no motion to lay on the table involved in the record of the Magnuson-Fulbright amendment.

Mr. LUCAS. Mr. President, the able Presiding Officer is correct. I have consulted the RECORD. My motion to lay on the table was in connection with the vote on a division. It was not made following the yea-and-nay vote. The Chair is quite correct.

Mr. McFARLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McFARLAND. How many times can the Senate reconsider a question?

The PRESIDENT pro tempore. Only once.

Mr. McFARLAND. Has not this question been reconsidered once?

The PRESIDENT pro tempore. Not this amendment.

Mr. McFARLAND. As I understand, the amendment was reconsidered. It was lost on a division.

The PRESIDENT pro tempore. The vote which was reconsidered was the vote by which the amendment was rejected. The vote by which the amendment was agreed to has never been reconsidered.

REDUCTION OF INDIVIDUAL INCOME TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income tax payments.

Mr. MILLIKIN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the bill, House bill 1, showing the Senate committee amendments, followed by the report of the Senate Committee on Finance.

There being no objection, the bill and report (No. 173) were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Individual Income Tax Reduction Act of 1947."

SEC. 2. Reduction in normal tax and surtax on individuals.

(a) Reduction in normal tax on individuals: Section 11 of the Internal Revenue Code (relating to the normal tax on individuals) is hereby amended to read as follows:

"SEC. 11. Normal tax on individuals.

"There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax determined by computing a tentative normal tax of 3 percent of the amount of the net income in excess of the credits against net income provided in section 25, and by reducing such tentative normal tax as provided in section 12 (g). For alternative tax which may be elected if adjusted gross income is less than $5,000, see Supplement T."

(b) Reduction in surtax on individuals: Section 12 (b) of the Internal Revenue Code (relating to the rate of surtax on individuals) is hereby amended by striking out "by 5 percent thereof" and inserting in lieu thereof "as provided in subsection (g) of this section."

(c) Reduction of tentative normal tax and tentative surtax: Section 12 (g) of the Internal Revenue Code is hereby amended to read as follows:

"(g) Reduction of tentative normal tax and tentative surtax.—

"(1) In the case of taxable years beginning after December 31, 1947, the combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

If the aggregate is:	The reduction shall be:
Not over $200	33⅓ percent of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $50,000.	24 percent of the aggregate.
Over $50,000 but not over $250,000.	$12,000, plus 19¼ per cent of excess over $50,000.
Over $250,000	$50,500, plus 15 percent of excess over $250,000.

In no event shall the combined normal tax and surtax exceed 76½ percent of the net income of the taxpayer for the taxable year.

"(2) In the case of taxable years beginning in 1947, the combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

If the aggregate is:	The reduction shall be:
Not over $200	19¼ percent of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $50,000.	14½ percent of the aggregate.
Over $50,000 but not over $250,000.	$7,250 plus 12 percent of excess over $50,000.
Over $250,000	$31,250 plus 10 percent of excess over $250,000.

In no event shall the combined normal tax and surtax exceed 81 percent of the net income of the taxpayer for the taxable year.

"(3) Whenever it is necessary to ascertain the normal tax and the surtax separately, the surtax shall be an amount which is the same proportion of the combined normal tax and surtax as the tentative surtax is of the aggegate of the tentative normal tax and tentative surtax; and the normal tax shall be the remainder of such combined normal tax and surtax.

"(4) In the application of this subsection, the combined normal tax and surtax shall be computed without regard to the credits provided in sections 31, 32, and 35."

(d) Taxable years to which applicable: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1946. For treatment of taxable years beginning in 1946 and ending in 1947, or beginning in 1947 and ending in 1948, see section 6.

SEC. 3. Individuals with adjusted gross incomes of less than $5,000.

(a) In general: Section 400 of the Internal Revenue Code (relating to optional tax on individuals with adjusted gross incomes of less than $5,000) is hereby amended to read as follows:

"SEC. 400. Imposition of tax.

"In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to pay the tax imposed by this supplement for such year, a tax as follows:

"Taxable years beginning after 1947

If adjusted gross income is—		And the number of exemptions is—					If adjusted gross income is—		And the number of exemptions is—								
At least	But less than	1	2	3	4	5 or more	At least	But less than	1	2	3	4	5	6	7	8	9 or more
		The tax shall be—							The tax shall be—								
$0	$550	$0	$0	$0	$0	$0	$2,275	$2,300	$237	$145	$74	$8	$0	$0	$0	$0	$0
550	575	1	0	0	0	0	2,300	2,325	240	149	77	11	0	0	0	0	0
575	600	4	0	0	0	0	2,325	2,350	244	154	80	14	0	0	0	0	0
600	625	7	0	0	0	0	2,350	2,375	247	158	83	17	0	0	0	0	0
625	650	10	0	0	0	0	2,375	2,400	251	163	86	20	0	0	0	0	0
650	675	13	0	0	0	0	2,400	2,425	254	167	89	23	0	0	0	0	0
675	700	16	0	0	0	0	2,425	2,450	257	172	92	26	0	0	0	0	0
700	725	19	0	0	0	0	2,450	2,475	261	176	95	29	0	0	0	0	0
725	750	22	0	0	0	0	2,475	2,500	264	181	98	32	0	0	0	0	0
750	775	25	0	0	0	0	2,500	2,525	268	185	101	35	0	0	0	0	0
775	800	28	0	0	0	0	2,525	2,550	271	190	104	38	0	0	0	0	0
800	825	31	0	0	0	0	2,550	2,575	275	194	107	41	0	0	0	0	0
825	850	34	0	0	0	0	2,575	2,600	278	199	110	44	0	0	0	0	0
850	875	37	0	0	0	0	2,600	2,625	281	203	113	47	0	0	0	0	0
875	900	40	0	0	0	0	2,625	2,650	285	208	116	50	0	0	0	0	0
900	925	43	0	0	0	0	2,650	2,675	288	212	119	53	0	0	0	0	0
925	950	46	0	0	0	0	2,675	2,700	292	216	122	56	0	0	0	0	0
950	975	49	0	0	0	0	2,700	2,725	295	219	125	59	0	0	0	0	0
975	1,000	52	0	0	0	0	2,725	2,750	298	222	128	62	0	0	0	0	0
1,000	1,025	55	0	0	0	0	2,750	2,775	302	226	131	65	0	0	0	0	0
1,025	1,050	58	0	0	0	0	2,775	2,800	305	229	135	68	1	0	0	0	0
1,050	1,075	61	0	0	0	0	2,800	2,825	309	233	139	71	4	0	0	0	0
1,075	1,100	64	0	0	0	0	2,825	2,850	313	236	144	74	7	0	0	0	0
1,100	1,125	67	0	0	0	0	2,850	2,875	317	240	148	77	10	0	0	0	0
1,125	1,150	70	3	0	0	0	2,875	2,900	321	243	153	80	13	0	0	0	0
1,150	1,175	73	6	0	0	0	2,900	2,925	324	246	157	83	16	0	0	0	0
1,175	1,200	76	9	0	0	0	2,925	2,950	328	250	162	86	19	0	0	0	0
1,200	1,225	79	12	0	0	0	2,950	2,975	332	253	166	89	22	0	0	0	0
1,225	1,250	82	15	0	0	0	2,975	3,000	336	257	171	92	25	0	0	0	0
1,250	1,275	85	18	0	0	0	3,000	3,050	341	262	178	96	30	0	0	0	0
1,275	1,300	88	21	0	0	0	3,050	3,100	349	269	187	102	36	0	0	0	0
1,300	1,325	91	24	0	0	0	3,100	3,150	356	276	196	108	42	0	0	0	0
1,325	1,350	94	27	0	0	0	3,150	3,200	364	282	205	114	48	0	0	0	0
1,350	1,375	97	30	0	0	0	3,200	3,250	371	289	213	120	54	0	0	0	0
1,375	1,400	100	33	0	0	0	3,250	3,300	379	296	220	126	60	0	0	0	0
1,400	1,425	103	36	0	0	0	3,300	3,350	386	303	227	132	66	0	0	0	0
1,425	1,450	106	39	0	0	0	3,350	3,400	394	310	234	141	71	5	0	0	0
1,450	1,475	109	42	0	0	0	3,400	3,450	401	318	241	150	77	11	0	0	0
1,475	1,500	112	45	0	0	0	3,450	3,500	409	325	247	159	83	17	0	0	0
1,500	1,525	115	48	0	0	0	3,500	3,550	416	333	254	168	89	23	0	0	0
1,525	1,550	118	51	0	0	0	3,550	3,600	424	340	261	177	95	29	0	0	0
1,550	1,575	121	54	0	0	0	3,600	3,650	431	348	268	186	101	35	0	0	0
1,575	1,600	124	57	0	0	0	3,650	3,700	439	355	275	195	107	41	0	0	0
1,600	1,625	127	60	0	0	0	3,700	3,750	447	363	282	204	113	47	0	0	0
1,625	1,650	130	63	0	0	0	3,750	3,800	454	370	288	212	119	53	0	0	0
1,650	1,675	133	66	0	0	0	3,800	3,850	462	378	295	219	125	59	0	0	0
1,675	1,700	137	69	2	0	0	3,850	3,900	469	386	302	226	131	65	0	0	0
1,700	1,725	141	72	5	0	0	3,900	3,950	477	393	309	233	140	71	4	0	0
1,725	1,750	146	75	8	0	0	3,950	4,000	484	401	317	240	149	77	10	0	0
1,750	1,775	150	78	11	0	0	4,000	4,050	492	408	324	247	158	83	16	0	0
1,775	1,800	155	81	14	0	0	4,050	4,100	499	416	332	253	167	89	22	0	0
1,800	1,825	159	84	17	0	0	4,100	4,150	507	423	340	260	176	95	28	0	0
1,825	1,850	164	87	20	0	0	4,150	4,200	514	431	347	267	185	101	34	0	0
1,850	1,875	168	90	23	0	0	4,200	4,250	522	438	355	274	194	107	40	0	0
1,875	1,900	173	93	26	0	0	4,250	4,300	529	446	362	281	203	113	46	0	0
1,900	1,925	177	96	29	0	0	4,300	4,350	537	453	370	288	212	119	52	0	0
1,925	1,950	182	99	32	0	0	4,350	4,400	544	461	377	295	219	125	58	0	0
1,950	1,975	186	102	35	0	0	4,400	4,450	552	468	385	301	225	131	64	0	0
1,975	2,000	191	105	38	0	0	4,450	4,500	559	476	392	309	232	139	70	4	0
2,000	2,025	195	108	41	0	0	4,500	4,550	567	483	400	316	239	148	76	10	0
2,025	2,050	200	111	44	0	0	4,550	4,600	574	491	407	324	246	157	82	16	0
2,050	2,075	204	114	47	0	0	4,600	4,650	582	498	415	331	253	166	88	22	0
2,075	2,100	209	117	50	0	0	4,650	4,700	589	506	422	339	260	175	94	28	0
2,100	2,125	213	120	53	0	0	4,700	4,750	597	513	430	346	266	184	100	34	0
2,125	2,150	216	123	56	0	0	4,750	4,800	605	521	437	354	273	193	106	40	0
2,150	2,175	220	126	59	0	0	4,800	4,850	612	528	445	361	280	202	112	46	0
2,175	2,200	223	129	62	0	0	4,850	4,900	620	536	452	369	287	211	118	52	0
2,200	2,225	227	132	65	0	0	4,900	4,950	627	544	460	376	294	218	124	58	0
2,225	2,250	230	136	68	2	0	4,950	5,000	635	551	467	384	301	225	130	64	0
2,250	2,275	234	140	71	5	0											

"Taxable years beginning in 1947

If adjusted gross income is—		And the number of exemptions is—				If adjusted gross income is—		And the number of exemptions is—								
At least	But less than	1	2	3	4 or more	At least	But less than	1	2	3	4	5	6	7	8	9 or more
		The tax shall be—						The tax shall be—								
$0	$550	$0	$0	$0	$0	$2,225	$2,250	$259	$164	$83	$2	$0	$0	$0	$0	$0
550	575	1	0	0	0	2,250	2,275	263	169	87	6	0	0	0	0	0
575	600	5	0	0	0	2,275	2,300	267	173	90	9	0	0	0	0	0
600	625	8	0	0	0	2,300	2,325	270	178	94	13	0	0	0	0	0
625	650	12	0	0	0	2,325	2,350	274	182	98	17	0	0	0	0	0
650	675	16	0	0	0	2,350	2,375	278	187	101	20	0	0	0	0	0
675	700	19	0	0	0	2,375	2,400	282	191	105	24	0	0	0	0	0
700	725	23	0	0	0	2,400	2,425	286	196	108	28	0	0	0	0	0
725	750	26	0	0	0	2,425	2,450	290	200	112	31	0	0	0	0	0
750	775	30	0	0	0	2,450	2,475	293	205	116	35	0	0	0	0	0
775	800	34	0	0	0	2,475	2,500	297	209	119	39	0	0	0	0	0
800	825	37	0	0	0	2,500	2,525	301	214	123	42	0	0	0	0	0
825	850	41	0	0	0	2,525	2,550	305	218	127	46	0	0	0	0	0
850	875	45	0	0	0	2,550	2,575	309	223	130	49	0	0	0	0	0
875	900	48	0	0	0	2,575	2,600	313	227	134	53	0	0	0	0	0
900	925	52	0	0	0	2,600	2,625	317	231	137	57	0	0	0	0	0
925	950	56	0	0	0	2,625	2,650	320	235	141	60	0	0	0	0	0
950	975	59	0	0	0	2,650	2,675	324	239	145	64	0	0	0	0	0
975	1,000	63	0	0	0	2,675	2,700	328	243	148	68	0	0	0	0	0
1,000	1,025	66	0	0	0	2,700	2,725	332	246	152	71	0	0	0	0	0
1,025	1,050	70	0	0	0	2,725	2,750	336	250	156	75	0	0	0	0	0
1,050	1,075	74	0	0	0	2,750	2,775	340	254	159	79	0	0	0	0	0
1,075	1,100	77	0	0	0	2,775	2,800	344	258	163	82	1	0	0	0	0
1,100	1,125	81	0	0	0	2,800	2,825	348	262	168	86	5	0	0	0	0
1,125	1,150	85	4	0	0	2,825	2,850	352	266	172	89	9	0	0	0	0
1,150	1,175	88	7	0	0	2,850	2,875	356	270	177	93	12	0	0	0	0
1,175	1,200	92	11	0	0	2,875	2,900	361	273	181	97	16	0	0	0	0
1,200	1,225	95	15	0	0	2,900	2,925	365	277	186	100	20	0	0	0	0
1,225	1,250	99	18	0	0	2,925	2,950	369	281	190	104	23	0	0	0	0
1,250	1,275	103	22	0	0	2,950	2,975	373	285	195	108	27	0	0	0	0
1,275	1,300	106	26	0	0	2,975	3,000	378	289	199	111	30	0	0	0	0
1,300	1,325	110	29	0	0	3,000	3,050	384	295	206	117	36	0	0	0	0
1,325	1,350	114	33	0	0	3,050	3,100	392	302	215	124	43	0	0	0	0
1,350	1,375	117	37	0	0	3,100	3,150	401	310	224	131	50	0	0	0	0
1,375	1,400	121	40	0	0	3,150	3,200	409	318	232	138	58	0	0	0	0
1,400	1,425	125	44	0	0	3,200	3,250	418	325	240	146	65	0	0	0	0
1,425	1,450	128	47	0	0	3,250	3,300	426	333	248	153	72	0	0	0	0
1,450	1,475	132	51	0	0	3,300	3,350	435	341	255	160	80	0	0	0	0
1,475	1,500	135	55	0	0	3,350	3,400	443	349	263	169	87	6	0	0	0
1,500	1,525	139	58	0	0	3,400	3,450	452	358	271	178	94	13	0	0	0
1,525	1,550	143	62	0	0	3,450	3,500	460	366	278	187	101	21	0	0	0
1,550	1,575	146	66	0	0	3,500	3,550	468	374	286	196	109	28	0	0	0
1,575	1,600	150	69	0	0	3,550	3,600	477	383	294	205	116	35	0	0	0
1,600	1,625	154	73	0	0	3,600	3,650	485	391	301	214	123	42	0	0	0
1,625	1,650	157	77	0	0	3,650	3,700	494	400	309	223	130	50	0	0	0
1,650	1,675	161	80	0	0	3,700	3,750	502	408	317	231	138	57	0	0	0
1,675	1,700	165	84	3	0	3,750	3,800	511	417	324	239	145	64	0	0	0
1,700	1,725	170	87	7	0	3,800	3,850	519	425	332	247	152	71	0	0	0
1,725	1,750	174	91	10	0	3,850	3,900	528	434	340	254	159	79	0	0	0
1,750	1,775	179	95	14	0	3,900	3,950	536	442	348	262	168	86	5	0	0
1,775	1,800	183	98	18	0	3,950	4,000	545	451	357	270	177	93	13	0	0
1,800	1,825	188	102	21	0	4,000	4,050	553	459	365	277	186	101	20	0	0
1,825	1,850	192	106	25	0	4,050	4,100	562	468	374	285	195	108	27	0	0
1,850	1,875	197	109	28	0	4,100	4,150	570	476	382	293	204	115	34	0	0
1,875	1,900	201	113	32	0	4,150	4,200	579	484	390	301	213	122	42	0	0
1,900	1,925	206	116	36	0	4,200	4,250	587	493	399	308	222	130	49	0	0
1,925	1,950	210	120	39	0	4,250	4,300	595	501	407	316	230	137	56	0	0
1,950	1,975	215	124	43	0	4,300	4,350	604	510	416	324	238	144	63	0	0
1,975	2,000	219	127	47	0	4,350	4,400	612	518	424	331	246	151	71	0	0
2,000	2,025	224	131	50	0	4,400	4,450	621	527	433	339	254	159	78	0	0
2,025	2,050	228	135	54	0	4,450	4,500	629	535	441	347	261	167	85	4	0
2,050	2,075	232	138	58	0	4,500	4,550	638	544	450	356	269	176	92	12	0
2,075	2,100	236	142	61	0	4,550	4,600	646	552	458	364	277	185	100	19	0
2,100	2,125	240	146	65	0	4,600	4,650	655	561	467	373	284	194	107	26	0
2,125	2,150	243	149	68	0	4,650	4,700	663	569	475	381	292	203	114	34	0
2,150	2,175	247	153	72	0	4,700	4,750	672	578	484	389	300	212	122	41	0
2,175	2,200	251	156	76	0	4,750	4,800	680	586	492	398	307	221	129	48	0
2,200	2,225	255	160	79	0	4,800	4,850	689	595	500	406	315	230	136	55	0
						4,850	4,900	697	603	509	415	323	237	143	63	0
						4,900	4,950	706	611	517	423	330	245	151	70	0
						4,950	5,000	714	620	526	432	338	253	158	77	0"

(b) Taxable years to which applicable: The amendment made by this section shall be applicable with respect to taxable years beginning after December 31, 1946. For treatment of taxable years beginning in 1946 and ending in 1947, or beginning in 1947 and ending in 1948, see section 6.

SEC. 4. Additional credit against net income for normal tax and surtax.

(a) Exemption for age: Section 25 (b) (1) of the Internal Revenue Code (relating to credits against net income for normal tax and surtax) is hereby amended by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon and by adding after subparagraph (C) the following:

"(D) an additional exemption of $500 for the taxpayer if he has attained the age of 65 on or before the last day of his taxable year;

"(E) an additional exemption of $500 for the spouse of the taxpayer if—

"(i) a joint return is made by the taxpayer and his spouse under section 51 and the spouse has attained the age of 65 on or before such last day, in which case the aggregate exemption of the spouses under subparagraph (D) and this subparagraph shall not exceed $500 with respect to each spouse who has attained the age of 65 on or before such last day; or

"(ii) a separate return is made by the taxpayer, and his spouse has attained the age of 65 on or before such last day and has no gross income for the calendar year in which the taxable year of the taxpayer begins and is not the dependent of another taxpayer."

(b) Technical amendments.—

(1) Section 58 (a) (1) of the Internal Revenue Code (relating to requirement of declaration of estimated tax) is hereby amended to read as follows:

"(1) His gross income from wages (as defined in section 1621) can reasonably be expected to exceed the sum of $4,500, plus $500 with respect to each exemption provided in section 25 (b); or"

(2) Section 1622 (h) (1) of the Internal Revenue Code (relating to withholding exemptions) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) An exemption for himself, and an additional exemption for himself if he has attained the age of 65 or will attain such age before the expiration of the taxable year under chapter 1 in respect of which amounts deducted and withheld under this subchapter in the calendar year in which such day falls are allowed as a credit.

"(B) If the employee is married, any exemption to which his spouse is entitled under subparagraph (A), but only if such spouse does not have in effect a withholding exemption certificate claiming such exemption."

(3) In the case of an individual entitled to an additional withholding exemption under

section 1622 (h) (1) of the Internal Revenue Code by reason of the amendment made thereto by paragraph (2) of this subsection, the term "status determination date" as used in section 1622 (h) (3) (B) of such Code includes also the ninetieth day after the date of the enactment of this act.

(4) Section 23 (x) of the Internal Revenue Code (relating to deduction of medical, etc., expenses) is hereby amended by striking out the second and third sentences thereof and inserting in lieu thereof the following: "The maximum deduction for the taxable year shall be $1,250, except that if more than one exemption is allowed under section 25 (b) for the taxable year (exclusive of an exemption under section 25 (b) (1) (D)) the maximum deduction for the taxable year shall be $2,500."

(c) Taxable years to which applicable: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1946. For treatment of taxable years beginning in 1946 and ending in 1947, see section 6.

SEC. 5. Reduction in withholding of tax at source on wages.

(a) Percentage method: Section 1622 (a) and section 1622 (b) (1) of the Internal Revenue Code (relating to percentage method of withholding) are hereby amended to read as follows:

"(a) Requirement of Withholding.—Every employer making payment of wages shall deduct and withhold upon such wages a tax equal to the sum of the following:

"(1) 12 percent of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); or

"(B) the amount shown in the second column in the table in subsection (b) (1);

"(2) 18 percent of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the sum of—

"(i) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

"(ii) the amount shown in the second column in the table in subsection (b) (1); or

"(B) the amount shown in the third column in the table in subsection (b) (1);

"(3) 14 percent of the amount by which the wages exceed the sum of—

"(A) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

"(B) the sum of the amounts shown in the second and third columns in the table in subsection (b) (1).

"(b) (1) The table referred to in subsection (a) is as follows:

"Percentage method withholding table

"Pay-roll period	1 Amount of one withholding exemption	2 Maximum amount subject to 12 percent rate	3 Maximum amount subject to 18 percent rate
Weekly	$11.00	$21.00	$9.00
Biweekly	22.00	43.00	17.00
Semimonthly	23.00	46.00	19.00
Monthly	46.00	93.00	36.00
Quarterly	139.00	278.00	110.00
Semiannual	278.00	556.00	219.00
Annual	556.00	1,111.00	440.00
Daily or miscellaneous (per day of such period)	1.50	3.00	1.00"

(b) Wage bracket withholding: The tables contained in section 1622 (c) (1) of the Internal Revenue Code (relating to wage bracket withholding) are hereby amended to read as follows:

"If the pay-roll period with respect to an employee is weekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$11	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$11	$12	$1.40	.10	0	0	0	0	0	0	0	0	0
$12	$13	1.50	.20	0	0	0	0	0	0	0	0	0
$13	$14	1.60	.30	0	0	0	0	0	0	0	0	0
$14	$15	1.70	.50	0	0	0	0	0	0	0	0	0
$15	$16	1.90	.60	0	0	0	0	0	0	0	0	0
$16	$17	2.00	.70	0	0	0	0	0	0	0	0	0
$17	$18	2.10	.80	0	0	0	0	0	0	0	0	0
$18	$19	2.20	.90	0	0	0	0	0	0	0	0	0
$19	$20	2.30	1.10	0	0	0	0	0	0	0	0	0
$20	$21	2.50	1.20	0	0	0	0	0	0	0	0	0
$21	$22	2.60	1.30	0	0	0	0	0	0	0	0	0
$22	$23	2.80	1.40	.10	0	0	0	0	0	0	0	0
$23	$24	2.90	1.50	.30	0	0	0	0	0	0	0	0
$24	$25	3.10	1.70	.40	0	0	0	0	0	0	0	0
$25	$26	3.30	1.80	.50	0	0	0	0	0	0	0	0
$26	$27	3.50	1.90	.60	0	0	0	0	0	0	0	0
$27	$28	3.70	2.00	.70	0	0	0	0	0	0	0	0
$28	$29	3.80	2.10	.90	0	0	0	0	0	0	0	0
$29	$30	4.00	2.30	1.00	0	0	0	0	0	0	0	0
$30	$31	4.20	2.40	1.10	0	0	0	0	0	0	0	0
$31	$32	4.30	2.50	1.20	0	0	0	0	0	0	0	0
$32	$33	4.40	2.60	1.30	.10	0	0	0	0	0	0	0
$33	$34	4.60	2.80	1.50	.20	0	0	0	0	0	0	0
$34	$35	4.70	3.00	1.60	.30	0	0	0	0	0	0	0
$35	$36	4.90	3.20	1.70	.40	0	0	0	0	0	0	0
$36	$37	5.00	3.40	1.80	.50	0	0	0	0	0	0	0
$37	$38	5.10	3.50	1.90	.70	0	0	0	0	0	0	0
$38	$39	5.30	3.70	2.10	.80	0	0	0	0	0	0	0
$39	$40	5.40	3.90	2.20	.90	0	0	0	0	0	0	0
$40	$41	5.50	4.10	2.30	1.00	0	0	0	0	0	0	0
$41	$42	5.70	4.20	2.40	1.10	0	0	0	0	0	0	0
$42	$43	5.80	4.40	2.50	1.30	0	0	0	0	0	0	0
$43	$44	6.00	4.50	2.70	1.40	.10	0	0	0	0	0	0
$44	$45	6.10	4.60	2.90	1.50	.20	0	0	0	0	0	0
$45	$46	6.20	4.80	3.10	1.60	.30	0	0	0	0	0	0
$46	$47	6.40	4.90	3.20	1.70	.50	0	0	0	0	0	0
$47	$48	6.50	5.00	3.40	1.80	.60	0	0	0	0	0	0
$48	$49	6.60	5.20	3.60	2.00	.70	0	0	0	0	0	0
$49	$50	6.80	5.30	3.80	2.10	.80	0	0	0	0	0	0
$50	$51	6.90	5.40	4.00	2.20	.90	0	0	0	0	0	0
$51	$52	7.00	5.60	4.10	2.30	1.00	0	0	0	0	0	0
$52	$53	7.20	5.70	4.30	2.40	1.20	0	0	0	0	0	0
$53	$54	7.30	5.90	4.40	2.60	1.30	0	0	0	0	0	0
$54	$55	7.50	6.00	4.50	2.80	1.40	.10	0	0	0	0	0
$55	$56	7.60	6.10	4.70	2.90	1.50	.20	0	0	0	0	0
$56	$57	7.70	6.30	4.80	3.10	1.60	.40	0	0	0	0	0
$57	$58	7.90	6.40	4.90	3.30	1.80	.50	0	0	0	0	0
$58	$59	8.00	6.50	5.10	3.50	1.90	.60	0	0	0	0	0
$59	$60	8.10	6.70	5.20	3.70	2.00	.70	0	0	0	0	0
$60	$62	8.30	6.90	5.40	3.90	2.20	.90	0	0	0	0	0
$62	$64	8.60	7.20	5.70	4.20	2.40	1.10	0	0	0	0	0
$64	$66	8.90	7.40	6.00	4.50	2.70	1.40	.10	0	0	0	0
$66	$68	9.20	7.70	6.20	4.80	3.10	1.60	.30	0	0	0	0
$68	$70	9.40	8.00	6.50	5.10	3.40	1.90	.60	0	0	0	0
$70	$72	9.70	8.30	6.80	5.30	3.80	2.10	.80	0	0	0	0
$72	$74	10.00	8.50	7.10	5.60	4.10	2.30	1.10	0	0	0	0
$74	$76	10.30	8.80	7.30	5.90	4.40	2.60	1.30	0	0	0	0
$76	$78	10.50	9.10	7.60	6.10	4.70	3.00	1.50	.30	0	0	0
$78	$80	10.80	9.30	7.90	6.40	5.00	3.30	1.80	.50	0	0	0
$80	$82	11.10	9.60	8.20	6.70	5.20	3.70	2.00	.70	0	0	0

"If the pay-roll period with respect to an employee is weekly—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$82	$84	$11.40	$9.90	$8.40	$7.00	$5.50	$4.00	$2.30	$1.00	$0	$0	$0
$84	$86	11.60	10.20	8.70	7.20	5.80	4.30	2.50	1.20	0	0	0
$86	$88	11.90	10.40	9.00	7.50	6.10	4.60	2.80	1.50	.20	0	0
$88	$90	12.20	10.70	9.30	7.80	6.30	4.90	3.20	1.70	.40	0	0
$90	$92	12.40	11.00	9.50	8.10	6.60	5.10	3.60	1.90	.70	0	0
$92	$94	12.70	11.30	9.80	8.30	6.90	5.40	3.90	2.20	.90	0	0
$94	$96	13.00	11.50	10.10	8.60	7.10	5.70	4.20	2.40	1.10	0	0
$96	$98	13.30	11.80	10.30	8.90	7.40	6.00	4.50	2.70	1.40	.10	0
$98	$100	13.50	12.10	10.60	9.20	7.70	6.20	4.80	3.10	1.60	.30	0
$100	$105	14.00	12.60	11.10	9.60	8.20	6.70	5.30	3.70	2.00	.80	0
$105	$110	14.70	13.20	11.80	10.30	8.90	7.40	5.90	4.50	2.70	1.40	.10
$110	$115	15.40	13.90	12.50	11.00	9.50	8.10	6.60	5.20	3.60	2.00	.70
$115	$120	16.10	14.60	13.20	11.70	10.20	8.80	7.30	5.80	4.40	2.60	1.30
$120	$125	16.80	15.30	13.80	12.40	10.90	9.50	8.00	6.50	5.10	3.50	1.90
$125	$130	17.40	16.00	14.50	13.10	11.60	10.10	8.70	7.20	5.70	4.30	2.50
$130	$135	18.10	16.70	15.20	13.70	12.30	10.80	9.40	7.90	6.40	5.00	3.30
$135	$140	18.80	17.30	15.90	14.40	13.00	11.50	10.00	8.60	7.10	5.70	4.20
$140	$145	19.50	18.00	16.60	15.10	13.60	12.20	10.70	9.30	7.80	6.30	4.90
$145	$150	20.20	18.70	17.30	15.80	14.30	12.90	11.40	9.90	8.50	7.00	5.60
$150	$160	21.20	19.70	18.30	16.80	15.40	13.90	12.40	11.00	9.50	8.10	6.60
$160	$170	22.60	21.10	19.60	18.20	16.70	15.30	13.80	12.30	10.90	9.40	8.00
$170	$180	23.90	22.50	21.00	19.60	18.10	16.60	15.20	13.70	12.20	10.80	9.30
$180	$190	25.30	23.80	22.40	20.90	19.50	18.00	16.50	15.10	13.60	12.20	10.70
$190	$200	26.70	25.20	23.80	22.30	20.80	19.40	17.90	16.40	15.00	13.50	12.10
		14 percent of the excess over $200 plus										
$200 and over		27.40	25.90	24.40	23.00	21.50	20.10	18.60	17.10	15.70	14.20	12.70

"If the pay-roll period with respect to an employee is biweekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$20	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$20	$22	$2.50	0	0	0	0	0	0	0	0	0	0
$22	$24	2.80	.20	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.40	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.70	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.90	0	0	0	0	0	0	0	0	0
$30	$32	3.70	1.20	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.40	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.60	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.90	0	0	0	0	0	0	0	0	0
$38	$40	4.70	2.10	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.40	0	0	0	0	0	0	0	0	0
$42	$44	5.20	2.60	0	0	0	0	0	0	0	0	0
$44	$46	5.50	2.80	.30	0	0	0	0	0	0	0	0
$46	$48	5.90	3.10	.50	0	0	0	0	0	0	0	0
$48	$50	6.20	3.30	.70	0	0	0	0	0	0	0	0
$50	$52	6.60	3.50	1.00	0	0	0	0	0	0	0	0
$52	$54	7.00	3.80	1.20	0	0	0	0	0	0	0	0
$54	$56	7.30	4.00	1.50	0	0	0	0	0	0	0	0
$56	$58	7.70	4.30	1.70	0	0	0	0	0	0	0	0
$58	$60	8.00	4.50	1.90	0	0	0	0	0	0	0	0
$60	$62	8.30	4.70	2.20	0	0	0	0	0	0	0	0
$62	$64	8.60	5.00	2.40	0	0	0	0	0	0	0	0
$64	$66	8.90	5.30	2.70	.10	0	0	0	0	0	0	0
$66	$68	9.20	5.60	2.90	.30	0	0	0	0	0	0	0
$68	$70	9.40	6.00	3.10	.60	0	0	0	0	0	0	0
$70	$72	9.70	6.40	3.40	.80	0	0	0	0	0	0	0
$72	$74	10.00	6.70	3.60	1.10	0	0	0	0	0	0	0
$74	$76	10.30	7.10	3.90	1.30	0	0	0	0	0	0	0
$76	$78	10.50	7.40	4.10	1.50	0	0	0	0	0	0	0
$78	$80	10.80	7.80	4.30	1.80	0	0	0	0	0	0	0
$80	$82	11.10	8.20	4.60	2.00	0	0	0	0	0	0	0
$82	$84	11.40	8.40	4.80	2.30	0	0	0	0	0	0	0
$84	$86	11.60	8.70	5.10	2.50	0	0	0	0	0	0	0
$86	$88	11.90	9.00	5.40	2.70	.20	0	0	0	0	0	0
$88	$90	12.20	9.30	5.80	3.00	.40	0	0	0	0	0	0
$90	$92	12.40	9.50	6.10	3.20	.70	0	0	0	0	0	0
$92	$94	12.70	9.80	6.50	3.50	.90	0	0	0	0	0	0
$94	$96	13.00	10.10	6.80	3.70	1.10	0	0	0	0	0	0
$96	$98	13.30	10.30	7.20	3.90	1.40	0	0	0	0	0	0
$98	$100	13.50	10.60	7.60	4.20	1.60	0	0	0	0	0	0
$100	$102	13.80	10.90	7.90	4.40	1.90	0	0	0	0	0	0
$102	$104	14.10	11.20	8.20	4.70	2.10	0	0	0	0	0	0
$104	$106	14.40	11.40	8.50	4.90	2.30	0	0	0	0	0	0
$106	$108	14.60	11.70	8.80	5.10	2.60	0	0	0	0	0	0
$108	$110	14.90	12.00	9.10	5.50	2.80	.30	0	0	0	0	0
$110	$112	15.20	12.30	9.30	5.90	3.10	.50	0	0	0	0	0
$112	$114	15.50	12.50	9.60	6.20	3.30	.70	0	0	0	0	0
$114	$116	15.70	12.80	9.90	6.60	3.50	1.00	0	0	0	0	0
$116	$118	16.00	13.10	10.20	6.90	3.80	1.20	0	0	0	0	0
$118	$120	16.30	13.40	10.40	7.30	4.00	1.50	0	0	0	0	0
$120	$124	16.70	13.80	10.80	7.80	4.40	1.80	0	0	0	0	0
$124	$128	17.20	14.30	11.40	8.50	4.90	2.30	0	0	0	0	0
$128	$132	17.80	14.90	11.90	9.00	5.40	2.80	.20	0	0	0	0
$132	$136	18.30	15.40	12.50	9.60	6.20	3.30	.70	0	0	0	0
$136	$140	18.90	16.00	13.00	10.10	6.90	3.70	1.20	0	0	0	0

"If the pay-roll period with respect to an employee is biweekly—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$140	$144	$19.40	$16.50	$13.60	$10.70	$7.60	$4.20	$1.70	$0	$0	$0	$0
$144	$148	20.00	17.00	14.10	11.20	8.30	4.70	2.10	0	0	0	0
$148	$152	20.50	17.60	14.70	11.80	8.80	5.20	2.60	.10	0	0	0
$152	$156	21.10	18.10	15.20	12.30	9.40	5.90	3.10	.50	0	0	0
$156	$160	21.60	18.70	15.80	12.80	9.90	6.60	3.60	1.00	0	0	0
$160	$164	22.20	19.20	16.30	13.40	10.50	7.40	4.00	1.50	0	0	0
$164	$168	22.70	19.80	16.90	13.90	11.00	8.10	4.50	2.00	0	0	0
$168	$172	23.30	20.30	17.40	14.50	11.60	8.60	5.00	2.40	0	0	0
$172	$176	23.80	20.90	18.00	15.00	12.10	9.20	5.70	2.90	.40	0	0
$176	$180	24.40	21.40	18.50	15.60	12.70	9.70	6.40	3.40	.80	0	0
$180	$184	24.90	22.00	19.10	16.10	13.20	10.30	7.10	3.90	1.30	0	0
$184	$188	25.40	22.50	19.60	16.70	13.80	10.80	7.80	4.40	1.80	0	0
$188	$192	26.00	23.10	20.10	17.20	14.30	11.40	8.50	4.80	2.30	0	0
$192	$196	26.50	23.60	20.70	17.80	14.80	11.90	9.00	5.40	2.80	.20	0
$196	$200	27.10	24.20	21.20	18.30	15.40	12.50	9.50	6.10	3.20	.70	0
$200	$210	28.00	25.10	22.20	19.30	16.40	13.40	10.50	7.40	4.10	1.50	0
$210	$220	29.40	26.50	23.60	20.60	17.70	14.80	11.90	9.00	5.40	2.70	.20
$220	$230	30.80	27.90	24.90	22.00	19.10	16.20	13.20	10.30	7.20	3.90	1.40
$230	$240	32.10	29.20	26.30	23.40	20.50	17.50	14.60	11.70	8.80	5.10	2.60
$240	$250	33.50	30.60	27.70	24.70	21.80	18.90	16.00	13.10	10.10	6.90	3.70
$250	$260	34.90	32.00	29.00	26.10	23.20	20.30	17.30	14.40	11.50	8.60	4.90
$260	$270	36.30	33.30	30.40	27.50	24.60	21.60	18.70	15.80	12.90	9.90	6.70
$270	$280	37.60	34.70	31.80	28.90	25.90	23.00	20.10	17.20	14.20	11.30	8.40
$280	$290	39.00	36.10	33.10	30.20	27.30	24.40	21.40	18.50	15.60	12.70	9.80
$290	$300	40.40	37.40	34.50	31.60	28.70	25.70	22.80	19.90	17.00	14.00	11.10
$300	$320	42.40	39.50	36.60	33.60	30.70	27.80	24.90	21.90	19.00	16.10	13.20
$320	$340	45.10	42.20	39.30	36.40	33.50	30.50	27.60	24.70	21.80	18.80	15.90
$340	$360	47.90	45.00	42.00	39.10	36.20	33.30	30.30	27.40	24.50	21.60	18.60
$360	$380	50.60	47.70	44.80	41.80	38.90	36.00	33.10	30.20	27.20	24.30	21.40
$380	$400	53.40	50.40	47.50	44.60	41.70	38.70	35.80	32.90	30.00	27.00	24.10
		14 percent of the excess over $400 plus—										
$400 and over		54.70	51.80	48.90	46.00	43.00	40.10	37.20	34.30	31.30	28.40	25.50

"If the pay-roll period with respect to an employee is semimonthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$22	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$22	$24	$2.80	0	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.20	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.50	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.70	0	0	0	0	0	0	0	0	0
$30	$32	3.70	.90	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.20	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.40	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.70	0	0	0	0	0	0	0	0	0
$38	$40	4.70	1.90	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.10	0	0	0	0	0	0	0	0	0
$42	$44	5.10	2.40	0	0	0	0	0	0	0	0	0
$44	$46	5.40	2.60	0	0	0	0	0	0	0	0	0
$46	$48	5.70	2.90	.10	0	0	0	0	0	0	0	0
$48	$50	6.00	3.10	.30	0	0	0	0	0	0	0	0
$50	$52	6.40	3.30	.60	0	0	0	0	0	0	0	0
$52	$54	6.70	3.60	.80	0	0	0	0	0	0	0	0
$54	$56	7.10	3.80	1.00	0	0	0	0	0	0	0	0
$56	$58	7.50	4.10	1.30	0	0	0	0	0	0	0	0
$58	$60	7.80	4.30	1.50	0	0	0	0	0	0	0	0
$60	$62	8.20	4.50	1.80	0	0	0	0	0	0	0	0
$62	$64	8.50	4.80	2.00	0	0	0	0	0	0	0	0
$64	$66	8.90	5.00	2.20	0	0	0	0	0	0	0	0
$66	$68	9.20	5.20	2.50	0	0	0	0	0	0	0	0
$68	$70	9.40	5.50	2.70	0	0	0	0	0	0	0	0
$70	$72	9.70	5.80	3.00	.20	0	0	0	0	0	0	0
$72	$74	10.00	6.20	3.20	.40	0	0	0	0	0	0	0
$74	$76	10.30	6.50	3.40	.70	0	0	0	0	0	0	0
$76	$78	10.50	6.90	3.70	.90	0	0	0	0	0	0	0
$78	$80	10.80	7.30	3.90	1.10	0	0	0	0	0	0	0
$80	$82	11.10	7.60	4.20	1.40	0	0	0	0	0	0	0
$82	$84	11.40	8.00	4.40	1.60	0	0	0	0	0	0	0
$84	$86	11.60	8.30	4.60	1.90	0	0	0	0	0	0	0
$86	$88	11.90	8.70	4.90	2.10	0	0	0	0	0	0	0
$88	$90	12.20	9.00	5.10	2.30	0	0	0	0	0	0	0
$90	$92	12.40	9.30	5.40	2.60	0	0	0	0	0	0	0
$92	$94	12.70	9.60	5.60	2.80	0	0	0	0	0	0	0
$94	$96	13.00	9.80	6.00	3.10	.30	0	0	0	0	0	0
$96	$98	13.30	10.10	6.30	3.30	.50	0	0	0	0	0	0
$98	$100	13.50	10.40	6.70	3.50	.80	0	0	0	0	0	0
$100	$102	13.80	10.70	7.10	3.80	1.00	0	0	0	0	0	0
$102	$104	14.10	10.90	7.40	4.00	1.20	0	0	0	0	0	0
$104	$106	14.40	11.20	7.80	4.30	1.50	0	0	0	0	0	0
$106	$108	14.60	11.50	8.10	4.50	1.70	0	0	0	0	0	0
$108	$110	14.90	11.70	8.50	4.70	2.00	0	0	0	0	0	0
$110	$112	15.20	12.00	8.90	5.00	2.20	0	0	0	0	0	0
$112	$114	15.50	12.30	9.10	5.20	2.40	0	0	0	0	0	0
$114	$116	15.70	12.60	9.40	5.50	2.70	0	0	0	0	0	0
$116	$118	16.00	12.80	9.70	5.80	2.90	.20	0	0	0	0	0
$118	$120	16.30	13.10	9.90	6.10	3.20	.40	0	0	0	0	0
$120	$124	16.70	13.50	10.40	6.70	3.50	.70	0	0	0	0	0
$124	$128	17.20	14.10	10.90	7.40	4.00	1.20	0	0	0	0	0
$128	$132	17.80	14.60	11.50	8.10	4.50	1.70	0	0	0	0	0

"If the pay-roll period with respect to an employee is semimonthly—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$132	$136	$18.30	$15.20	$12.00	$8.80	$5.00	$2.20	$0	$0	$0	$0	$0
$136	$140	18.90	15.70	12.50	9.40	5.40	2.70	0	0	0	0	0
$140	$144	19.40	16.30	13.10	9.90	6.10	3.10	.40	0	0	0	0
$144	$148	20.00	16.80	13.60	10.50	6.80	3.60	.90	0	0	0	0
$148	$152	20.50	17.40	14.20	11.00	7.50	4.10	1.30	0	0	0	0
$152	$156	21.10	17.90	14.70	11.60	8.30	4.60	1.80	0	0	0	0
$156	$160	21.60	18.40	15.30	12.10	8.90	5.10	2.30	0	0	0	0
$160	$164	22.20	19.00	15.80	12.70	9.50	5.50	2.80	0	0	0	0
$164	$168	22.70	19.50	16.40	13.20	10.00	6.30	3.20	.50	0	0	0
$168	$172	23.30	20.10	16.90	13.80	10.60	7.00	3.70	1.00	0	0	0
$172	$176	23.80	20.60	17.50	14.30	11.10	7.70	4.20	1.40	0	0	0
$176	$180	24.40	21.20	18.00	14.90	11.70	8.40	4.70	1.90	0	0	0
$180	$184	24.90	21.70	18.60	15.40	12.20	9.10	5.20	2.40	0	0	0
$184	$188	25.40	22.30	19.10	15.90	12.80	9.60	5.70	2.90	.10	0	0
$188	$192	26.00	22.80	19.70	16.50	13.30	10.20	6.40	3.30	.60	0	0
$192	$196	26.50	23.40	20.20	17.00	13.90	10.70	7.10	3.80	1.10	0	0
$196	$200	27.10	23.90	20.80	17.60	14.40	11.30	7.80	4.30	1.50	0	0
$200	$210	28.00	24.90	21.70	18.50	15.40	12.20	9.00	5.10	2.40	0	0
$210	$220	29.40	26.20	23.10	19.90	16.70	13.60	10.40	6.70	3.60	.80	0
$220	$230	30.80	27.60	24.40	21.30	18.10	14.90	11.80	8.50	4.80	2.00	0
$230	$240	32.10	29.00	25.80	22.60	19.50	16.30	13.10	10.00	6.20	3.20	0
$240	$250	33.50	30.30	27.20	24.00	20.80	17.70	14.50	11.30	8.00	4.40	1.60
$250	$260	34.90	31.70	28.60	25.40	22.20	19.10	15.90	12.70	9.60	5.60	2.80
$260	$270	36.30	33.10	29.90	26.80	23.60	20.40	17.30	14.10	10.90	7.40	4.00
$270	$280	37.60	34.50	31.30	28.10	25.00	21.80	18.60	15.50	12.30	9.10	5.20
$280	$290	39.00	35.80	32.70	29.50	26.30	23.20	20.00	16.80	13.70	10.50	6.80
$290	$300	40.40	37.20	34.00	30.90	27.70	24.50	21.40	18.20	15.00	11.90	8.60
$300	$320	42.40	39.20	36.10	32.90	29.70	26.60	23.40	20.20	17.10	13.90	10.70
$320	$340	45.10	42.00	38.80	35.60	32.50	29.50	26.10	23.00	19.80	16.60	13.50
$340	$360	47.90	44.70	41.50	38.40	35.20	32.00	28.90	25.70	22.50	19.40	16.20
$360	$380	50.60	47.40	44.30	41.10	37.90	34.80	31.60	28.40	25.30	22.10	18.90
$380	$400	53.40	50.20	47.00	43.90	40.70	37.50	34.40	31.20	28.00	24.90	21.70
$400	$420	56.10	52.90	49.80	46.60	43.40	40.30	37.10	33.90	30.80	27.60	24.40
$420	$440	58.80	55.70	52.50	49.30	46.20	43.00	39.80	36.70	33.50	30.30	27.20
$440	$460	61.60	58.40	55.20	52.10	48.90	45.70	42.60	39.40	36.20	33.10	29.90
$460	$480	64.30	61.10	58.00	54.80	51.60	48.50	45.30	42.10	39.00	35.80	32.60
$480	$500	67.00	63.90	60.70	57.50	54.40	51.20	48.00	44.90	41.70	38.50	35.40
		14 percent of the excess over $500 plus										
$500 and over		68.40	65.20	62.10	58.90	55.70	52.60	49.40	46.20	43.10	39.90	36.70

"If the pay-roll period with respect to an employee is monthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$44	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$44	$48	$5.50	0	0	0	0	0	0	0	0	0	0
$48	$52	6.00	.40	0	0	0	0	0	0	0	0	0
$52	$56	6.50	.90	0	0	0	0	0	0	0	0	0
$56	$60	6.90	1.40	0	0	0	0	0	0	0	0	0
$60	$64	7.40	1.90	0	0	0	0	0	0	0	0	0
$64	$68	7.90	2.40	0	0	0	0	0	0	0	0	0
$68	$72	8.40	2.80	0	0	0	0	0	0	0	0	0
$72	$76	8.90	3.30	0	0	0	0	0	0	0	0	0
$76	$80	9.30	3.80	0	0	0	0	0	0	0	0	0
$80	$84	9.80	4.30	0	0	0	0	0	0	0	0	0
$84	$88	10.30	4.80	0	0	0	0	0	0	0	0	0
$88	$92	10.80	5.20	0	0	0	0	0	0	0	0	0
$92	$96	11.30	5.70	.20	0	0	0	0	0	0	0	0
$96	$100	12.10	6.20	.60	0	0	0	0	0	0	0	0
$100	$104	12.80	6.70	1.10	0	0	0	0	0	0	0	0
$104	$108	13.50	7.10	1.60	0	0	0	0	0	0	0	0
$108	$112	14.20	7.60	2.10	0	0	0	0	0	0	0	0
$112	$116	14.90	8.10	2.60	0	0	0	0	0	0	0	0
$116	$120	15.70	8.60	3.00	0	0	0	0	0	0	0	0
$120	$124	16.40	9.10	3.50	0	0	0	0	0	0	0	0
$124	$128	17.10	9.50	4.00	0	0	0	0	0	0	0	0
$128	$132	17.80	10.00	4.50	0	0	0	0	0	0	0	0
$132	$136	18.30	10.50	5.00	0	0	0	0	0	0	0	0
$136	$140	18.90	11.00	5.40	0	0	0	0	0	0	0	0
$140	$144	19.40	11.60	5.90	.40	0	0	0	0	0	0	0
$144	$148	20.00	12.40	6.40	.90	0	0	0	0	0	0	0
$148	$152	20.50	13.10	6.90	1.30	0	0	0	0	0	0	0
$152	$156	21.10	13.80	7.40	1.80	0	0	0	0	0	0	0
$156	$160	21.60	14.50	7.80	2.30	0	0	0	0	0	0	0
$160	$164	22.20	15.20	8.30	2.80	0	0	0	0	0	0	0
$164	$168	22.70	16.00	8.80	3.20	0	0	0	0	0	0	0
$168	$172	23.30	16.70	9.30	3.70	0	0	0	0	0	0	0
$172	$176	23.80	17.40	9.70	4.20	0	0	0	0	0	0	0
$176	$180	24.40	18.00	10.20	4.70	0	0	0	0	0	0	0
$180	$184	24.90	18.60	10.70	5.20	0	0	0	0	0	0	0
$184	$188	25.40	19.10	11.20	5.60	.10	0	0	0	0	0	0
$188	$192	26.00	19.70	12.00	6.10	.60	0	0	0	0	0	0
$192	$196	26.50	20.20	12.70	6.60	1.10	0	0	0	0	0	0
$196	$200	27.10	20.80	13.40	7.10	1.50	0	0	0	0	0	0
$200	$204	27.60	21.30	14.10	7.60	2.00	0	0	0	0	0	0
$204	$208	28.20	21.80	14.80	8.00	2.50	0	0	0	0	0	0
$208	$212	28.70	22.40	15.60	8.50	3.00	0	0	0	0	0	0
$212	$216	29.30	22.90	16.30	9.00	3.40	0	0	0	0	0	0
$216	$220	29.80	23.50	17.00	9.50	3.90	0	0	0	0	0	0
$220	$224	30.40	24.00	17.70	9.90	4.40	0	0	0	0	0	0

"If the pay-roll period with respect to an employee is monthly—Continued

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$224	$228	$30.90	$24.60	$18.30	$10.40	$4.90	$0	$0	$0	$0	$0	$0
$228	$232	31.50	25.10	18.80	10.90	5.40	0	0	0	0	0	0
$232	$236	32.00	25.70	19.30	11.50	5.80	.30	0	0	0	0	0
$236	$240	32.60	26.20	19.90	12.30	6.30	.80	0	0	0	0	0
$240	$248	33.40	27.00	20.70	13.30	7.00	1.50	0	0	0	0	0
$248	$256	34.50	28.10	21.80	14.80	8.00	2.50	0	0	0	0	0
$256	$264	35.60	29.20	22.90	16.20	9.00	3.40	0	0	0	0	0
$264	$272	36.70	30.30	24.00	17.70	9.90	4.40	0	0	0	0	0
$272	$280	37.80	31.40	25.10	18.80	10.90	5.30	0	0	0	0	0
$280	$288	38.90	32.50	26.20	19.90	12.20	6.30	.70	0	0	0	0
$288	$296	39.90	33.60	27.30	20.90	13.60	7.20	1.70	0	0	0	0
$296	$304	41.00	34.70	28.40	22.00	15.10	8.20	2.70	0	0	0	0
$304	$312	42.10	35.80	29.50	23.10	16.50	9.20	3.60	0	0	0	0
$312	$320	43.20	36.90	30.60	24.20	17.90	10.10	4.60	0	0	0	0
$320	$328	44.30	38.00	31.70	25.30	19.00	11.10	5.50	0	0	0	0
$328	$336	45.40	39.10	32.80	26.40	20.10	12.50	6.50	.90	0	0	0
$336	$344	46.50	40.20	33.80	27.50	21.20	14.00	7.40	1.90	0	0	0
$344	$352	47.60	41.30	34.90	28.60	22.30	15.40	8.40	2.90	0	0	0
$352	$360	48.70	42.40	36.00	29.70	23.40	16.80	9.40	3.80	0	0	0
$360	$368	49.80	43.50	37.10	30.80	24.50	18.10	10.30	4.80	0	0	0
$368	$376	50.90	44.60	38.20	31.90	25.60	19.20	11.40	5.70	.20	0	0
$376	$384	52.00	45.70	39.30	33.00	26.70	20.30	12.80	6.70	1.20	0	0
$384	$392	53.10	46.70	40.40	34.10	27.70	21.40	14.30	7.70	2.10	0	0
$392	$400	54.20	47.80	41.50	35.20	28.80	22.50	15.70	8.60	3.10	0	0
$400	$420	56.10	49.80	43.40	37.10	30.80	24.40	18.10	10.30	4.70	0	0
$420	$440	58.80	52.50	46.20	39.80	33.50	27.20	20.80	13.50	7.10	1.60	0
$440	$460	61.60	55.20	48.90	42.60	36.20	29.90	23.60	17.10	9.50	4.00	0
$460	$480	64.30	58.00	51.60	45.30	39.00	32.60	26.30	20.00	12.40	6.40	.80
$480	$500	67.00	60.70	54.40	48.00	41.70	35.40	29.00	22.70	16.00	8.80	3.20
$500	$520	69.80	63.40	57.10	50.80	44.40	38.10	31.80	25.40	19.10	11.20	5.60
$520	$540	72.50	66.20	59.80	53.50	47.20	40.80	34.50	28.20	21.80	14.80	8.00
$540	$560	75.20	68.90	62.60	56.20	49.90	43.60	37.20	30.90	24.60	18.20	10.40
$560	$580	78.00	71.60	65.30	59.00	52.60	46.30	40.00	33.60	27.30	21.00	13.70
$580	$600	80.70	74.40	68.00	61.70	55.40	49.00	42.70	36.40	30.00	23.70	17.30
$600	$640	84.80	78.50	72.10	65.80	59.50	53.10	46.80	40.50	34.10	27.80	21.50
$640	$680	90.30	84.00	77.60	71.30	65.00	58.60	52.30	46.00	39.60	33.30	27.00
$680	$720	95.80	89.40	83.10	76.80	70.40	64.10	57.80	51.40	45.10	38.80	32.40
$720	$760	101.20	94.90	88.60	82.20	75.90	69.60	63.20	56.90	50.60	44.20	37.90
$760	$800	106.70	100.40	94.00	87.70	81.40	75.00	68.70	62.40	56.00	49.70	43.40
$800	$840	112.20	105.80	99.50	93.20	86.80	80.50	74.20	67.80	61.50	55.20	48.80
$840	$880	117.60	111.30	105.00	98.60	92.30	86.00	79.60	73.30	67.00	60.60	54.30
$880	$920	123.10	116.80	110.50	104.10	97.80	91.50	85.10	78.80	72.50	66.10	59.80
$920	$960	128.60	122.30	115.90	109.60	103.30	96.90	90.60	84.30	77.90	71.60	65.30
$960	$1,000	134.10	127.70	121.40	115.10	108.70	102.40	96.10	89.70	83.40	77.10	70.70
		14 percent of the excess over $1,000 plus										
$1,000 and over		136.80	130.50	124.10	117.80	111.50	105.10	98.80	92.50	86.10	79.80	73.50

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—

And the wages divided by the number of days in such periods are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4		6	7	8	9	10 or more
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period										
$0	$1.50	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$1.50	$1.75	$0.20	0	0	0	0	0	0	0	0	0	0
$1.75	$2.00	.20	.05	0	0	0	0	0	0	0	0	0
$2.00	$2.25	.25	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.30	.10	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.30	.15	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.35	.15	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.40	.20	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.40	.20	.05	0	0	0	0	0	0	0	0
$3.50	$3.75	.45	.25	.05	0	0	0	0	0	0	0	0
$3.75	$4.00	.50	.30	.10	0	0	0	0	0	0	0	0
$4.00	$4.25	.55	.30	.15	0	0	0	0	0	0	0	0
$4.25	$4.50	.60	.35	.15	0	0	0	0	0	0	0	0
$4.50	$4.75	.65	.35	.20	0	0	0	0	0	0	0	0
$4.75	$5.00	.65	.40	.20	.05	0	0	0	0	0	0	0
$5.00	$5.25	.70	.45	.25	.05	0	0	0	0	0	0	0
$5.25	$5.50	.75	.50	.30	.10	0	0	0	0	0	0	0
$5.50	$5.75	.75	.55	.30	.15	0	0	0	0	0	0	0
$5.75	$6.00	.80	.60	.35	.15	0	0	0	0	0	0	0
$6.00	$6.25	.85	.65	.35	.20	0	0	0	0	0	0	0
$6.25	$6.50	.85	.65	.40	.20	.05	0	0	0	0	0	0
$6.50	$6.75	.90	.70	.45	.25	.05	0	0	0	0	0	0
$6.75	$7.00	.95	.75	.50	.30	.10	0	0	0	0	0	0
$7.00	$7.25	.95	.75	.55	.30	.10	0	0	0	0	0	0
$7.25	$7.50	1.00	.80	.60	.35	.15	0	0	0	0	0	0
$7.50	$7.75	1.05	.85	.65	.35	.20	0	0	0	0	0	0
$7.75	$8.00	1.10	.85	.65	.40	.20	.05	0	0	0	0	0
$8.00	$8.25	1.10	.90	.70	.45	.25	.05	0	0	0	0	0
$8.25	$8.50	1.15	.95	.75	.50	.25	.10	0	0	0	0	0
$8.50	$8.75	1.20	.95	.75	.55	.30	.10	0	0	0	0	0
$8.75	$9.00	1.20	1.00	.80	.60	.35	.15	0	0	0	0	0
$9.00	$9.25	1.25	1.05	.85	.60	.35	.20	0	0	0	0	0
$9.25	$9.50	1.30	1.05	.85	.65	.40	.20	.05	0	0	0	0
$9.50	$9.75	1.30	1.10	.90	.70	.45	.25	.05	0	0	0	0
$9.75	$10.00	1.35	1.15	.95	.75	.50	.25	.10	0	0	0	0
$10.00	$10.50	1.40	1.20	1.00	.80	.55	.30	.15	0	0	0	0
$10.50	$11.00	1.45	1.25	1.05	.85	.65	.40	.20	0	0	0	0

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—Continued

And the wages divided by the number of days in such periods are—		And the number of withholding exemptions claimed is—										
		0	1	2	3	4	5	6	7	8	9	10 or more
At least	But less than	The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period										
$11.00	$11.50	$1.55	$1.35	$1.10	$0.90	$0.70	$0.45	$0.25	$0.05	$0	$0	$0
$11.50	$12.00	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0	0	0
$12.00	$12.50	1.70	1.45	1.25	1.05	.85	.65	.40	.20	0	0	0
$12.50	$13.00	1.75	1.55	1.35	1.10	.90	.70	.45	.25	.05	0	0
$13.00	$13.50	1.80	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0	0
$13.50	$14.00	1.90	1.65	1.45	1.25	1.05	.85	.65	.35	.20	0	0
$14.00	$14.50	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25	.05	0
$14.50	$15.00	2.00	1.80	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0
$15.00	$15.50	2.10	1.90	1.65	1.45	1.25	1.05	.85	.65	.35	.20	0
$15.50	$16.00	2.15	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25	.05
$16.00	$16.50	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55	.30	.10
$16.50	$17.00	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.65	.35	.20
$17.00	$17.50	2.35	2.15	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25
$17.50	$18.00	2.45	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55	.30
$18.00	$18.50	2.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.60	.35
$18.50	$19.00	2.55	2.35	2.15	1.95	1.75	1.50	1.30	1.10	.90	.70	.45
$19.00	$19.50	2.65	2.45	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55
$19.50	$20.00	2.70	2.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.60
$20.00	$21.00	2.80	2.60	2.40	2.20	1.95	1.75	1.55	1.35	1.15	.95	.70
$21.00	$22.00	2.95	2.75	2.50	2.30	2.10	1.90	1.70	1.50	1.30	1.05	.85
$22.00	$23.00	3.10	2.85	2.65	2.45	2.25	2.05	1.85	1.60	1.40	1.20	1.00
$23.00	$24.00	3.20	3.00	2.80	2.60	2.40	2.15	1.95	1.75	1.55	1.35	1.15
$24.00	$25.00	3.35	3.15	2.95	2.75	2.50	2.30	2.10	1.90	1.70	1.50	1.25
$25.00	$26.00	3.50	3.30	3.05	2.85	2.65	2.45	2.25	2.05	1.80	1.60	1.40
$26.00	$27.00	3.65	3.40	3.20	3.00	2.80	2.60	2.40	2.15	1.95	1.75	1.55
$27.00	$28.00	3.75	3.55	3.35	3.15	2.95	2.70	2.50	2.30	2.10	1.90	1.70
$28.00	$29.00	3.90	3.70	3.50	3.25	3.05	2.85	2.65	2.45	2.25	2.00	1.80
$29.00	$30.00	4.05	3.85	3.60	3.40	3.20	3.00	2.80	2.60	2.35	2.15	1.95
		14% of the excess over $30 plus										
$30.00 and over		4.10	3.90	3.70	3.50	3.25	3.05	2.85	2.65	2.45	2.25	2.00"

(c) Effective date: The amendments made by this section shall be applicable only with respect to wages paid on or after July 1, 1947.

SEC. 6. Fiscal year taxpayers.

Section 108 of the Internal Revenue Code is hereby amended by striking out "(d)" at the beginning of subsection (d) and inserting in lieu thereof "(f)", and by inserting after subsection (c) the following:

"(d) Taxable years of individuals beginning in 1946 and ending in 1947: In the case of a taxable year of an individual beginning in 1946 and ending in 1947, the tax imposed by sections 11, 12, and 400 shall be an amount equal to the sum of—

"(1) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1946, were applicable to such taxable year, which the number of days in such taxable year prior to January 1, 1947, bears to the total number of days in such taxable year, plus

"(2) that portion of a tentative tax, computed as if the law applicable to such taxable years beginning on January 1, 1947, were applicable to such taxable year, which the number of days in such taxable year after December 31, 1946, bears to the total number of days in such taxable year.

"(e) Taxable years of individuals beginning in 1947 and ending in 1948: In the case of a taxable year of an individual beginning in 1947 and ending in 1948, the tax imposed by sections 11, 12, and 400 shall be an amount equal to the sum of—

"(1) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1947, were applicable to such taxable year, which the number of days in such taxable year prior to January 1, 1948, bears to the total number of days in such taxable year, plus

"(2) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1948, were applicable to such taxable year, which the number of days in such taxable year after December 31, 1947, bears to the total number of days in such taxable year."

REPORT NO. 173

The Committee on Finance, to whom was referred the bill (H. R. 1) to reduce individual income-tax payments, having had the same under consideration, report favorably thereon, with amendments, and, as amended, recommend that the bill do pass.

I. GENERAL STATEMENT

This bill provides an immediate reduction in individual income taxes. The heavy rates now in effect constitute a serious restriction on consumer expenditures, retard new investment, and inhibit managerial initiative. A general reduction of these rates at the present time would contribute to the maintenance of the existing high levels of employment and output.

The amount of tax reduction possible at this time is limited by the present high level of expenditures and by the need for a reduction in the Federal debt of $258,000,000,000. With the Senate expenditure ceiling of $33,000,000,000 for the fiscal year 1948, and estimated receipts of $41,400,000,000, $8,400,000,000 will be available for tax reduction and debt retirement. The tax reduction recommended by your committee amounts to $3,200,000,000 in the fiscal year 1948, leaving $5,200,000,000 for debt retirement and contingencies.

H. R. 1 as it passed the House provided a reduction which, with income payments of $170,000,000,000, would amount to $4,900,000,000 in the fiscal year 1948. Your committee believes that a more conservative reduction should be made at this time. For that reason the bill as amended by your committee provides that only approximately one-half the eventual reduction will be made for the calendar year 1947. The full reduction will be effective in 1948.

All income taxpayers will receive relief under this bill. The largest percentage reduction will be received by taxpayers having incomes of $1,000 or less, and the smallest relief will be received by persons with incomes of $302,000 or more. A special exemption of $500 is given to persons 65 and over who as a group have suffered with unusual severity as a result of the rise in the cost of living and the changes in the tax system since the beginning of the war.

II. SUMMARY OF CHANGES IN EXISTING LAW

A comparison of the effective individual income-tax rates under present law, under H. R. 1 as it passed the House, and under H. R. 1 as amended by your committee is shown in table I. The rates proposed by your committee are shown both for the calendar year 1947 and for the calendar year 1948 and subsequent years.

Table II shows in summary fashion the reductions in taxes under the bill as passed by the House and as amended by your committee.

TABLE I.—*A comparison of the effective individual income-tax rates under present law, under H. R. 1 as passed by the House, and under the Senate Finance Committee bill*

Net income before personal exemptions	Single persons, no dependents				Married persons, no dependents			
	Present law	H. R. 1 as passed by House	Finance Committee bill for—		Present law	H. R. 1 as passed by House	Finance Committee bill for—	
			1947	1948 and subsequent years			1947	1948 and subsequent years
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
$500								
$600	3.17	2.22	2.69	2.22				
$700	5.43	3.80	4.61	3.80				
$750	6.33	4.43	5.38	4.43				
$800	7.12	4.99	6.06	4.99				
$900	8.44	5.91	7.18	5.91				
$1,000	9.50	6.65	8.08	6.65				
$1,200	11.08	7.76	9.42	7.76	3.17	2.22	2.69	2.22
$1,500	12.67	8.87	10.77	8.87	6.33	4.43	5.38	4.43
$1,600	13.06	9.56	11.34	9.56	7.12	4.99	6.06	4.99
$1,700	13.41	10.18	11.85	10.18	7.82	5.48	6.65	5.48
$1,800	13.72	10.72	12.31	10.72	8.44	5.91	7.18	5.91
$1,900	14.00	11.20	12.60	11.20	9.00	6.30	7.65	6.30
$2,000	14.25	11.40	12.83	11.40	9.50	6.65	8.08	6.65
$2,100	14.48	11.58	13.03	11.55	9.95	7.29	8.64	7.29
$2,200	14.68	11.75	13.21	11.75	10.36	7.86	9.16	7.86
$2,300	14.87	11.90	13.38	11.90	10.74	8.39	9.63	8.39
$2,400	15.04	12.03	13.54	12.03	11.08	8.87	9.98	8.87
$2,500	15.20	12.16	13.68	12.16	11.40	9.12	10.26	9.12
$3,000	16.15	12.92	14.54	12.92	12.67	10.13	11.40	10.13
$4,000	17.34	13.87	15.60	13.87	14.72	11.78	13.25	11.78
$5,000	18.43	14.74	16.59	14.74	15.96	12.77	14.36	12.77
$6,000	19.47	15.58	17.53	15.58	17.42	13.93	15.68	13.93
$7,000	20.49	16.39	18.44	16.39	18.46	14.77	16.61	14.77
$8,000	21.49	17.20	19.34	17.20	19.71	15.77	17.74	15.77
$9,000	22.48	17.99	20.24	17.99	20.69	16.55	18.62	16.55
$10,000	23.47	18.77	21.12	18.77	21.85	17.48	19.67	17.48
$11,000	24.44	19.55	22.00	19.55	22.80	18.24	20.52	18.24
$12,000	25.41	20.33	22.87	20.33	23.91	19.13	21.52	19.13

TABLE I.—*A comparison of the effective individual income-tax rates under present law, under H. R. 1 as passed by the House, and under the Senate Finance Committee bill*—Continued

Net income before personal exemptions	Single person, no dependents				Married person, no dependents			
	Present law	H. R. 1 as passed by House	Finance Committee bill for—		Present law	H. R. 1 as passed by House	Finance Committee bill for—	
			1947	1948 and subsequent years			1947	1948 and subsequent years
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
$13,000	26.42	21.13	23.78	21.13	24.85	19.88	22.36	19.88
$14,000	27.45	21.96	24.70	21.96	25.99	20.79	23.39	20.79
$15,000	28.47	22.77	25.62	22.77	26.98	21.58	24.28	21.58
$20,000	33.23	26.58	29.90	26.58	31.97	25.57	28.77	25.57
$25,000	37.45	29.96	33.70	29.96	36.33	29.06	32.70	29.06
$30,000	40.88	32.71	36.79	32.71	39.90	31.92	35.91	31.92
$40,000	46.06	36.85	41.46	36.85	45.24	36.20	40.72	36.20
$50,000	50.27	40.22	45.25	40.22	49.59	39.67	44.63	39.67
$60,000	53.75	43.00	48.37	43.00	53.15	42.52	47.84	42.52

TABLE I.—*A comparison of the effective individual income-tax rates under present law, under H. R. 1 as passed by the House, and under the Senate Finance Committee bill*—Continued

Net income before personal exemptions	Single person, no dependents				Married person, no dependents			
	Present law	H. R. 1 as passed by House	Finance Committee bill for—		Present law	H. R. 1 as passed by House	Finance Committee bill for—	
			1947	1948 and subsequent years			1947	1948 and subsequent years
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
$70,000	56.63	45.31	50.97	45.31	56.10	44.88	50.47	44.88
$80,000	59.16	47.32	53.24	47.32	58.67	46.94	52.81	46.94
$90,000	61.43	49.15	55.52	49.58	60.99	48.79	55.11	49.20
$100,000	63.54	50.83	57.61	51.63	63.13	50.50	57.23	51.28
$150,000	70.54	56.43	64.51	58.37	70.26	56.20	64.25	58.13
$200,000	74.28	59.42	68.18	61.95	74.06	59.25	67.98	61.77
$250,000	76.71	61.37	70.56	64.25	76.54	61.23	70.40	64.11
$300,000	78.33	62.67	72.14	65.79	78.19	62.55	72.01	65.67
$400,000	80.36	66.28	74.57	68.65	80.25	66.18	74.47	68.56

TABLE I.—*A comparison of the effective individual income-tax rates under present law, under H. R. 1 as passed by the House, and under the Senate Finance Committee bill*—Continued

Net income before personal exemptions	Single person, no dependents				Married person, no dependents			
	Present law	H. R. 1 as passed by House	Finance Committee bill for—		Present law	H. R. 1 as passed by House	Finance Committee bill for—	
			1947	1948 and subsequent years			1947	1948 and subsequent years
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
$500,000	81.58	68.49	76.04	70.39	81.49	68.41	75.95	70.31
$750,000	83.20	71.44	77.99	72.71	83.15	71.39	77.94	72.66
$1,000,000	84.01	72.92	78.96	73.87	83.97	72.88	78.93	73.83
$2,000,000	85.23	75.14	80.43	75.61	85.21	75.12	80.41	75.59
$5,000,000	85.50	76.46	81.00	76.50	85.50	76.46	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE II.—*A comparison of the reduction in individual income taxes provided by H. R. 1 as it passed the House and as amended by the Senate Finance Committee*

Persons with surtax net income of—	Reduction in tax under H. R. 1		
	As passed by House, calendar years 1947 and 1948	As amended by the Senate Finance Committee	
		Calendar year 1947	Calendar year 1948
$0 to $1,000	30 percent	15 percent	30 percent.
$1,000 to $1,400 [1]	30 percent to 20 percent	15 percent to 10 percent	30 percent to 20 percent.
$1,400 [1] to $79,700 [2]	20 percent	10 percent	20 percent.
$79,700 [2] to $302,400 [3]	20 percent	7.5 percent [5] above $79,700 [2]	15 percent above $79,700.[2]
$302,400 [3] and over	10.5 percent [4] above $302,400 [3]	5.3 percent [6] above $302,400 [3]	10.5 percent [4] above $302,400.[3]

[1] The exact breaking point in surtax net income under the House bill and as provided by your committee for 1948 is $1,395.83 and for 1947 under the bill as amended by your committee it is $1,327.60.
[2] The exact breaking point in surtax net income under the bill as amended by your committee is $79,728.40.
[3] The exact breaking point in surtax net income under both the House bill and the bill as amended by your committee is $302,395.60.
[4] The exact percentage is between 10.52 percent and 10.53 percent.
[5] The exact percentage is between 7.36 percent and 7.37 percent.
[6] The exact percentage is between 5.26 percent and 5.27 percent.

Source: Staff of the Joint Committee on Interna. Revenue Taxation.

The changes in existing individual income-tax law provided by H. R. 1 as amended by your committee are listed below. A somewhat more detailed description can be found in part VI of this report.

A. The present tax burdens of individuals are reduced as shown below. The great mass of wage earners will experience the benefit of the full reduction during the whole of the second half of the calendar year 1947, since under your committee bill withholding from wages at rates reflecting the full reduction starts on July 1, 1947. The committee bill will thus obviate the necesssity for making refunds on that part of the 1947 tax which was collected or will be collected during the first 6 months of the calendar year 1947. However, since it is impracticable to split an income-tax year, the reductions actually computed under the bill for the full calendar year 1947 are approximately one-half those of subsequent years.

1. The tax on surtax net incomes of $1,000 or less is reduced in the calendar year 1947 by 15 percent and in the calendar year 1948 by 30 percent. The reduction provided by the House amounted to 30 percent for both 1947 and 1948.

2. The tax on surtax net incomes of $1,000 to about $1,400 is reduced for the calendar year 1947 by an amount varying from 15 percent to 10 percent and for the calendar year 1948 by an amount varying from 30 percent to 20 percent. The reduction provided by the House varied from 30 percent to 20 percent for both 1947 and 1948.

3. The tax on surtax net incomes of about $1,400 to about $80,000 is reduced for the calendar year 1947 by 10 percent and for the calendar year 1948 by 20 percent. The reduction provided by the House amounted to 20 percent for both 1947 and 1948.

4. The tax on surtax net incomes of about $80,000 to about $302,000 is reduced for the calendar year 1947 by 10 percent on approximately the first $80,000 for surtax net income and by about 7.5 percent on the remainder; for the calendar year 1948 by 20 percent on approximately the first $80,000 of surtax net income and by 15 percent on the remainder. The reduction provided by the House amounted to 20 percent for both 1947 and 1948, the same reduction as that provided for persons with incomes between $1,400 and $80,000.

5. The tax on surtax net incomes of about $302,000 and over is reduced for the calendar year 1947 by 10 percent on approximately the first $80,000 of surtax net income, by about 7.5 percent on approximately the next $223,000 of surtax net income, and by about 5.25 percent on the remainder; for the calendar year 1948 by 20 percent on approximately the first $80,000 of surtax net income, by 15 percent on approximately the next $223,000 of surtax net income, and by about 10.5 percent on the remainder. The reduction provided by the House for both 1947 and 1948 amounted to 20 percent on about the first $302,000 of surtax net income and about 10.5 percent on the remainder.

B. Persons of 65 or over are given an additional exemption of $500 beginning in 1947. The House bill provided a similar exemption for taxpayers 65 and over but required individuals who qualified for it to include in their gross income the first $500 of any pensions, annuities, or officers' retirement pay which otherwise would not have been subject to tax under existing law. The latter requirement was omitted from the Senate bill.

III. THE FISCAL OUTLOOK FOR THE FEDERAL GOVERNMENT IN 1947 AND 1948

1. Fiscal year 1947

The fiscal outlook of the Federal Government for the year ending June 30, 1947, has undergone considerable change since the President submitted his budget message on January 3. That message contained a forecast of receipts for the fiscal year 1947 of $40,230,000,000, expenditures of $42,523,000,000, and a deficit of $2,293,000,000. However, subsequent collection and expenditure experience made it clear that in the budget message revenues had been underestimated and expenditures overestimated. This was confirmed by the President in a press release on April 19, 1947, containing the prediction that there would be a surplus of $1,250,000,000. In going from a deficit of $2,293,000,000 to a surplus of $1,250,000,000, the President revised his revenue estimates upward by $2,270,000,000 to $42,500,000,000 and his expenditures downward by $1,273,000,000 to

$41,250,000,000. The committee requested the staff of the Joint Committee on Internal Revenue Taxation to make an independent estimate of collections in the fiscal year 1947. The results indicated that even the revised Treasury estimate of receipts is probably about $1,000,000,000 too low and that the surplus for the fiscal year 1947 is likely to be about $2,300,000,000.

The surplus in 1947 is significant for at least two reasons. First, it has been argued that tax reduction should be postponed until it is possible to balance the budget and make some payment on the debt. The estimated surplus for 1947 indicates that these conditions will be met even before the fiscal year 1948 begins.

Second, the conditions which produced the high level of receipts for fiscal 1947 will favorably affect collections in the fiscal year 1948. The administration has indicated that a record high level of income payments in the latter part of the calendar year 1946 and forepart of calendar 1947 was a major reason for the unanticipated increase in receipts in the fiscal year 1947. Since a substantial portion of the receipts from the individual income tax and a still larger portion of those from the corporate income tax for any given year are based on the tax liabilities of the prior year, it is clear that even if income levels in the fiscal year 1948 are no higher than estimated by the Treasury, receipts in the fiscal year 1948 are certain to be above the Treasury's estimate as submitted in the budget message. That estimate was based upon the assumption that income payments for the calendar year 1947 were $166,000,000,000. As a matter of fact the official estimate of income payments for the first quarter of the calendar year 1947 is $176,900,000,000. This does not take into account the wage adjustments which are now being made. It therefore appears unlikely that the April, May, and June levels will be much lower. Hence the Treasury forecast of $166,000,000,000 for the calendar year 1947 appears to be considerably too low.

This bill as amended will have no significant effect on tax collections in the fiscal year 1947.

2. Fiscal year 1948

Table III shows the effects of H. R. 1 as passed by the House and as amended by your committee upon the budget of the Federal Government in the fiscal year 1948, under two different assumptions concerning income payments:

TABLE III.—*The effect of H. R. 1 on the budget of the Federal Government in the fiscal year 1948*

[In billions of dollars]

	Income payments in fiscal 1948	
	$165 billion[1]	$170 billion[1]
1. Net receipts	40.3	41.4
2. Expenditures under Senate ceiling	33.0	33.0
3. Estimated surplus (No. 1 minus No. 2)	7.3	8.4
4. Effect of H. R. 1 as passed by the House	4.8	4.9
5. Estimated surplus after effect of House bill (No. 3 minus No. 4)	2.5	3.5
6. Effect of Senate Finance Committee bill	3.1	3.2
7. Estimated surplus after effect of Senate Finance Committee bill (No. 3 minus No. 6)	4.2	5.2

[1] Income payments in the first 6 months of calendar 1947 are assumed to be $176,000,000,000.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

For purposes of the legislative budget the Senate expenditure ceiling for the fiscal year 1948 is $33,000,000,000. With income payments at $170,000,000,000, receipts under present law are estimated at $41,400,000,000. This leaves a surplus of $8,400,000,000. With income payments of $170,000,000,000, H. R. 1 as amended by your committee will reduce revenues by $3,200,000,000, leaving $5,200,000,000 for debt retirement and contingencies. H. R. 1 as passed by the House would leave $3,500,000,000 for these purposes.

With the expenditure ceiling of $33,000,000,000 fixed by the Senate, substantial debt retirement and the tax reduction provided by your committee would be possible even if income payments in the fiscal year 1948 should be as low as $165,000,000,000. At this level of income payments, receipts under present law would be $40,300,000,000. The loss under H. R. 1 as amended would be $3,100,000,000, leaving $4,200,000,000 for debt retirement and contingencies. On this same basis H. R. 1 as it passed the House would leave $2,500,000,000 for these purposes.

By unanimous action the Senate has endorsed a debt reduction of $2,600,000,000 for the fiscal year 1948. Your committee believes that H. R. 1 as amended will give more adequate assurance that the debt reduction of $2,600,000,000 will be realized. The bill is fashioned to meet the Senate view on debt and expenditure reduction.

Your committee believes that the estimate of the receipts for the fiscal year 1948 should be based upon a level of income payments of $170,000,000,000. This represents a decrease of about $7,000,000,000 from the current level. The estimate of $170,000,000,000 represents a conservative position. Allowances are made for some downturn in business, moderate price reductions, and some reduction in employment.

This forecast of $170,000,000,000 for income payments in the fiscal year 1948 can be compared with an estimate of $168,000,000,000 used by the Treasury Department in the preparation of its revenue estimates for this year. However, there is a great difference between your committee's judgment of what $170,000,000,000 would mean in terms of business conditions and the Treasury's interpretation of its $168,000,000,000 figure. The Treasury believes the latter represents full employment in an absolute sense. This is indicated by the Secretary's statement that there will be no room for expansion in the volume of output of goods and services during the fiscal year 1948.

As noted above, income payments during the first quarter of the calendar year 1947 were $176,900,000,000. When confronted with the question as to why a continuance of the present levels of employment and output would not produce income payments in the fiscal year 1948 of at least $176,000,000,000, the Secretary replied that price reductions were anticipated. This reduction in selling prices, combined with the Secretary's assumption that no expansion in volume of output was possible, enabled him to conclude that a level of income payments of $168,000,000,000 was consistent with a forecast of full employment and maximum production.

Other statements inserted in the testimony of Dr. Haas, Director of the Division of Research and Statistics of the Treasury Department, imply that the price cuts which the Secretary has in mind will take place before the end of the present fiscal year. On page 58 of the hearings the following statement appears:

"The income level in June 1948 was assumed to reach an annual rate of $169,000,000,000, rising gradually through the fiscal year."

If income payments are to reach an annual rate in June 1948 of $169,000,000,000, and average $168,000,000,000 for the period July 1947 to June 1948, and "rise gradually" during this same period, it is inevitable that the level in July 1947 must be $167,000,000,000. This means that the level of income payments must drop by about $10,000,000,000 between May 1947 and July 1947. The Secretary's testimony indicates that this will take place as a result of price cuts and that there will be no untoward repercussions in employment or the volume of business activity.[1]

In the opinion of your committee the Secretary's forecast has certain weaknesses. The economy is not as fully employed as the Secretary seems to believe. Unemployment as reported by the Department of Commerce is running now at about 2,400,000 persons. This compares with 650,000 persons during the autumn of 1944, when it can reasonably be said that the economy was fully employed in a fairly absolute sense. Moreover, since the fall of 1944, the average weekly hours of workers in manufacturing industry have dropped from 45 to 40. In the opinion of your committee there is more room for expansion in the volume of output than the Secretary seems to believe.

The Secretary's assumption that substantial cuts in prices will take place in the immediate future is open to question on several grounds. First the price-cut program is a voluntary one which to date at least has not been generally accepted. Therefore its future effectiveness certainly is not assured. Second, the Secretary seems to believe that the price-cutting program can be realized in spite of the wage increases which are now being made. The validity of this assumption is by no means obvious. Third, the Secretary's belief that a general price reduction can occur without raising the level of production is based on what your committee considers an unsound premise; namely, that we have reached an absolute maximum volume of output. Fourth, if general price reduction should be accomplished without increasing the volume of output, it appears likely that the additional funds in the hands of the consumers, would result in prices being bid up again. The committee is unwilling to rely exclusively on price cutting in trying to prevent deflation.

If your committee believed it advisable to base its estimates for the fiscal year 1948 on the continuance of the present levels of employment and output, as the Secretary of the

[1] Your committee has difficulty reconciling the Secretary's opinion that this price adjustment can take place without a recession with certain other implications of his testimony. The Secretary forecast a level of income payments of $166,000,000,000 for the calendar year 1947. Income payments during the first quarter of this calendar year were about $177,000,000,000 at an annual rate. Therefore the remaining three quarters must average $162,000,000,000. Dr. Haas' statement cited above implies that the income payments during the last half of this calendar year must average between $167,000,000,000 and $168,000,000,000. This leaves only the second quarter of the year unaccounted for. To arrive at the average of $166,000,000,000 for the full year, it is necessary to have an average level of income payments during the second quarter of about $153,000,000,000. Since the quarter will begin at a level around $177,000,000,000, an average for the quarter of $153,000,000,000 requires a low point during the quarter of between $120,000,000,000 and $130,000,000,000. The drop from $177,000,000,000 to $120,000,000,000, or $130,000,000,000 within the space of 1 or 2 months is clearly inconsistent with the Secretary's notion that the only readjustment called for is in selling prices.

Treasury has done, it would forecast income payment estimates for the fiscal year 1948 of between $175,000,000,000 and $180,000,000,000.

IV. SUMMARY OF ESTIMATED REVENUE EFFECT OF TAX REDUCTION

With an income payment level of $170,000,000,000, individual income tax liabilities under your committee's bill are estimated at about $13,700,000,000 on the basis of the full-rate reduction, or $15,600,000,000 with half of the full-rate reduction.[2] The "half" reduction is effective for calendar year 1947 and the "full" reduction for 1948 and subsequent calendar years. This represents a liability reduction from present law of about $2,100,000,000 in the case of the "half" reduction and $4,000,000,000 with the "full" reduction.[3] On the basis of income payments of $170,000,000,000, H. R. 1 as it passed the House would reduce the liabilities under present law by about $4,000,000,000. Table IV shows the changes in liabilities resulting from the House and Finance Committee bills with income payments of $170,000,000,000 and $165,000,000,000. Tables showing the distribution of liabilities among different income groups are shown in part VII of this report.

TABLE IV.—*Estimated individual income-tax liability under present law, H. R. 1 as it passed the House, and the Senate Finance Committee bill*

[In billions of dollars]

Level of income payments assumed [1]	Estimated liability under—				Reduction in liability under—		
	Present law	H. R. 1 as passed by the House [2]	Senate Finance Committee bill		H. R. 1 as passed by the House	Senate Finance Committe bill	
			Half-rate reduction [3]	Full-rate reduction [4]		Half-rate reduction [3]	Full-rate reduction [4]
$165	$16.9	$13.0	$14.9	$13.0	$3.8	$2.0	$3.8
$170	17.8	13.7	15.6	13.7	4.0	2.1	4.0

[1] The liability estimates are shown uniformly on income payment levels of $165,000,000,000 and $170,000,000,000 for comparative purposes only. They do not represent forecasts for the periods involved.

[2] Effective in 1947 and subsequent years.

[3] About one-half of the rate reduction and all of the increase in exemptions is made effective in the calendar year 1947.

[4] The full reduction in rates is effective in calendar year 1948 and subsequent years. This reduction is somewhat smaller than that provided under H. R. 1 as passed by the House, but when the data are rounded the differences disappear.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

The proposed tax reduction expressed on a liability basis indicates the decrease in the obligations incurred by taxpayers during the year. The reduction expressed on a collection basis indicates the actual loss in the receipts of the Government during that year. The former is useful in illustrating the ultimate effect of the reduction. The latter is necessary to determine the immediate effect of the reduction on the Federal Budget.

Table V presents the effects of the tax reduction proposed by the House and by your committee on a collection basis for the fiscal year 1948 under different assumptions of income payments. For the purposes of this report it is assumed that the level of income payments in the first half of the calendar year 1947 will be $176,000,000,000, and in the fiscal year 1948, $170,000,000,000. On this basis, it is estimated that your committee's bill will reduce collections in the fiscal year 1948 by $3,200,000,000. The bill as passed by the House would reduce collections (or increase refunds) by $4,900,000,000.

TABLE V.—*Comparison of the effect of H. R. 1 as it passed the House with the Senate Finance Committee bill on fiscal year 1948 collections*

[In billions of dollars]

Level of income payments in billions of dollars in—		Reduction in collections and increase in refunds in the fiscal year 1948 under—		Excess of budgetary loss under H. R. 1 as it passed the House over loss under Senate Finance Committee bill
The first half of calendar 1947	Fiscal year 1948	H. R. 1 as it passed the House	Senate Finance Committee bill	
$165	$165	$4.6	$2.9	$1.7
$176	$165	4.8	3.1	1.7
$176	$170	4.9	3.2	1.7

Source: Staff of the Joint Committee on Internal Revenue Taxation

The chief reason for the greater reduction in collections (or increase in refunds) under the House bill is the fact that it makes the full reduction effective for the entire calendar year 1947. Your committee's bill has approximately the same effect as providing the reduction for only the last half of the calendar year 1947.

With minor exceptions, the collections made in the fiscal year 1948 are composed of part of the liabilities incurred in the fiscal year 1947, and part of the liabilities incurred in the fiscal year 1948. Similarly, part of the reduction in the fiscal year 1947 liabilities, and part of the reduction in the fiscal year 1948 liabilities, are reflected in lower collections in the fiscal year 1948. On the other hand, part of the reduction in liability in the fiscal year 1947 is reflected in lower collections in the fiscal year 1947, and part of the reduction in the fiscal year 1948 liabilities is reflected in lower collections in the fiscal year 1949.

The estimates presented above do not take into consideration the stimulating effect which this bill will have upon the economy. As a result, it appears likely that the revenue losses involved have been overstated.

V. GENERAL DISCUSSION OF RECOMMENDED INDIVIDUAL INCOME-TAX REDUCTIONS

1. Why a tax reduction is needed now

Much of the discussion in your committee's hearings was concerned with the problem of whether a tax reduction is appropriate at the present time. This discussion was concerned with the economic effects of a tax reduction and its implications with respect to debt retirement.

A tax reduction at the present time should appear particularly desirable to those who hold the view that a down-turn in business conditions is likely during the fiscal year 1948.

There is a good deal of uncertainty among those holding this view as to whether the downturn will begin shortly or whether some time will elapse before the turning point is reached. In any case a tax reduction will be a hedge against recession and cumulative deflation, and should be enacted now. A tax reduction cannot become fully effective until some time after the legislation is enacted. In the hearings before the House Ways and Means Committee, the Secretary of the Treasury suggested that it takes 12 months for the full economic effects of a tax reduction to be realized. It should be noted that this lag in the economic effectiveness of a tax reduction means that even if inflationary factors, due to temporary shortages of materials and manpower, should continue to be important in the next few months, they would not be aggravated by a tax reduction now.

Moreover, those who predict some recession should keep in mind that Congress might not be in session if the downturn in business conditions occurred or action by Congress might of necessity be delayed. This, combined with the lag in the economic effectiveness of a tax reduction, suggests that its postponement might well mean that no counteractive tax measures could be taken until a drastic deflation was well under way.

It is argued by some that no matter how large the surplus in the fiscal year 1948 turns out to be, all of it should be used for debt-retirement purposes. Your committee attempted vainly to obtain an expression of opinion from the Secretary of the Treasury on this issue. While debt retirement is highly desirable from the point of view of maintaining the credit status of the Government, it must not be forgotten that one short-run effect of this action is to reduce consumer purchasing power. When the economy appears to be in danger of receding from a high level of operation, a very large debt retirement carried out during a short period of time may well be a major factor in precipitating a recession. For this reason it appears desirable to make a contribution to the credit status of the Government by carrying out a substantial amount of debt retirement in the fiscal year 1948, and also to provide against a recession in business conditions by a concurrent tax reduction. The latter will not only offset the loss of consumer purchasing power inherent in the debt-retirement process, but also stimulate the investment and managerial efforts of the business community which are essential to the continuance of the present levels of production and employment.

2. Why the reduction should be made in the industrial income tax

Your committee agrees with the House Ways and Means Committee that it is desirable to concentrate any reduction which can be made at this time in the individual income tax. Only through the individual income tax is it possible to give relief to all persons bearing heavy tax burdens.

Furthermore, a reduction in the individual income tax is the only way in which a reduction can be made in a single tax which will both increase consumer purchasing power and stimulate investment and managerial initiative.

3. Why the type of reduction provided in this bill was selected

The reduction in the individual income tax should be made in a fashion which is economically desirable. It should be effective in increasing purchasing power and stimulating venture capital and managerial initiative.

The additional income placed in the hands of the consumers by this bill will act as a check on any recession that may be forecast for the fiscal year 1948, and will tend to offset the reduction in consumer purchasing power which is involved in the debt-retirement operation. The importance of the effect of this bill on consumer purchasing power is shown in table VI, which indicates that 64 percent of the reduction will be given to persons with incomes of $5,000 or less, the primary source of consumer purchasing power.

[2] Both figures are shown on an income payment level of $170,000,000 for comparative purposes.

[3] Although the rate reduction is halved in 1947, the additional exemption is not. Thus the reduction in liabilities in 1948 is not quite twice the reduction in 1947.

TABLE VI.—*Estimated percentage distribution of the individual income-tax liability and taxpayers under present law, and of total tax reduction under the House bill, and your committee's bill with a full year's reduction in tax (with assumed income payments of $170,000,000,000)*

Net income class	Percentage distribution of—			
	Total taxpayers	Total tax paid under present law	Total reduction under—	
			House bill	Finance Committee bill
$0 to $2,000	52.7	17.5	24.0	24.5
$2,000 to $5,000	43.4	39.3	38.5	39.5
$5,000 to $10,000	2.6	8.2	7.5	7.6
$10,000 to $25,000	1.1	12.0	10.6	10.7
$25,000 and over	.2	23.0	19.4	17.7
Total	100.0	100.0	100.0	100.0

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Your committee also is impressed with the long-run need for a stimulus to investment and managerial initiative. The extent of the stimulus provided by H. R. 1 as amended can best be seen by examining the proposed reduction in marginal tax rates; i. e., the rates on the top dollar of income received. In deciding whether or not to make a new investment or to take on added managerial responsibilities, it is these marginal rates with which the investor or manager will be concerned. They determine the additional tax he will have to pay on any additional income which he receives.

Table VII shows that the marginal tax rates are substantially lower under the bill than under existing law. For example, in 1948 an individual already having surtax net income of $18,000 will be taxed at 40 percent on additional income under the bill, rather than 50 percent as under present law. It is believed that this will make him less hesitant in assuming the risks of new investment. Similarly, an individual with a surtax net income of $100,000 will be more likely to make an investment if the additional return is taxed at 72 percent rather than at the 85 percent provided by existing law. It is believed that the reduced marginal rates also will have the effect of encouraging business managers to take on added responsibilities and work harder to make their businesses a success.

The amount of spendable income remaining after paying taxes is another measure of the effect of taxes on investment and managerial incentives. Table XI in part VII shows the spendable income left after taxes at various levels and the percent this is of income before taxes under both present law and your committee's bill. For example, a single individual with a net income of $20,000 under present law retains about 67 percent of this income after paying taxes, and in 1948 under your committee's bill about 73 percent. A single individual with a net income of $70,000 under present law has about 43 percent of his income left after paying his taxes, and in 1948 under your committee's bill 55 percent. The small percentage of net income left after taxes under existing law so reduces the advantage of making risky new investments or exercising managerial initiative as to serve as a strong deterrent to the maintenance of a high level of business activity. Under your committee's bill the taxpayer retains a larger portion of his income after taxes. This constitutes the first major step toward the removal of the deterrents to investment and initiative in present law.

TABLE VII.—*Comparison between the marginal rates of the individual income tax under present law, the House bill, and the Senate Finance Committee bill*

Surtax net income		Marginal rates			
From—	To—	Present law	House bill	Finance Committee bill	
				1947	1948 and subsequent years
$0	$1,000	19.0	13.3	16.1	13.3
$1,000	$1,400 [1]	19.0	[2]	[3]	[3]
$1,400 [1]	$2,000	19.0	15.2	17.1	15.2
$2,000	$4,000	20.9	16.7	18.8	16.7
$4,000	$6,000	24.7	19.8	22.2	19.8
$6,000	$8,000	28.5	22.8	25.6	22.8
$8,000	$10,000	32.3	25.8	29.1	25.8
$10,000	$12,000	36.1	28.9	32.5	28.9
$12,000	$14,000	40.9	32.7	36.8	32.7
$14,000	$16,000	44.7	35.8	40.2	35.7
$16,000	$18,000	47.5	38.0	42.8	38.0
$18,000	$20,000	50.4	40.3	45.3	40.3
$20,000	$22,000	53.2	42.6	47.9	42.6
$22,000	$26,000	56.1	44.8	50.4	44.8
$26,000	$32,000	58.9	47.1	53.0	47.1
$32,000	$38,000	61.8	49.4	55.6	49.4
$38,000	$44,000	65.6	52.5	59.0	52.4
$44,000	$50,000	68.4	54.7	61.6	54.7
$50,000	$60,000	71.3	57.0	64.1	57.0
$60,000	$70,000	74.1	59.3	66.7	59.3
$70,000	$79,700 [4]	77.0	61.6	69.3	61.6
$79,700 [4]	$80,000	77.0	61.6	71.3	65.4
$80,000	$90,000	79.8	63.8	73.9	67.8
$90,000	$100,000	82.7	66.2	76.6	70.3
$100,000	$150,000	84.6	67.7	78.3	71.9
$150,000	$200,000	85.5	68.4	79.2	72.7
$200,000	$302,400 [5]	86.5	69.2	80.1	73.5
$302,400 [5] and over [6]		86.5	77.3	81.9	77.3

[1] The exact breaking point in surtax net income under the House bill and as provided by your committee for 1948 is $1,395.83. Under the bill as amended by your committee the breaking point for 1947 is $1,327.60.

[2] Incomes in this bracket receive a flat reduction of $67 from the tentative tax.

[3] Incomes in this bracket receive a flat reduction of $38.50 from the tentative tax.

[4] The exact breaking point in surtax net income under the bill as amended by your committee is $79,728.40.

[5] The exact breaking point in surtax net income under both the House bill and the bill as amended by your committee is $302,395.60.

[6] It should be borne in mind that the tax is subject to a ceiling of 81.5 percent of surtax net income under existing law, 76.5 percent under the House bill and under the Finance Committee's bill in 1948 and subsequent years, and 81 percent in 1947 under the Finance Committee bill.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

The need for stimulating managerial incentives and the investment of venture capital is a major reason for the proposed reduction in the taxes of individuals in the middle and upper brackets. The decisions of the executives who receive relative large salaries are of greatest importance with reference to the development of industrial production. The savings of the middle and upper-bracket-income recipients are the principal sources of the venture capital for business expansion.

A study by the Bureau of Labor Statistics for the year 1941 [4] brings out the fact that the great bulk of the relatively speculative business investments are made by individuals with incomes of $10,000 and over. Individuals with such incomes accounted for no less than 89 percent of the investments in stocks, bonds, and unincorporated business made by the entire group covered in the study. Persons with smaller incomes not only save relatively little,[5] but are apt to keep what they do save in cash, Government bonds, insurance policies, savings accounts, etc. They cannot afford to assume the additional risks which speculative investments entail.

[4] U. S. Bureau of Labor Statistics bulletin No. 822, Family Spending and Saving in Wartime.

[5] The BLS study indicated that 74 percent of the total saving was done by persons with incomes of $10,000 and over.

4. Why the full reduction was not allowed for the calendar year 1947

H. R. 1 as it passed the House provided for a retroactive tax reduction effective January 1, 1947. Your committee has amended the bill in a manner which roughly has the same effect as making the reduction on July 1, 1947. Stated more accurately your committee amended the bill to provide a reduction for the entire calendar year 1947 which is one-half as large as the reduction provided for the calendar year 1948. It is provided that the withholding tables set up in the House version of this bill shall go into effect July 1, 1947.

The principal reason for this amendment to the House bill is that it reduces the budgetary effect of H. R. 1 in the fiscal year 1948. Under the House version of the bill the revenue loss, in the form of reduced collections and increased refunds, would amount to $4,900,000,000 with income payments at $170,000,000,000. Under the bill as amended by your committee, the reduction for the fiscal year 1948 with the same income payments, will amount to $3,200,000,000.

This amendment will also eliminate the necessity for most of the tax refunds which would have occurred in the fiscal year 1948 as a result of the enactment of the House bill. A reduction which is retroactive to January 1, 1947, results in an overpayment of the tax due during the time intervening between January 1 and the date when the new withholding tables used in collecting the tax go into effect. It has been estimated that the resulting additional refunds would amount to $450,000,000. The method of reduction recommended by your committee would practically eliminate such refunds.

The stimulus to business which this bill brings results from the additional incentive to managerial initiative and the investment of venture capital. This stimulus consists primarily of the knowledge that from now on the net return allowed on a successful venture and the net reward paid for outstanding managerial achievement is going to be substantially greater than in the past. While the refunds provided by the retroactive feature are considerable, they occur only once and hence offer no continuing stimulus to plans for future investment or managerial action.

5. Why an exemption is needed for persons aged 65 and over

Your committee's bill introduces an additional exemption of $500 for each person who attained the age of 65 before the end of the taxable year. The exemption will benefit 3,700,000 taxpayers and will remove 1,400,000 persons from the rolls. The heavy concentration of small incomes among such persons reflects the fact that as a group they are handicapped in an economic if not in a physical sense. They have suffered with unusual severity as a result of the 54-percent rise in the cost of living and the changes in the tax system which have occurred since the beginning of the war. Unlike younger persons, the bulk of those who have attained the age of 65 were unable to compensate for price and tax changes during recent years by accepting full-time jobs at prevailing high rates of wages. For these reasons your committee believes that special relief is warranted at this time for persons who have attained the age of 65.

At the hearings on this bill the Secretary of the Treasury did not oppose the giving of special relief to persons aged 65 or over but argued that the appropriate method of doing so would be action under the Social Security Act. It is worth noting that the coverage of the social-security legislation is by no means universal. Relief under it would not

extend to a great number of the people over 65 who now find themselves in an unusually straitened condition.

The Treasury has taken exception to the special exemption for persons aged 65 or over on the ground that it constitutes class legislation. It is difficult to see how the Treasury can take this view after having indicated it is studying the following types of class legislation: individual income tax exemptions, the treatment of family incomes, the taxation of pensions and annuities, the earned income credit, the special taxation of capital gains and losses, the taxation of small business, the double taxation of dividends, the taxation of American corporations doing business abroad, the taxation of cooperatives and other tax-exempt organizations, the 2-percent tax on consolidated returns, and the 85-percent credit for intercorporate dividends received.

The $500 exemption for all persons in this age group appears to be a more appropriate method of bringing relief than an extension of the system of exclusions for the benefit of particular types of income used under existing law. Certain persons who have attained the age of 65 are already benefiting by these exclusions. For instance, the annuities under the Railroad Retirement Act and the pay of Army and Navy officers retired by reason of medical survey have been excluded from gross income in full by statutory enactment. Benefits under the old-age and survivors' insurance system or the Social Security Act have been excluded by a Treasury decision. The presence of exclusions of this type has brought an insistent demand for the extension of similar treatment to other types of retirement income, such as the pensions and annuities received by former employees of State and local governments, retired school teachers, and beneficiaries under the civil-service retirement fund of the Federal Government. Your committee recognizes that existing exclusions work a discrimination against persons having attained the age of 65 who are receiving other types of income, but, believes that a general exemption of $500 for all taxpayers in this group is preferable to the piecemeal extension of exclusions for the benefit of particular types of income.

H. R. 1 as passed by the House contained a provision which in effect was intended to keep persons receiving more than $500 of certain types of excludable income from obtaining the benefits of the new $500 exemption. The House bill required a taxpayer who qualified for the new $500 exemption to include in his gross income an amount up to $500 received during the taxable year from certain pensions, annuities, or retirement pay which, but for this bill, would have been excluded in full from gross income. Your committee is in complete accord with the general objective of this provision.

However, due to the difficulty of determining the types of exempt income covered by this provision and the administrative difficulties raised by the Treasury, it was deemed advisable to defer action on this problem to a later bill. The committee is of the opinion that some remedy for the discrimination now existing between recipients of various types of retirement income must be found, and will consider this matter fully in connection with the next general revenue bill. The allowance of the additional $500 exemption for persons over 65 may well constitute a sufficient basis for removing the exclusions provided under existing law and Treasury rulings.

H. R. 1, as it passed the House, provided that the special exemption for persons aged 65 or over was to be allowed only with respect to persons whose gross income was $500 or more. This feature of the House bill involves substantial inequity. This can be shown most clearly by comparing two couples where both husband and wife are over 65 but where one wife has gross income in excess of $500 while the other wife's income is slightly less than $500. The House bill would bring the first couple an extra ememption of $1,000, the second couple one of $500. This would occur, even though the joint incomes of the two couples were the same.

To eliminate this inequity your committee has amended the House bill so as to allow the $500 deduction with respect to all persons 65 years of age or more regardless of the amount of their gross income.

VI. CHANGES IN EXISTING LAW

Table VII compares the reduction in tentative tax and in actual tax payable under present law with that under H. R. 1 as amended by your committee. The changes in present individual income-tax law provided under H. R. 1 are discussed below.

TABLE VIII.—*The reductions in tentative taxes and actual taxes under H. R. 1, as amended by the Senate Finance Committee*

Surtax net income	Tentative tax	Reduction in tentative tax under present law	Reduction in tentative tax under H. R. 1 as amended by Senate Finance Committee		Actual tax reduction under H. R. 1 as amended by Senate Finance Committee	
			Calendar year 1947	Calendar year 1948	Calendar year 1947	Calendar year 1948
		Percent				
$0 to $1,000	$0 to $200	5	19.25 percent	33.5 percent	15 percent	30 percent.
$1,000 to $1,400 [1]	$200 to $265.52 or $279.17.[2]	5	$38.50	$67	15 percent to 10 percent	30 percent to 20 percent.
$1,400 [1] to $79,700 [3]	$279.17 to $50,000	5	14.5 percent	24 percent	10 percent	20 percent.
$79,700 [3] to $302,400 [4]	$50,000 to $250,000	5	14.5 percent on first $50,000 and 12 percent on remainder.	24 percent on first $50,000 and 19.25 percent on remainder.	10 percent on first $79,700 [3] of income, and 7.5 percent [5] on remainder.	20 percent on first $79,700 [3] of income and 15 percent on remainder.
$302,400 [4] and over	$250,000 and over	5	14.5 percent on first $50,000, 12 percent on next $200,000, and 10 percent on remainder.	24 percent on first $50,000, 19.25 percent on next $200,000, and 15 percent on remainder.	10 percent on first $79,700 [3] of income, 7.4 percent [6] on the next $223,000,[6] and about 5.3 percent [7] on remainder.	20 percent on first $79,700 [3] of income, 15 percent on the next $223,000 and 10.5 percent [8] on remainder.

[1] The exact breaking point in surtax net income under the House bill and as provided by your committee for 1948 is $1,395.83 and for 1947 under the bill as amended by your committee is $1,327.60.

[2] The maximum tentative tax in the "notch" is $265.52 in calendar year 1947 and $279.17 in calendar year 1948.

[3] The exact breaking point in surtax net income under the bill as amended by your committee is $79,728.40.

[4] The exact breaking point in surtax net income under both the House bill and the bill as amended by your committee is $302,395.60.

[5] The exact amount of tax reduction on surtax net income between $79,728.40 and $302,395.61 for the calendar year 1947 is between 7.36 and 7.37 percent.

[6] The exact amount is $222,667.20, the difference between $302,395.60 and $79,728.40.

[7] The exact percentage reduction in 1947 on surtax net income in excess of $302,395.60 is between 5.26 and 5.27 percent.

[8] The exact percentage reduction in 1948 and subsequent years on surtax net income in excess of $302,395.60 is between 10.52 and 10.53 percent.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

1. A reduction in 1947 of 15 percent and in 1948 of 30 percent of the tax for individuals with surtax net income of $1,000 or less

Under the bill the combined tentative normal tax and surtax of individuals having a tentative tax of $200 or less is reduced by 19.25 percent for the calendar year 1947, and 33.5 percent for the calendar year 1948 and subsequent years. These reductions are in lieu of the 5-percent reduction provided by present law. They, in effect, reduce the tax burden for individuals with $1,000 of surtax net income or less by 15 percent in 1947, and by 30 percent in 1948. The tax on $1,000 of surtax net income under the bill would be $161.50 in 1947 and $133 in 1948 and subsequent years, in place of the present tax of $190. Thus the maximum reduction for any individual as a result of the 15-percent cut in 1947 is $28.50, and in the case of the 30-percent cut in 1948 and subsequent years, $57.

For example, a single person with no dependents having a net income of $1,200 would compute his tax as follows, if he were one of the few required to compute his own tax:

	1947	1948 and subsequent years
1. Net income	$1,200.00	$1,200.00
2. Personal exemption	500.00	500.00
3. Surtax net income (No. 1–No. 2)	700.00	700.00
4. Tentative tax (20 percent of No. 3)	140.00	140.00
5. Reduction in tentative tax under bill (19.25 percent in 1947 and 33.5 percent in 1948)	26.95	46.90
6. Tax under bill (No. 4–No. 5)	113.05	93.10

The reduction for surtax net incomes of $1,000 or less provided by your committee for 1948 and subsequent years is the same as that provided in H. R. 1 as it passed the House. However, the reduction provided in your committee's bill for 1947 is one-half the reduction provided for 1947 in H. R. 1 as it passed the House.

2. A reduction in 1947 varying from 15 percent to 10 percent and in 1948 varying from 30 percent to 20 percent of the tax on surtax net income between $1,000 and about $1,400

Under the bill if the combined tentative normal tax and surtax of an individual in the calendar year 1947 is between $200 and $265.53, his tentative tax is reduced by $38.50. In the calendar year 1948 and subsequent years if his combined normal tax and surtax is between $200 and $279.18, his tentative tax is reduced by $67. These decreases in tax reduction, as income increases, arise from the fact that flat reductions are given in lieu of the 5-percent reduction in tax. In effect, tax reductions are given to

individuals which in 1947 range from 15 percent for those with surtax net incomes of $1,000 to 10 percent for those with surtax net incomes of $1,327.60, and in 1948 range from 30 percent for those with surtax net incomes of $1,000 to 20 percent for those with surtax net incomes of $1,395.83. For example, a married person with no dependents having a net income of $2,200 would compute his tax as follows, if he is one of the few required to compute his own tax:

	1947	1948 and subsequent years
1. Net income	$2,200.00	$2,200.00
2. Personal exemptions	1,000.00	1,000.00
3. Surtax net income (No. 1—No. 2)	1,200.00	1,200.00
4. Tentative tax (20 percent of No. 3)	240.00	240.00
5. Reduction in tentative tax under bill	38.50	67.00
6. Tax under bill (No. 4—No. 5)	201.50	173.00

The reduction for surtax net incomes between $1,000 and $1,395.84 provided by your committee for 1948 and subsequent years is the same as that provided in H. R. 1 as it passed the House, However, the reduction provided in your committee's bill for 1947 for similar surtax net incomes is about one-half the reduction provided for 1947 in H. R. 1 as it passed the House.

3. A reduction in 1947 of 10 percent and in 1948 of 20 percent for individuals with surtax net incomes between about $1,400 and about $80,000

Under the bill in the calendar year 1947 an individual with a combined tentative normal tax and surtax between $265.52 and $50,000 receives a 14.5-percent reduction in his tentative tax. In the calendar year 1948 and subsequent years an individual with a combined tentative normal tax and surtax between $279.17 and $50,000 receives a 24-percent reduction in his tentative tax. These reductions are in lieu of the 5-percent reduction allowed under present law. Individuals with surtax net incomes in 1947 between $1,327.60 and $79,728.41 receive a 10-percent reduction in their tax burden. In 1948, if their surtax net incomes are between $1,395.83 and $79,728.41, they receive a 20-percent reduction in their tax burden.

For example, a married person with no dependents having a net income of $4,000 would compute his tax as follows, if he were one of the few required to compute his own tax:

	1947	1948 and subsequent years
1. Net income	$4,000.00	$4,000.00
2. Personal exemption	1,000.00	1,000.00
3. Surtax net income	3,000.00	3,000.00
4. Tentative tax ($2,000 of surtax net income at 20 percent and $1,000 at 22 percent)	620.00	620.00
5. Reduction in tentative tax under bill (14.5 percent in 1947 and 24 percent in 1948)	89.90	148.80
6. Tax under bill (No. 4-No. 5)	530.10	471.20

The reduction for surtax net incomes between $1,395.83 and $79,728.41 provided by your committee for 1948 and subsequent years is the same as that provided in H. R. 1 as it passed the House, although the House bill continued the 20-percent reduction on up to surtax net incomes of $302,395.60. The reduction provided in your committee's bill for 1947 is one-half the reduction provided for 1947 in H. R. 1 as it passed the House.

4. A reduction in 1947 of about 7.5 percent and in 1948 of 15 percent of the tax on that portion of the surtax net income which is between about $80,000 and about $302,000

In the calendar year 1947, in addition to the reduction of 14.5 percent in the tentative tax on the first $79,728.40 of surtax net income, individuals with surtax net incomes between $79,728.40 and $302,395.61 receive a 12-percent reduction on that portion of their tentative tax which is between $50,000 and $250,000. In the calendar year 1948 and subsequent years in addition to the reduction of 24 percent in the tentative tax on the first $79,728.40 of surtax net income, individuals with surtax net income between $79,728.40 and $302,395.61 receive a 19.25-percent reduction in that portion of their tentative tax which is between $50,000 and $250,000. These reductions are in lieu of the 5-percent reduction in tentative tax allowed under present law. Thus an individual with surtax net income of between $79,728.40 and $302,395.61 in 1947 receives a reduction of 10 percent in the tax on his first $79,728.40 of surtax net income and about a 7.4-percent reduction in the tax on his remaining income.[6] In 1948 he receives a reduction of 20 percent in the tax on the first $79,728.40 of surtax net income, and a 15-percent reduction in the tax on the remaining income.

The tax reduction for surtax net incomes between $79,728.40 and $302,395.61 provided by your committee is smaller than that provided in H. R. 1 as it passed the House. The latter provided a 20-percent reduction in the tax on such incomes in both 1947 and subsequent years.

5. A reduction in 1947 of about 5.25 percent and in 1948 of about 10.5 percent of the tax on that portion of the surtax net income which is in excess of about $302,000

In addition to the reductions on the tax attributable to the first $302,395.60 of surtax net income or $250,000 of tentative tax, individuals with surtax net incomes or tentative taxes in excess of this amount receive a 10-percent reduction in 1947 and a 15-percent reduction in 1948, in lieu of the present 5-percent reduction, on that portion of the tentative tax which exceeds $250,000. Thus in 1947 an individual with surtax net income of more than $302,395.60 receives a 10-percent reduction in the tax on the first $79,728.40 of surtax net income, about a 7.4-percent reduction in the tax on surtax net income between $79,728.40 and $302,395.61, and about a 5.26-percent[7] reduction in the tax on any remaining surtax net income. In 1948 and subsequent years an individual with surtax net income of more than $302,395.60 receives a 20-percent reduction in the tax on the first $79,728.40 of surtax net income, a 15-percent reduction in the tax on surtax net income between $79,728.40 and $302,395.61 and about a 10½-percent[8] reduction in the tax on any remaining surtax net income.

The effective tax reduction in the calendar year 1948 and subsequently for individuals with surtax net incomes in excess of $302,395.60 provided by your committee's bill is smaller than that in H. R. 1 as it passed the House because of the smaller reduction provided for that proportion of the surtax net incomes between $79,728.40 and $302,395.61. H. R. 1 as it passed the House provided a reduction of 20 percent in the tax for that portion of the surtax net incomes under $302,395.61 and a reduction of about 10.5 percent in the tax on that portion of surtax net incomes in excess of that amount. Your committee's bill provides a reduction of 20 percent in the tax on the first $79,728.40 of surtax net income, a reduction of 15 percent in the tax on surtax net incomes between $79,728.40 and $302,395.61, and a reduction of about 10.5 percent in the tax on surtax net income in excess of $302,395.60.

H. R. 1 as it passed the House made the same provision for the calendar year 1947 as for 1948 and subsequent years. The bill as amended by your committee provides reductions in 1947 of about one-half those applying to subsequent years.

6. An additional exemption for individuals 65 years of age or over

An additional exemption of $500 is granted to individuals who have attained the age of 65 by the end of the taxable year. This feature of the bill is effective January 1, 1947. Your committee's bill allows the exemption to both a husband and a wife who have attained the age of 65 irrespective of the amount of the gross income received by either spouse. The House bill would have denied the exemption with respect to a spouse whose gross income was less than $500. Your committee's bill also differs from the House measure in that it does not include a provision which would have offset against the new $500 exemption the first $500 received on the account of certain pensions, annuities,[9] or officers' retirement pay excluded in full from taxable income under existing law.

VII. STATISTICAL DATA SHOWING TAX BURDENS, SPENDABLE INCOME AFTER TAX, AND TAX LIABILITY BY INCOME CLASSES UNDER PRESENT LAW, HOUSE BILL AND COMMITTEE BILL

Table IX shows for various net-income levels (after deductions but before exemptions), the amount of tax payable under present law, under the House bill, and under your committee's bill; and the amount and the percentage of the reduction and the effective (or average over-all) rates under the House bill and your committee's bill. For each of the above types of information the effects of your committee's bill in the calendar years 1947 and 1948 and subsequent calendar years are shown separately. Part A of table IX relates to a single person with no dependents; part B, to a married person with no dependents; and part C, to a married person with two dependents.

Since individuals of age 65 and over receive not only the rate reductions but also an additional $500 exemption, their tax burden cannot be derived from table IX. Table X shows for such persons the same type of information shown in table IX for persons under age 65. Again, part A relates to a single person with no dependents, part B to a married couple both over 65 but having no dependents; and part C to a married couple both over 65 and having two dependents.

Table XI shows the amount of spendable income remaining after tax and the percent such income is of net income (after deductions but before exemptions). This is given for present law, the House bill, and your committee's bill in both 1947 and 1948. Part A presents this information for a single person with no dependents, and part B, for a married person with no dependents.

Table XII shows the estimated distributions among various income classes of taxable returns; net income; tax liability under present law, the House bill, and your committee's bill; and the decrease in tax liability under the House bill and your committee's bill. Since your committee's bill grants in the calendar year 1947 only half the reduction in tax provided for 1948 and subsequent calendar years, it is necessary to have two separate distributions of the above information. Part A shows the above information for the year in which the half reduction is effective, and part B, for the years in which the full reduction is effective. An assumed level of income payments of $170,000,000,000 is used for both parts to make comparisons possible although estimates of income payments for the periods involved differ somewhat.

[6] The exact amount of tax reduction on surtax net income between $79,728.40 and $302,395.61 for the calendar year 1947 is between 7.36 percent and 7.37 percent.

[7] The exact percentage reduction in 1947 on surtax net income in excess of $302,395.60 is between 5.26 percent and 5.27 percent.

[8] The exact percentage reduction in 1948 and subsequent years on surtax net income in excess of $302,395.60 is between 10.52 percent and 10.53 percent.

[9] Such as those paid under the Railroad Retirement Act or the Old-Age and Survivors Insurance System of the Social Security Act.

TABLE IX–A.—*Comparison of individual income tax under present law, House bill, and Finance Committee bill*

SINGLE PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$500														
$600	$19.00	$13.30	$16.15	$13.30	$5.70	$2.85	$5.70	30.00	15.00	30.00	3.17	2.22	2.69	2.22
$700	38.00	26.60	32.30	26.60	11.40	5.70	11.40	30.00	15.00	30.00	5.43	3.80	4.61	3.80
$750	47.50	33.25	40.37	33.25	14.25	7.13	14.25	30.00	15.00	30.00	6.33	4.43	5.38	4.43
$800	57.00	39.90	48.45	39.90	17.10	8.55	17.10	30.00	15.00	30.00	7.12	4.99	6.06	4.99
$900	76.00	53.20	64.60	53.20	22.80	11.40	22.80	30.00	15.00	30.00	8.44	5.91	7.18	5.91
$1,000	95.00	66.50	80.75	66.50	28.50	14.25	28.50	30.00	15.00	30.00	9.50	6.65	8.08	6.65
$1,200	133.00	93.10	113.05	93.10	39.90	19.95	39.90	30.00	15.00	30.00	11.08	7.76	9.42	7.76
$1,500	190.00	133.00	161.50	133.00	57.00	28.50	57.00	30.00	15.00	30.00	12.67	8.87	10.77	8.87
$1,600	209.00	153.00	181.50	153.00	56.00	27.50	56.00	26.79	13.16	26.79	13.06	9.56	11.34	9.56
$1,700	228.00	173.00	201.50	173.00	55.00	26.50	55.00	24.12	11.62	24.12	13.41	10.18	11.85	10.18
$1,800	247.00	193.00	221.50	193.00	54.00	25.50	54.00	21.86	10.32	21.86	13.72	10.72	12.31	10.72
$1,900	266.00	212.80	239.40	212.80	53.20	26.60	53.20	20.00	10.00	20.00	14.00	11.20	12.60	11.20
$2,000	285.00	228.00	256.50	228.00	57.00	28.50	57.00	20.00	10.00	20.00	14.25	11.40	12.83	11.40
$2,500	380.00	304.00	342.00	304.00	76.00	38.00	76.00	20.00	10.00	20.00	15.20	12.16	13.68	12.16
$3,000	484.50	387.60	436.05	387.60	96.90	48.45	96.90	20.00	10.00	20.00	16.15	12.92	14.54	12.92
$4,000	693.50	554.80	624.15	554.80	138.70	69.35	138.70	20.00	10.00	20.00	17.34	13.87	15.60	13.87
$5,000	921.50	737.20	829.35	737.20	184.30	92.15	184.30	20.00	10.00	20.00	18.43	14.74	16.59	14.74
$6,000	1,168.50	934.80	1,051.65	934.80	233.70	116.85	233.70	20.00	10.00	20.00	19.47	15.58	17.53	15.58
$7,000	1,434.50	1,147.60	1,291.05	1,147.60	286.90	143.45	286.90	20.00	10.00	20.00	20.49	16.39	18.44	16.39
$8,000	1,719.50	1,375.60	1,547.55	1,375.60	343.90	171.95	343.90	20.00	10.00	20.00	21.49	17.20	19.34	17.20
$9,000	2,023.50	1,618.80	1,821.15	1,618.80	404.70	202.35	404.70	20.00	10.00	20.00	22.48	17.99	20.24	17.99
$10,000	2,346.50	1,877.20	2,111.85	1,877.20	469.30	234.65	469.30	20.00	10.00	20.00	23.47	18.77	21.12	18.77
$11,000	2,688.50	2,150.80	2,419.65	2,150.80	537.70	268.85	537.70	20.00	10.00	20.00	24.44	19.55	22.00	19.55
$12,000	3,049.50	2,439.60	2,744.55	2,439.60	609.90	304.95	609.90	20.00	10.00	20.00	25.41	20.33	22.87	20.33
$13,000	3,434.25	2,747.40	3,090.83	2,747.40	686.85	343.42	686.85	20.00	10.00	20.00	26.42	21.13	23.78	21.13
$14,000	3,842.75	3,074.20	3,458.48	3,074.20	768.55	384.27	768.55	20.00	10.00	20.00	27.45	21.96	24.70	21.96
$15,000	4,270.25	3,416.20	3,843.23	3,416.20	854.05	427.02	854.05	20.00	10.00	20.00	28.47	22.77	25.62	22.77
$20,000	6,645.25	5,316.20	5,980.73	5,316.20	1,329.05	664.52	1,329.05	20.00	10.00	20.00	33.23	26.58	29.90	26.58
$25,000	9,362.25	7,489.80	8,426.03	7,489.80	1,872.45	936.22	1,872.45	20.00	10.00	20.00	37.45	29.96	33.70	29.96
$30,000	12,264.50	9,811.60	11,038.05	9,811.60	2,452.90	1,226.45	2,452.90	20.00	10.00	20.00	40.88	32.71	36.79	32.71
$40,000	18,425.25	14,740.20	16,582.73	14,740.20	3,685.05	1,842.52	3,685.05	20.00	10.00	20.00	46.06	36.85	41.46	36.85
$50,000	25,137.00	20,109.60	22,623.30	20,109.60	5,027.40	2,513.70	5,027.40	20.00	10.00	20.00	50.27	40.22	45.25	40.22
$60,000	32,247.75	25,798.20	29,022.98	25,798.20	6,449.55	3,224.77	6,449.55	20.00	10.00	20.00	53.75	43.00	48.37	43.00
$70,000	39,643.50	31,714.80	35,679.15	31,714.80	7,928.70	3,964.35	7,928.70	20.00	10.00	20.00	56.63	45.31	50.97	45.31
$80,000	47,324.25	37,859.40	42,591.83	37,859.40	9,464.85	4,732.42	9,464.85	20.00	10.00	20.00	59.16	47.32	53.24	47.32
$90,000	55,290.00	44,232.00	49,966.00	44,621.50	11,058.00	5,324.00	10,668.50	20.00	9.63	19.30	61.43	49.15	55.52	49.58
$100,000	63,540.75	50,832.60	57,608.80	51,634.64	12,708.15	5,931.95	11,906.11	20.00	9.34	18.74	63.54	50.83	57.61	51.63
$150,000	105,806.25	84,645.00	96,769.00	87,560.31	21,161.25	9,046.25	18,245.94	20.00	8.55	17.24	70.54	56.43	64.51	58.37
$200,000	148,551.50	118,841.20	136,355.60	123,893.78	29,710.30	12,195.90	24,657.72	20.00	8.21	16.60	74.28	59.42	68.18	61.95
$250,000	191,771.75	153,417.40	176,391.20	160,630.99	38,354.35	15,380.55	31,140.76	20.00	8.02	16.24	76.71	61.37	70.56	64.25
$300,000	234,996.75	187,997.40	216,431.20	197,372.24	46,999.35	18,565.55	37,624.51	20.00	7.90	16.01	78.33	62.67	72.14	65.79
$400,000	321,446.75	265,110.25	298,278.50	274,610.25	56,336.50	23,168.25	46,836.50	17.53	7.21	14.57	80.36	66.28	74.57	68.65
$500,000	407,896.75	342,460.25	380,178.50	351,960.25	65,436.50	27,718.25	55,936.50	16.04	6.80	13.71	81.58	68.49	76.04	70.39
$750,000	624,021.75	535,835.25	584,928.50	545,335.25	88,186.50	39,093.25	78,686.50	14.13	6.26	12.61	83.20	71.44	77.99	72.71
$1,000,000	840,146.75	729,210.25	789,678.50	738,710.25	110,936.50	50,468.25	101,436.50	13.20	6.01	12.07	84.01	72.92	78.96	73.87
$2,000,000	1,704,646.75	1,502,710.25	1,608,678.50	1,512,210.25	201,936.50	95,968.25	192,436.50	11.85	5.63	11.29	85.23	75.14	80.43	75.61
$5,000,000	4,275,000.00	3,823,210.25	4,050,000.00	3,825,000.00	451,789.75	225,000.00	450,000.00	10.57	5.26	10.53	85.50	76.46	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE IX–B.—*Comparison of individual income tax under present law, House bill, and Finance Committee bill*

MARRIED PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$1,000														
$1,200	$38.00	$26.60	$32.30	$26.60	$11.40	$5.70	$11.40	30.00	15.00	30.00	3.17	2.22	2.69	2.22
$1,500	95.00	66.50	80.75	66.50	28.50	14.25	28.50	30.00	15.00	30.00	6.33	4.43	5.38	4.43
$1,800	152.00	106.40	129.20	106.40	45.60	22.80	45.60	30.00	15.00	30.00	8.44	5.91	7.18	5.91
$2,000	190.00	133.00	161.50	133.00	57.00	28.50	57.00	30.00	15.00	30.00	9.50	6.65	8.08	6.65
$2,100	209.00	153.00	181.50	153.00	56.00	27.50	56.00	26.79	13.16	26.79	9.95	7.29	8.64	7.29
$2,200	228.00	173.00	201.50	173.00	55.00	26.50	55.00	24.12	11.62	24.12	10.36	7.86	9.16	7.86
$2,300	247.00	193.00	221.50	193.00	54.00	25.50	54.00	21.86	10.32	21.86	10.74	8.39	9.63	8.39
$2,400	266.00	212.80	239.40	212.80	53.20	26.60	53.20	20.00	10.00	20.00	11.08	8.87	9.98	8.87
$2,500	285.00	228.00	256.50	228.00	57.00	28.50	57.00	20.00	10.00	20.00	11.40	9.12	10.26	9.12
$3,000	380.00	304.00	342.00	304.00	76.00	38.00	76.00	20.00	10.00	20.00	12.67	10.13	11.40	10.13
$4,000	589.00	471.20	530.10	471.20	117.80	58.90	117.80	20.00	10.00	20.00	14.72	11.78	13.25	11.78
$5,000	798.00	638.40	718.20	638.40	159.60	79.80	159.60	20.00	10.00	20.00	15.96	12.77	14.36	12.77
$6,000	1,045.00	836.00	940.50	836.00	209.00	104.50	209.00	20.00	10.00	20.00	17.42	13.93	15.68	13.93
$7,000	1,292.00	1,033.60	1,162.80	1,033.60	258.40	129.20	258.40	20.00	10.00	20.00	18.46	14.77	16.61	14.77
$8,000	1,577.00	1,261.60	1,419.30	1,261.60	315.40	157.70	315.40	20.00	10.00	20.00	19.71	15.77	17.74	15.77
$9,000	1,862.00	1,489.60	1,675.80	1,489.60	372.40	186.20	372.40	20.00	10.00	20.00	20.69	16.55	18.62	16.55
$10,000	2,185.00	1,748.00	1,966.50	1,748.00	437.00	218.50	437.00	20.00	10.00	20.00	21.85	17.48	19.67	17.48
$11,000	2,508.00	2,006.40	2,257.20	2,006.40	501.60	250.80	501.60	20.00	10.00	20.00	22.80	18.24	20.52	18.24
$12,000	2,869.00	2,295.20	2,582.10	2,295.20	573.80	286.90	573.80	20.00	10.00	20.00	23.91	19.13	21.52	19.13
$13,000	3,230.00	2,584.00	2,907.00	2,584.00	646.00	323.00	646.00	20.00	10.00	20.00	24.85	19.88	22.36	19.88
$14,000	3,638.50	2,910.80	3,274.65	2,910.80	727.70	363.85	727.70	20.00	10.00	20.00	25.99	20.79	23.39	20.79
$15,000	4,047.00	3,237.60	3,642.30	3,237.60	809.40	404.70	809.40	20.00	10.00	20.00	26.98	21.58	24.28	21.58
$20,000	6,393.50	5,114.80	5,754.15	5,114.80	1,278.70	639.35	1,278.70	20.00	10.00	20.00	31.97	25.57	28.77	25.57
$25,000	9,082.00	7,265.60	8,173.80	7,265.60	1,816.40	908.20	1,816.40	20.00	10.00	20.00	36.33	29.06	32.70	29.06

TABLE IX–B.—*Comparison of individual income tax under present law, House bill, and Finance Committee bill*—Continued

MARRIED PERSON—NO DEPENDENTS—continued

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$30,000	$11,970.00	$9,576.00	$10,773.00	$9,576.00	$2,394.00	$1,197.00	$2,394.00	20.00	10.00	20.00	39.90	31.92	35.91	31.92
$40,000	18,097.50	14,478.00	16,287.75	14,478.00	3,619.50	1,809.75	3,619.50	20.00	10.00	20.00	45.24	36.20	40.72	36.20
$50,000	24,795.00	19,836.00	22,315.50	19,836.00	4,959.00	2,479.50	4,959.00	20.00	10.00	20.00	49.59	39.67	44.63	39.67
$60,000	31,891.50	25,513.20	28,702.35	25,513.20	6,378.30	3,189.15	6,378.30	20.00	10.00	20.00	53.15	42.52	47.84	42.52
$70,000	39,273.00	31,418.40	35,345.70	31,418.40	7,854.60	3,927.30	7,854.60	20.00	10.00	20.00	56.10	44.88	50.49	44.88
$80,000	46,939.50	37,551.60	42,245.55	37,551.60	9,387.90	4,693.95	9,387.90	20.00	10.00	20.00	58.67	46.94	52.81	46.94
$90,000	54,891.00	43,912.80	49,596.40	44,282.35	10,978.20	5,294.60	10,608.65	20.00	9.65	19.33	60.99	48.79	55.11	49.20
$100,000	63,127.50	50,502.00	57,226.00	51,283.38	12,625.50	5,901.50	11,844.12	20.00	9.35	18.76	63.13	50.50	57.23	51.28
$150,000	105,383.50	84,306.80	96,368.40	87,200.98	21,076.70	9,015.10	18,182.52	20.00	8.55	17.25	70.26	56.20	64.25	58.13
$200,000	148,124.00	118,499.20	135,959.60	123,530.40	29,624.80	12,164.40	24,593.60	20.00	8.21	16.60	74.06	59.25	67.98	61.77
$250,000	191,339.50	153,071.60	175,990.80	160,263.58	38,267.90	15,348.70	31,075.92	20.00	8.02	16.24	76.54	61.23	70.40	64.11
$300,000	234,564.50	187,651.60	216,030.80	197,004.83	46,912.90	18,533.70	37,559.67	20.00	7.90	16.01	78.19	62.55	72.01	65.67
$400,000	321,014.50	264,723.50	297,869.00	274,223.50	56,291.00	23,145.50	46,791.00	17.54	7.21	14.58	80.25	66.18	74.47	68.56
$500,000	407,464.50	342,073.50	379,769.00	351,573.50	65,391.00	27,695.50	55,891.00	16.05	6.80	13.72	81.49	68.41	75.95	70.31
$750,000	623,589.50	535,448.50	584,519.00	544,948.50	88,141.00	39,070.50	78,641.00	14.13	6.27	12.61	83.15	71.39	77.94	72.66
$1,000,000	839,714.50	728,823.50	789,269.00	738,323.50	110,891.00	50,445.50	101,391.00	13.21	6.01	12.07	83.97	72.88	78.93	73.83
$2,000,000	1,704,214.50	1,502,323.50	1,608,269.00	1,511,823.50	201,891.00	95,945.00	192,391.00	11.85	5.63	11.29	85.21	75.12	80.41	75.59
$5,000,000	4,275,000.00	3,822,823.50	4,050,000.00	3,825,000.00	452,176.50	225,000.00	450,000.00	10.58	5.26	10.53	85.50	76.46	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE IX–C.—*Comparison of individual income tax under present law, House bill, and Finance Committee bill*

MARRIED PERSON—2 DEPENDENTS

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$2,000														
$2,500	$95.00	$66.50	$80.75	$66.50	$28.50	$14.25	$28.50	30.00	15.00	30.00	3.80	2.66	3.23	2.66
$3,000	190.00	133.00	161.50	133.00	57.00	28.50	57.00	30.00	15.00	30.00	6.33	4.43	5.38	4.43
$3,100	209.00	153.00	181.50	153.00	56.00	27.50	56.00	26.79	13.16	26.79	6.74	4.94	5.85	4.94
$3,200	228.00	173.00	201.50	173.00	55.00	26.50	55.00	24.12	11.62	24.12	7.13	5.41	6.30	5.41
$3,300	247.00	193.00	221.50	193.00	54.00	25.50	54.00	21.86	10.32	21.86	7.48	5.85	6.71	5.85
$3,400	266.00	212.80	239.40	212.80	53.20	26.60	53.20	20.00	10.00	20.00	7.82	6.26	7.04	6.26
$3,500	285.00	228.00	256.50	228.00	57.00	28.50	57.00	20.00	10.00	20.00	8.14	6.51	7.33	6.51
$4,000	380.00	304.00	342.00	304.00	76.00	38.00	76.00	20.00	10.00	20.00	9.50	7.60	8.55	7.60
$5,000	589.00	471.20	530.10	471.20	117.80	58.90	117.80	20.00	10.00	20.00	11.78	9.42	10.60	9.42
$6,000	798.00	638.40	718.20	638.40	159.60	79.80	159.60	20.00	10.00	20.00	13.30	10.64	11.97	10.64
$7,000	1,045.00	836.00	940.50	836.00	209.00	104.50	209.00	20.00	10.00	20.00	14.93	11.94	13.44	11.94
$8,000	1,292.00	1,033.60	1,162.80	1,033.60	258.40	129.20	258.40	20.00	10.00	20.00	16.15	12.92	14.54	12.92
$9,000	1,577.00	1,261.60	1,419.30	1,261.60	315.40	157.70	315.40	20.00	10.00	20.00	17.52	14.02	15.77	14.02
$10,000	1,862.00	1,489.60	1,675.80	1,489.60	372.40	186.20	372.40	20.00	10.00	20.00	18.62	14.90	16.76	14.90
$11,000	2,185.00	1,748.00	1,936.50	1,748.00	437.00	218.50	437.00	20.00	10.00	20.00	19.86	15.89	17.88	15.89
$12,000	2,508.00	2,006.40	2,257.20	2,006.40	501.60	250.80	501.60	20.00	10.00	20.00	20.90	16.72	18.81	16.72
$13,000	2,869.00	2,295.20	2,582.10	2,295.20	573.80	286.90	573.80	20.00	10.00	20.00	22.07	17.66	19.86	17.66
$14,000	3,230.00	2,584.00	2,907.00	2,584.00	646.00	323.00	646.00	20.00	10.00	20.00	23.07	18.46	20.76	18.46
$15,000	3,638.50	2,910.80	3,274.65	2,910.80	727.70	363.85	727.70	20.00	10.00	20.00	24.26	19.41	21.83	19.41
$20,000	5,890.00	4,712.00	5,301.00	4,712.00	1,178.00	589.00	1,178.00	20.00	10.00	20.00	29.45	23.56	26.51	23.56
$25,000	8,521.50	6,817.20	7,669.35	6,817.20	1,704.30	852.15	1,704.30	20.00	10.00	20.00	34.09	27.27	30.68	27.27
$30,000	11,381.00	9,104.80	10,242.90	9,104.80	2,276.20	1,138.10	2,276.20	20.00	10.00	20.00	37.94	30.35	34.14	30.35
$40,000	17,442.00	13,953.60	15,697.80	13,953.60	3,488.40	1,744.20	3,488.40	20.00	10.00	20.00	43.60	34.88	39.24	34.88
$50,000	24,111.00	19,288.80	21,699.90	19,288.80	4,822.20	2,411.10	4,822.20	20.00	10.00	20.00	48.22	38.58	43.40	38.58
$60,000	31,179.00	24,943.20	28,061.10	24,943.20	6,235.80	3,117.90	6,235.80	20.00	10.00	20.00	51.96	41.57	46.77	41.57
$70,000	38,532.00	30,825.60	34,678.80	30,825.60	7,706.40	3,853.20	7,706.40	20.00	10.00	20.00	55.05	44.04	49.54	44.04
$80,000	46,170.00	36,936.00	41,553.00	36,936.00	9,234.00	4,617.00	9,234.00	20.00	10.00	20.00	57.71	46.17	51.94	46.17
$90,000	54,093.00	43,274.40	48,857.20	43,604.05	10,818.60	5,235.80	10,488.95	20.00	9.68	19.39	60.10	48.08	54.29	48.45
$100,000	62,301.00	49,840.80	56,460.40	50,580.85	12,460.20	5,840.60	11,720.15	20.00	9.37	18.81	62.30	49.84	56.46	50.58
$150,000	104,538.00	83,630.40	95,585.20	86,482.30	20,907.60	8,952.80	18,055.70	20.00	8.56	17.27	69.69	55.75	63.72	57.65
$200,000	147,269.00	117,815.20	135,167.60	122,803.65	29,453.80	12,101.40	24,465.35	20.00	8.22	16.61	73.63	58.91	67.58	61.40
$250,000	190,475.00	152,380.00	175,190.00	159,528.75	38,095.00	15,285.00	30,946.25	20.00	8.02	16.25	76.19	60.95	70.08	63.81
$300,000	233,700.00	186,960.00	215,230.00	196,270.00	46,740.00	18,470.00	37,430.00	20.00	7.90	16.02	77.90	62.32	71.74	65.42
$400,000	320,150.00	263,950.00	297,050.00	273,450.00	56,200.00	23,195.00	46,700.00	17.55	7.24	14.59	80.04	65.99	74.26	68.36
$500,000	406,600.00	341,300.00	378,950.00	350,800.00	65,300.00	27,650.00	55,800.00	16.06	6.80	13.72	81.32	68.26	75.79	70.16
$750,900	622,725.00	534,675.00	583,700.00	544,175.00	88,050.00	39,025.00	78,550.00	14.14	6.27	12.61	83.03	71.29	77.83	72.56
$1,000,000	838,850.00	728,050.00	788,450.00	737,550.00	110,800.00	51,264.50	101,300.00	13.21	6.10	12.07	83.88	72.81	78.85	73.76
$2,000,000	1,703,350.00	1,501,550.00	1,607,450.00	1,511,050.00	201,800.00	95,900.00	192,300.00	11.85	5.63	11.29	85.17	75.08	80.37	75.55
$5,000,000	4,275,000.00	3,822,050.00	4,050,000.00	3,825,000.00	452,950.00	225,000.00	450,000.00	10.60	5.26	10.53	85.50	76.44	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE X–A.—*Comparison of individual income tax under present law, under the House bill, and Finance Committee bill for persons 65 years of age and over*

SINGLE PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$500														
$600	$19.00				$19.00	$19.00	$19.00	$100.00	$100.00	$100.00	$3.17			
$700	38.00				38.00	38.00	38.00	100.00	100.00	100.00	5.43			
$750	47.50				47.50	47.50	47.50	100.00	100.00	100.00	6.33			
$800	57.00				57.00	57.00	57.00	100.00	100.00	100.00	7.13			
$900	76.00				76.00	76.00	76.00	100.00	100.00	100.00	8.44			
$1,000	95.00				95.00	95.00	95.00	100.00	100.00	100.00	9.50			
$1,200	133.00	$26.60	$32.30	$26.60	106.40	100.70	106.40	80.00	75.71	80.00	11.08	$2.22	$2.69	$2.22
$1,500	190.00	66.50	80.75	66.50	123.50	109.25	123.50	65.00	57.50	65.00	12.67	4.43	5.38	4.43
$1,800	247.00	106.40	129.20	106.40	140.60	117.80	140.60	56.92	47.69	56.92	13.72	5.91	7.18	5.91
$2,000	285.00	133.00	161.50	133.00	152.00	123.50	152.00	53.33	43.33	53.33	14.25	6.65	8.08	6.65
$2,500	380.00	228.00	256.50	228.00	152.00	123.50	152.00	40.00	32.50	40.00	15.20	9.12	10.26	9.12
$3,000	484.50	304.00	342.00	304.00	180.50	142.50	180.50	37.25	29.41	37.25	16.15	10.13	11.40	10.13
$4,000	693.50	471.20	530.10	471.20	222.30	163.40	222.30	32.05	23.56	32.05	17.34	11.78	13.25	11.78
$5,000	921.50	638.40	718.20	638.40	283.10	203.30	283.10	30.72	22.06	30.72	18.43	12.77	14.36	12.77
$6,000	1,168.50	836.00	940.50	836.00	332.50	228.00	332.50	28.46	19.51	28.46	19.48	13.93	15.68	13.93
$7,000	1,434.50	1,033.60	1,162.80	1,033.60	400.90	271.70	400.90	27.95	18.94	27.95	20.49	14.77	16.61	14.77
$8,000	1,719.50	1,261.60	1,419.30	1,261.60	457.90	300.20	457.90	26.63	17.46	26.63	21.49	15.77	17.74	15.77
$9,000	2,023.50	1,489.60	1,675.80	1,489.60	533.90	347.70	533.90	26.38	17.18	26.38	22.48	16.55	18.62	16.55
$10,000	2,346.50	1,748.00	1,966.50	1,748.00	598.50	380.00	598.50	25.51	16.19	25.51	23.47	17.48	19.67	17.48
$11,000	2,688.50	2,006.40	2,257.20	2,006.40	682.10	431.30	682.10	25.37	16.04	25.37	24.44	18.24	20.52	18.24
$12,000	3,049.50	2,295.20	2,582.10	2,295.20	754.30	467.40	754.30	24.74	15.33	24.74	25.41	19.13	21.52	19.13
$13,000	3,434.25	2,584.00	2,907.00	2,584.00	850.25	527.25	850.25	24.76	15.35	24.76	26.42	19.88	22.36	19.88
$14,000	3,842.75	2,910.80	3,274.65	2,910.80	931.95	568.10	931.95	24.25	14.78	24.25	27.45	20.79	23.39	20.79
$15,000	4,270.25	3,237.60	3,642.30	3,237.60	1,032.65	627.95	1,032.65	24.18	14.71	24.18	28.47	21.58	24.28	21.58
$20,000	6,645.25	5,114.80	5,754.15	5,114.80	1,530.45	891.10	1,530.45	23.03	13.41	23.03	33.23	25.57	28.77	25.57
$25,000	9,362.25	7,265.60	8,173.80	7,265.60	2,096.65	1,188.45	2,096.65	22.39	12.69	22.39	37.45	29.06	32.70	29.06
$30,000	12,264.50	9,576.00	10,773.00	9,576.00	2,688.50	1,491.50	2,688.50	21.92	12.16	21.92	40.88	31.92	35.91	31.92
$40,000	18,425.25	14,478.00	16,287.75	14,478.00	3,947.25	2,137.50	3,947.25	21.42	11.60	21.42	46.06	36.20	40.72	36.20
$50,000	25,137.00	19,836.00	22,315.50	19,836.00	5,301.00	2,821.50	5,301.00	21.09	11.22	21.09	50.27	39.67	44.63	39.67
$60,000	32,247.25	25,513.20	28,702.35	25,513.20	6,734.05	3,544.90	6,734.05	20.88	10.99	20.88	53.75	42.52	47.84	42.52
$70,000	39,643.50	31,418.40	35,345.70	31,418.40	8,225.10	4,277.80	8,225.10	20.75	10.84	20.75	56.63	44.88	50.49	44.88
$80,000	47,324.25	37,551.60	42,245.55	37,551.60	9,772.65	5,078.70	9,772.65	20.65	10.73	20.65	59.16	46.94	52.81	46.94
$90,000	55,290.00	43,912.80	49,596.40	44,282.35	11,377.20	5,693.60	11,007.65	20.58	10.30	19.91	61.43	48.79	55.11	49.20
$100,000	63,540.75	50,502.00	57,226.00	51,283.38	13,038.75	6,314.75	12,257.37	20.52	9.94	19.29	63.54	50.50	57.23	51.28
$150,000	105,806.25	84,306.80	96,368.40	87,200.98	21,499.45	9,437.85	18,605.27	20.32	8.92	17.58	70.54	56.20	64.25	58.13
$200,000	148,551.50	118,499.20	135,959.60	123,530.40	30,052.30	12,591.90	25,021.10	20.23	8.48	16.84	74.28	59.25	67.98	61.77
$250,000	191,771.75	153,071.60	175,990.80	160,263.58	38,700.15	15,780.75	31,508.17	20.18	8.23	16.43	76.71	61.23	70.40	64.11
$300,000	234,996.75	187,651.60	216,030.80	197,004.83	47,345.15	18,965.95	37,991.92	20.15	8.07	16.17	78.33	62.55	72.01	65.67
$400,000	321,446.75	264,723.50	297,869.00	274,223.50	56,723.25	23,577.75	47,223.25	17.65	7.33	14.69	80.36	66.18	74.47	68.56
$500,000	407,896.75	342,073.50	379,769.00	351,573.50	65,823.25	28,127.75	56,323.25	16.14	6.90	13.81	81.58	68.41	75.95	70.31
$750,000	624,021.75	535,448.50	584,519.00	544,948.50	88,573.25	39,502.75	79,073.25	14.19	6.33	12.67	83.20	71.39	77.94	72.66
$1,000,000	840,146.75	728,823.50	789,269.00	738,323.50	111,323.25	50,877.75	101,823.25	13.25	6.06	12.12	84.01	72.88	78.93	73.83
$2,000,000	1,704,646.75	1,502,323.50	1,608,269.00	1,511,823.50	202,323.25	96,377.75	192,823.25	11.87	5.65	11.31	85.23	75.12	80.41	75.59
$5,000,000	4,275,000.00	3,822,823.50	4,050,000.00	3,825,000.00	452,176.50	225,000.00	450,000.00	10.58	5.26	10.53	85.50	76.46	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE X–B.—*Comparison of individual income tax under present law, under the House bill, and Finance Committee bill for persons 65 years of age and over*

MARRIED PERSONS (BOTH OVER 65)—NO DEPENDENTS

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and sub sequent years		For 1947	For 1948 and sub-sequent years		For 1947	For 1948 and sub-sequent years			For 1947	For 1948 and sub-sequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$1,000														
$1,200	$38.00				$38.00	$38.00	$38.00	100.00	100.00	100.00	3.17			
$1,500	95.00				95.00	95.00	95.00	100.00	100.00	100.00	6.33			
$1,800	152.00				152.00	152.00	152.00	100.00	100.00	100.00	8.44			
$2,000	190.00				190.00	190.00	190.00	100.00	100.00	100.00	9.50			
$2,500	285.00	$66.50	$80.75	$66.50	218.50	204.25	218.50	76.67	71.67	76.67	11.40	2.66	3.23	2.66
$3,000	380.00	133.00	161.50	133.00	247.00	218.50	247.00	65.00	57.50	65.00	12.67	4.43	5.38	4.43
$4,000	589.00	304.00	342.00	304.00	285.00	247.00	285.00	48.39	41.94	48.39	14.73	7.60	8.55	7.60
$5,000	798.00	471.20	530.10	471.20	326.80	267.90	326.80	40.95	33.57	40.95	15.96	9.42	10.60	9.42
$6,000	1,045.00	638.40	718.20	638.40	406.60	326.80	406.60	38.91	31.27	38.91	17.42	10.64	11.97	10.64
$7,000	1,292.00	836.00	940.50	836.00	456.00	351.50	456.00	35.29	27.21	35.29	18.46	11.94	13.44	11.94
$8,000	1,577.00	1,033.60	1,162.80	1,033.60	543.40	414.20	543.40	34.46	26.27	34.46	19.71	12.92	14.54	12.92
$9,000	1,862.00	1,261.60	1,419.30	1,261.60	600.40	442.70	600.40	32.24	23.78	32.24	20.69	14.02	15.77	14.02
$10,000	2,185.00	1,489.60	1,675.80	1,489.60	695.40	509.20	695.40	31.83	23.30	31.83	21.85	14.90	16.76	14.90
$11,000	2,508.00	1,748.00	1,966.50	1,748.00	760.00	541.50	760.00	30.30	21.59	30.30	22.80	15.89	17.88	15.89
$12,000	2,869.00	2,006.40	2,257.20	2,006.40	862.60	611.80	862.60	30.07	21.32	30.07	23.91	16.72	18.81	16.72
$13,000	3,230.00	2,295.20	2,582.10	2,295.20	934.80	647.90	934.80	28.94	20.06	28.94	24.85	17.66	19.86	17.66
$14,000	3,638.50	2,584.00	2,907.00	2,584.00	1,054.50	731.50	1,054.50	28.98	20.10	28.98	25.99	18.46	20.76	18.46
$15,000	4,047.00	2,910.80	3,274.65	2,910.80	1,136.20	772.35	1,136.20	28.08	19.08	28.08	26.98	19.41	21.83	19.41
$20,000	6,393.50	4,712.00	5,301.00	4,712.00	1,681.50	1,092.50	1,681.50	26.30	17.09	26.30	31.97	23.56	26.51	23.56
$25,000	9,082.00	6,817.20	7,669.35	6,817.20	2,264.80	1,412.65	2,264.80	24.94	15.55	24.94	36.33	27.27	30.68	27.27
$30,000	11,970.00	9,104.80	10,242.90	9,104.80	2,865.20	1,727.10	2,865.20	23.94	14.43	23.94	39.90	30.35	34.14	30.35
$40,000	18,097.50	13,953.60	15,697.80	13,953.60	4,143.90	2,399.70	4,143.90	22.90	13.26	22.90	45.24	34.88	39.24	34.88
$50,000	24,795.00	19,288.80	21,699.90	19,288.80	5,506.20	3,095.10	5,506.20	22.21	12.48	22.21	49.59	38.58	43.40	38.58

TABLE X-B.—*Comparison of individual income tax under present law, under the House bill, and Finance Committee bill for persons 65 years of age and over*—Continued

MARRIED PERSONS (BOTH OVER 65)—NO DEPENDENTS—continued

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$60,000	31,891.50	24,943.20	$28,061.10	$24,943.20	$6,948.30	$6,948.30	$6,948.30	21.79	12.01	21.79	53.15	41.57	46.77	41.57
$70,000	39,273.00	30,825.60	34,678.80	30,825.60	8,447.40	4,594.20	8,447.40	21.51	11.70	21.51	56.10	44.04	49.54	44.04
$80,000	46,939.50	36,936.00	41,553.00	36,936.00	10,003.50	5,386.50	10,003.50	21.31	11.48	21.31	58.67	46.17	51.94	46.17
$90,000	54,891.00	43,274.40	48,857.20	43,604.05	11,616.60	6,033.80	11,286.95	21.16	10.99	20.56	60.99	48.08	54.29	48.45
$100,000	63,127.50	49,840.80	56,460.40	50,580.85	13,286.70	6,667.10	12,546.65	21.05	10.56	19.88	63.13	49.84	56.46	50.58
$150,000	105,383.50	83,630.40	95,585.20	86,482.30	21,753.10	9,798.30	18,901.20	20.64	9.30	17.94	70.26	55.75	63.72	57.65
$200,000	148,124.00	117,815.20	135,167.60	122,803.65	30,308.80	12,956.40	25,320.35	20.46	8.75	17.09	74.06	58.91	67.58	61.40
$250,000	191,339.50	152,380.00	175,190.00	159,528.75	38,959.50	16,149.50	31,810.75	20.36	8.44	16.63	76.54	60.95	70.08	63.81
$300,000	234,564.50	186,960.00	215,230.00	196,270.00	47,604.50	19,334.50	38,294.50	20.29	8.24	16.33	78.19	62.32	71.74	65.42
$400,000	321,014.50	263,950.00	297,050.00	273,450.00	57,064.50	23,964.50	47,564.50	17.78	7.47	14.82	80.25	65.99	74.26	68.36
$500,000	407,464.50	341,300.00	378,950.00	350,800.00	66,164.50	28,514.50	56,664.50	16.24	7.00	13.91	81.49	68.26	75.79	70.16
$750,000	623,389.50	534,675.00	583,700.00	544,175.00	88,914.50	39,889.50	79,414.50	14.26	6.40	12.74	83.15	71.29	77.83	72.56
$1,000,000	839,714.50	728,050.00	788,450.00	737,550.00	111,664.50	51,264.50	102,164.50	13.30	6.10	12.17	83.97	72.81	78.85	73.76
$2,000,000	1,704,214.50	1,501,550.00	1,607,450.00	1,511,050.00	202,664.50	96,764.50	193,164.50	11.89	5.68	11.33	85.21	75.08	80.37	75.55
$5,000,000	4,275,000.00	3,822,050.00	4,050,000.00	3,825,000.00	452,950.00	225,000.00	450,000.00	10.60	5.26	10.53	85.50	76.44	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation

TABLE X-C.—*Comparison of individual income tax under present law, under the House bill, and Finance Committee bill for persons 65 years of age and over*

MARRIED PERSONS (BOTH OVER 65)—2 DEPENDENTS

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percen*	*Percent*
$2,000														
$2,500	$95.00				$95.00	$95.00	$95.00	100.00	100.00	100.00	3.80			
$3,000	190.00				190.00	190.00	190.00	100.00	100.00	100.00	6.33			
$4,000	380.00	$133.00	$161.50	$133.00	247.00	218.50	247.00	65.00	57.50	65.00	9.50	3.33	4.04	3.33
$5,000	589.00	304.00	342.00	304.00	285.00	247.00	285.00	48.39	41.94	48.39	11.78	6.08	6.84	6.08
$6,000	798.00	471.20	530.10	471.20	326.80	267.90	326.80	40.95	33.57	40.95	13.30	7.85	8.84	7.85
$7,000	1,045.00	638.40	718.20	638.40	406.60	326.80	406.60	38.91	31.27	38.91	14.93	9.12	10.26	9.12
$8,000	1,292.00	836.00	940.50	836.00	456.00	351.50	456.00	35.29	27.21	35.29	16.15	10.45	11.76	10.45
$9,000	1,577.00	1,033.60	1,162.80	1,033.60	543.40	414.20	543.40	34.46	26.27	34.46	17.52	11.48	12.92	11.48
$10,000	1,862.00	1,261.60	1,419.30	1,261.60	600.40	442.70	600.40	32.24	23.78	32.24	18.62	12.62	14.19	12.62
$11,000	2,185.00	1,489.60	1,675.80	1,489.60	695.40	509.20	695.40	31.83	23.30	31.83	19.86	13.54	15.23	13.54
$12,000	2,508.00	1,748.00	1,966.50	1,748.00	760.00	541.50	760.00	30.30	21.59	30.30	20.90	14.57	16.39	14.57
$13,000	2,869.00	2,006.40	2,257.20	2,006.40	862.60	611.80	862.60	30.07	21.32	30.07	22.07	15.43	17.36	15.43
$14,000	3,230.00	2,295.20	2,582.10	2,295.20	934.80	647.90	934.80	28.94	20.06	28.94	23.07	16.39	18.44	16.39
$15,000	3,638.50	2,584.00	2,907.00	2,584.00	1,054.50	731.50	1,054.50	28.98	20.10	28.98	24.26	17.23	19.38	17.23
$20,000	5,890.00	4,332.00	4,873.50	4,332.00	1,558.00	1,016.50	1,558.00	26.45	17.26	26.45	29.45	21.66	24.37	21.66
$25,000	8,521.50	6,368.80	7,164.90	6,368.80	2,152.70	1,356.60	2,152.70	25.26	15.92	25.26	34.09	25.48	28.66	25.48
$30,000	11,381.00	8,633.60	9,712.80	8,633.60	2,747.40	1,668.20	2,747.40	24.14	14.66	24.14	37.94	28.78	32.38	28.78
$40,000	17,442.00	13,459.60	15,142.05	13,459.60	3,982.40	2,299.95	3,982.40	22.83	13.19	22.83	43.61	33.65	37.86	33.65
$50,000	24,111.00	18,741.60	21,084.30	18,741.60	5,369.40	3,026.70	5,369.40	22.27	12.55	22.27	48.22	37.48	42.17	37.48
$60,000	31,179.00	24,373.20	27,419.85	24,373.20	6,805.80	3,759.15	6,805.80	21.83	12.06	21.83	51.97	40.62	45.70	40.62
$70,000	38,532.00	30,232.80	34,011.90	30,232.80	8,299.20	4,520.10	8,299.20	21.54	11.73	21.54	55.05	43.19	48.59	43.19
$80,000	46,170.00	36,320.40	40,860.45	36,320.40	9,849.60	5,309.55	9,849.60	21.33	11.50	21.33	57.71	45.40	51.08	45.40
$90,000	54,093.00	42,636.00	48,118.00	42,925.75	11,457.00	5,975.00	11,167.25	21.18	11.05	20.64	60.10	47.37	53.46	47.70
$100,000	62,301.00	49,179.60	55,694.80	49,878.33	13,121.40	6,606.20	12,422.67	21.06	10.60	19.94	62.30	49.18	55.69	49.88
$150,000	104,538.00	82,954.00	94,802.00	85,763.63	21,584.00	9,736.00	18,774.37	20.65	9.31	17.96	69.69	55.30	63.20	57.18
$200,000	147,269.00	117,131.20	134,375.60	122,076.90	30,137.80	12,893.40	25,192.10	20.46	8.75	17.11	73.63	58.57	67.19	61.04
$250,000	190,475.00	151,688.40	174,389.20	158,793.93	38,786.60	16,085.80	31,681.07	20.36	8.45	16.63	76.19	60.68	69.76	63.52
$300,000	233,700.00	186,268.40	214,429.20	195,535.18	47,431.60	19,270.80	38,164.82	20.30	8.25	16.33	77.90	62.09	71.48	65.18
$400,000	320,150.00	263,176.50	296,231.00	272,676.50	56,973.50	23,919.00	47,473.50	17.80	7.47	14.83	80.04	65.79	74.06	68.17
$500,000	406,600.00	340,526.50	378,131.00	350,026.50	66,073.50	28,469.00	56,573.50	16.25	7.00	13.91	81.32	68.11	75.63	70.01
$750,000	622,725.00	533,901.50	582,881.00	543,401.50	88,823.50	39,844.00	79,323.50	14.26	6.40	12.74	83.03	71.19	77.72	72.45
$1,000,000	838,850.00	727,276.50	787,631.00	736,776.50	111,573.50	51,219.00	102,073.50	13.30	6.11	12.17	83.89	72.73	78.76	73.68
$2,000,000	1,703,350.00	1,500,776.50	1,606,631.00	1,510,276.50	202,573.50	96,719.00	193,073.50	11.89	5.68	11.33	85.17	75.04	80.33	75.51
$5,000,000	4,275,000.00	3,821,276.50	4,050,000.00	3,825,000.00	453,723.50	225,000.00	450,000.00	10.61	5.26	10.53	85.50	76.43	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE XI–A.—*Comparison of spendable income under present law, House bill, and Finance Committee bill*

SINGLE PERSON—NO DEPENDENTS

Net income before personal exemption	Spendable income after tax				Percent of spendable income after tax to net income before personal exemption			
	Present law	House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequen years			For 1947	For 1948 and subsequent years
					Percent	*Percent*	*Percent*	*Percent*
$500	$500.00	$500.00	$500.00	$500.00	100.00	100.00	100.00	100.00
$600	581.00	586.70	583.85	586.70	96.83	97.78	97.31	97.78
$700	662.00	643.40	667.70	643.40	94.57	96.20	95.39	96.20
$750	702.50	716.75	709.63	716.75	93.67	95.57	94.62	95.57
$800	743.00	76.010	751.55	760.10	92.88	95.01	93.94	95.01
$900	824.00	846.80	835.40	846.80	91.56	94.09	92.82	94.09
$1,000	905.00	933.50	919.25	933.50	90.50	93.35	91.93	93.35
$1,200	1,067.00	1,106.90	1,086.95	1,106.90	88.92	92.24	90.58	92.24
$1,500	1,310.00	1,367.00	1,338.50	1,367.00	87.33	91.13	89.23	91.13
$1,800	1,533.00	1,607.00	1,578.50	1,607.00	86.28	89.28	87.69	89.28
$2,000	1,715.00	1,772.00	1,743.50	1,772.00	85.75	88.60	87.18	88.60
$2,500	2,120.00	2,196.00	2,158.00	2,196.00	84.80	87.84	86.32	87.84
$3,000	2,515.50	2,612.40	2,563.95	2,612.40	83.85	87.08	85.47	87.08
$4,000	3,306.50	3,445.20	3,375.85	3,445.20	82.66	86.13	84.40	86.13
$5,600	4,078.50	4,262.80	4,170.65	4,262.80	81.57	85.26	83.41	85.26
$6,000	4,831.50	5,065.20	4,948.35	5,065.20	80.53	84.42	82.47	84.42
$7,000	5,565.50	5,852.40	5,708.95	5,852.40	79.51	83.61	81.56	83.61
$8,000	6,280.50	6,624.40	6,452.45	6,624.40	78.51	82.81	80.66	82.81
$9,000	6,976.50	7,381.20	7,178.85	7,381.20	77.52	82.01	79.77	82.01
$10,000	7,653.50	8,122.80	7,888.15	8,122.80	76.54	81.23	78.88	81.23
$11,000	8,311.50	8,849.20	8,580.35	8,849.20	75.56	80.45	78.00	80.45
$12,000	8,950.50	9,560.40	9,255.45	9,560.40	74.59	79.67	77.13	79.67
$13,000	9,565.75	10,252.60	9,909.17	10,252.60	73.58	78.87	76.22	78.87
$14,000	10,157.25	10,925.80	10,541.52	10,925.80	72.55	78.04	75.30	78.04
$15,000	10,729.75	11,583.80	11,156.77	11,583.80	71.53	77.23	74.38	77.23
$20,000	13,354.75	14,683.80	14,019.27	14,683.80	66.77	73.42	70.10	73.42
$25,000	15,637.75	17,510.20	16,573.97	17,510.20	62.55	70.04	66.30	70.04
$30,000	17,735.50	20,188.40	18,961.95	20,188.40	59.12	67.29	63.21	67.29
$40,000	21,574.75	25,259.80	23,417.27	25,259.80	53.94	63.15	58.54	63.15
$50,000	24,863.00	29,890.40	27,376.70	29,890.40	49.73	59.78	54.75	59.78
$60,000	27,752.25	34,201.80	30,977.02	34,201.80	46.25	57.00	51.63	57.00
$70,000	30,356.50	38,285.20	34,320.85	38,285.20	43.37	54.69	49.03	54.69
$80,000	32,675.75	42,140.60	37,408.17	42,140.60	40.84	52.68	46.76	52.68
$90,000	34,710.00	45,768.00	40,034.00	45,378.50	38.57	50.85	44.48	50.42
$100,000	36,459.25	49,167.40	42,391.20	48,365.36	36.46	49.17	42.39	48.37
$150,000	44,193.75	65,355.00	53,240.00	62,439.69	29.46	43.57	35.49	41.63
$200,000	51,448.50	81,158.80	63,644.40	76,106.22	25.72	40.58	31.82	38.05
$250,000	58,228.25	96,582.60	73,608.80	89,369.01	23.29	38.63	29.44	35.75
$300,000	65,003.25	112,002.60	83,568.80	102,627.76	21.67	37.33	27.86	34.21
$400,000	78,553.25	134,889.75	101,721.50	125,389.75	19.64	33.72	25.43	31.35
$500,000	92,103.25	157,539.75	119,821.50	148,039.75	18.42	31.51	23.96	29.61
$750,000	125,978.25	214,164.75	165,071.50	206,664.75	16.80	28.56	22.01	27.56
$1,000,000	159,853.25	270,789.75	210,321.50	261,289.75	15.99	27.08	21.03	26.13
$2,000,000	295,353.25	497,289.75	391,321.50	487,789.75	14.77	24.86	19.57	24.39
$5,000,000	725,000.00	1,176,789.75	950,000.00	1,175,000.00	14.50	23.54	19.00	23.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE XI–B.—*Comparison of spendable income under present law, House bill, and Finance Committee bill*

MARRIED PERSON—NO DEPENDENTS

Net income before personal exemption	Spendable income after tax				Percent of spendable income after tax to net income before personal exemption			
	Present law	House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent year
					Percent	*Percent*	*Percent*	*Percent*
$1,000	$1,000.00	$1,000.00	$1,000.00	$1,000.00	100.00	100.00	100.00	100.00
$1,200	1,162.00	1,173.40	1,167.70	1,173.40	96.83	97.78	97.31	97.78
$1,500	1,405.00	1,433.50	1,419.25	1,433.50	93.67	95.57	94.62	95.57
$1,800	1,648.00	1,693.50	1,670.80	1,693.60	91.56	94.08	92.82	94.08
$2,000	1,810.00	1,867.00	1,838.50	1,867.00	90.50	93.35	91.93	93.35
$2,500	2,215.00	2,272.00	2,243.50	2,272.00	88.60	90.88	89.74	90.88
$3,000	2,620.00	2,696.00	2,658.00	2,696.00	87.33	89.87	88.60	89.87
$4,000	3,411.60	3,528.80	3,469.90	3,528.80	85.28	88.22	86.75	88.22
$5,000	4,202.00	4,361.60	4,281.80	4,361.60	84.04	87.23	85.64	87.23
$6,000	4,955.00	5,164.00	5,059.50	5,164.00	82.58	86.07	84.33	86.07
$7,000	5,708.00	5,966.40	5,837.20	5,966.40	81.54	85.23	83.39	85.23
$8,000	6,420.00	6,738.40	6,580.70	6,738.40	80.29	84.23	82.26	84.23
$9,000	7,138.00	7,510.40	7,324.20	7,510.40	79.31	83.45	81.38	83.45
$10,000	7,815.00	8,252.00	8,033.50	8,252.00	78.15	82.52	80.34	82.52
$11,000	8,492.00	8,993.60	8,742.80	8,993.60	77.20	81.76	79.48	81.76
$12,000	9,131.00	9,704.80	9,417.90	9,704.80	76.09	80.87	78.48	80.87
$13,000	9,770.00	10,416.00	10,093.00	10,416.00	75.15	80.12	77.64	80.12
$14,000	10,361.50	11,089.20	10,725.35	11,089.20	74.01	79.21	76.61	79.21
$15,000	10,953.00	11,762.40	11,357.70	11,762.40	73.02	78.42	75.72	78.42
$20,000	13,606.50	14,885.20	14,245.85	14,885.20	68.03	74.43	71.23	74.43
$25,000	15,918.00	17,734.00	16,826.20	17,734.00	63.67	70.94	67.30	70.94
$30,000	18,030.00	20,424.00	19,227.00	20,424.00	60.10	68.08	64.09	68.08
$40,000	21,902.50	25,522.00	23,712.25	25,522.00	54.76	63.81	59.28	63.81
$50,000	25,205.00	30,164.00	27,684.50	30,164.00	50.41	60.33	55.37	60.33
$60,000	28,108.50	34,486.80	31,297.65	34,486.80	46.85	57.48	52.16	57.48

TABLE XI–B.—*Comparison of spendable income under present law, House bill, and Finance Committee bill*—Continued

MARRIED PERSON—NO DEPENDENTS—continued

Net income before personal exemption	Spendable income after tax				Percent of spendable income after tax to net income before personal exemption			
	Present law	House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
					Percent	*Percent*	*Percent*	*Percent*
$70,000	$30,727.00	$38,581.60	$34,654.30	$38,581.60	43.90	55.12	49.51	55.12
$80,000	33,060.50	42,448.40	37,754.45	42,448.40	41.33	53.06	47.19	53.06
$90,000	35,109.00	46,087.20	40,403.60	45,717.65	39.01	51.21	44.89	50.80
$100,000	36,872.50	49,498.00	42,774.00	48,716.62	36.87	49.50	42.77	48.72
$150,000	44,616.50	65,693.20	53,631.60	62,799.02	29.74	43.80	35.75	41.87
$200,000	51,876.00	81,500.80	64,040.40	76,469.60	25.94	40.75	32.02	38.23
$250,000	58,660.50	96,928.40	74,009.20	89,736.42	23.46	38.77	29.60	35.89
$300,000	65,435.50	112,348.40	83,969.20	102,995.17	21.81	37.45	27.99	34.33
$400,000	78,985.50	135,276.50	102,131.00	125,776.50	19.75	33.82	25.53	31.44
$500,000	92,535.50	157,926.50	120,231.00	148,426.50	18.51	31.59	24.05	29.69
$750,000	126,410.50	214,551.50	165,481.00	205,051.50	16.85	28.61	22.06	27.34
$1,000,000	160,285.50	271,176.50	210,731.00	261,676.50	16.03	27.12	21.07	26.17
$2,000,000	295,785.50	497,676.50	391,731.00	488,176.50	14.79	24.88	19.59	24.41
$5,000,000	725,000.00	1,177,176.50	950,000.00	1,175,000.00	14.50	23.54	19.00	23.05

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE XII–A.—*The estimated individual income-tax liability under present law, H. R. 1 as passed by the House, and the Senate Finance Committee bill with the half reduction in tax*[1] *(with assumed income payments of $170,000,000,000*[2]*)*

[Money amounts in millions]

Net income classes (in thousands)	Taxable returns		Net income		Tax liability under[3]—						Decrease in tax over present law							
					Present law		H. R. 1 as passed by the House		Senate Finance Committee bill		H. R. 1 as passed by the House		Senate Finance Committee bill		H. R. 1 as passed by the House		Senate Finance Committee bill	
											Amount				Percentage distribution			
	Number	Percent distribution	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution	Simple distribution	Cumulated from smallest income class	Simple distribution	Cumulated from smallest income class	Simple distribution	Cumulated from smallest income class	Simple distribution	Cumulated from smallest income class
$0 to $1	6,989,303	14.07	$5,417	4.47	$365	2.05	$252	1.84	$303	1.94	$113	$113	$62	$62	2.79	2.79	2.94	2.94
$1 to $2	19,201,704	38.66	28,731	23.71	2,746	15.47	1,889	13.78	2,287	14.62	856	969	459	521	21.17	23.96	21.72	24.66
$2 to $3	13,519,423	27.22	33,479	27.63	3,368	18.97	2,565	18.71	2,939	18.79	803	1,772	429	950	19.86	43.82	20.29	44.95
$3 to $4	6,103,173	12.29	20,843	17.20	2,384	13.43	1,867	13 62	2,089	13.36	517	2,289	295	1,245	12.78	56.60	13.95	58.90
$4 to $5	1,909,500	3.84	8,440	6.97	1,136	6.40	898	6.55	1,007	6.44	238	2,527	129	1,374	5.89	62.49	6.10	65.00
Total under 5	47,723,103	96.08	96,900	79.98	9,999	56.32	7,472	54.50	8,625	55.15	2,527	--------	1,374	--------	62.49	--------	65.00	--------
$5 to $10	1,265,839	2.55	8,450	6.98	1,453	8.18	1,151	8.39	1,291	8.25	302	2,829	162	1,536	7.47	69.96	7.66	72.66
$10 to $25	530,578	1.07	7,850	6.48	2,125	11.97	1,698	12.38	1,907	12.19	427	3,256	218	1,754	10.55	80.51	10.31	82.97
$25 to $50	105,950	.21	3,580	2.96	1,501	8.45	1,205	8.79	1,350	8.63	296	3,552	151	1,905	7.32	87.83	7.14	90.11
$50 to $100	36,593	.07	2,537	2.09	1,385	7.80	1,116	8.14	1,272	8.13	269	3,821	113	2,018	6.65	94.48	5.35	95.46
$100 to $300	8,158	.02	1,260	1.04	857	4.83	695	5.07	787	5.03	162	3,983	70	2,088	4.01	98.49	3.31	98.77
$300 to $500	570	(4)	216	.18	161	.91	133	.97	150	.96	28	4,011	11	2,099	.69	99.18	.52	99.29
$500 to $1,000	290	(4)	197	.16	145	.82	126	.92	137	.88	19	4,030	8	2,107	.47	99.65	.38	99.67
$1,000 and over	82	(4)	163	.13	129	.72	115	.84	122	.78	14	4,044	7	2,114	.35	100.00	.33	100.00
Total over 5	1,948,060	3.92	24,253	20.02	7,756	43.68	6,239	45.50	7,016	44.85	1,517	--------	740	--------	37.51	--------	35.00	--------
Grand total	49,671,163	100.00	121,153	100.00	17,755	100.00	13,711	100.00	15,641	100.00	4,044	--------	2,114	--------	100.00	--------	100.00	--------

[1] The half reduction in tax is effective under the Finance Committee bill in the calendar year 1947 only.
[2] This and the following table are for comparative purposes presented on the basis of income payments of $170 billion. This does not represent a forecast for the calendar year 1947.
[3] Normal tax, surtax, and alternative tax on capital gains.
[4] Less than 0.01.

NOTE.—Figures do not necessarily add to totals because of rounding.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE XII–B.—*The estimated individual income tax liability under present law, H. R. 1 as passed by the House, and the Senate Finance Committee bill with the full reduction in tax*[1] *(with assumed income payments of $170,000,000,000*[2]*)*

[Money amounts in millions]

Net income classes (in thousands)	Taxable returns		Net income		Tax liability under[3]—						Decrease in tax over present law							
					Present law		H. R. 1 as passed by the House		Senate Finance Committee bill		H. R. 1 as passed by the House		Senate Finance Committee bill		H. R. 1 as passed by the House		Senate Finance Committee bill	
											Amount				Percentage distribution			
	Number	Percent distribution	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution	Simple distribution	Cumulated from smallest income class	Simple distribution	Cumulated from smallest income class	Simple distribution	Cumulated from smallest income class	Simple distribution	Cumulated from smallest income class
$0 to $1	6,989,303	14.07	$5,417	4.47	$365	2.05	$252	1.84	$251	1.83	$113	$113	$114	$114	2.79	2.79	2.84	2.84
$1 to $2	19,201,704	38.66	28,731	23.71	2,746	15.47	1,889	13.78	1,877	13.66	856	969	869	983	21.17	23.96	21.62	24.46
$2 to $3	13,519,423	27.22	33,479	27.63	3,368	18.97	2,565	18.71	2,552	18.58	803	1,772	816	1,799	19.86	43.82	20.30	44.76
$3 to $4	6,103,173	12.29	20,843	17.20	2,384	13.43	1,867	13.62	1,853	13.49	517	2,289	531	2,330	12.78	56.60	13.21	57.97
$4 to $5	1,909,500	3.84	8,440	6.97	1,136	6.40	898	6.55	894	6.51	238	2,527	242	2,572	5.89	62.49	6.03	64.00
Total under 5	47,723,103	96.08	96,900	79.98	9,999	56.32	7,472	54.50	7,427	54.07	2,527	----	2,572	----	62.49	----	64.00	----
$5 to $10	1,265,839	2.55	8,450	6.98	1,453	8.18	1,151	8.39	1,147	8.35	302	2,829	306	2,878	7.47	69.96	7.61	71.61
$10 to $25	530,578	1.07	7,850	6.48	2,125	11.97	1,698	12.38	1,697	12.35	427	3,256	428	3,306	10.55	80.51	10.65	82.26
$25 to $50	105,950	.21	3,580	2.96	1,501	8.45	1,205	8.79	1,204	8.77	296	3,552	297	3,603	7.32	87.83	7.39	89.65
$50 to $100	36,593	.07	2,537	2.09	1,385	7.80	1,116	8.14	1,162	8.46	269	3,821	223	3,826	6.65	94.48	5.55	95.20
$100 to $300	8,158	.02	1,260	1.04	857	4.83	695	5.07	716	5.21	162	3,983	141	3,967	4.01	98.49	3.51	98.71
$300 to $500	570	(4)	216	.18	161	.91	133	.97	138	1.01	28	4,011	23	3,990	.69	99.18	.57	99.28
$500 to $1,000	290	(4)	197	.16	145	.82	126	.92	129	.94	19	4,030	16	4,006	.47	99.65	.40	99.68
$1,000 and over	82	(4)	163	.13	129	.72	115	.84	116	.84	14	4,044	13	4,019	.35	100.00	.32	100.00
Total over 5	1,948,060	3.92	24,253	20.02	7,756	43.68	6,239	45.50	6,309	45.93	1,517	----	1,447	----	37.51	----	36.00	----
Grand total	49,671,163	100.00	121,153	100.00	17,755	100.00	13,711	100.00	13,736	100.00	4,044	----	4,019	----	100.00	----	100.00	----

[1] The full reduction in tax is effective under the Finance Committee bill in 1948 and subsequent calendar years.
[2] This and the prior table are for comparative purposes presented on the basis of income payments of $170 billion. This does not represent a forecast for the calendar year 1948.
[3] Normal tax, surtax, and alternative tax on capital gains.
[4] Less than 0.01.

NOTE.—Figures do not necessarily add to totals because of roundjng.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

DETAILED DISCUSSION OF THE TECHNICAL PROVISIONS OF THE BILL

SECTION 1. SHORT TITLE

Section 1 provides that the act may be cited as the "Individual Income Tax Reduction Act of 1947."

SECTION 2. REDUCTION OF NORMAL TAX AND SURTAX ON INDIVIDUALS

Under existing law the income tax on individuals is determined by first computing tentative taxes at the rates specified in sections 11 and 12 of the code and then reducing the tentative taxes by 5 percent thereof. Section 2 of the House bill provided reductions in the normal tax and surtax on individuals by substituting a larger percentage reduction than 5 percent of the tentative taxes.

With respect to taxable years beginning after December 31, 1946, the House bill reduced the aggregate of the tentative normal tax and the tentative surtax, as follows:

1. If the aggregate of the tentative taxes is $200 or less, such aggregate is reduced by 33½ percent thereof, a reduction of 30 percent of the tax under existing law;

2. If the aggregate of the tentative taxes is over $200 but not over $279.17, such aggregate is reduced by $67, a reduction varying from 30 percent to 20 percent of the tax under existing law;

3. If the aggregate of the tentative taxes is over $279.17 but not over $250,000, such aggregate is reduced by 24 percent thereof, a reduction of 20 percent of the tax under existing law;

4. If the aggregate of the tentative taxes is in excess of $250,000, the first $250,000 thereof is reduced by 24 percent (a 20-percent reduction of such portion of the aggregate of tentative taxes after its 5-percent reduction under existing law), and the amount of such aggregate in excess of $250,000 is reduced by 15 percent, a reduction of approximately 10.5 percent of such portion after its 5-percent reduction under existing law.

Your committee recommends the adoption of the reductions of the House bill for taxable years beginning after December 31, 1947 (with the exception of the introduction of a new bracket covering the aggregate of tentative normal tax and tentative surtax over $50,000 and not over $250,000), but recommends that for taxable years beginning in 1947 the reduction should be approximately one-half the reductions recommended for future taxable years.

With respect to taxable years beginning after December 31, 1947, the committee amendment—

(a) retains the reductions provided in the House bill stated in paragraphs 1 and 2 above;

(b) in cases where the aggregate of tentative taxes is over $279.17 but not over $50,000 retains the rule of paragraph 3 above;

(c) in cases where the aggregate of tentative taxes is in excess of $50,000 but not in excess of $250,000, retains the rule of paragraph 3 above as to the first $50,000, but provides a reduction with respect to such excess over $50,000 of 19¼ percent (instead of 24 percent as provided in the House bill), equivalent to a reduction of 15 percent of such portion of the aggregate of tentative taxes after its 5 percent reduction under existing law, as opposed to a comparable reduction of 20 percent under the House bill;

(d) in cases where the aggregate of tentative taxes is in excess of $250,000, while still retaining the rule of paragraph 3 above as to the first $50,000—

(1) provides, with respect to the portion in excess of $50,000 and not in excess of $250,000, the rule stated in paragraph (c), and

(2) adopts as to the portion of such aggregate of tentative taxes over $250,000 the same rule as under the House bill (stated in paragraph 4 above) namely: a reduction of 15 percent, equivalent to a reduction of approximately 10.5 percent of such portion of the aggregate of tentative taxes after its 5 percent reduction under existing law.

With respect to taxable years beginning in 1947, your committee amendment provides a reduction in tax equivalent to approximately half the reduction which your committee would provide in the case of taxable years beginning after 1947. Under the committee amendment—

(a) if the aggregate of the tentative normal tax and tentative surtax is $200 or less, such aggregate is reduced by 19¼ percent thereof, a reduction of 15 percent of the tax under existing law;

(b) if the aggregate of the tentative taxes is over $200 but not over $265.52, such aggregate is reduced by $38.50, a reduction varying from 15 percent to 10 percent of the tax under existing law;

(c) if the aggregate of the tentative taxes is over $265.52 but not over $50,000, such aggregate is reduced by 14.5 percent thereof, a reduction of 10 percent of the tax under existing law;

(d) if the aggregate of the tentative taxes exceeds $50,000 but does not exceed $250,000, the aggregate is reduced by $7,250 plus 12 percent of the excess of such aggregate over $50,000. This reduction, with respect to the portion of the aggregate of tentative taxes not over $50,000, is equivalent to a reduction of 10 percent of such portion after its 5-percent reduction under existing law. With respect to the portion of such aggregate in excess of $50,000, this reduction is equivalent to a reduction of approximately 7.5 percent of such portion after its 5-percent reduction under existing law;

(e) if the aggregate of such tentative taxes exceeds $250,000, the aggregate is reduced by $31,250 plus 10 percent of the excess of such aggregate over $250,000. This reduction, with respect to the portion of such aggregate of tentative taxes not in excess of $50,000, is a reduction of 10 percent of such portion after its 5-percent reduction under existing law. With respect to the portion of such aggregate of tentative taxes in excess of $50,000 but not in excess of $250,000, the reduction is equivalent to a reduction of approximately 7.5 percent of such portion after its 5-percent reduction under existing law. With respect to the portion of such aggregate of tentative

taxes in excess of $250,000, the reduction is equivalent to a reduction of approximately 5.3 percent of such portion after its 5-percent reduction under existing law.

Section 12 (g) of the code provides, as an over-all limitation upon the combined normal tax and surtax in the case of individuals, that such combined tax shall not exceed 85½ percent of the next income of the taxpayer. The House bill substituted for this percentage figure 76½ percent to be applicable with respect to taxable years beginning after December 31, 1946. The committee amendment retains the House figure, but limits its application to taxable years beginning after 1947. With respect to taxable years beginning in 1947, your committee, in order to conform with the revised reductions for 1947, provides that the over-all limitation shall be 81 percent.

For purposes of clarity your committee has combined the various percentage reductions in the tentative taxes into two tables, one applicable for taxable years beginning in 1947 and the other applicable for taxable years beginning after 1947. Section 2 (c) of your committee bill incorporates these tables in section 12 (g) of the code. Sections 11 and 12 of the code are amended by sections 2 (a) and 2 (b), respectively, of your committee bill to provide that the tentative normal tax and tentative surtax computed under such sections shall be reduced as provided in the tables under section 12 (g) of the code as amended by your committee.

The tables provided under the committee amendment to section 12 (g) of the code are designed to apply to the aggregate of the tentative normal tax and tentative surtax, and to provide for a reduction in the combined normal tax and surtax. In view of the fact that there are certain provisions of the code, such as sections 105 and 106, which make it necessary to determine the surtax separately from the normal tax, your committee has provided in section 12 (g) a special rule for making such computations. Under this rule, the surtax shall be an amount which is the same proportion of the combined normal tax and surtax as the tentative surtax is of the aggregate of the tentative normal tax and tentative surtax.

Special provision is made in section 6 of the bill for taxable years beginning in 1946 and ending in 1947, or beginning in 1947 and ending in 1948.

SECTION 3. INDIVIDUALS WITH ADJUSTED GROSS INCOME OF LESS THAN $5,000

Section 3 of the House bill amended the tax table contained in section 400 of the code, relating to the optional tax on individuals with adjusted gross incomes of less than $5,000. The bill as reported by your committee limits the application of the tax table in the House bill to taxable years beginning after 1947, and provides an additional tax table to be applicable to taxable years beginning in 1947 to reflect the reductions provided by your committee in section 2 of the bill with respect to taxable years beginning in 1947. Special provision is made in section 6 of the bill for taxable years beginning in 1946 and ending in 1947, or beginning in 1947 and ending in 1948.

SECTION 4. ADDITIONAL CREDIT AGAINST NET INCOME FOR NORMAL TAX AND SURTAX

Section 25 (b) (1) of the code now provides certain exemptions which are allowable as credits against net income in computing the normal tax and surtax. Section 4 of the House bill amended section 25 (b) (1) of the code by introducing an additional exemption of $500 for a taxpayer who attains the age of 65 before the end of the taxable year. The House bill provided that in the case of a joint return the additional exemption of $500 is allowed each spouse who has attained the age of 65 and whose gross income for the taxable year is $500 or more. The bill as reported by your committee retains the provision of the House bill respecting the additional exemption of $500 for a taxpayer who has attained the age of 65 and the additional exemption of $500 for the taxpayer's spouse who has attained the age of 65, but removes the requirement that the spouse must have gross income for the taxable year of $500 or more. Where a joint return is filed and both the husband and wife have attained the age of 65, the additional exemption for old age will be $500 for each such taxpayer.

The additional exemptions provided by section 4 of your committee bill, as in the corresponding provision of the House bill, do not apply to a nonresident alien who is not a resident of a contiguous country, to a citizen of the United States who is entitled to the benefits of section 251 of the code, relating to income from sources within possessions of the United States, or to a citizen of a possession of the United States (other than the Virgin Islands) not otherwise a citizen of the United States and not a resident of the United States.

Subsection (b) of section 4 of the House bill amended section 25 (b) (2) of the code to provide that for the purposes of the additional exemption for old age the determination of whether or not an individual has attained the age of 65 shall be made as of the last day of the taxable year. Your committee bill amends section 25 (b) (1) of the code to incorporate this provision, and subsection (b) of section 4 of the House bill has, therefore, been eliminated. In determining the age of an individual for the purposes of the exemption for old age the last day of the taxable year of the taxpayer is the controlling date. Thus, in the event of a separate return by a husband no additional exemption for old age may be claimed for his spouse unless such spouse has attained the age of 65 on or before the last day of the taxable year of the husband. Nor will the husband filing a separate return be entitled to such exemption for said spouse if during the calendar year in which his taxable year begins, she received over half of her support from another taxpayer. In no event shall the additional exemption for old age be allowed with respect to a spouse who dies before attaining the age of 65, even though such spouse would have attained the age of 65 before the close of the taxpayer's taxable year. For the purposes of the old-age exemption, an individual attains the age of 65 on the first moment of the day preceding his sixty-fifth birthday. Accordingly, an individual whose sixty-fifth birthday falls on January 1 in a given year attains the age of 65 on the last day of the calendar year immediately preceding.

Your committee has eliminated subsection (c) of section 4 of the House bill. This subsection amended section 22 of the code (relating to gross income) by adding a new subsection (o) to require an individual entitled to the old-age exemption to include in gross income for the taxable year the first $500 of certain tax-exempt pensions, annuities, etc. Subsection (d) of section 4 of the House bill which made a technical amendment to section 22 (b) (5) of the code has likewise been eliminated in view of the removal of the provision which originally necessitated its inclusion.

Subsection (b) of section 4 of the bill as reported by your committee contains four technical amendments, not found in the House bill, necessitated by the insertion in the code of the old-age exemption.

Paragraph (1) of section 4 (b) amends section 58 (a) (1) of the code. Existing law requires a declaration of estimated tax if the taxpayers' gross income from wages subject to withholding may be expected to exceed $5,000 plus $500 for each exemption to which he is entitled except his own exemption. Your committee amends section 58 (a) (1) to give effect to the old age exemption provided in the bill. Under the amendment a declaration will be required if the anticipated wage exceeds $4,500 plus $500 for each exemption to which the taxpayer is entitled, including his own exemption. Under existing law a single person who has no dependents and is under 65 years of age and who derives his income solely from wages subject to withholding is required to file a declaration if his anticipated wages for the calendar year exceed $5,000. Under the committee amendment the same result will follow ($4,500 plus $500 for his own exemption). Under the committee amendment if the same individual is over the age of 65 the declaration would not be required unless his anticipated wages for the calendar year exceeded $5,500 ($4,500 plus $500 for his own exemption plus $500 for his old-age exemption). Similarly under existing law, a single person under the age of 65 who has one dependent is not required to file a declaration unless his anticipated wages exceed $5,500 ($5,000 plus $500 for the dependent). The same result would follow under the committee amendment ($4,500 plus $500 for his own exemption plus $500 for his dependent).

The House bill does not make available for withholding purposes the additional exemption allowed to individuals who have attained the age of 65. Paragraph (2) of section 4 (b) would amend section 1622 (h) (1) of the code to authorize the allowance of the old-age exemption for withholding purposes. Paragraph (3) would require employers to give effect to the additional exemption with respect to the first payment of wages made on or after the ninetieth day after the date of the enactment of the bill, if a withholding exemption certificate is filed at least 30 days before such ninetieth day. This will allow employees approximately 60 days from the date of enactment within which to furnish new exemption certificates and will allow employers a minimum of 30 days to give effect to such certificates.

Paragraph (4) of section 4 (b) amends section 23 (x) of the code relating to deduction of medical, etc., expenses. Under the House bill the amendment providing for the additional exemption for old age had the effect of increasing from $1,250 to $2,500 the maximum deduction provided for medical expenses by section 23 (x) of the code in the case of a single individual over 65 years of age having no dependents. Under the committee amendment the maximum deduction provided for medical expenses by section 23 (x) of the code will not be increased by the additional exemption provided for old age.

Subsection (c) of this section of your committee bill is identical with subsection (e) of section 4 as passed by the House, and provides that the amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1946. Special provision is made in section 6 of the bill for taxable years beginning in 1946 and ending in 1947.

SECTION 5. REDUCTION IN WITHHOLDING OF TAX AT SOURCE ON WAGES

Section 5 (a) of the House bill amended section 1622 (a) of the code, relating to the percentage method of withholding, to reflect the reductions in tax provided in section 2 of that bill. The House bill required the application of four rates in computing the amount to be withheld under the percentage method instead of the two rates provided in existing law. Your committee amendment simplifies the computation under the percentage method of withholding by substituting three rates for the four provided in the House bill. The wage bracket withholding tables contained in section 5 (b) of the House bill are also adjusted to conform to the above change.

Under your committee amendment section 5 of the bill is made applicable with respect to wages paid on or after July 1, 1947, instead of June 1, 1947, as provided in the House bill.

SECTION 6. FISCAL YEAR TAXPAYERS

The bill as reported by your committee retains the provision of the House bill respecting the computation of the tax for fiscal years beginning in 1946 and ending in 1947, and adds a new subsection to section 108 to provide for the computation of the tax imposed by sections 11, 12, and 400 for taxable years beginning in 1947 and ending in 1948. This new subsection is necessitated by your committee amendments providing tax reductions for 1947 different from those provided for subsequent years.

Mr. MILLIKIN. Mr. President, the Senate has before it House bill 1, which is cited as the Individual Income Tax Reduction Act of 1947. This bill was reported by the Senate committee with amendments after 9 days of open hearings. Representatives of labor, management, and other groups were heard. The testimony covers 582 printed pages. The record and the report of the committee are on the desks of Senators.

When viewed most conservatively, the present outlook indicates that revenues for the fiscal year 1948 will run well ahead of the budget estimate made last December. This is shown by the increased receipts in the March 1947 returns, and by the fact that income payments in January, February, and March were higher than anticipated. The income level of $177,000,000,000 during these months is all the more impressive because it does not reflect the wage increases now being made. Because of these wage changes it is likely that the income payments in April, May, and June will be at least as high as those earlier in the year.

The tax collections in the fiscal year 1948 depend to a considerable extent upon the economic conditions prevailing in the earlier years. In taxation, as in other fields, collections lag behind obligations. For this reason the Treasury's estimate of receipts for the fiscal year 1948 is too low. This estimate was submitted on January 3 on the basis of calculations made in December 1946. The level of income payments for the calendar year 1947 used in that estimate was about $10,000,000,000 less than the level experienced to date in the calendar year 1947.

The Treasury's underestimate of income payments during the first 6 months of the calendar year 1947 means that its estimate of 1948 collections is too low, even though the level of income payments assumed by the Treasury for the fiscal year 1948 itself should turn out to be correct.

An independent estimate prepared recently by the staff of the Joint Committee on Internal Revenue Taxation indicates that receipts in 1948 will be substantially larger than those shown in the Budget message. The extent of the difference between the staff and Treasury estimates depends on the level of income payments assumed for the fiscal year 1948. At the levels which are most likely to appear, an ample surplus will remain to provide for debt retirement and contingencies even after making due allowance for the loss of revenue; if this should develop, resulting from the enactment of H. R. 1. I will discuss this point in detail later.

If we are going to maintain our production and employment at their present high levels, a tax reduction at this time is most important. This bill is designed primarily to relieve our individual taxpayers from the oppressive tax rates which constitute so great an obstacle to the efficient operation of our peacetime economy. This tax reduction will increase the incentives upon which our system of free private enterprise depends. It will help to stimulate managerial effort. It will encourage the release of venture capital needed to finance the expansion of business and employment basic to the maintenance of our present high level of economic activity.

Because it brings relief to all individual income taxpayers, this bill will be effective in increasing consumer purchasing power. This also will contribute to the maintenance of the existing high levels of income and employment.

Let us examine H. R. 1 and see exactly what it does. While this bill gives all of the 49,500,000 taxpayers filing returns a reduction in taxes, the largest part of the relief goes to those with surtax net incomes of $1,000 or less. This group includes single persons making up to $1,667 per year, married couples making up to $2,222 per year, and married couples with two dependents making up to $3,333 per year.

These taxpayers will receive a 30-percent reduction in their tax liability in 1948 and subsequent years. In 1947, the reduction will be 15 percent on a full-year basis. However, since new withholding rates with the full 30-percent reduction will be put into operation July 1, 1947, the great mass of these taxpayers will begin to feel the 30-percent reduction immediately after July 1. This group comprises over 26,000,000 taxpayers, or 53 percent of the total number filing returns.

The group receiving the next largest reduction consists of taxpayers with surtax net incomes between $1,000 and approximately $1,400. This group numbers around 7,000,000 taxpayers. The bill will reduce their tax by a flat amount of $67 in 1948 and subsequent years. This $67 includes the 5-percent reduction allowed under existing law. For 1947 the reduction is $38.50. This also takes into account the existing 5-percent reduction. However, the full reduction of $67 has been incorporated in the withholding tables which go into operation July 1, 1947.

The third group consists of taxpayers whose surtax net incomes are between $1,400 and $80,000. There are sixteen and one-half milion taxpayers in this group, or about one-third of the total. H. R. 1 will reduce their tax by 20 percent in 1948 and subsequent years and by 10 percent in 1947.

The fourth group consists of taxpayers with surtax net incomes between $80,000 and $302,000. Approximately 15,000 taxpayers are in this group. This is about three-tenths of 1 percent of the total number of taxpayers. For 1948 and subsequent years this group is given a 15-percent reduction on that part of the tax attributable to income in excess of $80,000 and 20 percent on that part of the tax attributable to the income below $80,000. The House bill allowed this group a full 20-percent reduction on their entire tax. For 1947 this group receives a reduction which is approximately one-half that allowed in 1948.

Those with surtax net incomes above $302,000 comprise the final group. There are only 577 taxpayers in this group. These receive the same reduction as the previous group on that part of the tax attributable to their surtax net income up to about $302,000. On that part of the tax attributable to the income in excess of that amount the committee retains the House reduction of 10½ percent for 1948 and subsequent years. For 1947 the reduction on that part of the tax applicable to the income above $302,000 is approximately 5 percent.

The Treasury has estimated that out of 48,000,000 taxpayers 22,000,000 will not have to compute their tax at all. Their tax will be computed by the collector.

About sixteen and one-half million will use the tax table in which their tax is automatically computed for them. Only about 10,000,000 will compute their tax on Form 1040.

Of these 10,000,000, half will compute their tax exactly as they do under existing law, except that for 1947 they will reduce their tax by 19¼ percent instead of 5 percent, and for 1948 by 33½ percent instead of the present 5 percent. I cannot help feeling that in view of the tax reduction which they receive they will be very happy to do this.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield to the Senator from Illinois.

Mr. LUCAS. The Senator has been discussing House bill 1. I am not sure that I understand fully whether he is discussing the bill which has been reported to the Senate by the Committee on Finance, or whether he is discussing the bill (H. R. 1) which came to the Senate Committee on Finance from the House of Representatives.

Mr. MILLIKIN. I am discussing the Senate version of the bill as amended by the committee.

Mr. President, 1,666,000 taxpayers will reduce their tax by $38.50 for 1947 and a flat $67 for 1948. The procedure for these taxpayers will be much simpler than under existing law. Instead of reducing their tax by 5 percent, they will reduce it by the flat amount referred to above.

Approximately 3,300,000 taxpayers remain. The procedure which they will follow will also be simple. Most of these taxpayers will reduce their tax by 14½ percent for 1947 and 24 percent for 1948 instead of the present 5 percent. This group will find it just as simple to use the reduction in this bill as the present 5-percent reduction.

One way of seeing how the tax reductions provided by this bill operate is to see what happens to spendable income.

I ask unanimous consent to insert in the RECORD at this point a table which shows the relation between the spendable income of a married person with no dependents, under existing law, and under the bill as reported by the Committee on Finance.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Comparison of spendable income under present law and Finance Committee bill*

MARRIED PERSON—NO DEPENDENTS

Net income before personal exemption	Spendable income after tax			Percent of spendable income after tax to net income before personal exemption		
	Present law	Finance Committee bill		Present law	Finance Committee bill	
		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years
				Percent	*Percent*	*Percent*
$1,000	$1,000.00	$1,000.00	$1,000.00	100.00	100.00	100.00
$1,200	1,162.00	1,167.70	1,173.40	96.83	97.31	97.78
$1,500	1,405.00	1,419.25	1,433.50	93.67	94.62	95.57
$1,800	1,648.00	1,670.80	1,693.60	91.56	92.82	94.08
$2,000	1,810.00	1,838.50	1,867.00	90.50	91.93	93.35
$2,500	2,215.00	2,243.50	2,272.00	88.60	89.74	90.88
$3,000	2,620.00	2,658.00	2,696.00	87.33	88.60	89.87
$4,000	3,411.00	3,469.90	3,528.80	85.28	86.75	88.22
$5,000	4,202.00	4,281.80	4,361.60	84.04	85.64	87.23
$6,000	4,955.00	5,059.50	5,164.00	82.58	84.33	86.07
$7,000	5,708.00	5,837.20	5,966.40	81.54	83.39	85.23
$8,000	6,420.00	6,580.70	6,738.40	80.29	82.26	84.23
$9,000	7,138.00	7,324.20	7,510.40	79.31	81.38	83.45
$10,000	7,815.00	8,033.50	8,252.00	78.15	80.34	82.52
$11,000	8,492.00	8,742.80	8,993.60	77.20	79.48	81.76
$12,000	9,131.00	9,417.90	9,704.80	76.09	78.48	80.87
$13,000	9,770.00	10,093.00	10,416.00	75.15	77.64	80.12
$14,000	10,361.50	10,725.35	11,089.20	74.01	76.61	79.21
$15,000	10,953.00	11,357.70	11,762.40	73.02	75.72	78.42
$20,000	13,606.50	14,245.85	14,885.20	68.03	71.23	74.43
$25,000	15,918.00	16,826.20	17,734.00	63.67	67.30	70.94
$30,000	18,030.00	19,227.00	20,424.00	60.10	64.09	68.08
$40,000	21,902.50	23,712.25	25,522.00	54.76	59.28	63.81
$50,000	25,205.00	27,684.50	30,164.00	50.41	55.37	60.33
$60,000	28,108.50	31,297.65	34,486.80	46.85	52.16	57.48
$70,000	30,727.00	34,654.30	38,581.60	43.90	49.51	55.12
$80,000	33,060.50	37,754.45	42,448.40	41.33	47.19	53.06
$90,000	35,109.00	40,403.60	45,717.65	39.01	44.89	50.80
$100,000	36,872.50	42,774.00	48,716.62	36.87	42.77	48.72
$150,000	44,616.50	53,631.60	62,799.02	29.74	35.75	41.87
$200,000	51,876.00	64,040.40	76,469.60	25.94	32.02	38.23
$250,000	58,660.50	74,009.20	89,736.42	23.46	29.60	35.89
$300,000	65,435.50	83,969.20	102,995.17	21.81	27.99	34.33
$400,000	78,985.50	102,131.00	125,776.50	19.75	25.53	31.44
$500,000	92,535.50	120,231.00	148,426.50	18.51	24.05	29.69
$750,000	126,410.50	165,481.00	205,051.50	16.85	22.06	27.34
$1,000,000	160,285.50	210,731.00	261,676.50	16.03	21.07	26.17
$2,000,000	295,785.50	391,731.00	488,176.50	14.79	19.59	24.41
$5,000,000	725,000.00	950,000.00	1,175,000.00	14.50	19.00	23.05

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. It will be seen from this table that under existing law a married person with a $1,200 income has 96.8 percent of his total income left after tax and about 98 percent left under the bill. However, as the income increases the percentage retained becomes smaller and smaller. For example, the $12,000 man has only 76 percent left under existing law, and about 81 percent left under the bill; the $25,000 man has 64 percent left under existing law, and 71 percent under the bill; the $100,000 man has 37 percent left under existing law, and 49 percent under the bill; and the $1,000,000 man has 16 percent left under existing law, and 26 percent under the bill.

One of the chief differences between your committee's bill and that which passed the House is the fact that the latter provided for a retroactive tax reduction to January 1, 1947. Your committee's bill has roughly the effect of making the reduction on July 1.

The principal reason for this amendment of the House bill was the effect of the latter on the budget for the fiscal year 1948. The revenue loss resulting from the House version would be $4,900,000,000, with income payments at $170,000,000,000. Under the bill as amended by your committee, the reduction for the fiscal year 1948, with the same income payments, will be $3,200,000,000. Your committee believes that its bill gives greater assurance that the desired volume of debt retirement will take place, and that adequate provision will be made for such contingencies as might arise.

This amendment to the House bill will also eliminate most of the tax refunds which would have occurred in the fiscal year 1948 under the House bill.

Your committee believes that the refunds resulting from the retroactive feature of the House bill would be of little value from the point of view of stimulating managerial incentive and investment.

The bill provides a special exemption for all persons 65 or over. This group is particularly in need of relief at the present time. It includes a great many retired school teachers, policemen, municipal workers, and persons who have retired from private industry, whose sole source of livelihood is the small amount which they receive as a pension or annuity or as retirement pay.

The concentration of small incomes among persons 65 or over is unusually great. A study by the Bureau of Labor Statistics relating to the year 1944, showed that 45 percent of single males aged 60 or over had incomes below $1,000, as compared with only 13.6 percent of the single males between 30 and 60. The same study showed that 27 percent of the families of two, with a male head, fell in this income class—namely, the group having incomes of less than $1,000—when the head of the family was 60 or over, while less than 3 percent did so when the age of the head of the family was between 30 and 60. Similar results appear in another Bureau of Labor Statistics investigation relating to 1941. The recent national survey of liquid-asset holdings, spending, and saving, conducted by the Bureau of Agricultural Economics, bears out the heavy concentration of small incomes among persons aged 60 or more.

Available statistical data also show that persons aged 65 or more suffered unusually as a result of the increases in cost of living and taxes during recent years. Their incomes did not increase in proportion to the rise in prices and the increase in taxes. Unlike younger persons, most of those now over 65 were unable to supplement their regular incomes by engaging in a gainful occupation at prevailing high rates of wages. Hence, their economic position deteriorated, relative to that of the rest of the community.

The special exemption for all persons aged 65 or over will benefit 3,700,000 taxpayers and will remove 1,400,000 from the tax rolls.

Certain persons 65 and over are already benefiting by a system of exclusions of particular types of income which is a part of existing law. For instance, recipients of annuities under the Railroad Retirement Act and retirement pay of Army or Navy officers discharged by reason of medical survey are excluded in full from gross income by statutory enactment. Annuities under the old-age and survivors insurance system of the Social Security Act have been excluded by Treasury decision.

Of course, these exclusions work a discrimination against receipients of other types of income. The result has been an insistent demand for the extension of similar treatment to other types of retirement income, such as the pensions and annuities paid to former employees of State and local governments, retired school teachers, and former civil-service employees in the Federal Government. The general exemption for all taxpayers 65 and over seems to be a more satisfactory answer to this problem rather than an extension of the system of exclusions of particular types of income.

The House bill contained a provision intended to keep persons who were receiving the fully excluded types of retirement income from obtaining the full benefit of the new $500 exemption for persons aged 65 and over. That was done by requiring a taxpayer who qualified for the new exemption to include in his gross income the first $500 received on the account of pensions, annuities, or retirement pay which, but for this bill, would have been excluded in full from gross income.

The principle upon which this provision is based is sound. However, repreentatives of the Treasury Department have pointed out that this particular section of the House bill involves unusual difficulties of interpretation and administration. Hence it seemed advisable to delete the provision in question from

House bill 1 in order to permit a thorough study of the problem at hand to be made.

Your committee is of the opinion that some remedy for the existing discrimination between various types of retirement income must be found. This problem will be dealt with in connection with the next general tax bill. Meanwhile it should be pointed out that the additional $500 exemption for persons 65 and over, allowed under House bill 1, may constitute sufficient basis for removing entirely the exclusions of particular types of retirement incomes enjoyed under existing law and Treasury rulings.

One further amendment was made in the portion of the House bill which dealt with this special $500 exemption. As passed by the House, this exemption was limited to persons aged 65 or over who received gross income of $500 or more. When the tax is calculated on the basis of a joint return of husband and wife, both of whom are in the appropriate age group, this feature of the House bill involves a substantial inequity. If the wife had, let us say, only $499 of gross income, under the House bill the couple would receive an additional exemption of $500. If she had a gross income of $501, the couple would receive an additional exemption of $1,000. This difference would appear, even though the total income of the couple remained the same.

To eliminate this inequity the committee amended the House bill so as to allow the $500 deduction with respect to all persons 65 years of age or over.

As heretofore stated, the bulk of the tax reduction provided by the bill will go to persons with income of $5,000 or less. I ask unanimous consent to insert at this point in the RECORD a table showing the percentage of reductions which go to persons in specific income brackets.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated percentage distribution of the individual income-tax liability and taxpayers under present law, and of total tax reduction under your committee's bill with a full year's reduction in tax (with assumed income payments of $170,000,000,000)

Net income class	Percentage distribution of—		
	Total taxpayers	Total tax paid under present law	Total reduction under Senate Finance Committee bill
$0 to $2,000	52.7	17.5	24.5
$2,000 to $5,000	43.4	39.3	39.5
Total below $5,000	96.1	56.8	64.0
$5,000 to $10,000	2.6	8.2	7.6
$10,000 to $25,000	1.1	12.0	10.7
$25,000 and over	.2	23.0	17.7
Total over $5,000	3.9	43.2	36.0
Total	100.0	100.0	100.0

Mr. MILLIKIN. Mr. President, this table shows that nearly 65 percent of the benefits of the full rate reduction provided by the bill will go to individuals having net incomes of $5,000 or less. These individuals pay 56.8 percent of the total taxes levied under existing law.

Those with incomes of $2,000 or less will receive about 25 percent of the total tax reduction provided by the bill. These people now pay 17.5 percent of the tax levied under existing law.

Persons with incomes of $10,000 and over will receive about 28 percent of the tax reduction. These people are paying 35 percent of the taxes imposed by existing law. These facts reveal the fallacy of any complaint that H. R. 1 brings inadequate relief to the recipients of smaller incomes.

Some critics of the bill allege that the percentage of the relief given to those in the lower brackets should be even greater. Usually this conclusion is reached by pointing out that the percentage reductions provided under H. R. 1 as amended are not the same as the percentage increases which took place in the individual income tax burdens between 1939 and 1945. It is alleged that tax rates should go down in the same manner as they went up during the war.

Behind this argument lurks the assumption that the rate structure of 1939 was an ideal one. This is highly questionable. The rates applied to upper bracket incomes in 1939 were extremely high. They represented the end product of a determined effort to convert the individual income-tax into a device for the redistribution of wealth. In their desire to attain this objective, the proponents of the rate structure developed during the 1930's tended to pay far too little attention to the problem of maintaining managerial initiative and an adequate flow of venture capital. For this reason it is not supportable to use the 1939 rate structure as a basis for comparison.

The real factor limiting the amount of the reduction which can be granted to lower-bracket incomes in the pending bill is the present size of the budget, and the large amount of the total revenue which comes from the lower brackets. Out of an estimated total taxable income of $121,000,000,000 in 1947, no less than $97,000,000,000, or 80 percent, is received by persons with net income of $5,000 or less; $68,000,000,000, or 56 percent, is received by persons with incomes of $3,000 or less. Because of this concentration of incomes in the lower brackets, rate reductions in that area are very expensive. To provide a materially greater reduction in these brackets at this time would require a considerable additional reduction in the Federal budget. We could adopt the extremely high tax rates and confiscate all the incomes of these persons, and the result would not be a drop in our revenue bucket.

A bill which concentrated relief exclusively among incomes of $5,000 or less would do nothing to alleviate the very heavy burdens now imposed upon the people who make the key decisions in our industrial organization. It would do nothing to encourage the persons who are expected to assume the risks of developing the new products and the new enterprises upon which a continued advance in the standard of life of the Nation so largely depends.

A great many people are unaware of the extent of the burdens now imposed. Many do not appreciate the discouragement to effort, enterprise and risk-taking which results from the existing rate schedule.

The easiest way to show what I mean is to refer to the so-called marginal rates used under the present law.

Mr. President, I ask unanimous consent to insert a table on the subject at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*Comparison between the marginal rates of the individual income tax under present law and the Senate Finance Committee bill*

Surtax net income		Marginal rates		
			Finance Committee bill	
From—	To—	Present law	1947	1948 and subsequent years
$0	$1,000	16.3	16.1	15.6
$1,000	$1,400 [1]	19.0	[2]	[2]
$1,400 [1]	$2,000	19.0	17.1	15.2
$2,000	$4,000	20.9	18.8	16.7
$4,000	$6,000	24.7	22.2	19.8
$6,000	$8,000	28.5	25.6	22.8
$8,000	$10,000	32.3	29.1	25.8
$10,000	$12,000	36.1	32.5	28.9
$12,000	$14,000	40.9	36.8	32.7
$14,000	$16,000	44.7	40.2	35.7
$16,000	$18,000	47.5	42.8	38.0
$18,000	$20,000	50.4	45.3	40.3
$20,000	$22,000	53.2	47.9	42.6
$22,000	$26,000	56.1	50.4	44.8
$26,000	$32,000	58.9	53.0	47.1
$32,000	$38,000	61.8	55.6	49.4
$38,000	$44,000	65.6	59.0	52.4
$44,000	$50,000	68.4	61.6	54.7
$50,000	$60,000	71.3	64.1	57.0
$60,000	$70,000	74.1	66.7	59.3
$70,000	$79,700 [4]	77.0	69.3	61.6
$79,700 [4]	$80,000	77.0	71.3	65.4
$80,000	$90,000	79.8	73.5	67.8
$90,000	$100,000	82.7	76.6	70.3
$100,000	$150,000	84.6	78.3	71.9
$150,000	$200,000	85.5	79.2	72.7
$200,000	$302,400 [5]	86.5	80.1	73.5
$302,400 [5] and over [6]		86.5	81.9	77.3

[1] The exact breaking point in surtax net income under the House bill and as provided by your committee for 1948 is $1,395.83. Under the bill as amended by your committee the breaking point for 1947 is $1,327.60.

[2] Incomes in this bracket receive a flat reduction of $67 from the tentative tax.

[3] Incomes in this bracket receive a flat reduction of $38.50 from the tentative tax.

[4] The exact breaking point in surtax net income under the bill as amended by your committee is $79,728.40.

[5] The exact breaking point in surtax net income under both the House bill and the bill as amended by your committee is $302,395.60.

[6] It should be borne in mind that the tax is subject to a ceiling of 81.5 percent of surtax net income under existing law, 76.5 percent under the House bill and under the Finance Committee's bill in 1948 and subsequent years, and 81 percent in 1947 under the Finance Committee bill.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. Mr. President, a person receiving a surtax net income of $10,000, who obtains an additional income of a thousand dollars, must pay 36 percent of it to the Government. In other words, so far as that bracket is concerned, such a person works more than 2 days a week for the Federal Government alone on his new income. A person whose surtax net income is $25,000 and who earns an additional $1,000, must pay the Government 56 percent, or $560. A person whose surtax net income is $50,000, who earns an additional $1,000, must pay 71.3 percent of it, or $713, to the Government.

The willingness of individuals to put forth additional managerial effort and to take additional business risks depends very largely

upon the portion of their additional earnings which they will be permitted to retain as their own. When 36, or 56, or 71 percent of this additional income is taken from them by the income tax, it is only too obvious that their initiative to exert additional efforts and take additional risks is blunted.

The situation is serious, not merely from the point of view of the individuals involved, but from the point of view of the economy as a whole. So long as our economic system is primarily of a capitalistic character, the material progress which is possible under it depends upon the intelligent and aggressive development of individual business enterprises. If the managers and the owners relax, and fail to put forth their best efforts, the rate of progress in the economy will, at the very least, slow down. If the efforts of the persons who are in control of the private enterprises of our country are inadequate, volume of output will tend to fall, and unemployment will result. If the investors of the country are unwilling to take the risks of developing new enterprises and of bringing new products into the market place, the tempo of business will decline, to the detriment of all the persons who make up our society.

The bill which is now before the Senate would reduce the rates imposed upon the middle and upper as well as the lower bracket incomes.

I wish now to make a few observations on the relation of the pending income-tax reduction bill to the provisions of section 138 (a) of the reorganization Act of 1946 for a legislative budget.

It will be recalled that this act was passed in the closing days of the last session of the preceding Congress and was approved by the President on August 2, 1946.

It calls for the creation of a Joint Congressional Budget Committee which is to meet at the beginning of each regular session of Congress and by the succeeding February 15 is to make budget recommendations in the form of a report to the respective Houses for the ensuing fiscal year including estimated over-all Federal receipts and expenditures for such fiscal year.

The report is to be accompanied by a covering resolution.

The shortness of the time elements involved posed obvious difficulties during the first year of the operation of these provisions for a legislative budget. There was no legislative budget staff and there were no provisions for one. Opportunity was lacking for long and thorough preparatory ground work in the agencies of the Federal Government. In this connection I would remind Senators that the staff of the executive budget numbers about 600 persons and works on a full-time basis.

Nevertheless, following the convening of the Congress on January 3 of this year the joint committee was organized and its budget report was made by February 15. It was accompanied by a covering concurrent resolution.

This resolution was introduced in the Senate on February 15 as Senate Concurrent Resolution 7 and in the House on the same day as House Concurrent Resolution 20. It is brief, and it would be well to bring it back to mind. It reads:

Resolved by the Senate (the House of Representatives concurring), That it is the judgment of the Congress, based upon presently available information, that revenues during the period of the fiscal year 1948 will approximate $39,100,000,000 and that expenditures during such fiscal year should not exceed $33,000,000,000, of which latter amount not more than $25,100,000,000 would be in consequence of appropriations hereafter made available for obligation in such fiscal year. It is the further judgment of the Congress that sound fiscal policy requires that not less than $2,600,000,000 of the excess of revenues over expenditures be applied toward reduction of the public debt during said fiscal year.

I am now reading from the Senate policy on the budget.

It is further declared to be the judgment of the Congress that all proceeds from the transfer or disposition of property under the Surplus Property Act of 1944, as amended, which are covered into the Treasury as miscellaneous receipts should be applied toward reduction of the public debt.

Those are the Senate's budget running orders.

On February 19, the Senate concurrent resolution came up for action. On March 3, 1947, it was adopted as amended, by the Senate, by a vote of 64 to 20.

The amendment setting the maximum goal of expenditure for the fiscal year of $33,000,000,000 was carried by a vote of 51 to 33. The amendment providing for debt reduction of not less than $2,600,000,000 during the same fiscal year was unanimously adopted.

The amended version of the Senate's concurrent resolution went to conference, and the conferees have been unable to agree.

The Senate version was not reached in cavalier fashion. The expenditure-reduction goal of not less than $4,500,000,000, the debt-reduction goal of $2,600,000,000 and the other features of the resolution, as amended, were adopted after lengthy debate on February 19, 21, 24, 26, 28, and on March 3, 1947.

A strong majority of the Senators were of the opinion that an expenditure reduction of $6,000,000,000 at this time might require excessive curtailment of essential governmental activities.

In my opinion, the conferees could have agreed had the representatives of the Senate been willing to split the difference in the conflicting figures of the two Houses. In other words, I believe that had we been willing to commit ourselves to a debt-reduction goal of $1,300,000,000 instead of two and six-tenths billions, and an expenditure-reduction goal of five and twenty-five one-hundredths billions instead of the Senate's goal of four and five-tenths billions, we could have gotten an agreement.

Speaking for myself, I have been unwilling as a conferee to come back here with that kind of result. It seemed to me that it would have been an affront to my colleagues had we returned with a debt-reduction objective of one-half of that unanimously desired by Members of the Senate. It seems to me it would have been an affront to the Senate, had we come back with a compromise on debt reduction against our own figure on debt reduction, which has been, in my opinion, becoming more warranted by the passing of time, and, in my opinion, has also become more achievable; indeed, it is now, I think, certain through the operation of H. R. 1, as amended, which is before the Senate.

Moreover, a revenue estimate of thirty-nine and one-tenth billions made in February, when national income payments were estimated for the fiscal year 1948 on the basis of one hundred and sixty-five billions, could not stand as valid against the unfolding facts which now make conservative the present estimate of revenue for fiscal 1948 adopted by the Senate Committee on Finance of forty-one and four-tenths billions.

With the passing weeks, the Senate's four and five-tenths billions expenditure-reduction goal seemed more realistic, as I have said, than the six-billion goal of the House. I could see no point in yielding on this in any substantial respect while our own view of it was gaining strength by experience.

I think it may fairly be said that had we agreed upon a compromise along the lines which might have been available, that is, to have cut the debt-reduction proposal in half and to have raised the expenditure reduction to $5,250,000,000, every Senator, so far as the consideration of this bill is concerned, would have known it for what it was and would have continued to follow the Senate version or his independent judgment.

Mr. LUCAS. Mr. President, will the Senator yield at that point in his remarks?

Mr. MILLIKIN. Certainly.

Mr. LUCAS. Am I to understand, from the statement made by the distinguished Senator, that there is now no possibility whatever of reaching an agreement with the House conferees on the legislative budget proposal?

Mr. MILLIKIN. I do not say that at all. I am stating the reasons, so far as I am concerned, why we have not come back to the Senate with the compromise.

Mr. LUCAS. What is the opinion of the Senator with respect to the possibility of the conferees reaching an agreement? In other words, the Senator has made a very dynamic statement of his own position with respect to the legislative proposal, and I was wondering whether, from the conferences he has attended, the Senator has any opinion relating to whether or not it is possible for the conferees to get together, and to submit to the Senate any kind of conference report upon the important legislative budget?

Mr. MILLIKIN. I am not without hope on that subject.

Mr. LUCAS. The Senator still has hope——

Mr. MILLIKIN. I have hope.

Mr. LUCAS. But little faith, I take it?

Mr. MILLIKIN. I have hope. I am trying to explain to the Senator why I have not agreed, and perhaps why others have not agreed to a compromise, which they might think would be unrealistic, and which could not be brought back to the Senate.

Mr. LUCAS. Mr. President, will the Senator further yield for another question?

Mr. MILLIKIN. Yes; I yield.

Mr. LUCAS. Will the Senator agree that that ought to be done, that an agreement of some kind between the House and the Senate should be reached upon what is directly laid down for us to do in the Legislative Reorganization Act?

Mr. MILLIKIN. I am coming to that in a moment.

Mr. LUCAS. I am sorry if I interrupted the continuity of the Senator's remarks.

Mr. MILLIKIN. Moreover, since the conferees must come from the Budget Committee, I doubt whether another team taken from the same committee would have achieved any more acceptable results.

Does it take the action of the House to give validity to our own viewpoints when we are working as the Senate? Does not the action of the Senate in setting a four and one-half billion reduction goal bind our consciences just as much as though the same figure had been reached by both Houses?

Can it be said that our Senate Appropriations Committee is not impressed with the Senate viewpoint of the reduction goal set out in the Senate's amended resolution but that it would be impressed if we brought back a phony compromise?

When the Senate Appropriations Committee processes these appropriation bills and brings them before the Senate for our decision will our individual consciences gain any acquittal from duty because our Senate goal has not been approved by the House?

I should add that because of a technical parliamentary situation in the House, the conferees would not be able to bring back a higher estimate of revenue than the new unrealistic one contained in the resolutions before the conference. This comes about through a rule of the House which would subject such a raise in estimate to a point of order. I have been so advised by our parliamentarian who has conferred on the subject with the House parliamentarian.

Will anyone say that we here in the Senate in the process of making a tax bill where estimated revenues are just as important as estimated expenditures, should govern our action by a figure which has become unreal and which cannot be revised because of a parliamentary rule of the House?

I wish that we could have agreed prior to bringing this bill before the Senate. I wish that we could have brought back something reasonably close to the Senate's viewpoints. Let me remind the Senate that consideration of this tax bill was delayed in an effort to reach such an agreement and hoping for such an agreement.

I must disagree, however, with anyone who may contend that we could help the consideration of the matter before us by formal adherence to a compromise which in our hearts we would regard as a sham.

The amount of money that is to remain in the citizen's pocketbook as a result of our action here, is a very real matter to him, and he is not apt to be interested in mirage diversions.

There will be an effort to delay consideration of the bill until June 10 on the ground that we do not have sufficient information on which to proceed at this time.

This argument will receive more extensive attention after it has been made. At this time, I merely wish to bring it into the perspective afforded by our actions and our fiscal policies in connection with the last tax reduction bill.

This was the Revenue Act of 1945. By that law, we took about 12,000,000 people off of the tax rolls; we abolished excess-profits taxes; we made a flat 5-percent tax reduction.

The then estimated cost of that bill to the revenues was about $6,000,000,000. At the present rate of national individual income payments a similar bill would carry a cost estimate of about $9,000,000,000.

The Revenue Act of 1945 came before the Senate for consideration on October 24, 1945. What was the state of the budget at that time? The budget deficit estimated for the fiscal year ending June 30, 1945—we passed the bill in October of that year—was $53,941,000,000. The budget deficit estimated for the fiscal year June 30, 1946, was $20,976,000,000.

We were reducing taxes $6,000,000,000 with an estimated $53,000,000,000 deficit for the preceding fiscal year staring us in the face and a $20,000,000,000 estimated deficit ahead of us. From certain conventional standpoints this was the ultimate in fiscal irresponsibility.

Well, surely, there must have been many days of debate; the RECORD must have been full of anguished soul-searching.

How much debate was there? The bill came before the Senate for consideration on October 24, 1945, and was passed on the same day without even a roll-call vote.

The bill went to conference, came back to the Senate on November 1, 1945, and on the same day the conference report was agreed to without a roll-call vote.

But we were not acting irresponsibly. We passed that bill in 1945 because we were anxious to stimulate by tax reduction the transition of our economy from war to peace and we adopted a remedy suited to the purpose. The bill before us is in aid of the same general objective.

Now to contrast the situations. We are not proposing a $6,000,000,000 tax reduction. The bill before us contemplates $3,200,000,000 of reduction. We are not offering our bill under the cloud of a $53,000,000,000 deficit. Under all of the estimates before us, including those of the administration, we will have balanced budgets with surpluses in the fiscal years 1947 and 1948.

We who sponsor this bill accept the estimates of the Joint Committee on Internal Revenue Taxation that the income payments for the fiscal year 1948 will be $170,000,000,000; that this will yield net receipts of $41,400,000,000. From this we subtract the Senate's estimate of expenditures for the fiscal year of thirty-three billions. This leaves an estimated surplus for the fiscal year of $8,400,000,000. We subtract from this the effect on the revenue if any should develop—of the bill before us, to wit, $3,200,000,000, which leaves an estimated surplus for debt reduction and contingencies of $5,200,000,000.

The conservative nature of the $170,000,000,000 estimate of national-income payments from which follows the estimate of receipts of $41,400,000,000 is appreciated when we recall that under information released a few days ago by the Department of Commerce, the national-income payments for the first quarter of this year were running at the annual rate of $176,700,000,000. Not overlooking price reductions which may occur, it is reasonable to believe that these income payments are not apt to decline very much for some time to come in view of the expanding pattern of increased wages over the United States and large corporate profits not yet reflected.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. AIKEN. In estimating the income of $41,400,000,000, does the Senator make allowance for any possible income from Government corporations or public-debt accounts or special accounts of trust funds? Has the Senator been able to secure any information as to the possible income from those sources?

Mr. MILLIKIN. The estimate of $41,400,000,000 proceeds from the estimate of $170,000,000,000 in national income. I should say that some of those factors enter into the calculation of national income, and I shall be glad to try to secure the exact figures.

Mr. AIKEN. I thank the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr TAFT. I think the figures used for the purposes of this agreement are the same as those which are calculated in the President's budget. They were included in the $39,100,000,000 figure.

Mr. MILLIKIN. Yes. Let me repeat that the Department of Commerce has just told us that the national income for the second quarter of this year is running at an annual rate of $176,700,000,000. Remember that we are basing our estimates on $170,000,000,000. Let me suggest again that any tendency to lag, if there should be one, will be held up for some time to come by increased wages the pattern of which is spreading over the country, and by corporate profits which have not yet been fully reflected.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. HAWKES. Does the Senator remember the month represented by the figure 176.7?

Mr. MILLIKIN. I think it was in the month of March.

Mr. HAWKES. I wish to say to the Senator that I have heard that at the present time the national income is running on an even higher basis than that.

Mr. MILLIKIN. I should not be at all surprised, for the reasons just mentioned, namely, wage increases and unreflected corporate profits.

Mr. HAWKES. I think this might be a good place to interrupt the Senator——

Mr. MILLIKIN. National income, as distinguished from national income payments, is in excess of $180,000,000,000.

Mr. HAWKES. That was the point. I wished to bring out at this place in the Senator's remarks the fact that the Secretary of the Treasury, Mr. Snyder, when asked a number of times on the witness stand if he saw any recession from the present rate of national income, left the definite impression, as I recall, that he saw no recession in sight. Am I correct?

Mr. MILLIKIN. He made it very clear that there is no serious recession in the contemplation of the Treasury's estimates.

Mr. HAWKES. I thank the Senator.

Mr. MILLIKIN. If I may supplement my answer to the Senator, the Department of Commerce gives total income payments, adjusted seasonally at the annual rate, for January of $177,100,000,000; for February, one hundred and seventy-seven billion, and for March, one hundred and seventy-six billion seven hundred million which is the figure I used.

Mr. HAWKES. I thank the Senator.

Mr. MILLIKIN. Those who do not believe that an expenditure reduction of $4,500,000,000 can be made, or that national income payments for the fiscal year 1948 will not average $170,000,000,000 can cut a billion dollars off at both ends, or $2,000,000,000 at either end, and there will be sufficient left to meet the Senate's plan of $2,600,000,000 of debt reduction.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. DONNELL. I observe at page 70 of the hearings the following colloquy between the chairman and Secretary Snyder:

The CHAIRMAN. In your statement yesterday o page 1, you said, "Nor do I believe that a tax reduction is necessary at this time to assure a continued high level of production."

We had quite a few questions and answers yesterday with the objective of probing your opinion as to whether we were in for a recession, and as I got the burden of your remarks, you are not predicting a recession for fiscal year 1948; am I correct in that?

Secretary SNYDER. That is correct.

I take it that at least in part the Senator bases his comment on Secretary Snyder's utterances in the testimony which I have just quoted.

Mr. MILLIKIN. Yes. I may say to the distinguished Senator that the same thought was reiterated at a number of points in the testimony.

These points will be expanded in due course. I only wish to remind Senators, in aid of a further preliminary perspective, that the proposed income-tax reduction may not result in any revenue reduction. Our past history indicates that in an economy similar to that now existing, income-tax reduction may go hand-in-hand with increased revenue. This was well stated during the consideration in the Senate of the Revenue Act of 1945. I quote from the CONGRESSIONAL RECORD, volume 9, part 8, page 9948:

The rate of tax does not determine what comes into the Treasury. The bill, so far as it affects corporations, is properly a tax rate-reducing bill. It will not necessarily reduce the amount of revenue coming in. Indeed, if it has the effect which it is hoped it will have, it will so stimulate the expansion of business as to bring in a greater total revenue. I think if one will look back to World War I, he will understand precisely what I am now trying to say.

Mr. President, while it is somewhat aside, I shall pause in the presentation of my prepared statement to emphasize this fact: The Revenue Act of 1918 was approved February 24, 1919, some months after the actual cessation of hostilities. In a sense, that act was both a war-tax act and an immediate postwar tax rate-reduction act, since it provided one schedule of rates for 1918 and a somewhat lower schedule for 1919, 1920, and 1921. The act of November 23, 1921, made more substantial reductions in rates. The recovery of the country from a state of depression in 1920 and 1921 was rapid. The Revenue Acts of 1924 and 1926 made still further tax reductions, but the income from tax revenues of the Government increased through all of that period.

Those were the remarks of the Senator from Georgia [Mr. GEORGE], the distinguished ranking minority member of the Senate Committee on Finance, and then its superb chairman.

Is it possible that, confronted with a balanced budget and surpluses—a consummation for which we have looked with anxious yearning for all these years—we shall dissipate our thoroughly supportable resolution to reduce individual income taxes and yield instead to indecision and delay, so that we may have a further period within which to flagellate ourselves, on the assumption—which should be completely unacceptable and which should be indignantly rejected—that this is necessary to hold us to Senate policies to which we already have committed ourselves?

I hope that we have not been steeped in deficits and despair so long that we simply cannot believe good news, and must meet it with dolorous misgivings. I hope that on further reflection Members of the minority will join us in this effort to restore without delay to 49,000,000 income taxpayers $3,200,000,000 of their own money.

Mr. President, I have agreed to yield to the Senator from Georgia.

The PRESIDENT pro tempore. The question is on agreeing to the first committee amendment.

Mr. GEORGE obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. GEORGE. I yield.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capper	George
Baldwin	Chavez	Green
Ball	Connally	Gurney
Barkley	Cooper	Hatch
Brewster	Cordon	Hawkes
Bricker	Donnell	Hayden
Bridges	Downey	Hickenlooper
Brooks	Dworshak	Hill
Bushfield	Ecton	Hoey
Butler	Ellender	Holland
Byrd	Ferguson	Ives
Cain	Flanders	Jenner
Capehart	Fulbright	Johnson, Colo.
Johnston, S. C.	Moore	Taylor
Kem	Morse	Thomas, Okla.
Kilgore	Murray	Thye
Knowland	Myers	Tobey
Lodge	O'Conor	Tydings
Lucas	O'Daniel	Umstead
McCarthy	Pepper	Vandenberg
McClellan	Reed	Wagner
McFarland	Revercomb	Watkins
McGrath	Robertson, Va.	Wherry
McKellar	Robertson, Wyo.	White
McMahon	Russell	Wiley
Magnuson	Saltonstall	Williams
Malone	Smith	Wilson
Martin	Sparkman	Young
Maybank	Stewart	
Millikin	Taft	

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. GEORGE. Mr. President, I shall not detain the Senate at any great length in connection with this matter. Before I take my seat I wish to lodge a motion, not to postpone indefinitely, but to postpone to a day certain, the consideration of the bill. My remarks will necessarily be brief.

I wish to say at the outset that I am not in disagreement with the distinguished chairman of the Senate Finance Committee as to the desirability of reducing individual income-tax rates. I am not in disagreement with the distinguished Senator or with the majority members of the committee respecting the method of reduction adopted in the bill. As a tax-reduction bill, it seems to me that it is a fairly good approach. The same result might be reached by other methods, but that seems to me to be immaterial, because I am, and have been for a long time, thoroughly committed to a reduction of our wartime taxes. Only the initial step is being taken at this time. If we are eventually to sustain our economy, tax rates must be very greatly reduced, beyond the reduction which will be made effective by the approval of either the House or the Senate bill or of some compromise between them.

With that statement, Mr. President, I wish also to give assurance that I have no desire to postpone the decision upon this bill to a date too late for the setting up of the necessary machinery to put the bill into operation if it shall pass and become law.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. KNOWLAND. I could understand and I might be inclined to agree with the remarks of the able Senator from Georgia, the former chairman of the Finance Committee, relative to postponement to June 10, if I felt that we would know any more on June 10 than we know at this time. But I wish respectfully to call to the attention of my colleague from Georgia the fact that last year the Department of Agriculture appropriation bill did not finally become law until June 22, the District of Columbia appropriation bill until July 9, the Interior Department appropriation bill until July 1, the Labor and Federal Security appropriation bill until July 26, the legislative appropriation bill until July 1, the War Department appropriation bill until July 16, the Navy Department appropriation bill until July 8, and

the State-Justice-Commerce appropriation bill until approximately July 1. So it seems to me that we shall not have the final figures or shall not know what the final figures will be in respect to the appropriation bills until they have run the gantlet of both Houses of Congress, the conference committees, and have actually gone to the President.

Based on past experience—and last year was not an unusual year—the fact remains, in my opinion, that on June 10 we shall not be any better able to judge what the final figures will be than we are at the present time. For that reason, it seems to me that the fundamental question we have to decide here is whether we shall pass any tax legislation at all which will be effective as of July 1. Certainly if I did not feel that we were going to make a substantial reduction in the Federal debt—a reduction of at least $2,600,000,000—I would not have supported and would not support the motion of the Senator from Colorado. But the figures seem to indicate that not only can the tax reduction of $3,200,000,000 be made, but also a considerably greater amount than the debt reduction of $2,600,000,000.

Since those figures seem to be borne out on the record, and inasmuch as we shall not know any more on June 10 than we know today, I question very much the advisability of postponing action until June 10.

Mr. GEORGE. I thank the Senator from California for his observations. I confess that on June 10 we shall not have absolute knowledge of what the final appropriations will be; but I shall come to that point in the course of my discussion, if I may be permitted to proceed for a few minutes.

Mr. President, in addition to the preliminary remarks which I have already made, I should like to say why I now think we should postpone the consideration of this bill until at least June 10. I am speaking on the basis of the best information which I have been able to obtain—I say to the Senator from California, although it seems he is about to leave the Chamber—and I say that all the major appropriation bills probably will be reported to the House of Representatives by June 12. I have that information upon authority which I regard as authentic. Even in advance of the actual reporting of the appropriation bills, we shall know substantially the pattern set by the House Appropriations Committee. It is true that the House may not agree to the recommendations of its Appropriations Committee, and will not entirely do so. It is also true that the appropriations may be changed by the Senate; undoubtedly that will prove to be true. Finally, in the conference some amounts different from the amounts actually recommended by the House of Representatives Appropriations Committee will no doubt be agreed upon. But when the major appropriation bills clear the House Appropriations Committee, we can begin to get a picture of the expenditures for the fiscal year 1948.

Mr. President, I am very much in agreement with the Senator from Colorado in respect to the legislative budget; I do not think the legislative budget in and of itself would be very helpful to me. Other Senators take a different view of that matter.

What I am primarily concerned about is the appropriations which finally will be made by this Congress. The acid test of what the Congress is going to do is to be found in the appropriation bills themselves, not in the covering resolution in regard to the over-all legislative budget, which now is quietly asleep, or at rest, I should say, in the conference committee of the House and the Senate.

I invite the Senate simply to look at the facts as they stand today. One or two of the appropriation bills have passed both Houses of Congress. Some have only been reported by the House committee and have passed the House of Representatives. The actual reductions made in the Interior Department appropriation bill are, in round figures, in the amount of $134,000,000. The appropriations carried in the Labor-Federal Security appropriation bill have been actually reduced by $103,415,000. I give only the round numbers. The Navy Department appropriation bill, which passed the House of Representatives yesterday, makes cuts under the budget estimates by $377,519,000. The items in the State-Justice-Commerce-Judiciary appropriation bill reduce the budget estimates by $159,650,000, in round numbers. The Treasury-Post Office Departments appropriation bill reduces the budget estimates by $897,072,000 All those reductions constitute a total reduction, as thus far made, of only $1,671,665,267—to give the exact figure.

Included in that figure is an item of $800,000,000 for tax refunds. The $800,000,000 for tax refunds is a very doubtful or dubious cut under the budget estimates. At best, we must pay whatever refunds are finally approved by the taxing authorities or by the courts or by both. Those refunds may not run as high as they have been estimated in the budget, or they may run as high as they have been estimated in the budget. I submit that the reduction made in the Treasury Department appropriation bill by this item of $800,000,000 is almost a figure out of the air; it has very little to commend itself. If that is taken from the actual reductions already made, we have reductions, as thus far accomplished, amounting to a little more than $871,000,000.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point for a question?

Mr. GEORGE. Yes; I yield.

Mr. KNOWLAND. As a matter of fact, even assuming that the tax refund item is a debatable one, as the Senator has quite correctly stated that it is, is not that more than offset by the action taken by the Senate 2 days ago in including in the deficiency appropriation bill an amount to make up the losses of the Commodity Credit Corporation on subsidies, which was set up in the President's budget for next year, and amounted to $830,000,000? The losses themselves only amount, as I recall, to approximately $600,000,000, but the saving in the budget for 1948, under the budget figure, will be $830,000,000. So by paying that this year, that will reduce the necessity of having such an item in the 1948 budget; and that action has already been taken by the Senate.

Mr. GEORGE. That was in the 1948 budget, I may say to the Senator, and we are dealing now with the 1948 budget, so far as the expenditure budget is concerned.

Mr. President, I have some information which would lead me to believe that the House Committee on Appropriations will include some further, and perhaps severe, cuts in the expenditure budget. The best information I have been able to obtain thus far—by June 10 we should be able to secure more accurate information—is that the agricultural appropriations will be reduced by around $300,000,000. That is a cut which may not stand in both the House and the Senate. It is not likely that the recommendations of the committee will stand insofar as the agricultural appropriation bill is concerned.

Mr. LUCAS. Mr. President, will the Senator yield on that point?

Mr. GEORGE. I yield.

Mr. LUCAS. I presume the Senator has this information with respect to the cut in the agricultural appropriation, only through some individual Member of the House. It is only a guess, is it not?

Mr. GEORGE. That is true, and I am so saying. I am merely estimating what would happen if there were a cut of that amount.

Mr. LUCAS. The question I wish to ask is whether or not the Senator knows the break-down in connection with the suggested $300,000,000 cut in agricultural appropriations.

Mr. GEORGE. Not fully. A great many of the provisions relate to soil conservation and certain types of subsidies, but I do not know that the information I have received is correct. I do know, however, that of the estimated savings, as best I can gather information as to them, there may be a report at least from the Committee on Appropriations of the House of a saving of $350,000,000 in the agricultural appropriation bill.

The War Department appropriation, of course, constitutes a considerable item in the President's budget. I should think that if a cut of $900,000,000 were made in that item that would be about all the Congress would sustain.

When we come to the Veterans' Administration and independent offices bill it is almost anybody's guess as to what may be cut in that appropriation; but it would be a miracle if the House and Senate sustained a cut of as much as $700,000,000 in all the items carried in that bill.

Mr. President, we would have an actual cut, as matters now stand, and as I estimate, of not more than $2,786,000,000.

There will be a Treasury surplus at the end of this fiscal year, on July 1, as admitted by the Treasury, of $1,250,000,000. That, added to what it now looks as though we may be able to cut the budget, would total a little better than $4,000,000,000. If the cost of the tax bill is taken off, it seems to me that our surplus will be reduced to about $800,000,000.

Mr. President, I hop I am wrong in these figures, but I wish to see at least what the House Committee on Appro-

priations intends to do with the important supply bills which are still before it. There is no Member of this body more willing that am I to go along with tax reduction, if the indicated reduction in the expenditure budget seems to justify it.

Mr. AIKEN. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to ask the Senator the source of his information that there will be a surplus in the Treasury on July 1 of approximately a billion dollars. I understood the Senator to say that was his estimate.

Mr. GEORGE. The Secretary of the Treasury himself estimated that at the beginning of the fiscal year 1948, that is, July 1, 1947, there would be a surplus of $1,200,000,000. I believe I am correct in that statement.

Mr. AIKEN. My reason for asking was that certain information I had received led me to believe that there would be a surplus of about $3,000,000,000.

Mr. GEORGE. I am speaking of the Treasury estimate, and we are so near the end of the fiscal year that it should not be too much of a guess. So I am figuring on a surplus at the beginning of the fiscal year 1948 of $1,250,000,000. What the surplus would be at the end of the fiscal year 1948, if any, with the present tax rates in effect, would depend entirely on the level of business activity, the national income, and so forth. I do not care to guess about that, because I am not able to guess, and I should be the last one to suggest that we are going into a depression; but I do call attention to one fact, namely, that at this time the deterioration of the economy of the whole world, outside the United States, and possibly Canada and some of the South American countries, is definitely marked.

I also wish to call attention to the fact that we cannot remedy the repercussion of a rapid deterioration of the economy of the whole of Europe and of all Asia. I recall very vividly, as I think every other Senator will recall, that the stock market went into a tailspin in October 1929, and there was a tremendous collapse. We might have pulled out of that, I think we would have pulled out of it, but in 1931 the Rothschild Bank of Austria failed, the repercussions of that failure were felt all over Europe, and it was utterly impossible to escape the long depression period which ensued. Our economy is affected, and always will be affected, and especially at this time, by what happens abroad.

I hope we will not be called upon to make further appropriations to aid and assist the European economy, but I do not know what we may have to do to arrest the deterioration in the economy of Europe. If we have to meet an issue of that kind, whether we like it or not, we will be compelled to do so.

I have not given any consideration whatever to the Greek loan, or to other loans we have recently made, in connection with this statement.

Mr. BREWSTER. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Maine.

Mr. BREWSTER. I gather, then, from the Senator's statement regarding the 1929–1931 episode, that he does not subscribe to what was a rather widespread theory that the conditions then were due entirely to our domestic policies.

Mr. GEORGE. Oh, no, I do not; but I do not want to go back and rehash those old political issues.

Mr. TAFT. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Ohio.

Mr. TAFT. As I understand, the Senator is objecting to guessing what the revenue will be; but do we not always have to guess what it will be? Are the revenues not always uncertain, and can we base our guess on anything better than what we are basing it on today?

Mr. GEORGE. I think we can.

Mr. TAFT. We are conservative——

Mr. GEORGE. If the Senator will bear with me a moment, I will tell him why I think we can.

Mr. TAFT. In the last analysis, of course, the estimate of revenues for the next 18 months, or next 15 months——

Mr. GEORGE. Thirteen months.

Mr. TAFT. Is bound to be a guess. It cannot be anything but a guess. We may have a depression, we may have a boom, certain things may happen in Europe, they may not happen in Europe. It seems to me there cannot be an objection to taking a figure on the ground that it is based on a guess, because every estimate of revenue is based on a guess.

Mr. GEORGE. It is based on an estimate; though I concede, of course, that an estimate is more or less of a guess. I do not want the Senator from Ohio to misinterpret what I am saying. I am speaking of conditions that now exist. If there is any man alive who can look at the economy of all Europe and say that it is good, then I should like to see him. I know that it is going to make our task a bit more difficult. I do not say that it necessarily controls us in making our revenue laws; but I do say, and I repeat, that if by June 10 or 12, through the House Appropriation Committee, we can have an actual pattern of what cuts in the expenditure budget will be made, we can proceed with a great deal more confidence and certainly with the consideration of the tax bill.

Mr. President, I know very well that even when the tax bills are passed, both House and Senate, we may be confronted in January or in February with emergency bills to make up a deficit here and there; I understand that; but at the same time I think it is necessary to take certain chances, and I am perfectly willing to concede that it is necessary to take certain chances. At this time, we are looking at conditions as they exist. At the moment, they seem very promising in our own country, and I do not want to say anything that would have even the slightest tendency to undercut whatever business activity or degree of prosperity we hope may grow through 1948; but, on that point, I want to make the observation that the tax cut that is being made will continue beyond 1948. If we were guessing on that one year only; I should be willing to guess at this moment and not wait until the House committee acts. But the cut that is being made in individual income tax rates is going to remain permanently in our revenue laws; at least those cuts will continue through the fiscal year 1948, the fiscal year 1950, and right on. I grant that they are not too great; they are not so great as I think they must ultimately be made; but that brings me back to our present condition, and to the facts that we actually know to exist at this time.

What is the state of our business, Mr. President? How would any Member of the Senate, in a comparable position, act with reference to the reduction of his revenue, before he had ascertained to what extent his expenditures could be cut? As of the first day of this month, the Treasury had outstanding 90-day bills amounting to $16,600,000,000. Bear that figure in mind. It had outstanding other maturities, due or callable by June 30, 1948, the end of the next fiscal year, of $37,600,000,000, or a total of more than $54,000,000,000. Of course, the Treasury has other maturities, in addition to the 90-day bills and in addition to those due or callable by June 30, 1948, due and callable by June 30, 1952, totaling an additional $42,500,000,000, making a total of debt maturing or callable between now and June 30, 1952, of $96,700,000,000. Of course, we also had, over and above these short-terms, obligations which include Treasury notes and Treasury bills and certificates, both the special and the general type, an additional indebtedness of $161,000,000,000. Bear this in mind—it is important—that included in the $161,000,000,000 is $50,000,000,000 of E, F, and G bonds. E bonds are demand notes upon the Treasury, and so are F, and so are G bonds, practically demand notes upon the Treasury.

Therefore, sitting in the place of the Secretary of the Treasury, or sitting in the place of the owner of one's own business, if there existed a situation such as I have described, would not a person in that position want to wait before actually cutting his income, especially when he is asked now, by my motion, to wait only about 20 or 25 days, to see what the picture of his expenditures will actually be, by action of the House Committee on Appropriations, a committee that carries a great deal of weight with respect to expenditures. I want to compliment the House committee. I am anxious for the House committee to cut our expenditure budget. I think, on the whole, they have done a very good job. I do not say that they can reach, as my distinguished friend from Colorado, the chairman of the committee, has assumed, $4,500,000,000. If the expenditure budget is cut $4,500,000,000, or even somewhat less than that, then a tax reduction can be made, and the national debt can also be reduced by the amount of the $2,600,000,000 that was ordered in the Senate.

But, Mr. President, there are the short-term 90-day notes falling due within the next 3 months, in the sum of $16,600,000,000; there are falling due other obligations within the fiscal year 1948 of $37,600,000,000. There are E, F, and G bonds of $50,000,000,000, included in the

$161,000,000,000; which may, almost overnight, become a charge on the Treasury.

I am speaking of a condition. I do not know what will happen in the fiscal year 1948. As the distinguished Senator from Ohio says, it is, of course, anybody's guess as to what may happen. I concede that. But I am speaking of the conditions that now exist. I am also speaking of the condition that exists throughout the world, which we now know. We know that it is not going to improve materially within the immediate future. That seems to me to make it imperative to wait until June 10, before finally completing the bill.

The distinguished Senator from Colorado has pointed out that the cut in individual income taxes may not actually result in a decline or a reduction in revenue. That is ordinarily true, but I do not believe that a cut of $3,200,000,000 in individual income taxes will have very great effect upon our revenue income, as a stimulant. I cannot see how it can. It might check or tend to check a decline in revenue, but it is altogether too little, as I see it, to suggest that it could increase very greatly our revenue.

In 1945, when the war ended, I favored tax reduction. I favored it very strongly. Although there are a great many people in the country, some Members of the Senate, who have protested against the cuts that were then made in taxes, I am as confident as I am of anything that if we had retained the excess-profits tax, the capital-stock tax, and the high corporate normal and surtax rates, we would not have passed through the transition period without a crash. I have never been afraid to assume my responsibility for that cut. At that time we entirely relieved 12,000,000 taxpayers in the lowest brackets, and we also relieved all taxpayers by a 5-percent cut, which was not, of course, very substantial. I then hoped, and I now hope, that we might be able now or in the very near future to make a further tax cut in the individual income rates.

I agree as thoroughly as does anyone with what the distinguished chairman of the Finance Committee has said, which the majority has often repeated, that it is necessary to reduce individual tax rates. I personally do not quarrel with the method applied in the reduction of these rates in the pending bill if we are to have a reduction of $3,200,000,000. There are other Senators who think that the reduction should come by way of increasing the exemptions and relieving a great many people in the lower income brackets.

The defect, the hardship, the weakness in our present revenue law, as I see it, lies, so far as individual rates are concerned, in the high surtaxes, from the lowest bracket to the topmost bracket, and, therefore, I have not quarreled and do not intend to quarrel with the method employed in making the cuts.

There is one thing I believe would be advisable, but failure to adopt it will not restrain me from voting for and supporting a tax cut, if when the House has acted on appropriations we can see how we can make the cut, and that is that I believe it would be advisable to put into effect, whatever reductions are made, the 1st day of January 1948, rather than July 1, 1947. But that point I do not regard as controlling. The question is whether we can safely now proceed, without the knowledge which can come to us within 20 or 25 days which, although when it comes to us will be subject to certain modifications and some changes, will nevertheless give us a very clear picture of what the cut in the expenditures is going to be.

Mr. President, I lay down as a sound principle that we cannot, in our present circumstances, afford to cut taxes based upon the prospect of an increased income; that we cannot, in present circumstances, predicate a sound tax bill upon what we think—projecting ourselves into the future—is going to be the economic condition of this country and our national income. The only sound basis is to reduce the expenditure budget, and the moment the cut in the expenditure budget goes down even to $3,000,000,000 then I could, with some degree of confidence, say that we could proceed with a tax-reduction bill, because we could be assured that the surplus already accumulated, and which will be realized, of course, on July 1, just ahead of us, would enable us to make some payments upon our debt.

Mr. President, let me say—and I do not speak as a partisan on tax matters at all—that I think the Congress of the United States could make no greater mistake now than to cut taxes, knowing that it will not be able to restore them to the old level whatever happens. No greater calamity could befall the American economy than to have a balanced budget as of now, and, then perhaps in fiscal 1949, or in fiscal 1950, find ourselves with an unbalanced budget and another period of deficit spending. That would take the heart out of American business; it would take the life out of the American taxpayers. Although the payment of taxes is always hard, so long as the income remains at its present high level we can somehow at least struggle along if we were to defer the tax cut until January 1 next.

The motion which I now make, Mr. President, is for the postponement of the consideration of the bill to a day certain, and I designate that day as June 10, because I believe that will give us an opportunity to obtain the pattern of the appropriations which will be made for the fiscal year 1948.

Mr. President, this is all I have to say at the present time. With respect to the reduction of taxes generally and with respect to the general principle of taxation, I myself am not out of step with what is desired by the chairman of the Finance Committee in the pending bill. I simply believe that it would be the part of wisdom and would enable us to proceed more intelligently if we could postpone the consideration of the bill until June 10.

Mr. President, of course, there are other Senators who wish to discuss the matter, but so far as I am concerned, I have no further remarks to make on the question. I have no desire to delay unduly consideration of the bill. I say that to the Senator from Colorado.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Georgia [Mr. GEORGE] to postpone further consideration of H. R. 1 until June 10.

THE ALTERNATIVES TO INTERNATIONAL CONTROL OF ATOMIC ENERGY

Mr. McMAHON. Mr. President, for many months I have been asserting that the overshadowing problem of making a lasting peace rests in the conclusion of a successful control of the murderous use of atomic energy.

Harry Truman, Clement Attlee, and Mackenzie King comprehended this when they declared to the world on November 15, 1945, their determination to share the peaceful and fruitful products of the energy with all mankind and their determination to seek effective prohibitions against its deadly use.

The United States has taken the lead in the formulation of an international program to implement this policy. I take considerable satisfaction that I in a small way contributed to the formulation of that policy. On September 6, 1945, I said on the floor of the Senate that the national and international control of this force must be brought about. On December 5, 1945, I stated my belief that an international authority, internationally owned and inspected, was the medium of such control.

It was because I firmly believed this that I welcomed with a peculiar satisfaction the Acheson-Lilienthal report and the Baruch program. I have, Mr. President, honestly endeavored to test for objective truth and fairness those proposals. I am not ashamed to confess that I have examined and reexamined them in the early hours of the dawn on many occasions. This is a problem which at all hazards must be avoided by insomniacs. But examine them as I would, in consultation and reexamination the answer was the same. Our proposals stand the acid test of logic and conscience and good ethics. I am more than ever convinced that in their acceptance lies the hope of peace.

Some of us make the mistake of believing that the world's peoples know what the United States has proposed. Mr. President, I dare say that they do not know. In a trip I made abroad last fall, I ascertained that what we had proposed was scarcely known in Europe, and the few who pretended to some knowledge on the subject were in error as to what we had proposed. Mr. President, what is our plan? What have we proposed? If our plan is not righteous—if we have not proposed a sound moral and ethical solution of this problem, we shall stand indicted before God and man.

In the American Proposals for International Control of Atomic Energy we have proposed that—

> When an adequate system for control of atomic energy including the renunciation of the bomb as a weapon has been agreed upon and put into effective operation and condign punishments set up for violations of the rules of control which are to be stigmatized as international crimes, we propose that (1) manufacture of atomic bombs shall stop; (2) existing bombs shall be disposed of pursuant to the terms of the treaty, and (3) the (International Development) Au-

thority shall be in possession of full information as to the know-how for the production of atomic energy.

In other words, Mr. President, we who possess the most effective military weapon created by man have voluntarily offered to do away with its use if other nations will also refrain from using it. We who possess the secret of the world's most powerful force for the betterment of man's conditions of living voluntarily offer to share that secret with the peoples of the earth, regardless of creed, color, or cash, provided only they agree—and implement that agreement in action—to use it for good and not for evil. On Monday night last, Mr. Gromyko challenged the justice and generosity of that offer. A careful reading of his address indicates that his country has not essentially altered its position on any major point since he announced 11 months ago that our plan was "unacceptable in whole or in part." Mr. Gromyko in his latest speech has strongly reiterated his criticism of the American plan.

He said that the plan envisioned by the American proposals would interfere with the sovereignty and economy of independent states, secure America's atomic monopoly, and impede the development of international confidence and friendship. He reiterated his previous position that the prohibition of atomic weapons must be the first step in any control system, that the elimination of such weapons must begin immediately upon the conclusion of a convention, and that the prohibition of atomic arms should be a concurrent part of a general disarmament.

Mr. President, what is wrong with this position? Do we declare it to be unacceptable simply because we wish to be arbitrary, domineering, and uncooperative? No, Mr. President, we regretfully find the Russian plan unacceptable for the very sufficient reason that it will not give the world the kind of safety and complete security which the world desperately needs in this atomic age.

Let us examine the Russian position in greater detail. In essence, what they propose is an immediate convention outlawing atomic weapons without waiting for agreement on measures of control and punishment; that punishment be left to the Security Council, where there is to be no curbing of the right of veto; and that the International Agency have very limited powers of inspection and no proprietary right of operation.

Under the Russian proposals America would be forced to disarm unilaterally. Limited inspection would give no security against secret violations and national rather than international production and control of atomic energy would increase, rather than diminish, national rivalry and antagonism. It could not promise the peoples of the world freedom from atomic warfare. It would withhold the abundant blessings inherent in atomic energy.

Mr. Gromyko says that the American plan would mean interference with national sovereignty. Certainly that is correct. But will not the United States, with its vast atomic development, be giving up more and enduring greater interference to its sovereignty than will any other nation?

It is strange the way nations, as well as individuals, cling to definitions and to terms that modern science and invention have made meaningless. Gromyko emphasizes sovereignty, and thereby confesses that he does not have sufficient comprehension of the force of atomic energy. He talks about sovereignty in outworn and obsolete terms. It will do us no good to worship a 1944 definition of sovereignty if in doing so we find ourselves despoiled upon its altar. It is precisely because Gromyko does not realize that his concept of sovereignty has been destroyed as surely as Hiroshima and Nagasaki were destroyed, that he falls into error.

Mr. Gromyko says that the American plan seeks to preserve our atomic monopoly. Mr. President, our purpose, made plain for all to see, is diametrically the opposite. It was made plain in the Truman-King-Attlee declaration which, under American initiative declared:

> We are prepared to share, on a reciprocal basis with others of the United Nations, detailed information concerning the practical industrial application of atomic energy just as soon as effective enforceable safeguards against its use for destructive purposes can be devised.

It was made plain again in our domestic act which, after providing for the common defense and security, provides in section 10 (a) (2)—

> That the dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticisms which is so essential to scientific progress.

This, after effective safeguards have been secured.

It was again made plain in the Acheson-Lilienthal plan and the Baruch proposals by the provisions for the establishment of an internationally controlled Atomic Development Authority.

What kind of monopoly is this, Mr. President, which stretches forth the hand, not to take, but to give? What kind of monopoly is this which would reach into the far and undeveloped places of the earth not to exploit and enslave, but to bring freedom from fear and freedom from want? And let there be no mistake. There is inherent in atomic energy the means to the highway of freedom from want. Byproducts of atomic energy used in the study of plant life may eventually reveal nature's secret of photosynthesis and soil fertility and lead to the improvement and the replenishing of the world's food supply. This is something not for the far distant future but for our own times. It is because we want to bring these things to mankind everywhere as well as because we want to remove fear that we have made our proposals.

Yet, Mr. President, Mr. Gromyko finds in this generosity only selfishness; and the American plan he finds entirely unacceptable.

I think it should be stated firmly and quickly that the Russian plan cannot be considered by us, not because we wish to be arbitrary or uncooperative, but simply because the plan does not furnish the world with the kind of security that is so desperately needed in the age of atomic weapons.

There are many of us, Mr. President, who have given much thought and study to the terrible situation that would arise in the event that no agreement could be reached for the successful control of atomic energy. To anyone who has reflected upon the facts of Hiroshima and Nagasaki, consideration of the alternatives is productive of a state of profound sorrow. God knows the world needs peace. God knows the world wants peace, and yet we must somehow convince the peoples of the world that war, however unnecessary and however unwanted, is not beyond the realm of possibility in the event of failure to agree on a system for controlling atomic energy.

Mr. President, God forbid we should finally fail in our endeavors; but suppose we do. Suppose we are finally driven to admit that it has become impossible to achieve agreement, what then? What are the conditions which will then confront the world? What are the alternative courses of action from which we shall then be forced to choose? Mr. President, to assume the worst is not to exorcise it into being. To consider the alternatives is not to prefer them. In the light of the realities of world conditions is it not the better part of wisdom to prepare for the worst while continuing to hope for the best?

Mr. President, on that awesome day, should it come to pass, when the negotiations break down and the negotiators hurry back to their homelands to warn their people, I would not want my country to be taken by surprise. I would not want my people to be left stunned and unprepared for the kind of world we shall then find ourselves living in.

On that day, Mr. President, the destiny of civilization will hang in the balance. Men will look upon the raw and evil face of death and destruction and fear to breathe lest the scales be tipped. When all is hushed the trembling of a leaf may echo like the roar of cannon and a single word may send the Four Horsemen of the Apocalypse charging over the earth like the whirlwind of doom. How shall we then face up to the future? What shall we then be able to do?

Mr. President, when the world can agree only on disagreement, we will, in my considered opinion, have left to us only four alternatives; none satisfactory and all fraught with danger.

First, we could then frankly, openly, and fearfully launch ourselves upon an atomic arms race against Russia; seeking to make even bigger and better atomic bombs and other weapons; striving to keep ahead; hoping to be able to retaliate in case of attack but living from moment to moment under the ministry of fear because of the impossibility of knowing when or where an attack might hit us. It is true we might disperse our cities and relocate our industries, but to be effective such dispersal and relocation

would cost approximately $300,000,000,000 which is more than half the estimated value of every man-made improvement in the United States.

The cost of such a program added to the financial burden of our present debt would certainly disrupt our entire social and economic system and could result in a Fascist type of rule by edict.

Of all the nations of the earth we are the most vulnerable to atomic attack, because our concentrated industries and crowded cities make excellent targets. Because we are not a police state, it would be impossible for us to evacuate our cities and relocate our industries secretly.

Behind the iron curtain Russia could move her industries and her people as she did in the last war, without the rest of the world knowing a thing about it. Because of the vast untenanted lands to the east, because of the still rich cities to the west in Europe, she could afford to consider a few of her own cities expendable. It has been said that an aggressor would not use atomic bombs because destroyed cities constitute poor booty. But the sacrifice of American cities, or even of the whole country, might be considered none too high a price for the conquest of the rest of the world.

It would not even be necessary for an enemy to destroy our cities in order to destroy us. By the use of radioactive particles, or death dust, as it has been called, in combination with disease germs, every living thing in our cities could be annihilated and the cities themselves left standing and empty of resistance to an invader. With America out of the way, who would be left to stop an aggressor intent on world domination?

Some of my friends take comfort in the thought that since gas was prohibited in the last war and was not used, a simple convention or treaty outlawing the use of the atomic bomb will protect us in the next war. This fallacy is based on the belief that the gang that wiped out Lidice and operated the human furnaces at Buchenwald were restrained in the use of poison gas because of their plighted word. They were restrained from the use of gas because they realized that gas was not the controlling weapon, that there was a defense against it, and that it could be turned against them more successfully than they could use it offensively. But the atomic bomb is the controlling weapon of war. If used in sufficient quantities and without notice all counter strokes of significance can be discounted and written off. Dictators have never in the course of human history been restrained by a treaty. Certainly a nation which relied on one for its defense against atomic attack would erect a Maginot line of paper that would have more fatal and catastrophic effects than the steel one for which it could be named.

No, a unilateral arms race with Russia will bring neither safety nor peace. It is no satisfactory alternative to an international agreement.

A second alternative is to let Russia go her own way if she prefers that and to proceed without her. But an international control plan without Russia would give us no control where we most need it. It would leave unaccomplished that thing which most needs accomplishment. It would make it easier and quicker for Russian espionage to discover the secrets of bomb production without any restraints, by way of inspection and control over her own activities. No, a control system which does not control Russia in this field will bring neither safety nor peace. It is no satisfactory alternative to a world-wide control system.

Another alternative which has been suggested is based on this type of reasoning: If an atomic war is inevitable, and there is no adequate defense against the atomic attack, since the first assault may be the last, then the best defense is offense. I have long contended that the necessity for atomic control has made obsolete our old definitions of aggression. I assert that for the first time in human history the failure to agree to a sane, effective, and righteous control of a weapon of war constitutes in and of itself an act of aggression. The holding of such an instrument of death over the heads of mankind is a species of assault far more productive of a state of fear and its paralyzing consequences than actual battery itself. The more imaginative, the more creative, the more cultured and sensitive a person is, the more horrible would be his perception of an impending oblivion. Away would go all the values that make life in a democracy worth the candle.

The last thing in the world we want to have happen is to be forced to throw the first atomic bomb in a war of total destruction. I correct myself; it is the last thing but one we want to have happen. The last thing we want to have happen is to have someone else throw such a bomb at us.

Mr. President, we thank God that we would shrink from imposing an atomic Pearl Harbor. It is not our way of doing things. Once launched on such a course, we would have to rule the world to maintain our safety, and we might have to sacrifice our democratic form of government in the attempt. It is certainly not a satisfactory alternative to an international agreement.

The last alternative, and the fourth, which suggests itself is this: Let the nations of the world, in convention assembled, vote on a resolution making the United Nations Atomic Energy Commission proposals the world plan. Invite all peace-loving nations to adhere to the plan and to declare that any nation which refuses by a specified date to accept a plan which has been democratically approved by the majority of the nations of the world is thereby denominated an aggressor. By such action the nations would be seeking only to assure the peace of the world in a most dangerous situation. Failure by even one nation to give such assurance forces the whole world to remain postured for war, when the overwhelming universal desire of all mankind is that the world be postured for peace.

No overt act is necessary to commit aggression when it comes to atomic energy. If I but have a dangerous dog and I fail to keep him in restraint, my neighbors can hale me into court and the law will punish me. To argue that atomic energy is inherently dangerous to the peace of the world is to belabor the obvious. Failure to show evidence of peaceful intentions with regard to it, is of itself evidence of aggressive intentions. The peace and safety of the world demand that aggression be stopped before it becomes overt and before it is too late.

The moral consciousness of the world, the war-weary bodies and the peace-loving hearts of the peoples of the world, cry out for an end to covert, as well as overt, acts of aggression. To refuse to cooperate with the rest of the world in the search for universal peace, denies to the world the possibility of living and working free from the fear of war. A colossus striding across the international scene with a chip on his shoulder menaces the peace and security of every home and every hut throughout the world. There can be no escape from the contagion of fear; it threatens us, one and all.

At this point I can do no better than to quote the immortal words of Franklin Roosevelt:

> When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease.

In 1937, when President Roosevelt uttered those far-sighted words, the Hitler aggression might have been stopped by a world quarantine. That costly lesson must profit the world should any nation refuse to adhere to the agreed plan by the specified date.

While this alternative may prove to be the best way to deal with such a desperately dangerous situation, it would of course be indeed preferable for all the nations of the earth to reach agreement.

May God grant it will never be necessary to us to choose among the alternatives. May He make it possible for the nations of the world to come to agreement, so that they may stand, not arm against arm, but eye to eye, looking to a world of peace, of prosperity, and of freedom. God willing and man striving, that can be possible for us all.

CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. BREWSTER obtained the floor.

Mr. GURNEY. Mr. President, will the Senator yield to me?

Mr. BREWSTER. I yield.

Mr. GURNEY. Mr. President, it is my intention at this time to report to the Senate certain nominations which have been approved by the Committee on Armed Services. It is urged that these nominations be confirmed promptly, for the reason that in the list of nominations are those of cadets at the West Point Military Academy and midshipmen at Annapolis. Graduation time is approaching, and in order to provide time for the printing of diplomas, and so forth, it will be necessary to have the nominations confirmed by the Senate immediately.

Let me say further that the committee has also approved and has authorized me to report to the Senate certain other nominations involving promotions and transfers, all of which are routine. A large number of them relate to the Naval Reserve, such as appointments in the

Regular Navy, as ensigns, of Naval Reserve midshipmen.

There are also some transfers in the Regular Army, without promotion. I further call the attention of the Senate to the fact that included in the list is the nomination of a new Surgeon General, Brig. Gen. Raymond W. Bliss, to be Surgeon General of the Army, and the nomination of his assistant, Colonel Armstrong. Also there is the matter of placing one vice admiral on the retired list, as a vice admiral.

Now, Mr. President, with this brief explanation, and with the further statement that the nominations were ordered reported from the Committee on Armed Services, I ask unanimous consent that, as in executive session for this purpose only, the Senate receive these nominations, and consider them en bloc, and I move that they be confirmed.

The PRESIDENT pro tempore. Is there objection to the request submitted by the Senator from South Dakota?

Mr. LUCAS. Reserving the right to object, Mr. President, I did not quite understand the urgency of the unanimous-consent request.

Mr. GURNEY. The urgency is that included in all these nominations—and they were considered en bloc by the committee—they are this year's graduates of West Point and Annapolis. June week is approaching, certain papers must be ready, and the authorities would like to have time to have the diplomas printed and to have the necessary preliminary work done in connection with the graduations at the two Academies.

Mr. LUCAS. As I understand the Senator's remarks, what is requested is absolutely necessary before the students at Annapolis and West Point can get their diplomas.

Mr. GURNEY. Oh, yes.

Mr. LUCAS. And it is urgent to that extent?

Mr. GURNEY. I think so.

Mr. LUCAS. I shall not object, but a great number of postmaster nominations have been sent to the Senate, some 800, which have been held up from the time they were received.

Mr. GURNEY. I understand that, but my unanimous-consent request is that, because of the conditions regarding the cadets at West Point and the midshipmen at Annapolis, the Senate, as in executive session, consider only their nominations.

Mr. TYDINGS. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I yield to the Senator from Maryland.

Mr. TYDINGS. I should like to suggest to my colleague from Illinois, in whose effort regarding the post-office nominations I joined a few days ago, that as a member of the Committee on the Armed Services, of which the distinguished Senator from South Dakota is the chairman, I know these nominations were reported unanimously by the committee with the distinct understanding that the chairman would as soon as possible make the request he has submitted, because unless the matter is disposed of very quickly, the men in the Academies will not be graduated in the regular legal and routine way. So I shall ask the Senator from Illinois if he will not let these nominations go through without further objection, although I share the sentiments he has expressed. However, I believe that in view of the circumstances as outlined by the Senator from South Dakota, a special case is made out, and we do not want to penalize some other nominees while trying to get justice for some in whose behalf I know the Senator from Illinois has worked diligently.

Mr. LUCAS. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I yield.

Mr. LUCAS. I am not going to enter a formal objection to the present consideration of the nominations, but I hope that, at the proper time, the Senator from South Dakota will join the Senator from Illinois and others in seeing that action is had on the postmaster nominations which have been sent to the Senate by the President of the United States, and who are now standing by awaiting action on the part of the Senate. I appreciate that the young men graduating from the Naval Academy and the Academy at West Point are entitled to consideration by the Senate, but, at the same time, a great number of disabled veterans, who went forth and fought for their country in World War I and World War II, are standing by at this moment, at the crossroads in every State in the Union, waiting for the Senate to take the same generous action the Senator from South Dakota is asking it to take on behalf the cadets and midshipmen, in order that these veterans, too, may have an opportunity to make a livelihood in their own communities, and in order that they may get the recognition to which they are justly entitled under the laws of the land, and under what should be every senatorial privilege and courtesy.

Mr. GURNEY. I thank the Senator.

The PRESIDENT pro tempore. If there is no objection to the request of the Senator from South Dakota, the nominations in the Army, Navy, and Marine Corps reported favorably from the Committee on Armed Services by the Senator from South Dakota will be considered en bloc, and, without objection, the nominations are confirmed, and the President will be notified immediately.

REDUCTION OF INDIVIDUAL INCOME TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income tax payments.

Mr. BREWSTER. Mr. President, I wish to speak briefly about the proposed delay in the consideration of the revenue bill. As a member of the committee which considered the bill, it is my hope that what I understand to be the pending question, namely, a motion to delay consideration of the bill to June 10, shall not be favorably acted upon, since if there is to be tax reduction effective July 1, I think all are agreed that we must proceed forthwith to the consideration of the bill.

I am somewhat puzzled by the logic of the Senator from Georgia in view of what has hitherto taken place, since in the Senate committee, when this matter was being considered, there was, as I recall—and I want to do the Senator full justice—a motion by the Senator from Georgia to fix the date of the tax reduction as of January 1, 1948. How it is possible to pass upon the fiscal state of the Treasury on January 1, 1948, and yet have very serious doubt as to the fiscal state of the Treasury on July 1, 1947, is one of the questions I have been unable to resolve.

It seems to me that if we are able to forecast our situation for 7 months, we certainly should be able to forecast it for the intervening month, which is the only difference between us, so far as the period involved is concerned, in the proposal presented by the bill as reported by the Senate committee.

In order to have before us clearly the precedents in this matter, I have had compiled a history of the major tax legislation covering the period of the last 20 years, and I shall ask that there be included in the RECORD at this point a transcript of this analysis, showing that in 9 out of 19 cases of revenue legislation, the bills have been passed far earlier in the session of Congress than is now contemplated, so that in every one of those instances the Congress must not only have been proceeding upon estimates, but upon estimates far in advance of the conditions which we are now able seriously to consider.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maine?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Major tax legislation 1926–46 (inclusive)

Bill No.	Congress	Title of act	Date passed House	Date passed Senate	Date became law	Public law or public resolution number	Session and date
H. R. 1	69th	Revenue Act, 1926	Dec. 18, 1925	Feb. 12, 1926	Feb. 26, 1926	Public Law 20	69th Cong., 1st sess., Dec. 7, 1925, to July 3, 1926.
H. R. 1	70th	Revenue Act, 1928	Dec. 15, 1927	May 21, 1928	May 29, 1928	Public Law 562	70th Cong., 1st sess., Dec. 5, 1927, to May 29, 1928.
H. J. Res. 133	71st	Tax Reduction	Dec. 5, 1929	Dec. 14, 1929	Dec. 16, 1929	Public Resolution 23.	71st Cong., 2d sess., Dec. 2, 1929, to July 3, 1930.
H. R. 10236	72d	Revenue Revision 1932	Apr. 1, 1932	June 1, 1932	June 6, 1932	Public Law 154	72d Cong., 1st sess., Dec. 7, 1931, to July 16, 1932.
H. R. 7835	73d	Revenue Act, 1934	Feb. 21, 1934	Apr. 17, 1934	May 10, 1934	Public Law 216	73d Cong., 2d sess., Jan. 3, 1934, to June 18, 1934.
H. J. Res. 324	74th	Revenue	June 17, 1935	June 26, 1935	June 28, 1935	Public Resolution 36.	74th Cong., 1st sess., Jan. 3, 1935, to Aug. 26, 1935.

Major tax legislation 1926–46 (inclusive)—Continued

Bill No.	Congress	Title of act	Date passed House	Date passed Senate	Date became law	Public law or public resolution number	Session and date
H. R. 8974	74th	Revenue Act of 1935	Aug. 5, 1935	Aug. 15, 1935	Aug. 30, 1935	Public Law 407	74th Cong., 1st sess., Jan. 3, 1935, to Aug. 26, 1935.
H. R. 12395	74th	Revenue Act of 1936	Apr. 29, 1936	June 6, 1936	June 22, 1936	Public Law 740	74th Cong., 2d sess., Jan. 3, 1936, to June 20, 1936.
H. R. 9682	75th	Revenue Act of 1938	Mar. 11, 1938	Apr. 9, 1938	May 28, 1938	Public Law 554	75th Cong., 3d sess., Jan. 3, 1938, to June 16, 1938.
H. R. 6851	76th	Revenue bill, taxation	June 19, 1939	June 22, 1939	June 29, 1939	Public Law 155	76th Cong., 1st sess., Jan. 3, 1939, to Aug. 5, 1939.
H. R. 10039	76th	Taxation	June 11, 1940	June 19, 1940	June 25, 1940	Public Law 656	76th Cong., 3d sess., Jan. 3, 1940, to Jan. 3, 1941.
H. R. 10413	76th	Taxation, national defense	Aug. 29, 1940	Sept. 19, 1940	Oct. 8, 1940	Public Law 801	Do.
H. R. 3531	77th	Taxation, excess-profits tax	Feb. 25, 1941	Mar. 3, 1941	Mar. 7, 1941	Public Law 10	77th Cong., 1st sess., Jan. 3, 1941, to Jan. 2, 1942.
H. R. 5417	77th	Taxation, Revenue Act of 1941.	Aug. 4, 1941	Sept. 2, 1941	Sept. 20, 1941	Public Law 250	Do.
H. R. 7378	77th	Taxation, Revenue Act of 1942.	July 20, 1942	Oct. 10, 1942	Oct. 21, 1942	Public Law 753	77th Cong., 2d sess., Jan. 5, 1942, to Dec. 16, 1942.
H. R. 2750	78th	Taxation, collection method	May 4, 1943	May 14, 1943	June 9, 1943	Public Law 68	78th Cong., 1st sess., Jan. 6, 1943, to Dec. 21, 1943.
H. R. 3687	78th	Taxation, revenue	Nov. 24, 1943	Jan. 21, 1944	Feb. 25, 1944	Public Law 235	78th Cong., 2d sess., Jan. 10, 1944, to Dec. 19, 1944.
H. R. 4646	78th	Taxation, simplification	May 5, 1944	May 20, 1944	May 29, 1944	Public Law 315	Do.
H. R. 4309	79th	Taxation, reduce	Oct. 11, 1945	Oct. 24, 1945	Nov. 8, 1945	Public Law 214	79th Cong., 1st sess., Jan. 3, 1945, to Dec. 21, 1945.

Mr. BREWSTER. Mr. President, this exhibit shows the approximate date, during the session of the Congress when the tax bills were passed, under three categories—early in the session, the middle of the session, and late in the session—and I think it will be very useful in the consideration of the motion made by the Senator from Georgia, for whose views in fiscal matters I continue to entertain the very highest regard.

I wish to call attention to the history of this period, beginning in 1926, to show that at all times, under all administrations, in both Houses, it has always been recognized that Congress, in passing revenue legislation, must proceed upon estimates. I understand the Senator from Georgia recognizes this practice, but prefers that certain of the clouds in the sky shall be dissolved before we proceed further.

The result, however, must be that any possible reduction on July 1, 1947, would be rendered illusory by such action, and it is for that reason I feel very strongly, and in full accord with the many members of the committee and of the Senate and of the House, that we should proceed with this matter forthwith.

I cite from the RECORD for December 10, 1925, when the revenue legislation of that year was being considered in the House of Representatives, a comment on the situation by Mr. Collier, of Mississippi, a Democratic Member. I trust Senators will notice that throughout this history there runs the constant conflict between Treasury estimates and congressional estimates, that the current issue with which we are concerned here, and which the Senator from Colorado has so ably presented, is nothing at all new, that it was not discovered in this session, that perhaps the Treasury experts are too conservative or too optimistic, that the House and Senate have always found it necessary to exercise a certain degree of independent judgment, and that the results in many instances have completely vindicated their conclusions. And so I quote Mr. Collier, Democrat, from Mississippi, to the following effect:

Now, why do I make the statement that I am willing to vote for the repeal of special taxes which will cost nearly $150,000,000—

In those days, I may interpolate, they were discussing comparatively moderate sums—

When we have heard from the chairman of the committee that the advice from the Treasury is that $325,000,000 is as far as we could go without danger. I make it for two reasons—one may be political and the other a common-sense mathematical one. One is because I have no confidence in these estimates.

We all remember that the 1924 bill was in the hands of the President some time before it was finally signed, and there were many vague rumors that it might meet with a veto because the Treasury experts, headed by Mr. McCoy, their chief expert and statistician, had told us that the bill would not only give no substantial relief, but the repeal of certain special taxes together with the unscientific lowering of the surtax rates would result in an annual deficit of nearly $300,000,000. But Congress had heard the prophecies of these experts before and insisted on the 40 percent rate.

I do not wish to make a reflection on Mr. McCoy. I believe he is an able and conscientious statistician, but he made an awful poor guess in 1924. He made an even poorer guess in 1922.

In January 1922, the Treasury Department through its actuaries came before the Committee on Ways and Means and told us that there would be a deficit of $279,000,000 for the year 1923. Instead of a deficit there was a surplus of over $300,000,000. These actuaries' opinions were estimated only on the current year, when they had full information of the condition of business before them.

When prophets make prophecies and I find they turn out so differently from what they said, then I lose confidence. Did the 1924 bill give relief? Under the heavy surtaxes of 1924, paid under the 1921 act, we presented to the American people * * * a rebate of 25 percent. That was some relief. At the same time, instead of that deficit of over $200,000,000 as stated by Mr. McCoy and $320,000,000 as stated by Mr. Mills, there was a surplus of $290,000,000. When we are confronted with a mistake of $400,000,000, when less than $2,000,000,000 were intended to be collected, I think we can safely say that we may regard with some doubt future statements coming from the same source. Again, that is not all. I do not believe I am divulging any of the executive sessions of the committee when I say that it is the belief of all of us on the committee * * * that practically every estimate of expenditures from the Department was an overestimate and every estimate for collection of taxes was an underestimate. I do not criticize the Treasury Department for being careful, but they are overcautious.

That quotation from the remarks of Mr. Collier is found in the CONGRESSIONAL RECORD, volume 67, Sixty-ninth Congress, first session, pages 644 and 645. I may point out that this was in the period following the close of World War I; somewhat later than the present period, but in the same period of reconstruction.

We now come to a statement on December 8, 1925, by Mr. Green, of Iowa, chairman of the Ways and Means Committee, introducing on the floor of the House the revenue bill which later became law in 1926, 6 months before the end of the session and 5 months before the estimates went into effect. In introducing this bill, Mr. Green said:

Last spring, during the Sixty-eighth Congress, it became evident that the revenues which would be received under the act of 1924 would be far larger than were necessary to carry on the proper functions of the Government. The Treasury then estimated, as I recollect, that $250,000,000 surplus would be produced for the fiscal year 1925, although the original estimate has been only $67,884,000 and a surplus of about $250,000,000 for the fiscal year 1926.

That is cited, again, from the same CONGRESSIONAL RECORD, volume 67, page 519.

In the debate in the Senate on the revenue bill of 1926, the late Senator Harrison of Mississippi expressed his doubt as to the accuracy of Treasury estimates of Government income and expenditures in the past. I think we all recall the position which Senator Harrison occupied in the consideration of fiscal matters throughout his distinguished public career. He said:

The Secretary of the Treasury said at that time (when the revenue bill of 1924 was being considered) that the Treasury would stand for only a reduction of $325,000,000. The Democrats contended that it would stand a still greater reduction.

It is interesting to note that here we have the other side of the aisle contending for the very principle which they oppose today.

Events have proved that the minority was correct. Even in 1924 we gave to the country a $400,000,000 reduction instead of $325,-

000,000 over the protest of the present Secretary of the Treasury.

* * * * *

The Secretary of the Treasury having been wrong both times previously when he made an estimate and asked for the passage of a tax reduction bill, and having been mistaken anywhere from $200,000,000 to $300,000,000 it is reasonable to assume that he is wrong this time. He is merely guessing now, as he guessed twice before. (CONGRESSIONAL RECORD, vol. 67, 69th Cong., 1st sess., p. 2882.)

So that it is not new for a Secretary of the Treasury apparently not to possess infallibility in his estimates. We have seen the variance in the estimates under the present Secretary of the Treasury, by billions of dollars in the developments of recent months.

Coming down to the later date of 1932, we have a distinguished sponsor of a distinctly different ideological point of view in Representative Fiorello LaGuardia. I think it may be of some significance, because I think certain of Mr. LaGuardia's comrades have been most critical of any attempts at tax reduction at this time.

Speaking on March 18, 1932, in the House debate regarding the revenue bill of 1932, Mr. LaGuardia said:

There seems to have been a rather deliberate attempt to confuse the membership on anticipated revenues for the year 1931. Of course the revenue from income of 1931 at its best can be only an estimate. Whether or not these estimates were officially considered by the Committee on Ways and Means, of course I do not know, but I do know that a very conservative estimate has been made—

I think that certainly applies to the figures of the very conservative chairman of the Finance Committee, the Senator from Colorado, today—

and that the information was known and available to the membership of the committee. They are based on a most drastic reduction from the last available returns after proper comparisons were made. The estimate is most conservative.

There followed a comparison of income in 1930, based on returns filed August 31, 1931, and estimates for 1932. Representative LaGuardia then continued:

Surely all must admit that sufficient allowance has been made for reduced incomes.

That is from the CONGRESSIONAL RECORD of March 18, 1932, volume 75, part 6, page 6468, the Seventy-second Congress, first session.

I come down to 1935; and again I call to the witness stand the distinguished chairman of the Finance Committee at that time, the Honorable Pat Harrison, of Mississippi, who, in reporting the Revenue Act of 1935, explained the changes made in the House version of the bill. Throughout his explanation runs the admission that the amounts reported are based on estimates by Treasury experts and committee experts. He spoke as follows:

It is quite interesting to note that according to the estimates of both the Treasury experts and the commit experts, by virtue of the increase in surtaxes in the Finance Committee proposal only $4,000,000 will be derived from those very great increases. That answers some of the questions as to how much money we can get for the Government by drastic increase of rates on incomes in the higher brackets.

* * * * *

The excess-profits-tax provisions of the House bill, it is estimated, should provide $100,000,000; but in the Senate committee bill we made the tax milder and more liberal, so that we propose to raise only $10,000,000 of increased revenue from excess profits.

* * * * *

In lieu of the inheritance tax the Committee on Finance has recommended an increase of the rates in the present estate-tax structure. From that source there should be derived approximately the same amount which it is estimated would be obtained from the inheritance tax carried by the House bill; that is, the Senate committee proposal would raise $80,000,000 of increased revenue.

From the gift tax, which is a corollary to the increased inheritance tax of the House bill, or to the estate tax in the Senate committee proposal, we should receive $24,000,000 under the House bill from the increased rates on gift taxes, while under the Senate committee proposal the increase, it is estimated, would be $21,000,000. (CONGRESSIONAL RECORD, vol. 79, pt. 12, 74th Cong., 1st sess., August 14, 1935, pp. 13041 and 13042.)

Mr. MILLIKIN. Mr. President——

The PRESIDING OFFICER (Mr. DONNELL in the chair). Does the Senator from Maine yield to the Senator from Colorado?

Mr. BREWSTER. I am very happy to yield to the Senator from Colorado.

Mr. MILLIKIN. On the subject of erroneous estimates, may I invite the attention of the distinguished Senator to page 158 of the hearings before the committee. Mr. Lawton was the witness. He was the acting Assistant Director of the Budget. He was asked:

The CHAIRMAN. How much did you miss your budget estimate for the fiscal year 1947?

Mr. LAWTON. From the original?

The CHAIRMAN. Comparing the original with what you now believe will be the results at the end of the year, how much will you have missed your budget estimate?

Mr. LAWTON. The original estimate for the fiscal year 1947 which was contained in the budget document in January 1946 was 31.5. The present estimate is 42.5.

I might say that that estimate had been revised in connection with the budget summation last year, last August, and it was revised in the January budget.

The CHAIRMAN. What will your surplus be at the end of this fiscal year?

Mr. LAWTON. $1,250,000,000.

The CHAIRMAN. $1,250,000,000?

Mr. LAWTON. Yes.

The CHAIRMAN. And what was your predicted deficit?

Mr. LAWTON. The original estimate was 4.5 billion?

The CHAIRMAN. And the original estimate you predicted a deficit for the fiscal 1947 of 4.5 billion?

Mr. LAWTON. That is right.

The CHAIRMAN. And you will wind up with a surplus of $1,250,000,000.

Mr. LAWTON. Yes. Those estimates have been revised twice in the intervening period.

The CHAIRMAN. As of the present time, from the time of your first estimate, you have missed it $5,750,000,000; is that correct?

Mr. LAWTON. That is the difference between expenditures and receipts; yes.

The CHAIRMAN. A total miss of $5,750,000,000; is that right?

Mr. LAWTON. Yes.

That throws an interesting perspective, I suggest, on all the quarreling they used to have over a $300,000,000 miss.

Mr. BREWSTER. I think it is very revealing as indicating the very great difference in our fiscal situation, as they used to be most meticulous over a few million dollars or a hundred million dollars, and now they miss by $5,000,000,000 and are very complacent about the situation.

Mr. President, the matter of estimates seems to be a source of some perturbation to our friends on the other side of the aisle.

I come now to 1936, and again to a distinguished Democrat, Representative Samuel B. Hill, Democrat, of Washington, who has this to say in discussing tax bill procedures on April 23, 1936:

It has been the practice of the Ways and Means Committee as far back as I know anything of its procedure, first, to get the information through study and through hearings, and then write the bill. I recall in 1932 * * * with hearings on a tax bill before the Ways and Means Committee. * * * The Ways and Means Committee regardless of partisanship, undertook to meet the revenue requirements as outlined by the * * * Secretary of the Treasury. Not only did the Secretary of the Treasury not bring a bill already prepared for the Ways and Means Committee but he came back repeatedly revising his estimates and asking for more money and asking the Committee on Ways and Means to find sources of additional revenue.

In every revenue bill since that time the same procedure has been followed. I am advised that the same procedure was followed prior to that time.

I am not criticizing * * * but simply pointing out this is the practice of the Republican Members when they are in control and it is the practice of the Democratic Members when they are in control, especially when they have been forewarned that the minority Members are opposed to every part of the measure and every part of the proposed legislation.

* * * * *

It is true that we rely upon the (committee) experts, including the drafting service; and we have, I think, as able men in this service as can be found, and we are glad to rely upon them.

This statement is to be found in the CONGRESSIONAL RECORD, volume 80, part 6, Seventy-fourth Congress, second session, April 23, 1936, at page 3998.

I come now to the statement of Representative Allen T. Treadway, Republican, of Massachusetts, on the same revenue bill:

The Treasury itself has not furnished a definite estimate of what the bill is expected to produce in the way of revenue, and even if it did the estimate would be no more than a guess. The Federal revenue is actually jeopardized by the bill when it abandons an assured collection of $1,132,000,000 from corporations in favor of a yield which at most is pure conjecture and which will undoubtedly be disappointing in amount. (CONGRESSIONAL RECORD, vol. 80, pt. 6, 74th Cong., 2d sess., April 23, 1936, p. 5990.)

That was when a Republican was questioning the Democratic step in that direction.

Coming to 1936, Senator King, Democrat, of Utah, in presenting the Senate

version of the Revenue Act of 1936, spoke as follows:

I wish to say something about the estimates of the bill. Conservative estimates indicate that the committee bill will yield about $829,000,000 as compared with the yield of $803,000,000 claimed under the House bill.

* * * * *

In reaching the conclusions respecting the revenue yield, due consideration was given to the Treasury estimates. The committee also gave consideration to the estimates submitted by its own experts. * * * In the report submitted by the committee the Senators will find a statement based upon the Treasury estimates indicating that they were made in an abundance of caution, and that reasonably we may expect, if the Senate bill shall be enacted into law, that the full amount of at least $829,000,000 will be raised in addition to the existing revenue.

We now come to the Revenue Act of 1937; and again we find estimates. Representative Thomas E. Jenkins, of Ohio, a Republican, had this to say in discussing the bill:

I expect to vote for this bill because I think it will call a halt on the tendency of a few wealthy people who are not fair and square with the Government and who do not want to assume to pay the taxes which they really should pay under the law. * * * As to the amount of money this bill will produce even the experts who testified before the Ways and Means Committee, of which I am a member, were not able to make any definite estimate. The best they could do was to offer a guess. These guesses ran all the way from $40,000,000 to $100,000,000 per year. Probably $60,000,000 or $70,000,000 would represent a fair average between them and would probably represent the amount that will be saved to the Government by this legislation. This amount of money in these days of terrific spending is well worth going after. I repeat that I expect to vote for this bill for this reason. (CONGRESSIONAL RECORD, vol. 81, pt. 8, 75th Cong., 1st sess., August 16, 1937, p. 9020.)

In connection with the Revenue Act of 1938, Representative CLARENCE CANNON, Democrat, of Missouri, acting chairman of the Committee on Appropriations, in extending his remarks on the total of appropriations, Seventy-fifth Congress, third session, declared:

It is impossible to say now with certainty what the situation with respect to Federal expenditures and revenues will be for the next fiscal year. (CONGRESSIONAL RECORD, vol. 83, pt. 11, 75th Cong., 3d sess., June 16, 1938, Appendix, p. 3106.)

I come now to the Senate discussion of the excess-profits tax estimates of 1940. On September 13, 1940, Hon. Pat Harrison, Democrat, of Mississippi, had this to say:

Mr. HARRISON. The Senator, of course, recalls that the chief of our staff, in presenting the estimates for 1941 under the Senate bill, estimated the amount of revenue at $882,500,000.

Mr. VANDENBERG. Yes; I think the Senator is correct.

Mr. HARRISON. And the Senator recalls that when the Treasury experts were asked for an estimate they said they did not have the figures, but could only give us those for this year, in which we all know we could not raise much—the amount of $355,000,000—I believe—but that in that instance Mr. Stam said that he estimated the revenue for 1940 at $482,000,000." (CONGRESSIONAL RECORD, vol. 86, pt. 11, September 13, 1940, p. 12062.)

Mr. Stam is still the expert of the Finance Committee.

I add that there is a wide difference in the estimates obtained from various sources on the revenue the excess-profits tax would provide. Nevertheless, estimates, and only estimates, were used as the basis for the tax.

Again, in 1940, Senator Harrison, in presenting the excess-profits-tax bill, said:

All estimates are guesses to some extent; but if the Senator will look into the guesses made by the experts of the Treasury and those made by the experts of the joint committee, he will find that our experts have been in some instances more correct than the Treasury experts. (CONGRESSIONAL RECORD, vol. 86, pt. II, September 13, 1940, p. 12062.)

That was the comment of a distinguished and most experienced Democratic Senator in dealing with this very situation in 1940.

The 1942 tax bill which inaugurated pay-as-you-go taxes was the largest single piece of revenue legislation ever undertaken by our Government. Introducing the bill into the House on July 16, 1942, Mr. DOUGHTON, Democrat, of North Carolina, outlined the various estimates used by the Treasury and the Ways and Means Committee in framing the bill. He stated:

Treasury actuaries estimate the bill will produce about $6,000,000,000 of additional revenue. This estimate from certain studies I have made, is in my opinion too conservative. From many years of experience with tax legislation and observing and comparing the results of estimates with actual tax collections, I am willing to venture an estimate of my own, although, of course, I do not pretend to compare myself with the actuaries of the Treasury Department

* * * * *

There were two revenue acts, as you will remember, in 1940, which were estimated at the time to yield about $2,000,000,000 of added revenue annually. Then followed the Revenue Act of 1941, estimated then to produce more than $3,500,000,000 of additional revenue. Thus, while these three bills were estimated at the time of their enactment to produce about $6,000,000,000 annually, our revenues since 1939 have actually increased by $11,500,000,000—that is, from $5,500,000,000 in 1939 to $17,000,000,000, which the existing law is yielding currently. (CONGRESSIONAL RECORD, vol. 88, pt. 5, July 16, 1942, p. 6262.)

That was a pretty decisive demonstration, within the past 4 years, of how widely the estimates have departed from the results.

I again quote Representative DOUGHTON, who for a long time was chairman of the House Ways and Means Committee who stated, in reporting the revenue bill of 1942:

I feel safe in predicting that this bill, under present business conditions, will yield in excess of $7,000,000,000 annually. I say "under present business conditions," because no one can tell with certainty what any bill will produce, not knowing what business conditions the future may bring about.

I give the Senate this record of 20 years of tax legislation, demonstrating that without a single exception our tax bills have always been passed upon the basis of estimates by the Treasury, of estimates of experts on business, or, finally, on conclusions of members of the Senate Committee on Finance and the Members of the Senate as to what it is estimated the future may hold, and that if any tax reduction is to occur on July 1, 1947, it is absolutely imperative, in the light of all the conditions, figures, and estimates which have been accumulated in the studies of the past months and in the light of the business experience of recent months, that the Senate now proceed to the consideration of this matter. I hope that every Member of the Senate will bear in mind that if it be deemed advisable to accomplish this tax reduction at the beginning of the fiscal year 1948—and there is much to be said for our carrying it out within the period of 12 months which is the period of time for which we make the appropriations, as well as the estimates—it is absolutely essential that we proceed forthwith to its consideration, and that in doing so we shall simply be following the course charted by every committee and every Congress throughout the entire history of the Government of the United States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war.

RELIEF ASSISTANCE FOR COUNTRIES DEVASTATED BY WAR—CONFERENCE REPORT

Mr. VANDENBERG. Mr. President, the House has adopted the conference report on the European relief bill. The bill is in practically the form in which it passed the Senate. The only substantial difference is that out of the $350,000,000 figure in the Senate bill a portion, running from $15,000,000 to $40,000,000, is earmarked for the children's fund in the event the President exercises an option to use it for that purpose.

I think the only other important difference is that the conference bill yields to the House's desire to identify the countries to which the relief is to go, the identification being precisely the same as that which was presented to the Senate in the letter from the Secretary of State.

The conference report is signed by all the Senate conferees, and I think there is no disagreement whatever about it. Under the circumstances, I feel that it is appropriate for me to ask that the conference report be now considered.

I submit the conference report on House Joint Resolution 153 providing for relief assistance to the people of countries devastated by war, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DONNELL in the chair). The conference report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint reso-

lution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That there is hereby authorized to be appropriated to the President not to exceed $350,000,000 for the provision of relief assistance to the people of countries devastated by war, such relief assistance to be limited to the following: Food, medical supplies, processed and unprocessed materials for clothing, fuel, fertilizer, pesticides, and seed: *Provided*, That from the funds authorized under this section the President shall make contributions to the International Children's Emergency Fund of the United Nations for the special care and feeding of children, and such contributions shall not be subject to the limitations and requirements provided in this joint resolution, but after $15,000,000 has been so contributed, no further contributions shall be made which would cause the aggregate amount so contributed by the United States (1) to constitute more than 57 per centum of the aggregate amount contributed to said fund by all governments not receiving assistance from said fund, including the United States; or (2) to exceed $40,000,000, whichever is the lesser.

"There shall be established and maintained, out of the funds authorized under this joint resolution, a relief distribution mission for each of the countries receiving aid under this joint resolution. Such missions shall be comprised solely of American citizens who shall have been investigated as to loyalty and security by the Federal Bureau of Investigation. Such missions shall have direct supervision and control, in each country, of relief supplies furnished or otherwise made available under this joint resolution, and, when it is deemed desirable by the field administrator provided for in section 4, such missions shall be empowered to retain possession of such supplies up to the city or local community where such supplies are actually made available to the ultimate consumers.

"Not more than $15,000,000 of the funds authorized under this joint resolution shall be available for relief in any countries or territories other than Austria, Greece, Hungary, Italy, Poland, Trieste, and China. This provision shall not imply any obligation to give relief to any of the countries mentioned.

"Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to this section, to make advances, not to exceed in the aggregate $75,000,000, to carry out the provisions of this joint resolution, in such manner and in such amounts as the President shall determine. From appropriations authorized under this section, there shall be repaid to the Reconstruction Finance Corporation the advances made by it under the authority contained herein.

"SEC. 2. (a) Under the direction of the President, such relief assistance shall be provided in the form of transfers of supplies, or the establishment in this country of credits subject to the control of the President, in such quantities and on such terms as the President may determine; except that no such transfers of supplies or establishment of credits may be made after June 30, 1948, and except that not more than 6 per centum of the amount herein authorized shall be used for the procurement of supplies outside the United States and its Territories and possessions.

"(b) In carrying out this joint resolution, funds authorized herein may be used to pay necessary expenses related to the providing of such relief assistance, including expenses of or incident to the procurement, storage, transportation, and shipment of supplies transferred under subsection (a) or of supplies purchased from credits established under subsection (a).

"(c) Funds authorized under this joint resolution may be allocated for any of the purposes of this joint resolution to any department, agency, or independent establishment of the Government and such sums shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment, or organizational unit thereof concerned, and without regard to, sections 3709 and 3648 of the Revised Statutes, as amended (U. S. C., 1940 edition, title 41, sec. 5, and title 31, sec. 529).

"(d) Such additional civilian employees as may be required by the War Department in connection with the furnishing of procurement, storage, transportation, and shipment services under this joint resolution and which services are paid for from funds herein authorized, shall not be counted as civilian employees within the meaning of section 607 of the Federal Employees Pay Act of 1945, as amended by section 14 of the Federal Employees Pay Act of 1946.

"(e) When any department, agency, or independent establishment of the Government receives request from the government of any country for which credits have been established under subsection (a) and receives, from credits so established, advancements or reimbursements for the cost and necessary expenses, it may furnish, or procure and furnish (if advancements are made), supplies within the category of relief assistance as defined in section 1 and may use sums so received for the purposes set forth in subsection (b) of this section. When any such reimbursement is made it shall be credited, at the option of the department, agency, or independent establishment concerned, either to the appropriation, fund, or account utilized in incurring the obligation, or to an appropriate appropriation, fund, or account which is current at the time of such reimbursement.

"(f) In order to supplement the general relief assistance made available under the terms of section 1 and to effect the economical and expanded use of American voluntary relief contributions, funds authorized under this joint resolution, not to exceed $5,000,000, may be used to pay necessary expenses related to the ocean transportation of supplies donated to or purchased by American voluntary and nonprofit relief agencies, and in such quantities and kinds and for such purposes as the President may determine to be essential supplements to the supplies provided for such general relief assistance.

"(g) The relief supplies provided under the terms of this joint resolution shall be procured and furnished by the appropriate United States procurement agencies unless the President shall determine otherwise.

"SEC. 3. No relief assistance shall be provided under the authority of this joint resolution to the people of any country unless the government of such country has given assurance satisfactory to the President that (a) the supplies transferred or otherwise made available pursuant to this joint resolution, as well as similar supplies produced locally or imported from outside sources, will be distributed among the people of such country without discrimination as to race, creed, or political belief; (b) representatives of the Government of the United States and of the press and radio of the United States will be permitted to observe freely and to report fully regarding the distribution and utilization of such supplies; (c) full and continuous publicity will be given within such country as to the purpose, source, character, scope, amounts and progress of the United States relief program carried on therein pursuant to this joint resolution; (d) if food, medical supplies, fertilizer, or seed is transferred or otherwise made available to such country pursuant to this joint resolution, no articles of the same character will be exported or removed from such country while need therefor for relief purposes continues; (e) such country has taken or is taking, insofar as possible, the economic measures necessary to reduce its relief needs and to provide for its own future reconstruction; (f) upon request of the President, it will furnish promptly information concerning the production, use, distribution, importation, and exportation of any supplies which affect the relief needs of the people of such country; (g) representatives of the Government of the United States will be permitted to supervise the distribution among the people of such country of the supplies transferred or otherwise made available pursuant to this joint resolution; (h) provision will be made for a control system so that all classes of people within such country will receive their fair share of essential supplies; and (i) all supplies transferred pursuant to this joint resolution or acquired through the use of credits established pursuant to this joint resolution and any articles processed from such supplies, or the containers of such supplies or articles, will, to the extent practicable, be marked, stamped, branded, or labeled in a conspicuous place as legibly, indelibly, and permanently as the nature of such supplies, articles, or containers will permit in such manner as to indicate to the ultimate consumer in such country that such supplies or articles have been furnished by the United States of America for relief assistance; or if such supplies, articles, or containers are incapable of being so marked, stamped, branded, or labeled, that all practicable steps will be taken to inform the ultimate consumers thereof that such supplies or articles have been furnished by the United States of America for relief assistance.

"SEC. 4. When supplies are transferred or otherwise made available to any country pursuant to this joint resolution, the President shall cause representatives of the Government of the United States (1) to supervise the distribution of such supplies among the people of such country, (2) to observe and report with respect to the carrying out of the assurances given to the President pursuant to section 3, and (3) to seek arrangements that reparations payable from current production by any such country to any other country by treaty be postponed during the period of such relief.

"With respect to the furnishing of relief assistance pursuant to this joint resolution, the President shall appoint, by and with the advice and consent of the Senate, a field administrator who shall direct the supervision of such relief assistance. Such administrator shall receive compensation at a rate not to exceed $12,000 per annum, and any necessary expenses, as the President shall determine. He shall act in accordance with the instructions of the President.

"The authority of the President under sections 2 and 3 and under this section may, to the extent the President directs, be exercised by the Secretary of State.

"SEC. 5. (a) The President shall promptly terminate the provision of relief assistance to the people of any country whenever he determines (1) that, by reason of changed conditions, the provision of relief assistance of the character authorized by this joint resolution is no longer necessary, (2) that any of the assurances given pursuant to section 3 are not being carried out, (3) that an excessive amount of any supplies transferred or otherwise made available pursuant to this joint resolution, or of similar supplies produced locally or imported from outside sources, is being used to assist in the maintenance of armed forces in such country, or (4) that supplies transferred or otherwise

made available pursuant to this joint resolution, or similar supplies produced locally or imported from outside sources, are being exported or removed from such country.

"(b) Relief assistance to the people of any country, under this joint resolution, shall, unless sooner terminated by the President, be terminated whenever such termination is directed by concurrent resolution of the two Houses of the Congress.

"SEC. 6. To the extent that relief supplies procured with funds authorized under this joint resolution are not furnished on terms of repayment in dollars, they shall be furnished only upon condition that the government of the receiving country agree that when it sells such relief supplies for local currency (a) the amounts of such local currency will be deposited by it in a special account; (b) such account will be used within such country, as a revolving fund, until June 30, 1948, only upon the approval of the duly authorized representative of the United States, for relief and work relief purposes, including local currency expenses of the United States incident to the furnishing of relief; and (c) any unencumbered balance remaining in such account on June 30, 1948, will be disposed of within such country for such purposes as the United States Government, pursuant to Act or joint resolution of the Congress, may determine.

"SEC. 7. The President shall submit to the Congress quarterly reports of expenditures and activities under authority of this joint resolution."

And the Senate agree to the same.

A. H. VANDENBERG,
ALEXANDER WILEY,
H. ALEXANDER SMITH,
TOM CONNALLY,
WALTER F. GEORGE,
Managers on the Part of the Senate.

CHARLES A. EATON,
KARL E. MUNDT,
SOL BLOOM,
JOHN KEE,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the conference report.

Mr. LUCAS. Mr. President, will the Senator yield to me for a question?

Mr. VANDENBERG. I yield.

Mr. LUCAS. I have learned, by rumor only, that the amount of money which is contained in the relief bill is also contained in the President's estimated budget which was sent to Congress. I have also learned that it is not contained in the budget. I wonder whether or not the Senator from Michigan could give me information on that subject.

Mr. VANDENBERG. I hesitate to answer the question. My impression is that it is in the budget, but I am not able to underwrite that statement.

Mr. LUCAS. I thought perhaps the Senator might know.

Mr. VANDENBERG. That question never arose, of course, in connection with our consideration of the matter.

Mr. LUCAS. I had occasion to learn about that, and it seemed to be rather important in view of the subject we are discussing here today. I shall take the time to look it up and consult the proper department.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Are these funds to be administered in conjunction with similar funds contributed from any other countries?

Mr. VANDENBERG. There is a coordinating group in the United Nations set up under order of the General Assembly to coordinate the independent contributions which are made by various countries which are cooperating. But each country, as indicated in great detail in the debate itself, is in control of its own contributions.

Mr. PEPPER. Mr. President, will the Senator yield for a further question?

Mr. VANDENBERG. Yes.

Mr. PEPPER. Are we using any of the UNRRA personnel—I am speaking only, of course, of American personnel associated with UNRRA—in the administration of these funds in any of the countries where they are to be distributed?

Mr. VANDENBERG. The organization to administer the new relief bill has not yet been fully developed. Indeed, the Administrator himself has not yet been appointed, because it is only this afternoon that we have been on our way to have the fund available. It is my understanding that there is a new Administrator contemplated, and if the one expected to be chosen shall be actually selected, he will be an administrator of very wide experience in the international administration of Red Cross affairs during the past 20 years.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Will the administrator in charge of the administration of these funds be a distinct person from the administrator who will be in charge of the administration of the Greek relief?

Mr. VANDENBERG. Oh, entirely and totally distinct. There is no relationship between the two administrations at all, except, of course, that a portion of the relief fund is earmarked for expenditure in Greece.

Mr. PEPPER. That is what I was going to ask. Would the $50,000,000 that is earmarked in the relief bill for expenditure in Greece be administered by the administrator of the $300,000,000 provided for Greece under the Greco-Turkish loan measure?

Mr. VANDENBERG. No; the two are to be separately administered.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McMAHON. I should like to inquire of the Senator whether the provision that was adopted in the House for investigation of the personnel by the FBI appears in the conference report?

Mr. VANDENBERG. It is in the conference report with the verb changed. The House required approval by the FBI. The conference report requires investigation by the FBI and approval by the President and the State Department.

Mr. McMAHON. That is a very important change.

Mr. VANDENBERG. It is a very important change.

Mr. McMAHON. I congratulate the Senator on having brought it about.

I should like to ask a further question. In view of the present heavy burden which the FBI has to carry, will the necessity for investigation by the FBI slow up, in the Senator's opinion, the process of getting this relief work under way?

Mr. VANDENBERG. I think not, because it is applied only to policy-makers at the top level. That point is specifically explained in the statement of the House and Senate conferees. Clerical help, custodial help, and personal service at the lower levels are not included.

Mr. McMAHON. In other words, it may mean an investigation of from 25 to 50 persons?

Mr. VANDENBERG. I do not know the number, but the formula is practical.

Mr. McMAHON. The number will be manageable.

Mr. VANDENBERG. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. BREWSTER. Mr. President, I may supplement the reply to the question of the Senator from Illinois [Mr. LUCAS] regarding the allowance in the budget, as I have the budget in my hands. There is an item of $3,510,000,000 for international affairs and finance. I do not, of course, know the break-down, but that is a great deal of money, and I hope it may include the item to which the Senator has modestly referred.

Mr. VANDENBERG. That was the basis of my response to the Senator from Illinois. I know that there is an overall figure in the President's budget in excess of $3,000,000,000 covering all these various enterprises.

Mr. BREWSTER. Three billion five hundred and ten million dollars.

Mr. VANDENBERG. I cannot say categorically that this item is included, but I think it is.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1), to reduce individual income-tax payments.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia [Mr. GEORGE] to postpone consideration of the pending bill, House bill No. 1, until June 10, 1947.

Mr. HOEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Cordon	Hoey
Baldwin	Donnell	Holland
Ball	Downey	Ives
Barkley	Dworshak	Jenner
Brewster	Ecton	Johnson, Colo.
Bricker	Ellender	Johnston, S. C.
Bridges	Ferguson	Kem
Brooks	Flanders	Kilgore
Bushfield	Fulbright	Knowland
Butler	George	Lodge
Byrd	Green	Lucas
Cain	Gurney	McCarthy
Capehart	Hatch	McClellan
Capper	Hawkes	McFarland
Chavez	Hayden	McGrath
Connally	Hickenlooper	McKellar
Cooper	Hill	McMahon

Magnuson	Revercomb	Tydings
Malone	Robertson, Va.	Umstead
Martin	Robertson, Wyo.	Vandenberg
Maybank	Russell	Wagner
Millikin	Saltonstall	Watkins
Moore	Smith	Wherry
Morse	Sparkman	White
Murray	Stewart	Wiley
Myers	Taft	Williams
O'Conor	Taylor	Wilson
O'Daniel	Thomas, Okla.	Young
Pepper	Thye	
Reed	Tobey	

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. LUCAS. Mr. President, as a member of the Committee on Finance of the United States Senate, I shall detain the Senate for only a short time while I speak in support of the motion which has been made by the distinguished Senator from Georgia [Mr. GEORGE], namely, to postpone until June 10, further consideration of the tax measure which now is before the Senate.

Before speaking briefly on that subject, I should like to take this opportunity to compliment and to congratulate the able Senator from Colorado [Mr. MILLIKIN], who is chairman of the Finance Committee for his fairness and impartiality in the hearing which was held for some 2 weeks or more before the Finance Committee. They were no star-chamber sessions, Mr. President, all persons who had something constructive or worth while to say, and even some persons who did not have much to say, were permitted to testify before that committee. The proceedings before that committee were so different from the short hearings in the House of Representatives when House bill 1, known as the Knutson bill, was reported, that I think the Senator from Colorado is entitled to these kind words from a Senator on this side of the aisle.

Mr. President, when we consider the history of H. R. 1 as it was originally conceived by those who were responsible for its introduction in the House of Representatives, we learn that H. R. 1 as first drawn and introduced was a bill which sought the reduction of taxes by 20 percent "straight across the board." That phrase has a pleasing sound, a pleasant ring. But upon a careful analyzation of that type of tax reduction one will immediately discover that such a tax bill, if it had been followed out as originally introduced in the House of Representatives, would have placed those in the higher income groups in the United States in approximately the same position in which they found themselves preceding the war while doing little for those in the low-income bracket. So as time went on the bill was amended, and when it came to the Senate as amended it was further amended by the Senate Committee on Finance, and it is now before the Senate as so amended.

Mr. President, the bill in its present form does give relief to taxpayers in every bracket, but I undertake to say that before we write the over-all tax bill which everyone is talking about, since there is a determination to pass some kind of a tax measure in the Eightieth Congress, we should follow the same methods Congress used to increase taxes for war purposes. When we started to raise revenue for war purposes we decreased the exemptions of those in the lower income brackets, until thousands upon thousands, yes, millions, who never saw an income-tax schedule before 1939 and 1940, were required to pay income taxes to the Government, and they are paying them today.

If we are to do anything in the way of reducing taxes, in the final analysis we should increase exemptions, not to the same extent they were decreased for war purposes, but we should start at least in the inverse order and give to those in the lower income groups what they are rightfully entitled to in the way of tax reduction.

Mr. President, I shall have more to say about that perhaps later, either while we are discussing the pending bill, or if the motion made by the Senator from Georgia should prevail, I shall speak at some length upon a substitute bill I shall offer at the proper time.

I wish to point out distinctly to the Senate and to the country that H. R. 1 as reported by the Committee on Finance, which is now the unfinished business of the Senate, does not take a single taxpayer in the lower brackets off the roll, and today there are 47,700,000 individuals paying income taxes into the Federal Treasury. In other words, what I inveigh against heavily in connection with the bill is the fact that, unless he is over 65 years of age, the taxpayer now paying $1 will pay the sum of 70 cents under H. R. 1, as amended by the Senate Finance Committee.

Mr. President, I do not think that is right. I am not one of those who believe that we can make a better citizen out of an American simply by compelling him to file an income-tax schedule. I do not believe he is going to have a greater stake in his Government if he is compelled to file an income-tax schedule for a dollar or a dollar and a half or two dollars; and that is exactly what is required under the pending bill.

Mr. HATCH. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from New Mexico.

Mr. HATCH. I am not a member of the committee, but I am interested in what the Senator just said about making a better citizen out of a man who is compelled to file an income tax return and pay from 70 cents to a dollar or a dollar and a half. I am wondering if the taxpayer paying that small sum would not fully realize that, in his making that return, the expense to the Government would be far greater than the amount he pays, and if he might not logically get the idea that he is being compelled to pay a tax from which the Government derives no benefit whatever, and he is simply paying something in the nature of a penalty.

Mr. LUCAS. I will say to the able Senator from New Mexico that the benefit the Government derives is very slight in thousands upon thousands of cases. In fact, in my judgment, in thousands upon thousands of cases it will cost the Government more to collect the small sums paid than will be obtained by the Government through compelling the taxpayers to pay these small amounts.

I submit, with sincerity, that the individual who has to pay the small income tax, instead of being made a better citizen, more or less will lose faith in his Government because of the trouble to which he must go to pay his dollar into the Treasury of the United States. The income tax collectors are rounding him up to see if he has paid his dollar, and sometimes he has to go to a lawyer to ascertain whether he has made out his income tax schedule correctly.

It is said, "The person in the lower income tax groups does not have any trouble with his schedule, because the directions are all written out for him, and all he has to do is to read them and make out his check for 70 cents, or $1.50, and send it to the collector." The trouble with the individual who makes that kind of a statement is that he fails to understand that the average person at the crossroads throughout America does not understand the implications and the complications of income tax payments. In fact, sometimes when I hear some of the debates which take place in the Senate, I wonder whether the Members of the Senate of the United States understand them.

Mr. HATCH. Mr. President, will the Senator yield again?

Mr. LUCAS. I yield.

Mr. HATCH. I know the Senator does not intend to discuss the substitute bill he proposes to offer, and I am quite interested in what the Senator has been saying about the subject to which he is now animadverting and I rise to inquire whether the substitute he proposes to offer later will cover the situation about which he is now talking.

Mr. LUCAS. If and when we reach that point, I shall develop that question to a somewhat greater extent than I have done thus far. I do have a provision in the substitute bill which I propose to offer at the proper time, which will increase the exemptions for dependents and for the married man. I do not wish to discuss it now, but since the Senator raised it, I will say that, for instance, under the bill I propose to offer, I would increase individual exemptions merely from $500 to $600, and those of married persons, from $1,000 to $1,200. That slight increase in exemptions would cost the Treasury of the United States $1,500,000,000.

In addition to that, it would take 4,800,000 people off the tax rolls—the small taxpayers I am talking about who are entitled to be taken from the rolls. In other words, while we are doing the tax work by piecemeal at this time—and everybody admits it is only a temporary expedient for tax relief—we should not under any circumstances go across the board 20 percent, 30 percent, or 10 percent, as H. R. 1 does, but we should follow the same pattern for tax legislation followed by the Congress for years. If an over-all tax bill is to be written, that would be another matter. One of the reasons I would like to see the tax bill postponed until January 1 is because the Ways and Means Committee of the House has started hearings to consider at least 50 different phases of the revenue law needing attention at this time, in order

that next year that committee may report a complete tax bill, overhauling the revenue acts as they now stand.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KILGORE. I do not want to divert the Senator entirely from the line of his prepared remarks, but his reference to increasing the exemptions reminds me of something I heard recently about the Senator from Illinois. I was told the Senator is opposed to any tax reduction whatever. What the Senator has said he intends to propose, to increase or enlarge the exemptions, indicates that he is not opposed to tax reductions.

Mr. LUCAS. Let me say to the Senator, the bill that I have would take effect on January 1, 1948. I have excellent reasons, that I shall present at the proper time, as to why I think no tax reduction should be made at this time; but I do not want to go into that now.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield.

Mr. KILGORE. The Senator, as a lawyer, knows that it costs a certain definite amount of money to mail even a form letter, including the cost of addressing and sealing the envelope. It takes a certain amount of money to handle the answer thereto, when it comes into an office. Has the Senator discussed yet the amount of savings that will be entailed in the cost of operating the Bureau of Internal Revenue, by getting rid of small tax payments which do not justify the cost of sending out bills and receiving reports and doing the bookkeeping entailed in the payment? I think it would effect a saving to the taxpayer, but it would also largely offset the cost to the Government of that work.

Mr. LUCAS. The Senator is correct. The majority has been talking about cutting people off the pay rolls; and I am in favor of that. I say that anybody that can be spared from the pay roll without impairing the essential services of the Government, should go. Here is an opportunity to take 4,800,000 people off the tax rolls. There will certainly be an opportunity to take some people off the pay rolls, which I think follows as a matter of common ordinary horse sense; and yet those who are talking loudest about cutting people off the pay rolls are not taking a single individual off the tax rolls; thereby saying, by inference, "We want everybody to remain on the pay rolls, in order to collect from those who are on the tax rolls."

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KILGORE. My question was impelled by the fact that I well remember, when we lowered the brackets and lowered exemptions, as at the present time, it became necessary to put a tremendous number of people in various district offices—my recollection is it was an increase of something like 35 percent—to handle the vastly increased number of taxpayers, a large number of whom did not pay sufficient taxes to justify the expenditure for clerical help entailed in collection.

Mr. LUCAS. I am not completely familiar with the last conclusion the Senator makes.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. Yes.

Mr. MILLIKIN. As I listened to the statement of the Senator from Illinois I thought he gave the impression that H. R. 1, as amended, does not take any taxpayers off the rolls. It takes 1,400,000 aged people off.

Mr. LUCAS. They are taken off by the increased exemptions?

Mr. MILLIKIN. That is correct.

Mr. LUCAS. That is, $500, for those above the age of 65?

Mr. MILLIKIN. That is right.

Mr. LUCAS. I am talking primarily about those in the lower income tax brackets. The Senator is correct, so far as those above 65 years of age are concerned.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HATCH. I did not understand the Senator from Colorado. How many people does the Senator say are to be taken off the roll?

Mr. MILLIKIN. One million four hundred thousand people, 65 years old or older.

Mr. LUCAS. Those are people 65 years of age and over; but since the Senator from Colorado has mentioned that I want to call the attention of the Senate and the country to the fact that the provision which helps people over 65 years of age does one of the most unusual things I have ever heard of since I have been in Congress and have been assisting in writing and in debating tax legislation. Why do I say that? In order to aid those who are administering the law, as the Senator from Colorado said, a $500 tax exemption is given to every individual over 65 years of age. It does not make any difference who he may be.

Mr. HATCH. Is that regardless of income?

Mr. LUCAS. It is regardless of the income the elderly person may have. If he is 65 years of age, he gets a $500 exemption. If the wife is over 65 years of age, she gets a $500 exemption. Under this tax bill, even a man with three children, on a $2,000 salary, could not get a $100 flat exemption unless he was over 65.

Regardless of the task in the way of administration, the inequities of that situation are so great that the bill itself becomes unsound and ought to be defeated, if and when a final vote is taken on the floor of the Senate.

To say that a Member of the United States Senate who is 65 years of age—and there are a few of them—is entitled to a $500 exemption, simply because he is 65, while some employee of the Senate, who is 35 years of age, who has three children, is not entitled to any exemption, to me simply does not make sense; it is inequitable, it is unfair, and it is unsound.

Mr. MILLIKIN and Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. HATCH. The Senator has already answered my question by the remarks just made.

Mr. LUCAS. I yield to the Senator from Colorado.

Mr. MILLIKIN. I should like to invite the distinguished Senator's attention to the fact that the exemptions under the present law are available to all, whether rich or poor. I think it might be unfortunate to apply the needs test to people, because they are 65 years old or over.

Mr. LUCAS. It is unnecessary to apply the needs test to those above 65 years of age. It is admitted that the provision for a $500 exemption to all over 65 years of age, regardless of financial condition, was placed in the bill, simply because of administrative difficulties. I say that that is not fair. I say that the individual who is over 65 and who has plenty is not entitled to the $500 exemption, unless the exemption is given to every taxpayer regardless of age, particularly in the lower-income groups. I do not say that the individual who is on a pension or those who have retired are not entitled to the $500 exemption. That is not the point I am making. I am in favor of that phase of it, but I submit that it ought to be confined to such persons. We should not run amuck with legislation of this kind, by placing every individual in the United States of America in a certain classification, whether he is worth $100 or $10,000,000, and give him the benefit of the $500 exemption, simply because he is 65 years of age.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. I understand the Senator's point thoroughly, but I want the RECORD to be clear that the exemptions already granted by existing law are available to all taxpayers, whether they are rich or whether they are poor. We have not drawn a distinction in granting exemptions on the basis of wealth.

Mr. LUCAS. That is true. Under the present law no distinction is made in exemptions on the basis of wealth. But I say that the Senator's committee is drawing the distinction with respect to persons who are 65 years old. I undertake to say that an individual who has plenty, who does not want for the necessities of life, who files an income tax schedule under which he pays $15,000 or $20,000, or perhaps $10,000, certainly should not be entitled to a $500 exemption simply because he is 65 years old. If discrimination is to be made in favor of anyone, do not discriminate in favor of those who can pay, because the Nation's tax structure is based upon ability to pay, and everyone knows it. Consequently, if it is proposed to dish out any favors to the American taxpayers, they ought to go to those who are in the lower income tax bracket groups.

Mr. President, I had not intended to debate that point at this time. I want to get back primarily to some of the points which have been raised with re-

spect to the motion made by the able Senator from Georgia. The Senator from Georgia made a statement which should command the respect of every Senator and of the American people as a whole. In the able address which he delivered, he stated that he could think of nothing worse than if, after a tax reduction this year, there should come a recession, resulting in nothing being paid on the national debt, and finally resulting in deficit financing for governmental expenses in 1949 and 1950. He said he could think of nothing worse from the standpoint of impairing a sound national economy.

I subscribe to that doctrine. If that should happen, I undertake to say that the individuals who have bonds which are cashable at that particular time will be going to the banks as fast as they can with their bonds. I can think of nothing which would more quickly destroy confidence and faith in this country than to have the country obliged to indulge in deficit financing in 1949 and 1950. I say it is not beyond possibility that that could happen if we go through with a program of $3,500,000,000 tax reduction, if we go through with a program of paying $2,800,000,000 to apply on the national debt, especially in view of present world conditions.

Already we have appropriated outside and beyond what the President of the United States requested in his budget, something like $800,000,000, and I am assuming that the $350,000,000 the Senate just voted on today is not included in the President's budget. I do not think it is. Some say it is, but I am not sure about it. If I am correct in my assumption there is something like $800,000,000 already appropriated by the Congress which is not included in the President's budget—practically the same amount that has been saved so far by the House of Representatives, if we eliminate the $800,000,000 tax refund, which, of course, is just a bookkeeping transaction—a phony of the worst kind.

Mr. President, H. R. 1 was presented in the beginning in the House of Representatives primarily on the theory of giving to the people of America an incentive to invest money in order to keep business concerns operating.

Mr. FULBRIGHT. Mr. President, will the Senator yield at that point?

Mr. LUCAS. I yield.

Mr. FULBRIGHT. The able Senator, being a member of the committee, I am sure has given considerable thought to this question. Under present conditions, in view of the first quarterly reports of our corporations, with which I am sure the Senator is familiar, it does not seem to me that the present great need is money for investment with a view of increasing productivity, or that the lack of such money presents a great danger in the next year or so. On the other hand, what should concern us more is the lack of consumptive power, and that therefore, so far as Congress can influence such matters by fiscal policy, the saving of money to those in the higher-tax brackets on order to encourage investment and production should not be the immediate goal, but the immediate goal should be the building up of ability to consume. That, it seems to me, is the most important thing to be done in the next year. Our tax policy should be sufficiently flexible to meet the conditions of the moment. Conditions might change entirely in a year or 2 years, but under present conditions increase of consumptive power is the important goal to be attained.

Mr. LUCAS. In my opinion, the Senator is absolutely correct. There is not a single economic factor existing today which indicates there is any lack of ability on the part of industry to have risk capital invested. Why do I make that statement? Because the profits of corporations are the highest in all history of peacetime America. Individuals were never better off in America than they are at this very moment. I do not contend that taxes should remain high forever. I only make the argument against the theory of reduction in taxes as a necessary incentive to investment in industry at this time. Certainly there is no individual who understands sound economy in America who will undertake seriously to say that when a tax bill is made retroactive to January 1, 1947, that in itself will be an incentive for individuals to invest money. That sort of argument will not hold water. Yet that was one of the big talking points with respect to H. R. 1 when it was introduced in the House and was passed by the House of Representatives. The sponsors of H. R. 1 said that the enactment of the bill would stimulate incentive to build and to buy and to do the things that would necessarily be done with the money that is saved to the taxpayers of America.

Mr. President, I agree with the able Senator from Colorado on that particular point. He does not say that a retroactive tax measure provides a stimulation of that kind at all. But the point I am making is that the argument was made to the American people that a retroactive tax measure would provide incentive capital. It will not do any such thing, Mr. President.

I wish to speak briefly with respect to the budget. The Senator from Georgia has gone over that point very carefully. Some time ago I made a speech on the floor of the Senate upon this subject. The able Senator from Colorado [Mr. MILLIKIN] discussed it today. He candidly admitted the deadlock between the House and the Senate which has existed for some time.

It is most unfortunate that the Legislative Budget Committee was unable to agree upon a figure and report it back to the Senate and House. It seems to me that in view of all the turmoil which was raised over the question of reducing the President's budget $6,000,000,000 or $4,500,000,000, some sort of compromise should have been reached. I would not say that it would have been a "phony" compromise, as the Senator from Colorado said today. All legislation is based upon compromise. If the conferees could not agree upon one figure or the other they should have brought back some other figure. That is the important point. The American people were expecting something in the way of a figure on budget reform.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FULBRIGHT. Is it not pretty clear that the reasons why they cannot agree are the same reasons urged by the Senator from Georgia for deferring action upon this bill? They cannot agree on a figure, because they know they have not enough knowledge even to make an estimate on any reasonable basis. It would be a pure guess. That is why they have not been able to agree.

Mr. LUCAS. That may be partially the reason; but the further we go in the consideration of various appropriation bills, the more we are convinced that they cannot reach an agreement even on a $4,500,000,000 cut. The more appropriation bills we consider, the less likely they are to reach any kind of agreement, because it cannot be done, considering what has occurred up to date. The Senator from Georgia covered that question.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. I should like to remind the distinguished Senator that the junior Senator from California [Mr. KNOWLAND] gave us a very interesting symposium of information with respect to appropriation bills, and especially the appropriation bills of 1946. I notice that in his list are eight great appropriation bills which did not become law until after the 10th of June, some of them running well into July, and one of them running to the end of July. So I am suggesting that we would not know any more on June 10 than we do on May 21 about the matter of expenditures.

Mr. LUCAS. I heard the able Senator from California make that suggestion; but what the able Senator from California overlooks is this: We have a Reorganization Act, which most Members of the majority supported last year. That Reorganization Act makes it mandatory under section 138 that the Legislative Budget Committee report by February 15 on a budget to be used as a yardstick for the Appropriations Committees of both the Senate and House. That is another reason why, in my opinion, they are unable to reach any figure. They cannot reach it, as I have said before. But we know that the appropriations approved are a pretty fair barometer of how much is to be cut from the appropriations. If anything, the Senate will add to them. The House appropriations can be used as a minimum, because when the Senate gets through with the appropriation bills which come from the House, 9 times out of 10 it will add to them. The House Members have to run every 2 years. They cut appropriations indiscriminately. They say, "We will cut off $100,000,000 here, because it will look good back home," and the Senate will put it back, because Senators have to run only every 6 years.

Mr. MILLIKIN. So far this year the action of the Senate indicates that the Senate will make deeper cuts in expenditures than the House.

Mr. LUCAS. The Senate did so in connection with one bill, the bill for the

Labor Department and the Federal Security Agency. However, if I were a gambling man and wanted to make a little bet with the Senator—say a chocolate soda or something like that—I would be willing to wager that the Senate will definitely override the House on the appropriation bills. The Senator knows that.

Mr. MILLIKIN. Make mine sarsaparilla. [Laughter.]

Mr. LUCAS. It might be strawberry before we get through.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FULBRIGHT. Perhaps the able Senator from Georgia has set the date too soon. Following the suggestion—if I may use that term—of the Senator from Colorado in calling our attention to the lateness of the bills, perhaps it might be better to defer consideration of the pending bill until June 25 or June 28. Then we would have more knowledge about expenditures. Would that suggestion be more acceptable to the Senator than the date of June 10?

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. Under the Reorganization Act Congress is supposed to adjourn sine die by the end of July. The Senator's suggestion would very effectually prevent that, and would also prevent passage of an income-tax reduction bill, or any other kind of tax-reduction bill this year.

Mr. LUCAS. It is strange to observe how some Senators like to conform to the Reorganization Act in connection with some questions, but with respect to others they do not pay much attention to it.

The question of adjournment, of which the able Senator from Colorado has spoken, is not so important to the American people. They do not care whether we adjourn or not, but they are very much interested in the budget. They have been interested in whether or not the Legislative Budget Committee would submit a $4,500,000,000 cut or a $6,000,000,000 cut.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. I admit that the American people are interested in the budget. I hope the Senator is not suggesting that they are not interested in a tax cut.

Mr. LUCAS. I would not say that they are not interested in a tax cut; but I will say to my able friend that there are many who are primarily interested in seeing sound economy in government. If they knew that a tax cut would ultimately result in deficit financing they would not be for tax reduction. I believe, if a Gallup poll were taken submitting that question over the country, it would be found that they would rather pay under the present tax rate than to have deficit financing.

Mr. MILLIKIN. Mr. President, I abhor deficit financing as much as does any other Member of the Senate.

Mr. LUCAS. I know the Senator does; and I admire him for it.

Mr. MILLIKIN. We have had 20 years of deficit financing. In fact, we have become more accustomed to deficit financing than to operating with a surplus. I hope that we shall not return to deficit financing; but if we should do so, it would not be entirely without precedent.

Mr. LUCAS. Of course not. The Senator is absolutely correct. The party to which the Senator belongs has constantly inveighed against deficit financing, and has called for sound financing in government. It has advocated making our bonds safe by balancing the budget. For the past 10 or 12 years I have listened to arguments along that line. But now it seems that the majority party is not so much in fear of red ink as it once was.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. LUCAS. I yield.

Mr. MILLIKIN. I feel very much encouraged and hopeful this evening. I see that at long last we have brought the old sinner down the sawdust trail, and that he now believes in balancing the budget and in surpluses—good old Republican doctrine.

Mr. LUCAS. It may be that I am going along with Republican doctrine from the Senator's viewpoint; but he is about to become a good New Dealer with his tax bill, if it should ultimately prove to be the basis for deficit financing.

Mr. MILLIKIN. God forbid. If my previous remark created that impression, I am sorry I made it. [Laughter.]

Mr. LUCAS. Mr. President, a word or two further with reference to the budget. The House Appropriations Committee recently reported the appropriation bill for the Navy Department. The President requested $3,513,000,000, and the committee recommended a reduction of $377,519,200, or approximately 10.7 percent. The percentage of reduction in the appropriations for the Department of Labor and the Federal Security Agency, as compared with the President's budget, was 4.5 percent; that of the Interior Department, 45.4 percent. I imagine that the able Senator from Colorado will want to change that figure a little when the bill comes to the Senate. The total estimate in the President's budget was $10,369,578,043. As recommended by the House Appropriations Committee the amount is $9,519,260,153, or a saving of $850,317,890 representing a percentage reduction of 8.2 percent. To effect a reduction in the budget of $6,000,000,000, it would have to be cut an average of 16 percent. To reduce it $4,500,000,000 it would have to be cut an average of 12½ percent. I undertake to say that there is approximately $18,000,000,000 in the President's budget which is almost untouchable, representing items in the budget which will not be reduced very much. I have reference to the national debt, our international commitments, the Veterans' Administration item, and tax refunds.

The items which I have mentioned total approximately $18,000,000,000. There is left approximately $19,500,000,000 upon which to operate. On that basis, if we want to reach a saving of $6,000,000,000 we would have to cut approximately 35 percent. In order to reach a saving of $4,500,000,000, the cut would have to be approximately 25 percent.

In my judgment, Mr. President, it is impossible to do it; it cannot be done. Before we vote on any tax measure we ought to know exactly what the House Appropriations Committee will do with respect to the Agricultural Department appropriation. We ought to know what it will do regarding the appropriations for the Army. Evidence on the Army appropriation has been taken weeks ago, I am told. Why the committee does not make a report on the Army appropriation bill I do not know, unless it be that they are waiting for a tax bill to be passed. I am told that they recommend cutting $300,000,000 from the Agricultural appropriation budget. The President requested, I think, $1,400,000,000 in his budget. They are going to take away the essentials of the rural electrification service which has been so useful to the American farmer, especially in my section of the country. They intend to cut that appropriation to the bone. They are cutting the soil conservation appropriation; they are also applying the meat ax to the support program which Congress passed 2 years ago.

Mr. President, as one who comes from an agricultural section in the midwest, I want to know just what the Appropriations Committee intends to do with the agricultural appropriation bill, and I want to know whether they are using the ax on that bill in order to help put through a tax bill and still balance the budget. I think we will know by June 10. That is one of the primary and major reasons why I shall support the motion made by the able Senator from Georgia [Mr. GEORGE]. It certainly will not deter any tax measure at this session of Congress. It would give everyone an opportunity to ascertain between now and that time exactly what the Appropriations Committee of the House has done regarding appropriations; and there can be no harm in this slight delay in order that the Senate of the United States may ascertain exactly what the Appropriations Committee has done and in order that we may intelligently approach the question of tax legislation.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia, to postpone consideration of the pending bill until June 10, 1947.

INVESTIGATION OF FIFTH MISSOURI CONGRESSIONAL DISTRICT DEMOCRATIC PRIMARY—CHANGE OF REFERENCE

Mr. VANDENBERG. Mr. President, yesterday the junior Senator from Missouri [Mr. KEM] submitted Senate Resolution 116, to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946, and it was referred to the Committee on Rules and Administration. The chairman of that committee, the Senator from Illinois [Mr. BROOKS], and the Senator from Missouri [Mr. KEM] desire that the resolution be referred to

the Committee on the Judiciary. Therefore, I ask unanimous consent that the Committee on Rules and Administration be discharged from the further consideration of the resolution and that it be referred to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. BALDWIN. Mr. President, I should like to ask unanimous consent to be absent from the Senate tomorrow.

The PRESIDING OFFICER. Without objection, consent is granted.

RECESS

Mr. WHERRY. Mr. President, I now move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 22, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 21 (legislative day of April 21), 1947:

SECURITIES AND EXCHANGE COMMISSION

Edmond M. Hanrahan, of New York, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1952. (Reappointment.)

FEDERAL COMMUNICATIONS COMMISSION

Ray C. Wakefield, of California, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1947. (Reappointment.)

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

James W. Lauderdale, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1947. (Reappointment.)

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21 (legislative day of April 21), 1947:

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

Brig. Gen. Raymond Whitcomb Bliss, to be the Surgeon General, with the rank of major general, for a period of 4 years from date of appointment, vice Maj. Gen. Norman Thomas Kirk, United States Army, whose term of office expires May 31, 1947.

Col. George Ellis Armstrong, to be Assistant to the Surgeon General, with the rank of brigadier general, for a period of 4 years from date of appointment, vice Brig. Gen. Raymond Whitcomb Bliss, United States Army, nominated for appointment as the Surgeon General.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

To Adjutant General's Department

Capt. Joseph Stephen Magrath, Jr.

To Judge Advocate General's Department

Lt. Col. Eugene Mead Caffey

To Quartermaster Corps

Capt. Frank Arthur Bogart

To Corps of Engineers

First Lt. Robert Howard Allan

To Signal Corps

Maj. Frank Glover Trew

To Infantry

Capt. Donald Kenneth Hughes

To Air Corps

Maj. William Frank Steer
Maj. Richard David Wentworth
Capt. George Lovelace Poor
Capt. Jack Emmert Wert
First Lt. John Robert Blunk
First Lt. Nolan Edward Burch
First Lt. Andrew Lacock Cox
First Lt. Roy Arthur Dix
First Lt. Neil James Graham
First Lt. James Porter King
First Lt. Francis Carmel Lozito
First Lt. Henry Bailey McDaniel, Jr.
First Lt. Marvin Leroy Wells Peters
First Lt. James Hyram Phifer, Jr.
First Lt. Charles Ernest Tychsen
First Lt. Arthur Brown Van Buskirk
First Lt. Thomas Renan Waddleton

To Ordnance Department

Col. Ray Maxey Hare

To Coast Artillery Corps

Col. Wharton Girard Ingram

To Air Corps

Col. Henry Lester Barrett
Maj. George Henry Dietz
Maj. Wilson Turner Douglas
Maj. Basil Littleton Riggs
Capt. John Clifford McCawley
First Lt. Roy William Ballard
First Lt. Wesley Skilton Calverley
First Lt. John Jay Easton
First Lt. Robert William Griffin
First Lt. George Mercer Higginson
First Lt. Alden Dale Jacobson
First Lt. John Arthur McDavid
First Lt. Richard Magee Osgood
First Lt. John Rose Richards
First Lt. Lawrence Cutright Sheetz
First Lt. James Wesley Smith
First Lt. Joseph Walter Stephens, Jr.
First Lt. Edward Verner
First Lt. John Robert Wilbraham
First Lt. Edward Patrick Wynne

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named cadets, United States Military Academy, who are scheduled for graduation on June 3, 1947, for appointment in the Regular Army of the United States, under the provisions of sections 23 and 24e of the National Defense Act, as amended.

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 3, 1947

Corps of Engineers

Richard Herman Allen
Merlin Willard Anderson
Calvin Leland Bass
Roger Redmond Bate
Arthur Andrew Becker
Ralph Harold Beuhler
Shelton Brant Biles, Jr.
Junius Jay Bleiman
Frank Coulter Boerger
Philip Thomas Boerger
Jerome Boris Christine
William Carl Clamprone
Paul J. Curry
James Franklin Fraser
Bernard Michael Greenberg
Edwin Borchard Greene
Raymond Richard Hails, Jr.
Kenneth Martin Hatch
George LeRoy Haugen
Carroll Christian Jacobson, Jr.
James Allen Johnson
Peter Karter
James Byron Kennedy
George Levenback
Richard Freeman McAdoo
John Wayne Mastin
Milum Davis Perry, Jr.
Melvin Alfred Rosen
Norman Robert Rosen
Howard Leroy Sargent, Jr.
William Jackson Schuder
Sam David Starobin
Richard Joseph Steinborn
Marvin Henry Stock
Jack Mathew Thompson
Albert Archer Van Petten
Carlton Juan Wellborn, Jr.

Signal Corps

Albert John Geraci
Harold Walter Grossman
Henry William Hill
John Elwood Hoover
Richard Motley Hutchinson, Jr.
Graham Gunther Kent
James Philip Mattern

Cavalry

Joseph John Addison
Robert Jacob Baer
Hugh James Bartley
Theodore Chester Bielicki
Jean Prosper Burner
Donovan Finley Burton
William Fortune Coghill
James Christopher Cosgrove
John Delistraty
Jack Van Dunham
James Eugene Edington
James Betts Egger
John Carter Faith
Herschel Everett Fuson
Robert Miller Garvin
John Love Gerrity
Warren Robert Gossett
William Douglas Grant
Alexander Meigs Haig, Jr.
Rolland Valentine Heiser
Dandridge Featherston Hering
Robert James Kennedy
George Anthony Lynn
William Gabriel McGee
Robert James McNeil
Arnold William Mahlum
Robert DeWayne Peckham
John Brooks Reese
John Joseph Sullivan
Frank Leonard Taylor
William Loyd Webb, Jr.
William Irvine West
Meade David Wildrick, Jr.
Richard Lytle Yates

Field Artillery

Thomas Edward Benson
William Donald Brown
Robert Thornton Curtis
Bernard Figueredo de Gil, Jr.
Donald Marvin Dexter, Jr.
Richard Earl Dunlap
Milton Leland Haskin
Wayne Otis Hauck, Jr.
Thomas Francis Hayes
George Duane Heisser
William Sylvester Henry, Jr.
Willis Hickam Knipe
Robert Joshua Koch
Richard Alan Littlestone
Robert Ewing McCord
Charles Stuart Todd Mallett
Robert Miller Montague, Jr.
Wallace Eugene Nickel
John Guilford Paules
Tom Judson Perkins
John Richard Rantz
Kermit Dean Reel
James Russell Robinson, Jr.
Thomas Edmund Rogers
Robert Warren Short
Theodore Solomon Spiker
William Michael Sullivan

Infantry

Bernard William Abrams
Harry Polk Ball
George Earl Bland
Otis Evan Brannon, Jr.
William Albert Carpenter, Jr.
Robert Bernard Coleman
William Edmond Conger, Jr.
William Lamble Cooper
William Bernard Cronin
Stanley Warfield Crosby, Jr.
John Edward Culin
Glenn Woodward Davis

Robert Francis Draper
Gordon James Duquemin
Henry Everett Emerson
Robert Bruce Fahs
Stuart Gregory Force
David Welty Gibson
Robert Haldane
William Donald Hirschfield
Julius Frederick Ickler
Leon Joseph Jackques, Jr.
Wilber Glenn Jones, Jr.
Robert Adair King
Donald Warren Krause
Wells Brendel Lange
John William Lauterbach, Jr.
Melvin Vernon LeBlanc
Alexander Lemberes
Selby Francis Little, Jr.
Walter Patrick Lukens
John Warwick McCullough, Jr.
Oliver Louis McDougell
Henry Tomlinson MacGill
Robert Anthony Mahowald
LeRoy Emil Majeske
George Aloysius Maloney
Martin Michael Maloney
John More Miller
Charles Augustus Munford, Jr.
John DuBose Naill, Jr.
William Wallace Nairn, 3d
Robert Lynn Ozier
Carl Kamp Russell
Norman Junior Salisbury
James Emerson Smith, Jr.
Gordon Malin Strong
James Bernard Tatum
Harold Stan Tavzel
Gerald Ross Toomer
Wallace Francis Veaudry
William Dawes Williams, Jr.

Quartermaster Corps

Thomas Long Flattery
Bernard Jay Gardner
Bennet Norman Hollander
Burton Katz
Robert Peter Lane
Harrison Franklyn Meadows, III

Chemical Corps

Paul Charles Callan

Ordnance Department

James Lee Bushnell
Willis Howell Clark
John Griffin Gaddie
Henry Cantzon Paul
Louis Rachmeler
Hal Clyde Richardson, Jr.
Donald Verner Schnepf
Richard Henry Sforzini
William Smith
Ira Warren Snyder, Jr.
Donald Harry Steininger
Joseph John Williams

Air Corps

Anthony Allan Alfano
John Jamison Anderson
Leland George Anderson
Howard Brown Arnold, Jr.
Robert Paul Babbitt
Earle LeRoy Bathurst, Jr.
Robert Allan Beckelman
Milton Bellovin
Ralph Locker Bentley
Buford Bernell Biggs
Felix Anthony Blanchard, Jr.
James Montgomery Breedlove
Herbert Owen Brennan
William Spencer Carpenter, Jr.
Milton Jay Chamberlain
Leland Dale Christensen
Arthur Emmett Coates, Jr.
Egbert Haildane Cofield, Jr.
James Edward Colburn
James Smith Coolbaugh
John Edward Cottongim
John Martin Coyne, Jr.
Albert William Cretella, Jr.
Forest Willard Crowe
George Martin Dell
Gordon Kendrick Dicker
David Michael Dunham
Harold Jacob Eberle
Robert Maxwell Ehrlich
Angelo James Ellis, Jr.
James Walter Enos
Kenneth Howe Farrier, Jr.
Gonzalo Fernandez
John Frost
Cecil Edward Fuchs
Homer Perry Gainey, Jr.
Edson Leonard Garrabrants
Dean Stevens Gausche
Jesse James Gilliam, Jr.
George Joseph Goldsborough, Jr.
Alan Henry Gould
William Wright Gray
Edmund Mortimer Gregorie, Jr.
Robert Blake Griffith
Wallace Hull Griffith
John Thompson Guice
Robert Maurice Haas
Robert Fletcher Halligan
George Fred Harrington
James David Heironimus
Donald Clement Helling
Park Brown Herrick, Jr.
Edwin Connery Hightower, Jr.
Charles William Hill
Robert Earl Hoffman
Andrew Leon Hudgins
Frederick Gray Hudson III
Frederick Walter Jacoby
David Jarvis
Walter Edward Johnson
Joe Dean Johnston
Kermit Clifton Kaericher
Harry Richard Kain
Robert Edward Keck
John Leroy Kennedy, Jr.
Robert Eugene Kettner
Marcos Emmet Kinevan
John Jay Kirby, Jr.
Frederick John Knauss
Frank Joseph Kremser, Jr.
William Thomas Kuykendall
Conrad Normand Lajeunesse
Frank Joseph Lamattina
Kenneth Moore Landis
Hewitt Chemnitz Larsen
Allen Franklin Learmonth
Charles Kennicott Leech
John Kenneth Lerohl
Hubert Horace Lewis
J. Robert Lilley
Donald David Litt
John Joseph Lowry
Einar Glenn Lundy
Richard Alexis McClure
James Crawford McKim
John Stevenson Mallory, Jr.
John Edwin Mock
Thomas Vincent Monahan
Robert Burns Moore
Willard Noble Munroe, Jr.
John James Murphy
Ralph Calvin Murrin
David Newcomb
John Novomesky, Jr.
Patrick Joseph O'Connell
David Anicker Odell
Jack Merrill Palmer
Jack Vernon Pearce
Francis Raymond Perry
John Franklin Piepenbrink
Jack Francis Pierce
Herbert Carson Pinkerton, Jr.
George Barney Poole
Jack Harris Ray
William John Reckmeyer
Clyde Calvin Reynolds
Donald Oren Robb
Edwin Wales Robertson II
James Edward Ryan
Alan David Sapowith
Robert Sattem
Lee Geoffrey Schlegel
Winston Ousley Scoville
Brent Scowcroft
William Jennings Sharpe
Charles Edward Shields
King D. Simon
Leonard Anthony Staszak
Leslie Robert Stevens
Charles Carrington Stewart
Daniel Lisle Tate II
Young Arnold Tucker
Stewart Meldred Vockel, Jr.
Douglas Crowther Weaver, Jr.
Robert Wilson White
Gerald Joseph Wojciehoski
William James Woldenberg
Frederick Malcolm Wright
John Mackay Young
Clifford George Zimmer, Jr.

IN THE NAVY

APPOINTMENT ON THE RETIRED LIST

Vice Adm. Alexander Sharp, United States Navy, retired, to be placed on the retired list with the rank of vice admiral.

The following-named officers for appointment in the United States Navy in the corps, grades, and ranks hereinafter stated:

The following-named officers to the ranks indicated in the line of the Navy:

(*Indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment)

Lieutenants (junior grade)

*Mather, Donald I.
*Muller, Harry P.
Theriault, Harold J.
*Young, Horace

Ensigns

Acton, William D.
Ambrosio, William
Andrich, Vincent J.
Askew, George V.
Aydelott, William "L"
Ayers, George "L", Jr.
Bailey, Ralston
Banks, Charles A.
Barnes, Jerald D.
Beatle, Ralph H.
*Beck, Preston E.
Becker, Terrill F.
Beckett, Philip E.
Benson, William D.
Burglund, Burton E.
Berry, David P. L.
Beyer, Delbert A.
Blair, James A.
Botten, Ralph D.
Brown, Glenn H., Jr.
Canto, Joseph V.
Carder, Frank B.
Carroll, Charles J., Jr.
Clark, Carroll D.
Collins, John J.
Collins, Wayne D.
Corbett, James F.
Corey, Richard A.
Cover, John H.
Coyle, Arthur J.
Coyne, Philip G.
Cunningham, Patrick F.
D'Albora, Duilo
Davenport, Herman P., Jr.
David, Floyd J.
Davila, Daniel I.
De Baets, Donald J.
Deffenbaugh, Robert M.
Delaney, Henry L.
Dickey, John L.
Dionne, Robert J.
Dolan, Eugene F.
Dorman, Alvin E.
Dorroh, Ray P.
*Droz, John F.
Eaholtz, Galen M.
Edrington, Frank R.
Eckman, Charles J.
Egli, Clayton J.
Eldridge, Richard A.
Essert, Antone
Evans, Donald W.
Evans, Thomas G., Jr.
*Everett, Clayton F.
Fenby, Charles C.
Finke, Gordon R.
Finley, Howard B., Jr.
*Fisher, Robert E.
Forehand, Wendell C.
Fritsch, Edward C., Jr.
Garver, Richard E.
Girard, Jean L.
Godfrey, Earl F.
Gohr, Robert B.
Goodman, Louis R.
*Graham, Archibald "G", Jr.
*Groom, Ralph A.
Gullett, John H.
Hall, John C.
Hanley, Richard J.
Harper, Horace D.
Hartman, Richard V.
Hatheway, Valentine J., Jr.
Hedbawny, Edward J.
*Henderson, James W.
Holbrook, Jack G.
Hook, John C.
Hough, William L.
*Howard, Cornelius S., Jr.
*Howard, Herbert B.
Howard, Sam R.
Hulka, Edward H.
*Hunsicker, Charles, Jr.
*Hutchinson, Harold
Huvall, Willard R.
*Jacobs, Benjamin P.
Jermann, Donald R.
Johnson, Charles E.
Johnson, Clarence R.
Jones, Theodore
Kauffman, Harry R.
Kent, Robert B.
Kiernan, Francis J.
Kile, Newton A., Jr.
Killingbeck, William E.
Knudson, Angus J.
Koons, Jack L.
*Kralik, William F.
*Krouse, Gale E.
*Kurtz, George P.
Lake, Jarrett T., Jr.
Laughlin, George W.
Leslie, David A.
Lewis, Frederick E.,
Lindgren, George B.
Lococo, Salvadore
Loranger, Donald
Lynch, James
Malan, Max E.
*Margolf, Edgar L.
Marks, Earl J., Jr.
Martin, William H., Jr.
Maxwell, Jack A.
McAdams, Robert B.
McConnel, Joseph E.
McDaniel, Charles B.
*McKinney, Harold W.

McVay, Kenneth M.
Melton, John B., Jr.
Menconi, Harry E., Jr.
Merritt, John A., 3d
Miles, Bernard L.
Miles, Neagle W.
Mills, Allan W.
Mix, Robert W.
Moore, Willard H.
Moriarty, Norbert L.
Morris, Evan D.
Morris, John R.
Mottarella, Victor G.
Murphy, William F.
*Nardone, Henry J.
*Neill, Eugene R.
Neth, Robert L.
Nicolais, Anthony L.
O'Connell, Thomas A.
Orton, Robert D.
Parr, Charles W.
Perdue, Uley F.
*Plattner, Francis B.
Price, Kenneth W.
Rapacz, Edwardus
Ratliff, John "H"
*Reed, Richard C.
*Rich, Charles A.
Rich, Harold G.
Rocke, William A.
Rose, Charles J.
Schneider, Robert F. J.
Schnopp, Robert W.
Schock, Robert E.
Shea, John
Small, Rufus C.
Smith, Billie E.
Smith, Charles W.
Smith, Gordon C.
Smith, John
Spaulding, John I.
Stanley, George M.
Steadley, William A.
Stecker, Kenneth W.
Stephens, Jerrel D.
Stevenson, Norman M.
Stockstill, Peter T.
Storey, Richard E.
Stowitts, Emory V. P., Jr.
Swanson, Hjalmer E.
Tefft, William V. 2d
Thomas, John
*Thompson, James B., Jr.
Thomson, Robert G., Jr.
*Thorpe, Milton W.
Trout, Roscoe L.
Truesdale, Francis E.
Van Hoomissen, Vincent F. P.
Voorheese, Jack R.
Walsh, Francis R., Jr.
Warriner, Victor G.
*Watson, John M.
Welch, Paul R.
Wheeler, William L.
Whittemore, John B.
Wilson, William D.
Wysocki, Walter J.
Zeigler, Richard E.
*Zimmerman, Chester A.

The following-named officers to the grades and ranks indicated in the Medical Corps of the Navy:

Assistant surgeons with the rank of lieutenants (junior grade)

Bond, Victor P.
Cleary, James F., Jr.
Conley, John L.
Gundelfinger, Benjamin F.
Hagelstein, Arthur A.
McCann, Eugene C.
McCarthy, Robert J.
Meyer, Frederick W., Jr.
Savage, Charles
Scheflen, Albert E.

The following-named officers to the grades and ranks indicated in the Supply Corps of the Navy:

Assistant paymasters with the rank of ensigns

Arrigo, Anthony J.
Bevan, Loren R.
Bigham, Robert G., Jr.
Cohen, John F.
Dellinger, Charley P.
Dorion, William E.
Downey, James G.
Duffie, Hubert W.
Farrell, George 3d
Fitzpatrick, Julius W.
Hauck, Richard H.
Hix, Charles F.
Hiza, John
Johnson, Karl A.
Keenan, Joseph I.
Kolinsky, Jaromir J.
Larsen, Russell W.
Martin, Donald V.
McDonald, Raymond O., Jr.
McMullen, Marvin E.
Monahan, Edward F.
Nunn, Enoch W.
Ooyman, John G. 3d
Pierce, James M.
Pluto, Raymond J.
Reeves, James F., Jr.
Rocque, Paul F.
Ross, Joel E.
Tice, "J" P.
Tippin, Jesse R.
Tripp, Charles J.
Walker, Hinton C.
Wasko, Andrew J.
Wilson, Robert W.
Zielinski, William E.
Bentley, William R.
Corley, James O.
Kurek, Edward L.
Toll, David R.
Wallis, Eslie D.

The following-named officers to the grades and ranks indicated in the Civil Engineer Corps of the Navy:

Assistant civil engineer with the rank of lieutenant (junior grade)

Marra, Peter S.

Assistant civil engineers with the rank of ensign

Allen, Max H.
Mallory, Charles W.
Andrews, James D.

The following-named officers to the grades and ranks indicated in the Dental Corps of the Navy:

Assistant dental surgeons with the rank of lieutenant (junior grade)

Blackwood, Robert M.
Gleisten, Howard P.
Harwood, Richard C.
Hudec, Ernest P.
Mitchell, Edward C.
Rumming, Ray C.
Secrest, Robert H.
Siemer, Harold N.
Steinauer, Jerome J.
Stoopack, Jerome C.
Van Damm, Vincent W.
Wemple, Clifton "L"
Williams, Robert M.

The following-named officers to the rank of commissioned warrant officers in the Navy in the grades indicated:

Chief boatswains

Banks, Ned V.
Eddy, Harold B.
Elder, David A.
Hambley, Louis C.
Hima, Dennis
Jones, Leslie
McMillan, Donald J.
Proback, Nicholas
Robinson, Robert
Schuhmacher, John E.
Smith, Forrest E.
Trapp, Robert I.

Chief machinists

Banks, Milton W.
Howell, Gerald U.
McGahee, Esli M.
Ritter, Preston R.

Chief pharmacists

Kibsgaard, Henry
Novak, Louis

The following-named officer to the rank indicated in the line of the Navy, to correct spelling of name as previously nominated and confirmed:

Ensign

Hannah, Glyde B.

The following-named officers to the ranks indicated in the line of the Navy:

Lieutenant

*Awtrey, Hugh R.

Lieutenants (junior grade)

*Hoch, John E.
Leroy, James M.
Murray, Budd M.

Ensigns

Anderson, Albert A.
Armstrong, Francis L.
Beam, Jay K.
Brambilla, Marius G., Jr.
Branch, Henry S., Jr.
Brown, Barry W.
Casler, James B.
Cromer, Morris H.
Deatherage, Benjamin C.
DeBlanc, Albert C.
English, Thomas J.
Epps, Charles W.
Featherstone, Thomas A.
Foltz, Robert L.
*Foster, John P.
Franetovich, Francis L.
Gaines, Donald M.
Gibbs, James T.
*Gullette, George L.
Halford, James A., Jr.
Hall, Ozni D.
Hansen, John B.
Harris, Donald W.
Hawley, Edward R.
*Hazelett, Samuel E.
Howe, Thomas
Huling, Harold E.
Johnson, Arnol, Jr.
Johnson, Carl M.
Johnson, Donald W.
Johnston, Floyd M.
Jones, Alfred H.
Juhnke, Lyle A.
Keenan, Raymond J., Jr.
Kennedy, Henry G.
Kimpflen, Joseph F.
Knoche, John H.
Langfur, Joshua T.
Kuhns, Paul S.
Kujawa, Edwin A.
Langfur, Joshua A.
*Larkin, Murl A.
Leary, Lauris J.
Lewis, Asa H.
Liebmann, Howard F.
Maguire, Paul H.
Matthews, William D.
McConnell, James H.
McNeal, Cecil L.
*Moloney, Ralph T.
Newman, Hubert F.
O'Dougherty, Edwin F., Jr.
Plowman, Edwin L.
Poynter, Drexel E.
Ramsey, William B.
Reardon, Francis P.
Richardson, Dean C.
Rider, Richard G.
Robertson, Jack M.
Robertson, John A., Jr.
Robinson, Marvin K.
Roe, Charles R.
Rumsey, James F.
Sampson, Richard A. H.
Savage, Vann E.
Scoggin, John L.
*Seifert, Jerry R.
Sheridan, Martin J.
Smith, Richard F.
Snider, Alfred C.
Sorenson, Richard C.
Spencer, Erwin J.
Stearns, Theodore H.
Stern, Eugene "J", Jr.
Sutton, James C., Jr.
Tarpey, John F.
Thompson, Harold R., Jr.
Tillen, Frank J., Jr.
Tkoch, Walter
Tuggle, Charles, M., Jr.
Twaddell, Miles E.
Wasco, Michael F.
Weekley, Eugene K.
Wheless, John C.
Yarbrough, John D.
Ziegler, William F.

The following-named officers to the grades and ranks indicated in the Medical Corps of the Navy:

Surgeon with the rank of lieutenant commander

Callaway, Raymond R.

Passed assistant surgeon with the rank of lieutenant

Gard, Perry W.

Assistant surgeons with the rank of lieutenant (junior grade)

Hague, James D.
Losner, Irving
Mattison, William L.

The following-named officers to the grades and ranks indicated in the Supply Corps of the Navy:

Assistant paymasters with the rank of lieutenant (junior grade)

Appleby, Charles A.
Cryer, William E.
Ragland, Thomas W.

Assistant paymasters with the rank of ensign

Abrams, Bernard
Bateman, Roger I.
Bollens, Alfred P.
Brown, Lowell E.
Burnham, William W.
Butchart, Robert L.
Claussenius, Richard
Hatton, Roy E.
Healy, Robert N.
Hobkirk, Carl M.
Hoffman, Rex V.
Keller, Bruce W.
Kennedy, Patrick F.
Kenyon, Floyd O.
Kiss, Richard C.
Krukow, Max E.
Lux, Donald A.
McGuire, Henry W.
Sylvester, Nelson J.

The following-named officers to the grade and rank indicated in the Civil Engineer Corps of the Navy:

Assistant civil engineers with the rank of ensign

Gazda, Theodore E.
Locke, Harry A.
Timberlake, Lewis G.
Hobson, Harold E.

The following-named officers to the grade and rank indicated in the Dental Corps of the Navy:

Assistant dental surgeons with the rank of lieutenant (junior grade)

Hattendorf, Derwood F.
Sheppard, John R.
Smith, Roland C.

The following-named officers to the rank of commissioned warrant officer in the Navy in the grades indicated:

Chief boatswain

Crocker, Ralph J.

Chief gunners

Harman, Walter E.
Lawrence, Oscar O.

Chief electricians

Alsey, Howard M.
Camp, Jack E.
Gaumer, Chester T.
Hackett, Arthur E.
Rosier, Warren "W"
Yarbrough, Paschal R.

Chief radio electricians

LeCompte, James W.
McMullen, Alton R.
Myles, Clyde W.
Phillips, William R.

Chief machinists

Grozier, Gaylord L.
Hesson, James F.
Orcutt, Lyle F.

Chief carpenters

Davis, George S.
Harley, Douglas M.
Howerton, Vance B.
Hunt, Joe H.
Judash, Joseph
Smith, Frank M.

Chief ship's clerks

Daniel, Horace H.
Eads, Lyle W.
McClure, Philip A.
Olasky, Charles

Chief pharmacist

Williams, Lindley

Chief pay clerks

Bender, Merle D.
Dunning, Gordon
Lucas, Frank J.
Mattila, Martti
Patton, William A.
Reinhold, Edgar D.

APPOINTMENTS IN THE NAVY

To be assistant paymaster with rank of ensign from June 6, 1947

Roy S. Nunnally

To be assistant paymasters with the rank of ensign from June 6, 1947, in lieu of appointment as ensigns as previously nominated

James R. Ahern
Bruce A. Benson
William D. Crawford
Gail L. Heasley
Sheldon L. Hirsch
Martin D. Marder
Thomas F. Murphy, Jr.
Gordon W. Phelps, Jr.
William J. Reynders
Joseph E. Spalding
Gerald H. Weyrauch
Harry I. Zankman

To be ensigns in the Navy from June 6, 1947

George R. Lathan
Neil E. Nelson, Jr.

To be ensigns from June 6, 1947, in lieu of appointment as assistant paymasters in the Navy with the rank of ensign as previously nominated

William E. Ainslie
Robert M. Bonk
Duane D. Borgert
Raymond E. Jeffery
John R. Logan
Harold A. McCauley
Thomas O. Nutt, Jr.
Edward A. Short
Samuel S. Stephens

To be ensigns in the Navy from June 6, 1947, in lieu of appointment as assistant civil engineers in the Navy with the rank of ensign as previously nominated

Joseph W. Neudecker, Jr.
James L. Yates

To be assistant paymasters with the rank of ensign from June 6, 1947, in lieu of appointment as ensigns in the Navy as previously nominated

William Blanchard, Jr.
Frank G. Simala

To be assistant paymasters with the rank of ensign

Robert R. Poitras
Donald B. Small

To be assistant civil engineers with the rank of lieutenant (junior grade)

"W" "J" Blevins
Richard L. Divoll
David LaM. Flynn
Robert H. Hartley
Bernard J. Isabella
John A. Mitchell
Herbert F. Zinsmeister, Jr.

To be ensigns in the Navy, from June 6, 1947

Sigmund Abraham, Jr.
Clayton R. Adams
James R. Ahern
Charles S. Alexander, Jr.
Zeb D. Alford
Thomas R. Allen
Lionel E. Ames, Jr.
Donald S. Apple
Charles E. Arnold
Alan Augenblick
Jack F. Ayers
Francis W. Bacon, Jr.
George F. Ball
Earl deR. Barondes
Richard W. Bass, Jr.
Fred H. Baughman
James M. Beggs
Ralph E. Behrends
John H. Bell
Roland M. Bendel
Bruce A. Benson
Joseph H. Benton
John J. A. Berggren
Arthur C. Bigley, Jr.
Paul T. Bishop
James R. Bjorge
Raymond L. Black
Ralph G. Blair
William P. Blandy
Lloyd S. Blomeyer
Charles H. Bloom
Daniel K. Bloomfield
James S. Bloomfield
Arthur K. Blough, Jr.
Robert O. Bonnell, Jr.
Paul V. Borlaug
Frank L. Boushee
Paul H. Bowdre, Jr.
John C. Bowers
Ross K. Bramwell
Benjamin Y. Brewster, Jr.
Jack H. Bridges
Wharton H. Brooks, Jr.
Charles H. Brown
Robert C. Bryan
Richard E. Byran
Edward G. Buck
Randall O. Buck, Jr.
Donald P. Buhrer
Nathaniel W. Bullard
John Bunganich, Jr.
William J. Byrd
William J. Callahan
David W. Cammack
Roger Carlquist
Dale E. Carlson
William L. Carpenter
David C. Carruth
Robert C. Carter
Robert S. Chadima
John L. Chelgren
Russell H. Christian
Karl J. Christoph, Jr.
William E. Clark
Joseph H. Clasgens 2d
Harold S. Clay
William H. Clegg
William F. Clifford, Jr.
Philip LeR. Collins, Jr.
Robert I. Conn
Daniel Connolly
Benjamin J. Conroy, Jr.
William E. Conway
Frank W. Corley, Jr.
Paul T. Corrigan
Walter W. Cort, Jr.
Joseph D. Costello
William D. Crawford
Robert E. Crispin
Robert W. Crouter
Frank L. Crump, Jr.
Edward M. Cummings, Jr.
Joseph H. Curl
Robert S. Curl
Nello A. Da Rodda
Cabell S. Davis, Jr.
Nicholas E. Davis
Walter A. DeAndrade
Tyler F. Dedman
Harold P. Deeley, Jr.
George E. DeLong
Richard T. Dempsey
Donald P. Dick
Robert W. Dickieson
Warren S. Dodd, Jr.
Walter J. Donovan
Robert C. Doxey
Gene R. Dreher
Peter Duncan
John A. Dunn
Robert H. P. Dunn
James R. Duquette
Robert E. Durfos
John C. Dyer
Paul J. Early
Burton I. Edelson
Charles S. B. Edmondson, Jr.
Maurice M. Edwards, Jr.
John E. Eilert
Claude P. Ekas, Jr.
Robert E. Endebrock
Robert F. Ennis
Wesley D. Ennis
Philip W. Erickson
Roger E. Errington
John B. Fahey
Harlow H. Falevsky
John W. Fallon, Jr.
Robert R. Fargo
Gordon "H" Farmer
Willard L. Felsen
William A. Feltovic
Richard W. Fenn
Richard Ferguson
John B. Ferris, Jr.
John H. Fisher
Robert H. Flood
William H. Flynn, Jr.
Melvin "M" Forman
David G. Foxwell
Edmond W. Freeman 3d
Peter H. Freeman
Cloyd W. French
John C. Fry
Harrison C. Gaitskill 3d
James M. Gammon
Bruce B. Garlinghouse
Alan S. Garner
Irvin L. Gasser
Seth C. Gatchell
Robert K. Geiger
Peter Gengor
Julian Gewin
James H. Gildard 3d
Donald T. Giles, Jr.
Peter J. Goldman
Charles Gonia
Ben Goodman, Jr.
Charles F. Gorder
Robert H. Gormley
Walter Grechanik
Herbert T. Green
Norman K. Green
Roger M. Gregory, Jr.
Robert J. Grimsley
Nicholas Guletsky
Rowland I. Haines 3d
Robert F. Hale
Robert K. Hammann
William D. Harkins
Richard B. Harris
James L. Harrison, Jr.
Donald P. Harvey
Arthur J. Haskell
James W. Hawthorne
Joseph R. Hawvermale
James T. Hayes
Thomas B. Hayward
Gail L. Heasley
Robert A. Hemmes
William E. Henson, Jr.
George A. Herbert
Russell G. Herron
Ivan Himmel
Sheldon L. Hirsch
Arthur J. Hodder, Jr.
Richard A. Hoffman
Bradley D. Hoffmann
Henry A. Hoffmann
Gordon McG. Hogg, Jr.
John P. Holland
Jesse A. Holshouser, Jr.
Wallace C. Holton
James M. Hornbrook
Norman T. Hornsby
Fred E. Horvath
Walter P. Houk
John C. Hufft
Arthur N. Hull
David H. Hunt
"H" Reid Hunter
Ralph J. Jaccodine
Stanley A. Jacobs
William H. Jagoe
William E. Jarvis
Harry P. Jefferson
George G. Jeffries, Jr.
Harold W. Jesse
Joseph "B" Jochum
Harvey J. Johnson
James H. Johnson
Jack D. Jones
Robert S. Jones
William F. Jones
Robert F. Jortberg
William H. Kanzler
Paul C. Keenan, Jr.
Bruce Keener 3d
James P. Kelley
Eugene F. Kelly
Ralph A. Kennedy
John S. Kern
Stephen H. Kessler, Jr.
Donald McL. Kirkpatrick
Wilbur C. Klemm
Franklin C. Knock
Edwin H. Koester
Richard E. Kosiba
Joseph Kovacs
Arthur L. Krasnow
Dale L. Kratzer
Francis X. Kuhn
Frank E. Lally, Jr.
Alphonse G. Lang, Jr.
Judson D. Langston
Humphrey B. Lansden
Jerome E. Larson
Kelvin K. Larson
John R. Lastova, Jr.
Henry B. Latimer
Kent W. Lawson
William H. Layman
John C. Le Doux
Harry B. Lee
George R. Lemmon
Chantee Lewis
William S. Lewis
Robert A. Litke
George L. Little 3d
Raymond DeL. Lochner
John R. Lucas
William McK. Luckie
Melville I. Macquarrie
Francis F. Manganaro
John F. Mangold, Jr.
Martin D. Marder
Lawrence D. Marsolais
James K. Martin
Robert S. Marts
William McG. Matthew
Richard C. Maurer, Jr.
John W. McAdams, Jr.
William J. McCabe
John A. McCamont
William J. McClain
Robert B. McClinton
John A. McCook
Wayne S. McCord
Kyle C. McCormick
Wilson E. McDermut
Carlton A. K. McDonald
David B. McDowell
William B. McGinty, Jr.
William McKinley
Stewart H. McLean
James D. McNeil
John B. Mencke
Gordon K. Meriwether, Jr.
Robert P. Metzger
Charles R. Miko
Robert L. Milholland
Robert H. Miller
Ross L. Miller
Robert N. Mitchell, Jr.
William E. Monaghan
Girard W. Moore, Jr.
Richard E. Moran
Clifford L. Morgan
Max K. Morris
Wilbur M. Morrison
Eugene W. Mulligan 3d
Richard E. Munly
Thomas F. Murphy, Jr.
Perry W. Nelson
Roger M. Netherland
William C. Newell, Jr.
Samuel C. Newman
George A. Nicholas
Oliver LeG. Norman, Jr.
William E. Nylen
Charles H. Ogilvie
Corwin A. Olds
Lawrence A. O'Leary
James C. Oliver, Jr.
Robert C. Olson
Albert G. Opitz
Neri Osborn 3d
James W. Osmer, Jr.
James A. Ostiller
George R. Parish, Jr.
John S. Park
Harry Partridge, Jr.
Randolph F. Patterson
Samuel S. Pennock 3d
Anson C. Perkins
John R. Pesavento
Reuben W. Peterson, Jr.
Gordon W. Phelps, Jr.
Kenneth E. Phillips
Edward B. Pickell
Jackson R. Pickens
Frank R. Pirkey
Clarence R. Plank
Reuben P. Prichard, Jr.
Robert E. Pyle
Burton J. Rab
Jerome W. Rabinowitz
John E. Rasmussen
Charles F. Rauch, Jr.
Robert D. Rawlins
Benton E. Reams
William F. W. Reeve
William J. Reynders
Robert G. Ricker
Baylor G. Riddell
William L. Rigot
Paul A. Riley
William D. Robertson, Jr.
Charles H. Rockcastle
Abraham Rockman
Ralph C. Rodgers
Duke J. Rose
Meyer H. Rose
Seymour N. Ross
Robert G. Roth
Thomas W. Routledge
Russell A. Rowan, Jr.
James C. Ruehrmund
John K. Ryder
Richard M. Ryder
Hugh A. Sanders
John B. Sangster, Jr.
Bayard T. Sansom
Glenn A. Savage
Robert K. Schenkel
James R. Schmoller
Marvin C. Scoggins, Jr.
Donald M. Shake
John C. Shannon
John W. Sharp
Victor V. Sharpe, Jr.
Daniel F. Shea, Jr.
William L. Shea
Daniel N. Shockey
William J. Shoemaker
William E. Shorr
Kennth L. Shugart, Jr.
Arnold L. Silverman
Willard E. Simon
Jonathan A. Sisson
James B. Sizer 3d
Harold F. Skelly
Charles R. Skord
Robert W. Slater
Charles P. Smith
Deming W. Smith
Harold A. Smith
Robert P. Smith
Samuel T. Smith, Jr.
Francis M. Snyder
Richard L. Sonne
Joseph E. Spalding
Walter Spangenberg, Jr.
Spiro Spirson
Warren L. Spry
Henry L. Staples, Jr.
Robert H. Stickel
Troy E. Stone
Arthur E. Strauss
James T. Strong
Willard L. Strong
Jack M. Stufflebeam
Hubert B. Sturtevant, Jr.
Charles D. Summitt
David "H" Swenson, Jr.
Dean Taylor, Jr.
Theodore R. Tenczar
Milford S. Terrass
Lee R. Thomas, Jr.
Robert K. Thompson
Sebastian Trusso
Louis T. Urbanczyk, Jr.
Robert L. Van Horn
Raymond W. Vasquez
Jay "J" Vermilya
Frank J. Viehmann
John R. Virts
Russell A. Vollertsen

John C. Waddell
Dwight Wadsworth
Edgar F. Ward
Donald C. Warren
Jonathan R. Warren
Ronald D. Waugh
Joseph E. Weatherly, Jr.
Albert W. Weems, Jr.
Robert M. Weidman, Jr.
Edward F. Welch, Jr.
Alfred G. Wellons, Jr.
John T. Welsh
William G. Wepfer
Gerald H. Weyrauch
Curtis R. Wick
John G. Wick
John E. Wilkie
Bernard P. Williams, Jr.
Henry H. Wilson
Kenneth E. Wilson, Jr.
Robert E. Wilson
Cornelis Winkler, Jr.
Robert S. Wise
Alan B. Wood
John H. Wray
Andrew J. Yates
William K. Yates
Floyd F. Young
Harry I. Zankman
William L. Zedaker, Jr.
Louis J. Zeleznock
Randolph D. Zelov.

The following-named midshipmen to be assistant paymasters in the Navy, with the rank of ensign, from the 6th day of June, 1947:

Thomas J. Allshouse
Harold R. Andrus, Jr.
Bradley L. Baker
James E. Ballard
William C. Brewer
Charles W. Butler
John A. Chapman 2d
Robert D. Darragh, Jr.
Elliot A. Dewey
Gordon M. Ehrman
Richard M. Evans
Nevin W. George
James I. Gibson
Charles C. Heid, Jr.
Marvin S. Hutchison
Walter L. Kraus
Peter N. Kyros
Thomas F. Nealon
Thomas J. O'Connor
William C. Olin
Warren H. Ortland
Thomas J. Pawlowski, Jr.
Stephen W. Piarr
John W. Porter
Eugene M. Portner
Richard L. Rainey
William F. Reed, Jr.
Frank Simpson 3d
Jack C. Smith
Ernest L. Truax, Jr.
Willard H. Walker 3d
David W. Whelan
Thomas J. Wills 2d
William D. Wilson

The following-named midshipmen to be second lieutenants in the Marine Corps, from the 6th day of June 1947:

George W. Allen
George A. Bacas
Jack T. Baker
Joseph S. Bartos, Jr.
Bonner R. Bell
Leon C. Bramlett, Jr.
Francis B. Carlon
Richard W. Crowley
Floyd A. Cuff
Thomas E. Dawson
Charles H. Dean, Jr.
George R. Earnest
Thomas H. Galbraith
Robert W. Helding
Edgar A. Hollister
Edward Y. Holt, Jr.
Edmund W. Jaworski
William L. Jesse
James H. Larson
Baldomero Lopez
Robert M. Lucy
Thomas E. Murphree
Robert B. Pohl
William A. Reavis
Charles J. Schneeman, Jr.
Lloyd L. Seaward
Philip D. Shutler
Boyd B. Sibert, Jr.
David A. Strausz
Donald W. Tardif
Thomas E. Vernon
William F. Wagner
Floyd H. Waldrop

The following-named midshipmen, United States Naval Reserve, to be ensigns in the Navy, from the 6th day of June 1947:

Robert A. Aiken
Julian L. Alexander, Jr.
James B. Allen
Ray M. Allman
Mickelangelo Altieri
Arthur H. Anderson
Frank A. Anderson
Kenneth L. Baker
William E. Bardelmeier
Frederick J. Bear, Jr.
Francis J. Beitzer
Roy M. Bell
Charles H. Black
William Blanchard, Jr.
William E. Boisvert, Jr.
Myron E. Bond
Lee H. Boyd
Carl J. Bradley
Charles C. Brisco, Jr.
Elmer C. Broadwell
John R. Brown
Kenmore McM. Brown
Orval W. Buell
Sidney M. Burnett
Ossian R. Butterfield
William A. Buttlar
Robert D. Buzzard
Harold P. Cahill, Jr.
Donald D. Campbell
Robert V. Canosa, Jr.
Earle W. Carder, Jr.
Herbert W. Carr
Robert V. Cauchon
Joseph R. Childers
Frederic J. Clawson
Robert J. Cleary
Robert W. Cohan
Thomas A. Connor
Frederick D. Cook
Wayne H. Crawford, Jr.
Harold W. Crozier
John D. Cumalat
John E. Cummings
William E. Cunningham
William S. Currie
Richard J. Dermody
Richard A. Derus
Eugene A. Dieckert, Jr.
Joseph E. Dierkes
Donald L. Dondero
Robert M. Ducey
Harry B. Ellis
James E. Empting
David L. English
William Evans
James V. Farley, Jr.
Doc G. Faulkner, Jr.
Robert Fedor
John J. Fickers
Albert O. Floyd
Archie E. Floyd
Isaac N. Franklin, Jr
John McA. Frye
Peter Galimitakis
Joseph J. Garside
Gene F. Gauthier
Michael Gaydos, Jr.
George W. Gibson
Robert F. Graves
William D. Greene
Galen M. Hallett, Jr.
Charles R. Hannun
Andrew U. Hassman, Jr.
Millard F. Havener
Kenneth G. Haynes
Richard W. Haupt
Robert L. Heinz
Richard M. Hennigan
William McG. Hepburn, Jr.
Harold M. Hewell
Alvin S. Hibbs
Robert K. Hoffman
Carl L. Hokenson, Jr.
Philip C. Holland
Wallace J. L. Houde
Lewis McN. Hough
Richard H. Howe
George E. Hubbell
Ira J. Hudson 3d
Bruce M. Jacobs
William E. James
Robert W. Johnson
William N. Johnson
Charles W. Jones
Robert A. Keagy
James D. Kearny
Edward T. Keating
Owen K. King
Joseph M. Kitchen
John L. Kline, Jr.
Robert H. Koehler
Robert P. Kolar
Lee F. Kyle
Eugene Lange
Charles S. Leach
Morris Levin
Linus R. Litsey
James F. Logan, Jr.
Thomas Lorgo
Lawrence R. Lowe
Donald H. Lucas, Jr.
Robert T. Maconie
Patrick J. Madden
Don McC. Martin
Andrew J. Mashaw
Joseph C. McCalley
Raymond K. McDannold
William L. McGonagle
Robert M. McLaughlin
Grover C. Miller
Raymond T. Miller, Jr.
William J. Miller
Donald F. Milligan
Samuel R. Miserendino
Jack L. Morrow
Robert C. Newcomb
George E. Nuber, Jr.
Eugene W. Ostlund
Arthur M. Pastel
Dale S. Perry
Richard Porter
Paul R. Powell
William C. Powell, Jr.
William L. Prange
John F. Pritchard
Robert W. Proctor
Henry P. Quick
Robert L. Quimby
Robert B. Rausch
Davis W. Reed
William E. Reed
Donald H. Reese
Isaac P. Rehkopf
Benjamin T. Richards
Donald W. Richardson
Joseph M. Rideout 3d
David A. Robinson
William B. Robinson
Robert E. Rodes, Jr.
Estel E. Rouch
Clifford LeR. Sayre, Jr.
Walter T. Schultheis
Robert L. Scott
Harold Scudder
Aldo Serafini
Lester L. Shade
Frank G. Simala
Richard S. Slawson
Earl A. Sonnier
Monroe B. Sorge
George A. Souris
Charles J. Stanback
Jason K. Stewart
Joseph V. Sweeney
James Thomson
Paul E. Trejo
Edward "X" Tuttle
John Van Tol
Adelberta M. Von Almen, Jr.
James W. Wallace
Thomas C. Walsh
Harold E. Weber
David J. Werner
Cleo Weschke
John M. Westbrook
Donald J. Weinstraut
Thomas R. Wilkinson
Roy E. Williams
Laurence W. Wilson
Robert D. Wilson
Gordon L. Wineman
Richard G. Wisham
Richard A. Yale
McCaslin Yates
George T. Youngren

The following-named midshipmen, United States Naval Reserve, to be assistant paymasters in the Navy, with the rank of ensign, from June 6, 1947:

William E. Ainslie
Michael Bat
James M. Baumgardner
Carl I. Bergkvist
Robert M. Bonk
Duane D. Borgert
William H. Brownell
Wright A. Burnham
Ralph A. Buswell
Ervin H. Cooper
Howard R. Cottrell
Paul R. Ebling
Richard B. Euchenhofer
Malcolm E. Graham
Normal A. Henry
James D. Hereford, Jr.
Leif A. Houkom
Raymond E. Jeffery
Carroll R. Keyser
"J" Scott Kirkwood
John W. Kline
Francis A. Kocourek
Donald H. Lake
John R. Logan
Donald E. Mackin
Donald S. Macoy
Joseph L. Mahoney, Jr.
William F. Mangan
Noel D. Martin
Alfred S. Maurstad
Harold A. McCauley
Thomas T. McGinnis
David E. Moline
Robert F. Morison
Maurice A. Notch
Thomas O. Nutt, Jr.
Joseph F. Ouellette
Paul J. Pflueger
Charles R. Pitchford
Raymond Ramer
Robert L. Reed
Keith L. Robinett
Edward A. Short
John T. Snyder
Samuel S. Stephens
Jackson B. Strange
Lawrence E. Sutherland, Jr.
Edward J. Tuite
William S. Waldron
Carleton R. Williams

The following-named midshipmen, United States Naval Reserve, to be assistant civil engineers in the Navy, with the rank of ensign, from June 6, 1947:

Joseph W. Neudecker, Jr.
Henry F. Peger
Maurice A. Person
Donald R. Williams
James L. Yates

IN THE MARINE CORPS

APPOINTMENTS IN THE MARINE CORPS

The below-named citizens to be second lieutenants in accordance with the provisions of Public Law 729, from June 6, 1947:

Peter W. Adams
Ezra H. Arkland
Albert F. Belbusti
Charles A. Cothran
James W. Epley
Jesus R. Flores
Harold D. Fredericks
Cullen O. Henry
Forest J. Hunt
Robert E. Izzo
George C. Kliefoth
Arthur F. Larievy, Jr.
Francis E. McDonald
Otto L. Marx
Anthony V. Messina
Bromley Palamountain
Martin Pearson
Robert H. Rea
Parks H. Simpson
Carl H. Smith, Jr.
Robert E. Steed
Joseph M. Vosmik
David W. Walsh
John J. Walsh

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 21, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou whose all-searching eye beholdest all things and weighest the motives of men, be with us and keep us above lower things. Come to us and give us the spirit which makes supreme the deeds of unselfishness and which conquers any forbidding purpose. In our hidden lives may there be found the secret of Thy presence, which brings the wisdom of the divine mind and the fervent desire to walk the highway which Thou hast appointed. Help us to do much that our country will approve, and to do much that our country will hold. Each day inspire us to give Thee our unquestioning loyalty and our impassioned love and hearty obedience. In all our tasks help us to be true and fearless in defense of the right, that genuine goodness may abound in our official circles.

In Thy Holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

SPECIAL ORDER GRANTED

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that today, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE ON FOREIGN AFFAIRS

Mr. EATON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may be permitted to meet this afternoon at 3 o'clock while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LABOR BILL SHOULD INCLUDE ANTI-COMMUNIST PROVISIONS

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, when the labor bill is finally considered it is my earnest wish that it shall contain anti-Communist provisions similar to those in the House bill. The House bill makes it possible for a union to expel a Communist and contains prohibitions against a Communist being an officer in a labor organization. There are some who believe it inadvisable to so prohibit the activities of Communists in labor unions. They do so largely on the grounds that the Communists are a political party or that it is difficult to prove a person is a Communist. Now the Communists are not an American political party. They are members of an international organization with headquarters in Moscow. As stated by me on this floor several days ago, a leading American Communist, Mr. Sigmund Eisencher, stated in my office in the presence of a newspaper reporter that in the event of a conflict between the United States and Russia, that the American Communists would be on the side of Russia. No American political party could possibly hold such a position. The American Communists are not an American political party—they are a Russian political party.

With regard to the proposition that it is difficult to prove one to be a Communist I should like to state that in our hearings before the Labor Committee, Mr. Russ Nixon, for example, openly stated that they took Communists into their labor union on the same basis as anyone else. In many instances the Communists openly profess their communism in labor-union activities.

Any labor law that this Congress writes should contain a prohibition against the activities of these bold and arrogant agents of a foreign power. It is necessary that our labor laws should so provide because it is the avowed purpose of the American Communists to capture the American labor movement and use it as a tool of treachery and treason.

EXTENSION OF REMARKS

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD.

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include an editorial by Ralph McGill appearing in the Atlanta Constitution.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an editorial on consumer credit.

Mr. ALMOND asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague the gentleman from Texas [Mr. PICKETT].

Mr. DEANE asked and was given permission to extend his remarks in the RECORD in two instances and to include in each editorials.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass.

RUSSIAN PROPAGANDA

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, Why They Behave Like Russians, by John Fisher, should be required reading for every Member of Congress. Over the week end I had the pleasure of reading this book which goes far to explain many things that have been puzzling me about Russia.

Mr. Fisher makes it crystal clear that Russia's frantic efforts to build up a frontier of satellite states in eastern Europe and her failure to cooperate with the United States is due to their fears.

Their fundamental fear grows out of their belief which is an outgrowth of the doctrines of Karl Marx that our free-enterprise system has within itself the seeds of destruction.

The Russians believe that we cannot prevent the vicious cycle of inflation and depression. They believe that within the next 5 years we will be in the midst of the greatest depression in our history. Furthermore, they believe that when this period comes we will come under the domination of a Fascist group and will inevitably turn aggressive and imperialistic. They believe that they must build up their strength to meet the attack they believe is coming from us.

So it is perfectly clear that we must convince Russia of the fallacy of their beliefs and the groundlessness of their fears by preventing the depression in America that they so confidently expect.

ON-THE-JOB TRAINING

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I know that the Members who do not already know it will be very glad to hear that on tomorrow the Committee on Rules will hear H. R. 246, a bill introduced by the gentleman from New York [Mr. KEARNEY] to raise the ceilings of on-the-job training. This bill was reported unanimously by the Committee on Veterans' Affairs. We hope that a rule will be brought in, because many of the veterans already have had to give up their training because they could not get along on the $175 ceiling a month for single men and $200 ceiling for married men. Many of the employers have given up their training program. It is vital that the rule be granted promptly and the bill pass. I hope the Members of the House will join with us in asking the Committee on Rules to grant the rule. I have no doubt but what the rule will be granted, but support and interest will help secure a rule promptly when the bill comes to the House, I believe there will not be a vote against it.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD and include the approval of the Voice of America program by the Veterans of Foreign Wars.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD concerning Operation Naval Reserve.

Mr. HARNESS of Indiana asked and was given permission to extend his remarks in the RECORD and include a statement by one of his constituents on the 1947 position of agriculture.

ZIONIST ATTACKS ON GREAT BRITAIN

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, Great Britain is protesting against the attacks now being made on her by the alleged Zionists in this country. It is about time that somebody in the American Congress let the British people know that this outfit does not represent the American people.

Last week they published a full-page advertisement in the New York Times, and yesterday the New York Times carried on its front page an excerpt from that advertisement. I want to read you just a short portion of that excerpt. Listen to this. It says, now, speaking to these Zionists:

> Every time you blow up a British arsenal, or wreck a British jail, or send a British railroad train sky high, or rob a British bank or let go with your guns and bombs at the British betrayers and invaders of your homeland, the Jews of America make a little holiday in their hearts.

Mr. Speaker, that vicious statement does not represent the views of the decent high-class law-abiding Jews of America, as you will find in reading the memoirs of Henry Morgenthau, Sr., concerning this outfit. It does not represent decent Americans of any kind.

It is time we put a stop to these vicious inflammable attacks on Great Britain, a friendly nation.

Hon. Henry A. Morgenthau, Sr., one of the great Jews of America, is quoted as saying in his autobiography:

Zionism is the most stupendous fallacy in Jewish history. I assert that it is wrong in principle and impossible of realization; that it is unsound in its economics, fantastical in its politics, and sterile in its spiritual ideals. Where it is not pathetically visionary, it is a cruel playing with the hopes of a people blindly seeking their way out of age-long miseries These are bold and sweeping assertions, but in this chapter I shall undertake to make them good.

The very fervor of my feeling for the oppressed of every race and every land, especially for the Jews, those of my own blood and faith, to whom I am bound by every tender tie, impels me to fight with all the greater force against this scheme, which my intelligence tells me can only lead them deeper into the mire of the past, while it professes to be leading them to the heights.

Zionism is a surrender, not a solution. It is retrogression into the blackest error, and not progress toward the light. I will go further, and say that it is a betrayal; it is an eastern European proposal, fathered in this country by American Jews, which, if it were to succeed, would cost the Jews of America most that they have gained of liberty, equality, and fraternity.

Therefore, as I said, this group of radical Zionists do not represent the better element of American Jews. Nor do they represent the sentiments of a vast majority of the American people.

The SPEAKER. The time of the gentleman from Mississippi has expired.

SUPPORT FOR WOOL

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 214, Rept. No. 409), which was referred to the House Calendar and ordered to be printed.

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill S. 814, to provide support for wool, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Agriculture now printed in the bill; and it shall also be in order to consider without the intervention of any point of order as a substitute for the committee amendment beginning in line 14, page 3, and ending on page 6, line 11, the language appearing in the Appendix of the CONGRESSIONAL RECORD, page A2379. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 59]

Bender	Elsaesser	Mitchell
Bennett, Mich.	Flannagan	Morrison
Bland	Fuller	Norrell
Bonner	Gathings	Norton
Bradley, Mich.	Gearhart	Patman
Brown, Ohio	Gifford	Pfeifer
Buckley	Gregory	Poage
Bulwinkle	Gross	Powell
Busbey	Hagen	Price, Fla.
Byrne, N. Y.	Hartley	Sasscer
Celler	Heffernan	Scott, Hardie
Chapman	Hoeven	Scott, Hugh D., Jr.
Clark	Jarman	Shafer
Clements	Keefe	Simpson, Ill.
Cole, Kans.	Kilburn	Smathers
Courtney	Klein	Somers
Cox	Kunkel	Teague
Crow	Lea	Thomas, N. J.
Dawson, Ill.	McGarvey	Towe
D'Ewart	Mansfield, Tex.	Wood
Domengeaux	Meade, Md.	
Doughton	Miller, Nebr.	

The SPEAKER. On this roll call 367 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FILING OF REPORT

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a report on the bill H. R. 3342.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by our distinguished Secretary of State on World Trade Week, and further to extend my remarks and include a similar statement by our equally distinguished Secretary of Commerce on World Trade Week.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BREHM asked and was given permission to extend his remarks in the RECORD on the subject Will the Conferees Nullify Labor Legislation?

Mr. BATES of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Lowell Sun of Thursday, May 15, on the question of unification of the armed forces.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include a speech he made before the House Committee on Education and Labor on Federal aid to education.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

REFERENCE OF A BILL

Mr. BURKE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from the further consideration of the bill H. R. 2472 and that the bill be referred to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RELIEF ASSISTANCE TO THE PEOPLE OF COUNTRIES DEVASTATED BY WAR

Mr. EATON. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That there is hereby authorized to be appropriated to the President not to exceed $350,000,000 for the provision of relief assistance to the people of countries devastated by war, such relief assistance to be limited to the following: Food, medical supplies, processed and unprocessed materials for clothing, fuel, fertilizer, pesticides, and seed: *Provided*, That from the funds authorized under this section the President shall make contributions to the International Children's Emergency Fund of the United Nations for the special care and feeding of children, and such contributions shall not be subject to the limitations and requirements provided in this joint resolution, but after $15,000,000 has been so contributed, no further contributions shall be made which would cause the aggregate amount so contributed by the United States (1) to constitute more than 57 percent of the aggregate amount contributed to said fund by all governments not receiving assistance from said fund, including the United States; or (2) to exceed $40,000,000, whichever is the lesser.

"There shall be established and maintained, out of the funds authorized under this joint resolution, a relief distribution mission for each of the countries receiving aid under this joint resolution. Such missions shall be comprised solely of American citizens who shall have been investigated as to loyalty and security by the Federal Bureau of Investigation. Such missions shall have direct supervision and control, in each coun-

try, of relief supplies furnished or otherwise made available under this joint resolution, and, when it is deemed desirable by the field administrator provided for in section 4, such missions shall be empowered to retain possession of such supplies up to the city or local community where such supplies are actually made available to the ultimate consumers.

"Not more than $15,000,000 of the funds authorized under this joint resolution shall be available for relief in any countries or territories other than Austria, Greece, Hungary, Italy, Poland, Trieste, and China. This provision shall not imply any obligation to give relief to any of the countries mentioned.

"Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to this section, to make advances, not to exceed in the aggregate $75,000,000, to carry out the provisions of this joint resolution, in such manner and in such amounts as the President shall determine. From appropriations authorized under this section, there shall be repaid to the Reconstruction Finance Corporation the advances made by it under the authority contained herein.

"SEC. 2. (a) Under the direction of the President, such relief assistance shall be provided in the form of transfers of supplies, or the establishment in this country of credits subject to the control of the President, in such quantities and on such terms as the President may determine; except that no such transfers of supplies or establishment of credits may be made after June 30, 1948, and except that not more than 6 per centum of the amount herein authorized shall be used for the procurement of supplies outside the United States and its Territories and possessions.

"(b) In carrying out this joint resolution, funds authorized herein may be used to pay necessary expenses related to the providing of such relief assistance, including expenses of or incident to the procurement, storage, transportation, and shipment of supplies transferred under subsection (a) or of supplies purchased from credits established under subsection (a).

"(c) Funds authorized under this joint resolution may be allocated for any of the purposes of this joint resolution to any department, agency, or independent establishment of the Government and such sums shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment, or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (U. S. C., 1940 edition, title 41, sec. 5, and title 31, sec. 529).

"(d) Such additional civilian employees as may be required by the War Department in connection with the furnishing of procurement, storage, transportation, and shipment services under this joint resolution and which services are paid for from funds herein authorized, shall not be counted as civilian employees within the meaning of section 607 of the Federal Employees Pay Act of 1945, as amended by section 14 of the Federal Employees Pay Act of 1946.

"(e) When any department, agency, or independent establishment of the Government receives request from the government of any country for which credits have been established under subsection (a) and receives, from credits so established, advancements or reimbursements for the cost and necessary expenses, it may furnish, or procure and furnish (if advancements are made), supplies within the category of relief assistance as defined in section 1 and may use sums so received for the purposes set forth in subsection (b) of this section. When any such reimbursement is made it shall be credited, at the option of the department, agency, or independent establishment concerned, either to the appropriation, fund, or account utilized in incurring the obligation, or to an appropriate appropriation, fund, or account which is current at the time of such reimbursement.

"(f) In order to supplement the general relief assistance made available under the terms of section 1 and to effect the economical and expanded use of American voluntary relief contributions, funds authorized under this joint resolution, not to exceed $5,000,000, may be used to pay necessary expenses related to the ocean transportation of supplies donated to or purchased by American voluntary and nonprofit relief agencies, and in such quantities and kinds and for such purposes as the President may determine to be essential supplements to the supplies provided for such general relief assistance.

"(g) The relief supplies provided under the terms of this joint resolution shall be procured and furnished by the appropriate United States procurement agencies unless the President shall determine otherwise.

"SEC. 3. No relief assistance shall be provided under the authority of this joint resolution to the people of any country unless the government of such country has given assurance satisfactory to the President that (a) the supplies transferred or otherwise made available pursuant to this joint resolution, as well as similar supplies produced locally or imported from outside sources, will be distributed among the people of such country without discrimination as to race, creed, or political belief; (b) representatives of the Government of the United States and of the press and radio of the United States will be permitted to observe freely and to report fully regarding the distribution and utilization of such supplies; (c) full and continuous publicity will be given within such country as to the purpose, source, character, scope, amounts and progress of the United States relief program carried on therein pursuant to this joint resolution; (d) if food, medical supplies, fertilizer, or seed is transferred or otherwise made available to such country pursuant to this joint resolution, no articles of the same character will be exported or removed from such country while need therefor for relief purposes continues; (e) such country has taken or is taking, insofar as possible, the economic measures necessary to reduce its relief needs and to provide for its own future reconstruction; (f) upon request of the President, it will furnish promptly information concerning the production, use, distribution, importation, and exportation of any supplies which affect the relief needs of the people of such country; (g) representatives of the Government of the United States will be permitted to supervise the distribution among the people of such country of the supplies transferred or otherwise made available pursuant to this joint resolution; (h) provision will be made for a control system so that all classes of people within such country will receive their fair share of essential supplies; and (i) all supplies transferred pursuant to this joint resolution or acquired through the use of credits established pursuant to this joint resolution and any articles processed from such supplies, or the containers of such supplies or articles, will, to the extent practicable, be marked, stamped, branded, or labeled in a conspicuous place as legibly, indelibly, and permanently as the nature of such supplies, articles, or containers will permit in such manner as to indicate to the ultimate consumer in such country that such supplies or articles have been furnished by the United States of America for relief assistance; or if such supplies, articles, or containers are incapable of being so marked, stamped, branded, or labeled, that all practicable steps will be taken to inform the ultimate consumers thereof that such supplies or articles have been furnished by the United States of America for relief assistance.

"SEC. 4. When supplies are transferred or otherwise made available to any country pursuant to this joint resolution, the President shall cause representatives of the Government of the United States (1) to supervise the distribution of such supplies among the people of such country, (2) to observe and report with respect to the carrying out of the assurances given to the President pursuant to section 3, and (3) to seek arrangements that reparations payable from current production by any such country to any other country by treaty be postponed during the period of such relief.

"With respect to the furnishing of relief assistance pursuant to this joint resolution, the President shall appoint, by and with the advice and consent of the Senate, a field administrator who shall direct the supervision of such relief assistance. Such administrator shall receive compensation at a rate not to exceed $12,000 per annum, and any necessary expenses, as the President shall determine. He shall act in accordance with the instructions of the President.

"The authority of the President under sections 2 and 3 and under this section may, to the extent the President directs, be exercised by the Secretary of State.

"SEC. 5. (a) The President shall promptly terminate the provision of relief assistance to the people of any country whenever he determines (1) that, by reason of changed conditions, the provision of relief assistance of the character authorized by this joint resolution is no longer necessary, (2) that any of the assurances given pursuant to section 3 are not being carried out, (3) that an excessive amount of any supplies transferred or otherwise made available pursuant to this joint resolution, or of similar supplies produced locally or imported from outside sources, is being used to assist in the maintenance of armed forces in such country, or (4) that supplies transferred or otherwise made available pursuant to this joint resolution, or similar supplies produced locally or imported from outside sources, are being exported or removed from such country.

"(b) Relief assistance to the people of any country, under this joint resolution, shall, unless sooner terminated by the President, be terminated whenever such termination is directed by concurrent resolution of the two Houses of the Congress.

"SEC. 6. To the extent that relief supplies procured with funds authorized under this joint resolution are not furnished on terms of repayment in dollars, they shall be furnished only upon condition that the government of the receiving country agree that when it sells such relief supplies for local currency (a) the amounts of such local currency will be deposited by it in a special account; (b) such account will be used within such country, as a revolving fund, until June 30, 1948, only upon the approval of the duly authorized representative of the United States, for relief and work relief purposes, including local currency expenses of the United States incident to the furnishing of relief; and (c) any unencumbered balance remaining in such account on June 30, 1948, will be disposed of within such country for such purposes as the United States Government, pursuant to Act or joint resolution of the Congress, may determine.

"SEC. 7. The President shall submit to the Congress quarterly reports of expenditures and activities under authority of this joint resolution."

And the Senate agree to the same.

CHARLES A. EATON,
KARL E. MUNDT,
SOL BLOOM,
JOHN KEE,
Managers on the Part of the House.

A. H. VANDENBERG,
ALEXANDER WILEY,
H. ALEXANDER SMITH,
TOM CONNALLY,
WALTER F. GEORGE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Except for clerical and minor clarifying changes, the differences between the joint resolution as passed by the House and the substitute agreed to in conference are explained below.

AUTHORIZATION FOR APPROPRIATION

By the first section of the joint resolution as passed by the House, the appropriation of not more than $200,000,000 was authorized for relief assistance. This section also provided that from the sums appropriated the President could make contributions to the International Children's Emergency Fund of the United Nations for the special care and feeding of children (contributions for such purpose not to be subject to the limitations and requirements contained in the joint resolution with respect to funds used for relief assistance), and that after $15,000,000 had been so contributed no further contributions should be made which would cause the aggregate United States contribution (1) to constitute more than 57 percent of the aggregate amount contributed to such fund by all governments, including the United States, or (2) to exceed $50,000,000, whichever was the lesser.

The Senate amendment authorized an appropriation of $350,000,000 for the provision of relief assistance and contained no provision with respect to contributions to the Children's Emergency Fund.

The conference substitute authorizes the appropriation of not to exceed $350,000,000 for relief assistance, and includes a provision with respect to contributions to the Children's Emergency Fund, similar to the House provision, except that for the purpose of making mandatory the contribution of $15,000,000, the permissive phrase "may make contributions" has been changed to "shall make contributions"; and the clauses prescribing the maximum aggregate United States contribution to the fund have been amended to read as follows: ". . . which would cause the aggregate amount so contributed by the United States (1) to constitute more than 57 per centum of the aggregate amount contributed to said fund by all governments not receiving assistance from said fund, including the United States; or (2) to exceed $40,000,000, whichever is the lesser."

It is not intended that there be set aside indefinitely amounts sufficient to cover the maximum possible United States contribution to the fund determined on the basis of contributions made by other countries. It is understood that if the President determines, at a reasonable time prior to the termination of the relief assistance program, that there is no reasonable expectation that other governments will make contributions which will result in an increase in the aggregate amount to be contributed by the United States, he may utilize for the relief assistance program the amounts which have not been contributed to the Children's Emergency Fund.

ADVANCES BY RECONSTRUCTION FINANCE CORPORATION

There has been included in the first section of the conference substitute a provision, taken from the Senate amendment, authorizing and directing the Reconstruction Finance Corporation to make advances, not to exceed an aggregate of $75,000,000, to carry out the provisions of the joint resolution, in such manner and in such amounts as the President shall determine. Provision is made for repayment to the Reconstruction Finance Corporation when appropriations are made pursuant to the joint resolution.

RELIEF-DISTRIBUTION MISSIONS

The joint resolution as passed by the House contained a provision that none of the funds authorized should be used for relief assistance in those countries whose governments are dominated by the Union of Soviet Socialist Republics unless the governments of such countries agreed to a requirement which by the joint resolution was declared to be applicable to every country receiving aid under the provisions of the joint resolution. The requirement referred to, which was incorporated in the joint resolution, was that the State Department should establish and maintain a relief-distribution mission for each country receiving aid. This provision required that each such mission should be comprised solely of American citizens approved as to loyalty and security by the Federal Bureau of Investigation. It further provided that such missions should have direct supervision and control of relief supplies in each country and, when deemed desirable by the American authorities administering the provisions of the joint resolution, such missions should be empowered to retain possession of our relief supplies up to the city or local community where such supplies were actually made available to the ultimate consumers.

The Senate amendment contained no provisions of the character above referred to.

The provision as to the establishment of relief-distribution missions has been included in the conference substitute, with minor modifications, and since it will apply to all countries to which relief assistance is extended, the provision making specific reference to governments dominated by the Union of Soviet Socialist Republics has not been retained. The principal changes which the conference substitute makes are to eliminate the reference to the State Department, to provide that the members of such missions shall be "investigated" rather than "approved" as to loyalty and security by the Federal Bureau of Investigation, and to change the reference to "American authorities" to "the field administrator provided for by section 4."

The requirements as to American citizenship and investigation by the Federal Bureau of Investigation are intended to apply to all persons exercising the responsibilities with which each mission is entrusted; but there will be attached to the mission custodial and service personnel, recruited in foreign countries, as to which compliance with these requirements will not be practicable. It is not contemplated that any position of importance or influence will be filled by any person other than an American citizen who has been investigated by the Federal Bureau of Investigation.

COUNTRIES TO RECEIVE RELIEF ASSISTANCE

The provision in the House joint resolution specifying the countries for which relief assistance may be made available, under the joint resolution, has been modified in the conference substitute. As modified it reads as follows:

"Not more than $15,000,000 of the funds authorized under this joint resolution shall be available for relief in any countries or territories other than Austria, Greece, Hungary, Italy, Poland, Trieste, and China. This provision shall not imply any obligation to give relief to any of the countries mentioned."

The House provision differed from the provision above quoted in that the specification of the countries was stated affirmatively rather than negatively; and Trieste was not included among the countries listed. The last sentence of the above-quoted provision was not contained in the House joint resolution.

PROCUREMENT OF SUPPLIES OUTSIDE THE UNITED STATES

The House joint resolution provided that not more than 10 percent of the appropriations authorized should be expended for the procurement of relief supplies in countries other than the United States. A similar provision is included in the conference substitute, taken from the Senate amendment. Under this provision not more than 6 percent of the amount authorized by the joint resolution may be used for the procurement of supplies outside of the United States and its Territories and possessions.

EMPLOYEE CEILING

The conference substitute contains a provision to the effect that additional civilian employees required by the War Department in connection with the furnishing of procurement, storage, transportation, and shipment services paid for from funds authorized by the joint resolution shall not be counted as civilian employees within the meaning of section 607 of the Federal Employees Pay Act of 1945, as amended by section 14 of the Federal Employees Pay Act of 1946. This is based on a Senate provision which applied to any department, agency, or independent establishment.

SUPPLIES MADE AVAILABLE BY AMERICAN RELIEF AGENCIES

There is included in section 2 of the conference substitute a provision taken from the Senate amendment, reading as follows:

"(f) In order to supplement the general relief assistance made available under the terms of section 1 and to effect the economical and expanded use of American voluntary relief contributions, funds authorized under this joint resolution, not to exceed $5,000,000, may be used to pay necessary expenses related to the ocean transportation of supplies donated to or purchased by American voluntary and nonprofit relief agencies, and in such quantities and kinds and for such purposes as the President may determine to be essential supplements to the supplies provided for such general relief assistance."

ASSURANCES GIVEN BY RECIPIENT COUNTRIES

In section 3 of the conference substitute, providing that relief assistance shall not be granted to the people of any country unless its government has given certain assurances satisfactory to the President, two new clauses taken from the Senate amendment have been added.

One of these, clause (h), requires that assurance must be given that provision will be made for a control system so that all classes of people within the recipient country will receive their fair share of essential supplies. The other of these clauses, clause (i), reads as follows:

"(i) all supplies transferred pursuant to this joint resolution or acquired through the use of credits established pursuant to this joint resolution and any articles processed from such supplies, or the containers of such supplies or articles, will, to the extent practicable, be marked, stamped, branded, or labeled in a conspicuous place as legibly, indelibly, and permanently as the nature of such supplies, articles, or containers will permit in such manner as to indicate to the ultimate consumer in such country that such supplies or articles have been furnished by the United States of America for relief assistance; or if such supplies, articles, or containers are incapable of being so marked, stamped, branded, or labeled, that all practicable steps will be taken to inform the ultimate consumers thereof that such supplies or articles have been furnished by the United States of America for relief assistance."

LAW LIBRARY FEDERAL WORKS AGENCY

There was included in this section of the House joint resolution a clause (h), requiring assurance that when relief supplies procured with funds authorized by the joint resolution were sold by a receiving government for local currency the amounts of such local currency should be deposited by the recipient government in a special account and should be used only for relief and rehabilitation purposes with the approval of the duly authorized representative of the United States. In the conference substitute this provision has been omitted, but there has been included as section 6 of the conference substitute a similar and more comprehensive provision, taken from the Senate amendment, which reads as follows:

"SEC. 6. To the extent that relief supplies procured with funds authorized under this joint resolution are not furnished on terms of repayment in dollars, they shall be furnished only upon condition that the government of the receiving country agree that when it sells such relief supplies for local currency (a) the amounts of such local currency will be deposited by it in a special account; (b) such account will be used within such country, as a revolving fund, until June 30, 1948, only upon the approval of the duly authorized representative of the United States, for relief and work relief purposes, including local currency expenses of the United States incident to the furnishing of relief; and (c) any unencumbered balance remaining in such account on June 30, 1948, will be disposed of within such country for such purposes as the United States Government, pursuant to Act or joint resolution of the Congress, may determine."

ADMINISTRATION

The House joint resolution provided for the appointment by the President, by and with the advice and consent of the Senate, of a relief administrator to perform such functions, relating to the administration of the joint resolution, as the President might prescribe. Such administrator was to receive such salary and have such staff as the President should determine.

A provision in the Senate amendment would have provided for an administrator to direct the supervision of relief assistance only in Europe. This provision provided for a salary of not to exceed $12,000 per annum, and any necessary expenses, as the President should determine.

The conference substitute, in section 4, provides for a field administrator, who is to direct the supervision of relief assistance under the joint resolution, such field administrator to be appointed by the President, by and with the advice and consent of the Senate. As to salary and expenses this provision follows the Senate amendment. Such administrator is to act in accordance with the instructions of the President.

A provision from the Senate amendment has been included in section 4, providing that the authority of the President under that section and under sections 2 and 3 may, to the extent the President directs, be exercised by the Secretary of State.

PROVISION RELATING TO REPARATIONS

Section 4 of the House joint resolution provided that when supplies were transferred or otherwise made available to any country the President should cause representatives of the Government of the United States, among other things, to "make certain that reparations payable by any such country to any other country by treaty have been postponed during the period of such relief". The Senate amendment contained no similar provision.

In the conference substitute this provision of section 4 has been modified so that, when relief assistance has been so made available, the President is to cause representatives of the Government of the United States "to seek arrangements that reparations payable from current production by any such country to any other country by treaty be postponed during the period of such relief".

CHARLES A. EATON,
KARL E. MUNDT,
SOL BLOOM,
JOHN KEE,
Managers on the Part of the House.

The SPEAKER. The gentleman from New Jersey [Mr. EATON] is recognized for 1 hour.

Mr. EATON. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. JONKMAN].

Mr. JONKMAN. Mr. Speaker, when this bill was up for debate in the House, I called attention to the fact that its provisions were intended only for residual relief after termination of UNRRA. UNRRA has now been in existence for nearly 3 years, in which time, of course, Europe has had two crop periods, and is approaching another one. When we passed the first UNRRA authorization, we were told that the purpose of UNRRA and its scope was to bring the war-devastated countries through one crop period. Now, I repeat, we have had two full crop periods, and nearly 3 years of UNRRA, and this bill was intended only as a cleaning up, or mopping up process, in other words, to finish what was nearly done.

For this reason the 1947 budget included $100,000,000 for this purpose. In the debate on the bill under question, your attention was further called to the fact that President Truman, in his message, said that help would be needed only through 1947; that the United Nations organization recommended help until this year's crops were harvested; that ex-President Herbert Hoover recommended help through this year's crop period; that every representative of the State Department, Under Secretaries Acheson and Clayton, Deputy Under Secretary Tyler Wood, all agreed that no help would be needed in 1948, with the possible exception of some limited help in Austria. In fact, all the authoritative sources were agreed that help was needed only from March 31, 1947, through the crop period of 1947.

Your attention was called to the fact that there was a sense of proportion in the job to be done before the next crop harvest and the $100,000,000 in the budget with which that job was to be done.

Your attention was further called to the fact that in upping the amount to $350,000,000, the administration had admitted that this amount was partly based on judgment and partly grabbed out of the air. The evidence, of course, is overwhelming that the extension of the term of relief for 6 months, to June 30, 1948, was also grabbed out of the air. These two changes have all the earmarks of changing residual relief into continuous and permanent relief by bureaucratic boondogglers.

I now want to give you some facts which I think would justify cutting this amount to $100,000,000, and to prove to you that when we authorize $200,000,000, it is a very liberal authorization.

I hold in my hand the President's tenth quarterly report to Congress on the operations of UNRRA. This came to our desks last Saturday, May 17. This tenth quarterly report is not for the first quarter of 1947, although it was received 47 days after the ending of that quarter. Had it been for that quarter, we might have had some useful information to help our judgment on the pending bill. It is in fact a report for the last quarter of 1946, and it was kept confidential and secret, and not to be relased until May 15, 1947.

It contains some rather interesting information, but is more intriguing for its lack of information. On page 34 of that report, we find that total contributions to UNRRA, paid or available, were $3,688,395,736. On pages 24 and 25 we find a double-check statement that total shipments to December 31, 1946, were $2,311,225,000. According to these figures, there was available on January 1, 1947, $1,377,170,736.

Now, I do not mean to say that that amount was available the 1st of January, but the accounting does not preclude such an assumption. It does not show what happened to it, or how much of it is available at the present time.

To get any idea of what was available, we can turn to the President's letter of transmittal on page 1, the third paragraph, where he says:

> The approximate value of supplies remaining to be shipped on January 1, 1947, was a world total of $660,000,000.

Where the President gets this figure, I do not know. Perhaps they keep two sets of books. I was unable to find this statement, or any basis for it, in the report itself.

Then on page 38 the report states that the balance available for commitment amounts to $165,379,746. Now these two items put together, supplies remaining to be shipped and balance available for commitment, amount to $825,379,746. That was the amount available, apparently, on January 1, 1947, and leaves $551,790,990 unaccounted for. Perhaps, by a long process of deduction and elimination, one could ascertain that this went for shipping charges and administrative expenses, but the report does not show this. It could just as well represent contributions not yet "paid" but "available."

When we made the second appropriation for UNRRA last year, a balance of $180,000,000 of the contribution of the United Kingdom was so listed as available. Upon investigation, it was found that it was not really available; that the United Kingdom was unable to furnish supplies for that amount, and had made $180,000,000 in sterling available until such time as supplies could be bought within the United Kingdom. We know that the United Kingdom has not been in any better position to furnish supplies than it was at that time, and unless they were able to pay it out of the $3,750,000,000 loan, this might account for the difference of $550,000,000 unaccounted for.

This is not said in disparagement or criticism of the United Kingdom, for it is a matter of common knowledge that she needs relief, and is probably using

the $3,750,000,000 to support her own people.

However, we do know, if the President's figures are correct, that the amount of $825,379,746 was available on January 1, 1947. Now, if we spent $2,311,225,000 in the first 30 months of UNRRA, that will average about $77,000,000 per month. So that if they spent at the same rate in 1947 that they did in the preceding 2½ years, they would have sufficient supplies and funds at $77,000,000 a month to run them for 10¾ months, or into the latter part of November 1947, without $1 of the $350,000,000 we are considering at the present time. And remember, this is residual relief in a few countries. We are not pouring it into Bielorussia, the Ukraine, Yugoslavia, Czechoslovakia, and other countries, as we did in those 30 months.

We can double check this from another angle. Page 3 of the report, paragraph 3, states:

> During the quarter September 30 to December 31, 1946, UNRRA shipped supplies worth $253,795,000 to the receiving countries.

Now, if we divide $253,000,000 by three, that will amount to about eighty-four or eighty-five million a month. To be sure, in the next paragraph they immediately apologize for this low amount with the following statement:

> Although shipments in October at $52,000,000, in November valued at $92,000,000, and in December valued at $109,000,000, fell below the previous average of $149,367,000 per month, which had been maintained during the first 8 months of 1946, the drop was largely due to the accumulated effects of shipping and coal strikes.

Here, again, we have an example of the shovel-and-pitchfork method of UNRRA. According to this statement, a year has only 11 months. After giving us the amounts for October, November, and December, they give a higher figure for the first 8 months, which should be 9 months. In other words, they take the balance spent outside of October, November, and December, and divide it by 8, which makes $149,000,000, when they should divide it by 9, which makes only $132,000,000 per month. Quite some difference. And these people, who forget that a year has 12 months, give us bills we must pass with hardly the privilege of dotting an "i" or crossing a "t."

When we take into consideration that this average was during 1946 after the first crop period, with many more countries receiving relief, and we are now dealing with the period after the second crop period, with much less countries needing relief, and which is to be only residual relief, and for which they had at least $825,000,000 at the beginning of the year, we can understand why at first, and in harmony with all the other testimony, only $100,000,000 was provided in the budget. We can also have some idea as to why this amount would amply take care of the situation. Why, then, was the amount of $100,000,000 upped to $350,000,000, and the term of relief extended from, we will say, December 1947 to June 30, 1948?

It seems to me that the fact that Paul Porter went to Greece on January 16, 1947, to make a survey may be an element in the changed picture. It is true that he headed a mission to Greece, but this was before the administration had knowledge that the United Kingdom was pulling out of Greece, and I think the relief bill is part of a pattern.

Now, Paul Porter is one of the triumvirate of Porter, Henderson, and Bowles, who, according to the newspapers, through ADA, last week advised the people of the United States that they must increase wages and cut prices to avoid a depression. In my opinion, there is no swifter or surer way to destroy our free enterprise and economy. I do not know how the Members like that philosophy, but I do not subscribe to it. Paul Porter, as we know, succeeded Chester Bowles as OPA Administrator, and the night that he took that office he made a speech in Washington in which he said:

> I want it emphatically understood that OPA is not a receivership; and that I am not a liquidator. OPA is a going concern, composed of loyal men and women who have done much for the country and are going to do much more.

The American people, as we know, thought otherwise.

It seems to me that Paul Porter went over there to perpetuate his going concern. At least it must be admitted that it was about that time that we changed from a residua' relief concept to a continued, if not perpetual relief, by extending the term to June 30, 1948, instead of at the end of the next crop harvest, or let us say after the first of the year, and upping the expense to $350,000,000.

Let us take a paragraph on the report of the American Economic Mission to Greece which is as follows:

> The psychology of certain elements in Greece has operated as a serious impediment to recovery. There has been a sense of helplessness, and in some quarters a feeling that because Greece suffered so much during the war, it is now entitled to the care of its richer allies. There is the widely held view that external factors in Greek problems are so large that individual efforts are futile. The lack of confidence among government officials and the people in the ability of Greece to save itself financially and the belief that it must depend on aid from abroad has contributed to an appalling inertia.

I think most of us will agree that this is the psychology in other countries, and that the more of our substance we pour into these countries, the more they will look for help. This was the psychology even in our own country, and most of us remember how difficult it was to get rid of the relief agencies. Having abolished them here, we should not now begin them on an international scale.

The foregoing reasoning, it seems to me, is fortified by the fact that although it is now almost 2 months past March 31, we have heard little complaint of the gap between UNRRA and this proposed relief. And yet, the question may be asked, how did the people in these six countries get along during the period of this gap? Of course, the figures I just gave you on UNRRA supply the answer. Nevertheless, one of the members of the conference was quoted in the newspapers as saying when the $150,000,000 cut was restored by the conferees:

> Recent reports from Europe helped influence the result. Reports in the last few days indicate relief pressure in Europe was greater than was contemplated when the figure of $350,000,000 was set. There was a feeling the situation cannot be met with any smaller amount.

Interesting that this report should come in the last few days. The same few days in which the bill was in danger of the $150,000,000 cut, but never before that.

It has been said on the other end of the Capitol that this is only an authorization, and that the Appropriations Committee can keep the amount down to $200,000,000. The answer is that on an authorization of this nature, the camel gets its nose under the tent for the whole amount, and it will be most difficult for the Appropriations Committee to cut it down once a foreign relief mission has made commitments, even though they may not be urgently needed.

I believe in the bipartisan foreign policy, and in our precarious situation, a bipartisan domestic policy, for that matter. But it is not a sound bipartisan foreign policy when we agree merely to achieve agreement with the administration on the proposed reckless and unfounded spending policy.

It is my belief that the House should insist on reducing the amount in the bill to $200,000,000; that this will be ample together with the $825,000,000 that was available at the beginning of the year, to carry these countries through the next harvest and up to the first of the year, and even considerable beyond that. It seems to me, in the meantime, a thorough investigation should be made as to the real situation in regard to UNRRA funds available, and then in the January session we can review the situation and act with some degree of intelligence, instead of throwing away the taxpayers' money with reckless abandon and without knowledge of the facts.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. EATON. Mr. Speaker, I yield the gentleman one additional minute.

Mr. JONKMAN. I am now going to say a word about the $15,000,000, for the children's fund and I think if you will examine you will find that the report is very ambiguous. It is said they are in effect cutting this authorization by $15,000,000 which is given to the Children's Relief Agency. They say it may amount to $40,000,000 and may eventually cut this authorization in effect by $40,000,000. But in my opinion all that they are going to get for the children's fund from us or anybody else is the $15,000,000 for there will not be any additional contributions to this children's fund until the other countries provide for their 43-percent assessment.

The SPEAKER. The time of the gentleman from Michigan has again expired.

Mr. EATON. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. BLOOM. According to the House bill, the children's fund did not get anything. It was only permissive for the President to give it to them. In this bill, as the gentleman will know if he reads the conference report, it is mandatory to give the children's fund at least $15,000,000, and then the other 57 percent up to the $40,000,000 depends upon the amount of money that is received from the other United Nations. Now, the other $25,000,000 depends upon the proportionate share of what the other United Nations spend. In doing it that way it allows us to try to get the other United Nations to spend their amount of money so that we will get the $25,000,000, but the $40,000,000 is given in here, and it was originally provided up to November 30 to earmark that added $25,000,000.

Mr. JONKMAN. I agree with the gentleman. We absolutely give $15,000,000, and then the other countries have to make up 43 percent, which amounts to $11,300,000, and the total will be $26,300,000, representing 57 percent of our money and 43 percent of their money. But, are you going to ask the other nations to give their contributions all to the children's fund? How much do you expect to get from the other nations?

Mr. BLOOM. I will say this to the gentleman: It allows us to go to the children's fund of the United Nations and get them to appropriate their amount of money so that we can give our amount of money, and it is in our favor to do it this way rather than another way.

Mr. JONKMAN. I am telling the gentleman from New York it will be one of the sore spots when you expect to get $26,000,000 and you have to work on that 43 percent from the United Nations for their contribution. You will have to ask them to contribute first to the children's fund to get the $40,000,000. They will have something to say about that, too.

Mr. BLOOM. The gentleman has reached an erroneous conclusion.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. EATON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I want to congratulate the conference committee in adjusting the differences that existed between both branches, and it is a pleasure to me to not only vote for the conference report but to urge that my colleagues vote for and adopt it.

My purpose in rising on this occasion is to make some suggestions to those who will administer this law on the part of our Government.

I notice in the conference report the establishment of a joint relief mission for each of the countries receiving aid under this joint resolution. I think that is a mighty fine idea. I also note the provision that the members of the mission shall be investigated as to loyalty and security by the Federal Bureau of Investigation. I think that is a wise provision, certainly one that nobody can object to as we consider world conditions today and the purpose for which this money will be used. I also note with great pleasure that such mission shall have direct supervision and control, in each country, of relief supplies furnished.

I hope the selection of the members of the various missions and other employees will be made with great care. I hope the benefits flowing to the unfortunate people of the countries that will receive the benefits will go to the people, and that the intent of Congress will be carried out by those administering the relief that will flow as a result of the passage of this bill.

While I voted for UNRRA, I state frankly that I never enthusiastically favored the idea, but the relief of human beings was the thing that was uppermost, and to try to propose some other method at that time would have interfered with the call of humanity. I did not like this inernational agency with its complex personnel and the complicated results that I could visualize would flow therefrom. I felt and always have felt that America's response to the call of humanity should be as direct as possible, and that not only should we do it directly but try to benefit the people who needed it in other countries in such a manner that there would be an appreciation of the fact that the Government of America, the people of America, were their friends.

I have said on the floor of this House repeatedly that in the world of tomorrow we need all the friends we can have, even the people of little Liberia, using that as an illustration. This bill gives an opportunity, with the right kind of administration, to bring about the maximum results as far as relief is concerned, and the maximum results as far as the cementing for countless generations to come of friendship between the people of America and the people of the countries that will benefit, if the relief is administered in the right way and as the Congress intended in the passage of this law.

It is not my purpose to suggest the names of the men who should be selected, but it is within my prerogative to suggest the type of men who should be selected. For example, I think those selections should fit into the people of the nations receiving relief and be persons who understand their problems and their background. In Poland, for instance, Americans of Polish blood should be on the mission, and in Italy Americans of Italian blood, but I think those Americans should have been born here.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Mississippi.

Mr. RANKIN. Does the gentleman believe the Communist government in Poland should have anything to do with the distribution of this fund?

Mr. McCORMACK. Absolutely not. I am coming to that.

Mr. RANKIN. I thank the gentleman.

Mr. McCORMACK. The language of the bill is, "Such mission shall have direct supervision and control." This means that we should not have it administered in such a manner that a political party would benefit, and in the countries behind the iron curtain there is only one political party permitted to exist. We are making this appropriation to help unfortunate human beings, and those carrying out this law on the part of America should see that the intent of Congress is faithfully carried out, that those human beings benefit, that the people of those countries are resuscitated as much as possible, and that the political parties in the Communist-controlled governments shall not be permitted to use this relief to strengthen themselves in those countries of which they have temporary control.

The type of persons appointed to administer this program, or employed in connection with it, is of vital importance in carrying out the intent of Congress and in the success of this undertaking.

Mr. EATON. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, I am the only conferee who did not sign this report. I regret to find myself in disagreement with my colleagues on this, just as I regret that I disapproved of many provisions of the bill as it was reported from our committee to the House. I proposed or supported eight amendments on the House floor, seven of these were adopted.

In my judgment, the bill as reflected in the report is in many respects a great improvement over the original bill. Of the nine amendments which were incorporated into the bill on the floor of the House, five are now in the bill in substantially the same form, two are in modified form, and two have been omitted.

The difficulty with this relief measure is that it is only a partial proposition. Let us bear in mind that the State Department said that the figure of $350,000,000 was picked out of the air. No one is contending that the full $350,000,000 will meet the relief problem in Europe because the State Department contends that $550,000,000 is the absolute minimum need there. So that, no one contends that this $350,000,000 will solve the whole relief problem. As President Hoover said, no mortal man knows the relative relief needs in Europe and our ability to supply them this fall until the harvests are made here and in Europe.

Unquestionably, $200,000,000 is sufficient to carry us up to that time.

I thought the way to handle this uncertainty was to have a joint congressional committee review the needs and our ability to fill them in the fall. The House did not agree with that viewpoint. I was in conference willing to split the difference between the House and the Senate and have the conferees pick a figure out of the air of $315,000,000, which involved a general relief figure of $275,000,000 and adding $40,000,000 for the children's fund. The other conferees felt it was necessary to hold rigidly to this $350,000,000 figure that had been picked out of the air by the State Department.

We know that the State Department has a survey going on all over the world to find out what the relief and reconstruction needs are so as to measure our ability to meet these needs. It seems to me that we could well act on something less than the full program requested in this bill until we get some such

report back and study it. We know that from now on, since we cannot relieve all of the needs of the world, we have to help our friends and we have to keep our economy in shape so that we can help our friends.

One other provision concerns me, and that was the change made with reference to reparations. The House provided that the President should make certain that reparations payable by any country to another country by treaty be postponed during the period we furnish relief. The conference report merely says the President shall seek arrangements to postpone reparations while we furnish relief. We are looking forward to treaty reparations. The House provision permitted reparations required or demanded by Russia under armistice agreements to go out and relief to go into those countries at the same time, but attempted to stop future treaty reparations which will necessitate relief from us.

The hearings show that $23,000,000 is required from Hungary in reparations which cause that country to require relief. I am deeply conscious of the position of Hungary and I want to see Hungary given some help, but I do not like to see our country take the position that we are going to approve a treaty which will require reparations which will require relief from us and thus have us paying the reparations. I am opposed to our paying Russian treaty reparations, directly or indirectly. That is exactly what ratification of those treaties will mean, under this bill as the conferees amended it.

This report says the President shall seek arrangements to postpone these treaty reparations after we have approved them? Who do you think the President will contact to seek arrangements like this? Why, Joe Stalin, for the country demanding reparations under such circumstances is Russia. And how much attention will Stalin pay to our plea to postpone reparations in a treaty we have just approved? I think the conferees could have done better with that particular section. I think the conferees could have done better on the amount. It should be more than $200,000,000. It does not need to be $350,000,000. While I know that we must have a relief bill, and I know we shall, I think the conferees should try again, and therefore I am not going to support the conference report.

The SPEAKER. The time of the gentleman from Ohio [Mr. VORYS] has expired.

Mr. EATON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, there are two factors involved in whether or not the House should support its conferees, which I strongly urge upon the House.

The first is a question of principle, the second, a question of figures.

On the question of principle, I think we have made our views very clearly known. Certainly one thing must distinguish the people of this country and the Congress of this country—a sense of responsibility. The Congress by overwhelmingly passing a program for assistance to Greece and Turkey has not made an idle gesture, but has undertaken a definite responsibility in the world. It is that responsibility which we are, in part, called upon to discharge today. It is quite footless to defend Greece and Turkey against forces or social systems that threaten their national integrity and their national security, and at the same time to let millions of people in other European countries, including Greece, starve. By undertaking the Greek-Turkish assistance program we have agreed with the world that we will pull our oar in the boat; and we have recognized that the security of the United States is not safeguarded along the borders of the Atlantic and Pacific Oceans of the continental United States, but is safeguarded in the Pindus Mountains of Greece and on the Black Sea coasts of Turkey. Now we are called upon by this relief bill to say also that it is safeguarded in the hearts and minds and physical and spiritual integrity of the peoples of Italy, Austria, Hungary, Greece, and Poland as well.

The argument was made that a number of those countries are Communist-dominated. That question was thrashed out in the House very thoroughly before. The basic issue is this: If they are Communist-dominated now, do you want to surrender them forever, or do you still want to try to win their adherence to our kind of life by showing that it is the United States and its type of society which has the great heart, and that it is another type of society which does not; or do you just want to give up these peoples and let them go down the drain forever? For these peoples know very well that in a Communist society a man's right to eat depends on his politics. Do we want them to conclude that we, too, have taken this path?

We come now to the question of fact. What are the facts about this situation? A very distinguished member of our committee, takes the report of UNRRA and analyzes it; analyzes a good many bookkeeping figures in order to try to draw certain conclusions. As I have taken notes of what he said, he comes to two conclusions. Either UNRRA was spending $140,000,000 a month or it was spending $77,000,000 a month, and therefore it could go on for either 10 months or 5 months. But that makes a very great difference, for either its whole program is finished this month or it is not, and we know that it is finished. The difference, of course, is a very real one, too, because we are not talking just a lot of bookkeeping figures and trying to prove a dialectical case; we are trying to feed people. Words uttered here and analyses made here are not going to feed them if they do not have the food. Former President Hoover, in whom many of the Members of this House have great confidence and who went into this thing in very great detail and studied it thoroughly, said he is for this bill. He is for this bill for $350,000,000. I am confident he looked into the UNRRA situation as well, and would have drawn attention to any such circumstance as might enable UNRRA to carry on.

Finally, let us look at the record on this question of adequacy of the funds provided. Is the $310,000,000, for relief to the countries to be aided, which is now contained in the conference report, necessary, and how is it reconciled with the proposition that the general fund for relief may not get contributions from other nations? The record on that is very clear. I call the attention of the Members to page 107; it says that $180,000,000 is necessary for grains alone to take care of just 1947 for the six principal countries under consideration.

The remainder, the difference between $180,000,000 and a total of $296,000,000 needed for food alone, or $116,000,000, is needed for fats, meat, pulses, and dairy products—all foods. Therefore, your $296,000,000 is the minimum food figure. It compares with a base figure of $290,000,000 provided in the bill. That leaves out medical supplies, materials for clothing, fuel, fertilizer, and other items in this bill. This food to sustain a diet of 2,000 to 2,100 calories per day compares with average United States consumption of 3,400 calories per day.

If the House approves this conference report, therefore, you will be enabling the United States at least to fill out the elementary basic food needs of these peoples.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. EATON. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Speaker, I hope the House will adopt the conference report.

I believe that those members of this body who opposed UNRRA have a very good reason for supporting this method of providing relief, because this is what might be called the unilateral method.

The gentleman from Michigan [Mr. JONKMAN], pointed out that at the beginning of this year there were some $825,000,000 left in UNRRA. I would say that that was probably known to the United Nations Expert Committee and to the State Department when they requested the amount of $350,000,000, and that the mere fact that there has been some delay in furnishing relief under UNRRA is no reason for cutting down the relief now. To my knowledge the need still exists.

Furthermore, I am reliably informed that the relief needs of Italy alone between now and the end of the year are $120,000,000. Italy is suffering tremendously from the ravages of war and is continually on the verge of communistic upheaval.

I would point out also that this relief bill is a part of our foreign policy. It is as much a part of our foreign policy as the Greek-Turkish bill. We upheld the Greek-Turkish bill in this House; we should uphold this conference report now.

The SPEAKER. The time of the gentleman from Connecticut has expired.

Mr. EATON. Mr. Chairman, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, it strikes me that to a certain extent this debate on the amount of the authorization is a little beside the point. During the original debate on the bill I asked the gentleman from New York [Mr.

BLOOM] whether or not this was an appropriation bill or an authorization bill. He said it was merely a customary authorization bill. In other words, the final decision and the time when the House will have a chance to make the real decision on the amount will come when the appropriations are being considered. So, I do not think it is important to limit the authorization at this time because the real decision will come when the appropriations are made.

I want to say one other thing. It is this.

Personally I believe we ought not to approach this relief and rehabilitation matter on a piecemeal basis. We have now pending before the War Department subcommittee of the Appropriations Committee a $725,000,000 budget estimate for occupied countries. Then there is the $400,000,000 for Greece and Turkey. There is the $350,000,000 under this bill for war devastated countries. And another proposal is coming up, we understand, for $78,000,000 for Korea. Then perhaps some other amounts for the IRO, as successor to UNRRA.

My own belief is that these things should be brought up in one appropriation bill and that the Appropriations Committee should consider them all at one time, taking a look at the amount of available supplies we can export, the amount of material we can devote to rehabilitation, the amount of money that the United States Government can afford to spend in other parts of the world, and present the whole picture to the House at one time.

This piecemeal attack on our overseas commitments is fundamentally wrong.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. EATON. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Mr. Speaker, we have heard it repeatedly said upon the floor of the House that the figure of $350,000,000 has been picked out of the air. That is quite a current expression. You frequently hear it. However, that is not the case in this instance, because the figure was definitely not picked out of the air.

The $350,000,000 was arrived at from the fact that the United Nations Security Council after a careful and very extensive investigation of the relief needs of the countries for which this relief is intended fixed a figure of $610,000,000 as being the amount absolutely necessary for the relief of these people during the current year. The $610,000,000 figure fixed by the Security Council is the amount absolutely necessary in the current calendar year for the relief of these people. The amount allocated to be donated by the United States Government for that purpose is 57 percent or $350,000,000, which amount was inserted in the bill.

When the bill came before the House for consideration an amendment was offered which allocated and earmarked $50,000,000 for the children's relief fund. Of that amount $15,000,000 was to be paid at the instance or discretion of the President at once and the other $35,000,000 deferred until it was ascertained whether or not the other nations made their contributions to the fund. The conferees retained that fund in the bill, reducing it however, to $40,000,000. We made the payment of $15,000,000 mandatory on the part of the President so that it reduced the fund provided in the measure for relief purposes by $15,000,000. We leave $25,000,000 earmarked for the children's relief fund providing the other nations contribute, which they will likely do, and this will further reduce the amount allowed by this bill to $310,000,000, leaving that amount alone for carrying the burden of $350,000,000 for relief.

The gentleman from Ohio [Mr. VORYS] said a moment ago that we all agree $350,000,000 will not relieve the situation in Europe. Of course, we all agree with that statement. The statement is verified by the fact that the Security Council after its investigation fixed the amount absolutely necessary at $610,000,000. Therefore this $350,000,000, after reducing it approximately $40,000,000 by the children's fund, will be just a drop in the bucket toward relieving the situation in the countries of Europe for which it is intended, and if we reduce it, as is suggested by the gentleman from Michigan [Mr. JONKMAN], to $200,000,000, you leave only $160,000,000 to meet a very desperate situation.

Mr. Speaker, during the last meeting of our conference committee, just before we adjourned, we had a telegram from Europe read to us stating that conditions in the countries over there, in Austria and in Italy especially, were growing worse every day; that not only had there been a partial and very heavy crop failure but that there was promised a complete crop failure, and that this relief was needed and needed instantly.

Mr. Speaker, I heartily approve the conference report, and I hope it will be approved by this body.

The SPEAKER. The time of the gentleman from West Virginia has expired.

Mr. EATON. Mr. Speaker, I yield 6 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, the statement has been made here that the figure of $350,000,000 was simply picked out of the air. I rise as a member of the committee to refute that statement. The United Nations has investigated this particular situation in Europe.

The American Government has investigated the situation through the United States embassies. The Department of Agriculture has investigated it as to food requirements. The Department of State has had its own people there looking into the situation. The Food and Agricultural Survey Mission of the United Nations has checked the situation. The United Nations Committee of Experts on the needs for 1947 has investigated. They have said that it would take $583,000,000 for relief, exclusive of China, and it will be noted that this bill authorizes only $350,000,000.

Also the data obtained by the subcommittee of the Economic and Social Council of the United Nations has entered into this finding of $350,000,000 as necessary. I would like to point out to this economy-minded Congress that under the United Nations relief we were taking 72 percent of the burden and now we are only going to take 57 percent of the burden. We have reduced the figure. This relief is not for just giving away of money and materials. It is chiefly for food to prevent starvation. This relief is to raise these people to the absolute minimum beyond which they would starve. Even the gentleman from Michigan [Mr. JONKMAN], admits that this fund is not sufficient to keep them from starving.

Mr. JONKMAN. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Michigan.

Mr. JONKMAN. Did the gentleman say I admitted that this fund was not enough to keep them from starving?

Mr. FULTON. The gentleman feels, I take it from his statement, that this fund itself will not keep these people from starving.

Mr. JONKMAN. I, on the contrary, claim to have demonstrated that they cannot spend the fund that they have judiciously. They can spend and they can waste, but a billion dollars is a lot of money to spend.

Mr. FULTON. May I say this, that the gentleman from Michigan did not bring you up to date on the figures; that the last shipment of UNRRA relief which we were to provide has now been sent from these shores. May I point out that Senator VANDENBERG testified, page 5123 of the CONGRESSIONAL RECORD, in that respect. So, the gentleman from Michigan is incorrect in his statement that this money, and the goods and the food purchased, are unexpended, because Senator VANDENBERG himself on the Senate floor said categorically that the last shipment has already left our shores.

As long ago as last January Secretary of State Marshall said that this was No. 1 on his list of 27 foreign-affairs measures that we should have for the peace of the world. I believe I will stand with General Marshall and with Senator VANDENBERG.

Mr. MATHEWS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New Jersey.

Mr. MATHEWS. There is obviously a discrepancy between the first five lines of the bill and page 1 of the report.

Mr. FULTON. Would the gentleman ask his question directly.

Mr. MATHEWS. Subsection (b) of section 2 on the second page. What I want to ask the gentleman is this: Can we be given assurance that out of the $350,000,000 authorized to be appropriated will be included the salaries of the missions and the commission and all persons connected with it?

Mr. FULTON. I will assure the gentleman, as a member of the committee, that all expenses for administration, traveling, and expenses of all the missions in each of the countries are included in the authorization of the $350,000,000 specifically.

Mr. MATHEWS. I thank the gentleman.

Mr. LODGE. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Connecticut.

Mr. LODGE. I just want to point out something in connection with the change

made in conference in the clause that was in the House bill which provided that reparations payable by treaty by any country receiving relief to any other country must be postponed during the period of such relief. It was my intention, as the author of that amendment, to protect the American taxpayer against having to make payments both for relief and for reparations. It was my intention to protect the Hungarians against the burden of treaty reparations and if that was not possible to obtain a postponement of reparations payments. It was not my intention that the Hungarians, for instance, should be deprived of relief after the other body by ratifying the treaty had decided that they should pay reparations. It does not seem to me fair to the Hungarians or to the Italians—insofar as they might be affected—just because the other body decides to ratify these treaties, that they should be deprived of relief. It just so happens that I believe that ratification of these treaties should be withheld. However, since the Foreign Relations Committee of the other body has ratified these treaties, I believe that the change that was made in conference was entirely right. The President will seek a postponement of reparations payments and if he does not succeed the Hungarians will nevertheless receive relief.

Mr. FULTON. I believe the gentleman has made a very excellent statement, that we did not want in any way to find that the relief we send over goes into reparations to any country, instead of to these people that are intended to get the relief. We have taken great care to see that the assistance will simply go in as relief to prevent starvation.

May I cite Senator VANDENBERG as to the necessity for this $350,000,000? I believe he has served the Republican Party well as our senatorial leader on foreign policy. I ask the Republican side particularly to listen to what Senator VANDENBERG has to say on the necessity for $350,000,000:

> Without this measure there is no use in trying to save Greece, as both Houses of Congress have voted overwhelmingly to do, because this relief is specifically at the base of our Greek plan.

Mr. EATON. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BLOOM].

Mr. BLOOM. Mr. Speaker, the statement read on UNRRA is the statement of the United States participation in UNRRA. UNRRA is an international body. What we are trying to do here is something the gentleman from New Jersey [Mr. EATON] and I started in New York City at the United Nations last year. We are doing something here on which we have the handle in our own grip. We are doing it. We have the control of this thing completely. If you reduce this from $350,000,000, which is 57 percent of the $610,000,000, which we went over very carefully in New York City, not in a minute or a day or a week, for it took months to do this thing—if you reduce that $350,000,000 to $200,000,000, then you are automatically reducing the contributions of the other United Nations to the $610,000,000, which we figured at that time was the lowest amount, the smallest amount we could possibly try to do the job for in Europe.

It is a fact that since we started the hearings on this legislation and before we had it on the floor of the House we received word from all over Europe and the different countries that the situation there today is much worse, much worse than it was when we had this bill here for consideration. There is no question about that.

We have given $40,000,000 for the children, and that will be given to the children. A promise has been made that that will be given. I think I had something to do with that as far as the other nations are concerned. Then we will give them $5,000,000 to defray the expenses of sending food that is contributed to this fund by different organizations, for nothing. So that is $45,000,000 taken off, which leaves only $305,000,000.

As was said here, this is an authorization, and we can find out what is necessary to be done to see that proper relief is given. This figure has not been taken out of the air. This figure has been calculated and figured out very carefully. The total sum is $610,000,000.

Mr. EATON. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I am strongly in favor of adopting this bill as reported by the conference committee; first, because we have had assurances that we will have no further relief demands in the near future, and, second, because of the tremendous need and the starvation among the suffering people in Europe as compared with the almost unlimited supply and variety of food available to all Americans.

I believe this bill expresses the innate desire of the American people to do, as they have always done, go to the rescue of our starving neighbors across the sea.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. EATON. I yield.

Mr. RICH. What assurances have you that this is the last bill that we will be asked to act upon to authorize and appropriate money for relief?

Mr. EATON. The best assurance I have is the announcement made by the gentleman's leader, Mr. VANDENBERG.

Mr. RICH. He is not my leader; I want you to understand that.

Mr. GAVIN. Mr. Speaker, I compliment the gentleman from Pennsylvania [Mr. RICH].

Mr. EATON. It would seem that no one individual can lead Republicans any more. It would appear that our Republican army is composed now entirely of generals.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. EATON. I yield.

Mr. JUDD. Would not the gentleman agree that the less satisfactory our experience has been in handling relief on a jointly managed basis under UNRRA, the more responsible we are for doing our share under this program where we can do it ourselves in our own American way and carry the food under our own supervision, right down to the ultimate village, if necessary?

Mr. EATON. I am in full accord with the gentleman's view, and I thank him for introducing that flash of intelligence into what I have to say.

Mr. JUDD. Mr. Speaker, will the gentleman yield for a further flicker, if not a flash?

Mr. EATON. I yield.

Mr. JUDD. Does not the gentleman agree that the more opposed many of us have been to the sort of program heretofore carried on, the more we should support the program which is before us today. The very people who voted against UNRRA because so many of those who spent our money were from other countries are under a greater obligation, it seems to me, to carry on this program under Americans, everyone of them cleared by the FBI. I say that as one who very strongly criticized UNRRA. This authorizes only one-eighth of the total amount that we have already given under UNRRA. If we can finish all or most of the job with one-eighth of what we have already given, much of which was wasted, surely we ought to do so, both for humanitarian reasons and for reasons of intelligent long-term self-interest.

Mr. EATON. Mr. Speaker, I thank the gentlemen for their assistance.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. EATON. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. They have made two crops in Europe since the war ended, and are now stripping the people of Europe and taking the funds to build up armies while asking us to continue to feed the people of Europe who are being dominated by those Communist armies or regimes.

Mr. EATON. Mr. Speaker, I yield 1 minute to myself.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. EATON. I yield.

Mr. JUDD. I should like to answer the gentleman from Mississippi by asking him to read section 5 where it says, "The President shall promptly terminate the provision of relief assistance to the people of any country whenever he determines," among other things, "that an excessive amount of any supplies transferred or otherwise made available pursuant to this joint resolution, or of similar supplies produced locally or imported from outside sources, is being used to assist in the maintenance of armed forces in such country."

Mr. RANKIN. You do not need anythink like that to tell the people of Europe how to make a crop. The substance of the people of Europe is being taken over by these Communist organizations maintaining large armies, large military forces, and they are asking us to feed the people that they are supposed to feed.

I live in a country that lost a war once. Our brave Confederate soldiers came home, went to work and fed their own people while rebuilding the devastated South.

If we are going to feed the peoples of the rest of the world at the expense of the American taxpayers while their crops are used to feed useless standing

armies, then there will be no end to the appropriations we will be called upon to make.

The peoples of these countries have had time to make two crops since the war closed. Never in the history of Europe have we seen a demand to feed starving people before except when there was some kind of a crop failure. There have been no such failures in this instance. We had better make a contribution to the Red Cross and let them feed the hungry children. The Red Cross will not make such a farce of it as was made in the case of UNRRA.

Mr. EATON. Mr. Speaker, this bill appropriates $350,000,000. It leaves only $290,000,000 of actual money to be invested in the salvation of the starving people. The rest goes to the children's fund or for expenses. Fifteen million dollars is to be held in escrow for use in other countries as the necessity may arise.

I hope and pray we will carry this bill through today with a very handsome and substantial majority.

Mr. Speaker, I yield the remainder of the time to the gentleman from South Dakota [Mr. MUNDT].

The SPEAKER. The gentleman from South Dakota [Mr. MUNDT] is recognized for 11½ minutes.

Mr. MUNDT. Mr. Speaker, this problem of participating in relief for foreign countries is not a new one before this body. I want to take you back a few years to the first UNRRA bill and to the subsequent UNRRA bills, because we have appropriated and spent $2,700,000,000 through UNRRA to help relieve the people of distressed war areas.

A vast majority of the Members of this body voted for that legislation, but they voted for it, many of them, as I voted for it, and as the gentleman from Massachusetts [Mr. MCCORMACK] today indicated he voted for it, with their tongues in their cheeks, and reluctantly, because UNRRA did not seem to be an efficient set-up for handling the difficult relief problems abroad. It was argued that it should have been an American enterprise. We have before us today such an American enterprise in this conference report.

The second criticism made of UNRRA was that it should have been administered by Americans instead of by foreigners. This bill provides that. It provides for the administration of this relief by Americans who have been screened by the FBI; so we have made progress in that direction.

The third criticism about UNRRA was that we should have provided relief which was identified as American relief. This bill provides that. The relief is to carry labels and identification marks and trademarks as American products right down to the ultimate consumers.

The fourth criticism of UNRRA was that the supplies were not publicized abroad or at home and the press and radio were not permitted to follow through and report on the disposition made of UNRRA supplies. This proposal corrects that shortcoming. It provides that there shall be adequate and complete publication of the information about this relief, not only in America but in the countries receiving the relief.

The fifth criticism made of UNRRA was that it was an extravagant outfit; that it did not get the result it should have out of the $2,700,000,000. We are asking you today to appropriate only $350,000,000, a considerably smaller amount than any other we have been asked to provide, to aid legitimately distressed people in war-stricken areas. With the numerous safeguards written into this new program, I am confident this $350,000,000 will feed more people who are actually in need and in want than would be true of several times this amount if handled through UNRRA.

Now, let me go to the figures of this conference report. As you know, when it left the House, the over-all figure was $200,000,000. The over-all figure now before you is $350,000,000, but that does not mean that the House conferees receded entirely from the position which we took in the House because actually we are bringing you this conference report at a working figure of $290,000,000. That is the working fund for the specific purposes which this act provided when it left the House, namely, the general relief of people in war-devastated areas as specified by our legislation.

The figure that you must compare with the $350,000,000 item which the Senate approved is $29,000,000. Let me spell out to you specifically how that is true. Since this bill left the House of Representatives in the course of its enactment it has been expanded to do other things which were not originally included in the original $350,000,000.

Five million dollars, for example, has been set aside to pay the shipping costs for relief sent overseas by voluntary private organizations, a proposal which multiplies tremendously the benefits to be given by this relief program. So, $5,000,000 of the $350,000,000 is not available for the purposes originally contained in this legislation when it was last before us.

Fifteen million dollars has been set aside additionally for so-called emergency relief beyond and outside of the confines of the six countries named in this act, so there is another $15,000,000 which will not be available for aid to the specified areas, as was originally expected for the relief program.

Forty million dollars more has been set aside to take care of the needs of the International Emergency Children's Fund, $15,000,000 of it being made available by legislative mandate at once and $25,000,000 additional being set aside until well into 1948, until it has been demonstrated and determined whether or not the other countries will meet their 43 percent proportionate payments to this childrens' fund.

Mr. JONKMAN. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. Not now. I will yield later.

If they meet their quotas the entire $40,000,000 will be available for childrens' relief and deducted from the money we are appropriating in this legislation for general relief. If they do not meet it, the President is authorized to expend the residual amount for the general purposes of the act provided he first determines there is no reasonable expectancy that these quotas will be met before June 30, 1948.

I now yield to the gentleman from Michigan.

Mr. JONKMAN. The gentleman says that $25,000,000 in addition to the $15,000,000 will go to the children's fund. That will not happen until the other nations contribute their 43 percent. Is not that true?

Mr. MUNDT. That is correct. I do not yield further.

Mr. JONKMAN. Can the gentleman name one nation that has said it would contribute to the fund?

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I decline to yield.

Answering the gentleman from Michigan, I may say that I cannot name specifically any other country that is going to contribute to the children's fund, because this is the first step by which the fund is implemented. We are making the initial contribution with the understanding that collectively the other countries will contribute 43 percent. If they do not contribute, then the $25,000,000 already referred to reverts to the general purposes of this bill.

Mr. Speaker, may I point out other respects in which the position of the House prevailed over the position of the other body? For example, the children's fund was not mentioned at all in the legislation passed by the Senate. It is now in the bill, as I have described to you. That was a distinct victory for the House conferees.

The countries were not named in the legislation passing the other body. We named the countries specifically, and they remain exactly as named by the House except we added the country of Trieste, which I think we all believe necessarily should be added, since we have assumed international responsibility for Trieste. That is another complete victory for the House position.

The third position of the House that was maintained is the provision for relief distribution, that it shall be done by American citizens screened by the FBI, permitting American control of these goods until they get to the ultimate consumer. The House position in that regard was maintained, as the so-called Mundt amendment remains in the bill.

This brings me to reparations. This has already been discussed by the gentleman from Ohio [Mr. VORYS] and the gentleman from Connecticut [Mr. LODGE]. To the fullest extent possible the position of the House has been maintained there. We require the President to seek from other countries in the world an agreement whereby they will not extract reparations out of current production from any country being aided by this bill. That is all we can do practically at this present time, in view of circumstances beyond the control of this House. The author of that amendment, the gentleman from Connecticut [Mr. LODGE], supports this action of the conferees.

In the fifth place, the termination date written in by the House remains in the bill; namely, that by concurrent resolu-

tion the Congress can withhold from any country or from all the countries further aid at any time the House and the Senate in the wisdom of a majority vote decide that it should be discontinued.

So I submit to you that in large measure the position of the House prevails in this conference report, and I think the conference report should be adopted. I say this as one of those who voted for the $200,000,000 amendment as originally presented by the gentleman from Michigan [Mr. JONKMAN]. I was in favor of it at that time and am so recorded both by speech and vote. However, we now face a different decision under different circumstances and we are considering legislation covering a much wider field of needs than was then the case.

It should be kept in mind, Mr. Chairman, that our action in reducing this proposed appropriation for relief to $2,000,000 by our earlier votes has in fact effected a saving for this country of perhaps $60,000,000 even though we now approve this conference report. This is true because we have expanded the purposes of this act to cover the Children's Fund thus obviating the necessity of the President sending us his $40,000,000 bill for that purpose as was previously announced and because we are using $5,000,000 of this fund to provide shipping for voluntary relief shipments and $15,000,000 is being withheld to meet possible emergency relief needs in countries outside of the prescribed areas. The House thus can take credit for effecting a great and a real saving by our earlier action and by approving this conference report we can supplement that worthwhile action by now expediting the establishment of an effective and efficient relief set-up to meet the most crying needs in Europe. I am not in favor of reducing the appropriation back to $2,000,000 at this time, however, because, as I have pointed out, we have increased the purposes, the objectives, and the responsibilities of this bill. We have made it responsible for a much larger achievement than was originally the case. So I submit that this $290,000,000 figure for a working fund is a legitimate and an honest reconciliation between the positions of the two Houses. It enables you to vote for economy and against starvation at the same time.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to ask the gentleman if it is not true that those people have had an opportunity or time to make two crops since the war closed, and if they are not taking the production of their own people and using that to build up military establishments, at the same time calling on us to feed the people of those countries? And will not the gentleman be standing up in this well one year from today asking us for another appropriation to feed them through another year while this same procedure goes on?

Mr. MUNDT. The answer to the gentleman's question is in part "yes" and in part "no." It is certainly "no" as far as Greece is concerned, it is "no" as far as Italy is concerned, it is "no" as far as Trieste is concerned. The answer is "yes" as far as Poland is concerned and it is "yes" in part as far as Hungary is concerned. However, under the Mundt amendment which remains in the bill it is going to be "no" for all the countries from now on because these goods are being distributed by American relief missions, by American citizens, conveying the goods all the way down to the ultimate consumer. So at least insofar as the future is concerned it is going to be a negative answer under the terms of this legislation.

Mr. LODGE. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Connecticut.

Mr. LODGE. I want to point out to the gentleman from Mississippi that section 5 (a) provides that the President shall promptly terminate relief if he finds that it is being used to assist in the maintenance of armed forces in such countries.

Mr. RANKIN. May I call attention to the fact that in Italy and Trieste they are reaping their third crops now since the war closed.

Mr. MUNDT. I am not arguing about the number of crops. The food is not going to be taken out of the country to feed the Russians or to build military establishments under the terms of this bill.

Mr. MATHEWS. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from New Jersey.

Mr. MATHEWS. Since the President may terminate this if an excessive amount is used for military purposes, may I ask the gentleman why in a relief bill any part of it should be used for military purposes?

Mr. MUNDT. This says that the President can terminate it. It may be that in a country like Greece or Italy they may have soldiers in their own army who need rations to feed them; so we do not want to make it too conclusive. But the intent of this limitation is crystal clear.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Michigan.

Mr. DONDERO. As one who has supported UNRRA all the way along, may I say that we have listened to the same enthusiastic appeal for that organization as we have for this bill today.

Mr. MUNDT. Not from the present speaker. Every time I spoke on UNRRA I did so with great reluctance because I realized it had an almost impossible administrative setup. But the position recommended by the Republicans on the Committee of Foreign Affairs at that time and the position since recommended both by Democrats and Republicans concerning UNRRA has been written into this legislation. So we are concerned with this decision: Do we want Uncle Sam to do anything at all to help the starving people of the world? If we do, we can do it now with American citizens, with American goods, with American publicity accruing all over the world. If we do not believe we should help them, then the answer should be in the negative. The decision is yes or no, whether you want America to help feed the people of a war-torn world. As for me, I think we should adopt this conference report and measure up to our responsibilities in an American way, with American methods administered by American citizens whose loyalty has been certified by the Federal Bureau of Investigation.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. EATON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. JONKMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. JONKMAN. I am, Mr. Speaker.

The SPEAKER. Does any Member on the minority side wish to offer a motion to recommit? If not, the Clerk will report the motion offered by the gentleman from Michigan.

The Clerk read as follows:

Mr. JONKMAN moves that the conference report be recommitted to the committee of conference with instructions to the managers on the part of the House to insist on the House provision for authorization of $200,000,000.

Mr. EATON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from Michigan [Mr. JONKMAN].

Mr. JONKMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 170, nays 205, not voting 55, as follows:

[Roll No. 60]

YEAS—170

Abernethy	Colmer	Hull
Allen, Calif.	Cravens	Jenkins, Ohio
Allen, Ill.	Crawford	Jennings
Allen, La.	Cunningham	Jensen
Andersen, H. Carl	Curtis	Johnson, Ill.
	Dague	Johnson, Ind.
Andresen, August H.	Davis, Ga.	Jones, Ohio
	Dolliver	Jonkman
Angell	Dondero	Kearney
Arends	Dorn	Kearns
Arnold	Ellis	Knutson
Auchincloss	Ellsworth	Landis
Banta	Elston	Larcade
Barden	Engel, Mich.	LeCompte
Barrett	Fellows	LeFevre
Bates, Mass.	Fenton	Lemke
Beall	Fisher	Love
Bennett, Mo.	Gallagher	Lucas
Bishop	Gavin	McConnell
Blackney	Gillette	McCowen
Boggs, Del.	Gillie	McDonough
Brehm	Goodwin	McDowell
Brooks	Graham	McGregor
Brophy	Grant, Ind.	McMillen, Ill.
Buck	Griffiths	Macy
Buffett	Gross	Maloney
Burleson	Gwinn, N. Y.	Martin, Iowa
Busbey	Gwynne, Iowa	Mason
Butler	Halleck	Meyer
Byrnes, Wis.	Hand	Michener
Carson	Harness, Ind.	Miller, Md.
Chenoweth	Harrison	Morris
Chiperfield	Hartley	Murray, Tenn.
Church	Hess	Murray, Wis.
Clevenger	Hill	Norblad
Clippinger	Hoffman	O'Hara
Coffin	Horan	O'Konski
Cole, Mo.	Howell	Passman

Phillips, Calif.
Phillips, Tenn.
Ploeser
Ramey
Rankin
Redden
Reed, Ill.
Reed, N. Y.
Rees
Reeves
Rich
Rizley
Robertson
Robsion
Rockwell
Rogers, Mass.
Rohrbough
Russell
St. George
Sanborn
Sarbacher
Schwabe, Mo.
Schwabe, Okla.
Scoblick
Scrivner
Shafer
Short
Simpson, Pa.
Smith, Kans.
Smith, Ohio
Smith, Wis.
Snyder
Springer
Stefan
Stevenson
Stockman
Sundstrom
Taber
Talle
Taylor
Thomas, Tex.
Tibbott
Towe
Twyman
Vail
Van Zandt
Vursell
Weichel
Wheeler
Whitten
Wigglesworth
Williams
Wilson, Ind.
Winstead
Wolverton
Woodruff
Worley
Youngblood

NAYS—205

Albert
Almond
Anderson, Calif.
Andrews, Ala.
Andrews, N. Y.
Bakewell
Battle
Beckworth
Bell
Blatnik
Bloom
Boggs, La.
Bolton
Bradley, Calif.
Bramblett
Brown, Ga.
Bryson
Buchanan
Burke
Byrne, N. Y.
Camp
Canfield
Cannon
Carroll
Case, N. J.
Case, S. Dak.
Celler
Chadwick
Chapman
Chelf
Clark
Clason
Clements
Cole, Kans.
Cole, N. Y.
Combs
Cooley
Cooper
Corbett
Cotton
Coudert
Crosser
Davis, Tenn.
Davis, Wis.
Deane
Delaney
Devitt
Dingell
Dirksen
Donohue
Doughton
Douglas
Drewry
Durham
Eaton
Eberharter
Elliott
Engle, Calif.
Fallon
Feighan
Fernandez
Fletcher
Fogarty
Folger
Foote
Forand
Fulton
Gamble
Gary
Gearhart
Goff
Gordon
Gore
Gorski
Granger
Grant, Ala.
Gregory
Hale
Hall, Edwin Arthur
Hall, Leonard W.
Hardy
Harless, Ariz.
Harris
Hart
Havenner
Hays
Hébert
Hedrick
Hendricks
Herter
Heselton
Hinshaw
Hobbs
Holifield
Holmes
Hope
Huber
Jackson, Calif.
Jackson, Wash.
Jarman
Javits
Jenkins, Pa.
Johnson, Calif.
Johnson, Okla.
Johnson, Tex.
Jones, Ala.
Jones, N. C.
Jones, Wash.
Judd
Karsten, Mo.
Kean
Keating
Kee
Kefauver
Kelley
Kennedy
Keogh
Kerr
Kersten, Wis.
Kilday
King
Kirwan
Klein
Lane
Lanham
Latham
Lea
Lesinski
Lewis
Lodge
Lyle
Lynch
McCormack
McMahon
McMillan, S. C.
MacKinnon
Madden
Mahon
Manasco
Mansfield, Mont.
Marcantonio
Mathews
Meade, Ky.
Meade, Md.
Merrow
Miller, Calif.
Miller, Conn.
Mills
Monroney
Morgan
Morton
Muhlenberg
Mundt
Murdock
Nixon
Nodar
Norton
O'Brien
O'Toole
Owens
Pace
Philbin
Pickett
Potts
Poulson
Preston
Price, Ill.
Priest
Rabin
Rains
Rayburn
Rayfiel
Richards
Riehlman
Riley
Rivers
Rogers, Fla.
Rooney
Ross
Sabath
Sadlak
Sadowski
Seely-Brown
Sheppard
Sikes
Smith, Maine
Smith, Va.
Spence
Stigler
Stratton
Thomason
Tollefson
Trimble
Vinson
Vorys
Wadsworth
Walter
Welch
West
Whittington
Wilson, Tex.
Zimmerman

NOT VOTING—55

Bates, Ky.
Bender
Bennett, Mich.
Bland
Bonner
Boykin
Bradley, Mich.
Brown, Ohio
Buckley
Bulwinkle
Courtney
Cox
Crow
Dawson, Ill.
Dawson, Utah
D'Ewart
Domengeaux
Elsaesser
Evins
Flannagan
Fuller
Gathings
Gifford
Gossett
Hagen
Heffernan
Hoeven
Jenison
Keefe
Kilburn
Kunkel
Lusk
McGarvey
Mansfield, Tex.
Miller, Nebr.
Mitchell
Morrison
Norrell
Patman
Pfeifer
Plumley
Poage
Powell
Price, Fla.
Sasscer
Scott, Hardie
Scott, Hugh D., Jr.
Simpson, Ill.
Smathers
Somers
Stanley
Teague
Thomas, N. J.
Wolcott
Wood

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hoeven for, with Mr. Courtney against.

Mr. Norrell for, with Mr. Pfeifer against.

Mr. Stanley for, with Mr. Buckley against.

Mr. Simpson of Illinois for, with Mr. Flannagan against.

Mr. Wood for, with Mr. Smathers against.

Mr. Gathings for, with Mr. Heffernan against.

Mr. Teague for, with Mr. Somers against.

General pairs until further notice:

Mr. Bender with Mr. Powell.

Mr. Kilburn with Mr. Mansfield of Texas.

Mr. D'Ewart with Mr. Gossett.

Mr. Crow with Mr. Domengeaux.

Mr. Thomas of New Jersey with Mr. Cox.

Mr. Wolcott with Mrs. Lusk.

Mr. Mitchell with Mr. Bonner.

Mr. Gifford with Mr. Poage.

Mr. Elsaesser with Mr. Morrison.

Mr. Bradley of Michigan with Mr. Bulwinkle.

Mr. Hagen with Mr. Dawson of Illinois.

Mr. Jenison with Mr. Evins.

Mr. Keefe with Mr. Patman.

Mr. McGarvey with Mr. Bates of Kentucky.

Mr. Dawson of Utah with Mr. Boykin.

Mr. Bennett of Michigan with Mr. Price of Florida.

Mr. Fuller with Mr. Sasscer.

Mr. Plumley with Mr. Bland.

Messrs. BREHM and LEMKE and Mrs. ROGERS of Massachusetts changed their vote from "nay" to "yea."

Messrs. VORYS and DREWRY changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

Mr. EATON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 289, nays 86, not voting 55, as follows:

[Roll No. 61]

YEAS—289

Albert
Allen, Calif.
Almond
Andersen, H. Carl
Anderson, Calif.
Andresen, August H.
Andrews, Ala.
Andrews, N. Y.
Angell
Arends
Auchincloss
Bakewell
Barrett
Bates, Ky.
Bates, Mass.
Battle
Beall
Beckworth
Bell
Blackney
Blatnik
Bloom
Boggs, Del.
Boggs, La.
Bolton
Bradley, Calif.
Bramblett
Brehm
Brooks
Brophy
Brown, Ga.
Bryson
Buchanan
Buck
Burke
Busbey
Byrne, N. Y.
Byrnes, Wis.
Camp
Canfield
Cannon
Carroll
Carson
Case, N. J.
Case, S. Dak.
Celler
Chadwick
Chapman
Chelf
Chenoweth
Clark
Clason
Clements
Coffin
Cole, Kans.
Cole, N. Y.
Combs
Cooley
Cooper
Corbett
Cotton
Coudert
Cravens
Crosser
Cunningham
Curtis
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Deane
Delaney
Devitt
Dingell
Dirksen
Dolliver
Donohue
Doughton
Douglas
Drewry
Durham
Eaton
Eberharter
Elliott
Ellsworth
Elston
Engel, Mich.
Engle, Calif.
Fallon
Feighan
Fellows
Fenton
Fernandez
Fletcher
Fogarty
Folger
Foote
Forand
Fulton
Gamble
Gary
Gearhart
Goff
Goodwin
Gordon
Gore
Gorski
Granger
Grant, Ala.
Grant, Ind.
Gregory
Gwinn, N. Y.
Gwynne, Iowa
Hale
Hall, Edwin Arthur
Hall, Leonard W.
Halleck
Hardy
Harless, Ariz.
Harris
Hart
Hartley
Havenner
Hays
Hébert
Hedrick
Hendricks
Herter
Heselton
Hess
Hill
Hinshaw
Hobbs
Holifield
Holmes
Hope
Horan
Howell
Huber
Jackson, Calif.
Jackson, Wash.
Jarman
Javits
Jenkins, Ohio
Jenkins, Pa.
Jensen
Johnson, Calif.
Johnson, Okla.
Johnson, Tex.
Jones, Ala.
Jones, N. C.
Jones, Wash.
Jonkman
Judd
Karsten, Mo.
Kean
Kearney
Keating
Kee
Kefauver
Kelley
Kennedy
Keogh
Kerr
Kersten, Wis.
Kilday
King
Kirwan
Klein
Lane
Lanham
Latham
Lea
Lesinski
Lewis
Lodge
Love
Lyle
Lynch
McConnell
McCormack
McDonough
McMillan, S. C.
MacKinnon
Macy
Madden
Mahon
Manasco
Mansfield, Mont.
Marcantonio
Mathews
Meade, Ky.
Meade, Md.
Merrow
Meyer
Michener
Miller, Calif.
Miller, Conn.
Miller, Md.
Mills
Monroney
Morgan
Morris
Morton
Muhlenberg
Mundt
Murdock
Murray, Tenn.
Nixon
Nodar
Norblad
Norton
O'Brien
O'Toole
Owens
Pace
Patterson
Peden
Peterson
Phillips, Calif.
Ploeser
Plumley
Potts
Poulson
Preston
Price, Ill.
Priest
Rabin
Rains
Ramey
Rayburn
Redden
Reed, Ill.
Rees
Richards
Riehlman
Riley
Rivers
Robertson
Rockwell
Rogers, Fla.
Rogers, Mass.
Rohrbough
Rooney
Ross
Russell
Sadlak
Sadowski
St. George
Scoblick
Scott, Hardie
Seely-Brown
Sheppard
Sikes
Simpson, Pa.
Smith, Maine
Smith, Va.
Snyder
Spence
Stefan
Stevenson
Stigler
Stratton
Sundstrom
Taber
Talle
Taylor
Thomason
Tibbott
Tollefson
Towe
Trimble
Twyman
Van Zandt
Vinson
Wadsworth
Walter
Welch
West
Whittington
Wigglesworth
Wilson, Tex.
Wolcott
Wolverton
Worley
Zimmerman

NAYS—86

Abernethy
Allen, Ill.
Allen, La.
Arnold
Banta
Barden
Bennett, Mo.
Bishop
Buffett
Burleson
Butler
Chiperfield
Church
Clevenger
Clippinger
Cole, Mo.
Colmer
Crawford
Dague
Dondero
Dorn
Ellis
Fisher
Gallagher
Gavin
Gillette
Gillie
Graham
Griffiths
Gross
Hand
Harness, Ind.
Harrison
Hoffman
Hull
Jenison
Jennings
Johnson, Ill.
Johnson, Ind.
Jones, Ohio
Kearns
Knutson
Landis
Larcade
Lemke
Lucas
McCowen
McGregor
McMahon
McMillen, Ill.
Maloney
Mason
O'Hara
O'Konski
Passman
Phillips, Tenn.
Pickett
Rankin
Reed, N. Y.
Reeves
Rizley
Robsion
Sanborn
Sarbacher
Schwabe, Mo.
Schwabe, Okla.
Scrivner
Shafer
Short
Smith, Kans.
Smith, Ohio
Smith, Wis.
Springer
Stockman
Thomas, Tex.
Vail
Vorys
Vursell
Weichel
Wheeler
Whitten
Williams
Wilson, Ind.
Winstead
Woodruff
Youngblood

NOT VOTING—55

Bender
Bennett, Mich.
Bland
Bonner
Boykin
Bradley, Mich.
Brown, Ohio
Buckley
Bulwinkle
Courtney
Cox
Crow
Dawson, Ill.
Dawson, Utah
D'Ewart
Domengeaux
Elsaesser
Evins

Flannagan	McGarvey	Rich
Fuller	Mansfield, Tex.	Sabath
Gathings	Miller, Nebr.	Sasscer
Gifford	Mitchell	Scott,
Gossett	Morrison	Hugh D., Jr.
Hagen	Murray, Wis.	Simpson, Ill.
Heffernan	Norrell	Smathers
Hoeven	Patman	Somers
Keefe	Pfeifer	Stanley
Kilburn	Philbin	Teague
Kunkel	Poage	Thomas, N. J.
Lusk	Powell	Wood
McDowell	Price, Fla.	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hoeven for, with Mr. Stanley against.
Mr. Courtney for, with Mr. Norrell against.
Mr. Flannagan for, with Mr. Wood against.
Mr. Pfeifer for, with Mr. Gathings against.
Mr. Heffernan for, with Mr. Teague against.

Additional general pairs:

Mr. Brown of Ohio with Mr. Powell.
Mr. Rich with Mr. Smathers.
Mr. Thomas of New Jersey with Mr. Gossett.
Mr. Mitchell with Mr. Morrison.
Mr. Miller of Nebraska with Mrs. Lusk.
Mr. Kilburn with Mr. Buckley.
Mr. Bradley of Michigan with Mr. Domengeaux.
Mr. Bender with Mr. Evins.
Mr. Hagen with Mr. Bonner.
Mr. McDowell with Mr. Price of Florida.
Mr. Simpson of Illinois with Mr. Bland.
Mr. D'Ewart with Mr. Dawson of Illinois.
Mr. Crow with Mr. Sasscer.
Mr. Bennett of Michigan with Mr. Cox.
Mr. Elsaesser with Mr. Mansfield of Texas.
Mr. Fuller with Mr. Philbin.
Mr. McGarvey with Mr. Poage.
Mr. Keefe with Mr. Boykin.
Mr. Gifford with Mr. Sabath.
Mr. Dawson of Utah with Mr. Patman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is their objection to the request of the gentleman from New Jersey?

There was no objection.

SPECIAL ORDER GRANTED

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that I may address the House for 10 minutes today after the other special orders.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

CONFERENCE REPORT ON H. R. 3245

Mr. TABER. Mr. Speaker, I ask unanimous consent that the committee of conference may have until midnight tonight to file a conference report on H. R. 3245.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REPORT ON H. R. 2798, 2799, 2780, AND 3492

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file reports on the bills H. R. 2798, 2799, 2780, and 3492.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. WOLCOTT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Arthur Krock appearing in the New York Times.

Mr. PLOESER (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD and include an enlightening comment on the Texas City disaster.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include annual report, Washington County soil conservation district. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $213, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a short statement.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

PERMANENT POSTAL RATES

Mr. VURSELL, from the Committee on Post Office and Civil Service, submitted report (Rept. No. 410) to accompany H. R. 3519, to provide for permanent postal rates.

The SPEAKER. Under previous special order of the House, the gentleman from Wisconsin [Mr. SMITH] is recognized for 30 minutes.

PREPARE NOW TO DEFEND ALASKA AND CANAL ZONE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, now that we have charted a new course in international affairs, it seems to me we ought to be thinking in terms of preparedness for our country. Certainly our global activities are going to require the spending of a lot of money in the years ahead to keep ourselves prepared in such a way that we can resist any attack that might come from without at any time.

It seems to me that under the bill which we passed last week—the Greek-Turkish matter—that it was nothing more nor less than the pointing of a gun at one whom we consider in the future to be a possible armed adversary. Now, we have charted a course, and we must implement that course by making ourselves strong from a military standpoint. Now is the time to prepare; we cannot wait until the bombs fall.

Mr. Speaker, during the debate of the Greek-Turkish aid bill I charged that it was designed for military purposes; that it would not stop communism in those countries and it was not intended for that purpose. It was clear to many of us that the people of this country were entitled to know all of the facts with their vast implications and that it was the duty of the President to so state. In this respect he is derelict in his responsibilities.

Since passage of the bill the Greek and Turkish Governments have officially stated that the money authorized will be used for military purposes. Thus, we see that our money is going to prepare foreign nations against aggressive action by the Communists. Mr. Speaker, it is my conviction that this is equivalent to a declaration of war. If it is, we had better prepare for the next war, right now. We have pointed a gun at Russia. What would we do, Mr. Speaker, if that country decided to furnish money or military aid to Cuba or to a friendly country in South America? We would consider such action a violation of the Monroe Doctrine and tantamount to a declaration of war against us—and properly so. Thus, we have a situation involving the risk of war under the pretense that it will stop communism.

Mr. Speaker, as we survey the results of World War II, without bias or prejudice, we realize that a full and complete victory was not achieved. Hitler and his Nazis have been eliminated, but another evil has been substituted for them. The price of victory cannot be determined. Lives and the intangibles that make for victory are beyond estimation.

Mr. Speaker, today we wonder about that victory for we realize that our honored dead and those who served in this last war really meant that victory was to bring the "four freedoms" to all mankind. Unfortunately, we have substituted communism for nazism and in the wake of victory the world is about to be engulfed in another wave of political despotism. Red Joe Stalin is as bloody as Hitler and there is no place in a free world for people of this kind. So we are again in a period of suspense, trying desperately to meet the peril of the moment. We have reached another armistice when we had a right to believe we had achieved permanent peace.

Mr. Speaker, although the clouds are dark and ominous, I believe there is a bit of silver lining. When historians appraise the results of World War II, I believe they will record a major victory for all countries in the Western Hemisphere. That victory was climaxed by the Treaty of Chapultepec, signed in Mexico City on the 6th day of March 1945. A most important provision in that treaty provides for a unified defense system for the entire Western Hemisphere.

Mr. Speaker, in our very sincere desire to help all the world, by the giving of our resources, we must never forget that we must remain strong at home, politically, economically, and militarily. Outstanding civilian statesmen, and there are many, say that the time has come for us to take account of our own resources

before it is too late. The Godless Communist element at home and abroad, of course, want us to become weak so their task of taking over will be that much easier. It would therefore seem clear that our primary responsibility is to make ourselves secure from attacks without and within. This is necessarily so because we live in a world of power, with two ideologies seeking control. I wish it were not so, but it is and we must face the future with realism.

Mr. Speaker, if we are realists in the matter of hemispheric defense, then we must rivet our attention on the state of our defenses in the Panama Canal Zone and in Alaska to avoid attack from without. There can be no denying that the Communists have alerted both areas. Let us not be fooled by the campaign to stop communism in Greece and Turkey and close our eyes to it right here in this hemisphere.

A very timely article by Jim Lucas in the Washington Daily News for May 19, bearing the headline "Are Communists Monkeying Around With Panama Canal?" directs attention to the necessity for action in that vital spot.

It appears, Mr. Speaker, that a Senate subcommittee is investigating charges that the CIO Public Workers of America in the Canal Zone are led by Communists. A reading of the article by Mr. LUCAS seems to leave but little doubt that the Communists are preparing to take over in that area at the proper time. This is indeed a call to action; we are on notice. Our national security must be assured by proper action of our military services, not alone in Turkey and Greece but here at home. There must be no Pearl Harbor in the Panama Canal Zone or in Alaska.

Mr. Speaker, we consider now the Alaskan zone. It was good news to learn from a War Department release that a big bomber base is to be constructed in Alaska at a cost in excess of $8,000,000. The program involves the building of a new runway, a huge hangar, and other strategic facilities. This is surely on a meager start.

It is common knowledge, Mr. Speaker, that Russia has its eyes on Alaska. Reports were circulated a short time ago that it was prepared to repudiate the sale of that territory to this country. Only a few months ago a returned Army officer told me about Russian military activities on the Kamchatka Peninsula only 500 miles from Attu. His statement was later confirmed by Mr. Lucas of Scripps-Howard, who reported airfields are under construction, warehouses and barracks have been built, roads have been improved, and waterways are being dredged. There is, in addition, ample evidence of increased Russian air activity over Alaska, and that is not "just for fun." If we are not careful a Pearl Harbor is a possibility here. We must keep in mind that in this air age this Alaskan territory is of great strategic value. It is rich in minerals and oils and in addition may some day be the center of commercial air routes over the top of the world.

Mr. Speaker, I do not pose as a military expert. Common sense would seem to indicate that a job of first importance must be tackled without delay. The military experts must of necessity be called in to map out a plan of defense for Alaska. With due respect to them I venture to suggest a modest plan of action:

First. The immediate recruitment of military personnel.

Second. The promotion of a campaign to induce civilians to migrate to Alaska in order to develop its natural resources.

Third. The improvement of rail and truck facilities to the area. This means the construction of two or three hard-surfaced roads and the maintenance of a modern railroad.

Fourth. Increased and improved air and coast artillery facilities. Fighter- and bomber-plane bases are indispensable. We must have the best. The latest coast artillery equipment must be installed.

Fifth. Establishment and development of adequate naval bases, implemented by a strong air arm and undersea craft.

Sixth. Maintenance of advanced technological station equipped with powerful radar facilities.

Seventh. Statehood for Alaska. This is vitally needed for defense purposes.

Mr. Speaker, this first session of the Eightieth Congress is charged with an important responsibility. We can stop communism in the Western Hemisphere by acting courageously now. It took only a matter of a few weeks to pass the Greek-Turkish bill. Can we do less to protect and defend our very borders? Time is truly of the essence. Let it not be said of this Congress that it has been derelict in its duty. The time to act is now.

[From the Washington Daily News of May 19, 1947]

SENATE GROUP IS ASKING: "ARE COMMUNISTS MONKEYING AROUND WITH PANAMA CANAL?"

(By Jim G. Lucas)

A three-man Senate subcommittee is investigating charges that activities of the left-wing CIO Public Workers of America in the Panama Canal Zone are Communist-led.

The Senators are ZALES N. ECTON, Republican, Montana; EDWARD J. THYE, Republican, Minnesota; and HERBERT R. O'CONOR, Democrat, Maryland. They have been hearing testimony on the effect of a recent Civil Service Commission ruling which opened civil-service rolls within the Canal Zone to citizens of Panama.

TWO PAY ROLLS

The ruling would abolish gold and silver rolls. In the Canal's early days, two pay rolls were given these designations. One group was paid in gold and the other in silver. This is no longer true, but American citizens on the gold roll receive higher wages for the same work as aliens on the silver roll.

The CIO Public Workers Union, composed principally of silver-roll employees, wants the change. The AFL and Canal Zone military leaders oppose it, the latter partly for security reasons.

IT'S IN A TREATY

Most jobs under the military there are noncivil service, but for jobs which have a civil-service classification, the Commission's rules and regulations must be followed. Arthur Flemming, of the Civil Service Commission, said the ruling giving Panama citizens the same job privileges as Americans was in line with guaranties under the Roosevelt-Arias treaty of 1939 but which were inoperative during the war.

Walter J. Jones, legislative representative for the Canal Zone Central Labor Union, an organization of gold-roll employees, testified the order meant "our files will be made available to persons who owe their allegiance to a foreign government."

LOTS OF PROPAGANDA

"There are agents who already are busy spreading their propaganda among the Panamanians," he said. "We have in the Canal Zone two representatives of the CIO Public Workers of America, J. L. Strobel and Robert Weinstein, who, along with their colleague, Leonard H. Goldsmith, have records of Communist activity, which have been published and which they have never denied."

"It is interesting to note that with the arrival of these gentlemen there began publication of a new Communist magazine 'ACLA' (Actione Communista Latina Americana). This magazine is devoted to attacking 'Yankee imperialism' and extolling the virtues of the Soviet Union as the defender of Latin America. Their records show they have done nothing but create chaos and confusion in the minds of the workers."

QUESTIONS AND ANSWERS

Here's what happened when Mr. Weinstein appeared before the committee:

Senator O'CONOR: "Are you a member of the Communist Party?"

Mr. WEINSTEIN. "No; I am not, sir."

* * * * *

Senator O'CONOR (referring to the magazine Plain Talk): "I find reference to this fact:

"'Robert Weinstein was an instructor at the Communist Jefferson School. He has been active in numerous fronts and has a record which might be the envy of many a Communist leader.'"

Mr. WEINSTEIN. "It doesn't say I did it. It says 'A Robert Weinstein.'"

Senator O'CONOR. "It says Robert Weinstein, and I understand you are the Robert Weinstein to whom this reference is made."

Mr. WEINSTEIN. "That is right. I do not exactly recall the date, Senator, but about, I guess, a couple of years ago, the publicity department of our organization sent me a memo saying there was a round-table discussion at the Jefferson School on the various questions confronting labor organizations. I went over about 8 o'clock one evening and * * * stayed there 50 minutes. I never got paid and I presume that is what he means."

* * * * *

Senator O'CONOR. "It says the Robert Weinstein to whom reference is made signed Communist election petition No. 2366 on September 21, 1941."

Mr. WEINSTEIN. "Doesn't it say 'A Robert Weinstein?'"

Senator O'CONOR. That is right.

Mr. WEINSTEIN. "It doesn't say me."

* * * * *

Senator O'CONOR. "Did the Public Workers Union during the last year or so adopt any resolution commenting on the foreign policy of our country or of Russia?"

Mr. WEINSTEIN. At our last convention in Atlantic City we adopted a resolution asking for the withdrawal of troops from, I don't think we mentioned places, but from foreign countries."

The SPEAKER pro tempore (Mr. KERSTEN of Wisconsin). Under previous order of the House, the gentleman from New York [Mr. REED] is recognized for 30 minutes.

CONSTITUTIONAL LIMITATIONS ON POWERS OF THE EXECUTIVE

Mr. REED of New York. Mr. Speaker, I think there is one subject upon which we can all agree regardless of which side of the House we sit, and that subject

is national security. I congratulate the gentleman who just spoke, Mr. SMITH of Wisconsin, for his splendid presentation of facts relating to that subject. I am going to talk for a few minutes on the same subject.

Mr. Speaker, it not infrequently happens on the floor of Congress that when a legislative proposal is made or one is opposed that some Member will inquire, "Have you not confidence in your President to execute the law?" I shall not attempt to express my views in answer to this question, but instead will let Thomas Jefferson reply to the inquiry. Here is what he said on the question of confidence in the men chosen to make and to execute our laws:

> It would be a dangerous delusion if our confidence in the man of our choice should silence our fears for the safety of our rights. Confidence is everywhere the parent of despotism. Free government is founded on jealousy, not on confidence. It is jealousy and not confidence which prescribes limited constitutions to bind down those whom we are obligated to trust with power. Our Constitution has accordingly fixed the limits to which, and no further, our confidence will go. In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.

I know of no time when it is more essential to fix the limits to which, and no further, our confidence in those whom we are obliged to trust with power will go, than to establish that limit right now.

The American people have been put on notice by a series of acts on the part of those in positions of trust and confidence in the Government that our fundamental liberties are in imminent danger of destruction from within from officials sworn to preserve, protect, and defend our liberties from spoliation.

This is the hour of all times in our history when the enemies of our Republic are operating within our Government. A free people and their chosen Representatives in Congress should be on the alert to protect and defend their Government from all subversive activities. It may not be inappropriate at this time to recall the words of Joseph Story, Associate Justice of the United States Supreme Court 1811 to 1845:

> Let the American people never forget that they possess a noble inheritance bought by the toils, suffering, and blood of their ancestors; and capably, if wisely improved and faithfully guarded, of transmitting to their latest posterity all the substantial blessing of life, the peaceful enjoyment of liberty, property, religion, and independence.
>
> The structure has been erected by architects of consummate skill and fidelity; its foundations are solid; its comportments are beautiful, as well as useful; its arrangements are full of wisdom and order, and its defenses are impregnable from without. It has been reared for immortality, if the work of man may justly aspire to such a title.
>
> It may, nevertheless, perish in an hour by the folly or corruption or negligence of its only keepers—the people. Republics are created by the virtue, public spirit and intelligence of the citizens. They fall when the wise are banished from the public councils because they dare to be honest, and the profligate are rewarded because they flatter the people in order to betray them.

I observe that practically every man who takes the floor to warn his colleagues and the people of an impending danger to the Republic, either from forces within or from without, is immediately attacked by left-wing newspapers and magazines. This is no time, however, for a Representative in Congress to shrink from his duty of fighting for the security of his Nation as well as for the people he has the honor to represent.

A serious situation has arisen in connection with the trade agreement negotiations at Geneva, Switzerland, which negotiations are now being conducted by our State Department with numerous foreign nations with respect to the tariff rates of the respective negotiating nations.

Since March 26, 1947, the Ways and Means Committee of the House has been conducting hearings with reference to the operation of the Trade Agreement Act and the creation of a proposed International Trade Organization. The first witness who appeared and testified before the Ways and Means Committee was William L. Clayton, Under Secretary of State for Economic Affairs, Department of State. Early in his testimony I inquired of Mr. Clayton how large the delegation accompanying him to Geneva would be. His reply was: "I think about 80. Counting the secretarial service, stenographers, and so on, I think it will be about 100."

On page 18 of the hearings held March 28, Secretary Clayton testified:

> The meeting in Geneva will be attended by representatives of 18 countries to do two things. One is to further discuss and attempt to agree upon a charter for the International Trade Organization which subsequently will be submitted to the Congress or the parliaments of the different countries, and the other is to negotiate among those 18 countries reciprocal-trade agreements having to do with elimination of discriminations in trade and the reduction of barriers to international trade.

In response to an inquiry to have the names of the 18 countries meeting in Geneva, Secretary Clayton named Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, Luxemburg, Netherlands, New Zealand, Norway, Union of South Africa, United Kingdom, and the United States.

During the hearing I asked Secretary Clayton whether or not he could furnish the Ways and Means Committee the actual items which he would use for the purpose of trading at the Geneva Conference. Mr. Clayton said, "We would be glad to furnish a list of those commodities, Mr. REED."

The list referred to is as follows:

> DEPARTMENT OF STATE,
> *Washington, April 8, 1947.*
>
> The Honorable DANIEL A. REED,
> *House of Representatives.*
>
> MY DEAR MR. REED: Under the pressure of preparing to get away for the Geneva Conference Mr. Clayton was not able to communicate with you regarding a matter which arose in connection with his appearance before your committee on March 28 and requested me to do so. You asked him to furnish the committee a list of the items we were to use for the purpose of trading at the Geneva Conference. In his reply he evidently had in mind our published list of November 9, 1946, and said that he would be glad to furnish a list of those commodities for the record. I am informed that my associates have supplied the clerk of your committee with a copy of that list.
>
> I find, however, that according to the record you requested him to "furnish the committee in a confidential way the actual items to use—which you are to use for the purpose of trading at the Geneva Conference." This leads me to believe that you may have had a different list of products in mind.
>
> As Mr. Clayton explained to the chairman on March 26, they are going to Geneva as a set of traders to negotiate with representatives of other governments and they cannot very well make public to the world the limits of our negotiating ability. I think Mr. Clayton also made it clear in answering Mr. Kean's question on March 29 that the delegation needs to carry all of its bargaining power with it.
>
> If you feel that the list which has been supplied for the record is not responsive to your request, I should appreciate having this letter inserted at the appropriate place in the record so that the reasons why Mr. Clayton was unable to comply with your request may be known.
>
> Sincerely yours,
>
> WILLARD L. THORP,
> *Assistant Secretary.*

Representative KEAN inquired of Secretary Clayton whether or not he intended to take any businessmen over to Geneva in connection with the proposed negotiations of trade agreements:

> Mr. KEAN. Are you taking any businessmen over?
>
> Mr. CLAYTON. We are not taking any businessmen, as such, over. It has been decided, I think, that other delegations will not generally take businessmen over. We have consulted very frequently, however, Mr. KEAN, with businessmen, not only in the trade agreement matters through these hearings, where, as I have said, they have had a thousand briefs filed with the Department, with the Trade Agreements Committee; we have had over 500 witnesses appear and all of the vast amount of information has been carefully collected and digested and studied. Every interest in the country had an opportunity to present its case, and we had many informal conferences as well; that is on the trade agreements. In the ITO——
>
> Mr. KEAN. I am not asking about those; I just had in mind the trade agreements.
>
> Mr. CLAYTON. About trade agreements; yes.
>
> Mr. KEAN. I was just thinking that as to the Yankee bargaining you are talking about, that when a certain suggestion is made by a foreign government it would seem to me, in spite of all this data you have got, it might be a subject matter on which you would like to know from somebody who knows their stuff exactly what was involved.
>
> Mr. CLAYTON. We have tried to get all of that information in the hearing; the law provides for that, and we will go over all of that information ourselves carefully and fully on these subjects prior to getting to Geneva. I am sure that you could understand that with all this vast information covering the vast number and variety of commodities that are involved, both imports into this country and exports to other countries that are comprised in our total economy that it would be almost impossible to take a man over that would be familiar with any great number of those commodities, so that we have had to try to get our information and to get the views of these people in these preliminary hearings. Also obviously the day-to-day negotiations and trading back and forth cannot be made public.
>
> Mr. KEAN. That is right.
>
> Mr. CLAYTON. In the end everything is made public, but what you say you will do today and what you say you will do tomorrow,

and what the other country says they will do, and so forth, from hour to hour and from day to day in this negotiation cannot be made public.

Mr. KEAN. If some of these businessmen who think that their industry is going to be particularly affected were to decide to go to Geneva at their own expense, do you think some of your people would be willing occasionally to consult with them?

Mr. CLAYTON. I do not think there is any doubt about that; that is to say, to talk with them. But we could not tell them, we could not give away our case to them.

Mr. KEAN. No; but you can say, if such and such a thing were done, how would it affect you?

Mr. CLAYTON. Of course, all those questions have been gone into, Mr. Kean, in great detail. We have got a vast record of just such questions as that, and answers.

I have called attention to the testimony to show that Mr. Clayton considers it most important to hold in strict secrecy, even from Congress and from businessmen, farmers, and industrialists, the items upon which to bargain and trade with foreign nations relating to concessions to be made in trade agreements. If it be true that for Yankee trading purposes neither Congress nor business interests can be trusted to know what items on the list may be subjected to a tariff cut, I say that no Communist in Secretary Clayton's group in Geneva should be permitted to have the information.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield at that point?

Mr. REED of New York. I yield.

Mr. JENKINS of Ohio. It may be of interest to the gentleman if I make this statement: Last year, along about July or August the industry of this country was expecting Mr. Clayton to publish that list. He later did publish it, but never got around to doing it until after the election. I wrote a letter to the State Department and called their attention to the fact and asked them if that was not the principal factor. Sure enough, they did not publish the list until just after the election.

Mr. REED of New York. And then they did not outline the trading items.

Mr. JENKINS of Ohio. That is right; they did not make it public until they had to.

Mr. REED of New York. Is there even a top secret in the State Department that is not known to the Communists and their fellow travelers in the State Department? Why should there be Communists in the American group at Geneva? Is it their philosophy to preserve and protect this Government of ours; or is it their philosophy to undermine it through every device at their command? Is it to be supposed that any secret in our trading program is unknown which the Communists believe will enable them to weaken our trading position at Geneva? Surely the Communists or their fellow travelers could penetrate no Department of the United States Government where their activities could and would be more destructive to our Republic.

The trade-agreement group at Geneva holds the power of life and death over large segments of our economy, yet in it and a part of this group are Communists. Not one agreement should be negotiated or executed until the group with Secretary Clayton at Geneva has been purged of its subversive element.

Now, I am not here making an idle charge. I have definite information that there is quite a large percentage of that group of 100 or more that was taken over to Geneva who are either Communists or fellow travelers. What are they there for? We know there has been a lot of smoke, and there certainly is fire in that State Department. I am not quarreling with Mr. Clayton and I am not charging him with being a Communist except that I believe he could have found out before he went over there what the members of his negotiating group stood for as between Americanism and communism. If our businessmen cannot be trusted and if the Congress cannot be trusted, why let these Communists and fellow travelers be in that group where they may be in position to warn Communists from other nations against the interests of this Nation?

I have reliable information that a substantial percent of his group are either Communists or Communist sympathizers or have had previous connections with Communist organizations. I have this day, therefore, introduced a resolution which reads as follows:

Resolution creating a select committee to investigate the loyalty of certain assistants and advisers to the Under Secretary of State for Economic Affairs

Resolved, etc., That there is hereby created a select committee to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation to determine whether any persons among those assistants and advisers to the Under Secretary of State for Economic Affairs who are in Geneva, Switzerland, for the purpose of assisting the Under Secretary in the negotiation of trade agreements with certain foreign governments, are, or at any time have been, (1) members of the Communist Party or (2) sympathetic with the general aims of the Communist Party.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) on or before August 1, 1947, the results of its investigation, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I want to compliment the gentleman on what he has stated today. I hope his resolution will be adopted. May I ask the gentleman if he has seen the current reports about the Geneva Conference? I get this from the New York papers and the International Chamber of Commerce that at the Geneva Conference Mr. Clayton has found, because of the Communists and the Socialists in the other nations, and because he represents a country where free enterprise is still the guiding principle, he cannot deal with them because he must come back and get his report finally from the people who yet rule in this country; but the emissaries from those other countries can deal right away, one representing a dictator, on representing a communistic country. They can deal together, but we cannot deal with them. We have no business in that conference.

Mr. REED of New York. I thank the gentleman. The fact remains there are Communists or fellow travelers in this organization at Geneva who can transmit any information they want to the Communist members of other nations and so absolutely sabotage any efforts we may make on a trading proposition. It is a reflection on the American public, on our businessmen not to be able to know whether or not he is being traded away by a little group of Communists within this organization. I say that not a single trade agreement nor one transaction should go on in Geneva until we clean the slate of this subversive element that is operating within our Government and in the one department in which we should have national security.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I think the gentleman has answered my question already. I wanted to ask him, does he not believe that there is much more danger from subversive elements within our own Government than from without?

Mr. REED of New York. There is no question about it. They are working from within and then they are being taken abroad at the expense of this Nation to give away secrets. They are not there for any good purpose because their philosophy is against free enterprise.

Mr. CLEVENGER. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Ohio.

Mr. CLEVENGER. As a Member of the Committee on Agriculture, and backed up by a couple of my fellow Members, I want to say that I have addressed an inquiry to the Secretary of Agriculture, to Mr. Nichols of the State Department, and to the heads of all groups that have come before the Commitee on Agriculture recently endorsing this reciprocal-trade program, with the challenge to bring me one item that would show a definite gain for America or American agriculture, and I want to say to my distinguished friend, the gentleman from New York, that up to this good hour I have been promised, but I have never received one single item that can definitely be said to be a gain for America.

Mr. REED of New York. I thank the gentleman. I will say this, that similar

questions have been propounded by the members of our Ways and Means Committee, and we have as yet failed to receive an answer showing that they have made any contribution to the business of this country.

Mr. JENKINS of Ohio. Mr. Speaker, if the gentleman will yield further, if the gentleman will again look at the record of the testimony before our committee, the Committee on Ways and Means, he will find that I put a question to Mr. Clayton as to what he expected to do when he got to Geneva. He said he expected to build up a charter for the ITO but, he said, "That meeting is only the preliminary meeting. From that we expect to go on to the great world meeting"—to the great millennium, although he did not use those terms—when all the nations of the world would be there. And, I suppose, we will be dividing up what is left for their benefit.

Mr. REED of New York. The whole Government seems to be permeated with this godless ideology. I do not attach too much importance to these headlines because it comes out of a trial in court and, every man is presumed to be innocent until he is proven guilty. But, here are some headlines: "Reds plotted army's recall. Communists urged to enlist to destroy morale." So, we hear all these disclosures inimical to the security of our Government, but we have heard more, perhaps, about the infiltration of Communists into the State Department than almost any other Department of Government. Now, you cannot tell me that the head of that Department at this time, when we are carrying on transactions in all parts of the world, is unable to clean house and find honest men who are not Communists or fellow travelers to carry on the affairs of this great Nation through the State Department.

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. CANFIELD] is recognized for 10 minutes.

FIRE PREVENTION

Mr. CANFIELD. Mr. Speaker, the Eightieth Congress has given considerable attention to measures which will save the lives of people abroad. We have been generous. We have fought starvation and suffering. We have labored to alleviate conditions which might cause disability and death. I have been pleased to give my vote for these worthy causes.

But I now rise, Mr. Speaker, to ask this House to give consideration to saving the lives of American citizens in the United States. I beg the Congress to act to spare another mother from the suffering that befell Mrs. Stella Kresokowski, a constitutent of mine living in Passaic, N. J., who had one young son burned to death and another who spent a year in a hospital and another year in a home for crippled children because of burns received when their play suits caught fire.

I ask Congress to act before we see another tragedy such as struck the Zibor family, also of Passaic, N. J., whose small son, burned when his cowboy suit ignited, spent a year in the Passaic General Hospital, where he was given 17 blood transfusions and underwent 11 skin-grafting operations.

I pray for congressional action in the name of the more than 11,000 Americans who will die in fires during the course of this year. Is Congress ready to do what it can to save some of these lives? I have cited some sad instances that occurred in my own District, but such accidents are not limited by any geographical bounds, and will occur this year in every State and district.

Does Congress intend to do its part to prevent tragedies such as occurred in the Winecoff Hotel in Atlanta, in the Canfield Hotel in Dubuque, Iowa, in the LaSalle Hotel in Chicago? Congress has the power to aid in preventing catastrophes such as those that sent hundreds to flaming and horrible deaths in the Coconut Grove in Boston, and in the blazing circus tents in Hartford. Will Congress do nothing to prevent the merciless killing and maiming of helpless children who wear playsuits that are nothing but death traps?

Several bills are pending in the present Congress that will prohibit the shipment of highly flammable fabrics in interstate commerce. One of these bills, H. R. 505, I introduced early this session. The House Committee on Interstate and Foreign Commerce has held hearings on this problem, and has considered the bills which have been introduced. I hope that in the near future it will report out a bill containing proper prohibitions. To delay is dangerous.

Meanwhile, I cannot understand those segments of our business world that say, "This is not the time for such legislation," and offer no solutions of their own. This attitude is shamefully un-American. If industry were to meet this problem squarely, as indeed several textile companies have, it would take the necessary steps to prevent these holocausts, and it would not be necessary for Congress to move. But when representatives of some textile industries come before a committee of Congress and say they are opposed to any legislation of this nature, and take no steps to keep their products from enveloping our fellow citizens, even our children, from tortuous and fiery deaths, offer no substitute proposal or concrete plan to remove this peril from the American scene, then it is up to Congress to act.

Early this month President Truman called a conference of the outstanding fire prevention experts of the country. These authorities, from all parts of the United States and representing all phases of our economy, meeting here in Washington, endorsed appropriate legislation to remove highly flammable textiles and apparel from the markets.

A May 7 newspaper account of this meeting states:

> Alarmed over the increasing incidence of disastrous fires which have exacted a heavy toll of both life and property, the Conference on Fire Prevention, convened at President Truman's request, adopted without revision a report of its committee on building construction, operation, and protection. The report singled out the types of merchandise the committee concluded should be kept out of circulation as a dangerous fire hazard for all types of buildings.
>
> "Long-nap fabrics of a material more flammable than wool, silk, and nylon and other highly flammable materials are extremely dangerous as wearing apparel," the President's conference agreed. "Celluloid buttons and trimmings and pyroxylin-coated materials are also dangerous. A garment should not be made out of material so flammable that, if ignited, the wearer cannot divest himself of it without getting seriously burned."

The conference did not limit itself to condemning flammable wearing apparel. Such materials take hundreds of lives each year, but it takes a major disaster, such as a hotel or night-club or circus fire, to focus the spotlight of public attention on the dangers of flammable textiles and fabrics. On these, the report of the President's conference says:

> Flammable draperies, decorations, upholstering, rugs, and bedding were said to have contributed significantly to the spread of fire and mounting loss of life in those structures. Combustible decorative trim, although part of the building structure, nevertheless, falls in the same category.
>
> Consideration should be given to the flameproofing of flammable fabrics, decorations, draperies, and clothing, or avoiding the use of such flammable materials when possible in buildings where the public is admitted, such as hospitals, hotels, theaters, auditoriums, restaurants, and night clubs.

This is not the first time that this matter has been called to our attention by experts. Last summer the Eastern Association of Fire Chiefs, meeting in New York, termed the United States "the world's No. 1 fire trap," and pointed out that within a year 11,000 lives would be lost in fires, and that property damage would amount to $600,000,000.

In March of this year, Life magazine presented a study on this very subject. It recalled the narrow escape from death of a New York girl whose flowing tulle dress ignited when she merely danced over a cigarette carelessly tossed on the floor. Life conducted experiments, and dressed a manikin in yards of gauzy rayon net, long a favorite party-dress fabric. When a burning match was touched to the skirt the dress exploded into flames, and in 14 seconds the dummy was reduced to a smoking, sizzling ruin. Right here in the District of Columbia, as well as in New Jersey and every part of the country, this horrible accident has occurred, not to dummies, but to human beings.

When I introduced H. R. 505 last January I received a message which typifies the call that is being made on Congress. This telegram is from a constituent of mine, Irving Sukinik, of Passaic, N. J., and it says:

> We lost our little boy last June through one of the cowboy suits that you are trying to outlaw. We thank you for your efforts to spare other parents the pain that we endured. If I can do anything in any way to further the bill, please let me know.

Is Congress ready to move to spare other parents such pain? Are we ready to do our part to combat death by burning in the United States? Or are we to yield to the temporizers who see the loss of profits in remedial legislation? No

real American would ever approve clothing an infant with a garment that could in seconds make that infant a human torch. "Theirs not to reason why, theirs but to burn and die?" Never. Congress will not fail America's boys and girls.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to include certain tables in the remarks he made today.

The SPEAKER. Under previous order of the House, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 10 minutes.

ADMINISTRATION WANTONLY DESTROYS FOOD

Mr. AUGUST H. ANDRESEN. Mr. Speaker, today the House authorized the appropriation of large sums of money to provide food for starving people in other countries. These people cannot eat money, so it takes food. Therefore, I shall talk about food, and in particular about potatoes. Potatoes are a vital and nutritious food and there should be no waste of them.

I call upon Secretary Anderson to halt the Department of Agriculture's wanton destruction of potatoes as it goes on today.

Some of us had thought that the new dealers' philosophy of scarcity—plowing under of crops—had been thoroughly exploded. But they are at it again—and at a time when food prices are high and people abroad are starving.

It is bad enough to destroy food in a hungry world, but when imports into this country of the same commodity occur simultaneously, the sinful policy becomes a worse scandal.

While Department of Agriculture agents pour kerosene on huge piles of new potatoes in Alabama, North Carolina, Virginia, and other Southern States, potatoes come in from Canada to supply those markets, and at higher prices for consumers already staggering under the cost of living.

The country must have been shocked by recent publication in newspapers of pictures of wanton destruction of potatoes. That was only part of the story. I have in my possession bills of lading and tags proving that potatoes are being imported for sale in the very territory where farmers are being paid not to harvest their crops.

This situation is on a parity with the reckless and ill-planned buying of wheat by the Commodity Credit Corporation for export to needy countries abroad. This buying set off a wild rise of $1 a bushel in the price of wheat.

That means higher prices for flour, bread, and other wheat products. Wheat being a bellwether crop, its price usually sets the pace for corn and other grain, and meat.

The Agriculture Department pours kerosene on newly harvested potatoes to make them unfit for human or animal consumption and for any other use. I am sure that there are thousands of low-income families in all parts of the country, and particularly in the South, who cannot afford to pay from 5 cents to 10 cents a pound for new potatoes.

Giving the surplus potatoes to these families would not destroy the purpose of the price-support program. There are civic agencies that would be happy to have some of these potatoes to distribute among the less fortunate families.

Congress is appropriating hundreds of millions of dollars to feed hungry peoples in other countries. Potatoes are a staple food. Surely the hungry peoples overseas would be happy to have surplus American potatoes.

Unfortunately, the surplus does not apply in other commodities. Witness the high prices for food generally. The only exception is found in the prices of certain manufactured dairy products. I hope the foreigners do not get a false impression of the food supply in America from pictures showing potatoes being wantonly destroyed.

The price-support program for potatoes does not add up. Our Government destroys potatoes after paying the farmers to produce them. Creating a scarcity in supply literally invites foreign countries to produce more potatoes to be sold in the United States.

During the last 8 months Canadian producers have shipped to the United States approximately 5,000,000 bushels of potatoes. These potatoes are now being sold to consumers throughout the Northeastern States at a price range from 6 to 10 cents a pound.

A typical illustration of what is going on in the potato program can be found at Richmond, Va. Several carloads of Canadian potatoes are being sold weekly to consumers at Richmond.

The wholesale price of Canadian potatoes at Richmond has advanced from $3.60 to $4.50 per 100 pounds during the last 30 days. There is a shortage of potatoes at Richmond.

However, investigation reveals that the Department of Agriculture is paying potato producers within 30 miles of Richmond $2.25 per hundredweight to destroy potatoes.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JENKINS of Ohio. Last summer in North Carolina—you may have the figures—there were literally hundreds of thousands of bushels of potatoes that they did not dig up.

Mr. AUGUST H. ANDRESEN. The gentleman is correct.

Mr. JENKINS of Ohio. That is much closer to Richmond than Canada is.

Mr. AUGUST H. ANDRESEN. I am going to mention a point 80 miles from Richmond. I have a letter from a farmer living in North Carolina about 80 miles from Richmond. The report from this farmer in North Carolina advised me that the Government has paid him for not digging his potatoes this year. This farmer states that the Government agent had him dig up one row in order to permit the agent to estimate the entire crop. He could easily have sold his potatoes in the Richmond market but it would have been in competition with Canadian potatoes.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JENKINS of Ohio. I have never seen the figures as to how many millions or hundreds of millions of bushels of potatoes they did not dig up. We can see those that they do dig up and burn and destroy, and so forth.

Mr. AUGUST H. ANDRESEN. I am going to touch on that.

Mr. JENKINS of Ohio. Do you have the figures on that?

Mr. AUGUST H. ANDRESEN. Yes, I have.

During the last 12 months, the Federal Government has spent $3,235,000 to support the price of potatoes in Virginia, and producers in that State have received $2.25 per hundredweight, less handling charges, to destroy their potatoes. Around 442,000 bushels of Virginia potatoes were destroyed at a cost of $450,000.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. GROSS. Probably you heard me tell the Committee on Agriculture about 20,000 bushels of potatoes being dumped on a single farm in my congressional district. The farmer got $2.70 per hundred for them, and now the people are paying excessive prices. It has not been going on only in the South. Throughout Pennsylvania and New Jersey it is full of it.

Mr. AUGUST H. ANDRESEN. But we are dealing now with new potatoes that are being destroyed in the South. New potatoes are being sold in Washington and eastern cities at from 5 to 10 cents a pound. For the old potatoes, to which the gentleman refers, we are getting Canadian potatoes in this country that are taking the market here at a higher price than the gentleman's farmers are receiving.

Mr. GROSS. Will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. GROSS. Are they going to carry this on this year? Is the 1947 crop going to be dumped also?

Mr. AUGUST H. ANDRESEN. This program is now being carried on. If the gentleman saw the picture in last Sunday's Star, he would notice the big pile of potatoes down in Alabama that Government agents were pouring kerosene on so that the low-income families down there, who did not have the money to buy potatoes, could not eat them.

Mr. GROSS. The farmers do not want to do this kind of business.

Mr. AUGUST H. ANDRESEN. No, indeed; they do not.

Mr. GROSS. The fellows in my district had red faces, that the Government made them dump the potatoes. They did not want to do that.

Mr. CHURCH. The gentleman spoke about red faces. I saw the picture of those potatoes in the paper but I did not see any story about it. Did the gentleman see any story? The paper showed the picture of those potatoes being destroyed.

Mr. AUGUST H. ANDRESEN. Well, the pictures spoke for themselves. No additional story was necessary.

But getting back to the situation that prevails here, I have said that Maine

was our big potato-producing State. They produced 77,000,000 bushels of potatoes last year and the Government stepped in and bought 13,282,000 bushels at a price of $2.20 per hundredweight, less handling charges for those surplus potatoes. More than 12,000,000 bushels of Maine potatoes were destroyed, at a cost of $12,000,000 to American taxpayers.

It seems to me that the Maine farmers could have supplied some of their high-quality potatoes to the eastern market, rather than have them destroyed and the market turned over to foreign producers.

Secretary Anderson has been advocating a policy of abundance. I urge him to give his attention to the sinful destruction of potatoes.

I also call upon President Truman, when he inveighs against the high cost of living, to tell the people about the impact on prices that buying for foreign relief has upon prices paid by American consumers.

I do not question that we should give relief to the starving abroad. But let us not have any red herrings, such as blaming the farmers for the high cost of food.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. GROSS]?

There was no objection.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. GROSS. Is it true that the Government has made a lot of whisky out of potatoes?

Mr. AUGUST H. ANDRESEN. Well, I do not know that potato whisky is being sold, but I do know that large quantities of these potatoes were sold at 5 cents per bag, and made into alcohol.

Mr. GROSS. Does the gentleman know how this potato whisky compares with the good old corn or rye whisky?

Mr. AUGUST H. ANDRESEN. I will have to beg off on that because I am not a judge of whisky.

Our Government since July 1946, has bought 87,000,000 bushels of potatoes at a net cost of $80,000,000, to carry out the price-support program. Of this gigantic purchase, 22,000,000 bushels were destroyed. That will be news to the housewife when she goes to market.

It never was the intention of the price-support program to bring about a scarcity of potatoes or any other agricultural commodity in this country, so as to provide a support price and a market for potatoes produced in another country.

This is the second year that the Department of Agriculture has pursued its wanton destruction of a necessity of life. No changes have been made in policies in the light of last year's experience.

The Truman administration should learn from experience. If the ill-advised policies now in operation are continued, they will shake confidence in the entire price-support program for all agricultural commodities.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. J. Res. 153) entitled "Joint resolution providing for relief assistance to the people of countries devastated by war."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HOEVEN (at the request of Mr. DOLLIVER), until May 26, 1947, on account of business.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 193. An act to amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 USC, sec. 191), as amended;

H. R. 1584. An act authorizing the erection and operation of a memorial museum and ship on the Fort Hall Reservation, Idaho; and

H. R. 2123. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 56 minutes p. m.) the House adjourned until tomorrow, Thursday, May 22, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

699. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on, and a preliminary examination and survey of, Big Sandy River and Tug and Levisa Forks, Ky., W. Va., and Va., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on January 10, 1940, and authorized by the Flood Control Act approved on June 22, 1936, and an act of Congress approved on June 25, 1936 (H. Doc. No. 264), was taken from the Speaker's table, referred to the Committee on Public Works, and ordered to be printed, with six illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEATING: Committee on the Judiciary. H. R. 1436. A bill to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York; without amendment (Rept. No. 408). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 214. Resolution providing for the consideration of S. 814, a bill to provide support for wool, and for other purposes; without amendment (Rept. No. 409). Referred to the House Calendar.

Mr. VURSELL: Committee on Post Office and Civil Service. H. R. 3519. A bill to provide for permanent postal rates; without amendment (Rept. No. 410). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 2798. A bill to amend section 5, Home Owners' Loan Act of 1933, and for other purposes; with an amendment (Rept. No. 411). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 2800. A bill to amend section 5 of Home Owners' Loan Act of 1933, and for other purposes; with an amendment (Rept. No. 412). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 2799. A bill to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes; with an amendment (Rept. No. 413). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 3492. A bill to provide for the expeditious disposition of certain war housing, and for other purposes; without amendment (Rept. No. 414). Referred to the Committee of the Whole House on the State of the Union.

Mr. MUNDT: Committee on Foreign Affairs. H. R. 3342. A bill to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies; with an amendment (Rept. No. 416). Referred to the Committee of the Whole House on the State of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Agriculture was discharged from the consideration of the bill (H. R. 2472) to provide expert assistance and to cooperate with Federal, State, and other suitable agencies in promoting the conservation of wildlife by promoting sound land-use practices, and for other purposes, and the same was referred to the Committee on Merchant Marine and Fisheries.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 3554. A bill providing for the incorporation of the Franco-American War Veterans; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 3555. A bill to amend subsection (b) of section 303 of the Nationality Act of 1940, as amended; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 3556. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended to provide annuities for United States marshals and deputy marshals of the courts of the United States; to the Committee on Post Office and Civil Service.

By Mr. KNUTSON:
H. R. 3557. A bill to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; to the Committee on Ways and Means.

By Mr. LANE:
H. R. 3558. A bill providing for the incorporation of the Franco-American War Veterans; to the Committee on the Judiciary.

By Mr. OWENS:
H. R. 3559. A bill to amend the Fair Labor Standards Act of 1938 so as to make the overtime compensation provisions of such act applicable with respect to employees of common carriers by railroad; to the Committee on Education and Labor.

By Mr. PETERSON:
H. R. 3560. A bill to amend Public Law 242 of the Seventy-eighth Congress, entitled "An act to liberalize the service pension laws relating to veterans of the War With Spain, the Philippine Insurrection, and the China Relief Expedition, and their dependents"; to the Committee on Veterans' Affairs.

By Mr. POULSON:
H. R. 3561. A bill to accord free entry to bona fide gifts from members of the armed forces of the United States on duty abroad; to the Committee on Ways and Means.

H. R. 3562. A bill to authorize the sale and grant of certain public lands and water rights to the city of Los Angeles, Calif., for water and power-supply purposes, and repealing certain acts dealing with withdrawn lands and the sale of lands in Inyo and Mono Counties, Calif.; to the Committee on Public Lands.

By Mr. BRADLEY of California:
H. R. 3563. A bill to provide a government for Guam, and to confer United States citizenship upon certain of the inhabitants thereof; to the Committee on Public Lands.

H. R. 3564. A bill to provide a government for American Samoa, and to confer United States citizenship upon certain of the inhabitants thereof; to the Committee on Public Lands.

By Mr. DONOHUE:
H. R. 3565. A bill to amend the Servicemen's Readjustment Act of 1944 to provide loans for the construction of low- and medium-cost homes for veterans; to the Committee on Veterans' Affairs.

By Mr. FELLOWS:
H. R. 3566. A bill to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes; to the Committee on the Judiciary.

By Mr. JONES of Ohio:
H. R. 3567. A bill to correct an inequity existing in the case of holders of adjusted-service certificates who did not accept payment in bonds under the Adjusted Compensation Payment Act, 1936; to the Committee on Ways and Means.

By Mr. KEOGH:
H. R. 3568 A bill to provide for the admission to the United States of an additional number of aliens of Italian nationality; to the Committee on the Judiciary.

H. R. 3569. A bill to authorize the construction of a chapel and a library at the United States Merchant Marine Academy at Kings Point, N. Y., and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof; to the Committee on Merchant Marine and Fisheries.

By Mr. RICHARDS:
H. R. 3570. A bill to establish the Cowpens Battleground National Military Park; to the Committee on Public Lands.

By Mrs. ROGERS of Massachusetts:
H. R. 3571. A bill to create a United States Civil Service Board of Appeals; to the Committee on Post Office and Civil Service.

By Mr. HOPE:
H. J. Res. 205. Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest; to the Committee on Agriculture.

By Mr. RIVERS:
H. J. Res. 206. Joint resolution to prohibit the increase of rents in federally owned housing projects; to the Committee on Banking and Currency.

By Mr. VORYS:
H. J. Res. 207. Joint resolution providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

By Mr. HOFFMAN:
H. Con. Res. 49. Concurrent resolution against adoption of Reorganization Plan No. 2 of May 1, 1947; to the Committee on Expenditures in the Executive Departments.

H. Con. Res. 50. Concurrent resolution against adoption of Reorganization Plan No. 1 of May 1, 1947; to the Committee on Expenditures in the Executive Departments.

By Mr. REED of New York:
H. Res. 215. Resolution creating a select committee to investigate the loyalty of certain assistants and advisers to the Under Secretary of State for Economic Affairs; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GRANT of Alabama:
H. R. 3572. A bill to place John P. Shaffer on the emergency officers' retired list, and for other purposes; to the Committee on Armed Services.

By Mr. GWINN of New York:
H. R. 3573. A bill to authorize the cancellation of deportation proceedings in the case of Helena Bielska; to the Committee on the Judiciary.

By Mr. LEFEVRE:
H. R. 3574. A bill for the relief of Mrs. Elizabeth Gardner; to the Committee on the Judiciary.

By Mr. MORRIS:
H. R. 3575. A bill for the relief of Thomas J. Morris; to the Committee on the Judiciary.

By Mr. RAINS:
H. R. 3576. A bill for the relief of Mrs. Bernice T. Mackey; to the Committee on the Judiciary.

H. R. 3577. A bill for the relief of Ewing Choat; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

549. By Mr. BUFFETT: Petition of 23 citizens of Elmwood, Nebr., petitioning for canning sugar so that the fresh fruit will not need to go to waste this year; to the Committee on Agriculture.

550. By Mr. HARNESS of Indiana: Petition of Mrs. Laura E. Kindley and 60 others, of Huntington County, Ind., urging enactment of S. 265; to the Committee on Interstate and Foreign Commerce.

551. By Mr. HART: Petition of United Synagogues of the Hoboken Jewish Community, urging the immediate admission to Palestine of 100,000 Jews in accordance with the President's repeated request and the unanimous recommendation of the Anglo-American Commission last year; to the Committee on Foreign Affairs.

552. By Mr. LECOMPTE: Petition of Miss Loleta Shipp and other members of Local 487, Amalgamated Clothing Workers of America, in needle industry, Chariton, Iowa, in opposition to the present labor legislation; to the Committee on Education and Labor.

553. By Mr. FELLOWS: Memorial of the Senate and House of Representatives of the State of Maine in the ninety-third legislative session assembled respectfully petitioning and urging the Members of Congress that the existence of the Marine Corps be assured by amendment to any merger bill, such amendment specifically providing that the United States Marine Corps shall continue to serve as our Nation's amphibious troops and as a force in instant readiness to protect our Nation; to the Committee on Armed Services.

SENATE

THURSDAY, MAY 22, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

God of our Fathers, give unto us, Thy servants, a true appreciation of our heritage, of great men and great deeds in the past, but let us not be intimidated by feelings of our own inadequacy for this troubled hour. Remind us that the God they worshiped and by whose help they laid the foundations of our Nation is still able to help us uphold what they bequeathed and to give it new meanings. Remind us that we are not called to fill the places of those who have gone, but to fill our own places, to do the work Thou hast laid before us, to do the right as Thou hast given us to see the right, always to do the very best we can, and to leave the rest to Thee. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 21, 1947, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Bushfield	Johnson, Colo.	Russell
Butler	Johnston, S. C.	Saltonstall
Byrd	Kem	Smith
Cain	Kilgore	Sparkman
Capehart	Knowland	Stewart
Capper	Lodge	Taft
Chavez	Lucas	Taylor
Connally	McCarthy	Thomas, Okla.
Cooper	McClellan	Thye
Cordon	McFarland	Tobey
Donnell	McGrath	Tydings
Downey	McKellar	Umstead
Dworshak	McMahon	Vandenberg
Ecton	Magnuson	Wagner
Ellender	Malone	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young
Hatch	Myers	

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from North Dakota [Mr. LANGER] are absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Nevada [Mr. MCCARRAN], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war, and it was signed by the President pro tempore.

NATIONAL SCIENCE FOUNDATION—WITHDRAWAL OF MOTION TO RECONSIDER

Mr. SMITH. Mr. President, yesterday, because of a certain misunderstanding and some confusion in regard to the adoption of the so-called Magnuson amendment to the National Science Foundation bill, I entered a motion that the votes by which the bill was passed, and the Magnuson amendment was agreed to, be reconsidered. I now request unanimous consent to withdraw my motion for reconsideration, and ask that the matter be considered as closed, so far as the Senate is concerned, in order that the bill may be sent to the House.

The PRESIDENT pro tempore. Without objection, the motion to reconsider is withdrawn.

RESOLUTIONS OF SOUTH CAROLINA DEPARTMENT OF RESERVE OFFICERS ASSOCIATION

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD two resolutions adopted by the South Carolina department of the Reserve Officers Association on May 15, 1947, favoring the enactment of legislation providing for the merger of the armed forces, and also universal military training.

There being no objection, the resolutions were received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Resolution on merger of the armed forces

Whereas this Nation has recently emerged from a world-wide conflict in which combined operations of air, land, and sea forces were the rule rather than the exception; and

Whereas recent developments in weapons and methods of warfare indicate that combined operations will be increasingly used in future military conflicts, should such occur; and

Whereas for many cogent reasons—to meet the requirements of unity of command; to prevent disastrous delay in top level decisions; to effect a clearer delineation of duties and functions; to provide for an equitable division of personnel and material between the services according to their respective requirements; to insure uniform standards of pay, medical care, and other matters common to all the services; to prevent overlapping, duplication, and waste; and to promote economy and over-all efficiency in the national defense—a closer coordination of the armed forces than exists under the present separate departments is urgently needed; and

Whereas in modern and future warfare lack of unity and a functioning system of coordination in the over-all direction and application of the Nation's armed forces may very easily be the factor that spells disaster—from a military standpoint, the margin between victory and defeat: Now, therefore, be it

Resolved, That the South Carolina department, ROA, go on record as favoring the enactment into law by the United States Congress of the armed forces merger or unification bill now before Congress, and that the secretary of this department be instructed to mail a copy of this resolution to each Member of the South Carolina delegation in the United States Congress (through the Reserve Officers Association national headquarters), and that they be urged to favor its passage in the Congress of the United States.

Passed the South Carolina department convention by unanimous vote, May 15, 1947.

Resolution on universal military training

Whereas the nations of the world are now faced with the alternatives of (1) combining to support a world organization capable of enforcing the peace, or (2) maintaining a peace based on balances of power and reliance upon their own defenses; and

Whereas until such time as the present world organization, the United Nations, is actually invested with sufficient police power in case of sufficient strategic strength to prevent a major conflict, it is essential that the United States maintain its military strength at a level required to discourage would-be agressors from designs on the wealth and people of this Nation, and to defeat such aggressors if need be; and

Whereas as an integral part of any preparedness program it is necessary that a fair proportion of the young citizenry of this country receive a basic training in the discipline and duties of citizens in national defense, in the techniques and skills required not only in the conduct of modern military operations but also in the operation of modern industrial equipment at a high level of production, and that those with exceptional aptitudes be ascertained and be given the opportunity for further progress in their specialties; and

Whereas the plan for universal military training now being sponsored before Congress by the American Legion is in accord with the above enunciated principles in furtherance of an adequate level of national defense, is very similar to the War Department bill, and has the support of the national organization of the ROA: Now, therefore, be it

Resolved, That the South Carolina department of ROA go on record as being in favor of and as supporting the above-mentioned plan or one substantially like it as may be approved by the national headquarters of ROA for universal military training in the United States and that Members of the South Carolina delegation to the National Congress be so informed by copies hereof which the secretary is hereby instructed to mail to them and they be urged to favor the passage of the above-mentioned bill.

Passed by the South Carolina department, ROA, by unanimous vote, in convention, May 15, 1947.

Col. ROBERT M. JONES,
President, ROA, Clemson, S. C.
Maj. LEONARD R. BOOKER,
Secretary, ROA, Clemson, S. C.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MALONE, from the Committee on Public Works:

S. 482. A bill to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia; without amendment (Rept. No. 197).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. JOHNSON of Colorado introduced Senate bill 1329, to prohibit the destruction of food by Government agencies; which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. MAGNUSON:

S. 1330. A bill for the relief of Constance A. Gilmore; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 1331. A bill for the relief of Frances Ethel Beddington; to the Committee on the Judiciary.

By Mr. GREEN:

S. 1332. A bill for the relief of Giovanni Battista Angelotti; to the Committee on the Judiciary.

By Mr. BUTLER (by request):

S. J. Res. 118. Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest; to the Committee on Public Lands.

By Mr. BROOKS:

S. J. Res. 119. Joint resolution authorizing the President to proclaim July 27, 1947, as Lithuania Day; to the Committee on the Judiciary.

NATIONAL HEALTH AND DISABILITY INSURANCE PROGRAMS

Mr. CHAVEZ. Mr. President, there are pending in the Senate two bills which have for their purpose improving the public health. I ask the indulgence of the Senate for a few brief moments while I place before it a few observations pertaining to the proposed legislation. I am one of the sponsors of Senate bill 1320, but I am not speaking about that particular bill; I am speaking about health in general.

We, as a nation, are proud of our high national health record, but national figures conceal the conditions in many States.

New Mexico is not a rich State; its per capita income is nearly one-third less than the per capita income of the Nation as a whole. Local governments in my State, conscious of the health needs of the people, have for many years been spending all they could to improve the health of the inhabitants of the State. The expenditures per inhabitant made by counties and cities for public health have actually been higher than the national average. We have been doing our share, within the bounds of our financial resources, yet in health status we are one of the poorest among the States. Our infant mortality is the highest—it is three times as high as that of Connecticut or Oregon, and more than twice as high as the national average. Our maternal mortality rate is almost twice as high as the national average. Our death rate from tuberculosis is one and a half times the national average. Of course, in this instance, it is brought about because a large number of persons afflicted with tuberculosis leave their homes in other sections of the Union and go to New Mexico. That, likewise, happens in the case of other preventable diseases.

I have been conscious for many years of the unenviable position of my State with respect to the health of its people in comparison with the people of many other States. I have tried to determine why our health record is poor. I have come to the conclusion that the main reason is that the average family in my State cannot—out of its own individual resources—bear the cost of what it takes today to pay for modern adequate medical care.

In comparison with the Nation as a whole, New Mexico has one-third less physicians than we should have to equal the national average; we have 60 percent fewer dentists; we lack 30 to 40 percent of hospital beds to come up to the national average, and a deficit exists with respect to other medical personnel and facilities. The consequences are reflected in the inadequate care received by our people.

I refer to a few figures. In 1944, only 56 percent of the births in my State took place in hospitals; the national figure is 76 percent. In 20 percent of the births no physician was in attendance; the national figure of births without a physician in attendance is only 7 percent. Such facts explain in large part why New Mexico has the highest infant mortality rate and a very high maternal mortality rate in comparison with other States. I, therefore, favor a national health program, because it will help save the lives of babies and mothers.

I have come to feel that if we are to conserve the health of the people of the Nation, we must take some positive action. Since the job is large and important, we should set up an adequate program. It would be a mistake to send a boy on a man's errand. I consider health of national concern, as well as of State and local concern. We must therefore have a truly national program, one which also relies on the aid and cooperation of States and local communities as provided in our new health bill.

Voluntary agencies can help, but despite all that has been said about the rapid growth of voluntary health insurance plans, they cannot do the job. In my State the only medical-care insurance plan known to me is the plan of the State medical society, and it covers less than 3,000 people or one-half of 1 percent of the State population. Even under the Blue Cross hospital insurance plans, which include nearly 20 percent of the population across the Nation, the membership in New Mexico is less than 2 percent of the population. Private and commercial insurance policies help, but most of our people cannot afford them for comprehensive protection. Voluntary insurance agencies have blazed a path. They can render valuable service. But the over-all pattern must be laid by the Nation, in cooperation with the States and localities, to assure health—the birthright of every American—to all of our people regardless of race, religion, residence, or income.

For these reasons I urge favorable consideration of the bill introduced by my colleagues and me. I urge speedy action. It is needed.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. GURNEY. Mr. President, as chairman of the Armed Services Committee, I ask unanimous consent that the committee be allowed to hold sessions of the committee during the sessions of the Senate, while the committee is considering the unification bill, S. 758.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. TOBEY. Mr. President, I ask unanimous consent that the Senate Committee on Banking and Currency may sit this afternoon and tomorrow afternoon. The witnesses have been notified to appear.

The PRESIDENT pro tempore. Without objection, the order is made.

THE ST. LAWRENCE SEAWAY—EDITORIAL COMMENT

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "The Seaway Bill," published in the May 12, 1947, issue of the Duluth (Minn.) News-Tribune; and an editorial entitled "St. Lawrence Plan Chances Improve," published in the May 14, 1947, issue of the Rochester (N. Y.) Democrat and Chronicle, which appear in the Appendix.]

INTERIOR WATERWAYS — EDITORIAL FROM EVANSVILLE (IND.) COURIER

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "Interior Waterways," published in the Evansville (Ind.) Courier of May 10, 1947, which appears in the Appendix.]

THE HIGH COST OF LIVING—EDITORIAL FROM COLUMBIA

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial published in the May 1947 issue of Columbia, which appears in the Appendix.]

REDUCTION OF INCOME TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1), to reduce individual income-tax payments.

Mr. MILLIKIN. Mr. President, I send to the desk and ask to have read a proposed unanimous-consent agreement.

The PRESIDENT pro tempore. The Senator from Colorado submits a unanimous-consent request, which the clerk will read.

The Chief Clerk read as follows:

Ordered, That on the calendar day of Monday, May 26, 1947, at the hour of 4 o'clock p. m., the Senate proceed, without further debate, to vote upon the motion of the Senator from Georgia [Mr. GEORGE] to postpone to June 10, 1947, the further consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Ordered further, That the time intervening between the meeting of the Senate on said day of May 26 and the said hour of 4 p. m. be equally divided between the proponents and the opponents of the motion, to be controlled, respectively, by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN].

The PRESIDENT pro tempore. Is there objection to the request?

Mr. GEORGE. Mr. President, the unanimous-consent agreement proposed is quite acceptable to me.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. BYRD. Mr. President, I do not underrate the importance of tax reduction from the present wartime levels. I fully realize that we must at the earliest possible time reestablish conditions which will encourage and stimulate industry and enterprise and sustain the production and distribution of goods at high levels. Important, however, as tax reduction is, our fiscal solvency is more important, and that requires a soundly balanced budget, which must be kept in balance, and a reasonable payment on the public debt. Another period of deficits such as we have experienced in the last 17 years would shake the financial stability of the United States to its very foundation.

The effects of reducing taxes now and later finding it necessary to reimpose them would be much worse than if tax reduction were delayed until we have assurance that such reduction will be on a permanent basis. Such assurance lies only in the reduction of Federal expenditures. To predicate tax reduction, as the pending bill does, on the continuance in full measure of the existing and temporary inflation, which has swollen our tax revenue, is most unwise and may result in serious consequences.

It is true that for the present fiscal year a surplus is estimated by the Treasury at approximately $1,200,000,000, but this surplus has not come from retrenchment in expenditures but from temporarily swollen sources of tax revenue. Let me emphasize that tax revenue that comes from inflation may be here today and gone tomorrow. It is not a reliable barometer on which to base permanent tax reduction after a long deficit period. The only substantial basis for tax reduction is to reduce the cost of the government. This is what we must consider in determining whether or not we should adopt a tax reduction beginning on the 1st of July and reduce the Federal revenue for 1948 fiscal year by at least $3,200,000,000.

It is my firm conviction that we should not enact the proposed tax reduction until the Congress has passed appropriation bills which will reduce the budget estimates by at least a minimum of $4,500,000,000. This means establishing an expenditure ceiling of not more than $33,000,000,000 for the fiscal year 1948. A $4,500,000,000 reduction was adopted by the Senate, and it would seem only reasonable that the Republican majority in this body, before asking for the passage of tax reduction legislation, should present evidence that the majority party intends to reduce expenditures, at least to this extent, which is $1,500,000,000 less than proclaimed by the Republicans in the House.

I well know that cutting expenses is one of the hardest things Congress ever does, but it is vital to the future of America that it be done at this session. Right now decisions are being made here at Washington that will go far in determining the kind of society and economy we shall have in the future. During the thirties and the war period the Government intervened in one area after another in our economic life. The big executive budget recommended for the fiscal year 1948 assumes the continuance of that philosophy. What we do at this session of Congress about reducing expenditures will determine in large meas-

ure what we will be able to do in future years. If we cannot reduce expenditures in our third peacetime year and in a period of high prosperity, substantial reduction in the future will be even more difficult. This is especially true, since the Republican Party gained control of both the House and the Senate last fall on the pledge to the American people that substantial retrenchment in expenditures would be made; and that the waste and extravagance that has existed for so many years in the Federal Government would be eliminated.

Let us remember that the present budget, as recommended, provides for expenditures four times in excess of the year before the war. I say with absolute conviction that the Government cannot preserve its solvency and continue to spend at the rate set up in the budget submitted by the President. This is especially true in view of the foreign commitments we have undertaken, which will grow and grow throughout the years.

Let me say that I favor tax reduction at the earliest possible time, and that time is when expenditures are reduced to a point which will require less revenue to balance the budget and provide for reasonable payment on the public debt. I cannot support tax reduction upon the theory, which I believe to be utterly fallacious, that the present inflated revenues will continue. They may continue for a time, but the best informed economists do not predict a continuance of the present high national income for longer than a year or so. It is always well to bear in mind that every billion dollar reduction in national income means a loss of $300,000,000 in Federal tax revenue, at the existing tax rates.

Let us take a look at the record as to what has been done toward reducing expenditures by the present Congress. Up to date only one appropriation bill has been enacted by both branches of Congress. That is the appropriation for the Labor Department and Federal Security. It effected a reduction in the budget of $87,214,000. As an offset to this, the Congress has authorized a $400,000,000 appropriation for Greece and Turkey, which was not included in the budget. Therefore, to date on a budget basis we are $313,000,000 in the red.

The House has passed four other appropriation bills covering the Treasury and Post Office, the Interior Department, the State, Justice, Commerce, judiciary, and the Navy. The aggregate reductions by the House in these eight departments was $1,552,543,888, and this includes a reduction in the Treasury figure of $800,000,000 for tax-refund estimates. This is, of course, not a bona fide reduction in expenditures, because taxes overpaid must be refunded as a matter of honesty and law—guesses notwithstanding.

I would prefer to take the Treasury estimate rather than that of the House Appropriations Committee as to the amount of these refunds. In any event, this reduction does not constitute economy, because the tax refunds must be paid, no matter what total they reach. Therefore, in the eight departments above-mentioned the actual economies effected below the budget are $752,000,000. It is necessary for these reductions to run the gantlet of the Senate Appropriations Committee and the Senate before becoming law.

To recapitulate, the total reductions upon which action has been taken, exclusive of the $800,000,000 reduction in tax refunds, amount to $840,000,000—and most of this must be approved by the Senate—and all except the Labor Department and Federal Security, which was reduced by eighty-seven million, are yet subject to Senate action.

This reduction was made in departments having total expenditures of about $10,000,000,000, an average of approximately 8 percent. This is the record up to date.

The following bills are yet to be acted upon by the House Appropriations Committee. I give below the budget annual appropriation estimates:

War Department, military	$5,716,791,000
War Department, civil (including relief in occupied areas)	1,021,796,000
Agriculture Department	785,811,000
Independent offices (of which Veterans' Administration comprises about 90 percent)	8,053,014,000
Government corporations (includes permanent appropriations and expenditures from checking accounts)	1,850,000,000
Legislative branch	68,000,000
District of Columbia	8,000,000
Total	17,503,412,000

In addition are the so-called permanent appropriations, including interest on the public debt, aggregating $5,949,829,000. The balance of expenditures in the budget for the fiscal year 1948 are carried over from previous appropriations.

It therefore appears very evident, from noting the list of appropriations not yet acted upon, that unless a much more vigorous and firm position for retrenchment is taken by the Appropriations Committees and by both Houses of Congress, even the minimum of four and one-half million will not be remotely reached. I have heard prominent Republican Senators on this floor promise a reduction of four and a half billion dollars expenditures from the President's budget. It is possible that a realization of the conditions confronting us, along with concerted action by both parties in Congress, could even yet save the day for economy and enable a safe reduction in taxes, with a balanced budget and a reasonable payment upon the public debt.

My prediction is—and I am inclined to think it is optimistic—that the total bona fide reductions in the expenditure budget will not exceed $2,000,000,000, and from this must be taken the $400,000,000 Greek-Turkish gift, making a net expenditure reduction for the fiscal year 1948 of approximately $36,000,000,000. This does not allow for deficiency appropriations or for new foreign expenditures which may become necessary before the fiscal year is over. It is even possible, and not improbable, that without more rigid economy our total expenditures for all purposes, domestic and foreign, in the fiscal year 1948, may equal or even exceed the expenditure estimate in the President's budget of $37,500,000,000.

I ask in all seriousness, Can this country long survive with a permanent peacetime budget of thirty-five, thirty-six, thirty-seven, or thirty-eight billion dollars? What will happen when the end comes to the inflationary period through which we are passing? Our tax revenues will greatly decline and our expenditures will not. This means another era of deficit spending. It does not seem promising to me that more drastic action will be taken to reduce expenditures in view of the apparent determination of the Republican leadership of the House and Senate to ignore the plain mandate of law, which requires Congress to establish a ceiling on expenditures. In February the House passed a resolution fixing a reduction in the President's budget of $6,000,000,000. That was done in accordance with the recommendation of the Joint Committee. The Senate reduced it to four and one-half million. The joint resolution went to conference on March 4, 2½ months ago. I am, of course, well aware that the expenditure ceiling as established by the Legislative Reorganization Act is not binding on Congress. It was established as a part of the legislative reorganization machinery which was hailed by the press and the people as a great step forward and is the law of the land. The purpose of it was to fix a goal for expenditures which the Congress thinks can be safely financed by current taxation, with allowance for payment on the public debt. At least it sets a limit on expenditures which Members of Congress are morally bound not to exceed, and one which we should feel reasonably certain can be approximately accomplished.

I do not know why the Republican leadership has been unwilling to compromise the differences between the two Houses and have Congress accept the responsibility for a fixed amount of reduction in Federal expenditures, as required by the reorganization law. The Republican Party controls the membership of the conference. Therefore they must shoulder their responsibility for refusing to comply with the plain mandate of the law. Differences frequently occur between the House and Senate, and such differences are reconciled, and a conference report is submitted for action by both Houses. If the conferees on the expenditure ceiling resolution cannot agree they should report such disagreement to the House and the Senate and ask that new conferees be appointed.

Certainly it ill becomes Members of the House and the Senate to violate the letter and spirit of the legislative reorganization law, which received nearly unanimous support at the time of its adoption. The failure of the majority party to obey the legislative reorganization law is, in my judgment, indefensible, especially as they propose to claim credit for tax reduction without assuming responsibility for a fixed minimum of expenditure reduction.

I have stated that the task of reducing expenditures has enormous difficulties.

To my personal knowledge, the chairman of the Appropriations Committee of the Senate, the Senator from New Hampshire [Mr. BRIDGES], and the chairman of the Appropriations Committee of the House, Representative TABER, have made great efforts to accomplish worthwhile reductions. Every economy move is violently opposed by those affected. The opposition of highly organized and powerful minorities who are the beneficiaries of Federal spending must be met at every turn. Federal bureaus are always active in opposition to any effort to reduce their power, funds, or personnel, and many of these bureaus do not hesitate to use the radio, the mails, and other means to disseminate propaganda at public expense to oppose any retrenchment move that affects them. Never have the Federal bureaus used such high pressure tactics to protest against any reductions as they are doing now, apparently with executive approval. We have determined upon a bipartisan foreign policy. Our ability to carry out our commitments under this policy is dependent upon our fiscal solvency. It would seem that a bipartisan policy for retrenchment and economy should be the foundation stone upon which to build our foreign policy.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MILLIKIN. I do not wish to disturb the orderly presentation which the Senator is making. I am listening with great interest and, as always, with great respect, to what the Senator is saying. How can we have a bipartisan retrenchment policy when the administration contends that we cannot reduce our expenditure budget of $37,500,000,000 by a single penny?

Mr. BYRD. In answer to the Senator, I have said that I thought we should have a bipartisan policy. As I have already stated, I do not approve of the position taken by the President that the budget should not be reduced by a single dollar. Likewise, I do not approve of the failure of the Republican majority, for some reason that has never been explained, to carry out the law with respect to the expenditure ceiling. I still think that notwithstanding the difficulties which confront us, there could be bipartisan action on the part of the Republicans at least with some of the Democrats who have always been willing to vote for measures of retrenchment and economy.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. BYRD. I yield.

Mr. MILLIKIN. I am quite sure that such an opportunity will be afforded when the appropriation bills come before the Senate.

Mr. BYRD. I will say to the Senator that I shall meet that opportunity with great pleasure and shall vote to reduce expenditures, as I have always done during my service in the Senate, and I think quite a few Members on this side of the aisle will do the same.

Mr. MILLIKIN. I hope the Senator will not for a moment consider my remarks as indicating an opinion on my part that he would not do that.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BARKLEY. I think, in connection with the Senator's very able discussion of the peculiar position which Congress at this time occupies because of the inactivity of the Joint Budget Committee as set up by the Reorganization Act, it ought to be stated that there has been only one meeting of the joint committee. It was instructed by the respective Houses to try to compose the differences between the two Houses on the budget ceiling. Since the Senate passed the joint resolution on the 4th day of March one brief session of the joint committee has been called, immediately thereafter, some 2 months ago, and there has been no meeting since that time. The members of the joint committee have not had an opportunity even to discuss a compromise between the House and the Senate, because the chairman of the joint committee, who is chairman of the House Committee on Appropriations, has either refused or declined or failed to give another opportunity to the joint committee to pass upon the question of a budget ceiling.

Mr. MILLIKIN. Mr. President, will the Senator yield for one further observation?

Mr. BYRD. I yield.

Mr. MILLIKIN. I think the Senator's very able discussion today makes it perfectly clear that no matter what the joint committee might do, no matter what figures might come back from it, the Senators would continue to use their individual judgment as to the validity of the figures.

Mr. BARKLEY. If the Senator will permit me, it seems to me that it is the duty of the chairman of the joint committee to give the members of the joint committee an opportunity to discuss the matter further. I realize that under the parliamentary rules it must confine itself to an adjustment between four and one-half billion dollars to six billion dollars. If it cannot arrive at any agreement with respect to any sum, it ought to have the frankness and the honesty to come before the respective Houses of the Congress and say so and ask that the committee be discharged. I make the further statement that unless some effort is made to get the joint committee to meet, at least, and discuss the matter, a motion ought to be made to discharge the conferees and ask that other conferees be appointed so that they might make some decent effort to get together on the question of the ceiling on the budget.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. HATCH. Regarding the statement which the Senator from Kentucky made, would it not be entirely possible for the conferees to come back to both Houses and ask for instructions?

Mr. BARKLEY. Of course, it is possible, and it is customary. But how can the conferees do so when they have not been permitted even to meet? They cannot go into session unless they are called by the chairman, who will not call them. The only meeting which they have had was a very brief and cursory discussion, and it adjourned practically sine die. The meeting adjourned subject to the call of the Chair, and the call has not been exercised after 2 months, as the Senator from Colorado no doubt knows.

Mr. MILLIKIN. I think it should be said as a practical matter that if the present committee were discharged a new committee would have to be constituted out of the same joint committee membership, and I doubt very much whether the result would be much different. There has been a conflict of opinion as to what the figures of the budget should be. I wish that that conflict had not presented itself. So far as I am concerned, I may say that I did what I could in the matter in the hope that an agreement might be reached. But things got to a point where that seemed an impossibility, as I said yesterday. I would not like to see us come back to the Senate with an unrealistic solution. I am completely satisfied, as has been demonstrated today, that no matter what we might bring back the Senators will continue to exercise their individual judgment as to what the figures should be.

Mr. BYRD. I should like to ask the Senator this question: Does the Senator from Colorado consider the Senate's action reducing the budget figures by four and a half billion dollars and applying $2,000,000,000 on the debt as being a realistic action?

Mr. MILLIKIN. Yes; I do.

Mr. BYRD. Is the Senator prepared to say that it will be carried out?

Mr. MILLIKIN. I think it will be.

Mr. BYRD. Does the Senator think there will be a reduction of four and a half billion dollars?

Mr. MILLIKIN. I am completely confident that there will be. I think there is some difference of opinion between the distinguished Senator from Virginia and myself as to what the legislative budget law requires. The legislative budget law requires a budget on the basis of actual receipts within a given period of time and actual expenditures within a given period of time. The Senator from Virginia, if I understand him correctly, interprets that as an absolute obligation to achieve economies to the extent of a $4,500,000,000 budget reduction on the expenditure side. I hope we shall achieve those economies; I hope we achieve greater economies; but if we achieve an expenditure budget reduction in the amount of $4,500,000,000 we shall have complied with the law.

Mr. BYRD. And does the Senator think that will be achieved?

Mr. MILLIKIN. I think it will be achieved.

Mr. BYRD. I wish I could share the optimism of the Senator, but I have been studying the appropriation bills very carefully and, to date, there is an actual cut of only approximately $800,000,000 below the budget, and 90 percent of that is still subject to the action by the Senate. I should like the Senator to inform me when he expects to achieve the balance of the reduction of $3,700,000,000 in the appropriation bills which the House has not acted upon.

Mr. MILLIKIN. After the House acts upon the appropriation bills and they come over to the Senate they are passed upon by the Senate. Except in one case they have not been acted upon here. I believe that the Senate's goal is a definite one. I believe it imposes as much of an obligation on our consciences as can be imposed, and I believe that the Appropriation Committee when it has finished its work, will come within a comparatively short distance of the desired $4,500,000,000 reduction. I do not see any reason why we should assume that once we have determined upon a goal, which we fixed by a substantial vote and after full debate, we have to have another charge on our consciences.

Mr. BARKLEY. Mr. President, will the Senator yield for another observation?

Mr. BYRD. I yield.

Mr. BARKLEY. I want it distinctly understood that the remarks which I made a moment ago were not in any sense a criticism of the Senator from Colorado, for whom I have not only an intellectual respect but a personal regard and affection.

Mr. MILLIKIN. The feeling is heartily reciprocated.

Mr. BARKLEY. I talked with the Senator when we had up the question of a budgetary ceiling of four and one-half billion dollars. I doubted then that we could attain it, but I thought it was worth the effort, and I sympathized with the viewpoint which seemed to me to be realistic at the time we were discussing the question of the budget. But even though the Senator's optimism may be justified, that does not absolve the joint committee set up under the Reorganization Act from the performance of its duty to at least make an effort to bring to the two Houses an over-all picture of the receipts and expenditures or to state why it has been impossible to bring about even a brief conference of the members of the joint committee charged with this duty, for whatever it may be worth in determining our expenditures in the two Houses. I am unable to explain why it has not been done, and I do not think there is a justifiable reason.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MILLIKIN. My understanding is that preliminary exploration of the matter—the Senator knows there are always explorations in these matters—indicates that if we cannot reach an agreement reasonably close to the position of the Senate there is no use in having another meeting and come to another disagreement.

Mr. BARKLEY. I am afraid that the preliminary exploration to which the Senator refers has not even approached the goal set by the Senator in his own motion, and the members of the committee are devoid of the frankness to come before the two Houses and say so.

Mr. MILLIKIN. That is the Senator's implication.

Mr. BARKLEY. That is my opinion. That does not impugn anyone's motives. I think they set a figure which was too high, and they are not willing to admit it.

Mr. MILLIKIN. I should like to invite the attention of the Senator from Virginia again to the distinction we were drawing a while ago between savings, which I wish could very substantially exceed $4,500,000,000, and expenditures. There has developed here a habit of brushing off the $800,000,000 having to do with refunds, and also a failure to recognize the $830,000,000 which the other day was put into a bill in the Senate, which will require payment in this fiscal year of the Commodity Credit Corporation deficit, and which, of course, will correspondingly reduce by that much expenditures in the next fiscal year.

Mr. BYRD. The Senator from Colorado does not think that is a saving, does he?

Mr. MILLIKIN. I distinctly say it is not a saving.

Mr. BYRD. Because that will reduce contemplated surplus in this fiscal year, and may wipe it out entirely.

Mr. MILLIKIN. The surplus in this fiscal year automatically passes into debt retirement.

Mr. BYRD. There will be very little surplus after $800,000,000 is taken out, in the form of an appropriation which was scheduled to be paid next year, but which is paid this year.

Mr. MILLIKIN. What difference does it make whether it is paid next year or this year? The action which the Senate took was to have it paid this year. If it is paid this year, that much burden will be taken off of expenditures next year.

Mr. BYRD. I say to the Senator that if a payment is made this year, instead of next year, there is no saving to the Treasury of the United States.

Mr. MILLIKIN. I was drawing a distinction between savings and expenditures. The budget resolution we are talking about is not in terms of savings. I wish it were in terms of savings, but it is not. It is in terms of expenditures, and our duty in that respect is limited by expenditures. That is my sole point. From that standpoint, these lightenings of the burden on expenditures in the next fiscal year are in legitimate compliance with the budget requirements.

Mr. BYRD. But the reductions in estimated expenditures can be construed as savings. If the expenditures are less than the expenditures outlined in the President's budget, they are savings.

Mr. BARKLEY. Mr. President, if I may interrupt the Senator again with respect to the matter of the "brush off" of $800,000,000, I should like to say that I am quite satisfied that the people who have paid excess taxes and are entitled to refunds will object to being "brushed off" even for a year; and if we might suppose and assume that the Treasury's estimate is correct, the $800,000,000 will have to be paid either this year or next year. If we may assume that we could postpone the payment to the affected taxpayers for a period of 12 months, as the Senator suggests, nevertheless we cannot overlook the fact that $800,000,000 will be drawing 6-percent interest for that year, which will amount to $48,000,000 more, so the final amount will be $848,000,000 next year if the $800,000,000 is found to be due and if we postpone paying it for a year. The result would be to add that much more to the expenditures for next year which would be affected by any tax bill we pass this year.

Mr. MILLIKIN. Mr. President, that comes down to a question of the tempo of expenditures. The administration has one view of that matter. The House Appropriations Committee took another view of it. A while ago the Senator said that he prefers to adopt the administration's viewpoint, although the administration does not look very well so far as accuracy of estimates is concerned.

Mr. BARKLEY. Mr. President, speaking of the refund item, I was saying that the Treasury Department has more information and knowledge of the amount required for refunds than does the House Appropriations Committee; and the Treasury's estimates up to date have been comparatively accurate.

Mr. MILLIKIN. If the Treasury's estimates on that matter have been accurate, I say to the Senator that is a shining exception to their other estimates in connection with this budget.

I should like to bring one other matter to the Senator's attention: Under the parliamentary situation we could not, if we wanted to, now increase our estimate of receipts, so far as this budget is concerned.

Mr. BYRD. But the Senator from Colorado has increased it, and he predicates this bill upon an increase in revenue of more than $2,000,000,000.

Mr. MILLIKIN. Exactly.

Mr. BYRD. He has increased it by that much more than was estimated in February.

Mr. MILLIKIN. But I am talking about the result of the budget meeting. We cannot raise that estimate now, no matter how realistic the present estimate is.

Mr. BUCK. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield.

Mr. BUCK. I should like to ask the Senator from Kentucky whether he ever knew of anyone who had the experience of getting a 6-percent kitty with an overpayment?

Mr. BARKLEY. I am not familiar with kitties, and therefore I cannot answer the question accurately. [Laughter.] But I know the law provides that after a tax refund is determined to be due, the taxpayer is entitled to interest on it until it is paid to him by the Government.

Mr. BUCK. But the interest paid is not 6 percent.

Mr. BARKLEY. Yes; I think it is.

Mr. BUCK. That is what the taxpayers have to pay on amounts still due the Government, if they pay an insufficient amount of tax in the first place.

Mr. BARKLEY. No; the Government itself is obligated to pay interest on a refund due because of an excess tax payment, after determination is made that the refund is due; the Government is obligated to pay interest on it until it is paid.

Mr. BUCK. Is the Government obligated to pay interest at the rate of 6 percent?

Mr. BARKLEY. Yes.

Mr. BUCK. I understand that the Government must pay interest, but is 6 percent interest required?

Mr. BARKLEY. I may be incorrect, but I think it is 6 percent.

Mr. BYRD. Yes; it is 6 percent.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LUCAS. I should like to make an observation with respect to tax refunds: In the event the Congress passes a tax bill reducing taxes, as of July 1, for the fiscal year 1948, the Congress will thereby be increasing the amount of tax refunds which will have to be paid to the taxpayers from the Treasury Department.

Mr. MILLIKIN. Mr. President, will the Senator yield to me again?

Mr. BYRD. I yield.

Mr. MILLIKIN. Let me say there is nothing new in either slowing down or accelerating the rate of expenditures, as the Senator knows better than I do. In other words, the expenditures in a given year result not only from the appropriations made in that year, but also from commitments and obligations made in a preceding year; and it is an entirely normal procedure to regulate the expenditures for a given year in the light of the budgetary requirements. There is nothing strange or novel about that; and I think the House Appropriations Committee, assuming that it acted on the basis of information—and I believe there will be some support for its position—had a perfect right to estimate the rate of expenditures in the light of its own budgetary conclusions.

Mr. BYRD. But they are fixed expenditures, because if a taxpayer overpays his taxes—and many of them will do so, by reason of the decreased taxes as proposed in the bill we are discussing—he will be entitled to a refund, and it is not within the power of Congress to decrease the amount of a refund which is due and owing. Whatever it is, it must be paid.

Mr. MILLIKIN. I suggest that we have many fixed obligations which carry over into the fiscal year 1948 from the fiscal year 1947, and they must be paid. They are a part of the picture. That is recognized in the President's budget and in our own resolution with respect to the budget. There is an obvious disparity between the amount of estimated appropriations and expenditures.

Mr. LUCAS. Mr. President, will the Senator yield to me once more?

Mr. BYRD. I yield.

Mr. LUCAS. Let me ask the Senator from Colorado a question. The Senator agrees that if tax refunds in the amount of $800,000,000 are due, they must be paid at some time; does he not?

Mr. MILLIKIN. Yes; if they are valid obligations.

Mr. LUCAS. If they are, they must be paid; is that correct?

Mr. MILLIKIN. Yes.

Mr. LUCAS. And they must be paid either this year or next year; is that correct?

Mr. MILLIKIN. Yes, that is right; just as we have to pay the appropriations, which are obligations made in this fiscal year, but are carried over into the next fiscal year.

Mr. BYRD. Mr. President, I am happy to have the assurance of the able Senator from Colorado, the chairman of the Finance Committee, that there will be a reduction in expenditures for the fiscal year 1948, in the amount of $4,500,000,000, so that the expenditures for fiscal 1948 will not exceed thirty-three billions. How he arrives at that conclusion, I have been unable to ascertain, but I have great confidence in his statement and in his word. If I felt definitely sure that that would be correct, I would vote for the tax-reduction bill. But my judgment tells me, after a careful study of the matter, that the Senator is entirely too optimistic.

Let me call his attention to the fact that of the $17,000,000,000 of appropriation bills which have not yet been acted upon, the appropriation bill for the War Department will require $6,000,000,000 and the appropriation bill for veterans will require $7,000,000,000; in other words, together they comprise $13,000,000,000 of the $17,000,000,000 of appropriations which have not yet been acted upon. I should like to have the Senator tell me where he will reduce more than three and a half billion dollars in those items.

Mr. MILLIKIN. Mr. President, I would not assume to tell the Senator just how that will be done, but I believe that by savings, in which the Senator is primarily interested, plus rescissions, plus other things that will be done, our expenditures for the fiscal year 1948 will be approximately four and a half billion dollars lower than those contemplated by the executive budget.

Mr. BYRD. The Senator is not prepared to give any details?

Mr. MILLIKIN. Even if I were, I doubt whether I would go into it, because that would provoke a repetition of the tail-chasing we got into when we were debating this matter in connection with the Senate budget resolution.

Mr. BYRD. Mr. President, as I was saying when I was interrupted, it would seem that a bipartisan policy for retrenchment and economy should be the foundation stone upon which to build our foreign policy, as America can perform its commitments only by remaining strong at home, by preserving its fiscal solvency and productive capacity, by safeguarding its ability to finance its obligations without crushing taxation.

Upon our financial security at home depends our capacity to protect our defense if another war should come. An American internal collapse would be the best weapon for the advocates of expansion of world communism. The financial strength of America, let us always remember, is the chief bulwark in the world today against autocracy and totalitarianism. Weaken the financial security of America at home, and you have made the whole world defenseless to the assaults of communism.

But, instead of bipartisan action on the vital question of preserving our financial strength, we find that the President has said his budget should not be reduced one dollar, and the Republicans cannot make up their minds as to a spending ceiling. The 1,141 bureaus cry to the high heavens whenever one dollar is taken off any of their appropriations. Yet an analysis of the appropriations shows that virtually every peacetime bureau is receiving, even under any reductions at this time made, substantially more than in peacetime years.

Mr. President, I have a table here which shows that there is hardly a bureau of Government, even after reductions have been made, about which we have heard so much, that has not tremendously increased its expenditures as compared with 1941.

Let us take for instance the Department of Justice. Sixty-one million dollars was spent for the Department of Justice in 1941; in 1944, $102,000,000 was appropriated and the amount approved by the House Committee on Appropriations for 1948 is $108,000,000. In other words, there has been an increase from 1941 to date of from $61,000,000 to $108,000,000, as approved by the House committee.

Let us take the Department of Labor, about which we have heard so much. In 1941 that department received $23,000,000. In 1944, in the midst of the war, it received $46,000,000, and it was finally given $79,000,000 for 1948, three times as much as it got in 1941.

Let us consider some few others, the Civil Service Commission, for example. It received $97,000,000, in round figures, in 1941; in 1944 it received $192,000,000, and under the budget estimate for 1948 it would receive $260,000,000, increasing the appropriation from before the war from $97,000,000 to $260,000,000.

Take the Federal Communications Commission. In 1941 it received $2,300,000. In 1944 it received $7,600,000, and the budget estimate for 1948 is $7,300,000, just a little less than the height of the appropriations during the war.

The Federal Power Commission received $2,500,000 in 1941. In 1944 it received $2,497,000, and the budget estimate for 1948 is $4,259,000, nearly twice as much.

Let us take the General Accounting Office, which I think is doing splendid work, and it is probably one of the most necessary of the Government agencies. It received $10,900,000 in 1941, $26,000,000 in 1944, and the budget estimate for 1948 is $36,000,000.

The Railroad Retirement Board got $135,000,000 in 1941, it received $277,000,000 in 1944, and $690,000,000 was finally given it for 1948.

Mr. President, I ask that at this point, as part of my remarks, recommendations I made on February 19 with respect to economy and reductions in expenditure be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD as follows:

While I am a member of the Joint Legislative Budget Committee, I am not a member of the subcommittee which had the benefit of detailed study and which made the recommendation to reduce expenditures from $37,500,000,000 to $31,500,000,000. Neither am I a member of the Appropriations Committee. I speak for myself alone, and I shall attempt to give a broad pattern of expenditure reduction, which can be taken for what it is worth.

First, I would proceed to reduce the number of Federal employees from the present number of 2,300,000 to either 1,600,000, or, if possible, to 1,500,000, placing the number of Federal employees on a basis of 50 to 60 percent more than the year before the war, which number, I am convinced after long investigation, is adequate to perform the functions of government. This would save, in the salary and expenses such as traveling, stationery, rental of buildings, and so forth, the sum of $2,500,000,000. That is the way in which I would start to realize the reduction of $6,000,000,000.

The average salary of Federal employees is $2,640; and with incidentals each employee is costing the Federal Government approximately $3,000 a year, because they must have places in which to work and other facilities.

I would then seek, as the second item of reduction, to require Government corporations to finance out of their existing assets at least $1,000,000,000 of the $1,850,000,000, which is to be withdrawn from the Treasury next year by such corporations. The net capital of Government corporations is approximately $10,000,000,000. The Byrd-Butler bill provides that as the assets of these corporations are liquidated, or if earnings were made, such balances should be returned to the Treasury of the United States instead of remaining in the hands of the corporations. Consistent with this legislation, it would be entirely reasonable to require these corporations to absorb a part of the amount of the funds included in the expenditure budget. They are requesting $1,850,000,000, and I propose to require them to finance $1,000,000,000 out of their existing assets. This may be difficult, but it can be done, I think, even though it may be necessary to reduce the activities of the forty-odd corporations; and I believe that the time has come for this. I have thought for a long time that we should substantially reduce them. That is the next item I would reduce.

In any event, speaking of Government corporations, the item of $830,000,000 which is in the budget to restore the capital of the Commodity Credit Corporation has no place in the 1948 budget, as the impairment of the capital of the Commodity Credit Corporation occurred in 1946 and 1947 and, to be fair about it, that impairment should be handled in the present budget and not passed on to the next budget.

These two savings, if effected, would amount to $3,500,000,000, leaving a balance of $2,500,000,000 of the $6,000,000,000 reduction proposed.

Those are my suggestions. Frankly, if I were called upon to balance the budget, that is how I would go about it as to $3,500,000,000.

I am firmly of the opinion that within the scope of the remaining budget expenditures, a saving of $2,500,000,000 can be effected without endangering our national security or any other essential functions of government—the Army, the Navy, or any others—by scrutiny and careful action on the part of the Appropriations Committees. That would aggregate $6,000,000,000. I will expand that further.

It may be that we shall have to do without some things that are desirable, but not necessary. If the people, through Congress, continue to add to the burdens of the Federal Government by asking the Government to do things which they should do for themselves, then of course these economies are not possible. When I say that there can be a reduction of $6,000,000,000 without doing injury to the essential functions of Government, I want to emphasize that the important feature of that program is to allocate and distribute the reductions in the most scientific and fairest possible way. If we apportion the $6,000,000,000 reduction in a just and fair way on the expenditures that are proposed in this budget, I am convinced that we can effect this economy and not endanger the functions of Government.

It may be that some of the things which we have been doing for years we ought not to have been doing, and that they should be dropped in order to reduce our stupendous obligations. It can be done if there is a will to do it. If we say that we cannot do it, we shall not accomplish the desired saving. Every Member of the Senate knows the extravagance that exists in practically every branch and activity of the Army and the Navy. I say this, as I have said before, without criticism of our great military leaders, because they have neither the time nor the inclination to conduct peacetime operations with the necessary economy and efficiency. Let me give a little itemization of the $2,500,000,000.

It may be that there must be reductions in the less essential public-works programs and in other fields of activity of the Government, including the reduction or elimination of an item of $500,000,000 for housing and community work. Personally, I can see no need for such an expenditure under the present situation. Those two items aggregate approximately $1,600,000,000.

From the combination of public works and housing it should be possible to obtain a reduction of $500,000,000, reducing the balance to be cut $2,000,000,000.

The field for economies to produce this $2,000,000,000 cut is very wide. It includes the Veterans' Administration, in which certainly some economies can be made. I believe that such a plan will be devised. It is a comparatively new agency on its present basis, and, naturally, it has been more wasteful up to date than it should have been. I do not know how much can be cut from it. I think something can be, and still give needed service to the veterans.

Economies can be effected in such items as agriculture, national resources, transportation and commerce, finance, and industry, and general government. On the items which I have just mentioned we propose to spend $8,000,000,000. We certainly should save at least $500,000,000 out of that $8,000,000,000 in addition to personnel cuts.

That brings us within a billion and a half of what we need to make the $6,000,000,000 reduction. I have not reached the Army and Navy.

Notwithstanding the public statements that have been made by officials of the Army and Navy that no cuts can be made without disaster to our national defense, I am informed by high-ranking officials of both the Army and the Navy that reasonable cuts can be made in the proposed appropriation of $11,200,000,000. I think a 10-percent reduction can be made in this appropriation in addition to a proper reduction of civilian personnel.

It is my opinion that the best service that the Congress can now render the cause of national defense is to insist and demand that the national defense program shall be administered with due regard to economy and efficiency. Looking forward to the future, we must realize that the longer exaggerated military spending is tolerated now, the more difficult it will be to sustain public opinion favoring necessary expenditures for adequate national defense in years to come. Unless we so conduct our national defense program as to bring it within the ability of the people to pay, and at the same time eliminate unnecessary waste and extravagance, then, as the years go on, it will be more and more difficult to induce the people of the United States to pay the taxes necessary to maintain a proper national defense program.

I want to eliminate the water in the national defense programs without injuring our essential objective of a strong national defense; and, by doing so, to convince the people of America that we are performing an essential public service at minimum cost. In the budget for the third fiscal year of peace after the end of the war the proposed expenditures of $11,200,000,000 is 11 times more than our national defense cost the year before Pearl Harbor, and nearly half the total cost of World War I.

Mr. MILLIKIN. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield to the Senator from Colorado.

Mr. MILLIKIN. I should like to say that I am reliably informed that interest on refunds due to excess withholding—and I understand that accounts for about a billion and a half dollars out of the $2,000,000,000 refund item—does not start until the return is filed 1 year after the date of payment.

Mr. BYRD. Mr. President, I know of nothing that would strengthen our hand abroad and encourage Americans at home more than for the Republican and Democratic leaders, as I have said, to have a bipartisan policy for economy at home, as we have in our policy abroad. The one is necessary to implement the other. How are we to carry out the great obligations we have assumed all over the world unless we have at home the strong government which is made possible by retrenchment and economy, and the elimination of waste and extravagance which have existed in this Government for 14 years?

The greatest internal menace confronting America today is a public debt which is equivalent to more than twice as much as the assessed value of all the property in America. This debt averages more than $5,000,000,000 for each State, and the average value of all the tangible property of a majority of the States in the Union is estimated at being less than $5,000,000,000.

Let me state the reason why I am so much concerned that we have not as yet been able to reduce expenditures substantially. If we cannot reduce the expenditures of government in the third peacetime year, let me ask the Senate, when will we be able to reduce them? What reason is there to think that next year or the year after next we will be able to reduce expenditures if we cannot reduce them now? We are now enjoying the greatest prosperity this Nation has ever known. We have a national income of $180,000,000,000, which is twice as much as the annual income before the war. Senators know that when a recession of business comes, demands will be made upon the Public Treasury to give more and more for different purposes. Not only will we lose the tax revenue that comes from the present inflated national income, but we will have to spend more money.

I say in all seriousness, if we adopt a budget four times as large as that of the year before the war, as it seems apparently we will do, we will be inviting financial disaster.

Mr. MILLIKIN. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield to the Senator from Colorado.

Mr. MILLIKIN. Can the Senator give us any theory as to the reason for the adamant resistance of the administration to any reduction in the budget?

Mr. BYRD. I could not do that, Mr. President. This is not a political question with me. I wish to associate myself with Senators who believe in economy

and retrenchment, I care not whether they are Democrats or Republicans. I will cooperate with anyone in any move that will eliminate waste and extravagance. I do not desire to become involved in any political question regarding this matter. I said that I did not agree with the President's contention that there could be no reduction in the $37,500,000,000 figure for the 1948 budget, and I deplore the failure of the Republicans, through the Joint Committee on the Budget, to say that they will make substantial reductions in expenditures. If they cannot do that, let the joint committee come forward and say they cannot do it, and ask to be discharged.

Mr. MILLIKIN. One reason why I referred to the attitude of the administration was because the Senator has been quite critical of the Republican Party in one aspect of his argument.

Mr. BYRD. I am sorry the Senator thinks I am critical. I have the highest personal regard for him. I am merely stating facts. When the time comes that the Congress can ignore a law it has passed, how can we expect the people of the country to respect the laws? I say it is the moral duty and the legal obligation of the conferees to meet; and, if they cannot agree, to ask to be discharged, or at least advise the Senate that they cannot come to an agreement—and let it be remembered that they have had one meeting in 2½ months.

As I have said, Mr. President, if we freeze our peacetime annual expenditures between $35,000,000,000 and $40,000,000,000, we are inviting disaster. No man living is sufficiently wise to look into the future and say how long the present inflation will continue. Again let me emphasize that, should the national income go down even $10,000,000,000—and proportionately that is not much; it is only 6 percent of our present national income—if it went down $10,000,000,000, we would lose $3,000,000,000 in tax revenues, and there would be a deficit for the coming year. That is why it is so essential to reduce expenditures; such action has substance to it, for when expenditures are reduced, something is being accomplished, money is being saved. But what is being done by the pending bill is to predicate a tax reduction upon an inflation and upon an inflated revenue, which may not materialize; it will be like the mist before the morning sun; it may be here today and gone tomorrow. No Member of the Senate, I imagine, believes that the national income will continue on a level of $180,000,000,000, because, as I shall discuss a little later, that is entirely out of proportion, even when we consider the reduced purchasing power of the dollar. That is why it is so essential to reduce expenditures rather than to base our prospects upon a continuation of the existing inflated conditions.

Mr. President, I want Senators to mark this: As compared to August 15, 1939, on a basis of consumer value, the dollar is now worth 63 cents. If it was worth 100 cents in August 1939, the Bureau of Labor Statistics say it is worth 63 cents now. The national income in 1939 was $70,000,000,000. On a comparative basis of the dollar value, the national income today would be about $110,000,000,000. It is $180,000,000,000. A national income of $110,000,000,000 would cause one of the greatest deficits we have ever known, except in 2 or 3 years of the period when we were financing the war.

Mr. President, the distinguished chairman of the Finance Committee and the committee itself are predicating the bill upon revenues on a basis of $170,000,000,000 of national income for the fiscal year 1948. That means the year beginning the 1st of July 1948. It is significant that, after meeting in February and estimating an income on the existing rates of taxation—I think thirty-nine and one-tenth billion dollars was the revenue estimated by the committee; of course, it was not the estimate of the Treasury, this is not the administration; it is not those who should have the best information regarding such matters—the committee claims we will have $41,400,000,000. They increase their own estimate by more than $2,000,000,000 within a period from February up to the time the bill was reported.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator.

Mr. MILLIKIN. The rate of national income payments, at the time we adopted the concurrent resolution, in the Senate, was at the rate of $165,000,000,000 per annum; whereas, now, it is $176,000,000,000.

Mr. BYRD. I know; but what the Senator is doing is this: The income estimate is for the year beginning July 1, 1948. The Senator is taking the month of March and basing the next year's estimation that month upon that income.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MILLIKIN. I think it would be obviously unrealistic to adhere to an estimate that was based on $165,000,000,000, when, during the intervening months, we now learn that our rate of national income payments is $176,000,000,000.

Mr. BYRD. The Senator has no assurance, let me say, that it is going to continue for the next 14 months.

Mr. MILLIKIN. No. Mr. President, will the Senator yield?

Mr. BYRD. I think a conservative estimate should be made. It is much better to be on the conservative side in a matter of this kind, than to take the full share of the highest income we have ever known, which was last month, and then say we are going to continue at the same ratio for the next 14 months.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MILLIKIN. I should like to make it very clear in the RECORD that we have not accepted the highest rate. The highest rate is around $176,000,000,000. Our rate is based on $170,000,000,000, which allows for a modest recession. The administration has revised its estimates to $168,000,000,000. We are only a little bit above the administration's revised estimates.

Mr. BYRD. Let me say, that the estimate of the Administration was made in December, and it has not been changed since then. The estimate of the joint committee was made in February, and it was hiked up over $2,000,000,000, between February and May.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BYRD. Does the Senator agree with that statement?

Mr. MILLIKIN. Yes, I agree with that. I have no confidence in the Administration's estimates.

Mr. BYRD. I hope we can have full confidence in the committee's estimates, as the months go on.

Mr. MILLIKIN. I shall put forth my best evangelical efforts to inspire that confidence in the Senator.

Mr. BYRD. Even with as great power as the Senator has, I do not think he has power over the national income of this country to cause it either to go up or down.

Mr. MILLIKIN. The income of the country has been estimated by the Department of Commerce, and I have heard no one challenge the figures, as running at a rate of $176,000,000,000 of income payment. We are running our estimates on the basis of $170,000,000,000. Under simple arithmetic, that would allow for a recession to $164,000,000,000 some time during the year, to make the figure of $170,000,000,000, which is the basis on which we are operating.

Mr. BYRD. Let me call to the attention of the Senator the fact that in December it was $168,000,000,000. It then went up, during January, February, and March. It is now on the decline. It is not stationary and can readily decline for fiscal 1948. The Senator is assuming that the same ratio will continue throughout the fiscal year 1948.

Mr. MILLIKIN. No, Mr. President; I wish to disagree with that. We are not assuming that. We are assuming that there will be a decline, which will reflect over the fiscal year 1948 in our estimate of $170,000,000,000 instead of the present $176,000,000,000; as to which there is no question. For the first half of the fiscal year 1948, if I may suggest it, short of some entirely unforeseen cataclysm, it is bound to remain high. That will be accomplished merely by momentum of the income of the first 3 months—the reflection of corporate profits, and the reflection of the increased pay scale, that are expanding all over the country. Therefore, the estimate of $170,000,000,000, if it comes that low on the average, will have to represent a very substantial decline in the last half of fiscal 1948.

Mr. BYRD. Let me ask the Senator, suppose the income goes down, in the next fiscal year, not 1948, but 1949—then there will be a deficit, if the present rate of expenditures is maintained. Would it not have been better to have taken the surplus money—because it is all inflationary; there is nothing substantial about it—would it not have been better to have taken it and applied it to the public debt?

Mr. MILLIKIN. Mr. President, if the Senator will yield, I am heartily committed to a substantial payment on the public debt. We have before us the

choice of a plan which contemplates $2,600,000,000 a year payment on the national debt, or the administration plan, which contemplates $1,250,000,000 this fiscal year, and $1,400,000,000 next fiscal year. Under the administration's theory it would take 200 years to pay off the national debt. The Senate theory contemplates a much shorter period.

Mr. BYRD. But plans do not amount to anything, unless there is the money in the Treasury with which to pay on the public debt.

Mr. MILLIKIN. No.

Mr. BYRD. Mr. President, let me remind the Senator that we have had amortization of the public debt in the budget, for years. In the deficit years, what did we do? We borrowed new money in order to pay the amortization. So a mere plan means nothing; there must be the money, in cold cash, with which to make payment.

Mr. MILLIKIN. Mr. President, I agree. I should now like to answer directly the Senator's question. He refers to the possibility of a deficit after the fiscal year 1948. I think a man would be a fool who would foreclose possibilities of deficits in the future. I would not for one moment tie myself to any theory that we shall never again have a deficit. But I may say to the Senator my point is that from our viewpoint, at least, where, under all considerations and under all estimates of which I have knowledge, we are running at a surplus under the administration's theories and under the theories of the majority of the Senate Finance Committee, I think we should do both:

We should pay on the debt, but we should reduce taxes. I do not believe we can say to the people of the United States that, because, at some unforeseeable time in the future, we may run into deficits again, we will never give them a tax reduction.

Mr. BYRD. Let me make myself clear to the Senator. What I mean is that we ought not to take the surplus resulting from inflated revenue and authorize continuing expenses with it, for the day will come when the revenue is going down, and the high governmental expenses will continue.

Mr. MILLIKIN. I hope, Mr. President, that I have made it clear that I am not in favor of continuing the Government on a deficit basis when it is not necessary.

Mr. BYRD. I understand, but I think the policies advocated by the Senator are going to bring us to that situation. The administration estimates the revenue for the next year to be $38,800,000,000. The Senator and his experts estimate it at $41,400,000,000. If there is no reduction in expenditures—and no one can say yet whether there is going to be any such reduction in the next year—what may be the result? Suppose new foreign demands for assistance are made, and new commitments are entered into during the year. No one can say that such commitments will not be made. If there are no reductions made in expenditures the country may find itself on a deficit basis. Why not take the conservative view of the situation? If we have a little extra money, why not apply it on the public debt? It is not going to do any harm to apply the extra money upon the public debt; not a bit in the world. When conditions are unsettled as they are now it is the thing to do.

Mr. MILLIKIN. Mr. President, will the Senator again yield?

Mr. BYRD. I yield.

Mr. MILLIKIN. It is our theory that if we are correct respecting the figure of $170,000,000,000 of national individual income payments—and that figure is only a little above the administration's estimate—if we are correct in respect to that figure——

Mr. BYRD. Does not the Senator from Colorado think that $2,000,000,000 is a little something? We used to think that a billion dollars was quite a figure. Two thousand million dollars is more than a little something.

Mr. MILLIKIN. I would not say it is a little something. But we could accept the administration's figure and still achieve debt reduction and carry the weight, if it turns out to be a weight, of our income-tax-reduction bill, as was developed yesterday. One could make a very strong argument, I suggest to the Senator, that in this kind of an economy the revenues are not decreased by a tax-reduction bill.

Mr. BYRD. One could also make another strong argument that another series of deficits would shake the belief of the people of the world and of this country in the financial stability of this country. The very foundation of the stability of the country can be shaken by another series of deficits. One can make all sorts of arguments.

Mr. MILLIKIN. I agree with that statement. Neither of us can look into the future far enough to chart what may happen.

Mr. BYRD. Is not the very fact that we cannot look into the future a reason why we should be very careful and prudent about our fiscal policy?

Mr. MILLIKIN. I always believe in being careful and prudent, and from my viewpoint we are being careful and prudent. We are figuring on the fiscal year 1948. I wish I could look beyond that. But I must necessarily be content with taking a look at the fiscal year 1948, because that is the year we are dealing with and I do not believe that anyone can say now what is going to happen in the fiscal year 1949. We are in disagreement even as to what is going to happen in 1948.

Mr. BYRD. I think, Mr. President, that any businessman or any government in times as unsettled as these ought to be very prudent and lay up reserves as large as possible.

Mr. President, I wish to discuss very briefly the question of the national income, because we have a taxation system now that is dependent, practically entirely, for its receipts upon the amount of the national income, because we rely so heavily upon the income taxes. I think our tax system is volatile and undependable because it relies so heavily upon income taxes, particularly upon income taxes in the higher bracket. I will not detain the Senate much longer. Let me give a few figures about the national income which no one disputes.

In 1921, and that was a pretty prosperous year, we had a national income of $96,000,000,000. The present tax-reduction bill is predicated upon a national income of $170,000,000,000. For every billion dollars of national-income decline we lose in taxes $300,000,000, or 30 percent, under the existing tax rates. The Senator from Colorado has just spoken to me and said "national individual income." The figures are comparable, and what I have stated is based upon the estimates upon which the experts of the Joint Committee on Internal Revenue Taxation and the Treasury Department agree. If the national income goes down the tax revenue is reduced 30 percent of the decline. If the national income goes up the Government revenue from it increases 30 percent.

What would happen, Mr. President, if the national income went down to $96,000,000,000 as compared to $170,000,000,000. The Government would lose over $20,000,000,000 of tax revenue. Just think of that. I do not say the national income will go down to that figure, but 1941, when the national income was $96,000,000,000, was not a year without prosperity. That was a year when we were preparing for war.

In the year 1942, the national income was $122,000,000,000. When I say that I mean the national income that comes from individual wages, salaries, and so forth.

In 1943, the national income was $149,000,000,000. That was a prosperous year. We were then in the midst of the war. We were turning out production at a great rate.

In 1944, the national income was $160,000,000,000.

Mr. President, the point I am trying to make is that so long as we collect 85 percent of the Government's revenue in income taxes we have the risk of great fluctuations occurring in our Federal Government income as the national individual income goes up or down.

As compared to August 15, 1939, on a basis of consumer value, the dollar is worth 63 cents, as reported by the Bureau of Labor Statistics. In 1939 the national income was $70,000,000,000. On a comparative basis of dollar value, the national income today would be about $110,000,000,000, while the revenue receipts upon which this reduction is predicated is $170,000,000,000 for fiscal 1948. This indicates to some degree the inflated values between this period and 1939.

Mr. President, I have a chart showing the national income from 1909 to date, and I intend to place it in the RECORD. There has not been a period between those years when the national income has been stable. It has fluctuated, moving up and down. I ask unanimous consent to insert in the RECORD at this point in my remarks a statement of the national income payments and the method upon which these payments are computed, from 1909 to 1946.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

National income

Year:	
1909	28.7
1910	30.4
1911	30.5
1912	32.9
1913	34.8
1914	33.9
1915	37.0
1916	44.8
1917	53.7
1918	58.3
1919	68.2
1920	69.5
1921	51.7
1922	59.5
1923	69.5
1924	69.1
1925	73.7
1926	76.6
1927	75.9
1928	78.7
1929	83.3
1930	68.9
1931	54.5
1932	40.0
1933	42.3
1934	49.4
1935	55.7
1936	64.9
1937	71.5
1938	64.2
1939	70.8
1940	77.6
1941	96.8
1942	122.2
1943	149.4
1944	160.6
1945	161.0
1946	165.0

METHOD OF COMPUTING NATIONAL INCOME

1. Salaries and wages (including employees' contributions to social security).
2. All net income to proprietors.
3. Interest and net rents to individuals.
4. All net corporate profits.
5. Supplements to salaries and wages (including compensation for injuries such as workmen's compensation, and employers' contributions to social security).

Mr. BYRD. I emphasize again how great the variations in national income have been as proof that our tax system is not on a sound basis. It is volatile and undependable because it relies so heavily upon income taxes, and particularly upon income taxes in the higher brackets.

If the national income should go down to one hundred and ten billion, the tax revenue would be twenty-one billion five hundred million.

If the national income should go down to one hundred and twenty billion, the tax revenue would be twenty-three billion five hundred million.

If the national income were one hundred and thirty billion, the tax revenue would be twenty-six billion five hundred million.

If the national income were one hundred and forty billion, the tax revenue would be twenty-nine billion.

If the national income were one hundred and fifty billion, the tax revenue would be thirty-two billion.

If the national income were one hundred and sixty billion, the tax revenue would be thirty-four billion five hundred million.

These estimates of tax revenue from the various amounts of national income were supplied to me by the Joint Committee on Internal Revenue Taxation in February last, and were approved by the Treasury Department.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER (Mr. MCGRATH in the chair). Does the Senator from Virginia yield to the Senator from Ohio?

Mr. BYRD. I yield.

Mr. TAFT. The Senator of course realizes that the two are not comparable, because we now have an increase in wages, in wage rates, of more than 50 percent over 1941.

Mr. BYRD. I brought that point out previously in my statement.

Mr. TAFT. Consequently, so far as those prices are concerned, consideration must be given to the 50-percent increase over 1941.

Mr. BYRD. I brought that out while the Senator from Ohio was not in the Senate Chamber. As compared with 1939, the dollar today is worth about 63 cents. That is a difference of about 55 percent. The Senator is correct in his statement. Taking that difference into consideration, it will be found that, as compared to 1940, the entire period before the war, the present national income of $170,000,000,000 is greatly in excess of the 1940 income, after taking into consideration the difference in the purchasing power of the dollar.

Mr. TAFT. A moment ago the Senator spoke of the estimate made by the Treasury of $39,100,000,000.

Mr. BYRD. That was the estimate made by the Joint Legislative Budget Committee.

Mr. TAFT. The estimate of the receipts of the Treasury as being $39,100,000,000?

Mr. BYRD. That was the estimate of receipts for the fiscal year 1948, yes, as made by the Joint Legislative Budget Committee.

Mr. TAFT. That estimate was made, however, in December or November of last year.

Mr. BYRD. No; that was the estimate made by the Joint Legislative Budget Committee. The Treasury estimate was $38,800,000,000.

Mr. TAFT. The Senator was present when we had the Secretary of the Treasury before us, at which time I tried to ask him, "Have you, in view of the new developments reestimated the income for the fiscal year 1948?" Was it not clear to the Senator that he did not, or at least that he did not wish to reveal what those figures were?

Mr. BYRD. He said he had not reestimated them. But the Senator from Ohio did not catch my point. What I said was that the Legislative Budget Committee controlled by the Senator's party estimated in February, I think it was, that the Federal tax income would be $39,100,000,000. This bill is predicated upon an estimate made 2 months later of an income of $41,400,000,000, a difference of $2,300,000,000.

Mr. TAFT. Exactly, because of increase in prices, because of increase in the estimate of the income, because of increases which the Treasury has already taken into account in its estimate for the fiscal year 1947, but which the Treasury refuses to take into account for the fiscal year 1948.

Mr. BYRD. I make the point again, Mr. President, that this bill should be predicated upon an estimate for the fiscal year 1948, not an estimate for today or tomorrow. It is an estimate for the year ending July 1, 1948.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. GEORGE. With respect to the question raised by the Senator from Ohio, I simply wish to say that it does not necessarily mean that because prices have advanced buyers will be found who will buy at those advanced prices. It does not necessarily mean that because the hourly wage rates are high full jobs and full employment for all workers at those high rates are going to be found.

Mr. BYRD. I thank the Senator from Georgia. He is entirely correct in his statement.

In conclusion, I wish to say that I will support the motion made by the Senator from Georgia [Mr. GEORGE] to postpone consideration of the tax bill until a further indication can be given by the action of the respective committees and by the House, and, if possible, by the Senate, as to the extent of the reductions to be effected in the President's budget. This is the only safe and prudent way for us to proceed.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. ROBERTSON of Virginia. With reference to the Senator's recommendation that we make a substantial payment on the national debt, does the Senator foresee any future time when we shall be in a better position to make a payment on the national debt?

Mr. BYRD. I cannot conceive of our being in any more fortunate and better position than we are in today, so far as paying off at least a part of the debt is concerned.

Mr. ROBERTSON of Virginia. Is it not also true that in estimating the national debt at $258,000,000,000 we include in that total the current redemption value of E bonds, but not their maturity value; and that if we take the national debt at its maturity value, it is $10,000,000,000 more than the current estimate? If we do not pay on the national debt now, it will automatically increase.

Mr. BYRD. My colleague is correct.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LUCAS. Can the Senator tell us what the expenditures of Government were in 1939? He has used that figure from time to time.

Mr. BYRD. Approximately $9,000,000,000.

Mr. LUCAS. The Senator further stated that at the present time, in comparison with 1939, the dollar is worth only 63 cents. If that is true, compared with 1939, the budget submitted by the President on the basis of $37,500,000,000 would be a budget of only $23,600,000,000 if it were computed on the basis of the value of the dollar in 1939.

Mr. BYRD. It would not be that much. As I calculate it, the figure would be about 55 percent more than the budget of 1939.

Mr. LUCAS. I may have the wrong figure, but I thought it was interesting to make that comparison. If we are dealing with a 60-cent dollar at the present time in comparison with 1939, it is interesting to make the comparison with respect to what the budget would be on the basis of the dollar of 1939, if we are comparing the budget estimate with that of 1939.

The PRESIDING OFFICER (Mr. McGRATH in the chair). The question is on agreeing to the motion of the Senator from Georgia [Mr. GEORGE] to postpone further consideration of House bill 1 until June 10.

Mr. MILLIKIN. Mr. President, we have a unanimous-consent agreement to vote on this motion at 4 o'clock on Monday afternoon. Are any proponents of the motion ready to speak?

Mr. GEORGE. Mr. President, several other Senators desire to speak in support of the motion.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 12 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 7 and 13 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

SECOND DEFICIENCY APPROPRIATIONS, 1947—CONFERENCE REPORT

Mr. BRIDGES. Mr. President, I submit a conference report on House bill 3245, the second deficiency appropriation bill, 1947, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The clerk will read the conference report.

The clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 9, 10, 11, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 28, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum of "$70,000" named in said amendment insert "$60,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"FEDERAL WORKS AGENCY

"BUREAU OF COMMUNITY FACILITIES

"Veterans' educational facilities: For an additional amount for the completion of construction and installation of veterans' educational facilities, fiscal year 1947, $3,000,000, to be available until expended, but not to be available for new projects after September 30, 1947, of which amount not to exceed $100,000 shall be available for administrative expenses: *Provided*, That no part of this appropriation shall be used for the relocation of any building at a cost greater than $3 per square foot."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Maintenance and operation of air navigation facilities: For an additional amount, fiscal year 1947, for 'Maintenance and operation of air navigation facilities', $20,000."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 12, and 13.

STYLES BRIDGES,
CHAN GURNEY,
JOSEPH H. BALL,
KENNETH McKELLAR,
CARL HAYDEN,
Managers on the Part of the Senate.

JOHN TABER,
RICHARD B. WIGGLESWORTH,
ALBERT ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3245, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
March 22, 1947.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 12 to the bill (H. R. 3245) making appropriations to supply deficiences in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 7 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert:

"Such sums as may be determined by the Bureau of the Budget to be necessary are hereby appropriated for making for the first quarter of the fiscal year 1948 (1) grants to States for assistance to aged needy individuals, needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended, and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this appropriation shall be charged to the appropriations therefor in the Labor-Federal Security Appropriation Act, 1948."

That the House recede from its disagreement to the amendment of the Senate numbered 13 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert:

"FARM LABOR SUPPLY PROGRAM

"Supply and distribution of farm labor: The funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended and supplemented, are hereby continued available through January 30, 1948, for carrying out the purposes of said act, as amended, and the act of April 28, 1947 (Public Law 40, 80th Cong.), an act providing for a 6 months' extension and final liquidation of the farm labor supply program; and, in addition to the amount continued available, there is hereby appropriated for such purposes the sum of $5,000,000 to be merged with the funds hereby continued available. Not less than $2,000,000 of such additional funds shall be apportioned among the several States in the manner and for the purposes specified in section 2 of the Farm Labor Supply Appropriation Act, 1944. In addition to the amounts heretofore made available for administrative expenses pursuant to section 3 of such act, there is hereby made available out of said funds the sum of $250,000 for such purposes: *Provided*, That not to exceed $258,500 of the total funds remaining as of January 30, 1948, shall be available until June 30, 1948, for administrative and other expenses, including personal services in the District of Columbia, incident to the settlement of growers' and workers' contracts and accounts, the collection of reimbursements due the Government, the payment of transportation and other obligations outstanding, and the handling of other necessary fiscal and administrative work in the final liquidation and disposition of Government assets and liabilities under the program: *Provided further*, That not to exceed $500,000 of the receipts derived from sales of labor supply centers, labor homes, labor camps, and facilities under the provisions of section 2 (d) of the act of August 14, 1946 (Public Law 731), as amended, shall be available for the payment of costs of the liquidation of such labor supply centers, labor homes, labor camps, and facilities, including personal services in the District of Columbia, and any appropriations or other funds from which such costs have been advanced may be reimbursed therefor from any such receipts, the net proceeds of such sales to be deposited in the Treasury of the United States."

Mr. BRIDGES. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7 and 13.

The motion was agreed to.

WANTON DESTRUCTION OF FOOD

Mr. JOHNSON of Colorado. Mr. President, on last Sunday, May 18, readers of many of our Sunday newspapers must have been shocked by the Associated Press wire photo of a huge pile of potatoes which were destroyed by the Government—at least, I was shocked by it. Knowing that starvation is prevalent throughout the world, I sincerely hope that the Voice of America does not employ a wire-photo service for foreign countries. I am afraid that a picture such as the one I have before me would cause mutiny and perhaps revolution abroad.

The description accompanying the photograph published on May 18 is as follows:

FOLEY, ALA.—Government condemns surplus potatoes. More than 50 tons of surplus potatoes grown in Baldwin County, Ala., were dumped by the Government near here Friday because of a glutted market. Two production and marketing administration checkers stand atop the pile dumping the spuds into an open field. Kerosene was then poured over them to make them unfit for consumption.

Mr. President, today those same potatoes would cost the consumer 10 cents a pound in the market in Washington. To me this was a revolting display of wanton destruction of food. I know that the argument is made that there was a surplus, and that they did not know what to do with the potatoes.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I shall be glad to yield in a moment.

Mr. President, in this Nation we have all sorts of tax-supported institutions which are having a most difficult time staying within their budgetary requirements. It seems to me that these potatoes could very well have been sent to such institutions, and might well have been used by them, on a basis of no charge whatsoever, rather than being poured out on the dump and soaked with kerosene to make them unfit for human use.

I now yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, I am in thorough accord with the Senator from Colorado regarding the destruction of food. I saw the same article and the same picture. I have intended to make some investigation to ascertain, if I could, if there was any satisfactory explanation or answer. I have not made such an investigation. I wonder if the Senator from Colorado has done so.

Mr. JOHNSON of Colorado. I have tried to make an investigation, and the only thing I am told is that there was a surplus, and that in order not to weaken the market it was necessary to dump the potatoes and render them unfit for human consumption.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from South Carolina.

Mr. MAYBANK. I am in thorough accord with the Senator from Colorado on the question of destruction of food which can be used in America. However, so far as shipment of the potatoes to Europe is concerned, no shipping is available, and no refrigeration is available. At one time an attempt was made to send several shiploads of potatoes to Antwerp. I happened to have been there at the end of the war in 1945. The operation was not successful. Badly needed shipping was used, and, even then, because of a lack of refrigeration, potatoes were dumped in the harbor of Antwerp. It is difficult to obtain refrigerated ships in which to transport potatoes to the starving people of Europe.

I suggest—and I hope it may be done—that potatoes be dehydrated and be made available in that form to those in need. But so far as shipping raw potatoes to Europe is concerned, it cannot be done. There is no refrigeration. I hope when the Senate investigates this question some way will be found to dehydrate early potatoes so that they can be shipped abroad.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. In a moment. Of course I understand that these potatoes could not have been shipped to Europe; it was absolutely impossible, because early potatoes are very perishable and cannot be shipped very far. What I contend is that instead of destroying them they should have been shipped to tax-supported institutions.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MAYBANK. Mr. President, the Senator has brought up a subject which has been discussed on the floor many times previously. I should like to add to what I have stated that there are not sufficient iced cars in the United States in which to ship the early Alabama, Florida, Carolina, and Georgia potatoes even to New York.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, the Senator from South Carolina is giving some of the answers which I knew or thought were involved in this question. I think I should say that I have discussed the potato situation with the Secretary of Agriculture, Mr. Anderson, several times, but it was some months ago. I know the Secretary of Agriculture very well, of course; I have known him for many years. He comes from my State. I know that no one in the United States is more opposed to the destruction of food or products which could be utilized as food than is the Secretary of Agriculture. I also know that the potato problem has been a source of constant headache to the Department of Agriculture for a long time. They are unable to find the complete answer to the situation. Of course, there is no satisfactory answer which would involve approval of the destruction of potatoes. I think that should be said for the Secretary of Agriculture.

Mr. JOHNSON of Colorado. I share the high regard which the Senator from New Mexico holds for Secretary Anderson. He is, in my estimation, perhaps the ablest man who has ever held that position. I have every respect for him and every confidence in him, but, nevertheless, I do not think there is any justification whatsoever for dumping potatoes in a pile and destroying them. The Senator from South Carolina has said there is not sufficient iced cars and, of course, that is true; but the potatoes were hauled in trucks, and I have pictures of the trucks dumping them. I contend that it costs just as much to haul those potatoes out and spill them over the dump as it would have cost to take them to some institution where they might have been used.

Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. JOHNSON of Colorado. I yield to the Senator from South Carolina.

Mr. MAYBANK. I do not want the distinguished Senator from Colorado to believe for one moment that I agree to such a procedure as destroying potatoes. My only desire was to bring out the point that Georgia, the Carolinas, Alabama, and Florida potatoes will be coming on the market next week, and I know whereof I speak when I say that there are not sufficient refrigerator cars to haul potatoes to New York, or even to Washington, without spoilage. As many Senators will remember, I spoke on the floor of the Senate several years ago regarding the situation in Potomac Yards. At that time the odor arising from the rotted potatoes which had been shipped there in cars was so bad as to be almost overpowering.

I am in thorough agreement that something should be done. There is a shortage of iced cars to take care of the potatoes which are planted early and heavily fertilized and rushed to market. Unless something can be done to provide the necessary iced cars or the necessary refrigerated ships to transport products of this kind there will be a continuation of present conditions. I thoroughly agree with my distinguished friend from Colorado that an investigation should be made to ascertain what may be done by way of treating and preserving this type of potatoes which are now allowed to go to waste.

Mr. JOHNSON of Colorado. I called attention to the fact that such potatoes are now costing the consumer in Washington, and, I presume, in all the other cities in the East, 10 cents a pound.

Mr. MAYBANK. The Senator is eminently correct. But only a few of these potatoes can reach here.

Mr. JOHNSON of Colorado. There are sufficient trucks to haul them. A great many of them could be moved, I am sure. As I have already stated, they could have been moved just as easily to market as they could have been moved out to the dump.

I do not care to prolong the discussion.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HATCH. I merely wanted to ask a question which perhaps someone familiar with potato growing can answer. I am not myself familiar with it. Am I correct in my belief that a subsidy has been paid potato growers, but that no control over production is exercised?

Mr. MAYBANK. There is control over production, but most of the potatoes are going to the Government.

Mr. HATCH. Is the Senator certain that there is any control over production?

Mr. JOHNSON of Colorado. The subsidy is tied up, as I understand, with the acreage.

Mr. MAYBANK. The Senator is correct. The subsidy is tied up with the acreage. The only thing that can be done with this type of potato is to dehydrate it or use it for some other purpose. It is not like the Idaho or Maine potatoes. It is an early potato which is planted in my section not later than George Washington's Birthday

in order to get new potatoes early in the season to New York, Philadelphia, and other cities. The production is large. There are not sufficient iced cars any more, and we have not enough ships. I am glad that the Senator brought up the problem. The Secretary of Agriculture has worked diligently in an effort to try to find some solution of it.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Florida.

Mr. HOLLAND. I should like to confirm the statement which the distinguished Senator from South Carolina has made with reference to the difficulty of getting sufficient refrigerated transportation. About a month or 6 weeks ago one of the largest areas in Florida which produces somewhat earlier than does the area in South Carolina which has been mentioned—I am referring to the area around the little town of La Crosse, Fla.—got in touch with my office and they were in great difficulty because they had been notified by the railroad serving that area that they could not have any iced cars for the shipment of the potato crop which was about ready to move. Naturally we tried to assist them and were able to assist them by locating some cars and getting them in there, but not in sufficient numbers to fully take care of the crop. That is a problem which will not be solved until more cars of the type used in such transportation are made available.

I might add that this problem has arisen in my own State and that the Senator from South Carolina is correct in his statement that we are dealing with an early product which is full of water, which is very difficult to keep, and that it by no means compares with the potatoes moved later in the season from points farther north.

Without at all trying to excuse the practice complained of, for I also feel that the problem should be approached with the idea of disposing the potatoes for any useful purpose to which they can be put, I should like to say that they do not constitute the same type of potatoes sold on the market here at the prices which have been mentioned by the Senator from Colorado, because the support program offered under the Steagall amendment to give some help to farmers who met the war-production challenge for a period of 2 years after the cessation of the war has operated so far, at least in our area in the southern part of the Nation, in connection with only the second-class potatoes and not the first grade of potatoes. So, without at all excusing or justifying the practice of destroying potatoes, I do want to say that there are terrific difficulties in connection with it, and I want to approve what has been said by the distinguished Senator from South Carolina.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LUCAS. The Senator from Florida gave an example of what recently happened in his own State with respect to potatoes that could not be delivered to proper destinations. What would have happened to the potato crop if he had not intervened and been able to obtain cars to transport them?

Mr. HOLLAND. A great proportion of that crop would have spoiled.

Mr. LUCAS. Would not the same thing have happened to that crop which has happened to the particular crop which is being photographed throughout the United States?

Mr. HOLLAND. The Senator is correct that the crop, or that proportion of it which is being destroyed, is only the second-grade variety of potatoes. If refrigerator transportation had not been available, both that class and the better class of potatoes would have spoiled.

Mr. LUCAS. The able Senator from Florida is a former governor of his State and knows about State institutions. The able Senator from Colorado has made the suggestion that perhaps these potatoes could have gone to some State institution which might use them. Does the Senator know of any State institution to which could have been sent the particular crop of potatoes about which he has told us; and if they could not have been shipped there in freight cars, could they have been taken there by truck?

Mr. HOLLAND. I am unable to answer in detail, but I may say that the State of Florida has its own farms which produce large quantities of potatoes and other vegetables and fresh food for its penal and other institutions. But even if this were not so, the consumption of potatoes at local institutions in Florida would not have begun to meet the problem, because the quantity of potatoes produced in Florida is greatly in excess of the quantity that could be consumed at the State institutions.

Mr. JOHNSON of Colorado. Mr. President, in order to bring the matter before the proper Senate committee—the Committee on Agriculture and Forestry—I have prepared a bill, and I now ask unanimous consent to introduce it and request that it be referred to that committee, so that the entire matter may be given further attention by the committee which is qualified in every way to investigate this whole situation.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LUCAS. I think the Senator is doing the proper thing. As I recall, about a year ago, or possibly even more recently than that, the same question of spoiled potatoes was before the Committee on Agriculture. As I remember, in that case the potatoes were in the North, possibly in North Dakota. When we finally received the testimony of the Secretary of Agriculture he convinced every member of the Committee on Agriculture and Forestry that there was nothing else that could be done under the circumstances.

Mr. HATCH. Mr. President, will the Senator yield to me once more?

Mr. JOHNSON of Colorado. I yield.

Mr. HATCH. I wish to concur in what the Senator from Illinois has said. Knowing the Secretary of Agriculture as I do know him, as I stated before, I am positive in my own mind that he had no recourse whatever except to take the course which was taken in the case of these potatoes, regrettable though it may have been. I certainly do not want the impression to be created throughout the country that the Secretary of Agriculture believes in the wanton or willful destruction of any food supply.

Mr. JOHNSON of Colorado. I should not want such an idea to be spread throughout the United States either, because I am a very ardent admirer of Secretary Anderson.

I also ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The Chair is of the opinion the bill should be referred to the Committee on the Judiciary, inasmuch as it provides a penalty for the destruction of food.

There being no objection, the bill (S. 1329) to prohibit the destruction of food by Government agencies, introduced by Mr. JOHNSON of Colorado, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That any person employed by the United States who, in the course of such employment and for the purpose of supporting or increasing prices, limiting the quantity of any commodity available for market, or disposing of a surplus, shall destroy or abandon food, render food unfit for use or consumption, or cause food to be destroyed or abandoned or rendered unfit for use or consumption shall be fined not more than $1,000, or imprisoned not more than 1 year, or both. As used herein "food" means any commodity used for food or drink for man or other animal, or used as a component of any such food or drink.

SHORTAGE OF NATURAL GAS

Mr. MYERS. Mr. President, in view of several very important recent developments in the field of natural gas, I ask unanimous consent to have printed at this point in the RECORD an editorial from the Pittsburgh Press, a Scripps-Howard newspaper, of May 14, 1947, which goes right to the heart of a very vital aspect of our national economy.

The Federal Power Commission will soon be called upon to rule on the final use of the Big Inch and Little Big Inch pipe lines. As I have frequently stated on the floor of the Senate, Mr. President, I am sure the Federal Power Commission will agree that at this time, when the supply of natural gas in interstate transport is so short, we cannot allow that urgently needed industrial fuel to be transported into new market areas, when existing traditional markets for that fuel are suffering from a lack of supply.

The editorial, echoing that same belief, states how important it is to the industries of Pittsburgh and to the future of the natural-gas industry itself that the pipe lines be continued in the service in which they are now engaged, namely, the transportation of natural gas to western Pennsylvania, eastern Ohio, and portions of the Middle West which now are dependent upon this source of supply.

So, Mr. President, if the application of the Texas Eastern Transmission Corp. to take that natural gas to the eastern seaboard cities were to be approved, industries in the western portion of my State and in neighboring States to the west and to the south

would be forced to shut down next winter because of lack of natural gas, just as many of them had to close down during the past winter.

Mr. President, there now are pending before the Senate Committee on Interstate and Foreign Commerce, bills to set aside the authority of the Federal Power Commission to oversee essential phases of natural-gas use and transmission, opening the way for that industry itself to ignore the public interest and the public needs. I shall have more to say about such legislation at a future date, but I now ask that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TIP FOR POWER COMMISSION

The prediction of the Federal Power Commission that next winter's shortage of natural gas will be as bad as last winter's shortage is grim news.

It spells unemployment, lost production, and disruption of normal operations in the Pittsburgh industrial area. It will—if the prediction is right—affect thousands of persons in their homes, jobs, and pocketbooks.

Fortunately, there is a ray of hope in this dark cloud. The announcement came, bear in mind, from the Federal Power Commission.

We're reassured that the Federal Power Commission knows what the score is on natural-gas supply in Pittsburgh and the other industrial areas which depend on it.

The same Federal Power Commission will have to rule on the use to which the Government-built Big Inch pipe lines may be put by their new owners. Under present laws, it can designate the areas to which natural gas supplies can be sent.

The owners, a newly formed Texas company, would like to pipe gas to the eastern seaboard, to which the lines were built. It's unthinkable that the Commission would allow new markets to be opened while established markets are desperate for supplies.

It's even more unthinkable when you know that the Federal Power Commission realizes the needs of the established markets.

There's another piece of reassurance in the announcement. The Commission says the bottleneck in the gas supply is a shortage of steel pipe. Pipe-line companies are clamoring for it, and the mills can't turn it out fast enough to stave off a gas shortage.

We're glad the Commission knows that. It's the best argument we can think of for getting as much gas as possible to the mills of the Pittsburgh area.

Those mills will turn out steel and steel pipe all winter long, if they get the fuel to run on. There will be costly delays if they're forced to shut down.

If the FPC does all it can to assure those mills enough gas, it will hasten the end of the pipe shortage, the gas shortage, the steel shortage, and a lot of other shortages.

LEAVE OF ABSENCE

Mr. SMITH. Mr. President, I ask unanimous consent to be absent from the Senate tomorrow, Friday.

The PRESIDING OFFICER. Without objection, consent is granted.

THE CRITICAL SCHOOL SITUATION

Mr. AIKEN. Mr. President, the crisis which is shaking the foundation of the public-school system of America today is not simply cause for grave concern, it is cause for genuine alarm.

The number of school children in the United States is on the upgrade; the school system is definitely on the downgrade.

Evidence of the seriousness of this problem continues to pile up.

Teachers are grossly underpaid, their tenure is insecure, their morale is undermined, they are leaving the schoolroom for better jobs, the caliber of teaching is falling off drastically, classrooms are overcrowded, school buildings and equipment are run down and inadequate, and college students are boycotting the teaching profession.

The school situation in the United States is so critical as to constitute a threat to the very cradle of our democracy.

If this problem is not met effectively and promptly our democracy will be weakened at its source and ultimately I fear our way of life will wither on the vine.

The world which our children are facing today is a tremendously complex world. There are serious economic problems and social problems involving class and racial tensions; there is international unrest; and there are many other problems which, if dealt with anywhere near adequately, will require the very best training and education our children can possibly be given. They are not getting this now.

My purpose in speaking today is to bring to the attention of my colleagues some facts and observations which may serve to focus their attention more sharply upon this vital issue, and to arouse a keener awareness of our responsibility in this matter.

The shortage of good teachers is the anemia that is sapping the lifeblood of our public-school system.

This shortage of teachers is traceable primarily to the terribly inadequate pay they receive. Their low salaries are explained largely by insufficient funds for educational purposes.

We have never provided adequately for our school program. The war and its aftermath have simply made more acute a problem of long standing.

Is it any wonder that trained teachers have made a grand exodus from their profession when we realize that bartenders, garbage-truck drivers, and even school janitors and a long list of other untrained, unskilled workers, can make far more money than school teachers—the people who are entrusted with the molding of our children's minds and characters?

The most precious asset this Nation, or any nation, has is its children. To conserve and develop this human resource is the best insurance we can have for the future greatness and security of our Nation.

There are those who protest that we cannot spend the money to modernize our school system. And yet, the people of this Nation last year spent nearly three times as much for liquor as was spent on our public schools.

The Nation's citizens spent more money for tobacco than was spent in educating our children, and we are told the cosmetics bill of Americans is just about equal to the Nation's educational expenditures, which amount to about $3,000,000,000 annually.

Mr. President, what I am trying to emphasize is not that it is wrong to spend money for other things, but rather to call attention to the shamefully low salaries paid our teachers.

This, the richest country in the world, is rapidly falling behind other powers in the proportion of national income devoted to education. We are spending in the United States less than 1.5 percent of our national income for schools. Great Britain spends an estimated 3 percent of its income on education, and the Soviet Union with a keen appreciation of the value of education in a modern world, is reported to be spending about 7.5 percent of its income for educational purposes.

We cannot expect to educate our children at bargain-basement prices without getting bargain-basement quality.

If we are to meet the growing demand for schooling in the United States, the sums appropriated for public schools should be tripled, according to a recent report by the American Association of School Administrators. This same association reports also that the number of teachers now serving American schools should be doubled, if the demand is to be met.

The 13,000,000 babies born in the 5 years after America entered World War II were 4,000,000 more than had been predicted by the population experts. The elementary schools are already beginning to feel the impact of this high birth rate; the high schools will begin to feel it by 1953.

But what is happening to our supply of teachers, a supply that is already grossly inadequate to meet current demand? It is rapidly diminishing. Since 1940, more than 350,000 teachers have said good-by to the school room. This is at the rate of about seventy-five thousand a year. It is predicted that another seventy-five thousand are quitting their teaching jobs this year. It is important to note that the three hundred and fifty thousand I have referred to are over and above the eighty-five thousand annually who normally leave the profession. In other words, today's turn-over in the teaching profession is about 20 percent, as against a normal of 10 percent, or twice the turn-over that existed before the war.

To add to the seriousness of this exodus of teachers from the schools, the new supply of teachers is drying up at the source. An unprecedentedly small number of students are preparing to teach. In 1920, for example, 22 percent of all college students attended teachers' colleges, whereas today only 7 percent attend.

Adding to the seriousness of that alarming situation is the fact that an overwhelming proportion of those who go to teachers' colleges do not plan to teach; they are going there because they can get in—other schools are so crowded. Less than one-third of those attending teachers' colleges are preparing to teach.

Let me give an example of what I am talking about: It was recently reported to me that a well-known State teachers' college had graduated 60 seniors. Of those 60 members of the graduating class, only 1, please note that figure, 1 only was headed for the field of education.

I regret to report that the situation to which I refer is peculiar neither to that school nor that State.

The shortage of school teachers has inevitably led to serious impairment of the caliber of teaching. One out of seven teachers has an emergency or substandard certificate. Approximately 60,000 teachers in the United States have a high school education or less. In some cases grade school teachers are teaching several grades above the grade which they themselves completed as students.

I want to make it clear, Mr. President, that I appreciate the efforts of these emergency teachers. Their public spirit is admirable, and I am sure they are doing the best they can. But I submit, without casting any aspersions whatever upon them personally, that substandard teaching qualifications are not enough in this day and age.

Only fully trained lawyers who have passed the bar are permitted to handle our litigation. Only fully trained physicians are permitted to attend us when we are sick. Only fully trained veterinarians are permitted to doctor our animals when they are ailing. Yet we are so short of teachers that we must accept for the instruction of our children those who fall far short of the fully trained mark. This is not fair to the children of America.

So much is at stake here, Mr. President. The welfare of the Nation as a whole, as well as the welfare of the individuals who make up the Nation, is at stake.

A primary requirement for a strong, dynamic democracy is an enlightened citizenry. Education is the means to enlightenment. The public schools of America are the keystone of our educational arch.

The demands of today require that our citizens achieve the utmost ability in the exercise of the skills of democratic procedures and processes. The kind of schools we have today will determine the kind of citizens and the kind of democracy we will have tomorrow. Nineteenth century education cannot meet the needs of an atomic-energy age.

With reference to the individual's stake in education, we should not lose sight of the fact that education is the most permanent and the most valuable asset any person can possess. It cannot be lost in times of adversity. It also offers the one best hope that underprivileged children and children of minority groups have for rising from the ranks and scaling the ladder of opportunity in America.

The individual has a further stake in education because, in the economic realm, education pays dividends. Reports of the Committee on Education of the Chamber of Commerce of the United States show clearly the close relationship between education and the earning power of the individual. These reports show that among wage and salary workers, the higher incomes generally are received by persons of higher education. Persons whose education is limited to the grade-school level are found to predominate in the lower income brackets. The percentage of those attaining the high-school educational level rises up to a certain income figure, around $3,000, and then begins to fall off. In the big money brackets, those with higher education hold a decided percentage advantage. It is clear, therefore, that education at the elementary-secondary-school level is the stepping stone or foundation for economic success.

Mr. President, my remarks thus far have been devoted primarily to a discussion of the importance of education in the life of our people and of the serious situation confronting our public schools. The question that logically presents itself now is: What can be done about this critical school problem? The first step obviously is to find some way to provide more money for the elementary and secondary schools of the United States. State and local units have not been successful in meeting this problem. The time has come when the Federal Government must assume a rightful responsibility in this field. We might as well face the issue squarely and forthrightly. The price of failure to assume this responsibility will be far more costly to the future welfare of our country than will be the cost in dollars and cents if we act now.

I think it is an entirely sound procedure to shift a portion of the tax load for the support of education from the shoulders of the real-estate owner in each local district, where it now rests far too heavily, to the shoulders of all who contribute through direct or indirect taxes to the Federal Treasury.

Education is no longer, if it ever was, a local problem. We are a roving people in the United States. We move around plenty, even though we do not like to be pushed around. Sixty percent of our people are not living in the States where they were born. So an uneducated person from one State may become a drag on progress in another State. Illiteracy is no respecter of State lines. In the last war one and three-quarter million men fell short of the Army's minimum standards of a fourth-grade education. That illiteracy was not a State or local problem; it was a national one.

Moreover, in a nearby camp, not far from Washington, where the Army undertook to teach grown men to read and write so that they could fulfill some useful role in the service, this rudimentary training cost $175 a month. They could have received that instruction in youth for $100 a year. Aside from the increased cost of teaching adult Army recruits the modern equivalent of the three Rs, their usefulness to their country was impaired by lack of education.

Now, getting back to the question of Federal aid, Mr. President, I am aware of the expressed concern of some that Federal aid might mean Federal domination. It is too late to enter into debate on that question now. There are too many examples of Federal aid that does not mean domination. Take, for example, the case of the State land-grant colleges. For close to 100 years these colleges have been receiving Federal grants-in-aid, first in the form of land and subsequently in the form of money. Federal control has not cast any sinister shadow upon this Federal grant. The same can be said with regard to Federal aid to States in connection with agricultural Extension Service programs and vocational education programs in high schools.

There is this very interesting point in connection with the question of the Federal Government subsidizing education: It seems that certain private industry groups do not fear Federal control if they can get Federal subsidies. At least, they were willing to accept Federal subsidization last year to the tune of more than a billion dollars.

I am convinced that legislation can be worked out whereby the Federal Government can aid elementary and secondary schools without the National Government exercising any semblance of control over the public schools. Bills designed to attain this objective have been introduced in the Eightieth Congress. I shall not take the time of the Senate today to discuss any specific legislation in this field. The hearings on the bills have been held. The subcommittee is now studying the evidence presented, with a view to preparing a bill for presentation to this body.

Mr. President, before I close, I should like to refer to a very noteworthy article which appeared in the New York Times of February 10, 1947, under the heading, "Teacher shortage imperils our public-school system." I realize that this article has been quoted time and time again, but I do not think that we can bring home to our people too often the facts which it presents.

Among the summary points emphasized by Mr. Benjamin Fine in that article based on a New York Times survey, are:

One hundred and twenty-five thousand teachers are serving on an emergency or substandard certificate.

Classroom teachers get an average of $37 a week today.

Two hundred thousand get less than $25 weekly.

Veterans do not want to prepare to teach. Only 20,000 of the 1,000,000 veterans in American colleges and universities are in teachers' colleges. And, as I have said, a good number of those are in teachers' colleges, simply because they could not obtain admission anywhere else. They have no idea of teaching after they leave college.

Six thousand schools will be closed because of lack of teachers; 75,000 children will have no schooling during the year, for that reason.

Two million children will suffer a major impairment in their schooling because of unqualified teachers.

Five million children will receive an inferior education this year because of the inadequate teacher supply.

Only 50 percent of the teachers employed in 1940–41 are still teaching today.

Appalling educational inequalities exist throughout the Nation.

Top schools spend $6,000 per classroom unit, bottom ones spend $100. The national average is $1,600.

School buildings are in a deplorable state all over the Nation.

Nearly $5,000,000,000 will be needed to bring the educational plants into good condition.

Fifty-six percent of the teachers of this country do not have tenure protection.

The morale of the teachers has dropped to a new low.

That ends the excerpts from the New York Times.

With reference to the morale of teachers, is it any wonder that morale is low, the way we have neglected the welfare of the teacher and looked down on the teaching profession? Teachers are being made to feel that they are something less than top-grade people. On top of that, their personal affairs are being pried into with unmitigated, and often malicious, curiosity. Their community life is all too often restricted by fear of unwarranted and unreasonable gossip and criticism. The unfair discipline that has been imposed upon the lives of public-school teachers, coupled with the low salaries they receive, has shattered their morale and is causing them to revolt. Teacher strikes are the latest manifestations of this revolt. The nature of their calling requires that teachers be patient people. But their patience is running out. They traditionally have borne their burdens and maintained a commendable respect for authority. But the provocation to rise up against their unhappy lot has been so flagrant that some of them are unable to endure it longer.

Mr. President, I hope the Congress may be able to approve a program which will provide the school teachers of America with some of the financial support they need as the first major step toward boosting their sagging morale. I hope Congress will give its approval to a measure of this kind before taking the summer recess.

My main concern is that in dealing with this problem we deal with it positively and adequately. We must not deal with education as a relief problem. We should regard it as a national responsibility and vital to our national security. If we as a nation continue to sow the wind of neglect and inaction concerning our schools, we shall reap the whirlwind of chaos and regret. The teachers of the United States deserve our support; the children of America need it, and the welfare of the Nation demands it.

ATOMIC ENERGY COMMISSIONS AND RUSSIA

Mr. McKELLAR. Mr. President, I wish to read for the RECORD a news article taken from the Washington Times-Herald of today respecting an occurrence which took place in the proceedings of the United Nations Atomic Energy Commission yesterday. It seems that the United Nations Atomic Energy Commission is doing what I said would probably be done by the United States Atomic Energy Commission which was appointed by the President and confirmed by the Senate not long ago; namely, that it would give Russia aid wherever and whenever and in what measure it could whenever the opportunity presented itself. At Lake Success yesterday the Russian delegates had their first semblance of a victory in the proceedings which took place there. A great feat was performed. Senators who voted for the confirmation of Mr. Lilienthal and the members of the American Commission on the ground that they would be looking after America's interest should begin to take heart when they contemplate what occurred there. If, as I suggested may prove to be the case, our own Commission should also contribute to the Russian victory, a number of my associates in the Senate who voted to confirm certain nominations might consider themselves open to congratulations.

Now, Mr. President, I wish to read the article:

MINOR VICTORY IN UNITED NATIONS BATTLE WON BY RUSSIA

LAKE SUCCESS, N. Y., May 21.—Russia won a minor moral victory today when members of the United Nations Atomic Energy Commission agreed in principle that the proposed world atomic-control agency should be established within the framework of the United Nations Security Council.

The agreement left unsettled the basic disagreement over Russia's insistence on retaining the big power veto over atomic punishment, and it had no effect on the rest of the issues which separated the Russians and the Western Powers from agreement on global atomic-control machinery.

It gave a psychological lift to the bogged-down atomic negotiations, however. It was the first time Soviet Deputy Foreign Minister Gromyko has been able to win a change in the wording of the American atomic proposals adopted by the Atomic Commission months ago over Russian objections.

A possible hitch in the barely started UN negotiations on disarmament developed later in the day when Russia and the United States submitted conflicting work plans at a private meeting of Big Five delegates. The Big Five are supposed to agree on a plan of work for the full Commission.

Gromyko, who flits from one important committee to another as Russia's chief UN commissioner on conventional armaments, must keep in mind the twin problem of prohibiting atomic weapons. Americans shied away from even the mention of atomic control in the Disarmament Commission, remembering the tough fight they encountered in putting down Gromyko's apparent attempt to lump atomic and disarmament negotiations into one earlier this year.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. KNOWLAND. I submit to my able colleague from Tennessee that the Commission referred to in the article is in no sense related to the Commission which the Senate confirmed a short time ago on which Mr. Lilienthal and the other members were up for confirmation, and whose appointments were to the Atomic Energy Commission. The Commission to which the Senator refers and to which the article refers is the United Nations Commission, and neither Mr. Lilienthal nor any of the other members of the Atomic Energy Commission are members of that Commission.

Mr. McKELLAR. I understand that, but I was drawing a parallel, and I have not the slightest doubt that the United Nations Atomic Energy Commission and the United States Atomic Energy Commission, presided over by Mr. Lilienthal, are working in closest and most congenial harmony, and other victories will doubtless accrue to Russia from the Commission which the Senator from California made such a gallant fight to have confirmed, a Commission so very friendly to Russia and to the things Russia stands for.

I read in the newspapers this morning that on the 2d of June Mr. Lilienthal will address the United Nations Atomic Energy Commission at Lake Success, N. Y. I am sure that he will rise to the occasion and give Russia further encouragement.

COMPLETION OF VETERANS' TEMPORARY REUSE HOUSING PROGRAM

The PRESIDING OFFICER (Mr. McGRATH in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 854) to amend section 502 (a) of the act entitled "An act to expedite the provisions of housing in connection with national defense, and for other purposes," which was to strike out all after the enacting clause and insert:

That section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U. S. C. 1572 (a)), is amended by striking out "$410,000,000" and inserting in lieu thereof "$445,500,000."

SEC. 2. That the additional funds herein authorized shall be available to carry out the purposes of sections 501, 502, and 503 of said act of October 14, 1940, as amended, but shall be available only for necessary expenses in (1) completing the provision of temporary housing for which a contract in writing with any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization had been made prior to the enactment hereof pursuant to title V of said act of October 14, 1940, as amended: *Provided*, That such additional funds shall not be available for completing suspended units with respect to which, prior to April 1, 1947, no expenditures were made by the Administrator or the only expenditures made by the Administrator were for dismantling or dismantling and transportation, and (2) reimbursing any such educational institution, State or political subdivision thereof, local public agency, or nonprofit organization (a) for funds expended by it in completing any such temporary housing (exclusive of the costs of site acquisition and preparation, or the installation of streets and utility mains), or (b) for the cost of utility and other work in connection with any such temporary housing performed by it for the Administrator on a reimbursable basis pursuant to section 502 (d) of said act of October 14, 1940, as amended, and (3) making payment, to such educational institutions, States or political subdivisions thereof, local public agencies and nonprofit organizations of amounts equal to actual ex-

penditures made by them prior to April 1, 1947, for costs of site acquisition and preparation, or installation of streets and utility mains, with respect to suspended units referred to in the proviso in clause (1) above.

Mr. BUCK. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CONTROL OF PISTOLS AND OTHER DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA

Mr. BUCK. Mr. President, when the calendar was recently called, House bill 493, Calendar No. 150, was passed over. If I am not out of order in doing so, I ask unanimous consent for the present consideration of House bill 493, which is commonly known as the gun-toting bill in the District of Columbia. It provides that in searching for weapons a police officer shall have the right to make an arrest without a warrant. When the bill was reached on the call of the calendar it was objected to by the junior Senator from Kentucky [Mr. COOPER]. He is present today. I ask him if he still objects.

Mr. COOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COOPER. I inquire if the request of the Senator is directed toward consideration and passage of the bill.

Mr. BUCK. That is my purpose.

Mr. COOPER. I have no objection to its consideration, but I wish to speak on the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware for the present consideration of House bill 493, without displacing the unfinished business?

There being no objection, the Senate proceeded to consider the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.).

Mr. COOPER. Mr. President, on its face the bill appears to be very simple; and upon a first reading probably everyone would say that it should be passed. If, however, we analyze the bill and the applicable laws of the District of Columbia, and if we consider its implications, I do not believe that many who give the bill such analysis and consideration would approve it. I object to its passage because I think it is another example of the use of an expedient to meet an emergency, which ultimately strikes at more fundamental rights than those the expedient aims to protect.

I oppose the bill because it is a threat to one of the fundamental rights guaranteed in the Bill of Rights of the Federal Constitution, and in the constitution of practically every State in the Union.

Specifically, the bill affects the right of privacy preserved by the fourth amendment, the right of an individual to be secure in his person and effects, and in his house, against unreasonable search and seizure.

I have sympathy with the objectives which give rise to the introduction of the bill. It is my understanding that within recent months in the District of Columbia a great many crimes have been committed with deadly weapons. There have been murders. As a result, the police say that they are unable to cope with the situation. Private citizens are asking for aid.

Mr. President, I shall not leave the subject without saying that I believe that measures should be taken to correct the situation, and without suggesting such measures, but, I believe that the end can be accomplished and law and order established without attacking and threatening a fundamental right which, in its larger considerations, is more important than the temporary situation.

It may be said by some that the bill affects only the District of Columbia, and that therefore it is not a matter of great importance or, at least, of importance to those who live in other places. I think it is important because it is the Congress of the United States which is speaking. I think it is important, because if the Congress enacts this bill, we lay down a precedent for legislatures throughout the country.

The laws in the District of Columbia with respect to concealed weapons are, briefly, as follows:

First, it is illegal for an individual or a corporation or other entity to sell weapons without a permit to do so.

Second, it is illegal for anyone to purchase a weapon without first having obtained a permit from the proper authority of the District of Columbia.

Third, it is illegal for anyone to have in his possession a deadly weapon upon which the identification marks have been changed or altered.

Finally, it is illegal for anyone to carry upon his person, openly or concealed, a deadly weapon, without a permit, except upon his lands or premises. The offense of carrying a concealed weapon is denounced as a misdemeanor.

The pending bill gives to the police the right to arrest for the last-named offense, as if it were a felony, that is, upon probable cause.

When we use the term "on his person" we are speaking not alone of the physical person. The decisions of the courts are to the effect that "on his person" includes everything which is within reasonable proximity or which is reasonably accessible. A bag which one may be carrying, a pocketbook, the pockets and glove compartment in one's automobile may be "on the person"; and under the recent decision of the Supreme Court, in the case of the United States against Harris, I believe it might be extended to include the entire automobile. So to carry a concealed weapon upon one's person means not only a weapon carried upon the physical person, but it includes articles in reasonable proximity and reasonably accessible. This should emphasize the wide powers proposed by the pending bill.

The Supreme Court has spoken many times upon this question. It has been held that no police officer may arrest except by warrant, or unless a misdemeanor is being committed in his presence, or unless he has reasonable grounds to believe that a felony has been committed. Generally, no police officer can make a search unless he makes a legal arrest in the manner I have indicated; and until the decision in the case of United States against Harris, of which I have spoken, he could search only the person arrested and premises in reasonable proximity, unless a search warrant had been issued by a magistrate upon affidavit, showing probable cause for its issuance.

What are the present safeguards, and what are the rights of a police officer in the District of Columbia? If he sees a person with a pistol upon him, he has a right to arrest. The other day I read an editorial in one of the newspapers to the effect that if a police officer could see the outlines of a pistol he would have no power to make an arrest. I disagree with the statement. If he saw the outlines of a pistol he would know that an offense was being committed in his presence, and he should have authority to make an arrest.

In the final analysis the bill gives a police officer the right to arrest when he does not know that an offense is being committed, when he sees no offense and when no affidavit has been made that an offense has been committed. Ipso facto, it gives him the right of search when he has no right to arrest, and without a search warrant. In other words, it is a return to the exploratory search, the search without warrant, and the general search warrant, which was denied in this country as early as the Massachusetts constitution, and has been made illegal by the provisions of the constitution of every State in the Union, and by the Constitution of the United States. The last State to adopt such a provision in its constitution was the State of New York, which acted as late as 1938. It saw the necessity for such a provision, and it placed in its constitution a prohibition against unreasonable search or seizure.

If this offense is of such importance—and I believe it is of such importance—that it demands a search without warrant, then the Congress should make the carrying of concealed weapons a felony in the District of Columbia.

It may be said that in this respect there is no difference between making a search upon probable cause without a warrant legal for a felony and not for a misdemeanor. I say that there is a great difference because when the legislative body denominates an offense as a felony there is behind its action the judgment of the people and the judgment of the legislature that the offense is of sufficient importance to justify the invasion of privacy, and there is imposed severe punishment which will deter the crime and make less frequent the invasion of privacy. If permitted for one misdemeanor, it sets a precedent for extending the broad power to other misdemeanors. We do not know whether the concealed-weapon law has been enforced in the District of Columbia.

I would recommend, I would advise, I would introduce, and I would support a bill to make the carrying of weapons in the District of Columbia a felony, and then, upon reasonable grounds, a police officer could search without a warrant. There is no reason why anyone except the police and those with permits should carry a weapon in the District.

Mr. President, I do not want to devote too much time to this subject, but I believe it is important, and for that reason I have spoken longer, perhaps, than I should have spoken.

I should like to say that when we step aside from the Constitution upon the ground of expediency or emergency history indicates that the power will be directed against those who are least able to protect themselves and to defend themselves against encroachments of the law. Some persons might say, "What difference does it make? I will not be searched without a warrant; I will not be searched unless there are reasonable grounds upon which to do so." But I should like to call to the attention of this body that the Bill of Rights of the Constitution protects within its terms not only those who are law abiding but as well the lawless. It protects every person. Who has the right to determine who is law abiding and who is lawless?

If we pass this bill, it will be found, I believe, that no matter how desirous police officers may be of enforcing the law, and I speak with respect for them, the same unhappy results found under similar laws will obtain, resulting in disrespect for law such as under the Volstead Act. The power will be more strictly enforced against those who cannot raise their voices to protect themselves, perhaps more strictly against the colored citizens of the District. Such deviations from fundamental rights are not the incidents of our law. They are found when martial law has been invoked. We have only to look back through our history, and recently to Hawaii, to see how much the people of this country resent martial law. It is an incident of the military government of defeated peoples, and is used in the occupied territories of Germany, Austria, and Japan. I read a few days ago that the military governor of one of the towns of Germany said they would search houses for food and, of course, without warrant. They have that power in occupied territories. It has been used in Palestine. It was the great power of the rulers of the totalitarian countries. Yet today, Congress is being asked to pass a bill which imposes this device used in systems of force upon people of the District of Columbia.

I wish that the Members of the Congress would read in the Appendix of a recent issue of the CONGRESSIONAL RECORD the eloquent dissenting opinion of Mr. Justice Frankfurter in the case of the United States of America against George Harris. There are many fine statements in his dissenting opinion, and also in the dissenting opinion of Mr. Justice Murphy, and of Mr. Justice Jackson, and in the majority opinion of Chief Justice Vinson, emphasizing again and again the value of the fundamental right of privacy.

A few days later the Supreme Court rendered decision in a case in which the freedom of the press was at issue, which has been widely applauded. I would like to remind those who applaud that the right of privacy is guaranteed in the Bill of Rights as is freedom of the press, freedom of religion, and freedom of assembly.

So I ask the Members of the Senate to consider this matter very seriously. If we make the carrying of concealed weapons a felony police officers can search without a warrant; but do not create the precedent of giving police officers the right to search without a warrant in case of a misdemeanor.

I appreciate the indulgence of the Senate in permitting me to extend my remarks upon the subject to some length, but I think it is a matter of great importance. I am afraid that it will be passed over lightly and that after we have voted upon it we will regret the step we have taken.

I wish to close by reading from the dissenting opinion of Mr. Justice Murphy in the case of United States against Harris, to which I have referred.

He said:

> But freedom from unreasonable search and seizure is one of the cardinal rights of free men under our Constitution. That freedom belongs to all men, including those who may be guilty of some crime. The public policy underlying the constitutional guaranty of that freedom is so great as to outweigh the desirability of convicting those whose crime has been revealed through an unlawful invasion of their right to privacy. Lawless methods of law enforcement are frequently effective in uncovering crime, especially where tyranny reigns, but they are not to be countenanced under our form of government. It is not a novel principle of our constitutional system that a few criminals should go free rather than that the freedom and liberty of all citizens be jeopardized.

In the opinion he quoted the words of the great Judge Learned Hand:

> If the prosecution of crime is to be conducted with so little regard for that protection which centuries of English law have given to the individual, we are indeed at the dawn of a new era; and much that we have deemed vital to our liberties is a delusion.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. BUCK. I am not clear about it, but do I correctly understand the Senator to say that he withdraws his objection to the consideration of the bill?

Mr. COOPER. Is the Senator about to ask for passage of the bill with only seven or eight Senators present?

Mr. BUCK. It can be automatically passed if the Senator withdraws his objection.

The PRESIDING OFFICER. The question is on the third reading of the bill, and it will then be voted on unless there be further debate.

Mr. COOPER. Mr. President, I suggest the absence of a quorum.

Mr. HICKENLOOPER. Mr. President, I wonder if the Senator will yield to me for a question or two and withhold his request for a quorum call?

Mr. COOPER. Yes.

Mr. HICKENLOOPER. Under the law of the District of Columbia do I correctly understand that the possession of a pistol or deadly weapon concealed on the person is a misdemeanor only?

Mr. COOPER. It is only a misdemeanor.

Mr. HICKENLOOPER. Is it confined to the concealment of the weapon itself which is carried on the person?

Mr. COOPER. No. The law provides that if a weapon is carried either openly or concealed it is an offense. It is made a misdemeanor.

Mr. HICKENLOOPER. Does it extend to shotguns and rifles?

Mr. COOPER. I am not certain, but I believe there are certain provisions which apply to sawed-off shotguns.

Mr. HICKENLOOPER. And to rifles which have barrels less than 18 inches in length?

Mr. COOPER. I think there is a limitation on the length of the barrel.

Mr. HICKENLOOPER. What is the provision by which a citizen who has a legitimate reason for carrying a pistol or a weapon of that kind may secure authority to do so? Is there a provision granting a permit in such a case?

Mr. COOPER. Yes. I believe a person may apply to the Superintendent of Police, and, upon a proper showing, may be given a license to carry a concealed weapon.

Mr. HICKENLOOPER. Does the bill change that situation in any way?

Mr. COOPER. No. A police officer has the right to search upon probable cause.

Mr. HICKENLOOPER. If the officer searches and finds no weapon is he still immune from any liability?

Mr. COOPER. If he can show it was done on probable cause. Who, though, can disprove it was on probable cause?

Mr. HICKENLOOPER. Mr. President, the point I am trying to make clear, if the Senator will yield further, is this: I have great sympathy with the Senator's argument as to the care with which we should approach any change in the search and seizure principle under which we have operated so fundamentally for a great many years. Certainly I do not want to give police officers or law-enforcement officers any arbitrary right to seize people willy-nilly and search them. That is the procedure against which our forefathers fought 150 years ago. But what fundamental difference is there, if the law would permit the search of an individual upon probable cause, whether the act is denominated a felony or a misdemeanor? In other words, the search would be bottomed upon probable cause that the individual was carrying a concealed weapon. What actual difference does it make on the question of principle whether it be denominated a felony or a misdemeanor? I think it should be a felony.

Mr. COOPER. I can answer the Senator by saying that the only difference is one of principle. Throughout the whole history of our constitutional gov-

ernment the only offense which the people themselves said was important enough to permit a search without a warrant was a felony. If we say that search without a warrant should be permitted for a misdemeanor we are eliminating that principle, and creating a bad precedent.

Mr. HICKENLOOPER. I did not mean to argue the legal principles involved, but there is a great divergence or difference of opinion in various jurisdictions throughout the country as to the limitations of a misdemeanor and a felony. Some States define as felonies certain acts which other States classify as misdemeanors; and States very often vacillate between calling an offense a felony or a misdemeanor, insofar as prescribing the punishment for various violations is concerned. There is a twilight zone between a felony and a misdemeanor which sometimes is very difficult to understand.

But I wish to ask the Senator whether the bill contains any provision to the effect that if I own a shotgun or a rifle or a pistol and have it in my house, I will no longer be able to have it there or will be regarded as violating the law if I do not do something other than what I am doing today.

Mr. COOPER. No; if the Senator has a license to have a firearm in his possession or if it is on his premises, there will be no offense. But I should like to call attention to a matter which I have not previously mentioned, namely, that under the law, if a police officer has reasonable grounds for the suspicion or belief that the Senator has a pistol on his person, then, in pursuit of the Senator, the police officer could enter the Senator's house, under the doctrine of "hot pursuit," and once entering the house, and arresting the Senator, under the decision in the case of Harris against United States, the officer could search the entire house.

Mr. HICKENLOOPER. Under the new philosophy adopted by the courts, evidence seized collaterally in connection with a search can be used in a prosecution, even though such evidence is obtained on the basis of probable cause, regardless of whether a search warrant was issued for that purpose; is that correct?

Mr. COOPER. Yes.

Mr. President, I should like to say further that if a man walking down one of the streets of Washington—someone who would not be able to protest so loudly or with so much influence as the Senator could—was suspected by a police officer of having a pistol on his person, and if that man then entered his home, under the provisions of this bill the officer could follow him into his home in pursuit, and then, under the doctrine of search and seizure as laid down several weeks ago in the case of Harris against United States, the officer could search the entire home. In the Harris case, the officers stayed in the home 5 hours, and ransacked and tore up the entire home. So I say that the officer could stay in that home; and if he found there anything which in itself was criminal, the owner of the home could be prosecuted for that, and the original purpose of entering the home on the basis of the suspicion or belief that the man had a pistol on his person could be entirely forgotten or ignored.

Mr. HICKENLOOPER. Mr. President, I say to the Senator from Kentucky that I think he has raised a most ominous point. I think a most important fundamental principle is involved, if the Senator is correct in his statement of what could be done under the provisions of this measure.

Mr. COOPER. I am absolutely sure that what I have stated could be done under the provisions of the bill. I have talked to several Senators who are lawyers, and I believe they agree with me about the matter. I would hate to have this bill voted on unless a quorum call was first had.

Mr. BUCK. Mr. President, will the Senator yield to me?

Mr. COOPER. I yield.

Mr. BUCK. I assume that the Senator from Kentucky objects to the passage of the bill at this time. If he does, I shall withdraw my request.

Mr. COOPER. I shall answer in this way, because I do not wish to say something which will apparently be contradictory of what I have said before: The other day the Senator asked whether I would object when the bill was brought up again. I told him that I would not object to its consideration; but if we are going to vote upon it, I should like to have a quorum call and I should like to be heard upon the bill, and I should like to let the other Members of the Senate know something about its implications.

Mr. BUCK. Mr. President, I withdraw my request.

The PRESIDENT pro tempore. The Senator's request for present consideration of the bill is withdrawn.

REDUCTION OF INDIVIDUAL INCOME TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Mr. BUTLER. Mr. President, on a number of occasions, I have pointed out the extreme importance of beginning to make some substantial payment on our gigantic national debt. I have emphasized my opinion that it was even more important to do that than to give the taxpayer some of the tax relief he so thoroughly deserves. A few months ago, I even went so far as to say that I believed that tax relief should be deferred for another year, because of the tremendous cost of the 1948 government and the great revenues we need to support it.

Today, however, I feel fully justified in supporting the measure we have before us, which suggests an immediate reduction in taxes. In recent months, with the high level of national income payments we have been experiencing, the revenue picture has improved to a marked extent. At the same time, this Congress is beginning to achieve real results in cutting out the waste in the budget estimates.

In other words, I feel that we have now reached the point where we do not have to choose between debt reduction and tax reduction. I think we can have both. This bill, in effect, provides for both.

On the side of tax reduction, it reduces taxes by an estimated amount of $3,200,000,000 for the fiscal year 1948 alone. It will give substantial relief to every individual income-tax payer. In the case of the vast majority of such taxpayers, this relief will amount to from 20 to 30 percent. We have also made provision to give additional relief to our citizens aged 65 and older.

Mr. President, in recent weeks we have been hearing a great deal of talk about the necessity of a decline in the cost of living. Strangely little has been said by administration spokesmen about the importance of a decline in one major item in the cost of living, i. e., the cost of Government. That is one cost that has been inflated out of all reason. It has not increased a mere 50 or 75 percent, like many prices. The Federal tax burden on the average man of moderate income has increased 5, 10, or 20 times over the prewar level. When we enact this bill we are not merely talking about the cost of living in this modern world, we are doing something about it.

At the same time we expect to have a substantial surplus to apply against our mammoth debt. It is difficult to say exactly how much debt reduction will be possible during the next fiscal year. So much depends on the level of income payments throughout the Nation, as well as on the extent to which Government spending can be reduced. However, a study of the revenue figures proves conclusively that we shall be able to reduce the debt to a very considerable extent next year.

At the present time the level of income payments is running at a rate of better than a hundred and seventy-six billions a year. If this level of income payments continues through next year we shall have Federal revenues of $39,500,000,000. This Congress has already made commendable progress in cutting down the excessive cost of Government. Five major appropriation bills have been reported and acted on by the other body, and the savings in those five bills already amount to almost $2,000,000,000. In the half dozen major appropriation bills still to come probably additional savings will be achieved, to bring the total reductions to approximately the $4,500,000,000 voted by the Senate.

Under these circumstances, even after enactment of the pending bill, we might be able to reduce the debt by as much as $6,500,000,000 during the fiscal year 1948. If accomplished, that should be pleasing to everyone.

For that reason, I have difficulty in understanding the proposal to put off consideration of the bill. The opposition speaks of the danger that we shall not achieve our economy goal. The five 1948 supply bills already acted upon by the House, and the one already acted on by the Senate, are clear proof of the determination of the majority party in this Congress. I can understand why many adherents of the New Deal do not wish

to reduce taxes. They want us to continue to tax, so that they can continue to spend. That is not the view of the majority.

Even based on those reductions already achieved by the other body to date, we shall have over $4,000,000,000 to apply on the debt after enactment of the pending bill, assuming our national income continues at the present level. If we delay consideration of this measure until the last minute, we shall make it doubly difficult to put into effect in time the administrative changes provided for in the measure. Almost every business firm in the country will have to change its schedule of tax deductions withheld from pay checks. The Government will have to do the same. This cannot be done in a few days. Forms and charts have to be prepared and widely distributed. I believe we have already waited until the last hour on this matter. We have no right to thrust an unreasonable administrative burden on pay roll offices throughout the country, both Government and private.

Mr. President, I hope we shall proceed to the consideration of the pending bill promptly, and I hope we enact it as presented by the Finance Committee. The war has been over almost 2 years, yet tax rates on the poor man still amount to almost 20 percent of his income, above the very small personal exemption. Tax rates on the larger incomes are almost confiscatory. Both categories deserve tax relief, and both will secure it under this bill.

CONSIDERATION OF THE CALENDAR

Mr. WHITE. Mr. President, as a preliminary to a request that the Senate proceed to consider bills on the calendar to which there is no objection, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Bushfield	Johnson, Colo.	Russell
Butler	Johnston, S. C.	Saltonstall
Byrd	Kem	Smith
Cain	Kilgore	Sparkman
Capehart	Knowland	Stewart
Capper	Lodge	Taft
Chavez	Lucas	Taylor
Connally	McCarthy	Thomas, Okla.
Cooper	McClellan	Thye
Cordon	McFarland	Tobey
Donnell	McGrath	Tydings
Downey	McKellar	Umstead
Dworshak	McMahon	Vandenberg
Ecton	Magnuson	Wagner
Ellender	Malone	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young
Hatch	Myers	

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. WHITE. I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 156, at which point we ended consideration of bills at the last call of the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will proceed to state the measures on the calendar, beginning with Calendar No. 156.

JOHN H. GRADWELL

The Senate proceeded to consider the bill (S. 470) for the relief of John H. Gradwell, which has been reported from the Committee on the Judiciary, with an amendment, on page 1, in line 6, after the words "the sum of", to strike out "$351.30" and to insert "$211.30", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John H. Gradwell, of Meriden, Conn., the sum of $211.30 in full satisfaction of his claim against the United States for compensation for damage to his automobile resulting from a collision with an Army vehicle in Hamden, Conn., on January 4, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT C. BIRKES

The bill (S. 561) for the relief of Robert C. Birkes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert C. Birkes, of Portland, Oreg., a former member of the Navy, the sum of $98, in full satisfaction of his claim against the United States for payment of the amount which the Price Administrator recovered from the former landlord of the said Robert C. Birkes because of overcharges for rent for the premises at 30 Linnaean Street, Cambridge, Mass., during the period March 1, 1945, to July 31, 1945; recovery of such sum by the said Robert C. Birkes having been prevented by the fact that he was ordered by the Navy to make a change of station soon after the overcharge was determined by the Office of Price Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

WHITE HOUSE POLICE FORCE

The Senate proceeded to consider the bill (S. 1022) to authorize an adequate White House Police force, which had been reported from the Committee on Public Works, with an amendment on page 2, line 3, after the words "as may be necessary", to insert "but not exceeding 110 in number", so as to make the bill read:

Be it enacted, etc., That subsection (a) of section 2 of the act entitled "An act to create the White House Police force, and for other purposes," approved September 14, 1922 (42 Stat. 841, as amended; U. S. C., 1940 ed., title 3, sec. 62), is hereby amended to read as follows:

"SEC. 2. (a) The White House Police force shall consist of such number of officers, with grades corresponding to similar officers of the Metropolitan Police force, and of such number of privates, with grade corresponding to that of private of the highest grade in the Metropolitan Police force, as may be necessary, but not exceeding 110 in number. Members of the White House Police shall be appointed from the members of the Metropolitan Police force and the United States Park Police force from lists furnished by the officers in charge of such forces. Vacancies shall be filled in the same manner."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF PROVISIONS OF AGRICULTURAL ACTS TO THE VIRGIN ISLANDS

The Senate proceeded to consider the bill (S. 512) to extend provisions of the Bankhead-Jones Farm Tenant Act and the Soil Conservation Act to the Virgin Islands, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, line 9, after the word "area", to strike out the word "to"; on page 1, line 9, after the word "finance", insert a comma; on page 1, line 9, after the word "State", insert a comma; and on page 2, line 23, before the name "Puerto Rico", to strike out "possessions" and insert "possession", so as to make the bill read:

Be it enacted, etc., That the following sections of title IV of the Bankhead-Jones Farm Tenant Act, as amended, except insofar as they affect title III of the Bankhead-Jones Farm Tenant Act, as amended, are hereby amended as follows:

(a) Subsection (b) of section 41 is amended to read: "The Secretary may administer his power and duties under this act through such area finance, State, and local offices in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands as he determines to be necessary: *Provided*, That existing regional offices shall be liquidated on or before June 30, 1947. The Secretary may authorize one office to serve the area composed of two or more States (Territories or Puerto Rico and the Virgin Islands) if he determines that the volume of business in the area is not sufficient to justify separate State offices."

(b) Section 54 is amended to read: "The provisions of this act shall extend to the Territories of Alaska and Hawaii and to Puerto Rico and the Virgin Islands. In the case of Alaska and Puerto Rico and the Virgin Islands, the term 'county' as used in this act shall be deemed synonymous with 'Territory', or any subdivision thereof as may be designated by the Secretary, and payments under section 33 of this act shall be made to the governor of the Territory or to the fiscal agent of such subdivision."

SEC. 2. Subsection (a) of section 17 of the Soil Conservation and Domestic Allotment

Act (49 Stat. 1151), is amended to read as follows: "This act shall apply to the United States, the Territories of Alaska and Hawaii, and the possession of Puerto Rico and the Virgin Islands, and, as used in this act, the term 'State' includes Alaska, Hawaii, Puerto Rico, and the Virgin Islands."

SEC. 3. All acts or parts of acts in conflict herewith are hereby repealed.

Mr. TAFT. Mr. President, may we have an explanation of this bill?

Mr. ELLENDER. The only purpose of the bill is to include the Virgin Islands in the agricultural relief acts. I am sorry the Virgin Islands were omitted from the laws when they were enacted some time ago. That is the sole and only purpose.

The PRESIDENT pro tempore. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 597) to provide for the protection of forests against destructive insects and diseases was announced as next in order.

Mr. LUCAS. Mr. President, may we have an explanation of the bill?

The PRESIDENT pro tempore. The Senator from Illinois asks for an explanation. There seems to be no explanation forthcoming. Is there objection to the passage of the bill?

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1081) to promote the mining of coal, phosphate, sodium, potassium, oil, oil shale, gas, and sulfur on lands acquired by the United States, was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1154) to amend the Veterans' Emergency Housing Act of 1946 was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

EMPLOYMENT OF GOVERNMENT EMPLOYEES AS COUNSEL IN PROSECUTING CLAIMS AGAINST THE UNITED STATES

The Senate proceeded to consider the bill (S. 1073) to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served, which was read, as follows:

Be it enacted, etc., That subsection (j) of the Renegotiation Act (50 U. S. C., Supp. V, App., sec. 1191 (j)) is amended to read as follows:

"(j) Nothing in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., title 5, sec. 99) shall be deemed to prevent any person by reason of service in a department or the Board during the period (or a part thereof) beginning May 27, 1940, and ending on June 30, 1949, from acting as counsel, agent, or attorney for prosecuting any claim against the United States: *Provided*, That such person shall not prosecute any claim against the United States (1) involving any subject matter directly connected with which such person was so employed, or (2) during the period such person is engaged in employment in a department."

Mr. FERGUSON. Mr. President, may we have an explanation of the bill?

Mr. MILLIKIN. Mr. President, we have a group of professional men who are on the excess-profits tax counsel of the Bureau of Internal Revenue and who work with the Joint Committee on Internal Revenue Taxation, helping to expedite excess profits refund problems. They are doing a fine job. They are men who cannot give up their private professional lives. They may have business with the Federal Government. There was a time limitation which exempted them from the operation of the usual Federal rule that a person cannot be a Federal employee and at the same time bring an action against the Government.

The purpose of the bill is to carry forward the exemption for another period, and at the same time, not permit the person affected to sue the Government in matters on which he was employed by the Government.

Mr. FERGUSON. Does the bill apply only to the particular group to whom the Senator refers?

Mr. MILLIKIN. They are the ones we had in mind. It may go somewhat beyond that but subject to the same limitations.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEDERAL COURT BUILDING FOR THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 450) to provide for the acquisition of a site and for the construction, equipment, and furnishing of a building thereon for the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, which had been reported from the Committee on Public Works with amendments.

Mr. MAGNUSON. Mr. President, I should like to ask my colleague a question about the committee's approval of the bill, merely to elicit certain information. As the Senator from Washington knows, there is a crying need throughout the United States for public buildings. I do not know that the need is so great in certain places as it is in others. In my State we are getting along satisfactorily, but Federal buildings for post offices, courts, and other uses, are really needed. In our State we have had an over-all policy, which is probably a wise one, of not embarking on public works at this time, owing to the employment situation. It is thought that public works might well be postponed. I know that in one or two places in the State of Washington, and even in my home town, there is a crying need for public buildings, which should probably receive priority when the public works program is begun. I refer particularly to the need for a post office. I was wondering why an exception was made of the District of Columbia from the general rule applying to the remainder of the country.

Mr. CAIN. I would say to my colleague the senior Senator from Washington that I think we are making no exception in this case. The bill authorizes the appropriation of $400,000 for the drawing of plans and specifications against the day when the Federal building in question can be constructed, but there is no intention through this bill to begin construction at any time in the immediate future, and the Congress itself will determine the date of construction in the future.

Mr. MAGNUSON. I thank my colleague.

The PRESIDENT pro tempore. The Chair asks the Senator from Washington whether the Senate bill is not identical with House bill 3029, Calendar No. 192.

Mr. CAIN. Yes. It was our intention, Mr. President, to have the House bill substituted for Senate bill 450.

The PRESIDENT pro tempore. Without objection, House bill 3029, Calendar No. 192, will be substituted for Senate bill 450, Calendar No. 165, and will be now considered.

There being no objection, the Senate proceeded to consider the bill (H. R. 3029) to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, which had been reported from the Committee on Public Works with amendments on page 3, line 9, after the words "this", to strike out "title" and insert "act"; and on page 4, line 1, after the word "this", to strike out "title" and insert "act."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 450 will be indefinitely postponed.

BILL PASSED OVER

The bill (S. 28) to supersede the provisions of Reorganization Plan No. 3 of 1946, by reestablishing the offices of registers of land offices, and providing for appointment of the Director and Associate Director of the Bureau of Land Management, and for other purposes, was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

AMENDMENT OF THE PHILIPPINE REHABILITATION ACT

The bill (S. 1020) to amend the Philippine Rehabilitation Act of 1946, as amended, was considered, ordered to be

engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That section 101 (b) of the Philippine Rehabilitation Act of 1946, as amended, is amended by inserting after the word "employees," the following: "who shall be entitled to accumulate annual leave to the maximum of 90 workdays exclusive of the time actually and necessarily occupied in going to and from the continental United States and such time as may be necessarily occupied in awaiting sailing or flight,".

SEC. 2. Subsection (c) of section 101 of such act, as amended, is amended by inserting after the words "Commonwealth of the Philippines" the following: "(or the Republic of the Philippines)".

SEC. 3. Subsection (a) of section 106 of such act, as amended, is amended to read as follows:

"SEC. 106. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amount of $400,000,000 for the purpose of paying compensation to the extent authorized by this title, and of such sum, not to exceed $16,000,000 shall be available to pay the expenses of the Commission. All moneys heretofore or hereinafter appropriated under authority of this title shall remain available until April 30, 1951."

Mr. REVERCOMB subsequently said: Mr. President, I ask unanimous consent to recur to Senate bill 1020, Calendar No. 167.

The PRESIDENT pro tempore. The bill in question was passed.

Mr. REVERCOMB. I ask unanimous consent for the reconsideration of the vote by which the bill was ordered to be engrossed for a third reading, and passed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1020) to amend the Philippine Rehabilitation Act of 1946, as amended.

Mr. REVERCOMB. Mr. President, may we have an explanation of the bill?

Mr. BUTLER. Mr. President, I think the report made by the committee gives all the information I could give. As the distinguished Senator from West Virginia realizes, there was previously appropriated a total sum of $400,000,000, as I recall, to cover war damage in the Philippines. At the time it was passed a provision was made that only 1 percent could be expended for administration.

It has been found necessary to expend for administration considerably more than 1 percent in the settlement of damage claims. As was brought out in the hearings, the expenses incidental to the settlement of an ordinary damage claim are usually between 6 and 8 percent of the amount involved. In this case, the administration proposes to increase the amount allowed for administrative expense to 4 percent as an over-all figure for the total amount of claims. The distinguished Senator from West Virginia is an attorney. Perhaps he has not settled claims of this kind, but undoubtedly he has had to do with the settlement of claims of some sort. I believe he will admit that an administrative cost of 4 percent is a reasonable charge for settlement.

Mr. REVERCOMB. The Senator from West Virginia has not settled any claims in the Philippine Islands. I wanted the record to show that a limit had been placed on the amount that might be used for administrative expenses.

Mr. BUTLER. That is correct. The amount allowed under the original act was 1 percent. It is now proposed to increase it to 4 percent.

Mr. REVERCOMB. I believe the amount involved is $16,000,000.

Mr. BUTLER. That is correct.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UTILIZATION OF SURPLUS WAR DEPARTMENT OWNED REAL PROPERTY AS NATIONAL CEMETERIES

The Senate proceeded to consider the bill (S. 272) to provide for the utilization of surplus War Department owned military real property as national cemeteries, when feasible, which had been reported from the Committee on Public Lands with an amendment, on page 2, line 7, after "cemeteries.", to insert "No national cemetery established pursuant to this act shall have an area in excess of 640 acres."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when the Secretary of War determines that there is need for an additional cemetery or cemeteries for the burial of members of the armed forces of the United States dying in the service or former members whose last discharge therefrom was honorable and certain other persons as provided for by existing law (24 U. S. C. 281), he is authorized to utilize, when practicable, federally owned lands under the jurisdiction of the War Department for military purposes and not needed for such purposes for the establishment thereon of a national cemetery or cemeteries.

SEC. 2. Upon the selection by the Secretary of War of such land, as provided in section 1 hereof, the Secretary of War is authorized and directed to establish thereon national cemeteries and to provide for the care and maintenance of such cemeteries. No national cemetery established pursuant to this act shall have an area in excess of 640 acres.

SEC. 3. The Secretary of War is authorized to prescribe such regulations as he may deem necessary for the administration of this act.

SEC. 4. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry into effect the purposes of this act.

BILL PASSED OVER

The bill (S. 299) to extend the reclamation laws to the State of Arkansas was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

W. H. BAKER AND WALTER BAKER

The bill (H. R. 384) for the relief of W. H. Baker and Walter Baker was considered, ordered to a third reading, read the third time, and passed.

ISAAC B. JONES

The bill (H. R. 2094) for the relief of Isaac B. Jones was considered, ordered to a third reading, read the third time, and passed.

MARION O. CASSADY

The Senate proceeded to consider the bill (S. 824) for the relief of Marion O. Cassady, which has been reported from the Committee on the Judiciary with an amendment, on page 1, line 7, after the words "sum of", to strike out "$1,000" and insert "$275.30", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marion O. Cassady, of Louisville, Ky., a deputy United States marshal in the Western District of Kentucky, the sum of $276.30, in full settlement of all claims against the United States for property damages sustained by him on and about January 3, 1942, while in the discharge of his official duties as a deputy United States marshal: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a disdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. MABEL JONES AND MISS MILDRED WELLS

The Senate proceeded to consider the bill (S. 116) for the relief of Mrs. Mabel Jones and Miss Mildred Wells, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Mildred Wells Martin, 1512 Lakeview Street, Camden, S. C., the sum of $4,000, in full settlement of all claims against the United States on account of medical and hospital expenses incurred and loss of earnings and personal injuries sustained by the said Mrs. Mildred Wells Martin on April 23, 1944, when the automobile in which she was riding as a passenger was involved in a collision with a United States Army vehicle on United States Highway No. 521, near Camden, S. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "For the relief of Mrs. Mildred Wells Martin."

CONSTRUCTION OF HIGH-SCHOOL BUILDING NEAR ROOSEVELT, UTAH

The bill (S. 805) authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of order No. 174, which immediately precedes on the calendar Senate bill 805, which has just been called?

Mr. MILLIKIN. The distinguished Senator from Oregon wishes an explanation of Calendar No. 174. That, I understand, is the unfinished business before the Senate, and I hope the Senator does not want an explanation in extenso at this time.

Mr. MORSE. I suggest, Mr. President, that this all goes to show how unsuccessful the Senator from Colorado has thus far been in persuading the Senate with respect to this measure.

Mr. MAGNUSON. Mr. President, in regard to Senate bill 805, I should like the same sort of explanation I asked my colleague to make of a previous bill dealing with construction of public buildings. I do not see the Senator from Utah [Mr. WATKINS] present. A different situation may exist with respect to this measure, but in view of the absence of the Senator from Utah, I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. MAGNUSON subsequently said: Mr. President, I ask unanimous consent to return to Senate bill 805, Calendar 175.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington?

There being no objection, the Senate proceeded to consider the bill (S. 805) authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County.

Mr. MAGNUSON. Mr. President, the Senator from Utah [Mr. WATKINS] has just explained to me that this is a bill authorizing the construction of an Indian school.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000 for the purpose of cooperating with the school districts in Utah comprising the east portion of Duchesne County and the west portion of Uintah County for the construction, extension, and improvement of a high-school building near Roosevelt, Utah: *Provided*, That the expenditure of any moneys appropriated hereunder shall be subject to the condition that the school authorities for the said school districts shall take any and all necessary steps, under the laws of the State of Utah, to provide any and all additional funds required to complete the construction, extension, and improvement of the said high-school building, and shall submit proof of compliance with this provision to the Commissioner of Indian Affairs: *Provided further*, That plans and specifications for the construction, extension, and improvement of the said high-school building shall be furnished by the local or State authorities, without cost to the United States, and submitted to the Commissioner of Indian Affairs for approval, before any moneys appropriated hereunder may be expended, and that upon compliance with this provision actual work shall proceed under the direction of such local or State officials: *Provided further*, That payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service to the Commissioner of Indian Affairs, whose determination and approval of the proper amount chargeable to any appropriation made hereunder shall be final and sufficient for such payment thereof: *And provided further*, That the said high school so constructed, extended, and improved shall be maintained by the said school districts and shall be available to all the Indian children of the said districts on the same terms, as to other children of said school districts.

EASEMENTS IN CERTAIN LANDS

The bill (H. R. 1844) to authorize the Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control, and for other purposes, was considered, ordered to a third reading, read a third time, and passed.

VETERANS' AFFAIRS OFFICES IN THE PHILIPPINES

The joint resolution (S. J. Res. 115) authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a), to establish regional offices, suboffices, contact units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary.

AUTHORITY OF ADMINISTRATOR OF VETERANS' AFFAIRS TO ENTER INTO LEASES

The bill (S. 1135) to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That the second paragraph of section 100 of the Servicemen's Readjustment Act of 1944, as amended (38 U. S. C. 693), is hereby amended by deleting "June 30, 1947" and inserting in lieu thereof the following: "June 30, 1948."

DESIGNATION OF APRIL 5 OF EACH YEAR AS BOOKER T. WASHINGTON DAY

The Senate proceeded to consider the joint resolution (S. J. Res. 92) designating April 5, 1947, as Booker T. Washington Day, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 3, after "April", to strike out "of 1947" and insert "of each year"; and in line 6, after the word "authorized", to strike out "and requested", so as to make the joint resolution read:

Resolved, etc., That the 5th day of April of each year is hereby designated as Booker T. Washington Day, in commemoration of the birthday of the great educator, and the President of the United States is authorized to issue a proclamation calling upon officials of the Government to display the flag of the United States on all Government buildings on such day.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read "Joint resolution designating April 5 of each year as Booker T. Washington Day."

DESIGNATION OF OCTOBER 9 OF EACH YEAR AS LEIF ERIKSON DAY

The joint resolution (S. J. Res. 64) authorizing the President of the United States of America to proclaim the 9th of October of each year as Leif Erikson Day, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized to issue a proclamation designating the 9th day of October of each year as Leif Erikson Day, calling upon officials of the Government to display the flag of the United States on all governmental buildings on the 9th of October of each year, and inviting the people of the United States to observe the day in schools and churches or other suitable places with appropriate ceremonies.

DESIGNATION OF SEPTEMBER 17 OF EACH YEAR AS CONSTITUTION DAY

The Senate proceeded to consider the joint resolution (S. J. Res. 78) designating September 17 of each year as Constitution Day, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 7, after the word "authorized", to strike out "and requested", so as to make the joint resolution read:

Resolved, etc., That the 17th day of September of each year is hereby designated as Constitution Day, in commemoration of the formation and signing, on September 17, 1787, of the Constitution of the United States, and the President of the United States is authorized to issue annually a proclamation calling upon officials of the Government to display the flag of the United States on all Government buildings on such day, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

DESIGNATION OF AMERICAN INDIAN DAY—BILL PASSED OVER

The Senate proceeded to consider the bill (S. 309) designating American Indian Day, which had been reported from the Committee on the Judiciary, with an

amendment, on page 1, line 6, after the word "is", to strike out "requested" and insert "authorized", so as to make the bill read:

Be it enacted, etc., That the fourth Saturday in September of each year is hereby designated and shall hereafter be known as American Indian Day.

SEC. 2. The President is authorized to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on such day and inviting the people of the United States to observe such day with appropriate ceremonies as a memorial to the aborigines of this Nation and their contributions to the establishment and maintenance of this Nation.

SEC. 3. The President is also requested to communicate this declaration, by proclamation or otherwise, to the Governors of the several States, and request them to take such action as they may deem advisable in order to bring about observance of such day.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I notice that there are four bills on the calendar designating certain days to be observed in commemoration of persons or events or occasions of one kind or another and to accord them national recognition. I am sure the chairman of the Committee on the Judiciary, the Senator from Wisconsin [Mr. WILEY] has seen to it that two celebrations will not be held on the same calendar day.

Mr. WILEY. Mr. President, if any man is capable of celebrating twice on the same day, we have no objection to his doing so. But I will say that none of these bills designate the days in question as national holidays. All the bills do is to authorize the President "to issue a proclamation calling upon officials of the Government to display the flag of the United States on all Government buildings on such day and inviting the people of the United States to observe such day with appropriate ceremonies," as they may see fit.

Mr. RUSSELL. I am familiar with the bill, Mr. President, but we have passed many bills designating days of one kind or another in the past several years. I certainly hope we will not have two designations falling on the same calendar day. In that case, of course, we will have to carry along, and certainly the people must have to determine not only what the celebrations are, but which one of the two they wish to observe on that date. I do not think it would be very appropriate to have two designations made for the same calendar day.

Mr. HATCH. Mr. President, has objection been made to the pending bill?

The PRESIDENT pro tempore. No objection has been made.

Mr. HATCH. So long as Indian schools are being closed all over the Nation, so long as appropriations are being cut down and valid obligations to the Indians are not being fulfilled, I shall object to any bill which makes such an ostentatious display as setting aside a day to be called American Indian Day. I object, Mr. President.

The PRESIDENT pro tempore. The Senator from New Mexico objects. The bill will be passed over.

CREDIT FOR MILITARY OF NAVAL SERVICE

The bill (H. R. 603) to amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries, was announced as next in order.

Mr. CAIN. Mr. President, may we have an explanation of that bill?

The PRESIDENT pro tempore. The Senator who introduced the bill does not seem to be present at the moment, so an explanation does not seem to be available.

Mr. CAIN. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. CAIN subsequently said: Mr. President, I ask unanimous consent to recur to House bill 603, Calendar No. 184. The question which I had in mind has been answered by the report itself.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 603) to amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries was considered, ordered to a third reading, read the third time, and passed.

GRANT OF PRIVATE RIGHT-OF-WAY TO ROSCOE L. WOOD

The Senate proceeded to consider the bill (H. R. 1288) to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood, which had been reported from the Committee on Public Lands, with an amendment, on page 1, line 8, after the word "right-of-way", to strike out "for so long as needed" and insert "until this land has access to a contiguous highway or public way."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SYLVIA DE CICCO

The Senate proceeded to consider the bill (S. 514) for the relief of the legal guardian of Sylvia De Cicco, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the words "the sum of", to strike out "$5,000" and insert in lieu thereof "$2,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Sylvia De Cicco, a minor, of Jersey City, N. J., the sum of $2,000, in full satisfaction of the claim of the said Sylvia De Cicco against the United States for compensation for personal injuries sustained by her as a result of an accident which occurred when she was struck by a United States Army sedan at 228 Princeton Avenue, Jersey City, N. J., on June 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. A. PELLETIER AND P. C. SILK

The Senate proceeded to consider the bill (S. 882) for the relief of A. A. Pelletier and P. C. Silk, which has been reported from the Committee on the Judiciary, with an amendment, on page 1, line 6, after the words "the sum of", to strike out "$498.21" and insert in lieu thereof "$334.72", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. A. Pelletier and P. C. Silk, of Great Falls, Mont., the sum of $334.72, in full satisfaction of their claim against the United States for compensation for reporting and transcribing certain hearings held at Helena, Mont., during the period July 8 to July 16, 1946, by the Special Committee To Investigate Senatorial Campaign Expenditures, 1946, pursuant to Senate Resolution 224, Seventy-ninth Congress.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSEPH OCHRIMOWSKI

The bill (S. 50) for the relief of Joseph Ochrimowski was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Joseph Ochrimowski, who arrived at the port of New York on January 22, 1946, as a stowaway, shall, upon the payment of the required head tax, be considered for the purpose of immigration and naturalization laws to have been lawfully admitted into the United States. Upon the enactment of the act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Polish quota for the first year the Polish quota is available.

CHARLES N. BEMIS

The bill (H. R. 428) for the relief of Charles N. Bemis was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF ARCHIE S. WOODS, DECEASED

The bill (H. R. 444) for the relief of the estate of Archie S. Woods, deceased, was considered, ordered to a third reading, read the third time, and passed.

NATURALIZATION PROCEEDINGS IN THE CASE OF SICK OR PHYSICALLY DISABLED INDIVIDUALS

The bill (H. R. 236) to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals was considered, ordered to a third reading, read the third time, and passed.

REGINALD MITCHELL

The bill (S. 315) for the relief of Reginald Mitchell was considered, ordered

to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Reginald Mitchell, of North Hollywood, Calif., the sum of $106.85, in full satisfaction of his claim against the United States for compensation for property damage sustained by him, as a result of an accident which occurred when a United States Army vehicle collided with another automobile and pushed it into the rear of the automobile which he was driving, at the intersection of East Seventh Street and Maple Street, in Los Angeles, Calif., on November 10, 1944: *Provdided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ROBERT B. JONES

The bill (S. 317) for the relief of Robert B. Jones was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Robert B. Jones shall be considered to have been commissioned ensign, United States Naval Reserve, and placed on active duty as of December 8, 1941, to have continued on active duty in that rank until February 23, 1945, to have been promoted to the rank of lieutenant, junior grade, as of February 23, 1945, and to have served on active duty in that rank until February 28, 1946.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert B. Jones a sum of money equal to the active-duty pay and allowances due him by reason of the provisions of section 1 of this act: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ESTATE OF NELLIE P. DUNN

The bill (H. R. 1494) for the relief of the estate of Nellie P. Dunn, deceased, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF NATIONAL HOUSING ACT

The bill (S. 1230) to amend sections 2 (a) and 603 (a) of the National Housing Act, as amended, was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. MAYBANK. Mr. President, I will say to the distinguished Senator from Ohio that the bill was unanimously reported from the Committee on Banking and Currency. The chairman of the committee, the Senator from New Hampshire [Mr. TOBEY] asked me to report it yesterday. It is the last bill on the calendar. It has to do with the extension of the FHA title I and title VI program, which expires on June 30. It is proposed to extend the program only through January. The Congress will be in session at that time, and, if it is desired to make further changes, they can be made at that time.

The bill involves no additional authority. It merely extends the program under titles I and VI, as the report shows. There was no objection to the bill on the part of any member of the committee. As I say, the bill was unanimously reported from the committee. The Senator has the report of the Housing Administrator.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 (a) of the National Housing Act, as amended, is hereby amended by striking out in the first sentence the following: "and prior to July 1, 1947."

SEC. 2. Section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out of the second proviso "June 30, 1947" in each place where it appears, and inserting in lieu thereof "January 31, 1948."

The PRESIDENT pro tempore. That concludes the calendar.

PROTECTION OF FORESTS AGAINST DESTRUCTIVE INSECTS AND DISEASES

Mr. AIKEN. Mr. President, I ask unanimous consent for the present consideration of Senate bill 597, Calendar 161, which will have to be acted upon now if it is to do any good this year.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 597) to provide for the protection of forests against destructive insects and diseases, and for other purposes.

Mr. AIKEN. Mr. President, I was absent from the Chamber at the time the bill was passed over. The bill is to provide for the protection of forests against destructive insects and diseases, and for other purposes. It was introduced by the Senator from South Dakota [Mr. BUSHFIELD], and was considered by the Committee on Agriculture and Forestry and unanimously reported.

The Forest Service of the Department of Agriculture would be authorized to conduct surveys on any forest lands to detect and appraise infestations of forest insect pests and tree diseases, to determine the measures which should be applied on such lands to eradicate such forest pests, and to carry out such measures as the Secretary might deem necessary to accomplish the objectives and purposes of the bill.

I think it is well known that hundreds of millions of dollars of damage has been done to our forests each year by reason of insect pests. Much of this damage could be obviated if the presence of the insect were detected in time and measures were taken to control it. This necessitates cooperation between the Federal Government and States and communities which own forests in the public domain, and also the owners of private lands.

The reason for this is that airplane dusting is a common method of controlling many insects. Among the insects which should be controlled is the spruce bark beetle which, in 1943 and 1944, killed more than 2,000,000,000 feet of timber in Colorado alone. There are also the western pine beetle and the hemlock looper. Much work could be done, I am sure, in the control of the gypsy moth in order to keep it from spreading out of the area in which it is now prevalent.

As I say, there was no objection to the bill in the committee, as I recall. It was reported out unanimously. The need for speed in passing it was emphasized, if we intend to do the work this year. The Senator from Maine knows that serious outbreaks of the spruce fly have occurred in Maine. Now that we have means of controlling these insects, the Forest Service having demonstrated that they can control them, I think authority to do so should be granted in order to cooperate with private and public land owners, because no landowner by himself can effectively control an outbreak of forest pests.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Illinois.

Mr. LUCAS. Mr. President, as a member of the Committee on Agriculture and Forestry, I regret that I was absent when this bill was reported. That is why I objected a moment ago, and that is the reason that I should like to ask the able Senator from Vermont as to the amount of money requested.

Mr. AIKEN. I do not know the amount of money asked for. It is the amount that is from time to time determined to be necessary. Therefore the department would have to make out its case before the Appropriations Committee, just as it now has to make out a good case in order to get appropriations for other activities.

Mr. LUCAS. In other words, there is no request for any authorization of funds in this bill?

Mr. AIKEN. No specific amount. There is authorized to be appropriated such sums as the Congress may from time to time determine to be necessary.

Mr. LUCAS. May I inquire what the evidence disclosed may be the amount necessary in order to meet the situation?

Mr. AIKEN. I do not recall the amount. I would expect it to be a normal amount. I think the Forest Service is already doing some of this work.

Mr. LUCAS. That was to be my next question.

Mr. AIKEN. I am very sure that the Forest Service is doing some of this work and they probably have an appropriation at the present time for it. But the Senator well knows that many agencies of the Government which have been doing work on an appropriation basis in past years are now coming before the Congress to get authorization to do that which they have already been doing.

Mr. LUCAS. I do not quite understand why this bill is necessary if the department is doing the work at the present time, and there is no authorization requested for funds to carry out the purposes of the bill.

Mr. AIKEN. Because, if authorization has not been on the books for the past 15 years, but the Appropriations Committee has been appropriating for a particular purpose, we have now reached a time when someone raises a point of order against it; and it is particularly emphasized by the Reorganization Act which was passed last year that there shall be no legislation carried in an appropriation bill.

Mr. LUCAS. I take it that whatever money is authorized by the Appropriations Committee if it should see fit to go along with the theory of this bill will be beyond what is requested in the present budget. There is nothing of this kind included in the present budget.

Mr. AIKEN. I do not know whether there is or not, or, if there is, what item is included. But certainly the Department would have to show cause to the Appropriations Committee why money should be made available for the purpose of controlling forest insects. Personally, I have seen the damage which forest insects can do and how quickly they can destroy a billion feet of timber if they are not controlled. I recall an outbreak of the spruce bark beetle approximately 2 years ago. I think it started in New Brunswick, Canada, and spread over into the New England States. I know what the gypsy moth can do if it gets out of hand. It can destroy hundreds of acres of foliage.

The Senator from Maine [Mr. WHITE] mentions the spruce budworm, which can do a tremendous amount of damage.

Mr. LUCAS. I do not question that. The only point I wanted to raise was the cost, because everyone seems to be economy-minded in the Congress of the United States, and here is another bill which apparently will take more money from the Treasury of the United States to control insects in various forests throughout the country. If what the able Senator says is true, it undoubtedly will cost a tremendous amount of money to do what he has in mind. I am for it; I think it ought to be done, but it seems to me that we should know what it is going to cost.

Mr. AIKEN. I do not know, and no one can tell what it will cost.

Mr. LUCAS. The Appropriations Committee will have to know before it can appropriate any money for the purpose. Certainly someone will have to give the committee some concrete evidence as to the cost.

Mr. AIKEN. The Senator from Illinois is undoubtedly correct. A case will have to be made before the Appropriations Committee. I am very glad that the Senator from Illinois is concerned about the cost of the project. I think we should all be concerned about the cost. If the Senator from Illinois had great forests in his State he would have a realization of what it would cost not to control the ravages of insects when they once get started.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from South Dakota.

Mr. BUSHFIELD. Mr. President, I was called from the floor and was not able to return until after the discussion of this subject began. I should like to present a brief statement about it.

Billions of powerful, though tiny, enemies are attacking America's forests. Though many of them are so small that they are scarcely visible to the naked eye, they threaten the very future of the Nation's timber supply. From Maine to Washington to Texas and Florida, beetles and caterpillars are feasting on trees in ever-increasing amounts. Along with these insects go numerous tree diseases, many of which are actually carried by the insects.

Congress long ago recognized the importance of protecting our forests from fire. Under the Clarke-McNary law, the Department of Agriculture cooperates with the States in the provision and control of this scourge. No similar provision has been made for protection from insects and disease which in 1944 destroyed nearly four times as much sawtimber as did fire.

On March 24, 1941, a joint congressional committee on forestry recommended an amendment to the Clarke-McNary Act to provide additional funds for cooperating with the States in forest-fire protection. In 1944 Congress passed the necessary legislation and this year the Federal budget carries a requested appropriation of $9,000,000 for that purpose. A fact apparently overlooked is that that same joint committee recommended a similar amendment to the Clarke-McNary Act to provide for cooperative protection against forest insects and diseases on private- and State-owned forest lands.

Last year the Nation's loss to forest fires was reduced by nearly 50 percent but losses to insects and disease are going steadily up. In the Northeast and in the Lake States, so much white and yellow birch is being killed by the bronze birch borer that the very future of these valuable species is threatened. In Maine, the common beech louse carries a disease which is steadily destroying all the beech in the State and threatens to spread to other States to the south and west. Unless the disease is checked, beech promises to follow chestnut, which was long ago wiped out by the chestnut blight. But hardwoods are not the only hosts of insects and diseases in the Northeast. The spruce budworm, a leaf feeder, kills thousands of spruce and balsam fir trees annually and during recent years has spread into Vermont and New York.

In the southern pine forests, little-leaf disease, a new and little understood tree disease threatens the future of shortleaf pine, one of the four major southern pines and the only one of the four which grows at the higher elevations. The turpentine borer, southern pine beetle, and the engraver beetle have long been recognized as timber destroyers in our southern forests. Numerous leaf feeders, such as the pine sawfly, add to the yearly toll.

Let us move along to the western forests, which contain 65 percent of the Nation's saw-timber supply. Here the insects are really enjoying a holiday at our expense. During the past two decades beetles have destroyed 25,000,000,000 board feet of western pine timber, valued at $125,000,000. The most serious enemy of western white pine, sugar pine, and lodgepole pine in Idaho, Montana, Wyoming, Washington, Oregon, and California is the mountain pine beetle. When epidemics of this species develop thousands of acres of lodgepole forests may be swept as by a forest fire.

In recent years the Engelmann spruce beetle has swept through the spruce forests of western Colorado, killing more than 3,000,000,000 board feet of timber; and the outbreak is still continuing. The current rate of timber loss is estimated at four to six times the total annual growth of all the forest lands in Colorado.

In Utah there have been several recent outbreaks of the Black Hills beetle, which, sad to say, owes its name to my native State. An uncontrolled outbreak on the Wasatch National Forest increased in extent from 13,900 infested trees in 1944 to 33,900 trees in 1945.

A recent outbreak of the Douglas fir tussock moth in Idaho already covers nearly half a million acres, and threatens to destroy a major portion of the Douglas fir and white fir stands unless it is promptly checked.

Long recognized as the most serious insect enemy of the Douglas fir in the Rocky Mountain region, the Douglas fir beetle has now crossed the mountains, and is responsible for killing 1 percent per year of some of the finest Douglas fir stands in western Oregon; and the damage is steadily increasing. One percent of Oregon's Douglas fir stand is enough to build about 380,000 six-room houses.

Another insect which is becoming increasingly important in the Douglas fir region is the hemlock looper, which has killed over 700,000,000 board feet of western hemlock since 1918. In 1945, an intensive airplane spraying campaign was conducted to stop an outbreak on 12,000 acres, in Clatsop County, Oreg.

Mr. President, I could go on and on telling you about the forest-insect problem in the United States. I might even point out that in California, a State where forest fires are extremely bad, the annual timber loss due to insects is four times that incurred by fires. In the 350 years of our forest history, we have lost to insects and disease more than one and a half times as much timber as we have manufactured for use. I believe this gives you a fair picture of the situation in the United States.

The protection of our forests from insects and disease is a public responsibility. Insects and diseases recognize no State lines or property boundaries, and may cause losses which are even greater than the timber loss. Dead timber stands are readily swept by fire, and the land may be denuded of forest growth for generations. Silted streams, floods, and eroded wastelands may be the re-

sult. We have long recognized the public responsibility for controlling forest fires. We have the same responsibility in regard to forest insects and diseases. Let us assume that responsibility.

Mr. President, the Department of Agriculture has already recommended and approved this bill.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. LUCAS. Did the able Senator from South Dakota advise the Senate what the cost of the proposed measure would be?

Mr. BUSHFIELD. Only what I stated in the discussion; namely, that the Department has been appropriating $9,000,000. But, of course, the Appropriations Committee would have to decide as to that and the Department would have to prove its case.

Mr. LUCAS. Heretofore, has the Department been spending $9,000,000 a year, on an average, to take care of this problem?

Mr. BUSHFIELD. I believe so.

Mr. LUCAS. I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. AIKEN. Mr. President, I wish to say that today the Department can control insect pests on a much greater acreage and with much less expense than heretofore. It used to be necessary to virtually hand-pick gypsy moths, but now it has been found that half a pound of DDT to an acre, when spread by airplane, will effectively control them.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CHAVEZ. Of course I appreciate the remarks of the Senator from Illinois. This program will cost something; but if we do not make the proposed expenditure now, the future cost of controlling these insects will be increased one hundredfold.

Very few of us really appreciate the actual value of timber to the United States and the actual value of the millions and millions of acres of forests in our Nation. Senators may speak of oil and copper and other commodities; but so far as the various States are concerned, they own tremendous quantities of timber. For instance, I have seen 1 acre of timber in Oregon from which 150,000 board feet could be produced. Are we going to say that because the program will cost us a small amount of money, we will not protect the timber of the Nation? In my State the Government has 12,000,000 or 14,000,000 acres of timber land, and in Arizona it has large timber acreage, and so on in the rest of the States. That timber belongs to the people of the United States.

So I hope there will be no objection to the passage of the bill.

Mr. MORSE. Mr. President, I wish to ask several questions about the bill. Of course I desire to assure the Senator from Vermont [Mr. AIKEN] and the Senator from South Dakota [Mr. BUSHFIELD] of my complete support of the bill.

As I understand what has been stated by the Senator from Vermont, the enactment of this bill is necessary in order to obtain authorization for any future expenditure of funds which may be appropriated by the Congress for the carrying on of the warfare against forest insects.

Mr. AIKEN. That is my understanding of the matter.

Mr. MORSE. I further understand that such an authorization is necessary in order to avoid the possible raising of a point of order that, in the absence of an authorization, any funds now being spent by an agency of Government, such as the Forest Service, are being spent without without any legal sanction. Is that correct?

Mr. AIKEN. That is my understanding.

Mr. BUSHFIELD. I think that is correct.

Mr. MORSE. The proof of the pudding is the fact that in connection with some of the other projects provided for in appropriation bills now before the House of Representatives, that very point of order has been raised by some Members of the House who are so false-economy-minded that today they have taken such steps, and the House of Representatives has not appropriated the funds necessary for carrying out a sound conservation program.

Mr. AIKEN. I think that point of order has been raised with respect to certain matters, this year; and I believe it is likely to be raised at any time in respect to other matters, including the one we are now considering.

Mr. MORSE. I wish to say to the Senator from Vermont that I think enactment of the bill is of the utmost importance. I desire to endorse everything the Senator from New Mexico has said. I think enactment of the bill is essential to a sound conservation program; because, as I said earlier this year, after all, even from the standpoint of national defense, we cannot permit the wasting of the great timber resources of our Nation.

If the Members of the Senate would visit the great western section of the United States and learn at first hand of the great loss that all our people are suffering today because we are not carrying on a sound conservation program, they would understand how true it is when I argue that the type of appropriation bill action taken by the House of Representatives thus far in regard to our conservation program cannot be justified on the ground of sound economy. Such a program is one of false economy, and I think it is most unfortunate.

I hope the Senate, at least, will proceed to rectify the great damage which is being done to a true conservation program. It seems to me that this bill permits of a necessary authorization, so that in respect to at least this segment of the program the Congress can legally appropriate the funds necessary to prevent the destruction of the forests by insects.

The PRESIDENT pro tempore. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 597) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to protect and preserve forest resources of the United States from ravages of bark beetles, defoliators, blights, wilts, and other destructive forest insect pests and diseases, and thereby enhance the growth and maintenance of forests, promote the stability of forest-using industries and employment associated therewith, aid in fire control by reducing the menace created by dying and dead trees injured or killed by insects or disease, conserve forest cover on watersheds, and protect recreational and other values of forests, it shall be the policy of the Government of the United States independently and through cooperation with the government of States, Territories, and possessions, and private timber owners to prevent, retard, control, suppress, or eradicate incipient, potential, or emergency outbreaks of destructive insects and diseases on, or threatening, all forest lands irrespective of ownership.

SEC. 2. The Secretary of Agriculture is authorized either directly or in cooperation with other departments of the Federal Government, with any State, Territory, or possession, organization, person, or public agency, subject to such conditions as he may deem necessary and using such funds as have been, or may hereafter be, made available for these purposes, to conduct surveys on any forest lands to detect and appraise infestations of forest insect pests and tree diseases, to determine the measures which should be applied on such lands, in order to prevent, retard, control, suppress, or eradicate incipient, threatening, potential, or emergency outbreaks of such insect or disease pests, and to plan, organize, direct, and carry out such measures as he may deem necessary to accomplish the objectives and purposes of this act: *Provided*, That any operations planned to prevent, retard, control, or suppress insects or disease on forest lands owned, controlled, or managed by other agencies of the Federal Government shall be conducted with the consent of the agency having jurisdiction over such land.

SEC. 3. The Secretary of Agriculture may, in his discretion and out of any money made available pursuant to this act, make allocations to Federal agencies having jurisdiction over lands held or owned by the United States in such amounts as he may deem necessary to retard, control, suppress, or eradicate injurious insect pests or plant diseases affecting forests on said lands.

SEC. 4. No money appropriated to carry out the purposes of this act shall be expended to prevent, retard, control, or suppress insect or disease pests on forest lands owned by persons, associations, corporations, States, Territories, possessions, or subdivisions thereof until such contributions toward the work as the Secretary may require have been made or agreed upon in the form of funds, services, materials, or otherwise.

SEC. 5. There are hereby authorized to be appropriated for the purposes of this act such sums as the Congress may from time to time determine to be necessary. Any sums so appropriated shall be available for necessary expenses, including the employment of persons and means in the District of Columbia and elsewhere, printing and binding, and the purchase, maintenance, operation, and exchange of passenger-carrying vehicles; but such sums shall not be used to pay the cost or value of any property injured or destroyed. Materials and equipment necessary to control, suppress, or eradicate infestations of

forest insects or tree diseases may be procured without regard to the provisions of section 3709 of the Revised Statutes (41 U. S. C. 5) under such procedures as may be prescribed by the Secretary of Agriculture, when deemed necessary in the public interest.

SEC. 6. The provisions of this act are intended to supplement, and shall not be construed as limiting or repealing, existing legislation.

SEC. 7. This act may be cited as the "Forest Pest Control Act."

RECESS

Mr. WHITE. I move that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 59 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 23, 1947, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 22, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who sitteth at the right hand of the Father, full of grace and truth, harken unto the voice of our supplication. We praise Thee that Thou art the root and ground of unchangeable truth. When Thou art near there is a rift in the cloud; faith grasps a new courage; and we repossess our souls.

We praise Thee that through Thy impartial love our eyes are open to Thy providence. However numerous our contests, however aggressive they may be, O bless us with a multiplied sense of fairness, wisdom, and understanding. Let our belief in the ultimate triumph of right and justice be so strong that it cannot be shattered. As the gift of the Christ is the golden background against which our weakness stands out in pathetic failure, deepen our sense of obligation. Arm us against temptation, lest we fall like a reed before the wind, and to understand that character is a sublime height to which we must climb on the golden rounds of choice and purpose.

In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MRS. BARBARA GILGENBACH ELCHINGER

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Speaker, up in the northwest corner of Ohio, where I come from, the people are self-reliant, brave, and strong.

I want to nominate as the grandmother of 1947 Mrs. Barbara Gilgenbach Elchinger, Holgate, Ohio, who will be 93 years old on May 25. She has 11 children, 9 of whom are living. She has 66 grandchildren, 87 great-grandchildren, 8 great-great-grandchildren, and 7 great-great-great-grandchildren.

Up in that part of the country we have not one Communist in a carload. It is not a salubrious part of the country for communism to exist. I salute this gallant lady upon her reaching her ninety-fourth year; what grand life it is.

As part of my remarks I include an article, as follows:

GRANDMA HAS 177 LIVING DESCENDANTS

A mere matter of 177 descendants are preparing to honor the donna of the family, Mrs. Barbara Gilgenbach Elchinger, who will be 93 years old May 25. Incredible as it may seem, she has 177 living descendants, which must be a record of some sort or other.

Mrs. Elchinger now is living with her son Philip Gilgenbach and family on his farm south of Holgate.

Mrs. Elchinger had 11 children, 9 of whom are living. She has 66 grandchildren, 87 great-grandchildren, 8 great-great-grandchildren, and 7 great-great-great-grandchildren, as the census was taken at the hour of loping to press.

Grandma Elchinger is most remarkable in retaining her faculties. About a year ago when she was living with Mr. and Mrs. John Gilgenbaugh, the missus and ye editor spent an entire Sunday afternoon talking to her. She was alert to a degree that made one marvel.

Be not deceived by the difference in the spelling of the names of the two sons mentioned. The family name was Gilgenbach, which Philip never had changed by the probate court. But John got into the livestock business and checks began to come "Gilgenbaugh" so he changed his cognomen. They are brothers, regardless of the spelling.

The children are planning quite a celebration for grandma's birthday on May 25.

Mr. RAMEY. Mr. Speaker, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from Ohio.

Mr. RAMEY. I would like to add the name of Ina Duley Ogden, approximately the same age, who is the author of well-known hymns, one being Brighten the Corner Where You Are, another being Carry Your Cross With a Smile, and others. She lives in her home known as the Old House.

(Mr. CLEVENGER asked and was given permission to revise and extend his remarks and include a newspaper article.)

THE TRUMAN FOREIGN POLICY

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, the so-called Truman doctrine is characterized by proponents as probably the most far-reaching change in American foreign policy in 100 years.

Many of its opponents contend it starts us on the road of militarism and imperialism.

Whatever its consequences are, I rise to propound a solemn question.

How, in the existing political framework of this Nation, can the people of America, if they so desire, effectively oppose this policy?

The policy is sponsored by the Democratic Party and collaborated in by the Republican leadership.

If the people disapprove of this adventure, as many polls indicate, what recourse is left them when neither party provides the vehicle for effective opposition?

When the Republican leadership, without consulting the people, does a "me too" on decisive issues, what method do the people then have to effectively influence governmental policies?

Under this situation it would appear that the people are losing the all-important right to approve or reject decisive policies at the ballot box. For, as matters now stand, neither party affords the people the opportunity to effectively oppose this global program.

I respectfully urge the Republican leaders responsible for this collaboration to explain this situation fairly and forthrightly to the American people. The people are entitled to a full explanation of a political performance which apparently deprives the people of an effective voice in determining America's future.

EXTENSION OF REMARKS

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the American Legion, fifth region, Fourth Congressional District of Iowa.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include an article by Carleton Beals.

Mr. McGREGOR asked and was given permission to extend his remarks in the RECORD.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. HARNESS of Indiana, from the Committee on Rules, reported the following privileged resolution (H. Res. 195, Rept. No. 418), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on the District of Columbia, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete investigation and study of reorganization and home rule for the District of Columbia.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution, the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him and may be served by any person designated by such chairman or member.

NONFAT MILK POWDER

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Speaker, our country has a splendid opportunity at this time to carry out an important two-way program of aid to the American farmer and to the hunger-ridden countries of Europe—at very little expense to our citizens and taxpayers.

Congress, in cooperation with the Department of Agriculture and the State Department, should act swiftly on a set of unusual conditions which will make possible:

First. The expedient and immediate delivery of relief food which we now have in surplus to Europe to meet urgent foreign food needs, and

Second. Put into effect a simple and effective automatic stabilization of dairy prices for the American farmer, without the necessity of invoking complicated parity percentages, or other red-tape procedure at this time.

America needs only one-half of its present production of nonfat milk powder. This powder is the product resulting from the drying of milk from which the butterfat has been removed.

We are now turning out this powder at the highest rate in our history, and we do not need more than half of it for our own present total uses in this country.

War-stimulated production, which boosted the United States total output from 300,000,000 pounds a year to over 600,000,000 pounds a year, is now actually increased again. This means more surplus—at least 300,000,000 pounds this year that can be spared to feed other peoples.

This surplus has already caused a natural price recession from 15 cents a pound to the present 10 cents a pound.

The Department of Agriculture has purchased 83,000,000 pounds since January 1 this year and could easily obtain triple that amount through the present pasture feeding season, from production now being turned out daily.

Expenditure of twenty-five to thirty million dollars of relief funds for this product will represent prudent and effective service to our farmers, and at the same time assist in the important task of feeding Europe's starving millions.

HENRY WALLACE OUTBURST

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania

There was no objection.

Mr. McDOWELL. Mr. Speaker, I read in the daily paper that the other day in Hollywood, Calif., that Mr. Henry Wallace, a former Vice President of the United States, and for 4 years ex officio Member of the United States Congress, said this:

> I mean the group of bigots first known as the Dies committee, then the Rankin committee, now the Thomas committee—three names for Fascists the world over to roll on their tongues with pride.

Mr. Speaker, nobody knows better than the former Vice President that membership on a committee of either the House or the other body is by election of the Members and by selection of the various committees for that purpose. No groups of any kind, whether bigots or otherwise, form themselves into a committee of the Congress. No person knows this any better than the former Vice President.

Mr. Speaker, in my opinion, Mr. Henry Wallace, regardless of those things that he says or where he says them, in this instance is an ignorant, vicious, unpatriotic liar.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. McDOWELL. I yield to the gentleman from Mississippi.

Mr. RANKIN. It has been suggested to me that what Mr. Wallace needs is a mental examination.

EXTENSION OF REMARKS

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Post.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include an article from a Scottish newspaper.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD and include excerpts from a speech made by her in Washington on last Saturday.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HAND asked and was given permission to extend his remarks in the RECORD and include a speech made by the gentleman from Michigan [Mr. BRADLEY].

Mr. RAMEY asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Nutt, of the Packard Engineering Co.

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include an editorial from the Baltimore Sun.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances, and to include in one an article that appeared in the Lynn Telegram-News and in the other an address of Sumner Welles at a dinner of the American Jewish Congress at Boston on May 19.

Mr. WHITTINGTON asked and was given permission to extend his remarks in the RECORD and include resolutions adopted by the thirty-seventh annual convention of the National Rivers and Harbors Conference.

THE TRUMAN DOCTRINE

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, the gentleman from Nebraska a few moments ago commented upon whether or not the American people have had an opportunity to decide what their position is with regard to the so-called Truman doctrine. My contention with regard to that question is this: Mr. Truman is now following the policy formulated by the Republicans during the last number of years in opposing communism. It has been the platform of the Republican Party for a number of years past to oppose the progress of communistic Soviet Russia across the world. In following that policy Mr. Truman is merely following the policy of the Republican Party. In answer to that query, I say that the Republican leadership, or those Republicans that are supporting that policy, are being consistent with the policy they have followed and fought for during the last several years.

REFUTATION OF VIEWS OF GENTLEMAN FROM MISSISSIPPI, MR. RANKIN, ON ZIONISM

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, yesterday an attack on the floor of the House was made upon Zionism and for that purpose there was quoted a passage from the memoirs of Henry Morgenthau. There is always some quotation to suit every purpose the gentleman from Mississippi [Mr. RANKIN] whose lack of confirmation on Zionism is readily discernible might well know that the son of Henry Morgenthau, Sr., takes quite a different view and he might also know that every President of the United States beginning with Wilson to Truman supported the aims and aspirations of the Jews in Palestine. Certainly, the support of Zionism given by 39 Governors of the respective States of our Union, and by 33 of the State legislatures, and by the platforms of the two great parties carries more authority and weight than a statement by the deceased Mr. Morgenthau or assertions of the gentleman from Massachusetts.

The gentleman from Mississippi [Mr. RANKIN] likewise inserts an ad which appeared in a New York paper. That was not an ad sponsored or supported by general Zionism. It was the ad of an insurgent group which opposes the central authority of the Jewish Agency of Palestine, the entity established by the mandate for Palestine. In the interest of fairness, the gentleman from Mississippi [Mr. RANKIN] might have acquainted himself with these facts before he spoke.

HENRY MORGENTHAU, SR., ON ZIONISM

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I might say in the beginning that I know of no man who in my opinion has done the Jews of this country more harm than the gentleman from New York [Mr. CELLER]. I was amused, as well as amazed, at his statement a moment ago.

As for Henry Morgenthau, Sr., he was the brains of the family. In fact he was one of the great Jews of this country; and the intelligent Jews, I am sure, will not agree with the statements made by the gentleman from New York [Mr. CELLER] concerning him.

Mr. CELLER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. CELLER. Mr. Speaker, I ask that the gentleman's remarks be taken down. He made certain statements which reflect upon my service in this House when he said he thinks there is nobody who has rendered more disservice to the Jews than I.

Mr. RANKIN. I said, had done them more harm by your continuously agitating a policy that gets them into trouble, and which as Henry Morgenthau, Sr., so forcefully denounced.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. RANKIN. Mr. Speaker, I might say in the beginning that I know of no man who in my opinion has done the Jews of this country more harm than the gentleman from New York [Mr. CELLER].

The SPEAKER. The Chair does not think these words reflect upon the gentleman from New York [Mr. CELLER]. They are merely an expression of the opinion of the gentleman from Mississippi [Mr. RANKIN] and, of course, it does not necessarily mean that that opinion is shared by anyone else. The Chair does not believe the words reflect in an unparliamentary manner upon the gentleman from New York [Mr. CELLER].

The gentleman from Mississippi will resume in order.

Mr. RANKIN. One of the very things that Henry Morgenthau, Sr., was warning his Jewish brethren about, that is Henry Morgenthau, Sr., the father of the ex-Secretary of the Treasury, was just such unwise tactics as the attacks they are now making on Great Britain, advocating, as I read yesterday, the blowing up of British trains, robbing British banks, blowing up British arsenals, and murdering British subjects who have stood by them when other countries would not even admit them into their jurisdictions.

Here is the exact language taken from the page advertisement these Zionists published in the New York Times a few days ago:

Every time you blow up a British arsenal, or wreck a British jail, or send a British railroad train sky high, or rob a British bank or let go with your guns and bombs at the British betrayers and invaders of your homeland, the Jews of America make a little holiday in their hearts.

As I pointed out on yesterday, that vicious statement does not represent the views of the decent, high-classed, law-abiding Jews of America, nor does it represent the views of the rest of the American people.

The quotation from the autobiography of Henry Morgenthau, Sr., to which the gentleman from New York [Mr. CELLER] objects, and which I inserted in the RECORD on yesterday, reads as follows:

Zionism is the most stupendous fallacy in Jewish history. I assert that it is wrong in principle and impossible of realization; that it is unsound in its economics, fantastical in its politics, and sterile in its spiritual ideals. Where it is not pathetically visionary, it is a cruel playing with the hopes of a people blindly seeking their way out of age-long miseries. These are bold and sweeping assertions, but in this chapter I shall undertake to make them good.

The very fervor of my feeling for the oppressed of every race and every land, especially for the Jews, those of my own blood and faith, to whom I am bound by every tender tie, impels me to fight with all the greater force against this scheme, which my intelligence tells me can only lead them deeper into the mire of the past, while it professes to be leading them to the heights.

Zionism is a surrender, not a solution. It is retrogression into the blackest error, and not progress toward the light. I will go further, and say that it is a betrayal; it is an eastern European proposal, fathered in this country by American Jews, which, if it were to succeed, would cost the Jews of America most that they have gained of liberty, equality, and fraternity.

I have no apology for inserting those remarks of Henry Morgenthau, Sr., in the RECORD. I believe they express the sentiments of conservative Jews, as well as thinking gentiles, all over the world.

As between him and the gentleman from New York [Mr. CELLER], I will take Henry Morgenthau, Sr., and I feel sure that 90 percent of the American people would do likewise, if they knew the facts.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EMANUEL CELLER

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN. Mr. Speaker, I do not believe the gentleman from New York [Mr. CELLER] needs any defense from me or from any other Jew in this country or in the House of Representatives. I believe the House knows, and I want to say to the Members, if there is anybody who can talk about doing harm to the Jews of this country or any other minority groups, the gentleman from Mississippi is well qualified. He is certainly an expert on that subject.

EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times concerning court-martial systems.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include a letter from Governor Wallgren, of Washington, to the editor of the Washington Post of today.

Mr. BRADLEY of California asked and was given permission to extend his remarks in the RECORD and include a short article concerning the port of Long Beach, Calif.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include a bill introduced by him.

COACHELLA DIVISION OF THE ALL-AMERICAN CANAL IRRIGATION PROJECT

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3348) to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella Division of the All-American Canal irrigation project, California.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. PHILLIPS]?

Mr. RICH. Mr. Speaker, reserving the right to object, we would like to know what this is about.

Mr. PHILLIPS of California. Mr. Speaker, when the Department of Interior appropriation bill was before the House, I offered an amendment which would have made a technical change in the wording, which is now proposed by this legislative bill. The chairman of the subcommittee said he agreed with the objective that I had in mind, that he was favorable to what I was trying to do, but that in his opinion it represented legislation on an appropriation bill. Therefore, I introduced this bill. It has passed the Subcommittee on Reclamation by a unanimous vote, and it has passed the Committee on Public Lands by a unanimous vote. It is a technical proposition, but in language which I think will interest the gentleman from Pennsylvania [Mr. RICH]. It saves the United States Government $8,000,000, and the farmers of the district agree to increase their payments from $13,000,000 to $26,000,000. The reason for the urgency today is that by getting it to the Senate at once the change can be made in the Interior Department appropriation bill while there, whereas the Consent Calendar will not be called for at least 2 weeks.

Mr. RICH. I may say to the gentleman that practically every bill that is brought up here required eight or ten or fifteen million dollars more, but if you are saving $8,000,000 I am for you.

Mr. WELCH. Mr. Speaker, reserving the right to object, the bill H. R. 3348 was carefully considered by a subcommittee and the full Committee on Public Lands and received a unanimous favorable report. The bill also has a favorable report from the Department of the Interior.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the language in the appropriation act of July 1, 1946, of the Department of the Interior for the fiscal year ending June 30, 1947 (Public Law 478, 79th Cong.), for the Bureau of Reclamation under the caption:

"Boulder Canyon project (All-American Canal): For continuation of construction of a diversion dam, and main canal (and appurtenant structures, including distribution and drainage systems) located entirely within the United States connecting the diversion dam with the Imperial and Coachella Valleys in California;";
is hereby revised to read:

"Boulder Canyon project (All-American Canal): For continuation of construction of a diversion dam, and main canal (and appurtenant structures) located entirely within the United States connecting the diversion dam with the Imperial and Coachella Valleys in California, and distribution and drainage systems;";
and this revision shall apply with equal force to all prior appropriation acts for the Department of the Interior and to the act for the fiscal year 1948 in which this same language appears for the Bureau of Reclamation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SECOND DEFICIENCY APPROPRIATION BILL, 1947

Mr. TABER. Mr. Speaker, I call up the conference report on the bill (H. R. 3245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 9, 10, 11, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 28, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum of "$70,000" named in said amendment insert "$60,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8 and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"FEDERAL WORKS AGENCY

"BUREAU OF COMMUNITY FACILITIES

"Veterans' educational facilities: For an additional amount for the completion of construction and installation of veterans' educational facilities, fiscal year 1947, $3,000,000, to be available until expended, but not to be available for new projects after September 30, 1947, of which amount not to exceed $100,000 shall be available for administrative expenses: *Provided*, That no part of this appropriation shall be used for the relocation of any building at a cost greater than $3 per square foot."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15 and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Maintenance and operation of air navigation facilities: For an additional amount, fiscal year 1947, for 'Maintenance and operation of air navigation facilities', $20,000."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 12, and 13.

JOHN TABER,
RICHARD B. WIGGLESWORTH,
ALBERT ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

STYLES BRIDGES,
CHAN GURNEY,
JOSEPH H. BALL,
KENNETH MCKELLAR,
CARL HAYDEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1 to 4, inclusive, relate to the Senate and appropriate $50,000 for salaries, officers and employees, $100,000 for special investigations, and $200,000 for miscellaneous items, as proposed by the Senate.

Amendment No. 5 appropriates $12,500 to the widow of a deceased Representative, as proposed by the Senate.

INDEPENDENT AGENCIES

Amendment No 6 increases the amount for travel expenses, Office of Defense Transportation, to $60,000 instead of $70,000, as proposed by the Senate.

Amendment No. 7 is reported in disagreement.

Amendment No. 8 appropriates $3,000,000 for veterans' educational facilities instead of $20,000,000, as proposed by the Senate, and provides that no part of the fund shall be used on any project where the cost is in excess of $3 per square foot.

Amendment No. 9 provides, by transfer, an additional amount of $2,500 for penalty mail costs, Interstate Commerce Commission, as proposed by the Senate.

Amendment No. 10 appropriates $5,103,000 for the Office of Selective Service Records, as proposed by the Senate.

Amendment No. 11 appropriates $4,500 for The Tax Court of the United States, as proposed by the Senate.

DEPARTMENT OF AGRICULTURE

Amendment No. 12 is reported in disagreement.

Amendment No. 13 appropriates $5,000,000 for the farm labor supply program instead of $6,000,000, as proposed by the Senate.

DEPARTMENT OF COMMERCE

Amendment No. 14 strikes out, as proposed by the Senate, an appropriation of $600,000 for establishment of air-navigation facilities, proposed by the House.

Amendment No. 15 appropriates $20,000 for maintenance and operation of air-navigation facilities instead of $160,000, as proposed by the House.

POST OFFICE DEPARTMENT

Amendment No. 16 appropriates $75,000 for rural-delivery service, 1946, as proposed by the Senate.

Amendment No. 17 provides $10,000,000 for clerks, first- and second-class post offices, as proposed by the Senate.

Amendment No. 18 appropriates $28,800,000, as proposed by the Senate, for city delivery carriers, instead of $28,018,800, as proposed by the House.

Amendment No. 19 provides, by transfer, $152,000 additional for star route service, as proposed by the Senate.

Amendment No. 20 provides, by transfer, $2,500,000 additional for railroad transportation and mail messenger service, as proposed by the Senate.

Amendment No. 21 provides, by transfer, $3,090,000 additional for railway mail service, as proposed by the Senate.

Amendment No. 22 provides, by transfer, $3,273,000 additional for foreign mail transportation, as proposed by the Senate.

Amendment No. 23 provides, by transfer, $13,000 additional for railway mail service, travel expenses, as proposed by the Senate.

Amendment No. 24 increases the limitation on amount available for salaries at field headquarters, domestic air mail service, to $124,000, as proposed by the Senate.

Amendment No. 25 appropriates $441,000, as proposed by the Senate, for unpaid money orders more than 1 year old instead of $127,000, as proposed by the House.

Amendments Nos. 26 and 27 provide $3,536,700 for vehicle service, as proposed by the Senate, instead of $2,996,700, as proposed by the House.

Amendment No. 28 appropriates $450,000 for sanitation, Panama Canal Zone, as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

The following motions have been authorized to be offered by the managers on the part of the House with respect to amendments in disagreement:

Amendment No. 7: To recede from disagreement and concur with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"Such sums as may be determined by the Bureau of the Budget to be necessary are hereby appropriated for making for the first quarter of the fiscal year 1948 (1) grants to States for assistance to aged needy individuals, needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended, and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this appropriation shall be charged to the appropriations therefor in the Labor-Federal Security Appropriation Act, 1948."

The foregoing is necessary in order that funds will be available to make payments to the States in June for old-age pensions, etc., to prevent delayed payments to recipients of amounts due the 1st of July.

Amendment No. 12: To recede from disagreement and concur in the Senate amendment, which directs the Secretary of the Treasury to cancel the notes of the Commodity Credit Corporation in the amount of $641,832,080.64.

Amendment No. 13: To recede from disagreement to the amendment of the Senate and agree to the same with an amendment

as follows: In lieu of the matter inserted by said amendment, insert the following:

"Farm Labor Supply Program

"Supply and distribution of farm labor: The funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended and supplemented, are hereby continued available through January 30, 1948, for carrying out the purposes of said Act, as amended, and the Act of April 28, 1947 (Public Law 40, Eightieth Congress), an Act providing for a six months' extension and final liquidation of the farm labor supply program; and, in addition to the amount continued available, there is hereby appropriated for such purposes the sum of $5,000,000 to be merged with the funds hereby continued available. Not less than $2,000,000 of such additional funds shall be apportioned among the several States in the manner and for the purposes specified in section 2 of the Farm Labor Supply Appropriation Act, 1944. In addition to the amounts heretofore made available for administrative expenses pursuant to section 3 of such Act, there is hereby made available out of said funds the sum of $250,000 for such purposes: *Provided*, That not to exceed $258,500 of the total funds remaining as of January 30 1948, shall be available until June 30, 1948, for administrative and other expenses, including personal services in the District of Columbia, incident to the settlement of growers' and workers' contracts and accounts, the collection of reimbursements due the Government, the payment of transportation and other obligations outstanding, and the handling of other necessary fiscal and administrative work in the final liquidation and disposition of Government assets and liabilities under the program: *Provided further*, That not to exceed $500,000 of the receipts derived from sales of labor supply centers, labor homes, labor camps, and facilities under the provisions of section 2 (d) of the Act of August 14, 1946 (Public Law 731), as amended, shall be available for the payment of costs of the liquidation of such labor supply centers, labor homes, labor camps, and facilities, including personal services in the District of Columbia, and any appropriations or other funds from which such costs have been advanced may be reimbursed therefor from any such receipts, the net proceeds of such sales to be deposited in the Treasury of the United States."

JOHN TABER,
RICHARD B. WIGGLESWORTH,
ALBERT ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

Mr. TABER. Mr. Speaker, this is a unanimous report.

There are included about $16,000,000 of items for the Post Office Department which went to the Senate after the bill was disposed of here in the House; in other words, the House had had no opportunity to consider those items before the bill passed here.

Three million dollars is also provided to proceed with the program of classroom buildings for colleges with the restriction that not more than $3 a foot be spent by the Federal Government. It is the intention that these buildings insofar as possible may be given to the colleges and that the colleges may go ahead to such extent as they please beyond that figure. The Federal Works Administration has power to give them the buildings. The cost of the rehabilitation and reconstruction of those buildings has been running way out of sight. It is the intention of the committee and of the language that has been used here that the colleges may have the privilege of going on and spending any amount they please in addition to the amount of $3 per foot to be expended by the Federal Works Administration through the Office of Community Facilities.

Mr. Speaker, at this point I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, this is a unanimous report, but the Members of the minority signed it reluctantly. We especially regret the provision limiting the amount available for veterans' facilities at colleges and reducing the total appropriation from $20,000,000 to $3,000,000, and including restrictions which make it inoperative. Under these restrictions I doubt whether a single college will be in position to avail itself of even the reduced amount provided.

There is not a college in the United States whose enrollment has not been swollen by veterans taking courses under the GI bill to a point far beyond its facilities, both for housing and instruction. They are housing great numbers of these boys in makeshift dormitories, in temporary barracks, and even in trailers. And even then, veterans are being turned away because the schools are without dormitories, laboratories, and classrooms.

The purpose of the $20,000,000 carried by the Senate amendment is to provide funds with which to move abandoned buildings from camps and other war centers to colleges where veterans are applying for admission under the GI bill. These buildings are temporary structures and are rapidly deteriorating and will serve no purpose in their present location. Transferred to the campus of a school they will make it possible to provide educational facilities for boys who otherwise cannot take advantage of the provisions of the GI bill. All schools are turning away veterans because of lack of space and this money will enable them to utilize buildings which otherwise will be sold as junk and to educate veterans who otherwise must go without educational opportunities.

The conference report reduces the $20,000,000 passed by the Senate to $3,000,000—an amount totally inadequate to meet the needs of the thousands of exservicemen who are applying for training.

Even if the entire $20,000,000 were included in the conference report it would be a futile gesture as the limitation of cost of construction to $3 per cubic foot is insufficient to pay the average cost of construction submitted to the committee.

So far as the intention of the House or the Senate or the conference is concerned—in applying the $3 limitation to Federal funds alone and not to college funds or to joint Federal and college funds—this is the first suggestion I have heard of such an interpretation.

No such suggestion was made or considered either in the House or Senate or in the conference between the managers on the part of the two Houses.

The limitation is explicit. Under the language of the limitation in the conference report the funds shall not be available if the cost is in excess of $3 per foot whether paid from Federal funds or other funds. No distinction is made as to whether that cost is paid by the school or the Federal Government or jointly. So the whole effect of this limitation upon the Senate amendment is to deny these colleges essential funds for the construction of classrooms for veterans.

Provision of the extra class rooms required for veterans is not the responsibility of the colleges. They have ample facilities for their normal requirements. But they do not have facilities for these unexpected and temporary demands on their capacity by these wards of the Federal Government. That is the responsibility of the Federal Government itself. The conference report before us deliberately ignores that responsibility. The colleges have already expanded their facilities, their laboratories and libraries, as well as their administration costs far beyond anything ever anticipated. Such funds as they have for expansion, are needed for permanent construction.

Mr. Speaker, this is a temporary need, an emergency precipitated by Federal legislation promising veterans educational training—and the Federal Government is bound both morally and legally to meet that emergency and provide that instruction.

Within a space of 5 years, at most, the emergency will be past; the obligation to the veterans will have been discharged; and the buildings will have been liquidated. No permanent benefits accrue to the schools and it is not incumbent upon the schools to furnish the temporary accommodations—even if they were financially able to do it—which they are not.

The question before us is whether the House will agree to the Senate amendment and make it possible to carry out the commitments of the GI bill of rights or whether it will insist on limitations which vitiate the law.

The minority members of the committee of conference cannot agree to any limitation on the fund proposed by the Senate for the transfer of this surplus and decaying housing to schools for veterans.

Never was instruction so badly needed. These boys were called from their home communities just at the formative period of their mental development. The universal testimony of every school is that they are taking advantage of the educational opportunities afforded them and that invariably they are leading their classes. But they are already advanced in years so far as college courses are concerned, and unless they can matriculate now there is less and less probability that they will ever be able to complete their school work.

It is evident on the face of it that denial of the means of moving these buildings amounts to denial to many veterans of the benefits of GI instruction promised them under the law.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Speaker, the trouble with this thing is that it does not and will not provide any substantial facilities for the colleges. These people have wasted money in a very ridiculous way. They spent as high as $9 a foot to rebuild these buildings. But worst of all at the time of the hearings they only spent $5,000,000 out of the $80,000,000 that was given them for this purpose and they had contracted for about half of the total. They had lots of money and the only reason for allowing them anything in this was to provide school facilities for the veterans and to get settlement of the item with the Senate.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 6, line 4, insert "Federal Works Agency."

Mr. TABER. Mr. Speaker, I offer a motion, which is at the Clerk's desk.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert the following:

"Such sums as may be determined by the Bureau of the Budget to be necessary are hereby appropriated for making for the first quarter of the fiscal year 1948 (1) grants to States for assistance to aged needy individuals, needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended, and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this appropriation shall be charged to the appropriations therefor in the Labor-Federal Security Appropriation Act, 1948."

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 7, line 21, insert the following:

"COMMODITY CREDIT CORPORATION

"On the date of enactment of this act the Secretary of the Treasury is hereby authorized and directed to discharge $641,832,080.64 of the indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by canceling notes in such amount issued by the Corporation to the Secretary of the Treasury pursuant to section 4 of the act of March 8, 1938, as amended (15 U. S. C. 713a-4)."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. I wonder if the gentleman would give us a brief explanation of this provision.

Mr. TABER. This is an item of $641,000,000 to clean up the liabilities of the Commodity Credit Corporation to the Treasury on account of funds that have previously been expended for subsidy payments during the Price Control Act operations to meet the deficits that the Corporation had at the time they made their report to the Congress.

Mr. CANNON. The intention then is to continue the Commodity Credit Corporation in all of its powers and functions, and this provision proposes to bring the capital structure up to par.

Mr. TABER. Of course, we have no authority in our committee to bring in any legislation which would continue the Corporation, but this is intended to bring the books of the Corporation in balance and to restore their capital as of June 30, last. That is the usual practice, and the one that has been followed ever since the Corporation was organized whenever they reported that its capital was impaired.

Mr. CANNON. With this replenishment of capital, the Corporation is then in a position to continue to function in the future as heretofore?

Mr. TABER. Yes. Of course, I do not know what its condition presently is. We do not now have a report, but we will get one as of June 30, next. But it is in a position to continue until we have a further opportunity to act upon future operations.

The SPEAKER. The question is on the motion offered by the gentleman from New York that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 8, line 5, insert the following:

"FARM LABOR SUPPLY PROGRAM

"Supply and distribution of farm labor: The funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended and supplemented, are hereby continued available through January 30, 1948, for carrying out the purposes of said act, as amended, and the act of April 28, 1947 (Public Law 40, 80th Cong.), an act providing for a 6 months' extension and final liquidation of the farm labor supply program; and, in addition to the amount continued available, there is hereby appropriated for such purposes the sum of $6,000,000 to be merged with the funds hereby continued available. Not less than $2,400,000 of such additional funds shall be apportioned among the several States in the manner and for the purposes specified in section 2 of the Farm Labor Supply Appropriation Act, 1944. In addition to the amounts heretofore made available for administrative expenses pursuant to section 3 of such act, there is hereby made available out of said funds the sum of $300,000 for such purposes: *Provided*, That not to exceed $310,000 of the total funds remaining as of January 30, 1948, shall be available until June 30, 1948, for administrative and other expenses, including personal services in the District of Columbia, incident to the settlement of growers' and workers' contracts and accounts, the collection of reimbursements due the Government, the payment of transportation and other obligations outstanding, and the handling of other necessary fiscal and administrative work in the final liquidation and disposition of Government assets and liabilities under the program: *Provided further*, That not to exceed $500,000 of the receipts derived from sales of labor supply centers, labor homes, labor camps, and facilities under the provisions of section 2 (d) of the act of August 14, 1946 (Public Law 731), as amended, shall be available for the payment of costs of the liquidation of such labor supply centers, labor homes, labor camps, and facilities, including personal services in the District of Columbia, and any appropriations or other funds from which such costs have been advanced may be reimbursed therefor from any such receipts, the net proceeds of such sales to be deposited in the Treasury of the United States."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert the following:

"FARM LABOR SUPPLY PROGRAM

"Supply and distribution of farm labor: The funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended and supplemented, are hereby continued available through January 30, 1948, for carrying out the purposes of said act, as amended, and the act of April 28, 1947 (Public, No. 40, 80th Cong.), an act providing for a 6 months' extension and final liquidation of the farm labor supply program; and, in addition to the amount continued available, there is hereby appropriated for such purposes the sum of $5,000,000 to be merged with the funds hereby continued available. Not less than $2,000,000 of such additional funds shall be apportioned among the several States in the manner and for the purposes specified in section 2 of the Farm Labor Supply Appropriation Act, 1944. In addition to the amounts heretofore made available for administrative expenses pursuant to section 3 of such act, there is hereby made available out of said funds the sum of $250,000 for such purposes: *Provided*, That not to exceed $258,500 of the total funds remaining as of January 30, 1948, shall be available until June 30, 1948, for administrative and other expenses, including personal services in the District of Columbia, incident to the settlement of growers' and workers' contracts and accounts, the collection of reimbursements due the Government, the payment of transportation and other obligations outstanding, and the handling of other necessary fiscal and administrative work in the final liquidation and disposition of Government assets and liabilities under the program: *Provided further*, That not to exceed $500,000 of the receipts derived from sales of labor supply centers, labor homes, labor camps, and facilities under the provisions of section 2 (d) of the act of August 14, 1946 (Public, No. 731), as amended, shall be available for the payment of costs of the liquidation of such labor supply centers, labor homes, labor camps, and facilities, including personal services in the District of Columbia, and any appropriations or other funds from which such costs have been advanced may be reimbursed therefor from any such receipts, the net proceeds of such sales to be deposited in the Treasury of the United States."

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD in two instances and include a newspaper article and a letter.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an article by Mr. O'Donnell.

SPECIAL ORDER GRANTED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROVIDING SUPPORT FOR WOOL

Mr. RIZLEY. Mr. Speaker, I call up House Resolution 214 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (S. 814) to provide support for wool, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Agriculture now printed in the bill; and it shall also be in order to consider without the intervention of any point of order as a substitute for the committee amendment beginning in line 14, page 3, and ending on page 6, line 11, the language appearing in the Appendix of the CONGRESSIONAL RECORD, page A2379. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RIZLEY. Mr. Speaker, I yield myself 10 minutes at this time and also yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. Speaker, the adoption of this resolution will make in order the immediate consideration of S. 814, a bill to provide support for wool.

The House Committee on Agriculture has amended all but two sections of the Senate bill and it is the Senate bill which we will consider upon the adoption of the rule. In addition to these amendments already printed in the bill, as reported by the House Committee on Agriculture, a substitute amendment will be offered from the floor to section 4 of the bill.

CALL OF THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-four Members are present, not a quorum.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 62]

Allen, Ill.	Goff	Morrison
Bender	Grant, Ala.	Norrell
Bennett, Mich.	Gwinn, N. Y.	Patman
Bland	Hartley	Pfeifer
Bloom	Hoeven	Philbin
Boggs, Del.	Jarman	Phillips, Tenn.
Bonner	Jenkins, Pa.	Poage
Boykin	Jennings	Powell
Bradley, Calif.	Johnson, Okla.	Rabin
Bradley, Mich.	Jones, Ohio	Rayfiel
Brown, Ohio	Keefe	Robertson
Buck	Kefauver	Rooney
Buckley	Keogh	Scott,
Bulwinkle	Kilburn	Hugh D., Jr.
Clippinger	Knutson	Shafer
Cole, Kans.	Landis	Simpson, Ill.
Courtney	Lanham	Thomas, N. J.
Dawson, Utah	Lea	Thomason
D'Ewart	Lemke	Tollefson
Dingell	Lynch	West
Domengeaux	McCowen	Wilson, Tex.
Fellows	McGarvey	Wolverton
Flannagan	Macy	Wood
Fuller	Mansfield, Tex.	Worley
Gearhart	Meade, Md.	Youngblood
Gifford	Mitchell	

The SPEAKER. On this roll call 350 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to include in his remarks a clipping from yesterday's CONGRESSIONAL RECORD.

PROVIDING SUPPORT FOR WOOL

Mr. RIZLEY. Mr. Speaker, the adoption of this resolution will make in order the immediate consideration of the bill S. 814, which has been labeled a bill to provide support for wool.

The House Committee on Agriculture has amended all but two sections of the Senate bill. In addition to these amendments, which are already printed in the bill as reported by the House Committee on Agriculture, a substitute amendment will be offered from the floor to section 4 of the bill. This substitute amendment, which has been proposed and agreed to by the House Committee on Agriculture, will bring wool within the purview of section 22 of the Agricultural Adjustment Act. This amendment appears at page A2379 of the Appendix of the CONGRESSIONAL RECORD.

In view of the many changes which have been made in the bill there is, of course, an obvious necessity for waiving points of order not only on the remaining sections of the bill but on the amendments made by the House Committee on Agriculture now in the bill and also the substitute amendment for section 4, which will be offered from the floor by the Committee on Agriculture. The rule provides for 3 hours of general debate, with the usual opportunity for the Members to offer amendments to the bill under the 5-minute rule.

Mr. Speaker, as the Members of the House know, there have been a lot of changes in connection with this proposed legislation. I am bold enough to make the statement here and now, based upon the testimony that came to the Committee on Rules from the members of the Committee on Agriculture, that unless this legislation or some similar legislation is passed you might just as well write off once and for all the sheep industry of this country.

There just is not any question about that. In other words, you are going to determine today whether or not this great sheep industry that we have had in this country since the beginning of time is to be another casualty and that from now on the sheep industry and the wool industry will be relegated to some of our foreign neighbors.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. HALLECK. As a matter of fact, is it not true that wool certainly is one of the strategic materials and is necessary for this country? Hence, to stand by and see the sheep and wool industry destroyed in this country is absolutely unthinkable.

Mr. RIZLEY. Absolutely. The gentleman is correct and has very clearly stated the situation.

It may be that for the present at least we are safe in depending entirely on imports of wool from foreign countries, but there may come a time when wool will be just as strategic a material as any of these other materials that we needed during the war.

As one Member of Congress I just cannot bring myself to the point of saying that we are going to permit this great industry to be liquidated.

Here are some of the basic facts in connection with the sheep and wool industry today. The Department of Agriculture reports show that the stock sheep population of this country has dropped from 49,807,000 in 1942 to 32,542,000 head today. This represents a reduction of 35 percent.

Our sheep population is the lowest today in the United States since 1897. That is 50 years ago. The Department of Agriculture reports that the production of wool has dropped from 459,073,000 pounds in 1942 to 300,000,000 pounds today. That is a reduction of 35 percent.

The main reason for the decline in the sheep population is lack of profit. A report by the United States Tariff Commission after an extended study of the sheep industry shows that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946. That is from the Tariff Commission, which made the study and this report.

To repeat, the wool growers in this country lost 9½ cents on every pound of wool produced in 1946 and a somewhat higher figure in the two preceding years. The report from the Tariff Commission further shows that the wool growers sustained a loss of $1.19 per head on sheep

in 1946 and a somewhat higher amount in the two preceding years.

Here is what happened. The day after Pearl Harbor the United States froze the price of domestic wool at the OPA ceiling price. That price has remained the same during the war and up to the present time, and there will be no increase under this bill. While the price of domestic wool has remained fixed from Pearl Harbor to date, it is true from September 15, 1941, to Pearl Harbor wool has increased 13.2 percent. Accordingly, since September 15, 1941, to September 15, 1946, wool prices have increased 13.2 percent, but 24 other agricultural commodities have increased an average of 91 percent during the same period. It has been contended that wool is selling at an all-time high, but the facts show that the 1946 Boston price of fine combing wool was 34 percent less than the 1920 price, 18 percent less than the price in 1923 and 1924, and 8 percent less than the average price from 1922 to 1928, inclusive. Most of the western wools are fine combing wool.

Great Britain and her dominions produce most of the world's supply of wool, and at the war's end, faced with a tremendous stock pile of wool, they formed a joint organization in order to protect their wool industry by orderly liquidation of their stock pile of over 2,000,000,000 pounds. This joint organization controls 85 percent of the world's apparel wool supply and it has the power to lower prices at will. During 1946 over 1,000,000,000 pounds of wool was consumed in this country, and more than 80 percent of that was foreign wool. Last year 819,253,000 pounds of the 1,000,000,000 pounds of wool used in this country was imported into this country.

So I say it is a fair statement to say that we are either going to do something in this bill or some other bill to protect the sheep and wool industry of this country or else we write it off once and for all. Some people say we should do that. Some people say we should have a policy of eliminating the sheep and wool industry; that we cannot, under our American system, compete with other countries in labor and the other things that are necessarily included in the cost of producing wool in this country, and that we should consider this industry as a casualty and write it off once and for all. I cannot subscribe to that thinking and that philosophy.

The SPEAKER. The time of the gentleman from Oklahoma [Mr. RIZLEY] has again expired.

Mr. RIZLEY. I yield myself two additional minutes.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. HALLECK. The gentleman has made a statement with reference to the necessity for the enactment of some sort of legislation to protect the sheep and wool industry. I will ask the gentleman if it is not a fact that that necessity was precipitated by action of the Department of Agriculture in terminating the program on April 15 last.

Mr. RIZLEY. I was just about to come to that. The gentleman is correct.

Mr. HALLECK. I would like to inquire further. Assuming the necessity for the protection of the sheep and wool industry of this country, having regard to the competition of imports from foreign countries, does the gentleman know of any way to afford that protection except, first, a subsidy by the Federal Treasury or, second, adequate tariff protection for the domestic wool produced?

Mr. RIZLEY. The gentleman has stated the case correctly. We will either subsidize the industry, as the gentleman mentioned, or else we will try to do as we are doing in this bill, amend section 22 of the Agriculture Adjustment Act, so as to attempt to protect it in that manner and thus get away from subsidies.

Mr. HALLECK. Do I understand correctly that section 22 is in existing law, passed some time ago, applicable to other commodities?

Mr. RIZLEY. The gentleman is correct. Cotton and wheat, two other products in this country, are being protected under section 22 at the present time. In this bill it is proposed to bring wool within the purview of section 22 of the Agricultural Adjustment Act.

Mr. HALLECK. Is it true that the use of section 22, applying it to wool, is in an effort to avoid subsidies out of the Federal Treasury?

Mr. RIZLEY. Yes, sir; to the tune of probably fifty or one hundred million dollars a year.

To summarize, Mr. Speaker, the bill as now proposed by the committee provides:

First. That the Commodity Credit Corporation will continue its purchase program until December 31, 1948, at the 1946 price, which, as I have indicated, has not changed since Pearl Harbor. That price is less than parity.

Second. It authorizes the Commodity Credit Corporation to sell its wool at competitive prices with foreign wool. This will enable the United States to dispose of its stock pile.

Third. Amend existing law by adding wool to other commodities under section 22 of the AAA Act and thus provide that, if imports of foreign wool tend to materially interfere with the wool program, the President may require the Tariff Commission to make a study, and after a hearing, if the President finds such to be the fact, he is required to impose such fees on imports as may be necessary to correct the situation.

I am convinced that the provisions of the wool bill are sound and necessary to provide for the sale of the Government stock pile and in order to protect the American sheep industry from further liquidation.

The SPEAKER. The time of the gentleman from Oklahoma has again expired.

Mr. SABATH. Mr. Speaker, the gentleman from Oklahoma has explained the rule. I therefore will not take up the time of the House discussing it. He has also tried to explain the underlying reason for this legislation on the theory that if not enacted the sheep growers and wool growers will be driven out of business. I shall devote my remarks for a few minutes to this aspect of the legislation.

I do not want to be guilty of driving any industry out of business. My aim at all times is to aid industry. I am afraid however that the figures cited by the gentleman from Oklahoma a few minutes ago do not correspond with the actual figures on profits made by sheep and wool growers—but I do not blame him for the discrepancy.

FIGURES SHOW PRICES DOUBLED

I have some figures here myself, Mr. Speaker, which show how prices on sheep have more than doubled since 1940, prices on lamb chops have exactly doubled, and prices on wool and yarn have greatly increased in the same period.

First, I give you figures on sheep:

All sheep, including stock and feeder sheep

FARM VALUE

Year:	*Per head*
1940	$6.30
1941	6.73
1942	8.60
1943	9.68
1944	8.72
1945	8.58
1946	9.69
1947	12.63

Next I insert the prices per 100 pounds received by farmers for lambs in those years:

Lamb prices

Average annual price per 100 pounds received by farmers:	
1940	$8.10
1941	9.58
1942	11.74
1943	12.96
1944	12.50
1945	13.00
1946	[1] 15.40
1947	[1] 19.47
Average price, Chicago:	
1940	10.36
1941	12.24
1942	16.42
1943	15.35
1944	15.55
1945	14.71
1946	[1] 19.70
1947	[2] 22.87

[1] May to November 1946.
[2] December to April 1947.

Now I give you the retail price of lamb loin chops; these are the average prices you, as consumers, have paid and are now paying:

Retail price, lamb loin chops

	Per pound
1940	$0.405
1941	.43
1942	.555
1943	.565
1944	.585
1945	.60
1946	.735
1947 (April)	.81

And now, finally, Mr. Speaker, as to wool prices, in 1940 the wholesale price of wool on the Boston market was around 95 cents. At the present time it is $1.15 and above parity. Wool yarn that in 1940 brought $1.34 wholesale now brings $1.95 a pound, as shown in the following table:

Wool prices

	Cents
Average price per pound received by farmers:	
1940	28.3
1941	35.5
1942	40.1
1943	41.6
1944	42.4
1945	41.9
1946	42.3
1947 [1]	40.5
Wholesale wool prices per pound, Boston:	
1940	$0.963
1941	1.08
1942	1.19
1943	1.178
1944	1.19
1945	1.17
1946	1.26
1947 [1]	1.15
Wholesale wool yarn price per pound, Boston:	
1940	1.34
1941	1.64
1942	1.80
1943	1.80
1944	1.85
1945	1.90
1946	1.90
1947 [1]	1.95

[1] First 3 months 1947.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Briefly.

Mr. BARRETT. I contacted the Department of Agriculture on this subject and they told me that wool is now below parity. Parity is 42.3, and the purchase program is 41.5.

MANUFACTURERS' PROFITS UP IN CLOUDS

Mr. SABATH. They ask us to consider the poor manufacturers, the unfortunate, hard-pressed manufacturers. The American Woolen Co. in 1940 made $3,000,000. In 1946 their profit was $20,000,000.

The Pacific Mills Co. lost $348,000 in 1940, but in 1946 they had a profit of $9,502,000.

The Botany Worsted Mills, at Passaic, N. J., had a profit of $527,000 in 1940, but last year had a profit of $3,802,000.

The Cleveland Worsted Mills, which had a profit of $585,000 in 1940, now has a profit of $3,457,000.

FIGURES PROVE RISE IN PROFITS

Here are some actual figures showing how the profits of the manufacturers have grown from year to year since 1940:

Profits, woolen manufacturers

American Woolen Co., New York City:	
1940	$3,154,464
1941	6,943,886
1942	4,823,831
1943	5,475,421
1944	5,294,909
1945	8,301,140
1946	20,098,178
Botany Worsted Mills Co., Passaic, N. J.:	
1940	527,481
1941	1,446,580
1942	506,835
1943	785,380
1944	756,513
1945	817,891
1946	3,802,548
Wyandotte Worsted Co., Waterville, Maine (New York City):	
1940	$1,670,328
1941	514,353
1942	683,160
1943	753,805
1944	629,575
1945	658,228
1946	1,578,338
Pacific Mills Co., Boston, Mass.:	
1940	348,310
1941	2,696,750
1942	2,200,995
1943	2,318,267
1944	1,871,609
1945	1,996,070
1946	9,502,891
Cleveland Worsted Mills Co., Cleveland, Ohio:	
1940	585,985
1941	1,079,717
1942	758,512
1943	858,879
1944	749,291
1945	590,193
1946	3,457,592

SHEEP AND WOOL INDUSTRY NOT DESTROYED

The same ratios would apply to other manufacturers. In the face of these figures on the increased prices of sheep and lambs, of wool, and of wool products, and of the constantly rising profits of processors, I do not see how it can be said that either the sheep industry or the woolen industry is being driven out of the market or out of business.

I understand, of course, the underlying reason of this bill, and I do not blame some of the "woolen" people for trying to come in under the act that has been so kind to wheat, corn, cotton, and other commodities; they want to come in under price support and be guaranteed, safeguarded, and protected. The trouble is—and I have pointed this out before—that because of the tremendously high prices in this country we are losing foreign markets.

BRITISH UNDERSELL AMERICANS

The gentleman from Oklahoma said, and it is true, that from 75 to 80 percent of the consumption of wool comes from wool imported from the British combine because they have been underselling us by two or three dollars.

If we do not continue to support the price and it is way above the price of foreign wool, how will we get rid of our surplus? We have on hand all of 460,000,000 pounds of wool. Why? Because the manufacturers—these patriotic gentlemen who have increased their profits by millions—would not buy American wool. They would buy foreign wool because they could buy it much cheaper but outside of that I think the legislation is unfortunate due to the fact it will affect our international position that has stood us so well. I believe we should do nothing that might destroy our reciprocal trade-agreement set-up or that will hamper our efforts to safeguard our exports. Of course, at this time our exports are 10 times as great as imports. But how long will that continue?

Let us look to the future. Let us be wise and take into consideration what may develop.

In that connection, Mr. Speaker, I fully appreciate there are some gentlemen who are extremely sincere and honest, like my colleague from Utah [Mr. GRANGER], who feels it is necessary that this legislation pass. Well, he represents certain interests in his district. He has always done it and with his ability, determination and courage, he has of course succeeded in serving his people well. I think, however, there is such a thing as asking for more than our country can well stand.

CONSUMERS SHOULD BE CONSIDERED

I feel that we should take into consideration not only the sheep growers who have made a lot of money, the wool growers, the wool manufacturers and these people who deal in wool, but we should consider the consumers of our own country. We should determine what it costs and what it will cost us in the future if we do the same thing that we have done for wheat and these other commodities. The poor consumer who is obliged to foot these bills is entitled to some consideration because today, in my opinion, the prices charged consumers for woolen articles are so high most people cannot afford to buy and this will restrict their buying further.

Consideration should be given, before the vote is taken, on the amendment and the substitute that have been agreed upon by the steering committee of the Republican Party, the amendments which the chairman of the Rules Committee came in and stated have been agreed on. There was no meeting of the committee; nevertheless, I presume he is acting for the committee and the committee, of course, will not question his action. Nor have I any proof it was the steering committee. It might have been the advisory committee or some other committee that prepared the substitute for the amendment that he finally suggested will be offered on the floor of the House.

AMENDMENT PUTS POWER IN PRESIDENT'S HANDS

Now, that amendment eliminates the arbitrary power given in the original bill to the Secretary of Agriculture, and it provides that the matter should be submitted to the Tariff Commission for investigation, and when the Tariff Commission reports, that the President has jurisdiction then to act in accordance with the recommendations of the Tariff Commission.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question, please.

Mr. MURRAY of Wisconsin. What part of the bill does the gentleman object to? Does he object to giving the President power to control the situation so far as wool is concerned that he already has on these other commodities?

Mr. SABATH. No; I do not object to that provision at all.

Mr. MURRAY of Wisconsin. Then, what provision does the gentleman object to?

Mr. SABATH. There are several other provisions in there that will be explained later on more fully than I can by those gentlemen who have the facts. They have heard the evidence. I have not. All I have heard was the evidence of the chairman of the Committee on Agriculture and perhaps one or two other Members, and they did not have the chance to get all the information that I felt I was entitled to. But, I believe the House will get that information from those who favor the bill as well as from those who are opposed to it.

Mr. MURRAY of Wisconsin. Mr. Speaker, if the gentleman will yield further, the gentleman would not like to leave the impression with the Members of this House that he would be in favor of putting embargoes on tobacco-seed exports, an embargo on cotton imports, and an embargo on wheat imports, and then stand up here and tell us that it is sinful to provide some machinery to protect the wool growers of this country, does he?

Mr. SABATH. I want the wool growers to get the same treatment as every other person, but not at the expense of the country and at the expense of the future of our country.

In that connection, Mr. Speaker, I ask unanimous consent that I may proceed out of order now for 5 minutes.

STOCK EXCHANGE MANIPULATION

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, it is conceded by all that the country is prosperous; that manufacturers and the people are making more money; that business is better and more people are employed than ever before. It is also known to all that profits are greater than ever before. Within the last few days it has been said by certain gentlemen that retail business is sloughing off. I have competent figures showing that retail business was from 4 up to 14 percent higher throughout the country in the first quarter of this year than it was in the palmy days of 1945 and 1946. So, every indication points to a prosperous year and years to come.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I cannot yield now. If the gentleman will listen to me he will agree with me that something must be done that I will call attention to.

Mr. BARRETT. I think the gentleman would agree with me if he would yield.

GAMBLERS HAMMERING SECURITIES

Mr. SABATH. Notwithstanding these prosperous conditions and good business, and increased profits and dividends being paid, a certain few professional gamblers have started out to hammer the price of stocks and bonds down until today the prices of some outstanding issues of corporations have been driven down more than 50 percent, far below the actual value—not that I am encouraging any one to buy, but I want to call your attention to that fact because it is a matter that I have studied for a good many years.

In 1929 I called attention to the fact that if we did not stop the manipulators, the short sellers, and the gamblers on the New York Stock Exchange and other exchanges we were likely to have a crash in this country.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the gentleman's statement that there has been a 50-percent reduction in the value of stocks is very tolerant. I think the gentleman will find that between election day of last year and now the decrease of market values of many stocks has been nearer 75 percent, when everybody expected that after the election the stock market would go up. We now have a most unusual situation, in which many stocks have gone off nearly 75 percent. It must certainly bring an awful lot of disappointment to hundreds of thousands of owners of stocks in various companies in the country to have seen the value of their stocks wiped out anywhere from 60 to 75 percent.

Mr. SABATH. I thank the gentleman, who is always so well-informed, for his observation.

Mr. BUSBY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Illinois.

Mr. BUSBEY. With reference to the increase of 14 percent in the value of the retail business of this country——

Mr. SABATH. From 5 to 14 percent.

Mr. BUSBEY. Is that in volume of merchandise or based on the inflated Roosevelt dollar?

Mr. SABATH. Again the gentleman is trying to bring in a little politics. It is not an inflated dollar.

Mr. BUSBEY. I take it that the gentleman from Massachusetts did not bring in any politics.

FEARS REPETITION OF 1929

Mr. SABATH. When he does he brings out facts and figures. He corrected my statement. I was too low, and I deliberately was low because I did not wish to magnify the losses.

Mr. BUSBEY. I was just trying to bring out the fact——

Mr. SABATH. I cannot yield further.

Mr. Speaker, I am fearful that the same thing that took place in 1929, '30, '31, and '32 will occur again unless we put a stop to the activities of these few outrageous men, these few who gamble with the prosperity and the future of our Nation.

The SPEAKER. The period for which the gentleman was given permission to proceed out of order has expired.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to proceed out of order for five additional minutes.

Mr. RICH. Reserving the right to object, Mr. Speaker, we have legislation to consider here this afternoon, but if the gentleman is going to make a political speech we ought to give him a lot of time to do that.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. If I did not honestly and sincerely believe that it is of great importance, I would not have asked to speak out of order.

BROUGHT UP QUESTION LAST SEPTEMBER

Mr. Speaker, last September, a month after adjournment when the market was strongly attacked by bear interests and stocks fell off sharply without any good reason, I asked the Securities and Exchange Commission to look into the situation, and I ask unanimous consent at this time to insert letters exchanged with officials of the Securities and Exchange Commission then and also in the last week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. Speaker, I first sent the following telegram, just as I was leaving Washington:

SEPTEMBER 4, 1946.

Hon. JAMES J. CAFFREY,
Chairman, Securities and Exchange Commission, Philadelphia, Pa.:

In the light of current developments I feel you should ascertain immediately, so that the country may be informed, the names of all those who are selling stocks short and if officers of corporations are thus disposing of their stock in those firms.

A. J. SABATH,
Member of Congress.

Mr. Caffrey replied at once as follows:

SECURITIES AND EXCHANGE COMMISSION,
Philadelphia, Pa., September 4, 1946.

Hon. A. J. SABATH,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN SABATH: This is to acknowledge receipt of your telegram of September 4 relating to current developments in the stock market. You suggest that the Commission ascertain the names of all those who are selling stocks short and whether officers of corporations are thus disposing of the securities of the firms by which they are employed.

Please be advised that as a matter of routine the Commission gathers a great deal of information about the stock market. Of necessity there is a short time lag between actual occurrences in the market and the time when the Commission has possession of an adequate amount of information in order to perform its duties under the statutes which it administers. Although in the course of gathering this information we will not obtain the names of all of the persons who have sold stocks short during the recent decline, we will in certain selected key stocks obtain the names of significant short sellers. Whether publicity will be given to such information will depend upon its nature. If we discover that violations of law have occurred, the Commission will take appropriate action, which may include the institution of criminal proceedings. In this event, of course, publicity would be given to the names of the persons involved.

As you are undoubtedly aware, the Securities Exchange Act of 1934 provides that all officers, directors, and 10-percent stockholders of registered companies must report to the Commission all purchases and sales made by them of the equity securities of such companies. These reports are made public and their contents are widely disseminated through the daily press. Moreover, section 16 (c) of that statute provides that it is unlawful for any such persons to sell short the stocks of the corporations which they so serve. On the basis of experience with past declines in the stock market, it is extremely unlikely that there has been any short selling by persons in the categories

enumerated above. Certainly if such short sales have taken place, they will be few in number and not in sufficient volume to account for the sharp break in yesterday's market.

Please be assured that the Commission is at all times cognizant of its responsibilities to American investors, and for that reason it continually informs itself concerning the character of trading in securities. Such activity has enabled the Commission in the past not only to prosecute persons who have been guilty of manipulating the market for individual stocks, but has also led to the adoption of rules regulating the conduct of persons generally. Thus, on the basis of information obtained, the Commission in the past has promulgated rules covering such matters as short selling; and has influenced the stock exchanges to adopt rules of their own limiting the activities of specialists, floor traders and others.

Permit me to recall to you that the Commission's short-selling rule prohibits anyone from selling a registered security short except at a price which is above the last different sale price for the particular security. The effect of this rule is to impose numerous restrictions upon short sellers when our markets are rising, but to restrict severely their short sales during periods of decline. I feel sure that this rule in operation has greatly tempered market declines such as that which occurred yesterday and that short selling played no significant part therein.

Sincerely yours,

JAMES J. CAFFREY,
Chairman.

Then on September 12, 1946, Mr. Speaker, I addressed the following lengthy letter to Mr. Caffrey, which I most respectfully ask all gentlemen here to read:

MY DEAR MR. CAFFREY: Thank you for your prompt answer on September 4 to my telegram of the same date.

I appreciate the points you make.

Nevertheless, I remain unconvinced on several major possibilities in the sustained break in the securities markets of recent weeks: I suspect that political motivations and implications are a factor; but I believe that short selling pressure is a major factor. I do not believe that any simple and superficial theory can explain the continued hammering of leading industrials largely exempt from the easy reasoning of many apologists for Wall Street.

Speculative trading in securities is a sterile economic process. No wealth is produced. No substantial contribution is made to the general economic welfare. Under the wise legislation adopted by Democratic administrations which created the Federal Reserve System and the Securities and Exchange Commission, supervision and controls of trading, banking, and credit facilities have, I believe, provided a cushion against the shock of wild market fluctuations against the national economy. Even so, the shock remains and can be felt.

The repeated assaults on the securities of sound, flourishing, well-managed companies, at a time when every economic barometer suggests a long and sustained period of high production, high earnings, high employment, and high return on legitimate investments, cannot be rationalized away in simple terms of emotion.

Since my telegram to you, and your answer, I have been deluged with letters, telegrams, and telephone calls, most of them sustaining my position.

I trust that the routine studies of the Securities and Exchange Commission will take full cognizance of all the pertinent factors; in the absence of some assurance from you of comprehensive studies of stock movements in the last two months I shall feel impelled to urge the necessity of a complete investigation by the House Banking and Currency Committee as soon as the Congress convenes.

Without pretending to offer a comprehensive list of all those factors, I should like to draw to your attention certain fields which would seem to justify special study:

1. The extent to which a deliberate desire to effect the outcome of the November elections by artifically disturbing the national economy played a part in the heavy selling climaxed by the present slump; and, as a corollary, whether this was part of a campaign to remove margin limitations.

2. Careful examination to determine if any violation of law or of regulation occurred through short selling in prohibited categories.

3. Careful examination to determine if any violations of Federal Reserve margin rules through prohibited bank loans for speculative stock purchases on margin occurred, with consequent unsettling of the market by forced liquidation of margin accounts.

4. The extent, if any, to which operations from foreign accounts, particularly from areas where gold differentials favor speculative activity in the American market, adversely affected the market here, and whether it is wise or feasible to devise legislative or regulatory safeguards in this field.

5. The extent to which odd-lot trading, not reportable as short selling under present rules, adversely affected the market, with a detailed study of practices in this field, and whether or not it is wise or feasible to devise legislation, or regulations under existing law, for additional safeguards.

I should like to amplify this last paragraph. The borrowing of stock by odd-lot dealers to fulfill commitments, the substantial profits accruing from such practices both to odd-lot and round-lot houses (but not to the customer, who gains nothing and may lose substantially), and the constant danger to a stabilized market from the speculative nature of odd-lot transactions, make these practices a matter of practical concern to the American public and clothe them with public interest. A completely stable market is, of course, no market, where profits depend principally on speculative buying and selling, and as long as stock exchanges exist I am not proposing that they be so regulated and regimented that no business can be done.

I am suggesting that existing regulations and the organic law under which they are promulgated constitute a fairly effective hedge against the wild speculative fluctuations characteristic of the boom-and-bust philosophy of the Republican Party insofar as round-lot sales are concerned; but those very regulations have encouraged the growth of volume of odd-lot transactions because in that field there is wider freedom and less publicity.

In the nature of their operations, odd-lot traders must be long or short of the market. Their profits depend, not on commissions alone, but on actual trading with other peoples' shares. I am not overlooking the large capital required for odd-lot operations; the capital required is so large, in fact, that there is a virtual monopoly in the field which might well be examined by the Antitrust Division of the Department of Justice.

It would seem that the practice of borrowing shares of stock and the payment of premiums for its use, without the personal knowledge of the bona fide owner of the stock, would justify the most careful scrutiny of the SEC with a view to possible regulation or prohibition; at the same time, a very heavy volume of odd-lot trading, in proportion to total transaction—sometimes amounting to 40 percent or more in an active day—and the relatively invisible nature of such trading, which is inherently short of the market, make it imperative that the whole system of old-lot brokerage should be carefully examined.

It seems to me a virtual certainty that urgent selling by odd-lot traders in order to cover short-sale commitments was a major factor in the sharp decline of exchange prices, and the timing makes it equally probable that the whole system of odd-lot brokerage should be carefully examined.

Because I believe that the American people deserve to be fully informed, I am making this letter public. I shall look forward with anticipation to your reply.

Sincerely yours,

A. J. SABATH.

In the meantime I had received scores of letters, most of them applauding my position, although a few were very abusive. Then under date of September 18, 1946, I received the following letter from Mr. Caffrey:

SECURITIES AND EXCHANGE COMMISSION,
Philadelphia, Pa., September 18, 1946.

The Honorable A. J. SABATH,
House of Representatives,
Washington, D. C.

MY DEAR MR. SABATH: This is to acknowledge receipt of your letters dated September 12, 1946.

As you are aware, the general averages in securities prices have been going lower since the end of last May. Pursuant to our statutory duty and our established practice, since that time the Commission has continued to make comprehensive studies or market movements and has been assembling the pertinent facts relating to the market, and has made detailed examinations into the trading in numerous individual securities.

At all times we keep informed concerning the various factors which may influence our securities markets. Our staff constantly studies general business and economic conditions and regularly gathers information relating to the activity of various groups in the markets and the identity of the persons who by their trading may have an important influence on prices. The detail with which this information is gathered and assembled varies with the current activity of the markets.

As soon as the recent sharp declines occurred following Labor Day, we extend our studies and surveys. Since then we have received communications from many persons throughout the country, including yourself, making suggestions concerning various matters into which we should inquire. Please be assured that we will give all the suggestions received our most careful consideration.

I appreciate your interest in sending me your own suggestions and those made to you in the enclosures accompanying your letter, which I herewith return to you as requested.

Sincerely yours,

JAMES J. CAFFREY,
Chairman.

RENEWED REQUEST TO SEC LAST WEEK

It has been my hope, Mr. Speaker, that this House, even with the present majority, would feel moved to direct a study by an appropriate committee, and I have been prepared to turn over to any such committee any or all of my files if requested. That hope has not, of course, been realized, and meanwhile the stock market has continued in a steady downward trend at a time when there appears to be no sound reason.

I had already become concerned, and telephoned the Securities and Exchange Commission in Philadelphia last Friday asking for information on the volume and effect of short sales on the stock market at the present time. The reply, which I insert at this point, was extremely

interesting and to some extent reassuring:

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,
Philadelphia, Pa., May 19, 1947.

Hon. ADOLPH J. SABATH,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN SABATH: Concerning your inquiry in regard to short selling, I enclose a tabulation showing the total New York Stock Exchange short position, monthly, since January 1944, excluding short positions of odd-lot dealers. I have included the number of issues involved. You will also find enclosed a tabulation of round-lot stock transactions on the New York Stock Exchange for each week of 1947 through the week ended May 3, which is the last week for which we have received a report. This tabulation gives short sales as well as total sales in several member categories and also for nonmembers.

As you are aware, section 10 (a) of the Securities Exchange Act of 1934 makes it unlawful for any person to effect short sales using the facilities of a national securities exchange in contravention of rules and regulations of this Commission. I am sending you a copy of our general rules and regulations, and refer you specifically to rule X-10A-1. In general, this rule requires that short sales take place only at a price above the next preceding different price. The Commission's rule does not specifically cover short sales of odd lots and it has been our experience that the volume of short selling by such means is so nominal that it has not appeared to us that a rule dealing with odd lots has been necessary. Moreover, by the rules of the New York Stock Exchange, all members of the exchange are forbidden to sell short in odd lots except at a price higher than the next preceding different price, so that the same prohibitions governing short sales in round lots are in effect as to members whenever they deal in odd lots.

I am very much interested in your belief that there is a sizeable quantity of short selling over the counter in odd lots in listed stocks. It would be greatly appreciated if you would give me copies of any reports you may have in this matter. This Commission's inspections of over-the-counter dealers indicate that such dealers at times have temporary short positions. However, I have no reason to believe that the aggregate of such short sales over the counter is very large.

Please call upon me promptly if I can supply any further facts or figures.

Very truly yours,

JAMES A. TREANOR, Jr.,
Director.

New York Stock Exchange

	Number of issues (excluding odd lot dealers)	Number of shares (excluding odd lot dealers)
1944:		
Jan. 31	606	847,335
Feb. 28	624	960,617
Mar. 31	664	1,028,489
Apr. 30	624	1,090,581
May 31	662	1,181,293
June 30	715	1,287,970

New York Stock Exchange—Continued

	Number of issues (excluding odd lot dealers)	Number of shares (excluding odd lot dealers)
1944—Continued		
July 31	683	1,327,641
Aug. 31	680	1,283,555
Sept. 30	681	1,275,709
Oct. 31	664	1,373,540
Nov. 30	733	1,436,271
Dec. 30	692	1,390,713
1945:		
Jan. 31	737	1,475,441
Feb. 15	733	1,582,647
Mar. 15	726	1,520,384
Apr. 13	698	1,361,495
May 15	741	1,486,804
June 15	728	1,554,069
July 13	689	1,420,574
Aug. 14	670	1,305,780
Sept. 14	688	1,327,109
Oct. 15	731	1,404,483
Nov. 15	748	1,566,015
Dec. 14	725	1,465,798
1946:		
Jan. 15	719	1,270,098
Feb. 15	714	1,181,222
Mar. 15	691	1,015,772
Apr. 15	663	994,375
May 15	677	1,022,393
June 14	658	867,891
July 15	658	849,698
Aug. 15	649	732,649
Sept. 13	643	627,964
Oct. 15	646	757,215
Nov. 15	666	927,002
Dec. 13	700	893,178
1947:		
Jan. 15	681	798,081
Feb. 14	696	1,046,797
Mar. 14	713	1,015,331
Apr. 15	725	1,018,631

Round-lot stock transactions on the New York Stock Exchange for accounts of members and nonmembers

Week ended—	All round-lot sales		Transactions of specialists (except for odd-lot accounts) in stocks in which they are registered			Transactions for odd-lot accounts of odd-lot dealers and specialists		
	Total	Short	Purchases	Sales		Purchases	Sales	
				Total	Short		Total	Short
1947	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*
Jan. 4	5,402,210	137,320	565,560	576,750	83,010	225,710	184,170	0
Jan. 11	5,406,170	213,950	569,680	684,110	99,140	320,760	151,120	0
Jan. 18	6,233,210	323,940	679,010	767,470	152,780	349,200	157,440	0
Jan. 25	4,703,850	235,960	588,990	553,110	119,480	284,970	131,430	0
Feb. 1	7,402,850	332,760	831,590	836,000	158,610	323,040	221,920	0
Feb. 8	8,383,500	405,700	894,250	851,700	183,630	349,170	241,140	0
Feb. 15	5,721,930	236,580	634,230	642,050	115,540	261,930	189,620	0
Feb. 21	4,875,070	175,520	527,370	519,550	91,840	251,550	174,870	0
Mar. 1	5,668,220	216,420	648,850	690,770	108,160	278,040	202,490	0
Mar. 8	5,563,010	231,650	680,000	648,330	112,610	268,080	192,650	0
Mar. 15	5,105,070	168,980	571,260	555,640	68,400	290,580	147,320	0
Mar. 22	3,904,600	164,470	432,410	410,060	67,140	237,430	127,430	0
Mar. 29	4,684,600	230,580	480,300	522,210	101,910	256,150	161,050	0
Apr. 5	3,377,450	132,710	362,260	335,610	54,910	172,420	123,650	0
Apr. 12	5,145,310	184,870	462,360	524,210	71,150	268,390	168,970	0
Apr. 19	7,542,070	357,500	702,610	809,120	96,890	399,650	203,600	0
Apr. 26	4,673,730	332,900	537,430	558,560	126,420	292,610	135,120	0
May 3	4,560,060	292,270	534,190	517,670	95,820	230,920	160,850	0

Week ended—	Other member transactions initiated on the floor			Other member transactions initiated off the floor			Transactions for accounts of nonmembers		
	Purchases	Sales		Purchases	Sales		Purchases	Sales	
		Total	Short		Total	Short		Total	Short
1947	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*	*Shares*
Jan. 4	108,870	124,570	7,000	189,030	169,640	15,940	4,313,040	4,347,080	31,370
Jan. 11	99,780	156,870	21,000	202,130	284,420	42,360	4,213,820	4,129,650	51,450
Jan. 18	106,650	152,570	21,370	233,488	291,490	43,130	4,864,862	4,864,240	106,660
Jan. 25	95,750	115,600	17,300	230,257	219,850	32,580	3,503,883	3,683,860	66,620
Feb. 1	135,660	155,100	15,700	349,127	383,761	55,260	5,763,433	5,805,069	102,190
Feb. 8	180,100	268,730	51,900	319,687	417,760	56,375	6,640,293	6,604,170	114,795
Feb. 15	151,370	220,800	20,200	177,063	304,370	36,940	4,497,337	4,365,090	63,900
Feb. 21	119,200	135,190	11,900	173,765	201,235	19,610	3,803,185	3,844,225	52,170
Mar. 1	152,100	203,500	20,600	187,793	202,930	20,300	4,401,437	4,368,530	67,360
Mar. 8	156,090	156,090	23,700	173,250	206,047	22,480	4,267,590	4,359,893	72,860
Mar. 15	151,770	151,430	15,600	169,970	168,850	14,410	3,921,490	4,081,930	70,570
Mar. 22	108,110	101,700	11,600	135,650	139,880	20,890	2,991,000	3,126,530	64,840
Mar. 29	144,990	144,420	19,050	175,810	231,300	33,330	3,627,350	3,625,620	76,290
Apr. 5	101,590	129,000	12,250	111,125	151,406	16,110	2,630,055	2,637,784	49,440
Apr. 12	103,150	187,600	14,150	142,555	239,945	17,000	4,168,855	4,024,585	82,570
Apr. 19	174,820	318,570	21,450	206,370	264,210	28,780	5,968,620	5,946,570	210,370
Apr. 26	138,550	170,470	24,900	129,910	186,822	25,590	3,575,230	3,622,758	155,990
May 3	151,530	162,800	28,700	176,520	193,278	23,410	3,466,900	3,525,462	144,340

ASKS STOP TO SHORT SALES

Meanwhile, Mr. Speaker, before having received this reply from Mr. Treanor to my telephone request, I had become more and more concerned by the declines, and I addressed the following communications to Mr. James J. Caffrey, chairman of SEC, and Mr. Emil Schram, president of the New York Stock Exchange:

MAY 19, 1947.

Hon. JAMES J. CAFFREY,
Chairman, Securities and Exchange Commission,
Philadelphia, Pa.

DEAR MR. CAFFREY: Why has the stock exchange been permitted to repeat the vicious practices that brought about the crash and ruin of the Nation in 1929, when the income of the country last year was the greatest in history, reaching $165,000,000,000 and when the country is generally prosperous and production, employment, crops, and profits are at their highest peak?

The stock exchange in 1929 failed to act upon my plea to stop short selling and brought about the stock market collapse and enactment of the Securities and Exchange Act to restrict dishonest and destructive manipulations in stock transactions. Today it appears that a small group of operators is again permitted to sell stocks short that they do not own to force prices down and to repurchase the stocks later at greatly reduced prices to the detriment and loss to millions of investors and endangerment of the country's prosperity. That this is done by a few professional short sellers, brokers and inside men is beyond question, because, on the other hand, the professionals in the grain market, despite the greatest crop in history, have boosted the price of grains to nearly $1 a bushel and on wheat, corn, barley, and rye from $1.50 to $2 a bushel. Quite frequently, in one week, more grain is sold than is grown in an entire year.

I respectfully ask that the Commission check the transactions of all big short sellers for the past 60 days, the stocks they sold short and the number of shares they are now short on all issues; also the transactions of floor traders, specialists, over-the-counter and odd-lot traders. I also desire to be informed as to the number of foreign short sellers, and the number of shares bought and sold for them during the past 60 days. I will also appreciate your advices as to whether any steps have been taken by the Commission to stop these manipulative activities.

For your information I enclose a copy of a telegram which I addressed today to Mr. Emil Schram, president of the New York Stock Exchange. If it is not known to you, you should ascertain how your regulations are being evaded by the methods of private loansharks on loans on listed stocks.

Sincerely yours,

A. J. SABATH,
Member of Congress.

MAY 19, 1947.

Mr. EMIL SCHRAM,
President, New York Stock Exchange,
New York City:

Nearly all corporations show increase in their business and profits above the banner years of 1945 and 1946 and country's income last year was one hundred and sixty-five billion and estimated one hundred and seventy-five billion for 1947, which will be four and one-half times greater than in 1932. Country is generally prosperous and production, employment, crops, and profits are at highest peak and, notwithstanding publicity given out by professional and short-selling groups and a few publicists that business is sluffing off, the record shows that retail sales for the first quarter of 1947 have increased from 5 percent to 14 percent throughout the country. Consequently, in view of all these favorable indications, the public cannot understand why the prices of many stocks have been hammered down almost one-half since November while nearly all companies are showing greater profits and paying higher dividends than ever before. I feel that the board should immediately stop all wash transactions, broker stock loans, and short selling, and if that cannot be done then the immediate raising of margins to 100 percent should be effectuated.

A. J. SABATH,
Member of Congress.

EVEN SMALL VOLUME OF SHORT SALES ADVERSELY AFFECTS MARKET

However, in spite of assurances that the total volume of short sales is relatively small and cannot materially affect the market, I remain unconvinced.

The contention by defenders of short sales that the short sale of a few thousand shares of stock cannot have much influence on the market when there are over a billion shares outstanding simply does not stand up to analysis or experience, because it is obvious that the repeated sales of a few thousands of shares in even a limited number of firms has a cumulative effect much greater than the transactions of a single day.

A careful reading of my communications of September 12, 1946, to the SEC and of May 19 to SEC and the stock exchange must convince any fair-minded person that short selling by speculators, insiders, and professional traders, whether in round lots or odd lots, is detrimental and destructive, and that we should for all time put an end to letting people sell something they do not own.

This matter is of such importance and of so great moment, I repeat, that it should be stopped, or at least most severely restricted; otherwise we may experience the same tragic experience into which we were pushed by speculators in 1929—an experience of which I do not wish to remind you, and from which it took 4 years for the country to become strong enough even to begin the slow climb back to prosperity.

GAMBLERS PRODUCE NOTHING

Were it not for the fact that the President is absent from Washington due to the illness of his wonderful mother, I should have taken this matter up with him, for I feel that the safety and security of our country is now at stake. I have, meanwhile, communicated with the Attorney General, and have called his attention to the dangerous condition which is developing, in which a small coterie of avaricious and irresponsible manipulators, who can sell thousands and thousands of shares of stocks they do not own. might easily precipitate another disastrous decline. These are ice-blooded stock gamblers who produce nothing, but are experts at destruction. Please remember that the panics of 1893, 1907, 1921, and 1929 were brought about by the same influences now operating again.

SHORT SALES INCREASING

I have risen now to warn Members of this danger because in yesterday's Wall Street Journal there is an article indicating that the short interest in the market is rising steadily, rapidly, and dangerously. Short sales increased by almost 300,000 shares in the last 30 days. Please understand that I claim no credit for the publicity given this increased short selling, nor to the fact that short sales have been to some extent checked and that stocks rose up to 3 points following my appeal to the exchange and the Securities and Exchange Commission. That all may read I insert here the article from the Wall Street Journal of Wednesday, May 21, to which I have referred:

SHORT INTEREST RISES ON STOCK EXCHANGE IN MONTH TO MAY 15—POSITION AT 1,314,391 SHARES, AN INCREASE OF 295,760 OVER APRIL 15

The short interest on the New York Stock Exchange at the close of business on the May 15, 1947, settlement date was 1,314,391 shares. This was an increase of 295,760 shares over the 1,018,631 shares on April 15, 1947. The totals exclude short positions carried in the odd-lot accounts of all odd-lot dealers. As of the May 15, 1947, settlement date, the total short interest in all odd-lot dealers' accounts was 64,007 shares, compared with 53,866 shares on April 15, 1947.

Of the 1,351 individual stock issues listed on the exchange on May 15, 1947, there were 79 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month. These totals, which exclude all odd-lot dealers' short positions, were:

	Short interest, May 15, 1947	Short interest, Apr. 15, 1947
Allied Stores Corp.	10,280	8,615
American Airlines, Inc.	6,260	6,620
American & Foreign Power Co., Inc.	10,330	7,600
American Power & Light Co.	10,280	10,260
American Rolling Mill Co.	5,626	2,855
American Telephone & Telegraph Co.	19,983	33,058
American Woolen Co.	22,619	13,553
Armour & Co.	7,525	9,135
Associated Dry Goods Corp.	5,265	2,450
Avco Manufacturing Corp.	4,350	9,550
Baltimore & Ohio R. R. Co.	28,780	32,840
Best Foods, Inc.	3,170	1,000
Bethlehem Steel Corp.	8,277	4,587
Burlington Mills Corp.	2,640	570
Celanese Corp. of America	5,131	911
Chesapeake & Ohio Ry. Co.	7,332	2,900
Chrysler Corp.	31,229	17,011
Colgate-Palmolive-Peet Co.	3,930	1,655
Columbia Gas & Electric Corp.	2,770	7,250
Consolidated Natural Gas Co.	4,032	1,671
Continental Motors Corp.	7,700	2,765
Crown-Zellerbach Corp.	6,290	4,470
Delaware & Hudson Co.	5,325	4,685
Electric Power & Light Corp.	8,920	7,410
Eversharp, Inc.	5,775	2,575
General Motors Corp.	34,858	26,638
Gillette Safety Razor Co.	7,760	4,904
Gimbel Bros., Inc.	11,523	8,678
Goodrich (B. F.) Co.	4,842	2,750
Goodyear Tire & Rubber Co.	3,960	1,938
Graham-Paige Motors Corp.	10,015	10,265
Gulf, Mobile & Ohio R. R. Co.	31,795	32,730
Houston Lighting & Power Co.	3,975	1,060
Houston Oil Co. of Texas, voting trust certificates	7,320	5,805
Hudson Motor Car Co.	8,560	5,120
Illinois Central R. R. Co.	26,002	19,738
International Paper Co.	22,218	17,870
International Telephone & Telegraph Corp., domestic shares	21,905	11,532
Jacobs (F. L.) Co.	5,400	4,000
Jones & Laughlin Steel Corp.	5,003	1,932
Kansas City Southern Ry. Co.	5,025	4,705
Martin (Glenn L.) Co.	10,135	3,290
Missouri-Kansas-Texas R. R. Co., preferred	9,390	7,820
Monsanto Chemical Co.	5,755	5,755
Montgomery Ward & Co., Inc.	9,176	5,740
Nash-Kelvinator Corp.	8,395	6,010
National Container Corp.	5,023	3,012
National Distillers Products Corp.	8,072	12,285
New York Central R. R. Co.	19,580	17,670
Pacific Gas & Electric Co.	18,361	5,611
Pacific Western Oil Corp.	2,937	400
Paramount Pictures Inc.	14,005	13,205
Pennsylvania-Central Airlines Corp.	3,995	6,585
Pennsylvania R. R. Co.	10,495	8,661
Pepsi-Cola Co.	20,142	15,844

	Short interest, May 15, 1947	Short interest, Apr. 15, 1947
Radio Corp. of America	12,070	6,755
Remington Rand, Inc	2,531	526
Republic Steel Corp	13,704	8,130
Schenley Distillers Corp	24,570	13,687
Sears, Roebuck & Co	18,645	15,552
Southern Pacific Co	24,421	15,920
Southern Ry. Co	9,590	7,830
Spiegel, Inc	8,025	7,865
Standard Gas & Electric Co., $4 preferred	20,664	11,873
Standard Oil Co. (New Jersey)	4,954	1,687
Studebaker Corp	8,865	4,635
Sunray Oil Corp	4,910	900
Transcontinental & Western Air, Inc	5,954	8,850
Twentieth Century-Fox Film Corp	5,925	4,802
United Air Lines, Inc	7,035	7,075
United Corp	5,300	4,600
United Merchants & Manufacturers, Inc	9,330	8,190
U. S. & Foreign Securities Corp	5,640	4,380
U. S. Rubber Co	9,162	4,999
U. S. Steel Corp	24,108	14,771
Warner Bros. Pictures, Inc	24,720	14,930
Westinghouse Electric Corp	6,755	3,485
Western Union Telegraph Co., class A	6,815	8,100
Willys-Overland Motors, Inc	17,360	11,145

The number of issues in which a short interest was reported as of May 15, 1947, exclusive of odd-lot dealers' short positions, was 752 compared with 725 on April 15, 1947.

SAME GAMBLING IN GRAINS

I may say that the same type of gambling activities are carried on in the commodity exchanges where a small combine of traders, none of whom ever raised a bushel of grain or a bale of cotton, and in spite of restrictive rules designed to keep artificial fluctuations to a minimum, may sell in the course of a day or a few days more wheat, corn, rye, and cotton than is grown in a whole year. Last year they took advantage of the legislative situation and of the vast needs for export grains to feed the starving to boost grain prices far above parity. They pushed the price of rye 50 cents or 75 cents higher than that of corn and wheat, which are inherently more valuable. In past years they sold short, but now instead of being bears they have turned bulls, and they are bulling the market and the American people. It is the American people who pay for this gambling, not only in higher prices but also in taxes for international relief.

AN OUTRAGE

Mr. RICH. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I yield for a question.

Mr. RICH. Is not Mr. Schram president of the stock exchange?

Mr. SABATH. Yes; he is. I also took this up with Mr. Simons, the president of the exchange in 1929, and with Mr. Whitney, who was at that time the vice president. In my last communication to Mr. Whitney I asked him if not for the country's sake then for your own sake stop this outrageous crooked gambling that is going on. He did not heed my advice. As you all know, he was finally sent to the penitentiary. I do not care whether it is Schram or whether it might be my own brother or son or anyone else. I say it is an outrage; it is a shame; it is a conspiracy on the part of a few who never produce anything to try and destroy the values of property in the United States. They may now bring about the same result as in 1929. I ask the gentleman from Pennsylvania if that should be permitted, and no attention paid to the approaching reenactment of the tragic manipulations of 1929?

APPEALED TO PRESIDENT HOOVER IN 1929

At that time I not only spoke on this very floor, warning of what we were heading for, and contacted Mr. Simons and Mr. Whitney, but I also appealed to President Hoover, to Secretary of the Treasury Mellon, the Attorney General, the Federal Reserve Board, and other officials who, I thought, should be made aware of the impending dangers.

At a later date, Mr. Speaker, I shall include in the RECORD the speech I made on December 9, 1929, in which I urged the prohibition of short selling at that time; perhaps, had there been those with ears to listen to my warning instead of to the jangling of the tickers, the crash might have been averted, or at least softened.

I believe that now we still have time, if we have the will, and the courage, and the intelligence, to stop this unfair, dishonest manipulation of the markets by a handful of selfish men. If we do not stop it, we shall be making a great mistake.

It is for that reason that I have taken the floor today and have deviated from the regular order of business, which is, of course, consideration of the rule on the wool bill. I believe I am warning the country of a danger more important than any legislation pending before the House today.

WILL OFFER BILLS TO STOP SHORT SELLING

In conclusion, Mr. Speaker, may I say that I have prepared two bills designed to aid in stabilizing the Nation's stock exchanges, which I propose to introduce tomorrow. One of these will impose a tax of 5 percent on all short sales. The other will prohibit the transmission of false information regarding securities. I hope they will have the approval of the House and thus put an end to this crooked manipulation on Wall Street.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RICH. Where is your Securities and Exchange Commission that has been established to see that these things do not happen?

Mr. SABATH. I have gone after them, too—do not be a bit alarmed. I ask the gentleman earnestly to read the letters I am inserting.

Mr. Speaker, I ask unanimous consent that in addition to the letters which I have been given unanimous consent to insert in the RECORD I may also include a few other articles.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RICH. Mr. Speaker, reserving the right to object, you should put in the RECORD about Mr. Schram being one of the New Dealers and how he is supposed to regulate all this.

Mr. SABATH. In my opinion, he is not a New Dealer. New Dealers have the interest of the people at heart. He seems to have at heart only the interest of the stockbrokers and the members of the stock exchanges.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RIZLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, I hope very much that the rule on this bill will be adopted. In this very controversial wool situation, there are one or two things I think everyone can agree on.

In the first place, everyone will agree that the Commodity Credit Corporation today holds over 400,000,000 pounds of domestic wool which it is unable to dispose of because the existing law does not permit it to dispose of the wool below parity price. Everyone who has studied this legislation has agreed that the Commodity Credit Corporation should be allowed to sell the wool which it now holds even though it must take a loss in doing so at a price competitive with the world price which is controlling the American market today. That is provided for in the bill which is made in order by this rule.

In the second place, I think every fair-minded person feels that the wool growers of this country are entitled, in face of the necessity for liquidating this stock pile, and in face of the great influx of foreign wools, to some support during this interim period, a support similar to that which was given to other agricultural commodities. Unless we pass some such legislation as is before us, neither of these two objectives can be achieved.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. DONDERO. What do you mean by "support"? Do you mean subsidy?

Mr. HERTER. Either a subsidy or tariff support. At the present time the wool growers have a tariff of 34 cents. In a moment I shall come back to that, because there is great confusion in the discussion of figures relating to wool because of the fact that one set of figures is always quoted as wool in the grease, and the other set of figures as cleaned or scoured wool. The tariff is based on the cleaned or scoured wool.

I personally take issue with this bill on one matter. That is the price at which support is to be given to the wool grower. I take issue with that price for this reason: The wool trade for over 115 years has centered in the city of Boston. For that period of time, until this war, the wool trade performed an extraordinarily useful function in going to the grower all over the country, in sampling his type of wool—and there are hundreds and hundreds of different types of wool; in fact, the Australians at one time had 1,500 different classifications—and he had to be an expert to determine what type of wool was grown by a particular grower on a particular ranch. He purchased that wool, brought it east, scoured it, cleaned it, combed it, and sold it to the trade. He was not allowed to continue to perform the function of purchasing and selling when the war came

on. This came about because of a peculiar situation whereby, in order to protect the very necessary wool supply in this country required for the war, a tremendous amount of Australian wool was brought in and held in bond. A great deal was brought in for our current use. During that period of time, in order to protect the American wool grower, the Commodity Credit Corporation purchased the entire clip of the American wool grower. It put the American wool dealer out of business entirely, insofar as the handling of wool was concerned. It put the clip completely in the hands of the Government.

As a result of the operations of the Government, which I could criticize at considerable length if I wanted to, but which is not pertinent to the issue at this time, we have this large stock pile on hand which the Government cannot get rid of.

The price provided for in this bill as a support price to the grower will mean that the Government continues in business for a period of 2 years more, buying the entire domestic clip and selling it at a loss. It will not have to sell it at a loss if the tariffs are raised. But that brings up another question. In any case the Government will buy at a price so far above the world price that the American dealer, who was put out of the domestic market during the World War, will be kept out of the domestic market and we will have the Government continuing in the business.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. HERTER] has expired.

Mr. RIZLEY. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. HERTER. In order to be perfectly clear as to what we are doing and what we are talking about, may I give you some figures? There is a great deal of controversy about these figures, but these have been checked within the last half hour with the Department of Agriculture. While there are no figures stated in the bill for a support price of wool, that figure is the 1946 support price, and that is 42.3 cents, as just given me. Parity for wool, as computed by the Department of Agriculture, Bureau of Agricultural Economics, as of April 15, is 42.1 cents. In other words, the support price asked for in this bill is a little over 100 percent of the parity price.

I filed a bill which went before the Committee on Agriculture asking for a support price of 90 percent. I did that because 90 percent was similar to the support price of other basic agricultural commodities except that the law there reads "Not less than 90 percent." Ninety percent would put the support price of wool today just under the world price. That means that the entire domestic clip could be purchased and sold without having the Government enter into the picture in any way whatsoever and would avoid all the expenses of subsidies and otherwise. Not all wool would be handled at the world price, but there would be a guarantee to the wool grower that in any event he would have that support.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. HOPE. The gentleman is assuming, of course, that the world price does not go lower in the meantime.

Mr. HERTER. Yes, that it does not go lower. If the gentleman has any reason to believe or if he thinks we are going into a recession and that there is going to be a general falling off of prices he should support my amendment.

I object to having a fixed price of 42.6 cents which has no relation to parity or any variable price relating to other commodities. I think it is unfair to maintain one commodity at a fixed price where others receive their support on a flexible price dependent on the price of other goods.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. HARNESS of Indiana. Under that plan would it not naturally follow that these foreign wool growers would reduce the price in order to have the Government take up the domestic supply and keep it out of circulation?

Mr. HERTER. There is no way in which we can keep them from lowering the price except for the one thing; namely, that the foreign grower is very anxious to maintain a high price. Obviously, he wants to get the best price he can.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. RIZLEY. Mr. Speaker, I yield the gentleman from Massachusetts one additional minute.

Mr. HERTER. I am very glad to have this additional minute in order to answer that one question with regard to foreign imports of wool.

Unless one has a complete prohibition against the importation of wool the foreign producers are going to continue to send wool into this country. As a matter of fact, this country will have to import wool, for we cannot possibly produce what is required in this country. At the present time the domestic clip this year is estimated at around 300,000,000 pounds. It is estimated that our domestic consumption will be around seven hundred and fifty to eight hundred million pounds. In other words, even if we liquidated everything the Commodity Credit Corporation now holds in a period of 1 year, and added the domestic clip, we could probably not meet our domestic requirements.

We have to import wool. Obviously, the fellow who has got to sell it to us is going to try to get as high a price as he can. Naturally the hope is that we can produce with the protection of a 34-cent tariff a good quality of wool which will bring a price that makes it economical for our manufacturers to buy the domestic clip first.

The amendment which I shall offer reads as follows: "On page 2, line 3, strike out the words 'the price it supported wool in 1946,' and insert in place thereof the following: 'at 90 percent of the parity price as determined by the Bureau of Agricultural Economics'."

This amendment would put the support price at 37.9 cents, a price about 12 cents higher than the market price for wool during the 20 years from 1921 to 1940. However, as the present world price plus our tariff is now approximately 39 cents or more, the support price I am now proposing would allow our domestic clip to be sold at a higher level than the support price and hence would cost us nothing, unless a severe falling off in the market occurred. Should this occur, support to our growers would certainly be justified.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. SABATH. Mr. Speaker, I yield the remainder of my time to the gentleman from Massachusetts [Mr McCORMACK].

The SPEAKER. The gentleman from Massachusetts is recognized for 7 minutes.

Mr. McCORMACK. Mr. Speaker, this bill has a rather interesting history. It passed the Senate very rapidly. When it came up for consideration in the House Committee on Agriculture apparently some of the proponents of the bill felt that it went through the Senate so easily that instead of a support price at the 1946 level as provided in the Senate bill they went further and put in the 50-percent import fee. That is where the bill really first encountered its difficulty.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOPE. The bill we have before us calls for exactly the same price-support level that was contained in the Senate bill. We have not changed that one iota.

Mr. McCORMACK. I understand that.

Mr. HOPE. There is no difference in the two bills in that respect.

Mr. McCORMACK. But I did say this amendment was put in for a 50-percent import fee.

Mr. HOPE. Not to exceed 50 percent.

Mr. McCORMACK. Yes; not to exceed 50 percent. I will not haggle over that.

After the bill was reported it commenced to encounter difficulties. We now have a rule with points of order waived because the committee amendment, in my opinion, and I think in the opinion of other parliamentarians, would be subject to a point of order, which would mean that the Senate bill or substantially the Senate bill would be before the House. A new proposal was conceived because there was recognition that serious opposition was developing to what is called section 4 of the bill providing for the import fee. We now have a new proposition that, while not so drastic, I concede, is just as objectionable.

If the proponents of this legislation were to forget section 4, which apparently they have, and also forget trying to bring it under section 22 of the Agricultural Adjustment Act, the opposition to this bill probably would be negligible. While I would vote for the Herter amendment, if it were not adopted I could see

that there would not be much difficulty to the House passing this bill along the lines it passed the Senate.

There is, however, serious opposition to the proposed amendment. The original amendment of the committee is out, but there is another proposal to bring wool under section 22 of the Agricultural Adjustment Act and then to please certain elements of the industry to remove import restrictions being placed upon it in the future so far as wool is concerned. Of course, we know that section 22 means that if the President in his judgment finds that certain conditions are interfering with the carrying out of this program he shall call it to the attention of the Tariff Commission and while some think the President has a discretion, it is my frank opinion that the President does not have any discretion. If I were President and there was a law that stated if certain conditions existed I shall do so-and-so, even if I personally did not want to take the action, I would feel constrained to take it, carrying out the intent of the Congress and living up to the law. So for all practical purposes the adoption of the amendment is mandatory, only it takes a little longer for the import fee or the import duty, whatever you want to call it, to be imposed.

In connection with that, may I say that I hold in my hand copy of a letter from Will Clayton, Under Secretary of State. The letter will be read in full, I presume, during general debate. I am not opposing the adoption of the rule, although I am opposed to the amendment that will be offered and I shall support the Herter amendment. This letter is dated May 22 and, as I stated, is from Will Clayton, Under Secretary of State, who is charged with serious responsibilities. He states in part:

> The bill in the form in which it was reported was not under consideration by the Committee on Agriculture when representatives of the Department testified before that body. We have not had a formal opportunity to present our views on the legislation, as it has been reported.

Further on he says:

> I understand from the CONGRESSIONAL RECORD that it is proposed to modify this import fee amendment by directing the President rather than the Secretary of Agriculture, to impose the fees after investigation by the Tariff Commission. This does not remove the fundamental objections to the provision.

A little further he says:

> If at this time when we are actually negotiating with other countries at Geneva for the lowering of trade barriers we raise new barriers as this bill proposes, we stand convicted of insincerity.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Pardon me if I proceed. I have only a few questions.

Mr. RICH. I would like to ask one question.

Mr. McCORMACK. Go ahead.

Mr. RICH. If we are going to concede to the State Department and eliminate practically all tariffs, then we have got to subsidize every commodity that we make from this wool which contributes to the high standard of living that we have in this country for both the manufacturer and labor.

Mr. McCORMACK. The gentleman overlooks the fact that we are considering an important piece of legislation. The gentleman and I disagree in some respects.

Mr. RICH. You bet we do.

Mr. McCORMACK. Yes, we do, and I am glad I disagree with the gentleman.

Mr. RICH. So am I.

Mr. McCORMACK. I am very glad I disagree with the gentleman on the great social reforms that mean so much to a great people. I think of the under fellow. I think of the under dog. I am thinking of the average person. I am not legislating for the big fellow at all.

Mr. RICH. How are you going to maintain the standard of living in this country and then have no tariff?

Mr. McCORMACK. The gentleman's wise remarks will get a rejoinder from me.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has spoken of section 22 of the so-called Triple-A Act.

Mr. McCORMACK. The one point I wanted to drive home I have not come to yet.

Mr. HALLECK. What I wanted to inquire about was whether it is true that section 22 was written by the Democratic Congress some years back, applicable to certain agricultural commodities, and the suggestion is to make that very provision applicable to wool.

Mr. McCORMACK. It was written by a Democratic administration, and the basic commodities, if you will note, relate to those with an exportable surplus. But none of them have this "except wool," and this further limitation that no import restrictions can be imposed on all the other basic commodities of exportable surpluses produced here.

One thought I want to leave with the proponents of the legislation. If you really want to help the wool growers—and I have no objection to that; I have said I will vote for the Herter amendment if it is offered or take the bill along the line offered by the Senate—if you want to help the wool growers and the proponents are sincere—and I cannot see and I make no prediction, because I have no knowledge—but in view of the contents of that letter written by the Under Secretary of State, that the bill with the proposed amendment will constitute insincerity, it is difficult for me to see how, with section 22 in, that the bill can do other than face a veto. If someone wants to engage in double talk, that is all right, if they can get away with it; but if there is sincerity of purpose—and I assume there is—behind this bill, then the best way of insuring the wool growers being helped is to pass this bill either in the form as proposed by the gentleman from Massachusetts or in the form as it was when it passed the Senate.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. RIZLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, after listening to the speech just made by the Democratic whip, the distinguished gentleman from Massachusetts, I am not sure just where he does stand on this wool legislation. He did not tell us whether he was for or against the pending bill, but I inferred from his argument that he is opposed to the bill because Mr. Clayton, Under Secretary of State, has written a letter expressing opposition to certain provisions. He proposes that you and I, as Members of Congress, should accept the judgment of Mr. Clayton instead of the recommendations of the House Committee on Agriculture. In other words, we should follow the State Department, instead of our own committee. I disagree with the gentleman and believe this is a decision that should be made by Congress, and not the State Department.

Mr. Speaker, I am sure everyone recognizes the importance of this bill and the necessity for wool legislation. It is a question of whether or not we are going to continue the sheep and wool industry in the United States. It is true, as my distinguished colleague from Massachusetts [Mr. HERTER] stated, that we do not produce all of the wool that we consume in this country. The proponents of this bill do not pretend that that is the case. However, I submit it is highly important to maintain the wool industry of this country so that we can continue to produce large amounts of wool for our requirements. Otherwise we will be at the mercy of the foreign producers of wool and will have to pay whatever price they ask.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Since the British cartel controls about 80 percent of the world's wool, would the gentleman like to venture a guess as to what would happen to prices in the event the wool industry in the United States were liquidated?

Mr. CHENOWETH. I think the gentleman is absolutely right. No one could predict what the price of wool would be. We would be at the absolute mercy of the foreign producers of wool. Of course, they would get all the tariff would bear.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from New York.

Mr. REED of New York. The only reason Mr. Clayton is here, having just come over from Geneva, is that he has run up against the opposition of Great Britain in regard to the wool situation. She wants to unload the wool from New Zealand and Australia on this country, regardless of the fact that we have a surplus here now, and simply drive the price down and put all of our sheep men out of business.

Mr. CHENOWETH. I think that is correct. I thank the gentleman for his observation.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Kansas.

Mr. HOPE. If that is the position of the British Government, does not the gentleman think it is a little inconsistent,

considering the fact they increased the tariff on American tobacco 50 percent just this last month?

Mr. CHENOWETH. Of course, the gentleman is right. The British Government intends to protect its people and at the same time expand its world trade.

Mr. Speaker, surely the time has come when the Congress of the United States ought to have more consideration for our own domestic producers of essential and critical materials and supplies, instead of devoting most of our time and attention to assisting some foreign country to produce these articles in competition with our own industries. I do not object to helping other nations of the world who are in distress and need assistance, but I do protest against building up the industries of other nations in competition with our own. Let us, protect and promote our own industries. The sheep and wool industry must have our support. Therefore, I urge the adoption of the rule and the passage of the bill, with the amendment to be offered by the distinguished chairman of the House Committee on Agriculture, the gentleman from Kansas [Mr. HOPE].

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Indiana.

Mr. HALLECK. We have just heard again the suggestion about the possibility of a veto. It might not be amiss to recall here that when the Constitution was drafted and provision was made for the veto it certainly was never intended that the veto power should be an implement for the usurpation of legislative authority and responsibility. To my mind, for the Congress on any occasion to say to the Executive, be he of any party, "We will write just what you want and nothing else," would represent an abdication of legislative responsibility and authority to which I will never subscribe. Our job is to write good, decent, fair, defensible, and equitable legislation. If we do that, it is the responsibility of the Executive to sign that legislation.

Mr. CHENOWETH. I appreciate the contribution of our distinguished majority leader. I want to commend the gentleman for his fine leadership, and for his insistence that we maintain our status as an independent legislative body. I think we have come to a sad spectacle in this House if we are going to be guided by the possibility or the threat of a veto in determining what legislation we will pass.

Mr. Speaker, the question before us today is very simple. It is whether or not we are going to permit the wool industry of this country to continue. We realized during the war that the time is here when we must produce more of the raw materials we consume. Sugar is a good example of what I mean. Had it not been for our domestic sugar beet industry we would have had very little sugar during certain periods. The same picture applies to wool. We must maintain our domestic wool industry. We must provide an incentive for the wool growers to remain in business. The legislation before us today is absolutely essential if those engaged in the wool industry are to survive. I therefore urge the adoption of the rule and the passage of the bill. This legislation has been delayed too long and should have been on the floor several weeks ago. It is essential that we act now.

Mr. RIZLEY. Mr. Speaker, I yield the balance of the time to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, the adoption of this rule will permit you to discuss this question of trying to help the wool farmers in this country. Certainly we cannot get along without the wool farmers. We must have wool if we want woolen clothing, wool blankets, and so forth.

I want to call your attention now to the fact that if we pass this legislation we would compel the President to put a tariff of 8 or 10 cents a pound on wool and thus save this country from going down and subsidizing all the things we are trying to produce. That is as it should be.

Remember that it is going to cost eight to one hundred and fifty million dollars for these subsidies, where if we put a tariff of 10 cents a pound in addition to what we now have on wool, we can save the Government all these subsidies.

That is the kind of legislation we should have. I want to tell you I am for the tariff to protect the American farmer, American labor, and the American businessman. This business of talking about Assistant Secretary Clayton going over to Europe and then when he gets over there he says he wants to reduce the tariff and the minority leader now saying that he is for the little man makes me ask: How is he going to help the little man if American labor is going to be competing with all the foreign labor all over the world who are getting 10, 15, and 20 percent of the amount that American labor is getting for this work? If you want to help American labor and if the minority leader wants to help America, let us have a tariff and let us bring Clayton back and thus take care of America and let the foreign countries look after themselves in their own industry in the way they want to run their affairs. But do not wreck America for any country in the world.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Wyoming.

Mr. BARRETT. Do you contend that if a fee is imposed by the President so as to bring the price of foreign wool up to the price of domestic wool that there will be any loss to the Treasury?

Mr. RICH. No. I think we ought to have a fee. I do not care whether you call it a fee or tariff. I am of the old school that believes in calling a thing exactly what it is. It is a tariff. It is protection for America and if you call it anything else you are only putting a little sugar-coating on it.

But let us have this fee or tariff. That is what we stand for. The Republican Party has always stood for a tariff. I am for it today and I want to get back to the good old days such as made America strong. The tariff helped build up America giving us the greatest country on the face of the earth. Let us make America strong, and if we let America be torn down that would not be right, and if we permitted it we are not fit to be here legislating for our people. The foreign countries should be on their own responsibility and we have enough to do to attend to our own business, and I am going to look after America and our people.

Mr. BARRETT. I agree with the gentleman 100 percent.

Mr. RICH. Let us go out and do the thing that ought to be done in order to keep our country safe, keep our standard of living high, and protect all of our people, especially the laboring man.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to my colleague from Pennsylvania.

Mr. GAVIN. The distinguished gentleman from Massachusetts states that Under Secretary Clayton takes exception to the fact that he had not had an opportunity to review this legislation. I would like to ask him how he thinks we feel as Representatives of the Congress when we do not have an opportunity to review the reciprocal-trade treaties that they are now entering into which affect the economic life of our communities. Why does he not give us a chance to review those agreements before taking any definite action to determine what effect it will have on our industries and welfare of our people.

Mr. RICH. That is what I say also. I believe what we ought to do is to bring Assistant Secretary Clayton back here, keep him at home, and let him go to farming, and let him try to raise some of these commodities. He will get a different viewpoint and will not want to give everything away at the expense of the American people. We do not want to have a lot of potatoes and hold the price of potatoes up and then put kerosene on them, thus wasting the kerosene and burning the potatoes. I want the American people to get wool. I want the American people to have potatoes, and I want the American people to have all those commodities at a fair price that they can afford to pay. I want the people of America to be fed. I want America to be a land of plenty. Why kill the pigs, burn the wheat, plow down the cotton. Kick the New Deal out the window before it is too late, before we have bankruptcy.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman talks about bringing Mr. Clayton back here and putting him to raising potatoes and producing lamb chops and wool.

Mr. RICH. In that case he would have to work the same as anybody else, and he would not raise enough to be worth the trouble.

Mr. JENNINGS. I just wanted to say that if we had to depend on him to produce wool and lamb chops and grow potatoes, we would freeze and starve to death.

Mr. RICH. We certainly would. I do not believe he knows how to keep the American standard of living high. I

think he would wreck America for foreign countries.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman for a question.

Mr. McCORMACK. The gentleman from Pennsylvania said he would like to get back to the good old days. Does he mean the good old days of the Smoot-Hawley Tariff Act?

Mr. RICH. Yes; if you want to call it that. Let us get right back here so that we can help America, by protection that keeps our standard of living high, that gets the American wage earner a good salary, that helps create jobs for the American wage earner. Let us help the common man. I believe in America for Americans. You New Dealers have put us in debt $259,000,000,000 and you have got us almost wrecked. Now it is about time for us to pull out. We cannot pull you out by subsidizing everything that everybody raises. We have got to save the Treasury of the United States and try to protect this country from bankruptcy. I am against the Government in business, I am against subsidies, I believe in American policies, a good tariff for American protection for labor, agriculture, and industry. Save America by saving our tariff against the State Department that was set up under the New Deal to hand us over to foreign countries, lock, stock, and barrel. Let us get rid of the New Deal in its entirety.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

All time has expired.

Mr. RIZLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 814) to provide support for wool, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 814, with Mr. HARNESS of Indiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kansas [Mr. HOPE] is recognized for one hour and a half. The gentleman from North Carolina [Mr. COOLEY] will be recognized for one hour and a half.

The gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill (S. 814) to provide for extending the present stabilization program on wool until December 31, 1948, has been exhaustively considered by the House Committee on Agriculture.

The problem is one of the most difficult which the committee has had before it for many years. Many conflicting interests are involved. The committee feels that this bill, if amended by an amendment which I will offer later in the day on behalf of the committee, is the best legislative solution of the matter which can be worked out.

Wool is a war casualty and the difficult situation in which domestic wool producers find themselves at the present time is a direct result of the war and the world-wide dislocation of wool production and marketing which took place during the war and since.

Since 1943 the Department of Agriculture, through the Commodity Credit Corporation, has carried on a support price program for wool. Since the beginning of that program, practically the entire domestic wool clip has been handled by the Commodity Credit Corporation. The evidence at the hearings disclosed that the Commodity Credit Corporation has on hand 460,000,000 pounds of wool. It is unable to dispose of that wool because of the statute which prevents the sale of wool and other commodities at less than parity because, due to heavy imports, the going market price has been and still is below parity.

During the early years of the war the United States Government purchased and stock-piled over 300,000,000 pounds of Australian wool in order to assure an adequate supply for military needs. Later, under a cooperative arrangement worked out with the United Kingdom, large quantities of British Empire wool were stock-piled in this country. During the war all the normal channels of world trade in wool were dislocated and large stocks of wool accumulated in all the wool-producing countries.

Although mill consumption of wool in this country has been at the highest level in peacetime history, the total United States stocks of domestic and foreign wool as of December 28, 1946, were 895,000,000 pounds, grease basis. These stocks are more than three times as large as the 1935–39 average of 275,000,000 pounds for the corresponding date.

Foreign stocks of wool are even larger. The British Empire wool is held in a pool known as the JO—joint organization—which operates as the sole buyer and seller of Empire wool. Even after large shipments into this country during the war that organization has a present stock pile of approximately 2,000,000,000 pounds of wool. Argentina and Uruguay also have large stocks of wool, although not all South American wool is competitive with our domestic production.

The importation of foreign wool has been constantly increasing and in 1946 was the greatest in peacetime history totaling 819,253,000 pounds. This was over 80 percent of our extremely large consumption in 1946 and is approximately six times greater than average annual importations during the period from 1936 to 1940, inclusive. This great increase in importations is due to the fact that the price at which foreign wools are being offered, including a duty of 34 cents per pound, clean basis, is below the price of domestic wool.

The price support program inaugurated by the Secretary of Agriculture in 1943 is based upon the ceiling price of wool in December 1941. Early this year, the Secretary of Agriculture announced that this price support program would be discontinued on April 15 unless action was taken by Congress to continue. Wool is not a Steagall commodity, although production was encouraged during the war, and hence it is necessary for Congress to act if support prices are going to be continued until the end of 1948, as is being done in the case of most of the other important commodities.

The present bill provides for a continuation of price support at the level of 1946 which, as already stated, is the OPA ceiling price as of December 9, 1941. The price paid to farmers varies according to the grades of wool and the amount of shrink, but the first 3 months of 1947 the price averaged 40.4 cents. This is approximately 95 percent of present parity.

Wool growers have not been satisfied with the existing support prices and legislation introduced on their behalf early in this session, as well as in the last Congress, asked a support price at 90 percent of the comparable price. This price, according to the latest figures, is about 52 cents per pound, so that a support price of 90 percent of comparable would be approximately 47 cents.

There was also before the committee a bill supported by the wool trade calling for price supports at 90 percent of parity. This would be a little less than 38 cents per pound on the basis of present parity.

Much evidence was submitted to the committee to the effect that the present support price is not adequate and that even a support price of 90 percent of comparable was not sufficient to enable wool growers to break even. Figures were submitted covering an investigation conducted by the Tariff Commission showing that for the year 1946, wool producers during the last 4 years have been producing at a loss ranging from 2.9 cents per pound in 1943 to 12 cents per pound in 1945. The loss per pound for 1946 was 9.5 cents.

Along with these losses, there has occurred a tremendous shrink in the number of stock sheep. From a high of 49,346,000 head of January 1, 1942, stock sheep numbers declined to 32,542,000 on January 1, 1947, a decline of 34 percent and the smallest number of sheep in the United States since 1867.

The Committee on Agriculture, after hearing all of the evidence by growers, producers, dealers, cooperatives, and farm organizations, reported House Joint Resolution 158 which provided that the Secretary of Agriculture, through the Commodity Credit Corporation, should support the price of wool at the 1946 level until December 31, 1948, and authorized the Secretary to sell existing stocks owned by the Commodity Credit Corporation without regard to the existing law prohibiting sales below parity. Shortly thereafter the Senate passed S. 814, which included the provisions in the House bill and some others.

In the meantime considerable opposition had developed to the House bill on the ground that it would require large appropriations to make up for the losses sustained under the program. The House committee had previously given

some consideration to the matter of import quotas and fees, and when S. 814 was referred to the House committee it was amended by the insertion of a provision authorizing the Secretary of Agriculture to impose import fees if he found that the importation of wool was interfering with the price support program.

There was considerable opposition to this amendment, particularly on the ground that it granted extreme and unusual powers to a Cabinet officer and that the authority given was to be exercised without the necessity of following any established procedure.

To meet these objections, the Committee on Agriculture has authorized the chairman to offer an amendment at the proper time in the consideration of this bill which will strike out section 4, which is the provision which I have just been discussing and inserting a new section 4. The new section would simply add wool as one of the commodities in section 22 of the Agricultural Adjustment Act with the further proviso that if the President should find that wool imports were interfering with the price-support program set up under this bill, he would not be authorized to impose quantitative limitations upon imports, thus limiting any action taken under section 22 to the imposition of import fees on wool or any other articles which interfered with the wool support price program. Under the provisions of section 22, the authority to impose import fees would, of course, include not only wool in any stage of manufacture, but products made therefrom, including top, yarn, and fabric.

Section 22 has been on the statute books ever since 1935, and its purpose is to prevent domestic price-support programs on agricultural commodities from being materially interfered with or rendered in effective by reason of imports.

The provisions of the act have been used by the President on wheat and cotton, on both of which commodities import quotas have been imposed. The original proclamations establishing these quotas have been reconsidered and modified on several occasions. The latest such occasion was in February 1947, when the cotton proclamation was modified by the imposition of a new quota limit on harsh cotton. Thus, section 22 has been recognized for the last 12 years as a necessary provision in connection with price support programs and its provisions have been invoked on every occasion when imports threatened to render those programs ineffective.

Certainly the wool producers of this country are just as much entitled to the protection of section 22 as are the producers of wheat or cotton and all other agricultural commodities which are eligible for consideration under section 22 provisions.

Such a program has been the policy of this administration and has been invoked when needed. It is still the policy, as indicated by the fact that on February 1947, there was transmitted to the Speaker of the House a request from the Secretary of Agriculture for legislation extending the provisions of section 22 to the commodities upon which price supports were in effect or on which price supports might go in effect in the future.

The Secretary, with that letter, included a draft of legislation which I introduced as chairman of the Committee on Agriculture and which is now the bill H. R. 1825.

The message accompanying the letter indicated that the legislation had cleared the Bureau of the Budget, which, as I understand it, means that it has the administration approval in every way, including approval by the State Department.

What we are attempting to do in this bill is to amend it so as to include wool, which is clearly within the scope of H. R. 1825. In other words, if the bill were already a law, the President would have authority to issue a proclamation with regard to wool. In view of the fact that the consideration of that legislation might take considerable time, the committee felt that provisions putting wool under section 22 should be included in the present bill.

I know that many Members of Congress have received letters, telegrams, and other communications in opposition to the bill S. 814. I call attention, however, to the fact that in every case, that opposition was expressed to the bill as reported by the House committee, not to the bill as it will be amended by striking out section 4 and inserting a provision putting wool in section 22. I know that groups and individuals which opposed S. 814 as reported by the committee are in agreement with the bill if it is amended in the manner suggested.

Section 22 was enacted originally because it was realized that no price-support program could be maintained domestically in the face of unlimited imports at a price level lower than the support price. The same principle, of course, applies whether the surplus is created by imports or domestic production. In other words, it is impossible to support prices for any period of time above the market level without some control over production or marketing or both. That idea has been recognized in all the price-support programs which were put into effect before the war.

The present situation with regard to wool indicates that if we are to continue to have unlimited imports of foreign wool at a price less than the support price, the cost to the Federal Treasury will be very great. Therefore, all we are asking to do in the case of wool is to invoke the same principle that has been set up in our price-support programs in the past as to the control of domestic production and marketing, and as to control of imports in the case of section 22. There is nothing new about the principle and nothing new about its applications as provided in this bill.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Colorado.

Mr. HILL. In 1932 there were 13,231,361 pounds, in round numbers, of apparel wool imported into this country; in 1938, 18,442,673; and in 1946, 819,253,000 pounds of wool imported into this country. Now, I will ask this question: How under the sun can the Federal Treasury support a subsidy price on corn products of any kind under section 22 or any other section and at the same time permit increases such as that of foreign products to come into this country and be absorbed by our domestic market?

Mr. HOPE. The gentleman is exactly correct, of course, in saying that that cannot be done without bankrupting the Treasury. We have recognized that principle, of course, in all of our price-support programs previous to the Steagall amendment, because we provided in the price-support programs on the basic commodities that there should be acreage allotments and marketing quotas, because everyone knows that you cannot support prices at anything like parity or near the parity level unless you have some control over production and marketing, or both. That, of course, is just as true whether the surplus of the commodity is produced in this country or produced in some foreign country and comes in here in the way of imports. That, of course, is what we are trying to do in this legislation. That is what the Democratic administration was trying to do in 1935 when this legislation was first proposed, and that is what it was trying to do on the 4th day of February when the Secretary of Agriculture sent the letter to the Speaker of the House suggesting the introduction of a bill which would make it possible to put into effect import fees and quotas upon those commodities of which we were likely to import increased quantities.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. CLEVENGER. A minute ago the minority whip spoke of the return to the old Smoot-Hawley days. May I ask the chairman if the Smoot-Hawley tariff bill has ever been repealed?

Mr. HOPE. No; and no one in Congress has ever suggested repealing it, as I recall.

Mr. CLEVENGER. A former Speaker, Mr. Rainey, once said, "The Republicans will not repeal it and we do not dare to," speaking of the majority of those days. May I ask the chairman if it is not possible under the present tariff, if they cared to do it, to raise the duty on grease wool by as much as 16 percent, 34 percent on a clean basis, or about 16 percent on the grease?

Mr. HOPE. It could be increased 50 percent under the flexible tariff provisions of the Smoot-Hawley bill.

Mr. CLEVENGER. It could be increased more than twice, probably as much as three times as much as is necessary to save this industry.

Mr. HOPE. That is correct.

Mr. CLEVENGER. Having this tool in the President's hands, and the Tariff Commission having already made the necessary finding of fact as it relates to the industry—and if it is dying, it is probably down 35 percent—if we give him a second tool in this, and if he does nothing about it, at least the guilt, the responsibility for wrecking this industry,

will not rest on the head of the majority party.

Mr. HOPE. That is true.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. In support of the statement the gentleman made justifying the present price, I call your attention to the official report of the Bureau of Agricultural Economics, which shows that in 1935–39 the average farm wage per month in the State of Washington was $34.36 and in Wyoming $34.08. At the time they froze their wool prices, labor in Washington had gone to $112 and in Wyoming to $79.60. In 1946, in the State of Washington the wage had gone up to $142, and $109 per month in Wyoming.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Mr. MURRAY of Wisconsin. This shows that there is three times the labor charge there was in the years before the war, and it is over a third more than it was at the time the price of wool was frozen in 1943.

Mr. HOPE. I thank the gentleman for his contribution.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Illinois.

Mr. BUSBEY. During the debate on the rule the gentleman from Pennsylvania [Mr. RICH] made a plea for an 8- or 10-cent-a-pound tariff on imported wool. Will the gentleman explain why the amendment that has been brought in here to this bill is better than the suggestion of the gentleman from Pennsylvania [Mr. RICH]?

Mr. HOPE. Of course we have no opportunity at the present time to adopt the suggestion of the gentleman from Pennsylvania. That would take an amendment to the Tariff Act. We have nothing before us on that point, and as far as I know there is no possibility that we will have any opportunity to vote for ar increase in the tariff. But we do have this legislation before us which authorizes the President, if the Tariff Commission makes the necessary findings, to impose an import fee in an amount necessary to bring the price of foreign wool to the support price proposed in this bill. That is all the wool producers of this country are asking for to save them from utter ruin.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BARRETT. Is it not a fact that to bring the price of foreign wool up to the price of domestic wool would amount to 5 cents a pound on a clean basis at the present time?

Mr. HOPE. Those are the last figures I have seen, and I am sure they are approximately correct.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. REED of New York. There is one phase of this situation of competition abroad that a great many people seem to overlook. Many people seem to think that we should buy in the market where we can buy the cheapest. That is the most fallacious doctrine in the world, because the minute they drive us out of the business of raising sheep in this country they can put the wool up at any price they want to.

Mr. HOPE. Yes; that is one of the things to which we naturally look forward with apprehension.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HILL. May I ask my chairman this question? After listening to all of the testimony given before our committee, is he in a position to hazard a guess as to how much the price of wool would increase and how much difference it would make in the value of wool that goes into a suit of clothes if this bill is passed.

Mr. HOPE. The figures that I would have to give the gentleman would be approximate, of course. I do not know how many pounds of wool there are in a suit of clothes. But there cannot be more than 5 or 6 pounds. As the gentleman from Wyoming said, this bill if put into effect on the basis of present prices would result in an increase of about 5 cents per pound of wool on a clean basis. You can figure it out yourself. It would be 5 cents a pound times the number of pounds of wool that go into a suit, whether it is 4, 5, or 6 pounds, or whatever it may be.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I am glad to yield to the gentleman.

Mr. JENNINGS. This proposal to save the wool-growing industry in this country from destruction not only involves our ability to produce the wool to make our clothes, but also affects the food supply of the country. If you lose the sheep for the production of wool, you are going to lose them for the production of food.

Mr. HOPE. That is certainly true. I have already called the attention of the committee to the fact that the number of sheep in this country has declined from forty-nine million and some odd in 1942 to 32,000,000 in 1946. There are in this country today a smaller number of sheep than we have ever had since 1867 80 years ago. It is, of course, not remarkable when wool producers are losing from 9 to 10 cents a pound on the wool they produce. Of course, they are going out of business.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HAND. Would you not agree that we could eliminate this proposed support program if we had a tariff on the importation of wool?

Mr. HOPE. A higher tariff would have the same effect. The gentleman is absolutely correct.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. JENKINS of Ohio. The last two clips of wool produced in the United States in the last 2 years are still in the United States in Government warehouses and they are the property of the Government. It has not been used. Practically all of the wool that we have used in the United States comes from other places. I think that is an appalling situation that the number of sheep in this country today does not exceed the number of sheep that we had here 40 or 50 or 60 years ago. If we do not do something we are going to lose the finest agricultural industry we have got, that is the raising of sheep.

Mr. HOPE. I thank the gentleman.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MARTIN of Iowa. From reports I have heard, Mr. Nichols of the State Department appeared before your committee and expressed the opinion that we probably should liquidate those home industries that could not compete with foreign producers. That leads me to make this inquiry: Did the Committee on Agriculture give considerable consideration or emphasis to the importance of wool raising to our national defense as one of our own items of strategic and critical national defense materials?

Mr. HOPE. Yes. The committee certainly took that into consideration, being well aware of the fact that the War Department has declared wool to be a strategic and critical material.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CLEVENGER. Is it not true that sheep is the only animal, or perhaps sheep and goats, that can produce any return on millions of acres of unclaimed land, by reclaiming that land by eating the roughage?

Mr. HOPE. Yes; that is very true.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. JENNINGS. Coming to the suggestion just made by my distinguished friend the gentleman from Iowa [Mr. MARTIN] that some people say that where we cannot profitably compete with other countries we ought to liquidate the industry that is affected by their industries to my mind, the liquidation of any such industry as that of growing sheep in this country is idiotic, and the man who expressed it ought to be bored for the simples.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. HOPE. Mr. Chairman, I yield myself three additional minutes.

Something has been said this afternoon about the fact that this legislation was causing repercussions at Geneva. I do not know whether that is true or not, but I do know that shortly before Mr. Clayton went to Geneva the Department of Agriculture sent this legislation to the Speaker of the House, suggesting its introduction. It was introduced at that time as H. R. 1825, and I know that the bill had been cleared at the White House and the State Department. With that approval, I assume it represents the policy of this country to put import quotas or import fees upon those commodities which are interfering with our domestic

price support program. Certainly there is nothing in this legislation which could in the remotest degree interfere with negotiations at Geneva unless it is the purpose of this country to lower duties on wool.

As has already been pointed out, with the wool producers of this country losing 9½ cents a pound on their production under existing conditions, how could we hope to retain the industry in this country if we lower the tariff still more? If that is the purpose at Geneva, then it seems to me it is time that this Congress express itself on that subject. It has an opportunity to do that in the legislation that is before us today.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COOLEY. The gentleman stated that the effect of the pending legislation was to place wool under section 22. Is it not a fact that section 22 became necessary solely because of the AAA programs which we had in effect in this country; in many of which programs we actually curtailed the production in this country, and placed acreage quotas on the farmers themselves? Are you not now, by putting wool under section 22, putting a commodity in there which never heretofore has been placed in that category?

Mr. HOPE. That is true, but we are doing it entirely in harmony with the request of the Secretary of Agriculture in his letter of February 4, in which he requested an amendment of existing law so that all commodities upon which there were price-support programs could be brought in under section 22.

Mr. COOLEY. In other words, you have not solely support-price program commodities in section 22? Now in addition——

Mr. HOPE. The Secretary of Agriculture in his letter of February 4 has asked us to include other commodities which were in the same category.

The CHAIRMAN. The gentleman from Kansas has consumed 31 minutes.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, S. 814 is a bill having for its purpose the support of the domestic sheep and wool industry. Indeed, it may be said that this legislation is necessary to save this industry, which is so essential to clothe the people of our country. It may be said that the wool industry, in and of itself, is not large in comparison with some other enterprises; yet, in my opinion, it is of utmost importance to the well-being and security of our country.

At the outset I want to make it clear that, personally, I have no direct or indirect interest in the sheep business, and I say this for the reason that sometimes Members of Congress are criticized when they sponsor legislation that might further their own special interests. The only interest I have is the interest of a great number of people whom I have the honor to represent, who do have a special interest in it, as well as the general interest of the rank and file of the people of the Nation.

The wool industry at the present time is a sick industry. Contrary to the general belief, the sheep industry has never been a flourishing business. Many operators for many years have been operating in a twilight zone of uncertainty. There are many reasons for this. I think one of the chief reasons is the fact that it has been subjected to too much politics. It has been kicked around through periods of tariff protection, free trade, and Government intervention to the extent that it has never had a long-time period of uninterrupted political tinkering.

This industry is especially important to the so-called range States of the West because of the fact that this semiarid region, the deserts and mountains, produce a forage crop that would be lost to the wealth of the Nation if it were not harvested by sheep. It is a truth and not a fiction that millions of acres of grazing lands are adaptable to the raising of sheep which are not adaptable to the production of any other kind of livestock. This industry has played a tremendous part in the building of the West. Many of the small towns and communities and schools are very much dependent upon this industry. Many communities could not carry on their normal functions, such as schools, if they were denied the taxes that are received from this source.

This legislation proposes to do these specific things:

Section 2: (a) This section directs the Commodity Credit Corporation to continue to support the price of wool to producers in the continental United States and Territories until December 31, 1948. The support price is the price at which the Commodity Credit Corporation supported wool in 1946—approximately 42 cents per pound, grease basis.

(b) This section authorizes adjustments in support prices to take care of various grades and qualities of wool.

Section 3: Under this section, certain provisions of the Agricultural Adjustment Act of 1938 are made applicable to wool-support operations. These sections have no substantial bearing on the support program as such. In substance, they are as follows:

First. Section 385 makes the facts with respect to any loan as determined by the Commodity Credit Corporation final and not reviewable by any other governmental agency.

Second. Section 386 makes inapplicable certain sections of the Criminal Code, making it unlawful for Members of Congress to participate in public payments or contracts.

Third. Section 388 relates to the utilization of State, county, and local committees, extension services and other approved agencies, and to the recognition of cooperative associations in connection with the administration of the act.

Section 4: With respect to section 4 of the present bill, the chairman of the Agricultural Committee the gentleman from Kansas [Mr. HOPE] will offer an amendment that will strike section 4 in its entirety and insert in lieu of this section, section 22, subsections A and B of the Agricultural Adjustment Act as amended, which will become section 4, with an amendment which includes wool among other commodities specified under the act. This section gives the authority to the President whenever he has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States for any commodity subject to and with respect to which any program is in operation under this title.

In other words, if the President so finds, after an investigation and recommendation of the Tariff Commission, that the importation of any agricultural commodity would tend to make the support program ineffective, he may, if he so desires, impose import fees in such amounts as he deems advisable. This section is further amended by denying the President authority to impose quotas. There was opposition to this provision because of the difficulties in administration, and so it was thought advisable to make quotas not applicable to wool under this amendment. This provision simply has the effect of adding wool to section 22 with the limitation to which I have just referred.

Section 5: This section authorizes the Commodity Credit Corporation until December 31, 1948, to dispose of wool owned by it without regard to any restriction imposed upon it by law. This provision is designed to free the Commodity Credit Corporation from the prohibition of law which now prevents it from selling its wool below the parity price.

Now why is this legislation necessary? First, for the reason that when the enemy struck at Pearl Harbor and it looked as if he might overrun the whole Pacific, thereby cutting off the supply of wool from Australia, the Government realized the danger and immediately began to purchase and ship into this country great quantities of Australian wool. I do not think any of us doubted the wisdom of that policy. The fact remains that millions of pounds of Australian wool were brought here and stored in our warehouses in amounts far in excess of our immediate requirements. This was the beginning of wool stockpiling. Not only was a stockpile of wool created, but immediately wool became the first commodity to be brought under price control. The price ceiling was so rigidly held that the price of wool never had an opportunity to rise to the extent that other agricultural commodities have risen. The situation became so acute that there was no market whatsoever for our domestic wool, and it became necessary for the Government, through the Commodity Credit Corporation, in 1943, to support the price through purchase of all our domestic wools. Therefore, wool became the first war casualty and is still a war casualty, just as much as a plant built and used for war purposes, and so far as I know, there is no likelihood of rescuing it, unless the pending legislation is passed and passed immediately.

The Secretary of Agriculture advised the producers of wool that the purchase program was to end on April 15, unless he, the Secretary, was given authority to continue the present program. In the main, that is what this legislation proposes to do.

Since the purchase program began in 1943, the Government has purchased more than 1,250,000,000 pounds of wool. Of this amount, considerably more than 400,000,000 pounds are still in the hands of the Commodity Credit Corporation, and remain unsold. This raises the question of why it is not sold. From the beginning of this program in 1943, the domestic wool purchased was resold at ceiling prices for domestic wool. Selling prices were reduced in November 1945, February 1946, and August 1946, to increase the use of domestic wool by the mills. However, since under existing law, Fifty-ninth Statutes, page 50, 1945, the Commodity Credit Corporation could not sell wool at less than parity, it almost brought to a complete stop the sale of the Government's wool. What happened was that the Government continued to purchase wool, making its stock pile higher and higher, because of the fact that it could not sell at below parity or in competition with foreign wool.

This is the situation in which we find ourselves today, and the legislation we are considering provides first to support the price of wool until December 31, 1948, at its present price, which price, in my opinion, is still too low to rehabilitate to a desirable degree the wool-producing industry.

This legislation provides, further, the authorization of the CCC to sell domestic wool in competition with foreign or other wool. It provides for the imposition of import fees on foreign wool, if the President finds that it is necessary, to allow domestic wool to flow into the normal channels of trade. This provision, I think, is sound and equitable in that it only applies to commodities and products that are presently being supported by the Treasury of the United States.

If this bill becomes law, in my judgment, it will in no wise increase the cost of clothing, but on the other hand, may actually be the means of affording to the American textile industry a larger selection of wools at perhaps a cheaper price.

Even without the imposition of a fee, it was astounding to me to know that wool duties for the last 6 years have averaged $112,700,000, and that this represents 28.7 percent of all duties collected. It was also unbelievable to me that $33,700,000 annually from wool duties goes into section 32 funds. The disposition of section 32 funds is enlightening indeed. It is not only surprising, but unbelievable, that in the year 1946 $16,800,000 of section 32 funds were spent on the development of cotton exportation and that $3,255,000 was spent on diversion of cotton markets or development of additional uses for cotton. Of course, the wool producers fully realize the benefits they have had because of tariff protection.

Four million six hundred ninety-two thousand three hundred and fifty-eight dollars of section 32 funds was spent in 1946 in developing new uses for Irish potatoes. Three million two hundred thirteen thousand eight hundred and sixty-five dollars was used for development of exports of wheat flour, and $1,200,000 was used for exports of Irish potatoes, and $80,000,000 went to the school lunch program.

Not one cent was spent for wool, wool promotion, wool subsidy, or research. In 1946 a total of $20,055,000 was spent on cotton from section 32 funds.

I think these figures are very illuminating and I refer to them only to offset some of the propaganda now being disseminated by the wool trade with respect to the terrific drain on the Treasury that would be created by the legislation now pending. Wool tariffs have enriched the United States Treasury by $121,300,000 annually, and the consuming public has benefited by the lower cost of raw material. It would require only a very small percentage of this $121,000,000 annually to place the CCC stock pile on a competitive basis with foreign wool. In fact, it would probably require less than 50 percent of the amount of money supplied to section 32 from wool duty funds to have done the job. It seems to me that the whole wool policy has been quite a favorable financial investment so far as the Treasury is concerned.

I desire to call to the attention of the distinguished and able Members of the House from New England the fact that the range country of the West and the great textile industry of New England have a common interest in this problem. Let us see what happens. The sheep that produce the wool graze on our pasture lands year after year, depleting the soil, in some cases causing alarming soil erosion, gradually but surely making it less productive. That is the reason why we must come to Congress occasionally and ask for a pittance in the way of appropriations to be used in reseeding and conserving the soils so that we might continue to shear the wool from the sheep. We load the wool on railroad cars, ship it back to Boston and other great textile centers, where somebody is hired to wash and scour it. Yes, sir, the Boston wool speculators tell us that we cannot even wash it. We must pay the freight on 100 pounds of wool and dirt, which, when the scouring boys get through with, weighs only 40 pounds. This process, I assume, furnishes a good deal of employment to workers in New England.

The wool speculator gets his toll. The wool is finally processed, made into cloth, thence into clothing of all kinds, and sold to the American public. There is not more than 5 pounds of wool in a suit of clothes. The growers of the wool receive somewhere between $3 and $6 for their contribution to a suit of clothes that now costs $100. Are there any here who would say that the producer of this wool is not entitled to a miserly $5 as his cut out of a $100 suit of clothes?

Before I close, I want to emphasize again to you Members who represent farming communities—and there are a lot of you—that the money received from tariff on wool has gone into so-called section 32 funds where it has been used in every conceivable way to find more uses, and new markets for other farm products, yet, at the same time, wool has never benefited a single dime, so far as these funds are concerned, in the field of research.

I think it is high time that something be done for this great industry and I trust that the Members here will recognize the justice of the present emergency legislation, as well as recognizing that immediate permanent legislation is needed and should be enacted to make possible a profitable industry and stimulate the further economic production of a farm product that is so essential to the lives and well-being of the American people.

This bill, as it now stands, will in no wise, so far as I can see, interfere with or abrogate any of our reciprocal trade agreements. Section 22, if adopted, will simply put into effect legislation to cover wool as has already been in effect, and the President, under the authority given him, has imposed quotas on other farm commodities.

This legislation is not what the wool people want. It is not what I would like to see them get. It is a compromise, and perhaps the best we can get at this time.

Mr. Chairman, I wish the minority leader and the minority whip were in the Chamber; I would feel better about it, because there are people out in the halls who are getting some misinformation on this legislation.

It seems to me this legislation that we we are discussing is very simple, and it is a very practical problem. It is this simple: the Government of the United States, or the Commodity Credit Corporation, has in its possession nearly 500,000,000 pounds of wool which it cannot sell. That is the reason we are discussing this legislation; that is the only reason this bill is here. The question of tariff and other matters are beside the point.

I have been studying this question along with the Committee on Agriculture for the last 2 years endeavoring to find ways and means whereby we could dispose of this wool. I think it would be a fair question to ask how the Government got the wool and why it cannot sell it. I think those questions have been discussed.

We started to get this large stock pile of wool when the Japs struck at Pearl Harbor. Our Government, and I think properly so, imported all the wool they could purchase from Australia and brought it into the United States for military reasons. That was the thing that started the great stock pile of wool. That, of course, immediately closed the market to the local producers of wool. There was no place they could sell it, so it was the Government which went to their rescue and bought their wool at a price that was fixed by the Office of Price Administration, and that price has been held under strict control until price control went out of existence. The price of wool has never risen as the price of other commodities has; it has been held. That is how we got the wool in the first place.

Why can we not sell it? We did sell some of this wool, or the Commodity Credit Corporation sold some of it as long as it could be sold at the world price. Then 2 years ago when the parity price on domestic wool rose until it got above the world market price, the Government was prohibited from selling it. That is the situation we are in today and the only reason this legislation is here. There are two or three other things I wish to say about the wool situation.

What should the Congress do? We all concede the stock pile should be sold at some price to somebody. What should be the policy of the Congress in the disposition of this wool? Should it be sold at some price below parity and have the Federal Government assume the whole burden of the sale which might run, I am told by the Department of Agriculture, in the neighborhood of $50,000,000? Or should some restraint be placed upon the importation of wool until this stock pile is disposed of? That is not a difficult question to understand. What should be done about it? Should we allow wool to keep piling up in our country and try to sell this wool we have in competition with foreign wool or would it be good business to simply impose a fee to raise the price of the imported wool to a point where our wool can be sold? I am constrained to believe that the imposition of a fee is the sound, practical thing to do in this emergency, because this is emergency legislation. It will only run until the commodities under the Steagall amendment go out of existence on December 31, 1948.

Mr. Chairman, I want to say a word about an amendment that will be offered by the gentleman from Massachusetts, [Mr. HERTER]. The Herter amendment, of course, is the crux of this whole business. The so-called Herter amendment would simply mean, if the House should adopt it, that the price of wool in the grease would drop anywhere from 5 to 6 cents a pound. This House does not want to do that I am sure. You would not think of doing that to any other farm commodity and I do not think you are going to do it in connection with this wool program. I challenge any one on the floor to question the statement that if the Herter amendment is adopted the price of wool would drop at least 4 or 5 cents per pound immediately. As a matter of fact, since the Secretary of Agriculture has ceased to buy wool there are buyers all over the country buying this wool for around 28 and 26 cents a pound because there is not a support program. If the House wants to follow that reasoning and do this great injustice to the wool industry it will have that opportunity today.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The distinguished gentleman has made a very fine statement of fact in respect to the development of what brought about this present condition with respect to wool. It seems to me he has developed with great emphasis and force the fact we cannot afford to let the loss that might be entailed by the adoption of such an amendment as just discussed by the distinguished gentleman from Massachusetts come about because that loss would fall upon the owners of the lambs and sheep, many of whom depend upon the growth of those animals for a living, selling the wool on the wool market and the lamb crop for food that our people all over this country use.

Mr. GRANGER. The gentleman is absolutely right.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I am particularly interested in the protection or the preservation of American production of strategic and critical materials of which wool is one. I would like the gentleman's opinion as to what the effect would be upon American production if that reduction in price were permitted or forced upon the wool growers of America?

Mr. GRANGER. Well, if I understand the gentleman's question correctly, it would break the wool growers and, further than that, it would do violence to the program the gentleman is trying to and has advocated with respect to the stock piling of minerals and other materials. It would destroy the whole program, in my judgment.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Wyoming.

Mr. BARRETT. Under the present price which has prevailed ever since Pearl Harbor the Tariff Commission has reported that the wool growers lost 9½ cents a pound, during 1946, and more for the two preceding years, and that if the amendment to be offered by the gentleman from Massachusetts [Mr. HERTER] is adopted, it will result in an additional loss of 4 or 4½ cents a pound, which will most certainly accelerate the reduction in the sheep herds of this country.

Mr. GRANGER. The gentleman is absolutely right.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, during the past couple of weeks this Congress has gone on record, after a lot of skirmishes and, at times, bitter denunciations of other countries, as being in favor of this country's cooperation with other nations of the world in the promotion of a permanent peace.

Whether we like it or not, we are committed to a policy of international cooperation.

This bill flies directly in the face of that declared policy of cooperation. It harks back to the days of high tariff walls and is formal notice to other nations to keep out of here with their products, and it will serve no good purpose.

For several years we have had the reciprocal trade agreements aimed at fostering cooperation among nations and intended to break down artificial trade barriers.

These trade agreements have been praised, and they have been damned. I don't think this is the place to attack or defend that program, but I do want to say that if this bill is enacted, then every other industry will be asleep on its feet if it does not come in here and demand more and more tariff protection.

This is a back-handed slap at the reciprocal-trade-agreements policy, and, if enacted, it will be tantamount to encouraging other Nations to erect similar trade barriers of their own.

This bill, if it becomes law, will be a positive declaration that we are insincere when we talk about our desire to cooperate in the development of international trade. It will be added ammunition for those who claim we are imperialists—that we are interested in world affairs only for what we can get out of it.

It is particularly unfortunate that this issue should arise in the case of wool. Domestic wool accounts for less than one-tenth of one percent of our national income. But, it makes up more than 95 percent of the dutiable imports into the United States from Australia. Forty percent of our imports from New Zealand and 37 percent from South Africa are wool. These Commonwealths have been interested in the British trade preferences. We have been trying to break down that system and we have made progress. If we repudiate our noble declarations in this manner, then we might as well kiss good-bye to our hopes of breaking up these Empire preferences.

There is another, and highly important, consideration. In my district woolen mills are closed. Many talk about the possibilities of a depression. It is already squeezing the woolen industry. Prices are too high and people cannot afford to purchase the products of the woolen mills. The president pleads for price reductions and all of us know we face mighty serious times unless prices do come down.

Yet, here is a plan to guarantee the present high prices—and if possible, to force woolen prices still higher. What prospects are there for the woolen manufacturer? He is above the market now. Why should he risk everything in the face of these possibilities?

Men and women—employees of woolen mills—are walking the streets. And this bill proposes a proclamation of death for the woolen industry in the United States.

At the same time it will effectively prevent the consumer—already sorely tried by high prices—from purchasing badly needed woolen articles.

This legislation is bad business. I can find no justification for it. For many reasons—but particularly the importance of domestic well-being and international honesty—it should be soundly defeated.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, there are so many reasons for my opposition to this bill, S. 814, that I find it very difficult in the limited time at my disposal to bring out all its defects. Seldom has legislation been considered by this House with greater possibilities of far-reaching repercussions, both domestically and internationally. Let us consider the latter for a moment.

Last April 10 Under Secretary of State Clayton went to Geneva to try to work

out with 17 other nations a sound economic foundation for peace. As a part of this program the other nations were asked to join us in reducing barriers to trade. As the President advised the American public in his speech on March 6, 1947, at Baylor University:

At this particular time, the whole world is concentrating much of its thought and energy on attaining the objectives of peace and freedom. These objectives are bound up completely with a third objective—reestablishment of world trade. In fact the three—peace, freedom and world trade—are inseparable. The grave lessons of the past have proved it.

Mr. Chairman, among these 17 nations at Geneva are Australia, New Zealand, and the Union of South Africa. These nations and the others among the 17 nations had the assurance that Mr. Clayton and his representatives were free to negotiate reciprocal trade agreements dealing with wool. I understand that less than one-half of 1 percent of our farm income comes from wool, but wool is extremely important in the world trade of Australia, New Zealand, and South Africa, and provides by far the most important source of dollar exchange with which to buy American exports. Consequently, if we impose new barriers—barriers above the existing tariff of 34 cents a pound—we cannot escape the condemnation of economic isolationism that is sure to be cast upon this country.

Even without these overwhelming international ramifications, Mr. Chairman, this bill is a blow to the American economy as a whole.

Why should the woolen and worsted industries of Rhode Island bear the brunt of a support program for wool nearly double the average price of 22 cents per pound paid in 1939, the year before the war. Prices on other farm commodities are supported at only 90 percent of parity. The wool manufacturers of my State cannot possibly buy wool at 42 cents a pound and sell it to cloth makers in a competitive market with other types of cloth. If the demand for woolen cloth declines the workers in these mills, the mill owners, wool buyers and traders all along the line, and ultimately the growers of wool will suffer. And at the bottom of the heap let us not forget the consumers of woolens who would be required to pay the artificially inflated prices until they find an available substitute.

Mr. Chairman, I insert in the RECORD at this point an article which appeared in the Providence (R. I.) Journal of April 22, 1947, which indicates the disastrous effects enactment of this bill would have upon the Rhode Island wool trade:

FEDERAL MEASURE THREATENS JOBS IN RHODE ISLAND WOOL TRADE—MILL OWNERS, TRADERS, AND BUYERS THINK GOVERNMENT MAY WALK IN ON HEAVY-EMPLOYING INDUSTRY UNDER TERMS OF BILL ADOPTED BY SENATE COMMITTEE

(By Donald I. Rogers)

The Government may walk in on Rhode Island's important, heavy-employing woolen and worsted industry.

Mill owners, wool buyers, and traders—who collectively provide tens of thousands of jobs in this State and pay some of the top wages in textiles—see this threat in proposed legislation which is scheduled for action in Congress sometime this week.

Men who buy wool and sell it to the textile industry fear they are heading for the ranks of the unemployed. Succeeding them in business, they say, will be the United States Government.

This pending legislation, which is sending chills through the industry and is causing widescale girding for battle, goes under the name of the Robertson bill.

It has already been approved by the Senate Committee on Agriculture and will receive the support of the agriculture bloc when it comes to a vote.

It would:

Place all control over the price of wool, both domestic and foreign, in the hands of one man, the Secretary of Agriculture;

Require the Government to support the price of domestic wool at not less than its support price of 1946, which was about 42 cents a pound—highest in history;

Provide for floor taxes on existing mill inventories of wool up to 50 percent of value;

ADDITIONAL IMPORT FEES

Levy additional import fees on foreign wools on top of the present tariff of 34 cents a pound; and

Provide for fines up to $10,000 or a year in jail to American businessmen who do not comply with these provisions.

Local wool men say it would do more than that, that it would upset the wool trading business as it has never been upset before. If this is true, it would be an economic catastrophe which would hit hard at Rhode Island and all New England

Government monopoly of the wool market was a wartime expedient which wool men say has outworn its usefulness. But that section of the Federal Government which has its ear attuned to the strong voice of the agricultural interests from the West and Southwest want continued Federal control of wool.

Four years ago the Government, in the middle of the war, started buying all domestically produced wool. It has continued this practice ever since.

"SOMEONE MOVED IN"

Private merchants who buy and sell wool turned to the huge imports of foreign wool which have been flooding the country since 1940.

Now the boom is past. The imports are tapering off. Merchants some time ago started looking back toward their homes to resume their war-neglected domestic business. But someone moved in during their absence, someone who acts as though he's going to stay—Uncle Sam.

The Robertson bill gives Uncle Sam the lease to this property. Government support of the wool at the 1946 price (wool men call it a "super-price") of 42 cents a pound will mean simply that the Government will take over United States production, declare the worried wool merchants.

The woolen branch of the textile industry has been hard hit by over-production. The worsted section now geared to full-tilt capacity to meet extremely high demands, must eventually face drastic cutbacks.

The wool merchants lament that they cannot possibly buy wool at 42 cents a pound and sell it to cloth makers who must produce for a competitive market, without being inundated with red ink.

Prices on other United States commodities are supported at 90 percent of parity. Wool was one of these favored commodities until the war came along.

New England wool men who must after all do business with the sheep ranchers, sympathize with the growers' demands for protection from cheap, foreign wool.

But they think 90 percent of parity would be ample. They revolt at the proposed guaranty of 42 cents for 2 years.

Parity gives growers prices representing 1909–14 buying power.

PREWAR PRICES

In 1939, the year before the war, the average price paid for wool was a little over 22 cents a pound.

Between the two World Wars the average price was 26 cents.

Parity prices change from month to month; they fall when the prices of manufactured items fall, rise when they rise.

It's a whole lot different, say the wool merchants, when you support a price at a fixed level, "come hell or high water."

While other commodities are supported at 90 percent of parity, the present parity price for wool is somewhat under the 42-cent support price guaranteed by the Government. The 42 cents is actually more than 100 percent of parity. A year ago the parity price was 32.9 cents.

If the prices of manufactured items should drop to last year's level (and in a declining market, this is held likely) the 42-cent wool would be 127 percent of parity.

This would prevail while other commodities were pegged at 90 percent of parity on the declining market.

Why, ask the dealers, must wool be so favored when other commodities are not?

Parity is a bottom guaranteed by the Government. It is not a pegged top price.

PRICES COMPARED

Without the questionable benefit of Government monopoly the wool merchants paid fair prices for their wool, they contend. They have figures which show that the sheep ranchers, between the two wars, got on an average more than 96 percent of parity for their wool. For 7 years the price was over 115 percent of parity.

What happened meantime to the other basic commodities?

The average price from 1921 to 1940 was only 77 percent of parity for the six basic commodities—cotton, corn, wheat, tobacco, rice, and peanuts.

In view of this, demand the angry wool merchants, why must wool be singled out for financial boondogling.

Here in Rhode Island, a wool dealer must either make his way in a competitive market or go out of business. If a textile mill doesn't operate successfully, it must close down.

Now the Government, charge local dealers, proposes to insure the incomes of wool growers at unwarranted high levels at the expense of the wool merchants and the wool and worsted cloth makers.

FOREIGN COMPETITION

Yet the Government is on the record as being against protection. The State Department is now meeting with United Nations members at the International Trade Organization in Geneva trying to lower protective tariffs.

Among tariffs to be reduced are those which protect the textile industry from low-priced foreign goods.

Apparently, said one indignant local wool man, the Government is against protection only when it applies to an industry, not when it applies to a commodity.

The need for piling up huge wool surpluses?

During this recent 4-year buying spree, the Government grabbed every ounce of wool it could lay its hands on. At the beginning of this year the mountain of fleece totaled 480,000,000 pounds—nearly a full year's needs at the prewar consumption rate.

While the Government held onto this mountain of fleece and sought more, textile mills did business as usual through the wool merchants of Massachusetts and Rhode Island, who were buying from abroad.

As a result, they used 3 pounds of foreign wool to every pound of domestic wool.

In prewar years, before the Government took over this middleman's job of buying wool, the opposite was true. Consumption

was at the rate of 3 pounds of domestic to 1 pound of foreign wool.

WORLD WOOL SURPLUS

Prices on other commodities are high—well above the farm bloc's former ideal parity level. That's because there is a world shortage of most commodities.

Not so with wool. There's a huge world surplus.

The Robertson bill attempts to increase prices while surpluses pile up.

Inserted in the measure is a supplementary provision allowing the Commodity Credit Corporation to sell wool from the 480,000,000-pound stock pile at prices competitive with the foreign wool.

When the average citizen goes to buy a suit or other wool or worsted item, this should please him.

But he'll feel it on March 15—income-tax day.

For the CCC would continue to buy domestic clip at the 42-cent level and sell it at the prevailing world price.

The loss is to be passed along to the United States Treasury; from the Treasury it'll be passed along to every United States citizen.

In conclusion, it is my opinion that not only the practicable idealism of expanding world trade on a reciprocal basis is an essential framework for peace, but also that hard-headed business consideration within our own country, and particularly my own State of Rhode Island, require the defeat of this bill.

Mr. COOLEY. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I believe that everyone concedes that the provision in this bill for the imposition of an import fee or duty on wool would actually wreck the Conference that has been carried on and is now temporarily suspended at Geneva. The passage of this bill would certainly justify criticism by delegates of other countries to that Conference, and they would have every right to question the good faith of the United States Government.

If you want further proof of that, think of the fact that Under Secretary of State Clayton returned home from Geneva solely because this bill was introduced and the committee had reported it favorably. The head of the Australian delegation to the Conference at Geneva went back to Australia to get special instruction from that country with regard to his conduct and his suggestions and his trading powers at Geneva because this bill was introduced and reported favorably by the committee.

The question before the House today, Mr. Chairman, is whether we should pass this bill after only 3 hours of general debate without any study by the Committee on Ways and Means of this House, the committee that really has jurisdiction over import duties, import fees and tariffs, and the reciprocal-trade agreements program. We have been holding hearings on this and related subjects for 2 months, and here the Committee on Agriculture, which is not expected to know too much about import duties and tariffs, generally, does not even have a hearing on this subject of the import duty provided in this bill. The amendments to the bill, as I understand, were not known to the State Department.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I decline to yield at this time. When I have finished my statement I shall be glad to yield.

The passage of this sort of legislation after 3 hours of general debate is quite a contrast with the time spent on the bills with respect to aid to Greece and Turkey and other countries in Europe. A few days ago the Secretary of State and the Secretary of Commerce issued statements with respect to the week of May 18 to 24, which is known as World Trade Week. Is it not ironical that this House might this very week pass this legislation which will wreck any possibility of increasing world trade and good will? Everybody knows that the United States cannot be prosperous if we are shut out of world markets, and this is one of the types of legislation which will cause reaction from practically every country in the world, because they will have no faith in the international trade policy of the United States. They will rightly be fearful that any time some industry in this country is suffering from perhaps some temporary maladjustment it will come to the Congress of the United States and get relief through tariff barriers or some other form of special restriction on imports.

One of the gentlemen on the Republican side mentioned that he would like to go back to the good old Smoot-Hawley tariff days. That system never worked. The people of the country do not want to go back to that system. As I said before, Mr. Chairman, we must have international trade and we must have international good will in order for America to be prosperous.

This is a more serious matter than many of the Members of the House realize. I know some Members are seriously concerned about it, but they somehow just feel that they are not able to take an active part in defeating it. I think we ought here to consider the seriousness of this proposal. I think we Members ought all to join in bipartisan support of the policy of this administration for expanded international trade, the same as we have bipartisan support of the foreign political policy of the Government. One is joined to the other. You cannot separate them. If this measure passes and becomes law it will have a tremendous effect in enclosing the United States in a fence so that our products cannot be exported profitably to other countries of the world. It will cause business recession, it will cause unemployment, because we know that for the United States of America to be prosperous we have to export at least 10 percent of our production. If we start throwing up barriers of this sort other countries will do exactly what they did after we passed the Smoot-Hawley tariff bill. That is something I am sure the country does not want again.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GRANGER. Mr. Chairman, I yield two additional minutes to the gentleman from Pennsylvania.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Kansas.

Mr. HOPE. I simply wanted to call the gentleman's attention to the fact that the Committee on Agriculture did hold hearings on this question and we had before us for almost 2 days of the hearings a representative from the State Department, because we had before us two bills, one by the gentleman from Wyoming [Mr. BARRETT] and one by the gentleman from Colorado [Mr. HILL], which imposed import quotas. The committee did go into that question during the hearings.

Mr. EBERHARTER. I do not want to make a misstatement, but I understand, although I may be wrong, that the Under Secretary of State said that the amendments proposed to the bill as now reported out were not considered by the State Department and that they thought the situation was therefore different from what it was at the time that the representative of the State Department testified.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. HOPE. This particular amendment was not included in the bill that we considered, but exactly the same principle of an import quota was in the bill and is dealt with in the amendment to section 22. Therefore, that question was considered directly.

Mr. EBERHARTER. There evidently is a difference of opinion between the Under Secretary of State and the gentleman from Kansas on that particular point as to the principle involved.

Mr. Chairman, I yield to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, many of the Members of Congress appreciate what the gentleman has said on this matter of wool which we are now discussing. It is a fact, is it not, that there was almost an embargo placed upon our own domestic wool and that Great Britain had free access to our market while our boys were out fighting to help win the war and Great Britain took over the whole market of the United States. That is a fact.

Mr. EBERHARTER. So far as the particular facts on the wool situation are concerned, I have sympathy with the wool growers of this country, but I say this is not the way to take care of it. I am certain that at Geneva some arrangement can be made so that the wool growers of this country would be protected. The fact that the Government has all of this wool on hand, I think, should be charged to the cost of the war. The United States should bear the loss because we brought wool in as a military necessity. The farmers should not lose by it. But I say the principle of expanding international trade should not be wrecked to save the wool growers of this country. It could be handled in some other way.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. HILL. I would like to bring to the gentleman's attention the testimony of the gentleman from the State Depart-

ment before our committee on this very thing. Listen to what he says:

The point of view of the administration with respect to wool is contained in a letter from the President to a Special Committee To Investigate the Production, Transportation, and Marketing of Wool, dated March 11, 1946. This letter, and the accompanying memorandum, point out that a program which would best serve the long-run welfare of the wool producers, protect the interests of merchants and the general public, and encourage beneficial trade relationships with foreign countries would contain the following features: (1) Support for wool equivalent to that granted other important agricultural commodities; (2) sale of domestic wool at prices competitve with the duty paid import price of foreign wools.

That is the statement of the representative of the State Department before our committee not 6 weeks ago.

Mr. EBERHARTER. Why, certainly. The matter could be worked out. But the indisputable fact is that the State Department is opposed to this bill in its present form, and for the very good reason that the bill now is in such shape that it will wreck the international trade conference going on in Geneva at the present time.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. COOLEY. May I ask the gentleman if it is not a fact that the Senate version of this bill takes care of the producers?

Mr. EBERHARTER. I understand the Senate version of the bill is not nearly so disastrous to international trade and that it would take care of the farmers and wool growers.

Mr. COOLEY. The Senate version of the bill is acceptable to the State Department. The gentleman from Colorado, I am quite sure, is leaving an erroneous impression with the membership of the House when he states that the testimony which he read contemplated import fees such as we are now considering.

Mr. EBERHARTER. I thank the gentleman for helping me out on that particular phase of the problem because I am not a member of that committee and have not had access to all the information.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has expired.

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Colorado [Mr. HILL].

Mr. JOHNSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Illinois.

Mr. JOHNSON of Illinois. The gentleman from Pennsylvania [Mr. EBERHARTER] offered a criticism a few moments ago that we were only devoting 3 hours today to this bill, while we gave plenty of time, a few days, to the bill providing for the Turkish-Greek loan. I want to say there is a reason for it, because that bill was for foreign countries, and 3 hours is plenty of time to consider America.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. MURRAY of Wisconsin. I asked the gentleman from Pennsylvania [Mr. EBERHARTER] to yield in order to call his attention to the fact that he underestimates Mr. Clayton. If Mr. Clayton can go to Geneva and can make those delegates from 18 countries believe that our present administration has put an embargo on tobacco seed going out of this country, and can pay an export subsidy on cotton and can erect two embargoes on cotton coming into this country, and can put an embargo on wheat coming into this country, I should think he would be in a position to convince the delegates of those 18 countries that what little we do with wool will not have much effect. They have been able to sell the American people and make them believe they are carrying on a reciprocal-trade program when as a matter of fact the Kindred Women's Club and the Woman Voters' League have been deceived into believing that. I think Mr. Clayton ought to be able to pull the wool over their eyes over there a little.

Mr. HILL. I thank the gentleman for his contribution.

Now, Mr. Chairman, to close out the statement from the State Department, the State Department sent a young man up there who knew just as much about wool as some of the folks our good friend from Wisconsin was talking about. What I read was the statement he made to our committee. I do not know what he meant by it, because I cannot interpret what is in some other man's mind. I have trouble enough with my own. So the State Department did support the provisions of this bill. Of course, they want to approach it now from another angle.

I agree with our distinguished chairman [Mr. HOPE], first, that this is emergency and critical legislation. I, for one, cannot see how this Congress can escape its responsibility in the passage of such legislation as is offered to you this afternoon by our Committee on Agriculture. I would like to say first, How did we get into this position? Was it overnight? Is it suddenly—something that has caved in upon us? It is not. This is a serious situation our country faces concerning wool. This stock pile of wool began even before the date of Pearl Harbor. As the gentleman from Utah [Mr. GRANGER] said, he and I served on a subcommittee of our Committee on Agriculture and we checked into the beginning of this wool stock pile in 1943. If I had time to take these records that we have, I could very definitely show this committee that the distinguished gentleman [Mr. GRANGER] and I, with other members of the Committee on Agriculture, knew at that time exactly what we were headed for, and we knew that we would meet this situation when the war closed and again we were faced with a postwar era in regard to surpluses in agricultural products. We knew when those great ships, loaded with wool from Australia, were headed for Britain and they could not go to Britain because of the sinking of so many hundreds of ships of supplies by the German submarines, where did those ships go? They were rerouted and came to America. The stock pile, the entire clip of Australia, was the beginning of our stock pile of wool. Now we face a situation where we have four hundred and fifty or four hundred and sixty million pounds of wool in stock pile, and the Commodity Credit Corporation is prevented from selling a single pound to anyone.

Now, I wish to read how we got into this particular situation regarding the price of wool. Listen to what this young man said who was at that time president of the National Wool Growers' Association back in 1944. I will read quickly:

The causes leading up to the present situation are briefly as follows: At the outbreak of the present war the British Government arranged to purchase all wools grown in its Dominions, comprising approximately two-thirds of the total world production, for the duration of the war and for 1 year thereafter. This agreement is now in effect and it is my understanding that negotiations are well under way to continue it for a period of 3 years after the war.

Immediately after Pearl Harbor the British Government established an issue price for wools sold in the American market which today is approximately $1.05 per pound on a scoured or clean-content basis. This comparatively low price was established primarily to insure Australasian wools the widest possible market in this country. For the first time, these wools were sold and continue to be sold in the United States below the price of domestic wools. Hitherto, because of greater uniformity in quality and more careful grading, Australasian wools have always sold in the United States at a price from 10 to 15 percent in excess of prices for comparable grades of domestic wool.

In other words, just the minute our market completely passes into the hands of foreign producers of wool the price of wool to the American consumers and manufacturers will immediately rise; and no one can stand on this floor and refute that statement. I have never heard one single sentence of testimony in our committee in the long period of time we have considered this subject where anyone could show that if we passed this legislation there would be any runaway price on wool or woolen clothing. Frankly, I do not believe there will be. The passage of this legislation will give the wool producers of this country not a guaranty but a feeling of security that they can go ahead now and take care of their farms and ranches and have some assurance that they can keep their business in a liquid form. I am sure not a Member of this House objects to that.

Mr. Chairman, I should like to read an article on the decline of the number of sheep. This was well taken care of by our chairman, but listen to this:

This constant and continuing liquidation of the domestic industry has many causes. One of the factors among those causes for liquidation is the uncertainty of the future. This uncertainty is caused by: (1) Lack of a long-term Government wool policy, (2) little increase in the price for domestic wool, (3) increased costs of production and lack of efficient labor.

I might add that I think the lack of efficient labor is just as much the cause of the increase of the cost of producing lambs on the range as any other factor. Inefficient help at the wrong time of the

year means a great loss in the production of lambs. The right kind of help in the early season means many more lambs to go to market in the fall.

(4) Dumping of foreign wool on the American market. The only market for domestic wool in 1941, 1942, and 1943 was for defense purposes. Domestic wool was given preference over the use of foreign wool by the armed forces, particularly the Army. When the Army requirements decreased in 1944, 1945, and 1946 much less domestic wool was used.

And I might say here, and I will not repeat, that in 1946 when we were only producing—and I wish you would listen to these figures—only producing 30 percent of all the wool that was necessary in the domestic markets—that is all we could produce—we were only using 25 percent of the 30 percent that we did produce. All the rest was coming from foreign countries. Twenty-five percent of the total 30 percent of wool is all we used. It is important to keep those figures in mind and I hope you will remember them. In 1946 we probably had the greatest total consumption of wool that we ever had in any one year since we have been a nation—over 1,000,000,000 pounds. Eighty percent of it was imported foreign wool. In 1946 the Commodity Credit Corporation bought an amount of 450,000,000 pounds of wool, and, as I have stated already, they cannot sell a single pound of it because the law prohibits them from selling this wool below parity, a parity price so low that they cannot sell the wool and they will not be able to sell any of it unless you pass this legislation. What the stock pile might be at the end of 1947 is anybody's guess. Someone testified before our committee that it might be as high as a billion and a quarter pounds. Keep that figure in mind also.

Mr. Chairman, sheep raising in this Nation is one of the great industries of the West. We have over 800,000,000 acres of pasture land with 90 percent of it fit only for the grazing of livestock. That is important to those people out there and it is important to these people in the East, it is important to these gentlemen who are interested in the manufacture of wool on the east coast of these United States.

In the last 5 years you will find, according to the census taken on farms, that the sheep population has been reduced 35 percent. How long can we have a wool industry, I ask you, if you average a 35 percent reduction in 5 years? No one can dispute those figures because they are taken from reports of the Department of Agriculture.

I might call your attention also to the fact that should we get into another war as some are worried we might, wool is a critical material and is absolutely necessary when it comes to providing our men with warm clothing and since we are flying airplanes through the air in temperatures of from 40 to 100 degrees or more below zero it is more necessary than ever before that the men in our Army, Navy and Air Corps be properly clad with the proper type of wool clothing. It is important, therefore, that we have wool. If we are going to reduce our domestic wool production 35 percent in the number of sheep in 5 years, what would happen in 10 years? What will happen in 20 years? I dare not contemplate what the future of the sheep industry might be unless some type of protection is given this industry.

Are we going to permit ourselves to be left to the mercy of the foreign producers of wool should we have a war? Let us keep in mind that if we should be put at the mercy of attack, the first thing they will do after they have bombed our cities would be to take off our ships, take off the sea the production of foreign countries that might be coming into the great industrial production centers of the United States.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman regards the sheep producer as one of the casualties of the war, does he not?

Mr. HILL. Yes; I do.

Mr. COOLEY. If the sheep industry is a casualty of the war, what is the gentleman's objection to compensating the sheep producers in the manner provided in the Senate bill?

Mr. HILL. The gentleman knows as well as I do what the Senate bill contains. Of course, we considered the Senate bill, but after careful consideration of it we decided if we put wool in section 22, and I hope to come to that in a moment, there is no reason why the wool producer should not have the same benefit that the cotton producers have. Is there any reason why the wool producers should not have the protection that you give the tobacco growers? There is no reason under the sun why all farm products should not have the same protection. I am in favor, and I am sure the gentleman is, of putting wool under section 22.

If I had time I would like to read some of the information on how funds raised by tariff have been used, and how the money obtained from the importation of wool has been used.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. I do not think the gentleman has answered my question. If, during the war, we built up a tremendous stock pile of wool, and it is down to the extent of 400,000,000 pounds or more, hanging over the wool market, and if it is a casualty as a result of the war, why should we not provide the necessary money with which to save harmless the wool producers of America and protect them in that way rather than to go into the field of tariffs and trade barriers?

Mr. HILL. There is just an honest difference of opinion, I will say to my good friend.

Mr. COOLEY. Is not the result about the same?

Mr. HILL. If I thought you could get the same protection under the Senate bill, you would have no argument from me, but you must confess that wool has as much right—and I say "right" now because we are talking about production, the wool itself, not the wool producer—to be under section 22 as any other commodity.

Mr. COOLEY. I would like to interrupt the gentleman to just make this statement, that section 22 only became necessary because we had certain adjustment programs in regard to certain commodities. Many of them were exportable crops and we curtailed production.

Mr. HILL. If the gentleman will yield me some more time I will be glad to continue this dialog indefinitely. I feel I have the answer, and the answer is this, that the wool, in itself, has the same right that cotton has, that peanuts have, and that tobacco has. They should all be treated alike, and I am certain that the Senate bill did not do that.

Mr. COOLEY. Following the gentleman's argument, we might as well say that section 22 should be applicable to all agricultural commodities.

Mr. HILL. And I will support such an amendment.

Mr. COOLEY. I would not.

Mr. HILL. Because the gentleman has been receiving special treatment, and therefore he would not support it.

Mr. COOLEY. No; I am not.

Mr. HILL. Well, I am not one to argue with the gentleman.

To continue my talk, I would like to say one further thing. Notice the importation of wool. I wish I could read all the figures. I gave them to the chairman awhile ago but let me give you these figures of the amount of wool imported into this country in recent years.

In 1946, 819,253,000; 1945, 704,034,000; 1944, 582,168,000; 1943, 642,887,000; 1942, 782,647,000; 1941, 613,566,000; 1940, 197,783,768; 1939, 74,611,135; 1938, 18,442,673.

I have the importations of wool and apparel wool since 1941. That ought to go back far enough for any gentleman on my right hand, and I will include them in my remarks. Now who supports this legislation? That is interesting. I think every one of us should keep in mind just who the folks are that asked for this legislation. I know that we are going to be accused by saying this is special legislation for the wool growers. It is nothing of the sort. There never was a piece of legislation more necessary for the boys and the girls that need wool clothing and the men and women that need wool clothing. It is all bosh and folderol to stand up here and say we do not need this legislation. We need this legislation if you are going to protect this industry.

Let us see who supports it, and you will be surprised when I tell you. Here are some of the people that support this legislation, and I have a list of them in my hand. Let us see who they are. The first is the American Farm Bureau Federation, and I have a wire from them that I will file with the committee.

Then we have the National Grange, and I want to read what they say about this:

During the war farmers expanded total production by more than one-third at the urgent request of the Government to feed this Nation and our Allies. That expansion was made at considerable sacrifice in soil and human resources.

There is no reason why they should not support this program. That is the National Grange. In addition to the National Grange, I have the National Council of Farm Cooperatives, and all the wool growers associations, of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, and the Texas Sheep and Goat Raisers' Association—we even got the goats in the territory of the gentleman from Texas [Mr. FISHER]—the Utah Wool Growers, the Washington Wool Growers, and the Western South Dakota and the Wyoming Wool Growers. We are not in strange company and we are not alone in this great effort to try to save the sheep and the wool industry. Not only that, but I say to you with all the earnestness in my soul that this might be the example, this might be the diagram, this might be the way to solve the difficulties that are going to rise as we pass out of this war era into the postwar period in the production of agricultural products.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, this bill should be enacted and section 22 of the AAA Act should, as recommended by the House Committee on Agriculture, be included. That will enable the President, if he finds that conditions warrant, to have the Tariff Commission to hold hearings and determine at any time whether the dumping of foreign wool on our markets is materially interfering with the Government's wool-support program. Then, upon that finding, the President may impose import fees on such imported wool in such amounts and for such period as in his judgment may be necessary.

What is wrong with including wool under that section, Mr. Chairman? It is claimed by some that to do so will interfere with international trade. It is claimed that Mr. Clayton who has been attending the Geneva Conference on trade agreements feels that to include wool under section 22 will hamper his negotiations. It is intimated that Great Britain and her Dominions object to wool being included in section 22. Has it come to pass that we must seek permission from a foreign country before we dare enact legislation dealing with a domestic issue? Surely that cannot be the views of the British. Only last month the British increased the tariff by 50 percent on American tobacco imported into that country. We were not consulted about whether we should like that or not. This is a domestic issue.

This bill should not be clouded by all this talk about a tariff issue being involved. That is not the case at all. It is proposed here to include wool under section 22 just as cotton is already included and just as wheat is already included, and just as many other farm products are already included. If placing wool under section 22 will interfere with international trade negotiations, then why is it that cotton and wheat and all the others do not have the same effect? If it is good business to apply section 22 to cotton and the others, as I am convinced it is, then why isn't it good business to apply it to wool, of which we have a considerable surplus at this time? The President invoked section 22 in protection of cotton from excessive imports only a few months ago and properly so.

I am sure the gentleman from North Carolina does not care to change that arrangement.

Mr. COOLEY. I certainly believe in section 22 and I realize and appreciate its importance. But certainly section 22 does not deal with any commodity other than a surplus commodity. We are taking wool, of which we have a deficit, and are putting it in with surplus commodities such as cotton, wheat, tobacco, and other crops, and further, the commodities that section 22 deals with are commodities on which we have an adjustment program.

Mr. FISHER. The gentleman might unwittingly mislead somebody by that statement because we are not doing any such thing. We are simply authorizing the President of the United States, if he sees that the conditions require it in order to protect a support program, to have a hearing by the United States Tariff Commission, following which then some such sort of protection may be devised and the provisions of that section invoked.

Mr. COOLEY. I still maintain that my statement is accurate, and I think the chairman of the committee will agree that this is the only commodity which is not a surplus commodity that will be under section 22 if this bill passes as is proposed.

Mr. FISHER. Does the gentleman understand that the letter of the Secretary of Agriculture of February 4 requested that wool be included in section 22?

Mr. COOLEY. The gentleman read a letter a moment ago with reference to the placing of other commodities in section 22.

Mr. FISHER. That included wool, did it not?

Mr. COOLEY. That includes wool. That is because there is a support price on wool and not because there is an adjustment program on wool.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. It is my understanding that the object of this bill is to give the same treatment to the wool growers as is given to the growers of wheat, tobacco, and cotton.

Mr. FISHER. The gentleman is exactly correct.

Mr. BROWN of Georgia. I am for it.

Mr. FISHER. I repeat for emphasis that on the 4th day of last February the Secretary of Agriculture, over his signature, the letter having cleared the Bureau of the Budget, there evidently having been no objection from the State Department or the White House, wrote to the chairman of the Committee on Agriculture suggesting that wool be put under section 22. That is what is proposed in this bill. So what is wrong about it? Are you contesting the policy of the Secretary of Agriculture and the White House and the Bureau of the Budget?

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Utah.

Mr. GRANGER. I hope the gentleman from North Carolina is not laboring under the assumption that there is not a surplus of wool. I thought we had a year's supply on hand that we could not sell.

Mr. FISHER. Yes; not only is there a stock pile of 450,000,000 pounds of wool at this time, but in the pipe lines and factories they have an equal amount, making a total of about 1,000,000,000 pounds in this country today.

Mr. GRANGER. In addition to that, there is a world surplus of wool.

Mr. FISHER. In addition to that, there is a total of 4,000,000,000 pounds of wool in the world, which is the highest at any time in the history of the world. The United States of America is the principal dumping ground today. They are looking for places where they can sell that wool. This old question of the tariff issue has no place in this debate, because the President of the United States determines whether the act should be invoked and not until it is necessary will that be done.

Mr. COOLEY. The gentleman must be in error on that. The Tariff Commission must make findings before that is done and based on those findings the President in good faith shall proceed to impose a fee.

Mr. FISHER. The gentleman, of course, knows that the Tariff Commission cannot do anything until the President makes a finding that it is necessary for the Tariff Commission to make an investigation and only at the request of the President of the United States can the Tariff Commission invoke its jurisdiction over this subject matter.

Mr. COOLEY. I think the President is going to exercise his judgment honestly and fairly and only if the necessity exists as found after a hearing conducted by the Tariff Commission.

Mr. FISHER. That is right, and then it is applied only when a condition of necessity actually exists.

WARTIME STOCK PILES DISRUPTED MARKETS

Now, Mr. Chairman, it is contended by some that this legislation is not necessary and that it is too favorable from the standpoint of the domestic wool grower. I deny that. Before the war there was no demand for relief. The consumption in this country by our mills was about 600,000,000 pounds per year. Our wool then moved at prices competitive with foreign wools, regardless of whether the domestic grower made money or not. The fact is that the home-grown wool was consumed and the market was kept uncluttered by stock piles. But today the picture has reversed itself. Eighty percent of apparel wool consumed by our mills last year came from abroad and only 20 percent was grown in this country. In 1945, the percentage of domestic wool consumed was only 26.3 percent. For several years immediately before the war our mills used American grown wool to the extent of 70 to 90 percent of total consumption.

This condition has come about, Mr. Chairman, as a result of conditions growing out of the war. The British wool monopoly came out of the war with three times the normal carry-over of wool on hand and with greatly reduced

markets. The war reduced the markets in Europe and Japan. In this country a year before Pearl Harbor, arrangements were being made for stock piling of imported wools for security reasons. We held as high as 518,000,000 pounds of British wools on storage. We bought outright a total of 302,500,000 pounds of Australian wool and 34,700,000 pounds of Uruguayan wools. In addition the British in 1942 warehoused in this country for consumption in an emergency 122,000,000 pounds of South African Cape wool.

Practically all of this wool has been liquidated, but its disposal has burdened the domestic market and added to the accumulation of the present stock pile of about 450,000,000 pounds by the CCC, with a new spring clip now being shorn.

From this background, it is easy to see that the wool marketing situation is far from normal. And aside from the domestic supply there is the world stock pile. It comprises a total of around 4,000,000,000 pounds. It is estimated that it will take at least a decade to absorb it in an orderly way. An estimated two-thirds of the world accumulation is under the cartel control of a joint organization known as the British Wool Disposals, Ltd., a corporation jointly owned by the four Governments of the United Kingdom, Australia, New Zealand, and the Union of South Africa. Those countries normally produce some 85 percent of the world's supply. Throughout the war they have maintained stable prices for their growers. On at least two occasions the compensation to the producer has been increased. This has helped to prevent a decline in the number of sheep raised and amount of wool produced. To keep wool production as a thriving business, the British naturally look to the United States as their principal market, one of the very few financially stable markets in the world today. Foreign wool imports last year amounted to 819,253,000 grease pounds, or six times the average importation of that period from 1936 to 1940, inclusive. And yet we hear people talk of the wool tariff interfering with world trade.

DOMESTIC SHEEP INDUSTRY ON DECLINE

And our sheep industry was a war casualty from still another standpoint. Because of lack of stability of the domestic market, the uncertainty of the future, the increased cost of production, and the dumping of foreign wool on our domestic markets while our own stock pile has increased, the sheep population in the United States has dwindled appreciably during the past few years. This decline in numbers has been both constant and alarming. The drop has come from 49,807,000 in 1942 to 37,517,000 in 1946, according to figures compiled by the Department of Agriculture. The unofficial estimate for 1947 is that the decline will bring the number to around 32,542,000. The corresponding production of wool has declined from 459,478,000 pounds in 1942 to an estimated 300,000,000 in 1947. There you have an industry, Mr. Chairman, one that the Army and Navy Munitions Board declared to be a strategic and critical one from the standpoint of national security, declining by a third in only 5 years. And yet there are those who say the Government should keep its hands off and take no interest in the plight of the sheep grower in this country and the maintenance of a domestic wool industry.

REASONABLE PRICE IS ESSENTIAL

Mr. Chairman, I realize full well that that there are those who would like to see the domestic wool industry thrown to the wolves. There are those who say it is an uneconomic industry. Such shortsighted people would do well to consult with Army and Navy officials who are thinking in terms of the future security of this country. They would do well to talk with Maj. Gen. E. L. Corbin, Director of Procurement, Office of the Quartermaster General, who at one time during the war stated:

> There is no doubt that Old Man Winter and the lack of wool in Germany is causing as many casualties in the German Army as is powder and ammunition.

They would do well to think of that day when this country will be entirely dependent for its wool upon a foreign cartel. And when they do they will be thinking of that day when wool will probably sell for $1 a pound.

Now, it has been contended that the 1946 price of wool is too high. The facts simply do not support that conclusion. The price is not too high. When compared with general increases of other agricultural commodities in recent years, the price would appear to be too low. Let us look at just a few of them. Take rye, for example. It brought 57 cents a bushel in 1941, and in 1946 it sold for $1.91, an increase of 233.3 percent. Corn sold for 71 cents in 1941, and jumped to $1.73 last year, an increase of 144.4 percent. Flaxseed, which is highly subsidized by the Government and which is a competing fiber with wool and free of a depressed market caused by a Government stock pile, brought $1.85 per bushel in 1941 and the recent price was $3.77, an increase of 103.8 percent. Wheat increased by 86.8 percent. Cotton, whose price has been far too low for years, increased by 101 percent, and the price of peanuts jumped exactly 100 percent, a very proper increase. Lambs went up 60 percent and sheep prices were hiked by 43.6 percent. These are official Government figures.

NO INCREASE IN WOOL PRICES SINCE 1941

But what about wool? What has been the increase in the price of wool since 1941? Those of you who are not familiar with the facts will doubtless be surprised to know that there has been no increase whatever in the price of wool to the growers since the Japs struck at Pearl Harbor. There had been an increase from September 15 to December 9, 1941, of 13.2 percent. With the cost of feed and labor increasing from 100 to 200 percent during the war and with all other cost factors increasing, how can it be said that the 1946 price of wool is unreasonable?

The fact is, a very strong case can be made in favor of an increase. But we are not here asking for that. We are willing to go along through next year at the price that was frozen at the time of Pearl Harbor. President Truman has himself recognized the plight of the wool grower and has suggested that a more equitable price formula be devised. He has said the present price is too low. A year ago the President addressed a letter to the chairman of the Special Wool Committee of the Senate in which he stated:

> There is general agreement that this Government must protect the incomes of wool growers on a level comparable with that afforded producers of other agricultural products.

The President went on to say:

> Specifically, in view of the large-scale decline of sheep numbers in the United States during recent years, the large wool surpluses now hanging over foreign and domestic markets, and the present and prospective marketing problems confronting wool growers, it would seem desirable for Congress to enact special wool legislation. Such legislation should provide that—
>
> 1. The parity price of wool be revised or established at the so-called comparable level so that wool parity prices will be on a level equivalent to parity prices for other farm products.

Mr. Chairman, the President there took note of that which is generally recognized with respect to the parity formula for pricing wool. The parity base being the 1909–14 period, it is a well-known historical fact that as compared with other agricultural commodities, wool is placed at a disadvantage. That was an unfavorable period for wool because wool prices were depressed at that time, and also because of the fact that in 1913, there was an elimination of import duties on wool. That explains President Truman's recommendation that the parity on wool be revised "on a level equivalent to parity prices for other farm products."

Other farm products have been revised on a comparable basis. I refer to the revised or comparable prices established for dry field peas, peanuts for oil, and soybeans, all of which are subjects of Government support under the so-called Steagall amendment at this time.

If the comparable price formula were adopted and then if even 90 percent of comparable price were paid for wool, the average to the grower would amount to 3 cents per pound more than the 1946 wool price. But as I have said, the comparable price proposition is not before us. No fight, howsoever justified, is being made for it. The committee of the House, and the Senate itself, have already decreed that the price shall be the same as was paid in 1946, and we accede to that determination. Then, too, there is the matter of competitive prices on synthetics to be considered.

GROWER ENTITLED TO PROTECTION WHILE STOCK PILE IS BEING DISPOSED OF

Now, in conclusion, the simple facts are, as the Washington Post recently pointed out in an editorial favoring the imposition of import fees on wool, that the domestic wool industry is in a dilemma. This came about by no act of the grower. It came about as a result of the war. Vast Government stock piles for reasons of security and unprecedented imports served to disrupt the once stable domestic wool market. The grower is entitled to protection during the time that condition, brought about by no

act of his, is being relieved. It is well known that cost of production of wool in some foreign countries is so low that they can produce it, ship it across the seas and pay the tariff and still sell at or below the cost of production in this country with its high standard of living. That is especially true when the world supply and its disposal is being manipulated by a State-controlled monopoly over some 85 percent of the world's wool supply.

This is a temporary measure. The cost will not be much. It must be remembered that customs receipts on imported wools to this country in 1946 amounted to about $156,000,000 for the United States Treasury. Only a comparatively small portion of that amount will offset any losses to the government by supporting the domestic wool prices as provided in this bill. This bill will help to stabilize the market and add encouragement to the survival of the domestic wool industry.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wyoming [Mr. BARRETT].

Mr. BARRETT. Mr. Chairman, I ask unanimous consent that my colleague from Montana [Mr. D'EWART] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. D'EWART. Mr. Chairman, I can do little more than reiterate what my colleagues have said concerning this important measure. The gravity of the situation so far as the sheepmen of the West are concerned cannot be exaggerated. The fate of the wool industry in Montana, one of our most important agricultural pursuits in my State, will be decided by our action on this bill.

The uncertain future of the wool industry is reflected in the gradual reduction of numbers of stock sheep in Montana. During the past 50 years the total annual income from wool grown in Montana has varied from $13,500,000 to $3,000,000, while our production of wool has varied from a high of 38,500,000 pounds to the present low of less than 20,000,000 pounds. Our numbers of stock sheep have declined in recent years from a high of 5,500,000 to the present all-time low of an estimated 2,000,000. The gradual liquidation of this highly important segment of our economic picture is very serious in a State where 50,000,000 acres, or 53 percent of the total land area, is classified as range land and is useful only for grazing.

Operating under a price ceiling established at the time of the Pearl Harbor attack, our wool growers have received no benefit from the wartime increases in prices which increased the incomes of all other farmers. Instead, they have been placed in grave jeopardy by a Government import program which flooded this country with wool from competitor nations.

I need not remind you that wool is an essential strategic material, and that without a healthy wool industry our Nation in the event of attack would be at the mercy of anyone who could cut our supply lines to a source of wool.

This measure is the minimum essential program to preserve an important industry. We have worked long and diligently to prepare it. It is of vital importance to the Nation as a whole that it be enacted into law without further delay.

Mr. BARRETT. Mr. Chairman, the sheep industry of this country is in a mighty bad way. Everyone knows that in order to conduct a business in a reasonably prosperous manner a minimum volume must be maintained. As has been pointed out in the debate this afternoon, the sheep population of this country has dropped more than 35 percent since 1942. Most of the wool growers of the country has reduced their herds to the point where they cannot operate on a profitable basis. The gentleman from Pennsylvania [Mr. EBERHARTER] makes the statement that if we pass any legislation that will protect the sheep industry that it will interfere with the negotiations which were started at Geneva a month ago Now, the plain implication of that statement is that Britain and its dominions have demanded reductions in the existing wool tariffs. We have already reduced our production of wool by one-third, and I am sure that it is as evident to you as it is to me that a reduction in the tariff can result only in a further liquidation of the sheep industry, and I think it is fair to state that we have now reached the point where another blow to that great industry would mean its complete liquidation.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. RICH. We not only want to protect the sheep industry in this country, but we want to protect every industry and every job in this country. The gentleman from Pennsylvania [Mr. EBERHARTER], who wanted to aid and assist Mr. Clayton, is trying to hand everything over to some foreign country.

Mr. BARRETT. It seems to me, Mr. Chairman, that we should do whatever may be necessary to protect the interests of our own great country. After all, every nation is impelled to act in its own self-interest. The Army and Navy Munitions Board stated less than a month ago that wool is a strategic and critical material, necessary for the security of this country. How in the name of common sense are you going to protect the interests of this country unless you produce and have available a source of supply of that strategic material. You certainly will have no such supply available if you liquidate the sheep industry of the United States.

The day before yesterday I read an editorial to the effect that if the sheepmen of this country could not compete with the world price of wool, the best thing for this country to do was to get out of the sheep business. What is that going to do to the economy of the West? We have 800,000,000 acres in 11 Western States. The main crop from that great area is grass. We harvest that crop by running sheep and cattle on the range. If we go out of the sheep business there is no other way to utilize that grass. We already have 10,000,000 excess cattle. So if we destroy our sheep industry as some suggest about half of our range would be wasted.

There are 220 counties in the West that depend on livestock operations for the maintenance of their economy. Anything that impairs or interferes with the livestock industry will make it difficult if not impossible for those 220 counties in the 11 Western States to maintain themselves.

Now, how did we get into this difficulty? When war was declared the United States said, "We are liable to be cut off from our supply of wool from Australia." England said, "We do not know that we will be able to get our wool from Australia to London." So the United States embarked on a program of importing terrific quantities of wool into this country. They brought in, at one time, 300,000,000 pounds of wool.

They gave assurances to the wool growers that it would not be sold in competition with our domestic wool. Later on the wool was sold in this country. Then Great Britain brought in an additional 500,000,000 pounds of wool. In order to encourage the growers of this country to expand their production of wool notwithstanding these great imports of wool, the Commodity Credit Corporation instituted its purchase program. The wool growers of this country were assured by officials of the Government that the program would be continued for the duration of the war and for 2 years thereafter.

Some people have intimated that we propose to increase the price of wool. The fact of the matter is that no increase is provided in this bill for domestic wool. It merely continues the same program until December 31, 1948, that has been in existence since Pearl Harbor and at the same price.

At the present time the difference between the price of imported wool coming into this country and the support price of the Commodity Credit Corporation is 5 cents a clean pound. To make a suit of clothes takes about 3 or 4 pounds of clean wool. That means that if you raise the price of the imported wool to the domestic price, the wool necessary to make a suit of clothes would cost less than 20 cents more.

If it is important, as I think it is, that we maintain the sheep industry in this country, then it seems to me it would be sound for the Congress to give the President of the United States authority to bring the cost of foreign wool up to the price paid to the domestic producers.

Mr. Chairman, I do not believe that any country on earth would object if we took such action. The fact of the matter is that the Government has a stock pile of wool in this country amounting to 460,000,000 pounds. We are going to produce 300,000,000 pounds of wool this year and 300,000,000 pounds of wool next year, so that the total amount of wool on hand and to be produced will amount to about a billion pounds. It is just common sense for us to provide some

method whereby that wool will be sold without loss to the Treasury and on such basis that the wool growers of this country can operate and continue in business. I know the gentleman from Massachusetts has many wool dealers in his district. The effect of his amendment is to increase the loss the wool growers are taking of 9½ cents on every pound of wool they produce to 14 cents a pound. If you want to destroy the sheep industry then support the gentleman's amendment.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, day before yesterday I had an opportunity to confer with Mr. Clayton who had just recently returned from Geneva. During our conversation we discussed the effect of this pending legislation and at my request he has written me a letter which expresses his views concerning this very important bill now being considered.

Mr. Chairman, I ask unanimous consent that the clerk may read this letter to the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

DEPARTMENT OF STATE,
Washington, May 22, 1947.

The Honorable HAROLD D. COOLEY,
House of Representatives.

MY DEAR MR. COOLEY: I take pleasure in this opportunity to answer your inquiry of May 19 concerning the views of the Department of State with respect to proposed wool legislation. I refer to S. 814, a bill to provide support for wool and for other purposes, as passed by the Senate and reported favorably with amendments by the Committee on Agriculture of the House of Representatives.

The bill in the form in which it was reported was not under consideration by the Committee on Agriculture when representatives of the Department testified before that body. We have not had a formal opportunity to present our views on the legislation, as it has been reported.

S. 814, as reported with amendments, is intended to achieve three main objectives. First, it directs the Commodity Credit Corporation to support a price to wool producers at the 1946 level until December 31, 1948. This provision is consistent with the proposed long-run program for wool submitted by the President in his memorandum to Senator O'MAHONEY, March 11, 1946. The Department of State believes this section of the bill accomplishes the essentials of the Administration's plan which recognizes that wool should receive support comparable to that granted to other agricultural commodities.

Secondly, S. 814 authorizes the Commodity Credit Corporation to sell its stocks of wool without regard to restrictions imposed upon it by law. This is necessary because Commodity Credit Corporation must be able to sell wool at the market if it is to dispose of its stocks. This is also consistent with the President's program in the opinion of the Department of State.

Thirdly, an amendment to section 22 of the Agricultural Adjustment Act has been added to provide for the imposition of fees on any imported article by the Secretary of Agriculture if he finds that imports of said article interfere materially with the wool-support program. The accompanying report shows that the purpose of the fee is to increase the price of imported wool to equal the support level for domestic wool. The Department of State advises against the adoption of this amendment. I understand from the CONGRESSIONAL RECORD that it is proposed to modify this import-fee amendment by directing the President, rather than the Secretary of Agriculture, to impose the fees after investigation by the Tariff Commission. This does not remove the fundamental objections to the provision.

If import fees, which are actually increases in the tariff, are levied, they would be harmful to the interests of the United States in the following ways:

First, the cost to the public in increased prices for woolen manufactures would far exceed the increased returns to the wool growers. The President's memorandum, previously referred to, pointed out that "it will be more desirable from a national point of view and more dependable for growers to have the Government absorb losses on sales of domestic wool rather than to raise additional trade barriers against imports." The cost of supporting returns to wool growers must be borne by the public of the United States regardless of the form that support takes. The tariff itself is a subsidy which is collected, like a sales tax, from consumers through raised prices and conveyed to producers by the same means. To talk about avoiding cost to the Treasury is to evade the issue, for the public, and not the Treasury, pays the bill.

A fee will raise the cost of the raw material. This in turn cumulatively increases the cost of doing business at every stage of the production process. Therefore, the final cost to the public as a consumer is far greater under the fee than it would be if raw material prices were not increased by fees and the public, as a taxpayer, paid the subsidy.

In the second place, new import fees on wool would injure the interests of the United States through their effect on our foreign relations. We all recognize the responsibility of this country for leadership, both political and economic, in the postwar world. The United States has taken the initiative in promoting the adoption of principles of economic conduct among nations which would require each country to consider the impact of the economic measures it undertakes on world economic progress. If the proposed amendment providing new import barriers is adopted, the moral leadership of the United States in world affairs will suffer a serious blow.

If at this time, when we are actually negotiating with other countries at Geneva for the lowering of the trade barriers, we raise new barriers as this bill proposes, we stand convicted of insincerity.

Wool is a critical item in our current negotiations for an International Trade Organization for the expansion of world trade and employment. Although wool raising accounts for less than one-half of 1 percent of our agricultural income, it is very important in world trade. It is the most important import into the United States from Australia, New Zealand, and South Africa. It is by far their most important source of the dollars they need so badly to buy our exports. If we impose new barriers to this trade we cannot expect them to cooperate wholeheartedly in creating the type of postwar world we want to have. Without such cooperation the other British commonwealth nations would have difficulty joining with us in a mutually advantageous program. Other nations would question the sincerity of our protestations that we do not intend to retreat to economic isolationism.

Let me summarize by saying the Department approves support to wool growers and authority for Commodity Credit Corporation to sell its wool below parity. The Department therefore hopes that the Congress will adopt the proposed bill as passed by the Senate without amendment.

Sincerely yours,

WILL CLAYTON.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, we have listened to the reading of the letter of the distinguished gentleman, Mr. Clayton. I do not know what position anyone else wants to take, but so far as I am concerned, he is just one more American, no more and no less. I have not heard of anyone electing him to ruin their business. Now, I do not care whether or not Clayton-Anderson Co. made $4,000,000 in 1945 or $8,000,000 in 1946, but I do know that my concept of representative government is that Mr. Clayton has no more right than any other individual to be sent to Geneva and to be giving away an item produced by hundreds of thousands of American people.

I do not know why we continue to appropriate money to control domestic monopolies and then send Mr. Clayton or anyone else to Geneva to connive with a foreign wool monopoly. Do you wish to vote to cooperate with a foreign monopoly? If you do vote against this bill you will be giving your approval to such a program in order to ruin thousands of wool growers in America. So much for that.

I want to say to you here today that this wool bill has reached the high point of high pressure. Never in the heyday of the CIO did they ever put on as good a propaganda campaign as have these woolen people during the last 3 or 4 weeks. To show you how far they have gone, I call your attention to a telegram. I did not think that a big manufacturer of an automobile had time to send telegrams to Members of Congress about a little thing like wool, but here is one from the vice president of the Ford Motor Co. over at Detroit. The following is the telegram:

DEARBORN, MICH., *May 15, 1947.*

Hon. REID F. MURRAY,
Washington, D. C.:

We are informed that Senate bill 814, including amendment 4, which would permit the Secretary of Agriculture to add 50 percent ad valorem tax to present duties on foreign wools is now before the Rules Committee of this House. This bill, if enacted, would result in a material increase in the cost of automobile upholstery. In view of the persistent requests for decreases in the prices of automobiles, in which Ford Motor Co. has assumed leadership, we strongly oppose passage of the proposed legislation and urge you to vote against it. The Herter bill would be more consistent with the normal functions of Commodity Credit Corporation and with the current demands for decreases in prices of manufactured products.

A. J. BROWNING,
Vice President, Ford Motor Co.

For what few years I have been a Member of this House so far I have not jumped through the hoop for the Ford Motor Co. or any other corporation in this country, and any time that I cannot vote and support measures for the interests of the general welfare of the people of this country I surely do not want to be a Member of this House. Pressure is getting farfetched when a big company sends out telegrams about 6 pounds of wool used in a $1,200 to $1,500 car.

I wired him back, as I should, and I asked him, in the following telegram:

WASHINGTON, D. C., *May 19, 1947.*

Mr. A. J. BROWNING,
Vice President, Ford Motor Co.,
Dearborn, Mich.:

Retel regarding wool bill. Advise amount wool used on each car.

REID F. MURRAY,
Member of Congress.

I received the following letter:

FORD MOTOR CO.,
Dearborn, Mich., May 21, 1947.

Hon. REID F. MURRAY,
House of Representatives,
Washington, D. C.

MY DEAR MR. MURRAY: In accordance with your recent wire, you will find below the amount of wool required per passenger car:

Mode.	Broadcloth trim	Mohair trim	Cord trim	Cord and leather trim combination
	Lbs.	*Lbs.*	*Lbs.*	*Lbs.*
De luxe 2-door sedan	4.18	2.28	------	--------
De luxe 5-window coupe	2.27	1.18	------	--------
Super de luxe 2-door sedan	10.32	7.39	------	--------
Super de luxe sedan coupe	8.83	5.73	------	--------
Super de luxe 4-door sedan	11.18	7.34	------	--------
Super de luxe cabriolet	------	------	------	4.31
Super de luxe sportsman	------	------	------	2.43
Super de luxe station wagon	------	------	------	1.60
Mercury sedan coupe	10.88	------	10.50	--------
Mercury 4-door sedan	12.30	------	11.92	--------
Mercury cabriolet	------	------	------	4.31
Mercury station wagon	------	------	------	1.60

Sincerely yours,

A. J. BROWNING,
Vice President.

Well, lo and behold, what do you suppose the amount of wool is they use in making cars? It runs from 4 to 11 pounds per car, and I understand from other sources it averages six and a fraction pounds per car. I answered as follows:

MAY 22, 1947.

Mr. A. J. BROWNING,
Vice President, Ford Motor Co.,
Dearborn, Mich.

DEAR MR. BROWNING: Thank you for your letter of May 21 giving me the information as to the amount of wool required per passenger car. I was surprised to note the small amount of wool used in connection with the making of a car.

Possibly you are not familiar with the subsidy that is being paid for cotton that is being used in the manufacture of a car. The Agriculture Department here advises me that there is about 30 pounds of cotton used for a car and the subsidy is 4 cents per pound. This would make a total of $1.20 per car subsidy.

In regard to the wool bill, there is nothing that the proposed wool legislation would do to make wool any higher than it is at the present time as prices are to be continued at the 1946 prices.

I will not be able to support your position in regard to the wool bill. The labor that has gone into the producing of the wool has increased over one-third since the program was put into operation and it is difficult for me to see why labor that is going into producing wool should not have a forty to fifty cent hourly return at a time when the labor that goes into the car has a much more favorable consideration. There is most assuredly a comparable relationship for all labor.

Factory pay rolls and the gross national agricultural income go hand in hand and our national income is 3½ times the total of the factory pay rolls and the agricultural gross income. In other words, the national income is seven times more than the factory pay rolls or the national gross farm income. Since I believe that all labor should have comparable consideration, I would not care to be in the position of reducing the hourly income of one labor group when they are already receiving a comparably smaller labor income due to 1946 wool prices.

Sincerely yours,

REID F. MURRAY,
Member of Congress.

I do not want to raise the price of cars, because they are high enough now. They are evidently sending the largest number they can out of this country to prevent Americans from getting them. I should have forcibly called attention to the fact that section 32 funds are derived by taking 30 percent of the custom receipt. They have provided Mr. Ford with $1.20 subsidy in the form of the cotton battings that go into his car. So I thought possibly under the circumstances, as long as the public was subsidizing Mr. Ford $1.20 on the cotton for each car, he ought at least pay somewheres near that amount to the wool growers for the wool used in his cars. At the least the wool grower should have 40 to 50 cents per hour for his labor. I hope that Mr. Ford sees it that way.

I hope the next time he comes to Washington he gives a banquet for the boys and girls of America, the 4–H boys, that he has this thing in mind, because there is nothing that the farm people need as much as they do a little money on the barrelhead for their work. They do not need all this blah-blah-blah stuff. You give them 40 to 50 cents an hour for producing the wool, and I am sure the wool producers of this country will be in a position to attend to their children.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wonder if the gentleman has any information on the current situation wherein automobile dealers are advertising that they will pay from $100 to $1,000 premium on new 1947 cars so that those cars can be shipped out of the United States and sold to foreign purchasers, to whom we furnish dollar credits through these grants, gifts, and loans, thereby using another tool to deprive the good people of this country of the opportunity to buy 1947 automobiles.

Mr. MURRAY of Wisconsin. I will answer my colleague by saying that I do know about this situation but am willing to accept his opinion as correct. I am interested in seeing that the wool grower at least gets 40 to 50 cents an hour for producing wool, and any time that the Ford Motor Co. cannot do that they had better put sawdust in their seats.

Mr. CRAWFORD. The gentleman wants him to get that 42 to 44 cents an hour so he can buy an American-made automobile?

Mr. MURRAY of Wisconsin. Yes; the gentleman is absolutely correct.

Mr. CRAWFORD. At the same time we should be concerned about how we are going to supply the dollars to other people to take that car away from him at a large premium before he gets a chance.

Mr. MURRAY of Wisconsin. I will say to the gentleman that so far as I am concerned I have been rather careful in that regard.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. GRANGER. Going back to Mr. Clayton's letter again, I think there is a very interesting paragraph here, next to the last paragraph, where he says:

> Wool is an agricultural item in our current negotiations for international trade organization for the expansion of world trade and employment—

What does that mean?

Mr. MURRAY of Wisconsin. I presume he means that wool is one of the principal items on the Geneva agenda.

Mr. GRANGER. Then he goes on to say:

> Although wool raising makes up less than one-half of 1 percent of our agricultural economy, it is very important in world trade—

Which means to me that Mr. Clayton has been over at Geneva negotiating to reduce the tariff on wool, and because it is just a little item he is going to negotiate it out of existence. That is what that paragraph means.

Mr. MURRAY of Wisconsin. I think the gentleman is right. I think he is amply justified in his conclusion.

Mr. Chairman, I want to say a word to my good friend, the distinguished minority leader. I have been here for nearly 9 years with him, and I certainly have a high regard for him. It will not be very many days before the President is going to ask for further controls over exports. There is much pressure being brought right now to get rid of all export controls. Many people wish to discontinue export controls. Personally, after analyzing it, I have committed myself. Surely, I think certain of these controls should be extended. The reason is that if we do not do it, then this money that our colleague, the gentleman from Michigan, tells us about which is scattered all over the world and which they may or may not intend to pay back, will be used to purchase American food products without regard to the consumers of America. They may pay $4 to $5 a bushel for wheat, and the people of the United States will be allowed to starve to death. I say to the minority leader that I hope any time I vote to give the President power to control exports out of this country I am consistent when I am willing to give the President the power under this bill to have him control the imports into this country. If that is an unfair position, I will yield to anyone to correct me.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. HILL. I would like to go back to the proposition you mentioned a while ago regarding the cost of producing wool. Let me read about six lines from the Bureau of Agricultural Economics of the Department of Agriculture report which shows "that the index number of prices, interest and taxes paid by farmers as a group increased from 136 as of September 1941 to 207 on September 1946, an increase of 45 percent. The index number of farm wages for the same period

rose from 165 to 389, or an increase of 136 percent. For example, in 1940 the average monthly wage for sheepherders was approximately $60 per month and board. In 1946 the average monthly sheepherder wage was $160, or more than twice as much as in 1940."

Then they expect us to take away this protection on the price of wool to the farmer and let them go absolutely to the very bottom of the pit so far as the price of wool is concerned.

Mr. MURRAY of Wisconsin. The wool people are not asking anything unfair when they ask for 41 cents plus per pound for wool. The lambs were subsidized during the war. The whole animal should have been classed as a Steagall commodity in the beginning. Wool is entitled to the same protection that is afforded any other Steagall commodity.

I do hope that this bill passes. The American farmer will then have assurance the Eightieth Congress is going to fulfill the commitments made under the support program. To do less would be unfortunate.

Mr. PACE. Mr. Chairman, I have some misgivings as to whether the membership regards the vote on this bill as important as it may prove to be. In my judgment, the vote on this bill will, in large measure, determine the future farm program of this Nation. I think there are some fundamental questions involved and I think now, as well as any other time, we might as well face them and decide them.

If the farmers of this country must depend upon a program carrying support prices and which, at the same time, permits the import, practically without limit, of competitive agricultural commodities, then the farmers, as well as you, have sense enough to know that such a program would not continue over 12 or 24 months. The Treasury of the United States, strong as it is, is not able to support prices of agricultural commodities at one figure, and certainly it should not be at less than 90 percent of parity, and then permit the producers in foreign countries to send their commodities to this country without limit. You know as well as I know that the Congress of the United States will not, from year to year, appropriate two, three, four, five, or perhaps six billion dollars to make up the loss. I repeat that what you do today on this question, of whether or not you shall support wool at parity and then order the Commodity Credit Corporation to sell not only the 500,000,000 pounds of surplus it now has, but in addition to sell probably 700,000,000 pounds more which it will acquire from the 1947 and 1948 clip, is a fundamental question which you must decide. You are ordering them to support it at one level and then ordering the Commodity Credit Corporation to sell it at a much lower level. I say to those of you who have expressed approval of the Senate bill, that is exactly what the Senate bill does, and nothing more. It orders an agency of your Government, the Commodity Credit Corporation, to continue to support wool at the parity price—which is no more than a fair price—and, in the same breath, orders that agency to dump about 500,000,000 pounds it now has on hand and such other million pounds as it may acquire at the world price.

Now, let us look at this bill a minute. It does three things. First, in very simple language and in very few words, it says the Commodity Credit Corporation shall continue to support American wool at the same price it was supported during the war.

May I say here: You will have extreme difficulty in the Department of Agriculture in trying to find out exactly what that support is. First, they attempt to give you the cleaned support price. Then when they try to reduce it to the grease price they tell you simply that it is the same as the OPA ceiling, basis Boston. On the 15th day of April this year the parity price of wool was 42.1, and the support price was 42.1 or 2 or 3. So I think, to make this easy, because the difference is insignificant, we can say that the parity price of wool is 42 cents and the support price proposed in this bill is 42 cents. I think that makes it much easier in your thinking. The distinguished gentleman from Massachusetts [Mr. HERTER] gives 42.3 cents, and that is about as good a guess, I think, as he could get out of the Department—as the support price up to April 15. So the bill would continue to support wool at parity, and for that principle I am in most enthusiastic support. Those who believe in the parity principle know that it is no more than a fair price to the producer, and that the producer should realize parity.

Secondly, in about two lines the bill orders the Commodity Credit Corporation to sell the wool that it now has and may hereafter acquire at the competitive price. I think I should read those words that all of you may have them clearly in your mind:

> The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restrictions imposed upon it by law.

The Commodity Credit Corporation, therefore, is just as free as any person could be as to the price and how it shall handle the disposition or the dumping of this approximately 500,000,000 pounds it now has on hand and all wool it may hereafter acquire.

Thirdly, the Senate bill as originally reported out carried section 4 which gave the Secretary of Agriculture the right, when the conditions described arose, to order the imposition of an import fee on wool not in excess of 50 percent ad valorem, and also ordered the imposition of a floor tax comparable with the import fee, the idea being to prevent the American importers who may have millions of pounds of wool in their warehouses from making a quick windfall profit. So a comparable tax was to be levied on floor stocks. But it developed that there were many concerns in this country who had contracts out for 3, 6, 9, and possibly 12 months on goods to be manufactured out of wool, and they were bound by contract on the basis of the present price of wool. They took the position that if we imposed this floor tax on them it would mean absolute bankruptcy. The chairman of the committee and other members saw the merit in this contention, and the result is that the committee reconsidered section 4 and now by amendment seeks to treat wool just the same as we have treated all the other basic commodities, and many other commodities produced in this country; that is, to give the President of the United States when he sees fit—and I repeat those words—when he sees fit, authority to call upon the Tariff Commission to make an investigation and find out whether or not the importations of wool are so great as to interfere with programs maintained in this country; and then when the Tariff Commission has made its report the President may issue a proclamation imposing an import fee on wool if he is satisfied with the report of the Commission. And listen to these words in section 22 on this question of import fees, and I read subsection (d):

> Any decision of the President of the United States as to the facts under this section shall be final.

It lies entirely within the discretion of the President of the United States to act in the first instance and to review the report of the Tariff Commission.

Mr. ZIMMERMAN. Mr. Chairman, if the gentleman will yield, I thought that was stricken out by the Rules Committee.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GRANGER. Mr. Chairman, I yield five additional minutes to the gentleman from Georgia.

Mr. PACE. I beg the gentleman's pardon. I was reading from the original bill. Let me check with the gentleman from Kansas to be sure.

Mr. HOPE. I may say that the provisions to which reference is made are contained in a later subsection of section 22. It is not necessarily included in this amendment.

Mr. PACE. But it is still the law?

Mr. HOPE. It is still the law.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In the event section 32 funds are not continued, as has been reported as the action taken by the Subcommittee on Agricultural Appropriations of the Appropriations Committee and are not available as heretofore, I will ask the gentleman whether wool under the terms of this bill, if passed by the House, has any status preferred over and above cotton, say?

Mr. PACE. It will not.

Mr. WHITTINGTON. Will the passage of this bill guarantee the fixing of the fee where a quota is now provided by other law, with respect to cotton or other agricultural commodities?

Mr. PACE. It will not affect the right under the present law of import fees on cotton.

Mr. WHITTINGTON. In other words, cotton, for instance, will still have the right to an import quota even though the section 32 funds are not made available? If this bill passes cotton is in the same category as wool?

Mr. PACE. Yes.

Mr. WHITTINGTON. Under the terms of this bill?

Mr. PACE. In exactly the same fix except cotton will be in a better position because the amendment prohibits the right to put quotas on wool, which is now authorized for cotton.

Mr. WHITTINGTON. It is not necessary to insert the words "or other support program" as now carried on under the Agricultural Adjustment Act?

Mr. PACE. It would not.

Mr. Chairman, so far as I know, there is not a sheep living in the Third Congressional District of Georgia. I have utterly no concern directly in the personal welfare of any constituent who is a producer of wool. But there is one thing of which I am deeply convinced and that is, I do not feel I have any right to ask the Congress to do any more for the cotton producer, for the tobacco producer, for the peanut producer, for the producers of those other commodities which are peculiar to my section, than the wool producers have to ask the Congress to do for the producers of wool and the other commodities of the great West. In my opinion, agriculture in this Nation can survive only if there is no selfishness among the different commodity producers. The principles of this bill are right. I am not going to vote to put the producers of my State under quotas and other control unless there is some reasonable limitation of control placed upon the producers in foreign lands. You cannot pay three, four and five dollars a day for cotton-picking and compete with cotton produced in other countries at 30 and 40 cents a day. I know you bring to me—I hear it all around—the great benefits of international trade, but I bring to you the answer that the greatest market in the world today is the American farmer. If you give to the American farmer a fair price for his crops he can consume for many years all the products of American industry.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. I want to be sure I understand the gentleman. Did the gentleman mean to say he would vote to repeal the triple-A program which provides for a bonus on cotton in his State, without limiting the production of cotton?

Mr. PACE. Under this very section 22 they stopped cotton imports from coming into this country. You can import only 90,000 bales into this country, and the reason you cannot bring in more is section 22, and we are now trying to bring wool under this section.

I repeat that I am not going to vote to put the farmers of my State under controls and open the ports of this Nation for unlimited imports of competitive commodities. Does the gentleman intend to do that? No. I can answer for him.

You may agree here today to support commodities, like the Senate did, at one price and then dump them at another price. I do not know what the price would be if you dumped this 500,000,000 pounds on the market. But, if you vote here today to do that I make you this prediction: You might as well send word to the farmers of this Nation to get ready for 1949, because unless we are able to continue the support program, unless we are able to give the farmers who produce the food and fiber to feed and clothe the people of this Nation protection, and who I think are entitled to that same degree of security and protection as the people who eat that food, unless you can give them that assurance, then in my judgment you will have a condition in 1940 or 1950 exactly comparable with that which you had in 1920, and you might as well get ready for it.

I give this bill and I give the amendment to be offered by the distinguished chairman of my committee my most cordial and enthusiastic support. Section 22—get it straight—was written into the law on the recommendation of the late President Roosevelt; it was contained in the Triple-A Act of 1933. When the Supreme Court in 1936 declared a part of that act unconstitutional, this Congress expressly reenacted section 22. It was again repeated by special enactment in the Marketing Agreements Act. So on three separate and distinct occasions, a Democratic Congress of the United States has said that when we have an agricultural program in this country, when we attempt to protect the producers, and this flood of foreign agricultural commodities comes in here that would destroy those programs, the President of the United States in his discretion, upon the recommendation of the Tariff Commission, may, through the imposition of import fees or through the imposition of quotas, stop this inflow of foreign commodities and give the protection to which they are entitled to those, may I say again, who produce the food and fiber for the rest of the millions of this Nation to eat and be clothed with.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in legal jurisprudence there is a plea known as "confession and avoidance." I am sure that it is an appropriate plea for me to enter at this time.

Frankly, I must confess that I did not appreciate fully the importance of the subject with which my committee was dealing when the committee had under consideration the very controversial matter which is now before the House. Maybe I was somewhat "wool gathering." I frankly confess that I know very little about the problems of wool producers, and since my knowledge of the subject was very limited, I was rather inclined to follow my good friends, WALTER GRANGER and BILL HILL, and others on the committee in whom I have always had great confidence. Very little importance seemed to be attached to the measure when its provisions were discussed in the committee, so I went along with the committee in reporting the bill. We amended the Senate bill, and when it was finally reported by the committee I learned for the first time that it was of tremendous importance. I doubt very much if other members of the committee fully realized the far-reaching implications of the measure. While I have no right to speak for other Members, I frankly confess that I did not understand or appreciate the great and devastating effect which the measure might have upon our foreign economic policy and upon the rebuilding of world trade.

After the bill had been reported, and while it was pending before the Rules Committee, I made inquiries and the information I obtained led me to conclude that the bill was in many respects objectionable. A few days ago our committee was called together in executive session to consider a new proposal. The new proposal was submitted by the distinguished chairman of our committee, and, frankly, it appeared to be much better than the bill which the committee had reported. In the first bill reported we gave broad powers to the Secretary of Agriculture, a Cabinet officer. In the amendment which was adopted a few days ago by the committee, we gave these same great powers to the President, to be used by him upon information or findings of the Tariff Commission. No hearings were held by the committee on the new proposal and everyone seemed to approve the same. Much to my surprise, I was later informed that the new proposal was not drafted by a nonpartisan subcommittee of the House Committee on Agriculture, nor was it drafted by any subcommittee of the House Committee on Agriculture, appointed by the chairman of the committee. We Democrats might as well face the truth. Actually the truth has appeared in public print. This proposed substitute or amendment was actually written by a subcommittee of the steering committee of the Republican Party. The gentleman from Indiana [Mr. HALLECK], the majority leader, appointed that subcommittee, and no Democrats served on it. That in itself does not make the bill objectionable, but, certainly, it does not make it more acceptable.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Of course.

Mr. HOPE. The gentleman was present at a meeting of the Committee on Agriculture last Saturday, was he not, when that committee unanimously recommended the amendment which will be offered tomorrow?

Mr. COOLEY. I made that confession at the beginning of my remarks.

Mr. HOPE. The amendment was submitted and the committee unanimously agreed to it.

Mr. COOLEY. The gentleman is entirely correct, but I doubt very much that any member of the committee appreciated fully the importance of what we were doing. Not even when the matter was being considered in executive session the second time.

Here, gentlemen, we are dealing with a matter of international importance, of world-wide importance, without even a printed page of hearings before us. The hearings before the House committee have never been transcribed and made available to Members of Congress.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. At the meeting last Saturday was the gentleman aware of the fact that a subcommittee of the steering committee of the Republican Party had drafted this bill?

Mr. COOLEY. I certainly was not. I was actually under the impression that it had been worked out by members of both parties on our committee and had been agreed to. I assumed, since the bill was presented by my distinguished and beloved chairman, that it had received the careful thought and consideration of both Democrats and Republicans on the committee.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. JENNINGS. It would seem, then, from the facts that have just been developed, that if this subcommittee of the steering committee of the Republican Party drafted this amendment it put the gentleman's feet upon the rock, and put a new garment upon him and a new song in his mouth.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman thought last Saturday that a good job was done, whoever wrote the amendment, did he not?

Mr. COOLEY. I probably did last Saturday, but certainly not now. I am not changing my views merely because of the discovery of the true author of the bill. I have confessed frankly that I did not fully understand the important effects of the measure at the time it was reported by the committee. It was not until I had a conference with Secretary Clayton day before yesterday that I understood fully the great importance of the matter now before us. Certainly, Secretary Clayton should have been accorded an opportunity to appear before the committee. In fact he should have been invited to appear and present his views fully, but the fact is that he returned from Geneva, where he was attending the International Trade Organization sessions because of the fact that he had been greatly embarrassed by the action taken by our committee, and certainly he should have been given an opportunity to appear before the committee and to enlighten the members of the committee with regard to the full force and effect which the activities of the committee might have upon international trade and commerce.

I was amazed to find that our Under Secretary of State had been so greatly embarrassed at the important conference at Geneva. I have never seen in all of my experience a statesman who appeared to be more greatly embarrassed than was Secretary Clayton. After my talk with him I could understand fully his situation. While he was sitting at Geneva, talking about reciprocal trade treaties and the urgent necessity for reviving world commerce; while he was advocating a policy of reciprocal action, looking to the elimination of trade barriers and to a free flow of world commerce, over the ticker came a message to him and to his colleagues to the effect that a great committee of the Congress had reported a bill, the effect of which would be to lift new and even higher trade barriers. The representatives of other nations gathered at the conference received the distracting news that a committee of Congress was providing the President with a sword with which he could carve to pieces everything which might be accomplished at Geneva. This bill is incompatible with our policy of reciprocal trade agreements, and, certainly, Mr. Clayton was embarrassed by the news that it had been reported. Certainly, there was nothing for him to do except to come back home.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GRANGER. It is just a little bit embarrassing to all of us if the Republican steering committee wrote this amendment because they did exactly what the Secretary of Agriculture had advised the Committee on Agriculture to do—that is, that we should enact section 22.

Mr. COOLEY. You mean to put wool under section 22?

Mr. GRANGER. That is right.

Mr. COOLEY. I am not aware that the Secretary of Agriculture, Mr. Anderson, made such a recommendation. I do know, however, that neither Under Secretary Clayton nor Secretary Marshall were consulted about this very important international matter, and I am likewise quite certain that neither of them approve this measure.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to my good friend from Oklahoma, late a member of the great Committee on Agriculture.

Mr. RIZLEY. The statement made by the gentleman amazes and astounds me. I served for 5 years with the distinguished gentleman from North Carolina, and I know that there is not a man on the Committee of Agriculture who knows more of the implications of all legislation that comes from that committee. That my friend should stand in the well of the House and say that he was in the committee last Saturday and considered this amendment when it was brought before the committee by the chairman and that he approved of it then, and to hear him say here today that because he later learned that somebody in the Republican Party had something to do with the drafting of the amendment, and that that makes it bad, is something that surprises me and is something that I cannot understand.

Mr. COOLEY. I did not say that I changed my views because of my discovery of the author of the bill, but I changed my views because of my very interesting talk with the Under Secretary of State, Mr. Clayton.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HILL. The question in my mind is this. I appreciate your ability and your ideas on agriculture, being the ranking member of our committee, or at least one of the ranking members, but the only change that has been made in this bill since the beginning was to take out section 4 and put in these few words in section 22. Do you favor such legislation as section 22 for cotton? As the gentleman from Georgia so well stated, are you in favor of that type of legislation for cotton? Answer yes or no.

Mr. COOLEY. I certainly am; yes. Definitely yes; for cotton and every other surplus commodity for which we have an adjustment program. If you will read the language of section 22 as it was originally written you will see in clear, unambiguous English that it deals only with commodities on which there is an adjustment program in operation.

Mr. HILL. But the question arises immediately: What do you mean by surplus? Wool could be a surplus commodity or wheat could be a surplus commodity, and next year it would not be surplus at all. Do you mean to tell me that section 22 makes any distinction in that regard? It does not, so your argument falls absolutely flat and is ridiculous on the face of it because any crop can be surplus at any time of the year and not be surplus at any other time.

Mr. COOLEY. Section 22 deals with commodities on which there is an adjustment program in operation, and there is not such a program on wool.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BARRETT. Is it not true that there has been a support program on wool for the past 4 years?

Mr. COOLEY. You are correct, but there is no adjustment program on it.

Mr. BARRETT. Is it not true also that for the 3 years preceding the war we imported more wheat into this country than we exported? Wheat is one of those commodities that is supported.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. COOLEY. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, we know that wool is normally a short crop in this country. We import most of our wool. We do not import most of our wheat, cotton, or tobacco and other crops.

Mr. BARRETT. Now, that is not true. We do not normally import most of our wool. We produce normally better than two-thirds of our wool.

Mr. COOLEY. My information is to the contrary.

Mr. BARRETT. Well, I have the facts and figures and they show that normally we consume about 650,000,000 pounds of wool and that normally we produce 450,000,000 pounds of wool, which is consumed in this country.

Mr. COOLEY. But certainly we are not self-sufficient in wool.

Mr. BARRETT. No. I did not say that.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CASE of South Dakota. The gentleman said he was inclined to reverse his position because he had talked with Mr. Clayton. I was wondering whether Mr. Clayton told the gentleman whether he was embarrassed by the use of section 22 with respect to cotton and tobacco.

Mr. COOLEY. No; because they are in a different category altogether.

Now, coming back to the remarks of the gentleman from Georgia [Mr. PACE], his slogan through the years has always been—and it is a high-sounding sort of thing—"The American market for the American farmer." Well, I do not agree with that. I do not want my farmers restricted to the American market. If I were going to adopt a slogan, I would say, "World markets for American farmers." Now, if that is not our program, if we are going to follow the gentleman from Georgia [Mr. PACE] and his philosophy, then we might as well go ahead and lift all trade barriers to the sky and protect all of agriculture from the vicious world about us, which is the greatest potential market we have ever had. If we are going to have that sort of program, we need to reflect for a moment and know what happened after World War I. We did exactly that. We restricted our comerce. We sent our merchant fleet to the bottom of the sea. We abandoned the commerce of the world. We were going to live in great peace and prosperity by ourselves, a rich and powerful nation. We all know the tragic story of bankruptcy which followed. Now we are faced with this proposition: Are we going to accept the challenge which comes to us from all over the universe, a challenge for America to lead a distracted and destroyed world, or are we going back to isolation, economic isolation, and try to live among ourselves and with ourselves, secluded from all the rest of the starving and distressed people of the world?

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MORRIS. I do not ask this question to be critical at all. I am trying to learn about this. Does this bill do anything at all—anything—for wool that is not done for cotton, wheat, and other staple products?

Mr. COOLEY. Oh, yes.

Mr. MORRIS. What is it?

Mr. COOLEY. It puts it in a category where it has no business being. In the first place, if you will read the letter that Mr. Clayton sent up here, wool is one of the most important factors that he has to deal with in international trade. He says that in the letter. Now, if we are going to pass a law that embarrasses our diplomat as he goes away from here in an effort to revive world trade, and if we are going to attempt to embarrass our President, then we can do it in no more definite way than to pass this bill. We know as we read Mr. Clayton's letter that it will meet with disfavor at the White House. Now, why is it important? I do not know all of the ramifications of international trade and reciprocal-trade treaties, and I am not an expert, but I do know this, that we must trade with the world, and that international trade is a two-way highway. If we are going to support out of the Treasury any producers of agriculture, we certainly can well afford to subsidize, if necessary, the producers of wool, because, after all, it is a very small matter in dollars and cents, comparatively speaking.

Mr. MORRIS. I get the gentleman's point.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself five additional minutes.

Mr. MORRIS. At least I did not mean to ask that question; the question was outside of that particular point which the gentleman makes and I am not saying whether I agree with him or not. I am trying to learn at this time outside of that whether it does anything in the way of giving wool any more support in dollars and cents, let us say, than it does for cotton or wheat.

Mr. COOLEY. No; and it does not give it any more support than it is given in the Senate bill.

Mr. MORRIS. That is the question.

Mr. COOLEY. Here is my position on it: I want to protect the wool growers; I am just as anxious to do it as my friend GRANGER, my friend HILL, or anyone else. I agree with them that the wool growers of the country were a war casualty. If so we ought to stand up to the rack and pay off. That is what Secretary Clayton says do, that is what Mr. Truman says do; but you Republicans are so economy-minded that you are not willing to pay off because the more you pay off the less you can keep your promises of economy.

I will vote for the Senate bill. I am anxious to protect the gentleman's producers just as much as the gentleman is.

Mr. HILL. Mr. Chairman, will the gentleman answer a question?

Mr. COOLEY. I shall be delighted to if I can.

Mr. HILL. In all sincerity, let us leave wool out of the subject for a moment and pull no wool over anyone's eyes. How can you work out a program to protect American producers of farm products in any form whatsoever by way of subsidy or in any other way—there may be some others—and at the same time permit the markets in America to be flooded by any type or any kind of foreign agricultural products?

Mr. COOLEY. I will answer that——

Mr. HILL. Leave wool out, leave the wool market out.

Mr. COOLEY. We cannot leave wool out because the terms of the Senate bill protect wool producers regardless of what happens in world trading in wool; the gentleman's producers are protected by a support price.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. Does the gentleman know of any other basic commodity covered by section 22 against which a limitation of imports cannot be applied?

Mr. COOLEY. I am not sure that I understand the gentleman's question.

Mr. McCORMACK. In this particular proposed amendment proposed by the gentleman from Kansas [Mr. HOPE] we find this proviso:

Provided, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive.

Mr. COOLEY. Under section 22 you could impose quotas or fees.

Mr. McCORMACK. Yes.

Mr. COOLEY. They are asking for the privilege of imposing only fees not to exceed 50 percent.

Mr. McCORMACK. And this applies only to wool.

Mr. COOLEY. That is right.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GRANGER. I can say to the gentleman from Massachusetts that the limitation on quotas was put in there specifically by the gentlemen from Boston, Mass., Mr. HERTER and Mr. McCORMACK.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. My friend is mistaken. I have no knowledge about this.

Mr. GRANGER. But the people the gentleman represents have knowledge about it.

Mr. McCORMACK. I am not representing people, I am trying to represent all the people. I will oppose this bill with section 4 in there, I am opposing it with section 22 in there. I say it is a discrimination and an inequity. Either you are going to pay a subsidy out of the Treasury or you are going to use this import fee to make the public pay a subsidy which in that case will be many times the former.

Mr. GRANGER. That provision was put in there to satisfy the firms the gentleman represents and who are opposed to the fees.

Mr. McCORMACK. But I had nothing to do with drafting it.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CASE of South Dakota. I was very much impressed by the gentleman's statement that he wanted the world market; but that apparently applies to cotton.

Mr. COOLEY. Oh, no; cotton and tobacco and other surplus crops.

Mr. CASE of South Dakota. He wants the world market to apply to American-grown wool. I ask the gentleman if he wants to extend that to tobacco? Will he agree to reduce the tariff on tobacco so that the world market, including the United States, will be open to foreign tobacco growers?

Mr. COOLEY. The gentleman is just stating a hypothetical case that could not actually happen. Every time anybody wants to back me into a corner they say something about tobacco.

Mr. Chairman, I yield myself three additional minutes.

Mr. Chairman, I want to commend the House on the way it has received tobacco legislation and the way it has approved the tobacco program. I want to emphasize one thought, however, and that is not a single one of our programs has ever cost the American taxpayers a single dollar.

Mr. CASE of South Dakota. That is exactly what we want to do with the wool program.

Mr. COOLEY. In tobacco we produce a surplus. We are now operating under strict quotas. We would even reduce our crop 10 percent, 15 percent, or 20 percent, if necessary, to protect ourselves. At the same time it is not costing the taxpayers or the consumers any money at all.

Mr. CASE of South Dakota. It is not?

Mr. COOLEY. No.

Mr. CASE of South Dakota. Why not abolish the tariff?

Mr. COOLEY. What does the gentleman mean?

Mr. CASE of South Dakota. Then why not abolish the tariff on tobacco?

Mr. COOLEY. You were paying 15 cents for Chesterfield cigarettes when we were getting 6 and 7 cents per pound for tobacco, and you are paying the same price when we are getting 48 or 50 cents a pound for tobacco. Your consumer does not contribute anything to the tobacco farmers, neither does the taxpayer. It comes about because of the machinery which the Congress provided that enabled us to protect ourselves by these quotas which we now have in operation.

Mr. CASE of South Dakota. The only thing I understand about it then is that what is right for tobacco is not right for wool?

Mr. COOLEY. Oh, no. If you have a surplus of wool, if you want to control the production of wool, I would vote for that. We have the same thing for peanuts, cotton, and wheat. We once had it for potatoes and we found out it was a hot potato and we replaced it right quick.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Along the same lines, if you have a surplus of shoes and leather, is the gentleman in favor of the same principle?

Mr. COOLEY. When you have a surplus of shoes all the manufacturer has to do is to pull a little switch and slow down production. In that way they protect themselves. But those who toil out in the broiling sun cannot cut off the sunlight and cannot retard the processes of nature and control production so easily.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I am interested in the gentleman's remarks about the importance of a quota to the tobacco industry. Is the gentleman familiar with Mr. Clayton's views on the matter of quotas?

Mr. COOLEY. Import quotas?

Mr. MARTIN of Iowa. Yes; all quotas in the import field.

Mr. COOLEY. I cannot say that I am generally familiar with them.

Mr. MARTIN of Iowa. I suggest that the gentleman read the proceedings before the Ways and Means Committee wherein Mr. Clayton expressed himself as very definitely opposed to quotas and dedicating himself to an effort toward eliminating all quotas.

Mr. COOLEY. I can see his viewpoint and I think I would be inclined to agree with him.

Mr. MARTIN of Iowa. Would you agree we should eliminate all quotas on tobacco?

Mr. COOLEY. I do not know that we have any quotas on tobacco. The quotas I am talking about are the quotas we put on the farmers back home, not on the importer or exporter.

Mr. Chairman, I do not see how our economy can function if we are going to close the channels of commerce and trade throughout the world. If we are actuated by motives of selfishness in trying to establish our foreign economic policy, we know it will definitely bring us to grief. How can we support the national debt hanging over this Nation unless we maintain an income comparable to the national income we have today? How can we maintain a national income comparable with that of today unless we trade with the world? How can we trade with the world if we are going to be selfish with every proposition that comes up and say we are going to lift our tariffs here and yonder and everywhere? The gentleman from Georgia [Mr. PACE] is exactly right. This is a starting point. We are going to be isolationists; we are going in for high tariffs and trade barriers, or we are going into a liberalized foreign trade and unless we can trade with the world Mr. PACE's farmers will come to grief along with my farmers in North Carolina, because we had that experience before, and we know exactly what will happen. We have the greatest opportunity now that America has ever had in all history to become the leader of the world. We will pass up that opportunity if we become selfish, if we become greedy. Only by going into world commerce with an anxious desire to be liberal and fair and to stimulate world trade will we ever be able to support our own economy here at home.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself the balance of my time.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. BREHM. The gentleman would not say that we have been greedy and selfish with the amount of money we have been giving and lending to foreign nations, would he?

Mr. COOLEY. No; I do not say we have been, but I say we should not become greedy and selfish. We are living in a world that has been destroyed, and we helped in the destruction, not because we wanted to, but because of the necessities of the situation. Now, are we going to abandon the program that the brave men and women of America fought for? They fought to liberate these people in the distressed areas of the world; in the devastated and war-torn areas of the world.

Mr. BREHM. But not at the expense of enslaving our own people or a segment of our own people.

Mr. COOLEY. We are not in danger of being enslaved by anybody. We are endeavoring to give people the freedom that we possess and fought for.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman, apparently, addressed some of his remarks to me. Does the gentleman really feel, as representing a great segment of the tobacco producers of this country, and being familiar with the legislation that has been enacted in their behalf and for their protection, that he is free to give us this exposé on free world trade?

Mr. COOLEY. Certainly. I have never been any greater advocate of self-control than the gentleman from Georgia. I never will forget how the gentleman from Georgia came before our committee when we were talking about making peanuts a basic commodity and permitting the peanut growers to control acreage and production, and he came in and objected. Oh, he was very strong in opposing it. He went back to Georgia, and he got all the peanut growers together and he said, "Boys, go out and plant the world in peanuts." And they planted all of Georgia in peanuts and built up a big acreage in the next 2 years, and then he came back and said, "Now, we are ready for the quotas." He has been an aggressive advocate of quotas ever since. If cotton wants to control itself, all right. I am willing for the cotton farmer to have quotas. I think my distinguished friend held extensive hearings through the cotton belt in an effort to determine whether the cotton producers wanted quotas for 1948; is that true? Did not the gentleman attempt to ascertain from the cotton producers whether they wanted quotas in 1948?

Mr. PACE. We were directed to ascertain the views of the producers regarding a modification of the Agricultural Adjustment Act.

Mr. COOLEY. The gentleman remembers referring to the quota section.

Mr. PACE. It involved the question of quotas, so far as I recall.

Mr. COOLEY. If the cotton farmers in America want quotas, I am sure the gentleman would favor it.

Mr. PACE. Quite so, but I again repeat I would not encourage them to have quotas if unlimited imports could come into this country where the producers in those foreign lands were not under quota limitations themselves.

Mr. COOLEY. Do we not have quotas on cotton now?

Mr. PACE. Yes.

Mr. COOLEY. And we are shutting out Egyptian long staple cotton now, and there is a shortage in this country.

Mr. PACE. Cotton is highly benefited by legislation, and that is the reason I think wool should have equal benefits.

Mr. COOLEY. I hope that the wool growers of the cotton district of Georgia will be protected in some way by the House. I did not know that the gentleman had so many wool growers down there. I know I do not have a great many in my district, but I am just as intensely interested as I believe it is pos-

sible for me to be in trying to protect the wool farmer, and I believe the Senate bill does it.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Utah.

Mr. GRANGER. Tobacco farmers are protected by quotas on tobacco. In addition, they are protected by a prohibition on sending tobacco seed out to all the world.

Mr. COOLEY. That is an entirely different thing. That is the thing the gentleman from Wisconsin [Mr. MURRAY] harps on all the time. Judge KERR and the rest of us interested in stopping the exportation of American tobacco seed to foreign countries, where they might go in competition with us did advocate the passage of the bill the gentleman has in mind.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. PACE. The gentleman tells us that he secured the enactment of a law——

Mr. COOLEY. No; the gentleman did not say he secured the enactment of a law.

Mr. PACE. He favored it—that would prohibit the exportation of any American tobacco seed, to keep anybody in any other country from producing the commodity in competition with your tobacco.

Mr. COOLEY. That is right. I would vote for it again today, and the gentleman would, too.

Mr. PACE. Yet the gentleman says that is not in violation of any good will or international relations throughout the world?

Mr. COOLEY. No. The world has accepted it. The fact of the business is that many nations of the world have a prohibition against growing tobacco. They are willing for us to grow tobacco over here.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. Apart from the broad implications of international trade, and so forth, what effect does this have on the price of a suit?

Mr. COOLEY. I do not know, but I assume if you put the price of wool up it will be reflected in the manufactured garment. I believe the best way for us to take care of the situation is just as President Truman suggested, that is, by paying the loss, absorbing the loss, and thereby holding down the cost of manufactured articles.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wyoming.

Mr. BARRETT. To make an ordinary suit of clothes it takes about 4 pounds——

Mr. COOLEY. I thought the gentleman said 4½.

Mr. BARRETT. Four pounds of clean wool for the best suit of clothes that can be made. It takes about 10 pounds of grease wool for a suit of clothes. The difference between the foreign wool and the domestic price at the present time is about 2 cents in the grease, so it would take about 20 cents more if you brought the price of the foreign wool up to the price of the domestic wool.

Mr. COOLEY. That I assume has answered the gentleman's question.

Mr. BARRETT. It is 5 cents a pound in the clean, so you can figure that way. The gentleman is in favor of protecting cotton, or protecting tobacco, or protecting every product that is raised out in his district and in the South. During the past 5 years they have imported a billion pounds of wool into this country and taken the market away from us. Our only sale for domestic wool was to the Army and the Navy. The duty paid on foreign wool averaged $119,000,000 each year. Thirty percent of that money was used to support these commodities the gentleman speaks of, particularly cotton. The gentleman thinks that is right, but he is not in favor of some legitimate program that will protect the wool grower of this country.

Mr. COOLEY. Did the gentleman object to the building up of the stock pile of wool?

Mr. BARRETT. I certainly do.

Mr. COOLEY. I said, Did he while it was being done?

Mr. BARRETT. I want it without any loss to the Treasury of the United States.

Mr. COOLEY. Did the gentleman object to it while it was being done, building up a stock pile to protect the American Army if it had gone to Alaska and the cold sections of the North to fight? The gentleman certainly would not object to the country's having an adequate stock pile of wool.

Mr. BARRETT. I did not object to it at that time, but I do object to having a stock pile of 460,000,000 pounds at the present time, when we are consuming in this country nearly a billion pounds of wool.

Mr. COOLEY. I assume the gentleman has read the Senate bill, has he not?

Mr. BARRETT. I certainly have read the Senate bill.

Mr. COOLEY. Does not the gentleman believe that will protect the wool producer?

Mr. BARRETT. But it will not protect the Treasury of the United States.

Mr. COOLEY. That is right. Now we finally have it. The gentleman agrees now.

Mr. BARRETT. I do not think the people of this country are entitled to take any loss on that wool.

Mr. COOLEY. The gentleman must choose now whether he is going to protect the wool grower or the Treasury. Which does he love best?

Mr. BARRETT. I do not think the people of Great Britain would expect us to take a loss on that.

Mr. COOLEY. Finally, Mr. Chairman, the importance of this measure cannot be too greatly emphasized. Of course we want to protect the wool producers of America. Both President Truman and Under Secretary of State Clayton have pointed the way that this can be accomplished. The Senate has enacted a bill which will accomplish the desired objective. The proposition before us now is whether we shall adopt the Senate bill and provide the necessary protection for the wool producers of America or whether we shall, through the back door, completely reverse the international trade policies which we have followed in recent years. If we are to embark upon a program of high tariffs and trade barriers; if we intend to keep out of this country every single commodity that can be produced cheaper in some other country than in our own; if we are about to embark upon a program of retaliatory tariffs; do you not think that we should at least show the Secretary of State the courtesy of according to him an opportunity to be heard? Actually, is not it a matter for the Ways and Means Committee to consider? And is not it a matter which merits the very careful thought and consideration of every Member of both Houses of Congress? We are about to attach a little tariff bill to a bill which originated in the Senate. This is contrary to the plain provisions of the Constitution, the organic law of our Republic. If we attach this little tariff bill to a bill which originated in the Senate, surely others will follow and this great event will be cited as a precedent. Since we now know the real meaning of this measure, certainly we should not act in haste in the passage of a measure of such great importance. If the House Committee on Agriculture is to take over the responsibility of writing tariffs on agricultural commodities, it will certainly be a great departure from the established precedents of this great legislative body. The only justification for section 22, as originally written, was because of the fact that it was a vital part and parcel of a broad Nation-wide agricultural adjustment program.

If Mr. Clayton was embarrassed at Geneva and came home on account of this ill-advised legislative proposal, I suppose that the Geneva Conference might as well be called off so far as America is concerned, for certainly he could not go back to Geneva with this bill around his neck as a brazen badge of the intentions of Congress to return to the ways of Smoot and Hawley and to the road which once led the world to great distress. I urge you to vote for the Senate bill as it came to us and to vote down the amendment which will be offered by my distinguished chairman tomorrow.

Mr. GRANGER. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. LARCADE.]

Mr. LARCADE. Mr. Chairman, I am deeply interested in the bill which we have under consideration at this time as I represent a district which is a producer of wool. Beauregard Parish, in the northwestern portion of my district, is one of the larger wool-producing parishes in my district, and naturally whatever affects the industry as a whole affects my constituents in that parish, and it is my duty to endeavor to try to protect, as far as possible, not only my constituents but also the industry as a whole.

Mr. Chairman, experience is a teacher, and I well remember after the First World War, and again in 1933, what happened to the price on wool, and if we can judge the future by what has transpired in the past, unless some protection is given to the producers of wool in this country, we can well expect a repetition of what happened in the past. Mr. Chairman, I have listened to the debate today, and I was greatly impressed with the remarks of my good friend and colleague the gentleman from Georgia [Mr. PACE], who spoke just a few minutes ago. I think that my colleague has made a fine presentation of the subject dealing with the protection and the future of agriculture. I think that the arguments and facts presented represent sound and irrefutable arguments, as well as the deep concern of the gentleman from Georgia for the future of agriculture in general.

Mr. Chairman, it is a well-known fact that the gentleman from Georgia [Mr. PACE] is recognized as one of the best informed Members of the House of Representatives on matters pertaining to agriculture, and his statements here today have exhibited his understanding and unselfishness in the protection of agriculture in the whole of the United States, and we are all fortunate to have on the Committee on Agriculture such an able and outstanding and hard-working member who is so fair and valuable to us all.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, I am in agreement with many of the previous speakers with the intent of this bill now before the House for consideration that the wool-growing industry be protected by adequate price support legislation. However, I differ in my statements from many of the other Members in stating that the wool growers are already entitled to the same price support protection as other farm commodities are receiving, but no more. I feel that it would be unfair and unjust and unreasonable to select wool for better treatment than other products produced by the farmers of our country.

We have been informed that the wool trade is not opposing adequate price support for domestic wool growers, but we do want to get the Government out of business and free enterprise returned now that the war is over. This industry approves a support-floor for wool at the farms equal to, but no more than that given over 160 other agriculture commodities.

Our wool industries' annual wool requirements are now more than twice the domestic clip, therefore we must import wool which means that domestic wool cannot sell at a higher price than imported wool.

Section 2A of this bill guarantees the wool grower a price for his wool based on the top of the market until the end of 1948. There is every reason to believe parity will be lowered materially before December 31, 1948, in which case wool growers would be receiving a much greater purchase price than afforded any other commodity by the Government if a wool purchase is continued at the 1946 level of prices. There is no doubt that the cost of this program will add to the already heavy burden being borne by the taxpayers of this Nation.

By the amendment, section 4, the bill gives the Secretary of Agriculture the power to impose fees on all wool that has been imported and is held in the inventories of all branches of wool industry, not in excess of 50 percent ad valorem. The imposition of these fees would cost the industry millions of dollars and in some cases would mean ruination. The imposition of these import fees will add to the cost of wool clothing to our population and may also affect our foreign relations with the 23 countries from whom we import wool.

Our domestic wool growers were never able to supply more than one-half of the raw material needs of our manufacturers of worsted cloth. Furthermore, they could not supply them with the long fiber raw wool necessary for quality worsteds. Even when given tariff protection, domestic sheep raisers cannot do the job.

Why our extensive worsted industry and their workers which suffered from substandard conditions for many years and only recently arrived at steady production, good wages, and good profits should be asked to bear the burden, is beyond all semblance of economic justice.

We believe that the Government has done more than enough for one segment of our economy, the wool growers. In spite of a 34 cents per pound tariff, foreign wool and better wool imported from 23 different countries, can still be sold at less than the support price which the Government is paying to wool industries in the United States.

Under the provisions of the amendment, section 4, we are now being asked to give the Secretary of Agriculture the power to impose tariff on foreign wool at his discretion. This is altogether too much power to give to any man, and especially at a time when so many other controls, justified only by the emergency of war, have been dropped. It amounts, in effect, to a nationalization of the raw-wool industry.

The imposition of these import fees would curtail wool imports, resulting in a contraction of manufacturing and a drop in employment, bringing sudden and severe deflation to many of our industrial communities.

In the New England States, textiles provide 4 out of every 10 jobs. In my home city of Lawrence, Mass., the largest producer of worsteds in the world, the industry provides 7 out of every 10 jobs. We are in no mood to stand idly by and permit the basic element in our economy to be destroyed by the wool-raiding lobby. If the wool and worsted industries curtail production, as they certainly will if faced with this tariff, the wool growers of the United States will also lose. This bill as amended by the committee has all the earmarks of a conspiracy to profit a few, at a disastrous cost to many.

I know that this extra preference granted to the wool farmers may appear attractive to them, but I give them sober warning, however, that this bill will prove to be a boomerang. If you paralyze the wool industry you will be cutting off the market for your wool. The domestic woolgrowers can neither provide us with the supply and quality. Shall the manufacturers and the consumers of the Nation be penalized for this? That precisely, will be the net result, if this bill as amended should be approved by this House. In short it says, "Take my limited product at prices held high above real market value or take none at all." In effect, it is monopolistic and dangerous.

The workers in the textile industry like other workers are feeling the high cost of living because their wages have not kept pace with the increasing cost. They are aware that the prices of agriculture commodities as a group have gone higher than any others. Why wool should be seeking a support price still higher than it has enjoyed is beyond common sense understanding.

We from the manufacturing areas recognize that the domestic growers of wool are entitled to some price support. In a spirit of cooperation we ask that they in turn consider our problem. The wool and worsted industries cannot survive the drastic penalties imposed by this bill. Wool growers, manufacturers, textile workers, and consumers are partners in an enterprise. They must not become antagonists, because all of them will suffer.

In place of the extreme provisions embodied in this bill, we suggest that you join with us in supporting the amendment to be offered by the gentleman from Massachusetts [Mr. HERTER], which will give some consideration to some of the factors involved in this problem. Under the provisions of this amendment, Government support at 90 percent parity to wool growers is in line with other agricultural commodities. It will restore private incentive to the industry and protect tens of thousands from losing their positions and their jobs. It will bank and not fan the fires of inflation.

May I mention at this point that 90 percent of the domestic wool supply is processed in the manufacturing plants in the Northeastern States, and about three-fourths of the lamb crop is consumed in this area. It is hardly the best policy for the wool growers to bite the hand that feeds them.

The only reasonable course for us to follow is to enact legislation embodying the amendment to be offered by the gentleman from Massachusetts [Mr. HERTER], which I believe is fair to all parties concerned.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Chairman, I rise in support of the present measure because of the precarious position in which the sheep industry finds itself in Montana and throughout the whole Rocky Mountain region as well. As you know, livestock is one of the basic industries of the West.

Due to factors over which the industry has had very little or no control, our sheep population has dropped from 49,-

807,000 in 1942 to 32,542,000 today. This represents a reduction of 35 percent and furthermore makes our sheep population the lowest in over 50 years.

The production of domestic wool according to the Department of Agriculture has dropped from 459,073,000 pounds in 1942 to 300,000,000 pounds today; that likewise represents a reduction of 35 percent.

Intensive study by the United States Tariff Commission shows that the wool growers of this country at the present time are losing 9½ cents on every pound of wool produced and are also losing $1.18 on every head of sheep.

Since Pearl Harbor the domestic wool situation has come to occupy an increasing difficult economic position and while wool prices have generally increased 13.2 percent, 24 other principal agricultural commodities increased on an average of 91 percent. Furthermore, the operating expenses of the sheep industry have increased 66 percent from 1941 to the present time.

The sheep industry is finding it extremely difficult to compete with low-cost producers for the American market and the result has been, due to the war and other factors, that the imports of wool in this country have been extremely heavy. Eighty percent of the 1,000,000,000 pounds of wool consumed in this country last year was of foreign origin. It is highly imperative if we want the American sheep industry to survive to function on a decent profit basis, that this bill reported out by the Committee on Agriculture and given a rule by the Rules Committee, be passed today.

This measure provides:

First. That the Commodity Credit Corporation will continue its purchase program until December 31, 1948, at the 1946 price, which, as I have indicated, has not changed since Pearl Harbor. That price is less than parity.

Second. It authorizes the Commodity Credit Corporation to sell its wool at competitive prices with foreign wool. This will enable the United States to dispose of its stock pile.

Third. Amend existing law by adding wool to other commodities under section 22 of the AAA Act and thus provide that if imports of foreign wool tend to materially interfere with the wool program, the President may require the Tariff Commission to make a study and after a hearing if the President finds such to be the fact, he is required to impose such fees on imports as may be necessary to correct the situation.

In my opinion, the provisions of this wool bill are sound and necessary to provide for the sale of Government stock pile and to protect the American sheep industry from further liquidation. Like many of you in this Chamber, I realize this bill will have hard sledding because of the factional and economic interests involved but I want to appeal to you in behalf of this great American industry which needs help in order to survive and to ask you to vote for this measure so that the fine people who operate this industry will be given the opportunity to live peacefully and with a reasonable degree of security. I do not urge your support of this measure on political grounds but I do urge your adoption of this bill in behalf of an industry which has contributed much to our economy in both peace and war and which I think is entitled to every consideration at this time.

May I say, in conclusion, that the wool producers of this country owe a great deal to the distinguished gentleman from Utah [Mr. GRANGER] who has guided this measure through the Agricultural Committee, the Rules Committee, and onto the floor and who has throughout his many terms in Congress proved himself a fighter in behalf of the best interests of his State and his country. Utah is, I am sure, well aware of his outstanding ability and the fine work he has performed in behalf of his constituents.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I have asked for this time today primarily because I read an editorial which was referred to earlier in the day. I will read a part of it. It appeared in a Washington paper a couple of days ago. Here is what part of the editorial concerning the consideration of this bill in Congress says:

> The result was to put in a turmoil the international conference on tariffs and commercial policy at present going on in Geneva. Vigorous attacks on our good faith have been launched by the delegates.
>
> In particular Australia has led the agitation. That country has been earning dollars to buy from us in this dollar-poor world mainly out of wool exports to America. It is little short of tragic to see the turn that the Geneva proceedings are taking, for the purpose of the conference is to prepare the way for the establishment of an international trade organization, which would be a cornerstone in the functional cooperation we are seeking to promote among the nations. Evidently Under Secretary Clayton is back in Washington in order to remind Congress of the way that our reputation as a treaty observer is imperiled. It is unthinkable that his reminders will be disregarded.
>
> More significant at the moment is the evidence that no international economic order can be built when price-support schemes require further support at the customs house. Subsidies are less noxious, and only then if they are so graduated as to enable, say, the wool growers who do not wish to compete with foreign wool to change over to other industries.

I want to know when in the name of common sense the State Department sees fit to jockey us into a position where we have one of three choices: One, to sell our farmers and other producers of our raw and critical commodities down the river and tell them to change over to other occupations, causing us to depend entirely upon foreign producers for our future needs regardless of the jeopardy in which that places the United States. Or, two, to subsidize them out of the Treasury of the United States no matter what the cost may be; or, three, to ask our United States wool growers to incur great losses in competition with cheap foreign wool.

I studied the strategic and critical material field for 8 years during my service on the Committee on Military Affairs. I know something of the struggle we had prior to Pearl Harbor and how jittery we were about our inadequate supply of wool for war purposes. Any future war may be fought largely in the air and we have need for high altitude flying and possibly polar warfare.

How can Mr. Clayton or any other member of the State Department think that they are strengthening our Nation by jockeying us into position where we have to jeopardize the very existence of a great domestic industry and our capacity to produce such an important commodity as wool. I am speaking now primarily because of my interest in national defense. I think it is highly important that Congress serves notice on Mr. Clayton that it is a part of his job to give ear to the Congress and the voice of the people in maintaining an adequate national defense and that America is not strengthening its defense when we put ourselves in the position where we are dependent upon long and dangerous sea lanes for our strategic and critical materials which are necessary for our national economy and our national defense.

I yield to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN.]

Mr. AUGUST H. ANDRESEN. I am glad the gentleman brought up the points that are mentioned in that editorial. The facts are that Australia and the British are demanding that we cut the duty on wool. It is not this legislation that is bothering them. They are insisting that the administration go along and cut the duty on wool. This bill may be a deterrent to Mr. Clayton from going ahead and cutting the duty, but as soon as it is disposed of, no doubt, he will go ahead and cut the duty on wool, and that will mean the liquidation of the wool industry in this country.

Mr. MARTIN of Iowa. Yes; I am sorry to say that is too apt to be the case. Mr. Clayton faces the situation that he faces today because of the grasping and reaching of these countries at Geneva who are trying to grab the American market away from the American farmer, the American businessman, and the American industrialist. The biggest and best market in the whole world today is the American market. We should not permit other nations to take our own market from us at the expense of our own national defense.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, earlier in the day I heard the gentleman from Pennsylvania [Mr. EBERHARTER] say that if we passed this wool bill we would wreck the Conference at Geneva. I began to wonder, should I raise my voice in defense of a domestic industry and perhaps wreck an international conference, or should I remain silent and let an international conference wreck a great and promising domestic industry.

In the old days, when we were under unilateral tariffs, before we ushered in the Hull program of so-called reciprocity, we gave to every industry in the United States the protection to which it was felt that that particular industry was entitled. When we took up reciprocal trading, so called, we abandoned that theory and went to another one, one

which approved the sacrifice of one industry in order that another industry might gain an advantage. That is precisely the basis upon which reciprocal-trade agreements are negotiated today. Yes, wool is the key commodity upon which the success or failure of the Conference at Geneva will turn. The United States wants to break down the British imperial-preference system, not for the benefit of wool, no; but for the benefit of the great metal-fabricating industries of the United States, an outstanding example, of course, being the automobile industry. Now, who are the great defenders of the British imperial system? Australia, South Africa, and New Zealand are the Dominions which insist upon its maintenance. They will not give up their preferences that they have acquired over the last 30 or 40 years in the building up of this British imperial-preference system unless they are compensated in a big way. They are in a strategic position, and so they say to the American automobile industry, "You cannot send your automobiles into Australia, New Zealand, and South Africa unless you cut the American tariff on wool."

Now, the question is, Are we willing to sacrifice the wool grower, his future, his right to expand his industry, his right to supply his own, the American, market, in order that the automobile industry shall acquire, on the other side of the world, greater opportunities to expand its business? I do not know. I was taught in school and at my mother's knee that it was the duty of our American Government, a duty above all others, to afford equal protection to every man, woman, and child in this country, without discrimination. I was taught to believe in the principle of equal treatment for all; special privilege to none. So the great moral question now arises: Has the American Government the right, the moral right, if you please, to sacrifice hundreds of thousands of people who are making their living in the domestic wool industry in order to confer great benefits and great opportunities upon hundreds of thousands of other people who derive their livelihood from the manufacture and sale of automobiles.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. COOLEY. The gentleman is opposed to reciprocal trade treaties; is he?

Mr. GEARHART. I am strongly in favor of reciprocity, but I am now and have always been very much opposed to the policy which the administration seems to have taken unto its heart of bringing disaster to some American citizens in order to confer benefits on others upon whom it chooses to confer its favors.

Mr. COOLEY. Certainly the gentleman does not accuse the State Department of deliberately embarking upon a program which is calculated to sacrifice any segment or group in America; does he?

Mr. GEARHART. I am sure that if the gentleman from North Carolina had sat in on the hearings I have sat in on down through the last 6 or 7 years, he would never have exposed himself by asking that question. I will tell him a few.

Mr. COOLEY. Has the gentleman ever voted for any reciprocal trade-treaty program?

Mr. GEARHART. I will tell the gentleman an industry. What has become of the American jeweled-watch industry? What has happened to the American pottery industry——

Mr. COOLEY (interrupting). I do not suggest that some industries have not been adversely affected.

Mr. GEARHART. If any have been adversely affected, is it possible that the gentleman will defend the governmental action that is responsible for the result? Does he realize that that is exactly what will happen to the American wool industry if Mr. Clayton is permitted to turn the American wool market over to the Australians, the South Africans, and the New Zealanders in return for the privilege of shipping American automobiles into their markets?

It is a moral question. Which side of the question is the gentleman on?

Mr. COOLEY. I am on the side of the reciprocal trade treaties, if the gentleman is directing the question to me, and I would like to ask him if he has ever voted for any reciprocal-trade-treaty program.

Mr. GEARHART. No; not for the continuation of this program as presently administered. But I do believe sincerely in the principle of reciprocity, the bilateral granting of concessions in our markets for things we need for concessions in other markets for our excess production, a system which will not require the sacrifice of one domestic producer for the benefit of another domestic producer. The Hull program bears no resemblance to that. I will always oppose any American governmental action which benefits one group of American citizens to the deliberate detriment of another group of American citizens equally entitled to their country's favor. Robbing Peter to pay Paul never had any particular appeal to me. And that is precisely what the Hull so-called reciprocal-trade-agreements program results in—the robbing of one to pay another.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I am very happy to yield to the distinguished gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. When the representative of the State Department appeared before our committee on this bill he said in no uncertain terms that it was the purpose gradually to liquidate the sheep and wool industry of this country because they could produce wool cheaper in other countries in the world.

Mr. GEARHART. Yes; and if it is liquidated they necessarily expose the United States to the greatest dangers in the event that we are again overtaken by war. Wool is a critical material of the first order. Is it possible our negotiators do not know that?

There are a lot of people in the State Department who think only in terms of smokestacks and pay rolls, altogether too few who think in terms of a balanced economy, self-sufficiency in time of war. And there is an influential few behind the silken curtains in charge of the negotiation of these agreements, who believe that agriculture is a lowly pursuit which should be sacrificed—and they have succeeded, oh, too well.

Do you know that under the reciprocal-trade-agreements program the export of nonagricultural products has mounted 57 percent but the export of agricultural products from the United States has fallen off to 30 percent less than we were exporting in 1934, the year that the reciprocal-trade-agreements program, so-called, was enacted?

If there is one in this room or within the hearing of my voice who can point out one way that any agriculture commodity has benefited from this program I will gladly yield to him now. The record will disclose that all we have done is to cut agricultural tariffs, this to the number of 327 items, these to an average of 40 percent of what the tariff was before, the effect of which has been the flooding of this country with competitive agricultural products until war economy started them moving the other way. And I am not talking about bananas, coffee, and tropical fruits. I am talking about the kind of agricultural products every farmer in this country is capable of raising and supplying the American market with. It is also significant that the importation of these agricultural commodities under this program has prevented the utilization of 70,000,000 acres of American farm lands in their domestic production. In other words, if the farmers were allowed to raise these crops they would have to employ 70,000,000 acres more than they are now using. When we consider the further fact that there are only 325,000,000 acres under cultivation in this country, 70,000,000 acres—an average computed for the years 1935 to 1939, inclusive—are not an insignificant few.

Consider also the fact that as a consequence of the administration of this program the agricultural population of the United States has fallen from 33 percent of all the people to less than 25 percent. That difference, representing 10,000,000 people, accounts for the number of the unemployed during the depression years, contributing the greatest number to the bread lines of the country during the unhappy thirties.

It might be well, Mr. Chairman, that those who so fervently protest their love for the American farmer, look well to these figures.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that the gentleman from North Dakota [Mr. ROBERTSON] may have permission to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ROBERTSON. Mr. Chairman, as a Representative of the people of North Dakota, one of the Nation's outstanding agricultural States, I should like to speak in behalf of the wool bill.

As I understand the bill, first, it will allow the Commodity Credit Corporation to continue its purchase program until December 31, 1948, at the 1946 price; second, it authorizes the Commodity Credit Corporation to sell its wool at competitive prices with foreign wool; and, third, it requires the President to impose fees on imports if the Tariff Commission makes the finding that foreign wool materially interferes with the wool program.

Many pertinent facts have been pointed out by other Members supporting this bill. However, I should like to outline briefly those facts which to me make the passage of this bill imperative.

The United States produces only about one-third of the wool which it consumes. Formerly the United States produced 35 percent more than the 300,000,000 pounds it produces today. The reason for the decline in production is directly attributable to the lack of profit in raising sheep. A report made by the United States Tariff Commission after an extended study of the sheep industry showed that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946, and suffered a somewhat higher loss in the two preceding years.

The facts are particularly significant in light of the finding of the Army and Navy Munitions Board that wool is a strategic and critical material necessary for the security of the Nation. This means one thing: We must encourage rather than discourage the production of wool in the United States. This bill will encourage such production.

As a member of the Appropriations Committee I am concerned with the tremendous expense of government. I feel that every activity of government should be placed on a paying basis wherever possible. This bill can cost the Government some money. I am not too alarmed over this possibility, however, for two reasons: First, the wool growers are entitled to a support price, because wool prices have increased but 13 percent since 1941 and operating expenses have increase 66 percent—on the other hand, 24 principal agricultural commodities increased an average of 91 percent during that same period. We must encourage production of wool, and without a support price, production will decrease even more rapidly than it has in the past years. Today we only produce about one-third of the wool we consume. We must produce more. The Army and Navy feel that wool is a critical material. We all know of its importance in meeting our daily needs of clothing and protection. So it is not difficult to understand its importance to national security. Second, if the obvious intent of this bill is carried out, if the mandate to the President to act in accordance with the findings of the Tariff Commission is followed, the price of wool will be sufficient so that it will not cost the Government a cent in support-price payment. The Commodity Credit Corporation will be able to dispose of its tremendous stock pile of wool without suffering a further loss. And, most important, the production of wool will increase.

I should like to explain briefly my statement that it is necessary that the President carry out the mandate of this bill. It would provide the President with the authority to require the Tariff Commission to make a study of the wool program—the Tariff Commission has made such a study. It has found, as I stated earlier, that the price of wool is lower than the cost of production in the United States. Under such a finding, there can be only one conclusion, and that is that the imports of foreign wool tend to materially interfere with the wool program. Under such a finding, it is my understanding, the President is required—not given the option, but required—to impose such fees on imports as may be necessary to correct the situation. If the President follows the mandate of this bill, the Commodity Credit Corporation will not continue to be a drag on the Federal Treasury. The wool program can be self-supporting, and the United States will produce a higher percentage of this critical material.

For these reasons, I shall support the wool bill.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Wool Act of 1947."

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARNESS of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (S. 814) to provide support for wool, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. COOLEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include two brief speeches, one on soil conservation and the other on progressive farming.

Mr. GEARHART asked and was given permission to extend his remarks in the RECORD in three instances and in each instances to include extraneous matter.

Mr. FORAND asked and was given permission to revise and extend the remarks he made earlier in the day and include a newspaper article.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD in three instances and include editorials.

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio speech.

Mr. PATMAN (at the request of Mr. RAYBURN) was given permission to extend his remarks in the RECORD.

Mr. MURRAY of Wisconsin asked and was given permission to revise and extend the remarks he made earlier in the day and include some telegrams and one letter.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the House Committee on the District of Columbia shall have been considered as having had permission to meet during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE OF ABSENCE

Mr. HAND. Mr. Speaker, I ask unanimous consent that on tomorrow the members of the Board of Visitors to the United States Coast Guard Academy may have permission to be absent from the House.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ARCHBISHOP MICHAEL J. CURLEY

Mr. MEADE of Maryland. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MEADE of Maryland. Mr. Speaker, I would like to direct the attention of the House to the fact that in Baltimore today were held funeral services for one of the outstanding Americans of all time, Archbishop Michael J. Curley. In the death of Archbishop Curley, not only the Catholics of the archdioceses of Baltimore and Washington have lost a great spiritual leader but the people of this Nation have lost a truly great man. Archbishop Curley was keenly interested in education and due to his efforts the Catholic schools in Washington and in Maryland showed tremendous growth during the past generation.

It is a great tribute to him in that he died a poor man, although during his life he had been given more than a million dollars, all of which he gave to charity. His only possessions at the time of his death were a few old clothes and some books.

We have lost a great man and it will be a long time before he can be replaced and he will never be forgotten.

EXTENSION OF REMARKS

Mr. ENGEL of Michigan (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD.

Mr. LATHAM (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD.

HOUR OF MEETING TOMORROW

Mr. HOPE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HINSHAW, for May 22 and 23, on account of official business in Montreal, Canada—ICAO.

To Mr. KEEFE (at the request of Mr. HALLECK), for 10 days, on account of illness in family.

To Mr. DEANE, for Friday, May 23, and Monday, May 26, on account of official business.

ENROLLED JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 153. Joint resolution providing for relief assistance to the people of countries devastated by war.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On May 21, 1947:

H. R. 193. An act to amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 191), as amended;

H. R. 1584. An act authorizing the erection and operation of a memorial museum and shop on the Fort Hall Reservation, Idaho; and

H. R. 2123. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended.

On May 22, 1947:

H. J. Res. 153. Joint resolution providing for relief assistance to the people of countries devastated by war.

ADJOURNMENT

Mr. HOPE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, May 23, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

700. A letter from the Acting Secretary of the Navy, transmitting a list of institutions and organizations which have requested donations from the Navy Department; to the Committee on Armed Services.

701. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to amend section 522 of the Tariff Act of 1930 so as to clarify the procedure in ascertaining the value of foreign currency for customs conversion purposes where there are dual or multiple exchange rates, and for other purposes; to the Committee on Ways and Means.

702. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide for the reincorporation of the Institute of Inter-American Affairs, and for other purposes; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TWYMAN: Committee on Post Office and Civil Service. H. R. 2857. A bill to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments; without amendment (Rept. No. 417). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARNESS of Indiana: Committee on Rules. House Resolution 195. Resolution to authorize the Committee on the District of Columbia to investigate and study reorganization and home rule for the District of Columbia; without amendment (Rept. No. 418). Referred to the House Calendar.

Mr. HAGEN: Committee on Post Office and Civil Service. H. R. 1045. A bill to amend the act entitled "An act to provide for a permanent Census Office," approved March 6, 1902, as amended (the collection and publication of statistical information by the Bureau of the Census); without amendment (Rept. No. 421). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYNCH: Committee on Ways and Means. H. R. 959. A bill to amend section 3179 (b) of the Internal Revenue Code; without amendment (Rept. No. 422). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 2872. A bill to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes; without amendment (Rept. No. 423). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 3101. A bill to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served; without amendment (Rept. No. 424). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3060. A bill to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years; without amendment (Rept. No. 443). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 1652. A bill to provide for the naturalization of certain United States Army personnel—Yugoslav fliers; with an amendment (Rept. No. 419). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 617. A bill for the relief of James Harry Martin; without amendment (Rept. No. 425). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 631. A bill for the relief of the Allied Aviation Corp.; with an amendment (Rept. No. 426). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 637. A bill for the relief of Marvin Pettus; with an amendment (Rept. No. 427). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 813. A bill for the relief of J. Don Alexander; without amendment (Rept. No. 428). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 837. A bill for the relief of the estate of Abram Banta Bogert; with an amendment (Rept. No. 429). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 987. A bill for the relief of Lorenzo H. Froman; without amendment (Rept. No. 430). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H R. 993. A bill for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb; with an amendment (Rept. No. 431). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1144. A bill for the relief of Samuel W. Davis, Jr.; Mrs. Samuel W. Davis, Jr., and Betty Jane Davis; with an amendment (Rept. No. 432). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1162. A bill for the relief of Persis M. Nichols; without amendment (Rept. No. 433). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1497. A bill for the relief of the estate of George W. Coombs; without amendment (Rept. No. 434). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1508. A bill for the relief of Mrs. Lula Wilson Nevers; with an amendment (Rept. No. 435). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1531. A bill for the relief of William P. Gillingham; without amendment (Rept. No. 436). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 1658. A bill for the relief of Norman Thoreson; with an amendment (Rept. No. 437). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1799. A bill for the relief of Eva L. Dudley; without amendment (Rept. No. 438). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1851. A bill for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove; with an amendment (Rept. No. 439). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2302. A bill for the relief of New Jersey, Indiana & Illinois Railroad; without amendment (Rept. No. 440). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 3387. A bill for the relief of Bruce Bros. Grain Co.; without amendment (Rept. No. 441). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 3170. A bill for the relief of R. W. Wood; without amendment (Rept. No. 442). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts (by request):

H. R. 3578. A bill to reduce in area the Parker River National Wildlife Refuge in

Essex County, Mass., and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H. R. 3579. A bill to provide a national health insurance and public health program; to the Committee on Ways and Means.

By Mr. FLETCHER:

H. R. 3580. A bill relating to the construction and disposition of the San Jacinto-San Vincente aqueduct; to the Committee on Public Works.

By Mr. KEATING:

H. R. 3581. A bill to amend the Social Security Act (49 Stat. 620) to extend coverage therein provided, and for other purposes; to the Committee on Ways and Means.

By Mr. LATHAM:

H. R. 3582. A bill to provide that persons separated from the armed forces of the United States before receiving promotions to which they were entitled upon their return from prisoner of war or similar status shall be held and considered to have been granted such promotions and the pay and allowances connected therewith; to the Committee on Armed Services.

By Mr. MATHEWS:

H. R. 3583. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MEADE of Kentucky:

H. R. 3584. A bill to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MURRAY of Wisconsin:

H. R. 3585. A bill to prohibit the Department of Agriculture and its officers, employees, and agents from destroying food which is fit for human consumption, and for other purposes; to the Committee on Agriculture.

By Mr. TIBBOTT:

H. R. 3586. A bill to extend mail delivery service for St. Francis College, Loretto, Pa.; to the Committee on Post Office and Civil Service.

By Mr. HINSHAW:

H. R. 3587. A bill to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REES:

H. R. 3588. A bill providing for a Federal Employees' Loyalty Act of 1947; to the Committee on Post Office and Civil Service.

By Mr. CLASON:

H. R. 3589. A bill to discontinue in effect certain war excise taxes, and for other purposes; to the Committee on Ways and Means.

By Mrs. SMITH of Maine:

H. R. 3590. A bill to amend the act of June 15, 1936, so as to grant certain benefits to members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps engaged in training duty prior to official termination of World War II; to the Committee on Armed Services.

By Mr. BATES of Massachusetts:

H. R. 3591. A bill to amend the District of Columbia Teachers' Salary Act of 1945, as amended, and for other purposes; to the Committee on the District of Columbia.

By Mr. VAIL:

H. J. Res. 208. Joint resolution authorizing the President to proclaim July 27, 1947, as Lithuania Day; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States to investigate the obvious advantages of locating the proposed atomic energy laboratory in some Government-owned area in the hope that the Atomic Energy Commission may consider the desirability of using such a Government-owned or Government-controlled site; to the Joint Committee on Atomic Energy.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. RIVERS introduced a bill (H. R. 3592) for the relief of Harry C. Metts, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

554. By Mrs. NORTON: Petition of the New Jersey State Identification Association, urging the enactment of legislation which would provide pension benefits to investigatory and law-enforcement personnel of certain Government departments; to the Committee on Ways and Means.

555. By Mr. SMITH of Wisconsin: Petition of residents of Racine, Wis., urging that all Communists and communistic sympathizers in this country be dealt with effectively; to the Committee on Un-American Activities.

556. By the SPEAKER: Petition of the International Migration Service, petitioning consideration of their resolution with reference to adoption of H. R. 2910; to the Committee on the Judiciary.

557. Also, petition of the membership of the Zephyrhills Townsend Club, No. 1, Zephyrhills, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

558. Also, petition of the membership of the Tampa Townsend Club, No. 4, Tampa, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

559. Also, petition of the membership of the Tampa Townsend Club, No. 3, Tampa, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

560. Also, petition of the Holy Name Society, Holy Trinity Parish, Gary, Ind., petitioning consideration of their resolution with reference to request for investigation of conditions in Yugoslavia; to the Committee on Foreign Affairs.

561. Also, petition of Clair B. Lamoreaux, Sparta, Mich., and others, petitioning consideration of their resolution with reference to request for stamping out of communism; to the Committee on Un-American Activities.

562. Also, petition of the Holy Name Society of St. Robert Bellarmine Church, petitioning consideration of their resolution with reference to opposition to any further delay in obtaining action on House Concurrent Resolutions 4 and 32; to the Committee on Foreign Affairs.

563. Also, petition of the Board of Aldermen of the City of Chelsea, Mass., petitioning consideration of their resolution with reference to endorsing the movement of the Massachusetts Allied Veteran Housing Council for the immediate alleviation of the housing shortage; to the Committee on Banking and Currency.

564. Also, petition of the Holy Name Society, St. Francis Xavier Church, East Gary, Ind., petitioning consideration of their resolution with reference to request for investigation of conditions in Yugoslavia; to the Committee on Foreign Affairs.

SENATE

FRIDAY, MAY 23, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Lord our God, shed the light of Thy Holy Spirit within the minds and hearts of Thy servants in this place of responsibility and decision, that all who sincerely seek the truth may find it, and finding it may follow it, whatever the cost, knowing that it is the truth that makes men free. When we have the truth, let us not hit each other over the head with it, but rather use it as a lamp to lighten dark places, in order that we may see where we are going.

This we ask in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 22, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 22, 1947, the President had approved and signed the act (S. 938) to provide for assistance to Greece and Turkey.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3029) to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia.

The message also announced that the House had passed a bill (H. R. 3348) to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella Division of the All-American Canal irrigation project, California, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 854) to amend section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and

for other purposes," and it was signed by the President pro tempore.

CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morse
Baldwin	Gurney	Murray
Ball	Hatch	Myers
Barkley	Hawkes	O'Conor
Brewster	Hayden	O'Daniel
Bricker	Hickenlooper	O'Mahoney
Bridges	Hill	Pepper
Brooks	Hoey	Reed
Buck	Holland	Robertson, Va.
Bushfield	Ives	Robertson, Wyo.
Butler	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Cain	Johnston, S. C.	Sparkman
Capehart	Kem	Stewart
Capper	Kilgore	Taft
Chavez	Knowland	Taylor
Connally	Lodge	Thomas, Okla.
Cooper	Lucas	Thye
Cordon	McCarran	Tobey
Donnell	McClellan	Tydings
Downey	McFarland	Vandenberg
Dworshak	McGrath	Wagner
Eastland	McKellar	Watkins
Ecton	Magnuson	Wherry
Ellender	Malone	White
Ferguson	Martin	Wiley
Flanders	Maybank	Williams
Fulbright	Millikin	Wilson
George	Moore	Young

Mr. WHERRY. I announce that the Senator from North Dakota [Mr. LANGER] and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. MCCARTHY] and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. OVERTON] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Connecticut [Mr. MCMAHON] and the Senator from North Carolina [Mr. UMSTEAD] are absent on public business.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letter, which were referred as indicated:

PROPOSED PROVISION PERTAINING TO APPROPRIATION FOR COMMERCE DEPARTMENT (S. DOC. NO. 56)

A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an appropriation for the Department of Commerce in the form of an amendment to the budget for the fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REVISION OF METHOD OF ISSUING PATENTS TO PUBLIC LANDS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to revise the method of issuing patents for public lands (with an accompanying paper); to the Committee on Public Lands.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the General Assembly of the State of Illinois; to the Joint Committee on Atomic Energy:

"House Resolution 61

"Whereas it is proposed to locate an atomic energy laboratory engaged in research for the development of all phases of the energy, including military, in Du Page County, on approximately 4,000 acres of land now occupied by homes, farms, and forest preserve; and

"Whereas the Atomic Energy Commission did not hold a public hearing on this matter, thus depriving interested citizens of an opportunity to be heard; and

"Whereas the Department of Conservation of the State of Illinois has advised that the location of the laboratory would be a severe hardship on the residents of this area in that the laboratory would require millions of gallons of water from an area which is already in danger of a water shortage due to the rapidly receding water level; and

"Whereas the dispossession of residents of the land to be taken over would add an extreme hardship through increasing the already serious housing emergency already existing in the county; and

"Whereas the acquisition of the Du Page tract is entirely unnecessary because of the existence of a far more suitable location in nearby Elwood, Ill., on some 40,000 acres of Government-owned land formerly used as an ordnance plant and equipped with highways, water system, railroads, electricity, housing, and hospital facilities; and

"Whereas the location of such a plant in a more remote Government-owned area would provide a margin of safety not possible at the Du Page location and would result in saving millions of dollars of the taxpayers' money: Therefore be it

"Resolved by the House of Representatives of the Sixty-fifth General Assembly of the State of Illinois, That we respectfully petition and urge the Congress of the United States to investigate the obvious advantages of locating the proposed laboratory in some Government-owned area in the hope that the Atomic Energy Commission may consider the desirability of using such a Government-owned or Government-controlled site; that a copy of this preamble and resolution be forwarded by the secretary of state to the President of the Senate, the Speaker of the House of Representatives, and each Illinois Member of Congress at Washington.

"Adopted by the house, May 14, 1947."

A joint resolution of the Legislature of the Territory of Hawaii; to the Committee on Finance:

"Senate Joint Resolution 9

"Joint resolution memorializing the Congress of the United States to provide for purposes of taxation of income, that damage caused by the tidal wave which hit the Hawaiian Islands on April 1, 1946, and the subsequent tidal waves or like marine disturbances may be deducted from income in installments over a period of 5 years

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States of America is most respectfully memorialized to provide that, for purposes of taxation of income, deductions for damage caused by the tidal wave which hit the Hawaiian Islands on April 1, 1946, and the subsequent tidal waves or other marine disturbances of like nature may be deducted either wholly in the year in which such damage was suffered or in one-fifth installments over a period of 5 years.

"SEC. 2. Certified copies of this joint resolution shall be forwarded to the President of the United States of America, to the President of the Senate and to the Speaker of the House of Representatives of the Congress, to the Secretary of the Interior and to the delegate to the Congress from Hawaii.

"Approved this 16th day of May A. D. 1947.

"INGRAM M. STAINBACK,
"Governor of the Territory of Hawaii."

Petitions of members of the Tampa Townsend Club, No. 1; the members of the Tampa Townsend Club, No. 4, and the Zephyrhills Townsend Club, No. 1, all in the State of Florida, favoring the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., favoring the enactment of the so-called Taft-Ellender-Wagner bill, S. 866, to establish a national housing objective and the policy to be followed in the attainment thereof, to facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'CONOR::

A resolution of the Senate of the Legislature of the State of Maryland; to the Committee on Finance:

"Senate resolution petitioning the United States Congress to investigate the operation of cooperatives particularly with reference to special privileges granted under tax exemptions

"Whereas the Senate of Maryland recognizes the tremendous growth of cooperative associations to be inimical to the American system of competitive enterprise; and

"Whereas it is the sense of the Senate of Maryland that danger to our free enterprise exists in the continued and accelerated growth of cooperative associations; and

"Whereas the Senate of Maryland recognizes that the impelling force and increasing power of these cooperatives emanates from the Federal law granting special privileges, particularly in tax exemptions; and

"Whereas no individual State has power far reaching enough to wholly correct the danger to our free institutions: Now, therefore, be it

"Resolved by the Senate of Maryland, That the United States Congress is hereby requested to make a thorough and complete investigation and analysis of the effect of cooperatives on our competitive system of business, with a view to enactment of legislation found necessary or desirable to correct any evils found to exist under present laws; and be it further

"Resolved, That this resolution be spread upon the journal of the senate and that the secretary be, and he is hereby, directed to send a copy of same to the President of the United States Senate, the Speaker of the House of Representatives, and to the Representatives from Maryland in both Houses of Congress."

A resolution of the Senate of the Legislature of the State of Maryland; to the Committee on Public Works:

"Senate resolution requesting the United States Public Roads Administration to construct a dual highway between Andrews Field, in Prince Georges County, and the United States Naval Radar Station, in Calvert County

"Whereas there is no direct route from Andrews Field, in Prince Georges County, to

the United States Naval Radar Station at Randle Cliffs, in Calvert County; and

"Whereas it is desirable that there be a direct and safe route between these two points; and

"Whereas such a highway will be of great value to the Government and also to the people residing in Washington and its vicinity who wish to visit the water front along the Chesapeake Bay: Now, therefore, be it

"Resolved by the Senate of Maryland, That the United States Public Roads Administration be, and it is hereby, requested to construct a dual highway between Andrews Field, in Prince Georges County, and the United States Naval Radar Station at Randle Cliffs, in Calvert County; and be it further

"Resolved, That this resolution be spread on the journal of the senate and that the secretary send a copy thereof to the United States Public Roads Administration and to each Representative in the United States Congress from Maryland."

A resolution of the Senate of the Legislature of the State of Maryland; to the Committee on Armed Services:

"Whereas the Navy has proposed the abandonment of the Indian Head powder factory and the erection of a similar plant in another section of the Nation; and

"Whereas it seems increasingly apparent that an economy program by the Congress and Federal Government cannot support such additional expenditures, as new facilities would cost an estimated $6,000,000 but by an expenditure of approximately $1,000,000 at Indian Head, the present plant could produce the latest types of powder; and

"Whereas there has been advanced no real reason why experimental work cannot be conducted as satisfactorily at Indian Head as at any other locale, and no other naval establishment is equipped to produce double-base powder but the Indian Head plant is 75 percent equipped to do so at present; and

"Whereas thousands of dollars would be lost to the community of Indian Head and vicinity should the removal of the Navy base be consummated; and

"Whereas such removal would work great hardship on the citizens and taxpayers of Charles County; and

"Whereas the people of Charles County have already delegated a special committee to consider and oppose the project of such removal: Now, therefore, be it

"Resolved by the Senate of Maryland, That the Members of the Maryland delegation in Congress be and they are hereby respectfully requested to give complete and thorough attention, immediately to the Navy's proposal for the termination of operations at Indian Head; and be it further

"Resolved, That a copy of this resolution be sent to each of the Members of the Maryland delegation, including the six Representatives and two Senators from Maryland; and another copy to the Secretary of the Navy, with a request for a full and open hearing on this proposal before the Navy Department and Congress."

UNIFORM MARRIAGE AND DIVORCE LAWS

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted at the ninety-fifth annual convention of the diocese of Iowa, in which they express their approval of the principles and purposes of the constitutional amendment and bill to make uniform marriage and divorce laws of the various States, as introduced by me in the Senate.

There being no objection, the resolution was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

DIOCESE OF IOWA, NINETY-FIFTH ANNUAL CONVENTION—RESOLUTION SUBMITTED BY THE COMMITTEE ON CHRISTIAN SOCIAL RELATIONS

Resolved, That this convention agrees with the principle and purposes of the constitutional amendment and bill to make uniform the marriage and divorce laws of the various States, as introduced in Congress by Senator ARTHUR CAPPER, and directs its secretary to notify him of this fact.

The above resolution supported and carried.

Rev. GEORGE C. WEISER,
Secretary.

FORT MADISON, IOWA.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr CAPPER, from the Committee on Foreign Relations:

H. R. 1179. A bill to aid in defraying the expenses of the seventeenth triennial convention of the World's Woman's Christian Temperance Union to be held in this country in June 1947; without amendment (Rept. No. 198).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. WHITE introduced Senate bill 1333, to amend the Communications Act of 1934, as amended, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. CAPPER:

S. 1334. A bill to enable the Secretary of Agriculture, through the Federal Extension Service, to cooperate with the land-grant colleges and universities in carrying out a program for the collection and dissemination of information with respect to the supply of, the need for, and the effective use of agricultural workers, and for other purposes; to the Committee on Agriculture and Forestry.

S. 1335. A bill to provide for the establishment of the Alcove Springs National Park in Marshall County, Kans.; to the Committee on Public Lands.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

Mr. WHITE. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill which I send to the desk amending the Communications Act of 1934, and for other purposes.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

There being no objection, the bill (S. 1333) to amend the Communications Act of 1934, as amended, and for other purposes, introduced by Mr. WHITE, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. WHITE. Mr. President, I have just introduced a bill to amend the Communications Act of 1934. Because of the wide interest expressed in radio legislation, it seems appropriate to make a brief explanatory statement of the measure.

The bill is the result of more than 7 years of congressional investigations, studies, and hearings by committees in both Houses of Congress, conferences, and discussions with representatives of large and small broadcasters and members of the Federal Communications Commission, as well as with experts and students of the problem. It has its immediate source in S. 1268, a bill introduced by Senator Wheeler in the Seventy-sixth Congress; in S. 1520, introduced by me in the Seventy-sixth Congress; in S. 814, introduced by me for myself and Senator Wheeler in the Seventy-eighth Congress; in recommendations of the Federal Communications Bar Association; in recommendations in the Report of the Attorney General's Committee on Administrative Procedure; and in court decisions.

The purpose of the bill is largely to clarify the meaning and intent of the existing act and to rectify some of the defects which have become obvious during the past 12 years of administration of the law. Broadly, it deals with:

First. Changes in the organization of the Commission designed to make it function more expeditiously and expertly.

Second. Modifications in functioning and procedure by the Commission to insure equality in treatment of applicants and licensees.

Third. Modifications in appellate procedure and provision for declaratory judgments.

Fourth. Equality of right and opportunity to use radio facilities in political campaigns and in discussion of public questions and separation of fact from editorial opinion.

Fifth. Further protection against censorship over programs or station operation by Government.

Sixth. Protection against monopoly by limitations on station ownership.

It should be emphasized that the bill should not be regarded as the answer to every question that has been raised. There may be much to be added and some to be subtracted. We shall have hearings, and all who have suggestions to offer will be heard, and their views will be carefully considered.

This much, however, I believe can be said. We are in great need of new radio legislation; the art is more than a quarter of a century old and has made gigantic strides technically, but is operating under law which for the most part is nearly 20 years old. Back in 1939, the late President Roosevelt commented publicly on the need for a reorganization of the Commission and new substantive law on the subject of communications. The Nation's broadcasters have made clear that they want new legislation; but even more important, the 140,000,000 people in this country who are the radio listeners are entitled to what I believe to be the benefits of this proposed legislation.

Mr. President, I now ask unanimous consent to have printed in the RECORD, as a part of my remarks, a statement I have prepared which explains in a section by section analysis the provisions of the bill I have introduced.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DIGEST AND EXPLANATION OF THE BILL

SECTIONS 1, 2, AND 3

Section 1 cites the titles of the act as the "Communications Act Amendments, 1947." Sections 2 and 3 amend section 3 of the present law to add a number of definitions and clarify the meaning of some existing definitions. These include the definitions of "broadcasting," "network broadcasting," "license," "station license," "radio station license," "broadcast station," "broadcasting station," "radio broadcast station," "network organization," "hours," "broadcast hours," "construction permit," "single broadcast band." Clarification of some of these terms, particularly the term "license," is made necessary because of a tendency upon the part of the Commission to treat what are in fact licenses, as instruments of a different character and lesser import, thereby making possible avoidance of compliance with procedural and appellate provisions of the act intended as safeguards against arbitrary administrative action, provisions necessary to be respected if orderly procedure is to be had. These definitions tend to insure that result.

SECTIONS 4 AND 5

Sections 4 and 5 amend sections 4 and 5 of the present law and modify the administrative set-up and functions of the Commission. Section 4 eliminates the provision giving the President authority to name the Chairman, thus conforming to the general practice in several other quasi-judicial agencies which annually elect their own Chairman. Section 5 would require separation of the Commission of seven members into two statutory divisions of three members each and clarifies the functions of the Chairman and the Commission.

Under the legislation proposed the whole Commission would have power and authority to adopt and promulgate any rule or regulation of general application required or authorized by the act, including procedural rules and regulations for the Commission and each division. The whole Commission would have plenary authority over amateur services, emergency services, maritime services, aircraft services, general safety services, the qualification and licensing of operators, the selection and control of personnel, the assignment of bands of frequencies to the various radio services and many other subjects and services, as at present. But the present judicial and quasi-judicial functions of the Commission would be vested in the proposed divisions insofar as those functions relate to the most important and controversial subjects within the present jurisdiction of the Commission.

Jurisdiction to hear and determine all cases arising under the act or regulations relating to broadcast, television, facsimile and kindred communications intended for public reception is vested in the Broadcast Division. Similar jurisdiction with respect to common carriers and communications intended for a designated addressee is vested in the Common Carrier Division. This plan not only recognizes the basic and fundamental difference between the two types of communications involved and the nature of the questions presented by each, but it also provides a method for obtaining proper consideration of those cases by persons who wil be able to devote their time and attention to the questions committed to them wihout undue interruption or interference occasioned by the demands of basically different problems.

Under the plan proposed, the status of the chairman would be that of an executive officer and coordinator participating fully in all matters within the jurisdiction of the Commission except the determination and decision of contested matters which are made the exclusive business of the divisions. Experience has amply demonstrated that the chairman cannot be expected to devote the time and attention necessary to the proper handling and disposition of these matters and also efficiently to discharge the many other duties which are unavoidably his under the act. As to these other duties, an attempt also has been made to clarify the status of the chairman and to make him, and him only, the official spokesman and representative of the Commission in certain important respects.

When the present act was before the Congress in 1934, the bill passed by the Senate provided for a mandatory separation of the Commission into divisions as is now proposed by this bill but this plan was later abandoned and the present Commission has been operating under a law which permitted but did not require it to organize itself into divisions. In recent years, the division plan has been entirely abandoned by the Commission and it seems obvious that such abandonment has operated to the detriment of orderly procedure and to wise administration and regulation. Students of this legislative problem are thoroughly convinced of the wisdom of the mandatory division plan for at least two important reasons. They recognize that there are fundamental differences in the two classes of communications; that rate making and public utility concepts are the very essence of private communications but have little, if any, application to communications with the public directly; that there has been a tendency upon the part of the Commission to confuse the two and to apply the same concepts and philosophies in the regulation of the two. This tendency must be avoided. Secondly, it is apparent that the subject of public or mass communications and the problems incident to the regulation thereof are so interesting and attractive that they draw public attention; that on the other hand, there is very little of news value or opportunity for publicity in the regulation of common carriers and this has had the result of centering the attention of the Commission and its personnel almost exclusively on broadcasting and related problems and of preventing the giving of sufficient attention to equally important problems relating to private communications.

The changes proposed in these two sections would bring about a much needed and desired separation of the judicial and regulatory functions of the Commission; would contribute to a sounder knowledge on the part of the commissioners of the communication problems committed to them; would make for orderly procedure and harmony of decision; and would speed up the disposition of cases before the Commission and the divisions thereof.

Definite authority is given to the Commission or to either division to assign or refer to an individual commissioner or to a body composed of an employee or employees, any portion of its work, business, or functions but with an assured right of review by the Commission or the appropriate division. This obviates the necessity for full Commission or division action in cases where this is not believed necessary. It should result in speedier consideration and decision.

SECTION 6

This section amends section 4 (k) of the present act and is intended to make more clear and definite what shall be contained in the annual report filed by the Commission. Briefly, the Commission is to furnish annually (1) information and data bearing on the problems of regulation of interstate and foreign wire and radio communication; (2) information on the general administrative operations of the Commission so that Congress may readily understand what the Commission has done or ailed to do; (3) information concerning personnel employed during the year and their experience, etc., and those resigned or discharged; (4) information in detail of all sums expended by the Commission, for what purpose and under what authority; (5) specific recommendations on necessary additional legislation and the reasons therefor.

SECTION 7

This section amends subsection (i) of section 303 of the present act and is designed to expressly limit the Commission's rule-making power with respect to stations engaged in chain broadcasting only to the physical and technical phases of regulation. It would limit the effect of the opinion of the Supreme Court handed down May 10, 1943, in the case of *National Broadcasting Company, Inc., et al.* v. *U. S. et al.* (319 U. S. 190) which generally has been considered as an example of judicial "law-making" of authority not granted in the act. It should be noted here that the Commission's chain-broadcasting regulations involved in this section are, in substance, made a part of this bill in section 19.

SECTION 8

This section amends subsection (j) of section 303 of the present act which gives the Commission authority to make rules and regulations requiring stations to maintain records of programs and similar technical details. The proposed new language is designed and intended to accomplish two purposes: (1) To enlarge in specific terms the requirement for certain types of information not originally provided for; and (2) to limit the authority of the Commission, now apparently exercised under the authority of section 308 (b), to require reports and information from licensees which are not necessary to carry out its regulatory function.

SECTION 9

This section amends subsection (d) of section 307 of the law which now provides that definite the existing language regarding allocation of licenses, frequencies, and hours of operation by the Commission. It is designed to bring about a fairer distribution of radio broadcast facilities in the country and at the same time discourage a policy which grants licenses wholesale simply on "demand."

SECTION 10

This section amends subsection (b) of section 307 of the present act to make more Commission action on renewals of licenses is limited to and governed by the same considerations and practices which affect the granting of an original license. The proposed new language would make the procedure in such cases conform in every particular to the procedure set out for original applications proposed in section 12 of this bill. It is designed to bring about orderly procedure under law.

SECTIONS 11 AND 12

These sections amend sections 308 and 309 of the present act. They are designed to make more definite and certain the procedure to be employed by the Commission in the exercise of its radio-licensing function. These amendments are made necessary by the restrictive character of the language in the present act and by the disposition of the Commission to give that language an extremely literal rather than a broad interpretation. The result has been to deprive applicants in many cases of the right to be heard before their applications are denied and also to deprive persons adversely affected by actions of the Commission an opportunity to be heard before the Commission.

Section 11 would make clear that all instruments of authorization granted by the Commission entitling the holders to construct or operate radio apparatus should, in general, be the subject of a written application. Provision is made, however, for authorizations in emergencies or in times of war without the filing of a formal application.

It is also proposed that the Commission may not, except as specifically provided in section 14 of this bill, modify or revoke an existing license and that no transfer proceedings may be utilized by the Commission for the purpose of disciplinary action designed to punish a licensee for his actions as such.

The amendments to section 309 contained in section 12 of this bill make clear that any person filing an application is entitled as a matter of right to have that application handled in a definite procedural way. This is not assured under present practice of the Commission. The procedure to be followed in the handling of applications is that which was successfully followed by the Commission for a considerable period of time pursuant to rules and regulations prescribed by it, but the method was abandoned on the apparent theory that the Commission was according to applicants and others in interest greater rights than those specified by the act. Since the right to notice and hearing is the very essence of orderly procedure, amendments which leave no doubt that such rights are secured are absolutely imperative. Specifically, the amendments proposed to section 309 will make it possible, as at present, for the Commission to grant any application without hearing if convinced that the statutory standard will be served thereby. But it will provide a method whereby any person who has the right to challenge the legality or propriety of such a grant by appeal from the Commission's decision can make his complaint first before the Commission—a guaranty which the present law does not contain. The proposed language makes clear who have rights, what their rights are, and exact procedural steps in accordance with recommendations of the Attorney General's Committee on Administrative Procedure.

SECTION 13

This section amends section 310 (b) of the present act to make certain that no station license granted by the Commission may be transferred without Commission approval, and makes definite the procedure to be employed by the Commission in passing upon the merits of such applications. The necessity for provisions of this character arises out of the failure of the present transfer section to refer to construction permits as well as licenses, and its failure to specify either the procedure to be employed or, with sufficient certainty, the standard to be accepted which controls the ultimate decision.

SECTION 14

This section proposes extensive revision of section 312 of the present act, which deals with revocation of licenses. The present law permits revocation by the Commission for false statements either in the application or in the statement of fact which may be required under the licensing provisions; or because of conditions revealed by such statements of fact as may be required from time to time which would warrant the Commission to refuse to grant a license on an original application; or for failure to operate substantially as set forth in the license; or for failure to observe any of the restrictions or conditions of the act or of regulations of the Commission authorized by the act or a treaty ratified by the United States. Thus, revocation is the sole administrative penalty in the case of violators ranging from the most serious to those who may innocently violate regulations of the Commission on technical matters.

It is believed that some method short of absolute revocation should be provided for lesser violations and at the same time make the section effective to deal with violations of all types, since understandably the Commission has been reluctant to proceed with drastic penalties for minor violations. Accordingly, it is proposed that for many of the less serious violations the Commission may undertake cease-and-desist procedures, carefully spelled out, and subsequent violation of such a cease-and-desist order is cause for revocation. Revocation is also authorized for conditions coming to the attention of the Commission which would have warranted the Commission to deny a license originally. An additional provision is included dealing with modifications of licenses or construction permits by the Commission under a definite procedure which allows the holder a hearing, if he requests it.

SECTION 15

This section is a revision of section 315 of the present act, which deals with the use of radio stations for broadcasting in political campaigns. Section 15 of the present act merely provides that the Commission has no authority to require a licensee to permit the use of his station for a political campaign. In the proposed revision, that prohibition against the Commission remains, but it is provided that if the licensee does permit the use of his station for a political campaign, certain conditions and obligations shall obtain.

In brief, these conditions are as follows:

1. If a legally qualified candidate in any election, or a person designated by him, is permitted the use of a station for participating in a political campaign, then equal opportunity must be granted each of the candidate's opponents or persons designated by them. Similarly, if a person is permitted the use of a radio station in opposition to a candidate, then the candidate, or someone designated by him, must be given equal opportunity.

2. If an official of a regularly organized political party, or a person designated by him, is permitted to use a radio station, then the corresponding official of all other regularly organized political parties, or persons designated by them, must be given equal opportunity.

3. During a political campaign no station shall make facilities available for or against any candidate except to a candidate for the same office, or a person designated by him, or by a person designated by the responsible official of a regularly organized political party whose candidates' names appear on the ballot.

4. If any person is permitted the use of a station to speak for or against any public measure to be voted upon as such in an election, the licensee must afford equal opportunities and an equal amount of time in the aggregate for the presentation of each different view on the measure or question.

5. Political broadcasting or the discussion of any question to be voted upon shall not be permitted by a licensee for a period beginning 24 hours prior to election day and continuing throughout that day, in conformance with the rule governing general political advertising in newspapers.

6. Neither the licensee nor the Commission shall have any right to censor in any way any political broadcast, and the licensee is exempted from liability for any libel or slander by any person speaking under the provisions of this section.

The term "equal opportunities" is defined to make clear that it covers not only time and number of stations used but also cost, if any, for such use of facilities.

SECTION 16

This section amends section 326 of the present act which deals with the general subject of censorship. It is designed to make manifest and the subject of specific statutory declaration principles which should have been sufficiently clear from an examination of the present law in its entirety. Subsection (a) specifically states that the Commission is to have no power to regulate the business of the licensee of any radio broadcast station, except where that power is specifically conferred by the act itself. It is designed to prevent the elastic stretching of the words of the statute into tortured constructions that go beyond congressional intent. Subsection (b) provides a more comprehensive prohibition against censorship than is now in the act and also makes clear that the Commission has the authority in any case where application for renewal of a license is made to examine the over-all operation of the licensee to determine whether or not the operation has satisfied the statutory standard.

It should be noted here that this section involves a most troublesome question. It is an axiom of administrative government, such as the quasi-judicial agencies, that some discretion must vest in the good judgment and common sense of the administrators. It is impossible for a statute to spell out every detail. And this is even far more difficult in the case of regulation of noncommon carriers. It is virtually impossible to spell out specifically in a statute just what the public interest, convenience, and necessity means or does not mean. Therefore, regardless of what many well-intentioned and conscientious people may believe, the regulatory agency must be given some degree of authority to determine, case by case, whether there has been operation in the public interest, convenience, and necessity. One of the principal complaints against the Commission has been that it has interpreted the public interest in such manner as to discriminate between licensees. It has compelled licensees to vary, modify, or change program content or methods of doing business by withholding renewals, or by other methods without granting hearings and making specific charges or complaints. The Commission has no such power now; it was not intended to have such power, and this bill would not grant it such power. But as the regulatory agency, the Commission should have and does have the authority to grant or deny renewals of applications based on findings as to whether a licensee has operated in the public interest. So long as the licensee or applicant has a clear, definite, and orderly procedure to seek a final determination on the question in the courts, there can be no criticism of the regulatory function granted by the Congress.

The proposed language of this section does not take away the Commission's authority to make a finding whether or not a licensee has operated in the public interest; it is, in fact, affirmed. But it also makes clear that the Commission does not have the authority to tell a licensee, directly or indirectly, what he can broadcast or cannot broadcast, or how he should run his day-by-day business.

SECTION 17

This section adds two new sections to the Communications Act dealing with the discussion of public questions, sections 330 and 331.

It will be remembered that section 15 of this bill dealt with political broadcasting in a political campaign. Section 330 here proposed sets forth conditions governing broadcasting of public or political questions which do not fall within the purview of the political campaign broadcast section. It is proposed that if a licensee permits the use of his facilities for the discussion of any public question or issue, he must afford equal opportunities for the presentation of different views on the question or issue. "Equal opportunities" is defined as in section 15 so that all will have the same treatment, as to time on the air, the number of stations, cost, if any, and all other pertinent factors. It is obvious that some provision is necessary to meet the sharp criticism regarding lack of fairness and equality on the air that frequently has been expressed in recent years. This proposed language is intended to accomplish that result. It provides, of course, that neither the Commission nor the licensee shall have any authority to censor or alter what is being said, except that material advocating overthrow of the Government

by force or violence may be rejected by the licensee and he shall have the right to have a copy of the material to be broadcast in sufficient time to examine its contents.

The other proposed new section, section 331, provides that certain specific identification data be made known to the listening public in all cases of political broadcasts or discussions of public questions coming under sections 315 and 330. These identification data include not only the name of the speaker or speakers and the subject under discussion, but likewise the capacity in which the speaker appears—that is, whether on his own account as an individual, candidate, or public officer, or as the representative, advocate or employee of another; how the time for the broadcast was made available, and if paid for, by whom. However, in the case of a public officer, speaking as such, only the name of the speaker, the office held by whom the power of election or appointment is exercised is required as identifying data.

It must be obvious that the public has the right to know certain pertinent facts regarding a person who is seeking to convince them of particular views on important questions. Too often, advocates of a particular policy or issue have appeared under false colors; sometimes they have been politically beholden to the one for whom they spoke; other times they were employees of those espousing a particular course of conduct. But the listening public never knew the facts. This section is designed to bring these facts out in the open; it does not stop use of radio broadcasting; it merely provides for honest labeling.

SECTION 18

This section also proposes a new section to the act relating to identification of source in news items and discussions of public events over the radio. It provides that in the broadcasting of news items and in any analysis of or comment on current events, the source of the material shall be identified, and that editorial and interpretive comment on news shall be identified as such. It is designed to make clear to the listening public what portion of a so-called news broadcast is, in fact, news and what is its source—i. e., a news agency, the news staff or the radio station, or a special correspondent; and to separate the news from the editorial comment or interpretation or analysis. While there is no requirement in this section that those who broadcast news reports and commentators shall be identified in the detail required in political broadcasts, this section is intended to give the listening public an opportunity to know what is fact and what is the editorial opinion or interpretation by a speaker.

One of the largest radio networks already has undertaken to follow this policy and is worthy of commendation for it. It is common knowledge that in many so-called news broadcasts not even the most discerning of listeners is able to separate fact from opinion. The factual news is so interlarded with comment, personal viewpoint, and intrepretation that the listener is hardly aware when he is hearing fact and when he is hearing opinion. There is no desire to prevent the broadcasting of opinion or comment; many listeners appreciate and even value the particular individual viewpoint of a particular commentator and they would not be deprived of that interpretation. It should be emphasized that the proposed section is not a litimitation on free speech and cannot be so construed or interpreted. It does not limit access to the radio by any speaker, analyst, or commentator; it does not limit or modify in the slightest degree what he may say. It does require honest labeling and identification. It is designed to bring into general operation in the industry a policy which will avoid distortion of the news, to separate fact from fancy, to make news reporting over the radio as factual as possible without at the same time interfering with the right of free speech.

SECTION 19

This section proposes a new section, section 333, to the Communications Act, relating to chain broadcasting and station ownership.

It proposes positive and unequivocal statutory prohibitions against certain contractual relationships between the licensees of broadcast stations and network organizations and on ownership of radio stations. It should be emphasized that such prohibitions, in generally similar terms, are presently in effect, but as rules and regulations of the Commission, and have been conformed to by all licensees. But there is a serious question whether or not the regulatory agency had the statutory authority to make such rules. This section would make clear that the Commission has no power either over the subject of the contractual relationship between stations and networks or over limiting ownership of stations and reaffirms the power and authority of Congress and law.

More specifically, the so-called network regulations promulgated by the Commission would be rendered inoperative and the decision of the Supreme Court of the United States in the case of *National Broadcasting Co., Inc., et al.* v. *U. S. et al.*, decided May 10, 1943, would be made inapplicable to section 303 (i) of the act as proposed to be amended by section 7 of this bill. These limitations on contractual relationships between licensees and network organizations are aimed at preventing the continuance of certain practices, which, in the opinion both of the regulatory agency and most independent radio-station operators, have proved inimical to the individual licensee and to broadcasting generally. They are designed to free the individual licensee from contractual restrictions imposed by networks because of the latter's superior bargaining position. They are not intended to be and should not be construed as a condemnation of networks or of the normal station-network relationship which has been beneficial in many respects. These limitations are phrased in such a manner as to be well understood by the industry and are in substance such that they will lend themselves to speedy and convenient compliance.

Of the several prohibitions, it is believed that only two require some explanation. The first is in paragraph 1 which is designed to prevent a network from requiring a station to carry only the programs of that network.

It would permit any station to carry the programs of any network on time which is not contracted for, and in the case of contractual option provisions, to carry such programs in event the option has not been exercised. The effect is simply to permit a station to sell that portion of its unused option time to a second network, but subject to the initial option. The restrictions contained in paragraph 4 relate only to option time and would not prevent any station from carrying as many network programs as it deems necessary in the service of its listening public. The restrictions would, however, operate as a limitation both upon the time which any one network may option from any one station, and upon the time which any station may option to all networks.

Subsection (b) prohibits the ownership or operation of more than one network by any person or corporation. This prohibition has been in force for several years by Commission rule and regulation and it is merely proposed that Congress and the law shall make this prohibition rather than the Commission through broad interpretation of the statute.

Subsection (c) proposes that 1 year after the enactment of the bill, the Commission shall not permit any person to own or control in the same area more than one broadcast station in any single band nor may any person own stations in any single band which in the aggregate give a primary service to more than 25 percent of the total population of the United States.

It is important to note two sets of facts in connection with the proposed limitations on ownership:

First, the Commission by rule and regulation already has banned the ownership by one person of more than one station serving substantially the same area or the ownership of more than six frequency modulation stations or five television stations. Moreover, it has indicated in a recent hearing that it does not look with favor on the ownership of more than six amplitude modulation stations by one person. While the Commission has apparently issued such rules under its own broad interpretation of public interest, convenience, and necessity, it is proposed by this bill that Congress itself, through the statute, lay down the policy rather than permit so important a policy determination to be made by administrative edict.

Secondly, it should be emphasized that Congress is here dealing with a field which has a natural restriction of its own; the frequency bands are not limitless and will accommodate only a limited number of users. It is obviously poor public policy to permit a field already limited by natural law to be monopolized by a relatively few users. It is axiomatic in a free democratic society that competition not be restricted by statute and that monopoly be avoided. This policy is doubly important in an art so heavily invested with public interest as is radio broadcasting.

It should be pointed out that these proposed limitations on ownership are not burdensome and will work no great hardship on existing licensees who own more than one station. Each licensee would be permitted to own in each field—amplitude modulation, frequency modulation, television, and facsimile—that number of stations which serve up to one-fourth of the 140,000,000 people of the United States. While the right to the "eyes" and "ears" of 25 percent of the total population may be criticized as a step in the direction of monopoly, actually no one licensee will have or can have the exclusive privilege of the "eyes" and "ears" of that number of people in view of the multiplicity of stations in the major population centers of the Nation.

SECTION 20

This section proposes a new section 334 to the act and prohibits the uttering of indecent language or the making of false accusations or charges by means of radio communications The prohibition against indecent language is presently in the law (section 326) but has been shifted to a new section as a matter of clarification. The only new language is the prohibition against false accusations or charges.

SECTION 21

This section adds a new subsection to section 401 of the present act to provide for the issuance of declaratory orders. A recommendation advocating declaratory orders by administrative quasi-judicial agencies was made in the Report of the Attorney General's Committee on Administrative Procedure in Government Agencies in 1941 but the policy has not been adopted by many agencies and specifically not by the Federal Communications Commission. One of the criticisms of governmental procedure, particularly that of the regulatory agencies, is that in order to test the legality, or even the meaning of a regulation or rule, it is necessary to violate it and incur penalties. This results in a particularly difficult situation in the case of radio broadcasting, involving as it does highly technical and specialized rules applicable to engineering and other specialized equipment, and may, in many cases, actually jeopardize the license itself thus putting the licensee out of business. It is proposed, therefore, that the Commission issue declara-

tory orders in cases of actual controversy arising under any provision of the act, upon petition, and after notice and opportunity for hearing. This would make unnecessary incurring the risk of violating the law in order to secure an authoritative ruling. Such orders would, of course, be subject to judicial review.

SECTION 22

This section deals with the subject of judicial review of the Commission's decisions and orders and amends the present section 402 of the act. While this and the next two sections proposed are somewhat technical because they involve legal procedure, they are among the most important proposals of this bill in attempting to make clear, definite, and orderly the procedure both before the Commission and the courts.

Subsection (a) deals with judicial review of Commission orders by specially constituted three-judge courts. It substantially restates existing law with needed clarifications, except that a provision is inserted that would give parties plaintiff, other than the Government, an option of venue for such suits, either in the appropriate United States district court or in the United States District Court for the District of Columbia.

Subsections (b) through (j) deal with the subject of judicial review of decisions and orders of the Commission entered in the exercise of its radio licensing function. Since the changes in existing law which would be effected by the enactment of these subsections are several and substantial, detailed consideration follows.

Subsection (b) attempts a more precise and comprehensive definition of the jurisdiction of the United States Court of Appeals for the District of Columbia in cases appealed from the Commission. The language of this subsection, when considered in relation to that of subsection (a), also would make clear that judicial review of all cases involving the exercise of the Commission's radio licensing power is limited to that court. Under present law confusion and controversy has arisen concerning what decisions and orders of the Commission might become the subject of judicial review and in what court. This has been carried to the point where the time and effort of both litigants and courts have been too much taken up with jurisdictional problems rather than the merits of particular cases. This subsection is designed to obviate this difficulty.

Subsection (c) deals with the time for and the manner of taking an appeal from the Commission to the United States Court of Appeals for the District of Columbia, and the duty of the Commission with respect to the filing and certification of the record in the event that such an appeal is taken. The appellate period is made 30 rather than 20 days as at present and provision is made that the appellate period will run from date of entry of the order appealed from rather than its effective date. This subsection also definitely fixes and prescribes the nature and extent of the jurisdiction of the appellate court after a notice of appeal has been filed, and confers upon that court, by specific language rather than by inference, authority to grant temporary relief, which may be either affirmative or negative in its scope and application.

Subsection (d) would continue in effect, substantially, the provisions of section 402 (c) of existing law. It does, however, propose to settle certain ambiguities. The Commission would be compelled to file with the court both the record and its written decision within a period of 30 days after the filing of an appeal. Present provisions of law are susceptible of an interpretation which would require the filing of the Commission's decision 30 days after the filing of the record.

Subsection (e) is a redraft of section 402 (d) of existing law with minor clarifying amendments.

Subsection (f) specifically confers upon the appellate court the right to fix by rule the material to be included in any record upon which an appeal is to be heard and determined. While this is now the practice of the United States Court of Appeals for the District of Columbia, questions have arisen concerning that court's power to take such action due to the peculiar language of the statute. This appears to be a matter which obviously should be clarified.

Subsection (g) restates existing law found in section 402 (e) of the act insofar as that section deals with the duty and functions of the appellate court in arriving at its decision. It should be observed that the jurisdiction of the appellate court is limited to questions of law and that findings of fact by the Commission, if supported by substantial evidence, are conclusive, unless it appears that such findings are arbitrary or capricious.

Subsection (h) contains provisions which are intended to confer upon the appellate court a measure of control commensurate with the dignity and responsibility of that tribunal, requiring the Commission to give effect to the judgment of the court in the absence of proceedings to review.

Subsection (i) carries forward without change provisions of section 402 (f) of existing law relating to the assessment of costs on appeal.

Subsection (j) provides that in a limited class of cases appeals may be taken directly and as a matter of right to the United States Supreme Court. Under present law review by the Supreme Court of decisions of the United States Court of Appeals for the District of Columbia is limited to certiorari proceedings and to certification by the court of appeals. Experience has clearly demonstrated that it is extremely difficult for private litigants to secure an ultimate Supreme Court review of Commission action by the certiorari method. Since 1927 only one such petition has been granted upon request of a private litigant, whereas only one such petition has been denied when filed by the Government. The result has been that many cases involving Commission action on applications for renewal and modification of license have during this period of 20 years been reviewed by the Supreme Court upon request of the Government and only one has received such consideration upon petition of a private litigant. Since either revocation or renewal proceedings may result in absolute or final loss of license, it is believed that adequate opportunity should be given the parties affected in such cases to litigate their claims; and that in this limited class of cases opportunity should extend to and include review by the highest judicial tribunal. Such appeals, as a matter of right, are given in practically all cases involving decisions and orders of the Interstate Commerce Commission and are given under section 402 (a) of the Communications Act in cases which involve the exercise by the Commission of its legislative, as distinguished from its judicial, powers.

SECTION 23

This section amends section 405 of the present act to conform rehearing procedure before the Commission to the changes in the administrative organization of the Commission proposed in section 5 of this bill. It also would make more definite and certain the rights and remedies of interested parties in this, the final stage in the administrative process.

Provision is made for delaying the effective date of any decision, order, or requirement made in any case which is the subject of petition for rehearing until after final decision upon such petition. This section also is designed to eliminate doubt now prevalent concerning when a petition for rehearing must be filed before judicial review of the Commission's order can be had. Under the provisions proposed here, the petition for rehearing will not be a condition precedent to judicial review except where the party seeking such review was not a party to the proceedings before the Commission resulting in such order or where the party seeking such review relies upon questions of law or fact upon which the Commission has been afforded no opportunity to pass. It should be emphasized here that the principal justification for the establishment and maintenance of administrative agencies is to afford parties in interest an opportunity to present their claims and have them originally determined in an orderly fashion without recourse to the courts, when possible. Under the provisions of existing law these salutary principles have not always been followed by the Commission. The situation requires correction, and it is believed that this section will accomplish that result.

SECTION 24

This section proposes an amendment to section 409 (a) of the present law dealing generally with hearings before the Commission. It is designed to make definite and certain the procedure to be employed by the Commission in all cases where a public hearing is required by the act or other applicable provisions of law.

It would appear clear that in any adversary proceeding where a public hearing is required, an opportunity should be afforded all parties in interest to appear before and present evidence to the persons charged with the responsibility of making an initial determination. Such action not only is necessary to proper administration but to confidence in the agency itself. Under present Commission practice such an opportunity may or may not be given. It also must appear clear that before any final decision is rendered, all parties whose rights are to be affected should be given an opportunity to present their views concerning the points at issue to the authority charged with the final or ultimate decision. Again, under present practice by the Commission, such an opportunity may or may not be afforded.

Thus, the procedure employed by the Commission has led to a great deal of controversy and there has been a decided lack of uniformity both in the handling of such matters and the character of reports submitted by the hearing officer. The language here proposed would require not only the submission of a uniform type of report setting out in detail and with particularity all basic or evidentiary facts developed as a result of the evidence taken but also conclusions of fact and law upon each issue submitted for hearing. It also would make mandatory the hearing of oral argument by the Commission or the Division having jurisdiction of any case upon request of any party before the entry of a final order. The Commission or Division also would be required to accompany any final order with a full statement in writing of all the relevant facts as well as conclusions of law upon those facts. The adoption of this section would give statutory recognition to a procedure whereby the parties in interest in adversary proceedings before the Commission may secure a full and fair hearing as that term has been defined by the Supreme Court in the Morgan cases. That is the minimum which parties having business before the Commission have the right to expect.

In this section, an attempt has again been made to conform to the recommendations of the Report of the Attorney General's Committee on Administrative Procedure. The proposed new language is wholly consistent with those recommendations and the legislation that has resulted from them.

SECTION 25

This section proposes a new section to title IV of the act, section 418, dealing with

discrimination. It would prohibit the Commission from taking any action which may result in discrimination between persons based upon race, or religious or political affiliation, or kind of occupation, or business association. Among other things this section would prevent the Commission from adopting any rule, regulation, or policy which, for example, denies radio broadcast licenses to newspapers. It also would prevent the Commission from holding certain applications, or classes of applications, in an inactive status and, in general, prevent the denial, in whole or in part, of any right, privilege, benefit, or license where adequate right or entitlement is shown.

RENT CONTROL—AMENDMENTS

Mr. CORDON submitted amendments intended to be proposed by him to the bill (S. 1017) providing for the temporary continuation of rent control, transferring rent control to the Housing Expediter, providing for creation of local advisory boards on rent control, and for other purposes, which were ordered to lie on the table and to be printed.

SCHOOL BUILDING IN MOCLIPS, GRAYS HARBOR COUNTY, WASH.—CHANGE OF REFERENCE

Mr. TAFT. Mr. President, on May 20, 1947, the bill (S. 1318) to provide funds for cooperation with the school board of the Moclips-Aloha district for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash., to be available to both Indian and non-Indian children, was introduced by the Senator from Washington [Mr. CAIN] and referred to the Committee on Labor and Public Welfare. At the request of the author of the bill, and because it deals with Indian affairs, I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from the further consideration of the bill and that it be referred to the Committee on Public Lands.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILL REFERRED

The bill (H. R. 3348) to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella division of the All-American Canal irrigation project, California, was read twice by its title, and referred to the Committee on Public Lands.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 23, 1947, he presented to the President of the United States the enrolled bill (S. 854) to amend section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes."

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MEETING OF INTERSTATE AND FOREIGN COMMERCE SUBCOMMITTEE

Mr. REED. Mr. President, I ask unanimous consent that the Senate Interstate and Foreign Commerce Subcommittee having before it Senate bill 249 be permitted to sit this afternoon.

The PRESIDING OFFICER. Without objection, consent is granted.

CONTINUATION OF CERTAIN WAR POWERS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 266)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the Judiciary.

(For President's message see today's proceedings of the House of Representatives on pp. 5734–5735.)

MRS. ROSCOE C. O'BYRNE, PRESIDENT GENERAL, DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. CAPEHART. Mr. President, this is a happy day for the Hoosier State.

That great organization—the Daughters of the American Revolution—has chosen an Indiana woman for its president general.

I want to take a moment to tell the Senate that Indiana is proud of Mrs. Roscoe C. O'Byrne, of Brookville, Ind., the new leader of the DAR.

Mrs. O'Byrne, Indiana's first president general of the DAR since 1902, is a very gracious and capable lady. She won her national mark in the organization while serving recently as the national registrar general.

I am happy to have this opportunity to pay due tribute to a woman of whom all of Indiana is justly proud.

STATEMENT BY SENATOR O'CONOR ON JURY SERVICE IN UNITED STATES COURTS

Mr. O'CONOR. Mr. President, I request unanimous consent to insert in the body of the RECORD a statement I have issued relating to certain pending proposals affecting the rendition of jury service in the courts of the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'CONOR REGARDING S. 17, S. 18, AND S. 19

Because of their far-reaching importance I suggest that Members of this Congress should give studied attention to several bills relating to jury service in the Federal courts. The bills now pending before the Judiciary Committee (S. 17, 18, and 19) are designed to strengthen greatly one of the fundamental bulwarks of our democracy.

They are the products of intensive and highly skilled study by distinguished members of the Federal judiciary and are sponsored by the Chief Justice and the senior circuit judges of the United States. They have the support of the Attorney General and many of the trial judges on the Federal district courts whose daily work it is to administer the jury system. In addition, the measures have been carefully examined and approved by many of the Nation's leading lawyers and bar associations. It is not often that we find such unanimity of informed opinion in support of change in the laws dealing with so fundamental a subject, and for this reason, if for no other, the bills should receive the careful consideration of every Senator.

Together they constitute part of an overall effort on the part of the judiciary to improve the administration of justice at the point where it most directly touches not only those who are members of the legal profession, but also, and most important, the lives of the average citizen. For the quality of Federal justice, and consequently the welfare of all litigants, depends to a very large degree upon the jurors who are called to decide the issues presented by the cases that are the routine business of the courts. It is axiomatic that many citizens whose only contact with the courts arises from their call for jury duty will, from that experience, form basic opinions regarding the efficiency of the judicial process. It is, therefore, incumbent upon judges and legislators to see to it that the system of jury selection is the best that we are able to devise.

The framework which these bills propose is a long stride toward this goal. The committee of district judges which formulated them after 2 years of study has stated its objective in an extensive report as follows: "Jurors to serve in the district courts of the United States should be drawn from every economic and social group of the community without regard to race, color, or politics, and those chosen to serve as jurors should possess as high a degree of intelligence, morality, integrity, and common sense as can be found by the persons charged with the duty of making the selection." Following this indisputable objective, the committee of judges presented a number of definite and highly constructive recommendations for action to improve the present system. Among them are the three highly important measures which are now under consideration and which cannot be made effective without congressional action.

The primary proposal, Senate 18, establishes for the Federal courts, uniform qualifications for jurors called to serve in those courts. It thus frees the Federal courts of the present requirement that in selecting jurors they must follow the qualifications prescribed by the laws of the State where the Federal district court sits. The proposed change would make all adult citizens eligible for both grand and petit jury service except those who have been convicted of a felony or misdemeanor involving moral turpitude, or who lack knowledge of the English language or who have disqualifying physical or mental infirmities. It exempts from service members of the armed forces on active duty, and it permits those who have served as jurors within a year, or who are public officers of the United States or of the States to claim exemption.

Under its broad provisions, women are eligible for jury duty to the same extent as men. There will thus be made available for this important civil duty, great sections of the community, many of them excellent and willing citizens, who heretofore have been excluded from juries by the exemptions and disqualifications that still exist in many of the States. The committee of judges found at least 68 general classes of exemption of this sort, covering so wide a range of business, professional, and trade groups that they inevitably prevent the calling of a jury that is truly representative of the community, and they often limit jury duty to those who are least qualified to serve. Discretion would be vested in the judge to excuse from jury service those whose service would cause undue hardship.

Senate 17, dealing with the jury commission, is designed to supplement and effectuate the qualifications stated in S. 18. It makes definite an agency of judicial administration

that has been for many years in an uncertain and ill-defined condition in the Federal statutes. Fundamentally, it places the ultimate responsibility for the direction of jury selection squarely upon the presiding district judge, who, because of his intense interest in the efficient and just decision of cases, is by all standards best qualified to supervise it.

Under the court's direction, a jury commission, consisting of the clerk and one other commissioner appointed by the court, are to choose from the eligible citizenry, "without reference to party affiliation" those qualified persons "who in their opinion are intelligent, honest, fair minded, of good reputation and capable of rendering satisfactory service," and to keep suitable records regarding them. At least 300 of the names thus selected will be put in a wheel or box for drawing by lot each time a panel of jurors is needed. The bill provides that in selecting names, the jury commission may require the persons under consideration to answer a questionnaire, or to respond to a personal interview to determine whether or not they are qualified.

These procedures have been found to be extremely valuable in preventing the unnecessary calling of persons who are not eligible or who will, in any event, be excused because of the necessities of their occupation, their financial condition, or in the public interest. One of the features of the bill is the provision which it makes for the appointment in metropolitan districts, where the court and the judicial conference thinks it essential, of salaried jury commissioners who will devote full time to their exacting duties. In the ordinary rural district, where the court business is not so heavy, the bill contemplates part-time commissioners who are to be paid a moderate per diem for the days upon which they work.

Senate 19 relates to the compensation of jurors. It continues the present meager $4 per day fee for jury service, but, in addition, it permits payment of not over $2 per day for actual travel and subsistence expense. At the present time most Federal courts pay round-trip travel expenses to jurors who reside outside of the locality where the court sits, but this is limited to only one trip a week, and for jurors who remain overnight at the place of holding court, there is no provision to pay the expense of subsistence or lodging except the $4 which they receive as compensation for their jury duty. This results in real financial hardship, particularly in these days of high food and hotel prices. Under the bill, expenses for daily travel home or, where that is impracticable, an allowance for subsistence, not to exceed in any case $2 a day will be provided to alleviate the hardship.

The new law would also permit a judge to allow jurors compensation up to $10 a day if they are required to serve at a single trial which lasts over 30 days. Such long trials now result in severe financial loss to many jurors, and the amount allowed is small recompense for the loss of income or even employment which sometimes follows.

In these times of troubled international and domestic conditions, we often overlook those of our institutions which are best adapted to insure justice, peace, and tranquillity at home, and respect for our way of life from abroad. A great danger lies in the passive assumption that all is well with our courts. The judiciary, acting under the authority of the Congress, has shown itself to be alert to this danger.

These three proposals to reform the jury system will establish standards of jury administration which, under the wise guidance of carefully selected judges, will insure to our citizens their right to have their cases tried by a fair, impartial, and intelligent jury of their peers. As such, the measures will improve the Federal courts, and at the time serve as examples which the States and other nations may well follow. In this they are similar to the highly successful Federal Rules of Civil and Criminal Procedure, recently made effective under the authority of the Congress by the United States Supreme Court. It is our plain duty to strengthen the judicial structure by promptly enacting these bills into law.

Our citizens are justly proud of the high standards being maintained in our Federal judicial system. This highly desirable situation is due, in no small measure, to the efficiency, integrity, and zeal of our Federal judges and other court officials.

It is our duty to afford this branch of our Government every facility to bring about continued satisfactory operation of this important work.

It is for this reason that I favor the passage of the three proposals which have been referred to in this statement.

THE VOICE OF AMERICA—EDITORIAL FROM THE WASHINGTON TIMES-HERALD

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial entitled "'Voice' of What?" published in the Washington Times-Herald of May 22, 1947. I ask Senators to examine it. I think they will find many things in the editorial that are very interesting.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"VOICE" OF WHAT?

"Conducted by a group of pro-Communist fellow travelers and muddleheads, they fill the ether with tons of material favorable to the Soviet Union and the Communists, or just plain twaddle."

The quotation is from a recent speech in the House by Representative FRED E. BUSBEY, Republican, of Illinois, about the Voice of America.

This alleged American voice is the State Department's radio set-up, under Assistant Secretary of State William Benton, for the broadcasting of United States promotion stuff to other countries, including Russia.

When the State Department asked recently for thirty-one-million-and-some-odd dollars to keep the voice prattling for another year, the House cut the request by exact' 100 percent.

Representative KARL E. MUNDT, Republican, of South Dakota, is now backing a bill to let the voice go on talking, but on a reduced budget and under a management from which the FBI would have carefully sifted out all Communists, fellow travelers, and other subversives.

When you consider that these broadcasts reach few if any people in gagged and earplugged Soviet Russia, the whole project seems pretty futile, even though Generals Eisenhower and Marshall and various other prominent persons think it is a fine thing.

If we must have the voice, though, it certainly should be Edgar Bergen'd by Americans whose loyalty is unquestionable. That has not been happening under the Benton management to date.

Benton's three top assistants in charge of the Voice of America broadcasts have been Messrs. William T Stone, Haldore E. Hanson and Charles A. Thomson.

Stone is an ex-member of the editorial board of Amer-Asia magazine, which has printed large amounts of pro-Russian copy. Hanson was for long a soldier of fortune in China, where his best friends and confidants were Chinese Communists. He was shifted hurriedly to another State Department niche when the congressional heat was turned on the "Voice." Thomson has had considerable to do with production of pro-Communist movies, and is on record with some loud praises of the Communists' activities in the Spanish civil war.

Many of Benton's lesser helpers were inherited from Archibald MacLeish's and Elmer Davis' old Office of War Information, which was notorious for its high percentage of Red and fellow-traveler employees.

Benton says he was unfamiliar with most of the "Voice" program contents. The answer to that is, we'd say, Then what are the taxpayers paying Benton his $10,000 a year for? To sit around and look pretty?

We'd suggest urgently that if Congress keeps the Voice of America alive at all, it at least insist on a personnel clean-up from top to bottom; and if it wants to start with Benton himself we don't expect to object.

THE CONVICTION OF CARL ALDO MARZANI

Mr. McKELLAR. Mr. President, on yesterday I read with much interest the newspaper account of the trial of a man by the name of Carl Aldo Marzani, former employee of the Office of Strategic Services and State Department, who yesterday was convicted by the District Court on all 11 counts of an indictment which charged that he had falsified about his Communist connections to get on the Federal pay roll.

The case was tried before Judge Keech and a jury, and the newspaper article said that the jury was composed of white and colored members.

Mr. President, I want to take off my hat to this court and jury. The result shows the great value of the age-old system of trial by jury. According to the newspaper accounts—and I followed them very closely; I hardly know why—the evidence was ample to sustain a conviction, and the jury did its entire duty. The fact that a part of the jury were colored pays high tribute to the jury trial system, and I wish to commend each and every member of the jury for his or her upstanding Americanism as shown by verdict. We have too many Communists in high position now in this country, and we ought to get rid of them in all our Government departments. Again I wish to commend the outstanding Americanism and honesty and uprightness of this Washington jury, composed of both white and colored members.

Mr. President, I do not wish to be understood in the slightest degree as endeavoring to interfere with the orderly course of the administration of justice in any step which may have been taken in this case, but I simply want to express my approval of what was done by this very patriotic and splendid judge, and by the jury composed of two of the great segments of our people.

AMERICAN LIBERALISM FACES THE FUTURE—ADDRESS BY SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address entitled "American Liberalism Faces the Future," delivered by him at the annual dinner of the Liberal Party of New York State in Brooklyn, N. Y., May 21, 1947, which appears in the Appendix.]

STATEMENT BY SENATOR MYERS ON INTERIOR DEPARTMENT APPROPRIATIONS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement made by him before a subcommittee of the Senate Committee on Appropriations, regarding House bill 3123, making appropriations for the Interior Department for the fiscal year ending June 30, 1948, which appears in the Appendix.]

PENDING LABOR LEGISLATION—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address on "A Pro-American Labor Law," to be delivered by him over ABC national network, May 23, 1947, at 4 p. m., which appears in the Appendix.]

STATEMENT OF LIBERALISM

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a statement setting forth a standard of political conduct for those who believe in liberalism or progressivism, which appears in the Appendix.]

UPSTREAM ASPECTS OF THE MISSOURI BASIN—STATEMENT BY JOHN W. SPENCER

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a statement entitled "Upstream Aspects of the Missouri Basin," by John W. Spencer, regional forester, United States Forest Service, Denver, Colo., before the Missouri Basin Inter-Agency Committee at Cheyenne, Wyo., January 16, 1947, which appears in the Appendix.]

A REPUBLICAN CONGRESS SHOULD TAKE ACTION ON THE PRESIDENT'S ECONOMIC REPORT

Mr. MORSE. Mr. President, I rise today for the purpose of discussing what I consider to be one of the most important documents of the postwar period, a document which represents the first effort of our Government since the end of the war to come to grips with the problem of preventing a future depression, a document which has been widely discussed throughout the country, a document which, so far as the Congress is concerned, is filed, forgotten, and forlorn. I believe the document bears a very close relationship to the legislation now pending before the Senate, because it seems to me that an intelligent solution of our economic problems which threaten a future depression must be considered by the Congress before it takes final action on any tax measure.

I refer, of course to the economic report of the President transmitted to the Congress on January 8, 1947, in accordance with section 3 (a) of the Employment Act of 1946.

The big question before the world today, Mr. President, is whether World War II is to be followed by another period of boom and bust—a period that will lead once again to world-wide depression, bitter economic conflicts among nations, and perhaps to war itself. After the last war, instead of contributing to the development of a healthy world economy, America became a sore spot which infected every other country. Immediately after the war we had a wild inflation, then a brief depression. Then followed the seven fat years of the great American boom—a boom which culminated in the greatest economic collapse in our history.

Today the whole world is looking anxiously toward America—anxiously and, I am ashamed to admit it, somewhat skeptically. All the countries of the world know that another depression in America will sweep like wild fire around the globe and put an end to all our dreams of fruitful cooperation among nations. All the other countries in the world are afraid that we have not learned our lesson, that we have failed to read the history of the past and that sooner or later the American economy will collapse.

It was to avoid this danger that the Congress of the United States in February of last year enacted the Employment Act of 1946. The purpose of this act was to establish machinery whereby the President and the Congress could work together in developing an effective and prudent program for maintaining useful employment opportunities for those able, willing, and seeking to work, and for promoting maximum employment, production, and purchasing power.

This act, Mr. President, was passed after intensive hearings and considerable debate in both Houses of Congress. It represented a synthesis of many opposing views and as such was not regarded as a perfect document either by those who had originally sponsored the measure or by those who had opposed it in its original form.

But all of those Members of Congress, Mr. President, who were connected with the legislative activities on this measure were convinced that the administration of the act was far more important than the wording of any section or clause.

The act provided that at the beginning of each regular session the President should transmit to the Congress a new type of document entitled the "Economic Report." While the act attempted to set forth in considerable detail the scope and content of this Economic Report, the question in the minds of those who voted for the act were: "How well will the President live up to this mandate? How effective an economic report will he really transmit to the Congress?"

The act set up a new agency of government—a Council of Economic Advisers. This Council, composed of three qualified economists was to assist and advise the President in the preparation of the Economic Report. The questions in our minds, Mr. President, were, Will the President appoint competent men to this Council? Will the Council operate as an effective advisory board or will it be merely another bureaucratic appendage of the Federal Government?

We have now had before us for more than 4 months the Economic Report of the President. This report was prepared according to President Truman's letter of transmittal, with the advice and assistance of the Council of Economic Advisers, members of the Cabinet, and heads of independent agencies. Through it, in accordance with the act, the President has undertaken a comprehensive review of the economic health of our country. In it, he has submitted an over-all economic program for the Federal Government.

This report, Mr. President, provides a basis for appraising the extent to which President Truman has or has not been successful in carrying out the declaration of policy set forth by Congress in the Employment Act of 1946. It provides a basis for judging the performance of the Council of Economic Advisers.

But it represents much more than a basis upon which the President may be judged. It represents a challenge to the Congress. In particular, it constitutes a challenge to the leaders of the Republican Party.

In submitting this Economic Report to the Congress the President has shown where he stands. The question now before the people is, "Where does the Republican Party stand?"

Mr. President, this challenge must be met squarely. It cannot be dodged. It must be met by our telling the American people exactly where we stand and why we stand where we stand.

Where the proposals of the President are sound, we must back him up to the hilt. Where we believe the President's proposals are wrong, we must openly oppose him. And in both situations we must state the reasons for our position so that the members of our party throughout the country will understand the why and wherefore of our actions.

The Economic Report is also a challenge to each Member of the Congress regardless of the party to which he belongs. The subjects with which the Economic Report deals are the livelihood, the happiness, the bread, and the butter of the people who elected each of us to his position in the Congress. It would be bad faith, indeed, to the people of my State if I, as a Senator from Oregon, failed to give adequate attention to a Presidential message to the Congress which deals so directly with matters affecting the lives and livelihood of every inhabitant of my State.

As one of the Republican sponsors of the Full Employment Act, I speak with an additional sense of responsibility. I offered and spoke for the first amendments to the original bill, which amendments, Mr. President, were adopted and made a part of the bill; and I, therefore, along with certain other Republican Senators whose names I shall mention in a moment, became a cosponsor of the full-employment bill. If it had not been for the active participation of the Republican sponsors of this measure—who include the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. AIKEN], and the Senator from North Dakota [Mr. LANGER], as well as myself—this legislation could never have been passed.

Accordingly, I have been extremely interested in the Economic Report and since January 8, the day it was transmitted to Congress, have been carefully studying and evaluating it. I have done so, even though I am not a member of the Economic Report Committee. I think the record is perfectly clear as to why I am not a member of that committee, although I think it should be stated that in accordance with custom and tradition one of the cosponsors of the bill from the Republican side of the aisle should have been appointed a member of the Economic Report Committee. We were entitled to that from the Republican lead-

ership in the Senate so that our point of view could have been manifested at all times on the committee. I am sure that had any one of us been appointed as a member of the committee, he would have been as insistent as I am in this speech that action should be taken on the report by the Congress. We would not have permitted the record of inaction which has thus far been made on the report. But, Mr. President, party discipline is a very interesting thing sometimes, and it takes on a variety of forms. However, I think I shall succeed in demonstrating to the Republican leadership in the Senate that a Member of the Senate—at least on the floor of the Senate—cannot be disciplined if he refuses to be disciplined. They can deny some of us our committee appointment rights, but they cannot stop us from fighting for the right on the floor of the Senate. They cannot stop us from pointing out the failure of the Republicans to meet the challenge of this report.

I have now reached certain tentative conclusions concerning its virtues and its defects. I say tentative conclusions because the subjects dealt with in the Economic Report are so vast and complex that final conclusions upon its contents can really be reached only after the report has been more fully discussed and debated in the Congress. The only final conclusion I have reached is that the report deserves full discussion and debate by the Congress. It is for this reason then, Mr. President, that I shall now proceed to discuss in some detail what I conceive to be the virtues and defects of the Economic Report of the President.

The Economic Report is relatively a short document, only 32 pages long, with an excellent statistical appendix of another 22 pages.

The first part of the report presents an analysis of the economy. The second part presents the President's short-range economic program. The third and final part presents the President's long-range program. Let us examine each of these parts of the report in order.

SUMMARY OF REPORT'S ANALYSIS OF THE ECONOMY

The report's analysis of economic trends leads off with a review of employment, production, and purchasing power in 1946. During 1946, it is pointed out, civilian employment approached fifty-eight million, the highest civilian employment this Nation has ever known—a level substantially in accord with the objectives stated by the Congress in the Employment Act. In 1946, production also mounted to new peacetime levels. Nevertheless, production did not reach its peak in relation to productive capacity because of shortages of materials, bottlenecks, and other reconversion difficulties. With respect to purchasing power, the report points out that the situation was not quite so satisfactory. Although cash and credit were available to purchasers in large amounts, the rise in prices which occurred the last 6 months of 1946 greatly reduced purchasing power of the large majority of our people.

The report then discusses prices, wages, and profits in 1946. It charts the extremely rapid increase in prices subsequent to the relaxation of price controls in the late fall. It shows that between July 1945 and July 1946 the wage increases which occurred as a result of the first postwar round of wage increases were nearly half offset by reductions in overtime, declines in piecework earnings, and the shift of workers from higher-paid wartime to lower-paid peacetime jobs. Since 1946, the report points out, price increases have outstripped increases in wage rates and real earnings have fallen. With respect to profits, the report makes it perfectly clear that the profit picture has been extremely uneven as between industries. It issues a warning which I think we can well heed, because there is a great deal of loose talk in America today about profits. It cautions those who would infer that all industries or all firms in a given industry were operating at a highly profitable level in 1946 or that none were incurring losses. The facts do not bear out such a conclusion. Despite these qualifications, however, the report shows that profits increased steadily throughout the year and that in general business received exceptional profits in 1946.

There then follows a discussion of what is called the Nation's economic budget as distinguished from the Federal Government's budget. The Nation's economic budget shows the expenditures and receipts not only of the Federal Government, but also of State and local governments, of business, and consumers, and indicates the place in the economy of international transactions. In this manner, one is able to get an over-all view of the economy.

A number of basic points evolve from this presentation. First of all, Government expenditures were significantly reduced during 1946. This meant that higher private expenditures were needed to sustain a high enough level of national income. Second, business expenditures increased, although a part of the increase reflected higher prices rather than increased production. Third, consumer expenditures rose, but practically all of the increase was attributable to the price rise. Consumer incomes rose less than expenditures and actually declined in real terms.

The report next discusses employment, production, and purchasing power objectives for 1947. This portion of the analysis conforms with the requirement of the Employment Act in section 3 (a) that the President's economic report set forth the levels of employment, production, and purchasing power needed to carry out the stated objectives of the act.

The 1947 goal for employment according to the report should be to sustain employment at about the 1946 levels or slightly higher.

The 1947 goal for production should be perhaps an over-all increase of 5 percent beyond the 1946 level.

With respect to purchasing power no goal is set in dollar figures. The point is made, however, that if the employment and production goals are to be efficient, real purchasing power must rise sufficiently to take the increased production off the market.

The report then discusses favorable and unfavorable factors in 1947—as they relate to consumer demand, business investments, international transactions, and Government budgets.

With respect to consumer demand, the favorable factors are the consumer demand for many goods that have been scarce during the war years and the existence of higher levels of incomes than existed in prewar years. The unfavorable factors are the decline in real incomes resulting from higher prices and the rapid dwindling of consumer savings and a dangerous expansion of installment and credit buying.

It is interesting to note that preceding the "bust" of 1929 one of the phenomena present in our economic system of that time was the great increase in installment and credit buying.

With respect to business demand, the favorable factors are the availability of abundant capital funds, ample bank credit, a highly rewarding profit level during 1946 and a huge backlog demand for construction. The unfavorable factors are the fear of a drop in general consumer demand, the uncertainty with respect to management-labor disputes, the high cost of construction, and certain shortages in basic materials.

With respect to international transactions, the favorable factors are the vast backlog of reconstruction demand and the existence of large dollar resources on the part of many countries. The unfavorable factors are derived from our current high prices, which could make some countries reluctant to buy from us, and the fears of other countries concerning our willingness and ability to increase our imports and extend our foreign loans.

With respect to Government budgets, the report presents an extremely interesting table which does not appear in the budget message. This table entitled "Federal Cash Payments to the Public" breaks down estimated Government expenditures for the calendar years of 1946 and 1947 according to the type of recipients and character of the payments.

The President estimates that the total decline in Federal expenditures from the calendar year of 1946 to the calendar year of 1947 will be a little less than $6,000,000,000.

The opposite trend is found in State and local expenditures which have steadily increased since VJ-day.

Finally, the report summarizes present economic conditions and trends.

On the plus side of the economic ledger are listed:

First. A fabulous wealth of resources.

Second. Large and efficient industrial plants.

Third. Ample funds for business expansion, together with high profit incentives in most lines.

Fourth. A large and skilled labor force.

Fifth. Higher consumer spending than power before the war.

Sixth. A backlog of unsatisfied domestic and foreign demand.

Seventh. The high standards of living to which our people have become accustomed.

The most important unfavorable factor in the economic situation is the

marked decline in real purchasing power of great numbers of consumers. Let me, at this point, quote directly from the report:

Maximum production and employment this year would allow a substantial increase in the available supply of consumer goods and services, especially in the area of durable goods. This requires higher real purchasing power to take the goods off the market.

If price and wage adjustments are not made—and made soon enough—there is a danger that consumer buying will falter. Orders to manufacturers will decline, production will drop and unemployment will grow—unless consumers resort to large additional borrowing and use of past savings to buy the increased supply of goods. These temporary expedients are limited in power and even if available would only postpone the day of reckoning.

Second, the report indicates a danger of a weakening in investment resulting from the high prices of residential construction and the possibility of a slackening in industrial and commercial construction.

The third unfavorable factor is the uncertainty with respect to labor-management strife, a subject which was discussed more fully in the President's State of the Union message.

In summing up the analysis of the economic trends the report ends on the following note:

During this year the underlying favorable factors are strong enough to maintain high prosperity. But this year brings us face to face with naladjustments and unfavorable possibilities which, if not corrected or prevented, could cause a recession in production and employment. The Government will watch this situation and be prepared for action if needed.

APPRAISAL OF THE REPORT'S ANALYSIS OF THE ECONOMY

The analysis of economic trends which I have just summarized has both virtues and defects.

On the credit side I list the fact that the Economic Report does not indulge in any puerile attempts to predict the future. The report is written with a discriminating awareness of the fact that in a free enterprise, private property economy there are so many variable factors that it is impossible to make accurate forecasts on the future course of economic events. One need only recall the fact that two years ago Administration officials were openly predicting 6 to 8 million people unemployed in 1946 to realize that the type of analysis provided in the Economic Report represents a significant forward step.

The second virtue is the clear and forthright maner in which the Economic Report puts its finger upon diminishing consumer purchasing power as the single greatest threat to economic stability. During the 1920's there was the failure of purchasing power to keep pace with our productive capacity which finally resulted in the devastating depression that began in 1929. In the 1920's, however, there were none in high places who pointed out this dangerous trend. It is heartening to realize today that we have advanced to the point where this underlying problem can be fully set forth in a major Presidential document.

I must say at this point, however, that the case would have been made much stronger if the President in his Economic Report had discussed this question of consumer purchasing power in the even more meaningful terms that were used by Gov. Harold Stassen in his recent testimony before the Senate Labor and Public Welfare Committee. While the Economic Report of the President has not a word to say in comparison between present trends and the development in the 1920's, Governor Stassen aptly linked up today's problems with the sad lesson of the 1920's. Let me quote from his statement:

EXCERPT FROM TESTIMONY OF HAROLD E. STASSEN BEFORE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, FRIDAY, FEBRUARY 7, 1947

I think it is important that we remember the experience of 1920 to 1929. In 1920 the average wages in 25 leading industries in this country which were sampled, were 61 cents an hour. In 1921 and 1922 those wages were driven down to 49 cents an hour, a drop of 12 cents. Then we went through the boom up to 1929, and they still only got up to an average of 59 cents an hour. That lagging behind of wages of workers was accompanied by the knocking down of union membership from 5,000,000 to 3,400,000 of membership. So that you had profits rising rapidly in industry, total production going up to new highs, but wages held down below the 1920 level (p. 572).

Another factor is the careful emphasis which the report gives to the wage, price, and profit decisions made in the private economy. The report clearly indicates that the responsibility for determining the levels of prices and wages is no longer in the hands of the Government and that the decisions now rest with business and labor. At the same time the report very properly avoids the kind of analysis which leads to Government spending as the final answer to our economic problems.

Furthermore, the President and the council of economic advisers are to be congratulated for the excellent handling of their statistical tools. The Nation's economic budget provides an admirable instrument for appraising the over-all character of our economy and the relation to our economy of the Government's financial operations. The statistical appendices which explain the Nation's economical budget in detail and which provides an available source book of information on income, prices, earnings, profits, and employment, are also to be commended.

But the report's analysis of the economy has certain defects.

First of all, there are many unforgivable gaps in the analysis of economic trends. There is no statistical treatment whatsoever, anywhere in the report, of the most dangerous trend in our era—the trend toward monopolistic practices and the concentration of economic power. Furthermore, I fail to find in the report any discussion of economic trends in the major segments of industry and agriculture. What are the trends in the development of the light metal industries? What is the outlook for steel development on the west coast? What is the outlook for the lumber industry? What is the position of power development in the emerging postwar economy? What does the future hold for the wheat farmers of America?

I did not expect a detailed exposition on each of these points, but I did expect to see in the economic report of the President a broad economic picture which would relate these questions to the growth of our country and the needs of our people. Yet there is not one word in the entire report which throws light on these matters.

Moreover, I had expected that the economic report would provide a meaningful picture of what the productive capacity of this country really is—both in terms of our present capacity and in terms of our potential capacity. This expectation was founded in the fact that the Employment Act of 1946 places such great emphasis on both the concepts of maximum production. Yet nowhere in the report have I been able to find any light on the question of what maximum production in a peacetime America could really be.

Furthermore, there is insufficient attention in the report to the defining of economic goals. True, rough goals are established for employment, production, and purchasing power; but there is no effort to define the needed levels of business investment, the needed levels of exports, and the needed levels of imports. There is no attempt to define the balance which we must achieve between agriculture and industry. Finally, the report ignores the glaring deficiencies in our present statistics, and fails to point out the fact that better Government statistics are needed if we are to have the instruments at hand with which to achieve a more fruitful analysis of our economy.

SUMMARY OF REPORT'S SHORT-RANGE PROGRAM

The short-range program presented by the President in his Economic Report deals with subjects that have long-range significance, but which, according to the President, merit immediate attention from the Congress and from the people as a whole because of their influence upon economic conditions in 1947.

The first point in the short-range program consists of recommendations to businessmen to reduce prices and to labor to refrain from demands for excessive wage increases that will require price increases or prevent price reductions.

The second point is the recommendation that the Congress take steps at once to extend rent control beyond next June.

The third recommendation is for an extension in the coverage of the Fair Labor Standards Act and a raising of the minimum wage.

The fourth recommendation is for the Congress to take immediate steps to revise benefit payments under the social-security system in order to alleviate real hardship which has been aggravated by increases in the cost of living.

The fifth recommendation is for the passage by Congress at the earliest possible moment of the nonpartisan housing legislation which passed the Senate in the Seventy-ninth Congress.

The sixth recommendation deals with taxes. The report points out that the present moment, when employment and

incomes are high, is the time for a surplus in Government revenues over expenditures, and that it would be unsound fiscal policy to reduce taxes at this time. An appropriate point is made: That when the reductions come, they should be handled in a manner that will contribute to the maintenance of purchasing power by reducing the burden on the mass of consumers.

As I interpret that section of the report, I think it is clear that the recommendation is that the tax reductions, when they come, should be to the benefit of the people of small incomes in America, rather than to the greater benefit of people of large incomes. I think that is a sound tax principle to apply in these days when we are still faced with the problem of adjusting from a wartime economy to a peacetime economy, and when so much of our national income still flows directly from the economic dislocations incident to a war. It seems to me that fact should be kept in mind as we consider the source to the individuals of the incomes which they are getting out of wartime economic dislocations; and certainly it is sound, it seems to me, to apply the first tax relief to the people of small incomes, rather than to adopt a principle based upon the notion of making the rich richer and the poor poorer.

With respect to labor-management relations, the economic report merely refers back to the program set forth in the state of the Union message.

APPRAISAL OF REPORT'S SHORT-RANGE PROGRAM

Essentially the short-range program which I have just summarized is sound. It covers the most important types of action that can affect the American economy in 1947. It sets forth the essential points on which immediate action by the Congress is imperative. At the same time, it is moderate and restrained. It does not attempt to give Congress a detailed directive, but, rather, recognizes the desirability of congressional initiative and discretion in working out each of the legislative measures to which the report refers.

The only defect in the short-range program, as I see it, is the failure to speak in more specific terms concerning the price reductions that are recommended to business. The section of the report containing the Presidential admonition to businessmen consists of merely three sentences. I cannot see how any individual businessman or any business leaders could derive from that brief and cursory counsel any real indication as to the type of price actions which the President is recommending to the business community. If the President's approach to the price situation is to be based on recommendations to business, businessmen have the right to expect a simple and direct exposition of the type and locations of the price decreases which are needed, the practical problems that must be faced in effectuating such decreases, and the manner in which price decreases can be prevented from leading into a severe deflationary spiral. The recommendations have to cover a wider field than mere advice as to reductions in retail prices. Of course, we must deal with the whole problem, including reductions in wholesale prices and reductions in the cost of production itself, and that takes us into the field of employer-employee relationships, where it is necessary to bring about greater stability. That is why so many times in the last 2 years, Mr. President, on the floor of the Senate I have counseled against large increases in wages, because my counsel to labor has been that the only increases in wages that are of any value to labor are increases in real wages. Much of the wage increases since VJ-day have not been in the form of increases in real wages, but have only been in the form of increases in money wages. After all, it seems to me, we cannot have any stable employer-employee relationships in the United States until business and labor and the Government itself come to grips with this whole problem of adopting an economic program which will make it possible for us to maintain a high level of purchasing power on the part of all consumers, fair profits to employers, and a decent standard of living for workers and farmers.

SUMMARY OF REPORT'S LONG-RANGE PROGRAM

Mr. President, I now wish to summarize my views with respect to the long-range program suggested by the President.

The long-range program contains both legislative proposals to Congress and recommendations for intensive studies. The legislative aspect of the program is as follows:

First. Congress should provide permanent Federal legislation dealing with discrimination in employment or wages against certain national and religious groups, against workers in late middle age, and against women.

Second. The school-lunch program should be expanded.

Third. Legislation for a uniform patent policy should be enacted.

Fourth. Section 7 of the Clayton Act should be extended to control mergers by the acquisition of assets as well as by the acquisition of stock control.

Fifth. Increased appropriations should be provided for the control of monopolistic practices.

Sixth. Congress should extend the coverage and the benefits of our social-security laws.

The President also stakes out the following fields of study:

First. Federal agencies are directed to initiative a study of Federal and State programs for industrial training and employment counseling.

Second. It is suggested that "we should study carefully the possible need for food and nutrition programs to reach low income families."

Third. The Government should examine the contribution to regional development that can be made by power developments, flood control and navigation, improved roads, fair transportation rates, the removal of barriers to truck transportation, and land drainage and irrigation projects.

Fourth. The Council of Economic Advisers is making a special study of chronically depressed areas and those areas which have been left stranded by the end of the war.

Fifth. The Council of Economic Advisers is also working to develop a study of Federal grants to State and local governments.

Sixth. The Congress should "review the studies made by the Temporary Economic National Committee and by other congressional committees" with a view toward new legislation on monopoly and monopolistic practices.

Seventh. The Government should study the entire problem of providing better access by small business to long-term credit and equity capital.

Eighth. The Congress should study the various methods of taxation that might be used in financing expanded social-security system.

Ninth. The Council of Economic Advisers is making a continuing study of the devices that may become necessary to stabilize our economy if there should be indications of a down turn in economic activity.

What about an appraisal of this long-range program?

APPRAISAL OF THE REPORT'S LONG-RANGE PROGRAM

The long-range program presented in the economic report has many virtues.

The recommendations for legislation deserve the immediate attention of the Congress.

In this connection I should like to point out that the President's proposal for legislation to prevent discrimination in wages would be carried out by enactment of the equal-pay bill which I introduced in the Seventy-ninth Congress, and which I intend to reintroduce at this session.

The school-lunch program should most certainly be expanded.

Legislation for a uniform patent policy should most certainly be enacted.

The President's proposal for strengthening of section 7 of the Clayton Act, in order to facilitate the control of mergers by the Federal Trade Commission, is provided for in the antimonopoly bill, S. 72, which I have introduced at this session in collaboration with the Senator from Vermont [Mr. AIKEN], the Senators from North Dakota [Mr. LANGER and Mr. YOUNG], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from West Virginia [Mr. KILGORE]. This same bill also calls for increased appropriations to the Antitrust Division of the Department of Justice and the Federal Trade Commission, as recommended by the President.

Naturally I regret that greater progress has not been made in moving this bill through the machinery of the Congress to the floor of the Senate. I want to make it very clear that I am going to be a Member of the Senate for at least a few more years, and probably longer, but so long as I am here—and probably it will take that long—I shall continue to press for action on Senate bill 72, because I think the control of monopolies is unquestionably the most important economic problem on the domestic front. I say that because rapidly we are becoming an economy of monopoly.

Finally, the President's recommendation that there be a cost-of-living adjustment in social-security benefits is certainly well-founded.

The President's proposals for future studies by the Congress and the executive branch are also constructive. I doubt whether there is anyone in the Congress who would disagree with the President's contention that the studies he has outlined should be undertaken. I myself am particularly impressed with the necessity of having the Congress undertake a comprehensive study of monopoly and monopolistic practices for the purpose of developing a coordinated and integrated antimonopoly program. I called for such an investigation at the end of the last session of the Congress, before the Economic Report was written, and on February 14 I introduced a Senate resolution—together with the other sponsors of the antimonopoly bill—calling upon the Judiciary Committee to make an investigation of this type. I hope the Committee on the Judiciary will proceed to give consideration to the resolution.

I am also particularly interested in having more rapid progress made on the analysis of Federal grants to State and local governments. There is now pending before the Senate Committee on Labor and Public Welfare a resolution which I have submitted, calling for a subcommittee study of this subject. It is all very well and good for the President to have this matter explored by his Council of Economic Advisers, but the problem of Federal grants to State and local governments is much more than an Executive problem. It is also a congressional responsibility, and should be made the subject of a formal congressional study. Therefore, my resolution.

But there are also certain defects in the long-range program presented in the Economic Report. These are, for the most part, defects of omission.

On the vital question of future agricultural policy, the report contains no specific recommendations whatsoever.

Mr. President, I think that the Eightieth Congress can well afford in its deliberations to give aforehand consideration to the problems of agriculture which will confront the farmers in the next few years. We should start now to take the steps necessary to maintain a strong and healthy agriculture which will enable the farmers of the Nation to maintain a high individual purchasing power.

As I said on another occasion, we cannot get away from the fact that basic to the strength of our democratic system of government is the American individual farm. It is the most important defense weapon we have. It is because American agriculture has made it possible for us to be a self-sustaining Nation, from the standpoint of food, that we can afford to maintain an economic system based upon the private-property economy which we maintain. On the other hand dictatorship thrives upon economies which are not based upon an agriculture which makes it possible for the farmers of a given nation to supply the people of the nation with all their food.

Why do I say that, Mr. President? It is because people with empty stomachs, a population that is living under the perpetual fear that it may starve, is easy prey to ideologies inconsistent with the great democratic system and representative form of government we maintain in this country.

Mr. YOUNG. Mr. President——

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. MORSE. I yield.

Mr. YOUNG. I wish to commend the Senator from Oregon for his statement concerning agriculture and his splendid analysis of the President's economic report. I believe it is little understood that agriculture is in the most precarious situation among all our economic groups. Industry can set prices for its products. Labor largely is able to determine, by bargaining, its income. Agricultural prices are determined almost entirely on a supply and demand basis on the open market. At the present time, of course, there is on the statute books the Steagall amendment, which under certain conditions would guarantee minimum prices for agricultural products. But at the present time it is little understood that farm prices are far above support levels, and that the only reason why farm prices are high is the tremendous volume of foreign exports, to the extent of over a million tons a month, which has created a scarcity in this country, resulting in higher prices. Right now the price of wheat, with the tremendous crop, the largest in history, would probably be not much more than a dollar a bushel; the price of potatoes would perhaps be down to 30 or 40 cents a bushel; the price of wool, because of the lack of support prices and the lack of action on S. 814 in the House, has dropped about 10 or 12 cents a pound, at a time when we are importing about 82 percent of all the wool consumed in the United States. I think for that reason it is highly important that the present Congress write a future agriculture bill, to become effective when the present program expires with next year's crop. It has long been my belief that a balanced economy—that is, a favorable economic balance between labor, industry, and farmers—has brought about good times. Whenever one or the other is thrown out of balance by low income, it results in a depression. Would the Senator from Oregon agree on those conclusions?

Mr. MORSE. I want to thank the Senator from North Dakota for his excellent contribution to my discussion of the farm problem. I agree with him 100 percent. I agree with him so completely that this morning I am taking advantage of the opportunity to issue a warning to my party that the Republican Party must never be guilty of failing to plan to take care of the agricultural economy of the country, so that never again will the farmers be faced with the specter of depression which ruined so many of them in 1929 and the early thirties. There is nothing we can do that is more fundamental to maintaining long-time prosperity than to see to it that American agriculture is kept economically healthy. That is why I am greatly concerned about certain fiscal policies of the present Congress. That is why, at the expense of precious time I admit, I am taking advantage this morning of the opportunity to discuss what I consider to be some of the most serious economic problems that face America. We need to consider these problems raised by the President's economic report along with any consideration of a tax program.

Mr. YOUNG. Mr. President, if the Senator will yield further, agriculture has probably received a larger amount of adverse publicity than any other segment of the country. There appeared in the papers yesterday, and I think in this morning's papers also, a story about appropriation bills, and concerning particularly the $618,000,000 just appropriated under the second deficiency appropriation bill for farm support prices. Actually, it is not well understood even by Members of Congress that the $618,000,000 was the result of consumer's subsidies paid before OPA expired. Anyone reading the stories would think that at the present time $618,000,000 had been appropriated for farm support prices, when that is not the situation at all.

Mr. MORSE. I want to thank the Senator again. It illustrates what the constant repetition of inaccuracies and false statements can do to the public mind. The constant misrepresenting of the position of the American farmer I think has recently done him a great injury in public opinion. I think those of us who are making a study of farm problems owe an obligation to the farmers of America, an obligation which the Senator from North Dakota has shown very clearly this morning he is willing to assume, to try to place the facts in regard to farm problems before the American public. Once they see the relationship between farm prosperity and general prosperity, the relationship between the purchasing power of the farmer and the purchasing power of labor, our people will insist that Congress take action along the lines of this speech. Once the public understands the facts I am sure it will insist that Congress must proceed to take necessary legislative action, along the lines suggested by the Senator from North Dakota, to help maintain a sound agricultural economy.

So I say, Mr. President, returning to the report, that I think one of the vital defects of the President's economic report is that it contains no specific recommendations whatever in regard to an agricultural policy or program.

On the central problem of monopoly and monopolistic practices, the report contents itself with the two limited recommendations on the strengthening of the Clayton Act and the appropriation of more funds for antitrust enforcement.

On public works coordination the report contains some high-sounding general principles but no substantive recommendations of any type whatsoever.

On the question of the management of our public debt, not a word is said.

On the important problems of regional development, social security, and credit to small business, all that it done is to suggest that studies be made.

Mr. President, these are gaps that cannot be filled merly by staking out fields for future study. These are gaps that can only be filled by a frank and forthright statement of Administration

policy. Such a statement cannot be found in the report.

Another defect is the lack of sufficient attention to the existing long-range programs of the Federal Government. Section 3 of the Employment Act of 1946 provides that the Economic Report include—and I quote—"a review of the economic program of the Federal Government." No such review is contained in the first Economic Report.

It is to be hoped that subsequent reports will give detailed information about these matters which I have dismissed.

Mr. President, I raise the question, where do we go from here? The responsibility for preventing another depression does not rest on any single part of our Government or on any single segment of the American people. It is a joint responsibility—one that must be exercised by the President and his Council of Economic Advisers, by the Congress and its various committees, and by industry, agriculture, labor, and State, and local governments.

There are many additional steps that the President should take if he is to carry out the intent of the Employment Act, of which I was one of the sponsors.

The first and most important step is to present to the Congress a supplementary economic report, as provided for by section 3 (b) of the Employment Act. There have been many important economic developments since January 8—particularly with respect to price movements, consumer purchasing power, construction and foreign loans. The Congress and the people are entitled to the President's appraisal of these new trends and of their implications for the policy of the Federal Government on fiscal affairs, labor relations, and other vital matters.

It is my profound hope, therefore, that a supplementary report bringing up to date the analysis of economic trends which was made in January, will be transmitted to the Congress no later than June of this year.

The Congress also has the right to expect that subsequent economic reports to the Congress—both the one which is needed in June and the one which is required next January—will fill in the many gaps which appeared in the first economic report, will provide a meaningful picture of what our productive capacity could be, and will provide more attention to the definition of economic goals and the problem of obtaining more adequate statistics.

The Economic Report of next January, moreover, should stake out specific long-range programs with respect to those important fields of Government activity which were only cursorily dealt with in this year's Economic Report—namely, agriculture, monopoly, public works, debt management, regional development, social security, and credit for small businesses. It should also provide a meaningful review of existing Federal programs.

The Joint Committee on the Economic Report also has a responsibility. Congress has a right to expect that in the not too distant future the joint committee will present to both Houses its findings and recommendations with respect to the President's analysis of the economy, the President's short-range program and the President's long-range program.

The legislative committees of the Congress have some responsibility. Legislative action should be accelerated on the extension of rent control, making reasonable adjustments in those cases where, because of increased costs of maintenance, landlords can make a showing that they are unable to derive a fair and decent return from their rental property on the basis of present rents. Likewise Congress should take prompt action for the enactment of housing legislation, the extension of the Fair Labor Standards Act, the enactment of legislation against discrimination both in employment and in wages, the expansion of the school-lunch program, legislation on patents, the Clayton Act, increased funds for enforcement of the antitrust laws, the revision of social-security benefit payments, and a comprehensive revision of our social-security system.

That is a legislative program, Mr. President; it is a legislative program which in fact is at the present time bottled up in various committees of Congress. I recommend that legislative program to the Republican Party. I submit that it is based upon sound principles of social legislation. Such a legislative program, Mr. President, if recognized, approved, and put into effect by the Republican Party, I am convinced would be approved by an overwhelming majority of the American people. But if my party thinks it can long stay in power with only a negative legislative program, without a great constructive social legislative program, it will learn in due course of time at the ballot boxes of America that the overwhelming majority of the American people expect my party to keep pace with the march of time and to recognize that human events are moving ever forward and not backward. No party, be it the Republican Party or the Democratic Party, will long sustain the confidence of the American people if it goes back on such a legislative program as I have just suggested.

Mr. President, the responsibility of our legislative committees is particularly great with respect to long-range problems and long-range programs. Every study of a long-range program which the President has recommended should be undertaken. Here is a grand opportunity for a Republican Congress to build a record of genuine achievement on problems that were not affirmatively dealt with by our Democratic President.

Here, in these fields where the President has not made long-range recommendations, is an opportunity for a Republican Congress, through effective committee work, to develop constructive programs and then ask the President to meet us halfway.

Finally, it is imperative that every economic group in the country, every public interest organization, and every State and local government give renewed attention to the problem of preventing another boom and bust cycle. The Economic Report of the President, while not a perfect document, provides an ideal focal point for discussion and analysis. This report should be distributed in the tens and hundreds of thousands. It should be analyzed at local meetings. Its pros and cons should be discussed on the radio and in the press. Above all, it should be debated on the floor of both Houses of the Congress—not only to draw more public attention to the issues involved in preventing another depression but also to give the people of America a better chance of finding out what their elected representatives stand for and stand against.

The greatest danger we face today is the danger of inertia, the danger that because things seem to be going along pretty well for the present we will postpone, for some indefinite future date, the painful task of thinking and acting in the interests of maintaining economic stability.

In conclusion, I should like to quote a very profound statement from a special report that has been issued by the editors of the Kiplinger magazine. This report is entitled "Can We Prevent Depressions?" and it deals with the Employment Act of 1946, the Council of Economic Advisers, and the first economic report of the President in these words:

> The race is on—the race against time—to decide whether, over the next few years, we can make those adjustments in our economy that are needed to avert a major depression in the fifties.
>
> This is no idle nightmare. A major depression appears on the private charts of almost every large corporation that looks 5 or 10 years ahead. Not a little recession like the adjustment of 1947 or 1948, but a depression like that of the thirties or worse. Some call it a "possibility." A few see no way of preventing it.
>
> * * * * *
>
> There is nothing in our past economic history to suggest that this smash will be avoided automatically. Every major war has been succeeded at some time by a period of prolonged and deep depression.
>
> The machinery of the Council of Economic Advisers to the President and the spirit of the Employment Act of 1946 stand between us and that disaster. But this is not a machinery whereby the Government, acting alone, will come to the rescue. It is a machinery to give leadership in developing an all-together effort to achieve our common goal.
>
> * * * * *
>
> So if nature takes its course, this machinery that has been created may lie almost unused. There will always be a tendency to consider its recommendations tomorrow, and then on another tomorrow.
>
> * * * * *
>
> Of all those who are interested in the fifties, businessmen have the most at stake. The Employment Act of 1946 is not a labor measure. It is not a law invoking salvation by government. It is a measure designed to insure the American economic system of a long and healthy life. It needs everyone's help to make it work.

Mr. President, before closing my speech I desire to make a few additional comments. I worked for some time on the speech I delivered today. I do not like to consume so much time on the floor of the Senate in presenting my views on what I consider to be some of the basic and vital problems which confront my party and

my country. However, in view of the fact that the leadership of my party did not see fit to place on the Economic Report Committee a single one of the Republican sponsors of the full employment bill of 1946, I considered it of great importance that at least the views of one of us on the President's economic report should be expressed on the floor of the Senate. So long as the type of disciplinary action is followed by the leadership of my party which denied any of the Republican sponsors of the full employment bill a place on the Economic Report Committee I shall continue from time to time to speak my mind on the floor of the Senate. I shall do that when denied the right under the traditions and customs of the Senate to bring my views to bear as a member of committees to which I am entitled to appointment.

Lastly, I wish to say that I think I have presented in this speech a blueprint of action for those in the Republican Party who want to make it a great progressive party, a party that will plan now, in the Eightieth Congress, to see to it that the necessary steps are taken to the extent that they can be taken by the Government, to avoid the type of depression which was painted for us in the language of the Kiplinger Report. As long as I am in the Senate I shall continue to urge my party to become a progressive party. I want it to be a party which places human rights and interests above selfish interests and partisan politics.

ORDER FOR RECESS TO MONDAY

Mr. WHITE. Mr. President, I move that when the Senate concludes its session today it stand in recess until Monday next at 12 o'clock noon.

The motion was agreed to.

HENRY J. KAISER

Mr. BRIDGES. Mr. President, it will be recalled that a little over a year ago—on April 17, 1946—I addressed the Senate on the saga of Henry J. Kaiser, the coddled darling of the New Deal. I revealed to the Senate and the American people the fact that at that time Kaiser owed the people of the United States through the RFC almost $115,000,000, much of which was non-interest-bearing. I related the story of how through the war years this man Kaiser, going through the front, back, or side doors of the Federal Government, was able in some mysterious way to get literally bales of the people's money merely by stamping his name on some fantastic project.

For several years glad-handing Henry, juggling millions extracted from the American taxpayers, has been offering all sorts of remedies—at Government expense—for almost every economic ill. He has opened his financial side show in all parts of the country with enthusiastic New Deal applause—not to mention the free hand of the New Dealers with taxpayers' money. Without the latter, this fantastic schemer would have dropped by the wayside as others of his kind have over the years.

In my remarks to the Senate a little more than a year ago, one of Kaiser's indulgences to which I referred was the Fontana steel plant. The rocketlike Kaiser had descended upon Washington and sold the top man the Fontana proposition to the tune of $111,805,000 of American taxpayers' money. Later he got $11,500,000 more, for a grand total of $123,305,000.

Now Henry is back in town trying to induce RFC to bite once more on the Fontana dream. Henry wants RFC—which means the taxpayers of the Nation—to take an $85,000,000 loss on the money he owes for his Fontana mill. His total indebtedness on the plant is $105,452,160. He thinks it would be nice of RFC to write off all of this except $20,123,016. He has asked RFC to agree to such a plan.

After that, generous juggling Henry would pay off the $20,000,000 with $15,000,000 in earnings from his shipyards—which profited greatly under Government contracts—and another $5,000,000 to be raised from the sale of stock to the public, or borrowed privately.

Imagine that! I was shocked and amazed yesterday when I picked up the newspaper, to see that a man actually had the nerve to come to Washington and propose that a Government bureau write off $85,000,000 of a debt which he owed to the Federal Government. That is the most colossal example of unmitigated gall that I have ever heard of in one man.

Like so many of Henry's deals with the Government, this latest one is a little indefinite as to what he actually has in mind. Of course, the part about forgiving some of Henry's debt to the Government is clear, as always. But the real reason why Henry wants to get the Fontana plant free is shrouded in a good deal of fog. Henry says that wiping out most of his debt will enable him to compete with other private steel makers and constitutes a major step toward the President's goal of lower prices for the Nation.

Probably the truth is that Henry would like to get the Fontana plant practically free to pull him out of the awful hole he has gotten into in connection with his manufacture of automobiles. His efforts along this line have proved a terrible bust. Only something like steel manufactured in a gift plant—paid for by the American taxpayers—will save Henry from disaster in the automobile business, it seems.

The Kaiser-Frazer outfit has manufactured to date, according to the latest report I have seen, only about 11,000 cars. They have been made at a terrific loss to stockholders. Some $57,000,000 worth of stock was unloaded on the public at prices ranging from $10 to a little over $20 a share. The stock closed on the New York Curb last night at 6. It never has paid a dividend. The company lost $19,284,681 on total sales of $11,504,433 in 1946.

One chapter of Henry's operations which never has been publicized was his recent attempt to do a little real-estate speculating with the Willow Run plant. He quietly approached the War Assets Administration and suggested that the plant, on which he now holds a lease, be quietly optioned to him at $14,824,624. It was to be done without advertising, of course. Simultaneously New York banking groups were approached as to the possibility of raising a $40,000,000 loan on Willow Run in case it was bought by private parties. Neither War Assets nor the bankers were interested, so the project was dropped.

Perhaps Henry will induce RFC to cancel out his Fontana debt, but the outlook is not good. The air conditioning has been on full blast recently at RFC whenever Henry called. Only a few weeks ago he was refused a simple loan of $12,000,000 to bail out Kaiser-Frazer. In the better New Deal days, that was chicken feed for Henry. He could have gotten that much by making a postcard request. But times have changed, for the good of the country.

I bring these facts to the attention of the Senate because a year ago I outlined on the floor of the Senate Mr. Kaiser's various operations. At that time I never thought that we would see the day when a man would have the nerve to come to Washington and ask the Federal Government to write off $85,000,000 of a legitimate loan. As I have stated, that is the greatest amount of gall that I have ever seen exhibited in a single individual. I am very glad that to date, at least, the RFC has adopted a little more frigid attitude, rather than the cordial, receptive attitude which it exhibited in the old days.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 236. An act to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals;

H. R. 384. An act for the relief of W. H. Baker and Walter Baker;

H. R. 428. An act for the relief of Charles N. Bemis;

H. R. 444. An act for the relief of the estate of Archie S. Woods, deceased;

H. R. 603. An act to amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries;

H. R. 1494. An act for the relief of the estate of Nellie P. Dunn, deceased;

H. R. 1844. An act to authorize the Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control, and for other purposes; and

H. R. 3245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Mr. McCLELLAN. Mr. President, I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Are amendments to the pending bill now in order, or may amendments not be offered until the

motion to postpone has been acted upon on Monday?

The PRESIDING OFFICER. The motion to postpone takes precedence over any other motion.

Mr. McCLELLAN. Amendments cannot be presented at this time?

The PRESIDING OFFICER. If the Senator so desires, amendments can be offered, to lie on the table and be taken up at a later time.

Mr. McCLELLAN. Very well.

Mr. President, on March 24 I gave notice that I would offer certain amendments to the pending bill. I sent the amendments to the desk and had them printed, and they were referred to the Finance Committee of the Senate, which committee was then considering this measure and was in process of holding hearings on it. Later, I appeared before the Senate Finance Committee and presented the amendments and gave evidence in support of them. Neither of the amendments was adopted by the Finance Committee, but I expect to present them, or some of them, on the floor when the parliamentary situation will permit that to be done.

I should like at this time to ask unanimous consent that I may have printed in the RECORD at this point two amendments which I shall offer in the event consideration of the measure is not postponed as proposed in the pending motion.

The first of these amendments, Mr. President, is one to raise personal exemptions. The second provides a new basis of collecting income taxes so as to equalize tax collections between citizens of non-community-property States and those of community-property States. I ask that these amendments be incorporated in the RECORD at this point in the order in which I have referred to them.

There being no objection, the amendments intended to be proposed by Mr. McCLELLAN were ordered to be printed in the RECORD, as follows:

At the proper place in the bill insert a new section as follows:

"SEC. —. Increase in personal exemption.

"(a) Subparagraphs (A) and (B) of section 25 (b) (1) of the Internal Revenue Code, as amended, are amended to read as follows:

"'(A) In the case of a single person or a married person not living with husband or wife, a personal exemption of $750.

"'(B) In the case of the head of a family or a married person living with husband or wife, a personal exemption of $1,500. A husband and wife living together shall receive but one personal exemption. The amount of such exemption shall be $1,500. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them.'

"(b) Sections 51 (a), 58 (a) (2), and 142 (a) of the Internal Revenue Code, as amended, are amended by striking out '$500' wherever it appears therein and inserting in lieu thereof '$750.'

"(c) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1946.

"Amend the tables contained in sections 400 and 1622 (c) (1) of the Internal Revenue Code to conform to the above amendments."

On page 1, line 6, before the period, insert the following: "and establishment of new method for computation of surtax in case of joint returns."

On page 2, beginning with line 6, strike out all down to and including line 10 and insert in lieu thereof the following:

"(b) Reduction in surtax on individuals and establishment of new method for computation of surtax in case of joint returns: So much of section 12 (b) of the Internal Revenue Code (relating to the rates of surtax) as precedes the table therein is hereby amended to read as follows:

"'(b) Computation of surtax:

"'(1) Separate return: Except in the case of a joint return by husband and wife, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by computing a tentative surtax under the table set forth in paragraph (3) of this subsection, and by reducing such tentative surtax by 24 percent thereof.

"'(2) Joint return: In the case of a joint return by husband and wife under section 51, there shall be levied, collected, and paid for each taxable year upon the aggregate surtax net income of the husband and wife a surtax determined—

"'(A) by computing a tentative surtax under the table set forth in paragraph (3) of this subsection upon an amount equal to one-half of such aggregate surtax net income;

"'(B) by multiplying the tentative surtax ascertained under subparagraph (A) by two; and

"'(C) by reducing the amount ascertained under subparagraph (B) by 24 percent thereof.

"'(3) Surtax table: The table referred to in paragraphs (1) and (2) is as follows:'."

On page 4, between lines 2 and 3, insert the following:

"(e) Standard deduction: Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"'(1) Allowance: In the case of an individual, at his election, a standard deduction as follows:

"'(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"'(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 per centum of such aggregate adjusted gross income, whichever is the lesser.

"'(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 per centum of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400'."

On page 4, line 3, strike out "(e)" and insert in lieu thereof "(f)."

Mr. McCLELLAN. Mr. President, I shall first address myself to the pending motion, and to the bill. Then I shall discuss these amendments.

I believe every citizen in the Nation is anxious, as soon as it is possible, wise, and advisable to do so, to have the Federal tax burden relieved to the extent it can be done and, at the same time, maintain a sound fiscal policy. We all look forward to a reduction in our taxes; and it may be possible, Mr. President, that a reduction, perhaps a substantial one, can be made without doing any serious violence to or impairing to any appreciable degree the fiscal affairs of our Government. However, that is debatable. At best it is a guess; it is purely speculative as to how far we can reduce taxes and avoid the danger of again having to operate this Government on a deficit basis.

So I believe I can associate myself with everything that the senior Senator from Georgia [Mr. GEORGE] said a day or two ago when he presented the pending motion for deferment or postponement of this measure until such time as the Congress has had an opportunity to know what the cost of Government will be for the next fiscal year, or at least how much we should appropriate now for the purpose of paying the costs of Government for the next fiscal year.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. MILLIKIN. The motion of the distinguished senior Senator from Georgia was to postpone the consideration of the bill until June 10. The junior Senator from California [Mr. KNOWLAND] brought forth some facts which show that Congress does not really make a start at getting the appropriation bills enacted by June 10. Is it in the Senator's contemplation that if by June 10 we do not have a complete picture on appropriations there will be a further delay?

Mr. McCLELLAN. I will answer the Senator by saying that of course I am not the author of the motion which is pending, but if I were to plan the program myself I should certainly want to defer it until we had ascertained how much we can reduce the cost of Government, and I refer to the effort being made to reduce it below the budget estimate submitted by the President.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. McCLELLAN. Yes.

Mr. MILLIKIN. Of course it would be a futile thing to postpone the bill until June 10, if by that date we did not receive the type of information which the distinguished Senator wants to have.

Mr. McCLELLAN. Yes.

Mr. MILLIKIN. And if we did not have sufficient information by that time, of course, under that theory, another postponement, I assume, would be in order.

Mr. McCLELLAN. I am sure we could at least anticipate that we would have more information than we now have. We would have made some further progress by June 10 with respect to appropriations for the next fiscal year. We could at least tell by that time what action the House had taken, which would be indicative of the prospects of cuts from the budget in accordance with what has been recommended. I say frankly, Mr. President, that in my judgment we cannot very wisely legislate on tax reduction until we know more about appropriations. As has been stated since the bill has been under discussion, no one can know what the national income will be during the next fiscal year. It is always a guess. But we can make a more intelligent guess, Mr. President; we can speculate more accurately if we have more knowledge of what the expenditures will be.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. MILLIKIN. I do not want to interrupt the Senator unduly, but it is interesting to know that the Treasury

Department made estimates with respect to the fiscal year 1947, after all the appropriation bills were in, and it was found that the range of mistake, or, at least, the range of the estimates—after all the appropriation bills were in and had been made into law—exceeded $1,000,000,000.

Mr. McCLELLAN. Mr. President, I can very well appreciate that that is about as close as anyone could come to the exact figure, when we are dealing with $40,000,000,000 a year. Under those circumstances, if the Treasury can come within a billion dollars of estimating correctly what the expenses of Government are going to be, and if we can do that well each year as we approach legislation making appropriations we shall not err very far in dealing with total expenditures of $35,000,000,000 or $40,000,000,000 a year. If the Treasury can come that close, we shall have sufficient information to enable us to legislate wisely both with respect to aprpopriations and also with respect to taxes.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MYERS. I think the Senator from Colorado was referring to the national income, which would amount to $170,000,000,000 or $180,000,000,000 a year.

Mr. McCLELLAN. I thought the Senator from Colorado meant tax revenues.

Mr. MILLIKIN. I was not referring to the national income.

Mr. President, would it be an imposition on the Senator from Arkansas for me to state at this time the exact facts in regard to that matter?

Mr. McCLELLAN. No; I should be happy to have the Senator do so.

Mr. MILLIKIN. The expenditure estimate for the fiscal year 1947, as made by the Bureau of the Budget last August, after appropriations had been completed, was $41,500,000,000.

In January 1947 that was revised to $42,500,000,000, a difference of $1,000,000,000.

More recently, on April 19, 1947, the expenditures were revised downward to $41,250,000,000, a difference of $1,250,000,000 from the January estimates.

My point is that those estimates were made, and were found to be grievously wrong, even after those who made them had the benefit of knowing what Congress had done with the appropriation bills.

Mr. McCLELLAN. Mr. President, I do not agree with the Senator from Colorado that that is such a bad error of judgment. I reassert what I said a moment ago: that if our Treasury Department can continuously come that close in estimating what the expenditures of our Government will be and what the Government's revenues will be, each year, then I think we can legislate wisely and with reasonable intelligence with respect to these matters.

Mr. President, for the reasons which I have already stated and which I shall not take time to ampify further, I shall vote for the motion to postpone. I think it would be better to postpone until possibly June 30, when all of the appropriations shall have been made, than it would be to postpone until June 10. However, I did not fix that date. But any postponement at the present time will provide further opportunity for us to be better informed when we undertake to act on this bill.

Mr. President, I am not opposed to this measure. I do not know yet whether I shall vote for it or against it. I am anxious to see tax reductions made. I do know that it will be a great mistake, however, and one which will not be easily rectified, for us not to pay high taxes now, while we have a high national income and while we have a heavy debt and while we still have an annual operating cost of government in an amount of approximately $35,000,000,000. If we lower taxes now, and if we get them too low, it will not be easy for this Congress or the next Congress in time of peace to enact a tax bill increasing taxes—which already are extremely high, and of necessity so, because of the great emergency through which this Nation and the rest of the world recently passed.

If we are going to reduce taxes, then I am concerned about how we shall do it and where the relief will be given and the extent of relief which will be afforded and how it will be spread so as to benefit all taxpayers alike and equitably. Mr. President, if I could have my way about this tax bill, the first reduction in taxes which I would provide for would be to the man who today is having difficulty earning sufficient money to provide the necessities of life for himself and his family. During recent years, and because of the necessities of financing one of the greatest military efforts the world has ever known, it became necessary continuously to increase taxes and to reduce the personal exemptions which theretofore had been granted to the individual taxpayers of the United States. In doing so, the point has been reached where, today, under existing law, a man and wife earning more than $1,000 have to pay some Federal income tax; if they make more than $1,000 a year, a married man today has to pay a Federal income tax. Mr. President, in view of the present high cost of living, no man and wife, no head of a family, today can stretch $1,000 far enough to make it provide the actual necessities of life. When I say "the actual necessities of life," I mean those necessities which we regard as necessities under our standard of living. I do not say that $1,000 would not be sufficient to enable them to barely exist; surely they could barely exist on that amount. But under present conditions, and existing law, we are actually taking taxes from the wage earners in the lower brackets and in the lower income groups; and when we do that, we are simply taking away from them some of the necessities which they can hardly afford to forego.

I think the first tax relief granted should be given to those who now are being required to pay taxes, but who should have a greater allowance and a greater exemption in order that they may have a proper standard of living.

Mr. President, I have looked into this matter and have inquired with respect to it, having in mind that I would offer an amendment to increase exemptions to $1,000 for a single person and to $2,000 for the head of a family. However, I found that on that basis the loss of revenues would be too great, I think—greater than we should undertake or risk at this time. If I recall correctly, according to the Treasury's estimate, exemptions made on that basis would decrease the Treasury's revenues by approximately $5,000,000,000, and would remove 18,000,000 persons from the tax rolls.

Then I inquired with respect to raising the personal exemption to $750 for a single person and to $1,500 for the head of a family. I find that on that basis, between 8,000,000 and 9,000,000 persons would be removed from the tax rolls, and there would be a loss of revenue in the amount of approximately $3,000,000,000.

I hope Senators will bear that figure in mind, because the pending tax bill, as it passed the House, provides for an estimated reduction or loss of revenue of $3,800,000,000.

Mr. President, I am most anxious to see the personal exemption raised, and although I have spoken about those who would benefit most, those in the low income brackets, let us remember that it applies all the way across the board, and in proportion to the taxpayer's earnings, and his wealth and his ability to pay he gets a reduction. Therefore, on that basis we still maintain our taxes so that those most able to pay are the ones who pay and those least able to pay get the most relief under the amendment which I have proposed.

Mr. President, I know there are other taxes which are too high and which should be reduced, and I hope the time will come when we can reduce them. I doubt if that time is now. But if the majority of the Congress felt that these others reductions could with safety be made, of course I might disagree, but they would be made.

There is another very serious situation which I want to see corrected. Irrespective of what conditions are with reference to taxation—and the conditions about which I have spoken are known to all of us—it is never the wrong time to right a wrong if it can be righted. I call attention to the fact that one of the amendments which I shall propose would have the effect, when enacted into law, of placing all individual income taxpayers of this Nation on the same basis, that it will do equity between them, whereas under existing law there is inequity and injustice. There are 10 States now—since the last few days another was added; there have been 9 for some time—there are 10 States now which have what are known as community property laws. I have no quarrel with those States. They have the right to have such a system of laws. Probably it is a good system which perhaps all the other States should adopt; I do not know.

Mr. HATCH. I wonder if the Senator would mind striking the word "probably" from his remarks.

Mr. McCLELLAN. If the Senator does not like that word I shall strike it out and say "they should." Irrespective of that, whether they choose to do so or not, that does not warrant our Government perpetuating a tax policy and a tax structure which does an injustice, and discriminates among many American citizens.

Mr. President, I have had some tables prepared by the Treasury Department which I wish to place in the RECORD, which will support the statements I have made with reference to increasing personal exemptions, and also with respect to community property.

Mr. MILLIKIN. How much does the Senator propose the exemptions be raised?

Mr. McCLELLAN. To $750 for single persons, and to $1,500 for heads of families.

The first table I shall present, and ask unanimous consent to have inserted in the RECORD at this point, is a table showing comparisons between individual income taxes under the present law, and under the present law, if amended, by increasing the exemption from $500 to $750 for single persons.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE NO. 1.—*Single person, no dependents—comparison of individual income tax under present law, and present law amended by increasing exemption from $500 to $750*

Net income before personal exemption	Amount of tax		Reduction in tax—present law, with exemption increased to $750	Percent tax reduction—present law, with exemption increased to $750
	Present law	Present law, with exemption increased to $750		
				Percent
$500				
$600	$19.00		$19.00	100.00
$700	38.00		38.00	100.00
$750	47.50		47.50	100.00
$800	57.00	$9.50	47.50	83.33
$900	76.00	28.50	47.50	62.50
$1,000	95.00	47.50	47.50	50.00
$1,200	133.00	85.50	47.50	35.71
$1,500	190.00	142.50	47.50	25.00
$2,000	285.00	237.50	47.50	16.67
$2,500	380.00	332.50	47.50	12.50
$3,000	484.50	432.25	52.25	10.78
$4,000	693.50	641.25	52.25	7.53
$5,000	921.50	859.75	61.75	6.70
$6,000	1,168.50	1,106.75	61.75	5.28
$7,000	1,434.50	1,363.25	71.25	4.97
$8,000	1,719.50	1,648.25	71.25	4.14
$9,000	2,023.50	1,942.75	80.75	3.99
$10,000	2,346.50	2,265.75	80.75	3.44
$15,000	4,270.25	4,158.63	111.62	2.61
$25,000	9,362.25	9,222.13	140.12	1.50
$50,000	25,137.00	24,966.00	171.00	(1)
$100,000	63,540.75	63,334.13	206.62	(1)
$150,000	105,806.25	105,594.88	211.37	(1)
$200,000	148,551.50	148,337.75	213.75	(1)
$250,000	191,771.75	191,555.63	216.12	(1)
$500,000	407,896.75	407,680.63	216.12	(1)
$750,000	624,021.75	623,805.63	216.12	(1)
$1,000,000	840,146.75	839,930.63	216.12	(1)
$2,000,000	1,704,646.75	1,704,430.63	216.12	(1)
$5,000,000	4,275,000.00	4,275,000.00		

[1] Less than 1 percent.

Source: Joint Committee on Internal Revenue.

Mr. McCLELLAN. Mr. President, the second table makes comparison between individual income taxes under present law, and what the taxes would be if the law was amended by increasing the exemption from $1,000 to $1,500 for married persons. I will ask that this table be incorporated in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE NO. 2—*Married person, no dependents—Comparison of individual income tax under present law, and present law amended by increasing exemption from $1,000 to $1,500; also allowing splitting of income*

Combined net income before personal exemption	Amount of tax			Reduction in tax		Percent tax reduction	
	Present law [1]	Exemption increased to $1,500		Exemption increased to $1,500		Exemption increased to $1,500	
		Without splitting of income [1]	With splitting of income	Without splitting of income	With splitting of income	Without splitting of income	With splitting of income
						Percent	*Percent*
$1,000							
$1,200	$38.00			$38.00	$38.00	100.00	100.00
$1,500	95.00			95.00	95.00	100.00	100.00
$2,000	190.00	$95.00	$95.00	95.00	95.00	50.00	50.00
$2,500	285.00	190.00	190.00	95.00	95.00	33.33	33.33
$3,000	380.00	285.00	285.00	95.00	95.00	25.00	25.00
$4,000	589.00	484.50	475.00	104.50	114.00	17.74	19.35
$5,000	798.00	693.50	665.00	104.50	133.00	13.10	16.67
$6,000	1,045.00	921.50	864.50	123.50	180.50	11.82	17.27
$7,000	1,292.00	1,168.50	1,073.50	123.50	218.50	9.56	16.91
$8,000	1,577.00	1,434.50	1,282.50	142.50	294.50	9.04	18.67
$9,000	1,862.00	1,719.50	1,491.50	142.50	370.50	7.65	19.90
$10,000	2,185.00	2,023.50	1,719.50	161.50	465.50	7.39	21.30
$15,000	4,047.00	3,842.75	3,011.50	204.25	1,035.50	5.05	25.59
$25,000	9,082.00	8,801.75	6,279.50	280.25	2,802.50	3.09	30.86
$50,000	24,795.00	24,453.00	18,444.25	342.00	6,350.75	1.38	25.61
$100,000	63,127.50	62,714.25	49,932.00	413.25	13,195.50	(2)	20.90
$150,000	105,383.50	104,960.75	86,568.75	422.75	18,814.75	(2)	17.85
$200,000	148,124.00	147,696.50	126,668.25	427.50	21,455.75	(2)	14.48
$250,000	191,339.50	190,907.25	168,914.75	432.25	22,424.75	(2)	11.72
$500,000	407,464.50	407,032.25	383,111.25	432.25	24,353.25	(2)	5.98
$750,000	623,589.50	623,157.25	599,236.25	432.25	24,353.25	(2)	3.91
$1,000,000	839,714.50	839,282.25	815,361.25	432.25	24,353.25	(2)	2.90
$2,000,000	1,704,214.50	1,703,782.25	1,679,861.25	432.25	24,353.25	(2)	1.43
$5,000,000	4,275,000.00	4,275,000.00	4,273,361.25		1,638.75	(2)	(2)

[1] Entire income reported by husband on joint return.

[2] Less than 1 percent.

Mr. McCLELLAN. Mr. President, this table also shows what the difference in taxes would be based on the present law if the other amendment which I presented, the one providing for what is known as the "splitting of incomes"—which is the Treasury term for it—should be adopted. These tables will show the picture of what we are trying to correct, so that Senators may make comparisons and come to an intelligent decision.

The next table I shall offer is one showing a comparison of individual income taxes payable under present law on specified net incomes by husband and wife residing in a community-property State, with the tax payable by a person with the same income in a non-community-property State, and I wish to make some comparisons based on this table.

Let us take the case of a man who has an income of $10,000, and is a resident of a community-property State. Under present law he would pay $1,843 a year Federal income tax. The American citizen living over the line in another State which does not have the community-property system, having the same income of $10,000, would pay $2,185 Federal income tax, based on present law. In other words, he pays $342 a year more than does the citizen with the same income living over the line in another State.

Mr. President, I will state why this is so emphasized in my thinking and so important to my State. It is because three community-property States border on my State. They are Louisiana, Texas, and Oklahoma. In Texarkana, a city on the line between the State of Texas and the State of Arkansas, many people have their businesses in Arkansas but move over the line into the State of Texas in order to get the advantage of this tax discrimination.

Mr. HATCH. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am glad to yield.

Mr. HATCH. I wish to ask the Senator a question merely for information. It seems to me I have heard that at one time the Senator's State was a community-property State, and that the system was voluntarily abandoned. Is that correct or not?

Mr. McCLELLAN. I am sure that is not true. It has not been the fact since I have known anything about the State, and I am familiar with its history.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. KNOWLAND. I think the able Senator from Arkansas has already pointed out that any State which desires to do so might become a community-property State, or at least most of the States might, under their constitutions and under their laws.

I merely wish to point out, for the sake of the record, that for a State to adopt the community-property system has not been a method of tax evasion, by any

stretch of the imagination, but it is something which has come down to a good many of the Western States from the Mexican law. As a matter of fact, it is something in which I am sure the women of the Nation have a vital concern, because in my State of California, which is a community-property State, the law considers that half the husband's earnings belong to the wife, not at the time of the husband's death but she is a copartner. As a matter of fact, if the wife dies prior to the death of the husband, she has full power of testamentary disposition of the community property created during the marriage; so that it is a factual situation facing us and not a method of tax evasion of any kind.

Mr. McCLELLAN. I have said nothing, so far as I know, implying that this is a practice for tax evasion on the part of community-property States. I recognize that what the Senator says is true. It is said that perhaps there should be a uniform community-property law for all States. In Arkansas, by a different kind of law, husband and wife are given the right to form a business partnership. While by law it may be done in California and other community-property States, in Arkansas a husband may not, by gift, bestow upon his wife a half interest in his property or his income and have it so recognized for the purposes of Federal income tax, although it is under the Arkansas law; but if the husband makes the gift and pays the Federal gift tax on it to the Federal Government, the wife still cannot receive the income from her half interest, though it is recognized as her property; the husband is still required to pay the Federal income tax on it, although his wife legally owns it. I submit that if the Bureau of Internal Revenue feels itself under moral or legal obligation to recognize community-property laws in a State such as California, it should likewise recognize the partnership laws of Arkansas and other States. If a man, as a matter of choice, not as a matter of legal requirement, forms a partnership with his wife and divides his income with her, as well as his property and business, then the Government, recognizing the community-property law of certain States, should likewise recognize the Arkansas partnership law. As long as the law exists as it now is, and as long as the ruling stands, with resulting injustices and discriminations perpetrated not only upon the people of my State but upon the people of 37 other States, I shall make every effort to have justice done, and this defenseless injustice removed from our tax system and laws.

Mr. KNOWLAND. Mr. President, will the Senator yield to me for a moment at this point?

Mr. McCLELLAN. I am glad to yield.

Mr. KNOWLAND. Of course, in dealing with the problem of taxation, inequities are encountered which should be eliminated after hearings before proper committees of the Senate and House, where the full facts should be presented. But, while the able Senator from Arkansas is mentioning certain inequities, I merely wish to call his attention to one growing out of the 1942 Federal estate taxes. When a decedent in a community-property State dies, the Federal Government levies an estate tax on the entire community-partnership property, except, first, property received as compensation for personal services rendered by the surviving spouse, and, second, property derived originally from the survivor's separate property.

Suppose a husband and wife in California accumulate a community-partnership estate of $300,000. The husband does not own $300,000 of that partnership property; he owns only half of it. The wife owns the other half. For example, she may will her half as she pleases, free of her husband's control. In the event of a divorce, she is entitled to half the property, as a matter of right. The wife's power of testamentary disposition is not a fiction; it is a fact. The Federal Government cannot tell a divorced husband in California that his wife's community-partnership rights are unreal. He knows better.

Under the 1942 estate-tax law, if the husband dies first, the entire $300,000 is considered as forming a part of his estate. Half of that estate was his wife's, and subject to her right to dispose of it by will; but it falls into the decedent's estate. Thus, in California and other community-partnership States, but only in such States, a deceased husband's estate is taxed on property he did not own and had never owned, property not subject to his testamentary disposition, property not transferred at his death. In the community-partnership States a widow is compelled to pay an estate tax on property that legally belongs to her, has always belonged to her, and is subject to her sole testamentary disposition.

I merely mention that at this time, to show that there are other inequities in other fields which, possibly, when the permanent tax legislation is being considered next year, should be gone into thoroughly before the Senate Finance Committee, with ample opportunities for all sides to present their views for curing the inequities wherever they may exist.

Mr. McCLELLAN. Then the Senator agrees with me that the inequities ought to be corrected?

Mr. KNOWLAND. I think certainly that very careful study must be given to the whole problem, in order to iron out whatever inequities may exist.

Mr. McCLELLAN. I can agree with the Senator that certain other inequities exist that ought to be ironed out. If they affect community-property States, as the Senator related, and I feel sure the Senator would be doing his State and his people a service if he would undertake to have those inequities eliminated; just as I am trying to have removed this particular inequity, which affects the people of my State.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. MILLIKIN. I should like to say that the Senate Committee on Finance was much impressed by the very excellent argument which the senior Senator from Arkansas presented to it on this subject. It was the opinion of at least a majority of the committee that, at this time, efforts should be concentrated on giving Federal income tax reduction relief. That necessarily precluded ironing out all the 15 or 20 group inequities for which there is much argument. The House Ways and Means Committee has started its hearings, and the subject which the Senator is discussing is one for top consideration by that committee. I assure the Senator it will be a subject for top consideration by the Senate Finance Committee in connection with the general revision bill.

A moment ago I mentioned that it was the opinion of the majority of the committee that we should not undertake to write a general revision bill at this time. The Senator's proposal would benefit 5,400,000 people. It would cost, I assume, perhaps $750,000,000.

Mr. McCLELLAN. To which amendment does the Senator refer?

Mr. MILLIKIN. The split-income amendment. That amendment would benefit a total of 5,400,000 married persons.

Mr. McCLELLAN. The Senator says it would benefit them; does he not mean it would remove the inequity to which I have referred?

Mr. MILLIKIN. Yes; by removing it, it would benefit them. The committee had the choice of whether we would go through all the group inequities and try to write a general revision bill at this time, or whether we would concentrate on a general income tax reduction bill. Of course, the general income tax reduction bill will benefit all the people who would be benefited by the Senator's measure; but, in some cases, not in the same degree. The Senator's proposal would not benefit people in low income tax brackets, nor would it benefit those in the very high income tax brackets. It would not benefit single persons. It would not benefit widows with children, or widowers with children. It would not benefit married couples, who have approximately equal income.

Mr. McCLELLAN. While the Senator says it would not benefit that class of people, I say it certainly would do them no harm. They would not be harmed by it.

Mr. MILLIKIN. I am not saying that they would be harmed, except that when we establish a benefit for a special group, the whole group must bear the cost of the benefit.

Mr. McCLELLAN. The Senator refers to them as "a special group." If we are in fact correcting a wrong, removing an injustice under which we are now suffering, we are the special group which is suffering, and we ought to have the relief.

Mr. MILLIKIN. I am not arguing against the removal of the injustice. I merely wanted to make it clear why the Senate Finance Committee did not accept at this time the Senator's suggestion.

Mr. McCLELLAN. I appreciate that statement, and I appreciate the problem which confronted the finance committee. The able Senator from Colorado has been very kind, and I am sure he has given this matter the consideration he felt he could give to it at this time. But I do want to emphasize the need for correcting this injustice, and I say that whether the present Congress acts or not, some Congress is going to correct it. The people of 38 States will expect it to be done, and it will be done.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. TYDINGS. I was listening to the colloquy between the able Senator from Colorado and the able Senator from Arkansas. The Senator from Colorado pointed out that the amendment of the Senator from Arkansas would benefit a special group. As I see it, without the amendment of the Senator from Arkansas a benefit will be perpetuated in a special group, which is not rightfully an equal distribution of the burden of taxation. The Senator is attempting to put everyone on the same level whereas the law as it now stands favors a special group and we should not favor any special group in the levying of taxes.

Mr. McCLELLAN. That is the very point I was undertaking to make; that while those who would benefit by this proposal may be referred to as a special group they are also a special group which is now at a great disadvantage.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the Senator from New Mexico.

Mr. HATCH. I disagree with my distinguished and able friend, the Senator from Maryland when he says that the people of the community-property States are receiving special benefits. Later during the debate, when these amendments come up, I hope we may discuss the entire subject of community property.

I wish to point out some of the burdens that rest upon people under the community property relationship and law. It is not all benefit by any means. I desire to emphasize again what the Senator from California has just said, that our community property law is a law relating to property, one strictly and solely within the rights of each sovereign State. Both the Senator from Arkansas and the Senator from Maryland will agree that each State has the undoubted right to establish its own laws regarding property. I point out again that the community property law has been in effect for a long time in my State and in most of the other community property States, long before there was any income tax or any Federal estate tax of any kind. It was a rule of property which we deemed to be a wise rule, one relating to the marital relationship and property, and also covering certain social aspects of that relationship. Under that law the wife is the absolute owner of one-half of all property acquired during marriage by the joint efforts of husband and wife. Nothing the husband can do can divest her of that ownership.

As I said, I do not want to discuss those things now, but I wish to point out this one thing, that the greatest wrong and injustice that has ever been done under any tax law was the law to which the Senator from California referred, by which the Federal Government levies an estate tax upon the property of a widow which is her own property, title being vested in her by the provisions of the community property law, and title not passing by reason of the death of the husband. The law in question did a great wrong and injustice. It was in my opinion, before the Supreme Court passed on it, clearly unconstitutional, but that question is now foreclosed. The Supreme Court has passed on it. It does remain the right of Congress to correct that clear wrong and injustice.

Generally on the proposition of the right of the non-community-property States to secure any adjustment which they see fit, I will say that I have no objection to that. I think that the amendment as offered now should be improved. I think the whole subject should be considered and other injustices corrected at the same time. But certainly the people in the community property States are not seeking any advantage over the people in any other State. We do not want the Congress, however, at any time to interfere with and take from us that which by the laws of our own States we have determined is ours, and under which laws we have had long experience.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. TYDINGS. I should like to say to the Senator from New Mexico that what he has said is accurate respecting each State having the right to pass laws affecting the ownership of and succession and other phases connected with property. I would be the last individual in the world to want to invade that field. What I am trying to say to the Senator is that in the levying of a Federal rather than a State tax—without reflecting at all on the system that may prevail in his State or in any other State—the Federal Government should devise its law so that people with the same income, or a man and wife with the same income, whatever the situation may be, will pay an equal tax to the Federal Government as differentiated from the State Government, whether they live in Maine or whether they live in New Mexico or California. I think it is our duty so to devise our tax law, certainly in line with the philosophy of the amendment offered by the Senator from Arkansas, as to make the burden of taxation equal on all the citizens of the country. Assuredly I did not intend, and do not intend now, to cast the least reflection on any of the community property States, which have only done what they have a right to do. Naturally the Federal Government in entering that field ought to be sensitive to the rights and the set-ups there. But I think that when we devise a law, if it is proposed to place less of a tax burden for the same income on the people of the community-property States, we should seek so to write the law that the burden shall apply equally all over the whole country. That was the point I had in mind.

I should like to say further that, while the Senator can very well point out and cite abundant instances of people in community-property States incurring liabilities and responsibilities which people in other States do not have, yet that should not deter us in the Federal field from trying to make our tax laws apply to all our people with as much equality as is humanly possible.

Mr. HATCH. Mr. President, will the Senator again yield?

Mr. McCLELLAN. I yield.

Mr. HATCH. The only thing I wanted to suggest was that so long as the two systems prevail, the community-property system on the one hand and the common-law system on the other, there is going to be great difficulty in bringing about proper uniformity between the two systems. That is not the fault of the common-law States nor the fault of the community-property States.

Mr. TYDINGS. That is true.

Mr. HATCH. Frankly, my own opinion is that the community property law is so far superior to the common law, that each State in the Nation should adopt the community property system. Of course, that is a matter for each State to determine for itself, but if each should adopt it, then all States would be on the same basis, and there would be no trouble about the enactment of Federal laws.

Mr. TYDINGS. I think there is a great deal to be said for the community-property idea. Like all good ideas, some unfavorable things are said about it. One of the reasons why it would be difficult for a common-law-property State to be converted into a community-property State is that such a conversion would entail not only the abstract idea, but the refinement of many laws and tax systems which would make it a superhuman undertaking if it were sought to avoid inflicting unintentional injustices, penalties, and liabilities on the people of such State. I believe that as time goes on such a system may evolve. I do not take issue with the statement that it has many good points of equity and justice as between man and wife, and as between the family and the State. My point is that within the limit of reasonable possibility, when we frame a national tax law we ought to try to frame it so that so far as the payment of Federal taxes is concerned, a man and wife, wherever they are situated, will pay the same amount on the same income, regardless of the locus of the family.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. McCLELLAN. I yield.

Mr. HATCH. Of course, the general aim and objective which the Senator

from Maryland has stated, with respect to having uniformity in all the States on the question of Federal taxation, is one which we all would like to accomplish. But in the relations between husband and wife, the situation differs in the various States. In some States they have separate estates. The wife has her estate and the husband has his, and the income is divided for income tax purposes, just as in the community-property States. The wife who has separate property under the laws of the State in which she lives has no greater title to that separate property than the wife in the community-property State has to her share of the community property.

I shall not press the argument at this time. The Senator wishes to proceed. There is much to be considered in connection with the entire question.

Mr. McCLELLAN. Mr. President, from what the Senator from New Mexico says, I know that a problem exists. I am not as familiar with the laws of the community-property States as is the Senator, because he lives under such laws in his State. But if the inequity with respect to the inheritance tax which the Government imposes compares with the one we feel with respect to the difference in income taxes, I will say to the Senator that I believe that both Senators from Arkansas will join hands with him, and march together in trying to correct these inequities by enacting a law which will do justice to the Senator's State, to mine, and to all other States.

Mr. HATCH. I shall be most happy to cooperate with the Senator. I am sure that all of us from the community-property States will be glad to cooperate in as fair an adjustment as possible of the so-called inequities and discriminations.

Mr. McCLELLAN. Mr. President, this is not an attack by me on the community-property States or the laws of those States. It is simply an effort on my part to focus attention upon a discrimination which exists. Let us find a way to right it as soon as we can do so.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks table No. 3, showing the situation of married persons with no dependents, and containing a comparison of individual income tax payable under the present law on specified net income by a husband and wife residing in a community-property State with the tax payable in a non-community-property State.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE NO. 3.—*Married persons, no dependents—Comparison of individual income tax payable under present law on specified net incomes by a husband and wife residing in a community-property State with tax payable in a non-community-property State*

Combined net income before personal exemption	Tax payable		Amount and percent greater tax in non-community-property State	
	Community-property State [1]	Non-community-property State [2]	Amount	Percent
$1,000				
$1,200	$38.00	$38.00		
$1,500	95.00	95.00		
$2,000	190.00	190.00		
$2,500	285.00	285.00		
$3,000	380.00	380.00		
$4,000	570.00	589.00	$19.00	3.33

TABLE NO. 3.—*Married persons, no dependents—Comparison of individual income tax payable under present law on specified net incomes by a husband and wife residing in a community-property State with tax payable in a non-community-property State*—Continued

Combined net income before personal exemption	Tax payable		Amount and percent greater tax in non-community-property State	
	Community-property State [1]	Non-community-property State [2]	Amount	Percent
$5,000	$760.00	$798.00	$38.00	5.00
$6,000	969.00	1,045.00	76.00	7.84
$7,000	1,178.00	1,292.00	114.00	9.68
$8,000	1,387.00	1,577.00	190.00	13.70
$9,000	1,596.00	1,862.00	266.00	16.67
$10,000	1,843.00	2,185.00	342.00	18.56
$15,000	3,154.00	4,047.00	893.00	28.31
$25,000	6,460.00	9,082.00	2,622.00	40.59
$50,000	18,724.50	24,795.00	6,070.50	32.42
$100,000	50,274.00	63,127.50	12,853.50	25.57
$150,000	86,953.50	105,383.50	18,430.00	21.20
$200,000	127,081.50	148,124.00	21,042.50	16.56
$250,000	169,337.50	191,339.50	22,002.00	12.99
$500,000	383,543.50	407,464.50	23,921.00	6.24
$750,000	599,668.50	623,589.50	23,921.00	3.99
$1,000,000	815,793.50	839,714.50	23,921.00	2.93
$2,000,000	1,680,293.50	1,704,214.50	23,921.00	1.42
$5,000,000	4,273,793.50	4,275,000.00	1,206.50	.03

[1] Income divided evenly between husband and wife.
[2] Entire income reported by husband on joint return.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, table No. 4, which shows the amounts of individual income tax under the present law, under House bill 1 as reported to the Senate, and under the provisions of the bill as it is proposed to be amended by the two amendments which I have discussed today.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE NO. 4.—*Amounts of individual income tax under present law,[1] H. R. 1 as reported to the Senate for 1948, and plans to modify the reported bill by either (1) exemption increases to $750, $1,500, and $500, for single persons, married couples, and dependents, respectively, (2) income splitting, or (3) both the exemption increases and income splitting, for specified amounts of net income*

MARRIED PERSON [2]—NO DEPENDENTS

Net income before personal exemption	Amounts of tax				
	Present law	H. R. 1 as reported to Senate for 1948 [2]	Reported bill modified by [3]		
			Exemption increases to $750, $1,500, $500	Income splitting	Exemption increases to $750, $1,500, $500, and income splitting
(1)	(2)	(3)	(4)	(5)	(6)
$1,200	$38	$27		$27	
$1,500	95	67		67	
$2,000	190	133	$67	133	$67
$2,500	285	228	133	200	133
$3,000	380	304	228	266	200
$4,000	589	471	388	456	366
$5,000	798	638	555	608	532
$6,000	1,045	836	737	775	692
$8,000	1,577	1,262	1,148	1,110	1,023
$10,000	2,185	1,748	1,619	1,474	1,376
$15,000	4,047	3,238	3,074	2,523	2,409
$25,000	9,028	7,266	7,041	5,168	5,024
$50,000	24,795	19,836	19,562	14,980	14,755
$100,000	63,128	51,283	50,932	40,219	39,946
$250,000	191,340	160,264	159,896	139,187	138,828
$500,000	407,465	351,574	351,187	321,262	320,895
$750,000	623,590	544,949	544,562	510,546	510,159
$1,000,000	839,715	738,324	737,937	703,921	703,534
$5,000,000	[4] 4,275,000	[5] 3,825,000	[5] 3,825,000	3,797,921	3,797,534

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Assumes 1 spouse has all the income.
[3] Assumes taxpayer is under 65 years of age.
[4] Taking into account maximum effective rate limitation of 85.5 percent.
[5] Taking into account maximum effective rate limitation of 76.5 percent.

NOTE.—Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.
Source: Treasury Department, Division of Tax Research.

Mr. McCLELLAN. Mr. President, I have spoken longer than I intended. I wish to hurry through. I shall have an opportunity later to speak on this subject, when I present the amendments.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks tables Nos. 5 and 6, which are related tables, together with footnotes to tables 4 to 6, inclusive, showing how the two amendments would affect the present tax bill and the present tax law.

There being no objection, the tables and footnotes were ordered to be printed in the RECORD, as follows:

TABLE NO. 5.—*Comparison of effective rates of individual income tax under present law,[1] H. R. 1 as reported to the Senate for 1948, and plans to modify reported bill by either (1) exemption increases to $750, $1,500, and $500, for single persons, married couples, and dependents, respectively, (2) income splitting, or (3) both the exemption increases and income splitting, for specified amounts of net income*

MARRIED PERSON [2]—NO DEPENDENTS

Net income before personal exemption	Effective rates				
	Present law	H. R. 1 as reported to Senate for 1948 [3]	Reported bill modified by [3]—		
			Exemption increases to $750, $1,500, $500	Income-splitting	Exemption increases to $750, $1,500, $500, and income-splitting
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
$1,200	3.2	2.2	----------	2.2	----------
$1,500	6.3	4.4	----------	4.4	----------
$2,000	9.5	6.7	3.3	6.7	3.3
$2,500	11.4	9.1	5.3	8.0	5.3
$3,000	12.7	10.1	7.6	8.9	6.7
$4,000	14.7	11.8	9.7	11.4	9.2
$5,000	16.0	12.8	11.1	12.2	10.6
$6,000	17.4	13.9	12.3	12.9	11.5
$8,000	19.7	15.8	14.3	13.9	12.8
$10,000	21.9	17.5	16.2	14.7	13.8
$15,000	27.0	21.6	20.5	16.8	16.1
$25,000	36.3	29.1	28.2	20.7	20.1
$50,000	49.6	39.7	39.1	30.0	29.5
$100,000	63.1	51.3	50.9	40.2	39.9
$250,000	76.5	64.1	64.0	55.7	55.5
$500,000	81.5	70.3	70.2	64.3	64.2
$750,000	83.1	72.7	72.6	68.1	68.0
$1,000,000	84.0	73.8	73.8	70.4	70.4
$5,000,000	85.5	76.5	76.5	76.0	76.0

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Assumes 1 spouse has all the income.
[3] Assumes taxpayer is under 65 years of age.

NOTE.—Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

Source: Treasury Department, Division of Tax Research.

TABLE NO. 6.—*Decrease in amounts and effective rates of individual income tax under present law,[1] H. R. 1 as reported to the Senate for 1948, and plans to modify reported bill by either (1) exemption increases to $750, $1,500, and $500, for single persons, married couples, and dependents, respectively, (2) income splitting, or (3) both the exemption increases and income splitting, for specified amounts of net income*

MARRIED PERSON [2]—NO DEPENDENTS

Net income before personal exemption	Decrease in amounts of tax compared with present law				Percentage-point decrease in effective rates compared with present law			
	H. R. 1 as reported to Senate for 1948 [3]	Reported bill modified by [3]			H. R. 1 as reported to Senate for 1948 [3]	Reported bill modified by [3]		
		Exemption increases to $750, $1,500, $500	Income splitting	Exemption increases to $750, $1,500, $500, and income splitting		Exemption increases to $750, $1,500, $500	Income splitting	Exemption increases to $750, $1,500, $500, and income splitting
					Percent	*Percent*	*Percent*	*Percent*
$1,200	$11	$38	$11	$38	1.0	3.2	1.0	3.2
$1,500	29	95	29	95	1.9	6.3	1.9	6.3
$2,000	57	124	57	124	2.9	6.2	2.9	6.2
$2,500	57	152	86	152	2.3	6.1	3.4	6.1
$3,000	76	152	114	181	2.5	5.1	3.8	6.0
$4,000	118	201	133	223	2.9	5.0	3.3	5.6
$5,000	160	243	190	266	3.2	4.9	3.8	5.3
$6,000	209	308	270	353	3.5	5.1	4.5	5.9
$8,000	315	429	467	551	3.9	5.4	5.8	6.9
$10,000	437	566	711	809	4.4	5.7	7.1	8.1
$15,000	809	973	1,524	1,638	5.4	6.5	10.2	10.9
$25,000	1,816	2,041	3,914	4,058	7.3	8.2	15.7	16.2
$50,000	4,959	5,233	9,815	10,040	9.9	10.5	19.6	20.1
$100,000	11,844	12,195	22,908	23,182	11.8	12.2	22.9	23.2
$250,000	31,076	31,443	52,153	52,512	12.4	12.6	20.9	21.0
$500,000	55,891	56,278	86,203	86,570	11.2	11.3	17.2	17.3
$750,000	78,641	79,028	113,044	113,431	10.5	10.5	15.1	15.1
$1,000,000	101,391	101,778	135,794	136,181	10.1	10.2	13.6	13.6
$5,000,000	450,000	450,000	477,080	477,466	9.0	9.0	9.5	9.5

[1] Internal Revenue Code, as amended by the Revenue Act of 1945.
[2] Assumes 1 spouse has all the income.
[3] Assumes taxpayer is under 65 years of age.

NOTE.—Computations were made from unrounded figures and will not necessarily agree with figures computed from the rounded amounts and percentages shown.

Source: Treasury Department, Division of Tax Research.

Mr. McCLELLAN. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks table No. 7, showing the tax burden upon married couples with no dependents for 1948, under the present law.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE No. 7—*Tax burden upon married couples with no dependents for 1948 under present law*

Net income before exemptions (1)	Tax under present law (2)	Tax if present law is amended to collect tax on community property basis (3)	Tax if present law is amended to raise personal exemptions to $1,500 for married couple (4)	Tax if present law is amended to raise exemptions and to collect taxes on community property basis (5)
$1,000				
$1,200	$38.00	$38.00		
$1,500	95.00	95.00		
$2,000	190.00	190.00	$95.00	$95.00
$2,500	285.00	285.00	190.00	190.00
$3,000	380.00	380.00	285.00	285.00
$4,000	589.00	570.00	484.50	475.00
$5,000	798.00	760.00	693.50	665.00
$6,000	1,045.00	969.00	921.50	864.50
$7,000	1,292.00	1,178.00	1,168.50	1,073.50
$8,000	1,577.00	1,387.00	1,434.50	1,282.50
$9,000	1,862.00	1,596.00	1,719.50	1,491.50
$10,000	2,185.00	1,843.00	2,023.50	1,719.50
$15,000	4,047.00	3,154.00	3,842.75	3,011.50
$25,000	9,082.00	6,460.00	8,801.75	6,279.50
$50,000	24,795.00	18,724.50	24,453.00	18,444.25
$100,000	63,127.50	50,274.00	62,714.25	49,932.00
$150,000	105,383.50	86,953.50	104,960.75	86,568.75
$200,000	148,124.00	127,081.50	147,696.50	126,668.25
$250,000	191,339.50	169,337.50	190,907.25	168,914.75
$500,000	407,464.50	383,543.50	407,032.25	383,111.25
$750,000	623,589.50	599,668.50	623,157.25	599,236.25
$1,000,000	839,714.50	815,793.50	839,282.25	815,361.25
$2,000,000	1,704,214.50	1,680,293.50	1,703,782.25	1,679,861.25
$5,000,000	4,275,000.00	4,273,793.50	4,275,000.00	4,273,361.25
Loss of revenue		800,000,000.00 (million)	3,000,000,000.09 (billion)	3,800,000,000.00 (billion)

Total loss of revenue under present law with raised exemptions and community property split, $3,800,000,000.
Source: Joint Committee on Internal Revenue.

Mr. McCLELLAN. Mr. President, I call attention to the fact that the loss to the Treasury by reason of the community-property amendment which I shall propose would be $800,000,000. The loss from raising the personal exemption as I propose would be $3,000,000,000, making a total of $3,800,000,000, which is identical in amount with the estimated loss which would be sustained if the House bill were enacted into law.

I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from the Treasury Department, showing the effect which this bill would have in total losses and the effect of the amendments which I have discussed will have, if adopted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, May 22, 1947.

Hon. JOHN L. McCLELLAN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This is in reference to your telephonic request of May 16, 1947, for estimates and tables showing the individual income-tax liabilities of married persons with no dependents under H. R. 1 as reported by the Senate Finance Committee further modified to allow: (1) An increase in exemptions of single persons, married couples and dependents to $750, $1,500, and $500, respectively; (2) income splitting; (3) the increase in exemptions and income splitting.

On a full-year basis, assuming income payments of $166,000,000,000, the first modification would increase the revenue loss under H. R. 1 as reported by the Senate Finance Committee by about $2,100,000,000, or from $3,800,000,000 to $5,900,000,000; the second modification would increase the revenue loss by about $800,000,000, or from $3,800,000,000 to $4,600,000,000; and the third modification would increase the revenue loss by about $2,800,000,000, or from $3,800,000,000 to $6,600,000,000.

I am enclosing tables which you requested, showing the tax liabilities of married persons with no dependents under these three modifications compared with the tax liabilities under present law and H. R. 1 as reported by the Senate Finance Committee.

Sincerely yours,

A. L. M. WIGGINS,
Acting Secretary of the Treasury.

Mr. McCLELLAN. As evidence of how serious this question is to the people of my State, I ask unanimous consent to have printed in the RECORD at this point a news article published in the Arkansas Gazette of May 11, 1947, dealing with this subject. It shows that our people are greatly concerned about it, and that my State is suffering because of the situation. There is urgent need for the correction of these conditions.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RICH ARKANSANS MOVE TO TEXAS, SAVE BIG SUMS—REDUCE FEDERAL INCOME TAXES

(By John L. Fletcher)

TEXARKANA, May 10.—Wealthy families on the Arkansas side of this city are pulling up stakes and moving a few blocks into Texas in order to save big chunks of tax money.

A dentist said he saves $75 to $100 a month.

A merchant admitted that his tax bill has been reduced $12 a day, or $360 a month, since he transferred his residence to Texas.

Any resident of Arkansas who nets $100,000 a year, and whose spouse contributes nothing to his income, must pay $12,996 more in Federal income tax than a Texan who earns the same amount.

Some Arkansas families are effecting similar savings by moving their homes to Oklahoma or Louisiana. These bordering States are among nine which enjoy community-property laws.

A community-property State permits husband and wife to divide their income equally when computing income taxes. If the husband were required to pay the high rate on his $100,000 income, his Federal income tax bill would be $63,954. When each spouse reports $50,000 income, the rate is reduced and the total tax is only $50,958.

Arkansas has no community-property statute. A husband whose wife does not earn a salary must pay the higher rate on the entire income.

Although this discrimination has been in effect for years, many residents of Arkansas did not know it until their incomes began to swell during the war.

COMMUNITY-PROPERTY STATES HAVE BIG ADVANTAGE

The following table shows the advantage held by community-property States:

Surtax net income	Non-community-property State	Community-property State	Difference in Federal income tax
$4,000	$778	$760	$18
$6,000	1,292	1,178	114
$8,000	1,862	1,596	266
$10,000	2,508	2,090	418
$12,000	3,230	2,584	646
$14,000	4,047	3,154	893
$16,000	4,940	3,724	1,216
$20,000	6,897	5,016	1,881
$25,000	10,203	7,277	2,926
$32,000	13,737	9,880	3,857
$50,000	25,479	19,285	6,194
$100,000	63,954	50,958	12,996

BUSINESSMEN AGREE DISCRIMINATION IS UNFAIR

Among Arkansas business and professional men who have moved to the Texas side recently are Arthur Temple, president of the Southern Pine Lumber Co.; Dr. L. P. Good, Dr. George W. Parson, and Dr. Rowe Smith.

Dr. Smith, a dentist, said he moved only 8 blocks into Texas to save $75 to $100 a month.

"The discrimination is unfair," he said. "Every citizen of the United States owes an equal obligation to the Government. But none should be required to pay more taxes than others of the same income bracket.

"At our chamber of commerce meetings we have made it plain that Arkansas residents don't want to deprive community-property States of their tax laws but we want the same privileges.

"A businessman can remain on the Arkansas side and reduce his income taxes by giving his wife and children part of his firm's stock but a professional man or a wage earner has no stock to distribute and, therefore, must pay a higher rate than his neighbor across the State line."

Several former Arkansans said they will be able to pay for new homes in Texas with money saved from Federal income taxes in 2 or 3 years. The new North Texarkana residential area in Bowie County, Tex., was developed by men who desire to reduce their income taxes and escape the high ad valorem tax in Texarkana, Tex.

ARKANSAS SUFFERS, VALUE OF REAL ESTATE AFFECTED

The Arkansas side was known as the city's residential district until a few years ago. Now wealthy families are building new homes, including one that will cost $75,000 in Texas.

"The significant thing is that the trend is away from Arkansas," said President Steuart Wilson of the State National Bank. "Many of these beautiful new homes would have been built in Arkansas had the tax laws been equal."

Real-estate values have been affected. A banker, lawyer and realtor agreed that a house and lot on the Texas side will cost $1,500 to $3,000 more than identical property across the street in Arkansas. The difference in price becomes marked above the $6,000 class of homes.

C. E. Palmer, publisher of the Texarkana Gazette and a chain of Arkansas newspapers, has enjoyed the advantages of Texas laws for many years. He said he did not move to Texas to save income taxes.

"But the community-property law is an equitable one," he said. "I have seen the time, however, when the income tax rate made no difference in my business. Those were the lean years."

Texas has had a community-property law since it was admitted to the Union. It was an old Spanish right which it retained to itself. Texas has no State income tax, but this slight advantage over Arkansas is not great enough to cause a high fever.

Texas has no sales tax and its gasoline and cigarette taxes are lower than those in Arkansas. The latter State's legislature, recognizing this inequality, has enacted laws permitting merchants in a border city to collect a tax no higher than their competitors across the line.

Texas filling stations, however, take advantage of the higher gasoline tax in the rest of Arkansas. Signs on the Texas side warn tourists to: "Fill up before entering Arkansas."

Mr. McCLELLAN. Mr. President, when the parliamentary situation permits, I shall offer the amendments which I have discussed this afternoon.

APPLICATION OF CERTAIN FEDERAL STATUTES TO SPECIAL COMMITTEE COUNSEL

Mr. BREWSTER. Mr. President, on April 28, Senate Joint Resolution 107, dealing with the authorization to employ special counsel for the Special Committee To Investigate the National Defense Program was passed. On the same date the Senator from Michigan [Mr. FERGUSON] entered a motion to reconsider the passage of the joint resolution.

I ask unanimous consent that the unfinished business be temporarily laid aside so that we may consider the motion of the Senator from Michigan, and also that an amendment may be offered to the joint resolution. I think the question is susceptible of easy disposition.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 107) limiting the application of provisions of Federal law to counsel employed under Senate Resolution 46.

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. As I understand, the request of the Senator from Maine would not result in displacing the tax bill or preventing further consideration of it today, and would not interfere with the vote on Monday, as agreed.

Mr. BREWSTER. That certainly is not my desire.

The PRESIDING OFFICER. It would not interfere at all with the status of the unfinished business.

Is there objection to the request of the Senator from Maine? The Chair hears none.

Mr. BREWSTER. Mr. President, at the proper time it is desired to offer an amendment to the joint resolution, on page 2, line 5, after the words "shall be deemed to", to strike out "authorize such counsel" and insert "limit, curtail, or augment any existing authority in such committee or its counsel."

That amendment is the result of a discussion with the committee and with all concerned. It clarifies the picture which was presented by some doubts which were raised in the message from the President.

It is believed by the committee that this language will overcome any possible objections thereto and will fully clarify the situation, so that the authority of the committee and of its counsel will be in no way affected for better or for worse by the action of the Senate and the House if they shall concur in agreeing to the new measure which is here proposed.

The matter has been under discussion with the Senator from New Mexico [Mr. HATCH], senior minority member of the Special Committee To Investigate the National Defense Program, who, I think, can indicate his own views in the matter.

Mr. HATCH. Mr. President, I think it is the same amendment which we discussed in the committee, and our general understanding is that the only purpose of the amendment is to make certain that whatever rights the committee may now have under existing laws shall not be changed, modified, or repealed by the adoption of this resolution.

Mr. BREWSTER. That is the understanding, and that was particularly true in view of the resolution which the Senate adopted by single action some 15 years ago, I think, on the motion of the late Senator from Missouri, Mr. Reed, which authorized the Senate to bring actions in behalf of the United States on its own motion. Whether that resolution is valid and what would be its effect we do not care now to discuss. We were not even conscious of it when the original measure was proposed, and we felt that we should leave the situation exactly as it is. If the resolution has validity and power, it is effective; if not, it is not effective. The purpose of the language proposed in the amendment was that there would be no question as to any change in existing law.

Mr. HATCH. Mr. President, if the Senator will yield further, I should like to ask one more question. The joint resolution which we passed several weeks ago did correct, did it not, the objections which were pointed out in the President's veto message?

Mr. BREWSTER. That is correct. As to whether it is valid or not we might argue here endlessly. It seemed better, in the interest of orderly action, that, rather than argue about the matter, we dispose of it, since none of us had ever contemplated that any of the difficulties which were anticipated would be the result of the legislation.

Mr. HATCH. I recall that the joint resolution was passed by the Senate, and later a motion to reconsider was submitted. Has that motion ever been disposed of? I am trying to clarify the parliamentary situation.

Mr. BREWSTER. Unanimous consent has been asked to have the motion taken up. I have submitted the matter to the Senator from Michigan [Mr. FERGUSON], and I am glad he is now in the Chamber. Since he made the motion to reconsider, I understand that the proper parliamentary procedure would be for him to request that it be now considered by the Senate, and I understood he was ready to do that.

Mr. FERGUSON. Mr. President, on April 28, 1947, the joint resolution in question was passed. At that time I deemed it advisable to ask for a reconsideration, because I was of the opinion that the joint resolution as then passed was not properly worded and would not properly protect the activities of the committee in the future. Since that time we have prepared certain phraseology which is to be offered as an amendment to Senate Joint Resolution 107, if it is reconsidered. I do not think there will be any objection to the amendment.

When I moved to reconsider I felt that, rather than to allow Senate Joint Resolution 107 to pass, the Senate should vote to override, or not to override, the veto as the Senate might determine. At no time, as I understand, have any of the majority members of the committee or any members of it desired to take over activities of the Department of Justice or of the Attorney General of the United States. The executive branch of the Government has its job to do as well as has the legislative branch. If it had not been for the fact that the Senate had passed resolutions similar to the one which was vetoed, I would have felt that the Attorney General was trying to protect his particular office. It appears, since the Republicans became the majority party, the Department is more active to preserve its rights. I hope it will retain all its rights and that it will use very effectively those which it retains; but I feel strongly that the Senate of the United States, through its committees, should have full power to carry out the investigatory power lodged in it, because if that be not done we cannot properly perform our functions as the policy-making branch of the Government to determine what laws should be passed and what laws should not be passed.

So I want to say that should there be any wording in the resolution which would take from the committee one particle of power which it now has under the existing law, I would be the first to propose proper legislation by which we would be able to perform each and every one of our functions.

It is not my purpose to take away any rights from either the Congress or the Attorney General. I think their respective rights should be preserved. But should we find in the future that there is an attempt on the part of the executive

branch to interfere with the rights of the committee to investigate the war effort, then, as a Member of the Senate, I would come back to this body and request that action be taken to assure that every power the Senate or the Congress could legitimately bestow be granted the committee so as to enable it to conduct a full and complete investigation. Time alone will tell whether or not there will be any attempts made to stifle the investigation by the committee. But should that be the case, and should any road blocks be placed in the way of the committee, I know that each member of the committee will feel that he should come back here and ask for full authority. As I say, should there be any further road blocks in the way of an investigation, I want the Senate to feel that I shall return to advocate the right to a full and complete investigation.

I now ask unanimous consent for the present consideration of the motion which I entered on April 28 to reconsider the votes by which Senate Joint Resolution 107 was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and the question is on the motion to reconsider.

The motion was agreed to.

The PRESIDING OFFICER. The joint resolution is again before the Senate, and is open to amendment.

Mr. FERGUSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed in line 5, on page 2, after the words "shall be deemed to", to strike out the words "authorize such counsel" and to insert in lieu thereof the words "limit, curtail, or augment any existing authority in such committee or its counsel."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON].

Mr. HATCH. Mr. President, the Senator from Michigan was not here when I propounded this question to the Senator from Maine. In order that he may have a thorough understanding, let me say that it is my understanding that the amendment which he has proposed is to strike out certain words, and the language which he seeks to add changes the resolution only to the extent of making certain that the committee or its counsel retain whatever authority they may now have under present or existing law?

Mr. FERGUSON. Yes; under present existing law.

Mr. HATCH. It adds nothing to present or existing law.

Mr. FERGUSON. But it makes certain that there is no repeal of any existing law or authority inherent to the committee or previously given to it.

Mr. HATCH. That is simply stating the same proposition in the reverse.

Mr. FERGUSON. Nor does it provide an implied repeal of any existing authority or law, other than as stated therein.

Mr. HATCH. That is agreeable.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. CONNALLY. But that is not all; it includes counsel.

Mr. FERGUSON. Oh, yes.

Mr. CONNALLY. I have no objection to what the committee does; but to authorize counsel, independently of the committee, to do a number of things, should not be permitted, in my opinion.

Mr. FERGUSON. Mr. President, the counsel has no authority which the committee does not have.

Mr. HATCH. Mr. President, if I may answer, let me say that the language the Senator has inserted does not authorize anything. It merely retains what may exist either in counsel or in the committee.

Mr. FERGUSON. That is correct; but it makes sure that nothing is repealed or taken away.

Mr. CONNALLY. I think there is a great deal of difference between a committee and its counsel. I do not object to giving a committee authority to do things, but I am not in favor of authorizing counsel to do many things independently of the committee.

Mr. FERGUSON. Mr. President, I think the history of this matter indicates that the committee conducts the business of the committee, and has counsel as its representative, and he does the things he is authorized to do, and appears where he is authorized to appear. I think the chairman of the committee will confirm that statement.

Mr. BREWSTER. Mr. President, I think I can clear up what is in the mind of the Senator from Texas. Counsel is mentioned here because this is a special act dealing especially with our counsel, a former distinguished colleague, under circumstances which the Senator from Texas knows. That is why the word "counsel" is included. However, under this joint resolution, he receives no power which he does not already possess.

Mr. CONNALLY. But why should we permit the counsel to do things on his own?

Mr. BREWSTER. Because this measure deals entirely with permission to employ counsel under circumstances in which the committee would not otherwise be authorized to employ such counsel. We wish to make it clear that although we make this exception to the general rule in respect to permitting the employment of counsel, for reasons which the Senator understands, yet such counsel will receive no power which he would not otherwise possess.

Mr. CONNALLY. I thank the Senator for his unilluminating exposition of a foggy mind. [Laughter.]

Mr. BREWSTER. I certainly cannot agree with the foggy mind of the Senator from Texas.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 107) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That nothing in section 109 or section 113 of the Criminal Code (U. S. C., 1940 edition, title 18, secs. 198 and 203), or in section 361, section 365, or section 366 of the Revised Statutes (U. S. C., 1940 ed., title 5, secs. 306, 314, and 315), or in any other provision of Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, shall apply with respect to counsel to the special committee of the Senate serving under the provisions of S. Res. 46, Eightieth Congress, first session, adopted January 22, 1947: *Provided, however*, That nothing contained herein shall be deemed to limit, curtail, or augment any existing authority in such committee or its counsel, to initiate, prosecute, maintain, defend, or otherwise dispose of any claim, action, proceeding, or matter, civil or criminal, on behalf of the United States.

Mr. HATCH. Mr. President, I desire to advert to the discussion which has just taken place in regard to the joint resolution which passed the Senate. I wish to make it as clear as I possibly can that there is nothing in the measure which confers any authority whatsoever. All it does is to remove certain restrictions and limitations of Federal law; and the present language of the joint resolution only seeks to retain in the committee, and in its counsel, for that matter, whatever power they now possess under Federal law. It grants no authority or power whatsoever either to the committee or to the counsel.

I am absolutely correct in that statement; am I not? I propound that question to the Senator from Michigan.

Mr. FERGUSON. Mr. President, I doubt whether our discussion after the passage of the joint resolution would be regarded as legislative history. I think the Senator is correct in saying that the joint resolution does not purport to grant any authority; it simply tries to restrict the taking away of any authority.

DESTRUCTION OF SURPLUS POTATOES

Mr. HATCH. Mr. President, yesterday there was a discussion, inaugurated by the Senator from Colorado [Mr. JOHNSON], concerning the disposal or destruction of certain potatoes in the State of Alabama. At that time I stated that I do not come from a State in which potatoes are produced on a commercial basis and I do not have much knowledge of the situation regarding potatoes. I did ask certain Senators who then were present and had some knowledge of the subject to make statements regarding it. The distinguished Senator from Florida [Mr. HOLLAND], who now is in the Chamber, and the distinguished Senator from South Carolina, who also was present at that time, pointed out the existing situation with respect to the destruction and disposal of potatoes in the Southern States, and I think their statements clarify the situation.

However, today I wish to give a somewhat more comprehensive review of the entire potato situation. Let me say that the memorandum which I shall now read was furnished to me by the Department of Agriculture, and it clearly sets forth

the entire program, and supplies information which I myself did not possess. The memorandum reads as follows:

MEMORANDUM ON POTATO PRICE SUPPORT 1946 PROGRAM

Under what is commonly known as the Steagall amendment, the Department of Agriculture supports the price of any Steagall commodity at not less than 90 percent of parity for two full calendar years after the formal declaration of the end of hostilities. A Steagall commodity is any farm commodity for which increased production was formally requested by the Department during the war. Potatoes are such a commodity. And so—with the end of hostilities formally declared by President Truman as of December 31, 1946—the Department is under statutory obligation to support the price of potatoes at not less than 90 percent of parity until December 31, 1948.

The fact that this obligation was causing the Department serious marketing problems in connection with the 1946 potato crop and might cause even more serious problems in connection with other crops in 1947 was called to the attention of Congress by Secretary of Agriculture Clinton P. Anderson in November 1946 and again in January 1947. In his statement to the House Committee on Agriculture on January 22, 1947, Secretary Anderson said: "In November I addressed a letter to the then chairman and ranking minority members of the Agriculture Committees in both the House and the Senate in which I discussed the whole question of price-support policy and the objectives of price-support legislation and urged thorough consideration of the problems that have arisen in this connection. Nothing has happened to make consideration of these problems any less urgent. In fact, the urgency has increased with the declaration by the President of the termination of hostilities and the certainty that price supports of the Steagall amendment will end after two full years."

Hence, the fact that large quantities of 1946-crop potatoes were purchased by the Department of Agriculture, and that some of them were "dumped," should occasion no surprise. Nor should we be surprised at the recent report that a small quantity of 1947-crop potatoes has been purchased by the Department and destroyed after futile attempts to find any possible use for them. The Department is merely carrying out sound support provisions, which require that American farmers be protected against unfairly low prices during the period of reconversion from the all-out levels of production required by the war.

Even though every conceivable step was taken by the Department to find some possible use for the surplus potatoes from the 1946 crop, waste of part of the surplus could not be avoided. Despite lowered production goals for the 1946 crop, a combination of many factors—the use of better seed, the employment of new and improved insecticides, and ideal growing conditions throughout the Nation—all coincided to produce a record potato crop of nearly 475,000,000 bushels. This was from ninety to one hundred million bushels in excess of the production goal set early in the year and nearly 50,000,000 bushels more than the large crop of 425,000,000 bushels in 1945 when there was considerable difficulty in marketing a crop even of this size.

The various steps taken by the Department to dispose of the 1946 crop with a minimum of waste and expense to the Government are described briefly in the following paragraphs:

DISTRIBUTION THROUGH NORMAL TRADE OUTLETS

The Department of Agriculture recognized early in the year that a bumper crop would be harvested and made immediate preparations to assist all branches of the distributive food trades in moving these potatoes through normal channels of distribution into human consumption. From the outset of the problem in 1941, the Department cooperated fully with the food industry in moving potatoes. This industry-Government cooperation is estimated to have resulted in a substantial increase in consumption of potatoes during at least part of the year.

DISTRIBUTION THROUGH SCHOOL-LUNCH PROGRAM

As the potato harvest progressed northward from the early producing Southern States, it became impossible for normal food-distribution channels to handle the enormous potato supplies. The Department followed an aggressive and continuing program of moving potatoes into its school-lunch program and to charitable institutions.

I digress here to state that the Senator from Colorado [Mr. JOHNSON] raised the point yesterday about using potatoes for charitable, tax-free institutions, exactly what the Department of Agriculture did to a large extent, and as much as possible, with the surplus crop of 1946.

To these outlets potatoes were furnished free, as in past years. During the last year nearly 3,000,000 bushels of potatoes were so utilized.

EXPORT OUTLETS

Every effort was made to get these potatoes to hungry people abroad. They were offered at nearly token prices—as low as 4 cents per hundred pounds—for relief feeding abroad. In addition, a subsidy program was set up under which private exporters were able to send potatoes to South America and the Philippines, as well as other countries. By May of 1947 about 10,500,000 bushels, which was more than 10 percent of the total surplus, had been exported to points as widely separated as Italy and Korea, Germany and China.

DIVISION EFFORTS

When outlets to human consumption became clogged the Department pressed a program of diverting surplus potatoes to livestock feed, so that the potatoes would eventually take their place in the form of meat and milk in the human diet. Potatoes for use as livestock feed, for feeding dairy cattle, and for fattening beef cattle and hogs, were made available at prices that ranged from 20 cents per hundredweight f. o. b. at country shipping points to a penny a hundredweight. Through this program the Department moved approximately 11,000,000 bushels of potatoes.

The Department, in its efforts to find a practical utilization for the potatoes, also made another estimated 10,500,000 bushels available to starch mills manufacturing starch for use both in the United States and abroad.

The greatest diversion of potatoes that otherwise would have been completely wasted was to the distillers of beverage and industrial alcohol.

In this connection I will say that a distinguished Senator, who I believe is on the floor at this time, though I do not know whether he is giving heed to my remarks, asked me yesterday with regard to this very question. He said, "My goodness, I understand potatoes can be used in producing alcohol." That is exactly what has been done.

Then we come to export outlets:

Into these outlets the Department moved around 30,000,000 bushels of potatoes.

Thus, by exploiting diversion outlets to the fullest possible extent, the Department was able to find effective use for nearly 65,000,000 bushels of the approximately 90,000,000 to 100,000,000 bushel surplus.

ESTIMATED LOSS

The Department believes, according to preliminary figures, that in the course of handling this all-time record crop of potatoes, there was a resulting waste of something like 22,000,000 bushels. Roughly, this is about what Department officials had estimated earlier as a probable figure of waste and shrinkage. In view of the size of the crop, it was believed that no practical use could be found for some 20 percent of the surplus potatoes. Every effort was made, however, to keep this waste and shrinkage to a minimum and to confine it to low grade and inferior quality potatoes, which customarily would encounter difficulties in finding a market.

The over-all cost to the Government under the mandatory support program has been estimated at $100,000,000. Of this amount the Department will recover about $20,000,000, leaving a net cost to the Government of approximately $80,000,000.

1947 PROGRAM

Recognizing that a combination of better cultural practices and a pronounced shift of potato acreage from low- to high-producing areas promised continued high yields per acre, the Department tightened its potato program for 1947.

THE GOAL

The program called for a reduction in national acreage from 2,669,800 to 2,517,000 acres, and set up acreage quotas within which potato growers must remain in order to be eligible for price support. This was done after a study of data that revealed yields per acre had been increasing at a more rapid rate than had been earlier estimated—at a time when potato acreage has been declining nationally. The 1947 goal in production is 375,000,000 bushels.

Another significant factor is that per capita consumption of potatoes has been declining as national food habits turned from heavy breakfasts, and the potato at other meals competed with other vegetables readily made available both through better transportation facilities and the avenue of processed foods.

PROGRAM EMPHASIZES QUALITY

The 1947 potato price-support program emphasizes further that removal of potatoes from food channels will be limited insofar as possible to the lower grade and inferior quality potatoes which growers have historically found difficulty in marketing.

That corroborates what the Senator from Florida said yesterday. It also rather strongly refutes the statement made by the Senator from Colorado—and I am sorry he is not present—that the potatoes which were destroyed in Alabama were the same kind for which we pay 10 cents a pound in the city of Washington. That, I am sure, is clearly an error. The potatoes which were destroyed were only the lower grade, inferior quality potatoes, for which there was no market at all.

This will be accomplished by Government purchase of lower grades, and through marketing agreements and orders, and will result in the consumer obtaining better quality potatoes.

DISPOSAL EFFORTS

As distribution in commercial channels fails to handle all marketable potatoes, the Department will continue, under the 1947 program, to make available for school lunch, for charitable institutions and organizations, all the potatoes these outlets can handle. These potatoes will be furnished free.

Export operations will also continue, to the extent that supplies warrant such operations, as will diversion to stockfeed and manufacturing plants.

COMPLIANCE WITH 1947 GOALS

Farmers generally seem to be staying within their 1947 acreage goals, according to reports up to this time. It was anticipated that there would be, however, some local surpluses in the early and intermediate potato-producing areas, due to adverse spring weather. Because of delaying weather, potato harvests in these areas may tend to bunch up and overlap this year, instead of coming on in an orderly area by area manner.

DISPOSAL OF LOCAL SURPLUS

One such circumstance has been encountered this month in Alabama. There a supply of about 28,500 bushels of early potatoes beyond usual needs developed. Of this amount, 21,000 bushels were distributed to school lunch and institutions.

Mr. President, I call special attention to the fact that of 28,500 bushels, 21,000 have been distributed to the school-lunch programs and to charitable institutions. For the others, No. 2 and B grade potatoes, every avenue of possible practical use was explored. It was determined that there were no dehydration facilities available. The point was made yesterday that these potatoes should have been dehydrated, but unfortunately the facilities for doing that were not available. It was determined also—

that farmers with good pasture did not wish to experiment with feeding these potatoes to their livestock. The potatoes are thin-skinned and of such high water content that export was not feasible. Freight charges precluded sending these potatoes north for use in starch plants. Alcohol plants were not interested in so small an amount of potatoes. Their use of potatoes is predicated upon a continuing supply.

All avenues of practical disposition having been explored, and no practical use being found for the 7,500 bushels of potatoes remaining, there was no recourse but to dump them. This ultimate, and seemingly wasteful, disposition of the smaller portion of the local surplus of Alabama potatoes is a practice historically followed by all potato producers. When the producer finds his market glutted, he ordinarily brings to market his best potatoes and abandons the lower grades, frequently leaving them in the ground to save the labor cost.

In other areas, as in Alabama, every effort will be made to get 1947 crop potatoes into human consumption. Following that, every avenue through which the potatoes may be put to some practical use, for stock feed or manufactured products, will be explored before a single bushel of potatoes is dumped. The only potatoes that will be so disposed of, if that is the only recourse, will be potatoes of low grade and inferior quality which would not ordinarily appear in food channels. These are the potatoes which have been showing up in news pictures. If there are more local surpluses which cannot be utilized, more of these "dramatic" pictures may appear.

Waste of these potatoes under the conditions of several years ago would attract little attention. Surpluses were normally used as livestock feed or were left in the ground, with the potato growers taking a financial beating. It is only the fact of a government operation which makes headlines. This, however, does not alter at all the fact that farmers are entitled to reconversion protection, on a basis comparable with the protection given industry. Such protection from price collapse is in the interests of the whole national economy, as well as that of the farmer himself.

Mr. President, I am happy to have obtained this information so that it could be made a part of the record; for, as I said yesterday, Secretary Anderson, who comes from my State, and with whom I have been intimately acquainted for many years, is a man who does not at all believe in any doctrine of scarcity or waste, especially wanton or willful destruction. I knew that when the potato question arose, Secretary Anderson had used every possible effort to put potatoes where preferably they could reach ultimate human consumption; if not, that they could be disposed of through other channels.

RECESS

Mr. WHITE. I know of no Senator who desires at this time to discuss either the motion to postpone, offered by the Senator from Georgia [Mr. GEORGE], or the tax bill itself. I therefore move that the Senate now stand in recess, in accordance with its previous order.

The motion was agreed to; and (at 3 o'clock and 13 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, May 26, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 23 (legislative day of April 21), 1947:

DIPLOMATIC AND FOREIGN SERVICE

Emmet O'Neal, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines.

IN THE ARMY

DEAN OF THE ACADEMIC BOARD, UNITED STATES MILITARY ACADEMY

Prof. (Col.) Harris Jones, United States Army, to be dean of the academic board of the United States Military Academy with the rank of brigadier general, Regular Army, under the provisions of section 3 of an act of Congress approved June 26, 1946 (Public Law 449, 79th Cong.), vice Brig. Gen. Roger Gordon Alexander, United States Army, who retires August 31, 1947.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be major generals

Lt. Gen. Alvan Cullom Gillem, Jr. (brigadier general, U. S. Army) Army of the United States, vice Maj. Gen. Wilhelm Delp Styer, United States Army, retired April 30, 1947.

Lt. Gen. Wade Hampton Haislip (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. Clarence Self Ridley, United States Army, who retired June 30, 1947.

Lt. Gen. Walton Harris Walker (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. Ira Clarence Eaker, United States Army, who retires July 31, 1947.

Lt. Gen. Hoyt Sanford Vandenberg (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. James Eugene Chaney, United States Army, who retires July 31, 1947.

Lt. Gen. George Edward Stratemeyer (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. Jonathan Mayhew Wainwright, who retires August 31, 1947.

To be brigadier generals

Maj. Gen. Joseph May Swing (colonel, Field Artillery), Army of the United States, vice Brig. Gen. Alvan Cullom Gillem, Jr., United States Army, nominated for appointment as major general.

Maj. Gen. Edward Hale Brooks (colonel, Field Artillery), Army of the United States, vice Brig. Gen. Wade Hampton Haislip, United States Army, nominated for appointment as major general.

Maj. Gen. Wilton Burton Persons (colonel, Signal Corps), Army of the United States, vice Brig. Gen. Walton Harris Walker, United States Army, nominated for appointment as major general.

Maj. Gen. Clements McMullen (lieutenant colonel, Air Corps), Army of the United States, vice Brig. Gen. Hoyt Sanford Vandenberg, United States Army, nominated for appointment as major general.

Maj. Gen. Howard Arnold Craig (lieutenant colonel, Air Corps), Army of the United States, vice Brig. Gen. George Edward Stratemeyer, United States Army, nominated for appointment as major general.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES OF THE ARMY OF THE UNITED STATES

To be major generals of the line

Maj. Gen. John Charles McLaughlin, Missouri National Guard, to date from April 3, 1947.

Maj. Gen. James Clyde Styron, Oklahoma National Guard, to date from October 30, 1946.

To be brigadier generals of the line

Brig. Gen. Walter LeRoy Anderson, Iowa National Guard, to date from January 3, 1947.

Brig. Gen. Waldemar Fritz Breidster, Wisconsin National Guard, to date from March 11, 1947.

Brig. Gen. Wallace Anthony Choquette, Massachusetts National Guard, to date from January 28, 1947.

Brig. Gen. Albert Bartlett Crowther, Texas National Guard, to date from February 20, 1947.

Brig. Gen. Henry Cotheal Evans, Maryland National Guard, to date from January 14, 1947.

Brig. Gen. George Washington Fisher, California National Guard, to date from February 24, 1947.

Brig. Gen. Ansel Blakely Godfrey, South Carolina National Guard, to date from February 3, 1947.

Brig. Gen. Paul Henry Jordan, Tennessee National Guard, to date from November 14, 1946.

Brig. Gen. James Albert Lake, Mississippi National Guard, to date from December 2, 1946.

Brig. Gen. Harold Gould Maison, Oregon National Guard, to date from February 26, 1947.

Brig. Gen. Wallace Huntoon Nickell, California National Guard, to date from October 15, 1946.

Brig. Gen. Charles Gurdon Sage, New Mexico National Guard, to date from March 19, 1947.

Brig. Gen. Brenton Greene Wallace, Pennsylvania National Guard, to date from January 27, 1947.

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

To be brigadier generals

Brig. Gen. George Abbott Brownell, Army of the United States.

Brig. Gen. Clarence Lemar Burpee, Army of the United States.

Brig. Gen Ken Reed Dyke, Army of the United States.

Brig Gen Robert Joshua Gill, Army of the United States.

Brig. Gen. Maurice Hirsch, Army of the United States.

Brig. Gen. Julius Cecil Holmes (major, Military Intelligence Reserve), Army of the United States.

Brig. Gen Edwin Whiting Jones (colonel, Corps of Engineers, National Guard of the United States), Army of the United States.

Brig. Gen. Francis Rusher Kerr (colonel, Infantry Reserve), Army of the United States.

Brig. Gen. James Fenton McManmon, Army of the United States.

Brig. Gen. William Claire Menninger, Army of the United States.

Brig. Gen. Hugh Meglone Milton II (lieutenant colonel, Chemical Corps Reserve), Army of the United States.

Brig. Gen. John Joseph O'Brien, Army of the United States.

Brig. Gen. Francis Willard Rollins (colonel, Field Artillery, National Guard of the United States), Army of the United States.

Brig. Gen. Conrad Edwin Snow (lieutenant colonel, Signal Corps Reserve), Army of the United States.

HONORARY RESERVE

To be brigadier generals

Brig. Gen. Thomas Donald Campbell, Army of the United States.

Brig. Gen. Oscar Nathaniel Solbert, Army of the United States.

Brig. Gen. William James Williamson, Army of the United States.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 23, 1947

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, who art the hope of the world and our Heavenly Father, have mercy to forgive whatever is amiss in us, that with pure hearts and willing minds we may turn to Thee for guidance and succor. We pray that the will may defy all fear, and that the dignity and majesty of life may sweep our souls onward to an immortal destiny.

O may we learn from the book of ancient faith the duty and joy of righteous deeds:

"Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful. But his delight is in the law of the Lord, and in his law doth he meditate day and night. And he shall be like a tree planted by the rivers of water, that bringeth forth his fruit in his season; his leaf also shall not wither, and whatsoever he doeth shall prosper."

Thus may we plant our souls, enriched by the flowing tides of the river of life.

We pray in the Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 236. An act to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals;

H. R. 384. An act for the relief of W. H. Baker and Walter Baker;

H. R. 428. An act for the relief of Charles N. Bemis;

H. R. 444. An act for the relief of the estate of Archie S. Woods, deceased;

H. R. 603. An act to amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries;

H. R. 1494. An act for the relief of the estate of Nellie P. Dunn, deceased;

H. R. 1844. An act to authorize the Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control, and for other purposes; and

H. R. 2094. An act for the relief of Isaac B. Jones.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 50. An act for the relief of Joseph Ochrimowski;

S. 116. An act for the relief of Mrs. Mildred Wells Martin;

S. 272. An act to provide for the utilization of surplus War Department-owned military real property as national cemeteries, when feasible;

S. 315. An act for the relief of Reginald Mitchell;

S. 317. An act for the relief of Robert B. Jones;

S. 470. An act for the relief of John H. Cradwell;

S. 512. An act to extend provisions of the Bankhead-Jones Farm Tenant Act and the Soil Conservation and Domestic Allotment Act to the Virgin Islands;

S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;

S. 526. An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes;

S. 561. An act for the relief of Robert C. Birkes;

S. 597. An act to provide for the protection of forests against destructive insects and diseases, and for other purposes;

S. 805. An act authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County;

S. 824. An act for the relief of Marion O. Cassady;

S. 882. An act for the relief of A. A. Pelletier and P. C. Silk;

S. 1020. An act to amend the Philippine Rehabilitation Act of 1946, as amended;

S. 1022. An act to authorize an adequate White House Police force;

S. 1073. An act to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served;

S. 1135. An act to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years;

S. 1230. An act to amend sections 2 (a) and 603 (a) of the National Housing Act, as amended;

S. J. Res. 64. Joint resolution authorizing the President of the United States of America to proclaim the 9th of October of each year as Leif Erikson Day;

S. J. Res. 78. Joint resolution designating September 17 of each year as Constitution Day;

S. J. Res. 92. Joint resolution designating April 5 of each year as Booker T. Washington Day; and

S. J. Res. 115. Joint resolution authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1288. An act to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood; and

H. R. 3029. An act to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 854. An act to amend section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3245) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 7 and 13 to the above-entitled bill.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include an editorial entitled "Timely Observations," from the St. Joseph News-Press of St. Joseph, Mo., written by Arthur V. Burrowes, editor of the News-Press.

STOP WASTING POTATOES

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, the present policy of the Agriculture Department in destroying potatoes on the pretense of the market being glutted is unjustified and unsound. My attention has been called to pictures appearing in the Arkansas Gazette and Memphis Commercial Appeal depicting the destruction of 50 tons of Irish potatoes in Baldwin County, Ala. Kerosene was poured over these potatoes to assure that they would not be edible. Not since the killing of the pigs back in the Wallace

era as head of the Department of Agriculture has so much protest and condemnation come from an aroused citizenry. Their opposition to throwing away this food is well founded and they have a right to be concerned.

I do not believe that the officials of the Production and Marketing Administration of the Department of Agriculture have put forth sufficient effort to find a solution to this problem. It is unquestioned that food is badly needed the world over. People are suffering in many lands, including America, because of insufficient and proper food for the nourishment of their bodies. These potatoes can very easily be dehydrated and shipped to Europe where the starving peoples of many nations would make good use of them. There are sufficient plants to do this work.

There are many in our own land who would enjoy the opportunity of eating some of these surplus potatoes. I would suggest to the officials of the Department of Agriculture that they be made available for use in the school-lunch program. A hot lunch of potatoes for our boys and girls of school age would be most wholesome and energy building. These potatoes are needed for American children.

The wanton destruction of these fine potatoes should not have occurred and should not be tolerated again. I am asking the gentleman from Minnesota, Chairman ANDRESEN, of the Agriculture Food Committee of the House, to go to the bottom of this matter and put an end to dumping potatoes in a field and pouring kerosene over them. This committee should also find out whether the Department of Agriculture has plans for the destruction of other commodities. Action is needed to stop this outlandish waste.

TOWNSEND PLAN AND TAX REVISION

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY. Mr. Speaker, the time is long overdue for a revison of our tax structure. There has been much agitation for this, particularly so at this time. Our present tax structure is inequitable. There is no reason why people in low-income brackets should have to pay any tax. The struggle for a livelihood in these days of high living costs makes it an injustice for the Government to take one penny from this group.

I earnestly urge that the Ways and Means Committee, in its study of revising the tax structure, give thorough consideration to the features of the Townsend plan, the move to increase pensions for people who have reached the age of retirement, whether voluntary or involuntary. Their income should be sufficient to support them in dignity and comfort. There has been a crying need for such legislation, and it looms larger each day. The time has come when people are being discharged from their employment when they reach the age of 50 and 55, and many industries will not hire men over 45. Are these people then to be thrown on the charity of their friends?

To me this is one of our outstanding national problems, because the life expectancy of the individual has been increasing rapidly in the last years due to scientific and medical advances. If our older people were assured of security after retirement, it would mean greater opportunities for the younger group.

The question of raising funds for such a program of security through taxation is one which should be deliberated carefully. The plan offered by Dr. Townsend is worthy of consideration, but whatever plan is adopted, the paramount concern of the Committee on Ways and Means and the Congress should be the interest and welfare of people who have reached the age of 55 and who are now figuratively consigned to the scrap heap. Nothing could improve the social conditions of this country so much as this approach. I hope the Ways and Means Committee will take cognizance of the need of this group and of the resultant welfare of all of our people.

Security, which is a strong weapon against communism, is measured out in the Townsend plan in that it prevents apprehension at approaching 50 years of age. There are millions in this country who are alarmed and distressed as they reach that age, because they know they will be discarded by industry and will be victims of charity if they have been unable to build up a reserve for their later years. We frequently overlook the value of providing security for our people, though history will show that people will sacrifice their liberty for security. That is the condition in Russia today—there they talk about their security, not their freedom.

EXTENSION OF REMARKS

Mr. KELLEY asked and was given permission to extend his remarks in the RECORD.

Mr. PATMAN (at the request of Mr. RAYBURN) was given permission to extend his remarks in the RECORD.

PLANS FOR COURTHOUSE FOR COURT OF APPEALS, DISTRICT OF COLUMBIA

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3029) to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 9, strike out "title" and insert "act."

Page 3, line 18, strike out "is," and insert "is.".

Page 4, line 1, strike out "title" and insert "act."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ANSWERING HENRY WALLACE'S ATTACK

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on last night the California speech of Henry Wallace attacking me, Martin Dies, Mr. Thomas of New Jersey, President Truman, and the Committee on Un-American Activities, was rebroadcast to the American public.

As I said on yesterday, I agree with the man who said he thought that what Henry Wallace needs is a mental examination.

When he attacks President Truman, assails the patriotism of Martin Dies, and lines up with the Communist Party to abuse the gentleman from New Jersey [Mr. THOMAS]—when he lines up with the Communists who are trying to undermine America and attacks me because of my work in creating the Committee on Un-American Activities and keeping it alive—I say, when he lines up with the un-American elements and uses the radio to broadcast his un-American propaganda, it is time that the American Congress did something about the misuse of the radio throughout this country for that purpose.

One of the greatest services I have ever rendered my country was getting through the amendment to create the Committee on Un-American Activities, which is doing more to protect the American home, to protect American institutions, and to protect the Constitution of the United States and protect the country as a whole from the Communists, their crooks, cranks, crackpots, and fellow travelers than any other agency in America.

I am proud of the part I played in thus helping to protect my country against the enemies within our gates.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD and include a radio address.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—EXTENSION OF SECOND WAR POWERS ACT (H. DOC. NO. 266)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on the Judiciary, and ordered to be printed:

To the Congress of the United States:

In March of this year the Congress passed and I approved a bill known as the First Decontrol Act of 1947, extending for 3 months a few of the powers orig-

inally granted in the Second War Powers Act. This extension was authorized to enable the Congress to make a further review of the specific controls needed during the coming year.

Since the enactment of this law, the interested departments have reexamined the need for continuation of these powers. Their review shows that it is still essential to maintain certain limited materials controls, in order to prevent harm to our own economy and give concrete support to our foreign policy.

Since VJ-day, American industry, agriculture, and labor have established notable production records. If production abroad had reached similar heights, no materials controls at all would be needed today. But the progress of world reconstruction has been necessarily difficult and slow. In a few respects the United States has been adversely affected by this delay, and therefore, in a few instances, controls over certain imported commodities are still needed. However, any adverse effects suffered by us are slight in comparison with the tragic conditions of life faced by most countries of the world today. It is primarily because of these conditions, with their enormously important political and social repercussions, that we must still retain a very limited portion of our wartime powers over materials.

The remaining powers which it is necessary to retain fall into two groups:

First. Allocation and priority powers to maintain the stability of our economy.

(a) While our economy is still hampered by the lack of a number of imported materials, there are only a few in which the lack is so serious and the importance so great that continued controls are required. The need in these cases is well known. Specifically, it is necessary to continue the power to allocate the following imported materials: Tin and tin products, manila and agave fibers and cordage, antimony, cinchona bark, quinine, and quinidine. Except in the case of tin products, where the allocation of tin plate is also essential to the solution of world food problems, the continuation of these controls is solely for the purpose of assisting our own industry and agriculture.

(b) As a corollary to the above, it is also necessary to continue the power to issue export priorities for materials needed to increase the production abroad of products that we urgently need in this country. This is a matter of direct and immediate self-interest.

Second. Allocation and priority powers needed to carry out our foreign policy and to assist in world reconstruction.

(a) Foods: Our own food production has reached great heights, and our own food supplies are excellent. In contrast the food situation abroad continues to be desperate. For that reason we are actively participating in the International Emergency Food Council, which is a noteworthy example of practical international economic cooperation. Our participation in this activity conforms with our national ideals and interests. But participation is not merely a matter of words. We must be able to take the steps necessary to make certain that we do not add to the hunger of other peoples by importing more than our agreed share of scarce foods. I recommend, therefore, continued authority to maintain import controls on fats and oils and rice and rice products.

(b) Fertilizer: The world fertilizer situation is similar to, and is directly related to, the world food situation. While our own fertilizer production and consumption have risen spectacularly since the prewar period, supplies available to foreign countries have fallen sharply. This has resulted in retarded agricultural recovery, loss of food production, and consequent malnutrition over widespread areas. The lack of fertilizer is particularly acute in the case of nitrates. It is, therefore, essential that there be continued authority to restrict imports and to issue priorities for export of nitrogenous fertilizer materials.

(c) Industrial materials: In general our supply of industrial products and materials has reached the point where delays in production and delivery are no longer crucial. The pipe lines are full, or are filling up, and no general use of allocation powers is needed. But economic and political conditions in many other countries are so critical that it is necessary to continue the power to issue export priorities in special cases for key industrial items that are vitally required for reconstruction and rehabilitation. In most countries, supplies of industrial materials and products are still far short of minimum essential levels. Entirely apart from the use of priorities, the United States is furnishing substantial quantities of industrial equipment and supplies so urgently needed to reactivate the economies of these countries. However, great damage can be done by inability to obtain an occasional machine, or machine parts needed to complete a program or project. It is in such cases that priority assistance is needed. The Congress has already recognized the importance of supporting our foreign policy with financial assistance. Financial assistance alone, without occasional priority backing, may be useless in instances where speedy aid in concrete form is essential. The use of the priority powers that I am recommending would be limited to cases certified by the Secretary of State to be of high public importance and essential to the successful carrying out of the foreign policy of the United States.

In this message I have not considered it necessary to discuss certain powers originally derived from the Second War Powers Act but now covered by separate legislation; that is, the Sugar Act, the Rubber Act, and the Patman Act. I have also omitted reference to the great importance of continued authority to allocate the use of transportation equipment and facilities by rail carriers. This matter is covered by separate bills, H. R. 3152 and S. 1297, now pending before the Congress. Prompt action on these bills is urgently needed. Similarly, the Congress now has under consideration an extension of the Export Control Act. It, too, is essential in implementing our foreign policy. I also urge prompt action on this bill.

The further extension of the Second War Powers Act in the limited form described above is of direct interest to our own economy and is indispensable in supporting our international policy. The powers that I have outlined are the minimum needed to accomplish these ends. I therefore recommend that the Congress enact legislation to extend these powers for a period of 1 year.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 22, 1947.*

CALL OF THE HOUSE

Mr. HESELTON. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently no quorum is present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 63]

Allen, Ill.	Hand	Patman
Beall	Hartley	Pfeifer
Bender	Hendricks	Philbin
Bennett, Mich.	Hinshaw	Phillips, Tenn.
Bland	Hoeven	Poage
Boykin	Jenkins, Pa.	Powell
Bradley, Mich.	Johnson, Ind.	Rabin
Brown, Ohio	Jones, Ohio	Rayfiel
Buck	Keefe	Riley
Buckley	Kefauver	Rivers
Bulwinkle	Keogh	Rooney
Byrne, N. Y.	Kersten, Wis.	Ross
Carroll	Kilburn	St. George
Celler	Kirwan	Scott, Hardie
Clippinger	Klein	Scott,
Curtis	Knutson	Hugh D., Jr.
Deane	Larcade	Seely-Brown
Delaney	Lemke	Sikes
D'Ewart	Lesinski	Simpson, Ill.
Domengeaux	Lynch	Smith, Ohio
Dorn	McDowell	Smith, Va.
Drewry	McGarvey	Snyder
Fallon	Macy	Thomas, N. J.
Fellows	Mansfield, Tex.	Vursell
Flannagan	Meade, Md.	West
Forand	Merrow	Wood
Fuller	Mitchell	Worley
Gifford	Morrison	Youngblood
Granger	Norrell	
Gwinn, N. Y.	Norton	

The SPEAKER. Three hundred and forty-one Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

INVESTIGATION BY COMMITTEE ON AGRICULTURE

Mr. WADSWORTH, from the Committee on Rules, reported the following privileged resolution (H. Res. 166, Rept. No. 444), which was referred to the House calendar and ordered to be printed:

Whereas there has been a surplus potato crop each year for the past 5 years and this surplus is increasing each year due to more yield per acre because of new and improved methods of agriculture; and

Whereas the 1946 crop-year potato surplus was more than 100,000,000 bushels, which cost the Government more than $80,000,000 in subsidies, and these subsidy payments have become perennial and will increase year by year if some solution to the yearly surplus of potatoes is not found; and

Whereas the entire 1946 surplus potato crop of 100,000,000 bushels could have been consumed advantageously in baked goods alone through the use of potato flour, or culture, thereby resulting in the saving of

an $80,000,000 subsidy payment, a direct saving to every State in the Union; and

Whereas scientific tests and bakers' experiences show that potato flour, or culture, made from commercial-grade potatoes, improves the flavor and keeping qualities as well as adds to the vitamin content of bread, rolls, cakes, doughnuts, sweet food mixes and filler for food products and family flour, a factor that will tend to increase the consumption of baked goods per capita in America; and

Whereas the elimination of these commercial grades, a figure estimated by the United States Department of Agriculture at 10 percent or more, will provide the consuming public with a finer grade of potatoes, thereby increasing the potato consumption per capita; and

Whereas potato flour can be processed the year around and can be stored for 3 years or more without spoilage, which factor results in a stabilization of yearly potato crops and potato prices; and

Whereas potato flour, or culture, processed from exceptionally large surplus potato crops, can be use in mixed poultry and cattle feed and for other purposes; and

Whereas there are at present only four small potato-flour processing plants in the United States, all working to capacity, but whose limited production cannot satisfy even 5 percent of the anticipated national requirements for potato flour; and

Whereas the United States Government has a definite stake in increasing the use of potatoes through the processing and use of potato flour, and whether the Government would find it to be economical, feasible, and advisable to own and operate such plants ought to be determined to help formulate public policy: Therefore be it

Resolved, That the Committee on Agriculture of the House of Representatives is authorized and directed to institute studies and hold hearings immediately to determine the feasibility and advisability of carrying out a program designed to do away with the annual potato surplus and to report its findings and recommendations to the United States Department of Agriculture.

ELECTION TO COMMITTEE

Mr. HALLECK. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 216) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That GLENN R. DAVIS, of the State of Wisconsin, be, and he is hereby elected a member of the Standing Committee of the House of Representatives on Veterans' Affairs.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in two instances and in each to include an article.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. HAGEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Daily Metal Reporter.

Mr. POULSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. SMATHERS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address.

SHORT SALES OF SECURITIES BETWEEN APRIL 15 AND MAY 15 AGGREGATED 1,314,000 SHARES, PLUS MORE THAN 60,000 SHARES IN ODD LOTS

Mr. SABATH. Mr. Speaker, not being able to address the House at this time, I ask unanimous consent to insert my remarks in the RECORD, and include therein certain figures and certain articles.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, on September 4, 1946, I urged the New York Stock Exchange to prohibit short selling, and I again requested the Securities and Exchange Commission to strengthen and enforce strictly the regulations governing short sales. I particularly urged that short sales on margin or on stock borrowed from brokers be prohibited. At that time the securities of sound well-managed industrial companies were being hammered down in a manner which convinced me it was being done by short selling and by manipulation of odd lots. Since election day the market price of many leading stocks has fallen off 50 percent and even 75 percent.

On May 16 of this year by telephone, and on May 19 by letter, I again called the attention of the SEC and the New York Stock Exchange to what I consider an approaching danger to our economy and prosperity. On May 21 the Wall Street Journal carried an article showing the heavy increase of short sales from April 15 to May 15; giving a total short interest of 1,314,000 shares, which does not include odd-lot short sales aggregating over 60,000 shares in that period.

DEMANDS PROHIBITION OF DETRIMENTAL MANIPULATIONS

Consequently, I took the floor yesterday to criticize this growing volume of short sales, and also the lending of customers' stocks by brokers for the purpose of market speculations. Again I demanded that all such manipulations detrimental to the national welfare be prohibited. Last Monday I wired to Emil Schram, the former chairman of the Reconstruction Finance Corporation, now the president of the New York Stock Exchange, as follows:

MAY 19, 1947.

Mr. EMIL SCHRAM,
President, New York Stock Exchange,
New York City:

Nearly all corporations show increase in their business and profits above the banner years of 1945 and 1946 and country's income last year was one hundred and sixty-five billion and estimated one hundred and seventy-five billion for 1947 which will be four and one-half times greater than in 1932. Country is generally prosperous and production, employment, crops, and profits are at highest peak and, notwithstanding publicity given out by professional and short-selling groups and a few publicists that business is sloughing off, the record shows that retail sales for the first quarter of 1947 have increased from 5 percent to 14 percent throughout the country. Consequently, in view of all these favorable indications, the public cannot understand why the prices of many stocks have been hammered down almost one-half since November while nearly all companies are showing greater profits and paying higher dividends than ever before. I feel that the Board should immediately stop all wash transactions, broker stock loans, and short selling and if that cannot be done then the immediate raising of margins to 100 percent should be effectuated.

A. J. SABATH,
Member of Congress.

REPLY FROM SCHRAM

Last night I heard over my radio that Mr. Schram had answered me in a strongly worded telegram, and this morning I received the following message from him in which he tries to unload some of the blame for the slump in the market on the Federal Reserve System, which has restricted speculative loans on securities to help restrain the inflationary trends, and only with the greatest reluctance, just a short time ago, rescinded the no-margin rule and now permits operations on a 75-percent margin.

NEW YORK, N. Y.

Hon. A. J. SABATH,
Member of Congress,
House Office Building,
Washington, D. C.:

I have your telegram. You have made a serious allegation as to manipulative activities on this exchange. I deny them and I invite you to present any factual proof that you have to us or to the Securities and Exchange Commission which is the Government agency that regulates this market. If you do not have any factual information, I think that you should, in all decency, withdraw what you have said. Reckless statements of the character you have just put out are damaging to our public institutions. Prices on this exchange are established through open transactions which represent the composite judgment of the public. Short selling is rigidly regulated under our rules and those of the Securities and Exchange Commission. Copies of these regulations are available to you. Credit regulations are in the hands of the Board of Governors of the Federal Reserve System. You can, of course, address your complaints on that score to that agency. We feel here that one of the causes of recent weakness in our market is the discriminatory restraint upon loans to millions of people who own securities listed on the national registered exchanges.

EMIL SCHRAM,
President, New York Stock Exchange.

To that message I have made the following reply:

MAY 23, 1947.

Mr. EMIL SCHRAM,
President, New York Stock Exchange,
New York, N. Y.

DEAR MR. SCHRAM: On May 19 I wired you as follows:

"Mr. EMIL SCHRAM,
"President, New York Stock Exchange,
"New York City:

"Nearly all corporations show increase in their business and profits above the banner years of 1945 and 1946, and country's income last year was 165 billion and estimated 175 billion for 1947, which will be four and one-half times greater than in 1932. Country is generally prosperous, and production, employment, crops, and profits are at highest peak, and, notwithstanding publicity given out by professional and short-selling groups and a few publicists that business is sloughing off, the record shows that retail sales for the first quarter of 1947 have increased from 5 percent to 14 percent throughout the country. Consequently, in view of all these favorable indications, the public cannot understand why the prices of many stocks have

been hammered down almost one-half since November, while nearly all companies are showing greater profits and paying higher dividends than ever before. I feel that the Board should immediately stop all wash transactions, broker stock loans, and short selling, and if that cannot be done, then the immediate raising of margins to 100 percent should be effectuated.

"A. J. SABATH,
"*Member of Congress.*"

Not receiving a reply to my telegram of May 19, I requested information on short selling from the Security and Exchange Commission. On May 21 I received partial information from the Commission and on the same day observed a report in the press that short interests from April 15 to May 15 increased 295,000 shares, exclusive of odd lot dealers sales and public small lot interest sales which confirms my fears that the shorts are again hammering the market with still greater force. Consequently, not hearing from you, I took the floor on May 22 and called attention to the fact that the same manipulations which were responsible for the crash in 1929 are now being reenacted. You resent the allegations in my telegram and ask that I withdraw them. My reply is that I have nothing to withdraw and will elaborate more fully on the situation in the near future. May I ask to what part of my telegram you object or do you have reference to the remarks which I made on the floor?

I am, I assure you, more or less familiar with many of the regulations of the Securities and Exchange Commission and of the New York Stock Exchange. I note your statement that short selling is rigidly regulated, and that the regulations of SEC are available to me. I have those regulations, and also the rules of the stock exchange. I urged the Commission last September to tighten the regulations so as to make it impossible for a few professional traders to hammer down the prices of the shares of some of the most outstanding corporations of America through shrewd manipulation in spite of the rules. Last fall, and now in the first quarter of 1947, all financial reports show unparalleled industrial and business earnings, high employment levels and consequently high purchasing power, the payment of regular dividends, and that American business is in better position than ever before. There is nothing to justify the deep decline in market values.

You state that I should address my complaints to the Federal Reserve System which you claim, is responsible because of restrictions of loans on securities. I shall, of course, as rapidly as time permits, obtain all the information I can from every agency which has any jurisdiction, including the New York Stock Exchange, the Securities and Exchange Commission, and the Federal Reserve System. Pending advices from the Federal Reserve System, I can only conjecture that the restriction on loans is being taken advantage of by the professional sellers.

I feel satisfied that my charge that short selling is detrimental to the best interest of the country and does depress the price of securities is correct and is proven by what has transpired during the past few months. I am not in the habit of damaging public institutions. I merely maintain what all economists are agreed on—that the stock exchange is the most conspicuous barometer of business conditions, and any artificial fluctuations strongly affect the public interest.

In this connection, I call upon the Securities and Exchange Commission and the New York Stock Exchange for the names of all short sellers who have traded 100 or more shares since I first raised the issue last September 4, together with their short commitments.

Sincerely yours,

A. J. SABATH,
Member of Congress.

I do not know whether or not Mr. Schram is correct in his criticism of the Federal Reserve System, or whether the Federal Reserve is justified in restricting speculative loans. I can see how limiting such loans might aid short sellers.

BILLS INTRODUCED

I have today introduced two bills intended to discourage short selling. The first would produce revenue by placing a 5 percent transaction tax on each short sale. The second would prohibit the transmission of false information about securities which would, I hope, stop all the war scares aimed at changing the market. The text of the bills follows:

A bill to provide revenue from the short sales of shares of stock, grains, cotton, or other allied agricultural commodities

Be it enacted, etc., (a) That for the purposes of this act the term "short sale" shall mean sales at, or under the rules and usages of, any stock exchange, board of trade, or similar places, of shares of stock of any corporation, joint-stock company, association, or of grains, cotton, or other allied agricultural commodities of which the seller shall not have ownership or possession, actual or constructive, at the time of such sale.

(b) For the purposes of this act the term "seller" shall mean any individual, association, partnership, or corporation and/or any agent, factor, or broker thereof who sells shares of stock of any corporation, joint-stock company, association, or grains, cotton, or other allied agricultural commodities.

SEC. 2. There shall be levied, assessed, collected, and paid by the seller on each short sale a tax equal to 5 percent of the amount of said sale, which tax shall, without assessment and without notice, be due and payable to the collector of internal revenue within 10 days after the consummation of such sale.

SEC. 3. Any seller hereunder failing to pay such tax on any such short sale shall be guilty of a felony and upon conviction thereof shall, if a corporation, be punished by a fine of not more than $10,000 for each offense, and all other persons convicted shall be punished by a fine of not more than $5,000 or by imprisonment of not more than 2 years, or both.

SEC. 4. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all needful rules and regulations for carrying the provisions of this act into effect.

SEC. 5. This act shall take effect on the 30th day after the date of its approval.

A bill to prohibit communication of false information with respect to securities in certain cases

Be it enacted, etc., That no person shall transmit through the mails or shall communicate in interstate commerce any false information affecting or tending to affect the price of any security listed on any stock exchange if such person knows such information to be false and transmits or communicates it for the purpose of affecting the price of such security.

SEC. 2. Any person violating section 1 of this act shall, on conviction thereof, be fined not more than $5,000 or imprisoned not more than 3 years, or both.

SEC. 3. For the purposes of this act—

(a) "Person" includes a partnership, association, or corporation, as well as an individual.

(b) "Communicate in interstate commerce" means to transmit by any means of communication (other than through the mails) information from one State or the District of Columbia to another State or the District of Columbia.

(c) "Stock exchange" means a regularly established place under the rules of which securities are bought and sold.

(d) "Security listed on the stock exchange" means the stock, debentures, evidences of indebtedness, interest, or ownership of or in any corporation, association, or partnership authorized, under the rules of a stock exchange, to be sold there.

ASKS NAMES OF SHORTS

I have demanded the names and commitments of all short sellers whether they are professional traders or insiders who might be aiding or cooperating with the shorts, or others; and unless I receive the names and can make them public in a reasonable time I shall introduce next week a resolution directing the SEC and the stock exchange to produce the information so that the public may know the names of these manipulators. It is generally recognized that at least 90 percent of such sales are made by professional traders. Many are wash sales.

The fact remains, however, that the stock market is regarded by the people of the country, and especially by business and industry and all financial and commercial interests, as the principal barometer of our economic well-being and when market fluctuations are caused artificially by gamblers it is bound to have a bad effect on our prosperity.

I have started this crusade because of my thorough knowledge of the reasons for the 1929 crash and my bitter memory of what followed—the terrible destruction wrought upon the country in the wake of stock-market gambling and the slow recovery from those depths. I carried on the same crusade in 1929 and in the years following and my efforts were rewarded by the passage of the Securities and Exchange Act.

As I said yesterday on the floor, had President Hoover and those in power in 1929 heeded my urgent appeals the crash and the panic which followed would have been minimized. Not only did my efforts help bring about the SEC, but I also introduced in 1930 the first bill to establish the Reconstruction Finance Corporation, in the hope not only of saving banks, insurance companies, and railroads but to aid and assist all legitimate companies of the country and to help refinance the victims of the havoc brought about by the crash. Unfortunately, its passage was delayed until 1932, a Presidential campaign year.

I am now compiling my correspondence with President Hoover and his Secretary of the Treasury, his Attorney General, the then Governor of the Federal Reserve Board, and the then president, vice president, and governors of the New York Stock Exchange, together with their replies. A reading of even

the abstract of that correspondence should persuade all that my position then was justified and that I am equally justified at this time to continue my effort to put an end to a situation in which a few professionals can every 12 or 15 years destroy the Nation's prosperity and bring on recession and panic. Moreover, that large exchange of correspondence should be of great interest to every American who has the interest of our country at heart, and who resist the efforts of a small coterie to destroy our prosperity for their own selfish profits.

At the same time, I am consulting the Federal Reserve Board to ascertain their position and their reaction, and I am naturally urging the recent amendment changing the so-called 100 percent margin rule to a 75 percent margin rule be rescinded and stock trading again be placed on a cash basis. Brokers have been trying for a long time to persuade the Federal Reserve Board of Governors to reduce the margin requirements to 50 percent, and I, for one, am sorry they came even halfway.

SPECIAL ORDER GRANTED

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes today following the other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio address.

Mr. BUCHANAN asked and was given permission to extend his remarks in two instances and in each to include editorials.

Mr. REED of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution adopted by the House of Representatives of the State of Illinois.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the Appendix of the RECORD and include certain newspaper items regarding Lieutenant Colonel Halloren of the WACS.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Rochester Times-Union.

PROVIDING SUPPORT FOR WOOL

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 814) to provide support for wool, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 814) to provide support for wool, and for other purposes, with Mr. HARNESS of Indiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday the first section of the bill had been read. The Clerk will read.

The Clerk read as follows:

SEC. 2. (a) The Commodity Credit Corporation is directed, through loans, purchases, or other operations to support a price to producers of wool produced (shorn or pulled) in the calendar years 1947 and 1948 in the United States and its Territories at the price not less than that which the Commodity Credit Corporation has undertaken to support wool in 1946.

(b) Notwithstanding any other provisions hereof, the Commodity Credit Corporation may adjust support prices for individual grades and qualities of wool for the purpose of bringing about a fair and equitable relationship in the support prices for the various grades and qualities of wool; and may make discounts from support prices for off-quality, inferior-grade, or poorly prepared wool.

With the following committee amendment:

Page 1, strike out lines 4 to 10, inclusive, and insert the following:

"SEC. 2. (a) The Commodity Credit Corporation shall continue, until December 31, 1948, to support a price to producers of wool in the continental United States and Territories at the price it supported wool in 1946."

Mr. HERTER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER to the committee amendment: Page 2, line 3, after the word "at", insert "90 percent of the parity price as determined by the Bureau of Agricultural Economics."

Mr. HERTER. Mr. Chairman, I agree fully with the words spoken yesterday by the distinguished gentleman from Georgia [Mr. PACE], that what we do here today with respect to wool is going to set the pattern for our future actions in regard to agricultural products in the first instance and perhaps many other products.

The amendment I have offered is offered in the hope that the pattern we set will be a pattern that this country can sustain. The bill as now drafted provides for wool a support price which is a fixed price, a price determined by the Congress at 42.3 cents. It is a price which will not alter regardless of any changes in our economic picture. That price is approximately 100 percent of parity—a small fraction over—but, as I say, it is a fixed price. In the Steagall amendment, commodities — we have throughout determined that a variable price at not less than 90 percent of parity should be the basis on which those commodities which for war purposes were increased in production in large measure—should be given support. Wool was never a Steagall commodity, designated by the Secretary of Agriculture, but the support price it received during the war period was a price set by the OPA on a fixed level and the present bill would carry the price at that level.

What is the practical effect of the amendment I am offering? We discussed at great length the tremendous cost of subsidies, the great burden on our Treasury and the difficulties that arise with respect to tariff protection which is given to these commodities. The amendment that I offer would put the support price at roughly 2 cents under the world market price as of the present time. It would mean that wool, as a commodity, would go into the free channels of trade; it would not become a burden on the Treasury; there would be no requirement on the part of the Commodity Credit Corporation to apply the support unless there should be a very substantial drop in world prices.

The price that is fixed in this bill is a price roughly 2 cents over the world market price which means that the Commodity Credit Corporation must buy the entire clip and must then sell the entire clip at whatever price it can get for it as provided for in another section of the bill.

Mr. Chairman, it seems to me that we have got to determine today whether or not we are going to begin to set fixed prices on commodities here in the Congress and give them support. I think, as I said yesterday when this matter was being debated under the rule, that the producer of wool in this country is entitled to support. I am strongly for that. On the other hand, I feel that the price that is asked for is an excessive price and would inevitably mean a considerable burden to the Treasury unless, under the amendment that is going to be offered by the Committee on Agriculture, the tariff on wool should be increased by the President of the United States.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Georgia.

Mr. PACE. For the sake of the RECORD, I wonder if the gentleman concurs in my figures, that the support price as given by the gentleman is 42.3.

Mr. HERTER. Correct.

Mr. PACE. Parity being 42.1.

Mr. HERTER. Correct.

Mr. PACE. Ninety percent would be 37.8.

Mr. HERTER. Correct.

Mr. PACE. The effect of the gentleman's amendment will be to reduce the support price 4½ cents.

Mr. HERTER. Correct; roughly 10 percent.

Mr. PACE. Four and one-half cents per pound.

Mr. HERTER. The gentleman is quite correct.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. That would be under the present tariff, but if the circumstances change and the parity changes, why the price would be more or less than that amount.

Mr. HERTER. That would be quite true. It is quite possible if we get a slump in price in commodities during the coming year, that this fixed price might well be 130 percent of parity rather than 90.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Minnesota.

Mr. JUDD. Under the gentleman's amendment the wool support price would be tied to our whole economy as are other commodities rather than fixed by statute of the Congress for a year and a half; is that right?

Mr. HERTER. The gentleman is correct.

Mr. JUDD. Does not the gentleman feel that those of us who have opposed trying to fix or freeze our economy and price levels by Government order ought to support this amendment so that we give equity to the wool growers, but at the same time do not throw their product out of balance with the rest of the economy, knowing it will probably change either up or down, during the next year and a half?

Mr. HERTER. I agree with the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is there any other basic commodity that there is a fixed support price on at the present time?

Mr. HERTER. There are a number of prices that are fixed, but they are fixed by the Secretary of Agriculture and not by the Congress.

Mr. McCORMACK. I meant by the Congress.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it a fact that most of these prices on commodities under the Steagall amendment and other Acts range around 90 percent of parity?

Mr. HERTER. That is true of a number of them. There are some where they go considerably above, where they were set by the Secretary of Agriculture, in order to stimulate production, where there was a shortage.

Mr. MONRONEY. For instance, flaxseed and other things that we had to have for world consumption.

Mr. HERTER. Yes.

Mr. MONRONEY. Is is not true that if we support wool, which is a large crop, at 100 percent of parity, as this original bill proposes to do, then we will be called upon to support every other agricultural commodity and give them the same kind of treatment?

Mr. HERTER. The gentleman is giving emphasis to the very thing I am trying to point out, that here we are setting a pattern that every other agricultural producer would have a right to insist on for his own commodity.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Illinois.

Mr. OWENS. When the gentleman says, "Every other agricultural commodity" does he include truck farming also?

Mr. HERTER. It depends on which particular element of truck farming the gentleman is talking about.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Mississippi.

Mr. RANKIN. That parity is based on the prices from 1909 to 1914, is it not?

Mr. HERTER. That is correct.

Mr. RANKIN. That was during the Taft administration, when the tariff was such a burden upon the American farmers that they revolted in every State of the Union except Vermont and Utah.

Mr. HERTER. Mr. Chairman, another phase of the economics in this picture was not brought out in the general debate at all. The income of the grower of wool, the sheep raiser, runs from 60 to 65 percent—I think I am correct in these figures—from the meat that he sells, and 35 to 40 percent from the wool that he sells. He is attempting in this bill to get his full protection on the wool, but no mention whatever has been made of getting protection on the meat prices. The studies that were brought out yesterday with respect to the economics of the wool group showed that the wool grower was losing money on each sheep that he produced. Those figures were arrived at at a time when there was a ceiling price on meat. At the present time the wool grower is getting a very much larger price for the carcass of his animal than he did at the time those figures were prepared. Further, the figures stated by the Tariff Commission were figures taken entirely from questionnaires which were sent to governmental banking and lending institutions to which the grower at the time was in hock, and did not represent a cross sample of the entire industry. I say this not in derogation of the industry itself. The industry certainly during the war period had a very difficult time with the ceiling prices on both the meat and the wool, but now the ceiling price has been lifted off the meat. The price which the wool grower is getting for his meat is an extremely good price at the present time. It seems to me that this small variation I have suggested in the support price on wool is not going to be a major factor in the economy of the wool grower.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that the price of wool today is 140 percent of what the wool grower was receiving previous to 1941, while the price on the lambs is about 250 percent?

Mr. HERTER. That is correct, 250 percent for the fattened lamb. The wool grower, the ranchman, however, is not getting as good a price as that.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Does the gentleman feel that the sheep farmer is entitled to support for the meat, for the mutton and lamb that he produces?

Mr. HERTER. I see no reason why, if he should get support on one part, and the minority part of his product, he should not get support on the other.

Mr. MURRAY of Wisconsin. The fact that a subsidy was paid on certain classes of lamb during the war is an indication that it is entitled to support after the war.

Mr. HERTER. I am not quarreling with support for the wool grower, I am quarreling with the price at which we are setting that support.

Mr. Chairman, I hope very much my amendment will be adopted.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent that I may be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, the gentleman from Massachusetts says he is not opposed to protection for the wool grower, but the amendment he offers, if adopted, would deny the wool grower any protection under this legislation. The figures were put in the RECORD yesterday covering the cost of producing wool in this country. These figures were compiled by the Tariff Commission over a period of years from 1940 to 1946. They are carefully worked out, authentic figures. They show that for the year 1946 the wool producers of this country lost 9½ cents a pound on an average on every pound of wool they sold.

They show that in 1945 they lost 12 cents a pound on every pound of wool that they sold.

Reference has been made to the fact that under the Steagall amendment the rate of support is 90 percent of parity. Of course, that is not correct. Under the Steagall amendment the rate of support is not less than 90 percent of parity. At the present time there are a number of commodities upon which the support price is not only in excess of 90 percent of parity, but far in excess of 90 percent of parity.

Some of the figures I am going to give are for 1946 and some are for 1947. In the cases where I use the 1946 figures the programs for 1947 have not yet been announced.

In the case of dry edible beans the support price equals 95 percent of parity.

Dry edible peas had a support price of 94 percent of parity in 1946.

Flaxseed for 1947, 154 percent of parity.

On hogs the support price for last September 15 was 94 percent of parity. On October 15, it was 91 percent of parity. The figures for this year have not yet been announced.

On soybeans the 1946 figures were 107 percent of parity.

On alfalfa seed for 1946 it is 228 percent of parity for uncertified seed and 276 for certified seed.

On Alsike clover for 1946 it was 148 percent and on red clover 163 percent for certified seed and 135 percent for uncertified seed in 1946. Other types of clover were also supported far above parity.

On sugar beets in 1946 the growers received 125.1 percent of parity. In 1947, assuming the same parity as in 1946, the growers would receive 135.9 percent of parity, and based on the present parity calculations it will be 115 percent of parity. In 1946 Louisiana sugarcane received 105.4 percent of parity and Puerto Rican sugarcane 119.5 percent of parity.

So that there is plenty of precedent, I may say, for a support price higher than 90 percent of parity.

I also want to call attention to the fact that the support price for wool under this legislation is not necessarily 42.3 cents. That was the figure for 1946, but the figures for April 1947 were 40.2, and the figures for the various years from 1943 down to date have varied by the year due to the quality and condition of the wool and the amount of shrink. So that while the support price for 1946 was 42.3, up to date this year it is only a little over 40 cents, which at the present time is 95 percent of parity.

Mr. Chairman, the wool dealers in Boston and the wool manufacturers in this country are perfectly willing for the wool producers of the country to produce wool at a loss of 9½ cents per pound while they themselves are making the greatest profit in their history.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not right at this point. I will yield to the gentleman a little later.

Mr. Chairman, let me cite some actual figures from Moody's Manual for Industrials. The American Woolen Mills net profit for 1940 was $3,153,500. For 1941, which was a good wool year, it was $6,944,000; and for 1946 it was $20,098,000. Pacific Mills had a deficit of $348,310 in 1940. In 1946 they had a profit of $9,502,000.

Botany Mills had a profit in 1940 of $527,481. In 1946 they had a profit of $3,802,545, at a time when the wool producers of this country were producing wool at a loss of 9½ cents per pound.

I also have some figures indicating the earnings of workers in the woolen and worsted goods industry for the period 1941 to 1947. They show that from December 1941 until February 1947 the percentage increase of average hourly earnings was 66.1 percent. The average weekly earnings showed an increase of 70 percent. The workers in the woolen industry had that increase during the time when the wool producers of this country had their prices frozen at December 1941 levels were producing wool at a loss of 9½ cents or more a pound.

I have already mentioned the great increase in profits of the specific woolen manufacturers.

Let me also call attention to a statement from the National City Bank of New York City, Study of Economic Conditions, which shows the increase in corporation profits of woolen-goods manufacturers generally. I am giving you this in terms of percentages.

In 1941, which was a good year for profits, the percent return on the net worth was 11.8 percent. Not bad. But in 1946 the percentage return on the net worth was 25.2, at a time when the wool producers were suffering a loss of 9½ cents a pound upon their wool and when they were selling at prices frozen in December 1941.

I have not been able to get any detailed figures as to the profits of the woolen merchants in Boston who are opposing this legislation, but in the Senate hearings there was placed in the record, proceeding from the Tax Court of the United States in the case of Draper & Co., one of the big wool firms in Boston, where the Government was trying to collect back taxes, which showed that for the year 1941—I am sorry I do not have later figures, because I am sure that for 1946, judged by the general trend of profits they would have been much larger—but Paul A. Draper, president and treasurer, received a basic salary of $30,000 and a bonus of $102,000 and premiums paid on annuity contracts of $29,350—a total of $161,350.

Robert W. Dana, vice president, received $18,000 basic salary, a bonus of $72,000, and $17,000 premiums paid on annuity contracts, or a total of $107,000.

Malcolm Green, vice president, who is an official in the Association of Boston Wool Merchants, which sent every Member of the House a letter saying that the wool producers should still produce wool at 9½-cents-a-pound loss—Mr. Green had a basic salary of $18,000, a bonus of $72,000, and premiums on annuity contracts of $17,579, or a total of $107,579 compensation.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. George W. Brown, assistant treasurer, received total compensation of $50,000. For those four officers there was paid out total compensation of $427,268.41.

That is one company in Boston dealing in farmers' wool and vigorously opposing this bill. I have reason to believe that this statement represents no more profitable operation than those generally of the wool dealers in the Boston wool market.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman has been speaking of the income of these manufacturers during the last year. Wool was like any other commodity, the demand was so great that those who produced any kind of product could sell it; and those who wanted to take advantage of the people the way some of these companies did certainly made money. I do not believe it was wise or good business to do it. Today, however, conditions are such that about one-third of the woolen mills of the country are not in operation. Today there is a buyers' market where the people manufacturing woolen goods must go out and find a place to dispose of their products.

Mr. HOPE. As I understand, the mills are in full operation at this time.

Mr. RICH. No; they are not. The worsted mills are in full operation, but that does not apply generally throughout the woolen industry.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I suppose I have not a flock of sheep over a hundred in number in my whole district; nevertheless, I have listened to a lot of testimony on this bill and am convinced it has merit.

I think it is time the sheep growers, or shepherds, or whatever you want to call them, had a chance to be heard. They ought to receive consideration. Nevertheless, since I have served on it, this committee has voted to help everybody, all the groups and sections of agriculture in the entire country except to the best of my recollection the dairymen of the Northeast; and I think Congress ought to get busy to try to help them in the dilemma they now find themselves.

I received a letter the other day from a group of representative dairymen from home who told me that 35 percent of the income of the Northeast milk producers 100,000 of whom are in the New York milkshed and supply the metropolitan districts of New York, Philadelphia, Pittsburgh, Rochester, Albany and as far east as Boston has been cut and all the other cities up-State. Yes; 35 percent of their income has been taken away from them.

More power to the wool growers. They are getting consideration here today. The gentleman from Massachusetts [Mr. MCCORMACK] mentioned some of the other groups yesterday which were being favored. Since I have been here this committee has voted to help the tobacco tycoons, the cotton kings, the big butter-and-egg men from the West, and a lot of others. I cannot for the life of me see why we should not be assisting farmers up there in the Northeast. Why does the Department of Agriculture keep cutting to the bone what the milk producer is receiving for his products up-State. This includes not only New York but all the other States that are connected with the New York milkshed, and they are Pennsylvania, New Jersey and some of New England. Speaking as a consumer I want to go on record as saying that the Department of Agriculture, under the leadership of the present Secretary, must do something about the spiraling prices the farmers are having to pay for their dairy feed in the New York milkshed. The millions of consumers, who live in the Northeast, compose more than one third of the population of the United States and they are served by this milk shed. Those millions of consumers are going to have great difficulty in meeting the prices which must be asked for milk and other dairy products as the result of present production costs.

I think it is only fair that we look into the forgotten section of the land, the Northeast, where all those millions of men and women need dairy products as part of the necessities of life—they should have consideration.

A friend of mine came to me the other day. He asked me how I stood on this wool bill. I replied that I am for it. He parried a little and said: "I do not know why you should be for it because it is log-rolling legislation." And he said, "A lot of these other sections will come in for their share of the grab bag if you pass this." My answer was that thinking is not applicable to the point at all. The point is that we want to help all sections of agriculture so that the great majority of the American people can enjoy a higher standard of living. By the same token as the Representative of one of the greatest dairy districts of up-State New York, I expect consideration to be given by the Department of Agriculture, not to cutting producer prices for fluid milk any further than they have been cut so far. The prices of feed are going way beyond any conception, way beyond the ability of the producers to pay. The Department ought to promise that cuts will be made in relative amounts in dairy-feed prices so that the production of dairy products, which reached an all-time peak at the time of World War II will continue on in order to feed the increased city populations. I speak as a consumer, not as a farmer; I speak as one who is interested in the price of milk to the consumer and in prices that the producers receive, because unless one is taken care of certainly the other cannot be.

If the Secretary of Agriculture has the power to lower the prices dairy producers receive for fluid milk, I say he has authority to control the costs of dairy feed so the dairyman of our section can stay in business.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. GRANGER. Mr. Chairman, as I said yesterday, we are talking now about the very heart and substance of this bill. If the pending amendment is adopted—and I speak with some knowledge of it because I have worked on the matter for 2 years—we might just as well strike the enacting clause of this measure because it certainly will not bring any relief to the wool growers. As a matter of fact, it would turn loose tomorrow all the wool the Government has on the market, and certainly it would break every wool grower in the country. It simply means—this is not a guess, it is a fact—that the adoption of this amendment would immediately drop the price of wool tomorrow by anywhere from 4½ to 6 cents a pound. I do not think the Congress of the United States wants to treat any agricultural commodity in that fashion. I hope therefore that the membership of this committee will vote against the pending amendment because it will destroy everything we are trying to do.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Alabama.

Mr. HOBBS. There is one important point, it seems to me, I would like to get clearly in the RECORD one way or the other. Is it or not a fact that the base period for the calculation of the so-called parity price was exceptionally low as regards wool?

Mr. GRANGER. I thank the gentleman from Alabama for raising that question. He has stated what is the fact. Ever since the parity formula was adopted, in the years designated as a basic period for wool, a part of the period at least, it was free trade. That was in 1914, when wool was on the free list. That was part of the time when the years for the parity formula were used.

It has always been the contention of wool growers, and cattlemen for that matter, that they had a parity period that was absolutely disadvantageous to them. We have been trying to get it changed. I think the Committee on Agriculture realizes that, too. If it were not for that fact, if it had a comparable period with other prices, the parity price would be much higher.

Mr. HOBBS. So that when the gentleman speaks of the percentage of parity that is now being fixed it is of a very low parity, and, therefore, apparently increases the percentage, although, in fact, it really does not on a fair price basis?

Mr. GRANGER. That is exactly right. It would be the same thing as having foreign commodities away down in price and then putting a percentage on them, and when they are away up, there is a big percentage increase.

I trust that the committee will vote against this amendment, because it certainly would be disastrous. As I said before, and I say it honestly, that if you vote for this amendment you might just as well strike the enacting clause of this bill and not waste any more time on it.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Michigan.

Mr. MICHENER. Did I understand the gentleman to say that in his opinion if this amendment is adopted it would forthwith reduce the price of wool to the producer 4 or 5 cents a pound?

Mr. GRANGER. Yes; that is exactly right. As a matter of fact, one of our distinguished colleagues in this House, who has a few sheep, told me only this morning that he had sold his wool at 39 cents, because of the situation we are in now. As a matter of fact, under the support program wool did sell at 45 cents, and yet he lost 6 cents a pound.

Mr. MICHENER. Mr. Chairman, will the gentleman yield further?

Mr. GRANGER. Yes.

Mr. MICHENER. In my State we do not have a great many sheep, for we have family-sized farms. Many of those farmers have small flocks. We feed many lambs from the range and produce some sheep, but we sell much wool. Our flocks are clipped in the spring, as is usual. The spring clip of wool is in the farmer's barns, or in the storehouses. The local wool buyer who sells to, or buys for Boston, refuses to give a bid on the wool to the farmer who needs the money now, until something is done down here about the present uncertain wool market.

Mr. GRANGER. That is exactly right. Let me say this: This is not a western bill entirely. Every State in this Union has a considerable number of sheep. Take Ohio and Indiana. They have hundreds of farms with small flocks of sheep, and they are mighty good sheep, too.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. HILL. Mr. Chairman, I move to strike out the last two words.

Mr. HILL. Mr. Chairman, there is just an idea or two that I would like to give to the House this afternoon in opposition to this amendment that has been proposed by the gentleman from Massachusetts. First of all, I think regardless of whether we live in the West, South, North, or East of this great Nation of ours. We all agree wool is undoubtedly a war casualty. I did not say "wool producers," I said, "wool" and I say that because—and I wish you would listen carefully—on December 9, 1941, 2 days after Pearl Harbor, the price of domestic wool in these United States was frozen by the administration, and it has remained under that program ever since. If you adopt this amendment that has been proposed to this House, you might just as well wipe out the whole program that we have been trying to carry on for the wool producers in this country, and in my opinion it might even go further than drop the price 4 cents per pound, because on my desk this morning is a wire from one of our—let us not call them wool producers, because they are not, they are men who buy lambs in the fall and fatten those lambs out for the market in the spring—which says that the drop in the price of wool, according to his wire, is now 16 cents per pound.

If you want to create chaos in the wool industry, pass this amendment—and that goes for the gentlemen's territory in the East as well as the West—that chaotic condition in any market, whether it is East or West or whether it is wool or whether it is wheat, absolutely affects every part, every segment of our economy, whether it is the producer, whether it is the middleman, whether it is the commission merchant, or whether it is the manufacturer. Long, long ago we passed from that position where you think you can affect one segment of our industrial machine and not affect every other interrelated segment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman make clear to the House this 16.5-cent drop? Is that on wool or the meat?

Mr. HILL. That is on wool and has no relation to the lamb whatsoever. I wish we could distinguish here this afternoon so everyone would understand. There is no particular relation between the lamb chops and the wool when they go on the market, because the lamb is sold as a fat lamb, and this wool is a different thing altogether. We must keep those two things in mind. Of course, there has been no price ceiling on the

lamb, but there has been and is a ceiling on the wool, and every one of us should understand that. Now, let us go a step further and say this: I think behind this whole plan to wreck this bill is this: We must recognize the fact, and I wish we could keep this in mind, that for 40 years we have been importing wool. We have not produced enough wool for domestic consumption. And in my personal opinion there is no possibility that we will for many years to come. In the 40 years we have been shipping wool into this country, 24 times in that 40 years we have failed to import over 100,000,000 pounds of wool. The wool producers are in a chaotic condition, and they will be much worse if you adopt this amendment. Listen to these figures: In 1946 over 819,000,000 pounds of wool were imported; in 1945 over 704,000,000 pounds; and in 1944, 582,000,000 pounds. I will not bother you with more figures, but in 1938 only 18,442,000 pounds of wool were imported. How in the world can anybody reconcile those figures and stand in the well of this House this morning and say to me that I should support a bill that would entirely wipe off the map of this country all the great wool-producing sections of the United States, and that is exactly what you will do if you adopt the amendment offered by the gentleman from Massachusetts.

Mr. BARRETT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. BARRETT. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Massachusetts. This is the situation in a nutshell. The wool growers of this country and all during the war have lost from 9 to 12 cents a pound on every pound of wool that they produced. The effect of the amendment offered by the gentleman from Massachusetts will be to increase that loss from 9½ cents per pound to 14 cents a pound. We have liquidated over one-third of the sheep industry during the past 4 years. If the gentleman wishes to put the wool growers of this country out of business, his amendment will accomplish that purpose.

We ought to be fair about this matter. As the gentleman from Colorado [Mr. HILL] has stated, the price the wool grower received for his wool all during the war and the price that he will receive if this bill is enacted is the ceiling price established by the OPA on December 9, 1941. I call your attention to the fact that while there has been no increase whatsoever in the price of wool from the day after Pearl Harbor until the present time, on the other hand, most every other farm commodity increased in price. Let me quote some increases: Rye, 233 percent; corn, 144 percent; cotton, 101 percent; and peanuts 100 percent. Wool increased 13½ from September 15, 1941, to December 9, 1941, but none since. The commodity that received the next lowest increase to wool all during the war is veal, 37½ percent.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from North Carolina.

Mr. BONNER. I should like to get this clear in my mind. Which is the by-product, the wool or the lamb?

Mr. BARRETT. I am glad the gentleman asked that question. The information the gentleman from Massachusetts gave the House on that point is just as wrong as it can be.

For many years our growers have found that the income from wool represented about 48 percent of the wool grower's income and the income from lamb about 52 percent. The Tariff Commission has studied that question for 40 years.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. BONNER. If the gentleman will permit me to interrupt him, I began to ask a question but did not finish it. You are here dicussing the wool grower's plight. I would like you to discuss what the income of the wool grower, that is, the sheep farmer is, taking into consideration his wool and mutton jointly and not separating them. You are discussing what he makes on wool or what he loses on wool, but the picture I have in mind is that the two things go hand in hand. Then, I am told that much of our imported wool comes from an area where they do not pay any attention to the carcass of the animal and the sheep are merely raised for the high quality of wool. So, in answering this question, put both of them together—the meat and the wool—and let us see how the wool farmers stand as compared to the peanut, the sugar, and tobacco farmers, and other farmers. Put the income from both sources together and do not separate the wool.

Mr. BARRETT. I will be glad to answer the gentleman's question. The fact of the matter is that the United States Tariff Commission after a long and extensive study has reported that the wool growers of this country last year lost $1.18 per head of sheep. They lost more than that in 1945 and more in 1944. The effect of the gentleman's question is very important. We cannot possibly compete with the wool growers of Australia. They run many thousands of head of sheep in a band. They pay very little in taxes and have very little other expenses.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. HILL. I would like to ask the gentleman from Wyoming a question which would answer the question of the gentleman from North Carolina [Mr. BONNER]. Some few years ago I heard a gentleman on the right-hand side of this aisle make this statement. I do not know whether he remembers it as I will quite it, but he said:

> You could shear a sheep several times, but you could skin a lamb only once.

What I want to say is this. We forget here that these lambs you are talking about that go to market are only sheared once, and most of the wool is pulled while these mother—shall I call them—ewes back home that produce these lambs are sheared year in and year, and that is where the income on wool comes from.

Mr. BARRETT. I thank the gentleman.

I want to call the attention of the Committee to the report made by the Tariff Commission a month ago. They report that for the year 1940, 48 percent of the income of the wool grower is from wool, and 52 percent is from lambs. In 1941, it was 45 percent from wool. In 1942, it was 44 percent. In 1943, it was 49.8 percent, which is nearly 50 percent. In 1944, it was 48.7 percent. In 1945, it was 49.3 percent.

Now, what is the situation with reference to the income from lambs? We grow feeder lambs in the West. The people who produce wool do not fatten the lambs. We sell our lambs as feeders and ship them to Nebraska, Iowa, Illinois, Ohio, and Indiana, and other States for fattening purposes. The fact of the matter is that during the war the Tariff Commission states that lamb increased 60 percent during the entire war period. That is the fat lamb. That is not the feeder lamb. The fact of the matter is the feeders did fairly well, but the producer or grower did not do so well. The gentleman from Massachusetts said there was a 250-percent increase in lamb, but that is sheer nonsense. The fact of the matter is that last year and all during the war we sold our lambs in the West around 15 cents a pound. That is about 30 percent over the price that we received before the war.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. BONNER. We have had all types of statistics here with respect to various farmers. What do the statistics show as to the income of the sheep raiser as compared with some other farmer, for a period of years?

Mr. BARRETT. The records show this, that if you take 24 different other commodities——

Mr. BONNER. No. I want to keep it all together. I want to keep his entire income together, the income from his sheep and his wool and everything else, and all the byproducts from raising sheep. How does that compare in income with the other farmers?

Mr. BARRETT. Well, the grower's income from wool and lambs has been low, in fact he has received the smallest increase since September 15, 1941, of any other farm commodity produced in America. I think that ought to answer the gentleman's question.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. CRAWFORD. Does not the report show, taking both those into consideration, that he lost $1.26 per head of sheep?

Mr. BARRETT. That is right.

Mr. CRAWFORD. You are raising an accounting question. When the Tariff Commission goes out it has to take into consideration the wool and the sheep. They came to the conclusion that $1.26 per head was lost for sheep running on the range.

Mr. BARRETT. That is precisely what the Tariff Commission has reported.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. FERNANDEZ. If the wool grower is not allowed to keep his ewe sheep and shear them, then the feeder will have no lambs, and both will be out of business?

Mr. BARRETT. That is right.

Now, the question is simply this: Do we want to protect the sheep industry of this country? Do you think it is important to have a sheep industry in this country? We have 800,000,000 acres of land in the West. The only use we can make of that land is to take the grass off of it, and if you destroy the sheep industry you will destroy the usefulness of that great area. There is no other use for it except to run livestock. We simply cannot increase our cattle population in this country because we have 10,000,000 excess cattle at the present time.

Now, the records show that we have liquidated the sheep industry in this country 35 percent in the last 4 years. The gentleman from Massachusetts [Mr. HERTER] says he wants to help the wool growers, but the effect of his amendment will be to liquidate the entire sheep industry in double time. That is the effect of it.

The CHAIRMAN. The time of the gentleman from Wyoming has again expired.

Mr. BARRETT. I ask unanimous consent, Mr. Chairman, to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. GOFF. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. GOFF. Is it not true that as a result of the loss of income for the wool growers, we actually have in this country now less sheep than we have had since 1867?

Mr. BARRETT. That is precisely correct.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield.

Mr. HILL. For how long a time does this 1946 price in this bill prevail?

Mr. BARRETT. It will run until December 31, 1948. When the Government instituted this support program in 1941, they promised the wool growers of this country that the program would be continued during the war and for 2 years thereafter. Now then the price was frozen and remained frozen on December 9, 1941. We did not get any increase of any kind on our wool all during the war. I think it is manifestly unfair to say to the wool men of this country, "You did not get any increase during the war while the price of other commodities were increased up to 200 percent. Notwithstanding all that we are going to knock your price down at this time."

It is manifestly unfair. I trust the Herter amendment is defeated.

The CHAIRMAN. The time of the gentleman from Wyoming has again expired.

Mr. FERNANDEZ. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think we all agree that there is no industry over which the Government had such full and absolute control during the war as the wool industry. Even under rent control, which is considered as the most rigid, the landlord was not so completely under control as the wool grower. In one way or another rent adjustments were brought about in individual cases as well as in certain classes to permit some increase. Not so with wool. As has been stated here, the price of wool was frozen at the beginning of the war and kept that way through the purchase by the Government at the peg price throughout the war. We do not complain of this but on the contrary the wool industry with every other item of expense going up, never complained. They felt that our armed forces came first.

In view of those circumstances, the least that the Government can do now is to provide a cushion for the wool men to soften the fall during the reconversion period from war to peace economy. This is all that this bill is designed to do. It is not intended as a permanent policy. It is an emergency measure.

What I have said is borne out by statistics which speak louder than words. Whereas cotton increased 101.4 percent from 1941 to 1946, wool only increased 13.2 percent. In the list of 24 basic commodities, wool increased the least by a large margin. The next lowest increase was that with respect to calves, which increased 37.7 percent.

In the course of the debate it has been pointed out that the support price program covered by section 22 of the Agricultural Adjustment Act deals with and is designed to support the price of commodities with respect to which there is a surplus because of overproduction, whereas it is stated that production of wool has fallen so low that there is no surplus. This argument overlooks the fact that although there is no surplus of domestic wool, nevertheless there is a tremendous potential surplus through the flood of foreign wool which will completely destroy the wool market.

The bill before us is not altogether to my liking. It seems to me that a proper quota on imports would have been more effective. But the fact remains that we are faced with an emergency and that we must act and act promptly. I sincerely hope that this House will rise to the occasion, and that the bill will be passed with or without the House amendment, so that the conference committee of the House and Senate may present to us a composite bill acceptable to both the House and Senate at the earliest possible date.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I am glad to yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I assume that the gentleman favors the amendment the committee will offer.

Mr. FERNANDEZ. No; I do not believe I will favor it. I have been trying to make up my mind, but I do not think I can favor that amendment. I followed the arguments presented by the committee on the matter of import fees and I appreciate their force. I am not an expert on that nor am I a member of the Committee on Agriculture which has been studying this problem, but I will say that the Senate did not seem to think that provision was absolutely necessary, and I value the judgment of that body particularly when a matter of foreign policy enters into the question.

Mr. AUGUST H. ANDRESEN. Does the gentleman favor the amendment offered by the gentleman from Massachusetts?

Mr. FERNANDEZ. The gentleman from Massachusetts [Mr. HERTER]?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. FERNANDEZ. I do not favor that amendment for the reasons stated here a while ago to the effect that the parity price of wool is not a true parity price but is below comparable parity prices for other commodities. Otherwise I would.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. MURDOCK. The gentleman has made a very splendid statement. He has expressed my thought exactly. In our southwestern country there is a vast area fit only for livestock production. If we kill the sheep industry much of that area will be virtually barren.

Mr. FERNANDEZ. I thank the gentleman; and may I say in reply to a statement made awhile ago that to the wool grower, lamb is a byproduct and wholly a byproduct. It is wool that he produces and wool that keeps him in business. If he has to look to the sale of lambs to keep him going instead of keeping them to build up his wool flock, then he will have to go out of business; and, as a matter of fact, that is exactly what is happening today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield further?

Mr. FERNANDEZ. I yield gladly.

Mr. AUGUST H. ANDRESEN. This program goes through 1947 and 1948. What will the gentleman do in 1949 unless there is tariff protection to keep his wool growers busy?

Mr. FERNANDEZ. By 1949 I believe we shall be in a period more normal than we are in now. We will face that when we come to it.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on the Herter amendment close in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I have been very much interested in this debate. It is a very splendid debate on a very important subject. There are a few realistic things I want to mention without going into technical details.

We all know that the sheep industry throughout these United States, especially the northern part of the country, is a very important industry to the farmers. All through my district there are farms with small flocks which mean a great deal to the farmer. He needs that income. This land is only adaptable to the raising of sheep; it is hardly usable for anything else.

Let us take a little look at the character of the competition that we have. Australia is ideal for sheep raising. They have made it a scientific industry. They have developed the industry purely for export purposes. They have established a system of taxation in Australia which makes it possible for the sheep raisers in the most remote part of Australia to move their product to the ports for export at just as low a railroad rate as those who live close in to the city or to the ports. That is a great advantage. Not only have they a climate that is ideal for sheep, but the sheep over there can run out-of-doors the year around. Their sheep do not have to be sheltered from the snow or cold.

They have also developed the raising of turnips in Australia. They sowed thousands and thousands of acres of turnips, which grow quickly, and they are luscious. They turn the sheep into these fields of turnips. The sheep will eat the tops, then they will eat the part of the turnip that protrudes above the ground, then later on the sheep will dig them out of the ground until they have eaten the last part of the turnip, root and all.

This turnip feed produces the very finest kind of mutton and also produces a very superior quality of wool. They have their export factories for the mutton, which goes all over the world. As the distinguished gentleman from Wyoming [Mr. BARRETT] said a few minutes ago, they can move their products into this country cheaper than he can move his mutton and wool from Wyoming to New York. That also applies on the movement of mutton products from western New York to New York City. They can move their products over 9,000 miles into the Liverpool and London markets cheaper than we can move our products from the West to the markets of the East.

Mr. Chairman, I mention those things because there is a great deal of foreign competition, and, as has been pointed out, which if unrestrained can wipe out a great big industry of this country, one that we cannot afford to sacrifice.

Now, we know from experience that if any country gets control of the production of a crop, why they can immediately raise the price, a monopolistic price, and the American people have to pay that price, because the product is essential to the welfare of the people of this country.

I wanted to bring out these few facts here because I want the people of the country to know that we cannot go into this great program, this international program of being a good neighbor, and letting these countries, where they can produce more cheaply than we can, take over our production here. It means creating a monopoly abroad. It means injury to a great segment of our economy, and we just cannot afford to do it.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I hope I may be helpful in some measure in the consideration of this amendment, which I am not able to support. Of course, the committee gave consideration at what level wool should be supported. I presume you all understand that wool has been supported for the last 5 years, and the present proposal is merely to continue that program at the same level for this year and next year.

I hope that you also understand—and I think this should be very clear to everyone—that the support price for wool in the past and the support price proposed in the pending bill is the OPA ceiling for wool as established in 1941. I believe Mr. Henderson was the head of OPA at that time. This is the ceiling price OPA fixed on wool-basic-Boston, and that is all that is requested now. That is what the support has been in the past and that is what the committee is asking the House to continue. That is one of the things the committee considered in passing on this question.

Secondly, the proposal made by the gentleman from Massachusetts [Mr. HERTER] was considered, to reduce the support to 90 percent of parity. The committee thinks that would be unfair, because every Steagall commodity—and there are about 25 or 26 agricultural commodities under that act—is supported at not less than 90 percent. Not a one of them is restricted to flat 90 percent as proposed by this amendment. Certainly the least the gentleman from Massachusetts could do would be to treat wool as the other 25 or 26 Steagall commodities and support wool at not less than 90 percent of parity.

The committee further considered, in trying to arrive at what the support level should be, the report of the Tariff Commission that has been read to you, that last year the average wool producer in this country was losing money. The figures have been given you.

The committee further considered the fact that in 1943 there were approximately 49,000,000 head of sheep in this country and that on January 1 of this year there were only 32,500,000. Does that mean anything to you, that this industry is rapidly going down and down?

The committee further considered the fact—and here are the official figures—that in the period 1935–39 85 percent of the wool used in this country was domestic wool, and that in the good year, 1946, only 22 percent of the wool used in this country was American wool.

I am not directly interested in the wool producers but I do regard the production of wool in this country as an essential industry. We may have another war when the wool of foreign countries will not be available, and we should maintain and encourage our wool production.

I hope the amendment will be rejected.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The Chair recognizes the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, the gentleman from Georgia [Mr. PACE] has clarified this issue very well. I wish more Members could have been present to hear that and have a full understanding of it, because I am convinced that if the Members have a full understanding of the implications that would be involved in the adoption of the pending amendment it would be overwhelmingly defeated. If the Herter amendment is adopted, as the gentleman from Kansas [Mr. HOPE] very well said, it means that this Congress does not favor a support program for the wool industry. That is exactly what it means. The Herter amendment, which has the support of the Boston wool trade, would reduce the support price of wool to a level that would be below the world price, and therefore would not be any support at all.

Let us see whether the wool price in this bill is too much. That is the issue. The amount proposed in this bill is the 1946 price, which is the same price that was fixed by OPA on the 9th day of December 1941, and it is the same price that was paid during the war. Is that too much? Do you want to lower the level that has been paid during the past 4 years or do you want to keep it that way during the next 18 months, during the liquidation process that will be carried on in connection with this great stock pile?

Let us see if that is too much. It has been pointed out here that from the standpoint of parity, if you are going to put it on a parity basis, wool is at a relative disadvantage compared with other agricultural commodities. That is a historical fact, and it is a fact. It has been recognized universally. I heard O. V. Wells, with whom most of you are acquainted, down in the Bureau of Agricultural Economics, make that statement publicly in a hearing, that wool is at a relative disadvantage with other agricultural commodities covered in the base period of 1909 to 1914. That fact is further evidenced by a communication from President Truman himself to the chairman of the Senate committee investigating wool last year. Let us see what he said, and I hope all of you who are interested in this subject will listen to me. It shows the position of the administra-

tion on the issue involved in the Herter amendment. The President said:

Specifically, in view of the large-scale decline of sheep numbers in the United States during recent years, the large wool surpluses now hanging over foreign and domestic markets, and the present and prospective marketing problems confronting wool growers, it would seem desirable for Congress to enact special wool legislation. Such legislation should provide that—

1. The parity price of wool be revised or established at the so-called comparable level—

Why?—

so that wool parity prices will be on a level equivalent to parity prices for other farm products.

The President recognizes and everybody who is familiar with this subject from the historical standpoint recognizes that the parity price of wool is entirely out of line with the parity price of most other products. There is no question about that.

Mr. Chairman, I earnestly hope that the amendment will be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I should like to direct an inquiry to the distinguished gentleman from Texas who just spoke. The gentleman referred to this in his remarks, which is what prompted the question. I presume from the studies of Dr. Wells, of the Bureau of Agricultural Economics, that 42 cents a pound for wool would mean between 40 and 50 cents per hour for the labor that went into producing that wool. May I ask the gentleman if he thinks that is a fair statement, based on his experience, and since Texas has about one-fifth of the sheep in the United States?

Mr. FISHER. I regret to say, in answer to the gentleman, that I am not familiar with the basis of the investigation which resulted in that conclusion. But the study of the comparable prices as compared with other farm products show that wool is at a relative disadvantage, to use his own words.

Mr. MURRAY of Wisconsin. In those studies I know they did not select wool farmers in particular. The study that they made of wool and these other studies that have been made would show that labor engaged in producing sheep and wool get somewhere between 40 and 50 cents an hour.

Mr. FISHER. I think the gentleman is exactly correct. Will the gentleman yield for an observation?

Mr. MURRAY of Wisconsin. I yield.

Mr. FISHER. If the comparable prices which can be justified and which the President of the United States says are proper in lieu of parity prices were in effect, the prices would be about 3 cents above the 1946 prices even though only 90 percent of comparable prices were paid.

Mr. MURRAY of Wisconsin. I thank the gentleman.

The point I wish to make is that anyone who wishes to vote for the so-called Herter amendment, and I might say that I am sorry the gentleman offered it, is saying in fact that he does not believe in the wages-and-hours law so far as the labor on the farms is concerned. In other words, Massachusetts is one of the leading States so far as supporting wages-and-hours legislation and the Walsh-Healey Act. It is a rather progressive State, but, of course, it is a little behind Wisconsin as a rule. But now it comes here and the gentleman from Massachusetts says, "We believe in the Walsh-Healey Act. We believe in a minimum wage. We do not want 40 cents minimum wage. We are going to raise it to 65 cents or 75 cents, but we would like to put the farmers who are producing wool in this country in a different group. We will give your boys and girls banquets when they come down here, and we will contribute some money to your boys' and girls' clubs, but we cannot pay more than 36 cents an hour for the labor that goes into this product known as wool." It does not make any difference if the fellow who makes the cloth gets $1.20 an hour, but the fellow who put the labor into producing the wool gets only 36 cents an hour.

I yield to my friend the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION. I do not blame the gentleman from Boston offering and urging the adoption of his amendment. As I understand it, they do not raise many sheep in Boston unless they have a few black sheep there just as we have in other parts of the country. But if I understand this matter, and I listened to the debate with a great deal of care, under the present prices the American wool growers in 1946 lost on an average 9½ cents a pound, according to the findings of the United States Tariff Commission, recently. Is that correct?

Mr. MURRAY of Wisconsin. The Tariff Commission has already followed that up. They will lose 3 or 4 cents more per pound.

Mr. ROBSION. Mr. Chairman, I am in favor of the bill as it was reported by the Committee on Agriculture and I am opposed to the amendment of our distinguished colleague and friend [Mr. HERTER], of Massachusetts. I have read the bill, the report, and have heard quite a lot of discussion of this bill and have also listened with interest to the debate on yesterday and today. I think the gentleman from Oklahoma [Mr. RIZLEY], as well as others, have stated the question fairly.

We must pay to the wool producers of this country a substantial subsidy out of the Treasury of the United States, or place a tariff or fee on imported wool sufficient to make up the difference between the cost of producing wool in this country and the cost of the wool being imported into this country from Australia and various other countries of the world, or, sit idly by and see the American wool industry destroyed, and taxpayers suffer millions of loss on 450,000,000 pounds of surplus wool held by the Government.

These observations are based on facts. When World War II came on, our Government froze the price of wool and took over the wool market here and that control has continued until very recently. In buying up all the wool of the American farmers over a period of several years, our Government accumulated a surplus of wool. Today, the Government owns about 450,000,000 pounds of wool. It cannot sell a pound of this wool to the American manufacturers or anybody else because, under the law, it cannot be sold for less than the support price paid for it by our Government.

Great Britain and her dominions produce the greater part of the world's supply of wool. When the war ended, Britain and her dominions had a great stock-pile of wool. Britain and others formed an organization to take care of about 2,000,000,000 pounds. This organization controls 80 percent or more of the world's supply of wool. They can lower or raise the price of wool while the American Government cannot lower the price on the 450,000,000 pounds of surplus wool it has in stock. This association of Great Britain, her dominions and others has fixed the price on their wool below the price fixed by the American Government with the result that great quantities of this foreign wool are being dumped on the American market to American buyers. They are disposing of their surplus stock pile of wool and new wool. We have been increasing our surplus. There has been and now is very little demand from any source for American wool. The American Government and the American farmers must charge more for their wool than the world price. We will soon be confronted with a new wool clip in this country. This will add to our surplus by reason of the lower-priced foreign wool.

Let us bear in mind that our Government has already paid for this 450,000,000 pounds of wool and we have paid about 10 cents more than the price of foreign wool and we stand to lose more than $50,000,000 at this time. Some plan must be worked out whereby the Government can dispose of its 450,000,000 pounds of surplus wool and the American farmers must dispose of their wool produced this year. That the American wool growers are in bad shape is clearly shown by the facts. The United States Tariff Commission, after a thorough investigation, found that in 1946 the American farmers lost 9½ cents a pound on their wool. They will still lose that much or more this year under the heavy pressure of foreign competition and they lost even a greater sum than that in 1944 and in 1945. This country must find some way to dispose of our Government's surplus wool and protect the American wool grower this year and next year. If we permit the heavy importation of foreign wool at present prices, or even lower, the Government will lose tens of millions of dollars on this surplus wool and the American wool growers and sheep producers will be driven out of business.

Some have suggested that we dump this 450,000,000 pounds of wool on the market and some have suggested that we, by appropriate legislation, authorize the Commodity Corporation to dispose of this surplus wool and the Government take the loss. I prefer the legislation proposed in the bill before us and that is for the Government to continue its price-support program until December 31, 1948, and fix such a fee or tariff on foreign wools as will prevent the flooding

of our country with foreign wools, and this will mean, of course, that this American wool will be sold to American processors, perhaps at the price the Government paid for the wool and, of course, it will save the taxpayers of our country these millions of dollars.

This tariff or fee being fixed at a sum making up the difference of cost of production of wool in this country and in foreign countries will take care of the sheep and wool growers in our own country. If this action is not taken, nothing short of ruin faces our own American farmers producing wool. This fee or tariff will be paid by the foreign producers of wool and this money will go into the Treasury to help take care of any loss on the 450,000,000 pounds of wool that we now have and also to pay the cost and expense of the price support program for American wool producers until December 31, 1948.

SHEEP AND WOOL DECLINE

The records of the Department of Agriculture show that the stock sheep population of this country has dropped from 49,807,000 in 1942 to 32,542,000 as of recent date and this is the lowest sheep population in the United States since 1897. Our wool production has dropped from approximately 460,000,000 pounds in 1942 to approximately 300,000,000 pounds now. There has been a tremendous increase in the population of this country and its meat requirements since 1897 but here we find one of our fine meat and wool industries the lowest it has been in 50 years. To me, this situation is alarming. It is high time that the Congress take action to preserve this industry. The sheep and wool industry are not only important to the economic life of this Nation but they are, and especially wool, among the critical materials of this Nation in time of war. More than 800,000,000 acres of land are devoted to wool growing. It provides employment to a great army of American citizens. It pays enormous sums in taxes to sustain district, county, city, State, and the Federal Government. This industry is confronted with a threat to destroy the capital investment, throw hundreds of thousands of people out of employment and dry up this source of revenue to maintain the various units of Government.

Let us not forget that every shipload of wool brought into this country at this time takes away that much of market for the American people and wool growers. Why should we sit idly by and permit the sheep and wool growers in foreign countries, by reason of their low wages, lower standards of living and lower cost of production, to take away the American market and destroy this great industry? If this business is taken away from the American people and American sheep and wool growers and their workers and turned over to the sheep and wool growers and their workers in foreign countries, then this money will be spent in foreign countries and cannot be spent for the products of American workers.

Under section 22 of the Agricultural Adjustment Act as amended and reenacted in 1940, cotton, wheat and other farm commodities have been taken care of but the sheep and wool growers were omitted from this act. These other farm commodities have increased in price 90 percent or more since 1941. This bill fixes the support price the same as it was in 1946 and the support price of 1946 was substantially what the support price was in 1941. All groups in this country have received an increase in prices, profits, wages, and other commodities since 1941 but the wool prices have remained practically what they were in 1941 and that is why the sheep and wool industry has declined so rapidly and the American wool growers have been and are losing 9½ cents a pound or more on their wool and unless we take action to prevent hundreds of millions pounds of wool being dumped into this country every year, the price of wool will continue to go down and the sheep industry will continue to decline.

Something must be done and done now. This bill, by continuing the support price until December 31, 1948 and to fix the price as of 1946, which in effect was the same as 1941, and fix a fee or tariff on imported wool, will bring some relief not only to the sheep and wool growers but relief to the taxpayers of this country.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, the point was raised in the debate yesterday by the gentleman from California [Mr. GEARHART] that the alternative to the present bill was the elimination of the wool growers of the United States. That statement beclouds the issue. No responsible official has made any such suggestion. The President on March 12, 1946, pointed out in a letter to Senator O'MAHONEY and placed before the Congress a sound and comprehensive wool program. In that statement Mr. Truman spoke of the decline in sheep numbers and cautioned that "care should be exercised not to take action which would place additional handicaps on the industry so long as the decline continues."

The President then set forth six points of a well-rounded wool program and concluded:

> The above program will, in my opinion, afford domestic wool growers the protection and assistance to which they are properly entitled under this country's general trade and agricultural policies. The program will tend to encourage wool consumption in the United States, and will be consistent with our general foreign economic policy. In accordance with the views you have so frequently expressed, this country also should cooperate with foreign producing and consuming countries in efforts to encourage wool consumption abroad.

More than a year later the President in his Waco speech set forth the basis of his foreign policy in summary as follows:

> 1. The Reciprocal Trade Agreements Act has been on the books since 1934. It has been administered with painstaking care and strict impartiality. Some 30 agreements with other countries have been made. And trade has grown, to the great benefit of our economy.
>
> 2. This Government does not intend, in the coming negotiations, to eliminate tariffs, or establish free trade. All that is contemplated is the reduction of tariffs, the removal of discriminations, and the achievement not of free trade but of freer trade.
>
> 3. In the process of negotiations, tariffs will not be cut across the board. Action will be selective; some rates may be cut substantially, others moderately, and others not at all.
>
> 4. In return for these concessions, we shall seek and obtain concessions from other countries to benefit our export trade.

I challenge anyone to find any basis for the charge that wool growing is to be sacrificed in those statements.

Everyone on either side of the aisle interested in a bipartisan foreign policy ought to reflect on these matters before he votes for a bill which the President will be forced to veto.

Mr. HARLESS of Arizona. Mr. Chairman, I am unalterably opposed to the Herter amendment. This amendment would place the wool growers of America in a worse condition than they are today. It is evident that we must have relief for the wool producers; otherwise we will liquidate an industry which means so much to the welfare of this country. To adopt the Herter amendment would mean an immediate reduction in the price of wool instead of an increase.

If we review the wool industry during the war it is plain to see that we must do something now in order to save the producers of wool in this country. Immediately after Pearl Harbor the price of wool was frozen and that price has not been increased to this day. The costs have mounted, but the prices have remained static. From 1942 to 1946 the population of sheep in this country dropped from 49,000,000 to 32,000,000 which represents a reduction of 35 percent. And the amount of wool produced dropped from 450,000,000 pounds in 1942 to 300,000,000 pounds in 1946 and that is a reduction of 35 percent.

The report of the United States Tariff Commission indicates that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946. This report further indicates that the wool growers lost $1.18 per head of sheep in 1946.

In view of the fact that wool is considered by the War and Navy Departments as a strategic and critical material we have reason to be alarmed at this tremendous reduction in the production of wool. Unless we pass this legislation in a form which will encourage and protect the wool growers of this country, in effect we will liquidate it within the next few years. We are spending tremendous sums to keep this country prepared for any eventual emergency. The world is in a critical state. It is just as important to maintain a healthy wool industry in this country as it is to maintain a prepared Army and Navy. We must vote down the Herter amendment and then pass this bill as it came to us from the Senate. If we do, we will be creating a thriving and prosperous wool industry.

The price of wool will not be too high, but by stimulating production we can forego the possibility of cartel arrangements and any other emergency which we may face in the future because we know that our country is capable of pro-

ducing enough wool to take care of most of our needs if we give our wool growers a chance to prosper.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Chairman, the quantity of wool produced in the district which I have the honor to represent in Congress is not large in comparison with the great wool-producing sections of the West. We have family-sized farms with a well worked out formula of crop rotation, and on many of these farms small flocks of sheep are maintained. In addition, our farmers purchase many lambs directly from the range in the fall. These lambs are fattened with our home-produced grain and alfalfa and sold to the packer in the spring. Meantime the wool is clipped and is an important factor in the farmer's economic operation in the handling of the lambs. Many of my farmers are, therefore, vitally interested in this proposed legislation.

There are comparatively few woolen mills in Michigan; however, I have at least one in my district and its operators are opposed to this legislation, which position is directly contrary to the position taken by my farmer constituents. As has been pointed out in this debate, the use of wool is essential in the everyday life of every one of us and occupies an important place in productive America. It is conceded that this country only produces about one-third of the wool we consume; therefore, the importation of foreign wool is essential and brings to the front the old question of cost of production at home and abroad. Under the American way of life, with our standards of living, it costs more to produce a pound of wool than it does in some other countries.

A few years ago when he was Secretary of Agriculture, Mr. Henry Wallace, in referring to sugar, insisted that foreign countries should be permitted to produce the things they could produce most efficiently, and that our own people should confine their production to things which they could produce most efficiently. The question of price of course enters into the all-inclusive word "efficiency."

Now that theory sounds all right, but we have just learned anew that in case of war it is essential that our country be sufficient unto itself so far as strategic materials are concerned. Wool is a strategic material and we cannot live or carry on a war without it. It is just foolish to kill or permit the domestic wool industry to be liquidated on the Wallaceonian theory.

As a matter of fact, the day after Pearl Harbor the price of wool was frozen at OPA ceiling and large quantities of wool were shipped to this country to form a stock pile for a prospective war when lines of ocean-going transportation might be cut off. Then by order of the Congress the Commodity Credit Corporation purchased all the domestic wool, paid for it, and controlled its distribution. The domestic producer was protected and encouraged to continue to produce by a mandate that the Commodity Credit Corporation could not sell any wool below the parity price. Now it is conceded that the parity period which determined the parity price was unfavorable to wool as compared to other agricultural products; nevertheless, the Commodity Credit law is still in force and, as a result, this Government corporation has a little less than 500,000,000 pounds of wool in storage. Not a pound of this can be sold for less than parity and the world price is less than parity. As a consequence, almost a half billion pounds of wool are hanging over the market which, if it were released to be sold at war prices would ruin the present market, destroy the wool producers, and severely cripple many manufacturers who have stock piles acquired at parity prices.

Mr. Chairman, this bill will simply continue support, until December 31, 1948, of the present guarantee to the wool producer of the parity price. It will not raise the price to the farmer. It will not provide for a new subsidy. If the Commodity Credit Corporation is able to sell the wool it now has and which it will purchase at parity price, then there will be no loss to, or subsidy paid from the Federal Treasury.

We all realize that the reciprocal trade agreement law is in force and that the Secretary of State is continuously negotiating trade agreements with other countries. This bill directs the Secretary to follow the terms of the reciprocal trade law, make an investigation through the Tariff Commission, and whenever he finds officially that the parity price of wool is higher than the import price of wool, then he is directed to require the payment of an import fee or tariff on imported wool, which will equalize the import price and the parity price. To me it is just a form of the protective tariff applied through reciprocal trade machinery. The fee will only be sufficient to protect American labor and American industry in the wool production business against cheap foreign labor and lower standards of living which make that cheapness possible.

Now we must not forget that the wool producer and the farmer naturally want the best price they can get for their product. The processor of foreign wool wants cheap foreign wool so that he will have more foreign wool to process. The manufacturer who uses wool wants his raw material at the lowest price possible, and the importer is not interested so much in the price as he is in the business and, if domestic wool is available at the same price, his business will not be so great. As a result, the producer of domestic wool favors this legislation while the manufacturer, following the human instinct for profit, is often too selfish and forgets the essentiality of the wool industry in a well-balanced economy.

Mr. Chairman, I shall vote against the Herter amendment which is entirely in the interest of the wool processors, importers, and manufacturers. I shall vote for this bill which, in my opinion, is not only in the interest of business but is essential to the well-being and a continuance of a sound wool production in the United States. We must not forget that the sheep population has steadily decreased during the last few years—35 percent between 1942 and 1947. It is an astounding fact that there are less sheep in our country today than there were in 1867. In other words, the industry is being gradually eliminated because sheep producers will not continue at a loss or will not continue when the production of sheep does not yield a fair return compared with other agricultural products.

It has been feared that the President will veto this bill because it might prevent the Secretary of State entering into an agreement with other countries who market their wool through the British cartel.

Great Britain, with her dominions, produces most of the world's supply of wool. At the war's end, faced with a tremendous stock pile of wool, they formed the Joint Organization—JO—in order to protect their wool industry by an orderly liquidation of their stock pile of over 2,000,000,000 pounds. The Joint Organization controls 8[illegible] percent of the world's apparel-wool supply, and it has the power to lower prices at will.

During 1946 over 1,000,000,000 pounds of wool was consumed in this country. More than 80 percent of it was foreign wool. Last year 819,253,000 pounds of foreign wool was imported into this country. During that year, and as of today, the Commodity Credit Corporation has a stock pile of over 450,000,000 pounds of wool. Foreign producers dumped their products on the American market, because domestic producers are wholly unable to compete with low-cost producing countries. The Commodity Credit Corporation is prohibited by law from selling at less than parity. This restriction must be removed, so that the United States can dispose of its stock pile while wool consumption is high.

If we are assured that the President has no intention of doing the things which some fear, then there can be no reason why the Congress, which gives the Secretary of State the authority which he now has to enter into these agreements, should not be given specific direction. There comes a time when patience ceases to be a virtue when the Congress is delegating power to the executive branch. The purpose of this bill is not to provide a subsidy out of the Treasury. Indeed, it is just the opposite. It is intended to protect our industry and our way of life and permit those who enjoy the benefits afforded by this industry to pay out of their own pockets for what they purchase.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I am opposed to the Herter amendment. The author of the amendment has virtually admitted that the effect of his amendment would be to decrease the price of wool by as much as 4 or 5 cents a pound. That would be a very severe blow to the

wool industry of the West and I cannot in good conscience approve of such result, even if other effects of the amendment were known to be beneficial. It has been pointed out that American wool growers have lost money on their recent production and the effect of this amendment would mean still greater loss without any compensating advantages that I can see.

As the gentleman from Wyoming pointed out, there are many millions of acres of land in the West fit only for livestock production through grazing. This is true because such land cannot be farmed with cultivated crops, and forage, aside from timber, is its only natural production. Perhaps half of this vast area can be used only for grazing sheep, although some of it may be used for cattle and sheep together. But I will take the word of the gentleman from Wyoming that of such vast acreage suitable only for grazing, about half of it as he says can be used for cattle and the other half, as he thinks, can be used only for sheep, therefore, there are millions of acres in the far West which can be made productive only by grazing it with sheep. This vast region would be adversely affected without support-price for wool and might be economically ruined by wrong provisions in this bill.

I believe there is a greater area which would be rendered useless by destroying the wool industry than he indicated. There is a misconception about the relation between cattle and sheep on the western ranges. It is supposed by some that cattle and sheep cannot exist on the same general area. That notion has gotten abroad and is embedded in our literature because of so many historic and bloody feuds between cattlemen and sheepmen throughout the West. However, I think it is recognized today that cattle and sheep of the same owner can get along fairly well together on the same range if it is diversified.

Perhaps it is fairer to say that cattlemen and sheepmen cannot, or do not, get along together in their economic business. Many cattlemen are also sheepmen in these later years and run both cattle and sheep over their big ranges, the cattle requiring one kind of pasture and the sheep doing quite well on a different kind of forage on the same spotted area. Such being the case, there is even a larger proportion of the western ranges useful for sheep than the gentleman from Wyoming may have had in mind as suitable only for wool and lamb production.

Immediate steps must be taken to safeguard wool producers from the present situation, but the Herter amendment will not do it. Our country's prosperity in the West depends upon full utilization of all ranges up to their proper limits for maximum benefits, and it also depends upon stabilizing the wool grower's market and affording him proper protection.

Mr. RUSSELL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada [Mr. RUSSELL]?

There was no objection.

Mr. RUSSELL. Mr. Chairman, I also am opposed to the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The adoption of the amendment offered by the gentleman from Massachusets would defeat the purpose of the bill and the amendment should be defeated.

I support the wool bill and the amendments offered by the committee for without continued aid to the wool growers the industry will face a serious situation. The Department of Agriculture report shows that the sheep population of this country has been reduced 35 percent since 1942, a drop from 49,807,000 to 32,542,000 head today, and there are fewer head of sheep now than there was 50 years ago.

This general situation relative to sheep prevails in Nevada as in other parts of the Nation. We are faced with a fast-dwindling industry unless it is protected. At the rate of decline in the numbers of sheep since 1942, unless the industry can be aided and stabilized, this Nation will be forced then to depend upon foreign sources entirely, not only for wool, but also for lamb and mutton.

A study of the sheep industry shows that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946 and sustained a loss of $1.18 per head of sheep on the average.

American producers of wool are unable to meet the low-cost production of foreign countries, and last year, 1946, 819,253,000 pounds of foreign wool was imported into this country. Great Britain with her dominions produces most of the world's supply of wool, and at the end of the war to protect their wool industry they formed the joint organization. This organization controls 85 percent of the world's apparel supply and has the power to lower prices at will. If, then, the American production of wool can be virtually wiped out by that organization, through the control of the price of wool and the wool shipped into this Nation at less than it can be produced here, in time our industry will be lost and we will be dependent upon the foreign sources for wool and those sources will control the price, and that is what is being done. The probable result in the end would be much higher prices for foreign wool as soon as the American wool industry is wiped out or forced to be curtailed to where this country would grow but a very small percentage of the proportion of wool needed.

Sheep in one way are a national resource of this Nation. They graze on and utilize the forage on the public ranges and national forests. To destroy that industry would be to destroy one of the greatest industries in the West, to destroy taxable units and to make this Nation dependent upon foreign supply and production.

This bill would continue support for wool until December 31, 1948. It would continue the support at a time when there is a surplus of foreign-produced wool. It is estimated that the joint organization has some 2,000,000,000 pounds of wool stored, and that under normal consumption in this postwar period it will take about 10 years to assimilate that amount in industry, along with present production. Why then should an American industry be made to suffer? Why should wool growers be forced, in many cases out of business, to protect foreign wool production? That is what will be done unless this bill is passed.

Mr. MARTIN of Iowa. Mr. Chairman, I wish to supplement the remarks I made yesterday on this bill a little more along the line of the question of national defense.

Wool is one of the few agricultural commodities that appears on the list of critical and strategic materials compiled by the Army and Navy Munition Board. It has very peculiar properties that make it impossible to stock pile it in the way we would stock pile minerals and other strategic materials. They had to give it special treatment in their consideration of stock piling strategic materials. For that reason I think it is entitled to special treatment in such legislation as is now included in the bill under consideration.

I consider the action of the Agriculture Committee of the House on Wool as well justified, in going out of the usual course of treatment of agricultural commodities and support the Committee on Agriculture and oppose the amendment offered by the gentleman from Massachusetts [Mr. HERTER]. I desire also to mention the fact that we are still behind in our work on strategic materials. Back in 1941 we found that too little emphasis was given to the matter of stock piling strategic materials. That is again the case as we enter the post-World War II period.

In the case of wool, we have an example of a critical material that cannot be stock piled in large quantity and the stock pile must be rotated at relatively short intervals. The best possible program for wool that can be built up in the name of national defense is a good source of domestic supply, and that is my interest in this bill primarily. We must give wool different consideration than we give minerals. For instance, wool must be rapidly rotated. The domestic source of supply is more vital in wool than in most of the critical materials, and that is the point I desire to emphasize at this point.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. JENNINGS. Would not the effect of the adoption of the Herter amendment mean that from $12,000,000 to $15,000,000 the wool might bring if that is adopted would go from the wool producers pockets into the pockets of the manufacturers of woolen fabrics?

Mr. MARTIN of Iowa. Representing a wool-producing area I know that it will go out of the pockets of the producers, and they need it very seriously. I have letters from home indicating that they are having difficulty in keeping their flocks going; in fact, a slight reduction in the price they have been receiving for their wool will have a very serious effect; many wool producers will not be able to stay in business.

Mr. JENNINGS. And in that connection the fact that flocks have been reduced in the last 3 years to the extent of

17,000,000 head is unanswerable proof that the ranchers quit raising sheep because they were losing money.

Mr. MARTIN of Iowa. I agree with the gentleman, and it is a dangerous trend, in the name of national defense especially.

Mr. BATES of Massachusetts. Do I understand correctly that at the present time the stock of wool owned by the Government is really in excess of the annual domestic production of wool in this country?

Mr. MARTIN of Iowa. I cannot give the gentleman the exact figures, but I understand the quantity in the hands of the Government is very large.

Mr. BATES of Massachuetts. Does it not necessarily follow that the higher these prices go, later in the form of manufactured products there will be public resistance against the purchase price of these clothes which in turn will be reflected back on the manufacturer and the wool grower if we do not find some way of bringing about an equalization of the price?

Mr. MARTIN of Iowa. I was quite impressed by the remarks of the gentleman from Wyoming [Mr. BARRETT] yesterday when he showed how very few cents difference in the price of a suit of clothes the difference in price of wool involved here would make. I thought that point was well worthy of our consideration, especially when we consider also the great importance of the support in keeping the production of wool here at home in America on a sound basis.

I sincerely hope the committee position prevails and the Herter amendment is defeated, and I hope the bill is adopted as recommended to the House by the Committee on Agriculture.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MUNDT. Mr. Chairman, I am opposed to the Herter amendment. I expect to support the bill in the form reported by the committee. As reported by the committee this legislation is designed to give some degree of justice to the wool growers of America but if you adopt the Herter amendment I am afraid you will make of it largely a wool-dealers' bill.

Mr. Chairman, our sheep population has reached a half-century low mark of 32,542,000 head. During the past 4 years, our wool production has dropped to below 300,000,000 pounds—a reduction of 35 percent from the 1942 production. There has to be a reason for this tremendous and alarming decrease in the production of sheep and wool. That reason is not hard to find, Mr. Chairman. It is due to low prices and long-continued uncertainty in the sheep and wool industry. This legislation, S. 814 as substantially and wisely amended by the House Committee on Agriculture, eliminates the handicaps which have so sharply curtailed our domestic production of sheep and wool. I urge you to support the legislation, as it is now before you, and to reject the Herter amendment as well as an amendment which will be offered later by one of our Democratic colleagues to deny wool the tariff protection now enjoyed by other farm products for which it has been found absolutely necessary. Let us approve this legislation as it is.

A recent report of the Tariff Commission shows that the wool growers of this country during the past few years have been losing money annually on both sheep and wool. These losses have run as high as nearly 10 cents per pound on wool and over $1 per head on sheep. Such losses cannot continue unless America is to become completely dependent upon foreign producers for the wool required, not only for clothing and fabrics but for our national defense as well. The legislation now before you will comprise a real step toward the rebuilding of our domestic sheep and wool industry.

Mr. Chairman, what would be the effect of the Herter amendment? It is simply designed to defeat the purposes of this legislation to the extent of perhaps 4 or 5 or 6 cents per pound. It is devised to take away from the sheep producer a generous portion of the assistance and protection this legislation is intended to provide. Let us defeat the Herter amendment so that we can then vote upon the program provided by this legislation, on its own merits, unhampered by crippling amendments.

Mr. Chairman, the United States is taxing its citizens heavily and necessarily to provide funds to extend aid to the starving and diseased people of war-stricken areas; we are reaching far down into our pockets to provide money for aiding other countries to rehabilitate their war-torn economies; we are confronted by a gigantic national debt of our own and with serious domestic economic problems and adjustments. We can ill-afford in times like these to destroy a great basic industry such as the sheep and wool industry through short-sighted policies or through listening to the siren song of those who urge us to let our own industries die so that those of other countries might live. Mr. Chairman, that argument is neither sound nor sensible. If America goes bankrupt or spins itself into a devastating depression, there is no hope for the rest of the world. For our own security, as well as for the hope of all humanity, we must maintain a solvent America and a sound economic base for our fundamental economic activities. By supporting this legislation, we can give a measure of security and stability to the sheep industry of America and to that degree contribute to world stability as a whole.

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] is recognized for 4 minutes.

Mr. CRAWFORD. Mr. Chairman, I wish to direct some questions to the gentleman from Massachusetts [Mr. HERTER], to the gentleman from Kansas [Mr. HOPE], and I believe to one other gentleman.

In the first place, if the gentleman from Massachusetts [Mr. HERTER] is on the floor I wish to ask him in view of the debate on this amendment what is the real purpose of the Herter amendment? What is the machinery back of it? In other words, what is he driving at? Because many of us are considering as to how we shall vote.

Mr. HERTER. I tried to make that clear at the time I offered the amendment.

Mr. CRAWFORD. Here is the reason I asked the question that way. It has been argued that it will cut the price of wool anywhere from 4, 5, or 6 cents per pound. That is one important item involved from the processors' standpoint. The processor of basic raw materials, of course, is always interested in obtaining his material at the lowest price possible, no matter what it does to the primary producer; but it is difficult for me to believe that the gentleman would offer an amendment for that purpose.

Here is another purpose. If it is true that wool dealers as such have not been permitted to participate in the wool trade since we took over wool control, perhaps 90 percent of the parity price or 80 percent of parity price or 60 percent of parity price would bring the dealers back into the picture. That may be one of the objectives back of the Herter amendment.

Then the third proposition might be that perhaps somebody wants to get rid of the Commodity Credit Corporation control of wool.

I advance those thoughts to give the author of the amendment a chance to explore those three things and I will be glad to yield to him because I cannot believe that the gentleman wants to destroy the wool industry. At the same time if the effect of the amendment will be a 4-, 6,- or 9-cent drop in the price of wool, certainly I cannot support the amendment. I yield to the gentleman from Massachusetts.

Mr. HERTER. I tried to make that clear. The price support called for in this bill is 42.3 cents. The price at 90 percent of parity is about 37.9 cents, a difference of 4.4 cents. That will be the support price. The world price as of the time that the Commodity Credit Corporation ceased buying was 40.1 cents.

The purpose of my amendment is to have for one thing a flexible price, not a fixed price. The second is to put it just under the world price so that wool would not have to be bought by the Government at this price and continue the Government buying the entire clip, but put it in a free market so that it will not cost the Government anything on support unless there is a considerable drop in general commodities.

Mr. CRAWFORD. If there is a considerable drop that is another thing.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. It is quite obvious that the gentleman who offered the amendment stated it would bring the price down 2 cents under the competitive world price.

Mr. CRAWFORD. Yes.

Mr. AUGUST H. ANDRESEN. Since we set prices throughout the world, in all probability it would mean a 2 cents lower price.

Mr. CRAWFORD. It seems to me I am forced to the conclusion that the amendment will point prices down. Whether they will drop 4 cents or 40

cents I do not know. However, any act on the part of the Congress that starts prices down on basic commodities, in other words a great economic force, and these commodities are a great economic force, it becomes a terrible thing for the people of this country who gather their livelihood from producing that raw material. Therefore, I cannot support the amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

All time having expired, the question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER] to the committee amendment.

The question was taken; and on a division (demanded by Mr. HESELTON) there were—ayes 56, noes 110.

Mr. HESELTON. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. The Secretary of Agriculture shall establish monthly (commencing with the month of January 1947) a comparable price for wool and the comparable price so established shall be used for the purposes of all laws in which a parity or comparable price is established or used. The comparable price for wool shall be that price which bears the same relation to the average parity prices of the other basic agricultural commodities, cotton, corn, wheat, rice, tobacco, and peanuts, as the actual price for wool bore to the actual average price of such basic commodities during the period August 1934 to July 1939. Such comparable price for wool may be adjusted for grade, quality, season, and location.

Committee amendment:

Page 2, line 11, strikes out lines 11 to 23, inclusive.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. The provisions of sections 385, 386, and 388 of the Agricultural Adjustment Act of 1938, as amended, shall be applicable to the support operations carried out pursuant to section 2 of this act.

With the following committee amendment:

Page 2, line 24, strike out "4" and insert "3."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 5. The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of any wool produced prior to January 1, 1949, at prices which will permit such wool to be sold in competition with imported wool. The disposition of any accumulated stock under the provisions of this section, however, shall be made at such rate and in such manner as will avoid disruption of the domestic market.

Committee amendment:

Page 3, line 3, strike out lines 3 to 10, inclusive.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 6. Wool is a basic source of clothing for the people of the United States, and, as such, is deemed a basic agricultural commodity.

Committee amendment:

Page 3, strike out lines 11 to 13, inclusive, and insert:

"SEC. 4. Section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C., 1040 ed., title 7, sec. 624), is hereby amended by adding a new subdivision as follows:

"'(f) (1) Whenever the Secretary of Agriculture finds that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with any loan, purchase, or other program or operation undertaken by the Department of Agriculture or any agency operating under its direction with respect to wool or any product thereof or to reduce substantially the amount of any product processed in the United States from wool or any product thereof while any such program or operation is being undertaken, he shall, by order, impose such fees not in excess of 50 percent ad valorem on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to above, or reduce substantially the amount of any product processed in the United States from any wool or any product thereof. In designating any article or articles, the Secretary may describe them by physical qualities, value, use, or upon such other basis as he shall determine.

"'(2) The fees imposed by the Secretary by order under subdivision (f) and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930.

"'(3) Any order or provision thereof may be suspended or terminated by the Secretary whenever he finds that the circumstances requiring the order or provision thereof no longer exist or may be modified by the Secretary whenever he finds that changed circumstances require such modification to carry out the purposes of subdivision (f).

"'(4) Any decision of the Secretary under subdivision (f) shall be final and any finding, order, or rule under subdivision (f) may be made by the Secretary without a hearing, formal or informal.

"'(5) Whenever any fee is imposed initially on any grade or quality of imported raw wool pursuant to subdivision (f), there shall be levied, assessed, collected, and paid upon all such imported raw wool which on the date of the imposition of such fee is held in the United States by any person for sale or other disposition, other than wool held in customs-bonded warehouses, a floor-stocks tax at a rate equal to the amount of the fee imposed with respect to imported raw wool of the same grade and quality.

"'(6) Under such regulations as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury shall prescribe, every person required to pay any floor-stocks tax shall make a return within such time as may be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury and pay such tax within 6 months after the imposition of such fees.

"'(7) Any person required to pay a floor-stocks tax or file a return hereunder, who willfully fails to pay such tax, or make such return, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and, upon conviction thereof, be fined not more than $10,000 or imprisoned for not more than 1 year, or both, together with the costs of prosecution.

"'(8) The term "person," as used in subdivision (f), includes an officer or employee of a corporation, or a member or employee of a partnership, who, as such officer, employee, or member, is under a duty to perform the act in respect of which the violation occurs.'"

Mr. HOPE. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE as a substitute for the committee amendment: On page 3, line 14, strike out all of section 4 and insert in lieu thereof a new section 4 as follows:

"SEC. 4. Subsections (a) and (b) of section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C., 1940 ed., title 7, sec. 624), are hereby amended to read as follows:

"'(a) Whenever the President has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

"'(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees on, or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947: *Provided*, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive: *And provided further*, That no limitation shall be imposed on the total quantities

of wool or products thereof which may be entered or withdrawn from warehouse for consumption.'"

Mr. HOPE. Mr. Chairman, this amendment has been explained in connection with the general discussion on the legislation. It has been approved unanimously by the Committee on Agriculture. It follows the lines of section 22 of the AAA which has been on the statute books since 1935 and which has been a part of the recognized agricultural policy of this administration and the Nation for the past 12 years. What this amendment does, as far as section 22 is concerned, is to include wool as one of the commodities upon which the President may take action if the circumstances justify it. In addition to that, it provides that in the case of wool, if action is taken, that action must be limited to the imposition of import fees rather than giving the President a choice between the quota and an import fee.

The reason for that provision is, as everyone acquainted with the woolen industry knows, that it would be difficult if not impossible to administer a quota upon wool imports. That is because wool is imported from a number of different countries. There are hundreds of different grades. There are many importers, and it would be almost impossible to apportion a quota to those who would wish to import particular types and grades of wool.

For that reason, by agreement of everyone, it was decided that the powers given the President as far as wool is concerned should be limited to the power to impose an import fee.

Not only has this legislation been on the books for many years, but there has been action on it under this administration and the preceding administration on a number of occasions. On May 29, 1941, a wheat quota was imposed limiting imports to 800,000 bushels per year. At the same time a quota was imposed limiting imports of flour to 4,000,000 pounds per year. On April 13, 1942, that order was amended excepting wheat and flour for experimental purposes, registered seed wheat, and distress diversions of wheat and wheat flour from the quota provisions. Again on April 19, 1943, amendment was added excepting wheat purchased by the War Food Administration for livestock-feed purposes. In the case of cotton, there was a basic order imposed on September 20, 1939, on long and short staple cotton. On December 19, 1940, an amendment was made to it excepting certain staple lengths. On March 31, 1942, the order was again amended. On July 29, 1942, the order terminated country allocations for long staple cotton. On February 1, 1947, an amendment was imposed on short, harsh, or rough cotton giving those grades a quota of 70,000,000 pounds.

So that all we are doing today as far as wool is concerned is to bring it within the provisions of this legislation which has long been recognized as part of the agricultural policy of this country.

It also is in harmony with the request which came from the Department of Agriculture in a letter to the Speaker of the House on February 4, 1947, in which was recommended that section 22 be amended and expanded to include other commodities upon which price-support programs were in effect.

Mr. COOLEY. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered to the substitute amendment by Mr. COOLEY: At the end of the substitute amendment offered by Mr. HOPE add the following language:

"No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party."

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The gentleman from North Carolina is recognized for 10 minutes.

Mr. COOLEY. Mr. Chairman, the language contained in my amendment was taken bodily from the bill H. R. 1825 introduced on February 10, 1947, by the gentleman from Kansas [Mr. HOPE], chairman of the House committee on Agriculture.

The bill H. R. 1825 had the approval of Secretary Anderson, and I understand it had clearance by the Bureau of the Budget, but it never would have had the approval of Secretary Anderson or the Bureau of the Budget without the language to which I have just referred.

I am certain the distinguished chairman of my committee has no desire whatever to leave erroneous impressions upon the minds of the membership of this House, but unintentionally or otherwise I am afraid his last statement is well calculated to leave the membership of the House under the impression that Secretary Anderson in his letter of February 4, 1947, to the Speaker of this House advocated and approved the thing he is now attempting to do on the floor, that is, to secure the passage of a bill which will have the effect of placing wool under section 22, without language which would protect reciprocal-trade agreements.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes; of course I will yield.

Mr. HOPE. Does the gentleman say now that the Secretary of Agriculture is opposed to the amendment that the gentlemen from Kansas offered a short time ago?

Mr. COOLEY. I have no right to quote the Secretary of Agriculture. I have not consulted him about the amendment, but I venture the assertion that he is definitely opposed to it unless it contains the language I am now attempting to add to the gentleman's amendment.

Mr. HOPE. Does the gentleman know that the bill, H. R. 1825, which was drafted in the Department of Agriculture in its original form when it left the Department of Agriculture, did not have the provision in it to which the gentleman has made reference and which he has offered as an amendment to the substitute?

Mr. COOLEY. I am perfectly willing to accept the gentleman's statement with regard to the matter, but I do know what was stated in the letter of February 4, 1947, in which the Secretary of Agriculture discussed the matter. I would like to read for the benefit of the committee just what he said with respect to this provision.

Mr. HOPE. Mr. Chairman, will the gentleman yield further before he goes to that point?

Mr. COOLEY. I yield.

Mr. HOPE. The gentleman knows also, does he not, that Mr. Dodd, Under Secretary of Agriculture, appeared before the Committee on Agriculture when this bill was under consideration and urged a quota upon wool imports?

Mr. COOLEY. My recollection is that Mr. Dodd made some such statement before the Senate Committee on Agriculture. I am not sure what statement he made before the gentleman's committee, but, regardless of what Mr. Dodd said about it, I want the House to hear what Secretary Clinton Anderson had to say about it. I can read it very hurriedly:

Certain limitations on the scope of action permitted under section 22 are involved in the agreements with foreign countries concluded under the Reciprocal Trade Agreements Act. Thus, all but one of our reciprocal-trade agreements prohibit the levying of new fees, duties, or other charges connected with imports against products included in the agreements;

Most of the agreements require consultation with the other country, except under exceptional circumstances, prior to the imposition of quotas on products given duty concessions in the agreements. The exercise of the authority granted under section 22 has not in the past conflicted with any of our international undertakings, and presumably this will also be the case in the future. It would, however, be of advantage to the United States in the conduct of its foreign policy if this were to be specifically required by section 22. Accordingly, the proposed amendment would prohibit any enforcement of a proclamation under section 22 that would be in contravention of the international obligations of the United States.

The amendment referred to is the amendment which I have just offered.

Commenting further, the Secretary said:

In view of the need for broadening the applicability of section 22 to furnish the protection to programs of the Department of Agriculture which the Congress apparently intended, it is respectfully requested that consideration be given to amending that section as proposed in the enclosed draft. It is believed that the amendment is urgently needed, and that its enactment will be a definite contribution to the welfare of American agriculture.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOPE. Does the gentleman contend that the passage of this legislation,

if amended as proposed by the amendment submitted by the gentleman from Kansas, would be in conflict with any existing reciprocal trade agreements?

Mr. COOLEY. I am not sufficiently familiar with existing trade agreements to know whether it does or not, but I will say this: That I have before me a letter from the Under Secretary of State, Mr. Clayton, to the effect that if we adopt this bill as now proposed to this House we will stand before the world convicted of insincerity. Now, that is Mr. Clayton's statement. Whether or not it is true, I do not know. I also know that Secretary Marshall is in complete accord with Under Secretary Clayton in this respect. It is easy to see just the effect of what we are about to do. First of all, as a member of the House Committee on Agriculture, I never thought I would be called upon to consider writing a tariff bill, and that is exactly what we are doing. No question has been raised with respect to the jurisdiction of our committee. If the Congress wants the great Committee on Agriculture to take over these important functions, I am, for one, perfectly willing to assume the responsibility.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield briefly.

Mr. GROSS. If this was cotton would you not feel different about it?

Mr. COOLEY. No, sir. You cannot start running rabbits. I am running a fox. I am talking of something of world-wide importance. I want it understood by the membership of this House, particularly the friends of reciprocal trade agreements, that now there is before this House the proposition whether or not we are going to repudiate reciprocal trade treaties under which we have operated for the past several years, or whether we are going to approve them by defeating the Hope amendment now before the House.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. RIZLEY. I want to ask the gentleman frankly this question: It is my understanding that, under the present international agreements or under the present trade agreements that we have, the Hope amendment, of course, does not violate any existing agreement, but the gentleman's language not only covers any existing agreements, but it says "any agreement that shall hereafter be made." Now, if we make any future agreements under the Reciprocal Trade Act, which we might say would lower the duties on wool, then, of course, this bill is out of the window, as the gentleman knows. This amendment, in effect, kills this bill, does it not?

Mr. COOLEY. The amendment, in effect, is compatible with the reciprocal trade treaty policy of this country and the amendment without the language which I am attempting to annex is thoroughly and utterly incompatible with such policy. How is it possible for our State Department to negotiate trade agreements and pledge the good faith of this great country of ours when the contracting parties know at the very moment that they undertake to enter into an agreement there is a sword at the White House with which we have armed the President to carve the heart out of any agreement that is there made?

Mr. RIZLEY. Let us assume for the sake of argument Mr. Clayton goes back over to Geneva and effects some other international agreement in respect to wool and the agreement he effects would prohibit the President from doing the very things this bill provides for. Then this amendment, of course, kills this bill, does it not?

Mr. COOLEY. I am not optimistic enough to believe Mr. Clayton will ever be able to negotiate another agreement and I doubt very much if he will undertake to go back to Geneva with this sort of a bill hanging over his neck to embarrass him when he goes to the conference table.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I want to ask the gentleman what the parliamentary situation is. Did not this bill come out by a unanimous vote?

Mr. COOLEY. Yes; and I made my full confession yesterday on that.

Mr. LECOMPTE. There is no minority report?

Mr. COOLEY. There is no minority report, and no hearings.

Mr. LECOMPTE. Were not hearings held?

Mr. COOLEY. Hearings were held but not printed.

Mr. AUGUST H. ANDRESEN. They were held.

Mr. COOLEY. They were held but not printed.

Mr. LECOMPTE. The statement from the Secretary of State was there?

Mr. COOLEY. No; the statement of the Secretary of State was not considered by the committee. It was handed to me yesterday. But here is the proposition as I see it: You cannot go out of this House and say you did not understand that you are here cutting straight across the reciprocal trade treaties of the past, those that are now in existence, and giving a weapon to the President of the United States to carve to pieces any that may hereafter be made. If you are going to attack our international economic policy, our reciprocal trade treaties, why not approach the problem boldly and courageously? You are attempting to sabotage every agreement that is now in existence and to hamstring the State Department so that it cannot make new ones.

Mr. AUGUST H. ANDRESEN. Would the gentleman favor placing wool under a quota system?

Mr. COOLEY. I do not know that I would be in favor of placing wool under a quota system. I think that is a subject that could well be considered by our committee and I would be perfectly willing to give it my time and attention.

Mr. AUGUST H. ANDRESEN. We have done it for certain types of cotton?

Mr. COOLEY. Yes; and I am not so sure I am for the quotas we have on Egyptian cotton. It seems to me we ought to be buying a little of it if we expect to trade with Egypt. The point is: Why should we approach this matter by the backdoor method? This is one of the greatest problems confronting this Congress and the country.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. PACE. Speaking of a back-door approach, the gentleman admits his amendment would in effect destroy section 22. So why not just vote on section 22?

Mr. COOLEY. No; I do not agree with that. I read from Secretary Anderson's letter that section 22 had never embarrassed any department of the Government, that they had operated effectively in the interest of our own economy. He does say that he wants the language that I have in my amendment.

Now, there is the proposition. Are you as Democrats, and I will be a little bit partisan about it, going to follow your own Secretary of Agriculture, your own Secretary of State, and your own President, or are you going to let a subcommittee of the steering committee of the Republican Party write legislation for you?

I want to say that as a Democrat I am unwilling to repudiate Mr. Anderson, Mr. Marshall, Mr. Clayton, and Mr. Truman in this way and make it impossible for them to proceed with their plans to rebuild our world trade and to start the wheels of world commerce turning once again.

On May 9, 1947, Secretary of State Marshall in a communication addressed to Mr. Philip D. Reed, United States Associates, New York City, stated:

> Since becoming Secretary of State I have spent most of my time in international political negotiations. This experience has reenforced my conviction that enduring political harmony rests heavily upon economic stability. A lasting peace demands international economic arrangements, whereby natural resources, plant and equipment, and manpower are fully and productively employed. The goods and services produced must flow through domestic and international trade channels. In no other way can we create an economic and social environment free from the unrest in which political instability is bred.
>
> Mr. Clayton, head of a United States delegation, is now working in Geneva with the representatives of 17 other nations to remove excessive barriers to trade and to write into the charter for an International Trade Organization a code of good conduct for international trade relationships. This is a basic part of our general foreign policy. The success of these meetings will have a direct relation to the success of our peace efforts.
>
> The roots of this policy reach far down into the basic interests of all of our people. Its benefits will redound to all. Our immediate job is to assure its effectuation. That is the challenge and the responsibility of all of us who earnestly seek an enduring peace.

May 18, 1947, on the occasion of the observance of World Trade Week, May 18–24, 1947, Secretary of State Marshall made the following statement:

The keynote of World Trade Week in 1947 is "World Trade Unites Nations;" a theme particularly appropriate for a time when the need for unity among peoples is more vital than ever before in history. National leaders are urgently seeking unity in all the fields of international relations—political, security, and economic. Economic conflict and trade wars invariably set the stage for political disunity.

Representatives of 18 trading nations are meeting now in Geneva in a concerted effort to achieve unity through expansion of world trade and the resulting increases in production, employment, and improvement of living standards in all countries.

Although the United States Government has taken a leading part in bringing about this meeting, a successful conclusion can only be realized through the cooperation of all participating nations. At Geneva these countries are seeking to lower excessive trade barriers and are engaged in drafting a charter for an International Trade Organization, to insure international cooperation in commerce. Agreement on this charter will mark a great step toward economic stability and the common security.

If there is doubt in anyone's mind as to why Mr. Clayton left Geneva, I suggest that you might communicate with him directly in an effort to obtain accurate information concerning his return to this country. I am sure that he would welcome an opportunity to discuss the situation with Members of either House of Congress. I only regret that he was not invited to speak to our committee before this controversy was brought to the floor of the House.

I hope, gentlemen, that I do not exaggerate the importance of the matter now under consideration. I sincerely believe it to be of great importance and worthy of the careful consideration of the elected representatives of the people. I believe that I know that the destiny of America depends upon our ability to solve the problems of world trade. I am convinced that this cannot be done by the method of retaliatory tariffs and trade barriers and by isolating ourselves from the rest of the world.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina.

Mr. Chairman, before we get too far into this argument, perhaps we better stop and consider just how far reaching the results would be if the gentleman's amendment were adopted. The gentleman's amendment does not apply just to wool; do not let that confuse anybody. It applies to any action that may be taken by the President under section 22 as it stands on the books now. If we adopt the Cooley amendment, it means that the State Department would have the authority and the power to override and overrule this law, that Congress has enacted to protect the cotton producer, and the wheat producer, and the producers of other commodities in this country which are under price support programs.

If this amendment is adopted, it means that the State Department—not the Congress, and not the President—is going to say whether or not this protection will be afforded. It means that the Secretary of State may have more to say about the price policies affecting agriculture, than the Secretary of Agriculture. I believe that Members representing districts in this country whose products have the protection of section 22 should think rather carefully before they vote to adopt this amendment which nullifies all of the protection under section 22 if the Secretary of State wishes to take such action.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Did not the gentleman introduce H. R. 1825 with exactly the same language in it that is in my amendment?

Mr. HOPE. Yes.

Mr. COOLEY. Why did the gentleman then think that the language was so good and now it all of a sudden is so bad?

Mr. HOPE. Well, the gentleman from Kansas introduced the bill H. R. 1825 as a departmental bill sent up to the Speaker of the House and transmitted to the committee.

Mr. COOLEY. Then it is simply in the nature of a plea of confession and avoidance, as I mentioned yesterday.

Mr. HOPE. If that is what the gentleman wishes to call it. The Chairman, as he frequently does, introduced this bill in order to get the matter before the committee. Of course, the committee has not acted on the matter as yet, and the committee very likely will make amendments to the measure before it is acted upon.

Mr. COOLEY. May I ask the gentleman one other question? Is it correct that the Secretary of Agriculture, or the Bureau of the Budget, the administration, I will say, would not have approved H. R. 1825 with the language out?

Mr. HOPE. Well, that is something that the gentleman from Kansas cannot answer definitely because he does not know. He has been told that the bill, when it left the Department of Agriculture and went to the Bureau of the Budget, did not contain that language, and he has been told also that the State Department insisted that the language go in the bill.

Mr. COOLEY. That was the statement I wanted the gentleman to make.

Mr. HOPE. And that is, as far as I know, the history of the legislation before it came to the Speaker of the House.

As far as governmental policy is concerned, I do not think there is any question but what there is some conflict between the reciprocal trade agreement policy and section 22 policy. It is just another illustration of the fact that during all this period the administration apparently has not been able to make up its mind which way it did want to go on these conflicting matters of domestic and foreign policy. However, I submit that as far as the administration is concerned that this section 22 policy, is just as respectable, has had just as much administration support behind it and is just as important from the standpoint of carrying out administration policy as any other policy that has been in effect during the past 12 years.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. GRANGER. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. HOPE. The gentleman from Kansas has no desire to take up an undue amount of time on this question but it seems to him that we might just as well strike out this section 22 provision from the bill; in fact, we had better strike it out if we adopt the Cooley amendment, because when we do that we put in the hands of the Secretary of State the power and the authority to go to Geneva, meet with representatives of other nations and log-roll and trade away the protection the Committee on Agriculture, the Congress, and the President have tried to set up for agricultural products during the last 12 years.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Utah.

Mr. GRANGER. It is not clear in my mind, but as I understand, when the agitation was on in the beginning of this session of Congress to do something about reciprocal trade agreements, the President directed a letter to the Senate Committee on Foreign Affairs or some other committee in the other body stating that he was for an escape clause being put in every one of these treaties that were negotiated where it was shown that the trade would be disadvantageous to American agriculture. Is not that true?

Mr. HOPE. I understand there was an agreement between the President or the Secretary of State, I am not sure which, and certain Members of the body at the other end of the Capitol, that agreements reached at Geneva would contain an escape clause provision which would protect American producers of Agricultural products. But if we pass this legislation we are repudiating that; we are saying that as far as Congress is concerned we are overruling that agreement and that understanding.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Indiana.

Mr. HALLECK. What I should like to understand is this: If the Cooley amendment is adopted and hereafter concessions are granted in respect to the tariffs on wool, then, the support program provided for in this bill being in effect, would not that involve the payment of tremendous amounts in subsidies out of the Federal Treasury?

Mr. HOPE. I am afraid that is what would happen.

Mr. HALLECK. In other words, future concessions given on wool would have to be compensated for out of the Federal Treasury, insofar as the support program is concerned.

Mr. HOPE. That would no doubt be true.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. The effect of adopting the amendment offered by the gentleman without the language contained in my amendment would be to strike out the reciprocal trade treaties clear across the board, would it not?

Mr. HOPE. Certainly not.

Mr. COOLEY. Does the gentleman think our State Department would be able to negotiate a solemn agreement with some other nation knowing that this power was in the possession of the President of the United States?

Mr. HOPE. We have had section 22 in the law since 1935 and many reciprocal trade agreements have been made during that time. I do not see why the situation would be any different now. As to existing agreements I asked the gentleman a while ago whether he knew of any existing reciprocal trade agreements which would be interfered with by the adoption of the amendment offered by the gentleman from Kansas, and the gentleman said that he did not know of any. I can say this: I do not know of any reciprocal trade agreements covering the importation of raw wool which would be affected. We have reciprocal trade agreements with Uruguay and with Argentina on raw wool, but those agreements cover types of wool that we do not produce in this country, so this legislation would not be in conflict with those trade agreements.

Mr. COOLEY. As I say, I do not know whether or not it would be in conflict with trade agreements, but I do believe that the gentleman will agree that the effect of this language contained in the gentleman's amendment will be to make it difficult for our State Department at this time to negotiate future trade treaties.

Mr. HOPE. It will undoubtedly make it difficult to negotiate a trade treaty lowering the tariff on wool.

Mr. COOLEY. Yes; that is true.

Mr. HOPE. If the gentleman's amendment is adopted, the Under Secretary of State, Mr. Clayton, can go back to Geneva and reduce the tariff on wool 50 percent if he wants to and there is no way on earth of preventing it. Mr. Chairman, the amendment of the gentleman from North Carolina should be voted down.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words, and ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, no matter what argument might be made by the gentleman from Kansas [Mr. HOPE], the fact remains that the adoption of his amendment, and I am addressing myself to the amendment the gentleman has offered, will be construed, and, in fact, will be a direct attack upon the reciprocal trade legislation that this Congress has passed and which is now on the statute books.

It will have an effect indirectly upon every existing agreement in that every country with which we have an agreement will be sensitive to the adoption of this amendment and will govern their actions in the future accordingly. It will certainly have an effect upon any future negotiations.

As Under Secretary of State Clayton said, or the inference might well be drawn from his letter, it will practically mean the dissolution and the termination of the Geneva Conference that is now going on.

There are people in this country who think all we can do is sell to every other country and not buy anything and that we are going to prosper by that. Anyone who thinks that situation can exist is living in a dream world. We had that in the 1920's and it was a contributing factor to the depression of 1929 to 1933. We have learned by hard experience that in order to have prosperity in America we have to depend upon at least 10 percent of our production and farm products being sold and exported abroad. In order to have that situation, we must buy from other countries. There must be some kind of a balance of trade.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BARRETT. Will the gentleman admit that we have purchased 80 percent of the wool that we have consumed each year for the last 5 years from foreign countries?

Mr. McCORMACK. Not 80 percent. I will not argue with the gentleman on that point, but my understanding is that we produced about 30 percent of the domestic consumption. I will not quibble with the gentleman over whether the figure is 70 percent or 80 percent, but the fact is we do not produce enough wool in America to meet the domestic consumption. That is an indisputable fact.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to my friend from Pennsylvania. I thought you were interested in oil.

Mr. GAVIN. I am interested in oil and wool, too. Very much so. But in view of the fact that we do not produce enough wool, why not get into this stock pile of some 480,000,000 pounds that we have here in the United States and use that up? There is another question I would like to ask the gentleman while I am on my feet.

Mr. McCORMACK. All right. That is question No. 1.

Mr. GAVIN. Are we legislating on the wool industry and for the protection of the wool growers, or is this debate on the reciprocal trade treaties? I think we are getting a little off the beam here.

Mr. McCORMACK. Does the gentleman know how he is going to vote on the bill yet?

Mr. GAVIN. Yes.

Mr. McCORMACK. It is the first time I have heard the gentleman admit before the final vote that he knew how he was going to vote on any bill pending in this body.

Mr. GAVIN. The gentleman usually knows how he is going to vote.

Mr. McCORMACK. At least I make up my mind.

Now, the basic proposition in this bill is a support price for wool. The proponents of this bill started out with that proposition. As I said yesterday, when it went through the Senate so quickly and so easily, then avarice came in, and they conceived of section 4. Now section 4, and the amendment offered by the gentleman from Kansas [Mr. HOPE] is designed for no other purpose than to have the consumers, the American public, pay the subsidy to the wool producers. That is the new policy of the Republican Party. That is what this bill includes.

The proponents of this bill started out with the theory of a support price. The Senate bill shows that. It would necessarily follow, in order to carry out the provisions of the Senate bill, that the subsidy, if any, would have to be paid by the Government. Somewhere along the line they said, "We cannot stand for that, because that conflicts with the $6,000,000,000 cut in this body and $4,500,000,000 cut in the other body." They said, "Oh, we cannot do that." Then they conceived section 4 to slip it over onto the public and to have the public pay the price. Then, section 4 was too severe. It encountered too much opposition, and then they conceived of this very artful amendment to bring it under section 22 of the Agricultural Adjustment Act. But they still were in a box. They had Republican wool growers, and they had Republicans in the industry. In the industry they were divided. Those who purchased domestic wool were for anything. They would destroy all kinds of reciprocal trade agreements or anything else to get it through, because they have been threatened by the wool producers that if they did not support the bill they would not sell wool to the Boston market. I know, because they have tried to use that argument on me. I received a letter from a man in Boston, and I am going to answer him, because it is the most selfish letter I ever received, where a man puts his own pocketbook and his own interest above the national interest. I name him. He is in town now. I have not seen him yet. I hope that one day I shall see him so I can tell him what I think of his letter. The Republican Party does not want to displease the wool industry or any part of it, because up in Boston—I will tell my friend the gentleman from Kansas [Mr. HOPE]—I do not have any political or social connections with them, because they are the backbone of the Republican Party. They did not want to offend the wool growers. They did not want to offend any part of the wool industry, because they are the backbone of the Republican Party; and they gave an escape clause. The escape clause in this, applicable to no other commodity, that no import quotas can be applied. They are trying to ride two horses. That

is what is happening. And the public is made to pay.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes in view of the fact that my time was taken up answering questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I also advise the gentleman from Kansas [Mr. HOPE] in his artful attack on the wool industry in Boston and the profits that they made——

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes; I yield.

Mr. HOPE. Does the gentleman deny the statement that the gentleman from Kansas made as to the profits of the wool dealers in Boston and the wool manufacturers generally?

Mr. McCORMACK. I have no knowledge and therefore I cannot deny, but I will say this much, that in 1946 all corporations made much more than they did in 1945 or 1944. You must remember that the excess-profits tax did not apply to 1946 profits. All corporations, in fact, and all industries showed greater net profit in 1946, where they had a net return, than they did in 1945. That is my recollection. Then, there is the carry-over provision. I might also say that that tax bill was conceived by a Democratic-controlled Committee on Ways and Means, and passed by a Democratic-controlled Congress. There is no question but what that entered into the 1946 net corporate profits. All business benefited, and I say that against the artful attack made upon the wool industry of Boston or elsewhere—and politically they are Republicans—it is a little strange that a Democrat must defend them in their political capacity. I think the attack upon the wool industry in Boston was unnecessary because of profits made in 1946.

Now we have the situation where a subsidy of some kind is necessary to carry out the support program. There is no question about it. The majority leader admitted it yesterday; admitted it also today. It is a subsidy, but instead of doing the right thing and paying the support price, which is the main purpose of this bill, and have it come out of the Government where it would cost less, they are passing this on by this amendment to the consuming public. It will pyramid and pyramid until in the end it will have cost the public two or three times the amount of the subsidy that the Government would pay if intellectual honesty were followed in the enactment of this bill, and the subsidy necessary to maintain this support price is paid by the Government.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HOPE. Mr. Chairman, that we may arrive at an understanding as to a limitation of time on this amendment, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 45 minutes.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, will not the gentleman modify his request and make it apply to this amendment? There may be other amendments to be considered.

Mr. HOPE. The gentleman from Kansas intended to limit his request to the Cooley amendment and amendments to the Cooley amendment.

The CHAIRMAN. The gentleman from Kansas [Mr. HOPE] asks unanimous consent that all debate on the Cooley amendment and all amendments thereto close in 45 minutes.

Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. May we learn how the time is to be divided and who is to be recognized?

The CHAIRMAN. The following Members were seeking recognition at the time the request was agreed to: Messrs. MURRAY of Wisconsin, RIZLEY, Mrs. DOUGLAS, Messrs. CASE of South Dakota, JENNINGS, AUGUST H. ANDRESEN, GRANGER, PACE, RANKIN, HOFFMAN, CRAWFORD, and RAYBURN.

Mr. HOFFMAN. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. If I relinquish my time will it be divided amongst the others?

The CHAIRMAN. It will.

Mr. HOFFMAN. Then I will not use my time.

The CHAIRMAN. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 4 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am sure the distinguished gentleman from Massachusetts would not be making his plea here today if the views of his Republican wool-selling constituents had not coincided with his own views on free trade, for some of the industries in this country. I am just wondering what his attitude will be when Mr. Clayton gets to operating on woolen cloth over at the Geneva Conference, proposing to reduce the duty on woolen cloth. Of course, I know some of the manufacturers up in the Boston area want free wool and a high duty on the products that they produce. That is only natural. I would not even say they were selfish to ask that because they are trying to protect themselves and their industry just as the producers of wool are expected to do here today.

There is not a great deal of wool produced in my district, but, as I see it, wool is one of the vital and essential commodities in this country. It is produced in the interest of the general welfare of the country. If we follow the State Department's argument and policy the wool industry in this country will be gradually liquidated until we will be left at the mercy of the British wool cartel that controls 85 percent of the wool production in the world.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Ohio.

Mr. CLEVENGER. Would not the effect of the adoption of this Cooley amendment be to make the Agriculture Department a little bobtail on the State Department dog?

Mr. AUGUST H. ANDRESEN. I do not think there would even be any bob left on the tail if they follow the State Department's philosophy.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Colorado.

Mr. CHENOWETH. In connection with this larger question, may I ask whether or not the State Department or the Congress of the United States is going to write the basic legislation in this country?

Mr. AUGUST H. ANDRESEN. I always thought that the Congress should write the policy, but having lived through the experience of 14 years of a New Deal administration I found that most of the policies were dictated and written down in the State Department or some other agency of the Government, and if the Congress did not pass a law according to what they wanted down there, whatever we did pass here would be interpreted any way they wanted to.

Mr. CHENOWETH. Then is it not about time to put an end to that policy and write language that even they can understand?

Mr. AUGUST H. ANDRESEN. That is what we are here for. We are supposed to write the policies and the officials in the State Department and in the other departments are supposed to carry out the intent of the Congress, because we are presumed to represent the people.

We had a Mr. Nichols, an economic adviser to Mr. Clayton, before our Committee on Agriculture. We discussed in particular the attitute of the State Department on the subject of wool and on the subject of other products produced in this country. The only thing we could gain out of Mr. Nichols' argument was that in connection with small industries like the wool industry, the pottery industry or the glassware industry, these should undergo gradual liquidation on the theory that in other countries, where cheap labor and a low living standard exists, production would be cheaper.

Mr. Chairman, the amendment offered by the gentleman from North Carolina should be defeated, and I hope that the Committee will overwhelmingly approve the amendment offered by the gentleman from Kansas [Mr. HOPE].

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, this is simply an amendment that gives the committee the opportunity to say how this subsidy, or whatever it is called, is going to be paid. The question is whether it is going to be paid by the consumers or by the taxpayers.

It has always been the argument of my colleagues on this side that they did not want any subsidy. We want the

price of the product paid in the market place. We have always—I will say most of us have—opposed a direct subsidy. Now, that is the question that is before us today and it is a very simple one, too, whether or not we want to put some restraint on commodities that are going to compete directly with wool or whether we are going to permit wool to come in, as it now does, for the next 2 years and let the Federal Treasury pay for it.

Now, it seems to me that our country has made a great contribution to the world. I have always voted for things that have been helpful to our neighbors, but inasmuch as we have made the contribution we have in American blood and materials, we certainly cannot be accused of taking a selfish attitude when we merely want to get rid of an emergency stock pile of wool, namely, 500,000,000 pounds.

Now, that is simply the question that is before the House, and I think we should support the committee. I want to say here for our distinguished chairman, if there have been any Republican politics in this thing so far as he is concerned, I have not been aware of it, and I have been working with him very closely. The wool industry of the United States will owe the gentleman from Kansas a great debt of gratitude if he is able to get this bill passed for them.

Now about the question that has been raised as to what this might do to the trade agreements. There is no trade agreement that will be abrogated or that is involved in this question. True, it might have some effect in the future. I think we might just as well be frank about this matter and say that the Department of State was actually engaged in lowering the tariff on wool when this legislation was brought to the Committee on Agriculture. There is no question about that.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. RIZLEY. Mr. Chairman, I yield the gentleman my 4 minutes.

The CHAIRMAN. The gentleman from Utah is recognized for 4 additional minutes.

Mr. GRANGER. It is true that there are negotiations on reciprocal trade agreements. But, where can you trade? As I told you yesterday, one-third of all the revenues we get from tariffs comes from wool. Sure, it is a question that is vital to Mr. Clayton. I think if there had not been some stop made to these negotiations, the wool industry would have been traded clear out of the picture. I do not think there is any question about that, and I assume that is the reason that Mr. Clayton is so exercised over this problem. Now, we might just as well be fair and frank about it.

But, I want to say that if there is a lowering of the tariff, certainly you are going to destroy this industry. If it is of as little consequence as some people seem to think it is, go ahead and destroy it, because that is all it will take—another lowering of the price of our domestic wool. As has been said here time and time again, it is a very important commodity in our economy. The War Department has said and still says it is a critical material needed for our security. Suppose we kill the industry entirely. Do not be fooled by thinking the world is going to come to our rescue if we need wool in an emergency. When they get control of it we will be at the mercy of importing countries, such as the British Empire. We have been pretty decent with Britain, it seems to me. For the last 2 years at least we have given them our whole domestic market. They have had it in its entirety. It does not seem to me we are being selfish or doing anything that would disturb anybody in this matter because this is a temporary measure, primarily for the purpose of disposing of 500,000,000 pounds of wool that we have that we cannot sell. These are the issues.

I say to those people who are such great followers of the administration: Through all the dark days of the war and during our preparation, no one followed the administration then more than I. It is easy to be a great follower of the administration when you agree with what they are trying to do, but it is a different thing when you disagree with them just a little. I have not often disagreed with the administration. I do not agree with the gentleman from Minnesota; I am pretty much of a new dealer myself, as everybody knows.

Mr. Chairman, I hope this amendment is rejected, and that every other crippling amendment will be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, let us get this argument back on a nonpartisan basis. I am always partisan in a nonpartisan way. I am very happy that this discussion has partaken of that character. I see favoring this bill my good friends the gentleman fror Wyoming, FRANK BARRETT, the gentleman from Colorado, J. EDGAR CHENOWETH, and the gentleman from Kansas, CLIFFORD HOPE, and over here are my distinguished friends the gentleman from Georgia, STEPHEN PACE, the gentleman from Utah, WALTER K. GRANGER, and other fine Americans who happen to be of the Democratic persuasion. This is not a Republican question or a Democratic question, it is a nonpartisan American effort to take care of the men and women who are engaged in the production of wool and mutton in this country. That is what it is.

Let us look at this amendment here and just see what we are undertaking to do to the Congress and to the President and to this bill. Here is the Cooley amendment:

> No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

That means that we tie the President's hands, we nullify this proposed act of Congress, and we give a blank check of power to this man Clayton to scuttle the sheep and wool industry in this country. What does he say in this letter in which he challenges the sincerity of this Congress? He says that the sheep and wool production in this country returns less than one-half of 1 percent of the income of our farmers and growers of livestock. Then he stresses the great importance of the international agreement he claims he is about to sponsor. Just what does he mean? It means that Mr. Clayton in his thinking is prepared to finally destroy the growing of sheep and the production of wool on the farms and ranches of the United States. There are fewer sheep in this country today than there were in 1867. In that year the population of this country was 40,000,000. Today there are 142,000,000 people in this country. In the past 5 years our number of sheep has fallen from 49,000,000 to 32,000,000. This has happened because it is no longer profitable to raise them.

Will Rogers once said that this country never lost a war and never won a conference. Clayton is in a conference. He wants to make goats out of our sheep growers.

Mr. Clayton, from my reading of his activities in international finance and trading, has done well for Will Clayton, but if he has ever done anything for this country it has escaped the publicity that has attended this self-aggrandizement and self-enrichment.

He says we must sacrifice this important source of food and clothing for our people to make the people of Australia, New Zealand, and South America feel good toward us. The Australians and New Zealanders should love us for what we have done for them. Had it not been for our sailors, soldiers, marines, and air forces, they would be Jap provinces today.

This talk about protection for our wool industry increasing the cost of clothing is bunk. There are four pounds of wool in an average suit of clothing. This costs the manufacturer less than $2. The cost of the wool that goes into a man's suit of clothes, a boy's suit, or a woman's dress is not what increases its cost. The high price is the result of the high cost of its manufacture. What would the price of wool be and what would lamb chops cost if we were dependent on foreign countries for these commodities? America, so far as is possible, must be self-sustaining. And the craziest thing this Congress could do is to destroy the growing of sheep and wool on the farms and ranches of our country.

Do we wish to give this man, Clayton, this international trader, this fellow who challenges the sincerity of this Congress, the men who represent our people back home, this unlimited power? It does not lie in his mouth to challenge the sincerity of Congress. We have ample grounds for doubting his. Let us defeat the Cooley amendment and adopt the Hope amendment and take care of the American men and women who on farms and ranches all over this country are growing sheep and wool. It will be a black day for the people of our country should they ever become dependent on any foreign country for food and clothing which can and should be produced on our own farms and ranches.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, I am in sympathy with the purposes and objectives of the pending bill. I favor giving wool and all other agricultural commodities comparable consideration. I have high regard for the Committee on Agriculture, and I know of no man who has contributed more to agriculture in the United States than the distinguished chairman of this committee the gentleman from Kansas [Mr. HOPE]. I want to be sure that we are not putting wool in a preferred class insofar as this program is concerned in the pending bill.

The substitute of the gentleman from Kansas amends existing law to include the Wool Act of 1947. That is not as simple as including wool with the basic commodities, in existing law. That substitute includes the terms of this act, and the terms of this act call for a program for 2 years. If section 32 funds are continued, then programs may be continued or be made available for cotton, corn, wheat, and other basic agricultural commodities. But I am alarmed at the reports that the Subcommittee on Agricultural Appropriations intends to provide for the fiscal year 1948 that section 32 funds be paid into the Treasury and not be made available for support programs. If that is true, then, while there is other legislation authorizing import quotas and export subsidies, that legislation cannot be invoked because the basis of the other legislation is the programs that are authorized now only by section 32 funds.

The chairman of the committee said that he had under consideration H. R. 1825 in his committee to provide for agricultural programs. I call attention to the fact that the substitute under consideration so far as the cotton, corn, and wheat growers and growers of other agricultural commodities who are interested are concerned, covers, and I read from the substitute:

> Under this title, or the Soil Conservation and Domestic Allotment Act as amended, or section 32, Public Law 320, Seventy-fourth Congress, approved August 24, 1935, as amended.

The word "title" does not cover the acts of 1938 or 1942.

There is not a word about the Agricultural Adjustment Act of 1938 or the Stabilization Act of 1942. So I respectfully suggest to the chairman and committee that, while I am in sympathy and am agreeable to their continuing and studying the matter of amending section 22 in fairness to the corn, wheat, cotton, and other basic agricultural commodities, it was an oversight that the Agricultural Adjustment Act of 1938, as amended, and the Stabilization Act of 1942, as amended, are not included. Why include section 32 of the act of 1935 or the Soil Conservation and Domestic Allotment Act, as amended, when the authority for implementing other programs authorized by section 32 are the said acts of 1938 and 1942? I call attention to this significant statement that in the pending bill under section 3, certain sections of the act of 1938 are made available to wool. The failure to include discriminates against other products or commodities.

I submit, therefore, and I urge the chairman of the committee and the members of the committee while I am agreeable to their procedure in committee or conference and while I rely upon them in the reporting of the bill H. R. 1825, with amendments, as to commodities and programs in general, in all fairness in view of the threat as to the repeal of section 32 funds or their being paid into the Treasury, unless you want to place wool on a preferred basis because under the terms of this bill if section 32 funds are not made available wool will still be provided for but not so with corn, cotton, wheat, and other basic agricultural commodities, these two acts should be inserted, which were previously passed by Congress and for which the Congress stands. There should be inserted in the pending substitute these two acts in substantially the following language, to wit: "or the Agricultural Adjustment Act of 1938, as amended or the Stabilization Act of 1942, as amended," before the words "or the Wool Act of 1947" in paragraphs (a) and (b) of the amendment.

I extend to summarize by saying that, while the distinguished chairman and other members of the committee have stated that the pending bill will not take from corn, wheat, cotton, or other basic agricultural commodities any existing rights or benefits, the pending bill by amending section 22 to include the Wool Act of 1947 would give wool a program if section 32 funds were paid into the Treasury and not made available for programs. The pending bill gives to wool a preferred status for it will not be dependent for the next 2 years on section 32 funds. I suggest to the distinguished chairman and to the members of the committee handling the bill that the substitute should be amended by inserting before the words "or the Wool Act of 1947" the provisions of H. R. 1825, amending section 22 (a) and (b) substantially as set out in said H. R. 1825. Such an amendment would cover: "the Agricultural Adjustment Act of 1938, as amended, or any loan, purchase-price support, or other program or operation undertaken by the Department of Agriculture or any agency operating under its direction with respect to any agricultural commodity or product thereof." I took the matter up with the chairman during the general debate when his substitute was proposed and suggested that it be amended to provide for other programs than wool. He responded that he did not want to open up purchase-price support or other programs or operations in connection with the pending bill, as wool was entitled to relief, but he stated that he was in sympathy with the definite provisions for other programs and that his committee would either report H. R. 1825, as amended, or a similar bill to provide for other support programs.

The question involves not only giving wool comparable treatment to corn, wheat, and cotton but unless clarified, in the event section 32 funds are not available for such other crops, it involves a preferred status for wool. Neither the committee nor the advocates of the pending bill ask for a preferred status. They want wool, cotton, corn, and other basic agricultural commodities to have similar and comparable programs.

I respectfully suggest to the chairman that he offer, after conferring as I have with a number of members of the committee, an amendment to his substitute, as follows: In paragraphs (a) and (b) of his substitute, before the words "or Wool Act of 1947", insert a comma and the following: "or the Agricultural Adjustment Act of 1938, as amended, or the Stabilization Act of 1942, as amended." This will not provoke any controversy. This will not be going into other programs. It is a matter of clarification. If the Wool Act of 1947 is to be included, surely the Agricultural Adjustment Act of 1938, as amended, and the Stabilization Act of 1942, as amended, should be embraced. If it is necessary to embrace the Wool Act in the substitute, it is necessary to embrace the said two acts in the substitute so that if section 32 funds are not made available, support programs can be inaugurated so that export quotas, or for that matter export subsidies, may be maintained by the Commodity Credit Corporation. If my suggestions are not included by way of amendment to the substitute, I urge the committee, in conference, to give further consideration, as a matter of clarification, to including at least by way of amendment the language that I have suggested which is substantially the language of H. R. 1825, or to include the said two acts of 1938 and 1942. This will be possible under the rules of the House, as the substitute will be involved in conference and any clarification or modification of the substitute could be made under the rules. I am content to rely upon the chairman and his committee and the members of the conference, for wheat, corn, and other basic agricultural commodities are as vitally interested as cotton. I know the committee, as stated by the gentleman from Georgia [Mr. PACE] in my colloquy with him yesterday, is of the opinion that the purpose of the substitute is to place wool in the same, but in no better, category than cotton. If the Subcommittee on Agricultural Appropriations is successful in requiring section 32 funds to be paid into the Treasury, there will be no support program for any commodity, without a modification of the amendment as I have suggested, except wool, and I make this statement after having given careful consideration to the legal questions involved in amending existing legislation, and in passing the pending bill.

The CHAIRMAN. The gentlewoman from California [Mrs. DOUGLAS] is recognized for 4 minutes.

Mrs. DOUGLAS. Mr. Chairman, I rise in opposite to the amendment offered by the gentleman from Kansas [Mr. HOPE] and in support of the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

We ought to help the wool growers. I feel that the bill that came from the Senate, S. 814, does just that. In giving help to the wool growers, in meeting the emergency with which we find ourselves confronted at the moment, in that we have a stock pile of wool, we should be very careful that we do not frame

our help to the wool growers in such a way that it will jeopardize the efforts which we are now making to establish an International Trade Organization.

We know that we cannot have a stable and lasting peace in the world that is based only on political cooperation. It also must be based on economic cooperation. The main factor in economic cooperation is trade. In the last session of this Congress we voted to join the world bank and the monetary fund. Neither the world bank nor the monetary fund has yet been able to operate fully. They will not be able to operate fully until world trade is again healthy and moving in an orderly and equitable fashion. Our country has taken leadership in the establishment of orderly and equitable world trade regulations. At this moment in Geneva we are meeting with 17 other nations to establish an International Trade Organization.

Why is wool so important in the negotiation? Because some of our best customers have nothing to sell us but wool. It is important for the healthy trade relations of this country that they do so. As a result of stock piling in the war we have an excess of wool at the moment, but this is a temporary condition. Ordinarily we must import two-thirds of the wool we need. Surely, we will not let this temporary condition blind us and wreck the Geneva Conference.

Although wool amounts to but one-half of 1 percent of the farm income in this country, the imports into this country from Australia, New Zealand, and South Africa are primarily imports of wool.

Wool makes up more than 95 percent of the dutiable imports into the United States from Australia. About 40 percent of our imports from New Zealand and 37 percent from South Africa are wool.

Unless these countries can get dollar balances by selling us wool, they cannot buy from us automobiles, refrigerators, and the products which we wish to export. We know that after the Smoot-Hawley Tariff Act was passed, imports into this country fell off and in direct relation our exports went down, and our national income went down, too.

The United Kingdom and the Dominions are tied together by a system of tariff preferences. It is to the advantage of this country to try to reduce empire preferences. If Australia, New Zealand, and South Africa are unable to carry on trade with us, then Great Britain cannot make the same arrangements with us which she would otherwise make. The United Kingdom cannot reduce or abolish its preferences unless the Dominions agree.

British Empire countries normally buy about 40 percent of total United States exports. And the United Kingdom alone normally buys 33 percent of the United States exports of farm products.

Without American dollars obtained by selling their wool in this country, the British Dominions cannot buy and pay for American agricultural and industrial products.

What we really have here are two bills. One bill to aid the wool growers and an amendment offered by the gentleman from Kansas which is the beginning of the Republican attack upon the trade-agreements program.

There is supposed to be bipartisan support of our foreign policy. Trade agreements are basic to the economic peace of the world. If the Republicans propose again to lead the country back into economic isolation, they should bring a bill to the floor that clearly states this purpose.

We ought to help the wool growers. We ought to help them by a direct subsidy and not by erecting tariff barriers that will again isolate us economically in the world.

The CHAIRMAN. The time of the gentlewoman from California has expired.

The gentleman from Wisconsin [Mr. MURRAY] is recognized for 4 minutes.

Mr. MURRAY of Wisconsin. Mr. Chairman, not being a lawyer, I would just like to address myself to about half of the Members of this House. I wish to ask them two questions: I would like to ask whether this world joint organization we have heard about that controls 85 percent of the wool of the world could set up shop in the United States and not be subjected to the provisions of the Sherman Antitrust Act?

Now, if there is a lawyer on either side who feels qualified to answer that question I yield for him to do so. I would like to have any lawyer in the House answer that question. [Pause.]

I have given everyone plenty of time to answer the question but I have heard no answer. In other words I think the Members agree with me that the mere fact they do not answer indicates that any group that controls 85 percent of any commodity makes them automatically a monopoly or cartel and they would not dare operate within the confines of the United States of America without being subject to the provisions of the Sherman Antitrust Act.

My next question then is this: I would like to know how in the name of common sense Mr. Clayton or any other American citizen has any business to be going over to Geneva and conniving with a foreign monopoly that does not dare set up shop in the United States of America. Will you answer that question?

Now for many years we have heard much about this bad Smoot-Hawley tariff bill, so bad it caused the ladies to blush and the children to break out in a heavy rash, but I have noticed that under the New Deal they have implemented the Smoot-Hawley set, if you please, time and time again by putting embargoes in operation. When it pleased the New Deal to erect embargoes they have done so. The New Deal paid export subsidies when it suited them to pay export subsidies. They are paying an export subsidy this very hour. What other administration ever indulged in an export subsidy? The time has arrived when the New Deal and their brand of reciprocal trade treaties have been demonstrated as being, if you please, honeycombed with deceit and dripping with deception. The American people know the facts and they are entitled to know that while the New Dealers talk about good-neighbor policy and reciprocity they have in fact erected more trade barriers than any administration in the history of our country. The New Deal has continually deceived the League of Women Voters and women's clubs with their false and fake propaganda. While they were talking about good neighbors they were erecting embargoes. While they were talking about reciprocity they were erecting sectional trade barriers.

If anyone wishes to defend the New Deal brand of reciprocity allow me to ask him to defend and justify the following: How can you defend a law maintaining the 42-cent duty on wheat as provided by the Smoot-Hawley Act and then turn around and implement this duty by an embargo? How can you defend the embargo placed upon the export of tobacco seed? How can you defend the export subsidies indulged in by the New Deal? These trade barriers, I repeat, have never before been erected in the history of our country. Then to think we have to listen to the deceitful talk and propaganda about the New Deal reciprocity program.

How in the name of common sense can the administration shed crocodile tears about a good-neighbor policy when it passes a bill, as I mentioned before, which prohibits the exportation of tobacco seed from this country and have the effrontery, the nerve, to pass such a bill when the Secretary of Agriculture's office states in black and white that it was done so that China and other countries cannot grow tobacco in competition with American tobacco. Is this your idea of reciprocity?

They are shadow boxing; they are and have been two-timing the American people. But the time has come when this administration, as all administrations, must answer for their sins. The sun is shining through the clouds now and the American people are finding out that they have been deceived. The American people have found out that the administration's propaganda about the New Deal brand of reciprocal trade treaties is not in keeping with the facts.

No living person can defend and justify the New Deal domestic and foreign agricultural program and anyone that knows what has taken place will even try to defend or justify it.

The American farmer has been used as the trading stock so that monopolies and big automobile corporations can amass greater profits.

The American wool grower today should not be sacrificed on the altar of a foreign agricultural policy that will ruin his business. The American farmer wants to electrify the other 50 percent of the farms of our land. He wants the other 90 percent of the farms to have the bathtubs and running water that are now available in the average city home. He wants only comparable equality with other groups, and he can rightly be tired of the do-gooders with their patent leather shoes and striped pants. American youth want a "piece" of America and they want equal opportunities with the other groups of our society. They are rightly deserving of no less.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The gentleman from Georgia [Mr. PACE] is recognized for 4 minutes.

Mr. PACE. Mr. Chairman, 14 years and 10 days ago section 22 was enacted into law. It was enacted upon the recommendation of a report submitted by the late President Roosevelt. It has been on the statute books from then until now. It was a part of the original Agricultural Adjustment Act. It is a farm section and was intended to help the farmers.

I hope the amendment submitted by the distinguished gentleman from North Carolina will not be approved, for the simple reason that in my judgment it will in effect repeal section 22. The gentleman's amendment provides that no action, no proclamation can be issued under that section without the prior approval of the Secretary of State or the Department of State. Inasmuch as Mr. Clayton, the Under Secretary of State, is in charge of the foreign economic affairs of our Government, that means, and can only mean, that it would place Mr. Clayton to a considerable extent in charge of the farm program of this Nation. The farm program should be in charge of the Secretary of Agriculture, but when you enact an amendment saying no action can be taken upon section 22 relating to farm programs without the prior approval of Mr. Clayton, in effect we have placed the farm programs in this country, to an extent at least, in charge of Mr. Clayton. If that is not true I do not know the purpose of his amendment. As I read to you yesterday, and I shall read again, the following line which is a part of section 22. It is subsection (d) of section 22:

> Any decision of the President as to facts under this section shall be final.

Therefore unless it is an effort to put the Under Secretary of State in charge of the farm program I can see no reason for the amendment of the gentleman from North Carolina, because as the law is today before any import fee may be put on any agricultural commodity, it must in the first instance have the approval of the President of the United States and I assume that there is sufficient collaboration between the President of the United States and his Under Secretary of State to have a uniform program as to international negotiations.

Mr. Chairman, for these reasons I must earnestly urge that the amendment submitted by the gentleman from North Carolina be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I wish to supplement what the gentleman from Georgia said and carry the thought just a little bit further. The Hope amendment proposes to amend section 22 principally by the insertion of references to the Wool Act of 1947. Along comes the Cooley amendment which does not propose to limit itself to the Wool Act of 1947, but with respect to everything covered by section 22 says that no proclamation under this section shall be enforced in contravention of any treaty or any international agreement that the United States is or may hereafter become a party to.

All that the Hope amendment does is to say that the protection afforded by section 22 for other agricultural commodities will be extended to wool. The Cooley amendment says that in all its ramifications section 22 shall become subordinate to any treaty or other international agreement. Do you want to establish that principle? Do you want to do that on the brief debate this amendment has had?

I submit to the members of the committee that the Cooley proposal to subject all commodity programs to the terms of unknown treaties and agreements raises a very far-reaching question. I see the gentleman from Mississippi present, who was worried about what might happen in the agricultural appropriation bill with respect to section 22 funds. He should have been much more concerned with what the Cooley amendment will do to all programs that come under section 22 if that section becomes subordinate to any treaty or international agreement. The all-inclusive character of the Cooley amendment is enough to defeat it.

After all, this matter before us is not as complicated as it might sound.

First of all the issue is as to whether or not you want to handle the situation by taking money out of the Federal Treasury. The amendment offered by the gentleman from Kansas seeks to let wool stand on its own bottom. Of course, it was one of the favorite methods of the New Deal to take money out of the Treasury. If you think that wool should stand on its own bottom and that you should not try to handle the situation with a check drawn on an overworked Federal Treasury, you ought to be in favor of the amendment offered by the gentleman from Kansas.

The second question is the relationship of the proposal to trade.

The gentlewoman from California and many others talk about the inability of this country to have export trade unless we also have import trade. That is true, of course. Trade is a two-way street. But that is also true here in the United States of America. The wool growers who, by the statement and testimony of the Tariff Commission, lost over $1 a head per year for the last 2 years on sheep, also will lose their ability to buy automobiles and refrigerators and Boston-made shoes and other things unless they can have a fair return on their product.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Colorado.

Mr. HILL. Right along that line, I have one county in my district in which we, a few years ago, checked on the possibilities of selling trucks, and there were more possibilities to sell trucks in Weld County, Colo., than in half a dozen countries in South America that year.

Mr. CASE of South Dakota. The gentleman's observation is very much in point. The best market for the American manufacturer is the home market of the American farmer. Why destroy it?

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The Chairman recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I wish to subscribe to the statement made by the distinguished chairman of the committee the gentleman from Kansas [Mr. HOPE], and by the gentleman from Georgia [Mr. PACE], a member of the committee.

Certainly, I am against the Cooley amendment. There served in this body for a number of years a great American, recognized so by the people of the country as well as the people in the other parts of the world. He served in the other body for a number of years with a distinguished career. He served as Secretary of State for a number of years, and I refer to the gentleman from Tennessee, Mr. Cordell Hull. For years he advocated to the people of this country that his reciprocal trade-agreement program was the big factor operating in the world to prevent wars between the nations. It did not prevent World War II, and so far as I have been able to find out it did not have the least influence whatsoever in preventing that war. The war moved on just as if there had never been a reciprocal trade-agreement program. The reciprocal trade-agreement program of the State Department, sponsored by Mr. Cordell Hull, has never saved the economy of any nation as evidenced by the fact that practically every nation on earth of any consequence at all sits on our doorstep 24 hours a day begging for our substance in the form of raw materials, manufactured goods, dollar exchange, moral support, military and naval defense and every other thing the American people can provide for the nationals of the other countries of the world. So when it comes to the cold-blooded question as to whether or not I shall support a reciprocal trade-agreement program as such, or support the agricultural workers and the manufacturers' pay rollees of this country, I do not have to debate as to whom I shall support. I will take care of our own people first in preference to any reciprocal trade-agreement program that has ever been advocated by the State Department of this great country of ours.

Now we are right up against this proposition. Our heads are right up against the snubbing post. This is the first round, on wool. You are going to face it on sugar. The day may come when you face it on peanuts, for instance; that has about six or seven dollars' duty per 100 pounds. The day may come when you face it on cotton, if you please. The day may come when you face it on livestock on the hoof, on vegetables, and on fruits, and you might just as well make your decision today whether or not you are going to follow Mr. Clayton and the reciprocal trade-agreement program as against the interest of the workers here in the United States, or whether or not you are going to protect these workers and protect America, protect industry so that it can continue to feed and clothe and shelter and defend and finance the balance of the countries of the world as you did under the $8,000,000,000 you have already poured into their sinkhole since VJ-day; the $4,500,000,000 which are immediately available to them and the $12,375,000,000 which will be potentially available just as soon as your international fund for the stabilization of currencies and the international credit

bank gets well under operation. If the rest of the world is to receive all this support, you had better protect the economic interest of the people of the United States first so they will be in position to carry on. If this market is to be given to other countries, on what basis do you think American industry can prosper?

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY] to the substitute amendment offered by the gentleman from Kansas [Mr. HOPE].

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk again reported the Cooley amendment.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 27, noes 102.

So the amendment to the substitute amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the risk of repeating, and because of the limitation of time, the chairman of the committee had no opportunity to respond to the statement I made a few minutes ago, I should like to say at this time that it strikes me that inserting in the bill the language "Agricultural Adjustment Act of 1938, as amended, and the Stabilization Act of 1942, as amended," would strengthen the bill. I want to be perfectly fair and candid. I stated to the chairman during the course of the general debate that I thought the language of the bill H. R. 1825 he introduced at the request of the Secretary embraced other programs, and I suggested that the language amending section 22 (a) and (b) might be included here in connection with the Wool Act of 1947 in his substitute. The gentleman stated that he did not want to open up this bill to other programs because wool was entitled to relief, and I agreed, because he said that matter in H. R. 1825 was going to be considered by the committee later on. But I now make this statement to the gentleman: In view of the threat that section 32 funds may not be made available for the fiscal year 1948, I have made inquiry and I am advised by competent legal authority, happening to be a lawyer myself, and this is my view, that while export subsidies and export quotas are authorized by other acts, in fact they cannot be invoked until first of all there is a program.

I am further advised that if section 32 funds are not available no program can be invoked or inaugurated by the Secretary of Agriculture and, therefore, there would be no export quota or export subsidies for cotton, corn, or wheat, and similar commodities.

I make the statement now that favoring as I do relief for wool inasmuch as there is put forward in this bill the substitute that you have proposed, the Wool Act of 1947, that that language gives wool a preferred status for 2 years, and even if section 32 funds are not available wool will still be entitled to a program whereas cotton, corn, and wheat will not have a program unless section 32 funds are available.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I will be glad to yield to the gentleman.

Mr. HOPE. Of course, as the gentleman has stated, this legislation, so far as wool is concerned, is temporary. We are including wool under the provisions of section 22 during the existence of the Wool Act of 1947, which will expire on December 31, 1948. The bill if it becomes a law does not take anything away from cotton, wheat, or any other commodity but leaves them just the way they are.

I am in agreement with the views the gentleman has expressed as to the necessity for reconsidering the question of including some amendments such as the gentleman has suggested in section 22 legislation. I feel that the need for that consideration is imperative, and I can assure the gentleman that I will bring the matter to the attention of the Committe on Agriculture at a very early date. I hope at that time we can work out something along the lines of the gentleman's amendment.

Mr. WHITTINGTON. I appreciate that, but the fact remains that in the meantime if section 32 funds are withdrawn while nothing has been taken away until that is done, if they are taken away something will be done to cotton, to corn, and to wheat that is not being done to wool because we have put wool beyond section 32 in the pending bill.

I submit to the gentleman, and I respectfully suggest if the bill passes the House and it goes over to the other body that the gentlemen should very carefully look into the matter in conference as to the acts of 1938 and 1942 for whatever my views may be worth so that cotton, corn, wheat, and other basic agricultural commodities will at least have the same status that wool has under the terms of this bill.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I am glad to yield to the gentleman from Georgia.

Mr. PACE. The point that the gentleman makes is that if section 32 funds are entirely withdrawn, all other commodities will in the future be in the position that wool has been in the past.

Mr. WHITTINGTON. Exactly so. This language gives wool a preferred status for 2 years. In the interest of other agricultural commodities, frankly I cannot see why these two acts cannot be inserted as I have suggested.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes in order to yield to the gentleman from Kansas [Mr. HOPE].

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. HOPE. So far as I am personally concerned, I think his amendment is sound and one that should be adopted, but I do not think this is the proper place to do it. I do not think we can consider it at this particular time. I would like to give more consideration to it. I give the gentleman all the assurance that I possibly can that it will be brought to the attention of the Committee on Agriculture and will be carefully considered.

Mr. WHITTINGTON. As well as in the conference on this bill if necessary?

Mr. HOPE. Yes; if it is in order in the conference meetings.

Mr. WHITTINGTON. Of course, the gentleman is interested in protecting cotton, wheat, and other agricultural products. An amendment to your substitute to effectuate and clarify your substitute would be in order in conference.

Mr. HOPE. I say to the gentleman, that we are just as much interested in this provision in the wheat country as you are in the cotton country because we are probably going to have trouble with wheat before we are going to have trouble with cotton.

Mr. WHITTINGTON. Exactly so, and for that reason I submit the matter to your judgment as a friend, not only of cotton, but of wheat, corn, and other basic agricultural commodities, and I respectfully suggest that before this legislation is passed the language ought to be clarified so as to at least put other products on a parity with wool.

Mr. HOPE. I give the gentleman from Mississippi every possible assurance that that will be done.

Mr. WHITTINGTON. I shall go along with the gentleman, and I am not going to introduce the suggested language or acts as an amendment at this time. I rely upon him and his committee to protect the growers of other basic agricultural commodities, in the committee and in conference.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Kansas [Mr. HOPE] for the committee amendment.

The substitute was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended by the substitute.

The committee amendment as amended was agreed to.

The Clerk read as follows:

SEC. 5. The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restriction imposed upon it by law.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. EBERHARTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the action taken by the committee this afternoon on the Cooley amendment and the Hope amendment, there was considerable debate. I think every Member who listened to the debate was well aware of the fact that if the Cooley amendment was defeated it would mean practically the defeat of the policy of international cooperation with respect to expanding the foreign trade of the United States. The action taken this afternoon was taken under

the leadership and the specific direction of the leaders of the Republican majority in the House.

Mr. Chairman, I say that is absolutely contrary to all pronouncements that have heretofore been made by the Republican leaders in the country, because they said they favored international trade cooperation. They said they wanted only to cut tariffs by reciprocal agreements. That is the policy as announced by the Republicans when they went before the country in their platform of 1944. So I want the country to know, Mr. Chairman, that this action this afternoon was a backhanded action in crippling the policy of this country that will affect for years to come the domestic economy of this country and the economy of the entire world.

Mr. Chairman, the committee that has jurisdiction of the subject of tariffs and reciprocal trade agreements is the Committee on Ways and Means of this House. That committee has held hearings for more than 2 months on this subject, but no member of the committee made any motion or offered any resolution in the committee whereby the reciprocal trade agreement program was to be destroyed. Why did they not offer that? Because they did not want to go before the country and say, "We are going to kill this program." Because their pronouncements have always been that they are in favor of expansion of foreign trade. The committee that has had jurisdiction has been afraid to tackle it. Then they come around through the back door of the Committee on Agriculture and cut the heart out of that program, and against the advice of the Secretary of State and the Secretary of Commerce, when we are sitting around the table at Geneva trying to expand our trade and make honest bilateral agreements so that this country can go forward not only with economic expansion but also with political cooperation with all the countries of the world. Everybody knows that it helps toward permanent peace to have more trade. I charge the responsible leadership of this House this afternoon with destroying one of the fundamental policies that both parties have agreed upon and have sold the American public on during the last campaign, during the campaign of 1944. It shows that Republicans only gave lip-service to that policy.

Mr. Chairman, I want the leaders of the Republican Party, when they make up their platform for the 1948 campaign to keep in mind what happened this afternoon and not write some weasel-worded lip service to the policy of international trade and the policy of international cooperation. Will they proclaim to the country, as they did in their 1944 campaign, that the only way they want tariffs made or the reciprocal trade agreements program altered is by agreement, bilateral agreements, bilateral reciprocal agreements?

Mr. Chairman, this is going to be an issue of the 1948 campaign if this measure is passed by the House this afternoon and becomes law. It will have a tremendous effect on the economy of the country.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield. I know the gentleman from Illinois does not favor the reciprocal trade agreements program, and he has been very sincere in his opposition to it.

Mr. MASON. I agree fully with the gentleman. He is right when he says this will be one of the main issues in the 1948 campaign.

PROGRAM FOR WEEK OF MAY 26

Mr. HALLECK. Mr. Chairman, I rise in opposition to the pro forma amendment and do so for the purpose of announcing the program for next week. I am announcing it at this time, because a large part of the membership is here, whereas if I waited until after the vote on the bill there might not be so many Members present.

Monday, we will have consideration of matters from the District Committee, and after that we will begin debate on the Agriculture appropriation bill.

Tuesday, consideration of the Agriculture appropriation bill.

Wednesday, continuation of the Agriculture appropriation bill if not disposed of on Tuesday.

Thursday we expect to call up House Resolution 178, providing for investigation by the Committee on Post Office and Civil Service; and House Resolution 166 providing for an investigation by the Committee on Agriculture in the matter of surplus potatoes; and in addition any rules that may be in order next week upon determination with the minority leader.

Friday, of course, is Memorial Day, and we shall have no session that day, it being expected that we will adjourn from Thursday over until the following Monday.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Chairman, I recall vividly the emotional appeals by the proponents of free trade made in urging the adoption of the Trade Agreement Act. Nothing was said by the free-trade advocates in urging the adoption of the act that their real and only objective was eventually to reduce all tariff rates to a minimum. The cry that went out to the country was that only by means of trade agreements could exports be increased and world peace be assured. This appeal to the large exporters and to the anxious fathers and mothers caused many to yield to this bureaucratic deception, and thus support the free-trade and peace proposal. The tragic consequences of this false propaganda presents one of the most ghastly holocausts in our history—Pearl Harbor. The subsequent war in the Pacific can be truthfully charged to the attempt of the State Department to build up exports in an effort to justify their promise that the trade-agreement legislation, if adopted, would increase exports. When the State Department failed to increase exports under the act it turned in desperation to the possibility of building up exports by encouraging the export of war materials to Japan and Germany. This did not make for the promised peace, but it did prepare Japan and Germany to use these exports against our fighting forces. Thus the program of the trade-agreement advocates left a trail of blood and sorrow across this land. The character of the exports speak for themselves, and the consequences that followed are known in almost every home in this great land of ours. I insert a list of some of the exports that were to build up a record for the State Department in an attempted effort to justify the promises made to large groups in return for their support of the trade-agreement program.

During the period from 1937 to 1940 there was exported to Japan from this country, 8,000,000 tons of scrap iron, steel, and steel scrap, and also thousands of tons of other essential war materials. These annual shipments of war materials to Japan were so large and of such a variety and character that they could have been intended for no other purpose but conversion into a formidable war machine to be used on land, and sea, and in the air.

The very year—1937—that Japan opened war on China our exports of scrap iron and steel amounted to 2,081,037 tons, or enough material to build 20 battleships of 45,000 tons each, 200 submarines of 2,400 tons each, 10 aircraft carriers at 30,000 tons each, and 26 cruisers at 15,000 tons each. If Japan is not fully armed for a long war, it is not for lack of steel and other products that go into battleships, submarines, cruisers, and airplanes, because the materials were abundantly supplied by the United States.

We have mentioned the amount exported to Japan in 1937, and what its conversion meant in building up her fighting machine. But let us see what happened in the year 1938. There was exported from this country to Japan in 1938 a tonnage of scrap iron and steel amounting to 1,365,721 tons, and 97,713 tons of steel ingots, blooms, and so forth. It required a larger tonnage of war material in 1939 to appease Japan, for there was exported from the United States to Japan that year 2,035,000 tons of scrap iron and steel, and also 144,000 tons of steel ingots and blooms.

The shipments were less in 1940, but only because our supply of scrap iron was being depleted. Yet, as the result of the extraordinary effort made by American junk dealers, there was shipped to Japan during 1940 scrap iron and steel amounting to 963,000 tons, and in addition to this some 285,000 tons of steel ingots and blooms.

While this export program toward Japan exhausted our supply of material with which to make steel for our own defense, it armed her to strike her dastardly blow at Pearl Harbor. The shortage of scrap iron in the United States became so critical that the State Department came before the Ways and Means Committee with a bill to remove the duty on scrap iron imported into this country. It seems that we have had to send junkmen to Central and South America and to the islands in the Caribbean to buy scrap iron to replace the scrap iron and steel we shipped to Japan, and the removal of the import duty was

requested to reduce the cost to the Government of these foreign purchases of scrap iron. The scrap iron and steel that was shipped from the United States to Japan in 1940 would have been sufficient to build 520 United States submarines of 2,400 tons each, a fleet that would have given us control of the Atlantic Ocean.

Thus the policy of appeasement employed by this administration, has proved to be ghastly in its consequences; for it has enabled Japan to prepare herself to strike her treacherous and deadly blow at Pearl Harbor. It has enabled her to butcher our forces in Midway, Bataan, and Corregidor, and to sink our ships.

More than this, the policy did not stop with furnishing Japan with the material to build her navy, her air force, and her tanks. There was also exported to Japan from the United States during the year 1937 aircraft and parts valued at $2,483,946; and the next year, 1938, we exported to Japan aircraft and parts valued at $11,062,777; in 1939 aircraft and parts valued at $3,306,000; and in 1940 aircraft and parts valued at $933,005.

During these same years we also exported to Japan petroleum valued at $219,856,062, with which to operate her war machine. It is interesting to note that of this vast shipment of petroleum 555,456 barrels of it was aviation gasoline, which was supplied in 1939. The next year, 1940, we shipped to Japan 776,499 barrels of high-grade aviation gasoline. The extent to which the appeasers went in arming Japan, in violation of public sentiment and of congressional protest, is disclosed by the official figures relating to the shipment of cotton, aviation gasoline, iron and steel scrap, steel ingots, blooms, tin plate, tin scrap, refined copper, scrap copper, motortrucks, aircraft and parts, ammunition, and machine tools.

The time came when our own country was so short of war material, especially steel scrap, that the State Department came before the Ways and Means Committee urging a reduction in tariff rates in order to import scrap iron from the Caribbean islands, Central America, and South America to make up for the 8,000,000 tons of scrap iron shortage caused by exports of this essential war material to Japan.

One contribution, if not the greatest contribution in a material way to our national security, is our protected market. It has been responsible for establishing the most efficient industrial system in the world. Furthermore, our tariff system has lifted our standard of living, created opportunities for the men and women in every walk of life, and provided other manifold blessings which makes this land of America the envy as well as the hope of the downtrodden millions of other countries. There are not enough ships on the globe to convey the persons who would, if they could, come to this country, where under protection they could rise from serfdom to the stature of free men and women.

This is no time to permit a group of bureaucrats from the State Department to enter into secret agreements secretly arrived at to barter away the security of our free-enterprise system. I do not believe in delegating the power of life and death over any segment of our economy to a group of free-trade bureaucrats. To do so is to betray industry, agriculture, and labor. The fact that S. 814, an act to provide support for wool in order to save an agricultural industry essential to our economy and our national security from destruction by threatened imports of foreign wool is fair notice of the danger which the future holds for the farmers, unless they are protected. Why this hysteria on the part of Secretary William Clayton because Congress is taking action to save an industry from ruin? Is he here to protect Great Britain in her effort to ship wool into our market, when our market is already glutted with 400,000,000 pounds of wool? For whom is Secretary Clayton speaking, surely not for this country when he opposes Congress in its endeavor to save our own agricultural economy.

I shall at this point quote a statement made by Mr. Clayton about a month ago in Geneva. It is difficult to reconcile some of the statements attributed to him on the floor today with these two statements from the newspapers:

QUOTE I

It is already clear that the Geneva meeting is going to produce, from the standpoint of the American delegates and the American people, several delicate problems. One of these involves the granting of tariff concessions immediately by this country in return for promises on the part of other signatories of future concessions. The United States, as it happens, is the only major industrial nation that is currently exporting more than it imports. Most nations consider themselves too weak to give up their trade restrictions at the present time. American concessions would take the form of early reductions in tariffs on imported agricultural and manufactured goods. Other countries, in return, would be expected to agree to lower their own trade barriers correspondingly as soon as their external trade reached something approximating a state of balance. (Source: New York Times, May 19, 1947, the Geneva Trade Conference.)

QUOTE II

It is not the fault of our customs barriers if our imports only represent half of our exports. It is because foreign producers are not yet up to increasing their deliveries. (Source: Journal de Geneve, Switzerland, April 18, 1947.)

I do not propose to turn against the farmers, who in cultivating the soil, have struggled against the tide of the unwise free trade policy pursued by the political group fighting for the trade agreement program by which they hope to achieve their low-tariff objective. I believe in supporting by proper legislation, the living standards that have lifted us above the world level.

Mr. DAWSON of Utah. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DAWSON of Utah. Mr. Chairman, American wool growers must be protected. American wool cannot compete in a free market against foreign wool. Most important is the disparity in wage levels between the United States and other wool-producing countries. The climatic and range conditions are reasons for a higher cost. Production of food and fiber through sheep is for the benefit and happiness of humanity.

Prior to, during, and immediately following World War II foreign wool under tariff rates provided by the Tariff Act of 1930 has been imported into the United States by tremendous volumes and at approximately 15 to 20 percent lower prices than the protected price which the producer received under the purchase program of the Commodity Credit Corporation. This has resulted in a substantial accumulation of domestic wools.

Importations of apparel wool, less wool reexported, has continued to increase from 13,343,000 pounds in 1932 to a peak of 819,253,000 pounds in 1946. The consumption of foreign wool has likewise increased from a ratio of 5 percent of the total consumption in 1932 to a peak of 80 percent in 1946. It is apparent from these facts that there is need for a program.

While a foreign product has been encouraged in the volume above indicated, wool production and sheep numbers have continued to decline from a total production of shorn wool in 1932 of in excess of 350,000,000 pounds to an estimated production in 1946 of less than 300,000,000 pounds.

The producing countries of the United Kingdom of Great Britain have formed a joint control for the liquidation of the present surplus of wool. Thus, unless some long-term protective marketing program is established in the United States, the domestic wool producer will be forced to compete with the United Kingdom of Great Britain and her wool-producing countries. Such competition would be extremely embarassing to the producer of wool in the United States.

The wool growing industry of the State of Utah is the most important division of agriculture and a necessary enterprise in the utilization of the acreage within the borders of the State.

In Utah most of the land is suited for grazing. In fact 87 percent of the area is used for this purpose. Mountain, forest, and desert lands are all used for grazing. The limited cultivated crops are offset by the extensive sheep and livestock industry made possible by the large grazing area throughout the State.

Agriculture has more persons gainfully employed than any other industry. The State of Utah is second in America in the production of Rambouillet sheep, fifth in the production of wool, and seventh in the value of sheep and lambs.

Utah contains about 52,597,760 acres of land. There is less than 3 percent of the area of the State under irrigation and less than 1 percent in dry farms. The total potential acreage subject to cultivation and irrigation is less than 5 percent. In other words, 95 percent of the State of Utah must be and is used primarily for livestock.

The United States Census of Agriculture in the latest figures available, 1935, sheep on farms and ranges, lists, 6,417 farms with 2,452,196 head of sheep. With

an average of four persons to the farm a total population of 25,668 derive all or part of their livelihood from wool growing. You can therefore understand its importance to the State.

The prewar wool growing industry of Utah passed through a period during which there was little or no profit. A study of wool growers outfits which survived and are therefor what might be termed the successful operators, doing business in the section where supplemental feed generally is not required, shows that at the beginning of 1932 their average loan basis was $3.87, and that the average loan basis of these same outfits in 1936 was $4.38, indicating that 51 cents per head of their capital had been absorbed in losses. This does not include supplemental feed loans. The same outfits had an average cost of operation, not including replacements or any return on their investment, of $2.88, whereas the average annual gross proceeds was $2.84, an average annual loss during the 4-year period of 4 cents per head. It is apparent from these studies that a satisfactory wool market must be had for the product and that no concession can be allowed in the price of wool.

Evidence that the wool manufacturers of the United States could not, neither would they consume the domestic clip if concessions were made in the 1930 tariff on wool articles, is revealed in the importations of manufactured goods containing all or part wool. The United Kingdom is and has been importing into the United States articles manufactured in whole or part of wool under the tariff provisions of 1930, indicating that even the present tariff provisions are not adequate to protect the American manufacturer, and as indicated before with the American manufacturer out of the picture we would have no market to absorb the domestic clip. With a limited market for the domestic wool production, the wool industry would decline rapidly. In case of another war it would be difficult to secure wool in the interest of national defense. This has been the experience of every country that has been deficient in its wool production.

It is therefore very evident that the wool industry, as well as the woolen manufacturing industry, should receive sufficient protection so that they may continue as thriving industries.

Mr. GILLIE. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Chairman, one of the leading authorities in Congress on the wool problem, now under discussion, is the gentleman from Colorado, WILLIAM S. HILL, a member of the House Committee on Agriculture. Mr. HILL comes from a section of the country which is vitally interested in the passage of the wool bill in the form recommended by the committee.

A few days ago I received a letter from Mr. HILL outlining the problem confronting the wool industry and recommending a program of action to cope with the situation. Under leave granted to extend my remarks in the RECORD, I include Mr. HILL's letter in full:

WASHINGTON, D. C., *May 21, 1947.*

Hon. GEORGE W. GILLIE,
Member of Congress,
Washington, D. C.

DEAR COLLEAGUE: I will appreciate it deeply if you will take a few moments to review the wool bill. This is the situation in a nutshell.

Livestock is the basic industry of the West. The sheep industry is important in many States, but in Texas and in the 12 Western States it is of vital importance. Grass is the main crop harvested from 90 percent of the West's 800,000,000 acres. Thirty million head of sheep are presently grazing on the western ranges and daily gathering the products of the soil and processing them for utilization. The economy of 200 counties in the West can be maintained only by a stable and prosperous livestock industry.

The Department of Agriculture reports show that the stock sheep population of this country has dropped from 49,807,000 in 1942 to 32,542,000 head today. This represents a reduction of 35 percent. Our sheep population is the lowest in 50 years.

The Department of Agriculture reports that the production of wool has dropped from 459,073,000 pounds in 1942 to 300,000,000 pounds today, and that is a reduction of 35 percent.

The main reason for the decline in sheep population is due to the low price of wool.

In my own State of Indiana, the sheep population was reduced from 701,000 to 452,000. A two and one-half million industry was reduced to a one and one-half million dollar industry.

A report by the United States Tariff Commission after an extended study of the sheep industry shows that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946 and a somewhat higher figure in the two preceding years. The report further shows that the wool growers sustained a loss of $1.18 per head of sheep in 1946 and a somewhat higher figure for the two preceding years.

These statements are significant in the light of the finding of the Army and Navy Munitions Board that wool is a strategic and critical material necessary for the security of the Nation.

The day after Pearl Harbor, the United States froze the price of domestic wool at the OPA ceiling price. The price has remained the same during the war or to the present time and there will be no increase under the bill.

While the price of domestic wool has remained fixed from Pearl Harbor to date, it is true that from September 15, 1941, to Pearl Harbor, wool prices increased 13.2 percent. Accordingly, since September 15, 1941, to September 15, 1946, wool prices increased 13.2 percent, but 24 principal agricultural commodities increased an average of 91 percent during that same period. It has been contended that wool is selling at an all-time high. But the facts show that the 1946 Boston price of fine-combing wool was 34 percent less than the 1920 price, 18 percent less than the price in 1923 and 1924 and 8 percent less than the average price from 1922 to 1928, inclusive. Most of the western wools are fine-combing wool. This fact is significant in the light of the Tariff Commission's study, which shows that the operating expenses of the sheep industry have increased 66 percent from 1941 to 1946.

Great Britain, with her dominions, produces most of the world's supply of wool. At the war's end, faced with a tremendous stock pile of wool, they formed the joint organization (JO) in order to protect their wool industry by an orderly liquidation of their stock pile of over 2,000,000,000 pounds. The joint organization controls 85 percent of the world's apparel wool supply, and it has the power to lower prices at will.

During 1946 over 1,000,000,000 pounds of wool was consumed in this country. More than 80 percent of it was foreign wool. Last year 819,253,000 pounds of foreign wool was imported into this country. During that year and as of today the Commodity Credit Corporation has a stock pile of around 450,000,000 pounds of wool. Foreign producers dumped their products on the American market, because domestic producers are wholly unable to compete with low-cost producing countries. The Commodity Credit Corporation is prohibited by law from selling at less than parity. This restriction must be removed, so that the United States can dispose of its stock pile while wool consumption is high.

After Pearl Harbor, the United States paid transportation, insurance and storage on 500,000,000 pounds of Australian wool in order to assist Great Britain in having a supply available in this country, in the event the sea lines to Australia were cut off. Later on, the United States purchased 300,000,000 pounds of wool from Great Britain and it was sold on the American market. Because of this situation, and in order to stabilize the domestic sheep industry the Government instituted the purchase program and assured the growers that the program would be extended for 2 years after the termination of hostilities.

The bill reported out by the Committee on Agriculture of the House provides:

1. That the Commodity Credit Corporation will continue its purchase program until December 31, 1948, at the 1946 price, which, as I have indicated, has not changed since Pearl Harbor. That price is less than parity.

2. It authorizes the Commodity Credit Corporation to sell its wool at competitive prices with foreign wool. This will enable the United States to dispose of its stock pile.

3. Amend existing law by adding wool to other commodities under section 22 of the AAA act and thus provide that if imports of foreign wool tend to materially interfere with the wool program, the President may require the tariff commission to make a study and after a hearing if the President finds such to be the fact, he is required to impose such fees on imports as may be necessary to correct the situation.

I am convinced that the provisions of the wool bill are sound and necessary to provide for the sale of the Government stock pile and in order to protect the American sheep industry from further liquidation. The bill will come up tomorrow and if you can give us a lift it will be appreciated.

Yours very truly,

WILLIAM S. HILL,
Member of Congress,
Second District, Colorado.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent that my colleague the gentleman from Wisconsin [Mr. HULL] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HULL. Mr. Chairman, the issue here seems to be whether or not we shall sacrifice the great sheep-raising industry in order to add to the profits of world-trade manipulators. I am not in favor of such sacrifice. Our farmers did a wonderful job toward winning the war. Three years ago, the slogan "Food will win the war" was plastered far and wide in the press and on the billboards. Our farmers responded and provided both food and fiber, and also furnished millions of men to the armed forces and to

industry to make victory certain. Now come the money masters in world trade making their demands that Congress shall contribute to the downfall of agriculture in return for what our farmers accomplished. Congress should act promptly to thwart such a program.

In 1942, we had over 49,000,000 sheep producing over 459,000,000 pounds of wool. Those flocks also produced billions of pounds of wholesome meats annually for our armed forces and our civilian population. Under ceiling prices and foreign competition, our sheep population has been reduced to 32,000,000 head, and our wool production to less than 300,000,000 pounds. Our meat supply has been reduced in like ratio. And the end is not yet. With wool prices below cost of production every farmer and ranchman is selling his wool at a loss. But for the CCC and its purchases of 460,000,000 pounds, the losses would have been so great that every sheep raiser would have been compelled to sell his flocks at even more demoralizing prices. Wool growers sustained a loss of $1.18 per head in 1946.

We have had an antimonopoly law in this country since 1890. There has been a lack of enforcement which occasions criticism, but the law stands as the policy of Congress and the country. Were any combination to be formed in our own country to control 85 percent of any commodity and manipulate prices and markets, it would be subject to immediate prosecution. It would be a conspiracy in restraint of trade.

The war had not ended before a world cartel was organized to control 85 percent of the world's supply of wool. It came into being in Britain, which, with its dominions, had a stock pile of 3,000,000,000 pounds of wool. It is known as the joint organization. It has the power to fix wool prices at will. Whence came the money for its enormous capitalization is not stated. Whether the funds came from Britain or from the lavish grants and loans made by Congress to Britain, funds drawn from our own Federal Treasury, is not easily ascertainable.

The joint organization's 3,000,000,000 pounds of wool came principally from Australia, New Zealand, South Africa, all countries in which wool is produced at less than half its cost on our own farms and ranches. They are countries of mild climate and cheaper feed and pasture costs. Australia and New Zealand can and do ship their wools to our own ports and markets at less cost than that of getting our wools from farm to market. So great is the difference in cost of wool production at home and in these foreign lands that Congress fixed a tariff rate of 34 cents per pound on wool from abroad.

When the war came on, our country aided Britain and its dominions in stock piling wool from the countries in the Empire. Now the joint organization dominates the markets abroad and is in such great competition with our own production that in 1946 there were 819,000,000 pounds of wool imported mainly from the surplus in the control of that organization. That wool was bought at such low prices that the joint organization made enormous profits even when underselling our own wool for our own industries. It stands to make hundreds of millions in profits on its stock pile and to continue such profits indefinitely in the future.

The Commodity Credit Corporation holds 480,000,000 pounds of our domestic wool bought from our sheep farmers at a support price. It is held in warehouses at large expense while our textile mills continue to buy and use the cheaper imported wool. Until Congress acts, our warehouses will continue to house the CCC stock pile, and the joint organization will pile up the wool supplies from the southern hemisphere and dominate our own as well as all other wool markets in the world.

Thus, our farmers and ranchmen are being forced out of business by a foreign monopoly. Whether or not that foreign monopoly is financed directly or indirectly by our own Government is an open question. In any event, a foreign cartel or monopoly which could not be organized nor exist in our own land because of our own antitrust statutes, harbors the selfish interests which are determined to ruin one of our greatest agricultural resources. Home-made monopolies have extorted billions from our farmers and stock raisers in spite of our laws, but Congress should not tolerate the encroachment of a huge foreign monopoly in our field. It should pass this bill, and then draft other legislation to protect our people from a form of aggression as dangerous as war to our own well-being.

The success and huge profits of the joint organization will not stop at the wool markets. Similar gigantic cartels are in process of organization to further control world markets for agricultural products. A large part of the surplus dairy products of Australia and New Zealand are alleged to be under contract to a British cartel, and Denmark and Holland are said to be fearful that their dairy products soon may fall under like controls. How far the decline in prices on butter and cheese in the Middle West may be due to such manipulation remains to be seen. Monopolies are a form of gangsterism which thrives on darkness and secrecy.

A large vote for the pending bill will be notice to the foreign manipulators that our people are waking up to the dangers which threaten us under the guise of world brotherhood and peace.

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Chairman, I shall vote for this bill. I voted against the original reciprocal trade agreement, and I voted against every extension of that act. I did this because I knew that it was not for the best interest of our Nation.

When the reciprocal trade agreement was first passed in 1934 I stated that it was sponsored by the international bankers—those bankers who clip coupons from foreign bonds—and the international manufacturers. These two groups are interested in clipping coupons and selling manufactured products to foreign nations. This at the expense of the American farmer and the American laborer.

These internationalists—these betrayers of their country and their country's honor—are more interested in getting the "almighty" dollar than they are in the welfare of their own people—their Nation. I came to this conclusion in 1934 because of the lobbying of this international group.

That group has made some converts. It has converted to its cause some of our globetrotters. I can assure you that these converts do not represent the farmers but do represent the State Department. They are used by that Department in its horse trading with foreign nations—in selling America short.

I know that I represent the overwhelming majority of farmers and laborers of this Nation when I state that I am in favor of this bill. Why should we make agriculture and labor the goat? Are not our farmers to be preferred to the land barons of Australia, Latin America, and other nations? Are not our laboring people to be preferred to the peon of Latin America or other nations? Are not our people as a whole to be preferred to a few international bankers and manufacturers?

We have heard a great deal about isolationism and isolationists. The truth is that these words are used by the internationalists and globetrotters to either conceal their own ignorance, or to remove suspicion that they are representing other interests than that of America.

We never were an isolated nation. We always chased the almighty dollar on every ocean and on every sea and in every land. On many occasions we meddled in affairs that were not ours. We were always a nation of the world—always interested in all nations.

Now we are told that we must become the guardian of the world, that we must surrender the substance of our Nation that belongs to unborn generations. This in the name of peace and Christianity. When did it ever become necessary for this Nation to buy or bribe other nations? Such a doctrine is not only lunacy, but an insult to our intelligence and our dignity. We are just beginning to get our wisdom teeth in our dealings with Russia.

I am not impressed with the argument that we must destroy ourselves in order to comply with the reciprocal-trade agreement. I am confident that that agreement is void. A trade agreement is a treaty, and any attempt to deprive the Senate of the power to advise and consent to such an agreement is in violation of the plain, English language of the Constitution. I expect to test the constitutionality of that act when the Supreme Court is unpacked.

In the meantime, let us develop our own trade. Let us buy American. A vote against this amendment is a vote for Australian, Latin-American, and other nations' wool. A vote for the amendment and for this bill is a vote for America—a vote for the American producer. This issue will be drawn more clearly as time goes on.

Let us remember that 94 percent of our trade is with ourselves. Our bound-

ary line to this 94 percent is the Atlantic on the east, the Pacific on the west, the Canadian boundary on the north, and the Gulf of Mexico and Mexico on the south. Out of the 6 percent of foreign trade, between 2 or 3 percent consists of trading in international money and credit—stock and bonds.

Why should we give part of our domestic agricultural market away so that the international banker can collect on stock and bonds, and the international manufacturer sell his wares at the expense of the American farmer—at the expense of the American taxpayers?

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. HARNESS of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, S. 814, pursuant to House Resolution 214, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 151, noes 65.

Mr. FOGARTY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to include as a part of his remarks certain facts, tables, and figures.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Sumner Welles. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. BUFFETT asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include editorial material.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. JENNINGS asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include certain statistics.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed, including those who have spoken on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

COMMITTEE ON THE ARMED SERVICES

Mr. HESS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have permission to sit during the session of the House on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1948

Mr. DIRKSEN, from the Committee on Appropriations, reported the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 450), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. RAYBURN reserved all points of order on the bill.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include certain telegrams he received from the president of the stock exchange and his reply thereto, and other letters and correspondence in connection with short selling.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WORLEY (at the request of Mr. RAYBURN), indefinitely, on account of death in the family.

WILLIAM THOMPSON SANSOM

The SPEAKER laid before the House the following request:

MAY 23, 1947.

Mr. KILDAY requests, pursuant to rule XXXVIII, leave to withdraw from the files of the House papers in the case of H. R. 1549, for the relief of William Thompson Sansom, Seventy-ninth Congress, no adverse report having been filed thereon.

The SPEAKER. Without objection, the request is granted.

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 15 minutes.

POLITICAL BANKRUPTCY OF THE REPUBLICAN PARTY

Mr. EBERHARTER. Mr. Speaker, Mr. Carroll Reece, chairman of the Republican National Committee, vividly demonstrated last week end the political bankruptcy of the Republican Party. In a statement sent to 10,000 party officials and leaders throughout the country, Mr. Reece blamed the Democratic Party for current high prices. And, he charged, "the administration is determined to keep prices high in the hope of reaping political advantages."

This accusation by the ranking authorized Republican spokesman is reminiscent of the little boy who tossed the brick through the plate-glass window and then blamed the neighbor lad who had tugged at his arm trying to keep him from doing it. Mr. Reece obviously is frightened over public reaction to the run-away price inflation since he and his party killed OPA. He might, perhaps, under the circumstances, be excused if he tried merely to befuddle the people by asking, "Who killed cock robin?" But it is certainly with ill grace that he now blames President Truman for cock robin OPA's demise.

Such silliness has already been properly labeled an insult to the intelligence of the American electorate. Even the Washington Star, which has never shown signs of a proadministration bias, compares the Republican chairman's comments with the flights of fancy of young men in the spring who lightly turn to thoughts of love. The Star editorialized on last Monday that "it is inconceivable that the voters will be fooled by any of this seasonal nonsense."

No, Mr. Speaker, the voters have not forgotten—nor will they soon forget. It is not by accident that the program of the Republican Party to end price controls coincided with the $200,000 advertising spree just a year ago by the National Association of Manufacturers against OPA. Historically, the NAM and the Republican Party see eye to eye, and it has always been true, Mr. Speaker, that the Democratic Party has in the Congress and in the Presidency—in the State legislatures and in the city councils—represented the interests of all the people as against the special interests of the few. No—the housewife who is trying to make ends meet for milk and shoes for the children after paying the rent knows that the family pay check is not what it was a year ago. The workingmen—the school teachers, the store clerks, the truck drivers will not forget these Republican NAM advertised assurances:

> Remove price controls on manufactured goods and production will step up fast. Goods will pour into the market and within a reasonable time prices will adjust themselves naturally—as they always have—in line with the real worth of things. Competition has never failed to produce this result. This is the way you can get the goods you want at the prices you can afford to pay.

Now, Mr. Speaker, have not we waited a reasonable time? How much longer must the working people of this country wait and suffer from this profiteering and greed? It now appears that the Republican Party leadership has abandoned its assurances. But instead of a legislative program to rectify their horrible mistake—if such deliberate action can be excused as a mistake—they heap abuse upon the President. But the people cannot forget, they will not forget,

if I have anything to do and say about it, that Harry Truman vetoed one price-control bill because of its crippling amendments; that he reluctantly signed another because it was the best bill he could get; and that finally, under public pressure generated by ill-advised Republican campaign promises, he felt obliged to abandon his struggles to preserve price controls.

Nor will the people forget in 1948 how the President, after the end of OPA, continued the fight against inflation. The people know about his recommendations for voluntary price reductions, and his courageous opposition to tax reduction until the inflationary dangers have subsided. They know that he favors continuation of effective rent controls, and that the Federal budget he submitted to the Congress was the minimum below which a reduction means the impairment of essential Government services. They know where he stands on housing and health insurance and minimum wages.

But the public also knows, Mr. Speaker, the record of the Republican majority in this Eightieth Congress. And Mr. Reece knows that the public knows—and it is no wonder that he is worried. Shall we briefly review the record?

First, take rent control. For weeks the majority leadership debated whether to legislate a flat rent increase of 10 to 15 percent before proceeding to disguise their intentions to kill effective rent control by passing an extension bill so bad that long-time supporters of OPA voted against the legislation in the House. And the Republican strategy is reported to be to withhold Senate action until too late for the President to do anything but approve the bill. This, of course, is in line with their strategy for killing OPA last year.

Second, consider the Knutson tax-reduction bill. The President advised that now is not the time for cutting taxes. The Republicans, however, ran true to form by continuing the wartime rates for excise taxes, which fall heaviest on those least able to pay, and by reducing income taxes in such a manner as to provide a windfall to the rich. Even if inflationary threats were past, and the budget balanced with a substantial payment on the public debt assured, H. R. 1, as railroaded through the Ways and Means Committee by the majority, is a monstrous example of tax relief, not for the needy, but for the greedy.

Can the 45,000,000 taxpayers with incomes below $5,000 be expected to tolerate a tax bill which increases the take-home pay after taxes of the $300,000 man by 70 percent, but increases their own take-home pay by less than 4 percent? I am sure the more than 3,000,000 taxpayers in the State of Pennsylvania with incomes of less than $5,000 who receive their 5 percent are not going to be very friendly toward a party that provided their 68 neighbor Keystone-Staters having incomes over $300,000 with a generous 70 percent.

No, Mr. Speaker, the taxpayers will be heard from in 1948.

Third, this Republican Congress cannot refute the charge of gross neglect in failing to report a legislative budget for Federal receipts and expenditures for 1948. The debauchery of the Legislative Reorganization Act has resulted in the most reckless and ill-informed slashes of appropriation requests for the executive departments. The President's Bureau of the Budget already had reduced appropriation requests considered essential by department heads by some seven billion dollars, yet the House and Senate proceeded without consideration of fiscal requirements to vote for a legislative budget four and one-half to six billion dollars below the requested $37,500,000,000. The Republican leaders now realize, of course, that neither of these figures can be attained, for the conference committee on the legislative budget has met only once in the nearly 3 months since the conferees were appointed.

As if these dilatory tactics in defiance of the Legislative Reorganization Act were not enough, Mr. Speaker, the majority have made almost as many illusory paper reductions as they have actual cuts in the President's budget.

The $800,000,000 cut in Treasury estimates for tax refunds is not on the square, because overpaid taxpayers have a legal claim against the Government for the amounts overpaid. Another typical example is the disclosure reported in today's papers that an item for $641,832,000 for the Commodity Credit Corporation, requested by the President for 1948, has been charged by the majority against the current fiscal year. So by fair means or foul—and more foul than fair—the Republicans are striving for a reputation of economy. But these tactics are just as obvious as they are smooth, and the people will not be deceived.

Finally, let me refer to three prize misstatements by Mr. Reece in his letter to the Republican leaders. He accuses the administration of:

First. Incurable addiction to deficit financing. Now everyone knows that President Truman has balanced the budget for 1947, and the he will do the same in 1948 if the majority will only stop its headlong dash to reduce revenues in this period of highest national income in our history.

If we cannot balance the budget and begin debt retirement now, when on earth will we be able to do it? No, Mr. Speaker, the disease, if any, seems to be on the other side of the aisle.

Second. A reckless and ill-timed Government program for buying food for foreign relief. Unfortunately starvation and hunger do not respect marketing trends. If the foreign-relief bill recently passed by the Congress with Republican support is now repudiated by Mr. Reece, I might suggest that he get in tune with the statesmen within his own party.

Third. A political approach to labor-management relations. Mr. Speaker, if ever I have seen a political approach to labor-management relations, it is the Hartley bill drafted by outside lawyers in the hire of the chamber of commerce and manufacturers associations, beyond the reach even of the Democratic Members of the Committee on Labor. This bill will do more to create strife and discontent in the ranks of labor than any law ever passed by the Congress, and will only reduce productivity and thereby create scarcity and higher prices.

Mr. Reece charges that these fantastic assertions are proof that the President is making a drive to keep up high prices. Any sane man, Mr. Speaker, knows this is not true. The only conclusion to be drawn from this exhibition of Mr. Reece is, as suggested by the Washington Star, that the spring has affected somewhat the mentality of the Republican national chairman. If the Republican leadership in Congress and throughout the country does not repudiate the national chairman, it will be good evidence that this mental disease has become an epidemic of political degeneracy throughout the party.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. That is our former colleague, Carroll Reece, who is now the chairman of the Republican National Committee, that the gentleman is referring to?

Mr. EBERHARTER. That is correct.

Mr. McCORMACK. Who in a statement he made the other day put the blame on President Truman for the tremendous increase in the cost of living?

Mr. EBERHARTER. Exactly. That is the very same man.

Mr. McCORMACK. Why, that was politically insane. Then, just a few days before that he made a statement in which he called every labor leader a radical, including Bill Green; that is, he did not mention him by name, but he did not make any exceptions. He called every labor leader a radical, and that included Bill Green and even Bill Hutchison, who has been one of the bulwarks of the Republican Party. It includes them all.

Mr. EBERHARTER. I am just wondering if the Republican Members of the House and the Republican Members of the other body agree with Mr. Reece's statement. I have not heard anybody come up here and deny it.

The SPEAKER pro tempore (Mr. CASE of South Dakota). Under special order heretofore entered, the gentleman from California [Mr. HOLIFIELD] is recognized for 30 minutes.

THE PRICE SITUATION AND OUR ECONOMIC FUTURE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to include in my remarks at certain points some scales of figures.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, the present picture represents a critical stage in postwar economic development, a situation which we must appreciate and attempt to control.

First. The price structure:

(a) Price rises since 1939—United States News of April 25, 1947, page 29—retail:

	Percent
Food	95
House construction	84
Men's suits	72
Automobiles	56

(b) Wholesale prices in general—United States News of April 4, 1947, page 13:

	Nonfarm commodities	Farm products and food
August 1939 to June 1946 (7 war years)	*Percent* +36	*Percent* +64
June 1946 to April 1947 (9 months following the scalping of OPA)	+44	+48

Spot items—wholesale—increase from June 1946 to April 1947—United States News, April 4, 1947, page 13; The Price Situation, Congress of Industrial Organizations, page 3:

	Percent
Paint	66
Meat	83
Lumber	50
Drugs	67
Leather	63
Wheat	38
Hogs	94
Lard	121
Coffee	107
Steel scrap	100

(c) The misconception is that Government support prices have contributed to this situation.

Items covered by Government agreements to support agricultural prices at 90 percent of parity

		Support price (90 percent of parity price)	Present price
Hogs	100 pounds	$15.60	$25.40
Wheat	bushel	1.82	2.35
Eggs	dozen	.37	.40
Milk	100 pounds	3.25	4.10
Butterfat	pound	.55	.60

Potatoes are the only commodity presently being supported by the Government—at a cost of $80,000,000. Much of the blame for this can be laid to the Congress. If wheat and bread had been rationed after the war, more wheat would have been available to the Government at reasonable prices for shipment to devastated areas abroad and more potatoes would have been consumed domestically—United States News of May 5, 1947, page 13; Marquis Childs, Washington Post, April 17, 1947.

Second. The profit structure:

(a) Much talk about exorbitant corporate profits at the present time. During 1946 total corporate profits after taxes amounted to $12,000,000,000, 20 percent above the highest wartime yield.

Approximately $4,000,000,000 of this figure represents carry-back payments from the Government to cover the cost of reconversion. This figure is also affected by the repeal of the excess-profits tax—85 percent—in January of 1946. The present tax rate on corporate profits is 38 percent. Data on Profit and Wages, page 3; CIO Economic Outlook, an article entitled "Why Wages Must Be Raised," page 2.

(b) Nevertheless, profits after taxes in the first quarter of 1947 were running at a rate of $16,000,000,000 annually which represents a return of approximately 10 percent on net worth—National City Bank monthly letter on economic conditions and Government finance, page 46. The period of 1927–29 showed profits on only 8 percent of net worth. It seems clear that this is a higher return than can be borne in a steady-state condition. The best possible steady return on net worth is probably something close to 7 percent.

(c) The aspect of this profit figure which is most disrupting is the fact that only two-fifths of it is being distributed as dividends. The remainder, three-fifths, is being held in funds, partly for future plant expansion, partly as a reserve for the next depression, and partly for distribution when the income taxes are lowered. It is the creation of these funds which threatens to choke off our economic life. The phenomenon is a cumulative one—United States News, April 4, 1947, page 11.

(d) Instances of high profits in certain industries—developed from National City Bank monthly letter on economic conditions and Government finance, April 1947, page 46:

Industry	Percent increase in profits after taxes, 1945 to 1946	Percent return on net worth
Baking	209	21.8
Meat packing	202	10.8
Distilling	251	42.1
Cotton goods	358	27.1
Silk and rayon	296	24.5
Woolen goods	253	25.2
Hosiery, knitted goods	252	28.2
Other textiles	232	20.8
Clothing and apparel	238	23.3
Tires, rubber products	204	20.6
Lumber	222	14.1
Pulp and paper products	231	14.4
Cement	371	9.7
Chain stores:		
Food	217	18.6
Other	202	23.0
Department stores	208	20.8
Mail-order houses	261	25.6
Miscellaneous and wholesale	203	20.2
Shipping	230	15.3

Third. The wage structure:

(a) Compensation of employees as a group declined from $114,500,000,000 in 1945 to $109,800,000,000 in 1946, while the net income of corporations and proprietors, including farmers, and receipts from interest and net rents, went up from $46,400,000,000 in 1945 to $55,200,000,000 in 1946, and $12,000,000,000 of this was clear profit—Data on Labor and Wages, pages 6 and 7. Labor's share of the national income shrank.

(b) There is much talk at the present time about wages being exorbitantly high, but although average hourly earnings have increased steadily during the war and since—66 cents per hour in 1940, $1.13 per hour in October 1946—weekly take-home pay for the average worker in manufacturing industries has declined from a high of $47.50 in January 1945, to the present level of $46.40. This drop has been the result of the reduction of the standard workweek from 45 to 40 hours in the summer of 1945 and the loss of overtime pay—The Economic Report of the President, pages 47 and 48; United States News of April 18, 1947, page 27.

(c) A study conducted by the Heller committee of the University of California in March 1945 revealed that a family of four required an annual income of $3,075 to maintain minimum standards of health and decency. If this figure is adjusted for the rise in the cost of living since that time, one arrives at the present requirement for an annual income of $3,545 or a weekly income of $68.19. Compare this with the average weekly wage now prevailing—CIO Economic Outlook, page 6.

(d) Taking into account the rise in the cost of living, the real earnings of workers in nondurable lines have risen only 22.8 percent since 1939, and of workers in durable goods industries only 9 percent—United States News of April 25, 1947, page 14.

Fourth. A brief glance at the breakdown of national income in 1946—The Economic Report of the President, page 41:

TABLE II.—*National income by distributive shares, 1929–46* [1]

[Billions of dollars]

Year	Total national income	Compensation of employees			Net income of proprietors			Interest and net rents	Net corporate profits after taxes		
		Total	Salaries and wages	Supplements	Total	Agricultural	Nonagricultural		Total	Dividends	Savings
1929	83.3	53.1	52.6	0.5	13.6	5.2	8.5	9.4	7.2	5.9	1.2
1930	68.9	48.2	47.6	.5	10.0	3.8	6.3	8.9	1.7	5.6	−3.9
1931	54.5	40.6	40.0	.6	7.3	2.4	4.8	8.2	−1.6	4.3	−5.8
1932	40.0	31.7	31.0	.6	4.8	1.5	3.4	7.1	−3.6	2.7	−6.4
1933	42.3	29.8	28.7	1.1	6.5	2.2	4.3	6.6	−.6	2.2	−2.8
1934	49.5	34.5	32.6	1.9	7.5	2.7	4.9	6.9	.5	2.7	−2.1
1935	55.7	37.5	35.6	1.9	9.5	4.1	5.4	7.1	1.7	2.9	−1.3
1936	64.9	43.0	40.0	3.1	10.9	4.4	6.5	7.3	3.8	4.7	−.9
1937	71.5	48.3	44.9	3.3	11.9	5.1	6.8	7.4	3.9	4.7	−.8
1938	64.2	45.1	41.2	3.9	10.1	4.0	6.1	7.3	1.7	3.2	−1.5
1939	70.8	48.1	44.2	3.8	11.2	4.3	6.9	7.4	4.2	3.8	.4
1940	77.6	52.3	48.6	3.7	12.0	4.4	7.6	7.5	5.8	4.0	1.8
1941	96.9	64.5	60.8	3.7	15.8	6.3	9.6	8.0	8.5	4.5	4.0
1942	122.2	84.1	80.8	3.3	20.6	9.7	10.9	8.8	8.7	4.3	4.4
1943	149.4	106.3	103.1	3.2	23.5	11.9	11.6	9.7	9.8	4.3	5.5
1944	160.7	116.0	112.8	3.2	24.1	11.8	12.3	10.6	9.9	4.5	5.4
1945	161.0	114.5	111.4	3.1	25.6	12.5	13.1	11.8	9.0	4.5	4.5
1946 [2]	164.0	109.0	106.0	3.0	30.0	15.0	15.0	13.0	12.0	5.0	7.0

[1] National income is the total net income earned in production by individuals or businesses. The concept of national income currently used differs from the concept of gross national product in excluding depreciation and depletion allowances and business taxes. A reconciliation between these two series and income payments is shown in Appendix A, table II, for 1939, 1944, and 1946.

[2] Estimates based on incomplete data.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

THE LEGISLATIVE HISTORY OF THIS INFLATIONARY DEVELOPMENT

First. A year ago, when the question of extension of OPA was being considered by the Congress, many Members of the Republican group in this body—men whose economic prophecies have been refuted—availed themselves of the opportunity to do some economic forecasting in the CONGRESSIONAL RECORD.

The following quotations reveal their expectations concerning the effect of the removal of price controls.

April 17, 1946:

When price controls are ended, there will be confusion for a few months, whether it be now, next year, or some future year. But production will rapidly increase when controls are lifted, and the supply will rapidly come to equal the demand. Then confusion will end, prices will be stabilized, and production will be normal and sufficient. When this natural condition is reached, competition will keep prices stabilized on a reasonable basis.

June 25, 1946:

The only real remedy for the high cost of living, the only cure for inflation, is a return to a free economy; the noninterference of Government agencies with the operation of the law of supply and demand.

July 5, 1946:

I say that the Congress, if it wishes to preserve free enterprise, insure through it the highest standard of living at the lowest possible cost, cannot do so by fostering the OPA with its gestapo snoopers, kangaroo courts, and the black-market operators who are in league with and who are supporting this un-American dictatorial bureaucracy.

July 27, 1946:

Give our free economy an opportunity to function, unshackled, for a reasonable length of time and the old law of supply and demand will furnish us with plenty and at fair and reasonable prices.

Second. While on this point, I refer to the allegations of scarcities under the price-control system. I point out that there was irrefutable evidence of large-scale holding back of merchandise by producers in anticipation of the price rise which followed the forced removal of price controls.

Third. On January 8 of this year the President transmitted to the Congress, in keeping with the provisions of the Employment Act of 1946, a detailed and objective evaluation of the economic situation which confronted the Nation.

Attempting to suggest ways in which this situation might be effectively dealt with by means of legislation, he outlined a short-range program which included five main recommendations, recommendations carefully formulated by some of the best economic minds in the country.

(a) Prices and wages:

1. Extend rent controls.

2. Extend the coverage of the Fair Labor Standards Act and raise the minimum wage.

(b) Social security: 1. Raise the level of benefits.

(c) Housing: 1. Authorize a permanent, long-range housing program.

(d) Taxation: 1. Refrain from the unsound fiscal policy of reducing taxes at the present time.

(e) Labor-management relations—recommendations embodied in the President's state of the Union message of January 6, 1947:

1. Enact legislation to curb jurisdictional disputes and prevent some types of secondary boycotts.

2. Extend the facilities within the Department of Labor for assisting collective bargaining.

3. Broaden the program of social legislation by alleviating the causes of workers' insecurity.

4. Authorize the appointment of a temporary joint commission to inquire into the entire field of labor-management relations—the Economic Report of the President, pages 20 and 21.

All of these recommendations have a direct bearing upon the present picture of inflation.

According to the provisions of the Employment Act, the Joint Committee on the Economic Report made a report on January 31, 1947, in which it stated that these recommendations were too controversial to be treated at the time and that they would be dealt with by separate committees working in these fields. Since that time the joint committee has held hearings sporadically, but has contributed nothing of a constructive nature to the problem—Senate Report No. 11, page 2.

Let us look at the score to date. Of the five recommendations, one has been ignored effectively and the other four have been completely repudiated.

The detailed picture looks like this:

(a) Prices and wages:

1. Rent controls, although extended in name in the House bill just passed, have been effectively gutted.

2. Minimum wages and labor standards have been struck a heavy blow in the portal-to-portal pay bill recently passed by the House.

(b) Social security: This subject has been more or less ignored, except that there are ugly rumors about to the effect that the social-security tax will not be permitted to rise from 1 to 2½ cents on the first of next January as Congress originally intended.

(c) Housing: Although the Wagner-Ellender-Taft bill was reported favorably out of committee by a slim majority in the other body, it is rumored that it will be ignored by the appropriate committee in the House. It can be considered as a dead duck in this session.

(d) Taxation: In direct contradiction of sound fiscal policy, a far-reaching tax reduction program has been adopted by the House, a program which extends mammoth benefits to the extremely wealthy at the expense of giving the low income taxpayers only moderate relief.

(e) Labor-management relations:

1. Hasty and drastic measures aimed at curbing labor's power have been adopted by the House, measures which attempt to resolve delicate and subtle working relationships by ill-considered and stringent restriction.

2. The Department of Labor, and particularly the Conciliation Service which specialized in improvement of the collective bargaining process, has been in effect emasculated by the action of the House with regard to its appropriation for next year.

3. Nothing appreciable has been accomplished toward increasing the security of the individual worker in our society, even though this hypothetical individual worker has been the hero of all attacks upon the union movement in this country.

4. Appointment of a temporary commission to give thorough and thoughtful consideration to labor-management problems has been ignored in the haste to restrict the bargaining position of the workingman.

Here, then, is the clear record of a congressional policy which flaunts short-sighted political expediency in the face of a remedial and beneficial economic program.

WHERE DO WE GO FROM HERE?

First. We are quite obviously moving into a recession. Forecasters in the Department of Commerce, the Department of Agriculture, the Civilian Production Administration, and the Bureau of Labor Statistics are agreed that there will be a decline in production and prices during the latter part of 1947. There seems to be general feeling that this will be a relatively minor and temporary phenomenon—Data on Wages and Profits, page 9.

The United States News attempts to outline the expectations in greater detail. It predicts drops in the level of economic activity throughout the country, as follows:

Measures of economic health:	*Expected percent decline*
Total industrial production	20
Civilian employment	8
(The unemployed group is expected to rise from 2.5 to about 6 million)	
Iron and steel production	20
Machinery production	32
Lumber production	12
Textiles production	24
Manufactured goods production	11
Paper and products production	21
Food products production	12
Rubber production	22
Chemicals production	10
Gasoline production	4

The United States News predicts that this bottom will occur early in 1948 but that it will be of short duration with production recovering during the latter half of the year. They describe it as a process of correction which will lead to an extended period of prosperity:

Profits won't be as encouraging at the bottom of the dip as at present, but the current rate of corporate earnings is sufficient to make 1947 a prosperous year as a whole (averaging 176 percent of the prewar level as compared with 170 percent in 1946) even if the downturn comes relatively soon. (United States News, May 9, 1947, pp. 11–14.)

Second. Now the United States News is not generally considered as a radical organ. What do they regard as the present supports which "appear certain to cushion the effects on any business decline?"

(a) Savings: Although savings expressed as a percentage of disposable income declined from 28 percent in 1944 to 9.5 percent in the fourth quarter of 1946, the consumer savings accumulated since 1940 total $173,000,000,000. This reserve, located principally in the upper income brackets, will come into effect in the form of purchasing power as prices de-

cline.—The Economic Report of the President, page 13. On top of this there is a reserve of $32,500,000,000 in undistributed corporate profits, accumulated since 1940, which can be expected to go into plant expansion as raw material prices are eased.—The Economic Report of the President, page 41. High-bracket income reserves and corporate reserves have only a limited function in the absorption of consumer goods.

(b) Consumer demand: There is sustained evidence of a pent-up demand for the durable manufactured goods which were so scarce during the war years. As the prices of these articles decline, the demand can be expected to provide a vigorous market. The automobile and construction industries will stand in a particularly favorable position in this respect, and the secondary effect of their demand for supplies will give life to a wide range of manufacturing and mining industries. The alarming drop in residential construction due to exorbitant prices challenges continuity of expenditures in this field.

(c) Government spending "is another factor that will support business activity. Federal spending is not likely to fall below $33,000,000,000 in the fiscal year that begins July 1, 1948, and this means a wide Government market for goods. The Government is as effective a customer as any other buyer, and its demand is more stable than that of business firms or individuals."

(d) Exports "provide another support. Foreign countries this year will take at least $12,000,000,000 worth of United States goods, ranging from grain and tobacco to machinery and movies. This amounts to about three times the wholesale value of the automobile industry's entire output."

(e) Social security "benefits will strengthen the buying power of the unemployed through unemployment and retirement insurance." It can be seen that the last three—Government spending, exports, and social security—of these cushioning effects are subject to the direct control of Congress. Intelligent and farsighted exercise of this control can determine the ease with which this price-adjustment period is met.

An impartial observer would be impressed with the fact that the control being exercised at the present time in two of these areas—Government spending as proposed in appropriations recommended for next year and export reduction as contemplated in current criticism of the proposed International Trade Organization—is neither intelligent nor farsighted.

Third. One aspect of the current situation which appears less encouraging than the United States News picture is the large expansion of commercial-bank loans since the end of the war.

Business loans expanded 33 percent in the last half of 1946.

Consumer loans increased by more than 50 percent during 1946.

Real-estate loans jumped more than 50 percent in 1946.

These trends, coupled with the rapid return of installment buying following the end of the war, are the raw materials of a credit bubble, the bursting of which could compound the severity of the recession which confronts us. The degree of inflation of values, against which these credits are extended, will control the severity of the recession.

Fourth. During the past months there has been much screaming about the price situation.

The President, robbed by the Congress last summer of any effective implements for controlling prices, has offered a plea to business groups throughout the Nation to reduce their profit margins in the interest of the country's economic health; the so-called suasion method.

Business being what it is, and human beings acting as they do, this plea has fallen, with a few laudable exceptions, upon deaf ears.

Congress holds it in its power to put teeth into price reduction by the simple expedient of reinstating the 85-percent excess corporate profits tax which it so generously removed in January of 1946. Better than this, the tax could be applied with large-scale exemptions for corporate profits which are employed in plant expansion. In this way a premium would be placed upon greater production, greater employment and resulting lower prices.

It is pretty late in the game for such a measure. The horse has already been stolen. Nevertheless, it would still have a salutary effect upon the present price structure and would increase popular confidence in American business at large by recapturing from a small group of manufacturing and distributing companies the really exorbitant profits which they are presently enjoying.

Such an excess-profits tax would be politically unacceptable to Congress, however, in its present mood, and so we will have to stumble along without it. The scattered cases of piracy in the post-war market will continue unmolested. The exorbitant profits will continue to add to the inflationary pressure.

THE LONG-RUN PICTURE

Since it is generally assumed that the "recession" confronting us will be a short and mild one, let us look ahead at the following years.

The United States News sees a period of full production and general prosperity in the years following this adjustment—and then, "a postwar depression comparable to that following 1929 is improbable before sometime in the 1950's." The views of the United States News can probably be said to reflect fairly accurately the generally held opinion of American business on this question.

Gentlemen, my point is this: our country cannot afford another depression comparable to that of 1930 and 1931. Such a period of economic crisis would leave us prone to an authoritarian corrective program. The people of this country, afflicted by economic stagnation and resulting physical distress, might well be tempted to turn to a totalitarian program which would offer food and shelter in return for the sacrifice of democratic principles.

To illustrate this point, let me quote to you the last sentence of an editorial in the St. Louis Post-Dispatch of May 5:

As our economy is constituted, we have got to expect cyclical difficulties; if the difficulties before us, however, approach in severity the deep depressions of the past, the people are going to demand some drastic changes in our system.

We are the only great Nation left which has not turned away from the free-enterprise system.

Here is where the danger to democracy lies, gentlemen, and we have the power to control that danger now. Rather than succumbing to short-run political and economic pressures, let us adopt a long-term corrective fiscal policy, a policy based on the experience which we gained in our attempts to recover from the last great depression. Many lessons in large-scale administration, some good and some bad, were learned from that phenomenon, and those lessons should be applied in the formulation of corrective measures to prevent the recurrence of such a disaster.

The President has embodied the results of comprehensive thought along these lines in the recommendations for a short-range and long-range program contained in his economic report to the Congress. I have attempted to show that we have, in effect, repudiated his short-range recommendations thus far. Let us reconsider our actions on these points as the bills concerned go into conference, giving further consideration to the economic issues involved and attempting to meet the situation intelligently.

In conclusion, let us analyze briefly the long-range recommendations in the President's report.

First. Efficient utilization of the labor force: The emphasis here must be placed upon increased productive efficiency—the largest single factor in the development of the present American standard of living—and intelligent use of a coordinated placement service. Arbitrary discrimination in employment, discrimination based upon irrational prejudices with regard to race, religion, and sex, must be actively discouraged.

Second. Maximum utilization of productive resources: The Government has a real responsibility here in providing assistance and intelligent advice, legally implemented, to private enterprise in order that the levels of employment, production, and purchasing power in this country may be kept both stable and high.

(a) Agriculture: Improvements in farming techniques and the mechanics of distribution make it possible, with long-range Government advice and encouragement, to maintain farm incomes at a decent level—avoiding an agricultural depression similar to that which followed the First World War—and to steadily improve on the American diet. The fundamental unit in this development must be the family-sized farm.

(b) Regional development: Here the problem is one of realizing the tremendous economic potential of regional programs in development of power and effective means of flood control and irrigation—such as the Central Valley project in California—in improvement of facilities for transportation by land, by inland waterway, and by air, and in farsighted management of public lands. Such programs can benefit the entire

Nation by promoting regional prosperity and, through sound community development, reviving stranded and depressed areas across the country. Appropriations for these purposes should be considered as capital investment rather than expenditures, as in most instances they are wealth producing and self liquidating.

(c) Federal-aid programs: These represent the financial manifestations of all programs for improvement of the country's resources, both natural and human. Through the grant-in-aid mechanism maximum reliance can be placed upon local autonomy in the construction and management of facilities for transportation, hydroelectric control, education, welfare, public health, and the like.

(d) Public works: The effect of Government construction activities upon the economic life of the Nation and their practicability as a cure-all for recessions can be overestimated, but the compensatory effect of such spending cannot be denied. A well-planned, long-term program of physical development, applied with an appreciation of the impending level of business activity, can contribute greatly toward stabilization of the private economy.

(e) Research and patents: Our increasing dependence upon technological development makes it imperative that the Government sponsor scientific research. Social gains can be realized from this sponsorship, both from the acquisition of more precise information concerning the nature of the social sciences and from intelligent and humane control of progress in the anti-social sciences. The passage of the national science bill a few days ago in the Senate is an important step forward. Action by the House should not be delayed.

Third. Encouragement of free-competitive enterprise:

We are at present the only great nation on earth that has not abandoned a system of free private enterprise. In order that the soundness of our judgment in relying on this system can be demonstrated, it is necessary that competition be kept really free. This freedom demands more than the simple payment of lip-service to the law of supply and demand.

(a) Enforcement of existing antitrust laws:

We are informed that concentration of the means of production in the hands of a relatively few giant corporations is proceeding at a rate hitherto unknown in our history. This disturbing movement, oiled by soothing phrases extolling the virtues of free competition, has accounted for the corporate acquisition of 1,833 mining and manufacturing firms in last 6 years. And we note with alarm that nearly three-fourths of this total have been swallowed up by corporations with individual assets of over $5,000,000. One hundred and twenty of the 200 largest corporations in this country have bought up 27 percent of this total.

The best initial move to check this trend would be to provide increased appropriations for the Antitrust Division of the Department of Justice and the Federal Trade Commission and to extend section 7 of the Clayton Act in order to prohibit mergers by the acquisitions of assets.

(b) Encouragement of small business: This sector of our economy, heart of the vital and traditional concept of commercial initiative, must be provided with all possible advantages in its formative stages. These advantages include the availability of long-term credit and equity capital, the provision of detailed information on markets and technical data by the Department of Commerce, and arrangement of favorable tax conditions—increased exemption on current profits when reinvested in plant expansion.

Fourth. Promoting welfare, health, and security:

What must be appreciated here is the fact that the Nation's economic health bears a direct relationship to the well-being and peace of mind of its citizens.

(a) Public health and education programs:

It is more economical to prepare people to earn a decent living than to care for them through relief. (The Economic Report of the President, p. 29.)

With adequate governmental provision for protection of health, increase in nutrition level, and popular education (both academic and vocational) the physical and mental vitality of the Nation becomes a tremendous economic asset. Remember, too, that the terrible complexity of modern life demands the highest possible level of education and intelligence among the citizens of a democracy. The President's recent message to Congress on health services and sickness compensation should be heeded.

(b) Social security: In order that the Nation's purchasing power may be sustained on a long-term basis and that insecurity in employment may be reduced to a minimum, it is necessary that the coverage of old-age and survivors' insurance be extended, that a comprehensive program of sickness and disability insurance be adopted, and that unemployment benefits be increased in duration and amount.

Do not be intimidated, gentleman, by violent and irrational criticism of the so-called cradle-to-grave philosophy. The age of the iron law of wages is drawing to a close. Governments that ignore social needs are forced into political oblivion by their desperate citizens.

Fifth. Cooperation in international economic relations:

A steady high level of international trade will be a vital component of extended prosperity in this country. The value of our exports in 1946 amounted to about $15,000,000,000 military costs, commodity and credit exports, and we should attempt to keep our volume at or above this figure in the future, gradually bringing our foreign trade into balance with a growing volume of imports. Working through the International Trade Organization on commercial matters and through the International Monetary Fund and the International Bank for Reconstruction and Development on financial matters we can establish our foreign trade on a sound and dynamic basis, permitting our economy to concentrate to a moderate degree upon the exportation of those commodities which we can produce with the greatest efficiency. Mutually beneficial commercial ties may thus be established with the rest of the world. A peaceful world can only be established on the basis of economic stability.

Sixth. Combating economic fluctuations:

An effective approach to this problem involves intelligent blending of the programs just described. All action in this connection must be aimed at stabilizing the Nation's economy at a high level of activity.

Let me quote to you the last paragraph of the President's recommendation on this point.

Continuing policy cannot be extemporized from month to month or even from year to year; most policies designed to increase the stability of the economy are of long-range character. Fortunately, we have time in which to plan deliberately and wisely, and in which to secure the cooperation of all our citizens in driving toward our common goal: An expanding economy of maximum production, employment, and purchasing power under a system of free competitive enterprise, with full recognition of the duties and responsibilities of forward-looking Government. (The Economic Report of the President, p. 32.)

These recommendations merit the careful study of every conscientious Member of Congress. These are the programs which will control the severity of the next great depression and, indirectly, the future of democracy in our Nation. These principles must be borne in mind as this year's legislation is formulated.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. EBERHARTER. I have heard advanced as reasons why a tax reduction bill should be passed, statements made by Republican spokesmen that private enterprise needs incentive; in other words, they are not making enough money and in order to keep in business, to go ahead, they need an incentive, and that that is a reason why there should be immediate tax reduction. I am delighted that the gentleman has shown us the profit that business has made in the last year. It seems to me from that showing that they do not need a reduction of taxes as an incentive to make more profits.

Mr. HOLIFIELD. I think the gentleman is exactly right.

Mr. PRICE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. PRICE of Illinois. The gentleman's address has been very interesting and I am glad to have his views on this subject so important to the consumers of this country. I want to make the observation that the gentleman himself is a successful businessman, being the operator of a large men's furnishing store in his own city. He speaks from an actual knowledge of the situation.

Mr. HOLIFIELD. I thank the gentleman for his contribution.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. We had another illustration only this afternoon of a bill

passing by which they are going to gouge the public again.

Mr. HOLIFIELD. That is right. It is the old, old game of playing to a certain class and giving them a financial advantage at the cost of all the people.

Mr. McCORMACK. They wanted to please one group, all right. Did not want to displease another group, all wrong. The result is they passed a bill in which they said: "We will pass it on to the public," the dear old worker and the consuming public which in their concept of government always pays the price.

Mr. HOLIFIELD. The gentleman from Massachusetts is correct.

Mr. EBERHARTER. Mr. Speaker, if the gentleman will yield further, the gentleman spoke a while ago of 20-percent drop in production.

Mr. HOLIFIELD. That is in production; not in price.

Mr. EBERHARTER. That is beyond the marginal level that is necessary in order to have a reasonably prosperous economy.

Mr. HOLIFIELD. That is correct.

Mr. EBERHARTER. Twenty percent is a tremendous amount.

Mr. HOLIFIELD. There is no limit. Once the guaranty of production at the mill level starts down, it cannot be controlled; the old vicious circle that we have been so accustomed to in the past will occur again.

Mr. EBERHARTER. That is exactly what I mean. When you get just below the marginal level of a reasonably prosperous line, then the depression has started and it is very, very hard to stop it from obtaining tremendous proportions.

Mr. HOLIFIELD. That is right. The gentleman is correct.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield further?

Mr. HOLIFIELD. I yield.

Mr. McCORMACK. Before concluding, I want to congratulate the gentleman from California and also the gentleman from Pennsylvania [Mr. EBERHARTER] for the two constructive speeches that they have made this afternoon. We all know of the promises that were made last year; promise after promise on the floor of this House that within 60 days, if price controls were taken off, if the law of supply and demand were permitted to operate, the people would pay less, and there would be plenty of goods around, more so than when the OPA price ceilings were on. Now, over 6 months have gone by and it has not materialized, and the converse has taken place. Instead of lines of people trying to get something, there are people now with no money to buy at the high prices, and there is a consumer resistance going on. It is very apparent that they have had enough of 1946, and it is going to have a throwback on those who employed them, and the people will have had enough in 1948 of the present controlling party in the Congress. Furthermore, this is the first time in 14 years that the people have had an opportunity of contrasting the leadership of the Democratic Party with the Republican Party. They have had 5 months of it now. Throughout the entire length and breadth of the country there is complete dissatisfaction with the leadership of the Republican Party in Congress after only 5 months. The comparison is very favorable to our constructive leadership of 14 years.

Mr. HOLIFIELD. The gentleman is exactly right. In 5 months' time we have seen these things happen. We have seen corporate profits go up out of reason. We have seen take-home wages go down. We have seen great manufacturing companies and great financial institutions become alarmed over an impending crisis. We are seeing the stock market go down. The gentleman from Illinois [Mr. SABATH] spoke on the floor in the last 2 days regarding the short-selling wave on the stock market. The short-selling wave, of course, is an effort on the part of speculators to take advantage of certain market factors which they see in the offing. Even some of the great industrialists who railed against controls and who did everything they could to get those controls taken off, now begin to see that the situation is getting out of hand. A few of them have agreed to the President's request and have made some small temporary price reductions. We know about the Newburyport plan, but we can also predict that the moral suasion of the President will not be listened to by greedy competitive producers who are out to wring the last dollar out of the wages of the American people. They continue to pile up these unexpended and undistributed reserves, and get themselves in a position where they individually can ride out the depression regardless of what happens to the rank and file of the American people.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McCORMACK. I think one of the most unfortunate things that has ever happened is the stock-market situation. Earnings are high. Stocks usually sell for 10 times their earnings. That is a cardinal policy in the stock market. Yet you find stocks selling for hardly more than two, three, or four times their earnings. Since election day of last fall there has been a tremendous wiping out of billions of dollars of investments. People put in fear, have lost billions of dollars, driving the price down. Speculators now will step in and the market will take a turn upward. There is no real reason justifying this. There is every indication that stock values should be higher than they were last November, if anything, yet there has been this collapse and in its wake has followed the wiping out of billions of dollars of money invested by the average people of America. They are in fear, and many of them are selling out. Then the big speculators will step in at the low prices and, when the stock market bounds back, the poor people who had invested their money and lost billions of dollars will again, in plain language, be the losers. It is the same old story of shearing the lambs.

Mr. HOLIFIELD. The savings of individuals throughout America have grown to the greatest height in the history of America, the individual bondholdings and savings accounts. The speculators want to get hold of that money, and this is the way to do it.

Mr. McCORMACK. They cannot blame the Democratic Party for this collapse in the stock market.

Mr. HOLIFIELD. No, because the lack of confidence of which we have heard so long on the part of business is now beginning to show up in the stock market. The lack of confidence is coming because of the reversal of the policies of the Democratic administration.

Mr. McCORMACK. What about the person who through fear sells his stock or has sold his stock at a tremendous loss, when every factor existed for higher values, if anything?

Mr. HOLIFIELD. That man has lost the savings of the war years, the prosperous years, the Democratic, last 14 years. He has lost those savings because of the lack of confidence of even the big businessmen of America in a continuation of the prosperity which is now prevalent but which is nearing the end of its term.

Mr. KELLEY. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. KELLEY. Those things concerning which the gentleman has spoken have done something else, they have further promoted the feeling of insecurity among the working classes of our people. The great nemesis which follows them from the cradle to the grave is insecurity. That has been instanced in history where people have sacrificed their freedom for security. They talk about that in Russia. They have no freedom, but they do say they have security. The greatest bulwark against communism in this country, it seems to me, would be to promote security rather than desperation.

Mr. HOLIFIELD. I think the gentleman is exactly right. Communism is built on insecurity and desperation of peoples.

May I point out that the measures which the President advocated in regard to establishing security for the workers, providing that the social-security base is broadened, and seeing that certain types of health insurance are given to the people who are unable to buy that health insurance themselves; in other words, investing in the future of America, all of those things have been discarded and repudiated.

I bring that out in the body of my speech. They have all been repudiated and the old system of laissez faire has taken over. We are going to see industry in the place of giving workers security, punish the workers by supporting a Republican Congress in passing the harshest labor laws we have ever had. In place of giving the raise in social-security rates which the President has asked for, we are going to continue depreciating what we have. In the place of building homes for veterans, we see the appropriations being cut down. In the place of bringing in a long-range public housing bill to the floor of the House, such as the much talked of Taft-Ellender-Wagner bill in the other body, we see no action on the part of the respective committees to bring out that long-range housing program not only for veterans but for all the people of America

who are in the subincome brackets and who need housing. We see nothing done about that. None of the things that the President has recommended is being done, nothing is being done except punitive things against the workers and small investors and small businessmen and the rank and file of people of America.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia have until midnight tonight to file reports on the bills, H. R. 494, 497, and 3515.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the RECORD and include a speech.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 50. An act for the relief of Joseph Ochrimowski; to the Committee on the Judiciary.

S. 116. An act for the relief of Mrs. Mildred Wells Martin; to the Committee on the Judiciary.

S. 272. An act to provide for the utilization of surplus War Department-owned military real property as national cemeteries, when feasible; to the Committee on Public Lands.

S. 315. An act for the relief of Reginald Mitchell; to the Committee on the Judiciary.

S. 317. An act for the relief of Robert B Jones; to the Committee on the Judiciary.

S. 470. An act for the relief of John H. Gradwell; to the Committee on the Judiciary.

S. 512. An act to extend provisions of the Bankhead-Jones Farm Tenant Act and the Soil Conservation and Domestic Allotment Acts to the Virgin Islands; to the Committee on Agriculture.

S. 514. An act for the relief of the legal guardian of Sylvia De Cicco; to the Committee on the Judiciary.

S. 526. An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 561. An act for the relief of Robert C. Birkes; to the Committee on the Judiciary.

S. 597. An act to provide for the protection of forests against destructive insects and diseases, and for other purposes; to the Committee on Agriculture.

S. 805. An act authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the district embracing the east portion of Duchesne County and the west portion of Uintah County; to the Committee on Public Lands.

S. 824. An act for the relief of Marion O. Cassady; to the Committee on the Judiciary.

S. 882. An act for the relief of A. A. Pelletier and P. C. Silk; to the Committee on the Judiciary.

S. 1020. An act to amend the Philippine Rehabilitation Act of 1946, as amended; to the Committee on Foreign Affairs.

S. 1230. An act to amend section 2 (a) and 603 (a) of the National Housing Act, as amended; to the Committee on Banking and Currency.

S. J. Res. 64. Joint resolution authorizing the President of the United States of America to proclaim the 9th of October of each year as Leif Erikson Day; to the Committee on the Judiciary.

S. J. Res. 78. Joint resolution designating September 17 of each year as Constitution Day; to the Committee on the Judiciary.

S. J. Res. 92. Joint resolution designating April 5 of each year as Booker T. Washington Day; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 236. An act to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals;

H. R. 384. An act for the relief of W. H. Baker and Walter Baker.

H. R. 428. An act for the relief of Charles N. Bemis;

H. R. 444. An act for the relief of the estate of Archie S. Woods, deceased;

H. R. 603. An act to amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries;

H. R. 1494. An act for the relief of the estate of Nellie P. Dunn, deceased;

H. R. 1844. An act to authorize the Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control, and for other purposes;

H. R. 2094. An act for the relief of Isaac B. Jones; and

H. R. 3245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 854. An act to amend section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes."

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p. m.) under its previous order, the House adjourned until Monday, May 26, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

703. A letter from the executive secretary, National Advisory Committee for Aeronautics, transmitting a draft of a proposed bill to cover appropriation items for the National Advisory Committee for Aeronautics in the 1948 budget which may be subject to points of order; to the Committee on Expenditures in the Executive Departments.

704. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to revise the method of issuing patents for public lands; to the Committee on Public Lands.

705. A letter from the Secretary of State, transmitting a draft of a proposed joint resolution to enable the President to utilize the appropriations for United States participation in the work of the United Nations Relief and Rehabilitation Administration for meeting administrative expenses of United States Government agencies in connection with United Nations Relief and Rehabilitation Administration liquidation; to the Committee on Foreign Affairs.

706. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill to authorize intra-agency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes; to the Committee on Expenditures in the Executive Departments.

707. A letter from the Secretary of State, transmitting a draft of a proposed bill providing for participation by the United States in the Inter-American Conference on Social Security and its permanent committee and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

708. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1948 in the amount of $350,000 (H. Doc. No. 267); to the Committee on Appropriations and ordered to be printed.

709. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of $61,580,000 for the War Department (H. Doc. No. 268); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WADSWORTH: Committee on Rules. House Resolution 166. Resolution authorizing and directing the Committee on Agriculture to undertake an investigation with respect to the potato surplus; without amendment (Rept. No. 444). Referred to the House Calendar.

Mr. TWYMAN: Committee on Post Office and Civil Service. H. R. 1714. A bill to exclude certain interns, student nurses, and other student employees of hospitals of the Federal Government from the Classification Act and other laws relating to compensation and benefits of Federal employees, and for other purposes; with an amendment (Rept. No. 445). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Illinois: Committee on the District of Columbia. H. R. 1633. A bill to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia"; without amendment (Rept. No. 446). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEALL: Committee on the District of Columbia. H. R. 2470. A bill to authorize the establishment of a band in the Metropolitan Police force; without amendment (Rept. No. 447). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. H. R. 3587. A bill to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes; without amendment (Rept. No. 449). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIRKSEN: Committee on Appropriations. H. R. 3601. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes; with an amendment (Rept. No. 450). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 494. A bill to reorganize the system of parole of prisoners convicted in the District of Columbia; with an amendment (Rept. No. 451). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 497. A bill to transfer the probation system for the District of Columbia to the probation system for United States courts; with an amendment (Rept. No. 452). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 3515. A bill to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor; with an amendment (Rept. No. 453). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. S. 135. A bill to legalize the admission into the United States of Frank Schindler; without amendment (Rept. No. 448), Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SABATH:

H. R. 3593. A bill to provide revenue from the short sales of shares of stock, grains, cotton, or other allied agricultural commodities; to the Committee on Ways and Means.

H. R. 3594. A bill to prohibit communication of false information with respect to securities in certain cases; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON:

H. R. 3595. A bill to amend the Communications Act of 1934, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H. R. 3596. A bill to amend the act of December 2, 1942, entitled "An act to provide benefits for the injury, disability, death, or enemy detention of employees of contractors with the United States, and for other purposes," to clarify the eligibility for benefits of certain employees detained by the enemy in the Philippine Islands; to the Committee on the Judiciary.

By Mr. BATES of Massachusetts:

H. R. 3597. A bill to provide revenue for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. ALLEN of California:

H. R. 3598. A bill granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission; to the Committee on Merchant Marine and Fisheries.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 3599. A bill to provide medical care for war widows and medical and dental care for war orphans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. COLE of Kansas:

H. R. 3600. A bill to reimburse certain employees of the Bureau of Prisons of the Department of Justice, and for other purposes; to the Committee on the Judiciary.

By Mr. DIRKSEN:

H. R. 3601. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. REED of New York:

H. R. 3602. A bill to exempt from admissions tax general admissions to agricultural fairs; to the Committee on Ways and Means.

By Mr. BARRETT:

H. R. 3603. A bill granting the consent of Congress to the States of Idaho and Wyoming to negotiate and enter into a compact for the division of the waters of the Snake River and its tributaries originating in either of the two States and flowing into the other; to the Committee on Public Lands.

By Mr. BARTLETT:

H. J. Res. 209. Joint resolution to provide for the issuance of a special postage stamp in commemoration of the eightieth anniversary of the purchase of Alaska; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to provide, for purposes of taxation of income, that damage caused by the tidal wave which hit the Hawaiian Islands on April 1, 1946, and the subsequent tidal waves or like marine disturbances may be deducted from income in installments over a period of 5 years; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request:

H. R. 3604. A bill to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; to the Committee on the District of Columbia.

By Mr. COLE of Kansas:

H. R. 3605. A bill for the relief of Richard W. Seagraves; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 3606. A bill for the relief of W. A. Chisholm; to the Committee on the Judiciary.

H. R. 3607. A bill for the relief of W. A. Chisholm; to the Committee on the Judiciary.

H. R. 3608. A bill for the relief of Cristeta La-Madrid Angeles; to the Committee on the Judiciary.

By Mr. POTTS:

H. R. 3609. A bill for the relief of Herluf F. J. Ravn; to the Committee on the Judiciary.

H. R. 3610. A bill for the relief of Herluf F. J. Ravn; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

565. By Mr. SMITH of Wisconsin: Resolution adopted by William A. Bancroft Camp, No. 16, of United Spanish War Veterans, Racine, Wis., endorsing H. R. 969, which would increase pensions of Spanish-American War veterans; to the Committee on Veterans' Affairs.

566. By the SPEAKER: Petition of Russell E. Pierce and others, petitioning consideration of their resolution with reference to favorable consideration of S. 265; to the Committee on Interstate and Foreign Commerce.

567. Also, petition of St. Thomas Council, No. 1347, Knights of Columbus, Gary, Ind., petitioning consideration of their resolution with reference to request for investigation and curtailment of alleged subversive activities of foreign agents working directly or indirectly within or without the continental United States; to the Committee on Foreign Affairs.

SENATE

MONDAY, MAY 26, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

We thank Thee, our Father in Heaven, for this sacred moment when our hearts may be united in prayer, and when, forgetting all else save our need of Thy guidance and help, we may reach up to Thee as Thou art reaching down to us.

Let not the beauty of this day, or the glow of good health, or the present prosperity of our undertakings deceive us into a false reliance upon our own strength. Thou hast given us every good thing. Thou hast given us life itself with whatever talents we possess and the time and the opportunity to use them. May we use them wisely, lest they be curtailed or taken away.

Deliver us from the error of asking and expecting Thy blessing and Thy guidance in our public lives while closing the doors to Thee in our private living. Thou knowest what we are wherever we are. Help us to be the best we can be.

We ask in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 23, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 814) to provide support for wool, and for other purposes, with amendments in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2094) for the relief of Isaac B. Jones, and it was signed by the President pro tempore.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The PRESIDENT pro tempore. The Chair would like to indicate that the Senate is moving today under the following unanimous-consent agreement:

Ordered, That on the calendar day of Monday, May 26, 1947, at the hour of 4 o'clock p. m., the Senate proceed, without further debate, to vote upon the motion of the Senator from Georgia [Mr. GEORGE] to postpone to June 10, 1947, the further consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Ordered further, That the time intervening between the meeting of the Senate on said day of May 26 and the hour of 4 o'clock p. m. be equally divided between the proponents and the opponents of the motion, to be controlled, respectively, by the Senator from Georgia [Mr. GEORGE] and the Senator from Colorado [Mr. MILLIKIN].

Under the circumstances, the Chair is unable to recognize any Senator except by permission of the Senator from Georgia [Mr. GEORGE] or the Senator from Colorado [Mr. MILLIKIN].

THE LATE JOSEPH MEDILL PATTERSON

Mr. WAGNER. Mr. President, will the Senator from Georgia yield to me?

The PRESIDENT pro tempore. The Chair inquires whether the Senator from Georgia wishes to yield?

Mr. GEORGE. I yield to the Senator from New York to present a matter briefly, the time to be charged to the proponents of the motion.

Mr. WAGNER. Mr. President, I have just returned from attending a memorial mass for the late Joseph Medill Patterson. The memory of the life and works of this extraordinary man will long endure.

Born and bred to aristocracy, he made his life's crusade the understanding and the fulfillment of the common man's aspirations.

As soldier and citizen, as public official and newspaper publisher, he contributed far more than his share to the progress, security, and happiness of his fellow man.

I rise on this anniversary of his death to pay this brief tribute to his memory, and to place in the RECORD at the close of my remarks a more extended testimonial which I delivered on another occasion, September 9 last. I ask unanimous consent that that may be done.

There being no objection, the tribute was ordered to be printed in the RECORD as follows:

My friends, we have met here today in response to a single impulse: To draw inspiration once more from the memory of a great and valiant man whom we learned to love. Our purpose is to erect a perpetual testimonial of our admiration and affection for Capt. Joseph Medill Patterson.

You and I, who knew and worked with Captain Patterson, have no need for speeches to explain our presence here. Each of us could commune with himself and from his own association with this man of vigor and vision, readily call to mind the qualities which evoke our fond recollection and command our loyalty and homage. But we are not content with such silent communion. We want the whole community to hear our reflections, to learn and to know that a great-hearted giant had lived in our midst. We desire to communicate to future generations our response to his greatness, his simplicity, and his humanity.

Let us, therefore, record the noteworthy fact that we, who are here assembled, are the members of the Daily News chapel of the Typographical Union No. 6. We are members of a labor union which chooses to commemorate in honor and affection the man who was our boss. This novel and arresting fact alone, this departure from the usual pattern, vividly demonstrates that Captain Patterson was an unusual man. The stereotyped cartoon of a publisher as a fat man, chewing a fat cigar, his vest besprinkled with dollar signs, was not conceived with Mr. Patterson as the model.

He was an extraordinary man, and he exhibited the rare man's paradoxes. He was born and bred to aristocracy, but none despised more vehemently the trappings of caste and class. He was accustomed to great wealth, but few had keener understanding of the problems of poverty. He had access to the high and mighty of the land; he preferred to know the aims, ambitions, and strivings of the little people. By natural aptitude he was a fighter and a man of action, but he selected the printed word as his sword and tool.

Already, even in his lifetime, his name was embroidered with legendary exploits. There is the story that he used to come to his editorial desk at the Chicago Tribune dressed in corduroys and a turtle-neck sweater. You have heard reports of his excursions among the derelicts, sampling their lonely and bitter existence. Numerous tales have circulated about his uncanny perception of the trend of public taste and mood. There are two stories that I like best, because they hold up a clear mirror to the man himself.

The first is the story of an argument between Patterson and one of his executives, which concluded with these words of the publisher: "The fact that I decide against you is no proof that I'm right and you're wrong. It may be that I'm wrong and you're right. It's purely because of an accident of birth that I happen to be in a position where I get my way." Few men of wealth and power see themselves with such candor and clarity.

The second incident I cherish as the symbol of his simplicity. It is the text of what he wrote when his circulation manager passed away: "Memo to Max Annenberg," he wrote. "Good-by, I am going to miss you a lot. Hope to be seeing you someday." There were no flourishes, but all who read that unadorned memo know that here was a man mourning the loss of his friend.

He was a playwright whose plays appeared on Broadway. He was a soldier so conspicuous that General MacArthur spoke of him as "the greatest natural-born soldier that ever served under my command." It was not in his make-up to seek an easy assignment or a safe berth. In five of the most violent engagements in World War I he demonstrated the stuff he was made of. Before World War I he had already served a term in the Illinois Legislature and in the office of Commissioner of Public Works of the City of Chicago. Already he was giving conspicuous evidence of those qualities which ultimately produced his greatest enterprise, the New York Daily News. Each day during the past 28 years that paper has reflected his singular independence of mind, the vividness of his imagination, his genuine understanding of the great masses of his fellow citizens. That understanding never failed him because it was founded upon a true sympathy with the common people. With Patterson it was not a rhetorical flourish but the expression of his very being when he carved upon the face of this building the closing phrase of Lincoln's immortal saying, "God must have loved the common people; he made so many of them."

When I consider the magnitude of his achievement in building this great institution, the News, I put in second place the fact that it is a stupendous business undertaking, outstripping all its competitors in a contest in which all the odds were against him, providing a livelihood for thousands of families, and great wealth for its stockholders and managers. What I put in first place is that he succeeded in building a pipe line for the transmission of news, opinion, and intelligence into 4,000,000 homes—the largest channel of its kind in the United States. He was its inventive genius, its architect, its designer. It is today a photographic image of his versatile personality. You, my friends, helped to maintain it, to sustain its pressure, and to carry its life-giving cargo to a vast population.

In many a cause in which I was privileged to carry the banner, he was a potent, resourceful, and trusted ally. There were times when we disagreed and then he was an equally potent, resourceful, and always chivalrous opponent. Even in the grimmest disagreements, no one could ever question the integrity of his motives, the purity of his patriotism, or his complete devotion to our country.

Men capable of wielding great power frequently become obsessed with a sense of their own wisdom and lose respect for the view of others. That sorry trait Mr. Patterson never exhibited. No one whose character is marred by such a flaw could have invented the idea of the annual Battle Page, where both sides in the campaign could equally and freely express their views regardless of the position taken on the editorial page. And there is not a newspaperman on the staff of the News who has not felt perfectly free to espouse any public cause without fear of reprisal.

Men who can command the fulfillment of their every wish sometimes become thoughtless of the fate and fortune of their struggling brethren. Not so Mr. Patterson. He said to me once, "I have to go slow. I have to consider so many people—the people who work with me. If I make a business mistake I am likely to penalize them without intending to do so. If I should wreck this business, thousands of people I have never seen would suffer; their children might go hungry. The responsibility frightens me sometimes. That's why I have to go slow."

And that is why we have come to lay a wreath of our tribute, our esteem and affection at his feet. That is why, I am sure, in the Great Beyond he is happy to witness these ceremonies, happy to win that which no one has ever amassed enough wealth to be able to buy—a little silver plaque bearing the evidence of the love of his coworkers. The price of that is a great human heart.

Captain Patterson, we salute you. Well have you earned the rest that Kipling spoke of:

"When Earth's last picture is painted, and the tubes are twisted and dried,
When the oldest colors have faded, and the youngest critic has died,
We shall rest, and faith, we shall need it—lie down for an eon or two,
Till the Master of all good workmen shall set us to work anew!

"And only the Master shall praise us, and only the Master shall blame;
And no one shall work for money, and no one shall work for fame;
But each for the joy of the working, and each, in his separate star,
Shall draw the Thing as he sees it, for the God of Things as They Are!"

RESPONSE OF WAR DEPARTMENT TO HANSON BALDWIN'S EIGHT OBJECTIONS TO UNIVERSAL MILITARY TRAINING

Mr. LODGE. Mr. President, will the Senator from Colorado yield to me for a few moments?

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Massachusetts?

Mr. MILLIKIN. I yield.

Mr. LODGE. Mr. President, on May 4 Mr. Hanson W. Baldwin, the military expert of the New York Times, published an article in that newspaper in which he raised eight objections to universal military training on the broad ground that it does not meet the challenge of modern war. Mr. Baldwin's standing is so high and the subject is so important that I deemed it advisable to refer his article to the Secretary of War, requesting him to comment in detail on Mr. Baldwin's eight points.

I have just now received a letter from Hon. Robert P. Patterson, the Secretary of War, in which he encloses a statement which responds to Mr. Baldwin's objections. But it is much more than a rebuttal to what Mr. Baldwin says. I regard it as one of the clearest, most illuminating, most comprehensive, and most authoritative statements on American strategy as a whole which I have seen published since I came to the Senate in January of this year.

Because of the vital importance of this subject to every Senator, I believe that Mr. Baldwin's article and the War Department's rebuttal thereto, together with Mr. Patterson's letter to me, should be printed in the RECORD. I ask unanimous consent, therefore, that the article, together with the letter from the Secretary of War and the War Department's rebuttal, be printed in the body of the RECORD and referred to the Committee on Armed Services for their attention.

There being no objection, the matters presented by Mr. LODGE were received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

UMT'S VALUE WEIGHED—EIGHT REASONS WHY UNIVERSAL TRAINING IS OF DOUBTFUL MILITARY WORTH

(By Hanson W. Baldwin)

Peacetime universal military training, soon to be submitted to Congress, stands or falls on its military utility.

Its fair-minded opponents concede that despite its repugnance to the American tradition, UMT must be supported if it is proved essential to United States security. But the burden of proof, they rightly add, rests upon the military.

The War Department holds, and its official view is probably supported by a majority of Army officers, that UMT is a vital part, in fact, a cornerstone, of our national defense program.

Some few officers and outside critics are, however, emphatic in their opposition; they charge the War Department with deception in insisting that UMT is essential to national security and flatly deny this assertion.

ON CONTROL OF AIR, SEA

There are extremists on both sides of the argument, but any consideration of all the factors makes it plain that UMT is a very dubious form of security, if, indeed, it offers any security at all, in this technological and industrial age. Here are some of the factors that tend to minimize its military value:

1. Attack can come to the United States, and we can attack any enemy, only through the air or by sea. In the initial phases of any war—of any nature using any weapons what is of primary and fundamental importance is, therefore, control of the air and the sea. Emphasis, therefore, should be on insular strategy as opposed to continental strategy, on air-sea strategy as opposed to mass army strategy.

2. The problem of United States defense breaks down into time periods, the short term and the long term. In the immediate future when the only component of push-button war that we have is the push button—perhaps for 10 years, perhaps longer—the weapons and techniques that won the last war will still have validity. It is in this period, before transoceanic guided missiles with atomic warheads have been developed, that large ground armies, to follow up and complete offensives launched by sea and sky, will continue to have a very considerable degree of usefulness. But during this period the United States has a reserve of trained manpower (declining in skill and usefulness as the end of the period is reached) already trained far more thoroughly by one, two, four, or more years in the wartime services, than any 6 months' trainee could be.

In the long-term future, when transoceanic missile war may become possible, initial victory or defeat would not in any case depend upon a mass of semitrained reserves for the ground army. If the war ended quickly it would be won or lost by our superiority or inferiority in missiles, air power, the atomic bomb, and other new weapons of destruction, and a large ground army could not greatly influence the course of the brief conflict.

TIME FACTOR CONSIDERED

If the war continued without decision, virtually complete control of the air and the sea would be necessary in any case before we could transport large armies overseas by sea or air and time would be required to equip those armies. There would thus be time for training; in fact, training for the ground battlefield is one of the lesser problems of any future war. This is not to say that ground troops will not be necessary; in any future war clearly they will—certainly for occupation after conquest, very probably to help to win the victory. But they cannot possibly influence (except by the firing of projectiles) the initial and supremely vital phases of any push-button war, and if a push-button war devolves into a war of attrition there will be ample time to train large ground forces, and to train them under wartime incentive far better and with the benefit of higher morale than is possible under a 6-month peacetime system.

3. Today, and even more tomorrow, the offense has such an edge on the defense that the greatest hope of victory, or of avoiding atomic attack, is the threat of tremendous and overwhelming retaliation.

In other words, we cannot build any Maginot Line that will protect the United States against all forms of attack, but we can create a mobile, instantly ready striking force, planes, guided missiles, aircraft carriers or fast surface missile launchers, submarines, and small but highly trained forces of airborne troops, which can strike at once against any enemy that attacks us.

This force will need manpower, but it must be full-time, highly trained manpower, not half-baked, half-trained reserves. This force will need large numbers of men to launch missiles (it takes several hundred to prepare a single German V-2 rocket for launching), but UMT will not provide the type of training needed.

4. There is need in any future missile war for large forces to provide military or semimilitary disaster control and civilian defense duties on the home front. This should be the mission of the National Guard or some similar force, and it should be specifically trained to that end, but the UMT training program is not pointed toward any such end.

5. A good military case might have been made for extension of the wartime draft act until our occupation duties overseas had ended, but UMT—limited to training in this country—will not provide a single man for overseas service, and, in fact, will add to the Army's manpower problem by requiring an added 130,000 to 150,000 men for training overhead and cadre.

FLOW TO GUARD, RESERVES

6. UMT will provide a flow of manpower for the National Guard and the Organized Reserves, but these civilian components, or part-time soldiers, cannot possibly be ready for instant action in an emergency, and yet instantly ready forces are the type required in the atomic age.

7. The cost of UMT—direct and indirect—is likely to be so large as to starve—particularly in this essential era of economy in government—more important aspects of national defense—the diplomatic service; the regular services, which must be instantly ready; intelligence, research, and development; the services' school system; industrial mobilization; etc.

8. UMT by its very size and cost may build up the shadow of security without its substance; there is grave danger we may create in our military psychology a Maginot Line concept. Air power, missiles, new weapons, sea power must have priority.

In this atomic age, the military emphasis—if there is to be any degree of security—must be on regular forces, highly trained, instantly ready; not on some mass army that may be ready many months after M-day. As Maj. Gen. John S. Wood, wartime commander of the famous Fourth Armored Division, has put it, UMT will not produce a single unit ready to fight or a single fighting man for immediate use.

WAR DEPARTMENT,
Washington, May 23, 1947.

Hon. HENRY CABOT LODGE, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR LODGE: In reply to your letter of May 6, 1947, requesting an answer to the eight objections to universal military training raised by Mr. Hanson Baldwin in his article in the New York Times of May 4, 1947, I am attaching a statement which answers Mr. Baldwin point by point.

I am glad to submit this answer to you for your own information and, as you suggest in your letter, for introduction into the CONGRESSIONAL RECORD, where it will be available to other Members of Congress.

Sincerely yours,

ROBERT P. PATTERSON,
Secretary of War.

UNIVERSAL MILITARY TRAINING MUST STAND ON MILITARY NECESSITY

Universal military training is a military program. Its primary purpose is to build up a reservoir of trained manpower for a military emergency. Its byproducts of great moral and social benefits are very important for a democracy such as ours, but its principal product, trained manpower, must be the real reason for its establishment.

In the New York Times of May 4, 1947, Hanson Baldwin accepts the basic test of the potential usefulness of universal military training but proceeds to give eight factors that, in his opinion, minimize its value.

Mr. Baldwin first states that universal military training is based on "continental" strategy instead of "insular" strategy.

The terms "insular" and "continental" are not defined by Mr. Baldwin, but the implication appears to be that the War Department strategy is based on the use of a large mass army. It might be well, therefore, to analyze the American strategy of war for an atomic age.

In planning strategy for the future, America must face tomorrow as well as next month, next year or two, the next decade, and the next score of years. For tomorrow, or for next year, "push button" warfare is but a promise. No possible enemies have now, or in the near future will have, any guided missiles with which to attack us from the

Eurasian land mass. Meanwhile, we must be prepared for the immediate future—not with so-called mass armies but with balanced armed forces. These forces will be composed of naval forces, large air forces, complex logistical forces, and highly mobile combat divisions of air-transportable troops, to seize bases close enough to the enemy to permit the rapid employment of our maximum power against the enemy's home country. This will take trained manpower, but all of this manpower must have the benefit of basic military training. The war will be shortened in proportion to the time it takes to seize and hold key bases. This will depend largely on the time it takes us to mobilize and train our men. For every day of training we undertake in peacetime we may save weeks and months of war.

In order to control the sea or air we must, of course, first of all hold the fortress of America and essential air and sea bases. However, to seize and hold such key bases, from which otherwise an enemy might launch air missiles against the United States, will require combined land, sea, and air operations on a large scale. In other words, a sound strategic defense will require the early assumption of the tactical offensive. We visualize that the first of such operations will be conducted largely by air forces and air-and-sea-transported land forces. Such forces require the deployment of great numbers of men, on the ground, at air and sea bases, launching sites, ports, depots, communication lines, and elsewhere. It is not conceivable that personnel employed in these activities could be fully effective in the numbers and at the time required, without previous basic military training. Certainly, the numbers involved will be far larger than we will be willing or able to maintain in a standing peacetime establishment.

We must distinguish between massed battle formations and large armies. Massed infantry formations on the battlefield have declined since Napoleonic wars and we may expect this tendency to continue. America, since colonial and Indians days, has led the world away from mass formations and toward wide deployment and open warfare. Atomic and other scientific developments will, without question, further accelerate this trend. We had no mass army in World War II. We had only 89 divisions scattered over the whole world. Even within these divisions, the proportion of technical and logistical troops to riflemen was high. The over-all proportion of air and service troops to ground combat troops was, of course, much higher. This proportion can be expected to grow. However, there is no historical or scientific evidence that armies are becoming smaller because of this trend. On the contrary, all the evidence proves that, as weapons and means become more powerful, armed forces have necessarily become much larger. Logistical requirements to support the more powerful weapons and the necessity for wide deployment make more men necessary in the battle and communications zones, even though there are fewer infantrymen on the firing line.

No one can foretell when the methods, weapons, and techniques of the present will finally be replaced. Revision and improvement is a continuing process. Our best advices are that push-button warfare is many years away.

We must do everything we can now to prevent a long war—if war comes. UMT offers a sure saving in time. No reasonable and practical alternative has been suggested.

WORLD WAR II VETERANS MUST BE RELIEVED BY TRAINED REPLACEMENTS

Mr. Baldwin's second proposition is that we already have trained and battle-tried troops to meet an immediate emergency. Even with universal training, it will be more than 5 years before a substantial new reserve would be trained. During those 5 years, the reserve of trained veterans, upon which Mr. Baldwin is willing to rely, will be depleted at the rate of over a million a year, by reason of the fact that these men are acquiring dependents, and are taking on weight and infirmities with their added years. If we do not start now to replace this trained manpower it will be almost wholly dissipated in about 5 years. UMT cannot safely be delayed.

UMT WILL SHORTEN A FUTURE WAR

Mr. Baldwin, in the discussion of his second point, arrives at the conclusion that because men would not be completely trained the whole program should be abandoned. It has never been contended that UMT would turn out a finished product. The increased velocity and power of weapons and means for waging war available to our enemies make the task of total preparation far greater than can reasonably be accomplished after the advent of war. If we are to reach maximum effectiveness in time for the decisive phase, many time-consuming steps must have been taken well in advance. Obviously the whole job cannot be done in advance without staggering cost. We must search for an optimum balance between ideal requirements and practical capabilities.

UMT WILL ALLOW DECISIVE OFFENSIVE TO BE ASSUMED MUCH EARLIER

Mr. Baldwin's third proposition emphasizes the fact that the offensive has many advantages over the defensive. However, as applied to the United States, this maxim may very well run against us—not for us—in the initial stages of a future war. We have no aggressive intent anywhere in the world. We may be confronted with a long-planned surprise offensive. Therefore, we are almost certain to pass through an initial defensive phase which we should contrive to shorten as far as possible. UMT is the best means of shortening this phase. It is the best insurance that our scientific air-sea-land effort can quickly reach its maximum power.

It is certainly not clear how Mr. Baldwin could interpret a trained civilian manpower as a Maginot Line, when the whole philosophy of UMT is to speed up the time it takes to shift to the aggressive decisive counterattack. It is pertinent that only last March Prof. Albert Einstein, who is intimately familiar with the capabilities of atomic energy, specifically and publicly warned us that we may be treating the atom bomb (and by implication other scientific means), as a Maginot Line. He stated that the bomb secret gives us "security only in imagination. * * * and to that extent is a great danger."

We agree with Mr. Baldwin that reserves, no matter how well trained, cannot possibly eliminate the need for a highly skilled Regular force. But the existence of trained reserves will make whatever standing force we are allowed to retain much more readily available for immediate action. Our Regular forces will always be largely committed abroad in insular possessions. We will never have enough men, in Regular Army units alone, to undertake all the initial tasks of total mobilization. They must be supported immediately by the National Guard, ORC, and other civilian components which must, in turn, be backed up by UMT to provide the requisite manpower and training. Lacking this support they will be depleted at the outset to do jobs which trained reserves could otherwise do. And when committed to action they will be subject to suicidal sacrifices if they have no early support.

UMT ESSENTIAL TO CIVIL DEFENSE

Mr. Baldwin's fourth proposition is that UMT does not point to civil defense, now becoming extremely vital in case of war. This is exactly contrary to the fundamental basis of the whole UMT plan as envisaged by the War Department. Training in first aid, basic hygiene, sanitation, organization, discipline, the use of small arms and sentry duty are all included in universal military training. These subjects are of the essence of civil defense training. True, UMT itself creates no organization for civil defense, but it is an essential first step, for it provides a trained nucleus of able-bodied men in every community.

CONSCRIPTION NOT A PRACTICAL PEACETIME ALTERNATIVE

Item number five states that a good case could have been made for the extension of the wartime draft and that UMT provides no men for overseas. That is certainly true. But the certainty of lack of public and congressional support for an extension of the World War II Selective Service Act ruled that out as a practical peacetime alternative to UMT. A fair trial of the voluntary method of maintaining the regular forces is essential. The volunteer system is far superior if it produces sufficient troops. If it fails, the public and the Congress will then have to face the question of some form of peacetime selective service as a remedy, as was stated in my recommendation to the President last spring not to seek extension of selective service then. But this remedy is directed to the question of maintaining our standing forces and not of training our civilian reserve. UMT is the only practical solution to that problem.

REGULAR ARMY SHOULD BE MUCH LARGER WITHOUT UMT

A much larger Army will be required without UMT than will be required with UMT to attain the same degree of security. Universal military training increases the peacetime responsibilities of the Regular Army but does not increase its burdens as Mr. Hanson Baldwin indicates. On the contrary, it lightens the burden. At the opening of hostilities, days and months have been lost while training cadres were set up and fundamentals inculcated in new soldiers. With universal military training, there will be called into service thousands of men who will not have to begin from scratch.

The Regular Army has responsibilities for the training of the National Guard and Reserves. Trained manpower will facilitate efficient performance.

The Regular Army's main job today is occupation. Universal military training will not solve the problem of manpower for our forces in Germany and Japan except insofar as it may stimulate interest in the Army as a career. The primary and traditional job of the Regular Army, however, is training, and universal military training will give the Army the men in peacetime, before hostilities begin, who will be invaluable if war comes and will save time, money, and lives.

To rely wholly on a Regular Army, especially of the size needed in a war of today or tomorrow, would be far more expensive and moreover would be contrary to the American traditional attitude toward standing armies. The concept of universal preparedness for all able-bodied men, however, is as old as the English common law.

CIVILIAN COMPONENTS ESSENTIAL TO NATIONAL DEFENSE

Point No. 6 in Mr. Baldwin's article states that the program is primarily designed to strengthen the National Guard and Reserve components, the value of which he impugns as not being immediately ready for combat service in this atomic age. Certainly, the program is pointed towards strengthening the National Guard and Organized Reserve (among other essential goals). UMT will make the National Guard more efficient in the future than ever before. There is now the richest reserve of trained and war-experienced National Guard and Reserve leadership in history to train and lead its new organizations. The National Guard and Reserve in World War II enriched their tradition in the service of the Nation. The National Guard and selected units of the Or-

ganized Reserve will be able in the future to meet certain vital, early, emergency missions better than ever in the past. The National Guard will be ready for decisive combat missions months earlier, with UMT, than ever before. It must be realized that all M-day missions are not necessarily combat missions on a battlefield. Many such missions require troops, which can still be in their training phase, for example, civil defense and to relieve Regular Army units of their zone of the interior, communications-zone and base-defense missions to make them immediately available to the mobile striking force for active combat. The proper performance of such vital support missions, in the very earliest stages of a future war, may turn a threat of early defeat into eventual victory. They cannot possibly be performed in time without well-trained reserve units. UMT will thus make a major and perhaps decisive contribution in the very first phase of a future war. Its value during the later build-up stage, in speeding up replacements and supports and in furnishing the life blood of the civil defense structure, will be equally great.

MILITARY BUDGET MUST BE BALANCED AMONG ALL ESSENTIALS

The seventh proposition is that the UMT program will be costly and will thus starve other activities, such as the State Department, intelligence, research and development, service schools, and industrial mobilization. All of these programs are as vitally essential as UMT and must be preserved. All elements of preparedness must be balanced within the funds that can reasonably be made available. Such funds as are made available for security, which includes sizable appropriations for other departments of the Government than War and Navy, must be apportioned among all essential preparedness programs without eliminating any one essential. UMT, in terms of eventual dividends, is one of the cheapest of all preparedness measures. The savings in months of war expenditures of billions of dollars and hundreds of thousands of lives will be incalculable.

The eighth proposition states that UMT, by its very size, may build a shadow of strength and security without substance—that air and sea power and guided missiles and new weapons must have priority. Here Mr. Baldwin reveals a fundamental misunderstanding of UMT and of a proper balance of armed forces required to achieve victory should we be forced into a war now, or in the foreseeable future. UMT is not an end in itself. It is not another weapon or another armed force to be gaged in comparison with land, sea, and air power. It is the means of providing trained manpower to make the Navy and Air Force as well as the ground Army and the civil-defense structure quickly effective in the event of war. It is essential to a quick build-up of all of those forces. And in a future war speed will be of the essence of victory. Mr. Baldwin's whole article is based on a basic misapprehension of the importance of this fundamental fact. He treats UMT as essentially a negation of modern developments in air, sea, and land power. Whereas, actually, it is the very speed and complexity of modern warfare which makes UMT, for the first time, an absolute essential to our military security. The speed of war requires that men be made effective much quicker than ever before. The complexity requires that they receive more training than ever before. Further, UMT is the only substitute for the strong Allies who in our last two wars bore the brunt of the attack while we were building up our fighting forces.

NO PRACTICAL ALTERNATIVE TO UMT

Nowhere in his article does Mr. Baldwin face these simple facts—that a war of the future will require a more comprehensive and a more rapid mobilization than we have ever faced before, that this will require us to train more men in a shorter time than ever before and that the only way we can shorten the time is to train them before the advent of war. This requires peacetime military training of civilians in large numbers. For the foreseeable future, every man in the armed forces, regardless of his branch or how technical his ultimate assignment, must have basic training of the type contemplated under UMT. That is universal military training by any name you choose to call it.

The value of the trained man as compared to the untrained man is as undeniable in the military field as in the field of medicine, law, science, or industry. This need of trained manpower, if the country is to have a strong defense establishment, was as manifest to Washington, Jefferson, and Jackson in former times as to Pershing, Marshall, and Eisenhower in our own times.

President Washington stated: "It may be laid down as a primary position, and the basis of our system that every citizen who enjoys the protection of a free government, owes not only a portion of his property, but even of his personal services to the defense of it."

General Marshall stated: "I think you have to frankly face two things: Either universal military training or the hope—that is all you can possibly have—the hope that you will have better than a year for preparation. Of course, if you decide to repeat the policies of the past and rest your security on a hope, it means that your lack of readiness would, in my opinion, encourage the very thing you wish so earnestly to avoid, namely, the tragedy of another war."

Washington's statement of a fundamental requirement of our democratic system has now become an urgent necessity to the survival of that system. The drastic developments in the speed and destructive power of modern war make unavoidable the choice presented by General Marshall. We can be guided by the founder of our democracy and insure our system of a reasonable chance of survival; or we can be guided by wishful thinking, and stake the survival of our system on a reckless gamble.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REINCORPORATION OF THE INSTITUTE OF INTER-AMERICAN AFFAIRS

A letter from the Secretary of State, transmitting a draft of proposed legislation to provide for the reincorporation of the Institute of Inter-American Affairs and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

UTILIZATION OF APPROPRIATIONS IN CONNECTION WITH UNRRA LIQUIDATION

A letter from the Secretary of State, transmitting a draft of proposed legislation to enable the President to utilize the appropriations for United States participation in the work of the United Nations Relief and Rehabilitation Administration for meeting administrative expenses of United States Government agencies in connection with United Nations Relief and Rehabilitation Administration Liquidation (with accompanying papers); to the Committee on Foreign Relations.

PARTICIPATION IN INTER-AMERICAN CONFERENCE ON SOCIAL SECURITY

A letter from the Under Secretary of State, transmitting a draft of proposed legislation providing for participation by the United States in the Inter-American Conference on Social Security and its Permanent Committee and authorizing an appropriation therefor (with accompanying papers); to the Committee on Foreign Relations.

AUTHORIZATION FOR CERTAIN TRANSFERS AND CONSOLIDATIONS OF APPROPRIATIONS BY FEDERAL SECURITY ADMINISTRATOR

A letter from the Acting Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to authorize intra-agency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the Territory of Hawaii; ordered to lie on the table:

"Senate Concurrent Resolution 17

"Concurrent resolution requesting the Congress of the United States to enact the Wagner-Ellender-Taft bill, S. 866, of the Eightieth Congress, first session

"Whereas the Territory of Hawaii is faced with a housing crisis so far reaching in scope and so serious in nature that the Territory is unable to cope with it fully if unassisted by Federal aid; and

"Whereas until the enactment of further legislation by the Congress additional Federal funds will not be available to alleviate the discomfort and suffering of countless residents of the Territory who are now living in inadequate accommodations; and

"Whereas the Wagner-Ellender-Taft bill, S. 866 of the Eightieth Congress, first session, entitled 'A bill to establish a national housing objective and the policy to be followed in the attainment thereof; to facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes,' presents a well-considered program for housing which, if enacted, would be of aid to all the States as well as the Territory in assuring adequate housing both through privately financed construction and public low-rent projects: Now, therefore, be it

"*Resolved by the Senate of the twenty-fourth session of the Legislature of the Territory of Hawaii (the house of representatives concurring)*, That the Congress of the United States be, and it is hereby, requested to enact said Wagner-Ellender-Taft bill; and be it further

"*Resolved*, That certified copies of this resolution be forwarded to the President of the United States, to the President of the Senate, and to the Speaker of the House of Representatives of the Congress, to the Secretary of the Interior, and to the Delegate to Congress from Hawaii."

A resolution adopted by the Engineers' Club, of Minneapolis, Minn., expressing that club's appreciation and gratification for changing the name of Boulder Dam to Hoover Dam; ordered to lie on the table.

A resolution adopted by the American Veterans' Committee, Territory of Hawaii, Chapter No. 7, Lower Manoa, Honolulu, T. H., favoring the enactment of the bill (H. R. 857) to remove the racial restrictions upon naturalization and to amend the immigration laws, and for other purposes; to the Committee on the Judiciary.

Petitions of the members of the Pensacola Townsend Club, No. 1, and sundry citizens of Boynton Beach, both in the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

By Mr. LUCAS:

A resolution adopted by the House of Representatives of the General Assembly of the State of Illinois, favoring location of an

atomic-energy laboratory on Government-owned land near Elwood, Ill.; to the Joint Committee on Atomic Energy.

(See resolution printed in full when laid before the Senate by the President pro tempore on May 23, 1947, p. 5706, CONGRESSIONAL RECORD.)

MISSOURI LEGISLATURE CONCURRENT RESOLUTION APPROVING PRINCIPLE OF WORLD FEDERATION

Mr. DONNELL. Mr. President, I ask unanimous consent to present for appropriate reference and to have incorporated in the body of the RECORD Senate Concurrent Resolution No. 6, adopted on May 13, 1947, by the Senate, and on May 15, 1947, by the House of Representatives of the Missouri Legislature, being a concurrent resolution approving the principle of world federation.

There being no objection, the concurrent resolution was received, referred to the Committee on Foreign Relations, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 6

Concurrent resolution approving the principle of world federation

Whereas it is necessary at the present juncture of human affairs to enlarge the bases of organized society by establishing a government for the community of nations, in order to preserve civilization and enable mankind to live in peace and be free, the following principles and objectives are hereby enunciated in—

"THE DECLARATION OF THE FEDERATION OF THE WORLD

"Man, the source of all political authority, is a manifold political being. He is a citizen of several communities: the state, the nation, and the world. To each of these communities he owes inalienable obligations and from each he receives enduring benefits.

"Communities may exist for a time without being incorporated but, under the stress of adversity, they disintegrate unless legally organized. Slowly, but purposefully, through the centuries civilization has united the world, integrating its diverse local interests and creating an international community that now embraces every region and every person on the globe. This community has no government, and communities without government perish. Either this community must succumb to anarchy or submit to the restraints of law and order.

"Governments can only be established through the deliberate efforts of men. Man has struggled from time immemorial to endow the individual with certain fundamental rights whose very existence is now imperiled. Among those rights is man's freedom to worship, speak, write, assemble, and vote without arbitrary interference. To safeguard these liberties as a heritage for the human race, governments were instituted among men, with constitutional guaranties against the despotic exercise of political authority, such as are provided by elected parliaments, trial by jury, habeas corpus, and due process of law. Man must now either consolidate his historic rights or lose them for generations to come.

"The ceaseless changes wrought in human society by science, industry, and economics, as well as by the spiritual, social, and intellectual forces which impregnate all cultures, make political and geographical isolation of nations hereafter impossible. The organic life of the human race is at last indissolubly unified and can never be severed, but it must be politically ordained and made subject to law. Only a government capable of discharging all the functions of sovereignty in the executive, legislative, and judicial spheres can accomplish such a task. Civilization now requires laws, in the place of treaties, as instruments to regulate commerce between peoples. The intricate conditions of modern life have rendered treaties ineffectual and obsolete, and made laws essential and inevitable. The age of treaties is dead; the age of laws is here.

"Governments, limited in their jurisdiction to local geographical areas, can no longer satisfy the needs or fulfill the obligations of the human race. Just as feudalism served its purpose in human history and was superseded by nationalism, so has nationalism reached its apogee in this generation and yielded its hegemony in the body politic to internationalism. The first duty of government is to protect life and property, and when governments cease to perform this function, they capitulate on the fundamental principle of their raison d'être. Nationalism, moreover, is no longer able to preserve the political independence or the territorial integrity of nations, as recent history so tragically confirms. Sovereignty is an ideological concept without geographical barriers. It is better for the world to be ruled by an international sovereignty of reason, social justice, and peace than by diverse national sovereignties organically incapable of preventing their own dissolution by conquest. Mankind must pool its resources of defense if civilization is to endure.

"History has revealed but one principle by which free peoples, inhabiting extensive territories, can unite under one government without impairing their local autonomy. That principle is federation, whose virtue preserves the whole without destroying its parts and strengthens its parts without jeopardizing the whole. Federation vitalizes all nations by endowing them with security and freedom to develop their respective cultures without menace of foreign domination. It regards as sacrosanct man's personality, his rights as an individual and as a citizen and his role as a partner with all other men in the common enterprise of building civilization for the benefit of mankind. It suppresses the crime of war by reducing to the ultimate minimum the possibility of its occurrence. It renders unnecessary the further paralyzing expenditure of wealth for belligerent activity, and cancels through the ages the mortgages of war against the fortunes and services of men. It releases the full energies, intelligence, and assets of society for creative, ameliorative, and redemptive work on behalf of humanity. It recognizes man's morning vision of his destiny as an authentic potentiality. It apprehends the entire human race as one family, human beings everywhere as brothers and all nations as component parts of an indivisible community.

"There is no alternative to the federation of all nations except endless war. No substitute for the federation of the world can organize the international community on the basis of freedom and permanent peace. Even if continental, regional or ideological federations were attempted, the governments of these federations, in an effort to make impregnable their separate defenses, would be obliged to maintain stupendously competitive armies and navies, thereby condemning humanity indefinitely to exhaustive taxation, compulsory military service and ultimate carnage, which history reveals to be not only criminally futile but positively avoidable through judicious foresight in federating all nations. No nation should be excluded from membership in the federation of the world that is willing to limit its military, naval, and air forces, retaining only a constabulary sufficient to police its territory and to maintain order within its jurisdiction, provided that the eligible voters of that nation are permitted the free expression of their opinions at the polls.

"It being our profound and irrevocable conviction:

"That man should be forever free and that his historic rights as an individual and as a citizen should be protected by all the safeguards sanctioned by political wisdom and experience.

"That governments are essential to the existence of communities and that the absence of government is anarchy.

"That there exists an international community, encompassing the entire world, which has no government and which is destined, either to be ruthlessly dominated and exploited by totalitarianism or to be federated by democracy upon the principle of freedom for all nations and individuals.

"That all human beings are citizens of this world community, which requires laws and not treaties for its government.

"That world federation is the keystone in the arch of civilization, humanity's charter of liberty for all peoples, and the signet authenticating at last the union of the nations in freedom and peace.

"That there are supreme moments in history when nations are summoned, as trustees of civilization, to defend the heritage of the ages and to create institutions essential for human progress. In the providence of God, such a crisis is this hour, compelling in duty and unprecedented in responsibility—a fateful moment when men meet destiny for the fulfillment of historic tasks": Now, therefore, be it

Resolved by the senate (the house of representatives concurring):

SECTION 1. That the General Assembly of Missouri does hereby solemnly declare that all peoples of the earth should now be united in a world federation, and requests the Senators and Members of the House of Representatives in Congress from the State of Missouri to support and vote for a resolution in the Congress of the United States, approving the principle of world federation and requesting the President of the United States to initiate the procedure necessary to formulate a constitution for the federation of the world, which shall be submitted to each nation for its ratification.

SEC. 2. That a copy of this resolution be sent to each of the Senators and Members of the House of Representatives in Congress from the State of Missouri.

SEC. 3. That this resolution shall be in full force and effect from and after its ratification.

FARM BUREAU SOIL CONSERVATION AND FERTILIZER PROGRAM

Mr. CAPPER. Mr. President, I have received a telegram from H. A. Praeger, president, Kansas Farm Bureau, expressing approval of Senate bill 1251, known as the Farm Bureau soil conservation and fertilizer program. I ask unanimous consent to present the telegram and request that it be appropriately referred and printed in the RECORD.

There being no objection, the telegram was received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

HOISINGTON, KANS., *May 15, 1947.*

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

Thank you for sponsoring S. 1251, the Farm Bureau soil conservation and fertilizer measure. Forty thousand Kansas farmers who are members of Kansas Farm Bureau are asking Congress to pass this bill. Appreciate your influence for an immediate hearing in the committee of this proposed legislation. Your cooperation in getting this bill through the Senate appreciated.

H. A. PRAEGER,
President, Kansas Farm Bureau.

UNIFORM MARRIAGE AND DIVORCE LAW

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the

body of the RECORD an editorial published recently by the Presbyterian magazine of Philadelphia, endorsing the Capper divorce bill now before the Senate Judiciary Committee.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A BILL TO SUPPORT

Hundreds of bills go into the hopper in the halls of Congress, but few emerge from the pigeonholes of committees. Senator CAPPER has introduced one which should interest all citizens who are troubled by the lax divorce laws of most of the States. His bill would establish, by constitutional amendment, a uniform Federal divorce law. It would prohibit divorce except on one of these six grounds: adultery, cruel and inhuman treatment, abandonment, or nonsupport for 1 year, habitual drunkenness, incurable insanity, conviction for an infamous crime. Although such a law would mean a relaxation in such States as New York, it would mean a great improvement in the conditions that now exist in quite a few States. It would wipe out overnight the scandalous divorce mills of such States as Florida and Nevada. Reno would sink again to its rightful level as a frontier town—or, rather, it would rise to that decent level. And although the Capper bill does not conform to the Biblical and Christian standard, it promises so much in approaching that ideal that it should receive the hearty support of all Christian citizens and churches. Fanatical supporters of State's rights should keep their hands off. Here is a moral issue that concerns the whole Nation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

H. R. 1237. A bill to regulate the marketing of economic poisons and devices, and for other purposes; without amendment (Rept. No. 199).

By Mr. ECTON, from the Committee on Public Lands:

H. R. 2353. A bill to authorize the patenting of certain public lands to the State of Montana or to the Board of County Commissioners of Hill County, Mont., for public-park purposes; without amendment (Rept. No. 202).

By Mr. BUTLER, from the Committee on Public Lands:

S. 1318. A bill to provide funds for cooperation with the school board of the Moclips-Aloha district for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash., to be available to both Indian and non-Indian children; with an amendment (Rept. No. 203).

By Mr. CORDON:

From the Committee on Appropriations:

H. R. 2436. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 201).

From the Committee on Public Lands:

S. 1185. A bill to provide for the disposal of materials on the public lands of the United States; without amendment (Rept. No. 204); and

S. 1262. A bill to provide a central authority for standardizing geographic names for the purpose of eliminating duplication in standardizing such names among the Federal departments, and for other purposes; without amendment (Rept. No. 205).

CONSTRUCTION OF RURAL POST ROADS—REPORT OF A COMMITTEE

Mr. COOPER. Mr. President, from the Committee on Public Works, I ask unanimous consent to report favorably, without amendment, the bill (H. R. 1874) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, and I submit a report (No. 200) thereon. Similar bills were introduced in the Senate by the Senator from Iowa [Mr. WILSON] and by the Senators from Alabama [Mr. HILL and Mr. SPARKMAN].

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 1336. A bill for the relief of Abbot Low Moffat; and

S. 1337. A bill for the relief of Hou Chung Chay; to the Committee on the Judiciary.

By Mr. GURNEY (by request):

S. 1338. A bill to amend the Articles for the Government of the Navy to improve the administration of naval justice; and

S. 1339. A bill to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other purposes; to the Committee on Armed Services.

S. 1340. A bill to amend the act entitled "An act to provide additional protection for owners of patents of the United States, and for other purposes," approved June 25, 1910, as amended, so as to the protect the United States in certain patent suits; to the Committee on the Judiciary.

By Mr. LUCAS:

S. 1341. A bill to provide for the designation of the United States Veterans' Administration Hospital at Chicago, Ill., as the Albert A. Sprague Veteran Memorial Hospital; to the Committee on Labor and Public Welfare.

S. 1342. A bill for the relief of Mr. and Mrs. Edward E. Pauls; to the Committee on the Judiciary.

By Mr. ECTON:

S. 1343. A bill authorizing the Secretary of the Interior to issue a patent in fee to William Elliot Towne; and

S. 1344. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Ida Towne Barrett; to the Committee on Public Lands.

By Mr. CAIN:

S. 1345. A bill to provide revenue for the District of Columbia, and for other purposes; and

S. 1346. A bill to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. EASTLAND:

S. 1347. A bill for the relief of Burks L. Fielder; to the Committee on the Judiciary.

By Mr. CORDON:

S. 1348. A bill to provide for the addition of certain revested Oregon and California railroad grant lands to the Silver Creek recreational demonstration project, in the State of Oregon, and for other purposes; to the Committee on Public Lands.

By Mr. DWORSHAK:

S. 1349. A bill for the relief of Kaoru (or Richard) Nimori; to the Committee on the Judiciary.

By Mr. AIKEN:

S. 1350. A bill to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. McCARRAN:

S. J. Res. 120. Joint resolution authorizing the President of the United States of America to proclaim the month of June, 1947, as "Remember Disabled Veterans Month"; to the Committee on the Judiciary.

By Mr. CAPPER:

S. J. Res. 121. Joint resolution authorizing the President of the United States to proclaim the first day of each year as "Good Neighbor Day," when American citizens will focus their attention upon setting an example of friendly consideration for others through practice of the Golden Rule; a fitting occasion to establish a high standard of personal conduct for all the days to follow and point the way, year by year, to a century of peace from each "Good Neighbor Day"; to the Committee on the Judiciary.

CONTROL OF PISTOLS AND OTHER DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA—AMENDMENT

Mr. COOPER submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 edition), which was ordered to lie on the table and to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

JOINT COMMITTEE ON GOVERNMENT INFORMATION PROGRAMS

Mr. HATCH. Mr. President, the other day in commenting upon the program commonly referred to as the Voice of America I made a suggestion that the Congress should have additional information obtained by its own committees. I made the suggestion in the hope that the members of the majority party would submit a resolution. It has not been done to my knowledge. However, I have seen that the House Committee on Appriations through a subcommittee is planning to conduct such an investigation. I realize the importance of this matter to the Appropriations Committee, but I believe a question of permanent policy is involved which ought to have consideration by the appropriate committee of the Senate. I have therefore drawn such a resolution and am offering it this morning with the request that it be referred to the Committee on Foreign Relations.

I said the other day that there was no pride of authorship and there is none. I ask unanimous consent to submit the concurrent resolution in the hope it will be referred to the Committee on Foreign Relations and that the committee will take such action and make such changes as may be appropriate or proper.

There being no objection, the concurrent resolution (S. Con. Res. 16), was received and referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee, to be known as the Joint Committee on Government Information Programs (hereinafter referred to as the joint committee), which shall be composed of five members of the Senate (three from the majority party and two from the minority party) appointed by the President pro tempore of the Senate and five members of the House of Representatives (three from the majority party and two from the minority party) appointed by the Speaker of the House of Representatives. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

SEC. 2. The joint committee shall—

(1) make a full and complete study and investigation with respect to the nature, manner of performance, and effect of all activities carried out by the State Department or any other agency of the Government for the purpose of acquainting the peoples of foreign countries with the United States, its people and their activities, and the policies and objectives of its Government, including, without limitation:

(a) the policies and methods employed, and their objectives;

(b) the qualifications of all personnel engaged in any such activities;

(c) whether the costs of such activities are justified;

(d) whether such activities are a proper function of government or should be carried out by privately owned organizations, with or without subsidies; and

(2) report to the Senate and the House of Representatives at the earliest practicable date, not later than January 15, 1948, the results of its study and investigation together with such recommendations as to necessary legislation as it may deem desirable.

SEC. 3. (a) The joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Eightieth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The joint committee is empowered to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties.

(c) The expenses of the joint committee shall not exceed $. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of disbursements so made.

MEETING OF THE COMMITTEE ON THE JUDICIARY

Mr. WHITE. Mr. President, by request, I ask unanimous consent that the Committee on the Judiciary may sit during today's session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

THE MEANING OF LIBERTY IN INDUSTRY-LABOR RELATIONS—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "The Meaning of Liberty in Industry-Labor Relations," delivered by him at the inaugural program honoring Dr. Raymond Bernard Allen as president of the University of Washington, at Seattle, on May 22, 1947, which appears in the Appendix.]

ONE HUNDREDTH ANNIVERSARY OF RAISING OF AMERICAN FLAG IN NEW MEXICO—ADDRESSES BY SENATOR CHAVEZ AND HON. JOSEPH J. LAWLER

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD addresses delivered by him and Hon. Joseph J. Lawler, Third Assistant Postmaster General, at Santa Fe, N. Mex., on October 16, 1946, on the occasion of the one hundredth anniversary of the raising of the American flag in the Territory of New Mexico, which appear in the Appendix.]

INTERIOR DEPARTMENT APPROPRIATIONS—STATEMENT BY SENATOR MAGNUSON

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a statement by him regarding reclamation and western projects before the subcommittee of the Senat Committee on Appropriations considering Interior Department appropriations, which appears in the Appendix.]

ELIMINATION OF DISCRIMINATION IN EMPLOYMENT

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD questions and answers prepared by him regarding Senate bill 984, having to do with elimination of discrimination in employment, which appears in the Appendix.]

PROBLEMS OF EDUCATION—ADDRESS BY SENATOR SPARKMAN

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an address on the subject of education, delivered by him on March 27, 1947, at the State convention of the Alabama Educational Association, at Birmingham, Ala., which appears in the Appendix.]

SERMON BY VERY REV. IGNATIUS SMITH DURING TRIBUTE TO THE WAR DEAD

[Mr. BROOKS asked and obtained leave to have printed in the RECORD the sermon delivered by the Very Reverend Ignatius Smith, of the Catholic University of America, on the occasion of the ninth annual military memorial mass, held in the Amphitheater at Arlington National Cemetery, Sunday, May 25, 1947, which appears in the Appendix.].

THE PRESIDENT PRO TEMPORE OF THE SENATE—ARTICLE BY GOULD LINCOLN

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article entitled "The Gavel of the Senate Is in Efficient Hands," written by Gould Lincoln, and published in the Washington Star of May 25, 1947, which appears in the Appendix.]

SENATOR LODGE'S VIEWS ON FOREIGN POLICY—EDITORIAL FROM THE SPRINGFIELD (MASS.) UNION

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "Senator LODGE's Foreign Policy," published in the Springfield (Mass.) Union, which appears in the Appendix.]

THE INTER-AMERICAN MILITARY COOPERATION ACT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying paper, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I submit herewith for the consideration of the Congress a bill to be entitled "The Inter-American Military Cooperation Act" authorizing a program of military collaboration with other American states including the training, organization, and equipment of the armed forces of those countries.

I submitted a similar bill to the Seventy-ninth Congress and recommended at that time that the Congress give the bill favorable consideration and enact it. The Committee on Foreign Affairs of the House of Representatives reported the bill with amendments to the Committee of the Whole House as H. R. 6326. This present draft agrees with H. R. 6326. World developments during the year that has passed give still greater importance to this legislation, and I again ask the Congress to give this bill favorable consideration and enact it.

As stated in my message to the Seventy-ninth Congress, our Army and Navy have maintained cordial relations of collaboration with the armed forces of other American Republics within the framework of the good-neighbor policy. Under authorization of the Congress, military and naval training missions have been sent to various American Republics. During the recent war, even prior to Pearl Harbor, this collaboration was intensively developed on the basis of inter-American undertakings for hemisphere defense. Training activities were expanded, and under the Lend-Lease Act limited amounts of military and naval equipment were made available to the other American Republics as part of the hemisphere defense program. Forces from two of the American republics participated in combat overseas, and others joined in the defense of the shores and seas of the Americas at a time when the danger of invasion of our continents was all too great.

The American Republics have assumed new responsibilities, for their mutual defense and for the maintenance of peace, in the Act of Chapultepec and the Charter of the United Nations. The close collaboration of the American Republics provided for in the Act of Chapultepec, the proposed treaty to be based upon that act, and other basic inter-American documents, make it highly desirable to standardize military organization, training methods, and equipment as has been recommended by the Inter-American Defense Board.

I can find no better way to describe the intent and purpose of this bill than to repeat my message to the Congress of May 6, 1946.

Under the bill transmitted herewith, the Army and Navy, acting in conjunction with the Department of State, would be permitted to continue in the future a general program of collabora-

tion with the armed forces of our sister Republics with a view to facilitating the adoption of similar technical standards. Certain additional training activities, not covered by existing legislation, would be permitted. The President would also be authorized to transfer military and naval equipment to the governments of other American states by sale or other method.

The collaboration authorized by the bill could be extended also to Canada, whose cooperation with the United States in matters affecting their common defense is of particular importance.

A special responsibility for leadership rests upon the United States in this matter because of the preponderant technical, economic, and military resources of this country. There is a reasonable and limited purpose for which arms and military equipment can rightfully be made available to the other American states. This Government will not, I am sure, in any way approve of, nor will it participate in, the indiscriminate or unrestricted distribution of armaments, which would only contribute to a useless and burdensome armaments race. It does not desire that operations under this bill shall raise unnecessarily the quantitative level of armament in the American Republics. To this end the bill specifies that amounts of nonstandard material shall be sought in exchange for United States equipment.

It is my intention that any operations under this bill, which the Congress may authorize, shall be in every way consistent with the wording and spirit of the United Nations Charter. The bill has been drawn up primarily to enable the American nations to carry out their obligations to cooperate in the maintenance of inter-American peace and security under the Charter and the Act of Chapultepec which is intended to be supplanted by a permanent inter-American treaty.

It is incumbent upon this Government to see that military developments in which we have a part are guided toward the maintenance of peace and security and that military and naval establishments are not encouraged beyond what security considerations require. In this connection the bill provides that operations thereunder are subject to any international agreement for the regulation of armaments to which the United States may become a party. In addition, provision will be made for continuing coordination of the actual operations under the legislation with developing plans and policy in the field of armaments regulation.

In executing this program it will be borne in mind, moreover, that it is the policy of this Government to encourage the establishment of sound economic conditions in the other American Republics which will contribute to the improvement of living standards and the advancement of social and cultural welfare. Such conditions are a prerequisite to international peace and security. Operations under the proposed legislation will be conducted with full and constant awareness that no encouragement should be given to the imposition upon other people of any useless burden of armaments which would handicap the economic improvement which all countries so strongly desire. The execution of the program authorized by the bill will also be guided by a determination to guard against placing weapons of war in the hands of any groups who may use them to oppose the peaceful and democratic principles to which the United States and other American nations have so often subscribed.

In entering into agreements with other American states for the provision of training and equipment as authorized by the bill, the purposes of this program will be made clear to each of the other governments.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 23, 1947.*

SUPPORT FOR WOOL

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 814) to provide support for wool, and for other purposes, which were, on page 1, to strike out lines 4 to 10, inclusive, and insert:

SEC. 2. (a) The Commodity Credit Corporation shall continue, until December 31, 1948, to support a price to producers of wool in the continental United States and Territories at the price it supported wool in 1946.

On page 2, to strike out lines 7 to 19, inclusive; on page 2, line 20, to strike out "SEC. 4" and insert "SEC. 3"; on page 2, to strike out lines 24 and 25; and on page 3, to strike out lines 1 to 9, inclusive, and insert:

SEC. 4. Subsections (a) and (b) of section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C., 1940 ed., title 7, sec. 624), are hereby amended to read as follows:

"(a) Whenever the President has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees on, or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947: *Provided*, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive: *And provided further*, That no limitation shall be imposed on the total quantities of wool or products thereof which may be entered or withdrawn from warehouse for consumption."

SEC. 5. The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restriction imposed upon it by law.

Mr. AIKEN. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. AIKEN, Mr. BUSHFIELD, Mr. YOUNG, Mr. THOMAS of Oklahoma, and Mr. ELLENDER conferees on the part of the Senate.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Mr. WHITE. Will the Senator from Colorado yield to me to make a point of no quorum?

Mr. MILLIKIN. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. Is the point agreeable to the Senator from Georgia, inasmuch as the time taken by the roll call is chargeable to both sides?

Mr. GEORGE. It is agreeable to us.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Conor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Pepper
Brewster	Hill	Reed
Bricker	Hoey	Revercomb
Bridges	Holland	Robertson, Va.
Brooks	Ives	Robertson, Wyo.
Buck	Jenner	Russell
Bushfield	Johnson, Colo.	Saltonstall
Butler	Johnston, S. C.	Smith
Byrd	Kem	Sparkman
Cain	Kilgore	Stewart
Capehart	Knowland	Taft
Capper	Langer	Taylor
Chavez	Lodge	Thomas, Okla.
Connally	Lucas	Thomas, Utah
Cooper	McCarran	Thye
Cordon	McClellan	Tobey
Donnell	McFarland	Tydings
Downey	McGrath	Umstead
Dworshak	McMahon	Vandenberg
Eastland	Magnuson	Wagner
Ecton	Malone	Watkins
Ellender	Martin	Wherry
Ferguson	Maybank	White
Flanders	Millikin	Wiley
Fulbright	Moore	Williams
George	Morse	Wilson
Green	Murray	Young
Gurney	Myers	

Mr. WHERRY. I announce that the Senator from Wisconsin [Mr. McCARTHY] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. McKELLAR] is necessarily absent.

The PRESIDENT pro tempore. Ninety-two Senators having answered to their names, a quorum is present.

Mr. GEORGE. Mr. President, I yield 30 minutes to the senior Senator from Maryland [Mr. TYDINGS].

Mr. TYDINGS. Mr. President, I would like very much in the present session of Congress, if it is prudent to vote for tax reduction, to vote for a payment on the national debt, and for such financial program as would carry out those two very desirable objectives. Wartime taxes have been an enormous burden. A few of them have been eliminated; some of them have been modified; but, even so, the people of the Nation, both those poorly circumstanced and those well-to-do, are still carrying a tremendous amount of the burdens which war made necessary.

The question before the Senate is: Can we do these things now with that degree of certainty which would impel prudent men to take the necessary steps to carry these objectives into actual being? I am a member of the Appropriations Committee, and I want to say now that while the cuts in appropriations made in the House and those made in the Senate have been considerable, I think that all fair-minded men who will face the facts will agree that they have been very much less than what we hoped and expected could be accomplished when we voted on the separate measures providing for reductions in appropriations of $6,000,000,000 and $4,500,000,000, adopted by the House and Senate, respectively, some time ago.

Mr. President, I want to vote for tax reduction and for payment on the national debt with the reasonable knowledge that 14 months from now when the fiscal year 1948 draws to a close, I, as one Member of the Senate, shall not feel that I have overdone it, and will not again be confronted with another deficit.

For 17 years as a Member of this body I have lived under administrations that practiced deficit financing. Some of the Members of the Senate who have served all or a part of that time will remember that at almost every session of the Congress I have done what I could, both by speech on the floor and by vote in the Appropriations Committee, to try to get our budget in balance because, among other things, in my judgment not to do so was dangerous and unwise. The rise of Mussolini in Italy and the rise of Hitler in Germany came about more than anything else by reason of deficit financing in those two countries.

For 44 of the 66 years of the life of the royal Italian Government after the revolution led by Garibaldi, Italy practiced deficit financing. Almost every administration that ran for office in that country promised to balance the budget. Every administration, as soon as it got in power, immediately began to practice deficit financing to satisfy the clamor of the people. Adequate taxes were temporarily postponed from time to time and in the end and then and then only, when the delayed taxes finally came, the Italian people found out that in proportion to the income of its people Italy was the heaviest-taxed nation on the face of the earth.

The same thing was true in Germany, where the tax system was primarily not lodged in the federal or central government, but in the states of Germany. Even the railroads paid separate taxes in each state rather than national taxes.

In the case of this rich and prosperous country I do not see any prospect of a dictator arising because of deficit financing. We have such great and varied resources, so much know-how, so much potential and intrinsic wealth in our people and in our soil, that I think it would stretch the truth to say that a reasonable continuance of deficit financing would bring on a dictator, and I do not wish to draw that inference. Nevertheless, a debt of $260,000,000,000 is still a tremendous amount of a burden for the people of this Nation to carry, now that we have good times, and the opportunity has come to taper it off and whittle it down.

Recurring to the happenings of the present session of Congress, I remind the Senate that the able Senator from Colorado [Mr. MILLIKIN], introduced a measure to cut down Federal spending for the next fiscal year by $4,500,000,000. The House of Representatives passed a similar measure, but fixed the amount at $6,000,000,000. What are the prospects of reaching either of those goals? Here is what has actually happened up to now, and as I read these figures keep in mind that only one of the regular appropriation bills for the next year has been passed by both branches of the Congress.

The appropriation for the Labor Department and for the Federal Security Agency was reduced $103,000,000. The appropriation for the Treasury and Post Office Departments was reduced $56,000,000. The appropriation for the Interior Department was reduced $134,000,000. The appropriation for the State, Justice, and Commerce Departments was reduced $160,000,000. The appropriation for the Navy Department was reduced $377,000,000. The appropriation for the Department of Agriculture, just reported in the House, was reduced $375,000,000. Thus if we add the actual cuts in appropriations made in bills which have either passed the House or been reported to the House, we find over-all cuts so far in nine of the principal departments of the Government to the extent of only $1,205,000,000.

I am not counting the $800,000,000 of tax refund money which was taken out of the Treasury appropriation bill, because that does not represent a reduction in expenditures. Of the $1,600,000,000 set aside for this purpose, the Congress determined to leave only $800,000,000 in the bill, upon the theory that if tax reductions exceeded $800,000,000, the amount provided for by the House—and which will probably be provided for by the Senate—there would be a separate bill to appropriate the money for any additional tax refunds we might have to make. But that is mere bookkeeping. The point is that there was no real reduction of expenditures by that transaction.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CONNALLY. Is not a tax refund almost like interest on the debt? It is an obligation which we must pay, is it not?

Mr. TYDINGS. Of course it is an obligation of the Government. We cannot tell how much the obligation will be. The President wanted the amount to be ample. The House thought that half the amount recommended would be ample.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. THOMAS of Oklahoma. I invite the attention of the Senator to the fact that the Interior Department bill has not yet been reported to the Senate.

Mr. TYDINGS. I am coming to that.

Mr. THOMAS of Oklahoma. And the Agriculture bill has not passed the House or Senate.

Mr. TYDINGS. I am coming to that.

Mr. THOMAS of Oklahoma. It is obvious from newspaper comments and other reports that appropriations contained in those bills will be substantially increased before they reach the President.

Mr. TYDINGS. The Senator is correct. But even conceding for the moment that there will be no increase in those appropriations in either the House or the Senate, the unassailable truth of the matter is that the extent of the actual proposed cuts in expenditures in all those bills, including the Agriculture appropriation bill, represents a total of $1,205,000,000. That is a fact which cannot be denied. The total reductions in expenditures up to this good hour assuming that no additions will be made to the appropriations when they reach the Senate, amount to $1,205,000,000. Where is the $4,500,000,000 cut which we, with high ideals and endeavors, set as the goal in this body several months ago? Where is the $6,000,000,000 cut to which the House dedicated its effort? There remain only the Army appropriation bill and the independent offices appropriation bill, in addition to one or two minor appropriation bills which do not involve large sums of money. So even if we were to make a drastic cut in the Army appropriation bill, we could not reach a cut of $6,000,000,000, because the Army appropriation bill is only for approximately $6,000,000,000. We would not have a corporal's guard left if the remaining bills were cut to such an extent that a $6,000,000,000 reduction would be possible. Indeed, it is doubtful if they could be cut to such an extent as to produce a reduction of $4,500,000,000.

These appropriation bills deal with the period of time beginning July 1 next and extending to July 1, 1948. It is called the fiscal year 1948. Therefore, nothing has happened in the Senate to date to give a prudent man justification for assuming that appropriations will be reduced to

the extent of more than approximately $2,000,000,000, less than half of what the Senate promised the people in its resolution of several months ago, and about a third of what the House promised the people at the same time.

It is significant that the House and Senate have been unable to agree, even at this late stage, as to how much of a reduction can be made. So far there has been a failure of the conferees of the House and Senate even to agree that four and a half billion, five billion, or six billion can actually be cut from Federal expenditures.

Therefore we shall not be able to effect a saving of three and a half billion dollars by reducing expenditures. Already we have been over 9 of the 12 departments of the Government, and we have reduced their appropriations $1,205,000,000. We have three departments left. In my judgment we shall not be able to reduce expenditures by $3,200,000,000.

What do the advocates of "act now" suggest? They say, "This is a great year. Income is soaring. The people are prosperous. There is a great deal of money in the country. Corporations are making enormous profits. This condition will continue for the next 14 months. There will be no substantial dip. There will be no loss in Federal revenue. Profits will continue, and therefore tax revenues will continue." They say that if that situation continues for 14 months longer, we can expect $4,000,000,000 or $5,000,000,000 more in revenue in the Federal Treasury than we anticipated we would have, so great are profits and earnings and income-tax payments of both corporations and individuals into the Federal Treasury.

Apparently no one else shares that view. I do not often read the stock-market page, but in the past 3 or 4 months I have noticed that the prices of stocks have declined, many of them as much as 50 percent. Billions of dollars of paper values have disappeared. If the statements of our friends on the other side are accurate, if we are to have continued high profits for another 14 months, why is it that the investors of the country do not realize it? Based upon such a supposition, stocks can be bought on the New York stock exchange today which would yield a return of 8 or 10 percent on investment, assuming that the present high level of profits will continue for another 14 months.

When we boil the situation down, what do we make of it? The proposed tax reduction and debt reduction are predicated upon two things: First, that there is to be an ultimate reduction in taxes of between $4,500,000,000 and $5,000,000,000; second, that income coming into the Treasury from large profits will continue for another 14 months.

The latter of those two propositions is in the realm of pure speculation. It may happen. It may be that revenues will be even greater than we estimate. However, 14 months in this war-torn and sick world is a long time. As conditions now exist, looking ahead 14 months is like looking ahead 10 years in the early twenties or in the early 1900's. The whole world is in turmoil. We have not settled down from this terrific war, and therefore we are not in a position to prophesy or predict what will happen in the next 14 months.

My able colleague, the eminent Senator from Georgia [Mr. GEORGE], because of his long service in this body, because of his vast experience in the handling of fiscal matters for the Government—he has had more such experience than has any other man in this Chamber—judicial by temperament, moderately conservative by temperament on financial matters, has asked the Congress one thing only in the form of the motion which is pending. Says the Senator from Georgia, "Why do we not wait until the 10th of June? That is only 3 weeks away. By that time all the appropriation bills will have reached the floor of the House of Representatives, and we can then see the extent of the proposed cuts suggested by the House Appropriations Committee. If those cuts are sufficient to warrant a tax reduction, all well and good. If they are not sufficient and we act beforehand, we will have reduced taxes beyond the point of prudence." He asks only that we have all the information obtainable before we decide the matter; he asks only that we have all the facts before us. If the facts are as predicted in some quarters, I shall be in favor of tax reduction. If, on the other hand, they are not as predicted, then I should want to modify the proposal of the able Senator from Colorado [Mr. MILLIKIN].

In reading the newspaper this morning I was astounded to find that the very able and industrious Senator from Ohio [Mr. TAFT], in a Nation-wide radio address, as reported in the press, had made the statement that he had no fear of a deficit for the year 1948, assuming that the tax-reduction bill becomes a law. In other words, the Senator made the prediction that for the next 14 months business would boom; there would be no recession sufficient to prevent the raising of revenue which would, at all events, balance the Federal budget. It seemed to me that he was taking in a great deal of territory. I am utterly at a loss to know why, with billions upon billions of dollars in the banks of the country, with billions of dollars in the portfolios of the insurance companies, with stocks away down, and with dividends on stocks at present away up, the public is reluctant to invest. Certainly the investors do not share the optimism of the Senator from Ohio. We can examine the big-board Stock Exchange list and read the dividends and then look at the prices at which stocks are selling, and, assuming that the dividends hold up, we could make scores of investments today, based on the dividends and the present prices, which would yield 8, 10, 12, or, in some cases, 15 percent on the investment. Yet no one buys. The great moneyed interests of the country, which quite often find themselves in the majority in the party across the aisle, do not share this optimism. We are here to chart a course for our Government, which ought to be predicated on proof, not on the uncertainties that may arise at home and abroad. In the estimate which I have read, to point to some of those uncertainties, I have not taken into account the $400,000,000 that has recently been appropriated for Greece and Turkey, and $350,000,000 for relief. I understand that other bills are coming. Who knows that but before this session is over we may have other bills which will carry foreign expenditures beyond the billion-dollar mark? It was only at the last session of Congress that we passed a bill carrying more than $3,000,000,000 for Great Britain. It was called a loan. In my opinion, it was not a loan at all. I doubt that much of it will be paid back or can be paid back by the British Government.

All of these things are hanging loose in the air, and yet this proposal is made before we know anything about the amount of the cuts. We should not anticipate that they will be greater than we now know they will be. In my judgment, when many of the bills which have been reported to the House or acted upon by the House come before the Senate there is no question that many of them will have some of the cuts restored to them. Already the Republican Senator from Vermont [Mr. AIKEN] has said that $180,000,000 of the cut in the Agriculture Department bill ought to be restored. Already western Senators on both sides of the aisle are saying that the cuts in the Interior Department bill having to do with reclamation and irrigation should be restored. If those things come to pass—and we have already made many restorations in other appropriation bills in the Senate Committee on Appropriations—then the $1,205,000,000 of the $9,000,000,000 already reported to the House will shrink, in all probability, to six hundred or seven hundred or eight hundred millions of dollars. That will represent all the cuts in all of the bills so far reported to or acted upon by the Senate.

Therefore, we have only the Army and the Veterans' Bureau to fall back on. In my judgment, we are not going to save $4,000,000,000 or $5,000,000,000 out of either one of those appropriation bills, or even both of them put together. The Navy bill has been reported with a cut of $377,000,000; and it would be very unusual if a considerable amount of that sum does not find its way back into the bill before it finally passes both branches of the Congress.

The Senator from Texas [Mr. CONNALLY] and I served in the House together some years ago. I do not want to reflect on the House at all, but there was a policy over there then, which still exists, that when they are ready to make a cut in an appropriation bill they make it as much as they think it ought to be, or perhaps a little beyond, and each Member of the House says "The Senate has to review it anyhow, and when it gets over there they will look into it again, and if the agency or department deserves the extra money the Senate will put it back into the bill."

So these figures which I have read this morning are the maximum amount of cuts, the maximum suggested even by the committee. The House must yet act on them, and then they must run the gantlet of the Senate Appropriations

Committee, the Senate itself, and then a conference of the two Houses.

I repeat, that up to this good hour, for Labor and Federal Security the reduction has been only $103,000,000; for the Treasury and Post Office Departments, $56,000,000; for the Interior Department, $134,000,000; State, Justice, and Commerce, $160,000,000; Navy Department, $377,000,000; Department of Agriculture, $375,000,000; making a total of $1,205,000,000 as to bills on which neither the House nor the Senate has acted and as to which the percentage of restoration will be considerable.

Yet in the face of all that we speak of reducing taxes by three and one-fourth billions of dollars, and we say we shall pay on the national debt $2,600,000,000, making approximately $6,000,000,000. When asked, "Where are the cuts to justify this action?" the reply is made, "We have estimates; we have beliefs; we have suppositions that the income of the Government will continue high for the next 14 months, to the same extent it has existed in the first part of 1947, and that will cause more money to come into the Treasury than we had expected, and thus we will have enough." That notwithstanding the fact that we have not cut appropriations sufficiently to make the tax reduction to enable us to pay this amount on the national debt.

The Senator from Ohio—and I am sorry he is not in the Chamber at this time—said in his radio address last night—and I had one of the best laughs on my way down in the train, as I read the report of his address, that I have had for a long while—that the Democrats were playing politics with tax reduction. "The Democrats," said my good friend, the industrious and able Senator from Ohio, "are playing politics with tax reduction."

My fellow Senators, it is admitted on the floor that in 9 of the major 12 appropriation bills, even if every cut recommended by the Appropriations Committee of the House holds fast, the cuts amount to only $1,205,000,000; and there is not a Senator on this floor who will not concede that that amount of cut will not hold when it runs the gantlet of the Senate Appropriations Committee and the Senate itself. Yet we hear the cry of "politics." I know that the Senator is not a candidate for the Presidency, and I know he would be the last one——

The PRESIDING OFFICER (Mr. CAIN in the chair). The time of the Senator from Maryland has expired.

Mr. GEORGE. I extend the time of the Senator from Maryland by 10 minutes.

Mr. TYDINGS. I thank the Senator.

Mr. President, as I was saying, I know that my good friend the Senator from Ohio would be the last one to play politics in this matter, because he is thoroughly detached. He is as high as he wishes to go. He considers the office of Senator one of the great offices of the Nation and of the world, and I do not believe he could be induced to run for a higher office. Therefore, when he says that the proposed tax reductions should be made now, notwithstanding that the appropriation cuts are only one-quarter of what was promised a few months ago, and notwithstanding the fact that the proposed tax reductions are predicated on the assumption that good times will prevail for the next 14 months, I know that my good friend the Senator from Ohio is not thinking in terms of politics and, heaven knows, he is not thinking in terms of the next national election, because all of us here know that he will not be a candidate then, even if they draft him and seek to compel him to run, and all of us know that there is no politics at all in putting through a tax bill before we have the appropriations bills on which to predicate the tax-reduction bill.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CONNALLY. The Senator has been speaking of politics, and let me suggest that he is getting on somewhat touchy ground.

Mr. TYDINGS. I have found that everything here is contagious. Perhaps I have been taking too seriously the position of our good friend across the aisle with respect to Republican tax cuts, which have been only about 25 percent of what was promised.

Mr. President, there is just one course that the Senate should adopt in this matter, and every Member of the Senate knows in his heart what it is: We should do what is best for the welfare of our country. Taxes cannot properly be reduced now on the basis of future cuts in expenditures. There is not a Member of this body or of the body at the other end of the Capitol who could do that.

I make the prophecy with respect to the nine appropriation bills which have already been passed by the House of Representatives—leaving out the three to come—that when they finally pass both Houses of Congress, the total cuts will not amount to $1,000,000,000. In making that statement, I leave out of account the extra appropriations which we have made for aid and relief to Greece and Turkey; I make the capitulation without taking them into account. I say that the total expenditure cuts will not be $1,000,000,000. There is not a thing to support prudence in this matter except the expectation, which is a very doubtful one, that good times will continue for the next 14 months, and that there will be such an avalanche of revenues into the Treasury that notwithstanding the reduction or lack of reduction in the cutting of expenditures, there still will be enough revenue to permit the reduction of taxes and the balancing of the national budget.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TYDINGS. I ask the Senator to let me finish this remark: I shall yield to him in a minute.

Mr. President, when we had the $4,500,000,000 budget-reduction bill before us, I went to the other side of the aisle and said to some of my good friends there, "I think you gentlemen are very short-sighted to support a tentative reduction of $4,500,000,000 in the budget. Why do you not make it two and one-half or three billion dollars, and then shoot for $6,000,000,000? If you go beyond what you promise the people, that will be all to the good; but if you fall far short of what you promise, you will be a proper subject of ridicule for not being able to measure your own prowess in the field of reduction of Government expenditures."

But, Mr. President, the pressure was so strong from the other side of the Chamber that the Senate set the ceiling at $4,500,000,000 anyhow, just as Senators on the other side of the aisle are talking now. Mr. President, is there one Member of either branch of Congress who, from the point of view of the actual reduction of expenditures, will now rise and say that we shall save, from a reduction of expenditures, $4,500,000,000? The estimates were totally haywire then; they were totally exaggerated. But, now, Senators are proceeding with something which means a great deal more. The measure previously before us was only an idle resolution, whereas the measure now before us means the financial integrity of the United States Government.

I remember that after World War I, the Government bonds went down to 80, 81, or 82. So far they are up; but, as the Senator from Georgia pointed out the other day, in our present financing on the basis of short-term notes and whatnot, in excess of $50,000,000,000 of Government obligations are floating around, and they might be dumped on the Treasury without notice.

Now I yield to the Senator from South Carolina, but I ask him not to be long, please.

Mr. MAYBANK. Mr. President, I wish to commend the Senator from Maryland for his statements regarding the national income and his references to the declines which have occurred in the stock market. I should like to say to him that the figures at home and from the Bureau of Internal Revenue show a continuous falling off each month. There have been marked declines in the commodity market. For instance, cotton sold at 35 or 40 cents last year, but for next year's delivery is selling at 30 cents; and lumber has declined in price, and potatoes have declined. The commodities in the South now are bringing in only the support prices, and today the Government is having to take in the potato crop.

Mr. TYDINGS. Mr. President, I do not wish to be a calamity howler, but let me point out what we find. The Glenn Martin Co., one of the big aviation companies of the United States, has closed down. The steel concerns are curtailing their operations. There is a threatened coal strike in the offing as of the 1st of July. No one knows how it will be handled or how long it will last. The stock market has gone down and down and down. During the last 4 or 5 months it has been possible to buy, at the prevailing rate, plenty of stocks which would pay 12 percent or 14 percent, but no one has been buying. Yet our friends on the other side of the aisle, who purport to speak for the large interests of the country, are saying that good times are going to continue, and that for the next 14 months the income of the Government will exceed all estimates by $3,000,000,000,

or $4,000,000,000, or $5,000,000,000, or $6,000,000,000.

All that the Senator from Georgia asks is that we wait until these cuts are finally made, and that with the definite appropriation figures before us we then proceed into the field of tax reduction.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LUCAS. Does not the Senator from Maryland agree with me that it is most encouraging to find the majority party constantly predicting a $180,000,000,000 of national income? Of course, I hope the national income reaches that figure. If it does, that will be a genuine endorsement of the Democratic Party.

Mr. TYDINGS. It certainly will be. If the national income does continue at a high level, I do not believe the majority party will give us the credit for it. But if the national income declines, they will give us the devil for it, even though their tax-reduction bill at this time may be the one thing that will force it down quickly.

Mr. President, there has been a great deal of talk about inflation. I shall not go into that subject; but if the taxes are reduced at this time, the effect will be to put more money into the people's pockets, thus making it all the easier for them to buy the limited number of things which are available for purchase. Such a situation is not conducive to a reduction of prices, in my judgment. Personally, I can stand having some tax reduction, as can every other citizen of the United States. But that is not the point in connection with this matter. The point is that we should know what the future reasonably holds in store for us, before we go to the extent of reducing taxes, and doing so before we finish appropriating, and without any thorough knowledge of what the expenditure cuts will be.

So, Mr. President, just as the leadership on the other side of the aisle missed the target by a wide margin in setting a $4,500,000,000 reduction goal in connection with the legislative budget, so I feel that they will miss the tax-and-debt-reduction target by a wide margin again. I feel that when the Congress meets next January—although I hope I am wrong—there is going to be a trifle of embarrassment on the other side of the aisle.

I feel that many good men who are going to vote for some of the proposals made without being able to look ahead, will be somewhat sorry, particularly if we suffer a little depression during the summer, and their faces are going to be a little red as they go to the voters in next year's election.

The prudent course, therefore, would be to adopt the motion of the Senator from Georgia, and wait and see what the cuts are, and then frame the tax bill so as to fit Government finances. The Senator from Ohio said a few days ago that we should fit finances to taxes. I say we should fit the taxes to the finances. It is not possible to run a business in any other way than on the basis of knowing what one's income is going to be and what the expenses will be.

I hope the mistake made after the last war will not be repeated, when money was sent abroad from this country so that purchasers abroad would have money with which to finance purchases here. Now Senators are shooting at tax reduction, and I do not believe it is advisable or prudent at this time. In my opinion, before the session next year is very old, many Senators will find that they have opened Pandora's box, for when taxes are once reduced after a war, they cannot successfully be raised in the face of the pressure groups which would oppose such increases, or their restoration after they are once off the books. The cat will then be out of the bag, and it will be too late.

There are 3 weeks left for us to look at the picture of our economic situation, and I implore my colleagues to take the prudent view, in the interest of national solvency.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. MILLIKIN. Mr. President, I yield 10 minutes to the distinguished senior Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, it has not been easy to determine how to vote on the question of postponing consideration of income-tax reduction.

I believe that the majority policy committee was in error in bringing this bill before the Senate before it had been decided what the appropriations would be for the ensuing year, but now that the matter is before us, we have to determine whether we should continue with it and dispose of it now or lay it on the table for consideration at a later date.

I have consistently taken the position that we should first of all determine what amount is necessary to maintain essential Government services. Having done this, we should make sure that the budget is entirely balanced.

We should provide for a reduction of from three to five billion dollars in the national debt.

Then—and only then—can we reasonably determine the extent to which tax reduction may be made.

Even these things, however, are not easily determined because we must take into consideration the probable amount of income and this appears to be the most difficult part of the problem.

Less than 2 years ago, Republican leaders of the Senate estimated a national income of not more than $120,000,000,000 for the postwar era. This estimate has been proven very inaccurate.

The estimate of income made by the executive department for the current fiscal year has also been proven wrong, thus showing the difficulty of predicting both the national income and governmental receipts, even 1 year in advance.

Fortunately, both the estimates made by the Republican leadership in 1945 as to national income and the estimates made by the Budget Bureau for governmental income have fallen far short of both national income and Government receipts.

It is entirely proper that estimates of tax receipts should be conservative. It is better to have a balance than a deficit.

In regard to estimates of Government income for the year 1947, we find the executive department estimating $38,800,000,000 based on a national income of $168,000,000,000, whereas the Republican leadership of the Senate estimates a Government income of $41,200,000,000 to be derived from a national income of 170 plus billion.

As one reads official reports and financial and business reports in the press, the only conclusion to draw is that both these estimates are underestimates.

Only yesterday the New York Times carried the story of industrial profits being at a record level for this year.

A survey of 942 companies in 79 fields shows that in 1946 they earned 34 percent over the 1945 record.

With 5 months of the calendar 1947 almost gone, industrial profits are showing a wide increase over even the 1946 profits.

With no break in the huge backlog of unfilled business in sight, only a major unforeseen calamity can prevent the year 1947 from being the greatest year in history so far as our national income is concerned.

Such being the case, I believe it is safe to say that the estimate of $41,200,000,000 of Federal receipts for the year 1947, which has been given us by the chairman of the Finance Committee, is indeed conservative.

In fact, it seems to me that those who scoffed at the estimate of $150,000,000,000 of national income a couple of years ago can well reconcile themselves to a national income of $200,000,000,000 in the near future if we as a nation make the most of our opportunities.

Let us now consider the matter of appropriations. The President has requested appropriations to the amount of $37,500,000,000 for the coming year. Republican leaders in the House and Senate estimate that this amount should be cut from $4,500,000,000 to $6,000,000,000. In my opinion, both the President and the Republican leadership are wrong. My work as chairman of the Committee on Expenditures in the Executive Departments has convinced me that substantial savings in Government expenses can be made without sacrificing in any degree essential services of Government. I do not know how great these savings can be. I am satisfied that administrative expenses have been excessive, that unnecessary personnel has and is being employed. I agree that there was an excuse for this in the last decade when it was necessary to employ many persons somewhere at some cost in order to keep relief rolls down, but certainly employment of superfluous personnel is unwarranted at a time when our national economy is at its peak.

It is my belief that administrative costs of the Federal Government may well be reduced 20 percent over-all. I am speaking only of administrative costs, and not of Government expenditures. There are many expenditures which cannot or should not be reduced in the slightest.

The Congress has made definite commitments to the States. The Congress has made definite commitments along the lines of social legislation in the form of grants-in-aid. These commitments

should be kept. Not only is national integrity concerned, but continuance of national economy at its present high level is also involved. We must keep our pledges, explicit and implied.

We must provide the funds for our highway program, our program of airport expansion, and for the building of new hospitals. We must not only keep our pledges to old people and the blind and the crippled and the dependent children, but I believe we should materially increase such assistance. We must not impair the health of the Nation's children by eliminating or reducing the school-lunch program.

We must not permit a return to the old days of mining the soil—the soil, that is the most precious and necessary of all our heritage—by reducing or discontinuing the soil-improvement program.

We must not court the possibility of famine in foreign nations by reducing the incentive to our farmers to produce record crops in order to save a few million dollars.

At a time when the world is in a state of political and economic confusion and there is continued talk of war, we must not be niggardly in respect to developing the natural resources of America, for the very security of our Nation depends upon our ability to defend ourselves against all comers until such time as the nations of the earth recover their equilibrium and agree upon an international plan for peace.

Besides providing money for the continuance of these programs so necessary to our national welfare and our national security, we should without delay provide for material assistance to the educational systems of the 48 States unless we are willing to turn our backs upon our schools and the boys and girls of the coming generation.

All these things must be taken into consideration in determining whether and to what extent we can reduce the tax bills of our citizens.

It is out of the question to say that the President's budget of $37,500,000,000 cannot be reduced at all without materially affecting services of Government. In the light of reductions in appropriations which have been made and prospects for future reductions, it would be no less than folly to say that Government expenses can be reduced $6,000,000,000 or even $4,500,000,000 at this time without materially reducing the services which the people of this Nation demand and have a right to receive.

Assuming, however, that Government receipts will total $42,000,000,000 and budget requests are reduced $2,500,000,000 to a total of $35,000,000,000, there would be left $7,000,000,000 to apply to new appropriations, such as Federal aid to education, debt reduction, and tax reduction.

I believe that an estimate of $7,000,000,000 for these purposes is not exaggerated, but rather a conservative estimate. Such being the case, it is possible to enact a tax reduction bill at this time without jeopardizing national security.

I do believe the bill should be amended so as to provide a greater amount of this reduction to those who need it most and who, through the purchase of necessities of life, would contribute most to a further expansion of our national economy.

In the light of all that has been said on this floor and in view of the information which I have received as a result of studies made independently of either side in this controversy, I am led to believe that an over-all tax reduction not exceeding $3,200,000,000 can be made without jeopardizing our ability to reduce the national debt and without reducing those services of Government which contribute materially to the welfare of our people and the security of our Nation.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. MILLIKIN. Mr. President, I yield 15 minutes to the distinguished Senator from Pennsylvania [Mr. MARTIN].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 15 minutes.

Mr. MARTIN. Mr. President, I arise in opposition to the motion requesting delay in considering the tax-reduction bill until June 10, made by our distinguished colleague the senior Senator from Georgia. Those who would favor this motion fall into two classes: First, those who believe that no tax reduction should be made; second, those who favor a tax reduction but contend that we will be in a better position to determine the amount of such reduction at the later date now proposed. For my part, I am satisfied that there is need for tax reduction and for immediate action to bring it about.

Let us consider first those who belive no tax reduction should be made at all. They subdivide into two categories: Senators who want neither tax reduction nor reduction in Federal expenditures, and Senators who would cut Federal expenses and would apply the savings entirely to other purposes, such as reducing the national debt and providing money for foreign relief and assistance in other forms.

To the first category—those who are opposed to any tax reduction—apparently, the $260,000,000,000 debt is not alarming. To them the $7,500 Federal indebtedness per family of this Nation is a small matter, even though indebtedness in lesser amounts has resulted in bankrupting nation after nation over the face of the globe.

The cost of the Federal Government and the burden it places upon the people of our Nation does not even appear to be of minor concern to this group. The $37,500,000,000 Presidential budget is accepted by them as fair and reasonable, in spite of the fact that the highest previous peacetime expenditures were only $9,000,000,000. Prior to 1932 the highest annual peacetime expenditure by the Federal Government was only $4,000,000,000. For example, in 1940 the Department of Commerce spent about $75,000,000, which was $43,000,000 more than was expended by Herbert Hoover in his biggest spending year as Secretary of Commerce. Mr. Hoover's expenditure was branded by the late President Roosevelt in the campaign of 1932 as so high as to be an outrageous injustice to the taxpayers. But now the Presidential budget calls for an expenditure of $260,000,000 for this same department.

In 1940 the Department of the Interior spent $71,000,000, but now it asks six hundred and sixty-three million. In 1940 the Department of Labor spent $18,000,000. But now it is asking one hundred and six millions. In 1940 the Post Office Department operated on forty-five million, but now it wants $356,000,000.

The independent offices are now asking for $5,500,000,000 more than they expended in 1940. To me this is shocking. It points out that at the end of the road we shall find national bankruptcy unless we rein in sharply—not later, but now.

Mr. President, I find, however, a wide area of common ground with those who recognize the need for curtailing Government expenditure, even though they would apply all savings so achieved to purposes other than tax reduction. It is, indeed, strange—but refreshing—to hear certain of our colleagues and other leaders advocate the application of our entire saving toward reduction of the national debt. When I came to the Senate I had much the same feeling. I, too, would like to be able to see the national debt reduced by the full amount of the savings. But my study of the subject and consultation with citizens in all walks of life has convinced me that it is not in the best interest of America and the American people to permit the present excessively high wartime tax rates to continue unchanged. To do so would dry up the productivity of America. Risk capital would not venture out into channels of industry and commerce. In the end, the national income would be reduced and the revenues to the Federal Government would be decreased rather than increased.

What we must do here is to assure our people that its Congress is not trying to destroy incentive. We are at a point where the law of diminishing returns has set in and where sterility will begin to affect the free-enterprise system. The way to insure against such a condition is to lift some of the burden from the shoulders of those who want to contribute fresh mortar and bricks to the building of a more powerful and stronger America. For that reason, I say, some of the Federal savings should be allowed to remain in the savings of the people to be used for productive purposes and to contribute to an expanding economy for the Nation.

And now we come to the group which believes in both cutting governmental costs and in effecting tax reduction, but who argue that we will be in a better position to determine the amount of tax reduction after June 10.

I see nothing to be gained by further delay. I do not believe that the information we will have then will differ materially from what is before us now.

What has happened up to now in the cutting of budget requests provides a blueprint of what is to come. We know that we shall make good the promises to wring out the water and hack away the deadwood.

Certainly, I find it impossible to believe that any Member of the Senate doubts for a moment that the present Congress is cutting and will continue to cut deeply into the tangled jungle of bureaucratic spending.

I cannot foresee any appreciable error resulting from acting now. But even if there should be such error, it would be offset by the great advantage of assuring the American people that its Congress is acting without delay to redeem promises of economy and tax reductions that have gone unredeemed since 1932.

Millions of our citizens have been living in hope for the last 15 years that part of the staggering burden of excessive taxation would be lifted from their backs. Any miscalculation that we might make will be far outweighed by the incentive that we are giving our people to go ahead and keep business and employment in high gear.

Mr. President, with the disturbing reports from business statisticians everywhere, that kind of incentive can hardly be measured by dollars alone.

Let me point out, too, that if we cut the taxes now, and if we know we have to reduce appropriations because of that cut, we will reduce, and we will be more diligent in our search for wasteful spending to be pruned from the widespread tree of Government bureaucracy.

There is also this mechanical feature which is most important. It is our plan to have these income-tax reductions become effective July 1 next, and that is only a little time in the future. Millions of our people are on a weekly withholding basis with their employers. This means that tens of thousands of firms across the country must revamp their operations and do it without delay if they are to be able to deduct the proper amounts beginning July 1. It means that the Treasury must also make changes and amend its regulations and forms. These things cannot be done at the drop of a hat. They take time and work. Time is now very short. Let us give these people as much time as we can. Let us not pull a rabbit out of the hat at the last minute. Let us avoid the colossal confusion which would result and would bring ridicule upon Congress if we delay too long.

Because I think it would be of interest to my colleagues on the other side of the aisle, I call their attention to a poll made by the Philadelphia Bulletin indicating the opinions of the people of that area on the subject of an immediate tax cut. According to the Philadelphia Bulletin tabulation, 63 percent wanted a tax cut now, 28 percent were willing to wait until next year, and 9 percent had formed no opinion.

And mark this—of the Republicans who voted in the poll, 60 percent wanted an immediate tax reduction and only 29 percent were willing to wait.

Of the Democrats who voted, 67 percent were recorded in favor of immediate action, and only 27 percent indicated a willingness to wait.

An editorial appearing in the May 12 edition of the Philadelphia Inquirer, one of America's leading newspapers, captioned "Tax relief needn't await budget cut" said in part:

> To pave the way for tax reduction, the House voted to slash $6,000,000,000 from Mr. Truman's new top-heavy budget. The Senate cut it by four and a half billions.
>
> It ought to have been possible to get together long before this on a compromise figure. The protesting Senators, as has been said, are right in opposing further delay.
>
> But they are wrong in withholding their support of any tax relief at this session until they are certain just how much the swollen Federal budget is to be reduced, down to the last dollar.
>
> This is the position taken by at least some of the Senators, while many of their Democratic colleagues are obstinately opposing any help for taxpayers, no matter what economies are effected.
>
> The real question that has been holding up budget reduction is how best to allot the savings. Those who demand that the whole sum or a major part of it be applied to debt reduction have been engaging in a tug-of-war with supporters of tax relief first, with a reasonably moderate payment on the public debt.
>
> The case for tax relief first was so strongly impressed on the House by such outstanding authorities as the two former Under Secretaries of the Treasury, John W. Hanes and Roswell Magill, that it went ahead and passed its tax-cut bill 6 weeks ago by a vote of virtually 2 to 1.
>
> Senators who threaten to block tax relief until they know exactly how much expenses are to be trimmed are ignoring the way tax revenues have been increasing under present wartime rates.
>
> To sum it up: The people want tax relief for all and they want it now. Substantial easing of the tax burden now will contribute to that end. There is no need to know just how much expenses are going to be cut before reducing tax rates.
>
> Finally, there should be a stop to playing politics with tax relief. Why should it be delayed until election year affords an opportunity for the administration to take the lead in doing something for the taxpayers? Despite the stand by obstructionist Senators and President Truman, let Congress assume its responsibility, perform its plain duty, and earn the thanks of the American people.

Mr. President, in conclusion let me quote from one of the best-known Americans of the twentieth century, as follows:

> Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain.

All Senators remember that statement made in the Presidential campaign of 1932 by the late President Franklin D. Roosevelt.

With all my heart and soul I endorse that statement and commend it to those who followed his leadership as well as to the followers of Jefferson, Jackson, and Cleveland. I suggest, however, that we practice what he preached rather than preach what he practiced.

Mr. President, the immediate consideration of this bill is of vital importance to the economy of our country. Today is the time to defeat the motion of our distinguished, able, and respected senior Senator from Georgia.

To my colleagues I offer a very old but still sound slogan: "Let us not put off until tomorrow what we can do today."

Mr. MILLIKIN. Mr. President, out of order I send to the desk and ask unanimous consent for immediate consideration of a technical amendment to the pending bill. I believe there is no objection to the amendment from the other side.

Mr. GEORGE. Mr. President, there is no objection to the proposed amendment.

The PRESIDING OFFICER (Mr. FLANDERS in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 14, line 23, it is proposed to strike out "entitled under" and insert "entitled, or would be entitled if she were an employee receiving wages, under".

The PRESIDING OFFICER. Is there objection to the present consideration of the amendment? The Chair hears none, and, without objection, the amendment is agreed to.

Mr. MILLIKIN. Mr. President, I yield 30 minutes to the senior Senator from New Jersey.

Mr. HAWKES. Mr. President, arguments which are plausible have been made against the reduction of income taxes before we accomplish all we expect to do in reducing Government expenditures and cutting the budget.

To me, those arguments do not seem to be sufficient to delay us in saying to the American people, "Right now we are going to do something which lies within our power to give you new faith and hope in the future; something that will renew your interest in investing capital in businesses which are not perfectly sure of making a profit; something to stimulate research that may produce future earnings and profits, a fair part of which will remain with the producer; something that will let you know that you can afford to take this or that reasonable risk because if you win, you can keep a little more of what you make than you have been keeping under the burdensome taxes that have been laid upon you by your Government."

Mr. President, I go even further, and say that if the present Congress gives evidence of a desire to be thrifty and saving and economical with the people's money, procured through the power of taxation, it may be the beginning of a rebuilding of the moral fiber of the people of the United States.

We should do something right now that will say to the man who is working 6 days a week for the Government, "We are trying to fix it up so that you will only be working 5 days a week for the Government"; something that will say to the man who has been working 5 days a week for the Government, "We are trying to fix it up so that you will only be working 4 days a week for the Government"; something that will say to the man who has been working 4 days a week for the Government, "We are trying to fix it so you will only be working 3 days a week for the Government"; something that says to each one of them all the way

down the line, "We are trying to fix it up so that if you do something worth while to promote the welfare of the industrial system of the United States, you will be able to keep enough from what you earn so that you can provide a fund for yourself and your family for rainy days and not have to look forward to nothing but charity or special consideration from the Government and, at that, a Government which has become socialistic."

The prime difference between the United States of America today and many of the formerly great European countries, as well as other nations throughout the world, is that in many of them the people are working 7 days a week for the Government.

The people in those countries are taking what a dictator government tells them they can have. They are doing what that government tells them they must do, and they are enjoying only the small part of freedom which that government tells them they can enjoy, according to the will or whim of the dictator at the particular time.

We have gone far enough away from our American system already so that men are working all the way from part of a day a week to 6 days a week for the Government without compensation.

The proposed tax bill is a move which, in my opinion, is timed not one moment too soon to say to the American people, "We want you to get away from working for the Government as much as you have been. Your Representatives in Congress wish to heed the admonition of Chief Justice John Marshall, when he said, 'The power to tax also contains the power to destroy'."

In the light of the facts which have been set so clearly before the Senate, namely, the opinion of the Congress that the budget can be cut a minimum of four and five-tenths—and I say that advisedly, because that is the decision of the Senate, which is one and one-half billion dollars less than the House figure—billion dollars, the best obtainable opinion that the national income payment in more than reasonable probability will run $170,000,000,000 a year or more, and in the light of the cost of living, I believe we should not delay one moment putting into effect the income-tax reductions and provisions contained in H. R. 1, as amended by the Senate Finance Committee.

Certainly it is foolish to imagine that we shall have a picture on June 10 which is more clear and more definite than the picture we now have to justify taking action then, which some on the other side of the aisle would avoid taking now. I say that because between now and June 10 we shall know more about some things but we may know less about some others.

I would like it far better if we had already cut the appropriations $6,000,000,000. Some of the ablest men in the country who are interested in the welfare of the Nation, have stated that the budget can and should be cut a minimum of $6,000,000,000.

I stated on the Senate floor at the time I discussed the budget that there are two ways for this Nation of ours to become communistic. One is through attack upon us by external forces which have the power to force us to their will—which will and objective are communism. The other is for that external force to sit silently by and watch us spend ourselves into national bankruptcy which would end in some new form of government, and, in my opinion, without doubt, socialism or communism.

America was not built by knowing all the facts in advance, but it was built by able men using the experience of the past as a foundational guide for acts in the future.

The Senator from Maine [Mr. BREWSTER] showed very clearly in his speech to the Senate the other day that we have never been guaranteed the facts, nor have we, with absolute accuracy, diagnosed what was in front of us.

We have known a considerable part of the facts and diagnosed them with reasonable accuracy, but I contend that what we shall know on June 10 will not be of any more value to us than what we know today.

The Nation is waiting for some encouraging word from this Congress that we are going to return to the principles of taxation for revenue, and not remain with taxation for the redistribution of property.

Nothing can be more important to the future of this country than to encourage its private citizens to make plans for the future on the basis of keeping a fair share of the reward available as an incentive to accomplishment.

There is no way to wave a magic wand 2 years from today and bring into existence instantly the things which need to be brought into existence by setting the machine to working now.

The very things we may need 2 or 3 years from today to give employment and prevent a depression can only come into existence if the American people know now, and on time, that they will have a legitimate right to expect to be rewarded and keep a substantial part of that reward for accomplishment—if they proceed with their money, genius, and industry to do the things which the people of the United States have always done up to date.

In the June 29, 1946, issue of the London Economist there appeared an article, under the title "The Carrot and the Stick," which presented an interesting analysis of the question of incentive which I have been discussing. The article contains some thought-provoking statements which show how the destruction of incentive through the misuse of taxation in England has brought her to her present dilapidated, unproductive, and humiliated position.

From the knowledge I have gained regarding what makes people work and produce in all countries of the world, I have come to the conclusion that free men work best under an incentive plan which rewards them in proportion to their accomplishment.

In countries where men are not free, they are driven to work by a government which has taken away their freedoms and has the power to make them work up to a certain standard but no further.

In the field of work where men are free to win through the possession of greater ability, more industry, determination and courage, we find the same principles apply as in the athletic field.

Men and women in our schools and colleges spend considerable time and effort in training for athletic events and accomplishment. They wish to excel. Their desire to excel is based upon their desire to win—sometimes a prize, sometimes a cup, sometimes a medal, and at other times only a certificate of accomplishment.

Mr. President, the point I wish to leave with my colleagues is that if some day we should say to all the athletes in our schools and colleges, "We do not want any of you to excel others; we have decided not to permit anyone to win in the athletic events, because it makes some people feel badly when they lose; we want you to train so that you can run faster than the slowest one in the race, or jump higher than the poorest jumper or throw a discus farther than the poorest discus thrower, or play the games of football and baseball better than the poorest player; but in all these events, before the game is over, we are going to see that no one wins; in the 100-yard dash, we intend to stop everyone at the 95-yard line until the slow runners catch up with the fast ones, and then we want you to step through the tape at the same time"—under such circumstances how many athletes would we have, and how long would the competition which means so much in our school and college life continue?

This imaginary plan for the conduct of athletics is the same thing that has been happening in many countries, and it is the same thing that has been happening in many labor unions. It cannot continue if America is to excel in competition with the rest of the world, and if America is to remain a wise and considerate leader of the world.

Mr. President, at this point I wish to pay my compliments and respects to the distinguished Senator from Colorado [Mr. MILLIKIN], chairman of the Finance Committee, for the clear, concise, and thorough way in which he has placed before the Senate the facts and figures relative to the action which it is proposed that we take in connection with House bill 1, in the amended form in which it has been reported by the Finance Committee. It seems to me that he has covered the situation so clearly that it is unnecessary for me now to discuss the facts and figures which justify our taking the action which the Finance Committee recommends that we take in regard to House bill 1.

I have great respect for the distinguished senior Senator from Virginia [Mr. BYRD], and I feel that his judgment is unusually sound. I am positive that he is not actuated by any political objective in joining others to seek delay upon the decision in connection with H. R. 1, as amended by the Senate Finance Committee. I have great respect for the distinguished senior Senator from Georgia [Mr. GEORGE]. I feel that he has done the Nation a great service as chairman of the Senate Finance Committee and as the senior member of the minority group of the Senate Finance Committee at the present time.

I agree with both of these distinguished Senators that we must cut Government expenditures. That is vital to our entire future.

I also agree with them that we should make some reasonable payment against the national debt, but I would not start making debt payments of a size which cannot be maintained under an ordinary economy.

It is far better to make a reasonable payment which can be maintained than to make a large payment one year and nothing the next, because that gets one into the habit of thinking that payments do not need to be made.

It is poor policy, and one which the banks and all people in financial institutions dealing with loans do not favor.

Since the President's budget was announced, it has developed clearly to me that the national income payments will be substantially greater than anticipated. We also have the statement of the Secretary of the Treasury, Mr. John W. Snyder, that the Government sees no recession in sight.

If I were to make a prediction on the volume of business and income payments we will have in this country over the next year or two, I would make it on a higher basis than the committee has chosen as the foundation upon which it is recommending that we proceed with the tax cut.

Nothing should stop this country from doing a tremendous business over the next 2 or 3 years. We can by willful, selfish, improvident acts seriously interfere with the operation of our free-enterprise machine, but that can happen any time. And if we are to use that factor in determining the rate of taxation and the time of reducing taxes it will be in the picture the same on June 10 next, on January 1, 1948, or any other date, as it is now.

Of course, we can tear down our whole system and lead ourselves into a situation where the Government will find it necessary to confiscate property.

A choice between going on and functioning harmoniously in the interest of our great system and the welfare of all, on the one hand, and choosing to shut down the Nation by strikes and discord, on the other, is a choice that lies within our own hands.

If the Government will give to the actual working men and women of this country an even distribution of justice, as accorded to all others, and if the Government will recognize that capital must be protected and encouraged in order to go into action and take the ordinary and extraordinary risks of progress, then I make the prediction that we will find the figure of $170,000,000,000 in national-income payments a most conservative one on which to base tax reductions at this time.

I wish to leave this thought with the Senators and the people of the country: Perhaps the best way to get our Government back into the position it should occupy, if we are to continue our American way which rests upon the free-enterprise system is to encourage our people to work and to say to the Government that they will no longer pay into the Treasury unnecessary sums which cripple the free-enterprise system just to enable the Government temporarily to continue its course of profligate spending.

Mr. President, extravagant and unrestrained spending by Government and its agencies is not what made the United States of America the leader of the world, and it will not keep her the leader of the world. It is not what will make the United States so strong and powerful in the right that no other nation will ever attack her or attempt to destroy her.

Let us always remember that national solvency is our bulwark of defense. If, through waste and profligacy and failure to organize effectively, so as to live within our income and pay our debts, without crushing the individual spirit, the financial strength of this Nation is dissipated, some of the younger Members of Congress will wake up some day to realize that the only effective defense of a capitalistic state against the inroads of socialism and totalitarianism has been destroyed.

Let us remember always that we won two great wars and saved the world for freemen because we were sufficiently strong financially to do the things which were necessary to defeat those who would destroy the rights of freemen.

I have known companies whose directors and management were wasting the stockholders' money through useless and extravagant expenditures. They asked their stockholders to make additional contributions to conduct the business. The stockholders refused, and the public, other than the stockholders, refused to put money into a business so conducted.

When the board of directors and management found that the money was no longer available, they often reverted to a proper conduct of business and cut out all useless expenditures and waste. If they failed to adopt the proper course, the stockholders either got a new set of officers and directors, or the company went on the rocks.

I am not sure but that cutting taxes now may be a blessing in disguise, and may cause us to realize that we cannot have our American free-enterprise system and allow government to continue to waste money in extravagant expenditures, as it has been and still is doing.

I have known many men who have developed extravagant families and have tried to bring them back to live within their income and have met great opposition.

When those men had their income definitely reduced or their salaries cut, they found it necessary to do one of two things: Either define what their family could spend in order to live within their income and thus preserve solvency, or spend themselves into bankruptcy and take advantage of the bankruptcy laws.

We are meeting the same type of opposition every time we endeavor to remain within our income through action by the Congress. Think of the pressure groups. Every time we try to reduce expenditures they come here and say, "Yes, we want Government expenditures cut; we want to get back to operating within our income, but you cannot do it here, because it hits us." Unfortunately, there is no way for the Government of the United States to go under 77–b of the bankruptcy law.

As I see it, if the United States goes broke and cannot keep faith with its obligations to its people, then we can just say good-by to our great American system, and we will find ourselves in the slough of despair with other nations of the world who once were great, before their leaders spent the people into bankruptcy or financial troubles so deep that no one could see a way out, without default and reorganization.

God grant that the American people will soon awaken to the fact that we must live within our income, and each of our citizens must accept within the limit of his ability his individual responsibility if we would remain freemen.

Mr. President, I strongly recommend the passage of H. R. 1, as amended by the Senate Finance Committee, and it is my earnest hope that this Nation will not embark upon a campaign of soak the rich and destroy our leaders, but rather that we will come back to the point where we are all willing to pay the price and accept our share of the burden of getting back to the point where Government occupies its proper place as related to its people, and the people assume their responsibility of being the master of their Government.

I ask why anyone should worry about one person having more than another, provided the opportunities of the system are kept fairly open to all.

Let me remind the Senate that God, in his infinite wisdom, did not make all human beings equal.

In the Bible there is the lesson of the man with one talent, the man with two talents, and the man with five talents; and the Creator held each man responsible only for what he possessed.

Alexander Pope said:

Order is heaven's first law; and this confessed,
Some are, and must be, greater than the rest,
More rich, more wise; but who infers from hence,
That such are happier, shocks all common sense.
Condition, circumstance is not the thing;
Bliss is the same in subject or in king.

In our country, we can say bliss is the same in all of our people, regardless of whether they call a small home their castle, or have the trials and tribulations of living in a large home as a castle.

Our objective is to keep our system so working as to give maximum employment on the basis of a decent living wage, in the hope of producing a maximum of happiness and bliss for all our people.

I am certain I am right when I say that if we sit idly by and let the tax burden destroy the leaders of the Nation and the incentive of those who, under fair conditions, will become leaders, then we are guilty of contributing to the injury and destruction of the rest of the people of the Nation.

I have known thousands of working men and women, and most of them have recognized the vital necessity of having great leaders in business who have the

vision and ability to conceive and develop industry in the interest of fuller employment and better working conditions.

Only a very small percentage of the working people I have met have been led into the perverted form of thinking which causes them to reach the unsound conclusion that the man down the line is benefited by destroying the man at the head of the line.

What they want is fair, decent leaders who lead, rather than drive. I have seldom seen a good workman who begrudged a fair leader the success he attained through his leadership.

I wish we would all remember that man can only be a custodian of funds. Our great objective should be to make as many good custodians of funds as is possible. History shows that nearly every man in this country who has produced a great fortune has been a custodian of the funds for only the short period of life in which he possessed them. Most of those men have been inclined to start charities, philanthropies, research foundations, libraries, museums, and so forth, for the benefit of mankind in general.

If time permitted, I could mention, with great credit to most of the families who accumulated those fortunes, the plans they have made for the use of them. For instance, Mr. President, consider the Rockefeller Foundation and the distribution of the Rockefeller fortune. Think of the distribution of the Carnegie fortune. Then remember the cases in which men have been tightfisted and have lacked the important impulse of human interest. But fortunes they accumulated were left to members of their families who have had those human and Christian impulses and have established foundations in the interest of humanity.

Soak the rich means the destruction of the opportunities of the ordinary man to improve himself and raise his standard of living. Soak the rich means the destruction of the opportunities of the poor, as is evidenced by the writings on the walls of history now before our eyes.

Let us stop and listen to the pleas for food, clothing, shelter, and heat that come from a large part of the world, which once was prosperous. Then certainly we must agree that a soak-the-rich policy is a fallacious one.

If we remain unwilling to take cognizance of the results of a soak-the-rich policy, then I imagine the American people must pass through the same bitter experience that the people of the countries of Europe and nations elsewhere have undergone.

Mr. President, soak the rich means the destruction of those who, through genius and energy and hard work, built the foundations upon which our free people in the United States of America have made a better living than has been had by any enslaved people under any government which takes over the freedoms of the people and their pocketbooks in return for a bare living.

Think of England following a course of confiscatory taxation and government control and regulation of the lives of its citizens which led to the point where, I am informed, in 1946 there were less than 50 people in the United Kingdom who had an income of $24,000 a year after taxation, and less than 1,000 people who had an income of $16,000 a year after taxation.

Remember that Germany fixed taxation after World War I, so that no one could keep an income of more than $10,000—and thus enslaved her people.

Look at the wreckage that has come from such a course, and let us ask ourselves whether it is better to follow a fair course of taxation and create a few rich people with millions of people comfortably situated, or to pursue the course of other nations and find ourselves in a position where we might need to borrow five or ten billion dollars, but would have no place to go to get it.

Is it not strange, Mr. President, that this capitalistic Nation, the United States of America, has thrived and survived under our profit-incentive system to the point where in all the world it is the only Nation that, with a debt of $258,000,000,000, still has the heart and the spirit and the material means to succor the stricken people of the world, in the hope of preventing starvation, and teaching them to rise again and accept their full individual responsibility in caring for themselves?

The mainspring that keeps the free competitive enterprise system going is not the original reward received, but that part of the reward which may be kept after taxation.

I have talked with hundreds of young men—able, fine Americans—who are interested in hard work, and who have ability and genius. Nearly every one of them asks the question, "What chance is there for me in the future, if our Government is going to continue to use taxation for the purpose of making a redistribution of earnings and rewarding the slothful and indolent from the fruits produced through the efforts of the diligent, industrious, and thrifty citizens?"

I know there are many people in the United States, perchance in the Congress, who will laugh that off, and will say, "We must provide for all citizens"—never realizing that in providing charity for those who are able to provide for themselves, if they are willing to work, we are doing the people of our Nation as a whole a great injustice.

I know dozens of men who have money or bonds right now and have a good enough standing to be able to get credit, and who would like to embark upon a business; but they see the "Stop—Look—Listen" sign raised by unfair taxation which is not yet cured, and by unfair labor-leader practices not yet cured, and by doubt as to whether our objective in the international field is only to help the world get on its feet, or to enter into international agreements which in leveling off all humanity, will lower our American standards, and thus again break the mainspring of reward for individual initiative and accomplishment.

It is my earnest hope that this great Congress will recognize that millions of people are waiting to hear from the Congress the word that taxation will be used in the future only to produce the revenues which are necessary for the conduct of Government in its proper role of the agent of the people.

Millions of our citizens are waiting to hear the word that although the Government is deeply interested in protecting the fair and just interests of the working men and women of the United States and permitting them to unite to protect their interests by means of unions voluntarily joined, collective bargaining honestly engaged in, and strikes, when necessary, and when called only with due regard to the vital interests and welfare of the people as a whole, nevertheless the Government is determined to become bigger and stronger than any group in our American life, and is prepared to protect the proper interests and welfare of those who make business possible through investment, and that the Government recognizes that a monopoly in the hands of labor leaders is quite as injurious to the welfare of the people as a whole as any other monopoly yet known to man.

Let us ask ourselves whether we would rather have an able man in his private capacity handle the invested capital in business and industry and accept all the responsibilities for his acts so long as he is the owner of such capital or whether we would prefer to have the Government, composed of a group of politicians, with only temporary responsibility, direct the investments of the Nation and through that power, define the benefits and privileges and freedoms of the people.

Mr. President, to my mind, there is only one choice, because I know that the richest man in the country can eat only three meals a day and sometimes not even that. The richest man can sleep in only one bed at a time and often he does not get as peaceful and calm a sleep as the man who carries fewer burdens and cares upon his mind.

As for me, I prefer to take my chances with the American system as it has been for more than 150 years. I prefer to take my chances with the same system that gave me an opportunity to earn a living for myself and my family, without going to the Government for aid. I prefer to take my chances with the system that made America so great that the whole world has had to come to her twice in the last 33 years to ask help in keeping the lamp of freedom burning.

Believing these things, I say that, so far as my mind and judgment run, the time has arrived for the Congress to say to the American people, "We are not going to ask you to work from 1 to 6 days a week for the Government, and we are now going to begin a program which will permit you to enjoy more of the fruits of your own efforts than has been possible under the program you have faced the last few years.

"We, as your representatives in Congress, are going to reduce the expenditures made by Government so as to establish them on a sound and efficient

basis. We are going to eliminate, so far as possible, all unnecessary and profligate spending which is opposed to the preservation of the American system of freemen.

"We expect your aid and help based on your understanding as to what has happened thus far, and as to what must happen if we are to stop the Government from absorbing most of the fruits of production, through the expense that has resulted from having the Government leave its own field and enter fields never dreamed of by our forefathers or by those who built this Nation and developed it to the point where we have, knowingly or unknowingly, become the leaders of the world."

Mr. President, the people's representatives cannot alone accomplish what is in front of them. The people must understand that if we are to get back from where we have gone to where we must be, if we are to preserve ourselves as a free people, then each and every group and each and every American citizen will have to bear willingly some of the burdens incident to this reconversion, and show by voice and action that he or she is willing to pay the price incident to the accomplishment desired.

If we are to retain the American system of freemen, then the people must decide to reharness the Government and force their representatives to curtail the vast expenditures which, if continued, will do more to destroy this Nation and make it communistic and socialistic than all the outside armies of the world.

To sum up my position on House bill 1, as amended by the Senate Finance Committee, I say now is the time for action. I predict that all the factors which some Senators may wish to have present in order to completely justify such tax reduction will never be present.

The Appropriations Committees are making progress. I believe that if we encourage them, they will without question reach their objective. The national income will be considerably higher than the figure used by the President in preparing his budget. The fiscal year ending June 30, 1947, will show a surplus, rather than a deficit as calculated in the President's budget. A reduction in income tax does not of necessity mean a reduction in Government revenue; but granting that it probably will mean that, it is necessary for the continuance of the life of the machine that produces the profits from which Government revenue must come.

I cannot join the distinguished gentlemen in this Chamber who have predicted that when we fix the tax rate for the coming year, beginning July 1, 1947, it will be the top rate which must carry through 1949, 1950, and 1951. Since when have the conditions governing taxation changed? I have watched the taxing program for a number of years; and whenever a movement to reduce taxes gains momentum, the Government declares an emergency, and, ipso facto, taxes are raised.

I do agree that it will be pathetic if we have to go back to a point where most of the productive people of the United States are working from 1 to 6 days a week for the Government, thus crushing their hope for future accomplishment. I know of no better way to stop anyone from spending money for unnecessary things, even though those things may be desirable, than to tell him he cannot have the money.

We cannot have our American system that we have enjoyed for 150 years and adopt socialistic and communistic practices.

We cannot have our American system if we are going to break millions of little mainsprings that keep the millions of competent, industrious, and thrifty people in this country going as part of the great national business and industrial machine.

We hear a thousand cries raised against anyone who has tried to cut expenses in an effort to enable us to live within our income.

We hear the cry of national safety.

We hear the cry that certain subsidies which never were given until in recent years must be maintained.

We hear the cry that we must make more and more loans, which should be called gifts, to nations abroad.

In my opinion, the way to have national safety is to keep out of other people's business and to function cooperatively with the world under the United Nations.

The way to have long-time national safety is to stop spending our whole substance in war materials and maintaining an unnecessary armed force at a time when the whole world is too weak to have another war, unless we help to make one.

The way to have national safety is to get ourselves financially strong by paying the national debt so that we shall have the necessary financial strength if and when the United Nations or some other agency fails to keep the peace of the world.

All we have got to do to destroy ourselves is to continue spending excess money for the maintenance of armed forces throughout the world for 10 or 15 years, and go ahead with crushing taxation that destroys the energy and initiative of our people. We then shall find ourselves right where all the other nations of the world who have followed these processes find themselves today—in the junk heap or so close to it that even we are worried about them.

I had thought in the beginning that we must have an agreement between the House and the Senate on the budget ceiling, but certainly when the House fixes a budget reduction of $6,000,000,000 and the Senate fixes a budget reduction of $4,500,000,000, and we take the lower of the two, from my point of view the argument to defer taxes on that basis is of no value.

I agree that I would like to see all the budget reductions accomplished, but let us remember that there is leeway in the picture on account of the increased national income payments, and, also, in my opinion, the budget reduction recommended by the Senate will be accomplished.

It will be accomplished more readily and more definitely if we deal fairly with the people on their income-tax payments so that they may know the benefits will begin accruing to them as of July 1, 1947.

Mr. President, it is my considered opinion and judgment that H. R. 1, as amended by the Senate Finance Committee, is a proper step for the people's representatives to take at the present time in the interest of the people. I say "proper step" because it is a step toward correcting the evil of our having our citizens work more of their time for the Government than they do for themselves and their families.

There are dozens and dozens of injustices in our present tax law, and that whole subject must be properly analyzed and considered in the light of hearings to be held in the interest of permitting the people to express before their representatives their own opinions as to the course future taxation should follow.

No man knows the future of the world, but it is my earnest hope that we will take this action in recognition of the fact that we have a solemn duty to the people to lower taxation; that we have a solemn duty to the people to get rid of useless, unnecessary, and profligate expenditures by Government; and that the people have a right to look to us at this time to bring Government back from where it has gone since the last two world wars, and reharness their Government so that the people may be its masters rather than its slaves.

I shall vote for H. R. 1 as it is in the hope of making some contribution toward correcting other tax evils as rapidly as it is possible to consider the subject fairly in the interest of all.

Mr. GEORGE. Mr. President, I yield 15 minutes to the Senator from Wyoming [Mr. O'MAHONEY].

Mr. WHITE. Mr. President, will the Senator from Wyoming yield to enable me to present a unanimous-consent request?

Mr. O'MAHONEY. I shall, but I fear that I shall have a reservation.

Mr. WHITE. I think there will be no offense in what I suggest. I ask unanimous consent that the Senate members of the Joint Committee on Atomic Energy may be permitted to sit this afternoon with that committee during the session of the Senate.

Mr. O'MAHONEY. Mr. President, before the request is granted, I must again call attention to the fact that the slim attendance now upon the floor of the Senate is due solely to the fact that requests such as the majority leader has just now made have been made on behalf of numerous committees. At this moment the Committee on Appropriations has been called to assemble to consider the Treasury and Post Office appropriation bill. I am a member of that committee and there are several statements I should make to the committee upon that bill, but I feel that, in justice to myself, I should be on the floor of the Senate to make some observations on the pending measure, the most important of all bills.

Requests of the kind just made should not be granted while a measure of this tremendous importance, proposing a reduction in taxes while our national debt is at the highest pinnacle ever reached, is pending, but when these important bills are under discussion, the Republicans, secure in the majority which they have, knowing that the votes will be cast regardless of what the arguments may be or what reason and logic may be, are quite willing to have the Chamber emptied into the committee rooms, where the appropriation bills are being rushed through to make the showing upon which the reduction of taxes will be based.

The PRESIDING OFFICER. The Chair understands the Senator does not object.

Mr. WHITE. Has the Senator objected to my request?

Mr. O'MAHONEY. I have not objected.

The PRESIDING OFFICER. Without objection, the request of the Senator from Maine is granted.

TAX REDUCTION NOW IS RECKLESS PROPOSAL

Mr. O'MAHONEY. Mr. President, I have no hesitation in saying that in my opinion the majority party, in bringing in the tax bill before us, have brought in one of the most reckless legislative proposals ever made in the history of the Government of the United States. If, at a time when our national debt approximates $260,000,000,000, a figure which no one can imagine, they are willing to cut taxes before they know what our obligations will be, before they know whether or not it will be possible to raise the revenue needed to operate the Government, it seems to me that is a policy of such obvious folly that no serious person could undertake to support it for a moment.

Yet it is supported. Men of intelligence, of ability, yes, of patriotism, come here and say, upon the basis of guesses—and they acknowledge that all they can offer is guesses—that the United States may run the risk of so reducing its revenue that it will be unable to carry on the necessary functions of government, and unable to reduce the national debt.

SECRETARY MELLON FOR DEBT REDUCTION

I have remembered, during the pendency of this measure, that long before I became a Member of the Senate, when I was practicing law out in Cheyenne, Wyo., during the administrations of Harding and Coolidge, the Secretary of the Treasury at that time, Andrew W. Mellon, seemed to be of the opinion that surplus Federal revenues should be used for reduction of the debt, rather than for reduction of taxes. So last Saturday I undertook to find out what Mr. Mellon had said, and I have here several very interesting quotations from that great Republican Secretary of the Treasury. The Senator from Maryland [Mr. TYDINGS], who sits beside me, has remarked sotto voce that Mr. Mellon was generally termed by the Republicans of that time as "the greatest Secretary of the Treasury since Alexander Hamilton."

What made him great, Mr. President? Was it because he believed that debt reduction was the prime consideration of sound finance, or was it because he was willing recklessly to cut the taxes without reducing the debt?

In 1924 Mr. Mellon published a book entitled "Taxation: The People's Business." On page 30 of that book I find an interesting paragraph I wish to read, and I ask that the members of the majority who are present here this afternoon pay some attention to the words of Andrew Mellon, if not to the exhortations of the distinguished Senator from Georgia [Mr. GEORGE], whose motion we are debating.

Said Mr. Mellon:

> Many people cling to the old policy that debt retirement is bad for business, being the reverse of inflated conditions accompanying vast borrowings. They hold that new borrowings with reduced taxes are preferable to higher taxes with reduced debts. But a moment's reflection will convince anyone—

I do not suppose the Secretary of the Treasury in the Harding-Coolidge administrations was including in that word the gentlemen of the majority who now constitute the ruling power in the Committee on Finance of the United States Senate.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Maryland.

Mr. TYDINGS. In those days they used to listen to Mellon. In these days they want to cut a melon. [Laughter.]

Mr. O'MAHONEY. The Senator has produced the word to represent the conditions that exist. We are cutting a melon before the melon is grown.

Secretary Mellon proceeded:

> A moment's reflection will convince anyone that prosperity cannot come from continued plunging into debt. The present condition of Germany is the best proof of the dangers of inflation and financial pyramiding. As a matter of fact, orderly debt retirement out of surplus revenues is better calculated to restore prosperity, for the debt is retired by taxes paid in for the purpose and the money retained for the payment of such taxes is saved from being dissipated in useless expenditure.

TO SAVE MONEY, REDUCE THE DEBT

Mr. President, it would be difficult to condense in a shorter paragraph the correct philosophy which ought to be followed by the Congress at this moment. Every possible economy in the expenditure of the public funds ought to be adopted; but, before undertaking to reduce our revenue, we should undertake first to apply every possible dollar of surplus upon the reduction of the national debt. Then, and only then, should we begin to think of cutting the melon, as the Senator from Maryland has so well said.

The Republican Secretary of the Treasury, Mr. Mellon, from whose book I have quoted, took that position in several instances. In his annual report for 1924 he had this to say:

> Sound Government finance, including a rigid debt-paying policy, is absolutely indispensable to the best interests of business and private finance.

Mr. President, I undertake to say that those businessmen, if any there be, who are supporting the pending proposal to reduce taxes, before we know what our expenditures must be, are literally cutting their own financial throats. At the very moment when the forces of totalitarianism are spreading all over the world the argument that capitalism is too greedy to preserve itself, there are those who are so short-sighted that they are willing to endanger the solvency of the United States by reducing revenue before they know they can have a balanced budget. After 18 years, Mr. President, we stand within scarcely more than 30 days of the first balanced budget in all that time; and the majority not only proposes to prevent the balancing of the budget by reducing revenues, but it is unwilling even to postpone the consideration of the bill until the 10th of June, when it will be possible for the Senate to have a better idea of what the appropriation bills will be.

Private credit—

Said Mr. Mellon—

> cannot continue to flourish if the public credit is in a state of chaos. Therefore the debt-paying program has been the only consistent policy to follow. The necessity for such a policy is obvious when it is realized that this country came out of the war with a debt at its peak in 1919 equal approximately to the total expenditures of the government during its entire existence prior to 1917.

O Mr. President, if Secretary of the Treasury Mellon could so characterize the puny debt of $26,000,000,000, in 1919, what would he say now if he had in contemplation the towering debt of $260,000,000,000? Would he be one to urge the reduction of taxes rather than the reduction of the debt? Let me go on reading from the Secretary:

> The debt per capita has risen from $12 at the beginning of the war to about $250 at the middle of 1919.

What is the per capita debt now? It is over $2,000 for every man, woman, and child in the United States—and yet we are asked to temporize with a condition of that kind. Going on with the views of Mr. Mellon:

> Interest alone on this debt has been about a quarter of a billion dollars more each year since 1920 than the total Government expenditures during the fiscal year 1916, the last prewar year.

Every single one of these statements made by Secretary Mellon, in alarm, in amazement, is now absolutely dwarfed by the statements which can be made at this moment about the magnitude of the debt and the cost of carrying it. Let no one forget that this huge national debt of almost $260,000,000,000 is not a debt that was incurred by "Government spending." It was the debt that was incurred by unanimous action of the Congress of the United States, Democrats and Republicans voting together to win the war.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. I shall ask the Senator if I may have a few more moments.

Mr. GEORGE. I will gladly yield 5 or 10 minutes more.

The PRESIDING OFFICER. The Senator may proceed.

Mr. O'MAHONEY. If it were desirable that we should pay high taxes during the war, in order to pay for it, then it is equally desirable to urge payment of the debt now, for the debt we now carry no less than the taxes we have already contributed constitutes payment for the war.

Let me return to the advice of Secretary Mellon:

THE NATIONAL DEBT IS A MORTGAGE ON THE NATIONAL WEALTH

The nation which does not follow a policy of paying its debts—

I commend this to the attention of all Senators—

The nation which does not follow a policy of paying its debts, but allows them to accumulate, may be compared to an individual who follows a similar course. It is a sign of debility and denotes the absence of essential vigor and foresight. The public debt is a mortgage or lien upon national wealth, and unless the country pursues a policy of paying off this mortgage, it is bound to become more and more burdensome as time goes on. Debt reduction, in fact, is the best method of bringing about tax reduction. Aside from gradually refunding at lower rates of interest, it is the only method of reducing the heavy annual interest charges.

Secretary Mellon was alarmed at the thought of interest charges running about $250,000,000 a year. Now, we have interest charges running at the rate of $5,000,000,000 a year; which is more than the entire cost of Congress, of the White House, of the Library of Congress, all the Federal courts, and most of the civil functions of the Government. But, Mr. President, do we understand that the whole capitalistic system stands now upon the solvency of the United States of America? Unless we preserve the solvency of this Government, capitalism will perish from the earth. I undertake to show that all business and industry relies now upon a fiscal policy that will place debt retirement first.

As to the outstanding debt, the actual figure as of March 31, 1947, according to the report which I requested from the office of the Secretary of the Treasury, was $256,000,000,000. Of this amount, $65,000,000,000 was held by individuals, including partnerships and personal trusts. Of this latter amount some $50,000,000,000 was represented by E, F, and G bonds. Every one of those bonds is a "demand payment" upon the Treasury of the United States. Everyone of those bonds may be presented at any time and payment must be made at the face value. The time will come, as the result of the policy which the majority is initiating here, when legislation will be introduced in the Congress of the United States to permit those bonds to be sold at a discount, and then the veterans of World War II will be forced to lose on their investment, as did the veterans of World War I, when they sold their bonds as low as 80 cents on the dollar.

Insurance companies hold $25,000,000,000 of these outstanding bonds. Mr. President, the 36 largest legal reserve life insurance companies in America own more than 80 percent of all the assets of all life insurance companies, and they have reported that 47 percent of their assets are invested in Government bonds. I say, Mr. President, every life insurance policy in America rests upon the solvency of United States bonds. You tamper with the solvency of these bonds and you tamper with every life insurance policy that is outstanding.

Corporations and other associations have $23,000,000,000 of Government bonds. State and local governments have six and one-half billion dollars of Government bonds, and Federal agencies and trust funds have thirty-one and one-half billion dollars of Government bonds.

Let us now look at the picture with respect to bank holdings. Commercial banks own seventy and one-half billion dollars of Government bonds. Every person who has any knowledge at all about finance knows that these bonds held by commercial banks are the creators of money, they are the creators of demand, they are the bases of inflation, and if there is any one thing that the Government should do it is to concentrate all its authority and all its efforts upon the payment as rapidly as possible of these bonds held by commercial banks and trust companies. Other bonds can be more safely carried, but in the interest of reducing the cost of living, the holdings of commercial banks should be reduced.

The Federal Reserve banks own twenty-two and one-half billion dollars of Government bonds.

In other words, there is a total of $93,000,000,000 which is so held that it constitutes a constant threat of inflation.

Mr. President, if we add together the bonds held by the commercial banks, by the mutual savings banks, by the Federal Reserve banks, and by the insurance companies, we find that 57½ percent of all the bonds the United States has issued are being held by such institutions. Yet here it is lightly said, "Forget the bonds. Let that matter pass. We will reduce the taxes."

TAX BILL FAVORS VERY WEALTHY

Mr. President, I undertake to say that the tax reduction which is proposed here is a reduction which is designed to lower the tax burden on the very wealthy at the expense of those at the bottom of the economic scale. I have before me a table based upon the table placed in the RECORD the other day by the chairman of the Finance Committee in which he showed the amount of spendable income for married persons with no dependents in the various income groups, and I have added two columns, one showing the amount of money saved for every $1,000 of income, and the other the percentage of spendable income which is saved by this bill. I ask unanimous consent that the table may be printed in the RECORD without my reading it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

[Computed from table on p. 5589, CONGRESSIONAL RECORD, May 21, 1947]

MARRIED PERSONS—NO DEPENDENTS

Net income before personal exemption	Amount of spendable income saved	Saved per $1,000 of spendable income	Percent of spendable income saved
$1,000	0	0	0
$1,200	$11.40	$9.50	.95
$1,500	28.50	19.00	1.90
$1,800	45.60	25.36	2.52
$2,000	57.00	28.50	2.85
$2,500	57.00	22.80	2.28
$3,000	76.00	25.33	2.54
$4,000	117.80	29.45	2.94
$5,000	159.60	31.92	3.19
$6,000	209.00	34.83	3.49
$7,000	258.40	36.91	3.69
$8,000	318.40	39.80	3.94
$9,000	372.40	41.37	4.14
$10,000	437.00	43.70	4.37
$11,000	501.60	45.60	4.56
$12,000	573.80	47.81	4.78
$13,000	646.00	49.61	4.97
$14,000	727.70	51.97	5.20
$15,000	809.40	53.93	5.40
$20,000	1,278.70	63.93	6.40
$25,000	1,816.00	72.64	7.27
$30,000	2,394.00	79.80	7.98
$40,000	3,619.50	90.48	9.05
$50,000	4,959.00	99.18	9.92
$60,000	6,378.00	106.30	10.63
$70,000	7,854.00	112.23	11.22
$80,000	9,387.90	117.34	11.73
$90,000	10,608.65	117.87	11.79
$100,000	11,844.12	118.44	11.85
$150,000	18,182.52	121.21	12.13
$200,000	24,593.60	122.46	12.29
$250,000	31,075.92	124.30	12.43
$300,000	37,559.67	125.19	12.52
$400,000	46,791.00	116.97	11.69
$500,000	55,891.00	111.78	11.18
$750,000	78,641.00	104.85	10.49
$1,000,000	101,391.00	101.39	10.14
$2,000,000	192,391.00	91.19	9.62
$5,000,000	450,000.00	90.00	8.55

Mr. O'MAHONEY. I wish to call the attention of Senators who are listening to this talk that on the first thousand dollars of income the little people of the land are given a saving of $9.50. The $10,000 income man receives, not a saving of $9.50 per thousand dollars, but of $43.50 per thousand dollars.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. Mr. President, will the Senator from Georgia yield me further time?

Mr. GEORGE. I yield 5 minutes more to the Senator from Wyoming.

Mr. O'MAHONEY. If we go to the $15,000 a year income, we find that the saving per thousand dollars under the pending tax bill is upped again to $53.93. When we come to $100,000 income per year, the saving under the pending bill is $118.44 per thousand dollars of income.

Mr. President, why should we undertake to pass a tax bill which will save $118 per thousand dollars for the income recipient in the $100,000 bracket and give only $9.50 per thousand to the little fellow at the bottom of the scale?

I now turn to page 37 of the report filed by the Finance Committee, and find this very interesting information. The total number of taxpayers in the United States receiving less than $5,000 a year is

47,723,103. They constitute 96.08 percent of all the taxpayers in the United States.

The taxpayers who are receiving over $5 000 a year number 1,948,060. They constitute 3.92 percent of all the taxpayers. To this 3.92 percent to this minority, 1,948,060 high-income recipients, out of a total of 49,671,163 taxpayers, the Finance Committee bill makes a gift of 36 percent of all of the reduction which is granted. Less than 4 percent of the taxpayers get 36 percent of the benefit.

Mr. President, if we were to take the little group which receives between $4,000 and $5,000 a year, we find, according to the report of the Finance Committee, that they constitute 1,909,500 persons, almost the same number as those in all the brackets from $5,000 to $1,000,000 and over a year, those above the $5,000 line of demarkation.

To the 1,948,000 above $5,000 a year it is proposed that there shall be a tax reduction of 36 percent. To the 1,909,000 receiving between $4,000 and $5,000 a year it is proposed that there shall be a tax reduction of only 6.03 percent.

Are we speaking of equality of obligation under the law? Are we speaking of equality of benefits? Are we speaking of a solvent government when we undertake to say, as we shall say if we vote against the motion of the Senator from Georgia, that it is so important to grant these reductions of taxes to those who are receiving more than $5,000 a year that we shall not be willing to wait until the 10th of June to find out how much the Government of the United States will have to spend to maintain the capitalistic system?

I have no hesitation in saying that if we pass this bill we shall be doing more to jeopardize the private economy than anything Hitler and Mussolini ever did or Stalin even thought of doing.

Mr. LUCAS. Mr. President, will the Senator from Georgia yield to me for 10 minutes?

Mr. GEORGE. I yield 10 minutes to the Senator from Illinois.

Mr. LUCAS. Mr. President, it is my understanding that the Senate has never laid down any written rule regarding pairs upon legislation to be voted upon in this body. It is and always has been a personal matter between individual Senators. Most of the past records of the United States Senate clearly indicate that the pairing of Senators upon important measures has been agreed upon through senatorial courtesy which held high the tradition and dignity of what many of us like to call the greatest deliberative body in the world. In the old days we found Senators exercising with charity and tolerance their rights of pairing. That was particularly true when a Senator was ill or when there was serious illness in his family.

Let me turn to the CONGRESSIONAL RECORD of February 16, 1920, and enlighten Members of the present-day Senate as to what was done at that time in connection with one of the most important votes that any Senator had cast in this body up to that time.

The late distinguished Senator Lodge of Massachusetts said:

Mr. President, I had intended when I called up the treaty this morning to say a word in regard to pairs. On a question of such great moment as the Treaty of Peace I think no one can wish that it should turn on any loss of votes because of the absence of Senators or because of any juggling of pairs.

Think of it, Mr. President. In 1920 the United States Senate was discussing the treaty of peace, one of the greatest issues that had ever been before this body in the experience of any Senator who was serving at that time.

Senator Lodge continued:

I think that we should take the same course that was adopted with reference to the suffrage amendment—

Another tremendous issue before the United States Senate and the country—when the Senate, with the traditional character for which it was noted, agreed at that time not to juggle pairs and to have an honest expression of Senators in the event that any Senator should be absent because of personal illness or because there was illness in his family.

I think that we should take the same course that was adopted with reference to the suffrage amendment, when there was an understanding on both sides that a pair should be arranged for any Senator who was absent on account of personal illness or on account of illness or death in his family. I merely mention this now, because I think the whips on both sides who are entrusted with this matter should see to it that some such arrangement is made. I think that is only fair and proper.

Those words were spoken by the late Senator Lodge, of Massachusetts.

I read further from the RECORD of that date:

Mr. WILLIAMS. Mr. President, I wish to ask the Senator a question. Of course, the Senator means equal pairs upon the question of the adoption of reservations and amendments?

Mr. LODGE. Certainly, and double pairs upon the question of ratification.

Mr. WILLIAMS. When it comes to the final question of ratification pairs would be arranged on a basis of 2 to 1.

Mr. LODGE. They would be arranged upon a basis of 2 to 1, of course. That is the understanding I wish to have. I merely mention it now, because I think it is important that that should be understood. None of us wish to reach a decision of this question by any accident.

Mr. WILLIAMS. I suggest that the Senator ask unanimous consent to the effect he has indicated.

Mr. LODGE. Pairs are outside the rules, and I do not think I have any right to ask unanimous consent. I think all I can do is to state the understanding which I hope will be arrived at.

Mr. KING. Mr. President, I have sent word to the Senator from Michigan [Mr. Hitchcock], and I expect him here in a moment. If the Senator cares to present the matter again, I suggest that he do so when the Senator from Nebraska returns.

Mr. LODGE. Pairs are wholly outside the rules, as I have stated. Pairing is a matter between individual Senators.

Mr. KING. I appreciate that fact, but I should be glad to see some satisfactory arrangement made.

Mr. LODGE. I have no doubt the matter will be arranged as it was in the case of the suffrage amendment.

Mr. SMITH of Georgia. I have no doubt any such arrangement will be carried out on this side.

Mr. LODGE. I merely wanted to make the suggestion.

Mr. SMITH of Georgia. I am sure we will be glad to see that the final action represents the thought of the Senate.

Mr. LODGE. Absolutely.

Here we have an interesting and cordial colloquy between Republicans and Democrats, which can well be placed in the category of true statesmanship when it comes to voting upon questions such as we have before the Senate today. It demonstrates the outstanding character and bigness of Senators in those days upon a question of human relationships.

Mr. President, in the early days of my experience in the Senate an incident occurred which struck me forcibly. I had been a Member of the Senate for approximately 12 months, when a very close friend of mine passed away in Illinois. We were debating the Hatch bill. It will be recalled that at one time we almost defeated it, by a vote of 44 to 46. I was against the Hatch bill at that time, and still am, so far as that is concerned. But I did not wish to leave, after participating actively in the debate, unless I could obtain a live pair.

From whom do Senators think I obtained that pair? From the late distinguished, lovable Charles McNary, one of the greatest leaders ever to serve in the Senate. I went to Senator McNary and said, "Senator, a close friend of mine has suddenly passed away. I should like to obtain a live pair. I do not want to run out on my colleagues, because I have been very active in this debate." Senator McNary said to me, "Scott, your place is at the side of your dead friend in Illinois. You go and attend the funeral, and I will give you a live pair."

Mr. President, that incident endeared me forever to Charles McNary. It demonstrated character and bigness, so necessary for sound statesmanship. It was a senatorial courtesy that I shall never forget. Such courtesy and chivalry should again find a place in the Senate.

Mr. President, today there are two distinguished Senators who sit on this side of the aisle who are ill. The Senator from Louisiana [Mr. OVERTON] was compelled by doctor's orders to go to Arizona for the benefit of his health. Mr. President, the minority are entirely helpless in getting a pair from some Member on the other side of the aisle for that outstanding man, a man who is sick. We are told, "Yes; we will pair with you providing the leadership releases us."

I went to the able Senator from Nevada [Mr. MALONE] in connection with the matter. I knew that he was a close friend of the Senator from Louisiana [Mr. OVERTON]. I said to him, "Will you pair with the Senator from Louisiana on this motion?" He replied, "I should be glad to pair with him, because he is one of the finest men in the Senate; but you will have to see the whip, the Senator from Nebraska [Mr. WHERRY]. If he will

release me, I will pair with the Senator from Louisiana."

There is another Senator on this side of the aisle who is ill, that great leader from Tennessee [Mr. McKELLAR], who has served longer in the Senate than any living man. He is now in the hospital, stricken only day before yesterday. He does not want to leave the hospital in his present condition. His doctors oppose his leaving. One would believe that under such dire circumstances we might get a pair for him.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. LUCAS. May I have two additional minutes?

Mr. GEORGE. My time is getting a little short. I will yield one additional minute.

Mr. LUCAS. There is not a chance. They will not recognize the fact that this man, ill as he is, is entitled to a pair by all decency and courtesy, so far as the unwritten rules of the Senate are concerned.

Mr. BARKLEY. Will the Senator yield?

Mr. LUCAS. I yield.

Mr. BARKLEY. Does the Senator recall any time during the period when we were in the emergency when any such attitude was taken on this side toward requests for a pair on the part of any Senator on the other side?

Mr. LUCAS. I have never known of it. I made inquiry today on that very point in order to ascertain whether we had taken the same position, but I could find no such position as that which is now being taken by the majority upon practically every major or minor question which arises. Here is a matter of postponement of a measure for some 20 days, and we cannot get a pair in connection with it. But the late Senator Lodge was willing to give pairs when the Treaty of Versailles was being considered by the Senate.

The PRESIDENT pro tempore. The Senator's time has expired. To whom do the Senators in charge of the floor yield?

Mr. MILLIKIN. Mr. President, I yield to the distinguished Senator from Ohio [Mr. TAFT] for 30 minutes.

The PRESIDENT pro tempore. The Senator from Ohio is recognized for 30 minutes.

Mr. TAFT. Mr. President, regarding the question of pairs, I have been here for a good many years and I have never seen any acknowledged plan or rule regarding pairs. I should say that today if a sufficient number of Republicans to change the situation were too ill to attend the Senate, we could not get a pair from the Democrats for love or money. They have never given us pairs under those circumstances, and they never will. The Senator goes back to 1920 in order to find an instance in which the question has ever before been raised.

There is before the Senate a question which is essentially and in effect a question of budgeting revenue. It is a question of degree. The actual question, so far as we can determine it is, What will be the receipts of the Government and what will be its expenditures in the fiscal year beginning the 1st of July and running until July 1, 1948?

The making of a budget is always an uncertain process, because no one can predict ahead for 18 months. We have to take the best figures we can obtain; we have to take figures from the actuaries; we have to make various assumptions. We have always done that, every year. The Democrats are greatly concerned that in some way we are estimating figures which do not exist and, therefore, the budget which we in effect are presenting here may possibly not be balanced.

Mr. President, for 15 years the Democrats have failed to balance the budget in any year. Not only that, but I do not remember a time when they ever presented a balanced budget to the Congress of the United States. I do not remember a time when they ever provided sufficient taxes to meet the expenditures which they contemplated. Certainly we have not had in 15 years a balanced budget, and we have always had some difficulty in estimating, which we have at the present time and always will have. We have made estimates, and the figures are approximately these: The estimated receipts on which our budget is based are $41,400,000,000. Those estimates were made by the Joint Committee on Internal Revenue Taxation, because the Treasury refuses to make any estimate more recent than the one of 8 months ago when conditions were very different. Those figures are based on conservative estimates. They are estimating a national income of $6,000,000,000 less than the rate at which we are now operating, so they allow for the tapering off of sales and activity. There may be, perhaps, an extraordinary condition if we continue going at the same rate as today. The budget receipts represent $42,800,000,000. We will assume the amount to be $41,400,000,000. The estimate of expenses is $37,500,000,000, or approximately $4,000,000,000 less than the estimated receipts, without any budget cuts whatsoever. If we cut the budget $4,500,000,000, as Senators say they wish to do, we will have a total expense of $33,000,000,000 and will have a surplus of $8,500,000,000.

What does the bill propose to do? It proposes to take $3,200,000,000 of that sum and apply it to the reduction of taxes. It proposes, under those circumstances, that we leave more than $5,000,000,000 for contingencies and for application to the public debt.

It is suggested that those figures may not be correct; that we may not get $41,400,000,000. I have already stated that we have allowed for a considerable recession. Much of the revenue is already on the books. The corporation taxes for this year and a large part of the corporation taxes for next year, reflecting the income for the previous year, are already set and cannot be reduced. Even if we should have a depression, there is usually a very slow recession; and in order to make any substantial difference in the figures the national income would have to go down to approximately $150,000,000,000. We would have to have a sudden and extreme depression in order to prevent the realization of the income figures which have been placed before the Senate. Of course, a budget may always be upset in any year if there is a sudden and severe depression. But the administration certainly does not expect that. It was testified that they look forward to no depression of any kind. They testified that in their opinion there would not even be a recession. Certainly we are justified in making that assumption, based upon receipts. Even if we fall short, Mr. President, a billion dollars in receipts and reach a total of $4,500,000,000, we still can make this tax reduction and have a surplus of over $3,000,000,000 to apply on the public debt.

Those, roughly speaking, are the figures.

Mr. President, it seems to me very clear that tax reduction is a necessary end in itself, to bring about a stable economy in the United States and to enable us to maintain an economic activity which means employment and full prosperity. Think of the burden of taxation. It is made up of approximately $40,000,000,000 of taxes by the Federal Government and approximately $10,000,000,000 of State and local taxes; a total of approximately $50,000,000,000, bearing down on the people of the United States and discouraging and stifling the economy of the United States. It does not particularly affect us when things are on the way up; but the moment they start down we feel the crushing burden which is imposed. It is about 30 percent of the national income. That means that on the average, directly and indirectly, we are paying taxes in such an amount that we work 3 days out of every 10 for the United States Government and 7 days for ourselves. I do not know how high this tax burden can go and still permit a free economy to be maintained such as that upon which we rely in the United States.

Obviously, Mr. President, taxation cannot amount to 100 percent of the national income, or we shall have no free economy left. One hundred percent taxation means the complete socialization of all the activities of the Nation. There is a point at which taxation becomes so high that we can no longer prevent it from destroying our present economic system. A burden of taxation as heavy as 30 percent of the national income discourages every person and every industry, and, sooner or later, industries are unable to do what they are supposed to do, and so the Government has to take them over. We almost reached that point in the case of the railroads during the war and during the depression.

Mr. President, once the Government takes over industries, it has to distribute the burden among the people. The very tax burden itself is a discouragement to the continuation of the free-enterprise system, and a heavy tax burden gradually forces the Government into a greater and greater degree of socialization, until finally complete socialization is reached. If I wanted to socialize the United States, I think the easiest way to do it would be

gradually to increase Government activities and taxation until the Government itself was operating all the industries and all the affairs of the Nation. But if that process were followed indefinitely, with a constant increase in taxation, finally the Government itself could not survive. I do not know where that point is. Perhaps it is when taxation reaches 50 percent of the national income. But I say that when taxation reaches 30 percent of the national income, we are reaching a dangerous point, and we should be sincerely and seriously concerned with the reduction of the taxes paid by the people of the United States, who now have a tax burden of $40,000,000,000 a year as apparently a permanent burden on the economy we are trying to maintain.

Furthermore, Mr. President, such a tax burden is a crushing load on the individuals in the lower-income groups. As the Senator from Wyoming [Mr. O'MAHONEY] pointed out, there are approximately 1,000,000 persons in the United States who have an income of less than $1,000 a year. Nevertheless, the tax burdens are heavy on those who have small incomes. For example, a school teacher who receives $1,000 a year must pay an income tax of $90. It certainly is difficult enough to live on $1,000 a year under present circumstances in the United States, even without having to pay any tax. A married couple with an income of $1,500 must pay $90 in income taxes. A single woman with an income of $1,500 must pay an income tax of $190. A married couple with two children, and having an income of $3,000, must pay an income tax of $190. A married couple with no dependents, and having a gross income of $5,000, must pay almost $800 in income taxes. Certainly taxation at those rates constitutes a tremendously severe burden on the people at the bottom of the income scale.

Moreover, Mr. President, to a certain extent the taxpayers bear the burden, and to a certain extent they do not bear it. To a certain extent, employers, seeing how extremely difficult it is for persons in the lower income groups to live on their net incomes, proceed to increase wages and salaries, in order to take care of that problem, and the result is an increase in the costs of manufacturing and other enterprises. Such increased costs bring about increased prices, and increased prices lead to inflation. In other words, we pay, by inflation, for the increases in wages and salaries which sooner or later result from increased taxes. High taxes are all very well for a while, but soon inflation comes, for inflation has always been the escape from overdrastic taxation. So, in effect, we are merely inflating the economy and collecting taxes from inflated incomes.

In the second place, Mr. President, in such circumstances the burden on the middle-income groups is so great that in the case of individual businessmen or corporation executives, or even writers and creative artists, their income after they have worked the first 6 months of a tax year is about all the income they are interested in, for whatever they earn, in addition, during the remainder of the year, is largely taken by the Government in the form of income taxes. The result is that they are not interested in doing any more work and in making any more income in that year because the Government will take anywhere from 60 percent to 85 percent of whatever else they may earn.

An additional result is that people refuse to invest money in risk enterprises; for when income taxes are so high investors take the position that it is much better for them to receive from 1 percent to 1½ percent on tax-exempt municipal bonds, rather than to invest their money in new enterprises in which their chances of receiving an income may be only 50–50. So they are not willing to invest their funds in such enterprises, because they know that if they gain as a result of investing their money in risk enterprises the Government will take the greater proportion of what they gain, but if they lose they will lose their own money. So they find that it is better for them to accept a low income from municipal bonds or similar securities, rather than to attempt to make money by investing in new enterprises. However, all of us realize that the establishment of new enterprises is necessary to the maintenance of our economy; it is necessary if we are to maintain full employment in view of the constantly improved techniques and labor-saving devices. Under present-day standards and techniques it is essential that new enterprises, with their additional hundreds of thousands of employees, be continually established. Obviously it is necessary that the investment of money in them be encouraged. Of course, it is easy enough to persuade investors to invest their money in bonds; but it is essential that investors be persuaded to invest their money in risk enterprises. However, under the present tax system, that is not done. So, Mr. President, I say that the reduction of taxes is a desirable end in itself and is essential if we are to maintain the prosperity of the United States and the full employment in which we are interested. No one could be more concerned about that than I am.

I am somewhat amused to hear the Democrats protest about the necessity of reducing the national debt. The national debt was $22,000,000,000 when the Democrats came into office, and now that they have been in office it is $260,000,000,000. The Democrats have never before shown any concern about the size of the national debt or about increasing the national debt, but now they are greatly concerned about decreasing the national debt this year. I myself think I would accept a $2,000,000,000-a-year reduction in the national debt, and I would be willing to have in the budget an item for debt reduction in that amount. Nevertheless, we must realize that when $2,000,000,000 is taken from the people's incomes and is used to reduce the national debt, the purchasing power of the people is reduced to that extent. In that way we are already reducing the purchasing power by a considerable sum.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a table which shows that the taxes which are collected for the unemployment trust fund and for the Federal old-age and survivors' insurance fund, the veterans' life insurance funds, and the other funds of that nature now amount to $5,587,298,291 altogether, whereas the expenditures from those funds amount to only $2,780,473,038, leaving net accumulations of $2,806,825,253 in the trust accounts. The result is that even when the budget is balanced, approximately $2,800,000,000 is taken from the people's savings and is put away, not returned to them, and thus their purchasing power is reduced to that extent.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Trust account receipts and expenditures

RECEIPTS	
Unemployment trust fund:	*1948*
Deposits by States	$1,124,000,000
Deposits by Railroad Retirement Board	280,300,000
Transfers from general and special accounts	9,373,778
Federal old-age and survivors' insurance:	
Net appropriation from general accounts	1,987,100,000
Interest on investments	190,300,000
Veterans' life-insurance funds:	
Premiums and other receipts	639,520,000
Transfers from general fund	53,302,000
Federal employees' retirement funds:	
Deductions from salaries, etc	289,891,351
Transfers from general accounts	246,445,000
Railroad retirement account:	
Interest on investments	37,000,000
Transfers from general accounts	481,219,000
Other trust accounts:	
Transfers from general accounts	8,775,000
Miscellaneous receipts	240,072,162
Total receipts, trust accounts	5,587,298,291
EXPENDITURES	
Unemployment trust fund	749,000,000
Federal old-age and survivors' fund	543,000,000
Veterans' life-insurance funds	358,950,088
Federal employees' retirement funds	167,610,349
Railroad retirement account	270,000,000
Other trust accounts	410,812,601
Special deposit accounts:	
Government corporations	247,000,000
Other	250,000,000
Sales and redemptions of obligations of Government corporations in the market	[1] 215,900,000
	2,780,473,038
Net accumulations in trust accounts	2,806,825,253

[1] Excess of redemptions; deduct.

Source: Budget, table 4, p. A7.

Mr. TAFT. So, Mr. President, when we reduce the national debt $2,000,000,000, we reduce the actual purchasing power of the people a corresponding amount. I think we should reduce the debt; but if we reduce it by too large a sum at one time, we shall reduce the purchasing power of the people to such an extent as to actually damage the economy and actually cut down the ability of the people to purchase.

Mr. President, the President said in his economic report:

> Maximum production and employment this year would yield a substantial increase in the available supply of consumers' goods and services, especially in the area of durable goods. This requires higher real purchasing power to take the goods off the market. If price and wage adjustments are not made, and made soon enough, there is danger that consuming buying will falter.

Certainly, Mr. President, if we are going to apply to the national debt a surplus of $8,000,000,000, we shall cut down purchasing power to a tremendous extent. At the moment, purchasing power is perhaps still on the increase, but it shows signs of having reached a peak. If we take that much purchasing power away from the people during the next 12 months, we may easily contribute to turning the present situation into a recession and a depression. It is obvious that we cannot safely reduce the national debt too rapidly.

The actual existence of a national debt is not necessarily a threat to the people of the United States. The present debt involves an interest charge of approximately $5,000,000,000 a year. If we pay off $10,000,000,000 of the debt, we reduce the expenditures for interest on the debt by approximately $200,000,000, on the basis of a 2 percent interest charge. Of course, it is important to keep reducing the national debt, so that Government credit may be good and there may be a constant movement toward a lower total interest charge on the national debt. But the very existence of the national debt does not threaten the security of the United States, and I do not think anyone in the United States really thinks so today. Of course, we want to reduce the debt, but if at the moment I had my choice between the two, I would prefer tax reduction to debt reduction. As a matter of fact, we are in the fortunate situation that we can have both during the coming year.

Mr. President, it is said that we have not yet cut expenses, that we do not know what the expenses will be. I would only say, in reply, that the Budget of the United States is an extremely complicated document, made up not only of the department appropriations, about which we know, but it is made up of all sorts of Government corporation accounts and cross accounts, with a net figure between the expenditures and receipts, but it is a figure which has many tricks in it.

Let us take, for instance, the Government corporation figures, $440,000,000 for RFC, purchase of mortgages on veterans' homes, as an expenditure of the budget. The mortgages are perfectly good mortgages. The RFC never has counted purchase of mortgages as an expenditure. I do not know why they are in this budget. There is no doubt some reason, some statutory requirement. But there is $440,000,000 of possible savings which can be taken out, and the arguments as to what the expenditures of the Government are going to be will go on for months after the Congress adjourns. We will not know any more about them 30 days from now than we know now. We can tell the trend, and that is all. So far as we can tell from the trend, and figuring the appropriation bills which have passed and are now pending in the Congress, we are accomplishing the goal of keeping expenditures four and a half billion below the budget estimates.

There are various executive figures in the carry-over. I can find no one who can give any definite answer as to what those figures are.

The total figure of $37,500,000,000 is not all a question of appropriations. Only about thirty-two and a half billion is concerned with appropriations. Five billion is from last year's appropriations. Those are also being worked on.

So far as I can judge, the proposed cut from the Army and Navy is about what I estimated, about 10 percent of the total figure. The total bill for the armed services was about $11,200,000,000, and with the rescissions, and cuts in appropriations, I estimate we will save about $1,200,000,000, just about 10 percent of the total amount that was requested.

Mr. TYDINGS. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Maryland.

Mr. TYDINGS. The Senator has made quite a study of the budget in connection with the tax bill, and I wonder if he would mind relating to the Senate the items which make up $4,500,000,000 reduction in expenditures.

Mr. TAFT. I have four pages of the items which I made at the beginning of this session, and which I should be glad to show the Senator, but I can hardly go into them all in detail at this time. At that time I reached a total of about $5,800,000,000, and after deducting items which I think will not be realized, I brought my figure down to about $4,800,000,000.

The largest item was the Army appropriation, to which I referred. My estimate for the agricultural appropriation was $150,000,000, less saving than in the bill which has just been proposed in the House, and I imagine we will have to put back some of that.

The estimate in the case of Federal Security was of a saving of about $50,000,000 less than I estimated.

As to the Navy, we estimated four hundred and fifty-one million. The proposed cut is three hundred and seventy-eight million, but that does not include the rescissions from carry-over last year, so the estimate will be approximately reached.

For the Labor Department I figured savings of only $5,000,000. There has been been proposed $24,000,000.

For the State Department the figure is $61,000,000, which is a great deal more than I had estimated.

All we can say now and all we can say 3 weeks from now is that if a complete force of actuaries were to figure this matter out they would differ by a billion dollars. I will venture to say that when we leave here they will differ by a billion dollars as to what the expenditures of the Federal Government will be in the next 12 months.

After all, the President in December overestimated the expenditures by something like a billion and a half dollars for the 6 months of the current year, and underestimated the receipts.

Mr. TYDINGS. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Maryland.

Mr. TYDINGS. I hope the Senator will put his tables in the RECORD, because I should like to examine them. I ask the Senator, however, if the actual cuts made in the nine bills which have already been acted on, excluding the $800,000,000 tax refund provision, and excluding the Commodity Credit provision of $641,000,000, do not total, as acted on by the House of Representatives, $1,205,000,000.

Mr. TAFT. Probably the Senator is correct. I do not think that includes the Army.

Mr. TYDINGS. It does not.

Mr. TAFT. Let us take the Commodity Credit Corporation. I felt when I first saw the figures for that Agency that, to the extent of those figures, the budget was padded. This figure was included in expenditures for the fiscal year 1948, whereas I knew the money was to reimburse the cost of subsidies paid 2 years ago.

Of course we have not saved the money, but nevertheless, when the President presented his $37,500,000,000 budget, he made it $800,000,000 higher than I believe it should have been. It seems to me we have a right to say that that amount was padded in 1948, because it either belonged in 1946 or in the current year 1947, and does not belong in 1948. There is no reason why we should be levying taxes in 1948 to pay for current expenditures of 1946.

Mr. TYDINGS. I think there is a great deal in what the Senator says, but the fact remains, whether we pay it next year or this year, it is not a reduction of expenditures, it is only a payment of a debt this year instead of next year, and that does not represent a cut in the expenditures of the Government.

Mr. TAFT. I quite agree, but, after all, if the budget is lower, I do not care whether it is paid by recalculating of the budget or is paid by saving money. I think the Senator will recognize that the House has done a good job in cutting, but the Senator thinks probably they have done too much.

Mr. TYDINGS. No, I do not.

Mr. TAFT. I am glad to have the Senator's support.

Mr. TYDINGS. I hope they will keep on with their cutting, and as one member of the Committee on Appropriations, I pretty generally supported their cuts in the Committee on Appropriations of the Senate; indeed, I not only supported them, Mr. President, but I shall claim

eventually a large part of the credit for the savings made.

Mr. TAFT. I should be very glad to give the Senator that credit.

Mr. TYDINGS. Going back to the $641,000,000 of the Commodity Credit Corporation, it has the effect of cutting down the surplus for this year and adding to the surplus for next year, but it does not represent—and this is my point, with which the Senator has been fair enough to agree—a reduction in expenditures.

Mr. TAFT. The Senator is correct.

Mr. President, I desire to conclude by saying that in connection with the question of delay, we are going to have to base the tax bill on the facts of the moment, which will be approximately the same as the facts 3 weeks from now. If we put off action on the bill, I doubt very much whether we can possibly get the deductions into effect on the 1st of July. The Treasury has quite a task in getting out the new deduction tables and getting them to the employers. The employers have to have them in order to set up their calculating machines for figuring the deductions in wages. We have always been told we must give the Treasury 30 days in order that they may get the withholding tables out and have them made effective.

As to the retroactive feature, the House reduced taxes from the 1st of January for the whole year. The result was that the new deductions would be put into effect the 1st of July, and it would have been necessary for the Government to give back a check to reimburse for the extra taxes that have been collected during the first 6 months.

We felt that was unwise. We felt it would be purely inflationary for people to receive checks they did not expect to get. We have been concerned that the tax reduction should begin on the first day of July, that on that day every citizen should receive either a 30-percent or a 20-percent cut in the deductions previously made, that his checks may then be increased as of that day, so that we do not have to give him a refund check to take care of money which we have overdeducted. Of course, it is not so essential for people who pay in quarterly installments, because their first cut, of either 20 percent, 10 percent, or 30 percent, will come on the 15th of September. But if it is desired to get these deductions into effect—and this affects, I think, something over 30,000,000 taxpayers—the bill should be promptly passed. It should be passed in order that there may be no doubt whatever that those cuts begin with the wages which begin on the 1st day of July. I think that is what the people expect. It makes it very complicated to do it any other way, or to begin it at a later period; and I think that alone is a reason not to delay the particular action which is proposed at this time.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Would it be more complicated to follow House bill 1, which makes the tax reduction retroactive to January 1?

Mr. TAFT. Yes; in my opinion it would; because the deductions of 20 percent begin on the 1st of January, and there will be an overcollection for 6 months from 44,000,000 taxpayers. Sooner or later checks will have to be written and mailed to them, presumably as soon as it is possible to draw the checks. That is a very considerable thing. It would affect every taxpayer. There is a certain number of adjustments at the present time, but that particular pay-roll deduction is not nearly so difficult as it would have been under the House bill.

Mr. LUCAS. The only point I make is, the House apparently did not consider the Senator's argument as a valid one, because they overwhelmingly passed a bill which made tax reduction retroactive as of January 1.

Mr. TAFT. I do not always agree with the House. They seemed to feel that they had to do it. I always opposed it, as the Senator knows, and I think it would have been a great mistake to make a retroactive tax cut.

The PRESIDENT pro tempore. The Senator's time has expired. To whom does the Senator from Colorado yield?

Mr. MILLIKIN. Mr. President, what is the remaining time?

The PRESIDENT pro tempore. The Senator from Colorado has 19 minutes to his credit.

Mr. MILLIKIN. I shall yield that to myself.

Mr. President, we are asked to postpone consideration of this bill until June 10. The reasons advanced are that by June 10, the House Appropriations Committee will have reported all of the major appropriation bills; that from these reports we would be in better position to estimate the amount of expenditure reductions in fiscal 1948; that this would put us into improved position to judge the merits of the bill before us.

It is respectfully suggested that the proposal is unsound for many reasons.

To start with, we have no way of knowing how many appropriation bills will have been reported by the House Appropriations Committee by June 10. We have no way of knowing what the House, the Senate, and the conferees will do to bills which have not progressed beyond the reporting stage in the House of Representatives. Indeed, we have no way of knowing what the two Houses might do to the reports of the conferees.

If it is sound to argue for such a delay in order to secure a little more incomplete information which could serve no purpose except to stimulate additional conjecture and difference of opinion, it would be sound on June 10 and thereafter to ask for successive delays for the same reason until the House, the Senate, the conferences, and finally both Houses had disposed of all of the bills.

Let no one be naive enough to believe that these possibilities have escaped attention and would not be fully exploited by those who follow the administration's policy of no-income-tax-reduction bill this year.

The junior Senator from California [Mr. KNOWLAND], during the debate the other day, demonstrated that June 10 is ineffectual as a reliable date for information when he pointed out that last year the Department of Agriculture appropriation bill did not become law until June 22; the District of Columbia appropriation bill, until July 9; the Interior Department appropriation bill, until July 1; the Labor and Federal Security appropriation bill, until July 26; the legislative appropriation bill, until July 1; the War Department appropriation bill, until July 16; the Navy Department appropriation bill, until July 8; and the State, Justice, Commerce appropriation bill, until July 5.

Now, even if we knew to the last dollar the totals of our appropriation bills this year, we would continue to be in the field of estimate as to the expenditures for fiscal 1948. This comes about through the fact that money appropriated does not necessarily measure the amount of money expended during a given fiscal year.

For example, last August, after all of the appropriation bills had become law, the expenditure estimate then made for the then fiscal year 1947 by the Bureau of the Budget was forty-one billion five hundred million. In January 1947, despite the fact that the Bureau of the Budget knew to the last penny the amount of prior appropriations, it revised its expenditure estimate for fiscal 1947 to $42,500,000,000, an increase of $1,000,000,000 over its estimate of August 1947. More recently, on April 19, 1947, the Bureau of the Budget again revised its expenditure estimate for fiscal 1947 to $41,250,000,000, a reduction of one billion two hundred and fifty million from its previous January estimate.

How does this come about?

Revisions of that kind result from the effects of rescissions, from the fact that appropriations are not always completely spent during any particular fiscal year, from control of the rate of expenditure, from administrative economies, and so forth.

Running along with changes in estimates of expenditures caused by the operation of factors such as those mentioned are changes in estimated revenues. In a word, there is never a static point from which the whole picture can be seen without the benefit of estimate. On June 10 some things might be clearer and others more obscure. This explains why, as was developed during the debate by the able junior Senator from Maine, that we have passed revenue bills at all different stages of congressional sessions which, of necessity had to be based upon future estimates and conditions. I believe that this is probably the first time that time itself has been asked to stand still so that the hazards of estimating might be minimized.

We all know that under the Legislative Reorganization Act, we should finish this session by July 31. Therefore, our work will be greatly intensified by June 10. The appropriation bills will start coming in June and we know without any doubt, that many of their items will be subject to heated and protracted debate. We will be in the middle of a flood of other legislation that will pour out of the

committees onto the calendar for attention before adjournment.

To inject this income-tax reduction bill into that situation will bottleneck the whole legislative program, will kill the bill, or delay its passage so long that it could not possibly become effective, as planned, on July 1.

Do I depart from seemly innocence when I suggest that there may be many Senators who would gleefully join in bringing that about?

Many new forms must go to the taxpayer and employer well ahead of July 1. There will be new rules and regulations. There will be no time for their preparation and distribution and for the necessary adjustments of the taxpayer and employer if this bill is to malinger its way through June.

We believe that our 49,000,000 income taxpayers are entitled to the benefits of this bill without delay. We are not unmindful of the predictions of recession. We know that no better buttress against recession can be found than income-tax reduction. We are also aware that it takes about 1 year for the full effects of income-tax reduction to be felt. Our gloomiest recessionists thus have their own special reason for losing no time in getting this measure into operation.

It is our plan to make this bill effective July 1, and this has important relation and sequence to the fact that there will be presented to the Congress early the next session a general revision bill to correct other injustices and inequities in our tax structure which have been accumulating a long time. The House Ways and Means Committee has already commenced its preparations and hearings. The Treasury is cooperating.

The distinguished senior Senator from Georgia, while not vouching for it and maintaining what I thought was some skeptical reserve, predicted that expenditure reductions reflecting true savings might reach as much as $2,786,000,000. In arriving at this figure, the Senator excluded the $800,000,000 reduction by the House in the $2,000,000,000 item in the executive budget for refund of receipts in the fiscal year 1948.

Passing for the present the questions raised as to this item, and for discussion's sake accepting as achievable the expenditure reduction figure of $2,786,000,000, the estimated expenditures in fiscal 1948 would be thirty-four and seven-tenths billions. Estimating income payments for fiscal 1948 at one hundred and seventy billions, the existing tax system will produce revenues in that year of $41,400,000,000.

Deducting expenditures of thirty-four and seven-tenths bililon, there is a surplus of six and seven-tenths billion for debt retirement, tax reduction, and contingencies. Subtracting $3,200,000,000, the cost of the bill before us, we have three and five-tenths billion for debt retirement and contingencies. Deducting the Senate's goal of two and six-tenths billion for debt retirement, we have $900,000,000 for additional debt reduction or for contingencies.

I have shown the effects of the expenditure reduction figure of the Senator from Georgia of $2,786,000,000 to demonstrate the wide margins of safety within which we marked up this bill. The Senator's figures fall short of the Senate's goal of expenditure reduction by $1,714,000,000, and yet there is room for meeting the Senate's debt reduction goal and for a sizable contingency fund.

We shaped this bill with the definite purpose that our margins should be ample to meet even more conservative views than our own, to allow for substantial errors or contingencies.

We tried to arrive at a sound position between the estimates of no rescession and those of complete disaster.

The House bill as it came to us would have cost the revenues four and nine-tenths billions on the basis of national income payments of $170,000,000,000. The House bill was fully retroactive to January 1, 1947.

Allowing for the cost of the House bill, and assuming the Senate's expenditure reduction goal, there would have been a surplus for debt retirement and contingencies of $3,500,000,0000. This would have taken care of the Senate's program of debt reduction of $2,600,000,000 with $900,000,000 left over for contingencies as contrasted with the Administration's contingency allowance in the budget for 1948 of $25,000,000 and debt reduction of $1,400,000,000.

But out of an abundance of caution, with the object of conforming our bill so that there would be generous allowance for contingencies and speculations of the type which we have heard here, the Senate Committee on Finance decided to eliminate the retroactive features of H. R. 1.

This increased our estimated surplus, after giving effect to the cost of H. R. 1, as so amended, to $5,200,000,000, enough to take care of the Senate's debt reduction goal of $2,600,000,000 with an equal amount left over for further debt reduction or contingencies.

We have had much discussion as to the expenditure side of the budget. We have shown, I believe, that our safety margins are ample to protect against sizable failure, if that unfortunately should occur, in meeting our Senate goal of expenditure reduction.

Now let me discuss how we reached our estimate of revenue receipts and of national-income payments of $170,000,000,000 for the fiscal year 1948.

Remember, please, that $170,000,000,000 of national-income payments translates into our estimate of tax revenues for the fiscal year 1948 of $41,400,000,000. National-income payments are a standard reference point used by the Treasury and by the technical staff of the Joint Committee on Internal Revenue Taxation, and by all other authorities known to me, for the calculation of tax revenues.

We examined the annual rate of national-income payments for the first quarter of the present calendar year. It is $176,000,000,000. Had we accepted that rate for the fiscal year 1948, our surplus, after paying the costs of this bill, would have been six and five-tenths billion.

On the Treasury's theory of no recession, we would have been justified in accepting one hundred and seventy-six billion as the income-payment rate for the fiscal year 1948. We preferred to base ourselves on an estimate which would take into account an orderly downward adjustment, some recession, a recession of such magnitude as to increase unemployment from the present level of about two and five-tenths million to about four million. We are not predicting such a recession. We estimated it in the interests of proper caution.

One hundred and seventy billion dollars of national-income payments for the fiscal year 1948 coincides with a drop in the present physical volume of industrial production from its present index number of around 190 down to an average of 171 for the fiscal year 1948. It would represent a drop in commodity prices from the present price line of about 149 to an average for fiscal year 1948 of 136.

This will illustrate to the Senate the basis of the statement that in adopting the income-payment estimate of one hundred and seventy billion for the fiscal year 1948, we were acting conservatively. In adopting the Senate's version of expenditure reduction of $4,500,000,000, we also adopted the conservative course as between the House and the Senate. Had we adopted the House version of $6,000,000,000 expenditure reduction, our estimated surplus would have been six and seven-tenths billions instead of $5,200,000,000.

But I believe it has been demonstrated that the five and two-tenths billions is abundantly ample for our planned debt reduction, for reasonable discounts which anyone wishes to apply to our estimates, and for contingencies.

Let me again remind the Senate that reduction of taxes does not necessarily mean reduction of tax revenues. This was shown by our tax-reduction experiences in the 1920's. It is a well-known fact that restoring to the people their freedom to spend their own money is in aid of a dynamic economy. The circulation of money in the hands of the people has rapid velocity. It gives direct support to the consumer-goods market. The national income is increased and that increases revenue receipts.

This experience is not confined to the Federal Government. New York State reduced its tax on individual incomes by a flat 25 percent for the years 1941 to 1944, inclusive, and by a flat 50 percent for 1945. Another 50-percent cut has been recommended for the fiscal year 1946. Nevertheless, revenues have increased from four hundred and sixty-five million in 1940 to six hundred and eighty-two million in 1946, and a deficit of 1940 has given place to an unbroken series of surpluses, the largest of which occurred in 1946. In spite of the 50-percent cut, a surplus of $60,700,000 is estimated for the fiscal year 1947.

Since the end of World War II, Australia has twice reduced its income tax. The tax program which included the first of these reductions was estimated at the time to cost between two and three million pounds. Instead the tax reductions were followed by an increase in revenue of £17,000,000. I interject to say that

Canada is passing an income-tax-reduction bill, the percentages of reduction in which are much the same as our own, and it, too, will go into effect on July 1.

The distinguished senior Senator from Georgia during the debate on our tax-reduction bill of 1945 put it this way—CONGRESSIONAL RECORD, volume 91, part 8, page 9948:

> The rate of tax does not determine what comes into the Treasury. The bill, so far as it affects corporations, is properly a tax-rate-reducing bill. It will not necessarily reduce the amount of revenue coming in. Indeed, if it has the effect, which it is hoped it will have, it will so stimulate the expansion of business as to bring in a greater total revenue. I think if one will look back to World War I he will understand precisely what I am now trying to say.
>
> Mr. President, while it is somewhat aside, I shall pause in the presentation of my prepared statement to emphasize this fact: The Revenue Act of 1918 was approved February 24, 1919, some months after the actual cessation of hostilities. In a sense, that act was both a war-tax act and an immediate post-war tax-rate-reduction act, since it provided one schedule of rates for 1918 and a somewhat lower schedule for 1919, 1920, and 1921. The act of November 23, 1921, made more substantial reductions in rates. The recovery of the country from a state of depression in 1920 and 1921 was rapid. The Revenue Acts of 1924 and 1926 made still further tax reductions, but the income from tax revenues of the Government increased through all of that period.

Mr. President, I affirm that this bill is on a sound budgetary basis, and I hope that the motion to delay its consideration will be defeated.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. GEORGE. Mr. President, I yield the remaining time to the senior Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, I shall occupy the attention of the Senate for the remaining moments available for this debate, in support of the motion of the Senator from Georgia [Mr. GEORGE], to postpone consideration of the pending legislation until the 10th of June.

I realize that on that date we may not have all the information that would be desirable to enable us to act intelligently with regard to any tax reductions at this time or at this session; but as has already been so forcibly said by the Senator from Georgia [Mr. GEORGE] by the date fixed in his motion we shall certainly have a clearer picture of the probable appropriations of this session of Congress than we have now.

We cannot take into consideration the possibility that all appropriations may not be expended, or that there may be an excess of expenditure, calling for deficiency bills between now and the end of this session. Certainly we do not now have anything approaching a clear indication of the total appropriations which will be enacted by this session of Congress and to that extent we shall be walking up a blind alley. We shall be groping in a field where there is not sufficient light at this time to enable us to plant our feet upon solid ground in the matter of Government income and Government expenses, although I concede that even on that date we may not have all the information that we might wish.

I am one of those who, even before the war had ended, hoped for and predicted a drastic reduction in governmental expenditures and in taxes. Nearly 2 years ago, before the war ended, I expressed the hope and belief that when the war should end and we should have discharged whatever temporary obligations by way of expenditures the aftermath of war required, we could stabilize our national expenditures at somewhere between twenty-two and twenty-five billions of dollars.

When I expressed that hope and belief, I was deeply in earnest in the entertainment of both the hope and belief, but the extension of the war and the necessary assumption of international obligations beyond what we then contemplated have made it impossible to achieve this goal up to the present time, though I am not ready to give up the hope that we may yet reduce our governmental expenditures to somewhere near the figure which I have indicated.

When the President submitted his budget of $37,500,000,000, which represents a scaling down by him of more than $5,000,000,000 from the requirements and recommendations of the various departments, I was frankly surprised and somewhat disappointed that a smaller total sum had not been recommended, but after going over the budget recommendations in detail and after one or two sessions of the Joint Committee on the Budget, provided for by the Congressional Reorganization Act of 1946, I was convinced that the President had done his best to reduce the expenses to the lowest figure which he thought possible or practicable in view of our domestic and international obligations. Notwithstanding this I still entertain the hope that we may reduce the amount somewhat below the budget recommendations.

In an effort to perform our duties under the Reorganization Act, and particularly with reference to section 138 of that act, a Joint Committee on the Budget was appointed by the two Houses of Congress, and after some discussions and controversies the House of Representatives passed a concurrent resolution by which it reduced the President's budget by $6,000,000,000. When the concurrent resolution came before the Senate an effort was made by Members on both sides of the political fence to deal realistically with the question of the President's budget and any possible reductions below it. We recognized that it would be practically impossible to cut $6,000,000,000 from the budget estimate, however desirable this result might be. The Senate finally amended the concurrent resolution to provide for a reduction of $4,500,000,000 below the President's estimates and the concurrent resolution was sent to a conference between the two Houses for the purpose of ironing out the differences and finally enacting the concurrent resolution in some form and some definite figure.

The concurrent resolution was adopted by the Senate March 4 last, nearly 3 months ago, and immediately sent to conference. Soon thereafter a brief conference was called by the chairman of the joint committee, Representative JOHN TABER, who is chairman of the House Appropriations Committee. I had assumed before this brief conference was held that the majority members of the joint committee had agreed upon some figure between four and one-half and six billion dollars, and that the conference would be a sort of ratification meeting to act upon the figure previously agreed upon by the majority. We were not even permitted to discuss the figures while they were under discussion in the majority. It was obvious from the beginning that minority Members were not to be taken into the confidence of the majority in the matter of determining the size of the budget.

But it soon developed in this first and only meeting, which was held more than 2 months ago, that the House conferees would not yield by so much as $1, and the conference was adjourned subject to the call of the Chair. This call has never been issued, and the conferees are helpless to do anything except wait in confusion and futility It is now obvious to any thinking man that a $4,500,000,000 or a $6,000,000,000 reduction will not be achieved when the total appropriations have been enacted into law.

We all supported the Congressional Reorganization Act in good faith. We deem it one of the wisest provisions in that act that Congress should in advance make an intelligent estimate of revenues and expenditures for the fiscal year with a provision for the reduction of the huge public debt by whatever could be saved by a reduction of estimated appropriations and expenditures.

The failure to call a meeting of the conferees under section 138 of the act is a gross disregard of congressional obligation and a gross disregard of the financial interests of the Government of the United States from every possible standpoint. If we judge the immediate future by the immediate past we may assume that no further effort will be made to arrive at a figure which both Houses might adopt and no further effort would be made to assemble the conferees for that purpose.

It is not without just foundation to assume that those who are responsible for the conduct of the public business in the two Houses of Congress and those who start out brashly to reduce the President's budget by anywhere from $4,500,000,000 to $6,000,000,000, now realize the impossibility of this task under the program which they have thus far accomplished by way of appropriations and are lacking in the frankness to tell the Congress and the American people of their failure.

But without the guidance of the congressional budget, which was contemplated in the Reorganization Act, certainly by the 10th of June and more certainly by the time the tax bill is considered, if postponed until that date, we would have some knowledge by which we could estimate the ultimate sum total of appropriations that may be made by this session of Congress.

I am not sure, however, Mr. President, that in the minds of the majority this is a matter of any consequence, because House bill 1, which we are now considering and which received its number because it was the first bill introduced in the House of Representatives in this ses-

sion, was introduced in the House on the first day of the session before the Reorganization Act had taken effect, before the committees had yet been organized or appointed, before the President had even submitted his budget to the Congress, and before either House had had an opportunity to discuss or to consider what our total probable expenses would be in regard to the payment of our debt and the support of our obligations in this session of the Congress.

This estimate of expenditures is subject to the contingency that even after regular appropriation bills have been enacted there will be deficiency appropriation bills which will include items eliminated from the regular bills, which will undoubtedly increase the total amount for the fiscal year beginning July 1. There has been much said about the resistance of departments and agencies against the reductions of their respective appropriations. We may concede this. This habit is not peculiar to any particular bureau or department, nor to any political party, nor any administration. It has been true from time immemorial. But if we are to have any accurate information concerning the possibility of a balanced budget, the possibility of substantial debt reduction and the possibility of an accurate estimate of Treasury expenditures, we must have a clearer picture of the appropriations that will come out of this session of Congress beyond what we possess at this time. I do not desire to embark upon any discussion of partisan politics in connection with this important matter, but it is somewhat strange that those who now constitute a majority in both Houses of Congress have apparently abandoned their historical role as proponents of sound governmental financial policy and a balanced budget. House bill 1, a tax-reduction bill, without the slightest information, took on importance far beyond that of other obligations and duties of the Government of the United States.

I think the American people would like to see a balanced budget, and I think they would like to see our governmental finances stabilized upon a permanent basis, and not merely for a year or two, with the constant fear that our finances might revert to deficit spending and a further increase in our national debt.

It seems to me that nothing could be more discouraging to the American people and the economy of the American people than to vote for a temporary expedient in order to reduce taxes in a single year, with no assurance that future exigencies growing out of governmental obligations would not require an early increase in taxes, or an early increase in the public debt, instead of its gradual decrease, under any sound financial policy.

From time immemorial the Republican Party, now in charge of both Houses, has boasted it was the party of sound economic policy and practices, that it favored a balanced budget, that it favored the protection of the national credit. Although our friends on the other side have consistently complained since 1933 of an unbalanced budget, they rarely, if ever, refer to the fact that the national budget has not been balanced since the second year of the Hoover administration.

The Senator from Ohio [Mr. TAFT] a moment ago referred to the fact that the budget had been unbalanced for the past 15 years. If he had desired to be completely accurate, he would have said 17 years, because the budget has been unbalanced ever since 1930, the second year of the Hoover administration. In that administration the public debt was increased from $16,000,000,000 to more than $22,000,000,000, in a period of profound peace, not only in the United States but in the world.

If I wanted to be partisan, which I do not want to be, I would say that that administration plunged us into the greatest depression that the world had ever seen, experienced, or imagined. Out of it this increase of $6,500,000,000 in the public debt emerged.

Now that they have assumed the responsibility of financial legislation in both branches of the Congress, they seem willing to take the chances that events will repudiate their previous protestation of sound financial policies.

Let us take the situation as it appears from the record. As the Secretary of the Treasury said before the Senate Committee on Finance, the Treasury estimates are neither optimistic nor pessimistic with respect to revenues and expenditures. There is uncertainty in the economic outlook and it would be decidedly unwise to plan the national finances over the next fiscal year on the basis of the most optimistic assumptions which we might entertain. This is not to be construed as a forecast of a depression, large or small, but it is rather an effort to lean in the direction of a safe figure for prospects of financial planning. There are no hazards in such a course, for even if there is no decline in the level of income payments for the remainder of 1947, the surplus for the fiscal year 1948 will still be only approximately $4,000,000,000.

Enactment of the Senate Finance Committee tax bill would, under favorable assumption that present levels of income payments will be maintained, still leave less than $1,000,000,000 for debt retirement. We get an excessive surplus only by assuming that the $37,500,000,000 of expenditures estimated in the President's budget will actually be cut by several billion dollars.

A while ago the Senator from Ohio conceded, very fairly, I think, in a colloquy with the Senator from Maryland [Mr. TYDINGS] that when we eliminate $800,000,000 it is a phony reduction, because it has to be paid some day, and the longer it is postponed the more it will amount to, because it will draw 6 percent interest from the time the obligation is incurred, estimated, or ascertained, until it is paid. The bookkeeping saving represents only a transfer from one ledger to another, or a bookkeeping arrangement between the Treasury and the Commodity Credit Corporation. We can see now only a reduction of $1,200,000,000 in the estimated expenses of the Government.

The Treasury estimates of receipts for the fiscal year of 1948, based on $168,000,000,000 national income, is $38,000,000,000. For every $10,000,000,000 in income payments above this level receipts are likely to increase by two or two and one-half billion. Thus, if income payments remain at their current level at about $177,000,000,000 during the entire fiscal year of 1948, Treasury receipts will probably be about $41,500,000,000 under the present revenue laws. At this level of income payments the enactment of the Senate Finance Committee tax bill would reduce receipts by approximately three and one-half to four billion dollars, or a total of about thirty-seven and one-half or thirty-eight billion dollars per annum. It seems clear, therefore, that unless the President's budget of $37,500,000,000 is reduced substantially there would be little or no debt retirement in the fiscal year of 1948, even under these favorable assumptions regarding the level of income payments.

The reductions in appropriations already made in bills passed by the House do not bear out the contention that the President's budget can be reduced to $33,000,000,000, the amount assumed in the report by Senate Finance Committee on House bill 1. That matter has already been so amply explained by the Senator from Georgia [Mr. GEORGE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Maryland [Mr. TYDINGS] that I shall not undertake to discuss it at this point. These reductions now aggregate about $1,500,000,000, of which $800,000,000 is for tax refunds which will have to be appropriated for during the next session of Congress, even if it is not appropriated now. The real savings, therefore, under the President's budget are thus only about $850,000,000. The loan to Greece and Turkey will offset a substantial portion of this amount. To bring the estimate down to $33,000,000,000, Congress would have to cut the remaining appropriations by about $4,000,000,000.

The reduction of some $4,000,000,000 in the remaining appropriation would have to be obtained mainly from the War and Agriculture Departments and the Veterans' Administration. I do not know yet what will happen to the appropriation bills for the War Department and the Veterans' Administration. We do know what has happened in the House of Representatives regarding the appropriation bill for the Department of Agriculture, and the action of the House in regard to that bill has brought forth sharp protests from many persons in all sections of the United States, not excluding a prominent gentleman on the other side of the aisle in this Chamber, who has a genuine interest in the welfare of agriculture in the United States.

However, a reduction of such magnitude in these key appropriation bills is obviously unlikely. The Navy Department appropriation recently passed by the House saves $378,000,000 out of a total request of $3,800,000,000, or about 10 percent. The same percentage saving in the remaining items cannot be achieved, because they contain many fixed commitments. However, even if this optimistic assumption is made, an additional saving of only about $2,000,000,000 would be obtained. Thus, the

total budget reduction based on this optimistic assumption, without allowing any offsetting increase for new foreign loans, would be about $2,850,000,000.

By way of summary, an optimistic estimate of receipts in the fiscal year of 1948 is $41,500,000,000, and an optimistic estimate of the size of the budget is $35,000,000,000, leaving a surplus of $6,500,000,000. But it would be unwise to proceed on the assumption that such a surplus will be available for debt retirement and tax reduction, since it leaves no room for error either in the receipts or expenditures figures. With income payments of $177,000,000,000, the Senate Finance Committee tax-reduction bill would reduce this surplus by $3,500,000,000. If receipts fall below the most optimistic estimate or if expenditures are not cut to the indicated $35,000,000,000, the margin for debt retirement would be less than $3,000,000,000. Under present conditions, sound management of our financial affairs warrants action on tax reduction only after we are reasonably certain that there is sufficient surplus for a substantial installment on debt retirement.

We all know we cannot pass on to future generations this stupendous public debt of $257,000,000,000. We all know that the time for debt payments is in the midst of high income and prosperity. We all know that if by any chance there should be a decline of income for 10,000,000 people, the result would be a reduction of three billion in the income of the Treasury, which would wipe out all possibility of debt reduction under this pending tax bill.

On page 7 of the Senate Finance Committee report there is the following statement:

> The economy is not as fully employed as the Secretary (of the Treasury) seems to believe. Unemployment as reported by the Department of Commerce is running now at about 2,400,000 persons. This compares with 650,000 persons during the autumn of 1944, when it can reasonably be said that the economy was fully employed in a fairly absolute sense.

Unemployment of 2,400,000 persons out of a total labor force of almost 60,000,000 does not constitute proof that the economy is operating at less than capacity. At what is usually called full employment, some frictional and seasonal unemployment may be expected. The unemployment level of 650,000 during the autumn of 1944 indicated such a severe shortage of labor that Government controls were necessary for the proper allocation of the short supply. During peacetime, an unemployment figure of 2,400,000 is very close to the minimum in a free economy in which wage earners freely shift from job to job. Production is already at a record peacetime high, and additional output is limited by shortages in supplies of raw material, machinery, equipment, and labor, and by maladjustments in the price structure, rather than by the incomplete use of available production resources.

On page 9 of the Senate Finance Committee report we find the following statement:

> A tax reduction will be a hedge against recession and accumulated deflation and should be enacted now.

It is agreed that tax reduction is desirable to help combat a prospective recession. The important question is to determine when the tax reduction would be most effective. Under present conditions, it is hazardous to reduce taxes in anticipation of a recession. Business is operating at capacity, and inflationary pressures still persist in the economy. Tax reduction now would contribute further to the maintenance of inflationary prices. By contributing to further inflation at the present time, we might increase the severity of any recession in business which might occur in the coming fiscal year. Tax reduction for bolstering mass purchasing power and incentives will be appropriate only after the inflationary trend has been arrested and the necessary price adjustments have been made. The best contribution that we can make to economic stability at the present time is to balance the budget and to obtain a sufficiently large surplus to permit a proper payment on the national debt.

On page 10 of the Senate Finance Committee report on this bill, we find the following statement:

> It is desirable to concentrate any reduction which can be made at this time in the individual income tax. Only through the individual income tax is it possible to give relief to all persons bearing heavy tax burdens.

There is no sound reason for confining tax revision to any one tax. All major taxes have important effects on incentives and the equity of the tax structure. We should revise not only the individual income tax but also the corporation income tax, the excise taxes, and the estate and gift taxes. In this connection, attention must be given to the problems of double taxation of dividend income and of different forms of business enterprise, the carry-over of net operating losses, the tax treatment of family income, and other features of the tax structure. Wise and careful attention will be required to determine the changes which would benefit our economy most. Since many of these adjustments will lose revenue, a premature tax reduction at an annual rate of $4,000,000,000 may prejudge these important questions and prejudice the development of a sound postwar tax system.

On page 13 of the committee report, we find the following statement:

> The decisions of the executives who receive relatively large salaries are of greatest importance with reference to the development of industrial production. The savings of the middle and upper bracket income recipients are the principal sources of the venture capital for business expansion.

Under present tax rates, national income is at a record peacetime high. The limitations on investment and production are not the result of lack of investment and managerial incentives. As already noted, new investment and additional production is limited by shortages in the supply of raw material, machinery, equipment, and labor, and by high prices.

No one group has a monopoly on supplying capital and establishing new businesses. The American economy has always depended, and must always depend, on a healthy group of new small business. These new enterprises are often started by persons of modest means who, by combining their small capital and personal effort, build great enterprises from small beginnings. It is well-known that the ownership of stock in American corporations is widely distributed among all income brackets. Statistics of income show that nearly 50 percent of the dividends received by individuals are received by persons with incomes of less than $5,000 per annum.

On page 14 of the committee's report, we find the following statement:

> Special relief is warranted at this time for persons who have attained the age of 65. At the hearings on this bill the Secretary of the Treasury did not oppose the giving of special relief to persons aged 65 or over but argued that the appropriate method of doing so would be action under the Social Security Act. It is worth noting that the coverage of the social-security legislation is by no means universal. Relief under it would not extend to a great number of the people over 65 who now find themselves in an unusually straitened condition.

All families with low fixed incomes have suffered as a result of the increase in the cost of living. Persons under 65 with low fixed incomes have as urgent a claim as those over 65. This provision of the bill would remove one and one-half million from the tax rolls, but it would still leave on the tax rolls more than 46,000,000 people, many of whom pay in taxes less than the costs of collection. Personally, I do not object to a general provision granting $500 additional exemption to those over 65 years of age. Such an exemption necessarily must apply to all persons over 65, regardless of their income, because it would be administratively difficult, if not impossible, to draw a line between those above 65 who should get such relief and those who do not need it. The truth is that, regardless of age, there ought to be an increase in the amount of exemption allowed under the tax laws so as to remove between four and five million persons who actually do not pay enough in income taxes to justify the collection expense; and any permanent tax bill enacted now or hereafter must take into consideration the wisdom and justice of increasing the personal exemptions beyond those allowed by the present law.

Those of us who support the motion to postpone the consideration of this bill to June 10, or to any other date, do not take this position because of any sentimental objection to tax reductions. We recognize the necessity of appropriate, well-considered, tax reductions at an appropriate time. We emphatically assume the position that existing wartime taxes cannot be continued permanently, or for a very long period in the future. We were responsible for tax reduction last year aggregating more than $6,000,000,000, in which we included a reduction across the board for all individual taxpayers. But we believe that no tax reduction that is based upon political expediency can be sound.

Mr. President, another matter to which I think we should give consideration today in regard to this tax bill is its timing. All of us are supposed to be concerned about the credit of our country, about its solvency, about its ability to pay its debts,

and about the confidence of the American people in that solvency. We believe that is important because we believe that the millions of holders of United States bonds, which they have purchased in the stress of war emergencies, both for patriotic reasons and reasons of investments and savings, are entitled to feel a supreme confidence in the solvency of their Government. We believe that if the American people holding more than $50,000,000,000 of E, F, and G bonds, and American banks holding $92,000,000,000 worth of Government securities—making a total of $142,000,000,000 out of our great national debt of $257,000,000,000—ever lose faith in the solvency of their Government and its ability to discharge its obligations, there will be a rush to dispose of these bonds, that not only will involve the credit of the Government of the United States, but might bring on a real depression that not only would affect every American citizen and every American institution, but would have its disastrous repercussions around the world.

Mr. President, if by any chance we should be able to make a tax reduction now and if by any chance we might also make a debt reduction now, if economic conditions should be reversed in 1948 or 1949 and we should then find that under the tax rate we now write into the law there was a Treasury deficit which would preclude the possibility of making any debt reduction, it is not difficult to imagine what might happen to the $142,000,000,000 of our debts which I have just mentioned, based on our Government bonds and other Government obligations, for the very moment the American people begin to lose confidence in the solvency of their Government and in its ability in an orderly manner to pay off the debt of $257,000,000,000, at that moment the holders of these bonds would become the victims of fear, and not only individuals but banks would rush in prematurely to liquidate the bonds or to cash them, so that they might not be the further victims of any lack of confidence on the part of the people of the United States in the Solvency of their Government. As I have pointed out, if such a situation were to develop, it might well bring about not only a recession, but a collapse of our economy, which not only would affect those of us in the United States, but by the same token would emphasize and expand the chaos and uncertainty throughout the world, because the world's economy and the ability of the other nations of the world to employ and to produce and to recover from their present situation depend more upon the solvency and the credit of the United States than upon the solvency and credit of all the other governments of the world combined. In my judgment, we cannot afford to take a chance on having our own people lose faith in their own Government.

Mr. President, I myself need tax reduction as much as any other man, if not more, but so far as I am concerned, I myself would rather continue to pay for another year the taxes that are now imposed upon me, in the hope that we might then see the foundation of financial solidity upon which we might plant our feet, and in the meantime bring about an orderly tax reduction and an orderly debt reduction and a balanced budget for the benefit of our Government and our people.

Let us, therefore, approach this vital and important subject with caution and in the light of the facts. Let us see a little further into the future before we commit ourselves to a policy which we may not be able to reverse, even though a necessity for a reversal should arrive.

For these reasons, I support the motion to postpone the consideration of this tax bill until June 10, and for the same reasons I shall support the amendment to make the tax reductions effective January 1, 1948, instead of making them retroactive to January 1, 1947. Certainly by the end of the present calendar year, we may form some accurate estimate of our economic situation in the immediate future. In the light of this fuller information, we may be able to give to the American people both tax reductions and debt reductions to an extent which will inspire their confidence in the statesmanship of the American Congress and the stability of the American economic and financial system.

So, Mr. President, I shall vote for the motion to postpone until the 10th of June, because even if our action on the tax bill is postponed until that date, we still shall have time to pass a tax bill and there still will be time for the Treasury Department to make out the necessary forms, and there still will be time for the withholding taxes to be imposed—if that is the will of the Congress—beginning on the first day of July. But, in addition to that, as I have said whenever this tax bill is voted upon, I shall vote to postpone its effective date until January 1, 1948, because by that time we shall have an even clearer picture of our financial obligations, and thus may be able to trim our sails according to the wind which may be prevailing at that time.

The PRESIDENT pro tempore. All the time under the unanimous-consent agreement has expired. The question is on the motion of the Senator from Georgia [Mr. GEORGE] to postpone until June 10, 1947, the further consideration of the bill (H. R. 1) to reduce individual income tax payments.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Ecton	Lodge
Baldwin	Ellender	Lucas
Ball	Ferguson	McCarran
Barkley	Flanders	McClellan
Brewster	Fulbright	McFarland
Bricker	George	McGrath
Bridges	Green	McKellar
Brooks	Gurney	McMahon
Buck	Hatch	Magnuson
Bushfield	Hawkes	Malone
Butler	Hayden	Martin
Byrd	Hickenlooper	Maybank
Cain	Hill	Millikin
Capehart	Hoey	Moore
Capper	Holland	Morse
Chavez	Ives	Murray
Connally	Jenner	Myers
Cooper	Johnson, Colo.	O'Conor
Cordon	Johnston, S. C.	O'Daniel
Donnell	Kem	O'Mahoney
Downey	Kilgore	Pepper
Dworshak	Knowland	Reed
Eastland	Langer	Revercomb
Robertson, Va.	Taylor	Wagner
Robertson, Wyo.	Thomas, Okla.	Watkins
Russell	Thomas, Utah	Wherry
Saltonstall	Thye	White
Smith	Tobey	Wiley
Sparkman	Tydings	Williams
Stewart	Umstead	Wilson
Taft	Vandenberg	Young

The PRESIDENT pro tempore. Ninety-three Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion submitted by the senior Senator from Georgia [Mr. GEORGE] to postpone to June 10, 1947, the further consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Mr. GEORGE and others asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MAGNUSON (when his name was called). I have a pair with the junior Senator from Wisconsin [Mr. McCARTHY]. If he were present he would vote "nay," and if I were permitted to vote I would vote "yea."

Mr. WHERRY (when Mr. McCARTHY's name was called). The Senator from Washington [Mr. MAGNUSON] has announced his pair with the Senator from Wisconsin [Mr. McCARTHY] who is necessarily absent. If present and voting the Senator from Wisconsin would vote "nay."

The roll call was concluded.

Mr. LUCAS. I announce that on this vote the Senator from Louisiana [Mr. OVERTON], who is absent by leave of the Senate, would vote "yea" if present.

The result was announced—yeas 44, nays 48, as follows:

YEAS—44

Barkley	Johnson, Colo.	O'Daniel
Byrd	Johnston, S. C.	O'Mahoney
Chavez	Kilgore	Pepper
Connally	Lucas	Robertson, Va.
Downey	McCarran	Russell
Eastland	McClellan	Sparkman
Ellender	McFarland	Stewart
Fulbright	McGrath	Taylor
George	McKellar	Thomas, Okla.
Green	McMahon	Thomas, Utah
Hatch	Maybank	Tydings
Hayden	Morse	Umstead
Hill	Murray	Wagner
Hoey	Myers	Wilson
Holland	O'Conor	

NAYS—48

Aiken	Dworshak	Moore
Baldwin	Ecton	Reed
Ball	Ferguson	Revercomb
Brewster	Flanders	Robertson, Wyo.
Bricker	Gurney	Saltonstall
Bridges	Hawkes	Smith
Brooks	Hickenlooper	Taft
Buck	Ives	Thye
Bushfield	Jenner	Tobey
Butler	Kem	Vandenberg
Cain	Knowland	Watkins
Capehart	Langer	Wherry
Capper	Lodge	White
Cooper	Malone	Wiley
Cordon	Martin	Williams
Donnell	Millikin	Young

NOT VOTING—3

McCarthy	Magnuson	Overton

So Mr. GEORGE's motion to postpone was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the first amendment of the Committee on Finance.

Mr. LUCAS. I offer an amendment to H. R. 1, and ask that it be printed in the RECORD.

The amendment was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

To strike out all after the enacting clause and insert the following:

"That this act may be cited as the 'Individual Income Tax Reduction Act of 1947.'

"SEC. 2. Increase in personal exemptions.

"Section 25 (b) (1) of the Internal Revenue Code (relating to credits of individual against net income) is hereby amended by striking out '$500', wherever appearing therein, and by inserting in lieu thereof '$600', and by striking '$1,000' and by inserting in lieu thereof '$1,200.'

"SEC. 3. Income of husband and wife.

"So much of section 12 (b) of the Internal Revenue Code (relating to the computation of surtax) as precedes the table therein is hereby amended to read as follows:

"'(b) Computation of surtax—

"'(1) Separate return: Except in the case of a joint return by husband and wife, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by computing a tentative surtax under the table set forth in paragraph (3) of this subsection, and by reducing such tentative surtax by 5 percent thereof.

"'(2) Joint return: In the case of a joint return by husband and wife under section 51, there shall be levied, collected, and paid for each taxable year upon the aggregate surtax net income of the husband and wife a surtax determined—

"'(A) by computing a tentative surtax under the table set forth in paragraph (3) of this subsection upon an amount equal to one-half of such aggregate surtax net income;

"'(B) by multiplying the tentative surtax ascertained under subparagraph (A) by two; and

"'(C) by reducing the amount ascertained under subparagraph (B) by 5 percent thereof.

"'(3) Surtax table: The table referred to in paragraphs (1) and (2) is as follows:'.

"SEC. 4. Standard deduction.

"Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"'(1) Allowance: In the case of an individual, at his election a standard deduction, as follows:

"'(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"'(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"'(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400.'

"SEC. 5. Reduction in surtax on individuals.

"Section 12 (b) of Internal Revenue Code (relating to rates of surtax) is amended by striking everything after the colon and inserting in lieu thereafter the following:

"'If the surtax net income is:	The tentative surtax shall be:
Not over $2,000	15 percent of the surtax net income.
Over $2,000 but not over $4,000.	$300, plus 17 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$640, plus 21 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$1,060, plus 25 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,560, plus 29 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$2,140, plus 33 percent of excess over $10,000.
Over $12,000 but not over $14,000.	$2,800, plus 38 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$3,560, plus 42 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$4,400, plus 45 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$5,300, plus 48 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$6,260, plus 51 percent of excess over $20,000.
Over $22,000 but not over $26,000.	$7,280, plus 54 percent of excess over $22,000.
Over $26,000 but not over $32,000.	$9,440, plus 57 percent of excess over $26,000.
Over $32,000 but not over $38,000.	$12,860, plus 60 percent of excess over $32,000.
Over $38,000 but not over $44,000.	$16,460, plus 64 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$20,300, plus 67 percent of excess over $44,000.
Over $50,000 but not over $60,000.	$24,320, plus 70 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$31,320, plus 73 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$38,620, plus 76 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$46,220, plus 79 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$54,120, plus 82 percent of excess over $90,000.
Over $100,000 but not over $150,000	$62,320, plus 84 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$104,320, plus 85 percent of excess over $150,000.
Over $200,000	$146,820, plus 86 percent of excess over $200,000.'

"SEC. 6. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (optional tax table) and section 1622 (withholding tables) as may be necessary to reflect the reduction in taxes provided for in the preceding provisions of this act.

"SEC. 7. The amendments to the Internal Revenue Code made by this act shall become effective with respect to taxable years beginning after December 31, 1947."

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a brief statement which I have prepared on the bill now under discussion in the Senate.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUGH BUTLER

Mr. President, at this time, I would like to make a very brief announcement on the so-called community-property or joint-tax amendments. For a long time I have been active in attempting to stir up interest in a proposed amendment to our tax laws which would place citizens of all the States on a basis of tax equality with citizens of the 10 so-called community-property States with respect to payment of individual income taxes. By the terms of my proposals, taxpayers all over the Nation would be given the right to divide family income equally between husband and wife and report that income on separate returns, just as residents of the community-property States now do. On February 5, I had this proposal printed as a suggested amendment to H. R. 1030, and I have also had it prepared as a suggested amendment to the pending bill.

After a careful study of the Federal Government's revenue picture for the fiscal year 1948, I have reluctantly decided not to present either of my amendments at this time. By the terms of the bill we have before us, the Federal Government is giving up revenue amounting to approximately three billion two hundred million for the coming year. My proposed amendment would reduce the estimated revenue by approximately another billion dollars per year. I think we cannot afford to cancel that much additional amount of Federal revenue at the present time.

A number of other Members of the Senate have expressed an interest in this same question, and in fact a number of other bills or amendments have been proposed which would have substantially the same effect as my proposal. I understand that an effort may be made to bring it up on the floor as an amendment to the pending bill. I hope that effort will not be made at this particular time, because of its effects on our 1948 revenue, and because we must have a substantial debt reduction as well as tax reduction.

I am glad to see that so much interest has developed in this question of equalizing tax requirements from citizens in the States not having a community-property law. I feel that the present tax laws constitute a serious discrimination against those States which do not have the community-property law, and I intend to work for removal of this discrimination at the earliest opportunity. I have discussed the question with the chairman of the Finance Committee, the Senator from Colorado [Mr. MILLIKIN], with the distinguished senior minority member of the committee, the Senator from Georgia [Mr. GEORGE], and with other leaders on both sides of the aisle. On the basis of these discussions, I believe that the change will have widespread support at the proper time. In fact, I feel confident that it will be included in the general tax-revision bill which is already in process of preparation by the House Committee on Ways and Means. I fear that premature action on our part at the present time would endanger the adoption of the change at a later date. For the reasons stated, I shall refrain from calling up my own proposed amendments on joint-tax privileges, and shall vote against any such proposals that may be presented at this time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. FRED BRADLEY, late a Representative from the State of Michigan, and transmitted the resolutions of the House thereon.

LEAVE OF ABSENCE

Mr. MARTIN. I ask unanimous consent that I may be absent from the Senate tomorrow, Tuesday.

The PRESIDENT pro tempore. Without objection, the order is made.

MEETING OF COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. BUCK. Mr. President, I ask unanimous consent that the Committee on the District of Columbia may meet tomorrow afternoon at 2 o'clock.

The PRESIDENT pro tempore. Without objection, the order is made.

DEATH OF REPRESENTATIVE BRADLEY, OF MICHIGAN

The PRESIDENT pro tempore laid before the Senate the following resolution (H. Res. 217) from the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
May 26, 1947.

Resolved, That the House has heard with profound sorrow of the death of Hon. FRED BRADLEY, a Representative from the State of Michigan.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. FERGUSON. Mr. President, the tragic death of Representative FRED BRADLEY is a shock to the Nation and particularly to the State of Michigan which he served so faithfully. He had entered upon his fifth term in the House of Representatives and, at the time of his death, was chairman of the Committee on Merchant Marine and Fisheries. Because of the fact that he attended school in Rogers City, Mich., and had lived in Michigan for many years, he was fully cognizant of the problems of our State. He was honorable and loyal and always had the interests of the people of Michigan and of the Nation at heart. He fought to make the world a better place in which to live, and his life was an inspiration and example to all those who came in contact with him.

Congress is confronted with many very serious problems at the present time and the loss of one with Fred's ability will be keenly felt. He died in the service of his country at his post of duty.

It was my great privilege and an inspiration to know FRED BRADLEY personally, and I join with those who have reason to cherish his memory in this brief tribute to the character of a man who rendered valuable service to his district, the State, and the country as a whole.

We shall indeed be grateful that it was our privilege to serve Congress with FRED BRADLEY, a great American, and we should find courage in the fact that life does not end with death. I feel as though had he been permited to say one last word to us he would have said, with the immortal Tennyson:

Sunset and evening star
And one clear call for me!
And may there be no moaning of the bar,
When I put out to sea.

Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell
When I embark.

For tho' from out our bourne of time and place
The flood may bear me far,
I hope to see my pilot face to face
When I have crossed the bar.

The PRESIDENT pro tempore. With the indulgence of the Senate, the President pro tempore of the Senate, speaking from the chair, wishes to associate himself with what has been said by the distinguished junior Senator from Michigan regarding the death of Representative FRED BRADLEY, of Michigan. No more earnest, faithful, devoted public servant ever served the public welfare. No finer citizen, no more patriotic American ever gave himself to our congressional labors. He has dedicated 10 years of his life to his district, to his State, and to his Nation in the burdensome activities of his public work. Literally he died in the congressional harness. Michigan and America will miss him in his fine public integrity. His countless friends and his family will miss him and his great loyalties. He was a rugged character in the best tradition of stalwart citizenship. It is with deepest sorrow that we greet the sad news of his untimely passing.

Mr. FERGUSON. Mr. President, I offer a resolution and ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution submitted by the junior Senator from Michigan will be read.

The resolution (S. Res. 117) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. FRED BRADLEY, late a Representative from the State of Michigan.

Resolved, That a committee of two Senators be appointed by the President pro tempore of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDENT pro tempore. Under the second resolving clause the Chair appoints as the committee to attend the funeral of the deceased Representative the senior and junior Senators from Michigan [Mr. VANDENBERG and Mr. FERGUSON].

RECESS

Mr. FERGUSON. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was unanimously agreed to; and (at 4 o'clock and 24 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 27, 1947, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 26 (legislative day of April 21), 1947:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for promotions in the Regular Corps of the Public Health Service:

Assistant Sanitary Engineer to be Senior Assistant Sanitary Engineer, effective July 12, 1946:

Arthur H. Neill

Assistant Dental Surgeon to be temporary Senior Assistant Dental Surgeon:

Richard P. French

IN THE NAVY

The following-named officers for appointment in the United States Navy in the corps, grades, and ranks hereinafter stated.

The following-named officers to the ranks indicated in the line of the Navy:

(*Indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment)

LIEUTENANT

*Cutter, Freeman

LIEUTENANT (JUNIOR GRADE)

Davis, Edwin C.

ENSIGNS

Anderson, Richard B.	Kern, William A.
Barr, Robert M., Jr.	Matson, George L.
Berglund, Eugene N., Jr.	Murray, Harrison C.
	Natke, Ernest
Berude, John B.	Oellrich, Ernest H.
Berwanger, George E.	Owens, John D.
Bowers, Richard L.	Pearson, Jack B.
Coggins, Carl R.	Pressell, Harry W.
Cole, Floyd C.	Root, William F.
Coughlan, Robert E., Jr	Schwartz, Israel L.
	Senkow, Joseph
Dickey, Robert M.	Stone, Warren I.
*Forshee, Francis L.	Taylor, David J.
Jefferson, James E.	Timidaiski, James T.
Johnson, Paul	Trekell, William V.
Karsten, Robert H.	Williams, David, Jr.

The following-named officer to the grade and rank indicated in the Medical Corps of the Navy:

ASSISTANT SURGEON WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

Abelson, Sol M.

The following-named officers to the grade and rank indicated in the Supply Corps of the Navy:

ASSISTANT PAYMASTERS WITH THE RANK OF ENSIGN

Anderson, Allan N.	Jones, Joseph R.
Bruening, Paul M.	Kiraly, Joseph L.
Buchner, Keith "C"	Knipple, John D.
Calcagno, Peter	Kuhlman, Norman H. C.
Chupalio, Anthony F.	
Clepp, Joseph M.	McKeown, Thomas P.
Darrow, Edward E.	Murison, Richard K.
Dixon, Grover C.	Nash, William T.
Fisher, Albert B., Jr.	Peck, LaVern E.
Fox, Gilbert J.	Petro, John G.
Goldstein, Gerald H.	Selekman, Milton H.
Goodfellow, James P.	Smith, James H.
Greene, James R.	Thompson, Charles E.
Hamel, Carlton E.	Thompson, William A., Jr.
Hamill, William T., Jr.	
Hanson, Frank L.	Urban, Donald A.
Howard, Joseph E.	Whitchurch, Frank H.

The following-named officers to the grades and rank indicated in the Civil Engineer Corps:

ASSISTANT CIVIL ENGINEER WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

Mitter, Wayne S.

ASSISTANT CIVIL ENGINEER IN THE NAVY WITH THE RANK OF ENSIGN

Irwin, James D., Jr.

The following-named officers to the rank of commissioned warrant officer in the Navy in the grades indicated:

CHIEF GUNNER

Bixby, Norman W.

CHIEF TORPEDOMAN

Smith, Wilbur E.

CHIEF MACHINISTS

Early, Justin H.	Lackey, Karl C.
Gospodarich, John	Mayabb, Virgil M.
Hamilton, Robert E.	McCray, James G.
Jones, Samuel L.	Wilson, Charles M.

CHIEF CARPENTERS

Farmer, William H.
Stillwell, Louis "C"

CHIEF SHIP'S CLERK

Perry, William B.

CHIEF AEROGRAPHER

Monical, Russell W.

CHIEF PHOTOGRAPHER

Brown, Eduardo P.

CHIEF PHARMACISTS

Barrett, Howard A.	Cook, George W.
Beatson, David C.	Glines, Rankin S.
Bohannan, Ray	Shepherd, Joe W.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 26, 1947

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. HALLECK.

The SPEAKER pro tempore. The Chair lays before the House the following communication.

The Clerk read as follows:

SPEAKER'S ROOM,
May 26, 1947.

I hereby designate CHARLES A. HALLECK to act as Speaker pro tempore today.

JOSEPH W. MARTIN,
Speaker.

PRAYER

Rev. C. Dale David Doren, pastor, Grace Episcopal Church, Huron, S. Dak., offered the following prayer:

Let us pray. Almighty God, the fountain of all wisdom, whose statutes are good and gracious and whose law is truth, we beseech Thee most humbly to direct and prosper the works and labors of these Thy servants here assembled. Dispose their hearts to the safety, honor, and welfare of Thy people, that all things may be so ordered and settled by their honest endeavors upon the best and surest foundations; that peace and happiness, truth and justice, religion and piety may be established among us all for generations.

Endue with the spirit of wisdom those to whom in Thy name we entrust the authority of government.

All which we ask through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, May 23, 1947, was read and approved.

PERMISSION TO FILE REPORT

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a resolution (H. Res. 218) from the Committee on Rules making in order the bill H. R. 3601.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. ALLEN]?

There was no objection.

The resolution follows:

Resolved, That during the consideration of the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

HOUR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. ARENDS]?

There was no objection.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on May 23, 1947, present to the President, for his approval, bills of the House of the following titles:

H. R. 236. An act to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals;

H. R. 384. An act for the relief of W. H. Baker and Walter Baker;

H. R. 428. An act for the relief of Charles N. Bemis;

H. R. 444. An act for the relief of the estate of Archie S. Woods, deceased;

H. R. 602. An act to amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries;

H. R. 1494. An act for the relief of the estate of Nellie P. Dunn, deceased;

H. R. 1844. An act to authorize the Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control, and for other purposes; and

H. R. 3245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

THE LATE HONORABLE FRED BRADLEY

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Speaker, it is my sad duty today to announce to the House the sudden passing of the distinguished Representative of the Eleventh Michigan District, the Honorable FRED BRADLEY. He departed this life on Saturday last while on an official visit to the Coast Guard Academy at New London, Conn.

This colleague was first elected in 1938 and has served continuously since. Members of this House have been increasingly impressed with his alertness, with his capacity for hard, intelligent, patriotic work, with his determination to do his full duty as he saw it, and with the splendid courage with which he always met the many controversial problems which confronted him. There has been no Member of this House, during my long years here, whose service has impressed me more favorably than his. I deeply regret the passing of this friend.

Mr. Speaker, the passing of a colleague brings to each and every one of us not only grief at the severing of associations, but a somber pondering on the meaning of this enigma of human existence. The mortal sense of life would make of man little more than the grass of the fields, flourishing for a brief season and then withering away. Compared to eternity, the human span is but a twinkling. We are apt to forget that billions of individuals have come and gone; the millions who are now living will, in no great stretch of time, join the silent majority. When we stop to realize by what a narrow margin we cling to that which we call life, we wonder not that some of our colleagues have gone from us, but that more have not gone.

Every tenet of religious faith, every tenet of philosophy, every tenet of logic, every tenet of human hope bids us to be of good cheer, because our colleagues, having passed beyond our ken, are not forever blotted out, but live on and work on.

None can explain the mystery of death. We can hope. None can reason how or why our colleagues should have been called, except that that is the way of flesh. But there is vast consolation, Mr. Speaker, in the hope and the faith that our colleagues, somewhere, in some happier realm, labor on, rising ever upward in their striving to attain truth.

So, instead of grieving as our stricken colleagues depart, we can find it in our hearts to be grateful to infinite being that we were permitted to know them, to be associated with them, to work with them, and to cherish their memories as we hope those left behind when we go will cherish memories of us.

That great philosopher, that kindly gentleman, that able Justice of the Supreme Court, the late Oliver Wendell Holmes, once put into words the hope and the faith that I would voice to you here today. Said he:

> I think it not improbable that man, like the grub that prepares a chamber for the winged thing it has never seen but is to be—that man may have cosmic destinies that he does not understand. And so beyond the vision of battling races and an impoverished earth, I catch a dreaming glimpse of peace.

It seems to be, Mr. Speaker, the common fate of kings and beggars, of just and unjust, of saint and sinner, that each of us shall sometime embark upon that journey from earth to the far yonder shores of an unknown eternity.

So it has been with the colleague and my devoted friend of whom we speak today. May his soul rest in peace to the end of time.

Mr. Speaker, I yield to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, a long-distance call has been received by one of our colleagues, a member of the Michigan delegation. Congressman FRED BRADLEY, of Rogers City, Mich., left this world last Saturday on a journey from which no traveler returns.

In his desire to serve his country, which he loved devotedly, he contributed every talent he possessed. He symbolized unselfish devotion to duty and responsi-

bility as a legislator and public servant. He was an able man, dynamic and forceful.

His district, the Eleventh, Michigan, consists of 16 counties and is the largest in area in our State. It is one of the most important districts in the Nation because it includes the famous locks at Sault Ste. Marie, Mich.

He served the people of his district, with its diversified interests, with all the power at his command. If he ever erred in his zeal to advance their interests, that error was of the head and not of the heart.

He was chairman of the Committee on Merchant Marine and Fisheries. No Member of this body was better qualified to hold that most important position. He was thoroughly conversant with the subject and possessed an intelligent understanding of its problems.

He yielded all he had, even life itself, in his desire to discharge the trust reposed in him by his electorate.

He died literally standing up in line of duty with his boots on.

The people of his district have lost a true and trusted friend, our State has lost a wise and able counselor, and our Nation has lost a capable legislator and a courageous American.

May an unfaltering Christian faith sustain his widow and his family as it must sustain all of us when the shadows fall across the pathway of life.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, we are sad at heart this morning. Death has again invaded our ranks. This time Representative FRED BRADLEY, of the Eleventh Michigan District, has answered the final summons. We are again reminded that nothing is so uncertain in life as life itself.

When the House adjourned for the week end, Mr. BRADLEY was apparently in his usual health, carrying on his duties and meeting the great responsibilities, not only as a Representative of his congressional district but as chairman of the Committee on Merchant Marine and Fisheries, one of the important committees of the Congress. His sudden demise has disrupted a legislative career marked from the beginning by energy, determination, and courage. He always performed the duties at hand in an enthusiastic and capable way. With an adequate background of education and practical business experience, his views and conclusions were inevitably worth while.

Mr. BRADLEY was instinctively a salesman; that is, when he espoused a cause, he immediately became an advocate of the cause and was always on the forefront in selling his views to the Congress and to the country. His sincerity and his integrity were never questioned. He never condemned those who did not agree with him. He always recognized that in great problems of Government there is usually room for controversy, and he liked to talk things over and argue things through. In the end he accepted the judgment of the majority, in keeping with the principles of a representative democracy.

Coming from the great Northland in the great State of Michigan, he loved his district, was proud of its accomplishments, its resources, and the part that section played, and is playing, in the development of the country as a whole.

I never knew FRED BRADLEY until he came to Congress in 1939. Coming as I do from the extreme southern part of the State, I only knew him by reputation. We were all glad to have so able an exponent of our great vacation land in Congress, and he always spoke with authority based on study and personal information. In business life he was most familiar with shipping and the necessity of bringing the industrial part of our State in contact with the vital resources of his district. His particular knowledge in this line naturally qualified him for leadership on the great committee of which he was chairman at the time of his passing. Under his leadership that committee was in the dawn of a new era so far as our merchant marine, our fisheries, and the others matters over which he had jurisdiction are concerned. There was no chairman who ever took his job more seriously, and it is just too bad that his activites have been so abruptly terminated. His place will be difficult to fill at the moment. He was performing an official mission when stricken down. Indeed, it can be truthfully said that he died in the harness.

Mr. Speaker, we all liked FRED BRADLEY. One could not know him and feel otherwise. We sometimes wonder why such a young man with so much to live for should be taken away when the occasion seems so inopportune; however, it is not for us to judge. We must accept the inevitable because it must be for the best. A higher power makes these decisions. We must not mourn, but must rejoice in the fact that FRED BRADLEY lived and worked among us. Many a statute is a better law because he helped write it. Called away at a time when he apparently had most to live for, the shock is the greater. I am sure that we all join in genuine sympathy to his district and his charming wife.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. BLACKNEY].

Mr. BLACKNEY. Mr. Speaker, joy and sorrow are closely intermingled in this busy world of ours. Last week, our departed colleague, FRED BRADLEY, of Rogers City, Mich., was with us—happy and apparently in good health—daily performing his duties as a Member of the great House of Representatives, and more particularly as chairman of the Committee on Merchant Marine and Fisheries. Now, he has passed to that "undiscovered country from whose bourne no traveler returns."

Our former colleague was devoted to the service of his country, and the Eleventh District of Michigan had honored him for five consecutive terms in electing him as the United States Representative from that fine district. Fred was adequately prepared for the duties of that high office, both from the educational and business standpoint.

He was a graduate of Cornell University where he received his A. B. degree. He had served with his father in the building of a great business in which he was eminently successful. He was devoted to the people of his district. He loved constitutional government in its highest form, and his every thought was to serve his district, his State, and his Nation efficiently and well.

A fine public servant has departed with the resulting loss to his district and to his Nation. This House will miss him, and those of us who had the honor of being closely united in friendship will miss him greatly.

In this greatest of deliberative bodies, neither invective, sarcasm, nor partisanship can sever the bonds of real friendship.

With the poet we join:

> There is no friend like an old friend
> Who has shared our morning days;
> No greeting like his welcome,
> No homage like his praise.
>
> Fame is the scentless sunflower
> With gaudy crown of gold,
> But friendship is the breathing rose
> With sweets in every fold.

We all join today in sorrow over Fred's untimely death and our hearts extend our utmost sympathy to his widow and relatives in their hour of bereavement.

While Fred is gone, his memory will linger with us like the aroma of beautiful flowers as long as life lasts.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, it is unnecessary for anyone to repeat what has been said here by my colleagues from Michigan showing the value of the service rendered his district, State and Nation by our friend. There is only one note which I wish to add, and that is a personal one.

At the Republican State convention in 1938 Mr. BRADLEY introduced himself to me as a candidate for Congress from the Eleventh District, and wondered whether any of the Republicans who were in Congress would assist him. I told him I knew of one. He said he would call for me in Allegan. His home was near the northeastern end of the southern peninsula, mine in the southwest corner. He was doing his campaigning by auto and plane. I spent some 15 days in his district during that campaign.

If you will draw a line across the State, cutting off the upper third of the Lower Peninsula of Michigan, you have that section of his district. A line running east and west, cutting the northern peninsula in two, extending some four or five hundred miles east and west, taking the southern half, will give you that section of his district, the easternmost point being as far east as Toledo Ohio, while the western end is west of St. Louis, so you know something of the difficulties of campaigning in that district. Fred campaigned by plane and by auto, in fair weather and foul. We traveled from one end of the district to the other, sometimes by plane, and when forced down, then four or five hundred miles at a time by auto. Later, in a subsequent campaign, it was my privilege to be in that district for something like 10 days. It was hard, tiresome, uncomfortable work, and the days were long and the nights short.

You ask, What is the point of all this? The point is this, that during that 25 days, in the two campaigns, difficult as it was, tiresome as it was, and the weather was bad, there was never an hour when Fred was not looking first after my comfort, wanting to know and asking whether I was all right. He was not thinking of himself, of his own interests, but of the welfare of those around him. That was typical of his attitude during all the time I have known him, always thinking not of himself but of his friends and of what he could do for them. That characteristic is the thing that made him true and lasting friends. That is a quality that I think we might all keep in mind in our relationships with others. So today, putting aside this thought of the service he rendered to the country—and that was a great service—the thing that is first in my mind and heart is the way in which he always was so thoughtful of others, so solicitous of the welfare of all with whom he came in contact.

All who knew him wish him "good hunting" in the land to which he has gone.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. JONKMAN].

Mr. JONKMAN. Mr. Speaker, once again we are forcefully reminded that the sands of life run swiftly; we know not when the silver cord will be loosed, the golden bowl be broken.

Our colleague, FRED BRADLEY, was one of the four youngest members of the Michigan delegation. He was the first of that membership of 17 to answer the last summons during my service in the Congress. This thought made even more poignant the shock when on Saturday last I heard of his passing on.

Apparently robust and in the full vigor of manhood, he had well begun his work as chairman of the Committee on Merchant Marine and Fisheries. For this task he was eminently fitted—he was a natural. In it he worked for the joy of working and took to his job with a zest and zeal that was an inspiration as well as a great service to the Congress and his country. The few months in his new responsibility gave promise and were an earnest and of a long and outstanding leadership in these difficult times. But the Master of all good workmen had other plans. He took FRED BRADLEY unto Himself.

The country has lost an outstanding public servant. Michigan has lost a great citizen and we have lost a valued friend. His beloved wife, his friends, and his constituents have our deepest sympathy.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Speaker, it was with deep regret that we learned of the sudden passing of our colleague, FRED BRADLEY, of the Eleventh Michigan District. Those of us who were privileged to have his friendship will feel his loss very keenly. Fred was a keen student of public affairs and an able legislator. He was always fearless and forthright in the position he took on legislative issues and fought vigorously to uphold his convictions. His superb sense of loyalty to his country and to the people of his own congressional district helped to mitigate against his health. He worked long and assiduously to perform to the fullest extent all of his congressional duties. The chairmanship of the important Committee on Merchant Marine and Fisheries, which he assumed at the beginning of this Congress, added further to his burdens and responsibility, and I fear, contributed further to his ill health.

To Mrs. Bradley, his widow, and a very fine lady, we all extend our deepest sympathy.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, the sad and shocking news of the premature passing of our distinguished colleague, FRED BRADLEY, brings to mind the friendly warning of but a fortnight ago when I pleaded with him to reduce his burdensome schedule of official duties which visibly was sapping his energy and health.

But FRED BRADLEY was not the kind to spare himself, to shirk responsibility, or lay down in harness. He had a duty to perform even at the risk or expense of life itself.

It is perfectly understandable how great was the load which crushed his rugged, manly frame and stilled the noble heart which with the two-fold purpose beat so friendly and warm for his fellow man and propelled him ever onward in the service of his constituency.

The lamentable passing of our colleague in the prime of life should serve to caution those of us left behind that danger lies ahead, and only the Lord knows who shall next be called before His throne. Watch and pray and take care meanwhile that you do not undertake to carry, at accelerated pace, a burden too great for your frail frame. That would be the advice of our departed friend and colleague.

May God rest his weary and deserving soul as He lends strength and consolation to his devoted wife and loved ones. We who have known him hold dear the precious equity of friendship and sorrow made easier to bear by the thought that our parting is but temporary and part of God's own plan and that someday we shall all meet again in Heaven.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Texas [Mr. RAYBURN]

Mr. RAYBURN. Mr. Speaker, it was only within the last several months that I came to know FRED BRADLEY and in any wise have any friendship with him. He impressed me as one of the sturdy type. He impressed me as one who probably came from a long line of the sturdy type—I might say the fighting type of American citizen. Knowing him as I did, of course, my grief is not at all small, especially when one in the very prime and vigor of his life, when the career he had hoped for was opening before him. It is my prediction that had Mr. BRADLEY lived he would have made one of the outstanding chairmen of the committees of the present Congress.

To his family and the people of his district who I know must have been deeply personally devoted to him, I extend my deepest and most heartfelt sympathy.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON of Washington. Mr. Speaker, I was with our late colleague and friend, FRED BRADLEY, on his last congressional assignment as a member of the Board of Visitors to the United States Coast Guard Academy at New London, Conn.

He had had a busy day going over the various problems in connection with the work of the academy and was about to leave for a week's rest in his home State of Michigan when death came suddenly.

It had been my great pleasure to serve actively with FRED BRADLEY on the Merchant Marine and Fisheries Committee, of which he was chairman, for the past 7 years. FRED BRADLEY had a keen interest in everything maritime. He was a great advocate of making the American merchant marine paramount on the high seas. All of his energies and efforts were centered in that direction. It was his hope that America would maintain that supremacy in the years to come.

He had a great love for his home State, and particularly the Great Lakes region. As a member of the Merchant Marine Committee, and later as chairman, he was responsible for the focusing of attention on this great area as a vital part of our great shipping operations. His determination and persistence were responsible for legislation that was not only beneficial to his own region but to the entire Nation as well.

He performed his duties as chairman with a high degree of fairness. Never have I known the element of partisanship to enter into the deliberations and discussions of our meetings. He was always determined to do only those things which would be in the best interests of the American merchant marine.

Mr. Speaker, I personally have lost a true and valued friend. The country, and the American merchant marine in particular, have lost an able and devoted public servant.

I join with my colleagues in extending to his family my deepest sympathy.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, the House is saddened by the death of our late friend, FRED BRADLEY. Many great figures in the history of our country have come and gone as Members of this great body, and they have all left their imprint upon the legislative pages of this body and of our country. FRED BRADLEY, during his term of service in this body, served the people of his district, his State, and our country with devotion, and with seriousness. He has left his marked imprint upon the legislative pages of this great body.

We shall all miss him, those who knew him personally as well as those who knew him officially.

A serious mind, a pleasant personality, his leaving creates a gap that will be hard

to fill. His unfortunate death has made a deep impression upon all his colleagues without regard to party. We all grieve his passing.

As chairman of the great Committee on Merchant Marine and Fisheries during this session of Congress FRED BRADLEY gave evidence of the great capacity he possessed as a legislator and was giving to that committee, to the House, and to the Congress the character of leadership so necessary in these trying days.

To his widow I join with the many friends of our late colleague in expressing my sympathy.

To the people of his district and to the State of Michigan and to the Michigan delegation in the House I join with my other colleagues in expressing my deep sorrow on the passing of this fine character, this outstanding legislator.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. COFFIN].

Mr. COFFIN. Mr. Speaker, as one of the newer Members of this Congress, I join with my colleagues and especially with the Members of the Michigan delegation in paying a tribute of love and respect to the memory of our friend, FRED BRADLEY.

The sentiments expressed on the floor of this House today give evidence of the high respect and regard in which he was held by the membership generally on both sides of the House. The statements that have been made here today by the members of his committee, over which he has served with such distinction as chairman during this first session of the Eightieth Congress have been particularly impressive. FRED BRADLEY on many occasions has gone out of his way to be helpful to me as a freshman Member of this Congress. On numerous occasions when I have gone to him with a request for advice and counsel with regard to matters which were being handled by the Merchant Marine and Fisheries Committee I have been deeply impressed with his thorough and complete knowledge of every problem that was before his committee for consideration. In almost every instance he knew the answer to the question which brought me to his office. If he did not know the answer, he never would permit me to depart from his office until he had secured from others the information I was seeking. His consecration and devotion to the responsibility of his high office as chairman of this committee were both amazing and inspiring and his intelligence with reference to all matters affecting the problems of our merchant marine and fisheries was amazing to me. Although it has been my privilege to know FRED BRADLEY for only a few months, I pay to his memory today the debt of gratitude that I often tried so inadequately to express to him in our many contacts in his office. My thoughts go out particularly at this hour to the wife who even in her grief at his passing must find comfort in the loyalty of FRED BRADLEY'S devotion to the interests of his country and in the great service which he has been permitted to render in the work of this present Congress.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. YOUNGBLOOD].

Mr. YOUNGBLOOD. Mr. Speaker, I was profoundly shocked to learn of the all too untimely death of our colleague, FRED BRADLEY, of Michigan. I came to know him well and regarded him as one of the leaders in Congress. At a later and more appropriate time I will address the membership of this body in tribute to my departed friend.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, again the House is called upon to perform a melancholy task. FRED BRADLEY, whose memory we shall long cherish, had many splendid attributes, the most outstanding of which were his fearlessness and devotion to the welfare of our country. He occupied, as has been stated by previous speakers, a very important position in this organization, and he was admirably equipped for the work that lay ahead of him. Unfortunately, FRED BRADLEY took little heed of his own personal welfare and comfort. He utterly disregarded the precept of that old Chinese philosopher who said: "Relax, it is later than you think."

FRED BRADLEY gave a full measure of his strength and of his ability to his country, to his State, and to his district. I need not say that we shall all miss him. To his devoted wife we give our sympathy and words of comfort. We truly grieve with her in the great loss she has sustained.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Speaker, I was deeply shocked and grieved to learn of the sudden and untimely death of FRED BRADLEY, my friend and colleague from Michigan.

Today, first of all, we want to extend our deepest heartfelt sympathies to his good wife and companion, and to the members of his family. We join her in mourning in this hour of sorrow, and pray that God may give her courage and strength to bear her burden.

Although FRED BRADLEY was a Republican and belonged to his party organization, he was never a narrow partisan. Democrats and Republicans alike honored, respected, and loved him.

He was a leader, and an energetic, hard-working legislator who was painstaking, thorough, and dependable and took a broad national view of his responsibilities as a Member of Congress. His country's welfare came first in the discharge of his duties in Congress, and he was faithful to the trust that the people of Michigan reposed in him. He served them impartially and to the utmost of his unusual ability.

He was a good friend to all of us. This is why he enjoyed the respect and esteem of the whole Michigan delegation, regardless of party, and I know that this is the feeling of the entire membership of the House of Representatives. He was a man of great character and pleasant disposition a great American and a true Christian.

FRED BRADLEY represented the Eleventh Congressional District of Michigan. This is the northern part of the State, often referred to as God's country, the vacationers' paradise. This district borders on three of the Great Lakes—Lake Superior, Lake Michigan, and Lake Huron. This is the land of greatness—great trees, great forests, great lakes, ocean-sized vessels, great fishing, great hunting, plenty of deer, bear, and game of all kinds. Some great blizzards and great storms, too. Here you see Nature in all its splendor and glory. Here you also see Nature as rough and tough, powerful and dynamic.

FRED BRADLEY was truly a part of his district. He not only represented it; he lived it, he reflected its every mood and season. He was part of the great north country. He was truly a man from northern Michigan. A pleasant disposition, generous and kindly, soft and considerate of others; yet a man with unlimited energy, great driving power, and physical strength.

He loved to work hard. He did not know what it was to rest and take it easy. He loved ships and the great waters of northern Michigan. He loved to fish and hunt. He loved the great outdoors, his dog, the woods, the streams. He loved all of nature and its wonders. He loved his district and its people. The people loved him and elected him again and again.

In his passing we have lost a friend and a worthy and able colleague; the State of Michigan and the Nation have lost a loyal and devoted citizen and public servant. His colleagues, the Congress, his State, and his country will miss him.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, I was greatly shocked late Saturday evening to hear over the radio of the death of our good friend and colleague, FRED BRADLEY. I was shocked because at 2 o'clock in the afternoon I shook hands with him on the steps of the administration building at the United States Coast Guard Academy, in New London, Conn., and bid him a good vacation. Fred had planned that instead of returning to Washington with the Board of Visitors he would go to New York and there board a train and go to Michigan for a week's rest.

I well recall my last words to him. In a jesting mood I said: "It is very nice of you fellows"—I was referring to the members of the Board of Visitors who were not flying back with us—"to see us off and to you, Fred," and I extended my hand, "let us hope your vacation is a good one because you need it."

Fred was a man of rather gruff appearance, but within that breast of his was a heart of gold. He thought not of himself but of others. While we were of opposite political parties we were the closest friends. I mourn his answer to the last roll call.

To his wife, to his family, to the people of his district I extend my sympathy and, to you, let me say that this country is better because FRED BRADLEY has lived.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY. Mr. Speaker, as a new Member it has been my privilege to know FRED BRADLEY only a short time in comparison with many of you, but due to the fact that we have the same name, to the probability that we were distantly related, to our similarity of interests in ships and shipping, and to my membership on the committee of which he was chairman, I have been in close contact with him and have learned to appreciate his rugged virtues and his sterling honesty.

Fred and I have traveled together; we have addressed the same meetings; we have tried to solve the same problems, some of the most difficult which confront the Nation in matters pertaining to the sea.

Fred loved his country, his State, his home, his family, his friends, and his ships—whether those ships sailed the oceans of the world or the inland seas we call the Great Lakes. He met life boldly even as a stanch ship meets the waters of a turbulent ocean. He basked in the sunshine of good weather. He smiled and fought on when the going was tough.

I shall sorely miss FRED BRADLEY, the gentleman from Michigan, the friend of fishermen, of seamen, of canal workers, of wildlife conservationists, of the industrialists who make jobs possible, and of every true American.

May we who go on in life struggling against the obstacles of injustice, poverty, and oppression keep the thought of this departed friend ever green in our memories so that we may better serve America—the land which God has allotted to our safekeeping.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Speaker, after years of service, which was always too strenuous, it can now truthfully be said that FRED BRADLEY has yielded up to his country the last full measure of devotion. It has been frequently said in the last few minutes, and with great truth, that he always worked too hard; that he cared more for others; that he paid more attention to his duties to his country than he did for himself; and that I know particularly well because in the last few days I was with him a great deal of the time. He spoke in New York on Wednesday evening on matters of consequence to the merchant marine of this country. He came back and spoke again in Washington Thursday evening on the same subject. He left early Friday with the Board of Visitors for New London, Conn., and spent two strenuous days there, and it can be said that up until the very minute of his death, almost, because his death was very sudden, he was engaged in a strenuous and patriotic and selfless service to his country.

I might say of him as the chairman of his committee, which I have the privilege of being a member, that nowhere was his selflessness and his self-effacing more apparent. He was doing a grand job on that committee, and one of the reasons why he did is because he gave to all the membership duties to perform, and he effaced himself. That virtue was no more freely characterized than on this last trip that we took with him to New London. He was a grand man, an unselfish man, a distinguished chairman, and a great American, and his death leaves the House and the Nation much poorer.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Speaker, on becoming a Member of the House of Representatives, I was assigned to the Committee on Merchant Marine and Fisheries. There I met the friend whom we mourn today. Those were the trying days of the approach of war. During the war that committee had a dual service to perform with the Committee on Naval Affairs and the other great committees that handled the legislation authorizing the effort that we put forth for that great struggle. Among the membership of that committee was FRED BRADLEY. He was faithful. He was attentive. He was always present, and as the war progressed and as controversial legislation came before the committee, FRED BRADLEY was fair. FRED BRADLEY was just in the charges that arose in the consideration of the committee. He lent his effort and his strength to the then chairman of the committee, who was having a difficult time. Because of his fairness, his kindness, and his justice in his associations with the other members of the committee, I became very much attached to him. As the years went on, I had the pleasure of accompanying him on missions for the committee. There I learned to know him better; there I learned to admire him more. I can truthfully say he was a fair, square shooter and an earnest, hard worker for the welfare and the progress not only of Congress and the Nation but all those with whom he came in contact. I learned to admire him highly and to enjoy his company. I was delighted when he became chairman of the Merchant Marine Committee. As chairman, he never disappointed me. I approved his leadership. Saturday, when I heard the sad news of his passing, my wife and I both bowed our heads, because we had had jointly the pleasure of knowing him and his fine wife and being associated with them on many occasions. I shall miss Fred as you will miss him. We will miss him as the folks back home will miss him. God take care of his soul and rest his spirit.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from New York [Mr. POTTS].

Mr. POTTS. Mr. Speaker, I came to know FRED BRADLEY when I was appointed to the House Committee on Merchant Marine and Fisheries. Fred was a very stern man, a very firm man, when he needed to be, but beneath his hard outward crust there beat a very warm heart. He was always very kind with all of his friends. He was always eminently fair. There was not a witness who appeared before the committee who did not feel that he got a fair break before FRED BRADLEY.

We who are members of that committee were not particularly shocked at his passing, because we rather expected it. We knew the way he was driving himself and the fits of coughing he had which were an outward sign of his heart condition. Many of us on the committee commented that we wished Fred would take it easy, that we were afraid for his health. What we feared has come to pass. He knew that he was sick. He knew that he should not have gone to the Panama Canal with the committee, but he did. He had been there before, and there was no real occasion for his so endangering himself. He came with the Board of Visitors to the Kings Point Merchant Marine Academy just a week ago. I was on that Board. He was a pretty sick man then. He could not climb the stairs, but he did show up at the Academy.

He knew ships. His father before him had been a merchant mariner, and he carried on in a great tradition. There was nothing about ships that he did not know or could not understand. He really knew his subject.

I know it is a great loss to his wife, to his State, and to his constituents that Fred is gone. They will miss him, and we will miss him, too.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Indiana [Mr. GRANT].

Mr. GRANT of Indiana. Mr. Speaker, in times like these, when the Grim Reaper has come within our midst and has claimed the life of one of our loved ones, we do not find words to express the feelings that are in our hearts. FRED BRADLEY is gone, and in his passing the people of the Eleventh District of Michigan and the people of this country have lost a great American. To his lovely and devoted wife, Marie, we join in expressing our deepest sympathy.

FRED BRADLEY and I came to Congress at the same time. We were part of that large group which came here with the Seventy-sixth Congress. Almost from that first day there grew up between his family and mine a real and lasting friendship. I had the pleasure of visiting Fred in his home up around the Straits of Michigan and came to know something of the esteem and admiration with which those fine people looked at Fred as their Member of Congress.

In times like these it is difficult to understand the whys of all this. In fact, we cannot understand. It is for us but to believe and to hold fast to our belief in immortality and to the faith that we will see our friend Fred again in another world.

That belief that was best expressed by the poet who wrote:

Alas for him who never sees
The stars shine through his cypress trees!
Who, hopeless, lays his dead away,
Nor looks to see the breaking day
Across the mournful marbles play!
Who hath not learned, in hours of faith,
The truth to flesh and sense unknown,
That life is ever lord of death,
And love can never lose its own!

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, as was stated by the gentleman from Indiana [Mr. GRANT], who just addressed the Chamber, FRED BRADLEY came to Congress in the class of seventy-six, of which both Mr. GRANT and I were also Members.

Due to the fact that almost every Wednesday night that Congress has been in session since that time the Republican Members of the Seventy-sixth Congress have met around the dinner table and discussed matters of public business and listened to speeches on public affairs, there has grown up a very close special attachment among the members of what we call the Seventy-six Club. Among the members of that group FRED BRADLEY was very prominent and very highly respected. He was a very loyal attendant at those meetings.

Those of us who came to know him so well through these weekly occasions recognized early that FRED BRADLEY was as forthright as he was friendly. He was a man of very strong likes and dislikes. Anybody who knew FRED BRADLEY at all always knew where FRED BRADLEY stood. He disliked anything shoddy. He disliked anything un-American. He abominated communism. He disliked the chiseler and the short sport. He was always prominent in activities and in legislative matters which would eliminate cheating, bad sportsmanship, and unfairness in any form.

I think it is typical of Fred that he took time from his busy life to introduce legislation to protect homeless dogs in Washington because Fred loved dogs and dogs liked Fred, which is after all a pretty good measure of a man.

Fred was equally emphatic in his likes. He loved America and the people of America, regardless of rank, position, or power. He loved the out of doors. He loved to hear the crack of a gun in the field and he loved to listen to the zing of a fishing reel. He loved to feel the roll of a boat under his feet because he loved nature. He was in truth one of nature's noblemen.

FRED BRADLEY and his charming wife, Marie, are very special friends of Mrs. Mundt and me. We were together many times. I was at his home just last night. While his death came unexpectedly to us, I am sure it did not come unexpectedly to Fred. He had been warned about his heart condition. About a year ago he spent several weeks at naval hospital with the ailment which eventually terminated his career. He was warned to take it easy, to go slow; but typical of Fred he chose the braver and nobler course. He refused to slow down. He refused to take it easy. So Fred went out as he went on, with colors flying, and the signal in the pilot room reading, "full speed ahead."

To his wife, Marie, and the relatives, I extend my greatest sympathy. To the people of Michigan who elected him, I congratulate them on their wisdom in their choice, and commiserate with them in their misery at his passing. The Congress and the country have lost a great man and the merchant marine industry one of its greatest lifetime friends. The ancient writer, Agricola, one time said, "Death comes to all, but great achievements raise a monument which shall endure until the sun grows cold." The achievements of FRED BRADLEY in his unhappily abbreviated career will long bear living testimony to his rugged personality, his generous spirit, and his great love for America. May his spirit rest in peace.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Speaker, we have gathered today to pay tribute to a loyal friend and colleague who died suddenly at New Britain, Conn., while on tour of duty at the Marine College last Saturday, May 24.

Mrs. Gillie and I were profoundly shocked to pick up the Baltimore Sun at the home of our daughter in Baltimore Sunday and to learn of the sudden death of FRED BRADLEY. I have not yet overcome the shock as his death still seems unreal.

FRED BRADLEY and I came to the Congress 9 years ago—the Seventy-sixth Congress. I learned to know him intimately. He was a tireless worker in the House. Later, he became chairman of the Merchant Marine and Fisheries Committee, subjects on which he was so well informed. He labored long and enthusiastically to try and help its cause. Fred's father, who was the founder of the Bradley Line on the Great Lakes, gave him the knowledge and foresight for the work he was to carry on in this great committee.

Fred not only worked hard, but he played hard. He loved the great out-of-doors, was a great hunter and fisherman. I have been his guest several times at his lovely cottage on beautiful Grand Lake, Mich. As a host he was a past master, looking after your every want at all times. His guests were given every consideration during their stay.

Fred was one of the organizers and leaders of the Wednesday Evening Club, of which I am a member. It was organized by the Republican Members of the Seventy-sixth Congress, at which top-flight Government men and others spoke on important Government problems.

He was an agreeable companion, loyal and sincere in the discharge of self-assumed obligations and duties. He was a sturdy citizen of the great State of Michigan who has done much for his country and for his constituency of the Eleventh District.

Fred will be remembered for his gentle traits of character which endeared him to his many friends.

And to his lovely wife, Marie—may the precious memories you cherish of your life together and of Fred's unselfish devotion to you and to his country, sustain you now and in the days to come.

The sentiments expressed in the following poem seem to me to bespeak the thoughts that come to my mind at the passing of this fine friend and American:

THE END OF THE ROAD

Tonight we have come to the end of the road, and the way gleams white behind,
With but few dark splotches to mar its course, a few that are hard to find—
But the length of the road gleams white, my friend, for the journey was well run,
And we come to the end with a brief regret, that at last the task is done.
There was joy in seeking the distant goal, whatever the odds between,
There was faith in surmounting the higher hill, with a vision to be seen;
Thus we laughed as we battled them, one by one, for we knew we could not fail,
And we gloried in sighting a farther one, close by the end of the trail.
Here's a sigh for the vales and pleasant dales, for the streams that glided through,
Here's a sigh for the friends whom we met en route and a hope that they win out, too.
To the end of the road with a course well run, what epitaph more could say?
That we held to the faith as we journeyed through and smiled as we won our way?

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Speaker, while I had occasion to know FRED BRADLEY only casually during my first 4 years in the Congress, it was only in the early part of this term that I came to know him well, having been with him every day for 2 weeks on a Merchant Marine Committee investigation trip to the Panama Canal.

Some of us take a longer time to really know a man, but I learned in that time to know FRED BRADLEY. Some of us do not know a man until we see him "carry the ball."

As chairman of the Merchant Marine Committee charged with the supervision of the Panama Canal FRED BRADLEY recognized fully the responsibilities of his committee with respect to this most important and strategic holding of our Government with its huge financial investment, and since under the reorganization of the Congress there were many new members of the Merchant Marine Committee, Mr. BRADLEY decided that it was not only necessary for the new members of the committee to visit Panama, but also the other members of the committee who had not been there, in order that they might see first hand the immensity of the agency they were charged to supervise, but also to make an investigation as to whether or not the Canal Zone was properly and economically administered.

Changes and improvements in the Canal Zone were being proposed and FRED BRADLEY insisted that his committee visit Panama to make an investigation, not only in this regard, but from every angle. He was that way about everything. He had to be convinced.

Mr. Speaker, FRED BRADLEY was a courageous man. He was a man of high character, a patriotic American, a fearless leader, yet most considerate and tolerant toward others. He was charitable, yet exacting.

Our country has lost an able and valuable Member of the Congress, and we in the House have lost a fine colleague.

I join in extending our heartfelt sympathy and condolence to Mrs. Bradley.

As Shakespeare said:

That strain again; it had a dying fall;
Oh! it came o'er my ear like the sweet South,
That breathes upon a bank of violets,
Stealing and giving odor.

Mr. Speaker, we can well use the words of Halleck in our farewell to FRED BRADLEY:

Green be the turf above thee,
Friend of our better days;
None knew thee but to love thee
Nor named thee but to praise.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, we have lost a valuable Member, a great American, and a good friend to all of us. I have been an admirer of FRED BRADLEY for many years. He was a fraternity brother of mine. He belonged to the Delta Chi of Cornell University. I followed his career for many years while he was at Cornell. He was one of the most popular men who ever entered the university. He had a fine influence on those with whom he associated. There are literally thousands of Cornell men and women today who will mourn the death of FRED BRADLEY.

He had all the qualities of a fine sailor; he had all the bravery and the courage of a real navigator. He knew that the ship which his spirit occupied was hardly able to weather the storm of this great forum, but he carried on like a true sailor, headed into the storm and carried through to the end. Let us, his friends here mourning and bidding him goodbye, realize that as he sailed out on the high seas for another world and disappeared over the horizon, let us have faith that on the shore of that other world stand many friends waiting to welcome him to his final home.

I sympathize deeply with his wife. He had a happy domestic life.

The friends and loved ones he leaves behind can well be proud of the fine record he has made here in Congress. He has really made a great contribution to the welfare of his country.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Speaker, it was my privilege to come to the House in the same Congress with FRED BRADLEY. Throughout the years I found him to be a friend such as Marc Antony had in Caesar: He was my friend, faithful and just to me.

To give you some idea of the typical energy of FRED BRADLEY's make-up let me recall that one evening about 12 midnight Fred called me and asked me to go with him on a sojourn which would have taken us a hundred miles into Virginia to attend an international conference, because he felt that it was the duty of Members of Congress to be present at this particular gathering to look after the interests of America.

FRED BRADLEY was a great American. He was a patriotic citizen. He served his district well in Congress.

When one of our associates passes away or when someone close to us leaves us we are wont to associate the incident with the words of the bard of Avon—I think this applies particularly to our departed colleague in our sentiment and feeling toward him:

For it so falls out
That what we have we prize not to its worth
Whiles we enjoy it, but being lack'd and lost,
Why, then we rack the value; then we find
The virtue that possession would not show us
Whiles it was ours.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, the death of FRED BRADLEY hit me mighty hard. I am another of those who came here with him in the Seventy-sixth Congress. We always felt that the Spirit of '76 dominated us and were an independent crowd. Fred was certainly independent. I am another of the members of the Wednesday Night Club that Fred attended so regularly. I have been in his home, I have flown with him in his airplane. He was a great-hearted friend and I shall miss him. I know how his fine wife, Marie, is going to miss him. My heart goes out to her, and to all his family, for I shall miss him, too.

I know how the people of his district will miss him, because FRED BRADLEY put his district on the map with me as few other Congressmen have. Many of you remember the smelt festival that he gave here when he entertained the whole House one evening down in the dining room and conducted some championship contests and had the Queen of Smeltania there and made everybody realize what a great district he had.

He was a valuable man on the House floor and in committee; he was a valuable man to his country.

But what I thought about Fred most is that he exemplified this word we speak of so often—self sacrifice. He believed in sacrificing himself. He realized that time cannot be saved; it can only be spent.

Mr. Speaker, I never knew a man who drove himself as hard as FRED BRADLEY; I never knew a man who looked so stern yet was so gentle; I never knew a man who tried so to give the appearance of being hard, yet once you had any contacts with him you realized that he was soft-hearted, great-hearted, gentle and generous.

At a time like this we all think about immortality. I am thinking of Fred now. He is not dead. FRED BRADLEY was too tough to kill, he was too fine to die. He had a spirit that will never die and while he is not here now physically, he is around us spiritually, he is living and will live in our hearts and in our memories, forever. His is the kind of indomitable spirit that does not die.

Mr. WOODRUFF. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, the passing of our very dear friend and colleague, FRED BRADLEY, brings great sorrow to our hearts.

Over the past several years I learned to know him and admire him greatly. He was a cheerful, friendly fellow who delighted when any acts or deeds of his brought happiness to the rest of us.

His devotion to and love of country was something to be admired. He was earnest and sincere, and always ambitious to uphold and defend the fine ideals and traditions of our Nation.

We are all mindful of the great service he has rendered and his devotion to the best and finest things in life.

He strove mightily to attain those objectives which he thought were for the best interests of all our people. In his daily life he manifested a fine spirit of good fellowship that we all so greatly enjoyed.

His work here in the Congress was outstanding and will be long remembered.

May God give to his wife and family great comfort and consolation at this time. We pay him this last tribute and bid him this last farewell.

Mr. WOODRUFF. I yield to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Speaker, it was with profound sorrow and the keenest sense of personal loss I learned of the passing of our friend and beloved colleague from Michigan, FRED BRADLEY.

It was my good fortune to become intimately acquainted with Fred shortly after we were elected to the Seventy-sixth Congress, almost 9 years ago. During that time I not only came to admire and respect him as a fine patriotic, conscientious public servant, but will always cherish the memory of him as one of my best and truest friends.

Everyone takes pride in a man who thinks straight, says what he thinks, and votes the way he talks. Such a man was FRED BRADLEY. He fought for what he believed was right, and he believed in those basic principles of American freedom which have made this country great. He had unbounded courage to publicly state his convictions. He stood steadfast by those convictions first, last and all the time.

No one was better qualified by experience and background to be chairman of the important Merchant Marine and Fisheries Committee. With his wide business experience in shipping, his boundless energy to acquaint himself with every detail of his burdensome task, he literally worked himself to death. He died just as much for his country as if he had been killed in battle.

There are few indeed in public office who will sacrifice not only their lives but spend considerable of their own personal fortunes in serving their constituency. FRED did exactly that.

To those of us who knew Fred best, it was not his statesmanlike ability to carry out his official work far beyond the call of duty that we admired, but his kindliness, his generosity, and devotion to his family and friends.

Fred loved the Northland—its forests, lakes, and streams. He thoroughly enjoyed hunting, fishing, and other sports which it so abundantly affords. He had a kindly affection for all dumb animals and was especially devoted to his faithful dog Curly who lies buried there.

Fred is going home to the country he loved. Not only his constituency and his State, but the Nation will mourn his passing.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RANKIN. Mr. Speaker, there is little that I can add to what has already been said about the passing of our distinguished colleague, the Honorable FRED BRADLEY, of Michigan.

Along with the rest of you, I join in extending my heartfelt sympathy to his bereaved widow, one of the most elegant ladies who ever graced the Nation's Capital.

Someone has referred to the friendships that spring up between members of the different political parties in this House as the flowers that overhang the walls of party politics.

FRED BRADLEY was one of the best friends I had in this body; and I valued that friendship beyond measure.

My love and admiration for him sprang from the fact that he was a great American whose loyalty and devotion to his country rose high about the scramble for party vantage or the noisy clamor of men for place and power.

He possessed that rare quality which Vice President Garner said was so badly needed in both Houses of Congress, and that is moral courage. He had the courage to vote his convictions and to stand for what he thought was to the best interest of his country. If we had more men with the courage and patriotism of FRED BRADLEY in both Houses of Congress, and in every department of this Government, communism would not dare raise its loathsome head in our midst, and our Nation would soon be relieved of the menace of the enemies within our gates.

I cannot realize that he is gone. It seems but yesterday that I had a long conversation with him in the rear of the Chamber on the activities of the Communist menace in this country. I did not know then that he was leaving on his last voyage, or taking his final flight in his attempts to strengthen our country from within.

If I had, I would have said to him:

May those winged winds that round your pathway roar
Waft you to some favored spot, where mortals weep no more.
Or may the rolling of the mighty deep, whose billows round you play
Bear you to some sacred place, some haven far away,
Where the weary soul may find the bliss for which it sighs,
Where sorrow never lives and friendship never dies.

Mr. SPRINGER. Mr. Speaker, today we have assembled to pay our last tribute to one of our fellow workers who has passed into the great beyond—FRED BRADLEY, of Michigan.

We entered Congress at the same time, on January 3, 1939. We were first sworn in together to serve in this great lawmaking body. We became warm friends upon entering Congress, and this fine friendship has continued, without abatement, until he was called into the Great Beyond on last Saturday. Now, that friendship is but a treasured memory—which will long endure. FRED BRADLEY was a loyal friend, a kindly neighbor, and an outstanding statesman. He was fearless and he was brave—yet, with it all, he was kind and he was generous to all mankind.

Mr. Speaker, the imprint which FRED BRADLEY has left with me—which will long remain—was his tremendous and unabated loyalty to his country, to our people, and to our Constitution. In all of his activities in Congress, his sturdy loyalty to our Nation, to all of the people, and to our form of government was ever apparent. He ever asserted strength in his likes and his dislikes, and as he meditated thus he spoke. He was an archenemy of communism and of every form of un-Americanism; he firmly believed in combating every doctrine which was subversive in whole or in part, or which was in any manner inimical to a 100 percent Americanism. He loved the people of his great State of Michigan. The people were his friends and he was their friend. It was there and among them that he enjoyed the pleasantries of youth, there he attended the institutions of learning, and there, too, he met and conquered the privations and hardships which he confronted; thus, he became deep-rooted in his great affection for all of those about him. The people of his district, and of his State, quickly learned that he was a stanch and loyal friend in whom they could repose the choicest ideals of life. He never betrayed their confidence. He was sincere, and he was honorable, in all of the activities of life.

Mr. Speaker, my good friend, whose memory I will long cherish lived as he died—and he died as he lived—with the weight of the livid problems of the people before him. He was at his post of duty when the silent summons came. He was unafraid. He responded to that summons—just as he had responded to every call during life.

Thus, Mr. Speaker, the life work of FRED BRADLEY was ended. The brilliant career of our kindly friend was thus terminated.

FRED BRADLEY needs no encomium. His life and his living of it stand before us as his monument.

We can but say:

Away. We know that tears are vain,
That death nor heeds nor hears distress;
Will this unteach us to complain?
Or make one mourner weep the less?
And thou, who tellst me to forget,
Thy looks are wan, thine eyes are wet.

Mr. WELCH. Mr. Speaker, I, with every other friend of the late Honorable FRED BRADLEY, was shocked to hear of his sudden passing on Saturday last.

When Fred first came to Congress he became a member of the Committee on Merchant Marine and Fisheries. We were closely associated in the work of that committee until I assumed my present duties as chairman of the Committee on Public Lands of the House of Representatives, when it became necessary for me to surrender my membership with him on the Merchant Marine Committee.

To know Congressman BRADLEY was to have a deep affection for him. His sincerity of purpose and devotion to the American Merchant Marine were surpassed by no Member of Congress within my memory. His early training and environment based upon his family's maritime interests gave him the opportunity to early know the problems of the American merchant marine. He used this knowledge for its constructive development as both an arm of our peacetime economy and our wartime national defense. His sudden passing leaves a void at one of the most crucial periods in the history of the American merchant marine. The Nation, the State of Michigan, his congressional district, and his family have suffered a great loss.

Mr. RAMEY. Mr. Speaker, one of our Ohio colleagues, Mr. JOHN VORYS, evidently had in mind that the late Dr. Washington Gladden, author of the hymn, Oh Master Let Me Walk With Thee, was thinking of such men as our colleague, FRED BRADLEY, when he stated, "Life is to be spent, not saved."

FRED BRADLEY truly spent his life in behalf of his country and others. Again and again FRED BRADLEY had been told by those of professional skill to take it easy, to relax, and to save himself. Yes; he had been warned not to go to Panama and New London, but Fred thought not of saving himself but spent everything he had, knowing that he had the skill that would save his country and could do so more constructively in regard to the merchant marine, its activities, and our shores and lakes as well.

"He who gives his life shall find it," and today FRED BRADLEY is finding abundant life because he just gave it. Like most Members of Congress, FRED BRADLEY was a hypocrite in reverse. On the outside he pretended nothing, he gave the impression of one with a rough exterior, but the inner self of FRED BRADLEY meant, "I give all for my Lord and my country."

Most of us do not know who will be the next President and it does not matter much when all is said. None of us know the outcome of some issues about which there is so much strain, nor should we care. The only thing that should concern us is that we live like FRED BRADLEY, pretending nothing, trying to impress nobody, but giving our all.

Therefore, from the life of FRED BRADLEY and others, there is one thing we know, "There is no death." What is called death is a misnomer and in passing on, FRED BRADLEY will not enter a blind alley but a thoroughfare, and a real thoroughfare to eternal happiness which he has earned.

Mr. SHORT. Mr. Speaker, according to our modern standards, FRED BRADLEY did not live long, but he lived much. In his 49 years he lived harder and accomplished more than most men at the age of threescore years and ten.

He had not passed on life's highway the stone that marks the highest point, but being weary for a moment he lay down by the wayside and, using his burden for a pillow, fell into that dreamless sleep that kisses down his eyelids still. While in love with life and enraptured with the world, he passed to silent and pathetic dust. Yet it may be best, just in the happiest, sunniest hour of all the voyage, while eager winds are kissing every sail, to dash against the unseen rock, and in an instant hear the billows roar above a sunken ship. For whether in midsea or among the breakers on the farther shore, a wreck at last must mark the end of each and all.

FRED BRADLEY, who loved ships so well, has sailed his last voyage on this earth and has launched upon that journey from which no traveler returns. He lived intensely and he died gamely. He was a true apostle of the strenuous life. He bubbled over with energy and drove

himself hard—those around him also had to move.

If he had desired, FRED BRADLEY could have lived a life of ease and comfort, but there was nothing soft about him. He deliberately chose the hard road of unselfish service to his district, his State, and Nation. His greatest satisfaction came to him after a hard job well done. After graduating from Cornell University, he became a salesman for his father's firm, which quarried limestone in northern Michigan and engaged in shipping on the Great Lakes. He met all kinds of people in this varied industry and developed resourcefulness and strength through keen competition. He could become theoretical, but always remained practical.

Shortly after his election to the Seventy-sixth Congress in 1938, I became acquainted with Fred and during the years we have served together in Congress I came to know him well. I learned not merely to respect him but a bond of affection grew up between us. He was not always easily understood, and it required time for anyone to break through certain barriers to discover the real person he was. Because of his strong convictions there were times when he appeared hard, but beneath his bold exterior and back of his startling candor there was a big and kind heart, and an absolute and uncompromising honesty.

FRED BRADLEY was a formidable opponent and on any level and under any circumstances he was worthy of any man's steel. I never saw a more fearless individual. He possessed great physical and moral courage. There was plenty of Irish in Fred. For him an ideal or a principle was to be not only accepted intellectually but defended with his whole being.

The things about Fred we will always remember and can never forget were his human qualities. He was a true sportsman. Every type and form of athletics interested him, particularly baseball, football, and boxing—provided each sport was clean. He wanted the game to be played according to the rules and frowned upon cheating or taking undue advantage. He loved the great outdoors and enjoyed fishing, hunting, and boating as much as an adolescent youth. He loved the woods and the sea, good food, and rich fellowship.

Many of us enjoyed delightful trips with him in his boat on the Potomac. We have been the recipients of the gracious and generous hospitality of him and his dear wife in their lovely home. We shall cherish the memories of the good times we have spent in his home and ours; in his office and ours. On the trips we have taken together and in the quiet conversations we have had alone, we learned to know his big heart, his kind soul, and generous spirit. No one could ever love animals, especially dogs, as much as FRED BRADLEY did, and be mean to any human being. He loved children, and his interest in disabled veterans was genuine and touching. It afforded him much pleasure to bring the injured from Walter Reed Hospital into his own home and even to give some employment. He always seemed to be thinking of new ways to help somebody. He spent much of his salary on long-distance calls from Washington to Michigan trying to help some constituent in even a minor matter.

Because of his inherited interest in ships and his practical experience with them, he served, since coming to Congress, on the Committee on Merchant Marine and Fisheries. At the beginning of this Congress he was elevated to the chairmanship of this important and powerful committee. It was the fulfillment of a keen ambition and he devoted every ounce of his energy—which seemed to be boundless—to the job.

After visiting two of the hearings of his committee this session, I was impressed with the efficient manner in which he conducted its hearings, but was disturbed over his physical condition because anyone could plainly see that he was literally burning himself up. Only a short time ago I pleaded with him to take things more easily and to try to get some rest because we all knew, and so did he, that he spent several weeks during the last session in the naval hospital.

In addition to his arduous work in committee and on the floor of the House, he personally answered voluminous correspondence and prepared a weekly broadcast to the people of his district. The trips of inspection and investigation, coupled with innumerable interviews, finally broke his resolute will, his determined spirit, and rugged physique. His stout heart could not carry such a heavy load and last Saturday it ran down and stopped beating. Fred died as he would have chosen—at his post of duty.

Many times Fred would have me quote the following lines by John G. Neihardt:

Let me live out my years in heat of blood.
Let me die drunken with the dreamer's wine.
Let me not see this soul-house built of mud
Go toppling to the dust—a vacant shrine.

Let me go quickly like a candlelight
Snuffed out just at the heyday of its glow.
Give me high noon—and let it then be night.
Thus would I go.

And grant me, when I face the grisly thing,
One haughty cry to pierce the gray, perhaps.
Oh, let me be a tune-swept fiddle string,
That feels the master melody—and snaps.

FRED BRADLEY died "in heat of blood" and went "quickly like a candlelight snapped out just at the heyday of its glow." He had felt the "master melody" and snapped like a "tune-swept fiddle string." He would not change it.

At last FRED BRADLEY has gained rest and peace from his trying and exacting labors and has gone to his reward for having served God and country well.

Mr. BURKE. Mr. Speaker, it was not my privilege to know Congressman FRED BRADLEY until I came to Congress this last January. About the first contact I had with him was one day when he called me up and told me the subcommittees to which he had appointed me, stating that I was to be chairman of the Subcommittee on Conservation of Wildlife Resources. This was entirely unexpected but was an opportunity for which I shall always be grateful to him.

I learned to know FRED BRADLEY as a tremenously hard worker, very conscientious, and under a brusque manner, a geniality and cordiality of spirit that was delightful. I liked him very much. He thought of others more than he did for himself. He was a great chairman of the Merchant Marine and Fisheries Committee, and I regret tremendously that he could not be spared to go on and develop this work, as I know he wished to do.

I am sure the Members of the House and of the great committee of which he was chairman will miss his presence. For myself, I feel that I have lost a real new-found friend, and extend my deep sympathy to Mrs. Bradley and other members of his family.

Mr. SHAFER. Mr. Speaker, I rise to pay my humble tribute to a great leader and esteemed friend the Honorable FRED BRADLEY, of Michigan, whose sudden passing has come as a great shock to all of us.

In the death of FRED BRADLEY, Mr. Speaker, the Nation has lost an able, conscientious, and aggressive leader who never wavered in the defense of his high, patriotic principles. He was hard hitting and hard driving in carrying out his work as a Member of Congress, but he was admired and respected at all times by all who knew him.

He died as he lived, serving his people. His record in Congress should serve as an inspiration and challenge to all of us.

Mr. WOODRUFF. Mr. Speaker, I present the following resolution today adopted by the Michigan delegation:

Whereas the Michigan delegation in the United States House of Representatives has learned with profound sorrow of the untimely passing of our friend and colleague, Hon. FRED BRADLEY; and

Whereas for more than 8 years we have had the wise counsel and inspiration of our colleague, whose every moment gleamed with love of friends and every hour studded thick with jewels of loyalty and service to his State and to his Nation; and

Whereas our Maker has seen fit to call our colleague from our midst, though many milestones were left unpassed on the road of life and ere the setting sun cast its shadows to the east: Therefore be it

Resolved, That in the passing of Hon. FRED BRADLEY the State of Michigan and its Eleventh Congressional District and the Nation itself have lost a true statesman and a faithful servant, and the Michigan delegation in Congress has been deprived of the judgment and ability of a great American and an able legislator; and be it further

Resolved, That we, the Michigan congressional delegation in the Eightieth Congress, do by this means express our deep regret that his career has been brought to a close at a time when his highest ambitions and ideals were being realized; and be it further

Resolved, That, while we feel the ineffectiveness of any act of ours to in any way assuage the grief of his widow, we extend to her our deepest sympathy in this her hour of bereavement.

ROY O. WOODRUFF, EARL C. MICHENER, JESSE P. WOLCOTT, GEORGE A. DONDERO, FRED L. CRAWFORD, ALBERT J. ENGEL, CLARE E. HOFFMAN, PAUL W. SHAFER, WILLIAM W. BLACKNEY, BARTEL J. JONKMAN, JOHN B. BENNETT, HOWARD A. COFFIN, HAROLD F. YOUNGBLOOD, JOHN D. DINGELL, JOHN LESINSKI, GEORGE G. SADOWSKI.

Mr. WOODRUFF. Mr. Speaker, I offer a resolution (H. Res. 217), which is at the Clerk's desk.

The Clerk read as follows:

House Resolution 217

Resolved, That the House has heard with profound sorrow of the death of Hon. FRED BRADLEY, a Representative from the State of Michigan.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER pro tempore. The Chair appoints as members of the funeral committee Messrs. HOFFMAN, SHAFER, GRANT of Indiana, and DINGELL.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect, the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 1 o'clock and 16 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Tuesday, May 27, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

710. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other purposes; to the Committee on Armed Services.

711. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the act entitled "An act to provide additional protection for owners of patents of the United States, and for other purposes," approved June 25, 1910, as amended, so as to protect the United States in certain patent suits; to the Committee on the Judiciary.

712. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the Articles for the Government of the Navy to improve the administration of naval justice; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CURTIS: Committee on Ways and Means. H. R. 468. A bill to amend section 115 of the Internal Revenue Code in respect of distributions by personal holding companies; with an amendment (Rept. No. 454). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3309. A bill to amend the Organic Act of Puerto Rico; with an amendment (Rept. No. 455). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Washington: Committee on Post Office and Civil Service. S. 125. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to extend the benefits of such act to the official reporters of debates in the Senate and persons employed by them in connection with the performance of their duties as such reporters; without amendment (Rept. No. 456). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEARHART: Committee on Ways and Means. H. R. 1945. A bill to amend sections 2801 (e) (4), 3043 (a), and 3045 of the Internal Revenue Code; without amendment (Rept. No. 457). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEARHART: Committee on Ways and Means. H. R. 1946. A bill to amend section 2801 (e) of the Internal Revenue Code; without amendment (Rept. No. 458). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEARHART: Committee on Ways and Means. H. R. 1947. A bill to amend section 2800 (d) of the Internal Revenue Code; without amendment (Rept. No. 459). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT of Michigan: Committee on Interstate and Foreign Commerce. S. 640. An act to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan; without amendment (Rept. No. 460). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNGBLOOD: Committee on Post Office and Civil Service. H. R. 3511. A bill to extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948; without amendment (Rept. No. 461). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 218. Resolution waiving points of order against H. R. 3601, a bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 463). Referred to the House Calendar.

Mr. VORYS: Committee on Foreign Affairs. House Joint Resolution 207. Joint resolution providing for membership and participation by the United States in the International Refugee Organizatiton and authorizing an appropriation therefor; without amendment (Rept. No. 464). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 3611. A bill to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. GAMBLE:

H. R. 3612. A bill to amend the Sugar Control Extension Act of 1947 so as to terminate the authority to allocate or ration refined sugar among users for home consumption; to the Committee on Banking and Currency.

By Mr. KEAN:

H. R. 3613. A bill to amend sections 1802 (a), 1802 (b), and 3481 (a) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. KNUTSON:

H. R. 3614. A bill to provide for the establishment of the Brainerd War Dead National Memorial; to the Committee on Public Lands.

By Mr. PRICE of Florida:

H. R. 3615. A bill to amend the act of May 21, 1946, entitled "An act to provide additional compensation for postmasters and employees of the postal service"; to the Committee on Post Office and Civil Service.

By Mr. RIVERS:

H. R. 3616. A bill to provide more efficient dental care for the personnel of the United States Army; to the Committee on Armed Services.

By Mr. SIKES:

H. R. 3617. A bill to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., extending 1 mile east from Brooks Bridge on United States Highway 98 near the town of Fort Walton, Fla., and 2 miles west from said bridge; to the Committee on Armed Services.

By Mrs. DOUGLAS:

H. R. 3618. A bill to declare certain rights of citizens of the United States, and for the better assurance of the protection of such citizens and other persons within the several States from mob violence and lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. ENGEL of Michigan:

H. R. 3619. A bill relating to the sale of the Mission Point Lighthouse Reservation, Grand Traverse County, Mich.; to the Committee on Merchant Marine and Fisheries.

By Mr. MACKINNON:

H. R. 3620. A bill to provide for the admission to the United States of certain persons who served in the Polish Army, and for other purposes; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to extending pension benefits to persons who served on certain transport vessels operated by the Army during the war with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to Federal operation of air-traffic control towers; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States in relation to providing funds for a continued Federal-aid highway program; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact H. R. 881 and H. R. 1199, granting tax exemptions to those held prisoners by the Japanese; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to enact the Wagner-Ellender-Taft bill, S. 866, of the Eightieth Congress, first session; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON:

H. R. 3621. A bill for the relief of Flavia Isidora Vieira Sauer; to the Committee on the Judiciary.

By Mr. KING:

H. R. 3622. A bill for the relief of the Franco-Italian Packing Co.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

568. By Mr. BRADLEY: Petition of 163 citizens of the Eighteenth Congressional District of California, urging that communism in this country be stopped and stamped out completely; to the Committee on Un-American Activities.

569. By Mr. WELCH: Assembly Joint Resolution 37 of the California State Legislature, relative to extending pension benefits to persons who served on certain transport vessels operated by the Army during the War with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Veterans' Affairs.

570. By the SPEAKER: Petition of the Bar Association of Arkansas, petitioning consideration of their resolution with reference to request for an amendment to the Federal Employers' Liability Act; to the Committe on the Judiciary.

571. Also, petition of the membership of the Tampa Townsend Club, No. 1, Tampa, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

572. Also, petition of the membership of the Pensacola Townsend Club, No. 1, Pensacola, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

573. Also, petition of American Veterans Committee, Territory of Hawaii, petitioning consideration of their resolution with reference to restrictions imposed on American citizens of oriental birth who wish to travel from Hawaii to the mainland; to the Committee on the Judiciary.

574. Also, petition of Holy Name Society of the Sacred Heart Church, of Gary, Ind., petitioning consideration of their resolution with reference to subversive activities of foreign agents who tend to break down constitutional government; to the Committee on Foreign Affairs.

575. Also, petition of the New England Conference of the Methodist Church, petitioning consideration of their resolution with reference to reaffirming support of the provision in the Constitution of the Commonwealth of Massachusetts which forbids the use of public funds for the maintenance of private and sectarian schools; to the Committee on Education and Labor.

SENATE

TUESDAY, MAY 27, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Edward T. Wiatrak, S. J., Jesuit Missions, New York City, N. Y., offered the following prayer:

Take, O Lord, and receive all my liberty, my memory, my understanding, and my whole will. Thou hast given me all that I have and all that I possess; I restore it all to Thee and surrender it, that Thou mayest dispose of it according to Thy will. Give me only Thy love and Thy grace, and I am rich enough and desire nothing more. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 26, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3029) to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and it was signed by the President pro tempore.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"Senate Joint Resolution 15

"Joint resolution relative to memorializing Congress to enact H. R. 881 and H. R. 1199, granting tax exemptions to those held prisoners by the Japanese

"Whereas many citizens of the State of California, civilians and members of our armed forces, were taken and held in Japanese prisons and suffered untold hardships; and

"Whereas it is fitting and proper that the former prisoners of war receive the benefits granted by two bills now pending before the Congress of the United States, H. R. 881 and H. R. 1199, which bills give them certain tax benefits under section 251 of the Internal Revenue Code of the United States: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact H. R. 881 and H. R. 1199; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President, the President pro tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"Senate Joint Resolution 22

"Joint resolution relative to Federal operation of air-traffic-control towers

"Whereas the House Appropriations Committee has eliminated from the bill providing funds for the support of the Department of Commerce the item appropriating funds for the operation of the air-traffic-control towers at San Francisco and other municipal airports; and

"Whereas in the interests of public safety these air-traffic-control towers should be operated by personnel employed, instructed, and controlled by one agency, so that air traffic at all airports may have the benefit of standardized uniform control, without which national and international air commerce and the lives of air-line pilots and thousands of passengers will be placed in jeopardy; and

"Whereas, however willing municipalities or other local organizations might be to bear the expense of operating the control towers, they could by no amount of cooperation within their legal powers provide the uniformity essential to such controls, serving as they do on air commerce so extensive that only an agency national in scope can provide the centralization of control and supervision essential to safety; and

"Whereas many cities are now spending millions of dollars in modernizing airports for safety and convenience, the Federal Government should not defeat these programs by withdrawing from them the essential service of a standardized and uniform operation of air-traffic-control towers at these airports: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Congress of the United States is hereby respectfully memorialized and petitioned to appropriate moneys which will insure the continued Federal operation of air-control towers at municipal airports; and be it further

"Resolved, That the secretary of the senate is directed to transmit immediately copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, to the chairman of the House Appropriations Committee, and to each Senator and Representative from California in the Congress of the United States."

The memorial of Mrs. W. H. Rogers, of Fallbrook, Calif., remonstrating against the enactment of legislation to provide universal military training; to the Committee on Armed Services.

A petition of the members of the Safety Harbor (Fla.) Townsend Club, No. 1, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

The petition of John J. Spriggs, of Lander, Wyo., praying for the enactment of legislation to reduce the court costs on appeal in both the circuit court of appeals and the Supreme Court of the United States to the point where citizens of limited financial means can exercise the right of appeal to such courts; to the Committee on the Judiciary.

By Mr. CAPPER:

A petition signed by 75 citizens of Concordia, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. McCLELLAN:

A resolution adopted by the Bar Association of Arkansas in annual meeting at Little Rock, Ark., favoring the enactment of the bill (H. R. 1639) to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act; to the Committee on the Judiciary.

PROHIBITION AGAINST LIQUOR ADVERTISING

Mr. ROBERTSON of Virginia. Mr. President, I ask unanimous consent to present a petition signed by 42 citizens of Amherst, Va., and vicinity, praying for the enactment of Senate bill 265, to pro-

hibit the transportation of alcoholic-beverage advertising in interstate commerce. I request that the petition be appropriately referred.

The PRESIDENT pro tempore. Without objection, the petition presented by the Senator from Virginia will be received, and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

H. R. 2237. A bill to correct an error in section 342 (b) (8) of the Nationality Act of 1940, as amended; without amendment (Rept. No. 207).

By Mr. ECTON, from the Committee on Public Lands:

S. 753. A bill to authorize the Secretary of the Interior to defer the collection of certain irrigation construction charges against lands under the Flathead Indian irrigation project; without amendment (Rept. No. 206).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. LANGER, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. TOBEY, from the Committee on Banking and Currency:

Edmond M. Hanrahan, of New York, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1952. (Reappointment.)

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL EXPENDITURES RELATING TO FEDERAL PERSONNEL

Mr. BYRD. Mr. President, I ask unanimous consent to present an additional report from the Joint Committee on Reduction of Nonessential Federal Expenditures with respect to the personnel of the Federal Government in April 1947 and request that it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ADDITIONAL REPORT OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, CONGRESS OF THE UNITED STATES, PURSUANT TO SECTION 601 OF THE REVENUE ACT OF 1941, ON FEDERAL PERSONNEL, MARCH–APRIL 1947

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, APRIL 1947, AND COMPARISON WITH MARCH 1947

(All figures compiled from reports submitted by the heads of Federal establishments or their authorized representatives)

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures Federal personnel within the United States during the month of April decreased 16,834 from a total of 1,949,745 in March to 1,932,911 in April. Excluding War and Navy Departments, personnel decreased 792 from the March total of 1,216,993 to the April total of 1,216,201. The War Department within the continental United States decreased 12,809 from the March total of 412,766 to the April total of 399,957. The Navy Department within the United States decreased 3,233 from the March figure of 319,986 to the April figure of 316,753. (See table I.)

Outside the continental United States, Federal personnel decreased 11,059 from the March total of 282,398 to the April total of 271,339. The majority of these were industrial workers. (See tables II and IV.) Exclusive of War and Navy Departments, there was a decrease of 868 from the March figure of 56,486 to the April figure of 55,618.

The consolidated table, presenting data with respect to personnel inside and outside the continental United States, shows a total decrease of 27,893 from the March total of 2,232,143 to the April total of 2,204,250. Excluding War and Navy Departments' reductions of 26,233, there was a decrease of 1,660 employees in the executive branch of the Federal Government from the March figure of 1,273,479 to the April figure of 1,271,819. (See table III.)

Industrial employment during the month of April decreased 7,439 from the March total of 610,503 to the April total of 603,064. The War Department figures for employment outside the United States are unavailable for the month of April. War Department reductions inside the United States totaled 817. The term "industrial employees" as used by the committee refers to unskilled, semiskilled, skilled, and supervisory employees paid by the Federal Government, who are working on construction projects, such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees. (See table IV.)

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during April 1947, and comparison with March 1947*

Departments or agencies	March	April	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	78,116	83,121	+5,005
Commerce Department	35,343	35,181	−162
Interior Department	45,981	46,865	+884
Justice Department	24,127	24,294	+167
Labor Department	7,379	6,802	−577
Post Office Department	460,260	466,166	+5,906
State Department	8,285	8,227	−58
Treasury Department	103,004	101,490	−1,514
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	93	98	+5
Office of Scientific Research and Development	110	107	−3
Selective Service System	8,502	7,338	−1,164
POSTWAR AGENCIES			
Council of Economic Advisers	41	42	+1
Office of Government Reports	145	141	−4
Office of Housing Expediter	1,527	2,609	+1,082
Office of Temporary Controls:			
Office of War Mobilization and Reconversion	116	103	−13
Office of Price Administration	12,675	9,204	−3,471
Civilian Production Administration	3,480	723	−2,757
Philippine Alien Property Administration	2	2	
Price Decontrol Board	6	5	−1
U. S. Atomic Energy Commission	4,189	4,225	+36
War Assets Administration	48,403	46,072	−2,331
INDEPENDENT AGENCIES			
American Battle Monuments Commission	3	3	
Bureau of the Budget	610	605	−5
Civil Aeronautics Board	526	530	+4
Civil Service Commission	2,533	2,505	−28
Export-Import Bank of Washington	116	118	+2
Federal Communications Commission	1,333	1,313	−20
Federal Deposit Insurance Corporation	1,188	1,180	−8
Federal Power Commission	776	775	−1
Federal Security Agency	32,569	32,878	+309
Federal Trade Commission	591	587	−4
Federal Works Agency	24,637	24,618	−19
General Accounting Office	10,944	10,895	−49
Government Printing Office	7,973	7,932	−41
Interstate Commerce Commission	2,288	2,280	−8
Maritime Commission	11,081	10,790	−291
National Advisory Committee for Aeronautics	5,630	5,833	+203
National Archives	396	396	
National Capital Housing Authority	284	281	−3
National Capital Park and Planning Commission	18	18	
National Gallery of Art	308	306	−2
National Housing Agency	15,623	15,311	−312
National Labor Relations Board	850	837	−13
National Mediation Board	103	106	+3
Panama Canal	526	529	+3
Railroad Retirement Board	2,791	2,767	−24
Reconstruction Finance Corporation	7,964	7,782	−182
Securities and Exchange Commission	1,190	1,186	−4
Smithsonian Institution	504	509	+5
Tariff Commission	229	228	−1
Tax Court of the United States	121	123	+2
Tennessee Valley Authority	13,609	13,884	+275
Veterans' Administration	226,895	225,281	−1,614
Total, excluding War and Navy Departments	1,216,993	1,216,201	{−14,684 / +13,892
Net decrease, excluding War and Navy Departments			−792
WAR AND NAVY DEPARTMENTS			
Navy Department	319,986	316,753	−3,233
War Department	412,766	399,957	−12,809
Total, including War and Navy Departments	1,949,745	1,932,911	{−30,726 / +13,892
Net decrease, including War and Navy Departments			−16,834

TABLE II.—*Federal personnel outside continental United States employed by executive agencies during April 1947, and comparison with March 1947*

Departments or agencies	March	April	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	1,323	1,330	+7
Commerce Department	2,585	2,853	+268
Interior Department	4,435	4,605	+170
Justice Department	489	442	−47
Labor Department	103	101	−2
Post Office Department	1,417	1,427	+10
State Department	13,835	13,670	−165
Treasury Department	742	742	

TABLE II—Continued

Departments or agencies	March	April	Increase (+) or decrease (−)
EMERGENCY WAR AGENCIES			
Selective Service System	84	80	−4
POSTWAR AGENCIES			
Office of Housing Expediter	3	12	+9
Office of Temporary Controls:			
Office of Price Administration	50	32	−18
Civilian Production Administration	18	1	−17
Philippine Alien Property Administration	69	83	+14
War Assets Administration	463	468	+5
INDEPENDENT AGENCIES			
American Battle Monuments Commission	77	90	+13
Civil Aeronautics Board	12	13	+1
Civil Service Commission	5	5	
Export-Import Bank of Washington	2	1	−1
Federal Communications Commission	37	36	−1
Federal Deposit Insurance Corporation	3	3	
Federal Security Agency	827	852	+25
Federal Works Agency	329	320	−9
Maritime Commission	338	333	−5
National Housing Agency	50	48	−2
National Labor Relations Board	4	2	−2
Panama Canal	27,255	26,123	−1,132
Reconstruction Finance Corporation	96	110	+14
Smithsonian Institution	8	8	
Veterans' Administration	1,827	1,828	+1
Total, excluding War and Navy Departments	56,486	55,618	−1,405 +537
Net decrease, excluding War and Navy Departments			−868
Navy Department	[1] 52,138	[2] 53,564	+1,426
War Department	[1] 173,774	[2] 162,157	−11,617
Total, including War and Navy Departments	282,398	271,339	−13,022 +1,963
Net decrease, including War and Navy Departments			−11,059

[1] Figures as of Feb. 28, 1947.
[2] Figures as of Mar. 31, 1947.

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during April 1947, and comparison with March 1947*

Departments or agencies	March	April	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	79,439	84,451	+5,012
Commerce Department	37,928	38,034	+106
Interior Department	50,416	51,470	+1,054
Justice Department	24,616	24,736	+120
Labor Department	7,482	6,903	−579
Post Office Department	461,677	467,593	+5,916
State Department	22,120	21,897	−223
Treasury Department	103,746	102,232	−1,514
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	93	98	+5
Office of Scientific Research and Development	110	107	−3
Selective Service System	8,586	7,418	−1,168
POSTWAR AGENCIES			
Council of Economic Advisers	41	42	+1

TABLE III—Continued

Departments or agencies	March	April	Increase (+) or decrease (−)
POSTWAR AGENCIES—con.			
Office of Government Reports	145	141	−4
Office of Housing Expediter	1,530	2,621	+1,091
Office of Temporary Controls:			
Office of War Mobilization and Reconversion	116	103	−13
Office of Price Administration	12,725	9,236	−3,489
Civilian Production Administration	3,498	724	−2,774
Philippine Alien Property Administration	71	85	+14
Price Decontrol Board	6	5	−1
U. S. Atomic Energy Commission	4,189	4,225	+36
War Assets Administration	48,866	46,540	−2,326
INDEPENDENT AGENCIES			
American Battle Monuments Commission	80	93	+13
Bureau of the Budget	610	605	−5
Civil Aeronautics Board	538	543	+5
Civil Service Commission	3,538	3,510	−28
Export-Import Bank of Washington	118	119	+1
Federal Communications Commission	1,370	1,349	−21
Federal Deposit Insurance Corporation	1,191	1,183	−8
Federal Power Commission	776	775	−1
Federal Security Agency	[1] 33,396	33,730	+334
Federal Trade Commission	591	587	−4
Federal Works Agency	24,966	24,938	−28
General Accounting Office	10,944	10,895	−49
Government Printing Office	7,973	7,932	−41
Interstate Commerce Commission	2,288	2,280	−8
Maritime Commission	11,419	11,123	−296
National Advisory Committee for Aeronautics	5,630	5,833	+203
National Archives	396	396	
National Capital Housing Authority	284	281	−3
National Capital Park and Planning Commission	18	18	
National Gallery of Art	308	306	−2
National Housing Agency	15,673	15,359	−314
National Labor Relations Board	854	839	−15
National Mediation Board	103	106	+3
Panama Canal	27,781	26,652	−1,129
Railroad Retirement Board	2,791	2,767	−24
Reconstruction Finance Corporation	8,060	7,892	−168
Securities and Exchange Commission	1,190	1,186	−4
Smithsonian Institution	512	517	+5
Tariff Commission	229	228	−1
Tax Court of the United States	121	123	+2
Tennessee Valley Authority	13,609	13,884	+275
Veterans' Administration	228,722	227,109	−1,613
Total, excluding War and Navy Departments	1,273,479	1,271,819	−15,856 +14,196
Net decrease, excluding War and Navy Departments			−1,660
WAR AND MAVY DEPARTMENTS			
Navy Department	372,124	370,317	−1,807
War Department:			
Inside continental United States	412,766	399,957	−12,809
Outside continental United States	[1] 173,774	[2] 162,157	−11,617
Total, including War and Navy Departments	2,232,143	2,204,250	−42,089 +14,196
Net decrease, including War and Navy Departments			−27,893

[1] Figures as of Feb. 28, 1947.
[2] Figures as of Mar. 31, 1947.

TABLE IV.—*Industrial employees[1] of the Federal Government inside and outside the continental United States, employed by executive agencies during April 1947, and comparison with March 1947*

Departments or agencies	March	April	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Commerce Department	1,183	1,269	+86
Interior Department	5,623	6,627	+1,004
State Department	314	334	+20
Treasury Department	5,402	4,781	−621
POSTWAR AGENCIES			
U. S. Atomic Energy Commission	601	593	−8
INDEPENDENT AGENCIES			
National Housing Agency	11	11	
Panama Canal	2,492	2,292	−200
Tennessee Valley Authority	6,578	6,802	+224
Total, excluding War and Navy Departments	22,204	22,709	+1,334 −829
Net increase, excluding War and Navy Departments			+505
Navy Department	257,103	256,613	−490
War Department:			
Inside continental United States	194,115	193,298	−817
Outside continental United States	[2] 137,081	[3] 130,444	−6,637
Total, including War and Navy Departments	610,503	603,064	−8,773 +1,334
Net decrease, including War and Navy Departments			−7,439

[1] Industrial employees include unskilled, semiskilled, and skilled, and supervisory employees on construction projects; maintenance and custodial workers not included.
[2] As of Feb. 28, 1947.
[3] As of Mar. 31, 1947.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 1351. A bill to provide that bonds issued under the Armed Forces Leave Act of 1946 shall be negotiable, and for other purposes; to the Committee on Armed Services.

By Mr. WAGNER (for himself and Mr. MORSE):

S. 1352. A bill to declare certain rights of citizens of the United States, and for the better assurance of the protection of such citizens and other persons within the several States from mob violence and lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. AIKEN:

S. 1353. A bill to amend the Surplus Property Act of 1944 with reference to condemnation powers of the Administrator; to the Committee on Expenditures in the Executive Departments.

By Mr. BROOKS:

S. 1354. A bill to amend the act of June 14, 1933, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.; to the Committee on Public Works.

(Mr. COOPER introduced Senate bill 1355, to amend the Social Security Act to enable States to establish more adequate public-welfare programs, and for other purposes, which was referred to the Committee on Finance, and appears under a separate heading.)

THE PUBLIC WELFARE ACT OF 1947

Mr. COOPER. Mr. President, I ask unanimous consent to introduce for ap-

propriate reference a bill entitled "The Public Welfare Act of 1947," which would amend the Social Security Act to enable the States to establish more adequate public-welfare programs, and which embodies the principle of variable grants.

An identical bill was introduced in the House today.

The bill represents in the main the recommendations of those who have been charged with the administration of public welfare in States and local subdivisions.

At a later day I intend to make a statement in explanation of the objectives and provisions of the bill.

There being no objection, the bill (S. 1355) to amend the Social Security Act to enable States to establish more adequate public-welfare programs, and for other purposes, introduced by Mr. COOPER, was received, read twice by its title, and referred to the Committee on Finance.

REDUCTION OF INCOME TAX—AMENDMENT

Mr. HICKENLOOPER submitted an amendment intended to be proposed by him to the bill (H. R. 1) to reduce individual income-tax payments, which was ordered to lie on the table and to be printed.

NECESSITY FOR SOLVING HOUSING PROBLEM

Mr. LODGE. Mr. President, yesterday I made a statement to the press, and I desire to read it here in the Senate. It is as follows:

I desire to record my strong conviction that this Congress should not adjourn for the summer without taking effective action toward solving the housing problem.

There are today thousands of people in Massachusetts alone who lack adequate housing. There are many more in the Nation. I sincerely believe that over a long period of time this imposes a strain on human relations which is more than people should be required to bear.

For government to try to solve this problem is not extravagance. In a democratic country we simply cannot afford to have unhappy people who, through no fault of their own, are existing under conditions which are below the American standard of living, which so many of them a little while ago were fighting to protect against foreign enemies. They ask a chance to earn a home where they can raise a family. They are entitled to that chance.

We shall break faith with those who sent us here if we try to brush this problem aside and to treat it as if it did not exist. We must take prompt and effective action to provide decent housing and at a cost within the reach of those who need it.

JEFFERSON DAY ADDRESS BY HAROLD E. STASSEN

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD a Jefferson Day address delivered by Harold E. Stassen at the annual community celebration at Jefferson, Iowa, on May 21, 1947, which appears in the Appendix.]

AIR POWER IN THE NAVY—ARTICLE BY ANSEL E. TALBERT

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an article entitled "Navy Making Radical Changes by Conversion to Air Power," by Ansel E. Talbert, from the New York Herald Tribune of April 27, 1947, which appears in the Appendix.]

REORGANIZATION PLAN NO. 3, RELATING TO HOUSING—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 270)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Banking and Currency.

(For President's message, see today's proceedings of the House of Representatives on pp. 5868–5869.)

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

The PRESIDENT pro tempore. The question is on agreeing to the first amendment reported by the committee.

Mr. MILLIKIN. May we have the amendment stated, please?

Mr. O'MAHONEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Daniel
Baldwin	Hayden	O'Mahoney
Ball	Hickenlooper	Pepper
Barkley	Hill	Reed
Bricker	Hoey	Revercomb
Brooks	Holland	Robertson, Va.
Buck	Ives	Robertson, Wyo.
Bushfield	Jenner	Russell
Butler	Johnson, Colo.	Saltonstall
Byrd	Johnston, S. C.	Smith
Cain	Kem	Sparkman
Capehart	Kilgore	Stewart
Capper	Knowland	Taft
Chavez	Langer	Taylor
Connally	Lodge	Thomas, Okla.
Cooper	Lucas	Thomas, Utah
Cordon	McCarran	Thye
Donnell	McCarthy	Tobey
Downey	McClellan	Tydings
Dworshak	McFarland	Umstead
Eastland	McGrath	Vandenberg
Ecton	McMahon	Wagner
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young
Hatch	Myers	

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maine [Mr. BREWSTER] are necessarily absent, and the Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. MCKELLAR] is necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is detained on public business.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. MILLIKIN obtained the floor.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. THYE. The chairman of the Committee on Agriculture and Forestry, the Senator from Kansas [Mr. CAPPER], has requested me to ask unanimous consent that the Committee on Agriculture and Forestry, which is now meeting, may continue to be in session until 12 o'clock noon today.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. WHITE. I ask unanimous consent that a subcommittee of the Committee on the Judiciary may sit this afternoon during the session of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. O'MAHONEY. Mr. President, reserving the right to object, I should like to call attention at this point to the CONGRESSIONAL RECORD of yesterday, Monday, May 26, which is before us today. The Senator from South Carolina [Mr. JOHNSTON] just called my attention to the list of committee meetings for today, Tuesday, May 27, which appears in the CONGRESSIONAL RECORD Daily Digest for May 26. Following are the Senate committees meeting today: The Committee on Agriculture and Forestry, the subcommittee of the Committee on Appropriations considering the Interior Department appropriation bill, the Committee on Armed Services, the Committee on Banking and Currency, the Committee on Civil Service, the Committee on the District of Columbia, the Committee on Foreign Relations, a subcommittee of the Committee on Interstate and Foreign Commerce, two subcommittees of the Committee on the Judiciary, the Committee on Public Lands, the Committee on Public Works, a subcommittee of the Committee on Rules and Administration, and a subcommittee of the Special Committee To Study Problems of American Small Business.

I think that is only a partial list, because Mr. President, while nearly 30 minutes were being consumed in calling the roll, I have talked with numerous Senators, who said they should be attending committee meetings. The Senator from Georgia [Mr. GEORGE] says he should be attending a meeting of the Committee on Foreign Relations. The Senator from Wisconsin [Mr. WILEY] should also be attending the meeting of the Committee on Foreign Relations and, I think, a meeting of the Committee on the Judiciary.

Mr. WILEY. Meetings of two subcommittees of the Committee on the Judiciary.

Mr. O'MAHONEY. The Senator from Wisconsin calls attention to the fact that he should be present at the meetings of two subcommittees of the Committee on the Judiciary. The Senator from California [Mr. KNOWLAND], whom I see across the Chamber, and myself, are members of the subcommittee of the Appropriations Committee handling the Interior Department appropriation bill, and should be present at the meeting of that committee.

Again, Mr. President, I call attention to the fact that the majority, which is conducting the procedure in the Senate, must bear the responsibility for having these committee meetings going on while the Senate is in session. I think there will be no more important bill before the

Eightieth Congress than the bill to reduce taxes. It is equally true that the Committee on Foreign Relations, the Committee on Appropriations, and all the other committees are attending to very important matters.

We started out under the Reorganization Act with the theory that the Senate would meet on alternate days for the consideration of public business, and that on the other days when the Senate was not in session the committees would be in session. The purpose was to have full sessions of the Senate and full meetings of the respective committees. As a result of the procedure which is now being followed we are having full meetings of neither the committees, nor of the Senate, and the public business is certain to suffer as a result. Sometimes Members of the Senate rush to committee meetings on which they have not previously had the opportunity to be in attendance, because, forsooth, they may have been in attendance upon the sessions of the Senate, and when they come to the committee meetings they have only the faintest notion of the evidence which is being presented to the committees. At the same time Members come from committee meetings to the floor of the Senate when the time comes to vote, and they are necessarily obliged to vote without knowledge of the debate which has previously taken place. I think it is important that there should be revealed to the public the fact that under the procedure which is now being followed the majority party meets in caucus, decides what is to be done, and then blithely sheds the responsibility of listening to the debate. I think the practice of having committees meet during sessions of the Senate is utterly wrong.

Last night the majority leader asked that the Senate take a recess until 11 o'clock this morning. For what purpose? To expedite the public business, perhaps. It has taken us half an hour to get a quorum. A moment ago the Presiding Officer announced that 49 Senators having answered to their names, a quorum was present. Many of those Senators merely put their faces inside the door, caught the eye of the clerk calling the roll, and then retired to their committee meetings. But when the RECORD is printed tomorrow, the Presiding Officer will not be quoted as stating that 49 Senators are present; he will be quoted as saying that 84 or more Senators are present, because the names of many Senators, whether they are in the Chamber or in committees, will be printed as showing the presence of those Senators in response to the quorum call. I submit that that is not a program which should be followed. In order to emphasize the point, on which I know the majority leader agrees, I am forced at this time to object to the unanimous-consent request.

The PRESIDING OFFICER. Objection is heard.

Mr. WHITE. Mr. President, will the Senator from Colorado yield to me to say a brief word?

Mr. MILLIKIN. I yield.

Mr. WHITE. With the general principles announced by the Senator from Wyoming I have no controversy whatsoever. But we are facing a condition and not a theory. I do not know what the remedy is.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. WHITE. Yesterday I suggested that the Senator from Wyoming might with propriety, and possible benefit, suggest a modification of our rules which would help in time to solve the problem we confront. We are up against a mass of work which seemingly requires a duplication of presence of Members of the Senate in two different places at the same time.

Committee work is essential. I agree that the work on the floor of the Senate is of the utmost importance. As the Senator says, under the reorganization bill we undertook to hold sessions on alternate days, reserving Tuesday, Thursday, and Saturday for the committees to carry on their work. However, it was found that there was so much delay in bringing legislation to the floor of the Senate that some other course had to be adopted, at least temporarily. I do not like it any more than does the Senator from Wyoming. But we must either continue that practice or adopt an alternative and object to all such requests. If the Senator can make any suggestion which will help the situation, and which is not a scolding of the majority leader, I will welcome the suggestion.

Mr. O'MAHONEY. I would not scold the majority leader.

Mr. WHITE. I am sorry that the Senator has seen fit to select this particular occasion to object to a request of this character.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Colorado yield to me for a brief statement?

Mr. MILLIKIN. For what purpose?

Mr. JOHNSTON of South Carolina. I wish to bring to the attention of the Senate a possible way out of the situation in which we now find ourselves.

The PRESIDING OFFICER. Does the Senator from Colorado yield for that purpose?

Mr. MILLIKIN. How long will the Senator require?

Mr. JOHNSTON of South Carolina. About 2 minutes.

Mr. MILLIKIN. I am glad to yield.

Mr. JOHNSTON of South Carolina. Mr. President, I am glad this matter has been brought to the attention of the Senate. Only this morning in my committee, the Committee on Civil Service, we sat for 30 or 40 minutes and did not get a quorum because Senators were in attendance upon other committees—subcommittees as well as joint committees. Now we find difficulty obtaining a quorum in the Senate.

There is one thing we all know, and that is that we cannot have the Senate and the committees meeting at the same time and have a quorum in both places. The calendar of the Committee on the Civil Service contains 75 or 100 bills. Recently we have not been able to obtain a quorum. I do not know why, unless it is because other committees are meeting at the same time.

I suggest that the Senate not meet every day, giving one day to the committees, so that they can report bills in order that they may be placed on the Senate Calendar. They must get to the Senate Calendar if we mean to pass them. If we do not, then under the present rules, which require Senators to be present in committee when a bill is reported, a sufficient number of Senators can remain away from the committee to prevent any bill from being reported, and thereby the bill can be killed. As I see it, committees and the Senate ought not to meet at the same time.

Mr. O'MAHONEY. Mr. President, will the Senator from Colorado yield to me to make a response to the question which was asked me by the majority leader?

Mr. MILLIKIN. I yield.

Mr. O'MAHONEY. The Senator from Maine asked me what suggestion I had to solve this difficulty. The first suggestion I would make is that the majority leader should not ask the Senate to meet in regular session before noon, so that at least the mornings could be given up to the committees, with the knowledge on the part of committee members that they would not be called to the floor, or that there would not be discussed on the floor matters to which they would be required to give their attention.

My second suggestion is the one which I made 3 or 4 days ago when this question was under discussion, and that is that the Committee on Rules and Administration should recommend a rule with respect to germaneness. Under a rule of germaneness, for example, it would not be possible for me now to be discussing the rules of the Senate rather than the tax bill. I say to the Senater quite frankly that in my judgment such a rule should be adopted.

The fundamental difficulty, however, is that there has been concentrated in Washington so much of the business of the country because there has been concentrated in the hands of great industrial units so much of the economy of the country, that it is utterly impossible for us to do the business we are required to do. The system is breaking down under that burden.

Mr. WHITE. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. WHITE. I agree with the diagnosis made by the Senator from Wyoming as to our troubles. Basically our trouble is just what the Senator from Wyoming has said—a mass of work that we are physically unable to do.

I see no solution of the problem until the people of the country stop looking to Washington for guidance and comfort in their social, economic, financial, agricultural, and political life. So long as the people of the country turn to Washington day in and day out, month after month, and year after year, for the solution of all the problems of life, we shall never have a happy situation in the legislative body.

Mr. O'MAHONEY. If I may interrupt at that point, the reason why they turn to Washington for the solution of all their problems is that, because of the expanded power of our concentrated economic units, the States and the localities have lost the power to protect the public interest, and only here can it be protected.

Mr. WHITE. I agree with the statement of the Senator from Wyoming.

As a matter of fact, for the purpose of clarity and accuracy in the RECORD, let me say that I did not myself make the request yesterday for a recess until 11 o'clock today. I knew the request was to be made, but I do not assume responsibility for making it.

Mr. O'MAHONEY. I am glad to be corrected on that point.

Mr. WHITE. I do not like these 11 o'clock sessions of the Senate under all ordinary circumstances. One reason for the motion made last night was the hope that we might conclude the tax bill on either Wednesday or Thursday, and that we might then recess, or adjourn over, as the case might be, until Monday. I will say now, and give notice, that if the pending legislation is disposed of by Thursday night the motion will be made to go over until Monday. I give that notice so that all Members may be advised thereof. If the legislation is not disposed of, that is something else, and we will have to decide later with reference to it.

Mr. O'MAHONEY. Mr. President, in view of the fact that the Senator from Maine has graciously acknowledged the existence of this problem and has expressed a general agreement with the point of view which the Senator from Wyoming has expressed, and in the hope that as majority leader he will be able to induce the majority to take some action to correct the situation, I shall be agreeable and shall withdraw my objection to his request.

The PRESIDING OFFICER. Is there any further objection to the request of the Senator from Maine? The Chair hears none, and it is so ordered.

Mr. WHITE. May I express my appreciation to the Senator from Wyoming. He is always generous and always gracious.

Mr. WILEY. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. WILEY. Mr. President, I have listened with a good deal of interest and profit to the discussion, but I see nothing unusual in the situation as compared with what has obtained in the years that I have been here. I know that when men who want to work are given an opportunity to work, whether it be on the floor of the Senate or in committee, they are the workers who will do the job. That is the situation as we find it at this time.

I heard some reference made to a committee which has before it a hundred bills. My committee has nearly 600 bills. The only thing I can do is to help the committee work at committee meetings.

I now ask unanimous consent, Mr. President, that tomorrow afternoon a subcommittee of the Committee on Foreign Relations be permitted to hold a session. I do not know whether the rule applies to subcommittees, but I have been told that it might. It certainly applies to committees. So I ask unanimous consent that a subcommittee of the Committee on Foreign Relations may hold meetings to consider the matter of the St. Lawrence waterway.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. REVERCOMB. Mr. President, I ask unanimous consent that the Subcommittee on Constitutional Amendments of the Committee on the Judiciary be permitted to meet this afternoon at 2 o'clock.

The PRESIDING OFICER. Without objection, the order is made.

REDUCTION OF INDIVIDUAL INCOME TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Mr. MILLIKIN. Mr. President, may we have the first committee amendment stated?

The PRESIDING OFFICER. The first committee amendment will be stated.

The first amendment of the Committee on Finance was, on page 1, after line 4, to strike out section 2, as follows:

SEC. 2. Reduction in normal tax and surtax on individuals.

(a) Reduction in normal tax on individuals: Section 11 of the Internal Revenue Code (relating to the normal tax on individuals) is hereby amended by striking out "5 percent" and inserting in lieu thereof "24 percent", and by adding at the end of such section a new sentence to read as follows: "If aggregate of tentative normal tax and tentative surtax is not more than $279.17, see section 12 (i), and if more than $250,000, see section 12 (g)."

(b) Reduction in surtax on individuals: Section 12 (b) of the Internal Revenue Code (relating to the rate of surtax on individuals) is hereby amended by striking out "5 percent" and inserting in lieu thereof "24 percent."

(c) Tentative tax more than $250,000: Section 12 (g) of the Internal Revenue Code (relating to tax on large incomes) is hereby amended to read as follows:

"(g) Tentative tax more than $250,000: If the aggregate of the tentative normal tax under section 11 and the tentative surtax under subsection (b) of this section is more than $250,000, the combined normal tax and surtax shall not be less than such aggregate reduced by the sum of (1) 24 percent of the first $250,000 thereof plus (2) 15 percent of the amount thereof in excess of $250,000, but in no event shall the combined normal tax and surtax exceed 76½ percent of the net income of the taxpayer for the taxable year. In the application of this subsection, the combined normal tax and surtax shall be computed without regard to the credits provided in sections 31, 32, and 35."

(d) Tentative tax not more than $279.17: Section 12 of the Internal Revenue Code is hereby amended by adding at the end thereof a new subsection to read as follows:

"(i) Tentative tax not more than $279.17.—

"(1) If the aggregate of the tentative normal tax under section 11 and the tentative surtax under subsection (b) of this section is not more than $200, the combined normal tax and surtax shall not be greater than such aggregate reduced by 33⅓ percent thereof.

"(2) If the aggregate of the tentative normal tax under section 11 and the tentative surtax under subsection (b) of this section is more than $200 but not more than $279.17, the combined normal tax and surtax shall not be greater than such aggregate reduced by $67.

"(3) In the application of this subsection, the combined normal tax and surtax shall be computed without regard to the credits provided in sections 31, 32, and 35."

(e) Taxable years to which applicable: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1946. For treatment of taxable years beginning in 1946 and ending in 1947, see section 6.

And in lieu thereof to insert the following:

SEC. 2. Reduction in normal tax and surtax on individuals.

(a) Reduction in normal tax on individuals: Section 11 of the Internal Revenue Code (relating to the normal tax on individuals) is hereby amended to read as follows:

"SEC. 11. Normal tax on individuals.

"There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax determined by computing a tentative normal tax of 3 percent of the amount of the net income in excess of the credits against net income provided in section 25, and by reducing such tentative normal tax as provided in section 12 (g). For alternative tax which may be elected if adjusted gross income is less than $5,000, see Supplement T."

(b) Reduction in surtax on individuals: Section 12 (b) of the Internal Revenue Code (relating to the rate of surtax on individuals) is hereby amended by striking out "by 5 percent thereof" and inserting in lieu thereof "as provided in subsection (g) of this section."

(c) Reduction of tentative normal tax and tentative surtax: Section 12 (g) of the Internal Revenue Code is hereby amended to read as follows:

"(g) Reduction of tentative normal tax and tentative surtax.—

"(1) In the case of taxable years beginning after December 31, 1947, the combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

If the aggregate is:	The reduction shall be:
Not over $200	33⅓ percent of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $50,000.	24 percent of the aggregate.
Over $50,000 but not over $250,000.	$12,000, plus 19¼ percent of excess over $50,000.
Over $250,000	$50,500, plus 15 percent of excess over $250,000.

In no event shall the combined normal tax and surtax exceed 76½ percent of the net income of the taxpayer for the taxable year.

"(2) In the case of taxable years beginning in 1947, the combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

If the aggregate is:	The reduction shall be:
Not over $200	19¼ percent of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $50,000.	14½ percent of the aggregate.
Over $50,000 but not over $250,000.	$7,250 plus 12 percent of excess over $50,000.
Over $250,000	$31,250 plus 10 percent of excess over $250,000.

In no event shall the combined normal tax and surtax exceed 81 percent of the net income of the taxpayer for the taxable year.

"(3) Whenever it is necessary to ascertain the normal tax and the surtax separately, the surtax shall be an amount which is the same proportion of the combined normal tax and surtax as the tentative surtax is of the aggregate of the tentative normal tax and tentative surtax; and the normal tax shall be the remainder of such combined normal tax and surtax.

"(4) In the application of this subsection, the combined normal tax and surtax shall be computed without regard to the credits provided in sections 31, 32, and 35."

(d) Taxable years to which applicable: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1946. For treatment of taxable years beginning in 1946 and ending in 1947, or beginning in 1947 and ending in 1948, see section 6.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Arkansas?

Mr. MILLIKIN. I yield.

Mr. McCLELLAN. Mr. President, I want to offer an amendment to the committee amendment at this point. If the Senator from Colorado wishes to speak now, I shall, of course, withhold my amendment, but I wanted to offer it before the committee amendment is agreed to.

Mr. MILLIKIN. I believe it would be best, Mr. President, if the Senator were to offer his amendment and proceed with his own remarks on it, and perhaps I could then proceed with the other amendments in the bill and have them disposed of.

Mr. McCLELLAN. I am perfectly willing to defer my remarks until the Senator has concluded with other amendments he would like to have agreed to, but I do not want to lose the right to offer the amendment.

Mr. MILLIKIN. On further consideration I believe it would be better for the Senator to offer his amendment and make his explanation, and then the Senate can pass on to the other committee amendments.

Mr. McCLELLAN. Mr. President, I offer the amendment which I have previously submitted and which is on the desk.

The PRESIDING OFFICER. Is it an amendment to the pending amendment?

Mr. McCLELLAN. It is an amendment to the pending amendment by adding additional language at the end of line 19 on page 6.

The PRESIDING OFFICER. The Clerk will state the amendment to the committee amendment.

The CHIEF CLERK. In the committee amendment on page 6, after line 19, it is proposed to insert the following new section:

(b) Reduction in surtax on individuals and establishment of new method for computation of surtax in case of joint returns: So much of section 12 (b) of the Internal Revenue Code (relating to the rates of surtax) as precedes the table therein is hereby amended to read as follows:

"(b) Computation of surtax.—

"(1) Separate return: Except in the case of a joint return by husband and wife, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by computing a tentative surtax under the table set forth in paragraph (3) of this subsection, and by reducing such tentative surtax by 24 percent thereof.

"(2) Joint return: In the case of a joint return by husband and wife under section 51, there shall be levied, collected, and paid for each taxable year upon the aggregate surtax net income of the husband and wife a surtax determined—

"(A) by computing a tentative surtax under the table set forth in paragraph (3) of this subsection upon an amount equal to one-half of such aggregate surtax net income;

"(B) by multiplying the tentative surtax ascertained under subparagraph (A) by two; and

"(C) by reducing the amount ascertained under subparagraph (B) by 24 percent thereof.

"(3) Surtax table: The table referred to in paragraphs (1) and (2) is as follows:".

(e) Standard deduction: Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"(1) Allowance: In the case of an individual, at his election, a standard deduction as follows:

"(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400."

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. As I understand, the amendment I have just offered to the committee amendment is the pending question.

The PRESIDING OFFICER. The understanding of the Senator from Arkansas is correct. The question is on agreeing to the amendment offered by the Senator from Arkansas to the committee amendment.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the Senate proceed with the other committee amendments, without prejudice to the amendment of the Senator from Arkansas to the first committee amendment.

The PRESIDING OFFICER. Is there objection?

Mr. McCLELLAN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLIKIN. Mr. President, may the next committee amendment be stated now?

The PRESIDING OFFICER. The second committee amendment will be stated.

Mr. WHITE. Mr. President, has the first committee amendment been agreed to?

Mr. MILLIKIN. No, Mr. President; we are passing over that amendment, without prejudice to the amendment which the Senator from Arkansas has offered to it.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, in section 3, on page 7, after line 2, to strike out:

(a) In general: The tax table in section 400 of the Internal Revenue Code (relating to optional tax on individuals with adjusted gross incomes of less than $5,000) is hereby amended to read as follows:

[*"Individuals with adjusted gross incomes of less than $5,000—"*]

And in lieu thereof, to insert the following:

(a) In general: Section 400 of the Internal Revenue Code (relating to optional tax on individuals with adjusted gross incomes of less than $5,000) is hereby amended to read as follows:

"SEC. 400. Imposition of Tax.

"In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than $5,000, and who has elected to pay the tax imposed by this supplement for such year, a tax as follows:

"Taxable years beginning after 1947

The PRESIDING OFFICER. The question is on agreeing to the second committee amendment which has just been stated.

Mr. MILLIKIN. Mr. President, there is an amendment at the top of page 10 which belongs to the amendment which has just been stated.

The PRESIDING OFFICER. Does the Senator from Colorado wish to have that amendment read at this time?

Mr. MILLIKIN. It is a part of the section 3 amendment.

The PRESIDING OFFICER. The clerk will state that portion of the amendment appearing in line 3 on page 10.

The CHIEF CLERK. On page 10——

The PRESIDING OFFICER. The Chair advises the Senator from Colorado that the Parliamentarian has informed the Chair that the committee amendment to which the Senator has just referred constitutes a separate and distinct committee amendment from the one which has already been stated.

Mr. MILLIKIN. Very well.

The PRESIDING OFFICER. Does the Senator from Colorado wish to have the amendment on page 10 stated as a second or as a third committee amendment?

Mr. MILLIKIN. I should like to have action taken on the committee amendment which has been stated.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 7, after line 2, known as the second committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The CHIEF CLERK. On page 10——

The PRESIDING OFFICER. The Chair advises the Senator from Colorado that the Parliamentarian has called the attention of the Chair to the fact that the table appearing on page 9 is also a committee amendment. Is that correct?

Mr. MILLIKIN. That is correct, and I should like to have action taken on it.

The PRESIDING OFFICER. Very well.

The question is on agreeing to the committee amendment at the top of page 9, comprising the table which appears at that point.

The amendment was agreed to, as follows:

At the top of page 9, insert:

"Taxable years beginning in 1947

If adjusted gross income is—		And the number of exemptions is—				If adjusted gross income is—		And the number of exemptions is—								
At least	But less than	1	2	3	4 or more	At least	But less than	1	2	3	4	5	6	7	8	9 or more
		The tax shall be—						The tax shall be—								
$0	$550	$0	$0	$0	$0	$2,225	$2,250	$259	$164	$83	$2	$0	$0	$0	$0	$0
550	575	1	0	0	0	2,250	2,275	263	169	87	6	0	0	0	0	0
575	600	5	0	0	0	2,275	2,300	267	173	90	9	0	0	0	0	0
600	625	8	0	0	0	2,300	2,325	270	178	94	13	0	0	0	0	0
625	650	12	0	0	0	2,325	2,350	274	182	98	17	0	0	0	0	0
650	675	16	0	0	0	2,350	2,375	278	187	101	20	0	0	0	0	0
675	700	19	0	0	0	2,375	2,400	282	191	105	24	0	0	0	0	0
700	725	23	0	0	0	2,400	2,425	286	196	108	28	0	0	0	0	0
725	750	26	0	0	0	2,425	2,450	290	200	112	31	0	0	0	0	0
750	775	30	0	0	0	2,450	2,475	293	205	116	35	0	0	0	0	0
775	800	34	0	0	0	2,475	2,500	297	209	119	39	0	0	0	0	0
800	825	37	0	0	0	2,500	2,525	301	214	123	42	0	0	0	0	0
825	850	41	0	0	0	2,525	2,550	305	218	127	46	0	0	0	0	0
850	875	45	0	0	0	2,550	2,575	309	223	130	49	0	0	0	0	0
875	900	48	0	0	0	2,575	2,600	313	227	134	53	0	0	0	0	0
900	925	52	0	0	0	2,600	2,625	317	231	137	57	0	0	0	0	0
925	950	56	0	0	0	2,625	2,650	320	235	141	60	0	0	0	0	0
950	975	59	0	0	0	2,650	2,675	324	239	145	64	0	0	0	0	0
975	1,000	63	0	0	0	2,675	2,700	328	243	148	68	0	0	0	0	0
1,000	1,025	66	0	0	0	2,700	2,725	332	246	152	71	0	0	0	0	0
1,025	1,050	70	0	0	0	2,725	2,750	336	250	156	75	0	0	0	0	0
1,050	1,075	74	0	0	0	2,750	2,775	340	254	159	79	0	0	0	0	0
1,075	1,100	77	0	0	0	2,775	2,800	344	258	163	82	1	0	0	0	0
1,100	1,125	81	0	0	0	2,800	2,825	348	262	168	86	5	0	0	0	0
1,125	1,150	85	4	0	0	2,825	2,850	352	266	172	89	9	0	0	0	0
1,150	1,175	88	7	0	0	2,850	2,875	356	270	177	93	12	0	0	0	0
1,175	1,200	92	11	0	0	2,875	2,900	361	273	181	97	16	0	0	0	0
1,200	1,225	95	15	0	0	2,900	2,925	365	277	186	100	20	0	0	0	0
1,225	1,250	99	18	0	0	2,925	2,950	369	281	190	104	23	0	0	0	0
1,250	1,275	103	22	0	0	2,950	2,975	373	285	195	108	27	0	0	0	0
1,275	1,300	106	26	0	0	2,975	3,000	378	289	199	111	30	0	0	0	0
1,300	1,325	110	29	0	0	3,000	3,050	384	295	206	117	36	0	0	0	0
1,325	1,350	114	33	0	0	3,050	3,100	392	302	215	124	43	0	0	0	0
1,350	1,375	117	37	0	0	3,100	3,150	401	310	224	131	50	0	0	0	0
1,375	1,400	121	40	0	0	3,150	3,200	409	318	232	138	58	0	0	0	0
1,400	1,425	125	44	0	0	3,200	3,250	418	325	240	146	65	0	0	0	0
1,425	1,450	128	47	0	0	3,250	3,300	426	333	248	153	72	0	0	0	0
1,450	1,475	132	51	0	0	3,300	3,350	435	341	255	160	80	0	0	0	0
1,475	1,500	135	55	0	0	3,350	3,400	443	349	263	169	87	6	0	0	0
1,500	1,525	139	58	0	0	3,400	3,450	452	358	271	178	94	13	0	0	0
1,525	1,550	143	62	0	0	3,450	3,500	460	366	278	187	101	21	0	0	0
1,550	1,575	146	66	0	0	3,500	3,550	468	374	286	196	109	28	0	0	0
1,575	1,600	150	69	0	0	3,550	3,600	477	383	294	205	116	35	0	0	0
1,600	1,625	154	73	0	0	3,600	3,650	485	391	301	214	123	42	0	0	0
1,625	1,650	157	77	0	0	3,650	3,700	494	400	309	223	130	50	0	0	0
1,650	1,675	161	80	0	0	3,700	3,750	502	408	317	231	138	57	0	0	0
1,675	1,700	165	84	3	0	3,750	3,800	511	417	324	239	145	64	0	0	0
1,700	1,725	170	87	7	0	3,800	3,850	519	425	332	247	152	71	0	0	0
1,725	1,750	174	91	10	0	3,850	3,900	528	434	340	254	159	79	0	0	0
1,750	1,775	179	95	14	0	3,900	3,950	536	442	348	262	168	86	5	0	0
1,775	1,800	183	98	18	0	3,950	4,000	545	451	357	270	177	93	13	0	0
1,800	1,825	188	102	21	0	4,000	4,050	553	459	365	277	186	101	20	0	0
1,825	1,850	192	106	25	0	4,050	4,100	562	468	374	285	195	108	27	0	0
1,850	1,875	197	109	28	0	4,100	4,150	570	476	382	293	204	115	34	0	0
1,875	1,900	201	113	32	0	4,150	4,200	579	484	390	301	213	122	42	0	0
1,900	1,925	206	116	36	0	4,200	4,250	587	493	399	308	222	130	49	0	0
1,925	1,950	210	120	39	0	4,250	4,300	595	501	407	316	230	137	56	0	0
1,950	1,975	215	124	43	0	4,300	4,350	604	510	416	324	238	144	63	0	0
1,975	2,000	219	127	47	0	4,350	4,400	612	518	424	331	246	151	71	0	0
2,000	2,025	224	131	50	0	4,400	4,450	621	527	433	339	254	159	78	0	0
2,025	2,050	228	135	54	0	4,450	4,500	629	535	441	347	261	167	85	4	0
2,050	2,075	232	138	58	0	4,500	4,550	638	544	450	356	269	176	92	12	0
2,075	2,100	236	142	61	0	4,550	4,600	646	552	458	364	277	185	100	19	0
2,100	2,125	240	146	65	0	4,600	4,650	655	561	467	373	284	194	107	26	0
2,125	2,150	243	149	68	0	4,650	4,700	663	569	475	381	292	203	114	34	0
2,150	2,175	247	153	72	0	4,700	4,750	672	578	484	389	300	212	122	41	0
2,175	2,200	251	156	76	0	4,750	4,800	680	586	492	398	307	221	129	48	0
2,200	2,225	255	160	79	0	4,800	4,850	689	595	500	406	315	230	136	55	0
						4,850	4,900	697	603	509	415	323	237	143	63	0
						4,900	4,950	706	611	517	423	330	245	151	70	0
						4,950	5,000	714	620	526	432	338	253	158	77	0"

The next amendment was, on page 10, line 3, after the numerals "1947", to insert a comma and "or beginning in 1947 and ending in 1948."

The amendment was agreed to.

The PRESIDING OFFICER. Are there other amendments which the Senator from Colorado wishes to have stated?

Mr. MILLIKIN. I should like to have the committee amendments in section 4 stated.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, in section 4, page 10, line 12, after the words "by adding after", to strike out:

subparagraph (C) a new subparagraph to read as follows:

"(D) If the taxpayer has attained the age of 65—

"(i) an additional exemption of $500;

"(ii) in the case of a joint return by husband and wife under section 51, an exemption in lieu of the exemption provided in clause (i) of this subparagraph, of $500 for each spouse who has attained the age of 65, and whose gross income (computed without regard to section 22 (o)) for the taxable year is $500 or more;

"(iii) for limitation on exclusion from gross income of retirement pay, etc., see section 22 (o)."

And in lieu thereof, to insert:

subparagraph (C) the following:

"(D) an additional exemption of $500 for the taxpayer if he has attained the age of 65 on or before the last day of his taxable year;

"(E) an additional exemption of $500 for the spouse of the taxpayer if—

"(i) a joint return is made by the taxpayer and his spouse under section 51 and the spouse has attained the age of 65 on or before such last day, in which case the aggregate exemption of the spouses under subparagraph (D) and this subparagraph shall not exceed $500 with respect to each spouse who has attained the age of 65 on or before such last day; or

"(ii) a separate return is made by the taxpayer, and his spouse has attained the age of 65 on or before such last day and has no gross income for the calendar year in which the taxable year of the taxpayer begins and is not the dependent of another taxpayer."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment which has just been stated.

Mr. GEORGE. Mr. President, I should merely like to inquire here—for it may be helpful for the record to have the answer appear—what change, if any, would be required in the case of a taxpayer whose wife is not the owner of a separate estate, and who simply shows that fact in his return. In that case,

would the husband and the wife, both being 65 years of age, be entitled to the full $500 exemption for each one of them, as additional exemptions?

Mr. MILLIKIN. If they filed separate returns, they could each claim the additional $500 for being over 65 years of age.

Mr. GEORGE. But suppose they did not file separate returns; suppose the wife has no separate income whatever, and suppose the income-tax return of the husband merely shows that he is married, and states the name of his wife and her age. In that event, will the husband be required to do something more in order to receive the double exemption of $500, which this section provides?

Mr. MILLIKIN. I will say to the distinguished Senator from Georgia that if the wife has no income, the wife's exemption goes to the husband as an additional exemption, even when the husband files a separate return. If a joint return is filed, and both are over 65 years of age the additional $1,000 is allowed—$500 for each—regardless of whether the wife has any income.

Mr. GEORGE. And there would be no necessity for a separate return in that case?

Mr. MILLIKIN. There would be no necessity at all for it.

Mr. GEORGE. And that could simply be shown on the husband's return?

Mr. MILLIKIN. That is correct. If the wife has no income it could be shown on the husband's return, and if the wife has income, it could be shown on the joint return.

Mr. GEORGE. That was my understanding, but I wished to be sure of it.

Mr. MILLIKIN. That is correct.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LUCAS. Do I correctly understand from the Senator from Colorado that if the wife has no income whatever, the husband will be entitled to claim a total additional exemption of $1,000?

Mr. MILLIKIN. That is correct.

Mr. LUCAS. Does the Senator from Colorado think that is fair?

Mr. MILLIKIN. I do.

Mr. LUCAS. In other words, if a man over 65 years of age is making $10,000 a year and if his wife has no income, that man will receive a total additional exemption of $1,000, whereas a man 30 years of age who is married will receive nothing in the way of an exemption, other than what is included in the first brackets of House bill 1.

Mr. MILLIKIN. I would suggest to the distinguished Senator that the point is that this is a provision which is aimed to affect people who reach the age of 65 and who find themselves under the handicaps of that age group. If the wife of such a taxpayer does not have any income at all, that is not an advantage to the family, it is an additional handicap on the single breadwinner of the family. Hence, there is considerable justice and equity in giving him the benefit of the exemption for the wife.

Mr. LUCAS. I am not objecting to the individual over 65 years of age, now drawing an old age pension, or who is on the retirement roll, getting the exemption. I am objecting, and strenuously objecting, to the provision in the bill which permits all people over 65 years of age, regardless of their financial circumstances, to obtain a $500 exemption, and the same individual, over 65 years of age who is making $10,000 a year, let us say, getting, in addition to the $500, another $500 exemtion for his wife, in the event the wife is not working.

Mr. MILLIKIN. The Senator has raised the question whether the need test should be applied to that particular group of people. Personally, I do not believe it should be, and we have precedents for not applying it in the case of exemptions. The exemptions granted to all taxpayers are not granted or withheld on the basis of need. The richest man in the country gets the benefit of the present exemption, as well as the poorest.

Mr. LUCAS. The Senator is correct in that, but certainly the bill is discriminatory, under the Senator's own theory, because the sponsors of the bill are selecting a special class of people over 65 years of age, whether they need the exemption or not, irrespective of their financial situation in life, and granting to this particular group of people the kind of an exemption I have been discussing.

In my judgment, that theory cannot be supported under any sound principle of good taxing law. I said so in the committee; I am saying so now. I think the House provision is absolutely sound. People over 65 years of age, drawing old age pensions and those on retirement, need relief, and the exemption should be applied to them, but certainly when we open the field and spread the exemption out to every individual throughout the United States over 65 years of age, irrespective of his financial station in life, we shall pass tax legislation that is unfair and inequitable. It violates the fundamental rule that taxes should be levied based upon the ability to pay. It is the most unsound theory of tax exemption I have experienced since I have been in Congress.

Mr. MILLIKIN. I suggest to the Senator most respectfully that I regard these particular provisions in the bill as among the most worthy. In our social-security system we have made special provision for aged people, and have given them special advantages. It has been a part of our social and political philosophy, and that is what we are doing here. I think we are doing a very fine, constructive thing for people who find themselves at a point in life when they do not have the vigor to maintain with added wages the position which younger people have in the economic battles of life.

Mr. LUCAS. I agree with the Senator's argument to a point; it is sound as far as it goes. He keeps talking about those in need, and he is correct as to the person over 65 drawing an old-age pension or under the retirement fund. So far as I am concerned, such a person is entitled to the $500 exemption. What I am inveighing against as well as I know how to—and the Senator sees the point, I am sure—is that all people, regardless of their financial condition, who are over 65 years of age, get the $500 exemption, and may even get a $1,000 exemption. In other words, a Senator of the United States over 65 years of age, who is drawing a salary of $15,000 a year, can get a $1,000 exemption if he is married, while the individual who is a clerk in the Senate, with perhaps two or three children, gets no exemption at all for those children or himself. All he gets is the benefit of the reduced rate of tax. If the Senator can square that with any theory of a fair tax bill, he is welcome to do so, but I just cannot do it.

Mr. MILLIKIN. I understand the theory of the Senator, and in my opinion it would be very unjust and very unwholesome to start applying the need test in cases of that kind. Secondly, I call the Senator's attention to the unfortunate complexity of administering the need test, if such a test were ever advisable.

Mr. LUCAS. I think it most unfortunate that we do not give all taxpayers an additional $500 exemption if we are going to give it to all taxpayers who are 65 years of age. A rich man should not be entitled to such favoritism. If we are going to start that kind of an exemption, we ought to give every taxpayer equal treatment under the law. If we do not do that, those in the smaller income brackets with children are getting a bad deal at the hands of Congress. They are getting the reduced rate, but so far as exemptions are concerned, we leave them just as they are. We keep everybody on the tax roll, a total of 47,700,000, at the present time, with the exception of those over 65 years of ago, and a million and a half, perhaps, of those may be off because of this provision.

Mr. MILLIKIN. If the Senator's theory prevailed, it would require very drastic changes in our whole tax structure, for we now grant everyone a $500 base exemption, and an exemption for children, regardless of his poverty or wealth.

Mr. GEORGE. Mr. President, I think I should make a statement on the point which has been raised. I would question very much the validity of the provision under consideration, and the soundness of it, were it not for two facts which I think should be kept in mind, and considering those facts as they are, it seems to me that the provision might well be retained in the bill.

First of all, Congress itself has exempted payments under the Railroad Retirement Act, although they may amount to as much as $1,440 annually, even before the passage of the Crosser bill. Then by an executive ruling any amount paid out under the Social Security Act is exempt from the income tax. Other examples might be given.

That has created a bad situation in our law, and either we would have to go through all our laws, and give to people who are getting retirement benefits in any form some similar increased exemption, or permit an exclusion of the amounts they receive in the way of those benefits, in order to correct that inequality, or we should increase the exemption. I think the important point here is that our present exemptions are only $500 per capita. Our exemption of $500 is allowed every man, woman, and child who is a taxpayer. That is a very low per capita exemption in fact, it is

too low, and we must be moving, as soon as we are able to move, in the direction of a greater statutory exemption for all our taxpayers. When, therefore, one considers that this is simply an increase in the present exemption of $500 for people who have reached the age of 65 years, it seems to me there is some justification for it, and it can be reconciled with sound principles of taxation. I wanted to make my own position on the matter clear. Primarily, it is that sooner or later—and the sooner the better—we must increase the exemptions that are now given to all taxpayers $500 is too low and in the case of the special class where the earning power for the most part has gone, after the age of 65, we are acting now and also ironing out inequalities that exist by virtue of the exclusion from income of pensions paid under the Railroad Retirement Act, social security, and so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the Committee on Finance to subsection (a) of section 4.

The amendment was agreed to.

The next amendment was, on page 11, after line 20, to strike out:

(b) Determination of age: Section 25 (b) (2) of the Internal Revenue Code is hereby amended by adding at the end thereof a new sentence to read as follows: "For the purposes of paragraph (1) (D) the determination of the age of an individual shall be made as of the last day of the taxable year."

(c) Limitation on exclusion from gross income of retirement pay, etc.: Section 22 of the Internal Revenue Code (relating to gross income) is hereby amended by adding at the end thereof a new subsection to read as follows:

"(o) Retirement pay, etc., of individuals 65 or over: If an individual entitled to the exemption provided in section 25 (b) (1) (D) (relating to individuals who have attained the age of 65) receives during the taxable year any amount (other than a lump-sum benefit) as pension, annuity, retirement pay, old age or survivor's benefit, or similar payment, with respect to services rendered by him or another person, and the whole of such amount would, but for this subsection, be excluded from gross income, then only the excess over $500 of the aggregate of such amounts shall be excluded from gross income, despite any provisions of this title or of any other law. This subsection shall not require the inclusion of any such amount as gross income unless the gross income, computed without regard to this subsection, is $500 or more. This subsection shall not apply—

"(1) to amounts excluded from gross income under section 22 (b) (5); except that this subsection shall apply to amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country, unless such amounts are also excluded from gross income by a provision of law other than section 22 (b) (5); or

"(2) to amounts excluded from gross income under section 3 of the act entitled 'An act to safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay and insurance, and for other purposes,' approved August 12, 1935, as amended (U. S. C., 1940 ed., title 38, sec. 454a); or

"(3) to amounts excluded from gross income under section 3 of the act entitled 'An act to establish in the War Department and in the Navy Department, respectively, a roll, designated as "the Army and Navy medal of honor roll," and for other purposes,' approved April 27, 1916, as amended (U. S. C., 1940 ed., title 38, sec. 393)."

(d) Technical amendment: Section 22 (b) (5) of the Internal Revenue Code (relating to exclusion from gross income of compensation for injuries or sickness) is hereby amended by striking out "and amounts" and inserting in lieu thereof: "and (except as provided in subsection (o) in the case of individuals 65 or over) amounts."

And in lieu thereof to insert:

(b) Technical amendments—

(1) Section 58 (a) (1) of the Internal Revenue Code (relating to requirement of declaration of estimated tax) is hereby amended to read as follows:

"(1) his gross income from wages (as defined in sec. 1621) can reasonably be expected to exceed the sum of $4,500 plus $500 with respect to each exemption provided in section 25 (b); or."

(2) Section 1622 (h) (1) of the Internal Revenue Code (relating to withholding exemptions) is hereby amended by striking out subparagraphs (A) nad (B) and inserting in lieu thereof the following:

"(A) An exemption for himself, and an additional exemption for himself if he has attained the age of 65 or will attain such age before the expiration of the taxable year under chapter 1 in respect of which amounts deducted and withheld under this subchapter in the calendar year in which such day falls are allowed as a credit.

"(B) If the employee is married, any exemption to which his spouse is entitled, or would be entitled if she were an employee receiving wages, under subparagraph (A), but only if such spouse does not have in effect a withholding exemption certificate claiming such exemption."

(3) In the case of an individual entitled to an additional withholding exemption under section 1622 (h) (1) of the Internal Revenue Code by reason of the amendment made thereto by paragraph (2) of this subsection, the term "status determination date" as used in section 1622 (h) (3) (B) of such code includes also the nineteenth day after the date of the enactment of this act.

(4) Section 23 (x) of the Internal Revenue Code (relating to deduction of medical, and so forth, expenses) is hereby amended by striking out the second and third sentences thereof and inserting in lieu thereof the following: "The maximum deduction for the taxable year shall be $1,250, except that if more than one exemption is allowed under section 25 (b) for the taxable year (exclusive of an exemption under section 25 (b) (1) (D)) the maximum deduction for the taxable year shall be $2,500."

Mr. LUCAS. Mr. President, will the Senator explain subparagraph (3) of the technical amendments, found on page 15, beginning at line 3?

Mr. MILLIKIN. Paragraph (3) would require employers to give effect to additional exemptions, with respect to the first payment of wages made on or after the ninetieth day after the date of enactment of the bill, if a withholding exemption certificate is filed at least 30 days before such ninetieth day. This will allow employees approximately 60 days from the date of the enactment in which to furnish new exemption certificates, and will allow employers a minimum of 30 days to give effect to such certificates.

Mr. LUCAS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment which has been stated.

The amendment was agreed to.

The next amendment was, on page 15, line 20, before the word "Taxable", to strike out "(e)" and insert "(c)", and in line 21, after the word "applicable", to insert "with respect."

The amendment was agreed to.

The next amendment was, in section 5, on page 17, after line 4, to strike out:

(3) 14 percent of whichever of the following is the lesser:

(A) the amount by which the wages exceed the sum of—

(i) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

(ii) the sum of the amounts shown in the second and third columns in the table in subsection (b) (1); or

(B) the amount shown in the last column in the table in subsection (b) (1);

(4) 15 percent of the amount by which the wages exceed the sum of—

(A) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

(B) the sum of the amounts shown in the second, third, and last columns in the table in subsection (b) (1).

(b) (1) The table referred to in subsection (a) is as follows:

Percentage method withholding table

Pay-roll period	Amount of one withholding exemption	Maximum amount subject to 12 percent rate	Maximum amount subject to 18 percent rate	Maximum amount subject to 14 percent rate
Weekly	$11.00	$21.00	$9.00	$13.00
Biweekly	22.00	43.00	17.00	25.00
Semimonthly	23.00	46.00	19.00	28.00
Monthly	46.00	93.00	36.00	56.00
Quarterly	139.00	278.00	110.00	168.00
Semiannual	278.00	556.00	219.00	336.00
Annual	556.00	1,111.00	440.00	671.00
Daily or miscellaneous (per day of such period)	1.50	3.00	1.00	2.00

And in lieu thereof to insert:

(3) fourteen percent of the amount by which the wages exceed the sum of—

(A) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

(B) the sum of the amounts shown in the second and third columns in the table in subsection (b) (1).

(b) (1) The table referred to in subsection (a) is as follows:

Percentage method withholding table

Pay-roll period	1 Amount of one withholding exemption	2 Maximum amount subject to 12 percent rate	3 Maximum amount subject to 18 percent rate
Weekly	$11.00	$21.00	$9.00
Biweekly	22.00	43.00	17.00
Semimonthly	23.00	46.00	19.00
Monthly	46.00	93.00	36.00
Quarterly	139.00	278.00	110.00
Semiannual	278.00	555.00	219.00
Annual	556.00	1,111.00	440.00
Daily or miscellaneous (per day of such period)	1.50	3.00	1.00

The amendment was agreed to.

The next amendment was, at the top of page 20, to strike out:

If the pay-roll period with respect to an employee is weekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$11	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$11	$12	$1.40	.10	0	0	0	0	0	0	0	0	0
$12	$13	1.50	.20	0	0	0	0	0	0	0	0	0
$13	$14	1.60	.30	0	0	0	0	0	0	0	0	0
$14	$15	1.70	.50	0	0	0	0	0	0	0	0	0
$15	$16	1.90	.60	0	0	0	0	0	0	0	0	0
$16	$17	2.00	.70	0	0	0	0	0	0	0	0	0
$17	$18	2.10	.80	0	0	0	0	0	0	0	0	0
$18	$19	2.20	.90	0	0	0	0	0	0	0	0	0
$19	$20	2.30	1.10	0	0	0	0	0	0	0	0	0
$20	$21	2.50	1.20	0	0	0	0	0	0	0	0	0
$21	$22	2.60	1.30	0	0	0	0	0	0	0	0	0
$22	$23	2.80	1.40	.10	0	0	0	0	0	0	0	0
$23	$24	2.90	1.50	.30	0	0	0	0	0	0	0	0
$24	$25	3.10	1.70	.40	0	0	0	0	0	0	0	0
$25	$26	3.30	1.80	.50	0	0	0	0	0	0	0	0
$26	$27	3.50	1.90	.60	0	0	0	0	0	0	0	0
$27	$28	3.70	2.00	.70	0	0	0	0	0	0	0	0
$28	$29	3.80	2.10	.90	0	0	0	0	0	0	0	0
$29	$30	4.00	2.30	1.00	0	0	0	0	0	0	0	0
$30	$31	4.20	2.40	1.10	0	0	0	0	0	0	0	0
$31	$32	4.30	2.50	1.20	0	0	0	0	0	0	0	0
$32	$33	4.40	2.60	1.30	.10	0	0	0	0	0	0	0
$33	$34	4.60	2.80	1.50	.20	0	0	0	0	0	0	0
$34	$35	4.70	3.00	1.60	.30	0	0	0	0	0	0	0
$35	$36	4.90	3.20	1.70	.40	0	0	0	0	0	0	0
$36	$37	5.00	3.40	1.80	.50	0	0	0	0	0	0	0
$37	$38	5.10	3.50	1.90	.70	0	0	0	0	0	0	0
$38	$39	5.30	3.70	2.10	.80	0	0	0	0	0	0	0
$39	$40	5.40	3.90	2.20	.90	0	0	0	0	0	0	0
$40	$41	5.50	4.10	2.30	1.00	0	0	0	0	0	0	0
$41	$42	5.70	4.20	2.40	1.10	0	0	0	0	0	0	0
$42	$43	5.80	4.40	2.50	1.30	0	0	0	0	0	0	0
$43	$44	6.00	4.50	2.70	1.40	.10	0	0	0	0	0	0
$44	$45	6.10	4.60	2.90	1.50	.20	0	0	0	0	0	0
$45	$46	6.30	4.80	3.10	1.60	.30	0	0	0	0	0	0
$46	$47	6.40	4.90	3.20	1.70	.50	0	0	0	0	0	0
$47	$48	6.60	5.00	3.40	1.80	.60	0	0	0	0	0	0
$48	$49	6.70	5.20	3.60	2.00	.70	0	0	0	0	0	0
$49	$50	6.90	5.30	3.80	2.10	.80	0	0	0	0	0	0
$50	$51	7.00	5.40	4.00	2.20	.90	0	0	0	0	0	0
$51	$52	7.20	5.60	4.10	2.30	1.00	0	0	0	0	0	0
$52	$53	7.30	5.70	4.30	2.40	1.20	0	0	0	0	0	0
$53	$54	7.50	5.90	4.40	2.60	1.30	0	0	0	0	0	0
$54	$55	7.60	6.00	4.50	2.80	1.40	.10	0	0	0	0	0
$55	$56	7.80	6.20	4.70	2.90	1.50	.20	0	0	0	0	0
$56	$57	7.90	6.30	4.80	3.10	1.60	.40	0	0	0	0	0
$57	$58	8.10	6.50	4.90	3.30	1.80	.50	0	0	0	0	0
$58	$59	8.20	6.60	5.10	3.50	1.90	.60	0	0	0	0	0
$59	$60	8.40	6.80	5.20	3.70	2.00	.70	0	0	0	0	0
$60	$62	8.60	7.00	5.40	3.90	2.20	.90	0	0	0	0	0
$62	$64	8.90	7.30	5.70	4.20	2.40	1.10	0	0	0	0	0
$64	$66	9.20	7.60	6.00	4.50	2.70	1.40	.10	0	0	0	0
$66	$68	9.50	7.90	6.30	4.80	3.10	1.60	.30	0	0	0	0
$68	$70	9.80	8.20	6.60	5.10	3.40	1.90	.60	0	0	0	0
$70	$72	10.10	8.50	6.90	5.30	3.80	2.10	.80	0	0	0	0
$72	$74	10.40	8.80	7.20	5.60	4.10	2.30	1.10	0	0	0	0
$74	$76	10.70	9.10	7.50	5.90	4.40	2.60	1.30	0	0	0	0
$76	$78	11.00	9.40	7.80	6.20	4.70	3.00	1.50	.30	0	0	0
$78	$80	11.30	9.70	8.10	6.50	5.00	3.30	1.80	.50	0	0	0
$80	$82	11.60	10.00	8.40	6.80	5.20	3.70	2.00	.70	0	0	0
$82	$84	11.90	10.30	8.70	7.10	5.50	4.00	2.30	1.00	0	0	0
$84	$86	12.20	10.60	9.00	7.40	5.80	4.30	2.50	1.20	0	0	0
$86	$88	12.50	10.90	9.30	7.70	6.10	4.60	2.80	1.50	.20	0	0
$88	$90	12.80	11.20	9.60	8.00	6.40	4.90	3.20	1.70	.40	0	0
$90	$92	13.10	11.50	9.90	8.30	6.70	5.10	3.60	1.90	.70	0	0
$92	$94	13.40	11.80	10.20	8.60	7.00	5.40	3.90	2.20	.90	0	0
$94	$96	13.70	12.10	10.50	8.90	7.30	5.70	4.20	2.40	1.10	0	0
$96	$98	14.00	12.40	10.80	9.20	7.60	6.00	4.50	2.70	1.40	.10	0
$98	$100	14.30	12.70	11.10	9.50	7.90	6.30	4.80	3.10	1.60	.30	0
$100	$105	14.80	13.20	11.60	10.00	8.40	6.80	5.30	3.70	2.00	.80	0
$105	$110	15.60	14.00	12.40	10.80	9.20	7.50	5.90	4.50	2.70	1.40	.10
$110	$115	16.30	14.70	13.10	11.50	9.90	8.30	6.70	5.20	3.60	2.00	.70
$115	$120	17.10	15.50	13.90	12.20	10.70	9.10	7.40	5.80	4.40	2.60	1.30
$120	$125	17.80	16.20	14.60	13.00	11.40	9.80	8.20	6.60	5.10	3.50	1.90
$125	$130	18.60	17.00	15.40	13.80	12.20	10.60	9.00	7.30	5.70	4.30	2.50
$130	$135	19.20	17.70	16.10	14.50	12.90	11.30	9.70	8.10	6.50	5.00	3.30
$135	$140	20.10	18.50	16.90	15.30	13.70	12.10	10.50	8.80	7.20	5.70	4.20
$140	$145	20.90	19.30	17.60	16.00	14.40	12.80	11.20	9.60	8.00	6.40	4.90
$145	$150	21.60	20.00	18.40	16.80	15.20	13.60	12.00	10.40	8.70	7.10	5.60
$150	$160	22.70	21.10	19.50	17.90	16.30	14.70	13.10	11.50	9.90	8.30	6.70
$160	$170	24.20	22.60	21.00	19.40	17.80	16.20	14.60	13.00	11.40	9.80	8.20
$170	$180	25.70	24.10	22.50	20.90	19.30	17.70	16.10	14.50	12.90	11.30	9.70
$180	$190	27.30	25.60	24.00	22.40	20.80	19.20	17.60	16.00	14.40	12.80	11.20
$190	$200	28.80	27.10	25.50	23.90	22.30	20.70	19.10	17.50	15.90	14.30	12.70
		15 percent of the excess over $200 plus										
$200 and over		29.50	27.90	26.30	24.70	23.10	21.50	19.90	18.30	16.60	15.00	13.40

If the pay-roll period with respect to an employee is biweekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$20	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$20	$22	$2.50	0	0	0	0	0	0	0	0	0	0
$22	$24	2.80	.20	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.40	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.70	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.90	0	0	0	0	0	0	0	0	0
$30	$32	3.70	1.20	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.40	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.60	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.90	0	0	0	0	0	0	0	0	0
$38	$40	4.70	2.10	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.40	0	0	0	0	0	0	0	0	0
$42	$44	5.20	2.60	0	0	0	0	0	0	0	0	0
$44	$46	5.50	2.80	.30	0	0	0	0	0	0	0	0
$46	$48	5.90	3.10	.50	0	0	0	0	0	0	0	0
$48	$50	6.20	3.30	.70	0	0	0	0	0	0	0	0
$50	$52	6.60	3.50	1.00	0	0	0	0	0	0	0	0
$52	$54	7.00	3.80	1.20	0	0	0	0	0	0	0	0
$54	$56	7.30	4.00	1.50	0	0	0	0	0	0	0	0
$56	$58	7.70	4.30	1.70	0	0	0	0	0	0	0	0
$58	$60	8.00	4.50	1.90	0	0	0	0	0	0	0	0
$60	$62	8.30	4.70	2.20	0	0	0	0	0	0	0	0
$62	$64	8.60	5.00	2.40	0	0	0	0	0	0	0	0
$64	$66	8.90	5.30	2.70	.10	0	0	0	0	0	0	0
$66	$68	9.20	5.60	2.90	.30	0	0	0	0	0	0	0
$68	$70	9.40	6.00	3.10	.60	0	0	0	0	0	0	0
$70	$72	9.70	6.40	3.40	.80	0	0	0	0	0	0	0
$72	$74	10.00	6.70	3.60	1.10	0	0	0	0	0	0	0
$74	$76	10.30	7.10	3.90	1.30	0	0	0	0	0	0	0
$76	$78	10.50	7.40	4.10	1.50	0	0	0	0	0	0	0
$78	$80	10.80	7.80	4.30	1.80	0	0	0	0	0	0	0
$80	$82	11.10	8.20	4.60	2.00	0	0	0	0	0	0	0
$82	$84	11.40	8.40	4.80	2.30	0	0	0	0	0	0	0
$84	$86	11.60	8.70	5.10	2.50	0	0	0	0	0	0	0
$86	$88	11.90	9.00	5.40	2.70	.20	0	0	0	0	0	0
$88	$90	12.20	9.30	5.80	3.00	.40	0	0	0	0	0	0
$90	$92	12.50	9.50	6.10	3.20	.70	0	0	0	0	0	0
$92	$94	12.80	9.80	6.50	3.50	.90	0	0	0	0	0	0
$94	$96	13.10	10.10	6.80	3.70	1.10	0	0	0	0	0	0
$96	$98	13.40	10.30	7.20	3.90	1.40	0	0	0	0	0	0
$98	$100	13.70	10.60	7.60	4.20	1.60	0	0	0	0	0	0
$100	$102	14.00	10.90	7.90	4.40	1.90	0	0	0	0	0	0
$102	$104	14.30	11.20	8.20	4.70	2.10	0	0	0	0	0	0
$104	$106	14.60	11.40	8.50	4.90	2.30	0	0	0	0	0	0
$106	$108	14.90	11.70	8.80	5.10	2.60	0	0	0	0	0	0
$108	$110	15.20	12.00	9.10	5.50	2.80	.30	0	0	0	0	0
$110	$112	15.50	12.30	9.30	5.90	3.10	.50	0	0	0	0	0
$112	$114	15.80	12.60	9.60	6.20	3.30	.70	0	0	0	0	0
$114	$116	16.10	12.90	9.90	6.60	3.50	1.00	0	0	0	0	0
$116	$118	16.40	13.20	10.20	6.90	3.80	1.20	0	0	0	0	0
$118	$120	16.70	13.50	10.40	7.30	4.00	1.50	0	0	0	0	0
$120	$124	17.20	14.00	10.80	7.80	4.40	1.80	0	0	0	0	0
$124	$128	17.80	14.60	11.40	8.50	4.90	2.30	0	0	0	0	0
$128	$132	18.40	15.20	12.00	9.00	5.40	2.80	.20	0	0	0	0
$132	$136	19.00	15.80	12.60	9.60	6.20	3.30	.70	0	0	0	0
$136	$140	19.60	16.40	13.20	10.10	6.90	3.70	1.20	0	0	0	0
$140	$144	20.20	17.00	13.80	10.70	7.60	4.20	1.70	0	0	0	0
$144	$148	20.80	17.60	14.40	11.20	8.30	4.70	2.10	0	0	0	0
$148	$152	21.40	18.20	15.00	11.80	8.80	5.20	2.60	.10	0	0	0
$152	$156	22.00	18.80	15.60	12.40	9.40	5.90	3.10	.50	0	0	0
$156	$160	22.60	19.40	16.20	13.00	9.90	6.60	3.60	1.00	0	0	0
$160	$164	23.20	20.00	16.80	13.60	10.50	7.40	4.00	1.50	0	0	0
$164	$168	23.80	20.60	17.40	14.20	11.00	8.10	4.50	2.00	0	0	0
$168	$172	24.40	21.20	18.00	14.80	11.60	8.60	5.00	2.40	0	0	0
$172	$176	25.00	21.80	18.60	15.40	12.20	9.20	5.70	2.90	.40	0	0
$176	$180	25.60	22.40	19.20	16.00	12.80	9.70	6.40	3.40	.80	0	0
$180	$184	26.20	23.00	19.80	16.60	13.40	10.30	7.10	3.90	1.30	0	0
$184	$188	26.80	23.60	20.40	17.20	14.00	10.80	7.80	4.40	1.80	0	0
$188	$192	27.40	24.20	21.00	17.80	14.60	11.40	8.50	4.80	2.30	0	0
$192	$196	28.00	24.80	21.60	18.40	15.20	11.90	9.00	5.40	2.80	.20	0
$196	$200	28.60	25.40	22.20	19.00	15.80	12.50	9.50	6.10	3.20	.70	0
$200	$210	29.70	26.50	23.20	20.00	16.80	13.60	10.50	7.40	4.10	1.50	0
$210	$220	31.20	28.00	24.80	21.50	18.30	15.10	11.90	9.00	5.40	2.70	.20
$220	$230	32.70	29.50	26.30	23.00	19.80	16.60	13.40	10.30	7.20	3.90	1.40
$230	$240	34.20	31.00	27.80	24.50	21.30	18.10	14.90	11.70	8.80	5.10	2.60
$240	$250	35.70	32.50	29.30	26.00	22.80	19.60	16.40	13.20	10.10	6.90	3.70
$250	$260	37.20	34.00	30.80	27.60	24.30	21.10	17.90	14.70	11.50	8.60	4.90
$260	$270	38.70	35.50	32.30	29.10	25.80	22.60	19.40	16.20	13.00	9.90	6.70
$270	$280	40.20	37.00	33.80	30.60	27.30	24.10	20.90	17.70	14.50	11.30	8.40
$280	$290	41.70	38.50	35.30	32.10	28.80	25.60	22.40	19.20	16.00	12.80	9.80
$290	$300	43.20	40.00	36.80	33.60	30.40	27.10	23.90	20.70	17.50	14.30	11.10
$300	$320	45.50	42.30	39.00	35.80	32.60	29.40	26.20	23.00	19.80	16.50	13.30
$320	$340	48.50	45.30	42.10	38.80	35.60	32.40	29.20	26.00	22.80	19.50	16.30
$340	$360	51.50	48.30	45.10	41.80	38.60	35.40	32.20	29.00	25.80	22.60	19.30
$360	$380	54.50	51.30	48.10	44.90	41.60	38.40	35.20	32.00	28.80	25.60	22.40
$380	$400	57.50	54.30	51.10	47.90	44.70	41.40	38.20	35.00	31.80	28.60	25.40
		15 percent of the excess over $400 plus										
$400 and over		59.00	55.80	52.60	49.40	46.20	42.90	39.70	36.50	33.30	30.10	26.90

If the pay-roll period with respect to an employee is semimonthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$22	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$22	$24	$2.80	0	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.20	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.50	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.70	0	0	0	0	0	0	0	0	0
$30	$32	3.70	.90	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.20	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.40	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.70	0	0	0	0	0	0	0	0	0
$38	$40	4.70	1.90	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.10	0	0	0	0	0	0	0	0	0
$42	$44	5.10	2.40	0	0	0	0	0	0	0	0	0
$44	$46	5.40	2.60	0	0	0	0	0	0	0	0	0
$46	$48	5.70	2.90	.10	0	0	0	0	0	0	0	0
$48	$50	6.00	3.10	.30	0	0	0	0	0	0	0	0
$50	$52	6.40	3.30	.60	0	0	0	0	0	0	0	0
$52	$54	6.70	3.60	.80	0	0	0	0	0	0	0	0
$54	$56	7.10	3.80	1.00	0	0	0	0	0	0	0	0
$56	$58	7.50	4.10	1.30	0	0	0	0	0	0	0	0
$58	$60	7.80	4.30	1.50	0	0	0	0	0	0	0	0
$60	$62	8.20	4.50	1.80	0	0	0	0	0	0	0	0
$62	$64	8.50	4.80	2.00	0	0	0	0	0	0	0	0
$64	$66	8.90	5.00	2.20	0	0	0	0	0	0	0	0
$66	$68	9.20	5.20	2.50	0	0	0	0	0	0	0	0
$68	$70	9.40	5.50	2.70	0	0	0	0	0	0	0	0
$70	$72	9.70	5.80	3.00	.20	0	0	0	0	0	0	0
$72	$74	10.00	6.20	3.20	.40	0	0	0	0	0	0	0
$74	$76	10.30	6.50	3.40	.70	0	0	0	0	0	0	0
$76	$78	10.50	6.90	3.70	.90	0	0	0	0	0	0	0
$78	$80	10.80	7.30	3.90	1.10	0	0	0	0	0	0	0
$80	$82	11.10	7.60	4.20	1.40	0	0	0	0	0	0	0
$82	$84	11.40	8.00	4.40	1.60	0	0	0	0	0	0	0
$84	$86	11.60	8.30	4.60	1.90	0	0	0	0	0	0	0
$86	$88	11.90	8.70	4.90	2.10	0	0	0	0	0	0	0
$88	$90	12.20	9.00	5.10	2.30	0	0	0	0	0	0	0
$90	$92	12.40	9.30	5.40	2.60	0	0	0	0	0	0	0
$92	$94	12.70	9.60	5.60	2.80	0	0	0	0	0	0	0
$94	$96	13.00	9.80	6.00	3.10	.30	0	0	0	0	0	0
$96	$98	13.30	10.10	6.30	3.30	.50	0	0	0	0	0	0
$98	$100	13.60	10.40	6.70	3.50	.80	0	0	0	0	0	0
$100	$102	13.90	10.70	7.10	3.80	1.00	0	0	0	0	0	0
$102	$104	14.20	10.90	7.40	4.00	1.20	0	0	0	0	0	0
$104	$106	14.50	11.20	7.80	4.30	1.50	0	0	0	0	0	0
$106	$108	14.80	11.50	8.10	4.50	1.70	0	0	0	0	0	0
$108	$110	15.10	11.70	8.50	4.70	2.00	0	0	0	0	0	0
$110	$112	15.40	12.00	8.90	5.00	2.20	0	0	0	0	0	0
$112	$114	15.70	12.30	9.10	5.20	2.40	0	0	0	0	0	0
$114	$116	16.00	12.60	9.40	5.50	2.70	0	0	0	0	0	0
$116	$118	16.30	12.90	9.70	5.80	2.90	.20	0	0	0	0	0
$118	$120	16.60	13.20	9.90	6.10	3.20	.40	0	0	0	0	0
$120	$124	17.10	13.60	10.40	6.70	3.50	.70	0	0	0	0	0
$124	$128	17.70	14.20	10.90	7.40	4.00	1.20	0	0	0	0	0
$128	$132	18.30	14.80	11.50	8.10	4.50	1.70	0	0	0	0	0
$132	$136	18.90	15.40	12.00	8.80	5.00	2.20	0	0	0	0	0
$136	$140	19.50	16.00	12.50	9.40	5.40	2.70	0	0	0	0	0
$140	$144	20.10	16.60	13.10	9.90	6.10	3.10	.40	0	0	0	0
$144	$148	20.70	17.20	13.70	10.50	6.80	3.60	.90	0	0	0	0
$148	$152	21.30	17.80	14.30	11.00	7.50	4.10	1.30	0	0	0	0
$152	$156	21.90	18.40	14.90	11.60	8.30	4.60	1.80	0	0	0	0
$156	$160	22.50	19.00	15.50	12.10	8.90	5.10	2.30	0	0	0	0
$160	$164	23.10	19.60	16.10	12.70	9.50	5.50	2.80	0	0	0	0
$164	$168	23.70	20.20	16.70	13.30	10.00	6.30	3.20	.50	0	0	0
$168	$172	24.30	20.80	17.30	13.90	10.60	7.00	3.70	1.00	0	0	0
$172	$176	24.90	21.40	17.90	14.50	11.10	7.70	4.20	1.40	0	0	0
$176	$180	25.50	22.00	18.60	15.10	11.70	8.40	4.70	1.90	0	0	0
$180	$184	26.10	22.60	19.20	15.70	12.20	9.10	5.20	2.40	0	0	0
$184	$188	26.70	23.20	19.80	16.30	12.80	9.60	5.70	2.90	.10	0	0
$188	$192	27.30	23.80	20.40	16.90	13.40	10.20	6.40	3.30	.60	0	0
$192	$196	27.90	24.40	21.00	17.50	14.00	10.70	7.10	3.80	1.10	0	0
$196	$200	28.50	25.00	21.60	18.10	14.60	11.30	7.80	4.30	1.50	0	0
$200	$210	29.60	26.10	22.60	19.10	15.60	12.20	9.00	5.10	2.40	0	0
$210	$220	31.10	27.60	24.10	20.60	17.20	13.70	10.40	6.70	3.60	.80	0
$220	$230	32.60	29.10	25.60	22.10	18.70	15.20	11.80	8.50	4.80	2.00	0
$230	$240	34.10	30.60	27.10	23.60	20.20	16.70	13.20	10.00	6.20	3.20	0
$240	$250	35.60	32.10	28.60	25.10	21.70	18.20	14.70	11.30	8.00	4.40	1.60
$250	$260	37.10	33.60	30.10	26.70	23.20	19.70	16.20	12.70	9.60	5.60	2.80
$260	$270	38.60	35.10	31.60	28.20	24.70	21.20	17.70	14.20	10.90	7.40	4.00
$270	$280	40.10	36.60	33.10	29.70	26.20	22.70	19.20	15.70	12.30	9.10	5.20
$280	$290	41.60	38.10	34.60	31.20	27.70	24.20	20.70	17.20	13.70	10.50	6.80
$290	$300	43.10	39.60	36.20	32.70	29.20	25.70	22.20	18.70	15.30	11.90	8.60
$300	$320	45.40	41.90	38.40	34.90	31.40	28.00	24.50	21.00	17.50	14.00	10.70
$320	$340	48.40	44.90	41.40	37.90	34.50	31.00	27.50	24.00	20.50	17.00	13.60
$340	$360	51.40	47.90	44.40	40.90	37.50	34.00	30.50	27.00	23.50	20.00	16.60
$360	$380	54.40	50.90	47.40	44.00	40.50	37.00	33.50	30.00	26.50	23.10	19.60
$380	$400	57.40	53.90	50.40	47.00	43.50	40.00	36.50	33.00	29.50	26.10	22.60
$400	$420	60.40	56.90	53.50	50.00	46.50	43.00	39.50	36.00	32.60	29.10	25.60
$420	$440	63.40	60.00	56.50	53.00	49.50	46.00	42.50	39.10	35.60	32.10	28.60
$440	$460	66.40	63.00	59.50	56.00	52.50	49.00	45.50	42.10	38.60	35.10	31.60
$460	$480	69.50	66.00	62.50	59.00	55.50	52.00	48.60	45.10	41.60	38.10	34.60
$480	$500	72.50	69.00	65.50	62.00	58.50	55.00	51.60	48.10	44.60	41.10	37.60
		15 percent of the excess over $500 plus										
$500 and over		74.00	70.50	67.00	63.50	60.00	56.60	53.10	49.60	46.10	42.60	39.10

If the pay-roll period with respect to an employee is monthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$44	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$44	$48	$5.50	0	0	0	0	0	0	0	0	0	0
$48	$52	6.00	.40	0	0	0	0	0	0	0	0	0
$52	$56	6.50	.90	0	0	0	0	0	0	0	0	0
$56	$60	6.90	1.40	0	0	0	0	0	0	0	0	0
$60	$64	7.40	1.90	0	0	0	0	0	0	0	0	0
$64	$68	7.90	2.40	0	0	0	0	0	0	0	0	0
$68	$72	8.40	2.80	0	0	0	0	0	0	0	0	0
$72	$76	8.90	3.30	0	0	0	0	0	0	0	0	0
$76	$80	9.30	3.80	0	0	0	0	0	0	0	0	0
$80	$84	9.80	4.30	0	0	0	0	0	0	0	0	0
$84	$88	10.30	4.80	0	0	0	0	0	0	0	0	0
$88	$92	10.80	5.20	0	0	0	0	0	0	0	0	0
$92	$96	11.30	5.70	.20	0	0	0	0	0	0	0	0
$96	$100	12.10	6.20	.60	0	0	0	0	0	0	0	0
$100	$104	12.80	6.70	1.10	0	0	0	0	0	0	0	0
$104	$108	13.50	7.10	1.60	0	0	0	0	0	0	0	0
$108	$112	14.20	7.60	2.10	0	0	0	0	0	0	0	0
$112	$116	14.90	8.10	2.60	0	0	0	0	0	0	0	0
$116	$120	15.70	8.60	3.00	0	0	0	0	0	0	0	0
$120	$124	16.40	9.10	3.50	0	0	0	0	0	0	0	0
$124	$128	17.10	9.50	4.00	0	0	0	0	0	0	0	0
$128	$132	17.80	10.00	4.50	0	0	0	0	0	0	0	0
$132	$136	18.30	10.50	5.00	0	0	0	0	0	0	0	0
$136	$140	18.90	11.00	5.40	0	0	0	0	0	0	0	0
$140	$144	19.40	11.60	5.90	.40	0	0	0	0	0	0	0
$144	$148	20.00	12.40	6.40	.90	0	0	0	0	0	0	0
$148	$152	20.50	13.10	6.90	1.30	0	0	0	0	0	0	0
$152	$156	21.10	13.80	7.40	1.80	0	0	0	0	0	0	0
$156	$160	21.60	14.50	7.80	2.30	0	0	0	0	0	0	0
$160	$164	22.20	15.20	8.30	2.80	0	0	0	0	0	0	0
$164	$168	22.70	16.00	8.80	3.20	0	0	0	0	0	0	0
$168	$172	23.30	16.70	9.30	3.70	0	0	0	0	0	0	0
$172	$176	23.80	17.40	9.70	4.20	0	0	0	0	0	0	0
$176	$180	24.40	18.00	10.20	4.70	0	0	0	0	0	0	0
$180	$184	24.90	18.60	10.70	5.20	0	0	0	0	0	0	0
$184	$188	25.50	19.10	11.20	5.60	.10	0	0	0	0	0	0
$188	$192	26.10	19.70	12.00	6.10	.60	0	0	0	0	0	0
$192	$196	26.70	20.20	12.70	6.60	1.10	0	0	0	0	0	0
$196	$200	27.30	20.80	13.40	7.10	1.50	0	0	0	0	0	0
$200	$204	27.90	21.30	14.10	7.60	2.00	0	0	0	0	0	0
$204	$208	28.50	21.80	14.80	8.00	2.50	0	0	0	0	0	0
$208	$212	29.10	22.40	15.60	8.50	3.00	0	0	0	0	0	0
$212	$216	29.70	22.90	16.30	9.00	3.40	0	0	0	0	0	0
$216	$220	30.30	23.50	17.00	9.50	3.90	0	0	0	0	0	0
$220	$224	30.90	24.00	17.70	9.90	4.40	0	0	0	0	0	0
$224	$228	31.50	24.60	18.30	10.40	4.90	0	0	0	0	0	0
$228	$232	32.10	25.10	18.80	10.90	5.40	0	0	0	0	0	0
$232	$236	32.70	25.70	19.30	11.50	5.80	.30	0	0	0	0	0
$236	$240	33.30	26.30	19.90	12.30	6.30	.80	0	0	0	0	0
$240	$248	34.20	27.20	20.70	13.30	7.00	1.50	0	0	0	0	0
$248	$256	35.40	28.40	21.80	14.80	8.00	2.50	0	0	0	0	0
$256	$264	36.60	29.60	22.90	16.20	9.00	3.40	0	0	0	0	0
$264	$272	37.80	30.80	24.00	17.70	9.90	4.40	0	0	0	0	0
$272	$280	39.00	32.00	25.10	18.80	10.90	5.30	0	0	0	0	0
$280	$288	40.20	33.20	26.30	19.90	12.20	6.30	.70	0	0	0	0
$288	$296	41.40	34.40	27.50	20.90	13.60	7.20	1.70	0	0	0	0
$296	$304	42.60	35.60	28.70	22.00	15.10	8.20	2.70	0	0	0	0
$304	$312	43.80	36.80	29.90	23.10	16.50	9.20	3.60	0	0	0	0
$312	$320	45.00	38.00	31.10	24.20	17.90	10.10	4.60	0	0	0	0
$320	$328	46.20	39.30	32.30	25.30	19.00	11.10	5.50	0	0	0	0
$328	$336	47.40	40.50	33.50	26.50	20.10	12.50	6.50	.90	0	0	0
$336	$344	48.60	41.70	34.70	27.70	21.20	14.00	7.40	1.90	0	0	0
$344	$352	49.80	42.90	35.90	28.90	22.30	15.40	8.40	2.90	0	0	0
$352	$360	51.00	44.10	37.10	30.10	23.40	16.80	9.40	3.80	0	0	0
$360	$368	52.20	45.30	38.30	31.30	24.50	18.10	10.30	4.80	0	0	0
$368	$376	53.40	46.50	39.50	32.50	25.60	19.20	11.40	5.70	.20	0	0
$376	$384	54.60	47.70	40.70	33.70	26.80	20.30	12.80	6.70	1.20	0	0
$384	$392	55.90	48.90	41.90	35.00	28.00	21.40	14.30	7.70	2.10	0	0
$392	$400	57.10	50.10	43.10	36.20	29.20	22.50	15.70	8.60	3.10	0	0
$400	$420	59.20	52.20	45.20	38.30	31.30	24.40	18.10	10.30	4.70	0	0
$420	$440	62.20	55.20	48.20	41.30	34.30	27.30	20.80	13.50	7.10	1.60	0
$440	$460	65.20	58.20	51.20	44.30	37.30	30.30	23.60	17.10	9.50	4.00	0
$460	$480	68.20	61.20	54.30	47.30	40.30	33.40	26.40	20.00	12.40	6.40	.80
$480	$500	71.20	64.20	57.30	50.30	43.30	36.40	29.40	22.70	16.00	8.80	3.20
$500	$520	74.20	67.20	60.30	53.30	46.30	39.40	32.40	25.40	19.10	11.20	5.60
$520	$540	77.20	70.30	63.30	56.30	49.40	42.40	35.40	28.50	21.80	14.80	8.00
$540	$560	80.20	73.30	66.30	59.30	52.40	45.40	38.40	31.50	24.60	18.20	10.40
$560	$580	83.20	76.30	69.30	62.30	55.40	48.40	41.40	34.50	27.50	21.00	13.70
$580	$600	86.20	79.30	72.30	65.30	58.40	51.40	44.40	37.50	30.50	23.70	17.30
$600	$640	90.80	83.80	76.80	69.90	62.90	55.90	49.00	42.00	35.00	28.10	21.50
$640	$680	96.80	89.80	82.80	75.90	68.90	61.90	55.00	48.00	41.00	34.10	27.10
$680	$720	102.80	95.80	88.90	81.90	74.90	68.00	61.00	54.00	47.10	40.10	33.10
$720	$760	108.80	101.90	94.90	87.90	81.00	74.00	67.00	60.10	53.10	46.10	39.20
$760	$800	114.80	107.90	100.90	93.90	87.00	80.00	73.00	66.10	59.10	52.10	45.20
$800	$840	120.90	113.90	106.90	100.00	93.00	86.00	79.10	72.10	65.10	58.20	51.20
$840	$880	126.90	119.90	112.90	106.00	99.00	92.00	85.10	78.10	71.10	64.20	57.20
$880	$920	132.90	125.90	119.00	112.00	105.00	98.10	91.10	84.10	77.20	70.20	63.20
$920	$960	138.90	132.00	125.00	118.00	111.10	104.10	97.10	90.20	83.20	76.20	69.30
$960	$1,000	144.90	138.00	131.00	124.00	117.10	110.10	103.10	96.20	89.20	82.20	75.30
		15 percent of the excess over $1,000 plus										
$1,000 and over		147.90	141.00	134.00	127.00	120.10	113.10	106.10	99.20	92.20	85.20	78.30

If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—

And the wages divided by the number of days in such period are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period										
$0	$1.50	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$1.50	$1.75	$0.20	0	0	0	0	0	0	0	0	0	0
$1.75	$2.00	.20	.05	0	0	0	0	0	0	0	0	0
$2.00	$2.25	.25	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.30	.10	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.30	.15	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.35	.15	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.40	.20	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.40	.20	.05	0	0	0	0	0	0	0	0
$3.50	$3.75	.45	.25	.05	0	0	0	0	0	0	0	0
$3.75	$4.00	.50	.30	.10	0	0	0	0	0	0	0	0
$4.00	$4.25	.55	.30	.15	0	0	0	0	0	0	0	0
$4.25	$4.50	.60	.35	.15	0	0	0	0	0	0	0	0
$4.50	$4.75	.65	.35	.20	0	0	0	0	0	0	0	0
$4.75	$5.00	.65	.40	.20	.05	0	0	0	0	0	0	0
$5.00	$5.25	.70	.45	.25	.05	0	0	0	0	0	0	0
$5.25	$5.50	.75	.50	.30	.10	0	0	0	0	0	0	0
$5.50	$5.75	.75	.55	.30	.15	0	0	0	0	0	0	0
$5.75	$6.00	.80	.60	.35	.15	0	0	0	0	0	0	0
$6.00	$6.25	.85	.65	.35	.20	0	0	0	0	0	0	0
$6.25	$6.50	.90	.65	.40	.20	.05	0	0	0	0	0	0
$6.50	$6.75	.90	.70	.45	.25	.05	0	0	0	0	0	0
$6.75	$7.00	.95	.75	.50	.30	.10	0	0	0	0	0	0
$7.00	$7.25	1.00	.75	.55	.30	.10	0	0	0	0	0	0
$7.25	$7.50	1.05	.80	.60	.35	.15	0	0	0	0	0	0
$7.50	$7.75	1.05	.85	.65	.35	.20	0	0	0	0	0	0
$7.75	$8.00	1.10	.85	.65	.40	.20	.05	0	0	0	0	0
$8.00	$8.25	1.15	.90	.70	.45	.25	.05	0	0	0	0	0
$8.25	$8.50	1.20	.95	.75	.50	.25	.10	0	0	0	0	0
$8.50	$8.75	1.20	1.00	.75	.55	.30	.10	0	0	0	0	0
$8.75	$9.00	1.25	1.00	.80	.60	.35	.15	0	0	0	0	0
$9.00	$9.25	1.30	1.05	.85	.60	.35	.20	0	0	0	0	0
$9.25	$9.50	1.35	1.10	.85	.65	.40	.20	.05	0	0	0	0
$9.50	$9.75	1.35	1.15	.90	.70	.45	.25	.05	0	0	0	0
$9.75	$10.00	1.40	1.15	.95	.75	.50	.25	.10	0	0	0	0
$10.00	$10.50	1.45	1.25	1.00	.80	.55	.30	.15	0	0	0	0
$10.50	$11.00	1.55	1.30	1.10	.85	.65	.40	.20	0	0	0	0
$11.00	$11.50	1.60	1.40	1.15	.90	.70	.45	.25	.05	0	0	0
$11.50	$12.00	1.70	1.45	1.25	1.00	.75	.55	.30	.15	0	0	0
$12.00	$12.50	1.75	1.55	1.30	1.05	.85	.65	.40	.20	0	0	0
$12.50	$13.00	1.85	1.60	1.40	1.15	.90	.70	.45	.25	.05	0	0
$13.00	$13.50	1.90	1.70	1.45	1.20	1.00	.75	.55	.30	.15	0	0
$13.50	$14.00	2.00	1.75	1.55	1.30	1.05	.85	.65	.35	.20	0	0
$14.00	$14.50	2.05	1.85	1.60	1.35	1.15	.90	.70	.45	.25	.05	0
$14.50	$15.00	2.15	1.90	1.70	1.45	1.20	1.00	.75	.55	.30	.15	0
$15.00	$15.50	2.20	2.00	1.75	1.50	1.30	1.05	.85	.65	.35	.20	0
$15.50	$16.00	2.30	2.05	1.85	1.60	1.35	1.15	.90	.70	.45	.25	.05
$16.00	$16.50	2.35	2.15	1.90	1.65	1.45	1.20	1.00	.75	.55	.30	.10
$16.50	$17.00	2.45	2.20	2.00	1.75	1.50	1.30	1.05	.85	.65	.35	.20
$17.00	$17.50	2.50	2.30	2.05	1.80	1.60	1.35	1.15	.90	.70	.45	.25
$17.50	$18.00	2.60	2.35	2.15	1.90	1.65	1.45	1.20	1.00	.75	.55	.30
$18.00	$18.50	2.65	2.45	2.20	2.00	1.75	1.50	1.30	1.05	.85	.60	.35
$18.50	$19.00	2.75	2.50	2.30	2.05	1.80	1.60	1.35	1.15	.90	.70	.45
$19.00	$19.50	2.80	2.60	2.35	2.15	1.90	1.65	1.45	1.20	1.00	.75	.55
$19.50	$20.00	2.90	2.65	2.45	2.20	1.95	1.75	1.50	1.30	1.05	.85	.60
$20.00	$21.00	3.00	2.75	2.55	2.30	2.10	1.85	1.65	1.40	1.15	.95	.70
$21.00	$22.00	3.15	2.90	2.70	2.45	2.25	2.00	1.80	1.55	1.30	1.10	.85
$22.00	$23.00	3.30	3.05	2.85	2.60	2.40	2.15	1.95	1.70	1.45	1.25	1.00
$23.00	$24.00	3.45	3.20	3.00	2.75	2.55	2.30	2.10	1.85	1.60	1.40	1.15
$24.00	$25.00	3.60	3.35	3.15	2.90	2.70	2.45	2.25	2.00	1.75	1.55	1.30
$25.00	$26.00	3.75	3.50	3.30	3.05	2.85	2.60	2.40	2.15	1.90	1.70	1.45
$26.00	$27.00	3.90	3.70	3.45	3.20	3.00	2.75	2.55	2.30	2.05	1.85	1.60
$27.00	$28.00	4.05	3.85	3.60	3.35	3.15	2.90	2.70	2.45	2.20	2.00	1.75
$28.00	$29.00	4.20	4.00	3.75	3.50	3.30	3.05	2.85	2.60	2.35	2.15	1.90
$29.00	$30.00	4.35	4.15	3.90	3.65	3.45	3.20	3.00	2.75	2.50	2.30	2.05
		15 percent of the excess over $30 plus										
$30.00 and over		4.45	4.20	3.95	3.75	3.80	3.30	3.05	2.85	2.60	2.35	2.15

And in lieu thereof to insert the following:

If the pay-roll period with respect to an employee is weekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$11	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$11	$12	$1.40	.10	0	0	0	0	0	0	0	0	0
$12	$13	1.50	.20	0	0	0	0	0	0	0	0	0
$13	$14	1.60	.30	0	0	0	0	0	0	0	0	0
$14	$15	1.70	.50	0	0	0	0	0	0	0	0	0
$15	$16	1.90	.60	0	0	0	0	0	0	0	0	0
$16	$17	2.00	.70	0	0	0	0	0	0	0	0	0
$17	$18	2.10	.80	0	0	0	0	0	0	0	0	0
$18	$19	2.20	.90	0	0	0	0	0	0	0	0	0
$19	$20	2.30	1.10	0	0	0	0	0	0	0	0	0
$20	$21	2.50	1.20	0	0	0	0	0	0	0	0	0
$21	$22	2.60	1.30	0	0	0	0	0	0	0	0	0
$22	$23	2.80	1.40	.10	0	0	0	0	0	0	0	0
$23	$24	2.90	1.50	.30	0	0	0	0	0	0	0	0
$24	$25	3.10	1.70	.40	0	0	0	0	0	0	0	0
$25	$26	3.30	1.80	.50	0	0	0	0	0	0	0	0
$26	$27	3.50	1.90	.60	0	0	0	0	0	0	0	0
$27	$28	3.70	2.00	.70	0	0	0	0	0	0	0	0
$28	$29	3.80	2.10	.90	0	0	0	0	0	0	0	0
$29	$30	4.00	2.30	1.00	0	0	0	0	0	0	0	0
$30	$31	4.20	2.40	1.10	0	0	0	0	0	0	0	0
$31	$32	4.30	2.50	1.20	0	0	0	0	0	0	0	0
$32	$33	4.40	2.60	1.30	.10	0	0	0	0	0	0	0
$33	$34	4.60	2.80	1.50	.20	0	0	0	0	0	0	0
$34	$35	4.70	3.00	1.60	.30	0	0	0	0	0	0	0
$35	$36	4.90	3.20	1.70	.40	0	0	0	0	0	0	0
$36	$37	5.00	3.40	1.80	.50	0	0	0	0	0	0	0
$37	$38	5.10	3.50	1.90	.70	0	0	0	0	0	0	0
$38	$39	5.30	3.70	2.10	.80	0	0	0	0	0	0	0
$39	$40	5.40	3.90	2.20	.90	0	0	0	0	0	0	0
$40	$41	5.50	4.10	2.30	1.00	0	0	0	0	0	0	0
$41	$42	5.70	4.20	2.40	1.10	0	0	0	0	0	0	0
$42	$43	5.80	4.40	2.50	1.30	0	0	0	0	0	0	0
$43	$44	6.00	4.50	2.70	1.40	.10	0	0	0	0	0	0
$44	$45	6.10	4.60	2.90	1.50	.20	0	0	0	0	0	0
$45	$46	6.20	4.80	3.10	1.60	.30	0	0	0	0	0	0
$46	$47	6.40	4.90	3.20	1.70	.50	0	0	0	0	0	0
$47	$48	6.50	5.00	3.40	1.80	.60	0	0	0	0	0	0
$48	$49	6.60	5.20	3.60	2.00	.70	0	0	0	0	0	0
$49	$50	6.80	5.30	3.80	2.10	.80	0	0	0	0	0	0
$50	$51	6.90	5.40	4.00	2.20	.90	0	0	0	0	0	0
$51	$52	7.00	5.60	4.10	2.30	1.00	0	0	0	0	0	0
$52	$53	7.20	5.70	4.30	2.40	1.20	0	0	0	0	0	0
$53	$54	7.30	5.90	4.40	2.60	1.30	0	0	0	0	0	0
$54	$55	7.50	6.00	4.50	2.80	1.40	.10	0	0	0	0	0
$55	$56	7.60	6.10	4.70	2.90	1.50	.20	0	0	0	0	0
$56	$57	7.70	6.30	4.80	3.10	1.60	.40	0	0	0	0	0
$57	$58	7.90	6.40	4.90	3.30	1.80	.50	0	0	0	0	0
$58	$59	8.00	6.50	5.10	3.50	1.90	.60	0	0	0	0	0
$59	$60	8.10	6.70	5.20	3.70	2.00	.70	0	0	0	0	0
$60	$62	8.30	6.90	5.40	3.90	2.20	.90	0	0	0	0	0
$62	$64	8.60	7.20	5.70	4.20	2.40	1.10	0	0	0	0	0
$64	$66	8.90	7.40	6.00	4.50	2.70	1.40	.10	0	0	0	0
$66	$68	9.20	7.70	6.20	4.80	3.10	1.60	.30	0	0	0	0
$68	$70	9.40	8.00	6.50	5.10	3.40	1.90	.60	0	0	0	0
$70	$72	9.70	8.30	6.80	5.30	3.80	2.10	.80	0	0	0	0
$72	$74	10.00	8.50	7.10	5.60	4.10	2.30	1.10	0	0	0	0
$74	$76	10.30	8.80	7.30	5.90	4.40	2.60	1.30	0	0	0	0
$76	$78	10.50	9.10	7.60	6.10	4.70	3.00	1.50	.30	0	0	0
$78	$80	10.80	9.30	7.90	6.40	5.00	3.30	1.80	.50	0	0	0
$80	$82	11.10	9.60	8.20	6.70	5.20	3.70	2.00	.70	0	0	0
$82	$84	11.40	9.90	8.40	7.00	5.50	4.00	2.30	1.00	0	0	0
$84	$86	11.60	10.20	8.70	7.20	5.80	4.30	2.50	1.20	0	0	0
$86	$88	11.90	10.40	9.00	7.50	6.10	4.60	2.80	1.50	.20	0	0
$88	$90	12.20	10.70	9.30	7.80	6.30	4.90	3.20	1.70	.40	0	0
$90	$92	12.40	11.00	9.50	8.10	6.60	5.10	3.60	1.90	.70	0	0
$92	$94	12.70	11.30	9.80	8.30	6.90	5.40	3.90	2.20	.90	0	0
$94	$96	13.00	11.50	10.10	8.60	7.10	5.70	4.20	2.40	1.10	0	0
$96	$98	13.30	11.80	10.30	8.90	7.40	6.00	4.50	2.70	1.40	.10	0
$98	$100	13.50	12.10	10.60	9.20	7.70	6.20	4.80	3.10	1.60	.30	0
$100	$105	14.00	12.60	11.10	9.60	8.20	6.70	5.30	3.70	2.00	.80	0
$105	$110	14.70	13.20	11.80	10.30	8.90	7.40	5.90	4.50	2.70	1.40	.10
$110	$115	15.40	13.90	12.50	11.00	9.50	8.10	6.60	5.20	3.60	2.00	.70
$115	$120	16.10	14.60	13.20	11.70	10.20	8.80	7.30	5.80	4.40	2.60	1.30
$120	$125	16.80	15.30	13.80	12.40	10.90	9.50	8.00	6.50	5.10	3.50	1.90
$125	$130	17.40	16.00	14.50	13.10	11.60	10.10	8.70	7.20	5.70	4.30	2.50
$130	$135	18.10	16.70	15.20	13.70	12.30	10.80	9.40	7.90	6.40	5.00	3.30
$135	$140	18.80	17.30	15.90	14.40	13.00	11.50	10.00	8.60	7.10	5.70	4.20
$140	$145	19.50	18.00	16.60	15.10	13.60	12.20	10.70	9.30	7.80	6.30	4.90
$145	$150	20.20	18.70	17.30	15.80	14.30	12.90	11.40	9.90	8.50	7.00	5.60
$150	$160	21.20	19.70	18.30	16.80	15.40	13.90	12.40	11.00	9.50	8.10	6.60
$160	$170	22.60	21.10	19.60	18.20	16.70	15.30	13.80	12.30	10.90	9.40	8.00
$170	$180	23.90	22.50	21.00	19.60	18.10	16.60	15.20	13.70	12.20	10.80	9.30
$180	$190	25.30	23.80	22.40	20.90	19.50	18.00	16.50	15.10	13.60	12.20	10.70
$190	$200	26.70	25.20	23.80	22.30	20.80	19.40	17.90	16.40	15.00	13.50	12.10
		14 percent of the excess over $200 plus										
$200 and over		27.40	25.90	24.40	23.00	21.50	20.10	18.60	17.10	15.70	14.20	12.70

If the pay-roll period with respect to an employee is biweekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$20	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$20	$22	$2.50	0	0	0	0	0	0	0	0	0	0
$22	$24	2.80	.20	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.40	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.70	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.90	0	0	0	0	0	0	0	0	0
$30	$32	3.70	1.20	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.40	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.60	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.90	0	0	0	0	0	0	0	0	0
$38	$40	4.70	2.10	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.40	0	0	0	0	0	0	0	0	0
$42	$44	5.20	2.60	0	0	0	0	0	0	0	0	0
$44	$46	5.50	2.80	.30	0	0	0	0	0	0	0	0
$46	$48	5.90	3.10	.50	0	0	0	0	0	0	0	0
$48	$50	6.20	3.30	.70	0	0	0	0	0	0	0	0
$50	$52	6.60	3.50	1.00	0	0	0	0	0	0	0	0
$52	$54	7.00	3.80	1.20	0	0	0	0	0	0	0	0
$54	$56	7.30	4.00	1.50	0	0	0	0	0	0	0	0
$56	$58	7.70	4.30	1.70	0	0	0	0	0	0	0	0
$58	$60	8.00	4.50	1.90	0	0	0	0	0	0	0	0
$60	$62	8.30	4.70	2.20	0	0	0	0	0	0	0	0
$62	$64	8.60	5.00	2.40	0	0	0	0	0	0	0	0
$64	$66	8.90	5.30	2.70	.10	0	0	0	0	0	0	0
$66	$68	9.20	5.60	2.90	.30	0	0	0	0	0	0	0
$68	$70	9.40	6.00	3.10	.60	0	0	0	0	0	0	0
$70	$72	9.70	6.40	3.40	.80	0	0	0	0	0	0	0
$72	$74	10.00	6.70	3.60	1.10	0	0	0	0	0	0	0
$74	$76	10.30	7.10	3.90	1.30	0	0	0	0	0	0	0
$76	$78	10.50	7.40	4.10	1.50	0	0	0	0	0	0	0
$78	$80	10.80	7.80	4.30	1.80	0	0	0	0	0	0	0
$80	$82	11.10	8.20	4.60	2.00	0	0	0	0	0	0	0
$82	$84	11.40	8.40	4.80	2.30	0	0	0	0	0	0	0
$84	$86	11.60	8.70	5.10	2.50	0	0	0	0	0	0	0
$86	$88	11.90	9.00	5.40	2.70	.20	0	0	0	0	0	0
$88	$90	12.20	9.30	5.80	3.00	.40	0	0	0	0	0	0
$90	$92	12.40	9.50	6.10	3.20	.70	0	0	0	0	0	0
$92	$94	12.70	9.80	6.50	3.50	.90	0	0	0	0	0	0
$94	$96	13.00	10.10	6.80	3.70	1.10	0	0	0	0	0	0
$96	$98	13.30	10.30	7.20	3.90	1.40	0	0	0	0	0	0
$98	$100	13.50	10.60	7.60	4.20	1.60	0	0	0	0	0	0
$100	$102	13.80	10.90	7.90	4.40	1.90	0	0	0	0	0	0
$102	$104	14.10	11.20	8.20	4.70	2.10	0	0	0	0	0	0
$104	$106	14.40	11.40	8.50	4.90	2.30	0	0	0	0	0	0
$106	$108	14.60	11.70	8.80	5.10	2.60	0	0	0	0	0	0
$108	$110	14.90	12.00	9.10	5.50	2.80	.30	0	0	0	0	0
$110	$112	15.20	12.30	9.30	5.90	3.10	.50	0	0	0	0	0
$112	$114	15.50	12.50	9.60	6.20	3.30	.70	0	0	0	0	0
$114	$116	15.70	12.80	9.90	6.60	3.50	1.00	0	0	0	0	0
$116	$118	16.00	13.10	10.20	6.90	3.80	1.20	0	0	0	0	0
$118	$120	16.30	13.40	10.40	7.30	4.00	1.50	0	0	0	0	0
$120	$124	16.70	13.80	10.80	7.80	4.40	1.80	0	0	0	0	0
$124	$128	17.20	14.30	11.40	8.50	4.90	2.30	0	0	0	0	0
$128	$132	17.80	14.90	11.90	9.00	5.40	2.80	.20	0	0	0	0
$132	$136	18.30	15.40	12.50	9.60	6.20	3.30	.70	0	0	0	0
$136	$140	18.90	16.00	13.00	10.10	6.90	3.70	1.20	0	0	0	0
$140	$144	19.40	16.50	13.60	10.70	7.60	4.20	1.70	0	0	0	0
$144	$148	20.00	17.00	14.10	11.20	8.30	4.70	2.10	0	0	0	0
$148	$152	20.50	17.60	14.70	11.80	8.80	5.20	2.60	.10	0	0	0
$152	$156	21.10	18.10	15.20	12.30	9.40	5.90	3.10	.50	0	0	0
$156	$160	21.60	18.70	15.80	12.80	9.90	6.60	3.60	1.00	0	0	0
$160	$164	22.20	19.20	16.30	13.40	10.50	7.40	4.00	1.50	0	0	0
$164	$168	22.70	19.80	16.90	13.90	11.00	8.10	4.50	2.00	0	0	0
$168	$172	23.30	20.30	17.40	14.50	11.60	8.60	5.00	2.40	0	0	0
$172	$176	23.80	20.90	18.00	15.00	12.10	9.20	5.70	2.90	.40	0	0
$176	$180	24.40	21.40	18.50	15.60	12.70	9.70	6.40	3.40	.80	0	0
$180	$184	24.90	22.00	19.10	16.10	13.20	10.30	7.10	3.90	1.30	0	0
$184	$188	25.40	22.50	19.60	16.70	13.80	10.80	7.80	4.40	1.80	0	0
$188	$192	26.00	23.10	20.10	17.20	14.30	11.40	8.50	4.80	2.30	0	0
$192	$196	26.50	23.60	20.70	17.80	14.80	11.90	9.00	5.40	2.80	.20	0
$196	$200	27.10	24.20	21.20	18.30	15.40	12.50	9.50	6.10	3.20	.70	0
$200	$210	28.00	25.10	22.20	19.30	16.40	13.40	10.50	7.40	4.10	1.50	0
$210	$220	29.40	26.50	23.60	20.60	17.70	14.80	11.90	9.00	5.40	2.70	.20
$220	$230	30.80	27.90	24.90	22.00	19.10	16.20	13.20	10.30	7.20	3.90	1.40
$230	$240	32.10	29.20	26.30	23.40	20.50	17.50	14.60	11.70	8.80	5.10	2.60
$240	$250	33.50	30.60	27.70	24.70	21.80	18.90	16.00	13.10	10.10	6.90	3.70
$250	$260	34.90	32.00	29.00	26.10	23.20	20.30	17.30	14.40	11.50	8.60	4.90
$260	$270	36.30	33.30	30.40	27.50	24.60	21.60	18.70	15.80	12.90	9.90	6.70
$270	$280	37.60	34.70	31.80	28.90	25.90	23.00	20.10	17.20	14.20	11.30	8.40
$280	$290	39.00	36.10	33.10	30.20	27.30	24.40	21.40	18.50	15.60	12.70	9.80
$290	$300	40.40	37.40	34.50	31.60	28.70	25.70	22.80	19.90	17.00	14.00	11.10
$300	$320	42.40	39.50	36.60	33.60	30.70	27.80	24.90	21.90	19.00	16.10	13.20
$320	$340	45.10	42.20	39.30	36.40	33.50	30.50	27.60	24.70	21.80	18.80	15.90
$340	$360	47.90	45.00	42.00	39.10	36.20	33.30	30.30	27.40	24.50	21.60	18.60
$360	$380	50.60	47.70	44.80	41.80	38.90	36.00	33.10	30.20	27.20	24.30	21.40
$380	$400	53.40	50.40	47.50	44.60	41.70	38.70	35.80	32.90	30.00	27.00	24.10
		14 percent of the excess over $400 plus										
$400 and over		54.70	51.80	48.90	46.00	43.00	40.10	37.20	34.30	31.30	28.40	25.50

If the pay-roll period with respect to an employee is semimonthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$22	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$22	$24	$2.80	0	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.20	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.50	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.70	0	0	0	0	0	0	0	0	0
$30	$32	3.70	.90	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.20	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.40	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.70	0	0	0	0	0	0	0	0	0
$38	$40	4.70	1.90	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.10	0	0	0	0	0	0	0	0	0
$42	$44	5.10	2.40	0	0	0	0	0	0	0	0	0
$44	$46	5.40	2.60	0	0	0	0	0	0	0	0	0
$46	$48	5.70	2.90	.10	0	0	0	0	0	0	0	0
$48	$50	6.00	3.10	.30	0	0	0	0	0	0	0	0
$50	$52	6.40	3.30	.60	0	0	0	0	0	0	0	0
$52	$54	6.70	3.60	.80	0	0	0	0	0	0	0	0
$54	$56	7.10	3.80	1.00	0	0	0	0	0	0	0	0
$56	$58	7.50	4.10	1.30	0	0	0	0	0	0	0	0
$58	$60	7.80	4.30	1.50	0	0	0	0	0	0	0	0
$60	$62	8.20	4.50	1.80	0	0	0	0	0	0	0	0
$62	$64	8.50	4.80	2.00	0	0	0	0	0	0	0	0
$64	$66	8.90	5.00	2.20	0	0	0	0	0	0	0	0
$66	$68	9.20	5.20	2.50	0	0	0	0	0	0	0	0
$68	$70	9.40	5.50	2.70	0	0	0	0	0	0	0	0
$70	$72	9.70	5.80	3.00	.20	0	0	0	0	0	0	0
$72	$74	10.00	6.20	3.20	.40	0	0	0	0	0	0	0
$74	$76	10.30	6.50	3.40	.70	0	0	0	0	0	0	0
$76	$78	10.50	6.90	3.70	.90	0	0	0	0	0	0	0
$78	$80	10.80	7.30	3.90	1.10	0	0	0	0	0	0	0
$80	$82	11.10	7.60	4.20	1.40	0	0	0	0	0	0	0
$82	$84	11.40	8.00	4.40	1.60	0	0	0	0	0	0	0
$84	$86	11.60	8.30	4.60	1.90	0	0	0	0	0	0	0
$86	$88	11.90	8.70	4.90	2.10	0	0	0	0	0	0	0
$88	$90	12.20	9.00	5.10	2.30	0	0	0	0	0	0	0
$90	$92	12.40	9.30	5.40	2.60	0	0	0	0	0	0	0
$92	$94	12.70	9.60	5.60	2.80	0	0	0	0	0	0	0
$94	$96	13.00	9.80	6.00	3.10	.30	0	0	0	0	0	0
$96	$98	13.30	10.10	6.30	3.30	.50	0	0	0	0	0	0
$98	$100	13.50	10.40	6.70	3.50	.80	0	0	0	0	0	0
$100	$102	13.80	10.70	7.10	3.80	1.00	0	0	0	0	0	0
$102	$104	14.10	10.90	7.40	4.00	1.20	0	0	0	0	0	0
$104	$106	14.40	11.20	7.80	4.30	1.50	0	0	0	0	0	0
$106	$108	14.60	11.50	8.10	4.50	1.70	0	0	0	0	0	0
$108	$110	14.90	11.70	8.50	4.70	2.00	0	0	0	0	0	0
$110	$112	15.20	12.00	8.90	5.00	2.20	0	0	0	0	0	0
$112	$114	15.50	12.30	9.10	5.20	2.40	0	0	0	0	0	0
$114	$116	15.70	12.60	9.40	5.50	2.70	0	0	0	0	0	0
$116	$118	16.00	12.80	9.70	5.80	2.90	.20	0	0	0	0	0
$118	$120	16.30	13.10	9.90	6.10	3.20	.40	0	0	0	0	0
$120	$124	16.70	13.50	10.40	6.70	3.50	.70	0	0	0	0	0
$124	$128	17.20	14.10	10.90	7.40	4.00	1.20	0	0	0	0	0
$128	$132	17.80	14.60	11.50	8.10	4.50	1.70	0	0	0	0	0
$132	$136	18.30	15.20	12.00	8.80	5.00	2.20	0	0	0	0	0
$136	$140	18.90	15.70	12.50	9.40	5.40	2.70	0	0	0	0	0
$140	$144	19.40	16.30	13.10	9.90	6.10	3.10	.40	0	0	0	0
$144	$148	20.00	16.80	13.60	10.50	6.80	3.60	.90	0	0	0	0
$148	$152	20.50	17.40	14.20	11.00	7.50	4.10	1.30	0	0	0	0
$152	$156	21.10	17.90	14.70	11.60	8.30	4.60	1.80	0	0	0	0
$156	$160	21.60	18.40	15.30	12.10	8.90	5.10	2.30	0	0	0	0
$160	$164	22.20	19.00	15.80	12.70	9.50	5.50	2.80	0	0	0	0
$164	$168	22.70	19.50	16.40	13.20	10.00	6.30	3.20	.50	0	0	0
$168	$172	23.30	20.10	16.90	13.80	10.60	7.00	3.70	1.00	0	0	0
$172	$176	23.80	20.60	17.50	14.30	11.10	7.70	4.20	1.40	0	0	0
$176	$180	24.40	21.20	18.00	14.90	11.70	8.40	4.70	1.90	0	0	0
$180	$184	24.90	21.70	18.60	15.40	12.20	9.10	5.20	2.40	0	0	0
$184	$188	25.40	22.30	19.10	15.90	12.80	9.60	5.70	2.90	.10	0	0
$188	$192	26.00	22.80	19.70	16.50	13.30	10.20	6.40	3.30	.60	0	0
$192	$196	26.50	23.40	20.20	17.00	13.90	10.70	7.10	3.80	1.10	0	0
$196	$200	27.10	23.90	20.80	17.60	14.40	11.30	7.80	4.30	1.50	0	0
$200	$210	28.00	24.90	21.70	18.50	15.40	12.20	9.00	5.10	2.40	0	0
$210	$220	29.40	26.20	23.10	19.90	16.70	13.60	10.40	6.70	3.60	.80	0
$220	$230	30.80	27.60	24.40	21.30	18.10	14.90	11.80	8.50	4.80	2.00	0
$230	$240	32.10	29.00	25.80	22.60	19.50	16.30	13.10	10.00	6.20	3.20	0
$240	$250	33.50	30.30	27.20	24.00	20.80	17.70	14.50	11.30	8.00	4.40	1.60
$250	$260	34.90	31.70	28.60	25.40	22.20	19.10	15.90	12.70	9.60	5.60	2.80
$260	$270	36.30	33.10	29.90	26.80	23.60	20.40	17.30	14.10	10.90	7.40	4.00
$270	$280	37.60	34.50	31.30	28.10	25.00	21.80	18.60	15.50	12.30	9.10	5.20
$280	$290	39.00	35.80	32.70	29.50	26.30	23.20	20.00	16.80	13.70	10.50	6.80
$290	$300	40.40	37.20	34.00	30.90	27.70	24.50	21.40	18.20	15.00	11.90	8.60
$300	$320	42.40	39.20	36.10	32.90	29.70	26.60	23.40	20.20	17.10	13.90	10.70
$320	$340	45.10	42.00	38.80	35.60	32.50	29.30	26.10	23.00	19.80	16.60	13.50
$340	$360	47.90	44.70	41.50	38.40	35.20	32.00	28.90	25.70	22.50	19.40	16.20
$360	$380	50.60	47.40	44.30	41.10	37.90	34.80	31.60	28.40	25.30	22.10	18.90
$380	$400	53.40	50.20	47.00	43.90	40.70	37.50	34.40	31.20	28.00	24.90	21.70
$400	$420	56.10	52.90	49.80	46.60	43.40	40.30	37.10	33.90	30.80	27.60	24.40
$420	$440	58.80	55.70	52.50	49.30	46.20	43.00	39.80	36.70	33.50	30.30	27.20
$440	$460	61.60	58.40	55.20	52.10	48.90	45.70	42.60	39.40	36.20	33.10	29.90
$460	$480	64.30	61.10	58.00	54.80	51.60	48.50	45.30	42.10	39.00	35.80	32.60
$480	$500	67.00	63.90	60.70	57.50	54.40	51.20	48.00	44.90	41.70	38.50	35.40
		14 percent of the excess over $500 plus										
$500 and over		68.40	65.20	62.10	58.90	55.70	52.60	49.40	46.20	43.10	39.90	36.70

If the pay-roll period with respect to an employee is monthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$44	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$44	$48	$5.50	0	0	0	0	0	0	0	0	0	0
$48	$52	6.00	.40	0	0	0	0	0	0	0	0	0
$52	$56	6.50	.90	0	0	0	0	0	0	0	0	0
$56	$60	6.90	1.40	0	0	0	0	0	0	0	0	0
$60	$64	7.40	1.90	0	0	0	0	0	0	0	0	0
$64	$68	7.90	2.40	0	0	0	0	0	0	0	0	0
$68	$72	8.40	2.80	0	0	0	0	0	0	0	0	0
$72	$76	8.90	3.30	0	0	0	0	0	0	0	0	0
$76	$80	9.30	3.80	0	0	0	0	0	0	0	0	0
$80	$84	9.80	4.30	0	0	0	0	0	0	0	0	0
$84	$88	10.30	4.80	0	0	0	0	0	0	0	0	0
$88	$92	10.80	5.20	0	0	0	0	0	0	0	0	0
$92	$96	11.30	5.70	.20	0	0	0	0	0	0	0	0
$96	$100	12.10	6.20	.60	0	0	0	0	0	0	0	0
$100	$104	12.80	6.70	1.10	0	0	0	0	0	0	0	0
$104	$108	13.50	7.10	1.60	0	0	0	0	0	0	0	0
$108	$112	14.20	7.60	2.10	0	0	0	0	0	0	0	0
$112	$116	14.90	8.10	2.60	0	0	0	0	0	0	0	0
$116	$120	15.70	8.60	3.00	0	0	0	0	0	0	0	0
$120	$124	16.40	9.10	3.50	0	0	0	0	0	0	0	0
$124	$128	17.10	9.50	4.00	0	0	0	0	0	0	0	0
$128	$132	17.80	10.00	4.50	0	0	0	0	0	0	0	0
$132	$136	18.30	10.50	5.00	0	0	0	0	0	0	0	0
$136	$140	18.90	11.00	5.40	0	0	0	0	0	0	0	0
$140	$144	19.40	11.60	5.90	.40	0	0	0	0	0	0	0
$144	$148	20.00	12.40	6.40	.90	0	0	0	0	0	0	0
$148	$152	20.50	13.10	6.90	1.30	0	0	0	0	0	0	0
$152	$156	21.10	13.80	7.40	1.80	0	0	0	0	0	0	0
$156	$160	21.60	14.50	7.80	2.30	0	0	0	0	0	0	0
$160	$164	22.20	15.20	8.30	2.80	0	0	0	0	0	0	0
$164	$168	22.70	16.00	8.80	3.20	0	0	0	0	0	0	0
$168	$172	23.30	16.70	9.30	3.70	0	0	0	0	0	0	0
$172	$176	23.80	17.40	9.70	4.20	0	0	0	0	0	0	0
$176	$180	24.40	18.00	10.20	4.70	0	0	0	0	0	0	0
$180	$184	24.90	18.60	10.70	5.20	0	0	0	0	0	0	0
$184	$188	25.40	19.10	11.20	5.60	.10	0	0	0	0	0	0
$188	$192	26.00	19.70	12.00	6.10	.60	0	0	0	0	0	0
$192	$196	26.50	20.20	12.70	6.60	1.10	0	0	0	0	0	0
$196	$200	27.10	20.80	13.40	7.10	1.50	0	0	0	0	0	0
$200	$204	27.60	21.30	14.10	7.60	2.00	0	0	0	0	0	0
$204	$208	28.20	21.80	14.80	8.00	2.50	0	0	0	0	0	0
$208	$212	28.70	22.40	15.60	8.50	3.00	0	0	0	0	0	0
$212	$216	29.30	22.90	16.30	9.00	3.40	0	0	0	0	0	0
$216	$220	29.80	23.50	17.00	9.50	3.90	0	0	0	0	0	0
$220	$224	30.40	24.00	17.70	9.90	4.40	0	0	0	0	0	0
$224	$228	30.90	24.60	18.30	10.40	4.90	0	0	0	0	0	0
$228	$232	31.50	25.10	18.80	10.90	5.40	0	0	0	0	0	0
$232	$236	32.00	25.70	19.30	11.50	5.80	.30	0	0	0	0	0
$236	$240	32.60	26.20	19.90	12.30	6.30	.80	0	0	0	0	0
$240	$248	33.40	27.00	20.70	13.30	7.00	1.50	0	0	0	0	0
$248	$256	34.50	28.10	21.80	14.80	8.00	2.50	0	0	0	0	0
$256	$264	35.60	29.20	22.90	16.20	9.00	3.40	0	0	0	0	0
$264	$272	36.70	30.30	24.00	17.70	9.90	4.40	0	0	0	0	0
$272	$280	37.80	31.40	25.10	18.80	10.90	5.30	0	0	0	0	0
$280	$288	38.90	32.50	26.20	19.90	12.20	6.30	.70	0	0	0	0
$288	$296	39.90	33.60	27.30	20.90	13.60	7.20	1.70	0	0	0	0
$296	$304	41.00	34.70	28.40	22.00	15.10	8.20	2.70	0	0	0	0
$304	$312	42.10	35.80	29.50	23.10	16.50	9.20	3.60	0	0	0	0
$312	$320	43.20	36.90	30.60	24.20	17.90	10.10	4.60	0	0	0	0
$320	$328	44.30	38.00	31.70	25.30	19.00	11.10	5.50	0	0	0	0
$328	$336	45.40	39.10	32.80	26.40	20.10	12.50	6.50	.90	0	0	0
$336	$344	46.50	40.20	33.80	27.50	21.20	14.00	7.40	1.90	0	0	0
$344	$352	47.60	41.30	34.90	28.60	22.30	15.40	8.40	2.90	0	0	0
$352	$360	48.70	42.40	36.00	29.70	23.40	16.80	9.40	3.80	0	0	0
$360	$368	49.80	43.50	37.10	30.80	24.50	18.10	10.30	4.80	0	0	0
$368	$376	50.90	44.60	38.20	31.90	25.60	19.20	11.40	5.70	.20	0	0
$376	$384	52.00	45.70	39.30	33.00	26.70	20.30	12.80	6.70	1.20	0	0
$384	$392	53.10	46.70	40.40	34.10	27.70	21.40	14.30	7.70	2.10	0	0
$392	$400	54.20	47.80	41.50	35.20	28.80	22.50	15.70	8.60	3.10	0	0
$400	$420	56.10	49.80	43.40	37.10	30.80	24.40	18.10	10.30	4.70	0	0
$420	$440	58.80	52.50	46.20	39.80	33.50	27.20	20.80	13.50	7.10	1.60	0
$440	$460	61.60	55.20	48.90	42.60	36.20	29.90	23.60	17.10	9.50	4.00	0
$460	$480	64.30	58.00	51.60	45.30	39.00	32.60	26.30	20.00	12.40	6.40	.80
$480	$500	67.00	60.70	54.40	48.00	41.70	35.40	29.00	22.70	16.00	8.80	3.20
$500	$520	69.80	63.40	57.10	50.80	44.40	38.10	31.80	25.40	19.10	11.20	5.60
$520	$540	72.50	66.20	59.80	53.50	47.20	40.80	34.50	28.20	21.80	14.80	8.00
$540	$560	75.20	68.90	62.60	56.20	49.90	43.60	37.20	30.90	24.60	18.20	10.40
$560	$580	78.00	71.60	65.30	59.00	52.60	46.30	40.00	33.60	27.30	21.00	13.70
$580	$600	80.70	74.40	68.00	61.70	55.40	49.00	42.70	36.40	30.00	23.70	17.30
$600	$640	84.80	78.50	72.10	65.80	59.50	53.10	46.80	40.50	34.10	27.80	21.50
$640	$680	90.30	84.00	77.60	71.30	65.00	58.60	52.30	46.00	39.60	33.30	27.00
$680	$720	95.80	89.40	83.10	76.80	70.40	64.10	57.80	51.40	45.10	38.80	32.40
$720	$760	101.20	94.90	88.60	82.20	75.90	69.60	63.20	56.90	50.60	44.20	37.90
$760	$800	106.70	100.40	94.00	87.70	81.40	75.00	68.70	62.40	56.00	49.70	43.40
$800	$840	112.20	105.80	99.50	93.20	86.80	80.50	74.20	67.80	61.50	55.20	48.80
$840	$880	117.60	111.30	105.00	98.60	92.30	86.00	79.60	73.30	67.00	60.60	54.30
$880	$920	123.10	116.80	110.50	104.10	97.80	91.50	85.10	78.80	72.50	66.10	59.80
$920	$960	128.60	122.30	115.90	109.60	103.30	96.90	90.60	84.30	77.90	71.60	65.30
$960	$1,000	134.10	127.70	121.40	115.10	108.70	102.40	96.10	89.70	83.40	77.10	70.70
		14 percent of the excess over $1,000 plus										
$1,000 and over		136.80	130.50	124.10	117.80	111.50	105.10	98.80	92.50	86.10	79.80	73.50

If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—

And the wages divided by the number of days in such periods are—		And the number of withholding exemptions claimed is—										
		0	1	2	3	4	5	6	7	8	9	10 or more
At least	But less than	The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period										
$0	$1.50	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$1.50	$1.75	$0.20	0	0	0	0	0	0	0	0	0	0
$1.75	$2.00	.20	.05	0	0	0	0	0	0	0	0	0
$2.00	$2.25	.25	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.30	.10	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.30	.15	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.35	.15	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.40	.20	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.40	20	.05	0	0	0	0	0	0	0	0
$3.50	$3.75	.45	.25	.05	0	0	0	0	0	0	0	0
$3.75	$4.00	.50	30	.10	0	0	0	0	0	0	0	0
$4.00	$4.25	.55	.30	.15	0	0	0	0	0	0	0	0
$4.25	$4.50	.60	.35	.15	0	0	0	0	0	0	0	0
$4.50	$4.75	.65	.35	.20	0	0	0	0	0	0	0	0
$4.75	$5.00	.65	.40	.20	.05	0	0	0	0	0	0	0
$5.00	$5.25	.70	.45	.25	.05	0	0	0	0	0	0	0
$5.25	$5.50	.75	.50	.30	.10	0	0	0	0	0	0	0
$5.50	$5.75	.75	.55	.30	.15	0	0	0	0	0	0	0
$5.75	$6.00	.80	.60	.35	.15	0	0	0	0	0	0	0
$6.00	$6.25	.85	.65	.35	.20	0	0	0	0	0	0	0
$6.25	$6.50	.85	.65	.40	.20	.05	0	0	0	0	0	0
$6.50	$6.75	.90	.70	.45	.25	.05	0	0	0	0	0	0
$6.75	$7.00	.95	.75	.50	.30	.10	0	0	0	0	0	0
$7.00	$7.25	.95	.75	.55	.30	.10	0	0	0	0	0	0
$7.25	$7.50	1.00	.80	.60	.35	.15	0	0	0	0	0	0
$7.50	$7.75	1.05	.85	.65	.35	.20	0	0	0	0	0	0
$7.75	$8.00	1.10	.85	.65	.40	.20	.05	0	0	0	0	0
$8.00	$8.25	1.10	.90	.70	.45	.25	.05	0	0	0	0	0
$8.25	$8.50	1.15	.95	.75	.50	.25	.10	0	0	0	0	0
$8.50	$8.75	1.20	.95	.75	.55	.30	.10	0	0	0	0	0
$8.75	$9.00	1.20	1.00	.80	.60	.35	.15	0	0	0	0	0
$9.00	$9.25	1.25	1.05	.85	.60	.35	.20	0	0	0	0	0
$9.25	$9.50	1.30	1.05	.85	.65	.40	.20	.05	0	0	0	0
$9.50	$9.75	1.30	1.10	.90	.70	.45	.25	.05	0	0	0	0
$9.75	$10.00	1.35	1.15	.95	.75	.50	.25	.10	0	0	0	0
$10.00	$10.50	1.40	1.20	1.00	.80	.55	.30	.15	0	0	0	0
$10.50	$11.00	1.45	1.25	1.05	.85	.65	.40	.20	0	0	0	0
$11.00	$11.50	1.55	1.35	1.10	.90	.70	.45	.25	.05	0	0	0
$11.50	$12.00	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0	0	0
$12.00	$12.50	1.70	1.45	1.25	1.05	.85	.65	.40	.20	0	0	0
$12.50	$13.00	1.75	1.55	1.35	1.10	.90	.70	.45	.25	.05	0	0
$13.00	$13.50	1.80	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0	0
$13.50	$14.00	1.90	1.65	1.45	1.25	1.05	.85	.65	.35	.20	0	0
$14.00	$14.50	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25	.05	0
$14.50	$15.00	2.00	1.80	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0
$15.00	$15.50	2.10	1.90	1.65	1.45	1.25	1.05	.85	.65	.35	.20	0
$15.50	$16.00	2.15	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25	.05
$16.00	$16.50	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55	.30	.10
$16.50	$17.00	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.65	.35	.20
$17.00	$17.50	2.35	2.15	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25
$17.50	$18.00	2.45	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55	.30
$18.00	$18.50	2.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.60	.35
$18.50	$19.00	2.55	2.35	2.15	1.95	1.75	1.50	1.30	1.10	.90	.70	.45
$19.00	$19.50	2.65	2.45	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55
$19.50	$20.00	2.70	2.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.60
$20.00	$21.00	2.80	2.60	2.40	2.20	1.95	1.75	1.55	1.35	1.15	.95	.70
$21.00	$22.00	2.95	2.75	2.50	2.30	2.10	1.90	1.70	1.50	1.30	1.05	.85
$22.00	$23.00	3.10	2.85	2.65	2.45	2.25	2.05	1.85	1.60	1.40	1.20	1.00
$23.00	$24.00	3.20	3.00	2.80	2.60	2.40	2.15	1.95	1.75	1.55	1.35	1.15
$24.00	$25.00	3.35	3.15	2.95	2.75	2.50	2.30	2.10	1.90	1.70	1.50	1.25
$25.00	$26.00	3.50	3.30	3.05	2.85	2.65	2.45	2.25	2.05	1.80	1.60	1.40
$26.00	$27.00	3.65	3.40	3.20	3.00	2.80	2.60	2.40	2.15	1.95	1.75	1.55
$27.00	$28.00	3.75	3.55	3.35	3.15	2.95	2.70	2.50	2.30	2.10	1.90	1.70
$28.00	$29.00	3.90	3.70	3.50	3.25	3.05	2.85	2.65	2.45	2.25	2.00	1.80
$29.00	$30.00	4.05	3.85	3.60	3.40	3.20	3.00	2.80	2.60	2.35	2.15	1.95
		14 percent of the excess over $30 plus										
$30.00 and over		4.10	3.90	3.70	3.50	3.25	3.05	2.85	2.65	2.45	2.25	2.00

The amendment was agreed to.

The next amendment was, on page 29, line 3, after the word "after", to strike out "June" and insert "July."

The amendment was agreed to.

The next amendment was, in section 6, on page 30, in line 2, before the word "Section", to strike out "(a) Income Taxes"; and in line 5, before the word "and", to strike out "(e)" and insert "(f)."

The amendment was agreed to.

The next amendment was, on page 30, after line 23, to insert:

(e) Taxable years of individuals beginning in 1947 and ending in 1948: In the case of a taxable year of an individual beginning in 1947 and ending in 1948, the tax imposed by sections 11, 12, and 400 shall be an amount equal to the sum of—

(1) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1947, were applicable to such taxable year, which the number of days in such taxable year prior to January 1, 1948, bears to the total number of days in such taxable year, plus

(2) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1948, were applicable to such taxable year, which the number of days in such taxable year after December 31, 1947, bears to the total number of days in such taxable year.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments except committee amendment No. 1, to which an amendment was offered earlier today by the Senator from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield to me so I may suggest the absence of a quorum?

Mr. McCLELLAN. Yes; I yield for that purpose.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Downey
Baldwin	Cain	Dworshak
Ball	Capehart	Eastland
Barkley	Capper	Ecton
Bricker	Chavez	Ellender
Brooks	Connally	Ferguson
Buck	Cooper	Flanders
Bushfield	Cordon	Fulbright
Butler	Donnell	George

Green	McCarthy	Smith
Gurney	McClellan	Sparkman
Hatch	McFarland	Stewart
Hawkes	McMahon	Taft
Hayden	Magnuson	Taylor
Hickenlooper	Malone	Thomas, Okla.
Hill	Maybank	Thomas, Utah
Hoey	Millikin	Thye
Holland	Moore	Tobey
Ives	Morse	Tydings
Jenner	Murray	Umstead
Johnson, Colo.	O'Daniel	Vandenberg
Johnston, S. C.	O'Mahoney	Wagner
Kem	Pepper	Watkins
Kilgore	Reed	Wherry
Knowland	Revercomb	White
Langer	Robertson, Va.	Wiley
Lodge	Robertson, Wyo.	Williams
Lucas	Russell	Wilson
McCarran	Saltonstall	Young

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. MCKELLAR] is necessarily absent.

The Senator from Rhode Island [Mr. MCGRATH], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. O'CONOR] are detained on public business.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. MCCLELLAN. Mr. President, I offer to the first committee amendment the amendment which I submitted earlier today and then withdrew in order that the other committee amendments might be acted upon. The amendment was stated at that time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas to the first committee amendment. The amendment offered by the Senator from Arkansas to the committee amendment will be again stated.

The CHIEF CLERK. In the committee amendment on page 6, after line 19, it is proposed to insert the following new section:

(b) Reduction in surtax on individuals and establishment of new method for computation of surtax in case of joint returns: So much of section 12 (b) of the Internal Revenue Code (relating to the rates of surtax) as precedes the table therein is hereby amended to read as follows:

"(b) Computation of surtax.—

"(1) Separate return: Except in the case of a joint return by husband and wife, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by computing a tentative surtax under the table set forth in paragraph (3) of this subsection, and by reducing such tentative surtax by 24 percent thereof.

"(2) Joint return: In the case of a joint return by husband and wife under section 51, there shall be levied, collected, and paid for each taxable year upon the aggregate surtax net income of the husband and wife a surtax determined—

"(A) by computing a tentative surtax under a table set forth in paragraph (3) of this subsection upon an amount equal to one-half of such aggregate surtax net income;

"(B) by multiplying the tentative surtax ascertained under subparagraph (A) by two; and

"(C) by reducing the amount ascertained under subparagraph (B) by 24 percent thereof.

"(3) Surtax table: The table referred to in paragraphs (1) and (2) is as follows:."

(c) Standard deduction: Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"(1) Allowance: In the case of an individual, at his election, a standard deduction as follows:

"(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"(C) Adjusted gross income less than $5,000. If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400."

Mr. MCCLELLAN. Mr. President, the amendment which I have offered is one which I gave notice on two previous occasions that I would offer at the proper time during the consideration of this bill. The amendment is technical in its terms, as much of our tax legislation is. If enacted into law, the amendment would simply do justice to the Federal income-tax payers of 38 States of the Nation who are now placed at a disadvantage by the present tax law, in that the citizens of those 38 States are required to pay, on comparative incomes, considerably more Federal taxes, and to bear a heavier share of the burden of supporting this government, than are citizens of 10 of the States of the Union who happen to be residents of States which have community-property laws.

Mr. President, this is not a fight against or a quarrel with States which have community-property laws. No one wants to change their system. No one wants to affect them. This amendment will have no effect whatever, detrimental or otherwise, on the citizens of those 10 States. It will in no way affect the present amount of tax or rate of tax which they are now paying. The amendment would simply place citizens of the other 38 States on a basis of equality with the other 10.

Mr. President, this is not a partisan issue. It is not a sectional problem. The purpose is not to load the bill down with objectionable amendments. Nothing I am doing or undertaking to do is in any sense an obstruction or hindrance to the passage of tax-reduction legislation.

But as we go before the country and promise the people that we are going to reduce their taxes, let us do it equitably. Let us say, "Not only are we going to reduce taxes but along with it we are going to do equity. Simultaneously we are going to remove the injustice and discrimination under which the people of 38 States of the Union have long suffered."

What is wrong with that? Who can object to it? Do Senators from community-property States object? I trust they do not. I do not believe they do. We are not objecting to what they have. I ask my colleagues who live in States like mine, which are penalized, whether they are willing to let this injustice and discrimination continue to operate against the citizens of their State. I am not.

It may be said that this fight should be made later, or that the amendment should not be offered to the pending bill, but should be offered to some other bill. That argument has been made before, but nothing has been done about the situation. There is a time to right the injustice, and that is when the opportunity is present. The time to do it is at the first opportunity; and this is the first opportunity at this session of Congress, because this is the first tax bill we have considered.

Why is not this amendment appropriate in connection with a tax-reduction bill? It will result in a reduction of the tax, the wrongful tax, as it is at present, on literally thousands of taxpayers throughout the Nation. Why is it not right to make a reduction that will do justice and correct the evil that exists in the present tax law? Why is not that a good reduction to make? Why is it not sound legislation in a tax-reduction bill? Why can we not do justice as we give relief to the burdened taxpayers of this Nation? We can do it. We either will do it or we will refuse to do it; but if we refuse to do it now we will perpetuate this rank discrimination.

I do not propose, Mr. President, longer to be a party to delay. I do not propose to sit here idly and silently and not make a fight to bring to the people of my State the same benefits which are granted to the people of other States.

I am asked how much it would amount to. I shall call the roll of the States and ask the Senators to join me in placing all the States and all the taxpayers of the Nation on a basis of equality and fairness. I ask Senators who represent States such as mine, which do not have community-property laws, to join me. I ask them to join me in correcting the mistake today, now, while the opportunity is present. I am fighting for the people of those States as well as for my own. I am fighting for the right. Why longer delay changing the law?

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MCCLELLAN. I am glad to yield to the Senator.

Mr. KNOWLAND. I should like to say to my able colleague from Arkansas, who brought up the matter last week when we were previously discussing the situation, that I think he will agree with me that there is nothing that would prevent any of the other States from coming under the same provisions of the law, providing they adopt the community-property principle. Is not that so?

Mr. MCCLELLAN. Of course, the Senator is correct. But the States have a right to have their own tax system and their own property system. The Senator's State chooses one; my State chooses another. But that does not give the Federal Government the right to discriminate; neither does it give to the Senator from California, nor me, the right, as honest legislators sworn to do our duty to our country, to perpetuate that discrimination and injustice. There is no escape from it, Mr. Presi-

dent. There is no challenge. This position cannot be assailed. We either do justice and correct this mistake or we perpetuate it by not supporting an amendment which will correct it.

Mr. WHERRY. Mr. President, will the Senator yield at that point?

Mr. McCLELLAN. I am very happy to yield to the Senator from Nebraska.

Mr. WHERRY. Following the question asked by the distinguished Senator from California, has the distinguished Senator from Arkansas made an examination with reference to what would be required for all the States to come under the provisions of community-property laws which the Senator from California suggested could be done if they elected to do so?

Mr. McCLELLAN. I will say to the Senator that a number of States, including my own, have undertaken recently to enact community-property statutes because of the discrimination they have suffered. But when that is done the necessity arises of revising the whole property system, and it cannot be done just as easily as merely saying so.

Mr. WHERRY. The simplest way and the most expeditious way would be for the Congress of the United States to permit for purposes of revenue, at least, the Federal Government to recognize partnerships in the different States of the Union as they are recognized in community-property States throughout the land.

Mr. McCLELLAN. The Senator is correct. Does the Senator know that the Internal Revenue Department recognizes the validity of community-property laws, and in the States having such laws husband and wife are permitted to split their income for Federal tax purposes, just as the law gives half the property to the wife, half to the husband, and half of the income to each? That is respected by the Internal Revenue Bureau. In my State the laws authorize a husband to make his wife a legitimate partner in his business, and by so doing she becomes the owner of half of the business and the owner of half the income derived from it. Is that recognized by the Internal Revenue Bureau? No. I give my wife half of my property, half of my business, half of my income, but the Bureau of Internal Revenue, while recognizing the law that divides property by compulsion, disregards and will not recognize and accept for Federal income-tax purposes the law of my State under which I voluntarily give to my wife, without compulsion of law, half of my property and half of my business, and half of my income.

That is the situation which I am trying to correct. It should not exist; it should not be perpetuated. No one can justify perpetuating it or delaying the correction of it another day.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. WHERRY. As I read the second part of the Senator's amendment it is exactly what I have attempted to do in two sessions prior to this one, but the answer has been made to me that the reason the Internal Revenue Bureau has not done this and cannot do it in the immediate future, unless Congress should authorize it, is that they have begun studies of the community-property provision, and it is now on the agenda in the Committee on Ways and Means of the House. Does the Senator agree that that is true?

Mr. McCLELLAN. I have also had those reports. To me it is almost like saying, "I want to study my alphabet, my A B C's again." It is so simple and plain that a ten-year-old child in the third grade can understand what we are talking about. I know every taxpayer can understand it.

Let me again call the Senate's attention to what the situation is. I have not the difference on every level of income, but these figures will illustrate what I mean and how great is the discrimination.

Let us begin with an income of $4,000. On a $4,000 income a citizen of Arkansas or a citizen of Maine pays $18 more a year Federal income tax than does a citizen of a community-property State. The citizens of both States are American citizens, owing no greater obligation to support the Government than do the citizens of a community-property State. Yet, on that small income they will pay $18 more tax.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. FULBRIGHT. How much more income tax does the Senator pay on his salary than does the Senator from California?

Mr. McCLELLAN. On the present salary, as an illustration, assuming the salary is $12,500 a year, or on the basis of a $12,000 income I pay $646 more Federal tax than does the Senator from California. I might say that I need that money for my family just as much as does the Senator need that amount of money for his family. All I am asking is that justice be done.

Let me give the Senate some more figures to illustrate the situation. I have just given the figure on $4,000. On the basis of $6,000 a year income a citizen of my State is penalized $114 a year. On the basis of $8,000 income a citizen, if he is not from a community-property State, has to pay $266 a year more in Federal taxes.

So we can go down the list. I shall not take time to read all of them; but on the basis of a $20,000 income, the citizen of a State which is not a community-property State has to pay $1,881,- or $150-plus a month, more tax than has to be paid by the citizen of a community-property State. Is there a Senator within the sound of my voice who will rise and say there is anything right or just about that, or that he wants to have it perpetuated? Does any Senator want to inflict that penalty, that difference in tax, on the other citizens of this Nation? If Senators do not want that done, then I say to the Senators on the other side of the aisle that today they have the power to correct this glaring inequity. They are in the majority. I am not speaking on a partisan basis; I am talking American justice. I invite all Senators to go along with the amendment and help us adopt it. If Senators believe that the Government cannot stand the loss of revenue which all these amendments will entail, then when the bill goes to conference let conferees do their duty there and remove the parts of the bill which entail losses in revenue which the Treasury cannot stand now, and leave in the bill this amendment which will do this equity and justice which are so long overdue.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. KNOWLAND. I should like to repeat, because there are now present a number of Senators who were not in the Chamber the other day when I spoke, what I said at that time. I fully appreciate that the situation outlined by the Senator from Arkansas constitutes a real problem, and that the able Senator has a considerable amount of merit on his side of the question, but I submit that there is an orderly way to proceed with it. The able Senator from Colorado [Mr. MILLIKIN], the chairman of the Finance Committee, has indicated that this matter will be one of the No. 1 orders to be taken up when the regular tax bill for next year comes up at the latter part of this year; and the other day I pointed out to my able colleague, the Senator from Arkansas, that there are other inequities which should be considered at the same time.

The Senator from Arkansas has been calling attention to the fact that there is a difference between the taxes which may be paid by persons living in one State and the taxes which may be paid by persons living in another State, but I respectfully submit to him that there is also a difference in the nature of the property because in a community-property State one-half of the income belongs to the wife, not in fiction but in fact.

Mr. McCLELLAN. Mr. President, if I may interrupt the Senator's statement at this point, let me say that I have simply pointed out to the Senator that, although the statement he has just made is true, yet in my State under the present revenue laws, as interpreted and administered by the Bureau of Internal Revenue, it is not permissible to give the wife half of the property and then receive the same treatment that is received in States where there is a community-property law.

Mr. KNOWLAND. But I submit to the able Senator from Arkansas that his amendment will go further than that; it will not only take care of a situation such as he has just now mentioned but it will apply to cases in other States where there is no provision that the wife will, in fact, have one-half of the income and the accumulations during the marital relationship.

Mr. McCLELLAN. I say to the Senator that, however far the amendment goes, it does not go beyond what is granted to citizens living in the State of California. It simply places all citizens on a basis of equality.

Mr. KNOWLAND. Mr. President, will the Senator yield at this point, once more?

Mr. McCLELLAN. I am glad to yield.

Mr. KNOWLAND. I may state for the RECORD at this point, relative to the

alleged inequities relative to the community-property situation, that when a decedent in a community-property State dies, the Federal Government levies an estate tax on the entire community-partnership property, except, first, property received as compensation for personal services rendered by the surviving spouse, and, second, property derived originally from the survivor's separate property.

Suppose a husband and wife in California accumulate a community-partnership estate of $300,000. The husband does not own $300,000 of that partnership property; he owns only half of it. The wife owns the other half. For example, she may will her half as she pleases, free of her husband's control. In the event of a divorce, she is entitled to half the property, as a matter of right. The wife's power of testamentary disposition is not a fiction; it is a fact. The Federal Government cannot tell a divorced husband in California that his wife's community-partnership rights are unreal. He knows better.

Under the 1942 estate-tax law, if the husband dies first, the entire $300,000 is considered as forming a part of his estate. Half of that estate was his wife's, and subject to her right to dispose of it by will; but it falls into the decedent's estate. Thus, in California and other community-partnership States, but only in such States, a deceased husband's estate is taxed on property he did not own and had never owned, property not subject to his testamentary disposition, property not transferred at his death. In the community-partnership States a widow is compelled to pay an estate tax on property that legally belongs to her, has always belonged to her, and is subject to her sole testamentary disposition.

So I call to the attention of my able colleague, the Senator from Arkansas, the fact that the community-property States, where certain rights exist, are also States where certain obligations or liabilities, if we may state the matter in that way, exist, and to extend the same rights to all the States of the Union, without requiring them also to give the same benefits to the wives, would, I think, work an injustice in the other direction.

Mr. McCLELLAN. Mr. President, what business is it of the Federal Government what benefit a State gives to wives? It recognizes the rights of all of them. But when taxes are collected for the support of the Federal Government, in the Senator's State a wife is treated in one way, and in my State a wife is treated in another way. Regardless of which State treats the wife in the best way, the obligation to the Federal Government is not lessened or increased; and there should be no discrimination.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. McCLELLAN. I yield.

Mr. WHERRY. I should like to make a brief observation. What the distinguished Senator from Arkansas says I believe to be true, and I think his contention is unanswerable. I know of a partnership in my State that is not fictitious, that is recognized as a partnership between husband and wife for every legal purpose which exists in the State of Nebraska, and yet the Bureau of Internal Revenue will not recognize it for purposes of revenue, for the very reasons outlined by the Senator from Arkansas. Senators may attempt to defend that situation, but it is indefensible. The argument of the Senator from Arkansas on that proposition simply cannot be answered.

I think the time has come when if we are going to recognize family partnerships in the community-property States, it is only fair that they be recognized in all the States of the Union.

Mr. President, will the Senator yield for a further question?

Mr. McCLELLAN. I am glad to yield.

Mr. WHERRY. I should like to ask the distinguished chairman of the Finance Committee, the Senator from Colorado, for whom I have the highest regard, whether he can assure those of us who believe in the principle of this amendment to the committee amendment relative to family partnerships, that this matter is on the agenda and that the Finance Committee of the Senate and the Ways and Means Committee of the House really mean that they will take up this subject matter in the proposed new legislation relative to the tax structure, and will at least afford an opportunity to make a study relative to the amendment, so that it will be possible to write into the statute the very principles about which the Senator from Arkansas is speaking.

Mr. MILLIKIN. Mr. President, I am very glad to answer the question of the Senator from Nebraska. This subject of split income and family partnerships—and they are closely related—is one of immediate interest both to the Senate Finance Committee and the House Ways and Means Committee. The House Ways and Means Committee has already commenced its studies in preparation of a general revision of the tax laws, and a bill for that purpose will be introduced at the next session of the Congress. The two related matters are at the top of the list of those to be considered. The Secretary of the Treasury recognizes the importance of taking a good look at the situation and possibly having amendments made to the existing law.

I can assure the Senator that in connection with that effort the two committees which have to do with the subject will give the most careful attention to the problem, and with much sympathy.

Mr. WHERRY. Mr. President, will the Senator from Arkansas yield for a further question? I do not desire to impose upon his time, for he is making a wonderful argument.

Mr. McCLELLAN. That is quite all right; I am glad to yield.

Mr. WHERRY. I should like to ask the distinguished chairman of the Finance Committee, the Senator from Colorado, this question: How much is involved in this split-income provision, or what would be the effect this year, in millions of dollars, on the revenue income we are considering in connection with the tax bill?

Mr. MILLIKIN. It would add to the cost of the bill, if we were to put it in the bill, about $800,000,000. It would make the cost of the bill about $4,000,000,000, instead of $3,200,000,000, and thus would stultify all the representations which have been made as to what the cost of the bill would be.

Mr. WHERRY. I am speaking now only of the family partnership.

Mr. MILLIKIN. Oh, of the family partnership.

Mr. WHERRY. Is that the figure—$800,000,000?

Mr. MILLIKIN. There is no figure on that, because to determine under the present law what should be exempt from taxation and what should be taxed requires the consideration of every partnership case, and that is probably the reason why accurate figures are not available.

Mr. WHERRY. If I referred to the joint returns between husband and wife, would the Senator have the figure?

Mr. MILLIKIN. Yes.

Mr. WHERRY. What is that figure?

Mr. MILLIKIN. Eight hundred million dollars.

Mr. WHERRY. So that, in reality, it would mean a cost in revenue of $800,000,000?

Mr. MILLIKIN. That is correct.

Mr. WHERRY. Will the Senator from Arkansas yield a moment more?

Mr. McCLELLAN. I yield.

Mr. WHERRY. I am grateful for the comments by the chairman of the Committee on Finance, because I do not want to stand in the way of the enactment of a piece of legislation which will carry out a tax-reduction program that will be beneficial to the class to whom we pledged our support. On the other hand, I wish to emphasize that I have introduced a bill which, so far as the joint returns are concerned, is identical with the amendment proposed by the Senator from Arkansas. I introduced that bill in two sessions of Congress. I believe in it. I think it is absolutely right in every particular. I cannot see any objection to it. I cannot understand how the Internal Revenue Bureau, when a legal partnership, legal for all practical purposes, is set up in a State, should take the position that it is a fictitious partnership, and should not be recognized as a partnership for tax purposes. So I am caught between two fires. I want to see tax reduction, it is true, but I should like to hear the distinguished Senator from Colorado repeat what he has said by way of assurance. I do not want any promises which are out of reach, and I do not want an indication that we might do so and so, but if the distinguished and respected Senator from Colorado will assure me that the legislation I have proposed is on the agenda for the second session of this Congress, that we will have an opportunity to present the proposal and consider it, that the Department is serious about it and is not misleading in its promises, I shall be tempted to go along with the distinguished Senator in connection with the pending bill, providing I can get assurance that this matter will be brought to a head within a few months, and that the proposed legislation which the Senator from Arkansas is asking to have enacted will be considered.

Mr. TOBEY and other Senators addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Arkansas yield; and if so, to whom?

Mr. McCLELLAN. I shall yield in a moment; I am not yielding now.

The PRESIDENT pro tempore. The Senator from Arkansas declines to yield at the moment.

Mr. McCLELLAN. I wish to comment on the point the Senator from Nebraska has made, that if he can get assurance that something will be done at the next session of Congress he may be willing to forego action on this matter at this time. That would mean another year of unfair burden. That is the point I am making. There is no sense in postponing and delaying and deferring and procrastinating about an injustice that is as plain as the first three letters of the alphabet, by saying, "Well, perhaps we will get to it next year, or the next, or at some other time." I have just as much confidence in the able chairman of the Senate Committee on Finance as has any other Member of this body. I know he is sincere when he expresses the hope that something will be done about the matter. But, Mr. President, if nothing is done about it, the people in the States affected will have to continue to pay.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. Does the Senator yield; and if so, to whom?

Mr. McCLELLAN. I promised to yield to the Senator from New Hampshire.

Mr. TOBEY. Mr. President, I wish to say, first, that I share the zeal and desire expressed by the Senator from Arkansas for the adoption of the amendment he has proposed, and I should like to see it incorporated in the bill. I listened to his colloquy with the distinguished Senator from Colorado, and to the answer made. The Senator from Colorado said very frankly, "I give you my assurance that we and the members of the Ways and Means Committee will consider this matter with the greatest of sympathy."

Mr. President, that is a little bit of progress. But sympathy is reserved for cases where there are dead ones, those who have passed on. What we want is not sympathy. We do not want flowers; we want an affirmation that our friends think this is a good piece of legislation, that they will approach it with zeal and great expectation. I suggest the slogan from the Senator's State, "Eventually, why not now?" I pass that on to the Senator from Arkansas.

Mr. McCLELLAN. What the Senator wants and what I want is a reduction in taxes, not sympathy.

Mr. FULBRIGHT. Mr. President, will my colleague yield?

Mr. McCLELLAN. I yield to my colleague.

Mr. FULBRIGHT. On the point raised by the Senator from Nebraska, about the matter being considered at another time, there are two reasons why I think that is a vain hope. I should like to point out to the Senator from Nebraska, concerning the hope and prospect of the consideration of this matter at the next session, in the first place, the only chance for us to get effective action, as a practical matter, is when taxes are being substantially reduced, and reduction of taxes is the purpose of the pending bill. If we do not do now what is here proposed, I do not think there is much hope in the expression of sympathy of the chairman of the committee, because it would be very unlikely that the committee would come in next year with a bill substantially reducing taxes.

Secondly, I wish to call attention to the fact that the delaying tactics have been in evidence since 1921. I have a letter signed by Colin F. Stam, the chief expert of the joint committee, in which he says that since 1921 there have been several attempts in Congress to eliminate the tax discrimination enjoyed by those living in community-property States, and each time it has been proposed and defeated it has always been made a subject of further study. That means 26 years of the same tactics, and there is a very faint hope of getting action if the matter is postponed at this time, an occasion which seldom comes to us, that is, when there is opportunity for substantial reduction of taxes.

I submit that the way to accomplish what is desired would be to adopt the pending amendment, and couple with it a slight differential in the reduction of exemptions. In that way there will be achieved exactly the same purpose the committee bill achieves in the distribution of the benefits .

It is true that the pending amendment by itself, without any other reduction, gives a greater advantage, I think, to those in the higher brackets than any of us desire. But coupled with some adjustment in the lower brackets, we would reach a result just as equitable as that accomplished by the committee bill.

I also point out that on February 5 I submitted a resolution concerning this subject; but the committee gave no study to it whatever, in fact, paid no attention to it at all. While I know the chairman of the committee is very sincere in his offer to consider the matter next year, I think it is entirely beyond his capacity to give any serious consideration to it, because it is unlikely that there will be any effort to reduce taxes next year.

Mr. McCLELLAN. I merely wish to implement what my able colleague has said by adding that once we reduce taxes, and say that this is as far as we can go, all we will get from here on will be sympathy. If we can reduce them next year an additional $800,000,000, we can reduce them $800,000,000 now.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MILLIKIN. I wish to make it clear that interest, active interest, in this matter is not something for the future. I may say that personally I have been in touch with the Treasury rather frequently within the last few weeks on the family income matter. I have had personal conversations with the officials. The House Ways and Means Committee is not going to start next year, it has already started, the consideration of this matter. It has had the Secretary of the Treasury before it. We propose to reduce taxes again next year. This is not a mere buck-passing affair. We have an earnest intent to clear up inequities in our tax system early next year.

Mr. FULBRIGHT. I hope so. The record shows the earnest intent has persisted for 26 years.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MILLIKIN. The Senator surely knows that during the war was not a proper time to go into a general revision bill. We had to confine ourselves to raising taxes, not reducing them. The first moment that an appropriate occasion presented itself to lower taxes we moved; and we are moving. It is not a matter of theory; it is not something we are going to do next year. We are under way right now.

Mr. FULBRIGHT. I do not mean the Senator himself; but, beginning in 1921 and continuing throughout the twenties, when taxes were to be reduced, the matter was always postponed. I do not refer to the distinguished Senator from Colorado.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from Nebraska.

Mr. MILLIKIN. Mr. President, will the Senator from Nebraska yield to me for one brief statement?

Mr. WHERRY. Certainly.

Mr. MILLIKIN. As I recall, Arkansas at one time was a community-property State.

Mr. McCLELLAN. I do not recall that.

Mr. FULBRIGHT. I have the complete history of it here.

Mr. McCLELLAN. It was before my time. I know that the taxpayers of my State have never had the benefit of it during the time I have been paying taxes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. Yes.

Mr. WHERRY. To me, it seems a matter of small moment whether it was ever a community-property State or not. I think there is a gross inequity, and I think the arguments advanced by the distinguished Senator from Arkansas are unanswerable.

Mr. President, will the distinguished Senator from Arkansas permit me to ask the distinguished Senator from Colorado another question?

Mr. McCLELLAN. I am glad to yield.

Mr. WHERRY. I should like to ask the Senator whether or not we shall have reasonably prompt consideration of the legislation? Is the Senator in a position to state now whether or not it is on the agenda of the Committee on Finance of the Senate?

Mr. MILLIKIN. I may say to the Senator, without question, it is on the agenda of the Committee on Finance for consideration in connection with the next revenue bill, without any ifs, buts, or maybes. I necessarily must exercise a decent restraint in talking about what the Ways and Means Committee of the House is going to do, but I know it is on the agenda of that committee.

Mr. WHERRY. Is it being studied now, in preparation for the tax bill, revising the entire tax structure, which we expect to take up in the second session of the Eightieth Congress?

Mr. MILLIKIN. This specific subject has already been raised before the House Committee on Ways and Means by the Secretary of the Treasury.

Mr. WHERRY. If the Senator will yield for one more question, I should like to ask the distinguished Senator from Colorado whether or not the Treasury Department looks with favor upon the pending amendment?

Mr. MILLIKIN. I am inclined to believe——

Mr. WHERRY. I am asking the Senator whether or not he knows.

Mr. MILLIKIN. I know that Mr. Surrey, of the House legislative counsel, is actively in favor of an amendment of this kind, and I know that the Secretary of the Treasury has said nothing adverse to it, but has urged that the matter receive prompt study in connection with the general revision bill.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the Senator from Illinois.

Mr. LUCAS. I should like to point out one thing in connection with the argument that is proceeding. We are talking about a reduction of taxes next year. No doubt it is the intention of the majority party to do exactly what the able Senator from Colorado says. But I point out that no one can foretell the conditions of this country and of the world a year from now, when it is planned to start the tax reduction program. If Senators are really interested in the community-property tax amendment offered by the Senator from Arkansas, it would be better for them not to put off until tomorrow what they can do today.

I repeat, it is thought we are going to have a tax bill next year; but we may and we may not have a reduction of taxes next year. Looking at the matter from that standpoint, I shall support the Senator's amendment. However, I should like to indicate to the Senator what his amendment to H. R. 1 does.

House bill 1 in my judgment is designed primarily to assist taxpayers in the higher income-tax brackets and in the middle income-tax brackets. Certainly, as originally proposed, H. R. 1 was designed primarily to assist those in the higher brackets. With all due deference to the House, the Senate, by its amendments, has improved the measure. But the moment the Senator's amendment is attached to H. R. 1, further aid will be given to those in the higher income-tax brackets and in the middle income-tax brackets, a further benefit will be conferred upon taxpayers in the middle and higher income-tax brackets, to which they are not entitled. The only danger in the Senator's amendment is that a further advantage is given to those not entitled to receive it.

Mr. McCLELLAN. The Senator says they are not entitled to it. Does the Senator mean "not entitled"?

Mr. LUCAS. No; I do not mean that.

Mr. McCLELLAN. The Senator means it will be given to persons who do not need it so much?

Mr. LUCAS. That is correct.

Mr. McCLELLAN. That is, to persons who need it less?

Mr. LUCAS. They are entitled to it, but it does not square, so far as equity is concerned, with H. R. 1, when it is amended, because it gives too much. That is why I offered in committee a substitute for the bill, increasing the exemptions, splitting of family income doing the very same thing that the Senator wants done; and in addition, taking two points off each and every one of the surtax brackets. In that way there is a leveling-off process which gives the taxpayers equitable treatment.

Mr. McCLELLAN. I thank the Senator from Illinois, and I want to say to him that I intend to support his substitute, in the event certain other amendments are not adopted. The one thing I dislike about the Senator's substitute is that it does not go quite far enough in raising personal exemptions. I appreciate his position. I should like the exemptions to go even higher than is provided by the amendment which I intend to propose, but I realize it cuts into the revenue to such an extent that it is inadvisable to go higher at this time.

Mr. LUCAS. That is exactly the point. What I have tried to do in the substitute I intend to offer is to keep the total amount taken from the Treasury at a level comparable to that which H. R. 1 would establish.

Mr. McCLELLAN. In other words, the purpose would be to achieve about the same reduction?

Mr. LUCAS. That is correct. My bill would level it off, rather than to give benefits to taxpayers within certain brackets that I do not think they should have. At the same time, it would give the family the advantage of paying taxes on the basis of a split income as between husband and wife, as they are now permitted to do, if living in a community-property State.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MILLIKIN. I may remind the distinguished Senator of certain observations which have been made to the effects that this matter has been up for consideration a number of times, but that nothing has happened. My attention is invited to the fact that it has been up, but, in the form in which it was proposed, it was designed to equalize conditions by imposing a tax on the community-property States, instead of accomplishing the same purpose by granting a benefit to the non-community-property States, and that landed us in a lot of trouble.

Mr. McCLELLAN. I am not so familiar with the history of it; such attempts may have been made. My thought in weighing this matter was that we have no quarrel after all with community-property States. I do not want to put any more taxes on the community-property States, but I do not want this disadvantage perpetuated against the people who do not live in community-property States.

Mr. President, the arguments are again heard about postponement. I can appreciate the sincerity and the interest of the able Senator from Colorado, and the hope that the bill in its present form may be passed, now, in order to avoid creating a greater loss of revenue to the Treasury Department; but, Mr. President, if there is to be one dollar of tax reduction now, the best way, the proper way, and the way which has the strongest appeal from the standpoint of justice and honest legislation, is to correct inequities first, putting everybody on an equality, and then to enact further reductions in accordance with justice and ability to pay. Let all people share this tax burden alike. Let us not keep the payment of Federal taxes out of balance. In carrying the heavy burden of Federal taxes let us not place one man on the short end of the log stick and another on the long end. We sometimes hear the expression "log-rolling" in connection with legislation. From practical experience I know what log-rolling really is. I refer to the old log stick by means of which men used to carry logs and on which they would roll them when piling them for burning in the new ground clearing. The stronger man was given the shorter end of the stick, while the one on the other end of the stick, if he was a weaker man, was given the longer end. But in respect to tax legislation men should be placed on an equality. Two men with the same equal income should undertake to carry the burden of government equally. But today the log stick of taxation has a long end and a short end. In tax matters men of equal strength and ability should carry the log of government with equal length of the tax stick. Inequalities in that respect should not be longer tolerated.

Mr. President, I was reading a table showing how much more tax was paid in the non-community-property States. I now want to call attention to the percentagewise differences. On a $5,000 income an individual living in a non-community-property State pays 3.33 percent more tax than a person with similar income in a community-property State. On a $10,000 income an individual in a non-community-property State pays 18.56 percent more tax than an individual with a $10,000 income in a community-property State. On a $15,000 income, Mr. President, an individual in a non-community-property State pays 28.31 percent more tax than is paid by an individual receiving the same income in community-property States. On a $25,000 income an individual in a non-community-property State pays 40.59 percent more Federal tax than an individual receiving $25,000 in a community-property State. Such differences in income-tax payment cannot be defended, Mr. President.

Mr. President, I shall call the roll of the States. I want to appeal to Senators from non-community-property States who want their people relieved from the tax injustice under which they suffer, and Senators from the community-property States who are willing to say with me today that this tax burden

ought to be equal and that justice ought to be done, to vote for my amendment.

Mr. President, it is said that adoption of my amendment will result in a greater loss of revenue than the Government can stand. If that should be found to be true, all that is necessary to be done when the bill goes to conference is to make other reductions so as to provide for this loss which is necessary to do equity and justice. That can be done, and it ought to be done, Mr. President.

The first State alphabetically is Alabama. Alabama is a non-community-property State. Therefore, the taxpayers of Alabama are suffering the discrimination of which I have been speaking.

The next State is Arizona. Arizona is a community-property State. It ought not to complain about my proposal. It ought to be willing that we not increase the tax paid by its citizens, that we not increase their burden. The people of Arizona should agree with us that we ought not to carry a greater part of the burden than is our share.

The next State is my own, Mr. President. Last year the taxpayers of my State paid $5,000,000 more Federal income tax than did the people of a community-property State, for the same number of individuals in the same income category. The taxpayers of my State were penalized $5,000,000 last year. Mr. President, I will not vote to perpetuate such a condition on my people. If I did I would hardly feel worthy of continuing to represent them. They are entitled to representation here, and they are entitled to that quality of representation which will protect their interests. I will try to see to it that they are not discriminated against, and that they are not compelled to carry a burden greater than the burden carried by other American citizens. I shall try to protect Arkansas today, try to do justice to her citizenship and to my constituents, and I am calling on the Senators of other States to join with me in bringing about this reform of our tax law.

The next State is California. California is a community-property State. I do not think the citizenship of California wants to deny to Arkansas and other States equal justice under the law. I am asking the Senators from the State of California to join me today in the vote on my amendment. If they vote in favor of the amendment they can go back home and face their constituents knowing that they have done the right thing. Senators from California will not hurt their own citizens by voting for my amendment. But if Senators perpetuate this injustice, then, in my judgment, they will have done wrong toward the people of all the 48 States. It is not doing the right thing to perpetuate this injustice, Mr. President.

I continue the roll of the States. Colorado, Connecticut, Delaware, Florida, Georgia. Those States do not have the community-property law. In proportion, they are penalized just as the people of my State are. I call upon the Senators from those States to help me this day, this hour, to take that unjust tax burden off the taxpayers of their people. I believe this is the time for action, this is the place, and this is the opportunity. I do not know whether some tomorrow will bring another opportunity. There are many slips between the cup and the lip, Mr. President, world conditions being what they are today. Who knows whether there can be a tax-reduction bill passed again next year. I am not willing to take the risk of delay. I know action can be taken now, and it ought to be taken now.

Mr. President, the next State on the list is Idaho. Idaho has a community-property law. I invite the Senators from Idaho to join me in this effort to do justice to the people of other States who do not have a community-property law. After the Senators from Idaho have voted for the amendment which would equalize the tax burden, could they not go home and face their people without need for apologizing to them? Not only can they do it without apologizing, but they can do it with a sense of pride in having helped to correct a grievous wrong. New legislation is constantly being offered and passed when we find weaknesses and injustices in existing law, or when we find it necessary in order to correct an unjust situation. We have a bill before us now to which my amendment is germane. My amendment is in harmony with the whole spirit, purpose, and objectives of the bill, which are to equalize the tax burden, and to give some tax reduction.

The next State is Illinois. I am happy to know that at least one Member of the Senate, one of the Senators from Illinois, is joining with me in this fight. I am happy to know that he is not willing to perpetuate the existing injustice, or remain silent or inactive. He wants to take care of the people of his State.

The next State is Indiana. Then comes Iowa, and then comes Kansas—States in the Middle West. Oh, Mr. President, this is not a question of partisanship. It affects Republicans and Democrats alike. It does not matter whether the State went Republican or Democratic in the last election. The tax injustice still exists.

The next State on the list is Kansas, followed by Kentucky. I certainly hope that I shall have the support of both Senators from the State of Kentucky on this nonpartisan issue. One of them sits on the side of the minority, and the other on the side of the majority. Let them join hands on this nonpartisan issue and cast their votes as representatives of the citizens of the great State of Kentucky to right a wrong against their people. I could cite a number of other like illustrations, but I mention this example because the minority leader comes from the State of Kentucky.

The next State is Louisiana. By the way, Arkansas is almost surrounded. To use a slang phrase, we are in a "heck of a fix." We have south of us the great State of Louisiana, which is a community-property State. West of us is the great State of Texas, which has a community-property law. To the north and west is the great State of Oklahoma. A number of the citizens of my State have their businesses in Arkansas and live across the line in the State of Texas. I cannot blame them, although I would not want to leave Arkansas. By doing so, every 4 years they save enough in Federal taxes to pay an entire year's Federal tax on their income. Can we blame them? That is the result of the present discriminatory situation. We are almost hemmed in. The situation can be corrected, and it ought to be corrected now. It is not a sectional question.

The next State is Maine. I certainly hope that the majority leader [Mr. WHITE] and his colleague [Mr. BREWSTER], both of whom sit on the other side of the aisle, will be willing to correct this injustice against the people of Maine. Why not? It is said, "We will try to do it next year." As my able colleague [Mr. FULBRIGHT] has indicated, according to the record this condition has been in existence since 1921. We are always going to do something about it, but we never get to it. Now the war is over. Of course, during the war we had to suffer many inconveniences. But, now, we are in the process of trying to get back to as nearly normal a peacetime basis of taxation and cost of government as conditions will permit. I hope that the able majority leader, representing the State of Maine, and occupying the position which he occupies in this body, will join with me in the fight to adopt this amendment, and treat the wives and husbands of the State of Maine as wives and husbands are treated in other States.

The next State is Maryland. I hope I shall have the support of both Senators from Maryland.

The next States in order are Massachusetts and Michigan. The condition of which I complain exists from East to West, from Midwest to South and North. It is not sectional. I am not pleading only for Arkansas or the South. The condition of injustice reaches from the tip of Maine to the other extreme of the country.

Let us correct the situation now. I remember the old hymn, Why not? Oh, why not tonight? Why not? Oh, why not today? I cannot sing. I cannot carry a tune. However, I should like to have my colleagues, immediately following the quorum call, hold a protracted meeting and sing, "Why not? Oh, why not today?" "If thou wilt be saved, then why, oh, why not tonight." If my colleagues will correct this wrong, then "why, oh, why not today?" There is no answer to the argument.

I proceed with the roll call. The next State in order is Minnesota, followed by Mississippi, Missouri, Montana, and Nebraska. I hope that I may have the support of the Senator from Nebraska [Mr. WHERRY], who has indicated a deep concern for the welfare of the people of his State. I can remember that during the singing of the hymn, Why not? Oh, why not tonight? at the revival meetings there would be a call for mourners. I say to my able friend the Senator from Nebraska, "Why not? Oh, why not today?" If he feels penitent for the penalty which is imposed on the taxpayers of his State and he wants to correct the situation, he has the opportunity. Let us do it today.

I continue to call the roll. Nevada has a community-property law. New Hampshire has not. I was glad when the

senior Senator from New Hampshire [Mr. TOBEY] evinced his interest a while ago. He said that he did not want promises or flowers in the future, or sympathy. What he wanted was relief, and he wanted it now. I hope he will join with me.

Next we come to the State of New Jersey. New Jersey is not a community-property State.

New Mexico is a community-property State.

Then we come to the great State of New York. I have not checked, but I wonder how much taxes the citizens of New York pay in excess of what they would have to pay if they were treated as citizens of community-property States are treated. Both Senators from New York should be concerned and interested and desirous of helping to rectify this condition.

Next comes North Carolina, followed by North Dakota and Ohio. I wonder if the two Senators from Ohio would not like to help in this effort. Why not?

The next State is Oklahoma, which is a community-property State. Oregon is a community-property State.

The citizens of Pennsylvania pay an enormous amount in taxes. They are under this burden and cloud. Let the Senators from Pennsylvania join with me in obtaining justice for the citizens of that great State.

The next States in order are South Carolina, South Dakota, and Tennessee. Every one of them ought to be in this fight. If Senators from those States will join hands with me, in a few hours we shall have this legislation on the way to enactment. If the bill finally becomes law, justice will have been done.

Next is the great State of Texas, a community-property State. Utah, Vermont, and Virginia are not community-property States.

The State of Washington is a community-property State. West Virginia is not. Wisconsin is not. Wyoming is not.

Mr. President, I have called the roll of the States. I do not think there should be one dissenting vote. The vote should be unanimous, Mr. President, because the Senators from community-property States should not be willing by their votes to continue this condition. Certainly every Member of this body whose people are discriminated against and are suffering because of the discrimination should take advantage of this drive to reduce taxes, this first opportunity to have a tax-reduction bill at a time when taxes are at the highest peak ever known in the history of the Nation. Here is the opportunity. I should think everyone would be willing and anxious, Mr. President, to join in this fight and make certain that there shall be no slip; that the cup shall reach the lip before the contents of it may be spilled and there be no room left for the incorporation of this provision in some other bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the Senator from South Carolina.

Mr. MAYBANK. When I entered the Chamber the Senator from Arkansas was making the statement that Arkansas paid more tax than did the community-property States. Did the Senator previously mention the amount of income taxes Arkansas paid?

Mr. McCLELLAN. In 1946 I believe the personal income taxes amounted to $65,000,000.

Mr. MAYBANK. I am heartily in favor of the Senator's amendment, and I was trying to see how it might affect South Carolina in proportion.

Mr. McCLELLAN. It would make an average of approximately one-thirteenth more taxes paid across the board.

Mr. MAYBANK. Outside of the excess profit taxes, the amount would be approximately $65,000,000?

Mr. McCLELLAN. Yes.

Mr. MAYBANK. South Carolina paid in the neighborhood of $100,000,000.

Mr. McCLELLAN. South Carolina would probably be penalized to the extent of approximately seven and one-half million dollars.

Mr. MAYBANK. I thank the Senator. I am very much interested in his argument and I am heartily in favor of his amendment. I merely wanted to calculate in my own mind the savings that would be effected.

Mr. McCLELLAN. Mr. President, I shall not speak longer. The Senate will either adopt or reject my amendment. I do not want to take up more time. I have no purpose to delay the expeditious passage of the measure which is now before the Senate. I shall have another amendment to offer when the time is right, and I shall make some remarks on it, after this amendment is disposed of and I have an opportunity to present the other one. I talked about both of them briefly at the time I gave notice that I would present them. The other amendment has to do with the raising of personal exemptions up to $750 for single persons and up to $1,500 for married persons. I have stated many times that there is just one reason for that, and that is that the husband and wife who are earning only $1,500 cannot pay income taxes except by denying themselves of some of the actual necessities of life. I think the proper approach to tax reduction would be by a combination of these two proposals, first, to correct the injustices which now exist by letting the reduction inure to persons who are now discriminated against, and then by raising the personal exemptions of those persons in the low-income brackets who are most in need of tax relief.

The PRESIDENT pro tempore. The question is on the amendment submitted by the Senator from Arkansas to the first amendment of the committee.

Mr. MILLIKIN. Mr. President, I should like to ask the distinguished Senator from Arkansas if he knows whether any other Senator wants to speak on his amendment.

Mr. McCLELLAN. I think most of the Senators are out for lunch at the moment.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Daniel
Baldwin	Hawkes	O'Mahoney
Ball	Hayden	Pepper
Barkley	Hickenlooper	Reed
Bricker	Hill	Revercomb
Brooks	Hoey	Robertson, Va.
Buck	Holland	Robertson, Wyo.
Bushfield	Ives	Russell
Butler	Jenner	Saltonstall
Byrd	Johnson, Colo.	Smith
Cain	Johnston, S. C.	Sparkman
Capehart	Kem	Stewart
Capper	Kilgore	Taft
Chavez	Knowland	Taylor
Connally	Langer	Thomas, Okla.
Cooper	Lodge	Thomas, Utah
Cordon	Lucas	Thye
Donnell	McCarran	Tobey
Downey	McCarthy	Tydings
Dworshak	McClellan	Umstead
Eastland	McFarland	Vandenberg
Ecton	McMahon	Wagner
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young

The PRESIDING OFFICER (Mr. DONNELL in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Arkansas to the first committee amendment.

Mr. MILLIKIN. Mr. President, may I ask the distinguished Senator from Arkansas whether any Senator is prepared to go forward in behalf of his amendment?

Mr. McCLELLAN. I understand my colleague, the junior Senator from Arkansas [Mr. FULBRIGHT] wishes to discuss the amendment, but at the moment he is at lunch.

Mr. MILLIKIN. Mr. President, there is great interest in the amendment which the distinguished Senator has offered. There is an obvious discrimination, of a type, between the income taxes paid in community-property States and those paid in other States. It has been a subject of interest in the Congress for many years.

The first approach was to aim the remedy directly at the community-property States. That approach never succeeded. I have been told that the last time it came up in the Senate it encountered a filibuster. But the fact remains that there is a strong claim of discrimination between the two types of States.

During the recent hearings of the Senate Committee on Finance we had the honor of listening to the distinguished senior Senator from Arkansas [Mr. McCLELLAN], the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], the distinguished junior Senator from Iowa [Mr. HICKENLOOPER], and others, in behalf of an amendment similar to that offered by the senior Senator from Arkansas, which is now pending.

The Senate Committee on Finance did not take a light view of the subject. But we were driving toward a single objective, namely, an income-tax-reduction bill. It was perfectly apparent, or so it seemed to us, that we could not achieve that objective and at the same time enact a general revision revenue bill.

There are numerous group inequities in our taxation structure. I believe that the Secretary of the Treasury outlined perhaps 20 of them to the House Ways and Means Committee during the hearings on House bill 1.

Mr. FULBRIGHT. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Did the inequities to which the Senator refer all involve substantial reductions in tax collections?

Mr. MILLIKIN. Many of them involved reductions, many of them involved plugging loopholes, many of them involved achieving greater symmetry in our tax structure.

Mr. FULBRIGHT. It was my impression that mainly they involved the stopping of loopholes, and that there is not involved in any of them a reduction in taxes comparable to that contemplated in curing the inequity which the pending amendment proposes to cure.

Mr. MILLIKIN. I shall be very glad to give the Senator a specific answer to his question. The Secretary of the Treasury, when he recently appeared before the House Ways and Means Committee, in the hearings dealing with the next tax-revision measure, the hearings having already commenced, touched on the following subjects:

He touched on double taxation of corporate dividends. That obviously might involve a reduction in taxes.

He touched on the whole structure of corporate taxes.

Mr. FULBRIGHT. The taxing principle applies equally to all citizens, does it not?

Mr. MILLIKIN. The Senator's point was whether these suggestions touched reduction of taxes, and I am now in process of giving him a specific answer.

The double taxation of dividends definitely involves a reduction of taxes, and to a very large extent.

The Secretary of the Treasury discussed the problems of small business, with the end in view of possibly giving additional exemptions to small business. That would involve a very substantial reduction in taxes.

The Secretary discussed tax-exempt corporations. That might be in the nature, if anything were done about it, of loophole plugging.

The Secretary discussed business-loss offsets.

He discussed the subject of depreciation. Obviously, if greater depreciation were allowed there might be a reduction in revenue.

He discussed discrimination against American business abroad, which, if anything were done about it, would distinctly involve reduction of taxes.

He discussed family incomes, and I wish to read now exactly what he said on that subject. I quote:

> Under present law there are inequalities in taxation of families arising out of the fact that couples in community-property States are permitted to divide their community-earned and investment income for Federal income-tax purposes, thereby reducing their taxes under the progressive rate schedule. There are also inequalities arising out of the fact that in all States recipients of investment income have opportunities for splitting that income among members of the family, whereas in non-community-property States earned income is taxed to the earner. The tax value of income splitting varies with size of income. Couples with not more than $2,000 of net income, after exemptions, can realize no tax benefit from income splitting, whereas under the graduated rates couples with large incomes may realize substantial benefits. These tax savings have created difficult administrative problems and endless litigation in the field of family trusts, family partnerships, and various other types of property assignments.
>
> Over a period of years the Congress and the Treasury have both considered means of eliminating or reducing the resulting tax inequalities among similarly situated families, but no adequate solution of the problem has been adopted. One limited approach that has been considered in the past would be to eliminate the tax advantages of the community-property system by taxing earned income to the earner and other community-property income to the spouse who exercises management and control. A more comprehensive approach to the problem, which has also received congressional attention in the past, would be to require joint tax returns by husbands and wives. Still another approach, which has only recently been given widespread attention, would be to eliminate tax differences resulting from income splitting between husbands and wives by granting couples in all States the option to divide their combined incomes for tax purposes.
>
> The existing inequalities in taxes on family incomes are significant and call for careful consideration of this problem. It must be recognized that the various solutions that have been suggested would have different but important effects on the revenue yield of the income tax and on the distribution of taxes among different income groups between married and single persons. It is, therefore, desirable to consider the family income problem in connection with any comprehensive revision of the individual tax.

Mr. AIKEN. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to ask the Senator whether the assumption of the committee that there can be a reduction of $3,200,000,000 in taxes this year, and also a reduction in the national debt, is predicated on a reduction in appropriations of not less than four and a half billion dollars below the budget estimate.

Mr. MILLIKIN. I should like to say to the distinguished Senator that we cast our bill on a budgetary plan with a view to the Senate's reduction goal of four and a half billion. But, as was pointed out yesterday, and as has been pointed out throughout the whole debate, we can allow a very substantial failure to reach the goal and still have a sound budgetary background.

As to the particular amendment now pending, it would add $800,000,000 to the cost of the bill. It seems to me that is a conclusive reason for not adopting the amendment at this time, because yesterday we decided that we wanted a $3,200,000,000 bill. The whole argument turned around that. The whole debate yesterday was budgetary, and the conclusion was budgetary, and if we increased by $800,000,000 the result we arrived at yesterday, then everything that has been done would have a new aspect, and require a whole new reargument, and an argument which I should not care to make.

Mr. AIKEN. I thank the Senator for the explanation.

Mr. MILLIKIN. Answering the Senator's question further, among other matters which the Secretary of the Treasury discussed with the House Ways and Means Committee were pensions and annuities. I do not know how it is possible to get into those subjects without detracting from the revenues. There was a question of credit for earned income. That is a revenue-reduction matter. There were allowances for life-insurance premiums and other savings. Those are revenue-reduction measures. There were suggestions regarding capital gains and losses, which would be revenue-reduction measures. There were suggestions as to revision of excise taxes, which most definitely would involve reductions of revenues. There were questions as to the revision of our structure on estate and gift taxes. I do not know just what structural revisions might be contemplated, but I doubt whether anyone would want to increase those taxes, and it might result in reductions. There were questions of social-security taxes, and numerous other technical matters.

I go into all that detail for three reasons: First, to answer the Senator's question specifically; second, to show exactly what the Secretary of the Treasury recommended, so far as the instant matter is concerned; and, third, to doubly emphasize that the House Ways and Means Committee is now at work on all these problems. It is no longer an abstraction, it is no longer something that may be put off until some indefinite future time. It is something which is now occupying the attention of the House Ways and Means Committee; and, as I have said before, Senators may be assured it will receive the very intense consideration of the Senate Committee on Finance.

I should like to repeat what was said in connection with the remarks of the distinguished senior Senator from Vermont. We are talking here about adding $800,000,000 to the cost of the bill. The Senate Committee on Finance went to infinite pains to reduce the cost of the House bill, to bring it down to $3,200,000,000, because we wanted to reach a reduction figure that would coincide with the most conservative viewpoint, which I think we did. We considered that issue yesterday, and, I submit, we decided that issue yesterday. I do not mean this in an offensive sense to those who in such good faith and with such earnestness are urging this amendment, but I suggest there would be a degree of irresponsibility were we at this stage, after the proceedings which we have had, to reverse everything we have done and start adding cost to the bill.

The community-property States have an advantage at the present time. If I may ask the Senator from Arkansas, am I far off when I say it is $150,000,000?

Mr. McCLELLAN. For 1945 it was $175,000,000. I think it was a little more in 1946.

Mr. MILLIKIN. To eliminate that advantage of $175,000,000, we must suffer a loss of national revenue of $800,000,000, and I believe that ultimately we shall, because I do not believe that a discrimination of that kind can be allowed to exist. It will have to be viewed as a tax-reduction measure, but I emphasize that we tailored this bill to give advantage to 49,000,000 income taxpayers, the largest group of taxpayers in the country. It includes every man and every woman who makes an income-tax return. We concentrated on that exclusive objective, because we felt that they have borne, all of them, a grossly inequitable and unfair tax burden, which should be relieved at the first possible moment. We concluded that the moment had come.

When we get away from that general benefit, when we commence to try to solve in connection with this bill all the group inequities which I have listed, yes, when we commence to rectify one of those in connection with the pending bill, then the same considerations of equity require that we undertake to rectify them all. If one of them were to be accepted, there would no longer be an income-tax-reduction bill; there would be an overweighted bill of mixed objectives carrying too much reduction in in Federal revenue. But I repeat that if equity requires consideration of the instant amendment, it requires consideration now of all the others. We should, in that event, wind up here with an ill-considered general-revenue revision bill, instead of the pending bill, which is focused on relief for 49,000,000 American citizens. This is not the place to consider the group problems. They ramify widely. The amendment before us ramifies into family partnerships. These in turn ramify into estate and gift-tax matters. It is not something which can be sifted here on the floor of the Senate. I suggest that we should repel that kind of action.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. McCLELLAN. It is hardly fair to say this is not the right way to do it, and that we should repel that sort of action. Certainly the committee had the opportunity to consider these matters. The committee has not been bypassed.

Mr. MILLIKIN. Oh, no. Mr. President, I was not for a moment suggesting that the matter had not been presented to the committee. In fact, at the opening of my statement I said that the distinguished senior Senator from Arkansas appeared and made a very impressive presentation; that we were glad to have him appear; and that we were instructed as a result of his appearance. We were very much interested. But as I said before, we decided to have a bill which confined itself to the principal objective of income-tax reduction. This precluded making a general revision bill out of it. That was the principal reason why we did not approve the Senator's amendment, and that is one of the principal reasons why I suggest it should not be approved here.

I want to point out what is involved in the group aspect of the amendment. Considering those who would benefit and those who would not benefit under the proposed amendment, I invite the attention of the Senate that in all the States 5,400,000 people would benefit. All the same people would benefit from the pending income-tax reduction bill, although, of course, not so much as if both proposals were to become law. In all the community-property States only 200,000 people would benefit, and in the non-community-property States 5,200,000 people would benefit, in contrast, I repeat, to the aim of the pending bill to benefit 49,000,000 people. If those 4,000,000 or 5,000,000 people are suffering from an inequity, that inequity should be corrected. I am not arguing against the correction of it. I am simply saying that this is not the time to correct it, and that the time to correct it and the consideration of the correction of it is not indefinitely postponed, but is under way at the present time.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. McCLELLAN. I point out that 5,400,000 people would benefit by the adoption of my amendment, whereas the Senator says the committee bill grants a benefit to some 49,000,000. My amendment takes no benefit from the 49,000,000 whom the bill sponsored by the Senator is proposed to relieve. It only adds to the Senator's bill the removal of an injustice, and that injustice will be perpetuated if my amendment is not agreed to.

Mr. MILLIKIN. Mr. President, I am emphasizing now not an argument against the ultimate acceptance of the Senator's amendment, but I am emphasizing the fact that we are dealing here with a group problem, and by agreeing to the Senator's amendment we would be opening the door for the conversion of the bill into a general revision bill. Under the Senator's amendment a single person living alone would not benefit, and there are many such people. Widows with children would not benefit. Widowers with children would not benefit. Children with dependent parents or other close relatives would not benefit. Couples whose income is now being received by husband and wife in approximately equal proportions would not benefit.

Mr. McCLELLAN. Mr. President, will the Senator again yield?

Mr. MILLIKIN. Gladly.

Mr. McCLELLAN. The Senator says those whom he just mentioned would not benefit by the adoption of my amendment. They would not be harmed by the adoption of my amendment, and the pending bill does grant benefits to them.

Mr. MILLIKIN. I will say to the distinguished Senator that I concede they would not be harmed except that when we grant a particular group a benefit the other members of the whole group must bear the cost of it.

Mr. McCLELLAN. I maintain that the bill perpetuates a group benefit which now accrues, and I am trying to quit perpetuating this group benefit to the community-property States.

Mr. MILLIKIN. I understand the Senator's objective, and I hope he will understand that my objective at the present time is to emphasize that this is a limited group benefit, although it may be considered a highly desirable one.

Mr. TYDINGS and Mr. FULBRIGHT addressed the Chair.

The PRESIDING OFFICER (Mr. LODGE in the chair). Does the Senator from Colorado yield; and if so, to whom?

Mr. MILLIKIN. I yield first to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I appreciate the thought expressed by the Senator from Colorado that if the amendment is adopted the pending measure will take on the nature of a tax bill far more general in scope than was originally contemplated; but, for the record, I should like to ask the Senator a question. He has indicated what his answer most likely will be; but is it not a fact that a man and his wife, or a wife and her husband in a community-property State are now paying less taxes in toto than a man and his wife, or a wife and her husband would pay on a similar income in a non-community-property State?

Mr. MILLIKIN. The answer clearly is "Yes."

I yield now to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, in reply to the last question I asked, the Senator from Colorado spoke of a number of group problems, but I do not doubt that the Senator realizes that there is quite a difference between the problem we are now considering and one of those he mentioned, dealing with small business, or exemptions for corporation, or double taxation. Those problems apply uniformly to all the States. There is a great distinction between them and discrimination against a group based upon a geographical distribution of the persons, in other words, picking out certain States and saying, "If you live in one of those States, you can have this particular privilege, and if you do not, you cannot have the privilege." So the particular group problem we are now considering is on an entirely different basis from all the others the Senator mentioned, which relate only to practices or particular conditions with regard to doing business, all of which are uniform in every State. That is to say, when it comes, for instance, to the double taxation of corporate dividends, that provision of law applies to all the States. So I do not think it is an admissible premise to treat this particular discrimination as being part and parcel of or just like other group problems. It is very different from them.

Mr. MILLIKIN. Mr. President, I suggest to the distinguished Senator from Arkansas that the heart and core of the argument made upon this amendment is one resting on inequity, on discrimination.

Mr. FULBRIGHT. The discrimination is between citizens of States. That is not the case in any of the other problems.

Mr. MILLIKIN. I suggest to the distinguished Senator that if there is an inequity in our tax structure, it is no less and is no more an inequity because it follows geographical lines or exists over the whole country. What is the dif-

ference, so far as the moving point of the argument is concerned?

Mr. FULBRIGHT. I think there is a great difference. I do not think we have ever at any time in any place in our law, criminal or civil, or in any regulations, made any distinctions based upon citizenship in any of the States within the United States, but in connection with the Federal income tax we have always made distinctions. We make distinctions in the pending tax bill itself. We graduate the tax. We make a man who has a large income pay a higher percentage than a man with a small income. That is one example. We have always admitted that. It is a discrimination, but it is not inequitable, at least we do not consider it to be so. It is acceptable. I cannot think of any case except where community-property laws apply where we discriminate between individuals because one person happens to live in California and another happens to live in Arkansas or in Colorado. Can the Senator cite any other case where we make a distinction and a difference in the burden because of citizenship in a particular State or States?

Mr. MILLIKIN. Mr. President, I regard the distinction as utterly irrelevant. If a citizen of the United States has suffered an inequity, what difference does it make whether he suffers it by reason of State lines or whether he suffers it for any other reason? What is the difference?

Mr. FULBRIGHT. It is not quite clear that the other things the Senator mentioned are inequities. They certainly are not so clear to my mind as being inequities, as that the situation covered by the pending amendment is discrimination because of citizenship. When I suggest such a matter as double taxation of dividends I am not at all sure that that is a case of an inequity in the sense that the matter under discussion is. Double taxation is a matter of policy just the same as is graduation of taxes. We make one who receives more money pay a higher percentage than one who receives less. Is that an inequity? I do not know. I do not think we can bring great moral questions into the type of thing which is a matter of fiscal policy. But that certainly is not true of the matter under consideration.

Mr. MILLIKIN. I invite the Senator's attention to the fact that so far as double taxation of dividends, or the 15 or 20 other things which I mentioned awhile ago are concerned, the person who suffers those impositions cannot escape suffering them by moving into another State. No matter where he is, he suffers those impositions, whereas there is some relief from community-property discrimination, first by not remaining in States not having such a law, which I do not recommend, and second, by the States themselves taking corrective action, which the State of Arkansas did at one time, and then abandoned.

Mr. FULBRIGHT. Then the Senator thinks that this matter is not so serious because we could all move to Texas or any other State, if we wanted to? That would be a form of relief, but I do not see that would be appropriate.

Mr. MILLIKIN. I am not going to adopt the Senator's geographical argument and commence to discriminate on the basis of where it is most desirable to live. I invite all Senators to come and live in Colorado.

Mr. FULBRIGHT. If Colorado had a community property law, perhaps more of us could afford to go to Colorado.

I do not believe the Senator has recognized my point. In the double taxation case mentioned by the Senator, all the persons involved, wherever they live, are treated the same. There is no inequity as between them, whereas in this case a man with exactly the same income, living a hundred yards across the State line, must pay a great deal more, under exactly the same circumstances. That is not a principle that has ever been admissible in any case of which I have ever heard.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. HATCH. I merely wish to point out to the Senator from Arkansas that the alleged discrimination to which he refers does not arise by virtue of a State line. The discrimination arises by virtue of a system of ownership of property. Taxes have always been related to the ownership of property. I think the Senator from Arkansas is quite unfair in saying that it is merely a question of crossing State lines. It is not. It is a question of where the title and ownership of property or the title and ownership of income is vested. That is the question.

Mr. FULBRIGHT. I disagree with the Senator. A moment ago there was cited the case of taxation in my State on partnerships. There have been a number of cases in which the husband gave the property to the wife. He paid a gift tax on it and went through all the formalities of transfering the property; and yet, because it is in Arkansas, even after going through that procedure the Bureau of Internal Revenue will not recognize the partnership as valid. The ownership is just as valid under the State law of Arkansas as it would be under the laws of Arizona, New Mexico, Texas, or any of the other community-property States. In other words, after going through all that trouble and paying a gift tax, we cannot achieve in Arkansas the same result which is automatic in a community-property State. I submit that the differential mentioned by the Senator does not hold.

An illustration relating to estate taxes was given by the Senator from California. According to the Senator from California, in the case of the estate tax the principle is not recognized. To me that indicates that the Bureau of Internal Revenue realizes that the principle is a fiction and a fraud. It is a fraud in the sense that it distinguishes between citizens of the country, and therefore the Bureau will not go quite so far as to recognize the principle in the case of an estate tax.

Mr. HATCH. The illustration which the Senator from Arkansas has just cited does not relate to a discrimination as between States. The vice which he points out lies in the ruling which has been made by the Bureau of Internal Revenue. What the Senator from Arkansas should do if he wishes to correct that error is to introduce and sponsor a simple measure providing that any partnership in the State of Arkansas between husband and wife which is valid and legitimate under the laws of his State shall be treated in exactly the same way, for purposes of taxation, as are valid and legitimate partnerships in the community-property States.

Mr. FULBRIGHT. That is exactly what this amendment would accomplish.

Mr. HATCH. I do not understand that that is what the amendment would accomplish. If I correctly understand the amendment—and I should like to have some light on that question—the amendment does not relate to the formation of marital partnerships. Am I correct?

Mr. McCLELLAN. Mr. President, will the senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. McCLELLAN. The amendment would have the same effect as though the partnership existed in the Senator's State under the community property law. But if this amendment fails, then the only recourse I have to help those who have formed partnerships is to offer an amendment, which I have prepared, to compel the Bureau of Internal Revenue to recognize legal partnerships between husband and wife in my State. However, if this amendment should be adopted—and it ought to be agreed to, so as to treat everyone alike—the need for the other amendment would no longer exist.

Mr. HATCH. Mr. President, will the Senator from Colorado yield to me so that I may make an inquiry with a view to gaining a correct understanding of the amendment?

Mr. MILLIKIN. I yield.

Mr. HATCH. Am I to understand that the pending amendment would permit husband and wife to divide their income, each paying a tax upon their separate income, without regard to any partnership or ownership of property or ownership of income?

Mr. McCLELLAN. That is what it would permit. It would permit the splitting of income, just as it is permitted in the Senator's State.

Mr. HATCH. The point I am trying to make clear is this: When the Senator proposes, by this amendment, to permit a husband and wife to divide income without relationship to ownership of property, he is basing taxes upon a theory never before applied in the history of taxation.

Mr. McCLELLAN. Let me ask a question about the situation in community-property States. Suppose a man earns $10,000 a year from his profession, without any investment in property. Is his wife entitled to half that income?

Mr. HATCH. She is the legal owner of half the income.

Mr. McCLELLAN. That is not property. That is income. That is what we are trying to reach by this amendment.

Mr. HATCH. She is the legal owner of it. However, as I understand, the amendment does not make that distinction. Under the terms of the amendment, the wife would not be the legal owner. The husband would still be the owner, and he would arbitrarily divide

the income, without relation to ownership.

Mr. McCLELLAN. The amendment would make her the owner for tax purposes.

Mr. FULBRIGHT. Mr. President, will the Senator from Colorado yield to me to enable me to ask the Senator from New Mexico a question?

Mr. MILLIKIN. I yield.

Mr. FULBRIGHT. I should like to ask the Senator from New Mexico whether his relationship to his monthly salary is any different from my relationship to my salary. Does he really feel that there is any difference? Does he go through any particular formality because he comes from a community-property State? Does he have to hand over half his salary to his wife every month in order to comply with the law? Just what is the difference, in a substantive way? The Senator comes from a community-property State.

Mr. HATCH. Yes. Under the community-property law, my wife is the absolute owner of one-half of my salary.

Mr. FULBRIGHT. What is the practical significance?

Mr. HATCH. In a community-property State the husband is the manager of the community. In the West we have mining partnerships in which one member of the partnership is designated as the manager. That is the best illustration I can give.

Mr. FULBRIGHT. As a practical matter——

Mr. HATCH. I am coming to that. I have encountered many practical cases. When I was a judge on the bench in New Mexico I tried many cases involving a division of income or a division of property as between husband and wife. I have awarded separations when there was no divorce. I have divided the income and the property in half. I have awarded a divorce when the wife was at fault, and she took complete ownership of one-half the property. As a judge I had no power to give it to the husband.

Mr. FULBRIGHT. I do not wish to delay action on the bill too long——

Mr. HATCH. The Senator asked me about practical applications.

Mr. FULBRIGHT. I asked about the Senator's own experience. Does he go through any different dealings with his monthly salary than I do? I doubt it. The Senator pays his bills. He writes the checks. Does his wife have to countersign the checks?

Mr. HATCH. After the family expenses are paid, there is nothing left to divide between husband and wife. That has been the situation for many years. [Laughter.]

Mr. FULBRIGHT. Therefore there is no difference.

Mr. HATCH. Neither one has any ownership.

Mr. FULBRIGHT. As I understand it, there is no difference between what the Senator does and what I do, except that the Senator finishes the year with approximately $650 more than I have, because he happens to come from New Mexico. That is the main difference. Other than that, there is no practical difference.

Mr. HATCH. Mr. President, I do not wish to consume the time of the Senate unnecessarily. The mind of the Senator from Arkansas is made up. I tried to point out to him a simple way by which the thing he desires can be done. The husband and wife, by a simple contract, can establish a community of property for the payment of taxes and the ownership of income, if they so desire. That would place them upon exactly the same basis as citizens of community-property States. I do not have any preference whatever over other States because I come from a community-property State. I am perfectly willing to accord to every State the same right possessed by those who live in community-property States, providing only that the payment of taxes is based upon the fundamental provision of ownership of property. If we have that, we are equal. But if we adopt a course which has no relation whatever to ownership there is a vast preference over those who have to comply with the community-property law. It is not a voluntary thing, whether we like it or not.

Mr. FULBRIGHT. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. FULBRIGHT. The Senator made the point a moment ago that the amendment would add $800,000,000 to the cost of the bill. May I suggest to the Senator, since we are committed to tax reduction—the chairman of the committee certainly is—that it is a very simple thing to cure. All we need to do, if this amendment be adopted, is to reduce the percentage of the reduction in the medium and higher brackets commensurately. That would in no way raise the over-all amount of the tax reduction. Is not that correct?

Mr. MILLIKIN. I am sorry. I was engaged in another matter and did not hear the Senator's question.

Mr. FULBRIGHT. I thought the Senator was engaged in this debate.

Mr. MILLIKIN. Will the Senator be good enough to ask his question again?

Mr. FULBRIGHT. The Senator made the point that, if the amendment were agreed to, there would be an increase in the cost of the bill to the Federal Treasury of approximately $800,000,000. If this amendment were agreed to, would it not be a very simple matter—I am sure it can be figured in a very few minutes—to calculate the amount needed to reduce the percentage of reduction in the medium and higher brackets? It would then be a complete bill. There is nothing very difficult about adjusting or absorbing this amount. I think the Senator knows very well that a large reduction is required, and the only time we will get it is when we are making a substantial reduction. If it is put off until next year there is no hope that it will be effected. While we are setting out to reduce taxes by $3,200,000,000 it is very easy to absorb $800,000,000, simply by a change in the percentage of reduction in the higher brackets.

Mr. MILLIKIN. Mr. President, there are several parts to the Senator's question. The first "barrel" of his question involves ease of operation. I should like to suggest to the Senator that it would probably take a week or more for the technical staff to make the necessary readjustments of the tables of rates and to do everything necessary to bring about what the Senator suggests.

Second, the Senator asks whether it would be possible. I assume that just as we can add we can also subtract. The main question is that we have set out to accomplish an income-tax-reduction bill. We have not set out to accomplish a general revenue revision bill at this time. As has been repeatedly pointed out, it is a limited group that will benefit. Although the amendment may have all the merit in the world, its benefits are limited to a particular class; and it was not our intention to get into group benefits, but to take them up in the prospective general revision bill on which we have started working.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. McCLELLAN. The Senator said that it was not the purpose of the committee to go into group benefits. I ask the Senator if it is not a fact that in the bill the committee has singled out a particular group and has given them a special benefit by increasing the exemption for persons over 65 years of age, and if the committee did not take that into account while this other benefit was not taken into account?

Mr. MILLIKIN. I accept the Senator's correction. I may say that the cost of the additional exemption in behalf of those over 65 years of age is about $150,000,000. That raises another very practical point. This bill will have to go to conference. We have already taken out the retroactive feature of it. We have interfered with the rate of progression of tax reduction. We have made a number of technical amendments. When the bill is in conference I feel quite confident that the amendment of the Senator from Arkansas, if it were adopted, would not be accepted by the House. Much time would be wasted in a deadlock and we would have difficulty in achieving our goal of getting the bill into operation in ample time prior to July 1.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. FULBRIGHT. I do not understand why the Senator thinks it would not be accepted by the House. Community-property States have more influence in the House than they have in the Senate.

Mr. MILLIKIN. I presume they have influence. I do know that the House wants an income-tax-reduction bill, but I can do no more than ask the Senator to accept my judgment that it would not accept a serious deviation from that objective.

Mr. FULBRIGHT. It is my understanding that in the other House the bill was considered under a rule which provided that no amendment could be offered. I do not think there is any evidence to point to the conclusion that the Senator draws that the House would not accept it.

Mr. MILLIKIN. I am simply saying that this amendment did not find its way to the bill in the House, and I am sug-

gesting that it would not be acceptable to the House.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from California.

Mr. KNOWLAND. Mr. President, we have had an interesting discussion today, and I wish to say again to my able colleague from Arkansas that if the proper amendment is presented at the time when a general tax revision bill is under consideration I shall certainly be glad to join with him in trying to cure the inequities which exist. He has pointed out one inequity. I pointed out another inequity in the matter of estate taxes that apply against community property States. The able Senator from Colorado has pointed out that under the Railroad Retirement Act certain pensions are free from taxation, whereas the pensions of certain other people in public service, such as school teachers and others, are not free from taxation. There are a number of inequities which should be considered by the Finance Committee when the matter is taken up at the beginning of the next session of the Eightieth Congress.

I wish to point out, however, Mr. President, that States which are endeavoring to get the advantages possessed by the so-called community property States should not get them without accepting the responsibilities that accompany them.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MILLIKIN. I will yield to my colleague from Arkansas.

Mr. McCLELLAN. The Senator was speaking about a number of inequities that should be adjusted. The Senator referred to the liability of the community-property States. That is exactly what we are complaining about and what we are trying to rectify. The liability to the Federal Government for the cost of government is not so high as is the liability of those of us who do not live in community-property States under the practical administration and operation of the present system and law.

Mr. KNOWLAND. Of course, we have a little different view of the situation than has my able colleague from Arkansas. The community-property system was not established or designed to avoid taxes. The community partnership is an ancient practice and a civilized way of recognizing the wife's interest as a partner and co-owner with her husband. It is based on the enlightened social and ethical principle that husband and wife work together as equal partners to maintain their home, and the wife should have, in her sphere, no less than the husband in his, whatever is acquired or gained through the marriage that is due to the efforts, industry, and sacrifice of both, and belongs, therefore, to the marital partnership. Community partnership is older than Federal-income taxation and older than the Nation itself. The original community-property States got their system of property from the Mexican laws. It is, in our opinion, at least, more in keeping with the American way of life than the common-law system of marital property rights which originated in the Norman-English feudal concept that a wife had no legal existence apart from her husband.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KNOWLAND. If the Senator will permit me to complete my remarks, I shall be glad to yield to him.

I say again to the Senator from Arkansas that if at the next session of Congress, after proper consideration, legislation is reported which will in fact accord to the families and the wives in the non-community-property States the treatment which is accorded to those in the community-property States, I shall be most happy to join with him in seeing to it, insofar as we can do so, that the Bureau of Internal Revenue recognizes that situation.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. McCLELLAN. One thing which I cannot understand on the part of those who oppose this amendment is that they say they will do it next year; but if the Government can stand a $800,000,000 reduction in taxes next year, it can stand it now. So why postpone it?

Mr. KNOWLAND. I respectfully submit to the able Senator from Arkansas that I think the chairman of the Finance Committee has put his finger on the situation, which is that if we open up the bill at this point, then in all fairness we must open it up with respect to discriminations against the community-property States relative to 1942 estate taxes; and if we open it up that far, then we shall enter another field of discrimination, and we shall have a bill which will be much wider than the able chairman of the Finance Committee feels that the bill at this session of Congress should be.

I now yield to the able Senator from Illinois.

Mr. LUCAS. Mr. President, I should like to remind the Senator that the bill is not what the proponents claim, for, as has been pointed out over and over again, the bill grants special exemptions to a special class—viz, taxpayers over 65 years of age—giving them a special exemption of $500. So complicated is that particular exemption that in order to meet that situation and to do something for those in dire need over 65 years of age, it was necessary to place all citizens over 65 in the same category, regardless of their financial position. That is one of the inequities the Senator from Colorado pointed out a moment ago. Such a provision is now in the bill. No one has told me thus far why it is in the bill, from the standpoint of equity or inequity; but it is there.

If that is an inequity which should be taken care of, certainly the inequity that is involved in the case of the non-community-property States is much more important, because the people in the non-community-property States have been suffering for a long time from downright discriminatory treatment in the payment of taxes.

I am glad the Senator says that some time, some day, somewhere, in some way, he will be willing to go along and provide for uniform treatment throughout the United States so far as that matter is concerned. But I observe that Senators from the community-property States are always putting off the day when they will take such steps; they are always saying they will wait until tomorrow, whereas they should act now, if they wish to place all the States on a basis of receiving uniform treatment.

Mr. McMAHON. Mr. President, if the Senator will yield to me, I should like to ask a question with respect to the Finance Committee, on which I had the pleasure of serving until the present session: Was there any proposal with respect to dividing into two groups the persons in the 65-year-age group, with one group comprising those of that age who live in the community-property States, and the other group comprising those of that age who live in the non-community-property States?

Mr. LUCAS. Of course there was not. So far as inequities are concerned, Mr. President, if we are going to deal with inequities, the one we are now discussing is the most glaring of all inequities. I refer to the failure of the Congress for 26 years to do anything about the splitting of this Nation on the basis of community-property and non-community-property States.

Mr. McCARRAN. Mr. President, I have offered two amendments to the pending bill, House bill 1, which I intend to propose at the proper time. It is not my purpose to discuss these amendments at length today, but I do wish to call them to the attention of the Senate and of the people of the Nation, and I hope every Senator may find an opportunity to familiarize himself with them before he is called upon to vote on them.

The first of my two amendments has been offered because of my firm conviction that our present system of application of income taxes to corporate dividends is double taxation.

My proposed amendment would deal with this problem of double taxation by allowing each stockholder credit for his pro rata share of taxes paid by the corporation on its earnings. This would not involve any complex formula or any substantial amount of bookkeeping. So far as the taxpayer is concerned, the bookkeeping involved would be negligible; and all that would be required of a corporation would be to report, to all of its stockholders, the amount of taxes paid and the proportion of the total corporate stock, issued and outstanding, which is represented by one share of stock. The taxpayer could then multiply that percentage by the number of shares he held, and he would know exactly how much of the corporate tax he was allowed to take credit for.

I have heard it argued, Mr. President, that in some cases the taxpayer might find that the credit thus allowed him was greater than the tax which he was required to pay, and that he would,

therefore, be entitled to a refund; and that the making of such refunds would be a terribly complicated process. I cannot believe that, Mr. President. The making of such refunds would be in no way any more complicated than the making of refunds on withholding taxes. If the Government has collected from any citizen taxes in excess of the taxes to which the Government is entitled, there should be a refund; and it is not even plausible to argue that the refund to which the taxpayer is entitled should be withheld because it will cost the Government a certain amount of effort to make the refund.

I have also heard it argued, Mr. President, that in seeking to do something about this double taxation feature with respect to corporate dividends, those of us who will support my amendment are only trying to help the rich men of the Nation. That simply is not so. More than half of all the dividends received in the United States are received by people whose total incomes are less than $5,000 a year. Many of these people live wholly, or almost entirely, on dividends. With the dollar shrunken in buying power, as it is today, many of these people are having great trouble making ends meet. My amendment would give them immediate and effective relief, and relief to which, in equity, they clearly are entitled.

I ask unanimous consent, Mr. President, that the text of my proposed amendment to deal with this problem of double taxation be printed in the RECORD at this point, as a part of my remarks, and that the amendment also be printed and ordered to lie on the table.

There being no objection, the amendment was received, ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

At the proper place in the bill, insert the following:

"SEC. —. Section 23 (d) of the Internal Revenue Code, as amended, is further amended by renumbering the matter now contained therein as clause (1) and by adding thereto a new paragraph as follows:

"(2) The deduction for taxes allowed by subsection (c) shall be allowed to a stockholder of a corporation in the case of taxes imposed upon the earnings of the corporation and paid by the corporation: *Provided*, That such allowance in no case shall exceed that proportion of such taxes bearing the same ratio to the total taxes so imposed and paid as the shares of stock owned by the stockholder bear to the total corporate stock issued and outstanding."

Mr. McCARRAN. Mr. President, the second amendment which I have proposed to the pending tax bill is designed to permit, and to encourage, the plowing back of business profits into increased production, through the expansion, improvement, and modernization of plant facilities. I ask unanimous consent that the text of this amendment be inserted in the RECORD at this point, as a part of my remarks, and that it be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be printed as a part of the Senator's remarks, and will also be printed for the information of the Senate, and will lie on the table.

The amendment intended to be proposed by Mr. McCARRAN is as follows:

At the proper place in the bill insert the following:

"SEC. —. Section 23 of the Internal Revenue Code (relating to deductions from gross income) is hereby amended by adding at the end thereof a new subsection to read as follows:

"'(bb) Capital expenditures for trade or business: At the election of a taxpayer, all expenditures (subject to limitations prescribed below) paid or incurred during the taxable year for the acquisition, construction, or improvement of any real or personal property to be used in a trade or business. Total deductions under this subsection in any 1 year shall not exceed $125,000 or 50 percent of the taxpayer's net income as computed without the benefits of this subsection, whichever is the lesser. If in any year expenditures deductible under this subsection are less than the total of such expenditures, the balance may be added to the expenditures of the immediately succeeding year and be considered for the purposes of this subsection as having been made in such immediately succeeding year. Such expenditures shall be allowable as deductions only under rules and regulations prescribed by the Commissioner, with the approval of the Secretary.'

"SEC. —. Section 24 (a) (2) of the Internal Revenue Code (relating to items not deductible from gross income) is hereby amended to read as follows: 'Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate, except as provided in section 23 (bb);'.

"SEC. —. Section 113 (b) (1) of the Internal Revenue Code (relating to adjusted basis for property) is hereby amended by striking out the period at the end of subparagraph (H), and inserting in lieu thereof a semicolon and by adding after subparagraph (H) a new subparagraph to read as follows:

"'(I) for expenditures deducted under the provisions of section 23 (bb).'

"SEC. —. The amendments made by sections , , and of this act shall be applicable only with respect to taxable years beginning after December 31, 1946."

Mr. McCARRAN. Mr. President, the centralization of industrial power in the United States is growing yearly. One of the factors working toward a constantly greater and greater centralization is the inability of small business to grow in the traditional American fashion.

In a capitalistic democracy such as ours, it is vitally important to have a constant infusion of new blood at the bottom of the business ladder, in all fields of endeavor; and to give those who start new enterprises every reasonable opportunity and inducement to grow.

Our present tax structure does not provide such opportunity and such inducement. The profits from a business which the proprietor invests in new plant, machinery, or equipment, to increase his production, are taxed just as are any other profits. Such expenditures are not deductible expenses in the year in which made. They have to be capitalized, and then the capital expenditure must be amortized over a period of years.

The amendment which I have proposed would permit capital expenditures, within certain limitations, to be allowed as a deduction in computing taxable income. In other words, this proposal amounts to 100 percent depreciation on capital expenditures, within certain limits.

The amendment suggests a limitation of not exceeding $125,000, or 50 percent of the taxpayer's net income, whichever is the lesser, in any given year.

Perhaps this figure is too high, though I have heard many contend that it is too low. I am particularly interested in helping small business; and if it should be the judgment of the Senate that this dollar limitation should be reduced, I would be content. I do not believe it should go, in any case, below $50,000 as the maximum limit; but even that would be of some aid to small business, since many small businesses would be greatly helped by the opportunity to make even that much of an expenditure, on a tax deductible basis. However, let me speak a word of warning. If the Congress adopted this principle, it should not, in an excess of caution, set the maximum limitation too low. With costs in all lines as high as they are today, the maximum limitation should be set high enough to provide a real relief and a real benefit.

There is in this country today an excessive demand over supply in many fields, particularly in the field of consumer goods. General tax relief will only increase that demand, without doing anything to increase the supply. The amendment which I have proposed would do something about increasing the supply, since it would provide incentive for expanded production.

This proposal would afford particularly effective relief to the small, unincorporated businessman. The present corporation tax rate ranges from 21 percent to 38 percent, with profits below $50,000, and rests at 38 percent where profits are larger. The small businessman who is unincorporated runs head-on into an even greater tax barrier, because under the present law a small businessman with an income of $50,000 pays out more than 50 percent of his income in taxes. Under those conditions, it is almost impossible for a man to build a business.

Big business has the financial contacts—the contacts with banks, with underwriters, with large investors—which enable it to borrow the money it needs for expansion. In many cases, a small businessman has only one source of money, namely, the profits on his business.

This country needs small business. It needs small business that has a chance to grow and play a real part in our economy. But small business cannot grow unless it has the money with which to finance the expansion. And even if a small businessman is able to get the capital he needs from outside his business, he often runs the risk, in getting it, of losing control of his business to outsiders; or, more particularly, to his big-business competitors. My proposed amendment would give him an opportunity to plow back into the expansion of his business some of the profits from that business.

To the precise extent that taxes reduce the funds available for plowing back into a small business, they handicap the growth of small business in general, and continue to assist big business in retaining its superior position.

In considering my proposed amendment, the question immediately arises: What will it cost the Federal Government? Obviously, there will be a reduction in tax revenues, in proportion to the increase of capital investments, for expansion and increased production, which the enactment of this measure would bring about. However, this is simply a taking of depreciation all at once, and therefore no further deductions for depreciation will be allowed in future years. Thus, tax collections will tend to even out, and it is extremely doubtful if in the long run the Government would lose any money. In fact, I anticipate that the gains in taxable production, through the stimulation of business which this measure would bring about, would yield a substantially increased revenue in future years.

The nearest thing to an estimate of the cost of this proposal which I have been able to secure from the Treasury Department—and I secured it only most informally—is that if every corporation in the United States took maximum advantage of this proposal, the estimated revenue collections for the year 1947 might be reduced by approximately $1,000,000,000.

That sounds like a staggering sum. Bear in mind these facts: The present estimate of revenue for the year 1947 is between thirty-nine and forty billion dollars, so that the maximum anticipated reduction is less than 5 percent. Secondly, it is unthinkable that all the corporations in the United States would take advantage of this proposal to its maximum, since it is a well-known fact that American businessmen do not spend money for expansion of production, for new plant, equipment, machinery, and the like, unless they need it.

However, I have just this to say: The argument that this proposal would cost the Government a billion dollars in anticipated tax revenue presupposes that the amendment would, if enacted, result in increasing by several billions of dollars the capital expenditures for expansion of business and for increased production. I count that one of the strongest possible arguments in favor of the proposal.

I have received many letters about this proposal, from all over the country, since I presented the proposed amendment less than 3 weeks ago.

One of those letters was from Mr. Bernard M. Baruch. In his letter, Mr. Baruch said:

> I just want to say that the general purpose of your plan is good. I would rather do something of this kind than to reduce taxes in any other form.

Referring to the text of a statement which I made on the floor with respect to this proposed amendment, Mr. Baruch indicated that he endorses wholeheartedly what I had to say about the effect of the present tax situation on unincorporated small business. Let me quote again from Mr. Baruch's letter:

> No unincorporated business can get ahead. It is bad enough for a small incorporated business. That is the quarrel I had as regards the previous tax reduction—that the corporations got the benefit, placing the individual at a greater disadvantage than ever.

Mr. Baruch wrote me that he does not favor any tax reduction at this time; he favors reducing expenditures first and then getting some of our debt canceled. But he adds that—and again I quote from his letter:

> Such a plan as yours will stimulate business, thus stimulating volume and bringing our economy more into balance.

I have quoted Mr. Baruch at such length because he is a man whose counsel is always worth listening to.

Mr. President, in addition to Mr. Baruch's letter, I hold in my hand a number of other letters from businessmen in different parts of the country. I have here letters from Cleveland, Ohio; Gold Hill, Oreg.; Reno, Nev.; Washington, D. C.; Wichita Falls, Tex.; St. Louis, Mo.; Las Vegas, Nev.; Chicago, Ill.; Salt Lake City, Utah; New York, N. Y.; San Francisco, Calif.; Kellogg, Idaho; Baltimore, Md.; Nashville, Tenn.; Childress, Tex.; Glendora, Calif.; Keokuk, Iowa; Chelsea, Mass.; and from other places.

I ask unanimous consent that Mr. Baruch's letter and the other letters to which I have referred be inserted in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN FINISH & CHEMICAL CO.,
Chelsea, Mass., April 14, 1947.

Senator MCCARRAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARRAN: According to a news article I just read, you are planning to end the so-called double taxation on certain corporate dividends. I'm writing to commend you on your stand in this matter and to give you a little encouragement if you need it.

We are one of those so-called small businesses who are very seriously affected by this double taxation. This is a closed corporation which was started with nothing, and the owners have never been able to take a cent of dividends out of this company, having plowed back all of their earnings. So all we've had are our modest salaries. Meanwhile, we've paid enormous corporation taxes (that is, enormous for us) and now we'd like to take a little out in the form of a dividend, but having been taxed so heavily on our earnings (as high as 80 percent) we hate like the devil to pay an additional 25 percent.

We feel that our corporation, although very small, does make a decided contribution to the general welfare. We employ about 30 people, all of whom are guaranteed an annual wage, which is higher than corresponding industries pay, and we give our employees annual holidays and pay for all other holidays during the year. There must be thousands of other small firms doing the same thing; that is, closed corporations who are entitled to a little profit as a result of extremely strenuous labors to keep the ball rolling.

I hope that you'll be able to make the other Senators see the light.

Very truly yours,

H. M. DAVIS.

THE HOERNER CORP.,
Keokuk, Iowa, April 16, 1947.

Senator PATRICK MCCARRAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MCCARRAN: Below is a copy of an article which appeared in the Chicago Tribune day before yesterday:

"SEEKS TO END DOUBLE TAXES

"WASHINGTON, D. C.—Senator PATRICK MCCARRAN (Democrat, of Nevada) Saturday announced he will try to end what he called double taxation upon certain corporate dividends through an amendment to the House-approved bill reducing income taxes.

"MCCARRAN said he will offer an amendment to 'give shareholders credit, on their individual income-tax returns, for taxes paid by a corporation in which such stockholders hold stock.'

"The Senate Finance Committee is to begin public hearings April 22 on the House bill, which would reduce individual income taxes by 10 to 30 percent."

You can be sure that you will have the support of the right-thinking people in this effort.

As of even date I have written a letter to both of our Senators, HICKENLOOPER and WILSON, and our Congressman from the First District in Iowa, THOMAS E. MARTIN, attaching a carbon copy of this letter so they will know our feelings in this connection. If there is anything that you think of that we can do out here in the Middle West, please call on us.

Yours very truly,

KARL E. MADDEN,
Vice President.

THE FIRST NATIONAL BANK,
Childress, Tex., April 16, 1947.

Senator MCCARRAN,
Democrat, from Nevada, in care of the Senate, Washington, D. C.

DEAR SENATOR MCCARRAN: I read with much interest an article in the press that you were going to try to end double taxation on certain corporative dividends, and I sincerely hope you can get something done on that.

I happen to be a stockholder in a number of corporations, and, of course, the corporations all pay the tax, and when I get the dividend I have to pay it again, and I never have seen the justice in this.

Yours very truly,

J. M. CREWS.

ALBOURNE RANCHO,
Glendora, Calif., April 17, 1947.

Hon. PATRICK A. MCCARRAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARRAN: In the Reno Evening Gazette of April 12, I noticed an article regarding a tax amendment submitted by Senator P. A. MCCARRAN, of Nevada, which would exempt from taxation money received by stockholders from corporate earnings on which a tax has been paid by the corporation. This is similar to the English form of taxation that has been in effect for some years past. I think your amendment is a splendid one because the investor is doubly taxed under the present form of taxation: first, through corporation; second, through his dividends.

Trusting your amendment will be accepted and hoping to have the pleasure of seeing you in Reno this year.

With warmest personal regards.

Sincerely yours,

A. K. BOURNE.

BUNKER HILL & SULLIVAN
MINING & CONCENTRATING CO.,
Kellogg, Idaho, April 21, 1947.

Senator PATRICK A. MCCARRAN,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MCCARRAN: I have noted your proposed amendment, H. R. 1, which would permit the plowing back into expansion and production a portion of the profits on the taxable basis. I am heartily in favor of your proposal and I think it is a really constructive proposal.

As far as our mining industry is concerned I have noted the various proposals for continued production subsidies and the mining industry is somewhat divided in respect to the merits of continued production subsidies. I want you to know that in principle I am opposed to continued production subsidies as I do not think it fits in with our true American way of doing things. On the other hand, I am looking with some favor on proposals for assistance in exploration and it occurs to me that your proposed amendment is something along that line.

I have not had the opportunity to come to Washington for quite some time. I have been pretty well tied down on the job here and I have little time to spare. Whenever I do come east I will be certain to try and get in touch with you and I do hope that I will have an opportunity to have a little chat with you again.

With kindest personal regards.

Sincerely,

J. B. HAFFUN.

HUMPHREY MEAT PACKING CO.,
Reno, Nev., April 22, 1947.

Senator P. A. MCCARRAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: It was certainly a pleasant surprise to read the paper last night with the article regarding your amendment relative to credit of 50 percent of profits for expansion of plant etc. As I have stated to you before, this is the real answer to the expansion of small business, and the only thing that will give rise to full employment during tough times. My only suggestion regarding your amendment is that it might be difficult for a business to complete the actual expansion within the tax year that the profits are made. It appears a provision for "carrying forward" the tax credit to the year following the high profit year would solve this objection, and give the businessman a chance to see his actual profits before embarking on an expansion program. This would also tend to level out construction during slack years.

I would appreciate hearing from you regarding the possibilities of passage for this amendment, and if it can be passed, when we could expect to be able to operate under it.

With kindest regards to yourself and staff, we are,

Sincerely yours,

F. E. HUMPHREY, JR.,
Partner.

RENO, NEV., *April 22, 1947.*

Senator PAT MCCARRAN,
Senate Office Building,
Washington, D. C.

DEAR PAT: The announcement of your legislation aiding small business was hailed here today with much enthusiasm.

Permitting credit for improvements and new equipment is the answer to most of the problems of small business when plant and equipment need repairs and replacements due to the war and which are almost out of the question with taxes taking the lion's share of current profits.

You are to be commended for the most helpful legislation that has been presented since the end of the war.

We are requesting the support of Mr. RUSSELL and Mr. MALONE in this important amendment.

With kind regards,

Sincerely,

RICHARDSON LOVELOCK, INC.,
By FOREST.

THE HOERNER CORPORATION,
Keokuk, Iowa, April 23, 1947.

Senator PAT MCCARRAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MCCARRAN: Thanks so much for your good letter of the 21st, forwarding to me a copy of the amendment to the pending tax bill, as well as the statement which you issued to the press concerning it.

More power to you and it is good Democrats like you who make some of us Republicans sit up and take notice.

It is my plan to be in Washington for the annual Chamber of Commerce meeting April 28 to May 1 and if I have a free moment and can catch you in I certainly would like to meet you personally.

Had the pleasure one time of sitting next to Senator ALBEN BARKLEY at a luncheon out here in Iowa a couple of years ago where he spoke and I certainly admire him.

Yours very truly,

KARL E. MADDEN,
Vice President.

SOUTHERN STATES INDUSTRIAL
COUNCIL, INC.,
Nashville, Tenn., April 23, 1947.

Senator PAT MCCARRAN,
Senate Office Building,
Washington, D. C.,

MY DEAR SENATOR: Your letter of the 19th enclosing two amendments proposed by you to the pending tax bill received. These amendments are very interesting, particularly in the light of practices that are now being permitted with reference to nontaxable cooperatives that are in direct competition with small business.

We have always felt that there was no justification for the system of double taxation which applies in the taxing of corporate profits. It is certainly double taxation for the corporation to be taxed and then for the individual stockholders to be taxed on the dividends received by him.

Of course your suggested amendment with reference to permitting a portion of each year's profit to be turned back into expansion is exactly what the cooperative forms of business are doing. There is one feature, of course, that should be kept in mind, and that is the possibility of granting too many exemptions and thereby reducing the tax returns below necessary requirements. For this reason the Council has taken the attitude that taxes should be levied on the basis of equality in all competitive situations, leaving to the Congress the matter of determining just what the tax requirements may be.

Thanking you again for your letter and the interest you are showing in these matters.

Sincerely yours,

C. C. GILBERT,
Secretary.

STANDARD WHOLESALE PHOSPHATE
AND ACID WORKS, INC.,
Baltimore, Md., April 23, 1947.

Hon. PAT MCCARRAN,
Senate Office Building,
Washington, D. C.

DEAR MR. MCCARRAN: I have read with interest your proposal to give tax relief to small business through exhilarated depreciation on assets purchased for expansion. Frankly, it sounds too good to be true.

I have been in business for over 40 years and today have one of the largest sulphuric acid plants in the world, but must say that what was achieved over these years could not happen today. I have seen the American small business slowly but surely strangled and deprived of initiative. I have heard young men ask why should they make money when they could do nothing with it but pay taxes. This is to me a very serious matter, particularly when you recall that this great Nation was started by a group of young men who did not believe in excessive taxation.

Lower taxes on individuals also will bring us back to real hard work with a reason for working hard instead of so many wanting to get on the band wagon of tax collecting and tax spending.

With best personal wishes for your success in this matter, I am,

Yours very faithfully,

GEORGE A. WHITING,
President.

UTAH-NEVADA HOTEL ASSOCIATION,
Salt Lake City, Utah, April 23, 1947.

Hon. PAT MCCARRAN,
United States Senate,
Washington, D. C.

DEAR PAT: I have read with much interest your proposed amendment to the bill H. R. 1 to reduce individual income tax payments by amounts expended for capital expenditures up to $125,000, or 50 percent of the taxpayer's net income as computed without the benefits of this subsection, whichever is the lesser.

It so happens I attended a luncheon meeting today of a small group of important business people, and the consensus of opinion of this group was that the proposal should result in a stimulus for the improvement of most every kind of plant and equipment, and I am sure that most of the associations I represent will support your bill in every possible manner.

With kind regards, I am,

Very sincerely yours,

DICK HARDING,
Executive Secretary.

PROFESSIONAL PRINTING CO., INC.,
New York, N. Y., April 24, 1947.

Hon. PAT MCCARRAN,
Member of Congress,
United States Senate,
Washington, D. C.

DEAR SENATOR: I appreciate immensely your sending me copy of amendments to H. R. 1, which you propose to sponsor.

After reading your statement with reference to these amendments which you were also kind enough to send me, I wish to state that it is one of the most sensible (it is the only word I can think of that really expresses my opinion) bits of legislation which I have ever seen.

It is a fact that present taxation is strangling small businesses such as ours. Take for instance last year with us. We did better than we have ever done before, but we had to make very heavy investments in maintenance and in new machinery. We also have had to think of moving to larger quarters which will mean a terrific expense, and, what probably is most important, when paper production catches up with consumption we are going to take a nice beating on inventory, and there is no way that we can avoid it either. Yet, despite all of this we can make no provisions whatsoever for any of these things except to take a 10-percent depreciation annually on any new equipment which we buy. It hardly makes sense. The Government, of course, wants theirs in cash and when we're through we'll probably have to go to the bank and borrow to keep going.

From reading my history books and from my own personal experience in life, I feel quite certain that this country can only continue the tremendous progress which it has shown in the past if its hard-working citizens,

especially those who take upon themselves the hardships of running businesses, especially small ones, are given the opportunity to do things. Present taxation stifles initiative. If you think it advisable I am going to write to other Senators and Congressmen regarding this matter. As a fairly good Republican, who now and then casts a Democratic vote, I wish to compliment you on your efforts in this matter, and wish you the very best of success.

Very truly yours,

L. J. MESSINA,
President.

CORDERO MINING CO.,
San Francisco, Calif., April 28, 1947.

Hon. PAT MCCARRAN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MCCARRAN: I wish to acknowledge your press release of April 16 with copies of two amendments to H. R. 1.

The proposed amendment dealing with double taxation certainly needs no comment. It is highly desirable especially to the mining industry to prevent the indefensible practice of double taxation at exorbitant rates. The second amendment having to do with capital expenditures is also highly desirable.

I do have one suggestion to make which would be of particular advantage in clarifying the situation as far as the mining industry is concerned. At the present time exploration and development prior to actual operation of a mining property has to be capitalized at the insistence of the Internal Revenue department. To the larger corporations who always have a net profit such capitalization of an unsuccessful venture makes little difference since when that unsuccessful venture is written off it can be charged against the profits of the year in which it is written off. To the smaller company it is manifestly unfair since they have little control as to when an unsuccessful venture must be written off and in many cases they are forced to write it off in a year in which there is no profit and consequently receive no tax deduction for this unsuccessful development work.

If in line 10 on the first page of this amendment after the word "business" the following words were inserted it would be of considerable assistance to the small and moderate-size operators: "including exploration or development of new mines or the extension of old mines."

I expect to be in Washington on May 6 as a member of the newly formed Nonferrous Metals Advisory Board of the Army and Navy Munitions Board and if I may I will drop by your office and discuss this with you.

Sincerely yours,

S. H. WILLISTON.

NEW YORK, N. Y., *April 29, 1947.*

Hon. PAT MCCARRAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARRAN: The release issued by you on Wednesday, April 16, is a masterpiece in stating your position.

There is no doubt about paragraph 3 on the first page. The worst thing I have seen in the form of a tax bill was the one which, under Vinson, reduced taxes about $6,000,000,000 of which the corporations got the full advantage, leaving the private citizen at a distinct disadvantage. I do not know how anyone could have voted for that bill. Apparently those who did, did so thinking it would stimulate business. That seemed ridiculous to me as the demand was greater than supply, and still is, and why stimulate demand more.

The worst feature of it was that we reduced the receipts of the Government about 15 percent when we had not the least idea of what our expenditures were going to be. At that time, I took the position that no taxes should be reduced until we knew what our assets and obligations were, and until we took an inventory. But I do not want to go into that. I just want to say that the general purpose of your plan is good. I would rather do something of this kind than to reduce taxes in any other form.

On page 4, the second and third paragraphs are so true. The third paragraph is the one to which I referred above. No unincorporated business can get ahead. It is bad enough for a small incorporated business. That is the quarrel I had as regards the previous tax reduction—that the corporations got the benefit, placing the individual at a greater disadvantage than ever.

At present I am not in favor of reducing taxes but would prefer to follow HARRY BYRD, first in reducing expenditures and then getting some of the debt canceled. Canceling part of the debt and putting it in trade and commerce with such a plan as yours, will stimulate business, thus stimulating volume and bringing our economy more into balance.

We want to help ourselves and we want to help everybody else, but I do not see how we can do it unless we all get down to work. And by work I mean continuous effort, without any strikes or lay-offs. The increase in wages is not going to be any good to anybody unless it is worth more and it will not be worth more, but rather less, unless people work and produce more than they receive for their labors. That applies to everybody in every walk of life.

This is my first impression on reading your letter and I hasten to give it to you.

Sincerely yours,

BERNARD M. BARUCH.

WILSON MANUFACTURING CO., INC.,
Wichita Falls, Tex., April 29, 1947.

Hon PAT MCCARRAN,
United States Senate Building,
Washington, D. C.

DEAR SENATOR: A few days ago I received a letter from you enclosing an amendment to H. R. 1 in which you proposed to allow deduction for taxes to the individual where the corporation taxes have been paid on the dividends, and also a second amendment in which you propose to allow a deduction for capital expenditures in trade or business. The copies of these amendments were accompanied by a statement of what you propose to do, and why.

In your letter you say you would welcome comment and criticism. I want to thank you very much for this splendid and constructive effort to correct one of the most gross inequities in the entire tax situation. In a statement which accompanied these amendments you correctly state that under the present law a small businessman with an income of $50,000 pays out $25,137 or 50 percent of his profits, and a man with a $100,000 income pays out $63,541 or 64 percent, and so on. And you also point out that the corporation tax is 38 percent. I think you should have pointed out in addition what the effect would have been if the corporation earned a certain amount and then paid the corporation tax of 38 percent, and then in addition the individual paid the tax on the dividends after being paid, and also what the top-bracket rate was on the individual, and what percentage he would have to pay if he had earned any additional income. This information is, I believe, very enlightening, and I will give the figures below of what the total tax would have been under these two circumstances.

If a small businessman was incorporated and earned $80,500 he would then pay 38 percent tax, leaving him $50,000, and assuming that he receives a dividend of all this amount he would pay income taxes of $25,137 or slightly over 50 percent of the remainder, and he would have left slightly less than $25,000, or less than 31 percent of what had been earned, and the Government would have taken 69 percent of the earnings and left 31 percent with the individual who carried on the business. If another corporation earned $161,000 approximately, that would have left $100,000 after payment of corporation taxes, and assuming that all these were distributed as dividends, the tax would take $63,541, as you state, and that would leave the man who earned the money and took all the risk $36,459 net income out of $161,000 earnings, which is approximately 22½ percent. That is, the Government takes 77½ percent and leaves the businessman 22½ percent. Perhaps the worst feature of either of these instances is the fact that in the case of the man whose corporation earned $80,000, if the corporation earned any additional money and declared them as dividends, as stated above, he would have been in the 75 percent less 5 percent bracket, or about 71⅓ percent. The additional earnings would have been subject to this rate, which would leave him only 17.8 percent of the money that he earned over this figure, and the 82.2 percent would go to the Government. In the case of the individual whose corporation earned $161,000, and assuming again that all earnings were paid out in dividends, he would be in the 89 percent less 5 percent bracket, or about 84½ percent, so that if any additional dividends were declared he would have to pay 84½ percent to the Government and would be able to keep only 15½ percent.

I think any right-thinking man will agree that if an individual must pay from 80 to 85 percent of his total earnings to the Government in form of taxes, that there is absolutely no incentive left for any businessman to carry on a business, because the hope of gain is entirely gone. The businessman, of course, takes all the risk, does all the work, and if he earns anything from this enterprise, not only must he pay out all the taxes mentioned above, but when he dies estate taxes would take a large share of the remainder.

If we are to make a free-enterprise system work and have this Government continue as a democracy, we must of necessity enact tax laws that will at least give a reasonable incentive to the individual to produce the goods which make a prosperous democracy. You have probably already read in the papers where in the past year 1,800 small businesses have been absorbed by mergers and combined with large business. This is the only out for most small business, and unless tax laws are changed practically all small business will be forced to combine with big business in order to survive and retain even a portion of what the businessman has accumuated.

As you well know, the bulwark of democracy is small business, and when this has been eliminated and all business made into big business, then it will be but a small job for Communist- and Socialist-minded people to change our form of government from a democracy to a form of government similar to that of Russia or equally obnoxious. I heartily commend you for your effort to enact laws of this kind, and particularly the two that you have sent me, but frankly I am skeptical of the ability of right-thinking Congressmen and Senators like yourself to enact such good legislation, at least at this time.

Again thanking you for sending me copies of this legislation.

Very truly yours,

JOHN H. WILSON.

CHICAGO, ILL., *April 30, 1947.*

Senator PAT MCCARRAN,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I have your recent note, enclosing the two proposed amendments to H. R. 1. I think that the plan for giving a stockholder the benefit by way of credit for taxes paid by the corporation is the best

solution of avoiding double taxation on corporations and the stockholders, and I am in favor of it.

I also feel very strongly that a corporation should have an opportunity to accumulate a surplus with which to grow without being punished for so doing. In our history the corporations which have been successful and have survived were those that accumulated a surplus with which to expand, which surplus served as a protection in times of depression.

Respectfully,

ALBERT L. HOPKINS.

RENO, NEV., *May 5, 1947.*

The Honorable PATRICK A. MCCARRAN,
The United States Senate,
Washington, D. C.

DEAR SENATOR MCCARRAN: I have read with a good deal of interest the copies which you sent me wherein you are proposing two amendments to pending tax legislation. I was equally interested in perusing the attached explanatory statement in which you outline the workings as well as the advantages that would accrue to your second amendment if adopted.

I have no criticism whatsoever to offer in connection with these amendments. Both of your proposals would serve a very worthy purpose and could not fail to stimulate industry, expand invested capital, and ultimately increase tax receipts by the Government.

I take pleasure in expressing my hearty approval of your constructive efforts which would be mutually beneficial to the Government as well as to the taxpayer.

With kind personal best wishes,

Cordially yours,

STANLEY H. BARROWS.

RALSTON PURINA CO.,
St. Louis, Mo., May 5, 1947.

Hon. PAT MCCARRAN,
Senate Office Building,
Washington, D. C.

DEAR SIR: Your letter of May 3 is much appreciated. We believe with you that the making and adjusting of tariffs is a function belonging to Congress and that the minimum requirement should be that the Senate have the right to ratify or reject each reciprocal trade treaty.

You ask for our reaction to your amendment of H. R. 1 tax bill. It appears to be for the following purposes:

A. To stimulate commercial construction. This might be adverse to our veterans' housing priority.

B. To aid small business to grow by plowing back earnings. Corporations with ample finances can fully recover the cost of buildings and machinery through depreciation deductions over a period of years.

It seems to us that profits should be taxed once. We would be in favor of the English idea that corporate profits should not be taxed as such, provided they were promptly made taxable in the hands of the stockholders.

We realize your amendment is not limited to corporations, but our connection leads us to view all legislation from the corporation standpoint. We are happy that you and other clear-thinking old-timers are in the legislative branch of Government. It is typical of you to ask for opinions. We are confident that after you have received a good cross section of opinion, you will act for the best interests of the people.

Sincerely yours,

C. A. RENARD,
Director, Legal Department.

FIRST NATIONAL BANK OF NEVADA,
Reno, Nev., May 5, 1947.

Hon. P. A. MCCARRAN,
United States Senate Chambers,
Washington, D. C.

DEAR SENATOR: After reviewing the copies of the two amendments which you have proposed for the pending tax bill, and which I consider economically sound, I passed them on to Sam H. Husbands, executive vice president of Transamerica Corp., for his comments. There is enclosed for your personal information a copy of Mr. Husbands' response of April 29, 1947.

There is every justification for favorable action on your amendments, for business, both large and small, will have a greater incentive to develop and expand if a portion of their profits can be plowed back. I hope you may be successful in consummating that which you have proposed.

Kind regards.

Sincerely yours,

W. W. HOPPER, *President.*

EMPLOYERS' ASSOCIATION
OF SOUTHERN NEVADA,
Las Vegas, Nev., May 8, 1947.

Hon. PAT MCCARRAN,
Senator, State of Nevada,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MCCARRAN: I am replying separately to that portion of your letter of April 30 relative to the amendment which you have proposed to H. R. 1.

Your amendment and the statement which you have made in regard to the amendment were reviewed before a regular meeting of the board of directors of this association yesterday. It was their expressed opinion that you should be highly commended for the efforts which you are putting forth in the interest of small businesses. In expressing their individual opinions the members of the board are 100 percent behind you and sincerely feel that this legislation which you are sponsoring will be of great benefit and assistance to the small businessmen all over the country.

Thank you for allowing the opportunity to express our reaction, and if we can be of any assistance to you at any time, won't you please feel free to call upon us?

Sincerely yours,

CRAIG H. HOWRY, *Manager.*

SCOTT MOTOR CO.,
Reno, Nev., May 9, 1947.

Hon. PAT MCCARRAN,
United States Senator From Nevada,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MCCARRAN: It is very gratifying to know of your amendment to the bill allowing corporations to plow under capital investment 100 percent in order to expand facilities necessary for accomplishment of increased business. We heartily agree with your ideas, and completely support your thinking.

In our opinion we believe that we could accomplish quite a lot if this bill were passed.

With kindest regards.

Very truly yours,

C. C. ANDREWS,
General Manager.

BENDER WAREHOUSE CO.,
Reno, Nev., May 9, 1947.

Hon. PAT MCCARRAN,
United States Senate Office Building,
Washington, D. C.

DEAR PAT: I've been wanting to tell you that I appreciate, as must all small businessmen, your sponsorship of the bill to permit us to plow some of our earnings, now taken as taxes, back into our business. These taxes are excessive, for anyone trying to build a business and liquidate his obligations, of which there are always too many. If you are successful it will be a great help to all such struggling concerns and I believe in the long run, to the country. These small firms, of which mine is one, are the ones that hold the line against depression if they can earn enough to keep going or create depression if they fail or are taxed to death.

Best regards.

Sincerely,

E. S. BENDER.

WASHINGTON, D. C., *May 9, 1947.*

The Honorable PAT MCCARRAN,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR: I appreciate your letter of April 28, 1947, and will be glad to reaffirm, in any way that you suggest, my favorable impression of the amendment which you have proposed.

I suggested to Mr. Sourwine that from the standpoint of the Treasury it may not work out satisfactorily, as a large amount of otherwise taxable funds would be exempt in 1 year and there may also be opposition to the proposal from certain groups which might feel that small business was being given preferential consideration. However, I still feel that by allowing the proposed reduction in 1 year, instead of spreading it over a period of years by way of depreciation or amortization, small business would be given a much-needed help and encouragement desirable as a matter of broad public policy.

You may consider it advisable to clear this amendment with the Treasury Department before it goes before the Finance Committee.

Assuring you of my interest, and with kind personal regards,

Faithfully yours,

BRUCE BAIRD.

BASIC ORES CO.,
Gold Hill, Oreg., May 14, 1947.

The Honorable PAT MCCARRAN,
United States Senator, Senate Building,
Washington, D. C.

DEAR MR. MCCARRAN: I wish to thank you for your letter of April 17 in reference to amendments, H. R. 1, in two sections, in re taxation expenditures. It appears that you had a very good understanding of these situations, and in your statement of April 16 you have nicely clarified the reasons and needs for such amendments as proposed.

The project I handled in Nevada during the war was so badly handicapped that our effort was stymied to assist our Government in its war efforts.

Our Senators and Representatives should see to it that business is set free to carry on and accomplish, or else where are the taxes coming from to support Government activities? This idea of killing the goose that lays the golden egg is idiotic.

Some of the large corporations, who had attractive contracts at cost plus, no doubt made some money during the war period. However, it appears that we need these concerns as well as small ones.

Thanking you for your courtesy, and very kind regards,

Yours truly,

E. GEORGE HOWE.

THOMPSON PRODUCTS, INC.,
Cleveland, Ohio, May 15, 1947.

The Honorable PAT MCCARRAN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This is in response to your letter enclosing copies of two amendments which you propose to the pending

tax bill. They are both important and constructive.

Double taxation is obviously unfair, and acts as a deterrent to attracting equity capital to industry.

With respect to the amendment exempting a limited amount of capital expenditures from taxation, I believe you are on one that is extremely important. It may be difficult for Congress to appreciate, but industry, under present tax laws, actually is unable to accumulate capital fast enough to exploit new and useful products that have developed, or to tool for lowest cost production. Studies have been made which show that much of the machinery now in use should be replaced with modern equipment. Many plants should be rebuilt for streamline low-cost production. Rarely is a company able to satisfy the demands for capital expenditures recommended by its operating management. This is particularly true today, as a result of high building and tooling costs.

The capital expenditures of today make the jobs of tomorrow. A very high percentage of the people at work today are producing goods not known 47 years ago. Not only are jobs involved, but high wages as well. The more capital at the command of a worker, the greater his productivity, and the higher his wage can be. The Chinese coolie with a stick on his back gets a few cents a day because he can deliver but a few pounds a few miles. Compare his wage with that of the locomotive engineer who has great capital at his command.

I think it is particularly good that small industry be enocuraged by some such exemption. My feeling is that it should be at least $500,000. If our tax laws were such as to encourage industry, both large and small, to plow back a greater portion of earnings to improve plant and equipment and develop new products, it would be much in the interests of the American workingman.

Very truly yours,

J. H. COOLIDGE,
Vice President and Treasurer.

Mr. McCARRAN. I yield the floor.

Mr. HATCH. Mr. President, I should like to address a few remarks to the pending amendment, which has been studied under the procedure that is followed in the Senate, in an effort to remove alleged discriminations resulting from the fact that certain States have a system of community-property rights, the States being commonly known as community-property States. So far as I know, the efforts heretofore made along this line have been directed to requiring taxpayers in community-property States to make single returns, and to taxing the incomes of husband and wife as though there were no difference in the ownership of property or income.

Naturally, those of us from the community-property States have resisted such efforts, because they were destructive of the system of property rights long established in our different States, which we believe to be within the authority of the several States to establish.

The pending amendment approaches the question from a different angle; it attempts to give husband and wife in non-community-property States the privilege of filing separate returns, to be taxed upon such separate returns the same as are those of us within the community-property States. When it was first suggested to me, I was inclined to support the amendment because, as I have frequently said, there has been no desire on my part, and so far as I know, no desire on the part of any other person from a community-property State, to secure advantage or preference over the citizens of other States. We believe in our system of property rights; we think it a good one; we think it ought to be adopted by other States. We resist any attempt to invade the right of our State to divide property between husband and wife according to the laws of the State. But, Mr. President, after considering the amendment and discovering that it has no relationship whatever to the ownership of property, but merely establishes a new rule by which husband and wife may have separate incomes and make separate income-tax returns without regard to ownership, it seems to me, that it proposes a new and, to me, unheard of principle of taxation. The fundamental principle of taxation is that it should be based upon the ownership of property and the ownership of income. Under the proposed amendment, no consideration whatever is given to ownership. Under it, the non-community-property State would be given every so-called advantage now enjoyed by the community-property States, and would place upon the non-community-property States none of the burdens whatever that rest upon citizens of the community-property States. It would therefore give them all the benefits, without imposing upon them any of the burdens.

I am quite sure that those who sponsor the amendment and who argue for it do not want to secure a preference or an advantage over the community-property States; but, undoubtedly, that would be the result.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. LUCAS. Does the Senator contend that community-property States do not now possess some advantage in the way of taxation over non-community-property States?

Mr. HATCH. I have not said that, Mr. President, and I would not say that, because there is an advantage to the extent that those of us residing in community-property States pay less taxes, because incomes are divided and separate returns are made. But that is based upon the ownership of property; and that is what I am saying. I do not mean to say that every other State in the Union should amend its laws to conform exactly to ours; not at all. I think an amendment to reach the preference or advantage held by those in the community-property States can be worded so that other States will have all the advantages which we enjoy, based upon the ownership of property and income, as in community-property States.

Mr. LUCAS. The Senator, of course, knows that in the pending bill an exemption of $1,000 is allowed for husband and wife over 65 years of age. The question of property is not involved in such a proposal.

Mr. HATCH. That is an exemption from taxation.

Mr. LUCAS. That is correct.

Mr. HATCH. I have said that the basis of all taxation, practically from the beginning, has been the ownership of property and the ownership of income.

Mr. LUCAS. That is correct, but many an individual who is granted a tremendous exemption, and whose exemption involves no property whatever, is taxed.

Mr. HATCH. Of course, that is in large part a personal exemption, as in the case of a single man.

Mr. LUCAS. That is exactly what is being attempted here.

Mr. HATCH. If it were put on the basis of granting an exemption, that would raise another question.

Mr. LUCAS. That is practically the effect.

Mr. HATCH. That is not the thought. Under the amendment, husband and wife can divide their income, without regard to the ownership of the money, without any of the corresponding burdens that go with it. I have prepared a bill, which I shall not introduce now, but which I hope may be considered by the committee at the proper time, which would do away with the advantage possessed by the community-property States, and which would give to the non-community-property States the same rights as those which we possess, by permitting the division of ownership and income, as authorized by the law in the community-property States. That might be done by simple contract. It could be provided that the contract would have to be recognized by the taxing authorities of the Federal Government, provided only that it was valid and legal according to the laws of the State in which it was made. Taxation would then be based upon ownership of income, just as in community-property States. In addition to putting us all on an equal basis, I have in mind that the proposed bill would get rid of another inequity, which I think is the worst of all and which is suffered by us who live in the community-property States. Under our laws, as I have frequently said, and as everyone knows, the property acquired by husband and wife during marriage is owned by both husband and wife in equal parts. The wife is the absolute owner of one-half of the property that is acquired by their joint efforts during marriage. But although the property, which the wife would take upon the death of her husband, is her own property, and does not pass by inheritance, but is set apart for her because it is her separate estate, notwithstanding that the title has been in her and is in her, the Federal Government, under a law passed in 1942, requires her to pay an inheritance tax upon her own property, and that, Mr. President, I submit, was never before conceived in the history of taxation.

We want that inequity removed. We would like to have the whole question considered by the Finance Committee at one time and all these inequities corrected as fully and as nearly as possible, so that we may all be placed on as equal and fair a basis as possible.

That is all I have to say on this proposal. I shall not discuss the bill which, as I said, has been drawn, but I do not want Senators from the non-community-property States to feel that we from the community-property States desire any advantage whatever. We are perfectly willing to join them in writing a law

based upon ownership of income and ownership of property which will give them every right we have, but we would also ask at the same time that the inequities which we suffer under existing laws be removed.

Mr. HICKENLOOPER. Mr. President, I wish to ask a question of the Senator from New Mexico, because I understand the Senator's State is what might be called a community-property State.

Mr. HATCH. That is correct.

Mr. HICKENLOOPER. My State is not a community-property State; we do not have community-property laws in Iowa. The question I wish to ask the Senator is this: Under the community-property law and under the tax approach of the Internal Revenue Bureau to taxation of property accruing to a family, why does the Internal Revenue Bureau permit division of income?

Mr. HATCH. Because the property is owned, as I have said, in equal parts by the husband and wife, and that is a requirement of our State law. I think the Internal Revenue Bureau has gone too far in that it has frowned upon and has stopped the making of contracts between husband and wife which were voluntarily entered into, because the Bureau said they were fraudulent, and entered into in order to avoid the tax laws.

Mr. HICKENLOOPER. Mr. President, the Senator is coming to the heart of the point I wanted to ask him about. The Internal Revenue Bureau says that the law of the Senator's State recognizes the community ownership of property which, roughly, might mean a 50–50 division of the property.

Mr. HATCH. It is not roughly. That is the way it is. That statement of 50–50 is accurate.

Mr. HICKENLOOPER. And the State taxes on the basis of the ownership of half by the wife and half by the husband. The Bureau recognizes the law of the State of New Mexico on that point. Is that not true?

Mr. HATCH. That is true.

Mr. HICKENLOOPER. And the Bureau says that the title and ownership of that 50 percent in each stems from the law of New Mexico?

Mr. HATCH. That is correct.

Mr. HICKENLOOPER. In my State, I will say to the Senator, we do not have specific community-property laws, but, since the State was established, and even in its Territorial days, and coming from ancient law, partnerships have been recognized. The statutes of our State recognize the right to partnership ownership, they recognize the right, if you please, of gifts, and recognize the validity of gifts. They recognize the vesting of title as the result of a gift just the same as the result of a purchase for intrinsic value of some kind. Yet the Bureau of Internal Revenue refuses absolutely to recognize the validity of the transfer of property rights by gift within a family when a partnership is set up by a device which is completely legal and completely proper under our State law.

Now I ask the Senator whether or not he can reconcile the two positions taken by the Bureau of Internal Revenue, the one, when it accedes or agrees to the State law provisions, and the other when it refuses to recognize completely valid and sound State laws?

Mr. HATCH. I will say to the Senator from Iowa that he probably did not hear all I had to say previously.

Mr. HICKENLOOPER. I am sorry I was not present during the whole of the Senator's discussion.

Mr. HATCH. I discussed a proposal which would completely do away with the objection the Senator from Iowa has raised. No, I shall not at all attempt to reconcile the positions taken by the Bureau of Internal Revenue. I think any partnership between a husband and wife which is valid within the laws of the State in which it is made, and which is not manifestly simply a fraudulent scheme to avoid taxation, is perfectly proper and legal. I think the Internal Revenue Bureau should recognize such a partnership and give it just as much sanctity as is given to it under our law in New Mexico.

Mr. HICKENLOOPER. Providing such an arrangement is legally sound and proper within the jurisdiction in which it is entered into.

Mr. HATCH. I will say to the Senator from Iowa that I am willing to join him in the writing of a proper law which would bring such a condition about.

Mr. HICKENLOOPER. I may say to the Senator from New Mexico that I have an amendment at the desk which I may call up, dealing with that very point.

Mr. HATCH. I think, however, as I have previously said, and as the Senator from Colorado has been arguing constantly, that we should all leave these matters to the committees of the House and the Senate. The Senator from Colorado has steadfastly and forthrightly stated here that his committee desires to correct these so-called inequities. They do not want to do so in the pending bill, and I shall support the Senator from Colorado in that position. But I would certainly have no objection to the proposal which the Senator from Iowa has suggested when it is finally perfected.

Mr. CONNALLY. Mr. President, I want to agree heartily with the chairman of the committee, the Senator from Colorado, in the position he takes that the matter under discussion cannot be properly handled at this time under the pressure which is being exerted and in view of the tremendous loss of revenue which the pending amendment would entail, a loss $800,000,000 greater than under the bill without the amendment.

I realize that sooner or later we are going to have to face the issue of community property, which is raised from time to time; but, Mr. President, I become a little irritated and annoyed at times by some of the representatives from non-community-property States who point to community-property States as if we were not contributing our fair share, and as if we were using the community-property law as a device to avoid the payment of taxes. My State and other community-property States adopted the community-property system at a time when we were under no pressure to avoid income taxes, when we had no threat of income taxes. We adopted it in my State more than 100 years ago, before income taxes were levied by the Federal Government, before we ever dreamed of income taxes, long before the Senator from Illinois was under pressure from back home to bring his State within the blessings of the community-property laws without adopting the community-property system.

Much has been said about changing the laws. There is not a State in the Union which, if it willed so to do, could not adopt community-property laws; and if it did it would receive the same advantages which the people of Texas and of the other community-property States enjoy. I think that is a complete answer to the charge that we are benefiting by this law and are not paying our share.

This principle came down to us from Spain. It is based upon the conception that a man and his wife are in fact partners—not partners on paper, not theoretical partners only when they pay their taxes. There is no real partnership involved in the so-called tax partnership arrangement.

In the old common-law States, if it were not for a change in the law, husbands could still beat their wives, provided the switch was no bigger than a man's thumb. That was a part of the common law of England in years past. Women still occupy a subordinate position when it comes to property, just as they did in the olden days. We believe that women are entitled to equality in property and earnings. Under our law, every dollar of income which either a man or his wife possesses, whether from separate property owned by either of them before they were married, or from earnings after they were married, is community property, and the wife owns half of it—not because the husband gives her $5 on Saturday night to pay the grocery bill for the next week, as is the case in some of the States which are complaining. In my State she owns it in her own right. It is hers. The income-tax collector says, "Where did you get this income?" The husband and wife reply, "We got it from our accumulated property."

Mr. President, why does the law of Texas and other community-property States recognize the right of the wife? Because we place the wife upon an equality—not a social equality only, not a Saturday-night equality for the payment of next week's grocery bill, but an equality to share in the joint earnings of the husband and wife. That is the only kind of real, substantial equality that exists in a world like this.

Why should not the wife have a share in the joint earnings of husband and wife? She marries a man at the altar, and they pledge fidelity and loyalty. She bears his children. She presides over his home. Many wives do the washing and cooking and slaving in the kitchen. The husband is out making money, or supposedly trying to make money. They accumulate a little money. Is not the wife entitled to half of it? Does not she make a contribution to the union? Ought not she to be entitled to something more than her board and clothes?

We are members of the United Nations. We pass resolutions about giving the Hottentots equal rights. We want the natives of the Pacific islands to have equality of rights. We want them all to have the "four freedoms"; but here at home, in many of the States we do not treat women on the basis of equality with men. I cannot understand why the women of this country, with all their clubs and other women's organizations which are so concerned about the right to vote, and which are interested in the equal-rights amendment, have not made a drive in the non-community-property States for the right to share in the earnings of marriage. Women share in the raising of children. Both husband and wife cooperate to raise a family, but they do not share equally in the property accumulated as a result of the marriage. A man and his wife may have six children. They each have a half interest in each child, but they do not have a half interest in the income or in the money which goes to support the children.

In most of the non-community-property States when the husband dies the wife gets a third interest in the personal property. I do not know that that is true in all the States. In some States she gets a third interest in the real estate for life. I am not familiar with the laws of all the non-community-property States. However, she does not get equality. She does not get half.

In the committee the other day someone said, "If the wife earns any money it is hers." Yes; if she can make any money cooking hot biscuits for the old man, she gets the benefit of it. It is hers. Whatever profits come in, the old man puts them in his pocket and they stay there until he dies. Then the wife gets a third of the real estate for life, and a third of the personal property outright. So the only way she can win is for the old man to die.

Under our law, Mr. President, one-half of his earnings belongs to the wife—not as a gift, not as a charity, but as an absolute legal right. It is hers. Consequently, when the income-tax law was enacted the Internal Revenue Department undertook to tax community-property States, just as it undertook to tax non-community-property States, and I paid taxes under that construction of the law. Later on—I do not know how it arose, whether by court decision or by consultation with their counsel—the Treasury arrived at the conclusion that it was wrong; that when they undertake to ascertain income from property the title to the property is what governs. Under this law, if they want to assess taxes on the Senator from Oklahoma, for instance, they would not assess him taxes on the property of his neighbor, John Jones, on the same street. They would assess taxes only on the basis of income from property owned by the Senator from Oklahoma, and no one else. Suppose they undertake to assess income on a son of the family who owns a house and lot, and they say, "Whose property is this? Where did you get this income?" He says, "It came from a house and lot that I own. It is mine. The old man has nothing to say about it; it is not his. You cannot tax my father on income from property which I own in my own right." Is not that sound?

Mr. HICKENLOOPER. Mr. President——

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Texas yield to the Senator from Iowa?

Mr. CONNALLY. I yield.

Mr. HICKENLOOPER. The situation which the Senator has cited is exactly what is happening in my State. The Internal Revenue Bureau is taxing income from property which is legitimately and legally owned by others than the taxpayers, and, of course, complaint is being made about it. They are refusing to recognize the legality of laws of my State and in other States and they elect to charge the head of the family, regardless of whether he has the ownership of the property or whether the wife has title to the property. They refuse to recognize our law, although it is completely sound——

Mr. CONNALLY. I heard with a great deal of interest the statement of the Senator before the committee, and I marvel if that is the case, why the State does not adopt a community-property system. Why not give the wife half the property? She is entitled to half the earnings.

Mr. HICKENLOOPER. The matter which I was discussing before the committee went a little further than purely community property. It went to the question of the law of contract, the law of gift, and the transfer of title, which has been recognized indefinitely as perfectly proper.

Mr. CONNALLY. I will say to the Senator that the Treasury raised a question as to the good faith of a great many cases. I think they recognize in Iowa, do they not, some partnerships which consist of the husband and wife? If they are both active in the business or have any direction of the business the Treasury recognize them, do they not?

Mr. HICKENLOOPER. They recognize some of them if the wife works from 8 to 10 hours a day in the partnership.

Mr. CONNALLY. I do not think they set any particular hours, but the partnership status is recognized if the partners are active in the business.

Mr. HICKENLOOPER. I find myself in agreement with the Senator's argument of a few moments ago in which he stated that the wife cooks for the family, takes care of the baby, runs the home, and certainly is morally entitled to a share of the earnings. Why in the world should the Internal Revenue Bureau arrogate to itself the right to say that because a wife does not spend all her time, or a substantial part of her time, behind the counter selling dress goods, or keeping books in the office, she cannot receive any benefits from ownership of property which has been vested in her? I am unable to draw a distinction.

Mr. CONNALLY. I am not here to defend the Treasury in all their rulings. I very frequently disagree with them, but I still must submit to the Senator that he admits that in his State where the partners participate in the business and take an active part the partnership is recognized. The Treasury contended that the cases in which they were interested were those in which they believed that the wife had nothing to do with the management or direction of the partnership. But I am not defending that position. I realize, as I stated when I started these remarks, that we shall have to face this question sooner or later. I want to face it when we are prepared to go into all the readjustments of all the taxes, because there is a repercussion. If we consider this tax and change that tax, there is a relationship with other taxes which is involved. I want to wait until we are prepared to review the whole tax structure. Leading people in my State have a plan which would help the Senator in connection with the complaint he made, whereby permission would be given a man and wife to make contracts in any State and to divide their income and pay taxes on the same basis that applies to community-property States. I have sense enough to know that this question is one which we cannot avoid and which we will have to meet.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I wanted to emphasize the fact, since we are crying so much about the wives doing the cooking and not getting anything out of it, and that some of our States have passed community-property laws, that we still carry through a discrimination. In my State if a husband wants to give half of his property to his wife, under the laws of the State, she still cannot stay home and look after those tender duties to which the Senator has referred. The Treasury takes the extra dollars from her in spite of the fact that the State law is complied with and that she is a legal owner under the State law. It cannot be justified any way on earth. There is a Federal discrimination against taxpayers who have to bear the burden and the cost of the Federal Government, whatever the property system is. It simply does not measure up to the standards of justice and equity. Where the Federal Government is doing the taxing it ought to tax on an equal basis.

Mr. CONNALLY. I will say to the Senator from Arkansas that I do not know of any law of my State that prohibits a husband from giving his wife property.

Mr. McCLELLAN. But in Arkansas, although the gift is made under the law, and husband and wife are half-owners, they still are penalized, because the Revenue Bureau does not recognize their status and refuses to let them pay taxes on the same basis as that upon which the Senator's constituents pay.

Mr. CONNALLY. Does the Senator contend that in Arkansas if a wife has separate property which she owned before her marriage——

Mr. McCLELLAN. That is not at issue at the moment.

Mr. CONNALLY. All right. I will not ask it.

Mr. McCLELLAN. The Senator is getting away from the real question.

Mr. CONNALLY. The Senator introduced the proposition that under the law

a husband could not give his wife property, and I said that I knew of no law in my State to that effect.

Mr. McCLELLAN. I said he could give it and did give it, but it was not recognized by the Revenue Bureau.

Mr. CONNALLY. I am not familiar with all the Revenue Bureau's rulings.

Mr. McCLELLAN. I made no attack on the community-property States. I am not asking them to change the law; I am only asking that the Congress, by the enactment of a law, make it possible for us to compel the Revenue Department and the Government to do equity and justice between citizens of this Nation.

Mr. CONNALLY. I know of nothing in the internal-revenue laws that discriminates between members of any particular group or class. I am not attacking the non-community-property States. It is their business to have their own laws and have them respected. The question I raised had reference to property belonging to a certain individual on which he pays an income tax on what he derives from that property. I tried to make that clear in the case of the son to whom I referred as John Jones. The old man lives across the street. His son cannot be made to pay a tax on the income of the father, nor the father on the income of the son. They stand upon the basis of title and ownership.

Mr. President, I am not asking any of the non-community-property States to adopt a community-property system. I think it would perhaps be wise if they should; but that is their business. I am not in favor of using the power of the Federal Government to compel them to do that.

In Texas we recognize the equality of women. We are living in modern times; we are living in the twentieth century. We are not living under the conditions of three or four centuries ago. There was a time when women were practically serfs. We have passed that point. Under our laws we want to give them equality in the ownership of property and in the comforts and joys of life. That is all we ask. That is all we do. We do it by giving them title—not the use of it, not the right to touch it but to get nothing from it, but the right to own half the community property. That law has been on our statute books and in our constitution for 100 years; yet people talk about the law as a device to avoid taxes. Santa Anna had hardly gotten out of Texas before we adopted this system of giving the women joint property rights to the earnings after marriage. Of course, what the husband had before the marriage remains the husband's separate property, and what the wife possessed before the marriage remains the wife's separate property.

Mr. President, if we wish to provide equity we have an opportunity to do so now. But we cannot have our cake and eat it, too.

Mr. President, I have nothing further to say on this matter. This is a question which we shall have to face, and I am prepared to face it. But I wish to face it at a time when we are revising the whole tax structure. I do not wish to undertake it now. As has been pointed out heretofore, the Federal Government, largely because it was piqued at the income taxes derived from community-property States, in 1942 passed a law which was manifestly unjust. It provided that in the community-property States if the man and wife had $100,000 worth of community property, each one owning half, if the husband died, the wife would have to pay an inheritance or estate tax on the entire $100,000 worth of property—which is not right and not sound—and, further, that when the wife died thereafter, her estate would have to pay another tax on what she was possessed of at the time of her death. I want that law revised, when we come to revising the entire tax structure. If we are going to express ourselves with respect to the community-property-income feature, I wish to have the community-property inheritance or estate tax also revised or modified.

So, Mr. President, what I have said today has been simply for the purpose of placing in the RECORD a defense of the community-property system. It was a noble system which was conceived in a high spirit and in a spirit of equality before the law and equality before the altar and equality of contribution to the marriage relation, providing that the earnings of the marriage relation should belong as much to the wife as to the husband.

I wished to express our dissent from the view which is expressed now and then by the residents of non-community-property States, namely, that the community-property States are using a device or a pretext to avoid the payment of income taxes.

Mr. McCARRAN. Mr. President, the question of community property and the taxation involved has been before the Congress for many years in various forms. It now comes before us in a slightly different form. It has been a subject of study and concern by those of us who represent the community-property States. If the Senator from Arkansas will consider the history of his State—as undoubtedly he has, although this particular phase may not have been drawn to his attention—he will find that originally his State was also a community-property State; in other words, it was carved out of the territory which was acquired from Mexico, just as Louisiana was carved out of the territory which was acquired from France. The civil law of France applied to Louisiana, and the civil law of Spain prevailed in the territory which was acquired from Spain. My own State and the States of New Mexico, Arizona, Idaho, and California were carved out of the territory which we acquired from Mexico. When the United States acquired that territory, it carried with it the civil law which prevailed in Mexico, which had been given to Mexico by Spain.

Many of the States which were carved out of that territory saw fit to repudiate the civil law. Iowa is one of the States which repudiated the civil law and set up the common law as the basic law, thereby repudiating some of the privileges and many of the conditions which prevailed under the civil law. That fact probably accounts for some of the actions of the Bureau of Internal Revenue in construing certain laws in certain States.

Mr. President, the importance of this matter is such that some of us have spent considerable time, in times past, in looking into the history of these differences which occur among the respective States.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me?

Mr. McCARRAN. I wish to conclude my remarks, and then I shall yield.

Mr. President, some years ago—to wit, in 1937—at a time when the Honorable Fred Vinson, now Mr. Chief Justice Vinson, was chairman of the Ways and Means Subcommittee of the House of Representatives, and when the subject of community property was uppermost in the minds of Members of Congress, it was my privilege to address to him a letter on this subject, going briefly into the history of community property. That letter dealt with the history of the law, as it came over in the process of territorial acquisition to the several States which now have community-property laws. Texas is one; Mississippi is another; Florida is another. Louisiana retained the community property law from the civil law which came down from the Code Napoleon.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of my letter to the Honorable Fred M. Vinson, now Mr. Chief Justice Vinson, bearing on the subject of the history of community property and why the community-property law exists in several of the States.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

UNITED STATES SENATE,
Washington, D. C., September 15, 1937.

Hon. FRED M. VINSON,
Chairman of Subcommittee,
Ways and Means Committee,
House of Representatives,
Washington, D. C.

MY DEAR CHAIRMAN VINSON: On some occasions in the past the press has carried expressions indicating that there are those in your committee and elsewhere who might be of the opinion that the citizens of community-property States were chargeable with a so-called loop-hole through which taxes in these States might be escaped. I understand that your subcommittee may investigate the matter of income taxes in community-property States, and I desire to submit to you some of my views on the subject, resisting as I do any change of policy.

First, may I say that Nevada is one of the community-property States, the others being Louisiana, Arizona, California, Texas, Idaho, New Mexico, and Washington.

Under the community-property law either spouse in a martial status has a vested property right in all of the community property including the income therefrom, likewise in the salary or wages of either husband or wife.

The question involved in community property in the United States is both historic and statutory in its origin. The historical side of this question is most interesting and students of the subject who have given us the benefit of their study and writings have thrown much light and clarification on the matter.

A cursory reading of the history would lead one to believe that the community-property law was of Spanish origin, but a more persistent study leads one to the conclusion that the law, as we know it in the

Western World, is of Germanic origin and is the result of the evolution of early Germanic customs and forms into laws regulating family relations. These customs and laws, according to our best authorities, were carried into Spain by tribal and Visigothic movements in the early Christian centuries, and were implanted in the Spanish Peninsula on the occasion of the conquest of that part of Europe.

We find the early community-property law emphatically set out in the Code of Euric as the same was made, through conquest of territory, the law of early Spain; and we find this early code followed by the Spanish law or code called Fuero Juzgo. The law itself took on various forms during the Spanish succession but at no time did it lose its original nature nor its original method of operation. For instance, we find the law set out in 1506 in a Spanish codification entitled "Cortes of Toro." Another code promulgated by Philip II in 1567 and another put forth by Charles II of Spain in 1680, each in turn carried the emphatic expression "law of community property" as we now term it, which laws and codes, in general terms, made clear distinction between the property of the husband, the property of the wife, and property acquired or accumulated by the community coverture.

Briefly stated, the law of Spain, as we find it passing down through its history, became the law of the Spanish territory in the Western World. The code called the Cortes of Toro published in 1506, and the code "Nueva Recopilacion" of 1567, and the code of 1680 published by Charles II of Spain and styled "Recopilacion de Indies," all made emphatic pronouncements that in the territories under the Spanish flag the laws of Castile must be observed. It was in this way that the civil law of Spain became a part of the law of Spanish America; and hence the law governing conjugal property or, as we term it, community property, became the law of Mexico and remained so, with varying local changes, until the independence of Mexico was achieved in 1821.

The spirit of the community-property law, as it was recognized in Mexico, is fairly stated in a publication having a date as late as 1888, in which the Mexican commentator expresses himself thus (translation):

"There being common to both consorts the hardships and sufferings which life brings with it, and together equally dividing the sacrifices and efforts necessary to overcome them, it is just and natural that there be likewise common the profits which may come to the consorts, basing itself solely on this, without regard to the greater or less wealth which either of the consorts may bring to the marriage."

I will not attempt to burden you with the distinction that will be found in organic and statutory laws of the respective States of the Union, as for instance the law of Louisiana may differ from the law of California, each being community-property States, the former having both French and Spanish flavor; and in turn the law of Washington may differ from that of other States, but in essentials they take their spirit from the same source. My purpose in dealing primarily with the history of the law of community property is to emphasize to you and to your committee that the States in which community-property law exists, acquired that law from the original sovereignty controlling the territory out of which these States were respectively formed, or from the civil law, as distinguished from the common law. For example, I respectfully draw your attention to the history of the law of the State of Texas, in which we find the rule of community property prevailing, because when Texas became independent from Mexico and came into the United States, that State retained her laws of community property while at the same time she adopted the common law in almost every other respect.

The Treaty of Guadalupe Hidalgo, closing the Mexican War, brought to the United States the territory now embraced within the States of New Mexico, Arizona, California, Idaho, and Nevada, in all of which territory and the States carved out of the same, the law of community property, as it had prevailed under the rule of Mexico, and as the same had been transmitted to Mexico by the parent country, Spain, was retained. In nearly every one of these States, when they became States, the common law was adopted, but notwithstanding the adoption of the common law, the wife's status in respect to matrimonial property was excluded and her rights in such property as they existed under the Spanish and Mexican domination were recognized, retained, and protected. In this respect I would draw your attention to the decisions of the Supreme Court in the case of *Botiller* v. *Dominquez* (130 U. S. 238); *LaTourette* v. *LaTourette* (15 Ariz. 200); and *Blum* v. *Wardell* (270 Fed. 309).

It might be at the hazard of your patience were I to go into the detail of the law applicable to the several States in which the community-property law exists. Suffice it to say that in Louisiana, by reason of its history, the territory first being under French dominance, later under Spanish and still later under French dominance, we find the Code Napoleon, so styled, combined with the Spanish codes and again modified by statutory provision when the State became a part of the Union. Nevertheless, we find the community-property law existent.

In Texas and California, the territory being originally a part of the territory of Mexico, we find the community system of Spain and Mexico carried to a great extent into the organic law and provisions for its operation made by statutory enactment. In the States of New Mexico, Arizona, and Nevada the community-property law exists almost in its purity as it existed under the Mexican sovereignty.

A decision rendered by the Supreme Court of the State of California entitled: "In re Moffitt's Estate," has been almost unanimously repudiated not only by the very court that rendered it, but by other courts and commentators as well (the California courts were in complete disruption due to the catastrophe of fire and earthquake). There the court made the following startling announcement:

"That the interest of the wife in the community property during the lifetime of her husband is only an expectancy, and that on his death she takes it as an heir."

This decision was repudiated by the courts of California in a later case of *Stewart* v. *Stewart* (249 Pac. 197). The act of the Legislature of California might also be construed as repudiation.

The Supreme Court of Nevada—the State I represent—refused to follow the Moffitt case when it rendered the decision in the matter of the Estate of Warren Williams, which decision is now the ruling case in that jurisdiction, and to which I hereafter refer.

The States of Florida, Missouri, Arkansas, Iowa, and Mississippi, in which either the Spanish community-property law or the French community-property law originally prevailed, have adopted the common law. Louisiana, however, retains to this day the spirit of the Spanish law modified by the Code Napoleon.

Nevada, like other Western States, retained the spirit of the Spanish law as the same prevailed when the territory was ceded to the United States, and we find in the constitution of Nevada the provision:

"All property, both real and personal, of the wife, owned or claimed by her before marriage, and that acquired afterward by gift, devise, or descent, shall be her separate property; and laws shall be passed more clearly defining the rights of the wife in relation, as well to her separate property, as to that held in common with her husband. Laws shall also be passed providing for the registration of the wife's separate property."

The statutes of Nevada carry out the full spirit and intent of the organic law and the full spirit and intent of the law of community property, as the same existed in the territory embraced within the confines of the State when that territory was a part of the Mexican possessions.

As a member of the court of last resort of the State of Nevada, it was my privilege to make a special study of this subject and to write the opinion and decision of that court in the matter of the *Estate of Warren W. Williams, Deceased* (40 Nev. 241), and in that opinion the court dwelt at length with the subject of community property, its nature and existence. This opinion took into consideration the history of the law of community property and the constitutional and statutory provisions of the State; and there we took occasion to express:

"From all our statutory enactments bearing upon the subject of the relation of husband and wife, and especially from those having to do with the acquisition, retention, and disposition of community property, we are unable to arrive at a conclusion that the constitution framers and the legislature, in establishing the community system and in promulgating the laws defining the rights of husband and wife as to property thus held, intended other than that the wife should have an interest in the property acquired by the joint efforts of the community, which interest, while it should remain in a sense indistinguishable during the existence of the community, was nevertheless a property interest of which she was, at all times, possessed."

And again we said:

"It may, we think, be asserted, supported by the great weight of authority, that the interest of the wife in the community property and her title thereto, is no less than that held by the husband, and is such a title in the wife as not to be regarded as a mere expectancy."

The Attorney General in response to the inquiry of the Department concluded as to all community-property States, including Arizona, Louisiana, Washington, Idaho, New Mexico, and Nevada, that "The husband and wife domiciled therein, in rendering separate income tax returns, may each report as gross income, one-half of the income which, under the laws of the respective States, becomes simultaneously with its receipt, community property." (Opinion of Attorney General (32 P. 435).)

The Supreme Court of the United States has announced the rule that where the State decisions have interpreted State laws governing property or controlling relations that are essentially of a domestic and State nature, such decisions will be followed if possible. (*Warburton* v. *White* (176 U. S. 484).)

It is scarcely necessary for me to draw your attention to the ruling of the Internal Revenue Department which is, as I understand it, in substance that the rule of separate returns by husband and wife as to community-property earnings, is to be applied as the law is construed by the courts of last resort of the respective community-property States.

In the case of *Poe* v. *Seabury* (282 U. S. 101), Mr. Justice Roberts, speaking for the Supreme Court as to the right of the husband and wife to make separate returns under the community-property law of Washington, said: "* * * it must suffice to say that it is clear the wife has in Washington a vested property right in the community property, equal with that of her husband, and in the income of the community, including salaries or wages of either husband or wife, or both."

I trust that I will not have taxed your patience in this rather lengthy communication, but that by expressing myself as I have here, I may emphasize the fact that any attempt on the part of Congress to interfere with the present rule permitting husband and wife to make separate tax returns each reflecting one-half of the community income, will be resisted by everything within my power, and I know that in this I will be joined by the other community-property States.

If the community-property States of the Union see fit to extend to married women more definite and certain rights in the earnings and accumulations of the community effort, certainly it is not the part of justice and fair play that these States, while extending these rights to their citizens, shall be punished therefor, or compelled to abandon their laws, the policy of which is even older than the States, themselves, nor that the Federal Government shall construe the law other than as the same has been construed by the Courts of last resort of those respective States and by the Supreme Court of the United States.

In conclusion:

The law of community property came to the States as a part of the law of the land before they were States.

The law of community property was written into the organic law of the States, approved by Congress when the States were admitted into the Union.

The legislatures of the States enacted laws carrying out the spirit of the law as it had existed and as their constitutions pronounced.

The courts of the States have applied and construed the law of community property in keeping with the spirit of its fundamental principle.

The Supreme Court of the United States has recognized the fundamentals and laws of the States and has repronounced the doctrine as it was in the beginning.

Under the community-property law the husband and wife respectively have and hold each a vested right in and to one-half of the property acquired by community effort and the accretions thereof, including wages and salaries—this is a legal fact, not a fiction.

Under the community-property law and in community-property States the husband and the wife may each file returns reflecting as taxable income one-half of the whole income of the community established by their marital status.

Any attempt on the part of Congress to change this condition as crystallized into the laws of the respective States would be a discrimination and otherwise unconstitutional.

Thanking you for your courtesy in this matter, I am,

Sincerely yours,

PAT MCCARRAN,

NOTE.—The Supreme Court of the United States in the case of *Hoeper* v. *the Tax Commission* (284 U. S. 206) held in no uncertain terms that a tax based on an enforced joint return is illegal, arbitrary, and capricious. In this decision it will be noted that the Court, although dealing with the statute of the State of Wisconsin, did not hesitate to quote the case of *Knowland* v. *Moore* (187 U. S. 41), which in turn dealt directly with a Federal statute.

Mr. McCARRAN. Mr. President, I now yield to the Senator from Iowa, and I apologize for having kept him waiting this long.

Mr. HICKENLOOPER. Mr. President, I merely wished to ask the Senator whether he draws a distinction between the power of the civil law as a precedent, and the power of the statute law and, also, the power of the common law as a precedent.

Mr. McCARRAN. I draw the distinction in a certain way. Let me say that after having listened to the colloquy between the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Texas [Mr. CONNALLY] this thought came to my mind, and it may be worthy of attention: The State of Iowa repudiated the civil law when it set up its organic law. It then adopted the common law. Thereafter, whether by statute or otherwise, Iowa set up a means by which separate income returns might be made or by which separate laws might prevail as to the ownership of property by the wife and the ownership of property by the husband. But the founders of the organic law of the State of Iowa thus repudiated the civil law, which was basic to the territory out of which Iowa was carved. That being true, it seems to me that the claim of the State of Iowa for rights which exist under community-property States is not well founded. It may be that that argument is rather theoretical.

Mr. HICKENLOOPER. If the Senator will yield, I will say that I have as yet made no claim for any rights under community-property law, nor have I spoken, up to this point, at least, for the same recognition for my State as that accorded other States under the theory of community-property allowances in those States. What I am saying to the Senator is that partnership devices are at least as old as community-property law devices under the civil law. Partnership devices have been recognized as an integral part of the method of doing business, and the passing of a business from father to son, since we have had organized economic business.

Mr. McCARRAN. When the Senator uses the term "devices" he uses the correct term.

Mr. HICKENLOOPER. I say that a corporation is a device. Any kind of an organization for the transaction of business can be called a device.

Mr. McCARRAN. The Senator is correct.

Mr. HICKENLOOPER. I see no reason why the Bureau of Internal Revenue can call one thing fish and another fowl, why the Bureau of Internal Revenue justifies itself by saying, "We will recognize these rights as established by the law of one State, and we will not recognize these devices for doing business, or for handling incomes, as recognized by the law of another State," in other words, a partnership on one side, and a community-property situation on the other.

Mr. McCARRAN. Except for this consideration—and it may be conjectural again, and I think it is—that the Senator's State repudiated the very law that would have given citizens of that State the right to have community property. His State repudiated the civil law, which prevailed in the territory from which the State was carved.

Mr. HICKENLOOPER. While the Senator may in theory, and antiquity, have some foundation for saying that we repudiated the civil law——

Mr. McCARRAN. It is history.

Mr. HICKENLOOPER. I think when Iowa was in the Wisconsin territory and the Michigan territory there were not enough people there to know the distinction between the civil law and the common law, and it was a matter that was handled for them.

Mr. McCARRAN. That may be true.

Mr. HICKENLOOPER. It makes little difference, in fact, it makes no difference, as I see it. It is a question of principle, as to whether or not operations which are perfectly legal—and I am assuming the legality; I am not assuming fraud or fraudulent activities, or intention to violate the law—it is a question whether or not activities which are perfectly legal in the operation of a business in one State are refused recognition by the policy determination of a department here, which, I submit, has later been given great aid and comfort by a couple of Supreme Court decisions; while in another State, on the theory that it is the law of that State, and a part of its basic law, the Department recognize that law for tax purposes, with consequent discrimination against the other State. As I have said, up to this point I have not discussed the question whether or not they should treat my State on the same basis on which community-property States are treated, but I am complaining at the moment that the Bureau of Internal Revenue refuses to recognize business operations which are just as completely valid, just as completely legal, just as completely sound, as title to property itself.

Mr. McCARRAN. All I can say to that is, I am sorry.

Mr. HICKENLOOPER. If the Senator is sorry for us, what does he think we are for ourselves?

Mr. FULBRIGHT. Mr. President, much has been said about Arkansas having once been a community-property State. I have a report from the Library of Congress from which I wish to read. It says, referring to community property:

> This form of ownership was eliminated in Florida by the treaty of cession in 1819, and in Missouri Territory, out of which the States of Arkansas, Iowa, Mississippi, and Missouri were formed, by the acts of the territorial legislature adopted in 1807 and 1816. Oregon, in 1945, repealed a community property statute adopted in 1943.

So that at least since Arkansas has been a State, it has not had community property laws.

It is true, in accordance with the statement of the Senator from Nevada, that its effect on taxes comes from an ancient principle of law arising from Spanish and French law, but it certainly was not a direct consequence of that law, that is, it was not intended to result, as the Senator from Texas said. It is in the nature of an accidental windfall. This great advantage has grown out of a situation which no one contemplated at the time, and none of us who are supporting the amendment are trying to take it away from those States. That was tried before, as I said a moment ago, as long ago as in 1921. All we are trying to do is to give to the States which do not now enjoy this particular windfall the same privileges, and to put them on an equality, so far as taxation goes.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. I wonder if the Senator agrees that the question of whether or not a State has a community property law as a base is completely within the sovereignty of the State and depends not one whit on whether the civil law or the common law controls within the State.

Mr. FULBRIGHT. The State of Oklahoma recently has adopted it, and they make no bones about having done so for the purpose of getting an advantage in paying the income tax. They first adopted it, and then it was proved inadequate. I have the history of that, if the Senator is interested.

Mr. HICKENLOOPER. That is exactly what I attempted to indicate. What I was asking the Senate was whether or not the Senator agrees with me that the question of whether a State adopts or refuses to adopt a community-property law is a matter completely within the sovereignty of the State.

Mr. FULBRIGHT. Absolutely; there is no question about it.

Mr. HICKENLOOPER. It does not stem from the fact that the State might have been under the civil law at one time or might never have been under the civil law.

Mr. FULBRIGHT. No; Iowa was in the same situation in which Arkansas once found itself; Iowa was once subject to the old civil law; but, as I just read, it was repealed before Iowa became a State. The whole situation with regard to taxes is an unexpected windfall. What the Senator from Texas and the Senator from New Mexico have said about the status of women, and so on, refers to an entirely different matter. I do not think it would seriously be urged that the women of Texas and New Mexico are treated vastly better than those in Iowa and Arkansas, so far as any difference in the distribution of incomes or earnings of the inhabitants of those States are concerned.

I will say there is this advantage, in addition to the tax exemption, it makes it very difficult for creditors, unless they are very wary, because they have to take into consideration the fact that in levying on property the wife may assert her property right. But in the everyday business of dealing with one's salary, I do not think there is any difference at all.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HATCH. I merely rose to say that the question of creditors never enters into the situation. There is never any trouble in the community-property States, for in most of them the property is subject to debts. That is not a factor. I do think that the wives in the community-property States, from a property standpoint, are vastly better treated than in the common-law States.

Mr. FULBRIGHT. As the Senator from Texas indicated, when it comes to divorce or death, there is a difference, but in the average carrying on of day-to-day business I doubt that there is any substantial difference at all.

I think the action of the Government in regard to the taxation of inheritances, to which the Senator from Texas referred, shows that the administrative branch of the Government, the taxing branch, has gradually been putting pressure on in this situation, which it is recognized is wholly unwarranted under our Federal tax system, regardless of what the local tax system may be in regard to distinction between man and wife.

Mr. HATCH. Mr. President, if the Senator from Arkansas will yield, does he argue that the inheritance tax law, passed in 1942, to which reference has been made, is a fair and just measure?

Mr. FULBRIGHT. I think it is about the only way by which, under the existing law, it is possible to make up for the glaring inequities that exist under the income tax law. It does not make up for them completely, but it does so to a degree. The Senator is familiar with the saying that a bad law makes bad decisions. A gross inequity exists here, which I think has created a tendency to adopt other provisions of law in order to equalize the situation. Before I leave the question of creditors, I should like to read briefly to the Senator——

Mr. HATCH. Mr. President, will the Senator yield for a moment?

Mr. FULBRIGHT. I should like first to read a statement with regard to creditors. It is from the Library of Congress, an impartial source. It is a discussion of the advantages and disadvantages of community property. It says:

> The greatest losses which these practices—

Referring to the community property system—

> entail, as well as other shortcomings attributable to this system, are sustained by third parties, chiefly creditors. Unless they make adequate investigation, examine property rights carefully, and are cognizant of the wife's vested interests in community property, they may discover, in transactions with the husband, that the latter was not legally competent to pledge as assets securing his debts the property which appeared to be his own. All evidences of wealth that are employed in business transactions, such as real estate, bank deposits, securities, and insurance, must be evaluated by the creditor in terms of the wife's interest therein if the assets appropriated in the event of a default are not to prove inadequate. Lack of protection for creditors is declared to be "the most glaring defect of the community-property system."

That gets entirely away from taxes, but I have read that in reply to the Senator's remark about creditors. What I am interested in is not the matter of creditors; that is of no importance to us at all.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HATCH. While the Senator is casting that reflection upon the community-property States——

Mr. FULBRIGHT. I did not cast a reflection; I read a statement by an expert in the Library of Congress.

Mr. HATCH. Evidently the Senator endorsed it and approved it, just as the Senator endorses the iniquitous inheritance tax on the wife's property. The Senator has now raised the question of the creditor. Under community-property laws, the husband cannot mortgage or pledge real estate of the wife, or other community property, without the wife's joining in the pledge or mortgage. That is not unknown to creditors; it is a matter of common knowledge. It is in the law, and it has never made my State or other community-property States open to criticism. It is a further protection of the wife's absolute ownership of one-half the community property.

Mr. FULBRIGHT. Mr. President, I do not care to pursue the question of ownership of the property. What we are primarily interested in is income. What is involved is the earnings of the husband. The income from property owned by the wife, in any State, is hers regardless of whether it be community property or otherwise. If the wife owns a building and receives income, the income is hers, and she reports it. What we are particularly interested in is the question of the earned income of the husband. That is the big problem, and that is where the great advantage on the one hand or the great disadvantage on the other hand lies.

Reference has been made to the question of partnership. I should like to point out, however, in addition to the income tax, in the case mentioned by the senior Senator from Arkansas, and to which I referred before the committee, that in Arkansas, in order to vest ownership in the wife by gift, a tax must be paid. Senators know that the gift tax has now been increased to the point where it is only slightly less than the inheritance tax. In Texas and New Mexico, the same result is reached without a tax.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. With reference to a legitimate gift by a husband to his wife, upon which the gift tax is paid, the Internal Revenue Bureau refuses to recognize the validity of the transaction.

Mr. FULBRIGHT. That is exactly correct.

Mr. HICKENLOOPER. The department overturns such transaction and says they are no good.

Mr. FULBRIGHT. That is exactly correct. They laid down some kind of rule, on the theory that the wife does not participate in the business. I think that if, in addition to paying a tax and setting up the partnership, the wife then assumed direction of the business, the transaction might be recognized; but in a community-property State the wife certainly does not have to do anything, and yet the partnership is recognized and there is no gift tax in such a State.

Mr. HICKENLOOPER. Mr. President, may I call this to the Senator's attention, if he will yield——

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. The Department attempts to draw a peculiar distinction, putting a certain odium upon a transaction between members of a family. They draw a distinction in such a case as this: If the Senator has a business, and I happen to have a little money,

and I want to put it into the business as a partner, and I elect not to take part in the management of the business, saying I would rather have the Senator manage it, that he knows all about it; in that case they will recognize the partnership. But if the wife does not participate in the business, they say, "There is something vicious about that, and we will not recognize the legality of it." It may be a perfectly proper transfer and a perfectly proper vesting of title under the law of the State where it occurs. I fail to see the soundness of their reasoning in such a case.

Mr. FULBRIGHT. That is correct. It is assumed, the Department says, that the transaction was entered into for the purpose of avoiding taxes. That is apparently the assumption. The Senator has stated exactly the way it is done, and I have several cases in my files, showing that that has taken place in Arkansas. I am sure it has occurred elsewhere.

Mr. HICKENLOOPER. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. May I suggest to the Senator that, for the first time, so far as I know, in the administration of the internal-revenue laws no distinction is now being drawn between tax avoidance and tax evasion? Heretofore there has been all the difference between legitimacy and illegality. As I recently pointed out to certain people who are very much interested in this matter officially, tax avoidance, as it has always been considered, is today practiced by the internal-revenue department itself, because every year it sends out broadsides saying, "Do not pay more taxes than you have to—here is where you can claim a deduction—here is what you can do—do not pay on this—you do not need to report that." That is tax avoidance; meaning only that a person avoids the payment of taxes for which he is not legally liable. Tax evasion, as I understand it, is a situation in which persons either conspire or enter into some sort of arrangement in order to avoid paying taxes for which they are legitimately chargeable.

Mr. FULBRIGHT. That is true.

Mr. HICKENLOOPER. But apparently today there is no longer a distinction such as there has been in the past between legitimate tax avoidance, or the avoidance of paying taxes for which one is not legally liable, and tax evasion. In practice those two terms have now been merged.

Mr. FULBRIGHT. I think it is completely indefensible. For the information of the Senator—I do not think this has even been mentioned—and as showing the conscience of the public in general on this question, a Gallup poll was taken. Only a week ago, I think, the Saturday Evening Post had a very exhaustive article pointing out in great detail the injustice of the situation. If the Senator happened to see it, it was a very excellent article. In a Gallup poll on the subject, taken only a short time ago, the question propounded was:

> For the purpose of income taxes, in 9 States a man and wife can divide their income equally between themselves to reduce their income tax. Should married couples in the other 39 States be allowed to do the same thing?

If a Gallup poll has any political significance at all, I think everybody ought to take notice of the result of the poll. Of the replies, 74 percent were "yes," 10 percent "no," and 16 percent "no opinion." As between Democrats and Republicans, the replies of Democrats were 72 percent "yes," 10 percent "no"; of the Republicans, who in this instance had even a greater sense of justice than the Democrats, 77 percent said "yes," that there should be no such discrimination. I think that ought to be very helpful in giving us an idea of what the public in general thinks about such discrimination.

I have a letter in my hand which has some appropriateness to the statement made by the senior Senator from Texas, who made such a moving appeal a moment ago in regard to the status of women. I may explain that Texarkana, Ark., is on the line between Texas and Arkansas. The State line runs right down the middle of the main street. Recently the town has begun to be lopsided. The letter is from one of the leading attorneys of Texarkana. I read only a part of the letter. He says:

> Here on the Texas-Arkansas line we are losing many valuable citizens because they go across the State line and buy themselves a home on the difference they would pay in income tax. This makes real estate in Texas more valuable than in Arkansas, because the identical house will sell for $1,000 to $5,000 more on the Texas side than it will on the Arkansas side. If all the States which do not have a community-property law will get together something surely can be accomplished.

The writer of that letter, Mr. President, simply cannot understand why 39 other States stupidly sit by and see such things as this going on indefinitely.

I want to repeat that the effort to do something about this matter was started in 1921. This is not the first time the matter has been discussed. It is true the approach before was to take away the privilege of making separate returns, and that failed. But the movement was started in 1921. All during the 1920's, as Senators will recall, under the great Secretary of the Treasury, Mr. Mellon, taxes were often reduced, and there were plenty of opportunities then to have rectified this inequity, but nothing was done about it. More recently, I think in 1942, an effort was made to rectify the inequity, but it was stymied. Opponents were always able to put off action, just as they are trying to put off action now. I know that if we do not take action now when there is an opportunity to reduce taxes, there will not be anything seriously done next year because it will then be said "Oh, yes; we know it is indefensible, and so on, but we cannot reduce taxes now. It would cost $800,000,000."

Mr. President, it is such a simple matter to take the action we propose under the present situation. Although I may not be in accord with the pending bill, I think everyone agrees and everything indicates that a bill will be passed, and the result will be to reduce taxes somewhere between three and four billion dollars. There is no difficulty whatever in incorporating into the bill the proposed rectification of this inequity. It is a very simple matter to do so.

I think no one can justifiably say that the inclusion of the pending amendment will affect primarily the larger incomes from $5,000 on up to, let us say, $100,000. All that is needed to be done is simply to adjust the rates in the existing bill in those brackets, and the same amount of reduction in taxes will be achieved without any serious upsetting of the situation. I think the adjustment can be made in a very short time. I think one of the substitute bills which will be offered here has already worked out the adjustment between the raising of the exemptions in order to benefit the small incomes and the incorporation of this proposal, in order to give relief to the large incomes. I know there would be no difficulty in making such adjustment. I cannot understand any reason at all why the leadership will not do so except that they believe that because there has been much publicity concerning H. R. 1, and because the committee did not take action, therefore, as a matter of party prestige, the bill must be gone through with as it is. I cannot see any real objection to the inclusion of the proposal, because no one undertakes to justify such an inequity as now exists, except Members from the community-property States, and, of course, there is no reason for us ever to expect them to change their views. After all, what it amounts to is that you and I, Mr. President, and your people and ours, pay higher taxes on account of this situation. Assuming that a certain amount of tax money is necessary in order to operate the Government year after year, the people in the Senator's State of Iowa and mine in the State of Arkansas have been paying the difference. That is all there is to it. They have been doing it ever since there was a Federal income tax.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. I want to suggest to the Senator the very sincere observation that the proposal does intrigue me and I cannot fully justify in my own mind why other States do not adopt the community-property law rather than ask for congressional action on the matter. It seems to me that some of the other States—I suggest my own—which do not have a community-property law can take remedial action. There is a place, the legislatures of the various States, where a community-property law can be adopted and put into effect. I have been a little intrigued over why more of them do not do so.

Mr. FULBRIGHT. There are several reasons, I think. The constitution of my own State sets out certain provisions respecting dower rights, and so on, of women. If we were to approach it from the point of view of the ownership of property it would require a constitutional amendment, or so it is thought by the leading lawyers of my State. In addition to that, one reason why it has not become so acute a question, and there

has not been great pressure to take action, is that up until recent years the income taxes have not been nearly so high as they are now. It is because we are in the present period when taxes are a great burden and the graduation of taxes is so steep that a real inequity has developed.

The conditions are becoming more serious. If we look at the difference in taxes paid as between community- and non-community-property States, it will be found that there is considerable discrimination in favor of community-property States. I do not want to burden the record but the discrimination runs up as high as 29 percent on an income of $100,000 a year. That is a tremendous differential. It means that about every 5 years an extra year's income is received from such a taxpayer in a non-community-property State. The difference between the income of the Senator from Iowa and the Senator from California runs up to almost 1 month's salary every year. The differential is more than $600. The difference comes about by reason of the steep graduation of the taxes. If the tax were at a flat rate, there would be no difference. The tax is so burdensome to the taxpayer in the non-community-property State because of the progressive graduation in the taxes.

The other reason is that the lawyers in my State discussed the subject this year and said that in the first place action by our State would upset the long-established principles of property rights and would entail a great deal of litigation, and it would be some years before everything was tried through the courts. Then they added this significant thought. They said that the situation is so clear, that such a glaring inequity exists, that surely the Congress will do something about it, and they themselves did not want to undertake to do it. I have a letter to that effect. The letter says, "We are sure that this year or next the Congress will straighten out this matter, because we cannot imagine that when 39 States are subject to this disadvantage they would continue to endure it." That was the reasoning of the letter from the president of the Bar Association of Arkansas.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. Why do they submit this matter to the speculative action of Congress when it is within the power of the Legislature of the State of Arkansas to take action to correct the situation?

Mr. FULBRIGHT. Those who take the position I have referred to have not had the privilege of being Members of the Senate, and they do not appreciate the difficulty incident to remedial legislation of this sort. They think the inequity is so patent and obvious that Congress would naturally take action to remedy the situation.

Mr. HICKENLOOPER. I am not in violent disagreement with the Senator, but I am frankly expressing some of the questions which have been in my mind, particularly as to why the States themselves do not take action.

Mr. FULBRIGHT. Here are 39 States, all with long histories of legislation and interpretation by their courts respecting property. It seems to me that since this inequity arises as an unexpected windfall to a few States, the only proper thing to do is to apply the uniform principle of Federal taxation rather than to make all 39 States, many of which have a much longer history than the community-property States, conform to a principle which, after all, grew out of Spanish and French civil law, whereas most of our laws stem from the common law.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. McFARLAND. Does the Senator contend that there is not any inequity in the descent distribution laws which gives the husband two-thirds of the property and the wife one-third?

Mr. FULBRIGHT. Is the Senator referring to the common law?

Mr. McFARLAND. Yes.

Mr. FULBRIGHT. I was not making any comment about descent and distribution. All I am trying to say is that the impact of the Federal tax law ought to be the same, regardless of the fact that citizens live in different States. A distinction between citizens within the United States is not a recognized and proper basis for discrimination in taxes.

Mr. McFARLAND. But the tax is based upon ownership of property, or is based upon income.

Mr. FULBRIGHT. I contend that as a practical matter the earned salary of a man—the Senator from Arizona, for example—does not involve any question of difference of disposition. The disposition of the Senator's salary is not unlike the disposition of my own. As a practical, everyday business matter, the Senator does not go through the formality of turning over half of his salary to his wife. No one else does. It is only in certain contingencies such as divorce, death, and levying on property, that the principle has any significance at all.

Mr. McFARLAND. The Senator from Arkansas would not want the Senator from Arizona to reveal how little of his income he gets, would he? [Laughter.]

Mr. FULBRIGHT. The Senator's situation is no different from mine. There is no distinction between the Senator and myself in that respect. I was not referring to the amount.

Mr. McFARLAND. Nor am I. While my last remark was facetious, I am discussing the laws. Let us get away from the question of individual income. The Senator from Arkansas and the Senator from Arizona might have to reveal that they did not get even 50 percent of their salaries. [Laughter.] Let us talk about the laws, which the Senator says have been in existence for so long. The Senator does not contend for one moment, does he, that a law which gives to the husband more of the property at death than is given to the wife is a fair and equitable law?

Mr. FULBRIGHT. I am afraid I do not quite follow the Senator. I do not know to which law he is referring.

Mr. McFARLAND. I am referring to the laws of any of the 39 States which do not provide for division of property as community property, and in which the wife does not receive one-half of the property.

Mr. FULBRIGHT. Generally speaking, under the law she receives a third.

Mr. McFARLAND. Does the Senator contend that that is an equitable and just law for the wife?

Mr. FULBRIGHT. I have not contended one way or the other. That has nothing to do with the question of taxation.

Mr. McFARLAND. I am of the opinion it has everything to do with it.

Mr. FULBRIGHT. I am not so sure that it is not all right. At any rate, such laws have an ancient lineage.

Mr. McFARLAND. If the Senator contends that is a just law, that is one thing——

Mr. FULBRIGHT. I do not quite see the relevancy of that question to the question of income tax.

Mr. McFARLAND. It is relevant because the community-property laws are based upon the partnership theory. What the community earns belongs one-half to the husband and one-half to the wife. The courts have held, in the community-property States——

Mr. FULBRIGHT. That is a rather strange approach. Does not the Senator have a right to spend his salary as he chooses? Let us assume, for illustration, that he receives $1,000 a month. Cannot the Senator spend that money without his wife's consent?

Mr. McFARLAND. For the benefit of the community.

Mr. FULBRIGHT. Does the Senator mean that he could not take a trip without his wife's consent? What would happen to him if he did? I do not wish to be personal. I am simply using the Senator as an illustration. If the Senator prefers, let us take John Jones, who lives in Arizona——

Mr. McFARLAND. What would there be to hinder the wife from taking a trip?

Mr. FULBRIGHT. She would not have the money in her possession. I do not understand the great significance of the argument. Actually the Senator has his salary in his own possession and control, and he can spend it. He does not have to obtain a release from his wife.

Mr. McFARLAND. Under any law someone must handle the money.

Mr. FULBRIGHT. That is correct.

Mr. McFARLAND. So far as I am personally concerned, if the Senator wants me to tell him how we handle our affairs——

Mr. FULBRIGHT. No; I do not care about that.

Mr. McFARLAND. My wife and I have a joint bank account.

Mr. FULBRIGHT. Is it necessary to have a joint bank account?

Mr. McFARLAND. No; it could all be in the wife's name.

Mr. FULBRIGHT. If the Senator wished to do so, he could spend his salary, just as I spend mine, and there would be no consequences other than personal relations. There would be no legal consequences.

Mr. McFARLAND. There might be legal consequences if the practice were continued for too long, because the wife

could do something about it. The law protects her. So far as the management of personal property is concerned, either the husband or the wife must be the manager of such property. That is the only distinction. When it comes to real property, the property is one-half the husband's and one-half the wife's, as is the personal property. However, the signatures of both are required in order to convey real property.

Mr. FULBRIGHT. In my State the signatures of both are required to convey real property. The wife must release her dower rights.

Mr. McFARLAND. The difference is this: The courts have held that the wife does not receive her half of the property by inheritance. Her half of the property already belongs to her. She has earned it during her lifetime.

Mr. FULBRIGHT. Be that as it may, I still do not think that is relevant or significant in relation to the question of income tax.

Mr. McFARLAND. I see that the Senator does not fully appreciate the effect of the community-property laws. I agree with the Senator from Texas that there is a distinction——

Mr. FULBRIGHT. What is the Senator's objection to permitting the citizens of other States to pay taxes based upon the same division of income?

Mr. McFARLAND. I have no objection to permitting individuals from any State to pay taxes on the basis of the income which belongs to the respective individuals. When it comes to the contract referred to by the Senator from Iowa [Mr. HICKENLOOPER], I do not see why anyone could object if the income actually belonged to the individual. But any other basis would not be a proper basis for taxation.

Mr. FULBRIGHT. I venture to say that half of my income belongs to my wife in just as real a sense as half of the Senator's salary belongs to his wife.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. I think everyone would agree that, regardless of whether one lives in a community-property State or a non-community-property State, the individual who is earning the money, whether it be the husband or the wife, is the one who handles the pocketbook and handles the affairs of the family.

Mr. FULBRIGHT. Certainly.

Mr. LUCAS. All we are asking is that we be put on a uniform basis with the community-property States so far as Federal taxation is concerned.

Mr. FULBRIGHT. That is correct.

Mr. LUCAS. The income-tax law has now become the chief revenue producer for the Nation. As has been previously stated, there are between 47,000,000 and 49,000,000 persons filing income-tax returns with the Government. All we are seeking, and all we desire, is to be placed on a uniform basis with the citizens of other States so far as Federal taxation is concerned. For the life of me, I cannot understand why individuals in community-property States take the position they take. Sooner or later, of course, the situation will have to be remedied, because it cannot continue indefinitely. An individual in the State of the Senator from Arizona, for example, who makes $20,000 a year, pays an income tax on $10,000, and his wife pays an income tax on $10,000.

Mr. FULBRIGHT. That is correct.

Mr. LUCAS. While the individual in Illinois or Arkansas who makes $20,000 a year, and whose wife has no separate income, pays a tax on the total $20,000.

Mr. FULBRIGHT. That is correct. The rate is approximately 20-percent greater.

Mr. LUCAS. That is correct. If there is anything fair and equitable about that, then I do not understand the meaning of equity; and I studied a little of it during my early days in law. I have learned more about it since I have been in the Senate. There is no equity in the position taken by those in the community-property States. Apparently they do not want us placed on the same basis. They want to continue to enjoy that advantage, but they are not willing for us to enjoy the same advantage.

Mr. FULBRIGHT. The reason is fairly clear. Year after year a certain amount must be paid in taxes to support the Federal Government. There is no denying the fact that those in community-property States would have to pay their fair share of the taxes, instead of a lesser share.

Mr. LUCAS. Of course.

Mr. FULBRIGHT. They are insisting on keeping an advantage which was derived accidentally, I would say, certainly not unfairly, from the ancient originators of this principle. That is what it amounts to. The strange thing, to me, is that 39 States will stand for it.

Mr. LUCAS. There was no income-tax law at that time.

Mr. FULBRIGHT. No; it was not of sufficient importance before. Up to this point I cannot understand why even the chairman of the great Committee on Finance is so reluctant to rectify this obvious, blatant injustice imposed on 39 States.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. McFARLAND. Let us suppose that the $20,000 which the Senator from Illinois mentioned was in existence at the time of the death of the huband, how much of that money would the wife inherit in the State of Arkansas?

Mr. FULBRIGHT. Does the Senator mean, without a will?

Mr. McFARLAND. Yes.

Mr. FULBRIGHT. The husband could will away all of it.

Mr. McFARLAND. Let us suppose there is no will.

Mr. FULBRIGHT. The wife would get one-third, I believe. If there is no will she receives a third.

Mr. McFARLAND. Under the provision which the Senator spoke of, dividing it $10,000 to the husband and $10,000 to the wife, the wife would not get half of the saving would she? She would get only a third of it?

Mr. FULBRIGHT. Under the law; yes.

Mr. McFARLAND. Would there be anything equitable about that?

Mr. FULBRIGHT. That has no relation to the income tax. I do not see how in the Senator's mind that has anything to do with the amount of taxes they pay on their earnings.

I want to point out one or two other things in connection with the gift tax. A husband makes a gift of community property to his wife who already possesses a vested and undivided half-interest in it. It is in effect a gift tax. Of course there was a very vague theory about ownership that seemed to accrue in the beginning, but the Supreme Court in 1926 ruled that the interest accorded the wife under the California property law as then drafted was not a vested right, but only an expectancy in the marital property; and on that ground it denied California married couples the privilege of splitting their income and of enjoying the savings effected thereby. That was not so long ago. If the Senator wants the citation I will give it.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. In a moment. That case was *U. S.* v. *Robbins* (259, 315). Let me finish this paragraph and I shall yield to the Senator. It was not until California amended its law, effective July 2, 1927, that married taxpayers of that State regained these privileges.

A second instance in which a State community property law failed to meet Federal requirements, with resulting forfeiture of tax economies, was presented when Federal authorities ruled that the Oklahoma community-property law of 1939 was inadequate because of its provisions for voluntary election by married persons to come under its terms. Oklahoma enacted a new community property law in 1945, effective July 26, 1945. The new law omits the former provision for an election, but whether it will be acceptable to the Bureau of Internal Revenue remains to be seen.

It seems to me ridiculous that in order to overcome the obvious discrimination based upon residence in States each State must go through all that rigmarole and the difficulties that obviously are inherent in trying to change their laws.

I now yield to the Senator from California.

Mr. KNOWLAND. The Senator has partially answered the question by continuing his remarks. I merely wanted to point out that so far as the interest of a wife in community property in California is concerned, it is not an expectancy; it is a right which she has at the time the community interest is earned. As the able Senator from Texas [Mr. CONNALLY] pointed out, the wife has a right to one-half of the community earnings, and in the case of the death of the wife she can will to anyone she sees fit her half of the community interest. If there is a divorce involved, the wife, not as a matter of getting a judicial determination, but as a matter of right, receives one-half of the community property accumulated during the married period.

I merely wish to point out to the able Senator that the reason for the change in the California law which he has mentioned is not that the State of California from historic times did not give a wife the right to have one-half the community interest, but it grew out of some of the de-

cisions by the Bureau of Internal Revenue which apparently failed to recognize something which was recognized in the State of California.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. All afternoon one Senator after another has been placing the blame on the Bureau of Internal Revenue for the enforcement of some regulation or rule which has been laid down. That is an erroneous conclusion. As I understand, they may have gone a little too far in the construction of Supreme Court decisions, recently handed down, which give the Treasury the apparent right to do what it is doing at the present time.

Mr. FULBRIGHT. I think the Senator is referring to partnership cases.

Mr. LUCAS. That is correct. That is the case which the Senator from Iowa [Mr. HICKENLOOPER] has been discussing this afternoon. Great emphasis was laid upon the fact that the Internal Revenue Bureau was taking the wrong attitude. It may be it has gone too far in attempting to follow the reasoning of the Supreme Court. Nevertheless, there is some justification for it.

Mr. FULBRIGHT. I will say to the Senator that what makes it seem so unjust, and what really roils the people in my State is the fact that in three States, Louisiana, Texas, and Oklahoma, a similar operation is going on. In one case a lumberman not far from the Louisiana border sees his competitor, just across the line, enjoying the privilege without having to pay gift taxes, but paying taxes substantially less than he has to pay. That is what makes him mad about the whole business.

Mr. LUCAS. Of course, the Senator is correct. The people have a right to be angry. As a result of the Supreme Court decisions in the cases which I have mentioned the time was never so propitious as it is now to adopt the kind of amendment offered by the Senator from Arkansas, because in my opinion, it will do away with the majority of the cases wherein the Treasury Department is seeking to collect taxes from partnerships involving husband and wife.

Mr. FULBRIGHT. Absolutely it will. Referring to the loss in income tax, in the next year's tax bill, taking into consideration the ability and the power to split incomes just as it is done in community-property States, all that needs to be done is to adjust the rates so that they will be on the same basis. If more income is needed they can be readjusted. From then on the inequity will no longer continue.

I should like to say one more word on this subject, and that is with regard to the illustrations about inequities given by the Senator from Colorado [Mr. MILLIKIN]. I cannot see that there is any justification for refusing to rectify this inequity unless other inequities such as double taxation of corporate dividends, and the question of whether or not there should be a larger exemption credit for earned income, which, incidentally, is a very important matter, are also rectified. I am in favor of some recognition of earned income and some consideration of small business, but that, it seems to me, has absolutely no connection with a discrimination in taxation based upon residence.

I know of no other instance in the history of this country where the citizens of one State have been treated differently than the citizens of another State in regard to taxation or criminal law or civil law or any other law coming from the Federal Government, simply because they live in one particular State, as opposed to another State. That is not a sound basis for making a distinction. Let me also say that it seems to me to be absolutely indefensible to attempt to classify this inequity along with all the other inequities which have been mentioned and to set all of them aside for study in the future.

On February 5, I introduced Senate Joint Resolution 57, relating to this problem. The senior Senator from North Dakota [Mr. LANGER] followed that with Senate bill 550, the Senator from Oregon [Mr. CORDON] followed it with Senate bill 626, the Senator from Maryland [Mr. TYDINGS] followed it with Senate bill 649, and the Senator from West Virginia [Mr. REVERCOMB] followed it with Senate bill 776. When the matter was first called to their attention, the immediate reaction was, "Of course, this is a situation which should be remedied."

Mr. President, if it had been given any consideration in the committee, I think the amendment certainly would have been incorporated in the bill. The only reason that I can imagine why it was not incorporated in the bill is simply that the Senators on the other side of the aisle feel that having committed themselves as a party to this bill in the House of Representatives, under the leadership of Representative KNUTSON, they have to go through with it in more or less its original form. I do not think the committee seriously has given this question consideration at this time, as a practical matter.

I only wish to say again that I know that unless the amendment is adopted now, no serious consideration will be given to it next year. This same proposal has been filbustered to death on several occasions in the past, and has been delayed for 26 years. Unless we adopt it now, since we have an opportunity to incorporate it in a general tax-reduction bill, it is my opinion that it never will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. MCCLELLAN] to the first committee amendment.

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Dworshak
Baldwin	Cain	Eastland
Ball	Capehart	Ecton
Barkley	Capper	Ellender
Bricker	Connally	Ferguson
Brooks	Cooper	Flanders
Buck	Cordon	Fulbright
Bushfield	Donnell	George
Butler	Downey	Green
Gurney	McCarthy	Smith
Hatch	McClellan	Sparkman
Hawkes	McFarland	Stewart
Hayden	McMahon	Taft
Hickenlooper	Malone	Taylor
Hill	Maybank	Thomas, Utah
Hoey	Millikin	Thye
Holland	Moore	Umstead
Ives	Morse	Vandenberg
Jenner	Murray	Wagner
Johnson, Colo.	O'Daniel	Watkins
Johnston, S. C.	O'Mahoney	Wherry
Kem	Pepper	White
Knowland	Revercomb	Wiley
Langer	Robertson, Va.	Williams
Lodge	Robertson, Wyo.	Wilson
Lucas	Russell	Young
McCarran	Saltonstall	

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Arkansas to the first committee amendment.

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MILLIKIN. Mr. President, I wish to say just a word before the vote is taken. This amendment would add from $800,000,000 to $1,000,000,000 to the cost of the bill we have before us, under the budgetary facts which were settled by the vote of yesterday. The subject matter of the amendment will come before the Ways and Means Committee of the House and the Senate Finance Committee, and have the most serious and friendly consideration.

Mr. PEPPER. Mr. President, will the Senator speak a little louder?

Mr. MILLIKIN. I was saying that the pending amendment would add from $800,000,000 to $1,000,000,000 to the cost of the bill before us. The subject matter of the amendment will have a top position on the agenda of the House Ways and Means Committee in connection with a general revision statute. The House Ways and Means Committee has started its consideration of these matters already. Secretary Snyder has testified. They will move diligently ahead with it. The Senate Finance Committee will give attention to it at the earliest possible moment. The amendment would transform this simple income-tax reduction bill into a species of general revision bill, and would grant group relief to a very small group, relatively speaking, instead of to 49,000,000 taxpayers, as we intended to do by the bill.

Mr. LUCAS. Did the Senator say it would cost $1,000,000,000?

Mr. MILLIKIN. Yes. I am now informed that because of the retroactive feature, as it now stands, it would cost $1,000,000,00.

Mr. LUCAS. I hope we will finally be able to agree on some definite amount as to what the amendment would cost. We have been told it would cost anywhere from $750,000,000 to $1,000,000,000. The Treasury Department testified definitely, and it is in the record, that it would cost $752,000,000. The Senator in the debate has been talking about a cost of $800,000,000, and now we have another piece of expert advice from the staff saying it is going to cost $1,000,000,000. If we do not vote on the amendment tonight, I am sure it will cost us $1,200,000,000 by tomorrow.

Mr. MILLIKIN. The amendment would have a retroactive effect, and that adds to the cost, making it $1,000,000,000.

Mr. McCLELLAN. Mr. President, I shall not delay the vote, but since a brief explanation has been made by the chairman of the Committee on Finance, I wish to remind the Senate what the vote means.

By rejecting the amendment, Senators from 38 States of the Union would be leaving their people and their citizens in the same category of discrimination in which they have been for the past 25 years. Now we have a chance to correct that. Every time we have tried to do anything about it, we have heard that a little later, at more opportune season, the matter would be given attention. Now we have before us a tax-reduction bill. Let us use this opportunity. Let those of us at least who are not from the community-property States, those of us whose people are having to pay this extra tax, let us at this hour take advantage of the opportunity and remove this discrimination.

Mr. RUSSELL. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. RUSSELL. Does not the Senator believe that if we pass the pending bill reducing taxes generally by $3,400,000,000, without this amendment added, we will probably never have another opportunity to vote for this simple act of justice, but will always be confronted with the argument that this is no time to reduce the taxes?

Mr. McCLELLAN. Mr. President, just so surely as Senators are misled this evening, just so surely as Senators accept the promise that next year the matter will be attended to at some time in the future, I say that that much longer will they be perpetuating a rank injustice upon the citizens of 38 States. If the relief were not granted next year, the injustice would be perpetrated that much longer.

Let me ask Senators, if the Federal Government cannot now stand a reduction in taxes of from $800,000,000 to $1,000,000,000, what assurance have they that it would be able to stand it 1 year from now? If it cannot stand it now, it cannot stand it a year from now, but sometime it will have to take the chance. This is the time and this is the place.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I gladly yield.

Mr. HOLLAND. Will the Senator confirm or correct my understanding about the amount involved? Is it true that H. R. 1, as passed by the House, would have brought about a reduction in revenue estimated at $4,900,000,000 a year?

Mr. McCLELLAN. My understanding is that it is $3,800,000,000.

Mr. HOLLAND. H. R. 1?

Mr. McCLELLAN. H. R. 1 as passed by the House. Am I correct about that, that it is $3,800,000,000?

Mr. LUCAS. I believe the Senator from Ohio estimated it definitely at $4,800,000,000.

Mr. TAFT. The current bill reduces the income, on an annual basis, $3,800,000,000; but because of the lag in the collections, and so on, which I do not quite understand, but which has been explained to me often, the actual loss in receipts in the fiscal year from July 1 this year to July 1, 1948, will be only $3,200,000,000.

Mr. HOLLAND. The Senator from Ohio speaks about the bill?

Mr. TAFT. The bill, without the amendment.

Mr. McCLELLAN. As I understand, the bill as it passed the House carried with it a reduction of $3,800,000,000. The bill, as now revised by the Senate Finance Committee, carries with it an anticipated reduction of $3,200,000,000. Am I correct about that?

Mr. TAFT. As amended by the Senate committee, the actual losses in receipts during the fiscal year which is coming will be only $3,200,000,000, although I think on an annual basis, on a liability basis, so to speak, it is $3,800,000,000.

Mr. LUCAS. Mr. President, may I ask the experts who are sitting in the Senate behind the majority seats what H. R. 1 as originally passed by the House of Representatives, before it came to the Senate, would have cost the Treasury?

Mr. TAFT. The experts are not allowed to speak on the floor of the Senate. It would cost about $4,800,000,000 because of the retroactive feature of the House bill.

Mr. LUCAS. That is the point I wanted to make. I thought it was $4,800,000,000, and it did pass the House of Representatives, and the House of Representatives said the Government could stand a reduction of $4,800,000,000 now, at this particular time.

Mr. BARKLEY and several other Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida has the floor. To whom does he yield?

Mr. HOLLAND. I should like to say a word on my own time, Mr. President.

I read very carefully the preliminary statement—and it was an able one—made by the distinguished Senator from Colorado [Mr. MILLIKIN]. I also read very carefully the report of the committee. My recollection of the figures stated both by the distinguished Senator from Colorado and the report of the committee is that House bill 1 would cost the Federal Government in revenue the sum of $4,900,000,000 a year.

From the same sources, the speech of the distinguished Senator from Colorado and the report of his committee, the pending bill as reported by the committee was said to cost the Government in reduced revenue $3,200,000,000 a year. My point is, Mr. President and Senators, that even with the $800,000,000 added to the bill by the pending amendment, the bill as so amended would cost the Federal Government only $4,000,000,000 per year, as against the $4,900,000,000, in which shape the measure came from the House, in the original House bill.

I also want to call to the attention of the Senate that in addition the Senate committee, in its wisdom—and I strongly approve of its wisdom—has changed the effective date so as to cut off a half year of that loss, by making the effective date as proposed in the bill now pending July 1 of this year, or the beginning of the fiscal year 1948, rather than January 1, 1947. It would appear therefore, Mr. President, unless I am absolutely misinformed—and I do not believe I am—that by the addition of this measure, so ably sponsored here by the Senator from Arkansas and argued, I think, and properly so, as being designed to do justice to the people and the taxpayers in 38 of the States, that even with the adoption of the amendment the cost of the bill as so amended would be in the neighborhood of $4,000,000,000 per year, with the effect of it reduced, to begin at July 1 this year, as compared with the loss projected from the House bill of $4,900,000,000, with the effective date January 1 of this year.

Mr. TAFT and Mr. BARKLEY addressed the chair.

Mr. HOLLAND. Let me conclude, please. I shall be glad to yield later.

It seems to me, Mr. President, that if what the distinguished Senator from Colorado wants is talking ground, ground to argue and trade, with the other branch of Congress, he will certainly have plenty of it, even with the adoption of the amendment, because even with that adoption and with the change in the effective date, the Senate bill will mean so much less loss of revenue than the original House measure that there will be ample ground for trading on the two measures in the conference committee.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HOLLAND. I will be glad to yield.

Mr. MILLIKIN. In the interest of keeping straight the figures which have been mentioned, the Senator was correct when he said that the House bill, as it came here, would have cost $4,900,000,000.

Mr. HOLLAND. I thank the Senator.

Mr. MILLIKIN. As we have amended it, it would cost $3,200,000,000. That is at the assumed rate of annual income payments of $170,000,000,000 a year. If I may make an observation, of course we took the House figure of $4,900,000,000 and cut it down to $3,200,000,000, because we thought that was sound procedure; and, so far as going into conference is concerned, I would infinitely prefer going in with a $3,200,000,000 figure than with a figure of $4,000,000,000 or higher.

Mr. HOLLAND. I appreciate the candor of the distinguished Senator. I have appreciated the references to the Bible and the hymn book, quoted from liberally, and I think very effectively by the Senator from Arkansas, but it seems to me that it is time to quote, too, that good, old proverb, that one must be just before he is generous, and that, while we are making this reduction to the taxpayers, which I think is long past due, I think we should also be just to the taxpayers in 38 States who are not now being justly treated, and who for 25 or 26 years have not been justly treated, and who do not have the simple expedient of a mere change of a single statute in the State laws, to accept the benefits under the existing Federal law, under which the citizens of 10 community property States are getting material benefits at the present time.

I am able to say this from the experience of the last few weeks, in the legis-

lature of my own State, where we have had a very determined effort to adopt the benefits of the community-property law. It has been found, so I am informed by leading legislators of both houses of the legislature, that there are many other implications not having to do at all with taxation, which have slowed down and may prevent for a long period of time the accomplishment of that purpose; such as, for instance, the involvement of constitutional provisions, having to do with homestead exemptions, or with married women's rights as they are fixed in the constitutions of various States, or having to do with various other constitutional and common-law provisions which cannot be changed overnight.

And so, Mr. President and Senators, it seems to me that while we are accomplishing this very material tax reduction—and I note with sympathy that the committee has named this bill the Individual Tax Reduction Law of 1947—that nothing could be more appropriate than that we effect a tax reduction to those people who have been unjustly taxed, as contrasted with the tax payments imposed upon people like them, just across State lines, for 26 years. I strongly hope that the amendment of the distinguished Senator from Arkansas will, in the interest of justice, be adopted.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. MCCLELLAN] to the first committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED], who would vote "nay" if present. I transfer that pair to the Senator from Maryland [Mr. O'CONOR], who is absent on public business, and who, if present, would vote as I intend to vote. Therefore, being at liberty to vote, I vote "yea."

The roll call was concluded.

Mr. HATCH. I desire to announce that my colleague the Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained because of illness in his family. If present, my colleague would vote "nay."

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] is necessarily absent and is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Maine would vote "nay," and the Senator from Pennsylvania, if present, would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, is paired with the Senator from Tennessee [Mr. MCKELLAR]. If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from Tennessee would vote "yea."

The Senator from Pennsylvania [Mr. MARTIN], who is absent by leave of the Senate, is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Rhode Island, if present, would vote "yea."

The Senator from New Hampshire [Mr. TOBEY], who is absent because of illness in his family, is paired with the Senator from West Virginia [Mr. KILGORE]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from West Virginia, if present, would vote "yea."

The Senator from Kansas [Mr. REED] is necessarily absent and is paired with the Senator from Maryland [Mr. O'CONOR]. If present and voting, the Senator from Kansas would vote "nay," and the Senator from Maryland, if present, would vote "yea."

Mr. LUCAS. I announce the following pairs on this vote: The Senator from Rhode Island [Mr. MCGRATH], who is absent on public business, is paired with the Senator from Pennsylvania [Mr. MARTIN]. If present, the Senator from Rhode Island would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from Pennsylvania [Mr. MYERS], who is absent on public business, is paired with the Senator from Maine [Mr. BREWSTER]. If present, the Senator from Pennsylvania would vote "yea," and the Senator from Maine would vote "nay."

The Senator from Tennessee [Mr. MCKELLAR], who is necessarily absent, is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present, the Senator from Tennessee would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from West Virginia [Mr. KILGORE], who is absent on public business, is paired with the Senator from New Hampshire [Mr. TOBEY]. If present, the Senator from West Virginia would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from Maryland [Mr. TYDINGS], who is necessarily absent, is paired with the Senator from Louisiana [Mr. OVERTON], who is absent by leave of the Senate. If present, the Senator from Maryland would vote "yea," and the Senator from Louisiana would vote "nay."

The Senator from Washington [Mr. MAGNUSON] and the Senator from Oklahoma [Mr. THOMAS], both of whom are unavoidably detained, would vote "nay" if present.

The result was announced—yeas 29, nays 51, as follows:

YEAS—29

Brooks	Lodge	Robertson, Va.
Eastland	Lucas	Russell
Fulbright	McClellan	Sparkman
Green	McMahon	Stewart
Hill	Maybank	Umstead
Hoey	Morse	Wagner
Holland	Murray	Wherry
Johnson, Colo.	O'Daniel	Williams
Johnston, S. C.	Pepper	Wilson
Langer	Revercomb	

NAYS—51

Aiken	Dworshak	McFarland
Baldwin	Ecton	Malone
Ball	Ellender	Millikin
Barkley	Ferguson	Moore
Bricker	Flanders	O'Mahoney
Buck	George	Robertson, Wyo.
Bushfield	Gurney	Saltonstall
Butler	Hatch	Smith
Byrd	Hawkes	Taft
Cain	Hayden	Taylor
Capehart	Hickenlooper	Thomas, Utah
Capper	Ives	Thye
Connally	Jenner	Vandenberg
Cooper	Kem	Watkins
Cordon	Knowland	White
Donnell	McCarran	Wiley
Downey	McCarthy	Young

NOT VOTING—15

Brewster	McKellar	Overton
Bridges	Magnuson	Reed
Chavez	Martin	Thomas, Okla.
Kilgore	Myers	Tobey
McGrath	O'Conor	Tydings

So Mr. MCCLELLAN'S amendment to the committee amendment was rejected.

Mr. MILLIKIN. Mr. President, may we have action on the original committee amendment?

The PRESIDING OFFICER. The question now recurs on the first committee amendment, beginning on page 1, and continuing to the bottom of page 6.

Mr. MCCLELLAN. Mr. President, I have another amendment at the desk which I call up and ask to have stated.

Mr. MILLIKIN. Does the amendment apply to the committee amendment?

Mr. MCCLELLAN. The amendment I want to call up now is the one which requires the Internal Revenue Bureau to recognize equal partnership.

Mr. MILLIKIN. Is the Senator proposing to attach that amendment to the first committee amendment?

Mr. MCCLELLAN. I understood that all the committee amendments had been approved.

The PRESIDING OFFICER. No; there is one committee amendment which has not yet been acted upon.

The question now is on agreeing to the first committee amendment beginning on page 1, and continuing to the bottom of page 6.

The amendment was agreed to.

Mr. MCCLELLAN. Mr. President, I now offer the amendment which is at the desk, and which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 7. Family partnerships, partners not contributing to partnership funds.

Section 3797 (a) (2) of the Internal Revenue Code, as amended, is amended by adding at the end thereof a new sentence as follows: "The fact that he is related to another member, or that his interest in such syndicate, group, pool, joint venture, or organization may have been obtained through gift or loan from another member, or without the contribution by himself of any money or other property, shall not affect a member's status as a partner: *Provided*, That the amendment made by this section shall be applicable with respect to taxable years beginning after December 31, 1938."

Mr. WHITE. Mr. President, will the Senator from Arkansas yield?

Mr. MCCLELLAN. I am glad to yield.

Mr. WHITE. Does the Senator desire to proceed with the amendment tonight? I think it is perfectly certain that the bill cannot be disposed of this evening, and it was my purpose to move a recess.

Mr. MCCLELLAN. It is not my purpose to proceed any further with the amendment today. I simply wanted to have the amendment pending.

BAD BUSINESS AND BAD POLITICS—EDITORIAL FROM THE MEDFORD (OREG.) MAIL-TRIBUNE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled

"Bad Business and Bad Politics," published in the Medford (Oreg.) Mail-Tribune. I wish to associate myself with the contents of the editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BAD BUSINESS AND BAD POLITICS

Would any sane businessman, head over heels in debt, voluntarily reduce his income?

Hardly.

He would keep his income as high as he could so he could get out of debt as rapidly as possible.

But that is not the program of the Republican majority in Congress.

Because around 1 or 2 percent of the voters of the country have to pay income taxes and of course would like to have them reduced, the GOP proposes to cut income taxes from 10 to 30 percent. That is they would materially and deliberately reduce the national income, when the country is still deeply in debt.

When anyone asks why not wait until the national budget is balanced, and the exact income needed to reduce the national debt has been established, the reply is in substance:

"We can't wait. In 12 months a Presidential campaign will be on."

The truth of the latter statement can't be denied.

But are the GOP strategists—and Senator TAFT—quite sure this action will make more votes than it will lose?

How about the millions of voters who don't pay income taxes at all, and how about the millions of voters who are good businessmen first and good party men thereafter, believing the National Government should follow sound business principles as well as individuals?

We suspect that on this particular issue the GOP majority is not only wrong on the basis of sound business principles but wrong on the basis of mere political expediency.

R. W. R.

MEETING OF COMMITTEE ON RULES AND ADMINISTRATION

Mr. JENNER. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be permitted to meet at 2 o'clock tomorrow afternoon while the Senate is in session.

The PRESIDING OFFICER. Without objection, it is so ordered.

"MERGER DOUBLE TALK"—LETTER FROM REAR ADM. ELLIS M. ZACHARIAS

Mr. ROBERTSON of Wyoming. Mr. President, recently in the Washington Post there was published an editorial entitled "Merger Double Talk" dealing with the proposed merger of the armed services. A very excellent reply has been made to that editorial by Rear Adm. Ellis M. Zacharias. I ask unanimous consent to have Admiral Zacharias' communication printed in the body of the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

"MERGER DOUBLE TALK"

It is not often that I have to disagree with an editorial of the Post. As a matter of fact, during the war the Post developed a far-sighted and lucid editorial policy to such an extent that during the closing phases of the Pacific war it made a great contribution to the psychological warfare campaign against the Japanese high command, which I was privileged to carry on at that time.

But now the Post, in its issue of Tuesday, May 20, indulges in criticism which borders on petulance. It refers to the merger bill recently introduced by Senator ROBERTSON as "merger double talk" and indulges in wisecracking phrases which are certain to mislead the public. I know that this is not the intention of the Post. But with limited opportunity for intensive study of the subject, the public's conclusions could well be affected. Furthermore, I cannot find a single argument in the editorial which supports Senate bill S. 758, which has been under consideration for so long.

Those who have had the courage to oppose the bill (S. 758) for unification of the armed forces—a bill reportedly a compromise to meet directives from above—have opposed it because they see in it a positive and serious threat to our future national security. If that threat exists, then all considerations of personal desire must be definitely put aside.

My only feeling about the merger, and this feeling has been strengthened by recent contact with the public in various parts of the country through lectures and discussion, is that we must have the right answer. I know that we cannot get the right answer by jumping precipitously into some new and untried set-up when we have just won the greatest war in all history with the military organization known as the Joint Chiefs of Staff. I do not like the manner in which the merger proposal was suddenly thrown into the open without any previous consultation with the Navy. I must say that the Navy was caught completely by surprise by a completed study which seems to have been under consideration by the Air Force and the Army for a period of 3 years. That is not my idea of cooperative procedure and unfortunately it makes me wonder what is behind it.

I am sure that the public has not the slightest idea of the factors involved in the present bill (S. 758) and that is why I propose to bring out those factors which affect them directly as individuals and citizens of this great country.

There is urgent need for the unification of our foreign policy, military policy, and economic policy, but we must decide whether in time of war the country will be run by civilians or by the military. There is no compromise on this. History shows the great danger of civilian control being eliminated, as military dominance grows. That, however, is what will obtain under the present bill in which the proposed Secretary of National Defense will be representing the military instead of being a personal representative of the President.

As a deputy of the President he could make decisions in the name of the President in matters of disagreement and thereby maintain the democratic principles on which this country was founded. The latter procedure could not interfere with decisions on military strategy which would still be made by the Joint Chiefs of Staff and approved by National Security Council.

The proposed bill does not provide participation of the Atomic Energy Commission or important committees of Congress which are charged with making provisions to implement the decisions of the National Security Council. But it does provide for a duplicate and unnecessary War Council, an organization requiring a separate staff for members who sit on all boards.

The proposed bill allows the military to dominate the National Security Resources Board which has the vital function of coordinating military and civilian production needs. This could be extremely dangerous.

The bill also provides a joint staff under the joint chiefs, which becomes in fact a national general staff capable of incorporating all the evils of the German system. They will plan, direct, coordinate, and supervise. The members are to have unlimited tours of duty in this group. Although the group is limited to 100 officers, it is to be noted that former legislation provided for only 44 officers on the General Staff of the Army, but in reality it increased to about 5,000. This is what happened to control in Germany.

Now, coming to specific vital functions which could be curtailed under this bill, the Marine Corps and naval aviation are the two most vitally affected. The Marine Corps' amphibious operations are vital to quick seizure of distant bases necessary for the Navy to carry out its function of control of the sea. The Marine Corps, in spite of opposition, developed this splendid technique, one of the greatest factors in winning the war. This technique was fully employed and made possible the Normandy landings. Yet, under the present bill the Marine Corps could be abolished by an unfavorably disposed Secretary of Defense through the simple method of curtailing the budget.

In the same manner naval aviation could be effectively curtailed. When we recall that it was the Navy (over the opposition of Army high-level bomber advocates) which developed the dive bombers and torpedo planes without which we would have lost the Battle of Midway and would have been fighting yet, we must realize that naval aviation is an integral part of sea power which must not be curtailed or hampered. The experience of England with 20 years of curtailed naval aviation should be a sufficient example. I can say categorically that had England's naval aviation been at a stage comparable to ours at the beginning of World War II, she could have prevented the Scandinavian operations of the Germans and the whole course of the war in Europe would have been changed.

In trying to arrive at the right answer to the question now confronting us, I like to consider the lessons of history. History shows that every nation which has had a merger of its armed forces has gone down to defeat. This includes the Romans, Napoleon, the German Kaiser, and finally Hitler. The reason is that with a merger they invariably begin to think in terms of only one of their branches and usually the ground forces because of the sheer weight of numbers. When they do this they lose all the strategical concepts of sea power.

This is what made it impossible for Hitler to invade England. To anyone who might be interested in this phase of the proposed merger I recommend that he read the full text of a treatise by Fletcher Pratt, a nationally known military scientist, called The Case Against Unification, and published in the December 1945 issue of the magazine Sea Power.

In my own field of specialized experience—intelligence—the bill falls far short in failing to provide specifically for a well integrated and efficient organization. It provides simply for the transfer of the functions of the present Central Intelligence Group to the new Central Intelligence Agency. As presently constituted the organization cannot possibly meet the needs of the Nation which has been suddenly thrust into the position of leadership in world affairs.

Therefore, it is quite probable that Senator ROBERTSON was motivated by considerations contained herein and that a little further inspection will reveal that it was not merger double talk.

ELLIS M. ZACHARIAS,
Rear Admiral, United States Navy (Retired).

WASHINGTON.

RECESS

Mr. WHITE. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 28, 1947, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 27, 1947

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, the Shepherd of our souls, we wait at Thy altar, not in the spirit of self-approval, but in humble confession, asking Thy guidance in all our ways. Cleanse our lives to receive Thee, and fill our minds with noble thoughts, graven with the imprint of patient power.

We praise Thee for the heritage of freedom, for the home, the school, the church, and for the open door to manhood and womanhood. Enjoin each of us that they who do their share of labor Thou wilt help to stand fast, to be strong, and to make our labors fruitful in service for our country. Dismiss from us mere prudence and calculation and give us courage to accept willingly difficulties to the full measure of our strength. If any have grown weary of the burden and heat of the day, lead them to the waters of life, and Thou wilt wipe all tears from their eyes. To this end, we pray Thy rich blessings of comfort and rest and peace upon our President as he waits in hourly vigil by the side of his devoted mother. Fill the aching hearts of the family circle, and be unto all a blessed ministry of Christian consolation.

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on May 26, 1947, the President approved and signed a bill of the House of the following title:

On May 26, 1947:

H. R. 3245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Laite, its enrolling clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 107. Joint resolution limiting the application of provisions of Federal law to counsel employed under Senate Resolution 46.

The message also announced that the Senate had adopted the following resolution (S. Res. 117):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. FRED BRADLEY, late a Representative from the State of Michigan.

Resolved, That a committee of two Senators be appointed by the President pro tempore of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 11 o'clock a. m. tomorrow.

The message also announced that, pursuant to the above resolution, the President pro tempore appointed the senior Senator from Michigan [Mr. VANDENBERG] and the junior Senator from Michigan [Mr. FERGUSON] members of the committee on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 814) entitled "An act to provide support for wool, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. AIKEN, Mr. BUSHFIELD, Mr. YOUNG, Mr. THOMAS of Oklahoma, and Mr. ELLENDER to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. DIRKSEN asked and was given permission to extend his remarks in the RECORD and include excerpts.

SAN FRANCISCO

Mr. WELCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection

Mr. WELCH. Mr. Speaker, William Howard Taft, while President of the United States, referred to San Francisco as the "city that knows how, a city known and loved around the world."

San Francisco has built two of the largest bridges in the world. The world-renowned redwood forests are at our very door. The redwood trees are the oldest and largest living things in the world. They were full grown trees when Moses was a baby in the bulrushes and when our Saviour carried His cross up Calvary Hill.

Few people realize, however, that San Francisco, the city of seven hills, is one great flower garden, as evidenced by the beautiful flowers sent by the San Francisco Chamber of Commerce to the Speaker, the Members of the House of Representatives, and the United States Senators.

EXTENSION OF REMARKS

Mr. BREHM asked and was given permission to extend his remarks in the RECORD on the subject United States Loans Fail To Ease Fears of Greek People.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD and include an address delivered by the Honorable JOHN DAVIS LODGE in Middletown, N. Y., on May 24.

Mr. MEYER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD and include a letter from Rev. Paul S. Newey.

RULES OF THE HOUSE

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MACKINNON. Mr. Speaker, I feel it is time that the House of Representatives declare its independence from the threats of intimidation that have been so frequently indulged in on the floor of the House in recent months by self-appointed spokesmen who purport to speak for the President. These Members have attempted repeatedly to bring in and make the President's opinion and his veto power a factor for consideration in practically every piece of major legislation that has been before the House this session. I do not consider the action that the President might take with respect to pending measures to be germane to the debate and discussion on the floor of the House. We are an independent body, not a rubber stamp for either the Senate or the President, and I submit that our rules should protect the independence of the House from Presidential intimidation the same as we provide protection from interference by the Senate.

I am accordingly introducing a resolution to amend the permanent rules of the House as follows:

Rule XIV (9): It shall be a breach of order in debate on any pending bill or resolution to make any reference to the opinion of the President of the United States on the same general subject, or to the nature of any future action that the President may take with respect to such bill or resolution, unless such opinion or reference to future action was contained in an official communication or message from the President to the House.

The adoption of this rule will insure that measures will be debated on their merits. It will go a long way toward restoring to Congress that independence of action which was intended when our form of government was established.

The President does have a legitimate role in legislation. The proposed rule makes adequate provision for the function properly assigned to the President, but it will stop gossip, rumor, and ill-founded speculation as to the action of the President from being a factor in the passage of legislation. I consider the enactment of this rule to be long overdue.

EXTENSION OF REMARKS

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Detroit Sunday Times of May 25, Confusion and Insincerity Peril United States, Says Kennedy.

Mr. Speaker, I think it is a mighty fine article, and it would be well for the Members of the House to read it.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include certain tables prepared by the Department of Agriculture on the subject of feed shortage in dairy districts.

Mrs. LUSK asked and was given permission to extend her remarks in the RECORD and include an article by the president of the State Welfare Board of New Mexico on Navaho administration.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD with reference to the history of terminal-leave legislation.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD.

Mr. GRANT of Alabama (at the request of Mr. RAINS) was given permission to extend his remarks in the RECORD.

Mr. COLE of Kansas asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Chicago Journal of Commerce.

EXTENSION OF RURAL ELECTRIFICATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, for 15 years I have struggled for the electrification of the farm homes of America.

This is one program that will pay for itself many, many times. It will not only return the money with interest, but it also increases, if not doubles, the value of every farm home it touches.

I am opposed to cutting down, I am opposed to even permitting the Bureau of the Budget to cut down, the amount of money we shall provide to extend this great service to every farm home in America.

I want to see an electric light in every farmhouse that the tax gatherer can find or that we can reach with the draft.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes; I yield.

Mr. RICH. You are all right in your proposal to give electricity to all farmers, but unless you change the Rural Electrification Administration's idea about going out and building power plants and competing with private enterprise and putting everybody else out of business, then you are on the wrong track. I have been for you and I want to see you get this electricity to the farmers, but you cannot do it if you are going to build all these power plants.

Mr. RANKIN. As I have pointed out before, the power business is a public business, and should not be monopolized by private interests.

If we had waited for the private power companies to provide rural electrification, the farmers would still be in the dark all over this country.

The farmers have a right to build their own generating plants as well as their own lines and I for one will defend that right to the last breath, if necessary.

The SPEAKER. The time of the gentleman from Mississippi has expired.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—REORGANIZATION PLAN NO. 3 (H. DOC. NO. 270)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed:

To the Congress of the United States:

I am transmitting herewith Reorganization Plan No. 3 of 1947, prepared in accordance with the Reorganization Act of 1945. This plan deals solely with housing. It simplifies, and increases the efficiency of, the administrative organization of permanent housing functions and provides for the administration of certain emergency housing activities pending their liquidation. I have found, after investigation, that each reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1945.

The provision of adequate housing will remain a major national objective throughout the next decade. The primary responsibility for meeting housing needs rests, and must continue to rest, with private industry, as I have stated on other occasions. The Federal Government, however, has an important role to play in stimulating and facilitating home construction.

Over the years, the Congress has provided for a number of permanent housing programs, each involving a special approach to the basic objective of more adequate housing for our citizens. The Congress first enacted a series of measures to facilitate home construction and home ownership by strengthening the savings and loan type of home financing institution. These measures established a credit reserve system for such agencies, authorized the chartering of Federal savings and loan associations to provide more adequate home financing facilities, and provided for the insurance of investments in savings and loan institutions in order to attract savings into this field. The Congress also created a system for the insurance of home loans and mortgages to stimulate the flow of capital into home mortgage lending and thereby facilitate home ownership and improvement and increase home construction. These measures were supplemented by legislation extending financial assistance to local communities for the clearance of slums and the provision of decent housing for families of low income who otherwise would be forced to live in the slums. It is significant that these programs were first established, and have been continued, by the Congress because of their special contributions to home construction and improvement.

In my message of January 6 on the state of the Union, I recommended legislation establishing certain additional programs to help to alleviate the housing shortage and achieve our national objective of a decent home and a suitable living environment for every American family. No lesser objective is commensurate with the productive capacity and resources of the country or with the dignity which a true democracy accords the individual citizen. The Congress is now considering measures authorizing these programs. I again recommend the early enactment of this legislation.

But whatever may be the permanent housing functions of the Government, whether they be confined to the existing programs or supplemented as the Congress may determine, they are inevitably interrelated. They require coordination and supervision so that each will render its full contribution without conflict with the performance of other housing functions.

The Government, however, lacks an effective permanent organization to coordinate and supervise the administration of its principal housing programs. These programs and the machinery for their administration were established piecemeal over a period of years. The present consolidation of housing agencies and functions in the National Housing Agency is only temporary. After the termination of title I of the First War Powers Act this Agency will dissolve and the agencies and functions now administered in it will revert to their former locations in the Government. When this occurs, the housing programs of the Government will be scattered among some 13 agencies in 7 departments and independent establishments.

I need hardly point out that such a scattering of these interrelated functions would not only be inefficient and wasteful, but also would seriously impair their usefulness. It would leave the Government without effective machinery for the coordination and supervision of its housing activities and would thrust upon the Chief Executive an impossible burden of administrative supervision.

The grouping of housing functions in one establishment is essential to assure that the housing policies established by the Congress will be carried out with consistency of purpose and a minimum of friction, duplication, and overlapping. A single establishment will unquestionably make for greater efficiency and economy. Moreover, it will simplify the task of the Congress and the Chief Executive by enabling them to deal with one official and hold one person responsible for the general supervision of housing functions, whereas otherwise they will be forced to deal with a number of uncoordinated officers and agencies.

It is vital that a sound permanent organization of housing activities be established at the earliest possible date in order to insure that housing functions will not be scattered among numerous agencies, with consequent confusion and disruption. To avoid this danger and to accomplish the needed changes promptly, it is desirable to employ a reorganization plan under the Reorganization Act of 1945. No other area of Federal activity affords greater opportunity than housing for accomplishing the objectives of the Reorganization Act to group, consolidate, and coordinate functions, reduce the number of agencies, and pro-

mote efficiency and economy; and in no other area could the application of the Reorganization Act be more appropriate and necessary.

In brief, this reorganization plan groups nearly all of the permanent housing agencies and functions of the Government, and the remaining emergency housing activities, in a housing and home finance agency with the following constituent operating agencies: (a) A Home Loan Bank Board to administer the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the functions of the Federal Home Loan Bank Board and its members; (b) a Federal Housing Administration with the same functions as now provided by law for that agency; and (c) a Public Housing Administration to take over the functions of the United States Housing Authority and certain remaining emergency housing activities pending the completion of their liquidation. Each constituent agency will possess its individual identity and be responsible for the operation of its program.

By reason of the reorganizations made by the plan, I have found it necessary to include therein provisions for the appointment of (1) an Administrator to head the Housing and Home Finance Agency, (2) the three members of the Home Loan Bank Board, and (3) two Commissioners to head the Federal Housing Administration and the Public Housing Administration, respectively. Each of these officers is to be appointed by the President by and with the advice and consent of the Senate.

The plan places in the Housing and Home Finance Administrator the functions heretofore vested in the Federal Loan Administrator and the Federal Works Administrator with respect to the housing agencies and functions formerly administered within the Federal Loan and Federal Works Agencies, together with supervision and direction of certain emergency housing activities for the remainder of their existence.

Under the plan, the Home Loan Bank Board and the Federal Housing Administration will have the same status in, and relation to, the Housing and Home Finance Agency and the Housing and Home Finance Administrator as the Federal Home Loan Bank Board, and its related agencies, and the Federal Housing Administration formerly had to the Federal Loan Agency and the Federal Loan Administrator. Similarly, the Public Housing Administration will have the same status in, and relation to, the Housing and Home Finance Agency and the Administrator as the United States Housing Authority formerly had to the Federal Works Agency and the Federal Works Administrator.

Since there are a few housing activities which it is not feasible to place within the Housing and Home Finance Agency because they form integral parts of other broad programs or because of specific limitations in the Reorganization Act of 1945, the plan also creates a National Housing Council on which the Housing and Home Finance Agency and its constituent agencies, and the other departments and agencies having important housing functions, are represented. In this way the plan provides machinery for promoting the most effective use of all the housing functions of the Government, for obtaining consistency between these functions and the general economic and fiscal policies of the Government, and for avoiding duplication and overlapping of activities.

To avoid a hiatus in the administration of housing functions pending the confirmation by the Senate of the new officers provided for by the plan, it permits the designation by the President of appropriate existing housing officials to perform temporarily the functions of these officers. This period should be brief, as I shall promptly submit nominations for the permanent officers.

Under the limitations contained in the Reorganization Act of 1945, the compensation of the Housing and Home Finance Administrator and the other officers provided for by the plan, cannot be fixed at a rate in excess of $10,000 per annum. Both the temporary National Housing Administrator provided for by Executive Order No. 9070 and the Federal Housing Administrator have received salaries of $12,000 a year. I do not consider the salary of $10,000 provided in the plan as compensation commensurate with the responsibilities of the Administrator, the members of the Home Loan Bank Board, and the Commissioners of the other constituent agencies, or consistent with a salary scale which must be paid if the Government is to attract and retain public servants of the requisite caliber. Accordingly, I recommend that the Congress act to increase the salary of the Housing and Home Finance Administrator to $15,000 per annum, and to increase the salaries of the members of the Home Loan Bank Board and the two Commissioners provided for by this plan to $12,000 per annum.

The essential and important difference between the organization established by the plan and the prewar arrangement, to which housing agencies and functions would otherwise automatically revert on the termination of title I of the First War Powers Act, is that under the old arrangement these agencies and functions were scattered among many different establishments primarily dealing with matters other than housing, whereas under the plan the major permanent housing programs are placed in a single establishment concerned exclusively with housing. Thus, the plan effectuates the basic objective enunciated by the Congress in the Reorganization Act of 1945 of grouping agencies and functions by major purpose, and provides the necessary framework for a more effective administration of Federal housing activities in the postwar period.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 27, 1947.*

INTER-AMERICAN MILITARY COOPERATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 271)

The SPEAKER laid before the House the following further message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I submit herewith for the consideration of the Congress a bill to be entitled "The Inter-American Military Cooperation Act," authorizing a program of military collaboration with other American states, including the training, organization, and equipment of the armed forces of those countries.

I submitted a similar bill to the Seventy-ninth Congress and recommended at that time that the Congress give the bill favorable consideration and enact it. The Committee on Foreign Affairs of the House of Representatives reported the bill with amendments to the Committee of the Whole House as H. R. 6326. This present draft agrees with H. R. 6326. World developments during the year that has passed give still greater importance to this legislation, and I again ask the Congress to give this bill favorable consideration and enact it.

As stated in my message to the Seventy-ninth Congress, our Army and Navy have maintained cordial relations of collaboration with the armed forces of other American Republics within the framework of the good-neighbor policy. Under authorization of the Congress, military and naval training missions have been sent to various American Republics. During the recent war, even prior to Pearl Harbor, this collaboration was intensively developed on the basis of inter-American undertakings for hemisphere defense. Training activities were expanded, and under the Lend-Lease Act limited amounts of military and naval equipment were made available to the other American Republics as part of the hemisphere-defense program. Forces from two of the American Republics participated in combat overseas, and others joined in the defense of the shores and seas of the Americas at a time when the danger of invasion of our continents was all too great.

The American Republics have assumed new responsibilities, for their mutual defense and for the maintenance of peace, in the Act of Chapultepec and the Charter of the United Nations. The close collaboration of the American Republics provided for in the Act of Chapultepec, the proposed treaty to be based upon that act, and other basic inter-American documents, make it highly desirable to standardize military organization, training methods, and equipment as has been recommended by the Inter-American Defense Board.

I can find no better way to describe the intent and purpose of this bill than to repeat my message to the Congress of May 6, 1946.

Under the bill transmitted herewith, the Army and Navy, acting in conjunction with the Department of State, would be permitted to continue in the future a general program of collaboration with the armed forces of our sister republics with a view to facilitating the adoption

of similar technical standards. Certain additional training activities, not covered by existing legislation, would be permitted. The President would also be authorized to transfer military and naval equipment to the governments of other American states by sale or other method.

The collaboration authorized by the bill could be extended also to Canada, whose cooperation with the United States in matters affecting their common defense is of particular importance.

A special responsibility for leadership rests upon the United States in this matter because of the preponderant technical, economic, and military resources of this country. There is a reasonable and limited purpose for which arms and military equipment can rightfully be made available to the other American states. This Government will not, I am sure, in any way approve of, nor will it participate in, the indiscriminate or unrestricted distribution of armaments, which would only contribute to a useless and burdensome armaments race. It does not desire that operations under this bill shall raise unnecessarily the quantitative level of armament in the American Republics. To this end the bill specifies that amounts of nonstandard material shall be sought in exchange for United States equipment.

It is my intention that any operations under this bill, which the Congress may authorize, shall be in every way consistent with the wording and spirit of the United Nations Charter. The bill has been drawn up primarily to enable the American nations t carry out their obligations to cooperate in the maintenance of inter-American peace and security under the Charter and the Act of Chapultepec which is intended to be supplanted by a permanent inter-American treaty.

It is incumbent upon this Government to see that military developments in which we have a part are guided toward the maintenance of peace and security and that military and naval establishments are not encouraged beyond what security considerations require. In this connection the bill provides that operations thereunder are subject to any international agreement for the regulation of armaments to which the United States may become a party. In addition, provision will be made for continuing coordination of the actual operations under the legislation with developing plans and policy in the field of armaments regulation.

In executing this program it will be borne in mind, moreover, that it is the policy of this Government to encourage the establishment of sound economic conditions in the other American Republics which will contribute to the improvement of living standards and the advancement of social and cultural welfare. Such conditions are a prerequisite to international peace and security. Operations under the proposed legislation will be conducted with full and constant awareness that no encouragement should be given to the imposition upon other people of any useless burden of armaments which would handicap the economic improvement which all countries so strongly desire. The execution of the program authorized by the bill will also be guided by a determination to guard against placing weapons of war in the hands of any groups who may use them to oppose the peaceful and democratic principles to which the United States and other American nations have so often subscribed.

In entering into agreements with other American states for the provision of training and equipment as authorized by the bill, the purposes of this program will be made clear to each of the other governments.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 23, 1947.*

[Enclosure: Draft of bill.]

EXTENSION OF REMARKS

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include a letter and other data.

FOOD SHOULD NOT BE WASTED

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, on May 22, I introduced a bill H. R. 3585. The purpose of the bill is to prevent further destruction of human food. In the first place such waste and destruction is absolutely wrong from every conceivable angle. In the second place nothing can do more or make any greater contribution to a public disapproval of the whole support program. The support program is agriculture's bill of rights. This bill of rights should not be jeopardized by the antics of people that should know better than do things that will kill the program.

The bill is as follows:

Be it enacted, etc., That after the enactment of this act the Department of Agriculture or any officer, employee, or agent thereof shall not destroy or authorize the destruction of any food or fiber which is fit for human consumption or human use and which is now owned or hereafter acquired by the Department of Agriculture or Commodity Credit Corporation.

SEC. 2. In the case of any food or fiber fit for human consumption or use which is now owned or hereafter acquired by the Department of Agriculture or Commodity Credit Corporation and which cannot be disposed of pursuant to any other law, the Secretary of Agriculture is authorized to donate such food to charitable and public-welfare institutions, needy individuals, and to State, county, and municipal welfare agencies.

It is hoped that this bill will have early consideration and unanimous approval.

CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday next to consider bills from the Committee on the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. AUGUST H. ANDRESEN. Reserving the right to object, Mr. Speaker, and I shall not object to the request, may I ask the gentleman if it is the purpose to let the vote on the Department of Agriculture appropriation bill go over into next week, or to finish the bill tomorrow?

Mr. HALLECK. If the gentleman will withdraw his reservation of objection, I had it in mind to ask unanimous consent to proceed for 1 minute to explain what is expected in that regard.

Mr. AUGUST H. ANDRESEN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROGRAM FOR THE REST OF THIS WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to explain the program for the rest of the week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, as the request just granted indicates, it now will be in order to consider bills from the Committee on the District of Columbia on Thursday of this week if the Department of Agriculture appropriation bill is theretofore disposed of. Of course our first task is to dispose of the appropriation bill. It is my hope that the debate on the bill may proceed for such time as is necessary this afternoon and that we then begin to read the bill for amendment. If there is indication that we cannot finish that bill tomorrow evening, coming in at 12 o'clock tomorrow, it is my idea that we come in at an earlier hour tomorrow in the hope that the appropriation bill can be disposed of tomorrow. It is my hope then that we take up on Thursday the two investigatory resolutions that have been programed for that day and in addition take care of some matters from the Committee on the District of Columbia which I understand are quite important but not particularly controversial.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As the gentleman knows, Memorial Day comes on Friday. A good many of the Members, including myself, have made engagements with the understanding, of course, that the Agriculture appropriation bill would be concluded by tomorrow night. Unfortunately, the death of a very good colleague changed the program, which is the reason I ask if there is a possibility

that final action on this bill may be deferred until next week.

Mr. HALLECK. I am quite sure the gentleman would discover in the remarks I have made a recognition of the very situation about which he is speaking. I have announced that there will be no session Friday. It is hoped that we can go over from Thursday to Monday, in view of the fact that many Members have personal obligations and commitments and matters that they want to take care of over Memorial Day, as do people generally in the country. I can see no reason why we cannot carry out the program I have outlined and in that way dispose of this very important measure that is before us by tomorrow night and likewise dispose of other important matters on Thursday, matters necessary to be considered and about which there is urgency but as to which individually there might not be too much interest as far as the Members are concerned.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. RANKIN. How much general debate will we have on this appropriation bill?

Mr. HALLECK. No agreement has been reached on that. That is up to the members of the Committee on Appropriations having the matter in charge. I have spoken to some of them about it. As I understand, it is expected that the general debate will proceed today, and I take it that opportunity will be given to anyone who wants to make a statement in respect to the bill.

Mr. RANKIN. I am merely trying to find out whether general debate is to be concluded this afternoon.

Mr. HALLECK. I would say by all means it should be concluded this afternoon. As I said, I trust that not only can general debate be concluded but also that the reading of the bill may begin because, as the gentleman well knows, it is when the bill is being read that we generally find the greatest desire for time to speak.

Mr. RANKIN. As far as I am concerned, I would be willing to start reading it in the beginning and debate the various amendments as we go along.

The SPEAKER. The time of the gentleman from Indiana has expired.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an article by Mark Sullivan.

Mr. MORRISON (at the request of Mr. LARCADE) was given permission to extend his remarks in the RECORD.

Mr. POAGE asked and was given permission to extend his remarks in the RECORD.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1948

Mr. CHENOWETH. Mr. Speaker, I call up House Resolution 218 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

CALL OF THE HOUSE

Mr. FORAND. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Ninety-seven Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 64]

Andrews, N. Y.	Hébert	Norrell
Auchincloss	Heffernan	Peterson
Bender	Jenkins, Pa.	Pfeifer
Bennett, Mich.	Keefe	Phillips, Tenn.
Bland	Kennedy	Ploeser
Boggs, La.	Kilburn	Powell
Byrne, N. Y.	King	Rabin
Cannon	Klein	Rayfiel
Chelf	Knutson	Redden
Clements	Lane	Reeves
Colmer	Lanham	Riley
Cox	Lea	Rooney
Curtis	Lynch	Sadowski
Davis, Wis.	McConnell	Sarbacher
Dawson, Ill.	McDowell	Scoblick
Dingell	McGarvey	Scott, Hugh D., Jr
Domengeaux	Macy	Shafer
Eberharter	Madden	Smathers
Fuller	Maloney	Somers
Gallagher	Mansfield, Tex.	Teague
Gary	Marcantonio	Weichel
Gifford	Merrow	West
Gwinn, N. Y.	Mitchell	Youngblood
Hand	Morrison	
Harness, Ind.	Nixon	
Hart	Nodar	

The SPEAKER. On this roll call, 353 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON FOREIGN AFFAIRS

Mr. EATON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. BLOOM. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and to include extraneous matter.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address recently made by him.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the annual meeting of the Independent Petroleum Association.

Mr. SPRINGER asked and was given permission to extend his remarks in two instances in the RECORD and include a newspaper article and a speech.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include an article by David Lawrence.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include an article.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DORN (at the request of Mr. McCORMACK) was given permission to extend his remarks in the RECORD and include a telegram.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include an editorial by Walter Lippmann.

Mr. CHIPERFIELD asked and was given permission to extend his remarks in the RECORD and include an article by the late Honorable Fred Bradley, of Michigan.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include a speech he made in Chicago last Sunday.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1948

Mr. CHENOWETH. Mr. Speaker, I yield 50 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. Speaker, I now yield myself 5 minutes.

Mr. Speaker, this resolution waives points of order which might be made against the annual appropriation bill for the Department of Agriculture, H. R. 3601, which is on the calendar for consideration today.

Mr. Speaker, this rule is made necessary because of certain provisions contained in this appropriation bill which are subject to points of order. It is obvious that points of order will be made unless this rule is adopted. There is opposition to the rule because of a clash over jurisdiction between two very important and powerful committees of this House, the Committee on Appropriations and the Committee on Agriculture. The Committee on Appropriations has seen fit to include in the annual appropriation bill for the Department of Agriculture several sections which may be considered legislation on an appropriation bill, and therefore subject to points of order. I do not know that all of these items are controversial, but the Committee on Agriculture feels that the bill contains legislation over which it has jurisdiction and is opposed to this rule waiving points of order. The Committee on Appropriations defends itself by stating that these are items which relate to appropriations and the allocation of funds. The committee concedes that several sections of the bill are subject to points of order. However, in line with precedents established in previous years, the Appropriations Committee asked for this rule. I might state that it has been customary to adopt similar rules on these annual agricultural appropriation bills, so there is nothing new in this procedure.

I will not take the time to discuss these items which are subject of this controversy. That will be done by members of the Committee on Agriculture and the

members of the Committee on Appropriations.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the distinguished majority leader.

Mr. HALLECK. I might say to the gentleman that as the membership generally knows, I served on the Rules Committee for a number of years under the chairmanship of the gentleman from Illinois [Mr. SABATH]. No one has been more conscientious than I have been in trying to protect the prerogatives, the responsibilities, and the powers of the legislative committees. However, as the gentleman has pointed out, we very frequently found it desirable to report from the Rules Committee, rules such as this, in order that matters necessary to be taken care of could be taken care of. So certainly, as the gentleman has said, this proposition is nothing new. It follows many, many precedents that have been established. As I understand it, on this particular occasion, it undertakes to deal with matters that are of some consequence, but which are of urgency also. Should it not also be pointed out that any of these items would be subject to amendment to strike them out? Certainly it could be argued, as that point is reached, the prerogatives of the legislative committee had been invoked, and that possibly the matter would be better handled by action by the legislative committee. What I am saying is that I hope this rule is adopted in order that we may proceed to the consideration of the bill.

Mr. CHENOWETH. I appreciate the observations made by the distinguished majority leader. I want to supplement what he has said by saying that if the rule is adopted, the House is not precluded from passing upon these items which are subject to a point of order. In other words, if this rule is adopted, the House will have the opportunity to vote on each of the items involved in this controversy. If the rule is not adopted, then these provisions will no doubt be stricken from the bill on points of order, in which event the House will have no opportunity to consider and pass upon the merits of these proposals. I therefore urge the adoption of the rule so that each Member may have the privilege of voting on these items as they are presented.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. SABATH. Mr. Speaker, I yield myself 12 minutes.

The SPEAKER. The gentleman from Illinois is recognized for 12 minutes.

MOST RUTHLESS RULE IN 40 YEARS OF SERVICE

Mr. SABATH. This rule which has just been presented by my dear friend and colleague, the gentleman from Colorado [Mr. CHENOWETH] is in my belief the most ruthless and rigid, yes, the most outrageous, ever reported in the 40 years of my service in Congress.

The bill which this rule makes in order represents a complete and tragic disregard of the best interests of agriculture and of our country, a powerful and important segment of the American economy and American society. The bill intentionally violates organic farm legislation duly passed by the Congress.

The Republican members of the Committee on Appropriations, owing allegiance to none except the economic royalists who are the masters of the Republican party, have constituted themselves a dictatorship, a political and legislative obligarchy determined to rule or ruin.

They are presenting this vicious program without regard to right or to logic, or to the welfare of the farmers of our country. They are trying to jam this program through, without even giving the elected Representatives of the people an opportunity to express an opinion or to amend the bill.

WHAT A DIFFERENCE!

Yes, Mr. Speaker, I have brought in rules which waived points of order; nevertheless I have criticized the Committee on Appropriations for presenting legislation in appropriation bills in violation of the standing rules of the House.

But what a difference, Mr. Speaker!

Those rules, Mr. Speaker, made in order the consideration of legislation designed to help American agriculture, not to ruin it. The legislation now before us will deprive the American farmer and American agriculture of the benefits of laws the Democrats passed in their behalf.

That is the difference between those rules I presented and this Republican gag rule. At a time when farmers were losing their farms by foreclosure, and those who had not already lost them were facing ruin under the staggering burden of 6 and 8 percent interest, we passed legislation which made it possible for them to survive. This bill would destroy many of those very laws.

CITY WORKERS PROSPER WHEN FARMERS PROSPER

Although I represent a purely city district, and have for over 40 years, I know that when the farmers are prosperous the city workers are prosperous. When the farmer is making a living he buys the tools for his farm and the clothes for his family the city worker makes, and he creates business and jobs and business is aided and work is made for the laborers.

Therefore, I have supported all progressive legislation to help keep farmers prosperous. This bill will keep farmers poor and eliminate city jobs.

I wish to call attention to some of the things I feel should be taken into consideration.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. McCORMACK. I am amazed by one of the arguments made by the distinguished majority leader in support of the rule, that if the House votes for the rule we then have the privilege of striking the matter out or moving to amend it. I have never heard that argument advanced before. That means that we are permitting organic law to be violated by this report when no emergency exists we then put the House in the position where the Members, who have already passed the organic law, try to strike it out or to have to offer amendments to strike out matter which could then be stricken out on a point of order because of the bill violating organic law. It is the first time I ever heard that argument made on any rule.

Mr. SABATH. The gentleman, as is always the case, is right when he makes that statement.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. For a question, not for a speech.

Mr. HALLECK. The distinguished minority whip has referred to me, and the gentleman from Illinois in his usual gracious manner has commended the gentleman from Massachusetts for being right in his observation, but the gentleman from Massachusetts was as wrong as it is possible for anyone to be. All I said was, and I ask him to dispute it if he sees fit, or the gentleman from Illinois who for many years was chairman of the Rules Committee, that if this rule is adopted, when the bill is read, any item in here that will be subject to a point of order if this rule is not adopted would be subject to an amendment offered in the committee to strike it out.

Mr. McCORMACK. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The answer to that is we have never employed that practice. If we do that, then we are making the Appropriations Committee a super-House. All the Appropriations Committee would have to do is to come in at any time and report a rule depriving the Members of the opportunity to make a point of order.

Mr. HALLECK. Let me make this response to what the gentleman from Massachusetts has said. He recognizes by the statement he made that my statement is correct, that an amendment will lie to strike out the item that otherwise would be subject to a point of order. I may say to the gentleman from Massachusetts that I have served here under his and other people's leadership when my side was in the minority and I have seen amendments offered to strike out items that otherwise would have been subject to a point of order except for the adoption of a rule in identical terms with this one. That is the reason this is not a precedent and that is the reason this rule should be adopted.

Mr. SABATH. I would like to make this observation. I have criticized the Appropriations Committee for bringing in legislation on an appropriation bill depriving the committees having jurisdiction of their rights and privileges. I have criticized that practice. The difference between those rules that were brought in when I was chairman of the Rules Committee and this rule is that those rules permitted amendments to be offered which would help the farmers, while this rule deprives the farmers of their rights and privileges if this bill should pass and is against their interest.

Now you are attempting to minimize the harm that this bill will do. With this kind of legislation you are going on record that you are against the best interests of the farmers. I have here in my hand a telegram from a gentleman with whom I have frequently disagreed,

when he opposed legislation in the interest of labor, or supported legislation designed to do to organized labor what this bill would do to agriculture.

This telegram comes to me from Mr. Edward A. O'Neal, president of the National Farm Bureau. Time will not permit me to read the telegram here on the floor but I am inserting it at this point in my remarks, and when you read it here you must come to the conclusion that the objections he lodges against this bill are logical and true, and I am sure you will recognize the deep resentment felt by the Farm Bureau, for this legislation is condemned in the strongest language they could use:

FARMERS DEEPLY SHOCKED

WASHINGTON, D. C., *May 25, 1947.*

Hon. ADOLPH J. SABATH,
House of Representatives,
Washington, D. C.:

Farmers deeply shocked at several recommendations of House Appropriations Committee on Agricultural Appropriations. Our organization offered sincere aggressive support for real constructive economy by eliminating unnecessary personnel, excessive expenditures and duplication of services. But we asked committee not to cut heart out of farm program. Instead committee made most of savings at expense of farmers and vital farm program and failed to require reduction in many badly overstaffed agencies. Farmers are especially indignant over cut in 1947 $300,000,000 AAA conservation program specifically approved by Congress last year to $165,000,000, thereby breaking faith with millions of farmers and also complete elimination of program in 1948. Reduction of administrative expenses to fifteen million will make it impossible for State and county PMA offices to carry out this program successfully and to handle commodity loans and other price support functions vital to millions of farmers. Farmers in every section are alarmed over complete elimination of section 32 funds for surplus disposal which Congress has approved as permanent appropriations. Farmers also greatly concerned over failure to provide even first year allotment of research funds approved under Hope-Flannagan Act which passed almost unanimously last year. We favor strict economy but strongly protest foregoing actions as false economy and breaking faith with farmers. These vital programs were adopted by bipartisan votes in Congress. Millions of farmers are looking to you to rectify these injustices and keep faith with farmers above party by providing these vitally needed funds.

EDW. A. O'NEAL,
President, American Farm Bureau Federation.

I have received, and I know that all of you have received, hundreds of other communications condemning this vicious unjustifiable rule which will repeal many laws enacted by the Democrats and condemning the cuts made in the appropriation bills. I do not see why we should seriously consider this effort to save a few dollars when the first page of the financial section of the New York Times for Sunday, May 25, can headline a lead story in these words: "Industrial profit at record level—942 companies in 79 fields earned $3,656,933,912 last year, 34-percent rise over 1945—huge backlogs unbroken."

GREATEST ANNUAL RETURNS

This newspaper article starts out by saying:

Private enterprise in the United States in 1946, first full year of peacetime activity since the war's end, yielded one of the greatest annual returns in the Nation's history.

The writer goes on to discuss the different industrial groups and their profits. Here is a paragraph which means something to the housewife and to you:

Consumer-goods industries that were able to maintain a fairly high level of production made the best showings. Percentage profit increases of some of these reporting groups were: Furniture, 206 percent; home appliances, 98 percent; food, 43 percent; baking 146 percent; liquor, 120 percent; meat packing, 97 percent; silk and rayon, 178 percent; cotton, 378 percent; apparel, 128 percent; and tobacco, 46 percent.

By industries, here are the dividends reported for the 79 fields studied:

	1946	1945
Heavy metals and allied (215 companies)	$533,314,703	$414,773,404
Chemicals and allied (101 companies)	474,004,871	295,211,576
Automotive, aviation, etc. (127 companies)	373,859,804	495,989,524
Furniture and structural (217 companies)	444,822,609	309,896,374
Food and light industries (229 companies)	949,302,775	519,052,256
Grand total (942 companies)	3,656,933,912	2,738,686,374

RETAIL SALES UP AGAIN

Here is another paragraph on dividends from the same issue of the New York Times:

Dividend payments in the first 3 months of 1947 were about 23 percent higher than in the corresponding period last year, according to United Business Service. Of 661 New York Stock Exchange issues on which dividends were paid, more than half increased their payments over the same quarter of 1946, the UBS reported.

In all the papers you will find column after column in the financial pages showing how companies are paying dividends, not only current and regular dividends but extra dividends and stock dividends and even back dividends.

Another headline in the Times reads: "1946 Retail Trade 'Best in History'—Net Profits 122.8 percent Over 1945 Far Outstrip Other Years, Times Survey Shows."

Here are just a few paragraphs from the story:

(By Thomas F. Conroy)

That 1946 was the most favorable year in the history of retailing is fully borne out in the complete figures covering last year's operations which now have been issued by leading retail organizations.

Net profits far outstripped those of preceding year, rising 122.8 percent over 1945, while sales were 32 percent higher, according to a compilation of the annual reports of 59 retail companies made yesterday by the New York Times. Sales of these concerns exceeded $9,466,000,000.

The mail order and chain store companies had the largest gains in both profits and sales. The department stores were not far behind. Specialty shops were more affected by the wave of apparel and fur mark-downs which featured the fall season and their increases were not as large as those of the other two classifications.

Comparative figures on sales and profits of the companies included in the survey follow, with the number of companies indicated in parentheses:

MAIL ORDER, CHAIN STORES (22)

	1946	1945	Percent change
Sales	$6,366,950,237	$4,781,269,486	+33.2
Net profit	330,995,586	148,591,093	+122.8

DEPARTMENT STORES (30)

Sales	$2,964,680,814	$2,267,343,484	+30.8
Net profit	143,181,951	66,335,935	+115.8

SPECIALTY SHOPS (7)

Sales	$135,014,305	$117,694,542	+14.7
Net profit	7,313,737	4,234,309	+72.7

GRAND TOTAL (59)

Sales	$9,466,645,356	$7,166,307,512	+32.0
Net profit	481,491,274	219,161,337	+119.7

Lowering of Federal corporation taxes from their wartime peaks was the outstanding factor in the sharp rise in retail net profits. In many instances the reduction from the previous year in provision for Federal income taxes ranged around 35 percent, which represented a heavy addition to net. Allied Stores Corp., the leading department-store chain, for example, in 1946, had $30,903,752 in profits before Federal income taxes, made provision of $12,525,000 for such taxes, and had a net after taxes of $18,378,752. In 1945 the comparative figures were $2,470,401, $19,100,000, and $8,370,401, respectively.

I have here in my hand other reports from newspapers which show the unprecedented prosperity of business and industry, of mining, of farming. Pick up any daily newspaper with a financial section, or the Wall Street Journal and other business and financial journals, or the business reporting services like Dun & Bradstreet or the National City Bank News Letter, and the evidence strikes you on every hand.

I am sure that all of you saw in the papers last week another story saying that the increase in retail business all over the country was 12 percent, and not just 4 percent to 11 percent as I stated on the floor before those final estimates were published.

THREATENS OUR GREATEST CROP OF ALL

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. SABATH. Mr. Speaker, I yield myself two additional minutes.

I feel that when the country is prosperous we should not deprive the farmers of their opportunity of continuing to contribute to the national prosperity. Therefore I feel strongly we should not by our act here take away the assistance provided by a Democratic Congress which has enabled the farmers to become prosperous and contented and self-respecting American citizens equal in every way to their city brethren, as they always were in industry and good citizenship.

I myself have at all times aided the passage of beneficial legislation which has helped the farmer to lift himself out of his misery and want and insecurity to today's prosperity.

But this bill would repeal section 32 of the act of 1935, and worst of all by reducing the school-lunch fund, when only last year the Congress affirmatively passed the basic legislation for it, will endanger our most important of all crops,

our young people, our boys and girls, by taking away from many of them the extra hot lunches at low cost provided under the law.

When you look back 12 or 14 years, you know what the lot of the poor farmer was. It was the legislation that we passed that put them on their feet, and they have been prosperous ever since. With this legislation you arrest their efforts and you arrest the prosperity of our Nation.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I cannot yield, sir. I am sorry.

LOAN SHARKS AND HEARTLESS BANKERS

Are we, Mr. Speaker, going to turn the farmers back to the tender mercies of the loan sharks and the heartless bankers?

Are we going to restore the bankers' private tax of high interest, high insurance, high discounts, and precipitate a new flood of foreclosures and farm failures, and start a new generation of lost farmers on the road to nowhere?

If you do not remember the sad story of 1929, 1930, 1931, 1932, and 1933, the farm strikes, the moratorium laws, the dumped milk, the forced auctions broken up by outraged farmers protecting their own, go back to the files of the daily papers of those years.

In your own office take down your copy of Agricultural Statistics and watch the changing picture of farm income, farm prices, interest, taxes, mortgage debt, and ask if you want to turn the clock back.

Never before in history have farmers made so much in proportion to what they have to spend. God knows prices are high, far too high, in my opinion; but at least the man who toils with his hands, who spends long hours in the fields and with his herds and orchards is making a decent living. He has a profitable spread between his expenses and his income. He is not ground down by a mortgage on which the interest just keeps up with his payments until a crop failure, when he loses everything.

PENNY-WISE, POUND-FOOLISH

This penny-wise, pound-foolish economy embodied in this bill will just play into the hands of the same Wall Street sharpshooters who have been hammering down the prices of sound investment stocks on the market.

They do not care where they make their money or who they hurt. One day these gambling manipulators will be selling stocks short to wipe out the equity of thousands of small investors; the next day they will be gambling with farm products on the commodities exchanges; and another day they will be speculating in farm lands, mortgages, and bonds, all to the detriment of the national economy and the best interests of the country, and bound to affect adversely the hard-working dirt farmer, and not only the farmer but the Nation.

It can be truly said of the farmers who have been used by the Republicans, and have to a great extent supported and aided the Republican party, "They who continue to serve the devil well, with hell he will repay."

VOTE AGAINST DRASTIC RULE

In view of all this, and more that I could say if time but permitted, I feel it is our duty to vote down this outrageous rule whereby the Committee on Appropriations has assumed a legislative jurisdiction which is not theirs, and is attempting not only to deprive the appropriate legislative committees of the right and privilege and power of bringing positive legislation to the floor which is properly theirs, but to repeal laws passed by previous Congresses.

Any member of the House who votes for this rule is voting against the farmers. If any Member votes for this bill and ties his own hands, and then later tries to tell his people he voted for amendments to restore any of the vicious cuts in the Agriculture Department budget, I warn the people of his district right now that he is falsifying his position to them.

This is worse than a gag rule. It is autocracy such as has not been seen on this floor since the days of Speaker Joe Cannon.

It is legislative tyranny of the worst kind.

Above all, it is your political suicide.

For your own interest, if you will not for the national interest, cast your vote against this drastic rule.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include articles and statistics.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, I yield 9 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I regret to find myself on this occasion in the position of opposition to the distinguished majority leader, the Rules Committee, and my distinguished friend from Illinois, the chairman of the Sub-committee on Agricultural Appropriations, but it is the same position that I have taken on many previous occasions, and the only position I think any member of a legislative committee of the House can take if we are going to maintain the integrity of the legislative committees.

It is not necessary, of course, to adopt this rule in order to bring the agricultural appropriation bill before the House. It is not necessary to have any rule to bring that bill before the House. If the rule is voted down, the only effect will be that the bill will be subject to points of order against legislative provisions which it contains.

I may say that although I have seen other appropriation bills brought into the House under a rule which permitted legislative provisions, I cannot recall that I have ever seen a bill which contained legislative provisions of the importance that are contained in this particular piece of legislation.

I am speaking now not only as a Member of the House but as chairman of the Committee on Agriculture and by direction of that committee to appear and speak for the committee in opposition to this rule. There are in this bill at least six provisions that are pure legislation. Perhaps there are more. They are all important matters of legislation, matters that should be considered by the Committee on Agriculture and matters that certainly deserve more consideration than the Appropriations Committee could possibly give them.

If you will look in the hearings you will find that these matters, although they are important legislation, were not considered by the Committee on Appropriations in open hearings. They were considered in executive sessions. The Congress is entitled to have more information on these matters of legislation than can possibly be secured in the debate upon this bill. All of these matters are matters that would require, if they were to be considered properly, hearings of some extent and duration on the part of the legislative committees.

In one respect certainly this bill goes further than any other appropriation bill has ever gone in the way of legislation, in that it repeals a permanent appropriation. I am referring now to section 32 of the Triple-A Act, which provides that each year there shall be set aside one-third of the customs revenues to be used in support of agriculture in the way of expanding consumption at home and abroad, in diverting agricultural products to other uses, and in supporting the prices of agricultural commodities. That is permanent legislation. It has been on the books for more than 10 years. Yet under this bill that appropriation is rescinded and the money is directed to be held in the Treasury.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. On the item to which the gentleman has referred, I might state that when that was approved unanimously by both sides of the aisle as being one instrument that might help in dealing with surplus commodities, both seasonal surpluses and national surpluses of farm products. I concur in what the gentleman has said, that this is an item that should receive more consideration.

Mr. HOPE. I thank the gentleman from Minnesota for that statement. It is true, as he said, that this act was reported out unanimously by the committee. It has been on the books for more than 10 years. Its value has never been questioned.

I do not believe there has been any provision of the Agricultural Adjustment Act or any part of our general agricultural policy which has been of greater assistance to agriculture during that time.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that if the money appropriated for the purpose intended by the act is not used, then the money goes back into the United States Treasury, and is thus saved to the country?

Mr. HOPE. That is true. No one can say at this moment how much of that money may be needed during the coming year. If none is needed, it all goes back into the Treasury. All we do if we

keep the rescission provision in the bill is to make a paper saving because if the money is not used it goes back into the Treasury in any event. But no one knows what we may expect in the way of agricultural surpluses in the next year. There may be minor commodities or there may be important commodities with reference to which it may be necessary to take action under the provisions of this legislation.

But if we adopt the rule and retain in the bill this legislative provision, that would be impossible. But I do not want to say anything more about the merits of the matter. What I am speaking about is the legislative integrity of the House because under the law the Committee on Appropriations cannot legislate, and the legislative committees cannot appropriate. If we violate that principle by adopting this rule, then we are establishing a precedent which will be cited in the future when further attempts are made to undermine the integrity of the legislative committees.

What we are in effect doing is setting up the Committee on Appropriations as a great super committee of the House of Representatives which will undermine the authority, activity, and importance of the legislative committees.

When I say this I am speaking not only for the Committee on Agriculture but for every legislative committee of the House.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. I want to comment on the remarks made by the distinguished gentleman from Illinois [Mr. SABATH] and also on what the minority whip had to say. When they were in control of the House they brought in similar gag rules which waived all points of order. Our committee tried to perfect legislation so such procedure could be avoided. We did pass legislation which is now law so that the practice followed by our side in this respect does not differ at all from that of the gentleman from Illinois [Mr. SABATH] did when he was chairman of the Committee on Rules.

Mr. HOPE. The position taken by the Committee on Agriculture is the position which has always been taken by that committee when the Committee on Appropriations on previous occasions has brought in a bill containing legislative provisions. I think I may say with all deference to this particular subcommittee that no subcommittee of the Committee on Appropriations has brought in more bills which contained legislative provisions. It seems to be a habit with that committee, a habit which I thought we had put an end to a few years ago when we had a show-down on that proposition and the Committee on Rules finally refused an application for a rule.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I am glad to yield to my colleague.

Mr. HOEVEN. Does the gentleman feel that if this practice continues there will be no need to have a Committee on Agriculture in the House of Representatives?

Mr. HOPE. There is no question at all but what every time we adopt a rule of this kind we undermine all the legislative committees and take a step toward making the Committee on Appropriations a big super committee.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. CLARK], a member of the Committee on Rules.

Mr. CLARK. Mr. Speaker, that the pending proposal is detrimental to sound and desirable agricultural legislation could have no finer witness than the gentleman from Kansas who has just taken his seat. I am not able to go back 40 years, as my distinguished colleague from Illinois [Mr. SABATH] has done, but I can go back far enough in service on the Rules Committee to state just a little about the background of this situation.

In the course of the recovery program, sometimes referred to as the New Deal, various and sundry agricultural programs were established for which there was no specific authority in law. I might mention the Rural Electrification Administration or I might mention the school lunches or I might mention some 69 other important items.

As we went along the Appropriations Committee would come from time to time before the Rules Committee and ask us for a rule waiving points of order on agricultural bills because of the absence of any legislation specifically establishing those programs. We worked along with that from year to year, and at the same time we kept threatening to give the Committee on Agriculture a legislative spanking if they did not get busy and supply the necessary legislation, which was complained about continuously by the minority party in those years. I think some of the distinguished members of the Committee on Agriculture were before us when we talked this over. Then, finally, as the gentleman from Kansas [Mr. HOPE] has said, we served somewhat of an ultimatum and told them they would have to get legislation or we would quit granting rules waiving points of order. We did get legislation establishing some 71 of these programs, and that fixed the policy of the Congress on this question. Now we are proposing to give them a legislative spanking because they have done what we threatened to spank them for not doing. You are not only headed for a procedure that is detrimental to agriculture if you adopt this rule—and the only reason I am speaking is to get my voice in the RECORD against it—but you are heading into legislative chaos and you are simply vesting in the Subcommittee on Appropriations for Agriculture, down in a little closed room somewhere, the power to determine the agricultural policy of the Congress, insofar as a committee may do so, without the people who are interested having any opportunity at all to be heard and present their case.

There is a great stack of telegrams on my desk that have a very vital ring. If I were to look over on the majority side, I would be disposed to say a dangerous ring. I had to wire them back that, if the procedure was adopted, the policy of this Congress with regard to agriculture would have been changed in many vital respects, without the people who are most directly concerned having any opportunity whatever to present their views. If that is what you want to do, this is the way to do it.

The SPEAKER. The time of the gentleman from North Carolina [Mr. CLARK] has expired.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, since I am a Democrat, I doubt that the Members of the majority body are going to be governed by what I say when I speak against this rule. I would like to call attention, however, to the fact that the issue is whether the distinguished gentleman from Illinois [Mr. DIRKSEN], who is chairman of the Subcommittee on Appropriations, is to write the agricultural policy of the Republican Party. I am sure the gentleman from Illinois will tell you he has never been in favor of section 32. Section 32 funds are repealed under this act. Time after time in this committee it has been brought up, and I am sure he will agree with this, that he felt that provision should not be made for carrying on those activities of the Department of Agriculture under section 32, but that appropriations should be made annually by the Appropriations Committee. Of course, that would come under the jurisdiction and control of the distinguished gentleman from Illinois and would permit him to largely control the agricultural policy of his party and therefore of the Congress.

Last year we had a bill passed in this Congress which became law, which provides for the control of Government corporations. The Commodity Credit Corporation is one of those corporations, and it went to the committee of the distinguished gentleman from Iowa [Mr. JENSEN]. But this year we find that our good friend—and he is very persuasive and a fine fellow—we find that the chairman of the Subcommittee on Appropriations has gone to the chairman of the whole committee and taken over Commodity Credit Corporation, one of the corporations that would go ordinarily and did last year to the other committee. We find that this distinguished gentleman has also taken over half of the Farm Credit Administration, which also belonged to the committee of the gentleman from Iowa [Mr. JENSEN]. I say to you that if this committee this year is permitted—and I am a member of that committee—if they are permitted to repeal section 32 of this law for 1 year that in effect it is repealed and it is gone. This committee takes unto itself the power to stop the flow of those funds, money that is set aside under the basic law to the credit of agriculture. If you are not going to be permitted to use it as it was recommended by the budget, let us transfer those funds to the Commodity Credit Corporation for its use in carrying out this program so that the American farmer will receive the credit for this money which under the basic law is set aside to help him through his problems and to offset the disadvantages of bringing agricultural products into this country in competition with his own. I made the motion in the committee but was overridden. And there again they

turned down my efforts to retain those funds which have meant more to agriculture than perhaps any other piece of agricultural legislation.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. H. CARL ANDERSEN. My colleague on the Subcommittee on Appropriations for Agriculture well knows that I was with him in opposing asking for a rule upon this particular bill.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. WHITTEN. That is true. The distinguished gentleman from Minnesota [Mr. H. CARL ANDERSEN] and other members of the subcommittee opposed the granting of the rule. It is true that in times past we have had rules on bills containing agricultural legislation from the Appropriations Committee, but I wish to call your attention to the fact that in each of those cases we had no legislation for the Farm Security Administration, we had no legislation for the school-lunch program, and in practically every instance—and, in fact, in every instance I recall—the chairman of the subcommittee was joined by the chairman of the Committee on Agriculture in asking and in obtaining a rule to bring into this Congress legislation under which this matter could be considered.

But I say to you that this bill will reflect that there is a tremendous difference between the attitude of the distinguished gentleman from Illinois and the distinguished gentleman from Kansas [Mr. HOPE] as to what is for the best interests of agriculture; and I will say that if this rule is adopted, then you are forsaking the ordinary legislative processes and saying that the chairman of this subcommittee shall fix the policy of the Republican Party with reference to agriculture. This bill reflects that attitude here today because certainly I know that the members of the Agriculture Legislative Committee would never bring into this Congress a bill to repeal section 32 of the Agricultural Adjustment Act. If you will study the uses of those funds for the last 10 years, you will see that in the case of wheat, in the period around 1937, when the granaries of this country were so filled with surplus wheat that the farmers could not even store the wheat they gathered, this is the fund that bailed them out. This is the fund that bailed out the poultry producers and the producers of walnuts and raisins, the producers of various other crops throughout the country, including cotton from my own area. Now, to adopt this rule means that you are permitting the distinguished gentleman from Illinois to write the party ticket of the Republican Party—a ticket that says you are repealing that act and taking away those funds—and I say that is not in accord with the desires of the majority of you men on that side of the aisle.

If you defeat this rule, you defeat the efforts of the gentleman from Illinois to repeal section 32 of the Agricultural Adjustment Act, yet if you adopt the rule, you cannot be heard to say that you did not make it possible for section 32 to be repealed. You will have contributed to the destruction of one of the greatest provisions in the law for handling surplus agricultural products—a provision which has saved the wheat farmers, the poultry growers, other grain producers, and cotton farmers. The responsibility for destroying that great program will rest on those of you who approve this rule.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. MCCORMACK].

The SPEAKER. The gentleman from Massachusetts is recognized for 6 minutes.

Mr. MCCORMACK. Mr. Speaker, it is my understanding—and if my understanding is incorrect I wish to be corrected—the Committee on Agriculture are unanimously opposed to the adoption of this rule. That action was taken at a meeting either this morning or yesterday. In view of that fact it seems rather strange that we witness what is attempted in this appropriation bill. The chairman of the Committee on Agriculture the gentleman from Kansas [Mr. HOPE], one of the most respected Members of the House, whether he is a member of the majority party or the minority party, and he demands the respect of us on our side, should be the spokesman of his party in this branch on matters concerning agriculture.

I think the RECORD should show that anyone who votes for this rule is voting against the interests of the farmer and later if they vote for the rule and then try to tell the farmers of their district, "Why, I voted for amendments to increase the appropriation," they are engaging in what might properly be termed "political hypocrisy."

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I have served on the Committee on Agriculture for more than 20 years. In all those years in dealing with agricultural problems we have not engaged in partisan politics. I do not like to see the gentleman trying to inject partisan politics into this issue.

Mr. MCCORMACK. The gentleman is entirely mistaken because I am following the chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. HOPE], who is a Republican; so there is no partisan politics in my position. The gentleman, of course, is a very adroit politician himself and he has the very pleasant habit of trying to accuse others of motives which they do not entertain.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield further?

Mr. MCCORMACK. Is the gentleman for the rule?

Mr. AUGUST H. ANDRESEN. No.

Mr. MCCORMACK. Then I am for the gentleman. And so the gentleman is with me. He is playing politics at that rate.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. MCCORMACK. Let me go ahead. I only have a few minutes.

Mr. Speaker, the gentleman from Indiana [Mr. HALLECK] tried to justify a vote for the rule by saying, "You can amend later on." But you are tying your hands. A lot of these provisions can be stricken out on a point of order and these are provisions in the bill that change the organic law, that came out of the Committee on Agriculture, passed this branch and the other branch, and became law. The distinction between the rules of the past waiving points of order and this one is that invariably in the past it was where the Appropriations Committee made an appropriation for some activity for which there was no authority in law. This is a rule repealing in whole or in part existing law or parts of existing organic law. There is a marked difference between the rules reported out in the past making in order an activity in an appropriation bill for which there was no authority. This type of rule repeals in part or in whole some of the important provisions relating to agriculture.

Let me show you how far the Appropriations Committee went in its attempt to do a job and there is no question but what there is a job being done on agriculture in this bill. I call your attention to the National School Lunch Act provision, which concerns cities too, reading:

> To enable the Secretary to carry out the provisions of the National School Lunch Act of June 4, 1946, $45,000,000.

They cut it from $75,000,000 to $45,000,000. But what did they do further? Did they stop there? No.

> *Provided*, That no part of this appropriation shall be used for matching funds from sources within the States derived from the sale of lunches.

In other words, whoever in the Appropriations Committee conceived that and whoever voted for it not only had in mind a sharp reduction in the school-lunch program but they went further and they did a job on the school-lunch program because the little amount paid for school lunches has been used in the past as a part of the State's fund, and the organic act permits it to be used in that way, and that is matching the Federal fund.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I point out the legislative features of this appropriation bill deprive agriculture of about $183,000,000 without giving the Legislative Committee of the House any opportunity at all to even discuss the matter with farm leaders and farm officials of the Department of Agriculture.

It seems to me that it is a very important matter when legislation of this kind can be brought in on an appropriation bill and the farmers of this country deprived of a substantial sum of money to the tune of $183,000,000.

Mr. MCCORMACK. And it produces great harm to the conservation program, to the price-control-support program, to the veterans' program, to the small farm-

ers, to the lunch-school program, as well as other activities.

I might make this brief observation. It is rather interesting that every time I take the floor I am accused of politics, and when the gentleman from Indiana [Mr. HALLECK] takes the floor he is not accused of it. I am not accusing him of playing politics. He is doing his job, and I respect him, and I do not accuse the gentleman of engaging in politics in trying to have the rule adopted, but any time one of the Democratic leadership takes the floor—and you better stop it in the future—they are accused of engaging in politics. That could work both ways. We do not accuse the Republican leaders of it, and when the gentleman is taking the position he is taking he is only doing his job, and I admire him for it, although if I could look into his mind and read his thoughts, he is disgusted with the action taken by the majority of the Committee on Appropriations in reporting this bill.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. CHENOWETH. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the distinguished gentleman from Massachusetts has indicated that he can look into my mind and determine what is going on with respect to this matter. I do not have to look into his mind or the mind of the gentleman from Illinois [Mr. SABATH], or some of the others who have spoken over there, to see what is going on in their minds.

Now, they cannot distinguish this rule in any real particular from rule after rule that they brought out here and asked us to support and which many of us did support. The thing that disturbs them is that the items in this bill that might be subject to a point of order are going to save the Government and the taxpayers some money, and that is just completely abhorrent to them. Why, they cannot be for economy in Government. They cannot be for saving the taxpayers any money, so they adopt this position of opposition to this rule, not because of any great solicitude for those of us on this side, but because they are just following the old pattern that has been in evidence here every day since we first met last January 3, which is one of stubborn opposition to every move we make to try to cut the cost of government.

Mr. CHENOWETH. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, the devil can cite Scripture to his purpose. It is so very obvious that the discussion here indicates that those who oppose the rule are more interested in the subject matter of the bill than in the technicalities of committee jurisdiction.

Now, let me make it abundantly clear what is involved here today. This rule is worth $183,000,000. Many rules cannot be interpreted in terms of money. This one can. The action by the committee in rescinding what is known as so-called section 32 funds, which consist of 30 percent of customs receipts which are permanently appropriated, will be stricken from this bill on a point of order if the rule is not granted, and the $383,000,000 saving that the committee labored to bring in here will be reduced from $383,000,000 to $235,000,000. That is involved in this rule. We had the benefit of the testimony. The discussion you hear here today is predicated not upon testimony but rather upon a technical consideration or a political consideration. This committee has taken testimony for 7 weeks. We had 411 witnesses before the subcommittee. It has taken us 3 months to bring this bill here. We have taken very advised action in the matter.

After battling through the subcommittee, the full committee, and the Rules Committee, and supporting the rule on the floor of the House, if we now cannot have a rule then take $183,000,000 of economy out of this bill. On the 20th of February you all voted on the legislative budget. The vote was 229 to 174. To the call of the roll your voice intoned that you were in favor of trying to achieve a $6,000,000,000 economy. We bring in here a bill in support of that thesis. Are you going to cripple our efforts now on a technicality?

It is said that this is a departure from custom. I do not see the gentleman from Missouri on the floor just now, who was at one time the distinguished chairman of the subcommittee of which I am now the chairman. Year after year I went to the Rules Committee with him. I stood at his right hand and helped him ask for a rule to protect the bill, and no one will deny it. Here today we are marshaling the facts and marshaling the record. There is no departure here. We have gone through this sort of business in other years. Always I have stood with your chairman asking to get a rule, even though it was being fussed over on this side, because there was little of partisanship and politics in the Subcommittee on Agricultural Appropriations.

I served on the Reorganization Committee with the gentleman from Oklahoma [Mr. MONRONEY], who did a marvelous job; and how long we battled on this thing—18 months—and then brought in a bill with a bridge title and a retirement title and a pay increase. We had a provision in there to take all legislative matters out of appropriations. You could not even report an appropriation bill with a legislative matter in it. What happened? We sat down with the leadership not only on our side but on your side as well, and we took it out, so that it applies today to the Senate but not to the House of Representatives. You approved that bill with that item stricken. Will you stand here now, depart from the record, and give us that kind of opposition?

I sometimes wonder why a Member of the House who is in his right mind will take service on the Appropriations Committee and eat his heart out month after month to scare up a few dollars for the American taxpayers, and then be so constantly challenged by technicalities upon the floor. If you want to throw that $183,000,000 out the window, all right. You have as many prerogatives, as many privileges, as much power, and as many rights here as I have. But it will be noted on the record whether you will escape or not under these circumstances if you take $183,000,000 out of this bill.

You are not foreclosed in your rights. You can strike out the rescission provision on section 32 when the bill is read for amendment. If you do not like what we did on meat inspection when we are trying to put the inspection fee upon the packers and save $6,000,000 for the Treasury this year and another $5,000,000 next year, you can move to strike it out. If you do not like what we have done with REA in sending them directly to the Treasury instead of circuitously through the Reconstruction Finance Corporation, without changing their interest rate or their prerogatives or their priorities or anything else, you are free to strike it out by an amendment on the floor. There is not an item covered in this rule that you cannot strike out. But you see, you test it on its merits. It is not the arbitrary fact that you can stand and say, "Mr. Chairman, I make a point of order," and then suddenly, without testing the merits of the provision, throw it out the window. Is that the way you are going to dispose of the $183,000,000 of economy involved?

This committee does not try to usurp the prerogatives of any other committee. But try to write an Agriculture appropriation bill with a thousand and one different provisions in it and try to squeeze out of it a little economy, and see the difficulties that you run into. It is a regular wilderness of technicality. You have to be so serpentine and sinuous in your tread in order finally to get a bill that will stand up and effect a little economy and avoid, insofar as it can, legislative provisions.

There is not a single legislative provision in this bill that is not coupled with an economy.

Meat inspection—there is an economy of $6,140,000.

Section 32—the economy is $148,000,000.

If we did not do it, that $148,000,000 would be a loose roving amount of money that would not find its way back into the Treasury until the end of the fiscal year 1948, which is a year from next June.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that we could allocate $148,000,000 of AAA funds to take care of this particular section 32 fund?

Mr. DIRKSEN. I shall point that out.

Mr. Speaker, were we so profane in this matter? The President of the United States, who is of the opposite political persuasion, took $100,000,000 out of section 32 and put it into the Agricultural Adjustment Act, which meant the conservation-payment fund. The President and the Bureau of the Budget did that. Perhaps it was subject to a point of order, but when we go to the merits of the matter, have we then been so profane?

With respect to the other $48,000,000, it was a pretty nebulous case, as I shall seek to point out in the general discussion, and I shall cite you line and page of the scripture to prove it, instead of drawing it out of thin air with some kind

of speculation or some kind of conjecture.

Then there is the Rural Electrification Administration. We were quite generous with that, I thought.

Here, at the instance of the Reconstruction Finance Corporation officials and with the approval of the Budget Division of the Department of Agriculture, the language in the bill was submitted. They said instead of borrowing by first going through the Administrator and the Secretary and then the RFC and then the Treasury Department, why not go directly to the Treasury. It does not prejudice them in their operations whatsoever. It will save three-quarters of 1 percent because that is what the Reconstruction Finance Corporation takes out.

Then, for its administrative work it puts people on the pay roll. It is coupled then with the saving of $25,000,000 in cash and it then makes inoperative the 85-percent collateral provision under which they operated and it does them good rather than harm because it facilitates and expedites their operations. There can be no quarrel about it.

Gentlemen, are we going to test these things on their merits or are we going to throw them out the window? There is ample precedent for what we do today—abundant precedent, if you please. And not a single Member of this House is foreclosed when we are in Committee of the Whole from his opportunity to say, "Mr. Chairman, I offer an amendment to strike out the rescission title of section 32 funds." And that amendment will be in order. Not a single Member is foreclosed in his opportunity to say, "Mr. Chairman, I offer an amendment to strike out the provision on meat inspection." And that amendment will be in order. No Member is foreclosed in his right to say, "Mr. Chairman, I move to strike out the provision on Rural Electrification Administration." And it will be in order. Or to say, "Mr. Chairman, I move to strike out the proviso on AAA funds." And it will be in order. In every case we will test the whole controversy on its every merit instead of just throwing it out the window on a technicality. So, I say to you, after 3 months of endeavor we would like to have this rule. I appeared before the Committee on Rules yesterday morning. The gentleman from Kansas [Mr. HOPE] was there. He opposed the rule. The gentleman from North Carolina [Mr. COOLEY] was there. He opposed the rule. The gentleman from Missouri [Mr. ZIMMERMAN] was there. He opposed the rule. The gentleman from Georgia [Mr. PACE] was there. He opposed the rule. The gentleman from Missouri [Mr. CANNON], former chairman of the Committee on Appropriations, was there. He opposed the rule. I sought in my humble and feeble way to say, "Give us an opportunity to bring this matter to the floor of the House and let the Members of the Congress work their will on these provisions. Let us not be diverted by some question of legislative or technical jurisdiction." Now, that is the whole question that is involved here.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. COOLEY. The gentleman seems to regard this matter as a mere technicality, of very slight importance. I know the gentleman is usually very frank. I wonder if the gentleman will not confess to the House that this is a bold invasion of the prerogatives of the House Committee on Agriculture, of which the chairman is the gentleman from Kansas [Mr. HOPE].

Mr. DIRKSEN. Well, let us see what a bold invasion this is. When the gentleman from Missouri [Mr. CANNON] was the chairman of this committee, after years of urging on my part, we changed the character of soil-conservation payments so as to make them conservation and use payments instead of subsidies. We did that in an appropriation bill. I went up there with the gentleman from Missouri [Mr. CANNON] and helped get a rule on it. I went with the distinguished gentleman from Missouri [Mr. CANNON] to the Rules Committee to get a rule to cover an amendment on agricultural credit as it related to the Agricultural Credit Corporation. We had to draw language in such involved fashion that hardly a Philadelphia lawyer could understand it, but it was still subject to a point of order. Just like Herminius stood at Horatius' right arm at the bridge on the Tiber, I stood there with the gentleman from Missouri [Mr. CANNON], and said, "Give us a rule," and I have been doing it for 10 years.

Mr. COOLEY. Mr. Speaker, will the gentleman yield right there?

Mr. DIRKSEN. I yield.

Mr. COOLEY. So the gentleman is consistent in his policy and his contention that the integrity of the legislative committees should not be so carefully guarded?

Mr. DIRKSEN. No, no. Let me comment on that. That is not what the gentleman from Illinois has in mind. I say to you, out of a humble heart, if you could serve for 1 or 2 years on an appropriation committee and see what labyrinthian wilderness of restrictions we operate under, that taxes the facility of the General Accounting Office to the point where the Comptroller General is fairly beside himself and says, "For God's sake, let us get some relief from this great labyrinthian bureaucracy with all of its fiscal restrictions"—if you have 1 year of experience your heart would be filled to overflowing with sympathy for the 43 members who go through that labor year after year.

I yield to the gentleman.

Mr. COOLEY. Did not the gentleman yesterday state to the Rules Committee that being chairman of the Subcommittee on Agricultural Appropriations it was almost impossible for the gentleman and his committee to write an appropriation bill without invading the prerogatives of the legislative committees and writing legislation on appropriation bills?

Mr. DIRKSEN. Oh, no; it is not quite what the gentleman from Illinois said. What the gentleman from Illinois said to the Rules Committee was that it is pretty difficult and sometimes an almost impossible thing to prepare an appropriation bill and achieve the kind of economies that we effected and not drift over a little bit into this field of legislative jurisdiction. There is not a chairman of the Appropriation Subcommittees who will not bear me out in the difficulties under which we labor.

So, in the best of grace, let us test this thing out on its merits, approve this rule, and let us see whether or not this House wants to initiate a saving of $183,000,000 that is involved in this rule today. It is your question to decide.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. CHENOWETH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 130, noes 103.

Mr. SABATH. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 189, nays 170, answered "present" 2, not voting 68, as follows:

[Roll No. 65]

YEAS—189

Allen, Calif.	Foote	MacKinnon
Anderson, Calif.	Fulton	Maloney
Andrews, N. Y.	Gallagher	Mason
Angell	Gamble	Mathews
Arends	Gavin	Meade, Ky.
Arnold	Gearhart	Meyer
Bakewell	Gillette	Michener
Banta	Goodwin	Miller, Conn.
Bates, Mass.	Graham	Miller, Md.
Beall	Griffiths	Mitchell
Bennett, Mo.	Gross	Morton
Bishop	Gwynne, Iowa	Muhlenberg
Blackney	Hale	Murray, Wis.
Boggs, Del.	Hall, Edwin Arthur	Norblad
Bolton	Hall, Leonard W.	O'Hara
Bradley	Halleck	Owens
Brehm	Harness, Ind.	Patterson
Brophy	Hartley	Phillips, Calif.
Brown, Ohio	Herter	Potts
Buck	Heselton	Poulson
Buffett	Hess	Ramey
Burke	Hinshaw	Reed, Ill.
Busbey	Hoffman	Reed, N. Y.
Butler	Holmes	Rees
Byrnes, Wis.	Horan	Reeves
Canfield	Howell	Rich
Carson	Jackson, Calif.	Riehlman
Case, N. J.	Javits	Rizley
Chadwick	Jenison	Robsion
Chenoweth	Jenkins, Ohio	Rockwell
Chiperfield	Jennings	Rogers, Mass.
Church	Jensen	Rohrbough
Clason	Johnson, Ill.	Ross
Clevenger	Johnson, Ind.	Russell
Clippinger	Jones, Ohio	Sadlak
Coffin	Jones, Wash.	St. George
Cole, Kans.	Judd	Sanborn
Cole, Mo.	Kean	Schwabe, Mo.
Cole, N. Y.	Kearney	Schwabe, Okla.
Corbett	Kearns	Scott, Hardie
Coudert	Keating	Scrivner
Crawford	Kersten, Wis.	Seely-Brown
Crow	Kunkel	Short
Cunningham	Landis	Simpson, Pa.
Dague	Latham	Smith, Kans.
Davis, Wis.	LeCompte	Smith, Maine
Devitt	LeFevre	Smith, Ohio
D'Ewart	Lewis	Smith, Wis.
Dirksen	Lodge	Snyder
Dondero	Love	Springer
Eaton	McConnell	Stevenson
Ellis	McCowen	Stockman
Ellsworth	McDonough	Stratton
Elsaesser	McGarvey	Sundstrom
Elston	McGregor	Taber
Engel, Mich.	McMahon	Taylor
Fellows	McMillen, Ill.	Thomas, N. J.
Fenton		Tibbott
Fletcher		Tollefson

Towe	Vursell	Wolcott
Twyman	Wadsworth	Wolverton
Vail	Welch	Woodruff
Van Zandt	Wigglesworth	Youngblood
Vorys	Wilson, Ind.	

NAYS—170

Abernethy	Fisher	Meade, Md.
Albert	Flannagan	Miller, Calif.
Allen, La.	Fogarty	Mills
Almond	Folger	Monroney
Andersen, H. Carl	Forand	Morgan
	Gathings	Morris
Andresen, August H.	Goff	Mundt
	Gordon	Murdock
Andrews, Ala.	Gore	Murray, Tenn.
Barden	Gorski	Norton
Barrett	Gossett	O'Brien
Bates, Ky.	Granger	O'Konski
Battle	Grant, Ala.	O'Toole
Beckworth	Gregory	Pace
Bell	Hagen	Passman
Blatnik	Hardy	Patman
Bonner	Harless, Ariz.	Peden
Boykin	Harris	Philbin
Bramblett	Harrison	Pickett
Brooks	Havenner	Poage
Brown, Ga.	Hays	Preston
Bryson	Hedrick	Price, Fla.
Buchanan	Hendricks	Price, Ill.
Buckley	Hobbs	Priest
Bulwinkle	Hoeven	Rains
Camp	Holifield	Rankin
Cannon	Hope	Rayburn
Carroll	Huber	Richards
Case, S. Dak.	Hull	Rivers
Celler	Jackson, Wash.	Robertson
Chapman	Jarman	Rogers, Fla.
Clark	Johnson, Calif.	Sabath
Combs	Johnson, Okla.	Sadowski
Cooley	Johnson, Tex.	Sasscer
Cooper	Jones, Ala.	Sheppard
Cotton	Jones, N. C.	Sikes
Courtney	Karsten, Mo.	Simpson, Ill.
Cravens	Kee	Smathers
Crosser	Kefauver	Smith, Va.
Davis, Ga.	Kennedy	Stanley
Davis, Tenn.	Keogh	Stefan
Dawson, Ill.	Kerr	Stigler
Dawson, Utah	Kilday	Thomas, Tex.
Deane	Kirwan	Thomason
Delaney	Larcade	Trimble
Dolliver	Lemke	Vinson
Donohue	Lesinski	Walter
Dorn	Lucas	West
Doughton	Lusk	Wheeler
Douglas	Lyle	Whitten
Drewry	McCormack	Whittington
Durham	McMillan, S. C.	Williams
Elliott	Mahon	Wilson, Tex.
Engle, Calif.	Manasco	Winstead
Evins	Mansfield, Mont.	Wood
Fallon		Worley
Feighan	Marcantonio	Zimmerman
Fernandez	Martin, Iowa	

ANSWERED "PRESENT"—2

Hill Talle

NOT VOTING—68

Allen, Ill.	Hand	Nixon
Auchincloss	Hart	Nodar
Bender	Hébert	Norrell
Bennett, Mich.	Heffernan	Peterson
Bland	Jenkins, Pa.	Pfeifer
Bloom	Jonkman	Phillips, Tenn.
Boggs, La.	Keefe	Ploeser
Burleson	Kelley	Plumley
Byrne, N. Y.	Kilburn	Powell
Chelf	King	Rabin
Clements	Klein	Rayfiel
Colmer	Knutson	Redden
Cox	Lane	Riley
Curtis	Lanham	Rooney
Dingell	Lea	Sarbacher
Domengeaux	Lynch	Scoblick
Eberharter	McDowell	Scott, Hugh D., Jr.
Fuller	Macy	
Gary	Madden	Shafer
Gifford	Mansfield, Tex.	Somers
Gillie	Merrow	Spence
Grant, Ind.	Miller, Nebr.	Teague
Gwinn, N. Y.	Morrison	Weichel

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Colmer against.

Mr. Jonkman for, with Mr. Hill against.

Mr. Grant of Indiana for, with Mr. Talle against.

Mr. Gifford for, with Mr. Morrison against.

Mr. Weichel for, with Mr. Riley against.

Mr. Macy for, with Mr. Domengeaux against.

Mr. Auchincloss for, with Mr. Cox against.

Mr. Bender for, with Mr. Klein against.

Mr. Jenkins of Pennsylvania for, with Mr. Lane against.

Mr. Merrow for, with Mr. Gary against.

Mr. Hand for, with Mr. Eberharter against.

Mr. Gwinn of New York for, with Mr. Pfeifer against.

Mr. Plumley for, with Mr. Dingell against.

Mr. Sarbacher for, with Mr. Rooney against.

Mr. Scoblick for, with Mr. Norrell against.

Mr. Hugh D. Scott, Jr., for, with Mr. King against.

Mr. McDowell for, with Mr. Lea against.

Mr. Nodar for, with Mr. Lynch against.

Mr. Bennett of Michigan for, with Mr. Heffernan against.

Mr. Shafer for, with Mr. Burleson against.

General pairs until further notice:

Mr. Curtis with Mr. Rabin.

Mr. Fuller with Mr. Hart.

Mr. Allen of Illinois with Mr. Teague.

Mr. Kilburn with Mr. Hébert.

Mr. Knutson with Mr. Kelley.

Mr. Nixon with Mr. Boggs of Louisiana.

Mr. Gillie with Mr. Rayfiel.

Mr. Miller of Nebraska with Mr. Byrne of New York.

Mr. TALLE. Mr. Speaker, I have a pair with the gentleman from Indiana, Mr. GRANT, who is absent on official business. Had he been present, he would have voted "yea." I voted "nay." I therefore withdraw my vote and answer "present."

Mr. ROBERTSON changed his vote from "yea" to "nay."

Mr. HALE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DIRKSEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948.

Mr. HILL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HILL. Mr. Speaker, may I inquire how I was recorded? I had a pair with the gentleman from Michigan, Mr. JONKMAN. I voted "no." I wish to withdraw my vote and vote "present."

The SPEAKER. The vote has been announced and the time when the gentleman could have announced how he would have voted has passed—except by unanimous consent.

Mr. HILL. But, Mr. Speaker, the Clerk read the pair himself.

The SPEAKER. That is true, but the gentleman himself had voted. He should have addressed the Chair and requested that he be recorded as "present."

Is there objection to the gentleman from Colorado changing his vote? [After a pause.] The Chair hears none. The gentleman from Colorado will be recorded as having been paired in opposition to the rule.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1948

Mr. DIRKSEN. Mr. Speaker, I renew my motion, and pending that may I suggest to the gentleman from Missouri that the time be equally divided, that we run on more or less indeterminately today with the hope that before the Committee rises we probably will be able to read at least the first section of the bill and perhaps a little more.

Mr. CANNON. I think the division of the time can very well be arranged, but we should proceed without further limitation until we know just how many wish to be heard. I trust nobody will be denied an opportunity to be heard during general debate.

Mr. DIRKSEN. Insofar as that can be complied with, that certainly will be the rule; but in view of the fact that time is of the essence and so many Members want to get away Thursday, as expressed earlier by the majority leader, I hope we can complete the bill tomorrow. Therefore, whatever progress we can make today will be in good stead as we begin deliberations on Wednesday.

Mr. CANNON. I am very glad to cooperate with the gentleman from Illinois in the hope that we will be able to make good progress with the understanding that no definite arrangement is made as to reading any particular part of the bill today.

Mr. DIRKSEN. Mr. Speaker, the chairman of the subcommittee wishes to be rather clear on what is contemplated here. It is hoped we will be able to read at least the first paragraph tonight and perhaps a little more.

The SPEAKER. The gentleman from Illinois asks unanimous consent that debate on the bill run throughout the day, the time to be equally divided between himself and the gentleman from Missouri [Mr. CANNON].

Is there objection?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3601, the Department of Agriculture appropriation bill for the fiscal year 1948, with Mr. HERTER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, the hour has struck. The time has arrived for the Republican Party to put performance ahead of promises. It is time for it to assume its responsibility to the people the while it saves the small farmers of America from regimentation and destruction. It is time for Congress to cooperate to that end.

That there is a concerted attempt to consolidate agriculture and to make big business out of it under Federal control at the expense and wiping out of the

small farmer, as is also true with respect to small business, is not to be denied. It is admitted.

While I did not and do not agree with all the items contained in the bill, I am in favor of many of them, for this is no time for any American to count what votes it will cost him to oppose or to support a program for economy and against paternalism. He must have the courage of his convictions. This is the time for anybody with intestinal fortitude to stand up for his country despite the penalty he may pay to demagogs and self-seekers and job hunters.

Over the last few years before and during the war there has grown up all over the country a group of paternalists, radicals and Socialists, who believe this is a good government to live under, so long as they can live off it. Do not forget it. Some of these people forget that they are themselves paying for all this alleged Government assistance. I cannot understand their attitude. The Government gets no money except by taxing these very people. What it hands to them it first takes from them, or somebody else.

Economy is only practiced when it commences at home. It is time to economize and to become stable and practical. We need to economize; and to do it, instead of talking about it, is the only way to have economy prevail. We must eliminate, cut down, and save to the utmost. Expenditures throughout the Government have pyramided beyond reason and our ability to carry on.

Attempts to threaten or coerce Members of Congress to vote for or against measures are un-American approaches. The average hard-working farmer who is a member of the Grange or the Farm Bureau does not know and would not approve of the methods the "big boys" employ as they earn their salaries out of the pockets of the average farmer. It is a shame.

I have lived my life in Vermont. I am for Vermont. I do not have to prove it. I am for Vermont farmers and their welfare. I do not have to say so. I will try to see that their needs are met and cared for. They know it.

I hate hypocrisy and demagogery, and the spending of the money of my Vermont friends to try to carry on a Henry Wallace program. I am opposed to it. We need to get back to the old-fashioned honesty of hard work and a fair price for its products. God knows when we will ever reach that discretion.

This bill is both a threat and a promise. Demagogs will call it all kinds of names, and hypocrites will label it others. While I am opposed to some of its provisions, it is really a step toward a 100-percent America for the farmers of America. It needs some trimming; I admit I am for it and it will get it.

Agriculture is the most essential industry in the world. It has long been one of the most independent of industries. The farmer who owned his farm and managed his own business independently and paid his own way was a king. He should be allowed to operate without Government interference or control.

Organization is all right if not too comprehensive. A too far-reaching control from the Government becomes arbitrary and dictatorial. It will speed the end of the small farmer.

Federalized agriculture spells the destruction of initiative, destroys the desire to make one's living off a farm, and eventually destroys America. Paternalism wherever it shows its head should be stopped, for it carries a poison which has buried other civilizations five deep. If we are to maintain our self-respect, our form of government, and wish to contribute to the acceptance of the responsibility in world affairs which is ours to bear, or to shirk, we must begin with the real dirt farmer. This bill undertakes to protect him. This bill undertakes to place the responsibility for the farm program back on the farm; to eliminate government control, regimentation, and unnecessary duplication of needless expense and effort. The only way to reduce taxes is to cut expenses.

The bill is not perfect. There are amendments to it which should be made. I will support them. I will support the bill as it probably will be amended, for it is a step in the right direction in the interests of the farmers. It is time the real farmers had a chance to operate their farms and be independent. They will be either independent, or cease to be.

As one person said concerning all the schemes offered by the farm agents and bureaucrats: "Those boys in the Department of Agriculture who want to federalize and paternalize the farmer forget that they cannot beat God." There is so much in that statement one could wisely spend a week or more considering what it involves.

The cuts which are made are most of them wise. Some are unwise, in my opinion, and I so registered in the subcommittee, as a hopeless minority.

The cuts, and the reasons offered therefor, will be fully gone into during the debate which will follow.

The subcommittee is composed of a group of good-natured fighters representing the country, and fighting for it, and for the citizens who represent agriculture, our farmers.

Mr. DIRKSEN. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, may I first compliment the chairman of our Subcommittee on Appropriations for Agriculture, the gentleman from Illinois [Mr. DIRKSEN], for the very fair and considerate manner in which he has handled the operations of this subcommittee. Certainly, we eight members of this subcommittee have not always agreed. No bill contains more controversial matters than does the one now before the House. The problems have been approached strictly on a basis of nonpartisan consideration, and as to what is best for our Nation. Never once do I recall during the nearly 2 months we were in session that any political red herrings were dragged into these hearings by members of the subcommittee. It has been a pleasure to serve with not only the other members of the majority of this committee, Mr. PLUMLEY, Mr. HORAN, and Mr. PHILLIPS of California, but also with the members of the minority, Mr. CANNON, Mr. SHEPPARD, and Mr. WHITTEN.

It has been my endeavor to consider the appropriations for the Department of Agriculture, which represents in the Government my personal industry, in exactly the same manner in which those for Labor and Federal Security were considered. This co based entirely upo Just how much n necessary for the e the numerous bure Department? Whe out harm to the pe

Today the United the grim reality of h of $259,000,000,000. own house in order to weather successfu We do not know ho sands of millions o called upon to lend away to small nation them from going bel of communism. So we be so careful in ings in our domestic same time see these nullified by huge loa tries?" The two do same category, in m mer are for peace through our various ernment, while the gency loans made in will prevent a third

In considering this riculture budget no proach it, first of all that $1,188,571,318 h the President for the cal year 1948, comm July 1, of this one ment. The subcomm considered each an hundreds of items, a to whoever might ca tive to any of them to the floor of this which I feel, gener good in the main, ha reduction of $383,427 tribution from the toward the balanci Budget. The farmer a stake in our finan any other group. I are happy to make might be asked of th der that our Nation's its affairs be made

Now, my friends, j ment, when I voted not vote to increase bill by $148,000,000, the gentleman from SEN] well knows, we mittee here later spe do so, that $148,000,0 for triple-A, which propriation, could b tion 32 funds. So, to my good chairman persuasiveness, I di item, as far as econ was affected in any "no" vote upon the opposed the asking priation bills. We r spect the rights of mittees of the Hous

Might I state in reference to a 1-minute speech made by the gentleman from Mississippi [Mr. RANKIN] here today, in which he pleaded for more appropriations for REA, that REA will have available on the 1st of July $550,000,000 for construction purposes. Do you know that REA has today allocated, but not expended, $325,000,000? That is the testimony of Mr. Wickard before our subcommittee. We are giving them an additional $225,000,000 here, and surely, with better than half a billion, this subcommittee has done well by REA. We have seen to it that every cent that REA can legitimately expend, when we consider the cost of labor and material, is given to them in this particular bill.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from South Dakota.

Mr. MUNDT. I am rather interested in the gentleman's comments about REA. I have received a number of telegrams from local REA associations expressing concern about some of these cuts.

Mr. H. CARL ANDERSEN. Might I say to the gentleman from South Dakota, in the first instance, that it is just too bad that certain parties have misrepresented the action of our subcommittee in this matter. There are no better friends of REA in Congress than are upon this subcommittee—Democrats as well as Republicans. May I assure the gentleman that every cent that REA can properly use is available for that great project the coming fiscal year. We want it completed as soon as possible so as to bring to every farm home in America this wonderful convenience.

Mr. MUNDT. I know the gentleman from Minnesota has been a long-time friend and supporter of REA.

Mr. H. CARL ANDERSEN. May I state to the gentleman that REA provides the light and electricity for my home farm in Minnesota.

Mr. MUNDT. It is gratifying to have the assurance that if this appropriation passes in the form it is now before the House the expansion and projection of REA to areas which are not now served can be continued without any crippling of the legitimate program. I think that is the gentleman's assurance, is it not?

Mr. H. CARL ANDERSEN. Absolutely, and the entire subcommittee feels as I do.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. This fund for administrative expenses is cut appproximately one-third. The gentleman would not take the position that that would not necessarily mean that applications for extensions and the approval of new loans and class B loans would be delayed. The gentleman hopes that it will not, but the gentleman cannot give us any assurance of that, can he?

Mr. H. CARL ANDERSEN. I have a very high regard for my friend from Mississippi but must differ with him because, after all, we have reached a certain pattern in the allocation of these loans and it is not necessary—and I have this word from some of my associations back home—for these engineers, accountants, and so forth, to come out there continuously from the national headquarters and tell them what to do. These allocations, as the gentleman from Mississippi well knows, are mainly for B, C, and D projects, and surely it is not now necessary to extend the same degree of supervision.

Mr. WHITTEN. That is right; in reference to the kind of allocations.

Mr. H. CARL ANDERSEN. I do not agree with the gentleman that we have done anything but good for the REA when we instill in them a little caution toward economy. After all, why should not they, as well as any other governmental agency, take their share of the cut. Four million dollars is going to give them ample money with which to do a good job.

Mr. WHITTEN. The gentleman will agree that the applications for class B loans and other loans which should provide for area coverage still must come into Washington and be approved here, and these administrative funds are necessary to take care of them?

Mr. H. CARL ANDERSEN. Certainly they must come into Washington but not with all the red tape attached to the preceding ones. As I said, the pattern has been set. I think it is time to get some of those attorneys out of the Solicitor's office as well as some of the numerous employees out of the REA. These people can do something more worthwhile for the Government than they are doing in those particular positions.

Mr. BENNETT of Missouri. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Missouri.

Mr. BENNETT of Missouri. Is the economy being made in REA largely on administrative expenses?

Mr. H. CARL ANDERSEN. Practically entirely in connection with the administrative expenses. One-tenth only of the money asked for to extend lines was refused.

Mr. BENNETT of Missouri. It is not on the construction of lines?

Mr. H. CARL ANDERSEN. We gave to the REA in this bill 90 percent of what they asked for as far as loan authorizations are concerned. Remember that that $225,000,000 is piled upon the other $325,000,000 which is also available for construction, having been allocated but not expended as yet. Look at Mr. Wickard's testimony to that effect on page 1434 of the RECORD.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I notice the report states that the $4,000,000 exceeds the amount appropriated for 1945 for REA. I wonder how that $4,000,000 figure compares with the amount they received in 1946.

Mr. H. CARL ANDERSEN. In 1945 they had available for administrative expenses $3,246,000. In 1946 the amount was $4,340,000 and $5,500,000 in 1947. If we are ever to balance our budget, and get down to sanity in the line of expending money, each and every agency of this great, rambling structure of the United States Government will have to take proportionate cut. Much as I reg REA, no agency should be exempt fi the trimming which absolutely must done.

Mr. COLE of Missouri. This is point in which I am vitally concern We know that in 1945 there was no po bility of expansion and extension of REA lines because it was impossible get the necessary materials and equ ment to expand.

Will this $4,000,000 figure hamper hinder or delay the expansion of R lines to those communities which are now served?

Mr. H. CARL ANDERSEN. I do feel that this reduction in administra expenses will do anything but good.

Mr. MUNDT. In line with what gentleman has said, and in further s port of his position, reducing the amo of bureaucracy somewhat might cut sc of the red tape and actually expedite operations instead of delaying them.

Mr. H. CARL ANDERSEN. I feel t that would apply to almost any Gove ment agency today. We spend ab $34,000,000,000 for food for all of 140,000,000 people. The President asked for $37,500,000,000 for expenses Government. Think of it.

Mr. CASE of South Dakota. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield my good friend from South Dakota.

Mr. CASE of South Dakota. As matter of fact, of the proportion of $225,000,000 which would become ava able for lines, is not the amount allow for administrative funds of the RI namely, $4,000,000, larger than th have had some years?

Mr. H. CARL ANDERSEN. I yi to the gentleman from Illinois [M DIRKSEN] for answer to that questi

Mr. DIRKSEN. I was going to say my friend, the gentleman from Sou Dakota, that on almost one-half of amount requested they energized tw as much line in 1940 as they did in 19

Mr. H. CARL ANDERSEN. I th the gentleman from South Dakota [M CASE] was referring to administrat expenses.

Mr. DIRKSEN. Yes; that is wha am referring to.

Mr. CASE of South Dakota. Th they certainly ought to be able to along on this $4,000,000.

Mr. DIRKSEN. Definitely; they co have gone on with less. We thou the committee was extremely gener on that.

Mr. SHORT. Mr. Chairman, will gentleman yield?

Mr. H. CARL ANDERSEN. I yield the gentleman from Missouri.

Mr. SHORT. From the beginnin have believed in the efficacy and good work of the REA. We all kr that it has shifted many of the burd and much drudgery from the backs men and women to the muscles of i and steel driven by electricity. Bu object to much of the information propaganda which has been sent misleading our people, trying to convi them that the failure of some farm to get electricity is the result of failure of Congress to appropriate s

funds. I have voted for appropriations and for increased appropriations for the REA. The reason that some of the farmers in the various districts cannot get electricity is due not to the failure of Congress to pass sufficient appropriations to meet their needs, but rather to the costly, cumbersome, and inefficient administration of the Federal bureaucracy.

Mr. H. CARL ANDERSEN. The gentleman is entirely correct. In my opinion, many of these so-called friends of rural electrification are doing that great work a disservice in bringing needless pressure upon the Members of this House who have proven themselves time and again on both sides to be real friends of the REA. We will give REA every dime they need, but at the same time we do not intend to put more money on the shelf than is necessary.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Texas.

Mr. POAGE. I hope there is no misunderstanding about this money that is now available as the gentleman mentions. I do not understand the gentleman to tell us there are $325,000,000 now available for allocation for loans to a cooperative that either wants to extend its lines or is now starting in business? That money has already been allocated.

Mr. H. CARL ANDERSEN. It has been allocated but not expended.

Mr. POAGE. That is right.

Mr. H. CARL ANDERSEN. But the money is there and they will have it for construction purposes, when needed and when the materials and labor are available.

Mr. POAGE. That is right, but the gentleman did not intend to say that even the $225,000,000 will all be expended before the end of the fiscal year.

Mr. H. CARL ANDERSEN. No; I do not think it is necessary that it should be. Most of it will be allocated, however.

Mr. POAGE. Certainly it will be allocated during this coming year. The $325,000,000 which has been mentioned does not add 1 penny to the amount of money that is available to take care of your people who do not now have lines. The $225,000,000 is all the money that is being made available during the next fiscal year to take care of people not now signed up. Is that not right?

Mr. H. CARL ANDERSEN. I think the subcommittee has made every necessary provision as far as funds are concerned to keep this great project going in high gear. What more can the REA people ask?

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my friend from Tennessee.

Mr. JENNINGS. It has been my observation and experience—and I think I am in a position to know, because I am down there in the middle of TVA, where there is an unlimited quantity of electric power—that the trouble about the extension of this REA service is the inability of those who desire it or those who furnish it to obtain transformers and other equipment in the way of wire. That is the great trouble.

Mr. H. CARL ANDERSEN. And that will continue to be the great problem this coming year. More than ever that backs up the action of the subcommittee in doing what we have done. We have perhaps made more money available than they can ever use, but we want to be sure REA has enough.

Mr. JENNINGS. The gentleman is absolutely right about that. The question is to get these facilities.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my chairman.

Mr. DIRKSEN. I want to say to the gentleman from Tennessee that the Secretary of Agriculture himself in a letter told the committee that in all probability it will be as much as 20 months before they can get these transformers.

Mr. JENNINGS. There is not a bit of doubt about that.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. H. CARL ANDERSEN. May I continue with my speech, from which I have digressed to answer these inquiries about REA?

The one great problem, as far as agriculture is concerned, is that of maintaining parity prices for our farm commodities. All other agricultural problems sink into insignificance in comparison with that of assuring a fair and equitable price for what the farmers produce. I believe that the majority of the farmers of America will agree with me—one of these farmers—that payments need not be made to them in order to make sure that our soil will be properly conserved. The average farmer is interested enough in his own farm and in his own soil to be willing to keep that soil up by the application of proper fertilizers, provided he receives sufficient money from the sale of his commodities to be able to do so. I am also satisfied that the majority of the farmers of the Nation resent the criticism leveled at agriculture in general at the acceptance of any subsidy whatsoever. We have been forced at times in the past to come to the Treasury for a portion of a fair price for our products which we should have received in the market. Triple A payments, as made the past few years, are vastly different from what were known formerly as parity payments, which were made to the farmers of this Nation for the purpose of assuring to them at least 90 percent of parity for what they had to sell. The so-called triple A payments, in my opinion, do not come within this same category, and I, as one of the recipients of thse payments, believe that our Treasury needs this money today more than does the farmer. In line with this belief, I personally made the motion in subcommittee, which was adopted, to allot only $150,000,000 to triple A for 1947 payments instead of the $267,000,000 provided in the budget request. Further action by the subcommittee provides that there will be no triple A payments in 1948, and for the first time in many years our farmers will be strictly on their own.

I am disappointed, however, in the fact that the subcommittee and the full committee have seen fit to allow only $15,000,000 for the total of administrative expenses with which to take care of the National, State, county, and township operation of the entire triple-A structure. We need and must have the triple A county and township committees, through which to take care of our sealing programs, and we will not be able to do that with a $15,000,000 appropriation. Let us keep in mind at this point that the national and State expenses for this work in 1947 were $8,871,868, while the expenses of the county associations were $20,039,088, a total of $28,910,956. In the proposal to limit this year the expenses of the entire triple-A structure to $15,000,000, we find that of this amount $1,950,000 is permitted to be expended for national and State expenses, while $13,050,000 is allowed the county associations. I do not quarrel with the decrease in expenditure in the national and State set-up, but I do feel that it is practically the beginning of the end for the triple A county and township committee set-up, when we propose to give them nearly $7,000,000 less than they had available in 1947.

Please keep in mind that there is practically the same amount of work involved in making out the proper forms and writing a check to Jim Jones whether he receives $150 for his portion or whether that portion is approximately $90. The same computations are necessary, and I sincerely hope that the House will see fit to adopt an amendment restoring the $7,000,000 for this purpose.

The average farmer throughout the Nation knows just how badly we may need the county and township committees in the future to take care of our price-support programs as the various emergencies arise, and I feel sure that this same average farmer will agree with me that it would be far better to take an additional $7,000,000 allotted for individual payments to farmers and give this additional $7,000,000 to the county and township committees instead with which to do a good job. Unless these committees are available when needed, chaos can easily enter the agricultural picture and cost the Nation many times over the amount needed to keep these committees functioning.

Mr. Chairman, it is my intention when we come to the proper paragraph of this bill to offer again a similar amendment to that which was defeated in the full committee only by a tie vote of 16 to 16. If there is any item in this bill in which I personally feel that our committee is in error, it is in this reduction of the administrative expenses for the triple A committee structure. Let us keep these committees, even at the expense of whittling down the payments to the farmer.

Mr. Chairman, it would require too much time to discuss the several changes that could be made in this bill. The gentleman from California [Mr. PHILLIPS] and I both feel that there is too much of what we might term departmental personnel left in this measure. In accord-

ance with that belief, I personally had inserted in the report supplementary views as follows:

I have concurred in the majority report with the following reservations:

A major portion of the cuts effected have been obtained through the reduction in appropriations for AAA, the school-lunch program, and the Farm Home Administration, together with reductions of a lesser degree in REA, Research, Forestry, and other branches.

I do not feel that proportionate cuts in personnel throughout the Department of Agriculture have been made consistent with those above mentioned.

It is my intention to offer on the floor, after careful study, certain amendments designed to secure the balance which is desirable.

May I point out that the American Farm Bureau Federation has issued a letter today in which it backs me up in this opinion that the cuts in personnel have not been deep enough. Let us glance at one or two for example.

The immediate office of the Secretary has been allotted by the committee $18,350 more than it had available in the year 1947. It does seem to me that it should not be necessary for the Secretary's immediate office to expend $2,137,560, and it is my intention later to offer an amendment which would reduce this to somewhat in line with the other cuts which have been made in this bill upon the farmers of the Nation.

May we also glance at the Office of the Solicitor, which has been allocated in this bill $2,561,000, a decrease of only $54,000 under that available in 1947. When we consider, Mr. Chairman, the vast lessening of the various programs in the Department through this bill, it would seem that the work of the Office of the Solicitor would also become greatly lessened, and there is no reason in my opinion for an appropriation to the Solicitor's Office of more than $2,000,000. This cut of $561,000, which I propose to offer as an amendment, will do much toward leveling off the cuts as they should be in the Department of Agriculture.

I might state that my good friend, the chairman of the subcommittee [Mr. DIRKSEN], suggested at least inferentially that a 20-percent reduction in personnel in the Office of the Secretary might well be made. This suggestion as to a 20-percent reduction in personnel throughout the Department of Agriculture has been advocated by the American Farm Bureau Federation, and I believe that that recommendation is very sound.

We have noted the past few days in the press of the Nation, declarations of the sighs of relief that obtained in the Department of Agriculture at the smallness of the cuts in personnel. Too much of the economy in this bill is at the expense of others than the employees of the Department of Agriculture. We see evidence throughout the bill, as we do in every appropriation measure, that hundreds upon hundreds of personnel have been upgraded 1, 2, and 3 positions, until we have arrived at the point where we have all corporals, sergeants, lieutenants and others, with practically no privates to do the work. That should be changed.

In conclusion, may I express the hope that the House will seriously consider the various amendments that will be offered in order that we might secure a better balanced bill. The farmers of America are willing to do their part in accepting these slashes as made and which we were compelled to make in the interest of economy. Is it asking too much, Mr. Chairman, that the governmental employees in this vast bureaucratic structure known as the Department of Agriculture shall take a similar reduction in behalf of a firm, stable economy in this great United States of America.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, it is an easy role, of course, to appear as a critic and I hope while I shall differ vigorously with the committee in some of its findings that some of the more constructive aspects of what I say will not be overlooked, for I realize the committee has had a difficult job and the fact that some of us entertain strong views of disagreement does not mean that we are lacking in appreciation of the hard work that the committee has done. Mr. Chairman, I wish to speak primarily of the work of the Farmers Home Administration. I do this not to exalt the activities of the administrative group any more than the contribution which the Congress has made in the fundamental law pertaining to the farm tenancy program.

I want to talk about the little farmer, I want to talk about the veterans, and I want to be entirely fair with those who have seen fit by committee action to reduce the appropriations for the little farmer and for the veteran who is a little farmer. I am sure that no Member of this House means to be unfair to the veteran, and sometimes, unconsciously perhaps, we hit below the belt as we plead for the veteran. I would like to disclaim that, and as I have said in other debates in the House, I realize that the veterans' interests are tied to other interests. If he is a farmer, to the interest of the agricultural population in general. If he is a part of the business community, his interests are tied generally to those of the business community. I am aware of that. But here in FHA is a specific program that is being channeled for the farm youth who went to war and came back seeking an opportunity to reestablish himself on the land.

Here is a program that is being greatly jeopardized by the action of the committee in cutting out all of the appropriations for the tenant-purchase program, reducing the administrative fund for the Farmers Home Corporation from $25,000,000 to $18,000,000, and reducing the rehabilitation loans and emergency crop loans, as we used to call them—they have been combined—from $90,000,000 to $60,000,000. It simply cannot be justified if I properly interpret the testimony of the agency officials and the comments that were made by the members of the committee as they heard Mr. Dillard Lassiter and his associates.

Let us go back briefly to the history of the Farmers Home Administration. Every man who knows Marvin Jones respects him. I think that one of the finest monuments to any legislator is the Bankhead-Jones Farm Tenant Act, and it is proving itself. I am speaking now of the tenant purchase program. It is necessary to distinguish between the two phases of the Farmers Home Administration program, the rehabilitation loans and the tenant purchase loans or the ownership program.

Speaking now of the tenant purchase program I must pay tribute to our former Member, Marvin Jones, who insisted, when the legislation was being evolved, upon two things: One was that it be anchored to the locality; that a county committee be designated to pass upon the soundness of the loans, and his wisdom in that respect has been amply demonstrated. One reason that the program is working out is that a committee of farmers acquainted with land values has passed upon the soundness of every loan. The second is the standard of personal experience and fitness. The applicant as well as the land must pass muster.

Our Government, in inaugurating the farm tenancy program, had few examples in other countries to help us. There was one pattern, and that was in Denmark, where in one generation the tenancy ratio went down from 90 percent to less than 10 percent, but the Danes had a rather restricted experience. They were engaged largely in dairying, and we have in addition to our great dairy industry, of course, many other types to be considered. But we paralleled Denmark's policy of liberal credit for the purchase of farms so that increasing numbers of American farmers might be able to say, "This is my own vine and fig tree," and as the prophet said, "There shall be none to make him afraid." So the law prescribed that loans should be for 40 years, for 100 percent of the value, and at 3-percent interest.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I would like to make this observation, that while we are making these reductions under this appropriation act, the Taft-Ellender-Wagner bill over in the other body has been under consideration which provided in section 10 an appropriation of $25,000,000 for rural housing for the first year of its operation. I understand that that bill will not come up on the floor and that we will not have an increase of appropriations to carry out a rural housing program.

Mr. HAYS. I am glad to have the gentleman's comment. Incidentally, speaking of the housing program, it is true—and this is not a partisan statement since it involves a program begun by a Democratic administration—but it is true that over a period of years there has been more spent in Federal funds, for housing in single cities than in rural housing in the whole United States, and yet if this appropriation measure stands unamended, you are going to strike out of the bill something that is proving its soundness, without any doubt, and the figures are in

this record submittted by the Farmers Home Administration.

Let me get back to the figures. I refer to the tenancy program. What happened? You have loaned under the Bankhead-Jones Act the sum of $282,000,000, with only a $50,000 loss. Now, you cannot find anywhere in the governmental enterprise of noncommercial credit anything that is comparable to that, and yet you propose to strike it out.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to my friend from Wisconsin.

Mr. MURRAY of Wisconsin. Is it not also true that those in the low-income groups in the cities received subsidies that were many, many times greater than the subsidies that were paid to these farmers?

Mr. HAYS. Exactly.

Mr. MURRAY of Wisconsin. Extending over many years.

Mr. HAYS. Right. There is no element of subsidy here. These men have gone out on the land and by hard work have proved their right to a stake in it, and they are making good. No one is going to stand on this floor and question this basic conclusion, and I submit that we ought not to interrupt this program. It has vast economic and social implications. I just cannot believe that the committee intends to interrupt it permanently. Then why lose this valuable time? I believe my friend from Illinois [Mr. DIRKSEN] thinks well of the record. I believe that he is proud of the Bankhead-Jones program. It undertakes to reduce the frightening percentage of farm tenancy in this country so that we can get it well below the 50-percent mark, where it was once, to a proper percentage throughout America.

I am not making any sweeping claims for farm ownership. I realize that in a country with diversified interests there will be an element of tenancy, that in some situations the renter relationship is wholesome and economically sound. It is not that I expect all farms to be owner-operated. I realize it cannot be done. I am saying—and this justifies my allusion to the early history of the Bankhead-Jones Act—that it was a dangerous situation that called for the enactment of this law, and I do not want us to take a backward step.

Now about the veteran. These young farmers have come back, a million of them. A survey of the Army at one time showed 650,000 of them, when they were asked, "What do you want when the war is over in the way of an economic opportunity?" saying, "A chance on the land."

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. CANNON. Mr. Chairman, I yield five additional minutes to the gentleman from Arkansas.

Mr. HAYS. These young men came back, some of them 4–H Club graduates, some of them agricultural students. We are spending now under the GI bill of rights millions of dollars to equip them through vocational training for farming pursuits, yet we would say by this action that they are not to have the credit that is necessary to enable them to utilize to a maximum degree the capabilities developed by the GI program.

We are not stopping the GI loans for the city veteran. I regret to make this reference, but we are going right ahead with business loans. If the veteran wants a radio shop he gets a loan, and if he wants to finance a new business he gets a loan, but the committee says that he cannot have a farm, not now, under this beneficent program.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield further?

Mr. HAYS. I yield.

Mr. MURRAY of Wisconsin. Possibly the only thing we have to offer in that connection is the Cunningham bill, that has been in the hopper for several weeks now. I do not remember all its provisions, but as I recall, it conforms to the Bankhead-Jones provisions. It applies only to veterans, if I remember correctly.

Mr. HAYS. Yes; I thank the gentleman for his contribution. He has helped me very much by these references. But no law will help if appropriations are withheld.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. JONES of Alabama. A study of rural-population indexes shows that today the per capita acreage is increasing, that is, the large farm is getting larger as time goes on, and we are not making proper inducements to the small-farm operator.

Mr. HAYS. Yes; I am glad to have that pointed out. That undoubtedly is the trend.

I anticipate that the committee will say that they do not want to encourage land inflation. That is in the report. I recognize that danger. I agree that we would be unfair to some applicants to say, "Here is a loan, buy the farm." I realize that. Certainly we ought to give every encouragement to the measures that are being advanced for stopping the spiral in land prices. But the records show that the Farmers Home Administration has avoided that misfortune. There has been an increase in their loans of only $13 a farm. They are handling the problem in a very effective way, by cutting out every element of speculation, and by full use of their facilities for land appraisals.

The War Assets Administration will ultimately release 3,000,000 acres of agricultural lands as surplus war property. Much of this land should be sold to eligible farm veterans. We should not deprive them of adequate credit facilities. There are other sources of farm land and under the tenant-purchase program it can be made available at terms which assure success.

The FHA's success has attracted the veterans who wish to engage in farming. On April 30, 41,000 of them had applications on file. To meet this situation nonveteran loans were suspended in 26 States. The agency has had a larger volume of applications for operating loans, approximately 150,000 this year, 48,000 from veterans. If the appropriation is not increased, virtually no additional production loans can be processed.

Now, I believe that the Members give the Administrator, Mr. Lasseter, credit for a good performance. He is following legislative policy closely in one of the most difficult jobs in the Department of Agriculture.

The Congress should not handicap the agency in its vital function. I, therefore hope the appropriations can be restored, as contemplated by the Bankhead-Jones Act and the Cooley Act.

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Chairman, the action of the subcommittee in this bill is deplorable. They have broken faith with the American farmer. I realize that reductions must be made in expenditures. Many millions of dollars have been cut off appropriations this year, and I have subscribed to most of them. I feel that cuts were in order in the Agriculture Department, because certainly there are duplications which exist throughout the Department. A careful review of this bill, however, discloses that the cuts are made in funds and there are no requirements that the reductions be applied to eliminate duplications. In fact I find nothing that would prevent the Department from keeping the high-priced administrative and supervisory personnel and applying the cuts to the jobs of those in the local and county levels, which actually render the service. In other words, Mr. Chairman, the cuts in this bill are cuts in services to the farmer and not cuts in cost of service. In several regards this bill absolutely breaks faith with the American farmers.

During the war the President, the Congress, and the Secretary of Agriculture urged the American farmer to plant every available acre to increase the food supplies of not only the United States but of other countries of the world. The American farmer heeded that call and has planted many acres which, under good farm practices, would have been better had they not been planted. In so doing the natural resources have been depleted. Recognizing that situation, the Congress for some years past has provided for soil-conservation payments, Thus payments are not, as some describe, outright payments to the farmers or gifts from his Government, but they are made if the farmer himself will spend for each dollar of Federal payment $2 out of his own pocket for the protection of the fertility of the soil. In other words, if the farmer spends $3 out of his own pocket to protect this land, the Federal Government has paid $1 on the basis that the Federal Government, and those to come after us, have an interest in this great natural resource—our soil.

I believe this is a good program but whether it is a good program or not, insofar as this appropriation bill is concerned, we made an outright commitment to the American farmer last year when this bill was brought up because Judge Tarver, of Georgia, offered an amendment which fixed this program at $300,000,000 for this calendar year,

funds for which must be included in this bill. Judge Tarver at that time was chairman of this committee. He stated that he was offering the amendment so that it could not be misunderstood or so there would be no mistake in the matter. The Secretary of Agriculture announced such program after the bill of last year became the law. The various AAA offices of the States, of the counties and communities announced programs based on such figures. Action has already been taken. The programs have been acted upon, the farmers have done their part, and now when this committee reduces such appropriation almost in half it is breaking a commitment which has been entered into and on which the American farmers have relied. Mr. Chairman, although I did not share in the opinion, I recall in recent weeks when Members of the Congress, including those on the Republican side of the aisle, advocated supplying to Russia certain lend-lease materials and certain industrial plants, even though Russia had failed in many instances to carry out her agreements, all because they contended we had made a commitment. But here today we find many of that same crowd recommending that we break our commitment to the American farmer, who has fulfilled his agreement 100 percent.

I believe that this type of program should be greatly reduced. The demands for food and for working every available acre, it is to be hoped, will let up in the next few years. This program should be tapered off, farmers will learn the value of protecting the soil themselves and have done so, but certainly insofar as this year is concerned we are obligated to carry out our commitment.

A study of this bill shows that the administrative expenses of the REA have been reduced approximately one-third. We all know that through the war practically no expansion of this system was made. The war effort required so many of the materials that all of us in Congress have had to write many letters advising that materials and equipment were unavailable to provide such extensions. Each time I had to write such a letter I realized it was deplorable that this was the condition, because I know, Mr. Chairman, that nothing could be more helpful to farm life and farm people than to see that electricity is available in the home and about the farm. Now that the war is over and plans are being made to expand the REA lines, now that the local directors would have the opportunity to expand their systems and carry this splendid service to thousands of other farmers, we find this committee, or the majority of this committee, coming in with the report which will seriously cripple the operations of the REA. We all know that when an application is made from a local REA it must be processed by the National Administration. We know that the office here must supply engineering advice and must help in securing supplies. We are almost altogether dependent upon the REA office to see to it that the new lines are placed on an area basis so that in the future still additional lines may be extended so that eventually all farms may have the benefit of cheap electricity. Certainly, the Republican members of this committee are going to have the responsibility for keeping thousands of these farm homes from having electricity, but it is still more important these farm families living in those homes will not have the benefit of this great program to make their lot a little easier, their lives a little brighter. I believe that by all means this committee today should adopt an amendment replacing this administrative fund so that the Rural Electrification Administration can put on full steam and expand this system just as rapidly as possible.

Also, I notice from this bill that the Republican members of the committee have provided for the repeal of section 32 funds. These section 32 funds are made available under the act of 1935 as amended, wherein 30 percent of the customs revenue from competitive agricultural products brought into this country shall be set aside for the use of the Department of Agriculture to assist in the support of American grown agricultural products and in their utilization. Over the last 10-year period these funds, which under the basic law belong to Agriculture, have served to bale out the wheat farmer, the poultry farmer, the fruit grower, the corn farmer and the cotton farmer. To take away these funds now is in effect to repeal one of the great substantive laws which has kept agriculture on an even basis with other industries. I certainly hope that this House will review the action of the majority of this committee and strike out this effort to repeal section 32 of the Agricultural Adjustment Act.

This report also strikes out all tenant purchase loans, all land purchases under the Farmers Home Administration. This organization has outstanding over $800,000,000 in loans now, and administrative funds are reduced to the extent that it is my information that the losses may run as high as $50,000,000 for lack of provision under the bill to handle outstanding loans. The entire land purchase program is stricken from the bill. This means that the veterans, 35,000 of them, whose applications are now being processed will have no opportunity for a year at least to become home owners, yet funds were made available and other citizens were permitted to buy through the years that these boys were in the service and now that they are back and want to buy, this committee says no funds shall be made available.

This bill fails in another particular, Mr. Chairman. We all recall that just a few years ago we were burdened with great surpluses of agricultural products. While today practically everything that is grown can be utilized either here or abroad, in just a few years we know that surpluses will again trouble us. We will have too much corn, too much wheat, too much cotton, and the Commodity Credit Corporation Act provides that the Federal Government guarantees either to purchase or to lend up to 90 percent of parity on such products. Thus we can easily see that it is highly desirable that every effort be made to fully utilize these surpluses in agriculture products, because to utilize them will be to prevent the Federal Government from having to purchase or lend money on them and in the long run will be cheaper.

We know the value of research, we have seen it in hybrid corn, we have seen it in the improved cotton seed, and in practically every phase of agriculture. Under the Hope-Flanagan bill, providing for research and utilization and marketing of agricultural products, $19,000,000 was provided for the next fiscal year. Yet this committee, after first refusing to make any appropriation, has recommended only $6,000,000. It is my judgment that this sum should be increased to at least $9,500,000 because each dollar spent in research and utilization of agricultural products will probably save many times that much in causing such products to be used the coming year and in keeping it out of the category of surplus.

Mr. Chairman, I have attempted to point out wherein this bill is very destructive. As I stated at the outset, one of the greatest disappointments in this bill is in the fact that it does not cut out duplications and does not require the reduction in personnel in the national and district offices as it should. I am sure that the Department will reduce personnel due to the fact that funds are simply not available, but there is nothing in the bill which will prevent the Department from applying the cuts in the field and to the employee at the local level who actually renders the service to the farmers, and retain the high-priced supervisory personnel. No, Mr. Chairman, I am not opposed to reductions in appropriation, but I think they should be applied in the right place and in such way as to cut out duplication. The American farmer is not receiving too much service. The cost of the service that he does get is too great and it is there that these reductions should have been made. I think that one little thing in this bill will indicate what the Republican majority has had in mind. The Secretary of Agriculture is getting a new limousine, but the American farmer is getting 50 percent reduction in service in the payments which he has earned under an outright contract between his Government and himself. The Republicans have a majority of the votes in the Congress, but certainly they will make a serious mistake not to accept the amendments which will be offered by our party to correct the tragic provisions of this bill, which I have pointed out. A more patriotic, hard-working group than the American farmer does not exist. Certainly, I for one expect to keep faith with him.

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, most of us from agricultural districts are greatly disappointed in this bill. I think every Member of the House who represents an agricultural district knows that.

Our farmers have probably reached the most stable basis in American agriculture. We have made great progress. We have made progress when it comes to conserving our soil. We have made progress in improving our pastures. We

have made progress in greater yields per acre. We are rotating crops, terracing lands, conserving soils, reforesting marginal lands, dredging low lands, and making the greatest progress in our history. I think it can be said without any fear of successful contradiction that American agriculture now is upon the firmest foundation in American history. But along comes this bill. I do not want any mistake made about it. I have never indulged in partisan policies on this floor, but I want the farmers to know and I want the country to know that this is a Republican bill. It is the product of Republican brains, and I think that some of our friends on the left who can now take full credit for it, should pause to think. The farmers are going to know what political party is responsible for this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield at that point?

Mr. ALLEN of Louisiana. I yield briefly.

Mr. GROSS. It may be a Republican bill or any other bill, but I am going to support it because it is going to save thousands of GI's from going into bankruptcy, due to the reckless loaning of money to the GI's by a Government that is just a do-good outfit.

Mr. ALLEN of Louisiana. Mr. Chairman, I did not yield for a speech. I have the gentleman's statement and I am not surprised at his going along with his Republican leaders in supporting this bill to cut the American farmers. The gentleman usually goes along with his party.

Mr. Chairman, I do not have time to discuss everything in the bill that I would like to discuss, but there are some cuts in the bill that are so hurtful, some cuts in this bill that stick out like a sore thumb, that I am constrained to devote my short time to those matters.

Of course, the bill as a whole, if we might use Shakespeare's language, "is the most unkindest cut of all." I do not know of a single agency in the Federal Government that has suffered so much at the hands of this Republican-controlled Congress as the Department of Agriculture. I know of no group that has suffered so much and will suffer so greatly as the man between the plow handles, as the result of this bill. Why should this happen to the farmers? As one who was born and reared on a farm and who now lives on a farm, I protest the treatment of the farmer by the Republican leadership in this Congress.

Mr. Chairman, under the question of soil conservation, they have cut the item for soil conservation research—that is something that every man who is interested in the United States should be interested in, every man in the city ought to be interested in, planning to make this country greater, agriculturally speaking—and to do that we ought not cut out the very vital element of research. We must have knowledge. It is the foundation of our great agricultural progress. Our new knowledge has contributed to the bountiful crops we now have—great crops—great yields—national agricultural security. Yet this great subcommittee in the Eightieth Congress has seen fit to cut this item, not by 10 percent or 20 percent or 30 percent, but by 52 percent.

I have read the report. I know the philosophy under which the committee, or perhaps I should say the distinguished chairman, the affable gentleman from Illinois cut this item. But I disagree with the committee and with the chairman in this. We must continue to have research and experimentation for our farmers just as we have in other phases of vital American life. This cut of 52 percent is too deep, to say the least.

In the Conservation Service, in the Soil Conservation Service, they have made a cut of 12½ percent, but that cut is based upon the number of soil-conservation districts we had last year. If you consider the number of districts, 1,838, which we had at the time of the writing of the bill last year, it is a cut of 12½ percent, but we have 200 more districts now and the districts are now increasing at the rate of about 20 a month. I am informed that if you take into consideration the districts as they now stand the cut is about 22 percent. That means a lack of personnel out in the field. I believe in economy, but if you are going to cut out the man who goes out to the farm to help the farmer, goes out and helps the one-gallus farmers, what can you expect in this country? The field personnel help in many farm programs and this cut means less help for the farmer. I do not like that cut.

Mr. Chairman, I wish now to talk very briefly about another cut in this bill which is very bad. In 1946 when the distinguished gentleman from Georgia, Mr. Tarver, took this floor and offered his amendment to fix the triple A payments or soil conservation payments at $300,000,000, it was adopted in this House overwhelmingly. The gentleman from Georgia then, as is revealed by the record, put the House on notice that it was establishing a precedent, that it was establishing a fixed sum and he warned the House that if they did not want to do that then was the time to vote against it.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield.

Mr. ABERNETHY. It goes even further. It goes so far as to fix it by statutory law. It becomes law.

Mr. ALLEN of Louisiana. That is just what I am getting to.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. Very briefly.

Mr. GORE. And when the Congress took that action it made a commitment with the farmers of the country. Following that action the programs have been signed, the farmers have entered into the operation of the program, yet now we are breaking faith, we are reneging on that contract.

Mr. ALLEN of Louisiana. I thank the gentleman. That is what I was just coming to.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. No; my time is short; I yielded to the gentleman once, and I ask him please to let me continue with my remarks.

At that time Mr. Tarver, in presenting his amendment, said this:

> Mr. Chairman, I am presenting for the consideration of the Committee of the Whole the question to which I made reference a few moments ago; that is, whether or not you are going to authorize for the crop year 1947 program $300,000,000. I am presenting it in language which is so definite in character as to admit of no misconstruction. It is the time now to decide whether you want to reduce the 1947 crop-year program, not next year after the plans of the Department and those of State AAA authorities and the farmers have already been completed. If we want to reduce it, reduce it now and reject my amendment and offer some other amendment to indicate a lower figure.
>
> But if you want to fix it definitely and in such form as to enable the farmers of the country to rely upon it implicitly so that even the Bureau of the Budget cannot disregard it, then adopt the amendment which I have offered.

Mr. Chairman, that is what the gentleman from Georgia said in submitting the amendment and it is written into the act. We Democrats consider this a solemn obligation of the Government of the United States. Acting upon that, allocations were made to the various States. An allocation was made to the State of Louisiana and all others and that allocation, that money, in the various States has already been largely allocated and taken up in effect in the numerous States. In the State of Louisiana on April 30 there had been allocated of its allotment 69 percent.

What are we going to do? Along comes this committee, speaking for the Republican Party in the Eightieth Congress, and says, "We know in effect that the Congress did that, but one Congress cannot bind another Congress." There is no disputing the fact that one Congress cannot bind another Congress, but, Mr. Chairman, one Congress can write a solemn commitment and we on this side of the aisle take the view that this was a commitment and we want and urge this Congress to live up to it.

Mr. Chairman, what are we going to do? What is the American farmer going to expect in the future? What can the American farmer rely on? The Republican leadership has gone back on this 1946 amendment and declines to give the American farmer this fund which we think the last Congress practically committed. We take the position that this is an obligation, a commitment.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman realizes, of course, that in each and every contract signed up this spring there is a clause that the carrying out of the contract by the Government depends upon the action of the Congress in making the funds available?

Mr. ALLEN of Louisiana. Every farmer, I will say to the gentleman from Minnesota, knows that all these payments depend upon the money being appropriated by the Congress of the United

States; but every farmer expects the Congress of the United States to live up to its commitments, even if the Republicans are running Congress. Do not forget that there are Republican farmers relying on this also, and if this money is not made available to them they should know who is doing it to them.

Mr. Chairman, I wish I had time to go ahead and discuss briefly other things. The school-lunch program has been cut from $75,000,000 to $45,000,000. That goes into the stomachs of the poor children out in the country. You have seen fit to cut it. Oh, yes, you can vote to send things to Europe, but some of you cannot vote to fill the stomachs of the poor hungry child. I hope you will vote to correct this situation and provide funds for these school lunches.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. There were recorded here the other day only 86 votes against sending $350,000,000 more to Europe.

Mr. ALLEN of Louisiana. That is right, and most of the gentlemen on the right and the left voted for it.

Now, I want to discuss something else here very briefly in conclusion, and that is section 32 funds. More than 10 years ago this Congress went on record and arranged through our imports to get a certain fund. Everybody in this House knows about it. That fund was also solemnly dedicated, but we have seen the spectacle in this House in the good year of 1947 that this august body voted in effect a few minutes ago and probably will vote again later, because you have the votes to do it with and we recognize that, to take section 32 funds from the farmer entirely. We recognize the fact that the Republican steam roller is rolling along smoothly and it will probably roll along smoothly on this bill. But, you have seen fit to cut that fund out. You have seen fit to take that fund from the great American farmer, and you have got the votes to do it with. Gentlemen, that is the farmer's money. That is a sort of sacred fund. That fund has a solemn dedication, and we have throughout the years recognized that. The Democratic Congresses never wavered from the commitments of 1935, but here in this good time of 1947 it is being snatched away, ruthlessly taken away from the American farmers. I do not think that our farmers are going to like that. Even Republican farmers are not going to like that.

I do not think, Mr. Chairman, that the farmer who gets up before daylight and works into the night, I do not think that the young men coming back from the armed services who helped to win this war and who are going back to the farms and who have to work early and late as I did back there, I do not think that they are going to like it and I plead with you not to do this. The late Senator Borah, a great Republican, I understand offered the amendment for the section 32 funds, and yet in 1947 under the leadership of his party, the great work of Borah is stricken down.

I plead that we may forget partisanship and stand by our farmers, North, South, East, and West. This is a national problem. Agriculture must be sustained. Let us vote on both sides of the aisle to restore these funds to the American farmer.

I appeal to this House to rectify this great injustice to producing America.

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, I do not think it can be successfully disputed that the Federal Government has wasted billions of dollars in the past 10 to 15 years. It cannot be disputed that a great deal of money has been spent unnecessarily. It is certainly time that this Government should about face and economize wherever possible, in order that the heavy tax burden now being borne by the American people be reduced, and in order that the tremendous public debt of approximately $260,000,000,000 be reduced as rapidly as possible.

I expect to cooperate with economy-minded Representatives in Congress, to that end, whether they be Democrats or Republicans. I firmly believe that governmental expenditures should be sharply curtailed, that taxes should be reduced as rapidly as possible, and that the public debt should be reduced as rapidly as possible.

I do not believe, however, that this appropriation bill which we are considering today should pass as it has been reported out by the Appropriations Committee. Before we vote on this very important measure, I want to call to the attention of the committee and of the House, that, at the present rate of soil erosion, about one hundred and seven million acres, or approximately 25 percent of our farm land, is deteriorating rapidly. That is to say, the fertility of our soil and the top soil itself, is being depleted by the growth of soil-depleting crops and by erosion caused by rainfall and dust storms. The experts who make it their business to know the facts concerning soil depletion and soil erosion state that unless this approximately one-fourth of our cropland is treated within the next 13 years—by 1960—it will be irreparably damaged, and that it will be too late to take remedial steps after 1960 for this one-fourth portion of our cropland.

In addition to that, there is another portion of our cropland which is rapidly eroding. More than 110,000,000 acres of our cropland is eroding in such a serious way that its productive capacity will be permanently impaired unless that acreage is treated within 23 years from this time—by 1970.

In the first part of April this year, because of the fact that I realized that the preservation of our top soil and our productive cropland is of vital importance to all of us, I asked the Legislative Reference Service of the Library of Congress to give me a report of croplands which would show the rate per annum at which our soil resources are being depleted, and which would show whether the rate of depletion is decreasing or increasing, comparing the present-day rate with the rate 10 years ago, and 25 years ago. On May 1, 1947, I was furnished this report. It shows that the rate of depletion by erosion on unprotected land is increasing with every year of use. It shows on conservation-protected land an entirely different situation; that is, that on conservation-protected land, the rate of depletion is decreasing rapidly, and there is little, if any, loss of soil from such land for such time as the protection is maintained. This report shows, however, that approximately 90 percent of the farm land which is subject to erosion is still without adequate protection.

For the country as a whole, then, the total depletion is reduced as the acreage of completely treated land is increased. This report shows that the rate of erosion is increasing, but the area in which erosion is taking place is being reduced as the conservation treatment progresses. This reduction of area in which erosion is taking place has been due in large measure to the soil-conservation program of the Agriculture Department of our Government.

The report which I mentioned above gives the further important information that about 500,000 acres of former cropland is being ruined each year as the result of erosion, and is rendered useless for any further practical cultivation. Surely these facts are sufficient to impress thinking people with the fact that a continuation of the conservation program of our Department of Agriculture is very necessary.

I believe that this report, which was furnished me by the Legislative Reference Service of the Library of Congress, is conservative. I believe that it is reliable. I do not believe that it is exaggerated. I asked for it so that I might have the facts to make up my own mind when the question of continuing this soil conservation program came up in the House. The financing of this soil conservation program, in my opinion, is an instance of money well spent by the Government.

In the time allotted to me, I cannot, of course, begin to cover the many items contained in this appropriation bill. There is one other item, however, which I wish to discuss more or less briefly. That is the school-lunch program.

Again I wish to state that I expect to cooperate with all those who want to run the Government economically. But if an item is appropriate for Government financing, why not finance it adequately? This is not an issue that ought to be straddled. Either the school-lunch program is a good program or it is a bad program.

The Appropriations Committee, by their action in setting up $45,000,000 for the school-lunch program, has endorsed it, and given it the committee's approval. Forty-five million dollars, however, is not enough to finance the program for the coming school year. Seventy-five million dollars is the amount needed. Even with $75,000,000 appropriated for the school year which ends June 30, 1947, we still lacked $6,000,000 of completely financing the program for this current school year. It was necessary to go thrcugh a battle on the floor of the House on April 1 to get this additional $6,000,000 to carry the program through the school year. If we

are going to finance the program, why not finance it at one time and eliminate all the hurly-burly and scurrying around and fighting on the floor of the House between those who favor the program and those who oppose it, as we had to do on April 1 to get this little deficiency balance?

How is it consistent to vote for forty-five million and refuse to vote for $75,000,000?

I do not think it is necessary to reiterate and argue here that this school-lunch program means better health for school children through defeating malnutrition. There are many children throughout the United States who do not receive balanced meals at home, but who through the school-lunch program have been able to receive one complete, balanced meal per day. This means a great improvement in health. It means that the general health and well-being of the children have improved, and that the children actually make better grades when they receive this balanced lunch at school. The improvement in their physical condition will go with them throughout their entire lives.

In this connection, I cannot help remembering one of the first speeches I heard here when I became a Member of Congress in January. I well remember that on January 8, which was the third day the House held sessions at the present term, the gentleman from Illinois [Mr. DIRKSEN], chairman of the subcommittee which brought out the present bill, took the floor of the House and made quite a lengthy speech, calling the attention of the Members of the House to the very large proportion of young men examined for military service who were found unfit physically. He gave the actual figures and the percentages in every State in the Union and this can be found on page 186 of the CONGRESSIONAL RECORD under date of January 8, 1947 The percentage of young men rejected for military service because of physical unfitness ranged from 23.1 percent in Utah, which was the lowest, to 44.2 percent in South Carolina, which was the highest. In the gentleman's speech he pointed out that the principal causes for rejection were eye defects, defective teeth, defective feet, and heart ailments.

It is well known that a proper, balanced diet is a great contributing factor to good eyesight, good teeth, good bones, and robust physical development. On January 8 the gentleman from Illinois [Mr. DIRKSEN] was greatly concerned about the physical fitness of our young men for military service. We should be greatly concerned now about the physical fitness of our young people. It is of the utmost importance to our future security that our young men and young women should be strong, healthy, and physically fit. One of the cheapest and most effective ways in which we can assure this physical fitness is to provide them the proper food which they will get through this school-lunch program, which, in the long run, is money well spent and money well applied.

I especially call the attention of the committee in the House to the analysis of funds for the national school-lunch program, as submitted by State educational agencies, which was placed in the CONGRESSIONAL RECORD on February 17, 1947, by Senator AIKEN. This table shows that the school-lunch program is welcomed throughout the United States, including the District of Columbia. The children of Illinois, the home State of the gentleman who is the chairman of the subcommittee reporting this appropriation bill out, have written letters to me asking me to support the school-lunch program. I have had similar requests from many sections of the United States. In this analysis of funds on page 1069 of the CONGRESSIONAL RECORD is given a complete tabulation of the amounts allotted to each State. It is something every Member should read and study.

How can we refuse to continue this program on an adequate basis, in the face of the fact that we are sending hundreds of millions of dollars al' over the face of the earth, that we are subsidizing users of the mail by paying a part of their postage expense, that we are subsidizing ocean traffic, air traffic, and other items considered to be in the national interest?

I have heard it said by the chairman of the Appropriations Committee, the gentleman from New York, that the States have plenty of money and ought to finance this program themselves. On one occasion, at the very time this contention was being made by the gentleman from New York, a strike of school teachers was going on in the gentleman's own home State, which in itself indicates that the State was not financing its school program, and I presume because of lack of funds. Certainly they would not refuse to pay the teachers if they had the money. We cannot insist that money be taken from funds needed for school teachers' salaries and apply it to the financing of a school-lunch program. No one wants the school teachers to pay for the school-lunch program, which that would mean.

Mr. DIRKSEN. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I have very great confidence in the farmers of America. It would seem that I have a greater confidence than the gentleman who preceded me, the distinguished gentleman from Louisiana.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Does not the gentleman from California feel that the average farmer in America wants to do his share toward helping to balance the budget of this great Nation?

Mr. PHILLIPS of California. From the days of Cato when he spoke of the farm population as being the safest, the population most to be trusted, and the population less given to intrigue, I think we have found in every emergency, and especially in the history of this Nation, that the solution of that emergency and the strength to meet the emergency have come primarily from the rural areas of America.

Mr. H. CARL ANDERSEN. Does the gentleman feel that we on this subcommittee or we in Congress would be doing anybody, whether he be a veteran or a nonveteran, a favor by helping him to buy farm lands today which are inflated out of sight above their true value? It would simply mean that that particular man would go broke in a few years. I certainly cannot see where we have done anything but justice in eliminating entirely the farm-tenancy program for the present. We will restore these loans when land prices moderate in value.

Mr. PHILLIPS of California. Translated into the simple language of the gentleman from Minnesota there is no answer but "No." I agree. I do not think this House at any time desires to appropriate less money than is needed for the essential agricultural requirements of America, nor does it wish to appropriate any money which would be disadvantageous to the veterans, to the young men, or to the farmers.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Arkansas.

Mr. HAYS. My reading of the record did not reflect that there was any testimony offered to the committee to the effect that the Bankhead-Jones loans are adding at all to the inflationary influences in this country at the present time.

Mr. PHILLIPS of California. Will the gentleman permit me to answer that very briefly?

The evidence before the committee was that the prices of farms, such as those desired by the young men who would ask for a 100-percent loan, had risen to a point where a break in price or a recession was about to occur. There were in many areas of the United States definite evidences of people anxious to sell their farms, anxious to sell them under the terms of these 100-percent loans, because by that means Uncle Sam would be assuming the burden and they would be out from under, and would have loaded them upon the shoulders of the veterans before the recession went any further. That was very definitely before the committee and had, I think, the largest influence in removing that particular fund until this committee, and until the whole Congress, could see just what situation develops. I think the gentleman from Arkansas will agree with me that in the past this House has never been niggardly toward the veterans or toward the younger farmers under any of the acts passed by this House.

Mr. H. CARL ANDERSEN. The gentleman will recall the President's statement last week which had a great influence on the subcommittee in revising their estimates on this particular item.

Mr. PHILLIPS of California. The gentleman from Arkansas is familiar with that statement by the President of the United States that we are in a dangerous period for the purchase of farms, and that did influence the committee.

The gentleman from Minnesota [Mr. H. CARL ANDERSEN] and I as two members of the subcommittee which brought the bill to the floor and two of the members of that committee who represent districts

which are almost entirely agricultural, have added to the subcommittee report what might be called minority reports. They are not minority reports in the sense that we opposed the other members of the committee. They are additional views, in which both of us separately have said that in our opinion this bill is not cut as much as it could be. Remember that we speak for farmers, we speak for men and women who went to the polls in November and said that they wanted a sound economy, that they wanted a balanced budget, and that they felt that if we are to support the entire world in a style to which that world hopes to become accustomed, it is better for all of us, including the farmers themselves, to do it with sound money and with a balanced budget.

We have here another one of the great rambling agencies of Government, with no deliberate desire to grow, but simply growing through the requests of the farmers of America, from a small agency to one which now covers acres of ground and employs 70,000 people.

So, I agree with the gentleman from Minnesota who has already spoken, that there are many places in this bill where further cuts could have been made.

It is not my desire to talk about the whole bill. I would like to pay my respects as the newest member of the Subcommittee on Agriculture to the chairman and to the other members who did a tremendously hard job. It is not easy to cut a bill. It is very easy to appropriate money. It is tremendously hard to cut a bill and to cut it especially in matters with which you are so closely associated as all of us were.

So I thought I would take one or two of the items that are in the bill and say a little about them and suggest what might have been behind the cuts, in my mind at least, and in my vote in the subcommittee.

The AAA appropriation, that is, the payments to the farmers for doing things which most of them would have gladly done without the payments, and which they would have to do if they are to continue to be successful farmers, is one of the items now which comes up for discussion. It is said that we cut a great deal of money from that appropriation. I point out now that the Bureau of the Budget wished to apply $100,000,000 of section 32 funds to those payments, a transfer of funds with which the subcommittee was not entirely in favor. We actually took off that item about $117,000,000.

It has already been pointed out, before I came on the floor, that these payments could be divided into groups of certain sizes. There was some 63 percent of the total in checks of $60 or less; that is, the money total. They went, however, to only 22 percent of all the farmers who are receiving these payments. There was 17 percent in money total going to the farmers who received checks of from $60 to $100. There was, however, 19.31 percent, or less than 20 percent of the money, going to 60 percent of the farmers in checks of from $100 up.

I ask you, Mr. Chairman, and anyone who knows the farming situation, if you do not agree with me that practically all of these farmers would not only have made the same improvements or done the same work on their farms and that they would have done it without the payments from the Federal Government as quickly as they would have done it with the payments. I received a petition a year ago from one of my counties asking us to stop these payments, even though the signers were receiving them. I find it difficult to believe that the farmers themselves are doing the mourning which is heard upon the floor of this House today.

I wish to call the attention of the Members of the House to an actual contract, which I hold in my hand, sent to me by the man and woman, joint owners of a farm, for whom it was filled out and to whom it was sent. He sent it to me saying that he hoped this could be cut out and would I please do all that I could to see it is eliminated.

I want to call the attention of the House today to the words printed in very plain type on the front of this contract at a place where they could not possibly be missed, if a farmer even looked at it casually, in readable type, and not in the proverbial fine type on the back of the contract which we joke about in insurance contracts. This is what it says:

> Payments under the 1947 agricultural conservation program are subject to the appropriation hereinafter made for this purpose by the Congress.

The committee decided that we could pay the people who would receive $60 or less the full amount, those who would receive $100 three-quarters of the payments, and those who would receive from $100 to $500 half the amount, and those who would receive over $500 nothing at all, or up to a quarter of their amount. We certainly have fulfilled any obligation which might have been imposed, not by us but by the field representatives of the Department, for the smaller farmers of the United States who have been so emotionally spoken about today.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the distinguished gentleman from Georgia.

Mr. PACE. The gentleman has read the language that was carried in the agreement. Inasmuch as similar language has been carried there for many years, and the Congress has consistently in past years met its obligation and appropriated the funds, just exactly how far does the gentleman think that his farmer and my farmer should go regarding that as something that deterred him from engaging in the practice himself? I would like to get the gentleman's practical experience from his contact with the men in the field.

Mr. PHILLIPS of California. If we may leave it as a practical proposition, it becomes a very easy question to answer. It is still a fact, whether the farmer read it this year or 2 years ago. If the farmer received a check in previous years, there was no reason for him to believe the statement was not a fact in the contract which he read this year. The only question is, are we to pay, in my opinion, the farmers with the larger incomes, the farmers who would receive from $100 up in checks—are we to pay them in full or not? I have expressed my opinion that I believe those farmers themselves, if a questionnaire was sent to them, would in great majority say that they would support the report of this committee.

Mr. PACE. If you could pay only one or the other?

Mr. PHILLIPS of California. Yes, if you could pay only one or the other. Does the gentleman think that the money should be divided among all? In which case it would be about 50 percent for all.

Mr. PACE. Well, I feel very deeply that the Congress should fulfill its obligation that we made last year and appropriate the funds we promised for the program.

Mr. PHILLIPS of California. I thank the gentleman. I think, from all the farmers I have talked to, their reaction will be very favorable to an ending of the program, whether it comes abruptly in the middle of a payment season or whether we wait until the end and stop it then. I think most of the farmers will look upon it as a saving of $117,000,000.

I wanted to speak about the Research Act, for which $19,000,000 was asked and for which the committee appropriated $6,000,000. I was a member of the Legislative Committee while this was going through. I went home and, you might say, campaigned on the platform that the two outstanding acts of the Seventy-ninth Congress were the passage of the Research Act and the passage of the Reorganization Act. I came back and to my very intense disappointment found that the Department of Agriculture was not setting up a merchandising research section or bureau under the terms of the act, but was setting up a sort of an adjunct to the Production Research Act.

This discussion appears in the hearings. I have carried it on with representatives of the Department ever since, including the Secretary recently. I have here the most recent chart handed me by the Secretary showing the set-up. I will say very briefly that any organization in the Department of Agriculture which attempts to set up this merchandising research service so clearly outlined in the bill and in the report, by putting production research head over here, balancing the production marketing administration head over here, then showing under him, as one of the four subheads, the assistant administrator for marketing who is intended to be the man referred to in the Legislative Research Act, thus putting him where he is inferior in organization position, and not balancing this position, that certainly was not intended by the Legislative Committee as I understood the act at the time I was a member. I think the subcommittee was very generous in giving $6,000,000. I would have given $4,250,000, which was half of the first year's amount and then said to the Department that they could come back if they set up the agency as we asked them to set it up. I have repeatedly said that $19,000,000 would be a very small sum to pay for what the Legislative Committee wanted, but a very expensive sum to pay for what they are now getting in the present organization.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to my distinguished friend the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I wish the gentleman would explain to the House the effect of this cut and whether or not in time under this cut we will have a correlation of all the experimental work? What I am trying to get at is the difference between experimental work and research work.

Mr. PHILLIPS of California. There is very close correlation between production and marketing and research on both sides, and there has to be. For that reason the setting up of a coordinating office is very good.

In the past 10 years we have had our appropriations for marketing research absorbed in production research, and it was the desire of the legislative committee, I am positive, to set up a marketing or merchandising research program which could stand on its own feet, be identified, and the expenditures identified and coordinated. I am sure the gentleman from Wisconsin will agree that production research would benefit the farmers of the country at a time when, using a very familiar expression, it is really later than we think. We must build up production, the delivery of the produced food, from the farm to the consumer, as we have built up ability in the United States to produce beyond all other nations.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. PHILLIPS of California. I thank the gentleman very much. Let me proceed very briefly just to illustrate one of the little agencies in the Government which in my opinion has not been overly cut. We have a little office called the Office of Foreign Agricultural Relations. Back in the days when I myself spent quite a bit of time with some of these men in Germany and France, and in other countries, we were giving the agency about $180,000 per year and it was very effective, it was a very good agency of the Department of Agriculture. The agency asked this year for $738,000, and I can assure you that the job now done is in no way comparable to the job that was being done when they got $180,000.

The committee only reduced that $100,000, down to $638,000. As it is now, reports come in from abroad from men who are not always trained in reporting. They are supposed to arrive on the first of the quarter, shall we say? They are much more apt not to arrive, or to arrive late. They go to the State Department. They are looked over by someone in the State Department to see if they are satisfactory from a departmental viewpoint. They then go to the Department of Agriculture to be looked over by the Bureau of which I am speaking. They go back to the State Department to be looked over by specialists for that particular country or part of the world. They go to another bureau to be corrected for English and syntax. When that is all accomplished, they are so little like the original report they go back to the Bureau to see if they can be put into some workable form for the farmer. By the time they get to the farmer they are matters of historic interest and not current reports such as we used to get from the agency when it received smaller appropriations. I am citing that as one agency which, in my opinion, has not been overly cut.

Finally, this matter of section 32 funds has been a matter of a great deal of discussion. I think there was some misunderstanding about it. There was on my part. There was also some misunderstanding about the funds before they came down from the Bureau of the Budget, because if you add up with your little adding machine you will find the Bureau of the Budget asked for $100,000,000 out of those funds for the AAA; they asked for $75,000,000 for school lunches; they expected to use $900,000 for management of the marketing agreements; that adds up to more than $145,000,000 or $148,000,000 which might be available next year.

There was some question about uses of the fund. One hundred and seventy-five thousand dollars for teaching people to eat fish is hardly a proper claim against section 32 funds. In the last few days some technical information has reached me from people who are interested in this, which makes me believe that because of the perishable nature of some commodities and also the relationship which the gentleman from Georgia has pointed out between sections 22 and 32, there should be a correction made in this section of the bill, and I am confident, without taking any more of the Committee's time, that this can be properly worked out before the bill comes up tomorrow.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DIRKSEN. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, the Agriculture appropriation bill before us today is the ninth appropriation bill, including the three deficiency measures, to come before the House from the Committee on Appropriations. As a member of that committee I can, with pardonable pride, testify to the painstaking manner in which various operations of the respective departments and agencies have been studied and their needs appraised. The hearings on each and every bill have been exhaustive.

In the instance of the bill before us, for example, it will be noted that the printed hearings fill two volumes of 2,669 pages of testimony. As stated in the committee report accompanying the bill, "an aggregate of departmental, congressional, and outside witnesses would easily total 500 persons." Aside from the actual hearings, the committee members spend many hours and days in personal study of the items involved. Properly to appraise the financial requirements of a department or agency necessitates a complete knowledge of the laws being administered.

The thoroughness, the laborious care with which the Committee on Appropriations has prepared the bills it has reported merits special mention. Over the past several years there was a disposition on the part of Congress to accept, practically without question, every recommended expenditure. We all well remember the days of "blank check" appropriations. It is obviously difficult for the bureaucrats to realize that these days are over; that this new Congress intends to maintain control of the purse strings and to make no appropriations that are not clearly justified.

Whenever the Appropriations Committee reports a bill reducing some item of expenditure or eliminating some other, there inevitably follows this campaign we are experiencing here today to have the cut restored. Our committee is accused of being arbitrary. But, if nothing else, the voluminous hearings that are held should be persuasive evidence that no decision is arbitrary. On the contrary, each decision on each item is the result of long and careful consideration.

The situation is well expressed by the following paragraph to be found on page 5 of the report accompanying the bill before us:

> The committee could follow the route of indiscriminate reductions for the purpose of effecting economies but such a course might result in the serious crippling of essential functions or in nullifying the remainder of the appropriation carried for such an activity. On the other hand, the committee can follow a basic approach which preserves the essential functions, eliminates those which are not regarded as indispensable, and reduces waste, extravagance, and duplication with constant emphasis upon those research activities which in the judgment of the committee are regarded as essential.

In our determination to reduce the cost of Government, to balance the budget and to reduce taxes, the Committee on Appropriations is not recommending indiscriminate reductions in expenditures, as some would have the people believe. As I believe I stated on previous occasions on this floor, some justification can be found for practically every expenditure; but we must determine what is necessary and what is a luxury that we cannot afford. We must select the things that are essential and eliminate the unessential. To economize we simply must have the will to economize.

When the New Deal came into control of the Government our annual budget was only $4,500,000,000. We then entered upon the so-called spend-and-elect policy, and the average budget before the war amounted to $10,000,000,000. The budget submitted to Congress last January by President Truman for the next fiscal year, beginning July 1, 1947, called for $37,500,000,000. In other words, 2 years after the war the Administration proposed to spend three times the average expenditure before the war. It just does not make sense, and particularly considering the fact that we have a national debt of $268,000,000,000.

It is most unfortunate that the administration is unwilling to cooperate with the Congress in placing the country on a sound fiscal basis. President Truman has publicly stated that his $37,500,000,000 budget should not be reduced. We have had very little cooperation from the departments and bureaus in our ef-

forts to find ways and means to cut expenses. And every appropriation bill that has come to this floor has encountered amendments offered by the Democrats to increase the respective items that have been cut.

Our Democratic friends have made some very fine speeches about how they believe in economy; but, as the record shows, they have for the most part voted against every saving proposed. It is my conviction, however, that in reducing the Government expenditures we are complying with the wishes of the great mass of American people.

The bill under consideration is the sixth regular appropriation bill, as distinguished from the deficiency bills, reported by the Committee on Appropriations. Five have passed the House and one of them has also passed the Senate. The savings made in these respective bills are as follows:

Labor-Federal Security	$103,415,959
Treasury-Post Office	897,072,750
Interior	134,006,907
State-Justice-Commerce - Judiciary	159,650,451
Navy	377,519,200
Agriculture	383,427,742

As of the moment, the Congress has reduced the proposed expenditures for the next fiscal year by $2,055,093,009. We have thus made a very substantial beginning for placing the Government on a peacetime basis. Not a single essential function of the Government will be impaired by any of these cuts in the appropriations. Insofar as I am personally concerned, I believe that even larger cuts could be made in certain items. But the progress that has been made, considering the opposition from the administration and various pressure groups to any reductions, is indeed gratifying.

A reduction in the Government expenditures automatically reduces the number of persons on the Federal pay roll. This, in itself, will eliminate many bureaucrats who have perplexed, harassed, annoyed, and even retarded business with their complicated regulations and countless forms.

By thus reducing Government expenditures, we are able to give our people relief from the heavy burden of taxes, and at the same time reduce the national debt. Taxes have become so high that there is very little incentive for starting a new business or expanding an existing one. As demonstrated in the last war, the productive strength of the United States comes from the thousands of small companies. If we are to have an expanding economy, these small companies must be encouraged to grow and new ones must be brought into existence.

I do not at this time intend to get into a discussion of the effect of high taxes on American production. But I do wish to emphasize that the very first step in any program for making our system of private enterprise function—that all the people may enjoy a higher standard of living—is to eliminate waste and extravagance in Government spending.

I am proud to be a member of the Committee on Appropriations, which is pursuing this objective, and I am confident that the House will uphold the committee on its work. Doubtless some of you have special interest in certain items in this bill and would like to see larger sums appropriated. But in any economy program all of us, whatever our interests, must make certain sacrifices for the common good.

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. PRICE].

RURAL ELECTRIFICATION PROGRAM

Mr. PRICE of Illinois. Mr. Chairman, I want to address myself to two features of the agriculture appropriation bill in which Illinois farmers are greatly interested—rural electrification and the soil-conservation program.

Rural electrification is on the threshold of its greatest opportunity for progress. Construction, retarded by war and shortages of manpower and materials, is now able to move forward again at an accelerated pace. Two and a half million farm families still are without electric service and they are waiting impatiently for the light and power that they have seen applied so profitably on other farms in this country.

Yet in the face of this great unfinished job, this House is being asked to cut back the rural electrification program. The agriculture appropriation bill proposes to make this cut-back in two ways. First the bill proposes to reduce the REA loan funds by $25,000,000. There are some who are under the delusion that there is no reduction being made in these loan funds. The fact of the matter is that REA under the bill as it now stands would have $25,000,000 less money to lend for rural electrification. Second, the bill proposes to make a slash of nearly 30 percent in the REA administrative appropriation, a slash so deep that the whole program will be slowed down.

POWER LOBBY INTERESTED

This is not the time to be putting the brakes on rural electrification.

Let me quote from a letter I received a few days ago from a constituent, Mr. Martin Schaefer of Hoyleton, Ill.:

It seems to me—

He writes—

that we have a large number of Members in Congress inexperienced in farm problems who together with those people representing the large power interest are trying to deprive about one-half of our farmers the right to enjoy the standard of living the other half enjoys.

This man then points out that the REA funds are merely loan funds, not appropriations. He goes on to say:

All Congress does is to set aside money to be loaned to REA co-ops which must be repaid with interest. What reason is there to cut this amount to be loaned?

He asks with good reason, and goes on to say:

We pay monthly installments on the loan. On top of it Uncle Sam's got a mortgage which means we don't own anything till the last pole is paid for plus every cent of interest. I can't understand that any Member of Congress could even think of curtailing or stopping such a program.

FARMERS ENTITLED TO BENEFITS

I want to read just one more paragraph:

It seems they have money for witch hunting and frankly I feel that just things like this are what creates Communists. Nobody can undermine our Government from the outside. It must come from within and I think actions like this make Communists when one American farmer can have things which Congress denies his neighbor. It's not hard to make a Communist out of a person who is denied the necessities and comforts of life. When you deny lights, homes, roads, health, etc., to one, and give it to another, you get dissatisfaction, hatred, jealousy, and all the means to destroy our Government, and I hope that your long experience will not permit you to go overboard with those who deny those things that make a happy, healthy Nation.

This letter came to me unsolicited. It shows the people back home are watching us here in Washington.

Let us consider that thought before we undertake to damage the great program of rural electrification.

Funds for adequate administration are necessary to the sound operation of any lending program. No banker would be so foolhardy as to lend his money unless he made sure his loans stood an excellent chance of being repaid.

In addition to making new loans on a sound basis and on a basis that will best advance rural electrification, REA must meet the costs of administering loans already made. It is custodian of the Government's interest in more than $1,000,000,000 in loans made up to now.

I know of no other Government program—or any comparable business enterprise—which is doing as economical and as effective a job. As the record shows, this program is being conducted with about one employee, including messengers and clerical employees, for each borrower. And the average borrower is a $1,000,000 enterprise.

REA HAS ENVIABLE RECORD

I challenge anyone to cite a private-lending institution with such a record. The comparison is even more dramatic when it is remembered that most agencies make loans on a well-established basis for not more than 60 percent of the value of the property mortgaged. REA, on the other hand, is making 100-percent loans to new enterprises. And up to now more than $20,000,000 have been paid ahead of schedule, while delinquencies have been negligible.

Everybody is for rural electrification. Even the power company interests who come before our committees say it is a good thing, but at the same time there are many who are trying to rob the program of its effectiveness. It takes more than nice words to keep rural electrification going forward. This means we must provide adequate administrative funds not only to assure sound lending but sound administration of the entire program. It is false economy to do otherwise. The taxpayers have every right to expect the Government to give as much attention to its loans as a private lending institution does. This attention is necessary in order that the rural-electrification program can continue to

move forward on the sound basis that has been established and in order that service can be brought to the two and one-half million farm families still living in the kerosene age.

Let us not be penny-wise and pound-foolish.

SOIL CONSERVATION SERVICE

In my opinion, the proposed cut in the funds for the Soil Conservation Service cuts at the most fundamental part of the agricultural program. The land is the foundation of our agriculture. For generations we neglected it. Finally, after we had experienced giant dust storms, the most devastating floods in our history, and watched tons and acres of our finest land wash down the rivers into the Gulf of Mexico, we decided to do something about it. We were already a hundred years late, but everyone agreed that there was still time if we worked hard and fast.

During the past 10 to 12 years we have made the most remarkable conservation progress of any natior in history. It is true we are still losing our soil over millions of acres every year, but we are also cutting down the rate every year. If we keep at it and support this program, we can put a stop to the waste of erosion, for all practical purposes.

But what does the committee recommend? It would have us cut the appropriation for the Soil Conservation Service by $5,437,000 below the budget estimate, and $5,300,000 below the appropriation granted the Service for the present fiscal year.

VALUABLE AND NECESSARY SERVICE

Almost all of the money appropriated to this Service is used to employ people. And 93 percent of the people hired by this Service are doing technical work of various kinds, expert work, that is directly helping farmers apply sound conservation measures to their land. This, I say, is a valuable and necessary service. It has won the widespread approval of farmers and city people alike. It is a service that is protecting the productive capacity of American agriculture.

Somewhere along the line somebody must have misinformed the committee, because in their report on this bill they say that we do not need as much technical assistance in soil conservation districts now as we did when the districts were new. That, I submit, is a highly erroneous point of view. I have three of the finest soil conservation districts in the country in my congressional district and they have made outstanding progress. But they are actually just getting started. They have 10 or 20 years of hard work ahead of them. Every one of these years, the farmers are going to need the help of these Soil Conservation Service technicians if they are going to do their job right.

The committee seemed to be laboring under the impresison that the Soil Conservation Service sends its men into an area to hold meetings and do educational work. That is certainly not the case. Our State Extension Service does the educational job. What the Soil Conservation Service provides is expert technical assistance to the individual farmer—one farmer after another—in working out the detailed soil and water conservation problems he has on his farm. No other agency of Government does this job.

WORK MUST BE DONE IN FIELD

I know from the experience in my own district that this is the kind of work that has to be done field by field. And you have to go right out onto each field—analyze it thoroughly and build your conservation measures accordingly. It is a painstaking job and one that is going to take some time. It is also going to take some money—but as long as we are going to spend money on agriculture, where can we spend it better, for the most lasting results, than in the protection of our land? What good will it do us to take care of everything else in agriculture if we let our land wash away in the meantime?

There is only one way to conserve our farmlands and stop erosion: That is to put the land experts out there where they can work in soil conservation districts—helping one farmer after another until the whole job is done.

If the Soil Conservation Service is restricted to the funds proposed by the committee it will be forced, according to my information, to cut its assistance to soil conservation districts by 22 percent under the amount furnished this year. Unless we grant the Soil Conservation Service more money—at least enough to work with all the soil conservation districts of the country—we will be undercutting the soil conservation program and falling down on the farmers who want to protect their lands against erosion.

That simply does not make good sense. If we must make these big cuts in the agricultural program, let us make them somewhere in the superstructure. Let us not undermine the foundation of the whole thing.

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. WORLEY].

AMERICAN AGRICULTURE AT THE CROSSROADS

Mr. WORLEY. Mr. Chairman, a distinguished writer once called the parable of the prodigal son the most perfect story plot ever contrived. That parable has provided the framework for the story of human frailties many times in many forms. It provides an ideal framework for the story of American political life of the last decade and a half. Let me tell you the story of American agriculture and American political parties in that framework.

There was a great Nation called the United States. And this Nation had two great political parties. One was called the Democratic Party, and the other was called the Republican Party. Now the Republican Party in the year 1920 said to the Nation, "Give me that part of the estate which is mine. Give me the rulership of this Nation. The Democratic Party has had it long enough."

And the Nation—foolishly—did as it was asked. It gave to the Republicans the rich inheritance of leadership of the land which had become the wealthiest and the strongest on earth.

But, alas, this party encouraged lavish and worthless investments in far-off countries. It watched the paper values of the exchanges on Wall Street rise high on the hot wind of speculation. It looked at the ticker tape and clapped its hands and said, "All is right with the world. Such and such a stock is up another five points."

Yes; stocks on the market exchanges were up. And that seemed good indeed. But stocks on the farm were up, too—piling up year by year in mountainous surpluses of cotton and wheat—and that was bad, because as the surpluses grew, the prices shrank until taxes, mortgages, and interest ate up all the income, and farmers were knocked into bankruptcy like tenpins by the big black ball of economic depression.

First it was only the farmers. But then, like a great dark cloud, economic catastrophe overtook the speculators in the exchanges, and the manufacturers, bankers, and merchants in the markets, and the laborers and clerks in their humble homes. A terrible famine of jobs and profits spread over the whole land. The price of wheat was never so low in three centuries as it was then. The value of farm exports was never so low in well-nigh 50 years. The buying power of farmers' products fell to about half their pre-World War level. The farm fourth of the Nation virtually ceased to be customers for city goods.

Desperate in the effort to hold their properties, farmers mined the soil, frantically endeavoring to dig up, as if by the roots, enough cash to meet their costs of interest and taxes. And millions of acres lost fertility and topsoil while farmers lost their homes and their land.

Agriculture was prostrate.

Mr. Chairman, the low state to which agriculture had fallen by 1932 is not easily forgotten. In that year farm operators went bankrupt at a rate of one every 2 minutes—and this they did 24 hours a day and 7 days a week. Many farm laborers were glad to work for room and board. Mortgage debt alone took a tenth of the farmer's gross income—to say nothing of taxes and other costs.

The average price of a bushel of wheat fell to 38 cents; corn to 32 cents; oats to 16 cents. The price of a pound of tobacco was 11 cents; cotton, 7 cents; beef, 4 cents; hogs, 3 cents.

And the carry-over of cotton rose almost fourfold in less than a decade, so that the people of my own State of Texas and of the whole South trembled on the brink of wholesale bankruptcy.

And over the radio punsters quipped, with an undertone of fear in their voices, about signs in public places being changed from "Keep off the grass" to "Don't eat the grass."

The Republican Party had dissipated the Nation's economy. Such was the inheritance of the Democratic Party when called upon by the people to rehabilitate a prostrate Nation.

Then began the long struggle which has brought to this Nation the greatest agricultural prosperity it has ever known.

Net income from agriculture last year was not two or three times, but eight times as great as in 1932.

Foreclosures and assignments were reduced not to one-half or one-fourth of the number in 1932, but to one-twentieth.

From near collapse, American agriculture has today reached a position where it is a hundred-billion-dollar-plus industry, where its quick assets of currency, bank deposits, and Government bonds total some twenty billions, where farmers have a 93 percent equity in their business.

What a difference.

From a level of about 50 percent below parity in 1932, farm prices climbed to 32 percent above parity in October 1946.

From a condition in which the elephant heel of surpluses, of cotton and wheat particularly, were crushing the life out of agriculture, we have today only a normal carry-over of wheat and no more Commodity Credit Corporation cotton to sell.

From a total mortgage debt of about $9,000,000,000 in 1932—and a negligible amount of quick assets—agriculture in mid-1946 had a total mortgage debt of little more than five billions—and quick assets nearly four times that amount.

In 1932 agriculture was flat broke. In 1946 it was richer than at any time in history.

What a difference!

And how that difference is making itself felt. Mr. Chairman, in 1932 farmers were no longer sizable customers for tractors and trucks, for new homes and barns, for furniture and clothing. But today, manufacturers and merchants can hear the jingle jangle of coins in farmers' jeans—and back of those coins are plenty of rectangular green-backed pieces of paper that fall soundlessly but joyously into the cash registers, even as the gentle dew from heaven.

Farmers want tractors—200,000 a year a survey showed, for 3 years after the war's end.

Farmers want trucks and cars—a billion dollars' worth.

Farmers want building improvements—another billion dollars' worth.

Farmers want household goods—$400,000,000 worth a year for 3 years after the war.

And they have the cold cash to back up their wants in a way that gives solid assurance of an era of continued prosperity.

What a difference!

Admittedly, the war was a big factor in the booming prosperity many farmers have enjoyed these last 5 years. But prosperity was well on the way long before Pearl Harbor—long before war broke out in Europe. The growth of buying power of the American farmer started in 1933.

I am not going to recite the details of that climb and of the sweeping agricultural legislation that helped farmers to climb out of the depression. I am merely going to put into a few sentences the highlights of what has been accomplished, using my own State of Texas as an example.

First. The agricultural adjustment program helped farmers produce in accordance with the needs of the people. It enabled them to set up a complete ever-normal granary program which supported prices of basic crops and maintained stable reserves. It made it possible for farmers to use soil-conserving practices that added untold wealth to the Nation's natural resources. Did that program pay dividends? I have heard it said that the ever-normal granary alone meant as much to the Nation in the winning of the war as an extra army or an extra fleet of ships.

Second. Under the national soil-conservation program 30,000,000 acres have been devoted to organized conservation. In 1945 more than half the Nation's farms, containing three-quarters of our cropland, participated in carrying out soil-conserving or erosion-preventing practices. Under this program and the adjustment program, American farmers built up a bank of fertility and they drew upon it heavily to help win the war. Did it pay? In Texas alone some 40,000 farms covering 15,000,000 acres have been aided by the Soil Conservation Service in applying conservation plans. A survey of typical farmers showed that soil conservation enabled them to step up their yields per acre by an average of 26.5 percent.

Third. The farm-credit programs during the tough going of the 1930's helped farmers refinance their mortgages, reduce their interest payments, and keep their farms. Did that pay? In Texas 250,000 Farm Credit and Production Credit Association loans were made in amounts totaling $725,000,000.

Fourth. The farm-security program helped farm tenants become owners and small farm owners to improve their economic position either by getting additional land or by more efficient farming. Did that pay? I wish the 87,000 Texas farmers who received rehabilitation loans were here to answer that question. I wish the 4,000 farmers who took out farm-ownership loans were here to tell you. Already nine-tenths of the principal of the rehabilitation loans has been repaid and the tenant purchase borrowers have paid up 86 percent more than would be required on the basis of equal annual installments to pay their loans in full in 40 years.

Fifth. The rural electrification program brought power and light to millions of American farmers, helping them to increase their production efficiency and to improve their living standards. In Texas alone, from the beginning of the Rural Electrification Administration in 1935 until the end of 1945, a total of $53,500,000 was loaned to provide electric power to farmers. REA loans were used to construct 44,000 miles of distribution lines serving 114,000 consumers in rural Texas. At the end of 1945, REA borrowers in the State had met all interest and principal payments due on their loans and had paid $1,200,000 on principal ahead of due dates. Did it pay? Here is an interesting fact. Eleven years ago when the rural electrification program was started, only about 1 Texas farmer out of 50 had electrical service. That proportion has been stepped up to 1 out of 3. For the whole Nation, the proportion of farms with electricity has risen from about 10 percent to close to 50 percent.

Mr. Chairman, I could go on for a long time talking about the marketing agreements, about water facilities, and flood control, about price supports, commodity loans, and conservation payments. I could talk about the farm-labor program that in 1945 helped more than 77,000 Texas farmers secure workers. I could talk about the research programs which have paid such big dividends to the Nation—hybrid corn seed, for example, or the production of penicillin in commercial quantities, or the development of dusts and sprays containing DDT.

But I am going to pass over all of those features and mention simply the protection farmers are given under the so-called Steagall amendment, which assures price support for major agricultural commodities at 90 percent of parity or higher until January 1, 1949. Thus, American agriculture is protected by a floor under prices. We all know why this measure was adopted. It was adopted because our Democratic Party was determined that American farmers should not again be the forgotten men they were after the other World War. It was adopted because looming very big in the minds of the President and the Congress was the memory of the terrible collapse of farm prices in 1920 and 1921. In less than a year, at that time, farm prices plummeted down more than 40 percent.

That is not happening this time.

Well, there is the record. There are the facts. As has been said: "The farmer and the farmer's family can measure for themselves the vast difference between the desperation which was theirs and the recovery which is theirs." Surely the record—in peace and war alike—is good.

And today the people of this Nation are enjoying the greatest abundance of the products of the farm they have ever known.

Let me again cite the record. With fewer farms and with 10 percent fewer workers than in prewar, with shortages of machinery and materials, without plowing up the parks and plains, American agriculture during World War II stepped up production more than one-third, sent up to one-fourth of its products off to war, and at the same time fed civilians 10 percent better than in peacetime.

Not only that, but year by year and every year—beginning not in 1942 or in 1940 but away back in 1937 and going right through the war—American agriculture set new production records every year. Every year a new record. Every year more food than the year before. Meat production jumped by about one-half over the 1935–39 average, and egg production by about three-fifths. Commercial truck crops increased by about two-fifths. Output of some of the war-valuable vegetable oil crops, such as soybeans and flaxseed, tripled or more than tripled.

And how was it done? Not by putting on three shifts. First, there was not have made much difference anyway, be-labor available and, second, it would not cause three shifts cannot make the land produce and the sun and rain work any faster.

It was done by long hours, by hard work, by technological improvement—and by a legislative program that helped the farmer go all-out.

It was possible only because agriculture had been snatched from the near death of the early 1930's and restored to the vitality and good health of the 1940's.

Now that is a long story about agricultural progress and prosperity. It is a story that should be of great interest to our Republican colleagues because it is the picture of the sound, healthy agricultural situation which they, as members of the dominant party, are inheriting as we begin this year 1947. Will they keep it that way during their tenure of office? It cannot be done by trusting to luck and ignoring the farmer's problems as they have done many times in the past.

Mr. Chairman, there are many problems to be decided about the future—such problems as making full use of the farmers' remarkable increase in productive capacity. Inevitably, there must be readjustment from a wartime to a peacetime production pattern. In times past, the inability to change pace, to shift gears, has been agriculture's biggest handicap. In the last 14 years, however, farmers have learned much about the necessity for making production fit demand—something that industry has long recognized. They have built up the machinery to make that adjustment through the legislative programs and particularly through the national production goals.

Thus, during the war the goals helped farmers produce the tremendous quantities of meat, milk, wheat, corn, cotton, eggs, and other strategic foods that a fighting nation requires. Now with the return of peace the goals are helping agriculture emphasize such production as is most needed.

To make the goal mechanism work, there obviously must be unified action. There must be leadership. In the case of depressed markets, there must be income protection. All these requirements can be provided only by a continuation of full-fledged cooperation between farmers and Government.

Another outstanding problem—a continuing problem and one which farmers have already made a good start in solving—is that of soil and water waste which in the first one-third of this country made almost a million acres a year unfit for further cultivation.

The conservation job is well underway, but there still is a big job ahead. The task of applying the basic soil and water saving measures will take years and—in the interests of the whole American people—there must be no slackening of the work.

And then there is the problem of regaining adequate foreign trade in farm commodities. By means of the World Bank and various international agreements, the Government is endeavoring to help agriculture build up international commerce. The Food and Agriculture Organization of the United Nations is another phase of the world-wide effort to make agriculture strong and prosperous so that hunger may eventually be banished from the earth along with the great threat to peace that hunger inevitably carries with it.

The whole marketing picture needs to be examined and in some ways revamped. The recent Democratic Congress took a big step in this direction with the Agricultural Research and Marketing Act, authorizing widespread research to discover new uses for farm products, new markets for old products, new methods in making distribution of farm commodities not only more efficient but also more profitable.

But the most fundamental factor in the maintenance of a prosperous and healthy agriculture is a continuance of a full employment, full production economy.

This is the most elementary economics. The income of the 25,000,000 farm people must come primarily from the spending of the 115,000,000 city, town, and village people. The amount of food money in the city wage earner's pocket is one of the measuring sticks of the farmer's prosperity. In a full employment economy where the wage level is good, much of our new-found agricultural productivity can and will be absorbed.

During the depression a large proportion of city, town, and village people could not buy anywhere near the amount of food they wanted. Millions were seriously undernourished. The effects of their malnutrition were evident not only in lowered health standards but in reduced farm income.

Here is a challenge that should call forth the best that is in us. This great Nation is capable of producing enough food to provide its people with a good diet. The importance of good diet to national health and strength is a fact we cannot afford to ignore. It remains for all of us to make sure that the American people have the means of purchasing the food which farmers are so capable of producing.

We have made great progress toward the goals of security, opportunity, and prosperity. Whatever lies beyond the veil that hides the future from our eyes, this much at least is assured: Never in all American history has agriculture been so well prepared to adjust its operations to demand. Never has it been better able to plan a wise use of the land to provide continuous, abundant, profitable production for the needs of the whole people.

That, I am sure, is the conclusion that even the Republican Party must draw after a good look at the Democratic record.

For the welfare of American agriculture and of the whole Nation, I sincerely hope that the Republican Party will not allow their inheritance of a sound and prosperous agricultural situation to be frittered away.

Mr. Chairman, nothing is more fundamental than to keep agriculture, the backbone of the Nation's economy, straight and strong. But today American agriculture is at the crossroads. It can continue strong and healthy or it can sink into the shabby doldrums of the early thirties. The legislative responsibility of the majority party cannot be alibied or escaped, and if the bill which we are considering today—which arbitrarily cuts, slashes, or eliminates these measures which have been so important to American agriculture—is any indication of the policy which the Republicans intend to follow, then the outlook for agriculture is indeed black.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Chairman, I want to discuss some of the forest conservation items in the Forest Service appropriation as shown in H. R. 3601.

Those of us who have been in close touch, for many years, with the work of the Forest Service are concerned by the action taken by the committee. The necessity for developing our forest wealth to the maximum needs no lengthy exposition. The story has been heard frequently on the floors of this Congress.

I am particularly concerned about some of the specific cuts the committee has made. A deep cut in national-forest administration, the great part of which is designed to increase present timber sale business, is short-sighted. I question the committee's comment that a good deal of this is a reduction merely in paper work. Much of this reduction will be felt in the ranger and supervisor jobs, where the ultimate work of the Service must be done. If we want to build our national forests up we cannot reduce in the forces needed to put good management into practice.

I am also concerned about two reductions made in the research items. One deals with the work of the Madison Laboratory. It is regrettable that this cut has been made and the reasons given by the committee that the laboratory has not enjoyed the esteem of the Congress and that its work is academic and visionary seem to me to be quite contrary to the facts. The Laboratory has an enviable reputation for having pioneered and for having advanced the whole field of forest products in America. Its reputation extends beyond the boundaries of America as an outstanding institution, particularly for its contributions to the war. This was accomplished because it was able to draw upon a large backlog of research work. The basic work that the laboratory has advanced has been, and will continue to be, translated into practical things by industry. I want to call attention to some things that are not visionary or impractical accomplishments of the laboratory: They developed the semi-chemical-pulping process now in use, which makes possible pulping of species never used before and with higher yields per cord of wood. This will have real importance if we are to meet the existing paper shortage. The work of the laboratory on converting waste material to yeast and alcohol is now bringing to the field a new industry of considerable importance.

May I say right here that some 3 weeks ago I visited a plant newly erected in Springfield, Oreg., which was producing alcohol, good 192 proof ethyl alcohol from sawdust. This plant at Springfield, Oreg., is a full-scale commercial plant producing some 4,000,000 gallons a year, or it will produce that much when it gets into full production, and it was made possible only because of the Madison Laboratory work on the pilot plant. The work on laminated woods and new packaging techniques furnished the Navy and the Army sources of material for their

war needs—material which they never had before and when they needed it most. Those of us in the West who have profited by the findings of the laboratory would feel that it is a mistake to decrease the work at this time.

The other research cut deals with the Forest Survey, which aims to give a sound inventory of our resources, our requirements, and our drains. This work, too, cannot be characterized, as the committee has done, as academic and lacking in practical value. It has been of inestimable value in the Pacific Northwest, where the original survey is completed and is now being maintained. Similar data are needed for all the forest lands of the United States.

Mr. CANNON. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. WHITTEN], a member of the committee, 30 minutes.

Mr. WHITTEN. Mr. Chairman, as we come to the consideration of this Agricultural Appropriation Act for the fiscal year 1948, there are a number of curious things in connection with it. I have served on this committee for some several years now and with the members of the Republican majority who were on this committee prior to this year.

The surprising thing when we read this report is that practically every program that has been absolutely ruined in this bill was approved and subscribed to by the Republican members of the subcommittee no later than last year. Having approved these programs last year, it is surprising that we find this year these same gentlemen coming into the Congress with a bill which virtually ruins those programs. Looking back over the situation we may be able to find some explanation for that. Last year this bill was considered shortly before the election. It was then their hope that the Republican Party would recapture control of the House of Representatives and of the Senate. Of course, it is a matter of history that they did so capture control of both of these bodies. The majority of the Members of the House and of the Senate from agricultural regions other than the South are in the Republican Party.

Shortly after that election in November we began to read in the press that the Republican Party came back on the basis it was going to reduce expenditures. That is a worthy objective. Since I have been a Member of this House I have tried to vote for economy in Government. When we got here in January, however, we learned what it was intended to do with these savings that they were going to make through a cut in expenditures. When these four committees met to adopt this $6,000,000,000 reduction, of course that was not binding, but it read good. It read like it was carrying out the mandate of the people to the Republican Party. At that meeting we on the Democratic side tried to provide that such savings as were made would be applied to retirement of the national debt. We understand what it means to do without in order to pay what you owe. Nearly all of us as individuals have had that experience.

In the meeting of these four committees over which the Republicans had control, they refused to provide that the money which was saved would be applied to reduction of the national debt. We saw from the press that another of their promises to the American people was to reduce the income tax. So this $6,000,000,000 cut was tied in with what was then known as the Knutson bill. Under that bill, a man with a $300,000 income would have gotten an increase in his carry-home pay of as much as 69 percent. The small fellow who got $1,000 would have gotten an increase of 2.1 percent and the man with a $10,000 income only 6.1 percent.

In carrying out this commitment, where did they start out in January to get this money, not to apply on the national debt but to be used in passing the Knutson bill which got too hot for them. They passed a bill, however, that is virtually no better. Where did they start out in January to get that money?

When they called the House Appropriations Committee together we first noticed it. When they set up the subcommittees, in every instance but 1, in 10 of them to be exact, there was a division of 4 Republicans to 3 Democrats. But when they got to the Agriculture Subcommittee on Appropriations there was a division of 5 Republicans to 3 Democrats. I tell you, Mr. Chairman, this bill and certain phases of it was a direct result of that overwhelming vote on this committee of 5 Republicans to 3 Democrats. So we can see back in January there was some intent to see that these cuts were made and applied to agriculture, and they were used to pass this tax bill that now rests in the other body.

There is another thing that is most unusual here. Back in February, of all the subcomittees of the Appropriations Committees there was only one that I know of where the chairman of the committee then before any hearings submitted to the committee how much the cuts were going to be and where they were going to be made. That was done by the chairman of this Subcommittee on Agricultural Appropriations. Of course, when the news got out that he planned to provide no funds for research in utilization and marketing of agricultural products as authorized under the Hope-Flannagan bill, when it got out that it called for the elimination of the school-lunch program, when they learned it would do away with a great deal of the Rural Electrification Administration, of course, when the heat got too strong with regard to those three segments of the bill, they were not treated as they announced they were going to be treated in February, and some provision is made in this bill for those programs, although the bill is inadequate in my judgment.

Now, there is another thing that I think might be called to your attention and that is this: After this committee had been in session for 8 weeks, after we had marked up the bill, after the clerks had printed the hearings, after the report had been prepared and the tables compiled, 10 days after all that had been done, on last Monday, there was a meeting of the Republican steering committee, and in the press the next morning there was a statement that the Republicans were falling far behind in their efforts to make it possible to pass their tax bill and what do we find when that statement appeared in the press? We find the very next day this committee, having completed its labors 10 days before, and though these five gentlemen—and they are most estimable gentlemen—on the Republican side had taken their knife and applied it to the Department after 8 weeks of hearing witnesses, and after having done what I feel sure they believed was a good job, after having reduced the Department $337,000,000—10 days after that, when the Republican steering committee had met and determined that they had to go back and cut some more if they were going to be able to pass this tax bill, the first committee that was called back was the Committee on Appropriations for Agriculture, and we met in session on Wednesday, and there, too late to get what we did in the report, they adopted four amendments. One of those did away with the farm-tenant purchase program under the Farmers' Home Administration. They said to the 49,000 veterans who made applications for loans under their program, and they said to the 35,000 who now have their applications in the process of being approved, "We have cut you off because we have got to have the money for the tax-reduction bill." There is no fund for that for the next year. And they looked at the triple A and they said, "Why, under the triple A program you are not supposed to get payments unless you do certain things for yourselves and for your own land. It has cost you about $2 for each dollar that the Government promised to pay." They said, "We need some more money, so instead of having to prove that you did this work, you just come in and say you did it and we will give you the money so that we can cut $8,000,000 more and make that available for this tax bill." That was done.

Then we come to crop insurance. The testimony from the Department was that it would take $4,000,000 to wind up the affairs of the crop insurance program, but in their need for additional funds, they cut the $2,000,000 that they had earlier allowed to $1,000,000. Even though the present chairman of the committee last year, when they were trying to reduce the administrative fund for the Farmers' Home Administration, then the Farm Security Administration, when he spoke against a simple cut of $1,000,000, from $24,000,000 to $23,000,000, said "I will not be a party to meat-ax methods of reducing expenditures." Notwithstanding that, when this committee met, it went into that phase of this program and the administrative fund is cut approximately 40 percent when they have outstanding loans of more than $800,000,000 that must be serviced and should be collected.

Here is something I want you to keep in mind, and this is most unsuual. There were two little items that came up in that meeting of the rump committee, as some people have termed these callbacks. At the same meeting held about 10 days after the business affairs of the committee were over there were two little bills of $7,500 which two good members of that party wanted to get through. The Department had not sent them down.

They had not even considered them. The Bureau of the Budget did not send them down. They had not considered them. Now, do not misunderstand me. I am not opposed to consideration of requests of individual Members who know the situation and who have a personal interest in presenting these matters, but 10 days after the committee was through, and when they were called back to strike out $40,000,000 more out of the appropriation for agriculture, they spend their time approving two additional projects that individual members of the Republican Party were interested in of $7,500 each. That was a part of the committee action.

But, here is the unusual circumstance connected with this, gentlemen. When the whole committee met and the Republican members of this subcommittee submitted in writing the action of the subcommittee in which they wiped out this $40,000,000, lo and behold these two little bills that were stirred up to take care of individual Members, without any showing at all, had been overlooked. When I asked the question as to why they were not included, it was said, "Why, they were adopted so late that we could not bring them here without having to mess up the entire tabulations and tables. We could not figure them through these reports."

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. In just a moment.

Of course, my question then was, "How could you figure the $40,000,000 that you cut away back through these reports, when they were adopted the same morning?" We have had no real answer to that as yet. You are bound to reach the conclusion that it was determined that it might be a little embarrassing, but I doubt that that would embarrass any group who would come here this year and absolutely destroy several of the farm programs which they sponsored and approved less than a year ago and preceding the last election.

I now yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman has in part answered the question I have not asked. As I recall, the reason for the two items to which the gentleman refers was that the matters had come up after the bill was closed. I thought perhaps the gentleman also wanted to include in the list the money we voted to repair the damages due to the Oklahoma tornado, which came up at the same time and which was included at the same time.

Mr. WHITTEN. Does the gentleman mean to indicate that they are of somewhat the same nature, the Oklahoma situation and that in the gentleman's district and that in the district of the gentlewoman from Ohio?

Mr. PHILLIPS of California. I am quite sure the gentleman wants to be accurate, and will say it was not in this gentleman's district.

Mr. WHITTEN. In the gentleman's State; perhaps I am in error.

Mr. PHILLIPS of California. I thank the gentleman, but we have 23 Congressmen in California.

Mr. WHITTEN. Yes, and we feel the weight of their votes sometimes, as we apparently did this morning in the vote on the rule.

I have never opposed any cuts in the Department of Agriculture. I believe I have a good record here in economy. I subscribe to most of the reductions in this bill if they were properly applied. But to show you that the cuts in this Department are a result of the pressures of the announcement of certain political leaders in the Republican Party, read this bill, and you will not see where there is any case where there must be a reduction in personnel, with one exception, and that is that in the Information Service it is limited to 250 people.

When they set out to absolutely ruin the Soil Conservation Service and the triple-A payments because of the duplication between those agencies and the Extension Service, I said, "Gentlemen, do not ruin a service to the American people. If there are faults and duplications that ought to be eliminated, and I agree with you that there are, this committee should consolidate all those supervisory and administrative personnel, and I will go along with you in doing that." But no, they were not interested in that, they just cut the total amount of money, because what is necessary is to show up with the funds.

I tried to do that throughout this bill. When they got to the REA, the chief objection, and you gentlemen will bear me out, to the REA appropriation for administrative funds was objections to certain people who have to do with that administration. I do not believe there is a Member of this House who would intentionally—I do not know what the pressures are from the national party, never having undergone such pressures myself, but I do not believe in the face of any pressure from any party that any man from an agricultural region would have the courage to cut down the expansion of the Rural Electrification Administration, as much as it means to the rural people of this country. But I think it must be agreed that the chief reason for this cut in the administrative expenses of the REA was a disagreement with, dislike of, or failure to appreciate the capacity of certain people who have to do with this operation. Of course, there could be real merit to that with regard to a few people. I do not know, many of them are able, conscientious administrators, but I do say that I tried to get the majority members of this committee to bring the Secretary of Agriculture in here. I said to the committee, "If there is something wrong with the administration of this agency, let us correct it, but let us not cut out a service to the American people, let us not cripple an agency here which means more to the farm people and those who live in rural areas than almost anything that has been done in this Government."

One of the biggest reasons for the necessity of setting up this administration in the outset was because the utility companies had gone into the more populous areas and gotten the so-called cream of the crop. The first local REA associations quite naturally were set up in the more populous areas. The first lines built were through the more populous areas, and it is only during the last few years that proper attention has been given to area coverage and to planning so that eventually this service can be given to all rural people. Mr. Chairman, I would like to call attention also to the fact that when a local REA association borrows money from the Government, makes its original plan, and has it approved, that the Rural Electrification Administration is without power to expand their service and carry their lines to other areas where they give additional service to still more people. However, the Rural Electrification Administration does have an opportunity to do that when the additional loans are requested, the so-called class B loans. Under the law, once the local co-op is created, expansion is in the hands of the directors and manager of the local association. Certainly they should, and I believe they do, want to expand this service to their neighbors and to others in their own area who have been unable to get current. But we need the national administration to assist in making available poles, transformers, and materials, and to see in this time of shortage that all of that does not go into the hands of the utility companies. Most of these directors are not experienced engineers, and they need the benefit of the national association and engineers for planning so that eventually the line can be built economically to all rural people of the Nation, and yet though practically all the money requested for loan authority is made available, the fund for the rural electrification is reduced by one-third.

The first of this year there were two and one-half million farm families still living without electric light and power. It is estimated that in addition to these unelectrified farms there are more than 2,000,000 rural establishments such as schools, crossroads business places, and rural dwellings not on farms that do not have high-line power.

Few counties, even in the most prosperous areas, have completed their rural electrification. While a big and difficult part of the job remaining is in the less densely settled areas of the West, it is a fact that almost 60 percent of the unelectrified farms are east of the Mississippi River. The States of New York, Pennsylvania, Ohio, and West Virginia, as a group, have more unelectrified farms than all of the 11 westernmost States together.

Nine States each have more than 120,000 farms still awaiting the highlines. In each of 18 States there are more than 60,000 farms without electricity.

These figures give an indication of the magnitude of what has yet to be done. The REA today has a backlog of applications for rural-electrification loans totaling $237,000,000 and will have $270,000,000 at the end of the fiscal year. Farmers in every State and every community are insisting that they be given the opportunity to provide themselves with electricity. Even though good progress has been made during these

dozen years, the fact that approximately 43 percent of the Nation's farms still are unelectrified represents a powerful challenge to future action.

Such reduction would be penny-wise and pound-foolish. It would be costly in terms of dollars, and even more costly in terms of accomplishing the objectives of rural electrification.

The Congress has authorized a billion-dollar investment in rural electrification. This investment is self-liquidating but is not and cannot be self-administered. The Government's contracts must be carried out and the Government's security must be protected. Common business sense requires this. An arbitrary reduction in the funds for administration of this program is unwarranted and unwise—it is just poor business. Let us examine the facts.

As every single member of this House representing a rural area well knows, the extension of electricity is today more desired than any other single improvement that can come to unserved rural areas. No single thing can so greatly reduce the difference between rural and urban living standards as the taking of electricity to farm homes. Fortunately, we have in the REA program a method in this country by which that objective can be accomplished on a self-liquidating basis.

The rural electrification program is being carried forward through nearly one thousand individual farmer-owned cooperatives. Up until the war and some since with the guidance, counsel, and encouragement which the relatively small staff of the Rural Electrification Administration has been able to give, these farmer-managed cooperatives have been constantly growing and reaching out to serve more and more of their neighbors. It can be said, almost without exception, plans are getting started to carry the REA program forward in every single rural community of this Nation. Today there are REA-financed lines in more than 2,200 counties. There are nearly one and three-quarter million farm families and other rural consumers receiving service from REA-financed lines. New consumers are going on REA-financed lines at the rate of 25,000 per month. Plans projected into 1948 indicate that the program will accelerate to a point where new consumers will be connected at a rate exceeding one-half million per year.

Even though the cooperatives are pushing into thinner and thinner territory, their financial record is excellent. They have repaid more than twenty million dollars on their loans before the due date.

Although the progress during the past 12 years has been amazing, with the percentage of farms electrified increasing from 11 to about 57 percent, there still remain about two and one-half million unserved farm homes—some of them, incidentally, in every rural congressional district—and at least 2,000,000 other unserved rural dwellings, churches, schools and the like. To these unserved people the great progress made during the last decade is meaningless. Their homes are as dark and their lives filled with as much drudgery now as they were before the program started. It is in terms of those people that we must think.

We want the cooperatives to be constantly encouraged to take in new members and to build more lines—in fact to get on with the job of electrifying rural America. More importantly, we must rely on the REA staff to give to the efforts of each of these hundreds of cooperatives in 46 States, a national plan of area coverage which will assure that the benefits of electricity will be made available in all rural areas in the most economical manner possible at the earliest possible date.

ADEQUATE SUPPORT IS NOT GIVEN FOR THE RESEARCH AND MARKETING ACT OF 1946

Mr. Chairman, it has been recognized for many years that research in agriculture has worked wonders. It has given us improved seed, greater production from the same investment and from the same work. We have seen total production of agriculture products multiplied many times as a result of research in production. And as a result this country has been able to produce and meet the needs through this war. We have seen production reach untold limits, and except for the world's needs we would have tremendous surpluses today. Just as soon as the world is able to supply its own needs even to a limited extent, surpluses will pile up again in this great Nation.

The chairman of the agriculture legislative committee and the ranking Democrats on the committee, Mr. HOPE and Mr. FLANAGAN, joined by my able colleague, Mr. ABERNETHY, of Mississippi, realizing that this situation was not too far off, last year passed through this Congress the Agriculture Marketing Act of 1946, known as the Hope-Flanagan bill.

Duties levied on imported agricultural commodities have been used to protect the farmers of this country from the impact of disastrous price collapse that follows a little surplus production and has given the low-income consumers access to better foods. This action strikes at farmers of the entire Nation.

Why is it, Mr. Chairman, that this subcommittee has taken upon itself to repeal one of the major legislative actions of this Congress in history for the protection of American agriculture and the granting to those that engage in agriculture fair treatment with industrial production which through the years has had protection, and in its action is completely usurping the jurisdiction, rights, and prerogatives of the great agriculture legislative committee headed by the gentleman from Kansas [Mr. HOPE]?

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HORAN. The gentleman recalls, of course, that we have not reduced any of the loans for the REA. Is that right?

Mr. WHITTEN. There is a $25,000,000 reduction.

Mr. HORAN. That was not a loan fund.

Mr. WHITTEN. There is a slight reduction, although I doubt the loan authority has been seriously crippled.

Mr. HORAN. To give an illustration, the gentleman recalls perhaps that it is the experience of the REA cooperatives in his own district that in some cases it has been a matter of overadministration or overregulation on the part of the REA at the Federal level.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. ZIMMERMAN. The gentleman is making a very interesting statement. Can you tell us why the Committee on Appropriations brought an amendment here to the act dealing with the lending powers of the REA rather than submit that question to the House Committee on Agriculture which wrote the provisions providing how the loans are to be made and how the REA should get its funds?

Mr. WHITTEN. That is a rather difficult question to answer. The action of this committee does not reflect my own views. Apparently, it was believed that now is the time to act and that the majority members of the committee could do as good or even better a job than the folks on your committee. That is about the only way I can see it.

Mr. ZIMMERMAN. Did your committee find any reason why under the plan set up by the House Committee on Agricultur. for the REA to obtain these loans and get money with which to operate they did not recommend to the Committee on Agriculture that this committee study the question and report the necessary changes back to the Congress for action?

Mr. WHITTEN. I wish to say with regard to that particular provision, doubtless it is an improvement over the former procedure, but in view of the history of the differences between the legislative committee and the appropriations subcommittee, certainly I think it would have been much, much better, instead of bringing it in in this way that appropriate action had been recommended to the gentleman's committee and acted upon by that committee.

I now yield to my chairman.

Mr. DIRKSEN. In direct response to my friend from Missouri, this matter was initiated by the Reconstruction Finance Corporation itself after a check with the Budget Bureau, the budget officer, and the Budget Division of the Department of Agriculture, for the reason that it would be far better to go directly to the Treasury with a consequent saving of three-quarters of 1 percent in administrative costs and thereby enable an economy of $25,000,000 to be effected because it was not necessary then to cover the so-called 85 percent collateral clause in the basic law. That is the answer.

Mr. ZIMMERMAN. Does the gentleman mean to say that he encourages and favors representatives from the REA or any other Government agency coming before your committee?

Mr. WHITTEN. May I suggest that the gentleman referred to the RFC?

Mr. ZIMMERMAN. I am speaking now of the RFC or the REA coming before your committee and suggesting changes to be made in the basic law rather than to have these people come to the legislative committees of the Congress which were set up to do that job? Can you explain why you encourage that?

Mr. DIRKSEN. May I say to my good friend from Missouri that I encourage

everybody in government to come and see me individually or in my capacity as chairman if I think it will enhance efficiency and economy in government.

Mr. ZIMMERMAN. Then you advocate that all of these departments come to your committee and let you write the law with respect to these departments rather than to the legislative committees of this House. Is that what you are advocating?

Mr. DIRKSEN. That was not the gentleman's question in the first place. I encouraged those people to come, because I like to get these ideas that will give us sounder and more efficient governmental structure.

Mr. ZIMMERMAN. Will you explain again, are we to let people come to a star chamber session where the public is not invited, where nobody knows what is going on, and there formulate the policies of these agencies and departments of government, without anybody outside being advised about what is going on until this report finally comes out a day or two before the bill is up for consideration?

Mr. DIRKSEN. The gentleman's question is beautifully academic, because all hearings are closed in the Appropriations Committee.

Mr. ZIMMERMAN. Do you think, then, admitting they are all closed, that that committee should assume to take over the burden of the legislative duties of this Congress?

Mr. DIRKSEN. Definitely not, but may I remind the gentleman that every legislative proviso in this bill is coupled with an economy. That is the important point.

Mr. ZIMMERMAN. Then you can justify revising and revamping practically all of the legislative action of this Congress that has been had by its legislative committees? Is that right?

Mr. DIRKSEN. The gentleman knows the answer to that as well as I do. The answer is "No." It must be done within reasonable limits and with the proper restrictions.

Mr. ZIMMERMAN. I think this Congress should know pretty soon just how far the Appropriations Committee of the House of Representatives proposes to go when it deals with legislative matters.

Mr. DIRKSEN. The best answer is the history of the Appropriations Committee.

Mr. WHITTEN. May I state to the gentleman from Missouri that you have a perfect example of how far the committee will go in the bill now being considered.

Mr. ZIMMERMAN. There are five different provisions in this bill rewriting the law governing certain agencies and groups.

Mr. DIRKSEN. May I remind the gentleman that in other years, when your party was in power, the subcommittee used to come in here with a dozen or fifteen provisions in the bill. We have been very modest and restrained.

Mr. ZIMMERMAN. I will say to the gentleman from Illinois that he well knows, because he is a very able and efficient Member of this body——

Mr. DIRKSEN. I thank the gentleman.

Mr. ZIMMERMAN. The gentleman well knows the proposition was made that appropriations for certain things that were beneficial to agriculture would not be made, because there was no basic law authorizing the appropriations, and finally this House said that unless you have legislative action for these appropriations, we are not going to give them to you. The gentleman well knows that the House Committee on Agriculture went to the Appropriations Committee, of which you were a member, and asked for a list of the things that needed legislative support. The House Committee on Agriculture sat down and wrote a bill, containing, I think, 75 or 80 different provisions, every one you said was necessary to obviate a rule waiving points of order, and we passed that bill in this House. Yet, in spite of that fact, your committee comes back today in five different instances and seeks to place legislation on an appropriation bill, and even to amend laws which this Congress has written.

Mr. DIRKSEN. As a matter of fact, the Committee on Agriculture has not come to the present chairman of this subcommittee with any such proposal.

Mr. ZIMMERMAN. You were a member of that committee when we did it.

Mr. DIRKSEN. The instant chairman of the subcommittee has made specific recommendations to the chairman of your committee with respect to things that should be done. That is, they were informal, but they were specific, nonetheless.

Mr. WHITTEN. Mr. Chairman, I refuse to yield further. I have concluded that many of these differences are not going to be resolved, so we might as well proceed.

Now, with regard to the action of this committee, in several instances, certainly, I think we have broken faith with American agriculture. Only last year the distinguished chairman of this committee went on this floor and urged the farmers of this country to plant every available acre, be it thin, be it eroded, whatever its condition was; that the food situation in the United States and throughout the world was so deplorable that the farmers of this Nation should plant every available inch of ground they had into farm products, to help relieve this shortage. There the chairman said, when crops are produced, of course there is another element in there, and that is to conserve the soil:

> I was a little hostile a few years ago, as you may remember, to the Soil Conservation Service, but the more I saw of the world, the erosion, the leaching process, in India, in Ceylon, north Africa, and elsewhere, where people have such difficulty in making sussistence, where people have to work from sunrise to sunset, I got a better appreciation as to what soil, one of the greatest assets of our country really means. So, soil conservation, and also the practice carried on under the Soil Service, and Domestic Allotments, are some of the top functions of the Department.

Then he goes on to urge the farmers to do everything possible toward production of agricultural products regardless of its effect on the soil.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. DIRKSEN. Will the gentleman tell them that the gentleman from Illinois has not changed his views about that matter, and then tell them also that they have over a hundred publicity experts in Soil Conservation, over 146 people doing personnel work; and that what the gentleman from Illinois wants to do is to eliminate a lot of waste and extravagance, and if he had had his own way he would have cut it half in two for the purpose of getting at this duplication and waste the gentleman from Illinois pointed out.

Soil Conservation has 12,000 people, the Extension Service has 11,000 people, the Farmers' Home Administration has 9,200 at the farm level. All of them were engaged in some kind of duplication.

Mr. WHITTEN. And the gentleman will admit that he refused and the committee refused to consider the consolidation of supervisory and administrative personnel in those respective agencies so as to get at the basic problem and thereby reduce the cost of the service instead of the service.

Mr. DIRKSEN. My good friend belabors me first because to bring about some economy there is legislation in the bill, and then he belabors me again by suggesting that we should rewrite the basic legislation of the agencies involved.

Mr. WHITTEN. What I am attempting to develop is that if he will study the basic legislation in each instance he will find how Congress has outlined the carrying out of the policy for which money is appropriated.

Mr. DIRKSEN. But the Committee on Appropriations could not break down these three large agencies.

Mr. WHITTEN. They could because no legislation is required. Certainly the gentleman would not insist that the Appropriations Committee could not strike out duplications which are not required by law. Then if he could bring a bill such as this which repeals certain basic legislation certainly the gentleman would not argue that such consolidations could not be made.

Mr. DIRKSEN. The gentleman certainly will argue it because you could accomplish it only by a bill making this coordination. The economies we have effected are so designed as not to impair the efficacy of the agencies affected.

Mr. WHITTEN. The gentleman from Illinois, I might say, is one of the most affable but one of the smoothest operators it has ever been my privilege to deal with.

Here is the fact about this matter of soil-conservation payments. It has been represented time and time again here that this is a payment to individuals, a direct grant from the Government to farmers. The distinguished gentleman from California took that view. I want to call your attention to the fact that these payments are based on and made available for certain work to retain or improve the fertility of land. The more land on which these improved practices can be carried out, the greater the expense to the farmers.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman from Mississippi five additional minutes.

Mr. WHITTEN. The more land on which these practices are carried out, the more the expense is to the farmer. The farmer must spend on this land $2 out of his own pocket for every one the Federal Government pays for such improved practices. The Federal Government says that for every $2 he puts up the Federal Government will put up one because the Federal Government is interested in the fertility of the soil of this Nation. Each year when this appropriations subcommittee has met, since I have been a member of it, we have made the appropriations for the current year to pay for the Federal Government's contribution to pay for that work, which has been usually three times as much as the Federal contribution will pay for, and we announce the program for the next year. Now, the Department of Agriculture in times past has relied upon that announcement of the program for the next year. The triple-A committees meet that formula, announce what they want the farmers to do, each farmer paying two-thirds of the cost himself, and the farmers would act on it, would expend his funds, and then the succeeding year the Budget Bureau in several instances proceeded to cut down the amount of money necessary to carry out the Federal Government's commitment or to pay for the practices which have been carried out as announced through this committee the preceding year. Last year—I do not see any way in the world to get around this—as a commitment to the American farmer Judge Tarver said: "We are tired of this practice," and he offered an amendment fixing the program for next year at $300,000,000. It is a floor and it is a ceiling and, he said, "I offer it so that there can be no misunderstanding of the situation." He said he had submitted it to the committee, which would include the gentleman from Illinois and my Republican colleagues on the committee, and stated, "I offer it as a committee amendment." The exact proceedings are as follows:

Mr. TARVER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

"Committee amendment offered by Mr. Tarver: On page 48, lines 21 to 23, strike out all the language within the parentheses and insert in lieu thereof the following: 'amounting to $300,000,000, including administration.' "

Mr. TARVER. Mr. Chairman, I am presenting for the consideration of the Committee of the Whole the question to which I made reference a few moments ago. That is, whether or not you are going to authorize for the crop-year 1947 program, $300,000,000. I am presenting it in language which is so definite in character as to admit of no misconstruction. It is the time now to decide whether you want to reduce the 1947 crop-year program, not next year after the plans of the Department and those of State AAA authorities and the farmers have already been completed. If we want to reduce it, reduce it now and reject my amendment and offer some other amendment to indicate a lower figure.

But if you want to fix it definitely and in such form as to enable the farmers of the country to rely upon it implicitly so that even the Bureau of the Budget cannot disregard it, then adopt the amendment which I have offered.

I may say that I have submitted this amendment to the members of the subcommittee and it is, therefore, offered as a committee amendment, since it met with their approval.

I hope the amendment will be adopted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. POAGE. I wish to see if I thoroughly understand the amendment. The bill as now written puts on a ceiling of $300,000,000 for next year.

Mr. TARVER. Exactly.

Mr. POAGE. As I understand it, if we adopt the gentleman's amendment we have in effect approved $300,000,000 for next year without either putting it up or down; in other words, it is a kind of floor as well as ceiling.

Mr. TARVER. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 62, noes 19.

So the amendment was agreed to.

It will be noted from the CONGRESSIONAL RECORD that not a single objection was raised by any member of this subcommittee to this amendment nor to Mr. Tarver's statement. It may be stated without any chance of contradiction that the American farmer was told by the Congress, as was the Department of Agriculture, that $300,000,000 would be used to pay the Federal Government's share of this program for this calendar year, funds for which are provided in this bill. Notwithstanding this commitment, notwithstanding the fact that the payments have already been earned, this bill reduces from $300,000,000 to $165,000,000 the sum available to meet this commitment.

This commitment was acted on by the Department of Agriculture, programs were announced providing for expenditure of these funds, and promises were made to the American farmer that if they would spend this money from their own pockets and do this work that the funds would be available. Now it is said that since the Republican members of this committee are faced with the necessity of cutting out essential money from this appropriation bill that in the announcement to the farmers a statement was made in fine print that insofar as money is available the money will be paid. I say to you, Mr. Chairman, this language meant that if the farmer signed up and spent his money in such program so that the Government's one-third would be more than $300,000,000 that, of course, the farmer knew he would not be repaid except the pro rata share of the $300,000,000 to offset the cost which he had been put to in carrying out such programs. Certainly there can be no more definite showing where agriculture and the farmers of the Nation stand with the Republican Party than in this absolute failure of the Republican Party to carry out this commitment, as I have heretofore described.

There is one other thing here which I think is deplorable, and that is the repeal of section 32 funds. Throughout the years we have through high tariffs protected those in the industrial fields. We have enacted the minimum wages and hours law, and as long as organized labor can protect itself through the power of its bargaining, just so long it is going to be necessary to provide some protection to those who happen to be engaged in agriculture in this country. We must do that.

Under section 32 of the Agricultural Adjustment Act 30 percent of the customs revenue that this Government collected because it let competitive agricultural commodities come into this country to help handle the surpluses that might grow up in this Nation is set aside for agriculture to handle surpluses. I say to you in the last 10 years funds from section 32 have been used to bail out, true, the farmers in my cotton South, but if you will study the record you will find this is not a local problem or that local groups have received the major part of the benefits. It has spread over the entire United States of America.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WHITTEN. Mr. Chairman, may I point out to you that in the last 10 years these funds which under the basic law belonged to agriculture have been used to bail out the wheat farmers in the West, it has been used to bail out the fruit producers in the country of the gentleman from California. These funds have been used for the following purposes:

To help the producers of poultry product, $81,699,000.

To help producers of fruit, $146,016,000.

For producers of grain, $180,610,000.

For the dairy farmer, $125,097,000.

To move surplus cotton, $154,080,000.

For producers of meat and meat products, $71,872,000.

For the growers of nuts, $25,195,000.

To move surplus tobacco, $10,424,000.

To purchase vegetables from distressed vegetable producers, $120,896,000.

To the growers of miscellaneous crops, $19,745,000.

To provide cheap milk and lunches for the school children of America, $204,312,000.

The deplorable thing about this situation is that the gentleman from Illinois has never had any sympathy with this basic legislation and has so expressed himself time and time again that they should come to the Appropriations Committee for appropriations and they should not be entitled to these funds which come in because foreign agricultural products are allowed to compete with the products of American agriculture.

I say that if in this bill they are permitted to repeal section 32, the tragedy of it is not only that you will have to go before the Appropriations Subcommittee on Agriculture for appropriations to try to carry on this very wonderful work, but in view of the attitude as shown herein in regard to agricultural appropriations and as today expressed in this agricultural appropriation bill, you can tell in advance what the outcome is going to be when you go before

that subcommittee, and I say to you that these funds under the basic law belong to agriculture and should be set up on the books to their credit and they should be made available in the years to come when they are going to have surpluses so that those surpluses will not pile up to destroy the market of the American people.

I would like to point out one other thing to you gentlemen, that while on the face of it it may look like you are saving money, and it may be that you can claim credit for having saved it and that you can use it for this tax reduction bill that you want to pass, but I will say as long as you have the Commodity Credit Corporation and as long as you guarantee a loan on the purchase of commodities at 90 percent of parity, I say a removal of section 32 funds may result, Mr. MURRAY, in the Government purchasing more and more and more of the surplus products of this country and in effect cost your Government money instead of saving money, and I believe that is a sound analysis of what this action may mean.

We, in Congress, must realize that although it is the declared objective of the Federal Government to complete the job of rural electrification, the Federal Government does not build and operate lines, it merely guides and stimulates local groups who are accomplishing this stated national objective. There is no way to force the local REA already operating to extend its lines. Those of us in Congress who have maintained close touch with the rural-electrification program know, however, that there exists between the REA and its borrowers a close, cordial, cooperative relationship which is bringing rural America closer and closer to the realization of that objective.

The committee has recommended provision of $225,000,000 in loan funds for fiscal 1948. While I commend this action, I am forced to point out that this provision loses much of its value unless we equip REA with the funds it needs to carry on its work. The committee proposal to reduce drastically the REA administrative fund would require substantial abandonment of the established, proven pattern of operations, and would seriously curtail the program of taking electricity to all farm people in the quickest, most efficient manner possible, and, even more important, on a self-liquidating basis.

I hope that you will support our amendment to restore these funds and assist us in seeing that the REA program is not retarded.

One of the great legislative acts passed by this Congress was the Hope-Flannagan Act providing for research in the field of utilization and marketing of Agricultural products. Under this bill the sum of $9,500,000 was authorized for research in the field of marketing and utilization of products for the fiscal year 1947; and the sum of $19,000,000 was authorized for the fiscal year 1948, the year for which this present appropriation is being made. No funds were secured for the present year and thus under the authorizing legislation $19,000,000 is authorized available for the next year for this great field. As I have stated back in February it was announced by the leaders of this subcommittee that it was believed that we could get by without appropriating any funds for the next fiscal year. However, so many people were interested and the reaction to such statement was so great that the majority members of the committee finally appropriated $6,000,000 for this research program. This is a great deal better than no funds at all but it is my belief, Mr. Chairman, that in view of the splendid results we have gotten for the funds expended in research for production that certainly $9,500,000 should be made available for this program and at the appropriate time we plan to offer an amendment to increase this appropriation by $3,500,000. Certainly in the years ahead I want it to be said that we clearly foresaw that there would be surpluses of agricultural products and that we as a Congress had tried to learn new uses for those products and learn how to market those products to the best advantage. I am afraid that the majority members of this committee will in the years to come have cause to regret their failure to make adequate provision for this program.

Mr. Chairman, a review of this bill will show that regardless of what the Republican members of the committee may say, the only reduction in personnel required is a limit that may be placed on people in information services, where the total is fixed at 250.

Mr. Chairman, of the $381,000,000 reduction provided in this bill, I subscribe to much of the reduction if it were properly applied instead of left to the Department. However, there are some programs vital to the welfare of agriculture that are eliminated, some practically ruined and others drastically reduced. Of course, I do not subscribe to such action.

In at least five particulars this bill is short-sighted and almost tragic, and at the proper time we expect to offer amendments to correct such provisions.

First. Section 32 of the laws of 1935, as amended, is repealed for 1 year.

Second. Soil-conservation payments are cut almost in half—after they have been earned and in direct violation of the action of this Congress last year.

Third. The administrative funds of the Rural Electrification Administration are reduced by one-third.

Fourth. Inadequate funds are provided for research in utilization and marketing of agricultural products.

Fifth. The tenant-purchase funds of the Farmers' Home Administration are completely eliminated and funds so essential for administering the $800,000,000 now owed is drastically reduced below the point of good business.

Gentlemen, when this rule was adopted this morning, my friends on the left determined that they were going to let the most affable, the most able and one of the smoothest men I ever knew, with whom it is a pleasure to serve, determine the agricultural policy of his party, and I say in this bill he is doing a mighty good job of determining it, and if these provisions that are legislative stay in this bill, he has done a good job of saying today that agriculture is not in the bag for the Republicans but that the farmers of this Nation must look to the other side of the aisle for protection as they have learned they had to do in the past few years. It has made me realize the importance of having the Democratic Party in power as much as I have opposed some of its policies, because there agriculture and the people engaged in the industry stand high in the party councils and they will never be sold short as is being done here today under this bill.

Mr. PLUMLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I surely do not care to get into a political agricultural argument. It takes me most of my time to keep out of them. I had a memorandum prepared and intended to give it as a 1-minute speech this morning. The heading is, "Steagall support prices are the bills of rights for the American farmer." After what I have heard today, I am not too sure that we should talk about agriculture. We should probably inject politics along in with it. There is too much politics and not enough agriculture in the air here today.

I take the position that so far as agriculture is concerned it has not been on a parity-income basis since 1922, and that things were not too rosy, the seventh year of the more abundant life or in 1939. I claim that the agricultural prices for 1939 show that we were just about in the same position in 1939 as we were in 1932, the year that is so dear to our friends' hearts. With that in mind I have taken a page out of the August 1939 Agricultural Prices. This indicates that they are absolute facts and authentic.

What do I find? I find that in August 1939 this seventh year of the more abundant life, when wheat was 54 cents a bushel, they were paying 27 cents-per-bushel export subsidy to get rid of it. Wheat was only 49 percent of parity the seventh year of the more abundant life. Corn was 57 percent of parity, and rye was 38 percent of parity. Well, of course, they helped the rye business along quite a little because at a time when rye was bringing 58 percent of parity they lowered the duty by 20 percent and put an embargo on wheat. I do not know how anybody in the South or anybody else can be satisfied with the price set-up in 1939 so far as agriculture is concerned. Here is cotton bringing 56 percent of parity or 8.6 cents a pound. In other words, my contention is, regardless of the 28 bills that our distinguished colleague from Michigan [Mr. CRAWFORD] says have been passed in the name of King Cotton, that the Steagall amendment fundamentally, is really the farmer's bill of rights. Day after day it grieves me to see the support program so badly administered. If this support program is not administered with common sense, yes, and nonpolitically and nonsectionally, public opinion will bring it to an end in spite of what its supporters may wish.

The Steagall amendment was not necessarily a political, partisan affair, either, because that amendment had rather

unanimous support, as the gentlemen from Michigan [Mr. WOLCOTT and Mr. CRAWFORD] and the gentleman from Wisconsin [Mr. HULL] can verify. I think once in a while it might be well for our colleagues to remember that pretty much of the agriculture of this country centers around Chicago as the capital, and that a dozen States around Chicago do a large share of the food producing that is going on in the United States. Outside of Texas and California, there are very few States that can or do feed themselves.

I do not care to get into the political part of it, as I say. We can talk about giving a man $4 for a soil check or $7 for one, but, after all, what makes the difference is what he gets at the end of the month for his milk check or at the end of the season for his tobacco check, or what he gets for the produce he sells from his farm. That is a farm program a farmer understands and appreciates.

With all these glowing tributes that have been given to the present administration, I should like to call your attention to the fact that right today milk prices in my State have gone down 40 percent. Why is this, and why has this been allowed to happen? I have not seen anybody worrying about that. My contention is that the support price for milk and some of its products are not being supported in keeping with the Steagall amendment nor its intent.

If we can get the Commodity Credit Corporation and get the people in the high places to really support legal, lawful price—and I might say the record of this administration has not been too good in the past in connection with the Steagall amendment—many of the worries of American agriculture will be eliminated. It is not any wonder that pork is high when in 1943 and 1944 they let hogs sell below 60 percent of parity, contrary to law. They let eggs go much below 90 percent of parity. I say as far as agricultural production is concerned we have to live up to the support price as provided in the Steagall amendment. That is No. 1. That, together with the high rate of employment in the United States, is the best agricultural program this country has had or, in my opinion, ever will have.

My memorandum and official table are:

STEAGALL SUPPORT PRICES ARE THE BILL OF RIGHTS TO THE AMERICAN FARMER

Mr. Chairman, the agriculture prices from 1930 to 1940 were very low. By 1939, the seventh year of the more abundant life, the whole agriculture program had bogged down in spite of the billions of dollars that had been spent on a few crops representing less than one-third of American agriculture. With 10,000,000 people still unemployed, the relationship between the pay rolls of the country and agriculture prices was most apparent.

The greatest influence on farm prices in America today and yesterday is and was the size of the pay rolls of the Nation. Satisfactory agricultural prices require high employment at good wages.

The war not only put the labor in the factory to work, but also the labor on the farm to work as well. The war prevented the huge losses that the CCC was apparently going to face.

The following page from the official Agricultural Prices of the United States Department of Agriculture indicates what agriculture prices can be expected with an unemployment list of 10,000,000 in our country.

United States Department of Agriculture—Agricultural Marketing Service—United States prices received by farmers, percentage of parity [1]

Commodity	1938					1939							
	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Aug. 15
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Wheat	45	47	46	46	48	51	51	51	52	57	56	50	49
Corn	60	59	51	49	53	56	54	55	56	60	62	59	57
Oats	40	43	44	44	49	52	52	53	54	59	59	53	51
Barley	44	45	46	44	47	49	48	49	49	50	51	46	45
Rye	35	35	36	35	36	38	37	36	36	40	43	38	38
Buckwheat	71	64	59	58	58	58	59	60	59	60	61	61	60
Flaxseed	72	74	76	74	77	80	76	77	77	75	76	65	64
Rice	61	54	57	60	61	62	64	62	61	62	61	59	57
Cotton	52	52	54	54	53	53	53	53	52	54	56	56	53
Cottonseed	75	74	78	81	81	81	79	81	81	80	80	73	58
Potatoes [2]	61	55	59	63	72	75	76	76	88	75	71	89	81
Sweetpotatoes	78	65	57	53	58	63	66	67	68	71	73	75	83
Peanuts	56	52	52	54	55	57	57	57	57	57	57	56	56
Apples	62	64	65	70	75	78	79	81	83	84	84	74	55
Butterfat [3]	77	75	72	71	75	72	74	66	64	68	72	71	73
Chickens	98	99	94	94	94	97	99	99	100	97	93	95	92
Eggs [3]	89	90	83	74	68	55	61	79	79	76	74	79	75
Hogs	85	88	79	79	76	76	79	78	72	70	65	69	61
Beef cattle	96	98	96	95	98	102	105	107	108	108	104	102	100
Veal calves	93	97	97	96	95	98	103	102	99	97	94	95	96
Lambs	88	87	86	92	96	99	100	100	106	108	101	99	95
Tobacco: [2]													
Flue-cured	104	115	136	104	97	79		42					92
Fire-cured					93	79	75	75	58	75			
Burley					116	108	87						
Maryland	117	86	71	63	81		49	39	49	134	123	110	118
Dark air-cured					98	89	64	81					
Cigar-leaf						124	127	86	80	109	107		
Hay	45	44	45	45	46	45	47	45	45	45	44	45	46
Wool	84	81	85	88	87	87	87	87	85	91	95	94	96

[1] Subject to revision: Indexes based on revised series will be published currently beginning later in the year.
[2] Base prices are averages for the crop years 1919-28. Taxes and interest not considered in determination of parity prices of commodities when using postwar base.
[3] Adjusted for seasonal variation.

Since then the Steagall support program has been put in operation and the most important farm crops and products do have or are at least supposed to have the support guaranteed by law.

The Steagall support is really agriculture's bill of rights. The agriculture bill of rights guaranteed by the law of the land should come first, before any group asks to get a chance to pass their tin cups around and ask for special favors.

Mr. PLUMLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I have asked for this time in order to put in the RECORD some information with reference to the use of section 32 funds. There seems to be some misunderstanding about the purposes for which section 32 funds may be used and for which they have been used in the past. Particularly there seems to be the thought in the minds of some Members of Congress that the funds of the Commodity Credit Corporation may be used for exactly the same purposes as section 32 funds.

I have before me a letter signed by the Under Secretary of Agriculture, written at my request, outlining what the effect would be as far as programs during the coming year are concerned if section 32 funds are rescinded as provided in this bill. The letter reads as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 27, 1947.

Hon. CLIFFORD R. HOPE,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. HOPE: This is in response to your inquiry concerning the effect of the rescission of section 32 funds for the fiscal year 1948 upon the continuance of the programs this Department has been conducting with section 32 funds.

We wish to make it clear to the Congress that if section 32 funds are rescinded for the fiscal year 1948, the Department's programs for the purchase and disposal of surplus agricultural commodities—other than the Steagall commodities for which price

support is mandatory—will be discontinued. The most effective outlet for perishable commodities is by donation to welfare agencies and school-lunch programs. Such donations are specifically authorized in carrying out section 32 programs. Commodity Credit Corporation, however, has not been expressly authorized by the Congress to dispose of perishable commodities by donation to relief agencies and school-lunch programs. In fact, the corporation has not throughout the history of its operations ever made donations of commodities acquired by it. The Commodity Credit Corporation operations have in the main been restricted to storable commodities which can be carried through periods of surplus production for marketing at times when supplies are not in surplus. For this reason, Commodity Credit Corporation has not, except where the program was mandatory, carried out price support operations with respect to nonstorable commodities.

In the circumstances Commodity Credit Corporation would not feel warranted in undertaking perishable commodity programs which would involve virtually a total loss of the amount of money expended without express prior authorization of the Congress.

Sincerely yours,

N. E. DODD,
Under Secretary.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MURRAY of Wisconsin. I have never been able to keep track of these section 32 funds very well. I would like to know who determines when, how, and why they are to be used the way they are.

Mr. HOPE. Under the provisions of the law it is left to the Secretary of Agriculture to determine whether the funds or any part of them are to be used for the particular purposes that are set out in the law.

Mr. MURRAY of Wisconsin. He has the decision as to where and what foods are bought? Is that right?

Mr. HOPE. Yes; within the limits of the law.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WHITTINGTON. As the gentleman has well pointed out, section 32, as we refer to it and as the gentleman has referred to it, is a continuing appropriation, and as such permanent law it is related to other programs that are authorized, including the legislation authorizing the imposition of import quotas and export subsidies. But to justify the imposition of import quotas or export subsidies, there must first be a program, and without section 32 funds in the case of wheat and corn and many other commodities, no program is authorized by any other law. So it is essential for a program to be authorized if section 32 is to be eliminated and section 32 is essential to be continued if there is to be a program for cotton, wheat, corn, and other similar products.

Mr. HOPE. Yes; I agree with the gentleman.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. PLUMLEY. Mr. Chairman, I yield five additional minutes to the gentleman from Kansas [Mr. HOPE].

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MURRAY of Wisconsin. As I understand, they use these funds and they get new uses for agricultural products. Is that right?

Mr. HOPE. That is one of the purposes for which the fund may be used.

Mr. MURRAY of Wisconsin. And it is not only on an experimental basis, but they are making a business out of it; is that right?

Mr. HOPE. Yes; I think that is a fair statement.

Mr. MURRAY of Wisconsin. Is it not a fact that Mr. Ford, for example, uses an average of 32 pounds of cotton bats in each car and he gets 4 cents a pound subsidies? He is getting a $1.28 subsidy on every car that he produces. That has been set up as a permanent program and has been in operation for several years.

Mr. HOPE. There is a program to utilize low-quality cotton. I presume that is the program to which the gentleman refers.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I am glad to yield to the gentleman.

Mr. CARROLL. Will the gentleman give his opinion on the effect of these cuts in appropriations on the land-grant colleges and the Hope-Flannagan bill? I have a communication from the Colorado State Agricultural College in which they have indicated to me that the Colorado Legislature has appropriated its share of the fund for the Hope-Flannagan bill. I wonder if you have had an opportunity to analyze what it will mean to the land-grant colleges and to the Hope-Flannagan bill generally.

Mr. HOPE. I am up to date on what the various States have done toward meeting the matching requirements. Some of the State legislatures are still in session. Others have recently adjourned. So I am not familiar with what has been done. Of the $6,000,000 that was appropriated, $3,000,000 has been appropriated specifically for the purpose of going to the State experiment stations, to be matched by the States. I do not know whether the States have provided more money than is sufficient to match the Federal funds or not. I have no information on that point. I might say to the gentleman that I am somewhat disappointed that the bill does not provide at least $9,500,000 which would be the first year's increment of funds under this measure, but I believe that with the $6,000,000 appropriation a start can be made in this program, which I firmly believe is one of the most important that has ever been undertaken in the field of agriculture.

At this point, Mr. Chairman, I want to outline the purposes for which section 32 funds are available and to point out some of the ways in which they have been used in the past:

The funds appropriated by section 32 are available, first, to encourage the exportation of agricultural commodities and products thereof by the payment of benefits or indemnities; second, to encourage the domestic consumption of such commodities or products by diverting them from the normal channels of trade and commerce or by increasing their utilization among persons in the low-income groups; and, third, to reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption.

The act of June 28, 1937, as amended—Fifteenth United States Code, 1940 edition, supplement 5, 713c—provides that in carrying out clause (2) of section 32, that is, encouraging domestic consumpiton by diverting from the normal channels of trade and commerce, agricultural commodities and products thereof may be purchased and donated for relief purposes. Section 9 of the School Lunch Act authorizes the donation of commodities purchased with section 32 funds to schools carrying out the school-lunch program or other institutions authorized to receive such commodities.

Under section 32, programs have been carried out for the purchase of fresh fruits and vegetables and other perishable agricultural commodities where such action was necessary to relieve price-depressing surpluses or to carry out the obligation of the Department to support the price of such commodities under the so-called Steagall amendment. The authority and funds provided by section 32 are used in such cases, because the most effective means of disposing of the commodities was by donation for relief purposes and to the school-lunch programs which is expressly authorized by the act of June 28, 1937, as amended, referred to above. As a general rule, surplus-removal programs with respect to perishable commodities are undertaken only where a known outlet exists, such as the school-lunch program, welfare agencies, and so forth. During the fiscal year—1947—approximately $20,000,000 worth of surplus vegetables alone have been purchased with section 32 funds. It is true that large surpluses, such as occurred during the late thirties, do not exist at the moment which need to be removed from the market. It is not possible, however, to accurately predict when surpluses may arise. Thus there existed even during the most critical period of food shortages in this country during and after the war local gluts of agricultural products, particularly perishable, such as green beans, spinach, cabbage, carrots, citrus, and other fruits. These local surpluses were removed with purchases made from section 32 funds. The Department was not only able to afford farmers in the local surplus areas badly needed price protection, but was also able to save badly needed food, which otherwise would have been wasted, by donating such food to welfare agencies and the school-lunch program.

Commodity Credit Corporation has not been expressly authorized by the Congress to donate commodities for relief purposes or to the school lunch program, and the Corporation has not during the 14 years of its existence ever made any such donation. In fact, Commodity Credit Corporation is expressly prohibited by law from

disposing of any commodity below parity except under specified circumstances. In the case of a nonperishable commodity, sales below parity may be made if the commodity has substantially deteriorated; in the case of a perishable commodity, sales below parity may be made where there is danger of loss or waste through spoilage. In certain circumstances it may be difficult to determine that there is danger of loss or waste through spoilage so as to authorize CCC to dispose of perishable commodities below parity.

Inasmuch as CCC lacks express statutory authorization to make donation of perishable commodities and has not during the entire history of its operations ever made such donations, the rescission by Congress of the funds and authority which have been used for the purchase of surplus perishable commodities which can effectively be disposed of through donation to welfare agencies and schools would seem to indicate that Congress intended that such operations, where they were not mandatory, should be discontinued until section 32 funds and authority were restored—even assuming the existence of technical legal authority in CCC to purchase perishable commodities to support the price.

The rescission of section 32 will also force a termination of the Department's marketing abundant foods program, marketing-facilities program, and food-preservation program, which are carried out with such funds. Under the marketing abundant foods program the Department has encouraged the domestic consumption of surplus agricultural commodities by seeking to increase the marketing of such commodities through the usual food outlets, such as retail grocers, restaurants, hotels, and so forth. Under the marketing-facilities program the Department has sought to increase the domestic consumption of agricultural commodities by assisting in the development and improvement of marketing facilities in order to speed the flow of agricultural commodities from the producer to the consumer. Under the food-preservation program the Department has provided technical assistance and has promoted the canning of millions of cans of fresh fruits and vegetables during the periods of peak production, which would otherwise have been wasted.

Section 32 funds are used to pay export subsidies. While CCC has the authority to dispose of agricultural commodities or cause them to be disposed of at competitive world prices, its export programs have related to the disposition of stocks of commodities acquired by the Corporation in connection with its support-price operations. CCC does not have any stocks of cotton available to conduct an export program. Section 32 funds are used where the program does not relate to stocks of cotton held by CCC and a direct subsidy payment is involved.

The act of August 11, 1939—Fifteenth United States Code, 1940 edition, 713c—authorizes section 32 funds to be used for the purpose of diverting surplus fishery products from the normal channels of trade and commerce by acquiring them and provides for their distribution through these channels. That act also authorizes the transfer from section 32 funds to the Secretary of the Interior for use in promoting the free flow of domestically produced fishery products in commerce by conducting a fishery educational service, and to develop and increase markets for fishery products of domestic origin. The rescission of section 32 would terminate these fishery-product operations.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Kansas yields back 2 minutes.

Mr. CANNON. Mr. Chairman, I yield to the gentleman from Missouri [Mr. ZIMMERMAN] such time as he may desire.

Mr. ZIMMERMAN. Mr. Chairman, the action of the Committee on Appropriations in reporting to the House, H. R. 3601, a bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, came as a distinct shock to the House Committee on Agriculture, of which I have the honor to be a member, to the farmers of America and to the friends of agriculture.

I am in complete agreement with those who believe that the time has come to practice real economy in government, that a reduction in personnel in the various departments, including the Department of Agriculture, should be made wherever possible and that duplication of work, wherever possible, should be eliminated. However, no one expected the Committee on Appropriations to recommend the drastic, devastating cut of 32 percent for a department which serves the farmers of this Nation. I am sure that no such recommendation has been made for other departments in the Government.

The report of the committee on this bill is indeed very interesting and would indicate a purpose or a policy to reduce the Department of Agriculture to its status when set up in 1862 by a bill passed by Congress and signed by Abraham Lincoln. As an example of the declared policy of this committee, whose sole purpose is to appropriate money, I refer to a statement on page 5 of this report which is not only illuminating but which expresses the attitude of the party in power and this committee which is controlled by that party where it says:

> As we give thought to such a problem as soil conservation and to the saving of the surface of our land from the influence of erosion, we also have the responsibility of pursuing those policies which will prevent the erosion of that rugged individual character which has made the American farmer the greatest producer of agricultural commodities at any time or in any nation in the world's history.

What the committee meant by the term, "erosion of that individual character," it is a little difficult to understand in the light of the words which follow.

Just in what way is the American farmer being eroded, or in what way has he been eroded? We all remember the plight of agriculture back in the years of 1930, 1931, and 1932 when the American farmer was reduced to a state of poverty and bankruptcy. Farm prices were so low that he could not pay interest on his loan, pay the taxes against his land, or support his family.

Under the operation of the political party in power and the high protective tariff which that party sponsored and relied upon, the American farmer at that time truly represented a badly eroded individual. When the Democratic Party came into power in 1933, the first efforts of the administration were to do something for the American farmer. Legislation was enacted and has been enacted since that time to give the farmer a fair price for his commodity, to conserve and build up his soil, and enable him and his family to live in a fair state of decency and comfort. If a program which has brought these benefits to the American farmer is regarded as "the erosion of that rugged individual character," then I am sure the farmers of this country are not in agreement with the policy announced by this committee.

I opposed and voted against the rule adopted by the House today because I felt the adoption of such a rule would enable the Committee on Appropriations to further violate the rules of this House which prohibit the Appropriations Committee from legislating on an appropriation bill. The duty of recommending basic legislation for various objects and purposes is vested in the various legislative committees of the House and the sole duty of the Appropriations Committee is to appropriate money for the objects and purposes authorized by Congress. In this bill, the Appropriations Committee has gone out of its way to legislate on an appropriation bill—some of the most glaring being a virtual repeal of section 32 of the AAA Act passed by Congress more than 10 years ago; a drastic change in the present law providing for the inspection of meat; a change in the law passed for the operation of the Farmers' Home Administration; and a change in the basic law dealing with the operation and financing of rural electrification cooperatives. Under the Reorganization Act adopted by Congress last year, it was made the duty of the Committee on Appropriations to recommend to legislative committees changes in the basic law in connection with matters about which the Committee on Appropriations was called to act. I submit that no recommendation was ever made by this committee to the House Committee on Agriculture in order that they might take whatever action might be deemed necessary for the amendment or modification of these acts. If this practice is to be tolerated by this House, then the legislative committees of Congress might as well dissolve and their members give their time and attention to other congressional duties.

One of the greatest aids to agriculture in recent years was the enactment of section 32 of the act of August 24, 1935. The reasons for the enactment of section 32 is well understood. Under the tariff laws which our country had operated, the farmer was compelled to sell his

products on a world market at world prices, while he was compelled to buy the things he needed for himself and family and in the operation of his business upon a protective market. In order to place the farmer in a comparable position with industry which enjoyed a protective tariff, it was considered just and fair that a part of the custom receipts should be set aside to stabilize and support agriculture commodities and thereby benefit the American farmer. Under section 32, 30 percent of our custom duties are set aside for what is termed a permanent appropriation for use by the Secretary of Agriculture in disposing of farm surpluses, encouraging domestic consumption and for other highly beneficial programs for agriculture. This act has been in force for more than 10 years and literally millions of dollars have been spent in aid of American agriculture. By its action, this committee seeks to take this fund from the Secretary of Agriculture and to deprive him of the uses for which the fund was created. To permit this to be done would certainly start a real erosion of the American farmer.

In the short time at my disposal, I would like to call attention to one more act of this committee which I think renders a distinct disservice to American agriculture. We all know that our soil is one of our Nation's most valuable resources, and its conservation should be one of the chief concerns of our Government. Since this program was inaugurated, we have made great progress, and we are now beginning to reap dividends from the investment made in this program. The great pity is that we did not embark upon such a program sooner. To stop spending money for the strengthening of our soil is a good deal like stopping medicine and food for a sick man, and I shall support an amendment to this bill at the proper time and place to provide adequate funds for this program.

Mr. Chairman, rural electrification has done more to brighten the homes of rural America than anything Congress has ever authorized and set up. The farmers of our Nation want and need this service and no reduction should be made for the support of this program. Our cooperatives have made prompt payments on all loans granted them for the establishment and expansion of this program, and we should make available the necessary funds to give the farmers of America this service at the earliest possible date.

In conclusion, Mr. Chairman, I would like to call attention again to the action of this committee in regard to our school-lunch program set up by Congress last year. Strong people as well as strong and fertile land make a strong nation, and no program inaugurated by this Congress has done more to build a strong, healthier citizenship than has our school-lunch program. I recall that during the consideration of this bill last year General Hershey, head of the Selective Service, stated that more than 40 percent of the young men of our country who were called to serve our country during World War II were found physically unfit for duty due largely to malnutrition during childhood and youth. Money invested in building a strong, virile manhood and womanhood is money well spent and is in reality an investment for the future. At the proper time and place I shall support an amendment to this bill to increase the amount recommended for this program, which is a serious reduction over the needs, and also to eliminate the restrictive language that has been coupled with the meager appropriation made by this committee.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I wish to call attention to several provisions of this bill which would be detrimental to the welfare of American agriculture. The provisions are those relating to soil conservation, the school-lunch program, price supports and surplus removal, rural electrification, and loans to small farmers.

Soil conservation takes a double blow in this bill. The first is aimed at the agricultural-conservation program, and the other is directed at the work of the Soil Conservation Service.

In passing the Department of Agriculture appropriation bill for the fiscal year 1947, the Congress clearly pledged farmers a $300,000,000 agricultural-conservation program for this year. The language of the bill and the debate on it, March 8, 1946, permit no doubt of that fact.

The bill this year would repudiate that pledge and cut payments to farmers nearly in half. This action comes after—not before—a majority of farmers have carried out the practices for which payments are authorized. How can the Department of Agriculture handle this situation? It cannot do so fairly. It can pay on a first-come-first-served basis, which is unfair. Or it can try to collect part of the payments already made—in other words, put those farmers on the debt register.

The bill goes further. It would kill the program completely at the end of this year, repudiating the accepted principle that the public shares responsibility with the farmer for bearing the cost of conserving the soil resources on which civilization depends.

Let it be known, too, that killing the ACP wipes out the elected, nonpartisan farmer-committee system which helps formulate and administer agricultural programs. This weakens the commodity loan system and other programs. The Nation will thus lose an important means of achieving economic democracy. I plead with the House to keep its pledge for this year and to maintain the ACP next year at the level recommended by the President.

As if the blow at the agricultural conservation program and the farmer-committee system were not enough, the bill takes another cut at the Nation's soil-conservation effort. By cutting down the Soil Conservation Service, it will reduce when it should increase the value of the soil-conservation districts which the people have set up under State laws in every State of the Union.

They have gone through the long and often tedious legal process of establishing more than 1,800 soil-conservation districts because they want to do an effective job of soil conservation. The farmers run these districts themselves.

Almost every one of these districts has asked the Soil Conservation Service to provide it with technical assistance. The farmers recognize that expert assistance on an acre-by-acre basis is essential if we are to get permanent conservation. They want it. They ought to have it. They know they would not be faced with the terrific soil-erosion problem they face today if they had had this kind of expert help in the past.

If we cut the funds for the SCS, we are cutting down the scientific assistance to the farmers in soil-conservation districts. Some of the new districts will probably get no help at all.

I cannot believe this House wants to reduce this scientific and widely praised soil-conservation work. I hope this House will allow the full budget estimate of $44,860,000 for the Soil Conservation Service.

What the bill does to the school-lunch program is to reduce by considerably more than 50 percent the nearly $63,000,000 allocated to the States for food purchases this year. It also changes the matching provisions so that many States might not be able to receive the full amounts provisionally available for them under the new appropriation proposal. Payments by those children who can afford to pay for their share of the lunch costs could no longer be included in the totals of State "matching" money.

In some States, the amounts that would be available for school-lunch operations next year would be so small as to raise serious doubts about the continuance of the program on any basis.

Now a word about section 32 funds. Elimination of these funds, the equivalent of 30 percent of the previous year's customs receipts, would deprive farmers of protection against emergency situations in various commodities.

We need these funds to deal with local surpluses of perishable commodities, such as fruits and vegetables. We have such local surpluses somewhere every year. We have some now. We will have more. Without section 32 money, it would be impossible to put a practical floor under temporarily glutted fruit and vegetable markets.

The Government should have continuing access to these funds so as to make exports possible when certain farm products otherwise will not move in world trade. The funds have been invaluable in eliminating the cotton surpluses, for example.

We especially need to maintain section 32 in order to cushion the impact of price-depressing factors on the farm economy. We also need it in developing new uses, diverting some products to byproduct uses, and in getting supplies of food and fiber to the needy.

In the rural electrification field, the effect of the bill can be stated very clearly and concisely. It would deprive 135,000 farm families of electric light and power they could just as well have in the year ahead. This would be the direct effect of the bill in decreasing the funds which REA needs to do engineering and other work which must precede the extension of power lines. Do not slow

down or stop this service which is second in importance only to the RFD service to the farmers.

The committee bill is especially hard on the small farmer who is short on resources. In calling for complete elimination of direct loans for farm purchase, the bill would order that deserving and qualified applicants—including veterans—be denied the opportunity to buy farms of their own. The demand for these loans has increased steadily, especially from veterans. On December 31, 1946, applications from 36,340 veterans were on file, as compared with 7,705 on the same date a year earlier. By denying these loans, the Department loses an effective weapon against farm land-price inflation, since these farms are purchased on a long-time earning capacity appraisal. And the bill would completely nullify section 505b, Public Law 346—the GI bill of rights.

The bill also would reduce funds for production and subsistence loans by $30,000,000. This means that many eligible applicants, including veterans, would be denied the only source of credit suitable to successful operations on their farms. With loan funds exhausted in most States, 14,600 of the veteran applications are still on file. To date, loans have been made to approximately 50,000 World War II veterans, and it would be discriminatory to refuse similar aid to other veteran applicants who filed too late to receive aid from past appropriations.

The committee bill would reduce funds for salaries and expenses by $12,000,000 and thus reduce the technical assistance to borrowers that frequently spells the difference between success and failure on these loans. There are now 1,200,000 borrowers with outstanding accounts of $700,000,000. FHA would have to close about 575 county offices, and increase the workload of remaining county personnel beyond the point where adequate assistance can be rendered borrowers.

I could cite other faults in this bill including the failure to provide funds to put into effect the scientific approach to the problems of distribution authorized by the Research and Marketing Act. However, this is merely a failure to advance the cause of agriculture and the general welfare whereas the cuts I have discussed represent absolute regression—positive detriment to American agriculture. The bill as it stands provides for an appropriation that is too low and a cost that is too high for the Nation to afford. I plead with you: Do not start us back on the road to soil destruction and depression.

Mr. CANNON. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, the appropriation bill being considered here today will cut and reduce the recommended budget for the Department of Agriculture by $383,000,000 less than recommended by President Truman. Should this action be approved the Congress will in effect be cutting the heart from a sound and progressive agricultural program designed to bring about a self-sustaining American agriculture and a manifestation and development of this Nation's agricultural resources.

The economies proposed in this measure are to the detriment of the farmers of our country and all segments of our population. The bill drastically curtails the services of the Agricultural Adjustment Administration, the Soil Conservation Service, the Farmer's Home Administration, the National School Lunch Program, the Rural Electrification Administration, the Production and Marketing Administration, and various branches of the Department of Agriculture concerned with scientific research and agricultural development and extension. I am in favor of economy—"constructive economy"—by eliminating waste and extravagance and useless personnel and have voted for measures in this session of the Congress to effect such economies where I felt that such could be accomplished without impairing vital and essential Government services. However, the drastic cuts that are here proposed, in my humble opinion, constitute a glaring example of false economy which is manifestly unfair not only to our farmers and the agricultural population of our country but also to every segment of our citizenship who are depending upon a successful and prosperous agriculture in America. Should American agriculture fail through the lack of coordination and support, all dreams of future prosperity and international peace may well end in chaos and confusion. The drastic reductions in appropriations proposed for the Soil Conservation Service exemplify a virtual wrecking of the soil-conserving programs, which is false economy in the truest sense. Our farms and tillable agriculture soil constitute the basic wealth of our country. Department of Agriculture statisticians estimate that between 1895 and 1930 a full million acres of top soil were lost each year and that more than 50 percent of the country's farm lands have been damaged by wind or water erosion and that this loss to the Nation has been about $4,000,000,000 a year. Since 1930, under the soil-conservation programs through contour planting and cultivation, terracing and various other soil-conserving and erosion-preventing practices, the wastage of our lands has been greatly reduced. Although the expenditures for soil conservation may appear to be great they are trivial compared to the ultimate gains which may accrue under these programs.

The majority membership of the Appropriations Committee has eliminated entirely all of the work heretofore performed by members of various county ACA committees in assisting farmers in statements of performance of prescribed conservation practices under which payments are conditioned. This elimination of assistance, basic in the field where most needed, is unjustified and constitutes an example of being penny-wise and pound-foolish. We cannot afford to let soil conservation slip back to a haphazard and unassisted condition contrary to the welfare and well-being of the present and future of America. This program is extensive and covers assistance in crop stripping, irrigation, cover cropping, restoration of eroded fields, terracing, draining, contouring, and other soil-conservation practices. Participating in the program are nearly 4,000,000 of the approximately 6,000,000 farms in the Nation.

The same situation and general principle applies as respects the programs of the Production and Marketing Administration as applied to cotton and tobacco production; to the Federal crop-insurance program which assures the investment of our farmer in his crop, and in the triple-A and Commodity Credit price-support programs as well as the Rural Electrification Administration, all of which aid in composing a well-balanced farm program.

Mr. Chairman, we want to maintain a well-balanced and profitable agriculture, and I urge that prior to the passage of this bill that amendments be adopted reinstating necessary funds which have been deleted, thereby providing for a continued strong and successful agriculture in America.

Mr. CANNON. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN of South Carolina. Mr. Chairman, the farmers of this country have just begun to get their heads above water, and it seems to me that the Appropriations Committee has reported an appropriation bill to the House that will sink the farmers again. I feel that I am well qualified to speak on this subject, since I was born and reared on a farm and at a time when the farmers received only a very small percentage of what their produce was worth.

Through well thought out legislation by the Congress the Government has been in a position during the past 10 years to materially assist the farmer in getting what he is justly entitled to receive for his produce. The pending agriculture appropriation bill practically eliminates several items materially affecting the farmers.

First, the transfer of the Federal inspection fee from the Government to the packer only adds more expense as we all know that the packers will pass this additional expense on to the farmers.

The REA has just begun to recuperate from the war, as it was impossible for this organization to secure copper wire and other strategic materials to give the farmers the benefit of electric service during the critical war days. I sincerely hope the House will amend the present bill tomorrow when amendments are in order so that the REA funds will not be imperiled, also the fine work carried on by the REA cooperatives throughout the United States can continue uninterrupted. I sincerely hope that I will live long enough to see every farm home in the United States have electric service, which will also mean that they can have water works and all other conveniences afforded the people who reside in cities.

Funds for the Farm Security Administration, Commodity Credit Corporation, and other important items such as the AAA have been considerably curtailed under the pending bill. I shall vote for amendments to have sufficient funds included in this bill to carry on the above-named farm activities so that our farmers can continue to progress and not go

backward. We are headed directly for another depression if we pass the pending legislation in its present form. Every Member of the House recognizes the fact that the farms are the backbone of our country and if they fail our entire economy is bound to fail.

We cannot continue to expect our farmers to operate at a loss and on the other hand guarantee industry a 10-percent profit on their investments and also continue to grant labor increased wages.

It is beyond my wildest imagination to understand how anyone could think we are economizing in Government expenses by curtailing the activities of the farmers and preventing them from having the tools necessary to raise food and other produce so necessary for not only our country but the entire world. We are sending billions of tons of food to every section of the world and it seems that we will be called on to feed the majority of the people of the world during the next few years.

We have recently made two or three huge appropriations to take care of suffering people in foreign countries and assist them in getting their governments back into operation. Therefore, I cannot understand why we should try to take away the few advantages we have recently granted our farmers under the name of economy.

Mr. Chairman, it is my sincere wish that we can amend the present appropriation bill when amendments are in order to the extent that every dollar the President has requested for the farmer shall be appropriated.

Mr. CANNON. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I have the highest regard for the distinguished gentlemen who are the authors of this appropriation bill, and I congratulate them for their splendid efforts to inject economy into the agricultural operations of our country. But I must remind them that the road to hell, also, is paved with good intentions, and it is my thought that false economy is more expensive in the long run than no attempts at economy.

During my brief period of tenure in this House I have heard repeated tributes to the superhuman job on the part of organized labor in producing the weapons of war with which our soldiers were able to repel the enemy; I have heard repeated tributes to American business enterprises for their splendid production efforts during the war; I have heard innumerable tributes and eulogies to our patriotic sons who fought and bled on foreign battlefields so that our Nation might continue to be the greatest nation on the face of the earth. These tributes are well founded, and their recipients are entitled to all the credit and praise that a grateful people might bestow upon them.

But our Nation has become great and remained great through the combined efforts of all of her peoples, and though I have yet in this Congress to hear of such lavish praise heaped upon the American farmer, nevertheless, without his contribution to the war effort, we would have been lost. It was he who labored through endless hours of back-breaking and thankless toil so that we who were in the service of our country both at home and on foreign soil, and those who worked in the factories to produce the guns would have food to eat and clothing to wear. The American farmer has always been the backbone of our Nation, and we should never stoop so low as to disavow that fact.

And yet, of all those who produced the weapons of war, and those who made it possible for us to weather the storm of the last great conflict, the American farmer has been the least paid and the most self-sustaining. His needs are small, and his demands are few. He receives the least amount of remuneration for his work per dollar invested and man-hour worked of all the trades or professions. And without his efforts we would all perish from the face of this earth.

I favor restoration of the cuts made by the committee in rural electrification appropriations. Nothing has meant more to the rural citizen of America than rural electrification; it has doubled the value of every farm that it has touched, and has brought the comforts of urban life to those who are most entitled to them, the American farmers.

Instead of cutting funds for this great enterprise, I think we should provide more funds in order that it may expand and give more service to more people. It is my dream that someday every farm family in America may be able to enjoy the comforts and benefits of electricity—and until that day comes, I am in favor of enlarging and expanding further this great program initiated for the farmer in recognition of his all-important contribution to American life.

It is an established fact that every living thing derives its subsistence from the top 6 inches of the earth's crust. Without this 6 inches of topsoil mankind would perish from the face of the earth, and vegetation would gradually disappear. Down through the ages of history, this soil has been washed into the valleys, and from there into the streams, and so on into the sea, and it was only after the situation was beginning to become critical that this important fact was discovered, and the science of soil conservation came into being. And today, through the efforts of our experts in the soil-conservation field who are working with those in the Triple A and other agricultural divisions, we are making rapid and noticeable progress in checking the loss of this fertility from our soils. One needs but to ride for 30 minutes from this city to see the results of this program.

The other day this Congress appropriated three hundred and fifty millions of our American dollars to be used to purchase food grown by American farmers to feed the starving people of Europe. We were drawing on our own dwindling resources to supply food for people who, through ignorance and neglect, failed to conserve their own natural resources for such emergencies, and who today are suffering because of the depletion and waste of these resources.

We seem to have plenty of money to send to Europe—but not enough to spend on our own future welfare. I cannot agree with such two-faced logic.

I want to see the section 32 funds restored to the farmers of America to whom they rightfully belong, and to see adequate funds given to our forestry and extension services and our school-lunch program.

Amendments to this bill will be offered to correct all of these injustices, and I sincerely hope that this Congress will see fit to restore these funds, at least to conform with the budget of the President.

It is high time that our American farmer assumed his rightful position in this country and ceased to be the scapegoat of every so-called political economy drive.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Chairman, I wish to congratulate the authors of this report for their expressed appreciation of the importance of forestry to this country. As they point out on page 7 of the report:

> As a matter of fact, more and more, forestry is coming to be regarded as an annual crop with definite cash income benefits to farmers in all sections of the country.

That is very true—outstandingly so in my part of the country.

I want to give further credit to the report for the statement that—

> There is a growing interest in forestry as evidenced by the fact that more than threescore witnesses appeared to testify on one item or another in the Forest Service estimate.

A separate volume of the printed hearings is devoted exclusively to the testimony from scores of witnesses from both sides of the House. The time and effort devoted by the many members of the House in advocating various forestry measures are indicative of the importance of this subject, not only for the definite cash income benefits mentioned in the report, but also for the many other benefits which flow from a well-done job of forestry. You know what they are. I refer to the flood-control values, to the stabilization of communities were sustained yield forestry is practiced, to the peaceful and delightful recreation provided tens of millions of our city and rural dwellers within our widespread national forest system, and to the stimulating pleasure granted millions of sportsmen by the proper handling of the wildlife—most of which, by all odds, at least in the West, ranges throughout the national forests, and finally to the range forage made available to some 10,000,000 head of livestock which returned to the Treasury far more from national forest grazing fees than is met in administering them.

And now after reading those honeyed words in the report saying that something should be done about the forestry situation, what do we find in terms of definite recommendations? The answer is nothing but cuts in appropriations, excepting for fire protection. Turn to

pages 59 and 60 of the report. Item after item after item—11 out of 12—is prefaced with a minus sign. That sort of double talk will do much more harm than good. For example, let me mention briefly 6 of the items with which I am personally well acquainted, although they are important not only in my district but Nation-wide:

First. A half-million-dollar cut is made in the project for general management and operation of the national forests. The report—page 19—says this is largely office work. This is the fund from which the forest rangers and forest supervisors are paid. Try following them over the mountains, working on forest fires, on timber sales, handling that 10,000,000 head of livestock, and doing the 101 jobs which we expect them to do. I have made such trips and want to assure you that those are far from being the swivel-chair office jobs implied in the committee report. The 8-hour day means nothing to these men during the field season. Overtime, from daylight to dark, but not on an overtime-pay basis, is customary practice. Rather than cutting this item, additional help should be provided these men. The dividend would be great in terms of less acres burned, more timber cut, and in other beneficial ways.

Second. Within the present month, Mr. TABER'S deficiency committee recommended, and Congress appropriated, an increase of $410,000 to increase the volume of timber sales on the national forests. The reason given was that such expenditures would return some $4 to the Treasury for each dollar spent. Now, this committee not only reverses the action of the Deficiency Committee by denying continuance of the $410,000 increase, but makes a further cut of $190,000 for timber-sale work. We recognized previously that it was a good business proposition to make an investment of this sort. The committee action in proposing this cut is, therefore, incomprehensible.

Third. I have mentioned that most of the big game and wildlife, especially in the West, range over our national forests. This is a valuable national resource which heretofore has been given at least some attention with the $163,000 appropriated for that purpose. Millions of sportsmen can testify to that. It is inconceivable, therefore, why the committee report—page 20—recommends that "the allotment—for the production of wildlife resources in the forests has been eliminated entirely." Note that word "entirely." We can, of course, eliminate the appropriation, but any of you who have been out in our forested country know that you cannot eliminate the hundreds of thousands of deer, elk, bear, antelope, and other game animals, and the many problems which arise because of their very presence. The complete elimination of this item is another of the incomprehensible features of this report.

Fourth. A fourth example—in brief—of the more serious cuts in forestry activities is the 50-percent reduction in forest resource investigations. This is the job of making an inventory of the standing timber in this country; what goods do we have on our shelves? Many a small-town storekeeper as well as the big industrialist realizes that an inventory of goods on hand is indispensable to a successful business. No such inventory is available as yet for large sections of the country. That is the way it is in my own State. Many of us believe that the amount of timber being cut there could be increased by hundreds of millions of board feet annually, and still not reduce the amount of our stocks on hand to a dangerous point. However, without an inventory we will not know if our stocks are being depleted too seriously. The committee report—page 21—says: "The work is largely academic, and lacks in real practical value." The practical woodsmen, the sawmill operators, and woodland owners will sharply challenge that statement. The Forest Service must have done a poor job in explaining to the committee what this project really is.

Fifth. Others will doubtless call to your attention that 35-percent cut in funds for the forest products laboratory and its field stations. The committee report—page 21—characterizes it as "academic or visionary." That was certainly not the reason why the Army and Navy people turned to this laboratory so frequently during the war years; nor the reason why the wood using industries give it their hearty support.

Sixth. Finally, among this list of incomprehensibles is the reduction of $2,500,000 for access roads; roads to make available for cutting hundreds of millions of feet of timber so urgently needed in the present housing crisis. As brought out during the hearings some $7,000,000 of the appropriation for "Forest development roads" is required for necessary maintenance. Consequently the committee report allows only $3,000,000 for new construction of access roads. This will be a reduction of almost 50 percent below the construction program under way this fiscal year. From personal observation I know that this work is being done efficiently and at reasonable cost. The returns to the Treasury from sales of national forest stumpage thus made available will more than liquidate the cost of these roads. With the need for more lumber as desperately great as it is, surely there should be no let-up in the access road construction program. To increase it would be much sounder from a cold dollar-and-cents point of view.

Other items in the Forest Service section of the bill also need further consideration. Quite probably all of them cannot be taken care of adequately at this time. I do wish to urge, however, that the House conferees study the real justification for these items more thoroughly and then join with the Senate conferees in converting the fine introductory words of this section of the report into the funds needed to actually put these words into effect.

Mr. CANNON. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentlemen from Missouri is recognized.

Mr. CANNON. Mr. Chairman, if we are not to have another war, this is the most important of the appropriation bills that will be considered at this session of Congress. It has more direct, and immediate, and determining influence upon the national economy than any appropriation bill which will be considered in the Eightieth Congress. Notwithstanding its importance it is being cut nearly one-third lower than any other of the annual supply bills with possibly one exception, and certainly the greatest decrease in service to agriculture under the preceding year of any supply bill in the history of the Congress.

Mr. Chairman, we are entering upon a critical postwar period. There is a disconcerting similarity in the pattern of the agricultural graphs in every war in which the United States has been engaged; in the rise and fall of farm prices and farm prosperity during and following continental wars, even back to the Napoleonic era.

We observe in each instance an advance with alarming regularity in agricultural prices, agricultural income, and agricultural prosperity during the war, and then a collapse which leaves the country in the depths of a disastrous depression.

That was the situation in 1866, 1899, 1920, and that will be the situation in the readjustment which must inevitably follow this war unless steps can be taken, both legislative and economic, to reverse the trend.

With that in view, Congress has endeavored in the last two decades to provide legislative machinery and economic programs which will counteract the effect of the inexorable law of dislocated supply and demand, so far as its effects upon agricultural deflation and postwar retrogression are concerned.

The system of programs and projects provided for in this bill are the outgrowth of our efforts to achieve price stability, economic equality, and a progressive standard of living for American agriculture. Almost without exception they have been remarkably successful. They have standardized production and income and have supplied a buying power which has been reflected in the increasing prosperity of business and industry dependent on farm patronage.

For that reason any proposal which threatens the continued activity and effectiveness of this integrated system of supports and controls merits the most earnest and painstaking scrutiny and consideration.

Let us examine briefly, in the order of their discussion in the committee report, some of the activities most drastically affected by the indiscriminate restrictions and liquidations proposed in the pending bill.

That is in keeping with the times. Research has demonstrated its value in peace and war. But for research and the scientific developments which supported our troops in the field, the war would still be on, we would still be fighting—abroad and at home. Industry, quick to realize the dollar-and-cents value of this practical point of view, is making unprecedented allotments of funds for research. It is even more important that agriculture, with its need for new uses and markets and new methods and fields of distribution of agricultural surpluses, should follow suit. Pressing problems of

supply, demand, prices, consumption, standardization, transportation, processing, packaging, and distribution require immediate and comprehensive study.

Accordingly, both Houses of Congress last year approved by practically unanimous vote the Hope-Flannagan research bill, and in response to that authorization an estimate was submitted to the House for an appropriation of $19,000,000 for that purpose. The committee, disregarding the mandate of the Congress, cuts the amount to $6,000,000, an amount so small as to render the project practically inoperative.

But perhaps the most disastrous effect of the bill is the denial of funds for the Production and Marketing Administration, generally known as the AAA. It has rendered the greatest service and it sustains the greatest cut of any agency in the bill.

In recognition and appreciation of the importance of the AAA program, Congress authorized it by an overwhelming majority in both branches.

In the last session of Congress authorization was made by an overwhelming majority in both branches, of a $300,000,000 agricultural conservation program for 1947. In conformity with that authorization, the Department issued a bulletin last August carrying this language:

> The provisions of the 1947 program are necessarily subject to such legislation as the Congress of the United States may hereafter enact; the making of the payments herein provided is contingent upon such appropriation as the Congress may hereafter provide for such purpose.

But the farmers of the country in view of the action of Congress in its emphatic authorization of the program and the long-established custom of the Congress to provide the funds to implement such authorizations, naturally considered the paragraph as a mere legal formality. No farmer seriously considered the possibility of any such contingency developing. In response to the announcement of the Department carrying this limitation, two-thirds of the farmers of the Nation have already started, and in many instances completed, conservation practices for this year and have laid plans to continue them during the coming year.

Now the committee proposes to take advantage of this fine print in their lightning-rod contract with the farmer and deprive him of the money he believes they have contracted to pay him. The farmer has made his contribution to the joint project and put up $2 to the Government's $1. He has performed in perhaps a majority of cases his part of the contract only to find that the committee here recommends that the Congress and the Government renege on its authorization enacted at the last session.

In the eyes of the farmer who has been cooperating with the Government in contracts of this character for years, and who has made such invaluable and indispensable contributions to the war program, this amounts to repudiation. And the denial of funds for the State and county committees destroys the agency which has given the farmer a voice in his own programs. It is liquidation, and with the committees thus summarily abolished arbitrary dictatorship is substituted for the democracy of the farmer-elected agency which has been their insurance against soil depletion and their guaranty of price stabilization.

I shall not burden you with my own views on the effect of the committee's recommendations on the conservation policies and practices which have been so universally approved by the Nation, but I should like to quote from an editorial on the subject carried in Sunday's New York Times, a newspaper of such eminence and fairness as to require no supplementary comments.

The following is an excerpt from the editorial page of the Times for May 25, 1947:

> The House Appropriations Committee used some noble language in reporting the Agriculture Department's 1948 budget on Friday.
>
> As we give thought to such a problem as soil conservation and to the saving of the surplus of our land from the influences of erosion we also have the responsibility of pursuing those policies that will prevent the erosion of that rugged individual character which has made the American farmer the greatest producer of agricultural commodities in any time or generation of the world's history.

It is quite true that the farmer's individualism may have been eroded by some aspects of the parity program. There is just criticism to be made of that program, as this newspaper has frequently pointed out. But it is hard to see how individualism can be restored or improved by the drastic slashes the committee has recommended in funds which are actually spent for conservation. The Soil Conservation Service recently estimated that a million acres of top soil were lost each year between 1895 and 1930; that 50 percent of our farmlands had been damaged; and that the cost had reached the appalling total of $4,000,000 a year. By way of comment the House committee cut the service's allowance from $44,860,000 to $38,673,000.

My friends, even in the city, where the paramount interest in agriculture is to secure sufficient production to meet daily needs and sufficient buying power to maintain urban industry, they realize the tragedy of cutting this vital and important appropriation at this critical time.

Then you will recall that Public Law 320, better known as section 32 of the Agricultural Adjustment Act, earmarks 30 percent of the customs revenue as a permanent appropriation to agriculture to encourage domestic consumption and export of surplus agricultural products, and to reestablish the farmer's purchasing power.

This law was put upon the statute books because of the general recognition that the tariff laws discriminated against the farmer; that they favored industry at the expense of the farm consumer; that they appreciated unduly and unfairly his cost of production and his cost of living. So, in order to offset that discrimination against the American farmer Congress enacted this law giving the farmer 30 percent of those same revenues to be used in maintaining farm prices, farm income, and the farm standard of living. It was one of the fairest provisions ever made and is in effect restitution. For the committee here to suddenly nullify the law, to in effect disregard the covenant under which it was enacted, is bad faith. You are continuing the advantages of the tariff to industry and to labor and you are discontinuing the little sop that is given to the farmer for the purpose of in some short measuse compensating him for that discrimination.

The remarkable thing is that the use of these section 32 funds has been a business success and has brought profit to the Government. If you eliminate the OPA subsidies, which were not for the benefit of agriculture at all, but solely for the benefit of the consumer, and if you confine the use of the section 32 funds to loans and price operations, the Government has made a profit on every dollar expended from the section 32 funds.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I hope for the accuracy of the record the gentleman is talking about the Commodity Credit Corporation credit and funds, not section 32 funds, because all the subsidies were handled out of Commodity Credit Corporation funds.

Mr. CANNON. Eliminating those expenditures which cannot be credited to the farmer because OPA subsidies were gratuities to the consumer and not to the farmer, the Government has made a profit.

The remarkable thing is that in the operation of the rehabilitation agencies and compensating agencies financed for the benefit of agriculture we discovered we were not only helping the farmer and helping the Nation but that the expenditures are good business investments. When we authorized HOLC and bailed out the banks and the insurance companies, everybody expected a huge deficit. But HOLC has paid out dollar for dollar. We are not going to lose a penny on it. As a matter of fact, it is so successful that they are coming in here with a proposal from money changers who want to get their hands on these good loans to make us sell this HOLC paper to private interests. So HOLC was not only a philanthropic success; it was also a business success.

Likewise, REA is a profitable investment. Some people have the idea that when you appropriate money for REA it is a gift or a grant. As a matter of fact, we are getting back every dollar we put in REA. We loan on the best security. Up to this time we not only have a negligible deficit but we have in many instances paid in advance.

As a matter of fact, practically all of these agencies we have created for the rehabilitation of agriculture have been as bread cast upon the waters and have returned to us manyfold.

I trust that any discussion of the school-lunch program is superfluous. But we have here the astonishing recommendation from the committee reducing the minimum amount required to $45,000,000.

Here is a phase that is frequently overlooked. When you appropriate $45,000,-

000 for children, they will not get the $45,000,000 in food. Under the statute there is a provision that out of each of these appropriations, $10,000,000 must be taken for equipment. Out of that $45,000,000, you will get only $35,000,000 for food. Of course, the key to the proposition of the committee is that they will not count the child's payments. Every child gets more than he pays for. Those who cannot pay are taken care of when otherwise they would go hungry. Why should such payments not be considered as matching funds? There is no reason in the world except a desire to liquidate this essential service to the children of the country. If we adhere to this requirement of not counting the money paid in by the children, there are only three States in the Nation qualified to meet these limitations—New York, Delaware, and Utah.

In many of the other States the legislatures do not meet until 1949, and even if they did it would be difficult to arrange plans to meet the situation.

Every authority, both educational and medical, says it is the best investment that we could make of American funds at this time.

Again, let me quote from Sunday's New York Times:

> The conservation of human beings is also important. A small item in this bill has been the school lunch program which the committee cut from $75,000,000 to $45,000,000. It is all important—

They are quoting the committee's report—

> It is all important, the committee observes, to turn our venture back to the States as soon as possible.

That is the principal argument made in favor of cutting the school-lunch program.

> The reason for the Federal subsidy is, of course, that some States cannot afford the cost. This particular economy may deprive many children of a hot lunch they really need.

The committee proposes to liquidate the provision Farmers Home Administration—that is the plan to provide in the country for the farmer what we have already accomplished in the city with the Federal Housing Administration and the HOLC. The success of the Home Administration program has been phenomenal. You recall that one reason for the adoption of this program was the appalling increase in farm tenancy. In the last report of the Department of Agriculture for May 1947 they show that in the South we had one-fifth fewer tenants in 1946 than we had in 1940 and we have the lowest farm tenancy in the history of the Nation.

According to the further report from the Department of Agriculture, the number of owner-operated farms has gone up 10 percent in 16 Southern States. Yet, this program is one of those that is hardest hit by this bill. Instead of providing $35,000 as the budget asked or $50,000, as we have today, or $25,000 as was originally provided by the committee, they in effect eliminate it.

The denial falls with greatest force upon the veterans and the small tenants. They say the veterans and tenants must be protected against themselves; that they are in danger of going out and paying too much for a farm. May I call attention to one thing that should be emphasized in connection with the Farmers Home Administration. A farm can be provided for an applicant only upon the concurrence of all committee men; they must make their estimate not upon present farm prices or current farm income, but they are required—and the requirement is rigidly adhered to—to make their estimates only on the long-time earning capacity of the farm and on the long-time average of prices. But the committee is denying these men the right to own their own farms, to have a loan with which to develop the farm they already own.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. If we should pass the Cunningham bill that provides for something similar to the Bankhead-Jones law for veterans, that would take care of that situation as far as the veteran is concerned, would it not?

Mr. CANNON. Of course, that is a contingency. The bill has not been passed and may not be passed. Here we have a law on the statute books under which we know we can provide for the ex-serviceman. Here is something we have in our hand.

A bird in the hand—is the noblest work of God.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Texas.

Mr. POAGE. The Cunningham bill would not do anything more than we have got. We have already got basic legislation. That would have to go back to the same Appropriations Committee to implement it with money, and if they will not implement existing legislation, why, by changing the name, would we expect them to furnish the money?

Mr. CANNON. Of course. We should take advantage of such facilities as we now have for providing homes for veterans and tenants. Why fly to ills we know not of?

Mr. Chairman, then the report on crop insurance is certainly one of the most inadequate reports ever submitted by any committee of the House, certainly by the Committee on Appropriations, on any bill reported in the last quarter of a century. It does not touch the real situation, top, side, or bottom. And it comprises one of the most essential services rendered by the Government today. Today no business operates without insurance. Notify any manufacturing plant or any modern business this afternoon that its insurance is canceled as of 12 o'clock tonight and that plant will not open for business tomorrow until its policies are renewed.

You yourself would not drive out on the highway in an automobile without insurance. Every business in the country operates under insurance policies which provide complete coverage and protection from every possible risk, including unavoidable disasters cataloged as "the providence of God"—every business except agriculture. And no business is so subject to the vicissitudes of the unpredictable providence of God. The farmer operates under incredible hazards of fire, frost, and flood, drought and deluge, pests, insects, disease, and predators, animal, vegetable, and human—operating in the field, the feed lot, and the warehouse.

Your banker will lend you money on any asset. If it burns or dies or is stolen, your insurance protects his loan. But he cannot lend on the farmer's crops—regardless of the amount invested in them or their potential value, because the farmer can get no insurance to protect the collateral.

In this way the farmer was denied one of the most essential of modern business services until in 1938 Congress authorized the Crop Insurance Corporation. It was a new field, without actuarial statistics and no blue prints on which to predicate a practical basis of operation. As a result, it lost money steadily. Its premiums and conditions of contract were inadequate to meet the losses and costs of operation. When this became apparent, the law was revised and rewritten, and since that time has been a success on every commodity on which insurance had been provided under the original law.

All of this is completely ignored in the report of the committee. No mention is made of the success of the service, since the readjustment, a most astonishing omission.

Instead of differentiating between operations under the old law and the new law, the report lumps all losses of the original immature system and reaches the wholly unjustified conclusion that no crop insurance can be provided for agriculture under any circumstances.

Likewise the report fails to call attention to the fact that no losses have been incurred under the new law on any of its operations except those on one single commodity, cotton, on which there had not been sufficient time and data to establish a practical basis. Incidentally, the defect on that one crop was that we sought to insure the cotton producer a profit instead of insuring him against a loss. When we have had sufficient experience to develop a workable contract, the service to cotton can be made as practical and successful on that commodity as on the rest of the commodities on which the present law is showing an annual profit to the Government. For example, the Government made a profit on its insurance on wheat alone over the last 2 years aggregating something over $7,000,000, and it lost money on none of the several crops which it insured with the single exception of cotton, which was one of the crops recently brought under the provisions of the law without sufficient preliminary experience.

Now, because of the loss on that one commodity, the committee proposes to deny insurance to every other agricultural commodity. They propose to discontinue the service and institute an experimental service which is so inadequate and so poorly financed that it is evident that the real purpose is total liquidation and complete abandonment of all effort

to provide for the farmer the service available to every other business.

The total of $1,000,000 recommended for administrative expenses in the report is a fraction of the amount needed for liquidation alone. The evidence is that some 450,000 crop insurance contracts are now in force with potential liabilities running into hundreds of millions of dollars. When the first law was rendered inactive in 1944, a total of $3,500,000 was provided for liquidation. Now only $1,000,000 is recommended for liquidation of a vastly larger establishment.

Under such circumstances the experimental crop insurance program which the committee suggests for 1948 could not even be started. There are no funds for liquidation much less for the initiation of a new program. The proposal of the committee is impractical to the point of absurdity. And the heartless abandonment of a successful program on all other commodities when only one is showing a loss, and on such an incomplete statement of the case, is to say the least difficult of justification.

I trust the bill reported by the legislative committee can be modified when it reaches the floor to provide for a continuance of insurance on those crops which have been self-sustaining and on an experimental basis on other crops with a view to establishing an actuarial basis on which such other crops can likewise be made self-sustaining as soon as experience justifies.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I think in fairness the gentleman should recognize the fact that the Department of Agriculture appeared before the Committee on Agriculture and asked that this be continued only on an experimental basis, and that legislation has been passed to that effect.

Mr. CANNON. I am familiar to some extent with the figures that have been submitted. They show no recent losses on any crop except cotton.

Mr. MURRAY of Wisconsin. That happened within the last week, I may say to the gentleman.

Mr. CANNON. But I ask my good friend who is an authority on agricultural problems, especially on those relating to dairying, if there is any reason why we should discontinue crop insurance on flax?

Mr. MURRAY of Wisconsin. I am not in any position to answer that question.

Mr. CANNON. Can the gentleman suggest any reason at all why we should discontinue crop insurance on wheat?

Mr. MURRAY of Wisconsin. I would discontinue it the way it has been operating. They lost about $7,000,000.

Mr. CANNON. No, they have not. That is the difficulty here. We do not have the statistics. As a matter of fact the Government made a profit of $7,065,000 on wheat for the years 1945 and 1946.

Mr. MURRAY of Wisconsin. One hundred million dollars has disappeared somewhere, has it not?

Mr. CANNON. No money has been lost under the new law except on one commodity. Something like $20,000,000 was lost on that one crop but the Government has made money on everything else.

Mr. MURRAY of Wisconsin. What commodity?

Mr. CANNON. The only loss this year has been on cotton and if that is being placed on an experimental basis, and eventually we will be able to service it as successfully and as profitably as the rest of the list.

But in the meantime what reason can the gentleman suggest for depriving all other agricultural products of the benefits of insurance?

Mr. MURRAY of Wisconsin. I want to get the record straight. The legislative committee that is in such good repute today has already passed legislation doing what the gentleman is criticizing—putting it on an experimental basis.

Mr. CANNON. No such law has been enacted. It has not even been brought up for consideration in the House. And until some further provision is made why not continue to function under the legislation now in force and under which insurance is being successfully provided for the great majority of American farmers?

I am certain my distinguished friend from Wisconsin joins with me in the belief that we should be fair and accurate and logical and helpful in the provision of a service which means so much to farmers and to all business associated with their success.

Mr. Chairman, in conclusion may I say that when this vast program implemented by this bill was begun, American agriculture was at its lowest ebb. The farmer was bankrupt. His farmland was being sold by the sheriff. His banks were failing at the rate of hundreds a day. Farm tenancy had increased until ownership of small farms throughout the country was practically nil. Our soil was eroding at such a rate that hundreds of thousands of acres of American arable land were being removed permanently and forever from production. Business was stagnate throughout the country because the farmers had no buying power. In many sections mobs of farmers were threatening sheriffs with the hangman's noose when they came to dispossess families from the farm. You could not borrow a dime on any farm in my State. Men outraged by confiscatory prices stopped milk trucks on the highway and poured out the milk. They invaded courtrooms and took judges from the bench. There was chaos, demoralization, destitution, and desperation throughout the rural areas. Farmers put their remaining possessions in wagons and drifted through the country as okies, hopeless, homeless, and helpless.

That was the situation in which agriculture found itself when we began the programs implemented by the appropriations in this bill. Under these services the whole situation has been retrieved. We have brought the farmer back. He is enjoying today under these programs the greatest prosperity the American farmer has ever known. He is making a greater contribution to the Nation than has ever been made by agriculture in the history of the world. We are producing this year one and one-quarter billion bushels of wheat. We are producing the greatest corn crop in American history. We are feeding America and the world as it has never been fed before from American acres. And we have raised the farm buying power and the American standard of living in both the city and the country.

Now, they here propose to put the ax to the root of activities which have made the Nation great, rich, happy, and prosperous.

Mr. Chairman, I want to balance the budget. I have brought in bills which made rescissions greater than ever made by any bill reported before or since. I have stood on this floor and urged economy which the House denied. I am for economy. But I refuse to cut so deeply, my friends, as to wreck the machinery. And again I want to quote the New York Times, a wholly disinterested commentator:

> Some other items in the committee's report will bear further examination. No one can argue that there are no possible savings in the Department's budget. If Congress can hack away what is actually deadwood, it should do so.

Now, that is a reasonable position. That is the position that we have always taken.

> But this is no year in which to cut out or hamper any activity which will save or improve the fertility of our soil, reduce farm production, or impair the well-being of people on the land. Agriculture just now is a booming industry, but it can collapse at this critical period in history, as it has done before, if we apply penny-wise and short-sighted policies to it.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from North Carolina.

Mr. FOLGER. A few minutes ago the gentleman was giving us a true historical picture of the plight of the farmer when we were not giving attention to him in matters of legislation. One man said about that time, "Destroy your cities and leave your farms and the cities will spring up again as if by magic. Destroy your farms and the grass will grow in the streets of every city in this country." Did that not come to pass?

Mr. CANNON. No greater truth has ever been spoken. The strength of America is in her farms and in her farm people. That is what is at stake in this bill.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I am afraid that the facilities of the House are hardly adequate to properly display these charts, but I trust you will bear with me, as I want to call them to the attention of the committee. Since I could not hang them here, I do not have them arranged in the order in which I wanted to comment on them, but we can at least begin with this one, which I consider very alarming.

This chart was just prepared this afternoon to show the trend of food production and of food consumption per capita of the United States. Food pro-

duction is this broken line here. The food production per capita of the United States is up to 125 percent of what it was in 1925. The food consumption per capita is up to about 116 percent. Food production went up because our Nation asked our farmers to increase the production of food. The farmers responded. They increased the production of food. We now have an agricultural plant capable of and actually producing 125 percent of its normal production. We have not increased food consumption in the United States at the same rate. What does that mean? What does that mean to you? To me it means simply that now that we have passed the period when we closed this gap with sales to the military and to UNRRA there is a 10-percent margin between consumption and production. That means surpluses. To me that word "surplus" in agriculture means danger. It means losses to the farmer, and it means low prices. It means agricultural disaster.

If there ever was a time when we need to take care of our farm problems and when we need to beware of what is about to befall agriculture in this Nation, it seems to me that this chart which shows the ratio of agricultural production to American consumption should make it plain that that time is coming in the next few months, or at least in the next few years. Of course, as long as we continue to export 400,000,000 bushels of grain to Europe, we may postpone the evil day. But the agricultural plant has been increased in response to the needs of our Government, and only our Government can make the provisions to close that gap which now exists between production and consumption. Unless it is closed, there can be nothing but disaster in agricultural prices.

Now, what does this bill do for agriculture prices? For one thing, it reaches in and grabs out the support under surpluses. Section 32, the crutch on which agriculture has leaned for all these years, is rudely jerked out from under us, and we are told that just at the period when agriculture is facing the greatest surplus which it has probably ever faced, we are going to be without that support.

My friends, I wonder why we have a bill of this kind? I am not here to make any partisan charges. I am not here to lay the blame on any individual, but I wonder why we have this kind of thinking that brings in a bill of this kind; why we have a philosophy of government today that leads our Government to encourage the farmer to increase production and then pulls the props out from under him? I wonder if it is not due to the fact that there has been so much propaganda over this country to the effect that the farmer is robbing the American public; to the effect that the farmer is getting prices that are all out of line with what anybody else gets.

Let me show you a few more charts. Let us look at this chart. I think this is one of the most illuminating charts. It is just two little lines. It does not look like very much, but this shows the per capita food cost and the percentage of income in the United States from 1913 to 1946. Back in 1920, the actual food expenditures of the American people were about 33 percent of their income. They run now to about 23 percent of the national income. But they would not be that high if you follow the line of the cost of a given quantity of food, representing the average annual amount consumed. If the consumption had remained the same, you would find that the food that in 1920 took some 33 percent of the American national income can now be bought for some 17 percent of the national income. The American people are actually eating more, but even so they are doing it on a smaller part of their income.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. POAGE. What we are actually eating in the United States today is only costing us 19 percent of our national income, or less than two-thirds as much of the national income as we formerly spent for food. How can anybody claim that the farmer is robbing the public when the farmer is letting the man in the mill and the factory buy his food for 2 hours' work where he formerly had to spend 3 hours' work. That is what it amounts to.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes; I yield.

Mr. HALLECK. The gentleman by his charts is evidently trying to establish the fact that at the moment agriculture seems to be in a rather favorable position. If that is true, does he think that the payments that were made to agriculture, initiated back in the depression time, should now be continued at about those levels, or would he not believe that possibly some of that money might be saved for a rainy day?

Mr. POAGE. Of course, it is most unfortunate that the majority leader did not observe the first chart that I showed here, which I think shows as clearly as can be shown that we are faced with a gap between agricultural production and agricultural consumption that must inevitably lead to surplus, and an early break in agricultural prices, leading to agricultural disaster.

Mr. HALLECK. Will the gentleman yield further?

Mr. POAGE. Yes, I yield.

Mr. HALLECK. I was here and I saw the first chart you exhibited. I noticed the 10 percent that you pointed out. If we were not shipping so much food abroad, I do not know whether our consumers would go up to that 125 percent or not. There are many people who think that they probably would. I do not know what may ultimately happen to that.

Mr. POAGE. Undoubtedly, if the gentleman wants to break the price of agricultural products down to a low enough level, he can sell the consumption of the American farms at a bankrupt price. If that is what the gentleman proposes, then, of course, in spite of my statement that I did not intend to inject any personalities or any partisanship in this discussion, I must suggest that the leadership of the Republican Party has certainly deserted every claim to farm support, if that is what the gentleman proposes. Certainly the farmers of America are entitled to a living wage. That living wage has been fixed by this Government as parity. We are guaranteeing to the farmers only 90 percent of a living wage. How many of your laborers, how many of your capitalists will accept 90 percent of a fair return and think that they are being fairly treated? How can it be said that the farmer who is assured only 90 percent of parity is robbing anybody else? We are now told that the farmer who is getting 90 percent of a living wage as defined by law is destroying the economy of everybody else. Let us see just how the farmer compares with other groups.

It is true that realized net income of farm operators has increased substantially as a result of increases in both agricultural prices and in production. In spite of this fact, the preliminary estimates of the Bureau of Agricultural Economics show an average realized net income per farm operator in 1946 of $2,565 per year, or about $49 per week per family. This is the farm family's total return from farming, and includes the value of the home-produced food, as well as the rental value of the farm home. It includes the total return on the family's investment, the farmer's management, and his own labor and whatever labor other members of the family contribute to farm production. The average family had an equity of about $11,700 in farm real estate, machinery, motor vehicles, livestock, and crops on hand as of January 1, 1946. Interest on this equity at 5 percent would amount to $585 per year. Deducting this interest on the investment from the realized net income would leave but $1,980, or about $38 per week, as the income of the farmer and his family for labor and management. This compares with an average weekly wage of $47.47 per wage earner, for factory workers. When it is remembered that in a very large percentage of the cases there are at least two wage earners in the farm family, it will immediately become apparent how poorly farm income compares with the income of industrial workers, even at present prices.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. H. CARL ANDERSEN. The gentleman, I believe, is overexercised about section 32 funds. After all, Congress in the deficiency bill just last week restored entirely the lending power of $4,750,000,000 of the Commodity Credit Corporation, and that is one way we are taking care of the 90-percent-parity funds.

Mr. POAGE. Possibly the gentleman is overexercised, but I am one of those who saw the disaster which surplus farm production brought to this land. I have seen the terrible effect of these surpluses and I, for one, have not forgotten the lesson. I, for one, do not propose to take steps that are going to lead us into another catastrophe of that kind; and I do not believe the gentleman from Minnesota wants to. I am convinced by all the figures and by all the facts, that we are on the road to that kind of catastrophe; if we do not provide machinery now, to cope with the problem, but the

gentleman offers no solution; the majority leader offers no solution except to take it out of the farmer's hide, reduce farm prices to such extent that you can sell your products for practically nothing. Get prices down, says the majority leader, and then maybe our farm products will be consumed. Sure, if you sell your cotton at 4 cents a pound it will be consumed. Certainly, if you break the price of corn down to two-bits a bushel it will all be consumed. Certainly if you break the price of cattle down to a nickel, then you can sell them. Then the Republican Party can say, "We have got full consumption." But if you are going to give to the farmer a fair price, even 90 percent of a living wage, then you have got to do something now about that gap that exists or we all know what will happen.

Mr. Chairman, I want to emphasize again the fact that farmers, as a class, are still giving more to society and getting less in return than any other group.

I want to emphasize again the fact that support prices are not high prices. The prices that we have tried to maintain for farmers are far lower than the prices received by other groups. They are lower than the recognized living-wage standard; they are only 90 percent of parity. When we compare the gains made by farmers on one hand, and by industrial workers and capital on the other hand, we find that the farmer runs a poor third comparing wages, prices, and profits, during the period 1935–39 with the same items. In 1947, we find that:

Prices received by farmers in April 1947 were up 253 percent.

Prices paid by farmers in April 1947 were up 180 percent.

Farmers were, therefore, relatively better off by 73 percent.

Wages received by industrial workers in March 1947 were up 213 percent.

Since that time many wages have been increased 15 percent.

Prices paid by industrial workers in March 1947, 156 percent.

Workers were, therefore, relatively better off by 72 percent.

Profits made by corporations in 1946 were up 336 percent.

Prices paid for food by urban people in 1946 were up 190 percent.

Capitalists are, therefore, relatively better off by 146 percent.

When we take the comparison back to the base period of 1909–14 it is even more striking. I do not have the figures on corporate profits during this period, but I do have the figures on prices received by farmers as compared with prices farmers paid and the hourly earnings received by industrial workers as compared with the prices they paid. These figures show:

Prices received by farmers in 1947 were up 280 percent.

Prices paid by farmers in March 1947 were up 227 percent.

Farmers are, therefore, relatively better off by 53 percent.

Compared with this we find, using the same base period:

Hourly earnings received by industrial workers in March 1947 were up 557 percent.

Prices paid by industrial workers in March 1947 were up 227 percent.

Workers were, therefore, relatively better off by 330 percent.

Can it be charged that under these circumstances farm prices are unfair or too high? Can it be that the majority leader, or the subcommittee that wrote this bill, would seriously contend that we should remove the most effective supports to farm prices simply in order to give more fortunate and more prosperous segments of our society a further advantage?

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield further?

Mr. POAGE. If the gentleman will get me more time.

Mr. DIRKSEN. Mr. Chairman, I think we had better proceed to read the first paragraph of the bill.

Mr. CANNON. Will the chairman permit me to yield for one extension?

Mr. DIRKSEN. Certainly.

Mr. CANNON. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, almost everybody knows it has taken nearly a decade of diligent effort to bring the farmers of this Nation to the present state of prosperity they now enjoy. Furthermore, many people know how serious and far-reaching the results have been when depressions have overtaken agriculture. In my opinion it is unwise to take any chance with the welfare of American agriculture which is so vital to so many people of this Nation and the world as a whole.

It is my sincere hope that the present agricultural appropriations bill will be appropriately amended to the end that our farm program, which admittedly has been a constructive one, will not receive a set-back which could be the forerunner of chaos in many of the aspects of agriculture.

Agriculture in its many phases has been benefited greatly by the rural electrification program. Highly pleased are the farmers who have received the advantages and benefits of this program. There are many other farmers in our area and throughout the Nation who desire the benefits of REA. It is my hope that this segment of our agricultural program will not be injured or unnecessarily delayed by the action of this Congress. Necessary funds to properly expand the REA program so that it will reach as many farmers as possible, of course on a sound basis, should be carried in this appropriation bill.

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, there has been much discussion with respect to the rule under which this appropriation bill comes to the floor for consideration. I think it should be made clear, in deference to the committee in charge of this measure, that the rule does not put this House in a so-called strait-jacket. I have on many occasions opposed such rules that have been brought to this floor in the past. Such rules did not permit offering amendments of any kind. This bill is subject, as in the case of other bills, to amendment and debate. Any Member will have a chance, if he chooses to do so, to offer amendments from the floor to strike portions therefrom. Or he may offer amendments to add to this legislation if he feels he can get support for such amendments. I mention this, Mr. Chairman, only to further clarify a situation that seems to have become somewhat beclouded.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture for the fiscal year ending June 30, 1948, hereinafter referred to as the current fiscal year, namely.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the gentleman from North Dakota [Mr. ROBERTSON] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROBERTSON. Mr. Chairman, I appreciate the necessity of balancing the Nation's budget, and the elimination of unnecessary functions, duplication of service, and excessive personnel in all the administrative phases of our National Government. I am concerned, and gravely so, when I read the Agriculture appropriations bill, making extreme reductions in farm appropriations. We should move with great caution when we attempt to cut expenses which directly affect the farmers of the country.

The farmers of the Nation will express indignation over the tremendous slash in the $300,000,000 for the AAA conservation program specifically approved by Congress last year. It can be argued with good conscience that this is breaking the faith with millions of farmers. There is grave concern as to whether or not the reduction of administrative expenses to $15,000,000 will permit the State and county PMA offices to carry out their program successfully, and as well to handle commodity loans and other price-support functions vital to millions of farmers.

On the question of rural electrification I yield to the committee the right, without question, to cut administrative costs $1,600,000. I cannot with complete understanding see why the loan program, which is a self-liquidating program, should have been cut $25,000,000. This item should be reinstated on the floor without question.

Although there is a great demand for farm products today, and the problem of surpluses, generally speaking, is negligible, still in a nation with as gigantic a productive capacity as we have in the United States we can anticipate surpluses in the future. Now is the time for investigation and research in this field. Because of this, principally, I am alarmed over the complete elimination of section 32 funds for surplus disposal and the small appropriation allowed to carry out the program of the Hope-Flannagan Act, which was passed almost unanimously by Congress last year.

In our aspirations to find the real road to economy, we must not be led astray, especially when we deprive the farmers themselves of the benefits to which they are rightfully entitled.

I do not wish to convey the impression that I am just knocking everything accomplished by the Subcommittee on Agricultural Appropriations. I feel that they very judiciously handled a great many phases of what was necessarily a complicated and detailed appropriation bill. I feel that the subcommittee is to be complimented for their treatment of many of these phases, and I think especially of the Extension Service, which has proved so important to the development of agriculture throughout the several States. Although a cut was made in the Soil Conservation Service, I am pleased that the cut was not so severe as to seriously cripple this organization, which offers technical advice to farmers of the Nation.

I regret that I am forced to disagree with the subcommittee, but feel I must, in the interest of the Nation's farmers.

Mr. DIRKSEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HERTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, had come to no resolution thereon.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that those who have spoken on this side today may be allowed to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. POULSON (at the request of Mr. PHILLIPS of California) was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Sunday Star.

Mr. NIXON (at the request of Mr. PHILLIPS of California) was given permission to extend his remarks in the Appendix of the RECORD and include an article from the quarterly magazine Law and Contemporary Problems.

Mr. HORAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an excerpt.

Mr. CANFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include a newspaper editorial and in the other a magazine article.

Mr. PATMAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include certain statements and excerpts.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. CANNON. Mr. Speaker, reserving the right to object, with the House meeting at 10 o'clock tomorrow, will we proceed immediately to the consideration of the pending appropriation bill?

Mr. HALLECK. Yes.

Mr. CANNON. Or will there be preliminary business?

Mr. HALLECK. My understanding is we will proceed immediately to the consideration of the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LIMITING APPLICATION OF PROVISIONS OF FEDERAL LAW TO COUNSEL EMPLOYED UNDER SENATE RESOLUTION 46

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 107, and its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That nothing in section 109 or section 113 of the Criminal Code (U. S. C., 1940 ed., title 18, secs. 198 and 203), or in section 361, section 365, or section 366 of the Revised Statutes (U. S. C., 1940 ed., title 5, secs. 306, 314, and 315), or in any other provision of Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, shall apply with respect to counsel to the special committee of the Senate serving under the provisions of Senate Resolution 46, Eightieth Congress, first session, adopted January 22, 1947: *Provided, however*, That nothing contained herein shall be deemed to limit, curtail, or augment any existing authority in such committee or its counsel to initiate, prosecute, maintain, defend, or otherwise dispose of any claim, action, proceeding, or matter, civil or criminal, on behalf of the United States.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REQUEST TO WITHDRAW PAPERS

Mr. ALBERT requested, pursuant to rule XXXVIII, leave to withdraw from the files of the House papers in the case of H. R. 6146, a private relief bill for Mrs. Thelma Crosslin, Seventy-ninth Congress, no adverse report having been filed thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. O'HARA, from May 28 to May 31, on account of official business.

To Mr. WEICHEL (at the request of Mr. MCGREGOR), for Monday, Tuesday, Wednesday, and Thursday, May 26, 27, 28, and 29, on account of attending Congressman Bradley's funeral.

To Messrs. KUNKEL, GILLIE, SHAFER, GRANT of Indiana, JONKMAN, and DINGELL (at the request of Mr. HALLECK), to attend funeral of Congressman Bradley.

To Mr. AUCHINCLOSS (at the request of Mr. CANFIELD), for 3 days, on account of official business.

To Mr. RILEY (at the request of Mr. RICHARDS), for an indefinite period, on account of illness.

To Mr. NIXON (at the request of Mr. POULSON), for 4 days, on account of official business.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3029. An act to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on May 26, 1947, present to the President, for his approval, a bill of the House of the following title:

H. R. 2094. An act for the relief of Isaac B. Jones.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 28, 1947, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

713. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed amendment to H. R. 3492, section 5, transfer of war housing to the War or Navy Department; to the Committee on Banking and Currency.

714. A letter from the Secretary of War, transmitting a draft of a proposed amendment to H. R. 3492, section 5, transfer of war housing to the War or Navy Department; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MARTIN of Iowa: Committee on Post Office and Civil Service. H. R. 1389. A bill to amend the Veterans' Preference Act of 1944; with an amendment (Rept. No. 465). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2005. A bill to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments"; without amendment (Rept. No. 466). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2411. A bill to authorize patenting of certain lands to Public Hospital District No. 2, Clallam County, Wash., for hospital purposes; without amendment (Rept. No. 467). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2572. A bill to permit the sale of liquor to Indians outside Indian country; with an amendment (Rept. No. 468). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. H. R. 2852. A bill to provide for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area, in the State of Kentucky; without amendment (Rept. No. 469). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 3465. A bill to amend the Federal Crop Insurance Act; with an amendment (Rept. No. 470). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIRKSEN: Committee on the District of Columbia. H. R. 3547. A bill to authorize funds for ceremonies in the District of Columbia; without amendment (Rept. No. 472). Referred to the Committee of the Whole House on the State of the Union.

Mr. BATES of Massachusetts: Committee on the District of Columbia. H. R. 3611. A bill to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; with an amendment (Rept. No. 473). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 3252. A bill to authorize the Secretary of the Navy to convey to the city of Long Beach, Calif., for street purposes, an easement in certain lands within the Navy housing project at Long Beach, Calif.; without amendment (Rept. No. 474). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 3053. A bill to authorize the Secretary of the Navy to convey to the Territory of Hawaii an easement for public highway and utility purposes in certain parcels of land in the district of Ewa, T. H.; without amendment (Rept. No. 475). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 3056. A bill to authorize the Secretary of the Navy to convey to the city of Macon, Ga., and Bibb County, Ga., an easement for public road and utility purposes in certain Government-owned lands situated in Bibb County, Ga., and for other purposes; without amendment (Rept. No. 476). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of California: Committee on the District of Columbia. H. R. 3604. A bill to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; without amendment (Rept. No. 471). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROW:

H. R. 3623. A bill to provide that members of the Communist Party shall be ineligible for veterans' benefits, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. GEARHART:

H. R. 3624. A bill to provide percentage depletion for fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, ball and sagger clay, rock asphalt, and thenardite with respect to taxable years beginning after December 31, 1946; to the Committee on Ways and Means.

By Mr. HARRISON:

H. R. 3625. A bill relating to the promotion of certain former members of the Army of the United States wounded or injured in combat and hospitalized for 18 months or more as a result of such wound or injury; to the Committee on Armed Services.

By Mrs. NORTON:

H. R. 3626. A bill to authorize the Federal Works Administrator to make grants to nonprofit private agencies in the District of Columbia with respect to hospital facilities in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. SIMPSON of Pennsylvania:

H. R. 3627. A bill to amend the Social Security Act with respect to State plans for aid to the blind; to the Committee on Ways and Means.

By Mr. WELCH:

H. R. 3628. A bill to revise the method of issuing patents for public lands; to the Committee on Public Lands.

By Mr. ANDREWS of New York:

H. R. 3629. A bill to authorize the transfer to the Panama Canal of property which is surplus to the needs of the War Department or Navy Department; to the Committee on Armed Services.

H. R. 3630. A bill to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess.; 60 Stat. 963), and for other purposes; to the Committee on Armed Services.

By Mr ELSTON:

H. R. 3631. A bill to amend the Articles for the Government of the Navy to improve the administration of naval justice; to the Committee on Armed Services.

By Mr. BATES of Kentucky:

H. R. 3632. A bill to extend the time within which applications may be made to the Railroad Retirement Board for certain refunds from the unemployment trust fund; to the Committee on Interstate and Foreign Commerce.

By Mr. FARRINGTON:

H. R. 3633. A bill to amend section 203 of the Hawaiian Homes Commission Act, designating certain public lands as available homelands; to the Committee on Public Lands.

H. R. 3634. A bill to amend section 83 of the Hawaiian Organic Act to provide that women may serve on juries in the Territory of Hawaii; to the Committee on Public Lands.

H. R. 3635. A bill to ratify sections 1 and 2 of Joint Resolution 7 enacted by the Legislature of the Territory of Hawaii in its regular session of 1947; to the Committee on Public Lands.

By Mr. FORAND:

H. R. 3636. A bill to amend the Social Security Act to enable States to establish more adequate public-welfare programs, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILLIPS of California:

H. R. 3637. A bill granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Pacific coast and creating the Pacific Marine Fisheries Commission; to the Committee on Merchant Marine and Fisheries.

By Mr. REES:

H. R. 3638. A bill to amend section 10 of the act establishing a National Archives of the United States Government; to the Committee on Post Office and Civil Service.

By Mr. HOBBS:

H. R. 3639. A bill to provide for trials of and judgments upon the issue of good behavior in the case of certain judges; to the Committee on the Judiciary.

By Mr. MACKINNON:

H. Res. 219. Resolution to amend rule XIV of the Rules of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to increase Federal aid to the Veterans' Home of California, at Yountville; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. ALLEN of California:

H. R. 3640. A bill for the relief of Mrs. Charlotte D. Wang, Harvey S. P. Wang, and Arthur Y. P. Wang; to the Committee on the Judiciary.

By Mr. FOOTE:

H. R. 3641. A bill for the relief of Mrs. Helen E. Scofield; to the Committee on the Judiciary.

By Mr. KENNEDY (by request):

H. R. 3642. A bill for the relief of Michael A. Driscoll; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 3643. A bill for the relief of Mrs. Maria V. Yosco and family; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 3644. A bill for the relief of James M. Dingwall, Eileen Reynolds, W. G. Peterson, Bert Woolslayer, and Maisie Purser Davis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

576. By Mr. MCGREGOR: Petition of members of Local 735, American Federation of Teachers; Local 22625, Eagle Rubber Co.; Local 604, International Union of Operating Engineers; Local 319, Myers Moulders; Local 294, United Garment Workers; and Local 200, International Brotherhood of Bookbinders, of Ashland County, Ohio, petitioning the Congress of the United States protesting the reduction of income tax on a percentage basis and suggesting instead that an exemption be made up to $3,000 for married persons and up to $1,500 for single persons; to the Committee on Ways and Means.

577. By Mr. SABATH: Petition of the Sixty-fifth General Assembly of Illinois, petitioning the Congress to investigate the obvious advantages of locating the proposed atomic-energy laboratory in some Government-

owned area; to the Joint Committee on Atomic Energy.

578. Also, petition of the City Council of the City of Chicago, urging the prompt enactment of Wagner-Taft-Ellender housing bill; to the Committee on Banking and Currency.

579. By the SPEAKER: Petition of the membership of the Safety Harbor Townsend Club, No. 1, Safety Harbor, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

580. Also, petition of Miss Emma MacKay, Townsend Club, No. 1, Boynton Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MAY 28, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

If Thou, O Lord, shouldst mark iniquities, who among us could stand unafraid before Thee? For there is so much bad in the best of us, and so much good in the worst of us, that we dare not criticize each other. But Thou canst reprove us all.

Ere we begin our duties, cleanse Thou our minds and hearts. What no proper shame kept us from committing, let no false shame keep us from confessing. In this moment may we find grace to seek Thy pardon and find the joy of the Gospel of making a new beginning.

In the power of Christ our Lord and Master. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 27, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 107) limiting the application of provisions of Federal law to counsel employed under Senate Resolution 46 without amendment.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 107) limiting the application of provisions of Federal law to counsel employed under Senate Resolution 46, and it was signed by the President pro tempore.

UNITED STATES PRINCETON UNIVERSITY BICENTENNIAL COMMISSION

The PRESIDENT pro tempore. The Chair appoints the Senator from Virginia [Mr. ROBERTSON] as a member of the United States Princeton University Bicentennial Commission, in place of the Senator from Utah [Mr. THOMAS], resigned.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Public Lands:

"Senate Joint Resolution 20

"Joint resolution relative to memorializing Congress to refuse passage of H. R. 2876, creating a Redwood National Park and a national-forest area in California

"Whereas H. R. 2876, now pending, proposes to create in the northwestern portion of California a Redwood National Park and a national-forest area, in addition to the parks and national forests now existing; and

"Whereas the purposes for which this national park and national-forest area are to be created are indefinite or not defined in H. R. 2876, while the disadvantages and disabilities which will accrue to the State of California and to the people of this State should this bill become law are at once apparent; and

"Whereas they accrue from the fact that this bill would take from private ownership and add to the public domain approximately 2,315,000 acres of highly valuable timber and other lands, thereby decreasing by more than one-half the taxable areas and approximately one-half of the assessed wealth of the counties of Del Norte, Humboldt, and Mendocino, and also by about 85,000 acres in Sonoma County, placing almost the entire lumbering industry of this part of California under Federal control and withdrawing from production of lumber more than 200,000 acres of redwood timber, as a result of which agriculture, stock raising, and general business in the area would also be seriously impaired; and

"Whereas the removal of such large areas of valuable lands from the assessment rolls would so reduce the tax revenue as to disrupt the local economy by placing an intolerable burden upon local government and the remaining property holders in the area, seriously affecting most adversely the economy of the entire State; and

"Whereas there is no reasonable basis for the creation of further national parks in this part of the State, since the State of California, aided by private donors, has acquired and preserved for all time 57,882.27 acres of the finest groves of redwoods and now administers for the public in the counties named above 43,184 acres of redwood parks and is still in the process of acquiring many additional thousands of acres for these parks, and has also acquired some 36,270 feet of ocean frontage, and has adopted numerous laws and regulations to bring about better logging methods, reforestation, and conservation, and for these purposes has within the last year acquired some 53,000 acres of cutover and virgin timber lands and has embarked upon a large program of experimentation and development of better reforestation methods and more adequate conservation controls which this legislature believes to be adequate and effective; and

"Whereas creation of the parks proposed by H. R. 2876 would conflict with and seriously hamper the State park and reforestation program of the State of California: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly)*, That the passage of H. R. 2876 is highly undesirable for the reason that the provisions of the bill would accomplish no reasonable purpose but would seriously and most adversely affect the economic and cultural interests of the entire State of California; and be it further

"*Resolved*, That the Congress of the United States, particularly the Senators and Representatives of the State of California in the National Congress, and especially Mrs. HELEN GAHAGAN DOUGLAS, author of H. R. 2876, are hereby memorialized vigorously to oppose the passage of H. R. 2876; and be it further

"*Resolved*, That the secretary of the senate forthwith transmit copies of this resolution to the chairman and members of the House Committee on Agriculture and to each Senator and Representative from California in the Congress of the United States."

Two joint resolutions of the Legislature of the State of California; to the Committee on Appropriations:

"Senate Joint Resolution 3

"Joint resolution relative to memorializing Congress to increase Federal aid to the Veterans' Home of California, at Yountville

"Whereas there is a home for aged and disabled honorably discharged veterans of the United States, known as the Veterans' Home of California, situated at Yountville, Napa County; and

"Whereas the said home is supported jointly by the Federal Government and the State of California, the current Federal contribution being at the rate of $300 per annum for each veteran domiciled there; and

"Whereas the cost of food products and supplies and materials of all kinds entering into the upkeep and maintenance of the said institution now prevailing is substantially in excess of normal, due to World War conditions: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly)*. That the Congress and President of the United States are urged and memorialized to cause an increase to be made in the Federal aid to the said Veterans' Home of California, at Yountville, from $300 to $500 per capita, per year; and be it further

"*Resolved*, That the secretary of the senate is directed to transmit copies of this resolution to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

"Senate Joint Resolution 10

"Joint resolution memorializing the President and Congress of the United States in relation to providing funds for a continued Federal-aid highway program

"Whereas the construction of an adequate system of interstate highways as authorized by act of Congress has necessarily been deferred during the war years; and

"Whereas our wartime experience has demonstrated that such a system of highways is both indispensable to our national defense and essential to our peacetime economy; and

"Whereas more and more motorists are traveling throughout the Nation transcontinentally and along the coastal regions; and

"Whereas such traveling imposes particularly heavy use of California's highways and bridges which were necessarily subjected to heavy use by military vehicles and vehicles engaged in the transportation of equipment and materials for the war effort during the war years; and

"Whereas the additional cost necessary to provide adequate national defense arteries, including heavier bridges and roadbeds should be borne by all the taxpayers of the Nation: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly)*, That the President and the Congress of the United States are respectfully memorialized and requested to take such steps as may be necessary to provide continued Federal appropriations to aid the States in the development of an adequate system of interstate highways and Federal-aid highways on the

basis of a long-range program of Federal-State cooperative activity."

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Public Lands:

"Senate Concurrent Resolution 2

"Concurrent resolution memorializing Congress to grant its consent to uniform taxation of certain Indian properties, which are taxed by the Federal Government and which are immune or claimed to be immune from State taxation

"To the Honorable the Congress of the United States of America:

"Whereas there remains, nontaxable, 2,785,477 acres of Indian-owned lands located within the State of Oklahoma; and

"Whereas by recent decisions of the Supreme Court of the United States, there has been a general revision of the trend toward holding instrumentalities of the Federal Government free from State taxation; and

"Whereas the Federal Government itself imposes inheritance and income taxes against the trust funds and earnings of trust funds and all of the earnings from the sale of mineral resources, including oil and gas production from Indian lands and trust funds and securities held in the Treasury of the United States in trust for Indians; and

"Whereas as to the Five Civilized Tribes, the Supreme Court in the case of *Oklahoma v. United States,* has recently held that all personal property, all cash and securities held in trust by the Government for full-blood Indians and all real estate, except that real estate which is exempt from ad valorem taxes, either by act of Congress or by provisions in trust deeds or patents is subject to the inheritance, gift, and transfer tax laws of the State of Oklahoma; and

"Whereas there are many other tribes of Indians, the taxability of whose property is still in doubt and will result in a large amount of litigation; and

"Whereas it is within the power of Congress to make provision for the taxation of such Indian properties and the income therefrom should be the subject of State taxation; and

"Whereas in the absence of such action on the part of Congress, the State is put to much expense, trouble, and inconvenience in trying to impose taxes on the same properties which are taxed by the Federal Government; and

"Whereas as stated by the Supreme Court of the United States, in the above-cited case, as follows:

" 'Congress cannot have intended to impose Federal income and inheritance taxes on the Indians and at the same time exempt them by implication from similar State taxes.

" 'Congress has passed laws under which Indians have become full-fledged citizens of the State of Oklahoma. Oklahoma supplies for them and their children schools, roads, courts, police protection, and all the other benefits of an ordered society. Citizens of Oklahoma must pay for these benefits. If some pay less, others must pay more. Since Oklahoma has become a State it has been authoritatively stated that tax losses resulting from tax immunity of Indians has totaled more than $125,000,000. If Congress intended to relieve these Indians from the burden of a State inheritance tax as a consequence of our national policy toward Indians, there is still no reason why we should imply that it intended the burden to be borne so heavily by one State.

" 'Restricted cash and securities and lands not specifically exempt by acts of Congress from direct taxation and miscellaneous personal property and insurance, all belonging to members of the Five Civilized Tribes in Oklahoma held not exempt by any existing legislation from State estate taxation': Now, therefore, be it

"Resolved by the Senate of the State of Oklahoma (the House of Representatives concurring therein):

"SECTION 1. That the Congress of the United States be memorialized to immediately pass a uniform act in which the rights of the States to tax the same properties belonging to restricted Indians, which is taxed by the Federal Government, and that such act be made to apply alike to all Indian tribes and individual restricted Indians located within the State of Oklahoma.

"SEC. 2. *Provided,* That nothing herein is intended to levy any tax on the allotted or selected homesteads of any restricted Indian and provided that the State disavows any purpose or intention of providing any tax lien against any restricted real estate of Indians within the State of Oklahoma, which would result in the levying of any process or execution against such properties as would interfere with, or molest the rights of occupancy and enjoyment thereof by such Indian citizens of the State of Oklahoma.

"Adopted by the senate the 3d day of May 1947.

"Adopted by the house of representatives the 7th day of May 1947."

A petition of the members of the Valdosta (Ga.) Townsend Club, No. 2, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A resolution adopted by the Patrolmen's Benevolent Association, New York City, N. Y., favoring the enactment of legislation to exempt from income tax pension payments paid to former municipal employees; to the Committee on Finance.

A resolution adopted by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, at its eighteenth regular and fourth quadrennial convention, Cincinnati, Ohio, favoring the enactment of Senate bill 1048, to raise the minimum-wage standards of the Fair Labor Standards Act of 1938; to the Committee on Labor and Public Welfare.

By Mr. THOMAS of Oklahoma:

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Appropriations:

"Senate Concurrent Resolution 12

"Concurrent resolution memorializing Congress to appropriate funds to pay losses suffered by the cotton farmers of Oklahoma which losses were covered by Federal crop insurance

"Whereas many cotton farmers of the State of Oklahoma have unpaid claims against the Federal Government arising under the Federal crop-insurance program of the United States; and

"Whereas these farmers borrowed money from banks to plant and cultivate their cotton crop of 1946, which loans are long past due because of the failure of said crops and because of the failure of the Federal Government to pay the Federal crop insurance thereon; and

"Whereas said farmers have been advised that the reason for the failure of the Federal Government to pay said claims is that the appropriation therefor has been exhausted: Now, therefore, be it

"Resolved by the Senate of the Twenty-first Legislature of the State of Oklahoma (the House of Representatives concurring therein):

"SECTION 1. That the Congress of the United States of America be and it is hereby memorialized to immediately make an appropriation and pass the necessary laws to pay the 1946 cotton crop losses of the farmers of the State of Oklahoma, which losses were covered by Federal crop insurance.

"SEC. 2. That the secretary of the senate be, and he is hereby, directed to transmit a copy of this resolution to each of the following: To each member of the Oklahoma delegation in Congress, the chairman of the Committee on Agriculture of the United States Senate, the chairman of the Committee on Agriculture of the United States House of Representatives, the Secretary of Agriculture of the United States, the Department of Federal Crop Insurance, Washington, D. C., and the Agriculture Adjustment Administrator, Washington, D. C.

"Adopted by the senate April 8, 1947.

"Adopted by the house of representatives the 14th day of April 1947."

By Mr. CAPPER:

A petition signed by 101 citizens of Winfield, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

PROTEST AGAINST LIQUOR ADVERTISING

Mr. BALDWIN. Mr. President, I have received petitions signed by several hundred people in Connecticut, strongly advocating the passage of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce, introduced by the Senator from Kansas [Mr. CAPPER]. These petitions have been submitted to me by Mrs. Norma Burgess Moore, president of the Connecticut Woman's Christian Temperance Union. I should like to have it appear that these petitions have been received and that a note has been made of them in the RECORD. I will give to the clerk a notation of the number of the petitions, so that they may be referred to the proper committee. I do not think they should be printed in the RECORD, bebecause they are quite lengthy and would occupy a great deal of space.

The PRESIDENT pro tempore. Without objection, the petitions presented by the Senator from Connecticut will be received and referred to the Committee on Interstate and Foreign Commerce.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MALONE (for Mr. REVERCOMB), from the Committee on Public Works:

H. R. 1412. A bill to grant to the Arthur Alexander Post, No. 68, the American Legion, of Belzoni, Miss., all of the reversionary interest reserved to the United States in lands conveyed to said post pursuant to act of Congress approved June 29, 1938; without amendment (Rept. No. 209).

CONSTITUTION OF THE INTERNATIONAL LABOR ORGANIZATION INSTRUMENT OF AMENDMENT—REPORT OF A COMMITTEE

Mr. THOMAS of Utah. Mr. President, from the Committee on Foreign Relations, I ask unanimous consent to report favorably without amendment the joint resolution (S. J. Res. 117) providing for acceptance by the United States of America of the Constitution of the International Labor Organization Instrument of Amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States, adopted in Montreal in 1946, and I submit a report (No. 208) thereon.

The annual conference of the International Labor Organization will be held in Geneva, beginning June 19. This report provides for the acceptance on the part

of the United States of the amended Constitution of the International Labor Organization. The amended constitution in nowise changes our relationship with the International Labor Organization. I am sure there will be no objection to the acceptance of the amended constitution. Therefore, Mr. President, at the first opportunity I shall ask for the consideration of the joint resolution and accompanying report.

The PRESIDENT pro tempore. Without objection, the report will be received, and the joint resolution will be placed on the calendar.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, RELATING TO ASSETS OF WHOLLY OWNED FEDERAL GOVERNMENT CORPORATIONS

Mr. BYRD. Mr. President, following conversation earlier in the current session of Congress between the chairman of the Subcommittee on Appropriations for Government Corporations, Mr. FERGUSON, and myself, the staff of the Joint Committee on Reduction of Nonessential Federal Expenditures was requested by the senior Senator from Virginia to compile the assets of the corporations which are wholly owned and operated by the Federal Government.

This compilation has been made, and it reveals that the Federal Government's wholly owned and operated corporations are holding assets totaling more than $15,500,000,000.

While this study is somewhat in the nature of a follow-up to the Corporation Control Act of 1945, which was sponsored by the Joint Committee on Reduction of Nonessential Federal Expenditures, it actually was undertaken with a view to the necessity for retrenchment in all phases of Federal activity. The study was designed primarily to develop information from which appropriate committees of Congress might determine whether these corporate agencies are holding assets which might be liquidated and the proceeds applied to the costs of Government.

Exclusive of Government corporations of mixed ownership, and those in liquidation, the assets of 20 active wholly owned corporations, and their subsidiaries, total $15,698,089,707. These assets, largely in terms of book value, may be summarized as follows:

Cash on hand, in banks and on deposit	$1,250,935,984
Accounts receivable	499,792,291
Loans receivable	3,719,370,798
Deferred charges	39,266,137
Real property	3,095,267,469
Plant and operating equipment	5,206,769,133
Furniture and fixtures	81,172
Inventories of goods and commodities on hand	1,378,209,602
Investments	486,673,013
Miscellaneous assets	21,724,108
Total assets	15,698,089,707

The study under discussion was confined entirely to assets, but for the information of the Senate, the President's budget for the fiscal year 1948, estimates liabilities of the corporations at $14,161,000,000.

In view of the interest in this matter, which has been indicated by the chairman of the Senate Subcommittee on Appropriations for Government Corporations, I submit a draft of a report on Assets of Wholly Owned Federal Government Corporations, Fiscal Year 1947 to the Senate and request that it be referred to the Senate Appropriations Committee for its information and use if desired. If more detail should be required, the entire file of information on which this report is based is available to the Appropriations Committees of the Congress.

The PRESIDENT pro tempore. Without objection, the report will be received, referred to the Committee on Appropriations, and will be printed.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1948—MINORITY VIEWS (PT. 2 OF S. REPT. NO. 201)

Mr. HAYDEN submitted the views of the minority of the Committee on Appropriations on the bill (H. R. 2436), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes, which were ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BUCK, from the Committee on the District of Columbia:

Charles A. Robinson, of the District of Columbia, to be a member of the District of Columbia Redevelopment Land Agency for the unexpired term of 3 years from March 4, 1947.

By Mr. TAFT, from the Committee on Labor and Public Welfare:

Hugh L. C. Wilkerson, and sundry other candidates for promotions in the Regular Corps of the Public Health Service;

Kenneth W. Chapman and Elmer J. Herringer for promotions in the Regular Corps of the Public Health Service;

Charles P. White, and sundry other candidates for appointments and promotions in the Regular Corps of the Public Health Service; and

Henry C. Schumacher, and sundry other candidates for appointments in the Regular Corps of the Public Health Service.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE (for himself and Mr. MCGRATH):

S. 1356. A bill providing for the incorporation of the Franco-American War Veterans; to the Committee on the Judiciary.

By Mr. CAPPER:

S. 1357. A bill for the relief of Miss Ida L. Rollins; to the Committee on the Judiciary.

(Mr. O'CONOR introduced Senate bill 1358, to extend for 1 year the time within which application may be made for benefits under the Armed Forces Leave Act of 1946, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. HATCH:

S. 1359. A bill providing for the administration by the Bureau of Land Management under the act of June 28, 1934 (48 Stat. 1269) of certain lands in certain western States, valuable for grazing, acquired by the United States under various relief and emergency acts; to the Committee on Public Lands.

By Mr. WHERRY:

S. 1360. A bill for the relief of Eric Seddon; to the Committee on the Judiciary.

By Mr. MCCARTHY:

S. 1361. A bill to amend the United States Housing Act of 1937 so as to permit capital grants for low-rent-housing and slum-clearance projects where construction costs exceed present cost limitations upon condition that local housing agencies pay the difference between cost limitations and the actual construction costs; to the Committee on Banking and Currency.

VETERANS' TERMINAL-LEAVE PAY

Mr. O'CONOR. Mr. President, I ask unanimous consent to introduce for appropriate reference and printing in the RECORD a bill. I also ask unanimous consent to present for printing in the RECORD an explanatory statement I have prepared relative to the desirability of extending the time within which veterans of the armed services may apply for terminal-leave pay.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the bill and statement will be printed in the RECORD.

There being no objection, the bill (S. 1358), to extend for 1 year the time within which application may be made for benefits under the Armed Forces Leave Act of 1946, introduced by Mr. O'CONOR, was received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 5 of the Armed Forces Leave Act of 1946 is amended by striking out "September 1, 1947" wherever it appears in such section and inserting in lieu thereof "September 1, 1948."

The statement presented by Mr. O'CONOR was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HERBERT R. O'CONOR

One point on which I am confident every Member of the Senate of the United States will be in full accord, is the desire to see that the veterans of our country have full opportunity to avail themselves of all the benefits which their grateful country has provided for them. One of these benefits which has unquestionably been of outstanding assistance to thousands of men and women as they resume their civilian careers, has been their terminal-leave pay, the primary purpose and function of which were to tide over the period of their reentry into gainful occupation.

The purpose of this bill, as of course every Senator understands, is to provide financial remuneration to all members of the services who did not enjoy the full amount of leave to which their length of service entitled them.

In many cases this was because the men were constantly on duty in the field where there was little or no opportunity to secure leave.

Under Public Law 704 of the Seventy-ninth Congress, section 5, it is provised that enlisted members of the armed forces, discharged prior to September 1, 1946, and former enlisted members of the armed forces, discharged prior to the date of enactment of this act, shall be entitled to be compensated for such days of leave to which they were entitled but which were not granted them. Provision is made in the act that if application is made to the Secretary

of War not later than September 1, 1947, he shall be paid the amount to which he shall be entitled.

My investigation and inquiries have shown me that a large number of former service people have not, up to this time, made application for the pay due them.

On checking with the various services I am advised that the following situation exists:

Army estimates are that approximately 1,000,000 veterans have not applied. Of this number, we are further advised, at least 300,000, who will have sizable amounts due them, will not have made application by September 1, of this year.

With regard to the Navy, advices are that some 300,000 former Navy personnel have not as yet applied for their terminal-leave pay. In addition to these, some 13,000 applicants who have filed have not received their terminal-leave pay because their applications have been improperly filled out or the return addresses are incorrect.

The figures quoted for the Navy include the eligibles in the United States Marine Corps but do not include some 100,000 veterans of the Coast Guard who have not made application and who sooner or later might be expected to want the benefits of this law.

Inasmuch as the Congress is expected to adjourn before the expiration date, September 1, 1947, and in order to protect the interest of those men and women who, for one reason or another, will not have filed their applications for terminal-leave pay, I have prepared a bill, which I will submit herewith, to extend the period for filing terminal-leave pay applications until September 1, 1948.

EXTENSION OF TIME FOR PUBLIC LANDS COMMITTEE TO MAKE REPORT ON STUDIES AND INVESTIGATIONS

Mr. BUTLER. Mr. President, the Committee on Public Lands finds it necessary to ask for a short extension of time within which to make a final report on Senate Resolution 315. We are asking for an extension to June 15, 1947. It means no additional expense. The time is necessary in order to prepare the report.

Therefore I ask unanimous consent to submit a resolution and request its immediate consideration.

There being no objection, the resolution (S. Res. 118) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the authority granted to the Committee on Public Lands and Surveys under Senate Resolution 315, Seventy-ninth Congress, agreed to July 30, 1946, relating to studies and investigations of matters referred to such committee as heretofore extended, is hereby further extended to June 15, 1947, for the purpose of allowing additional time in which to make a report to the Congress.

RECLASSIFICATION OF CERTAIN SALARIES IN THE POSTAL SERVICE—AMENDMENT

Mr. BALDWIN submitted an amendment intended to be proposed by him to the bill (S. 808) to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, which was referred to the Committee on Civil Service and ordered to be printed.

ADDRESS BY SENATOR CHAVEZ BEFORE SOCIETY OF NATIVES OF THE DISTRICT OF COLUMBIA

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an address delivered by him before the Society of Natives of the District of Columbia, which appears in the Appendix.]

OUR STAKE IN GERMAN ECONOMIC RECOVERY—ADDRESS BY M. S. SZYMCZAK

[Mr. VANDENBERG asked and obtained leave to have printed in the RECORD an address entitled "Our Stake in German Economic Recovery," delivered by Hon. M. S. Szymczak before the Economic Club of Detroit, Mich., on May 19, 1947, which appears in the Appendix.]

ADDRESS BY EDWARD KEATING BEFORE COLORADO MINING ASSOCIATION

[Mr. MCCARRAN asked and obtained leave to have printed in the RECORD an address entitled "Have We a 'Labor Problem'?" delivered by Edward Keating, editor of Labor at the annual meeting of the Colorado Mining Association, at Denver, Colo., on February 8, 1947, which appears in the Appendix.]

WOOL AND RECIPROCITY—EDITORIAL FROM THE WASHINGTON EVENING STAR

[Mr. HATCH asked and obtained leave to have printed in the RECORD an editorial entitled "Wool and Reciprocity," published in the Washington Evening Star for May 27, 1947, which appears in the Appendix.]

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. BUCK. Mr. President, I ask unanimous consent that the Committee on the District of Columbia may meet at this time.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. WHITE. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare or a subcommittee thereof be privileged to sit this afternoon during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1), to reduce individual income-tax payments.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Arkansas [Mr. MCCLELLAN] to House bill 1.

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capper	Fulbright
Baldwin	Chavez	George
Ball	Connally	Green
Barkley	Cooper	Gurney
Brewster	Cordon	Hatch
Bricker	Donnell	Hawkes
Bridges	Downey	Hayden
Brooks	Dworshak	Hickenlooper
Buck	Eastland	Hill
Bushfield	Ecton	Hoey
Butler	Ellender	Holland
Cain	Ferguson	Ives
Capehart	Flanders	Jenner
Johnson, Colo.	Millikin	Taylor
Johnston, S. C.	Moore	Thomas, Okla.
Kem	Morse	Thomas, Utah
Knowland	Murray	Thye
Langer	O'Conor	Tydings
Lodge	O'Daniel	Umstead
Lucas	Pepper	Vandenberg
McCarran	Reed	Watkins
McCarthy	Revercomb	Wherry
McClellan	Robertson, Va.	White
McFarland	Robertson, Wyo.	Wiley
McMahon	Russell	Williams
Magnuson	Saltonstall	Wilson
Malone	Smith	Young
Martin	Sparkman	
Maybank	Taft	

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from West Virginia [Mr. KILGORE], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Tennessee [Mr. STEWART] are detained on public business.

The Senator from Tennessee [Mr. MCKELLAR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The PRESIDING OFFICER (Mr. LODGE in the chair). Eighty-five Senators having answered to their names, a quorum is present.

CONFIRMATION OF NOMINATION OF ROBERT A. LOVETT TO BE UNDER SECRETARY OF STATE

Mr. VANDENBERG. Mr. President, I wish to submit a unanimous-consent request which I apprehend will lead to no discussion. I have talked the matter over with the majority leader and the minority leader, and the request has their approval.

On the Executive Calendar is the nomination of Mr. Robert A. Lovett, of New York, to succeed Dean G. Acheson as Under Secretary of State. M . Acheson will leave the service the latter part of next month, and it is very essential that Mr. Lovett should be promptly confirmed so that he can move into the State Department at once to familiarize himself with the tremendously widespreading duties involved in his assignment. The nomination has the unanimous approval of the Senate Committee on Foreign Relations.

All Senators know of Mr. Lovett's antecedents, and I am sure there is no possible objection to the confirmation of his nomination. Therefore, as in executive session, I am asking unanimous consent that the nomination of Mr. Lovett to be Under Secretary of State be confirmed, and that the President may be notified at once of the confirmation.

The PRESIDING OFFICER. The Senator from Michigan asks unanimous consent that, as in executive session, the nomination of Robert A. Lovett to be Under Secretary of State be confirmed, and that the President be notified at once. Is there objection? The Chair hears

none, the nomination is confirmed, and the President will be notified forthwith.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN], which will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 7. Family partnerships, partners not contributing to partnership funds.

Section 3797 (a) (2) of the Internal Revenue Code, as amended, is amended by adding at the end thereof a new sentence as follows: "The fact that he is related to another member, or that his interest in such syndicate, group, pool, joint venture, or organization may have been obtained through gift or loan from another member, or without the contribution by himself of any money or other property, shall not affect a member's status as a partner: *Provided*, That the amendment made by this section shall be applicable with respect to taxable years beginning after December 31, 1938."

Mr. McCLELLAN. Mr. President, the pending amendment, offered by me, if agreed to and finally enacted into law, will correct in part the injustice which I sought to correct in full by the amendment which I previously offered, and which was rejected yesterday. In the course of the debate and discussion of the amendment which I offered yesterday, it was frequently pointed out on the floor of the Senate by various Senators that in non-community-property States, notwithstanding that the husband may desire to make his wife a full partner by voluntarily giving to her a half interest, or any other interest he may choose, in his business and in his property, and in consummation of which he executes the necessary legal documents and papers under State law so as to constitute her his business partner and the owner of a one-half interest, or any other designated and specified interest, in his property and in his business, which he is entitled to do under the law of the State, so she may share in the income in proportion to the interest she thus acquires, and notwithstanding that such procedure is legal, notwithstanding that it is the only way in the non-community-property States that a husband who desires to do so can give his wife the full benefit of community-property status which she would have if they were both citizens of a State in which there was in effect a community-property law, the Internal Revenue Bureau still will not recognize that legal transaction for the purpose of income-tax collections.

Mr. President, the Internal Revenue Department recognizes the community-property law of community-property States and permits the husband and the wife to split their incomes for taxpaying purposes. That results in a discrimination against the husband and wife in non-community-property States. But when the husband in a non-community-property State undertakes to comply with the law of his State by executing the legal documents necessary to give full force and effect, legally and otherwise, his purpose to make his wife a partner in his business so that she may share his income equally with him, the same Internal Revenue Bureau which recognizes the community-property State law so as to give a tax advantage to one who lives in a community-property State, refuses to recognize the partnership laws which are in effect in my State and in 37 other States of the Union under which a husband in any of those States may associate his wife with him as a legal partner.

Mr. President, as I have stated, the pending amendment will only correct in part the major evil which I sought to correct yesterday by the amendment presented by me then, which was rejected by the Senate. I say the pending amendment will only correct the evil in part. Let us consider a professional man, a lawyer or a doctor, who desires to associate his wife with him in his profession. If the lawyer's wife is not also a lawyer, or if the doctor's wife is not also a doctor, then he could not effectuate such an arrangement as I have referred to, because there would be no conveyance of property. The wife may not be licensed to practice medicine or to practice law, and therefore the husband could not convey to her a half interest to form an association for the practice of law or for the practice of medicine because she could not meet the legal requirements to obtain the license necessary to participate in such a partnership. So such individuals could not take advantage of the pending amendment by forming a partnership.

But, Mr. President, there have been many partnerships formed in the non-community-property States by the husband either giving to his wife an interest in his business, or, in many instances, by the wife actually investing her own money, her own capital, her own earnings in her husband's business. Yet she is not recognized as a bona fide partner by the Internal Revenue Bureau because the Bureau says that notwithstanding she put her own money into the business, notwithstanding she bought an interest in the business, just as any individual not having any relationship to the husband by blood or marriage could do—notwithstanding she does that, neither she nor the husband, in spite of the fact that they have paid a gift tax on the transaction, can obtain the benefit that is given to citizens of community-property States for tax purposes unless she actually works in the business, helps manage the business, and gives her time and supervision to it just as if she were an employee.

Mr. President, that position is wrong. We who condemn it were chastised a bit yesterday on the floor of the Senate by the senior Senator from Texas [Mr. CONNALLY]. I shall not undertake to quote his words verbatim, but he chastised us for the position we took, and said, "You ought to pass community-property laws in your States, and then you would have every advantage we now have." Certainly that is true, Mr. President, but we have passed a law which is quite as binding as are the community-property State laws. We have just as much right to pass a partnership law as does the State of Texas to pass a community-property law, and the operation of our law makes just as legal the transfer of property by the husband to the wife as do community-property State laws which compel the equal division of property and income between husband and wife. Yet our law is not recognized by the Internal Revenue Bureau.

Mr. President, I want to say, with respect to the remarks of the able Senator from Texas, that if it be true, as he contends, that under community-property law the wife is recognized as an equal partner, and is entitled to half the earnings of the husband by reason of the fact that she may supervise a home and do the work for the partnership that is required to be done as a housewife, then why should the Internal Revenue Bureau say that if the wife lives in a non-community-property State she cannot have the same recognition unless she leaves her home and goes out and works in her husband's office or in his factory or on his farm or in some business in which he may be engaged? Why can she not still remain just the wife charged with the household duties? When has it become the prerogative of the Government of the United States to say where a man's wife may work or may not work before she may become a partner with her husband in any business enterprise?

My amendment will correct that situation, Mr. President. All we are asking is to eliminate such an evil. I do not see how the Senate can consistently deny that relief to us. Of course, the adoption of the pending amendment will not by any means have the impact of loss of revenue that the adoption of the amendment which was acted upon yesterday would have had. No one can estimate exactly, or within reasonable approximation, what the loss of revenue would be under the pending amendment, but certainly, Mr. President, the loss in revenue will be in no sense as great as the loss which would have occurred had the amendment under discussion yesterday been adopted.

The principal objection raised against the amendment acted on yesterday, and the reason which many assigned for voting against it, was that the Government could not stand the loss of revenue which would result from it, in addition to the loss of revenue which will result from the passage of H. R. 1, as amended by the Senate. This amendment does not involve that much loss. The amendment merely provides that the laws of my State and of 37 other States in the Union shall have the same status, the same force and effect, and the same recognition by the Bureau of Internal Revenue for purposes of tax collection, as have the laws of community-property States for the benefit of husband and wife in the payment of their income taxes.

I do not believe that anyone can successfully defend the position of opposition to this amendment except possibly on the ground that it would cause a slight loss of revenue in the Federal Treasury during the next year and the years to come. Mr. President, the small amount of revenue which might be involved is not so precious or so necessary as to warrant the lawmakers of this Government in disregarding a sacred obligation to enact laws which are honest and which do equity among the citizens of the Nation. Any Senator who desires to oppose the amendment has the right to do so; but I could not with good conscience take such a position with reference to the citizenship of any other State.

Mr. President, I wish to revert to the amendment which was rejected yesterday. The vote has already been taken. I have no quarrel with any Senator who voted against it. I am somewhat disappointed although I did not expect the amendment to be adopted. However, in view of the arguments and reasons assigned pro and con, and the discussion by the ablest Members of this body, I find that there is but one valid reason given why that amendment was not adopted. I think it was because it was felt that the Treasury at this time could not stand such a loss of revenue, and because there were other inequalities and inequities in the tax law which ought to be removed.

The vote on the amendment was 29 for and 51 against, with 6 other Members of this body paired in favor of the amendment, making a total of 35 Members of this body, more than a third, who have gone on record as favoring the correction of this flagrant inequality and injustice. That large number gives me hope and encouragement. Furthermore, yesterday a number of Senators gave expression to the hope, the purpose, and the intent that in a general tax revision bill this serious problem of flagrant discrimination shall be given early consideration with a view to removing it.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MILLIKIN. I should like to emphasize again the things which were said on that subject yesterday. Since yesterday I have read the Senator's remarks, and I congratulate him on having made a most able presentation of his viewpoint.

Mr. McCLELLAN. I thank the Senator. Let me say for the RECORD that a number of Senators have spoken to me personally about this matter, both during the course of debate and since the vote was taken yesterday. Although they could not support the amendment yesterday because they felt that the impact of loss of revenue would be too great, they have assured me that at the earliest opportunity, when a general revision bill is presented containing a provision similar to the amendment whch I offered yesterday, it will have their support.

I make reference to that fact because I want the people of the 38 States affected to know that, notwithstanding the vote of this body yesterday was adverse, there have been expressions on the floor of this Senate and in private conversation by a number of Senators, of assurance that consideration of the problem will not be unduly delayed. Mr. President a sufficient number, together with those recorded in favor of the amendment, have so expressed themselves, as will insure its passage. I want the people who are bearing this burden to know this Senate has now pledged relief. I want to give them encouragement, as I review the record which was made yesterday and the assurances which have been given by Senators who felt that under the particular circumstances at the moment they could not vote for the amendment, that they are conscious of this travesty upon justice, and that as speedily as possible they will make a diligent effort, as honest legislators, to correct this injustice.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. HATCH. I rise to join in what the Senator from Colorado has just said about the able argument made by the Senator from Arkansas yesterday. Both yesterday and today he has pointed graphically to a situation which, in my opinion, requires correction. I emphasize the point that there should be no difference between the community-property States and the non-community-property States in making the necessary adjustments. I shall vote against the Senator's amendment today, partly for the same reasons which actuated me in voting against the amendment which he offered yesterday. The Senator from Colorado [Mr. MILLIKIN], chairman of the committee, has assured us that his committee will consider these questions. The people of the community-property States are at present suffering from some injustices which we think should be corrected. I am very anxious to have the whole subject explored, so that all the inequities and injustices may be corrected. I do not want the rights of the community-property States, which we conceive to be fundamental and vested rights, destroyed; but I am anxious that the rights of citizens of other States be accorded to them upon as nearly an equal basis as possible. I am happy to join the Senator from Arkansas in trying to reach such a solution.

Mr. McCLELLAN. I thank the Senator. I believe that that is the sentiment which prevails generally in this body. The only reason I am offering this amendment now and insisting upon it is that there are a number of citizens in my State—and I am sure the same situation is true in other States—who today cannot adjust their business affairs because of the fact they have conveyed an interest in their property to their wives, their daughters, or their sons, and the conveyance has not been recognized by the Treasury or Revenue Department. Their whole tax problem is in a state of flux. They do not know how to make adjustments. They do not know how to plan their businesses; what their tax liability will ultimately be. They know that they are entitled to relief, and they have been hoping that this Congress will give them relief. I am making a plea today to afford relief to those who have operated under the law and have done a legal act, having in mind a worthy objective, according to those who live in community-property States. I think we can all agree on that proposition. I am only asking that they be given that recognition now. I believe that it is deserved. To grant recognition to this extent certainly would not upset or dislocate to any appreciable extent the financial and fiscal affairs of the Government.

Mr. HICKENLOOPER. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I am glad to yield to the Senator from Iowa.

Mr. HICKENLOOPER. I will say to the Senator from Arkansas that, to my mind, there is much more reason for supporting and adopting this amendment than there was for supporting and adopting the community-property amendment offered yesterday. I shall try to show why that is so. This amendment does not disturb the question of community property in any other State; it has no effect on it. It goes directly to the very basis of the support of the community-property law as recognized by the Government, and that is the law of the State. On partnership recognition the amendment goes directly to the sanctity of the laws of the States in which statutes exist which authorize doing business under partnership arrangements.

Moreover, Mr. President, if the Senator will yield further, I should like to see whether he agrees with me on the point I am about to mention. This amendment, in my judgment, will not in the least affect any existing income source of the Government or any reasonably anticipated income source, because the Bureau of Internal Revenue has only begun to go into this field as a sort of windfall proposition resulting from two Supreme Court cases which have recently been decided. So that any income that comes from their present policy, as I understand and as I have been reliably informed, is neither anticipated income nor existing income; and this would be the time for the Congress to say it will recognize the laws of the various States with reference to the partnership situation without affecting either the anticipated income or existing income to the Treasury Department.

Mr. McCLELLAN. In other words, if the Congress acts now it will be able to prevent the major harm that will result from this policy, because many persons have not yet paid the tax. The tax has been made a charge against them, but it has not been paid and is at the present time in controversy.

Mr. HICKENLOOPER. That is exactly the situation; and if we delay until next year there will be a history of windfall income for this year, and next year we may be faced with the proposition that we are cutting down anticipated income which was received this year.

Mr. McCLELLAN. The Senator is quite correct about that, and I thank him very much.

Mr. HICKENLOOPER. Let me again say, Mr. President, that this particular amendment represents a fundamental principle which I can support; namely,

it recognizes the valid laws of the States so far as these arrangements are made.

Mr. McCLELLAN. In other words, the Senator recognizes a matter of simple justice. The Internal Revenue Bureau has no moral right, and I say it has no legal right, to recognize the validity of the laws of one State pertaining to property and fail or refuse to recognize the laws of another State that so operates as to place the citizen in the same status in both States.

Mr. HICKENLOOPER. If the Senator will yield further, I will suggest that what the Internal Revenue Bureau is doing today, based upon certain decisions of the Supreme Court which apparently gives that agency some authorization, is to deny certain individuals rights under the law because they happen to be blood relatives of someone, which rights are given to persons who do not happen to be blood relatives. The Senator has a right to form a partnership under almost any condition. He may manage the partnership, and if I happen to be a relative of his, a member of his family, generally speaking the Internal Revenue Bureau holds that it is a heinous crime for him to have such a relative in the partnership, and therefore will not recognize the validity of the situation for income-tax purposes, but it will if we are strangers.

Mr. McCLELLAN. In other words, Mr. President, I can give half of my business to someone who is not related to me, can pay gift tax on it, and the Treasury Department recognizes it as valid. But if I choose to give it to a member of my family it is questioned as being a tax fraud, and the revenue department collects all taxes from me as the head of the family.

I am now happy to yield to the able Senator from Georgia.

Mr. GEORGE. Mr. President, I simply desire to assure the Senator that while I did not vote for the community property amendment submitted yesterday, I am not lacking in sympathy with the objective and purpose of it. If the Senator will pardon me, I think that I have perhaps struggled with this question as long as has any other Member of the Senate. For a number of years I have tried to correct this inequality. At the time when we were making an effort to correct an inequality that the people of the non-community-property States believed they were suffering as compared with married taxpayers in the community-property States, we were in a period when increased revenues were urgently demanded, so that every time the subject came up we were reminded of the fact that we could not reduce the revenues and that any correction of this inequality would result in some loss of Treasury receipts. Therefore the Treasury favored the direct attack upon property; that is, they favored taxation of the property in the community-property States as if it were the property of the earner or the head of the family. They undertook to make that fight in 1941, when every day's delay in the passage of the tax bill meant a loss of about $3,000,000 to the Treasury. We were met on the floor with what was apparently an incipient filibuster. It was not fully developed, but it had all the earmarks of developing into a full-sized filibuster. After a little while we were simply compelled to recognize that revenues were being lost to the Treasury. There was an extreme uncertainty, namely, whether or not the amendment could be adopted by the Senate within any reasonable time, and we were also confronted with the question of whether or not the House conferees would agree to accept it. Even before that, but at that time particularly, I called for an amendment in line with the amendment which the Senator from Arkansas so eloquently and earnestly urged yesterday. I have believed for a number of years that the only way finally to correct this inequality or inequity which does exist between married taxpayers in community-property States and married taxpayers in non-community-property States was by such an amendment, or a similar amendment. There are some difficulties involved.

Let me remind the Senator that the question of family partnerships has developed out of the very condition which he discussed yesterday, to wit, in the non-community-property States the head of the family felt that he could make a gift to his wife, either of money or of other property, or a direct interest in his business, which would be valid under the State law, and that he would have the right to operate that business as a partnership. The disposition to do that was at least stimulated by, but was not wholly due to, the fact that in the community-property States there was an actual division of property.

After the passage of the Income Tax Act in 1913, after the Supreme Court held that the original income tax act was unconstitutional, Congress undertook to treat community property in community-property States as if all of it—that is, all of it that had been accumulated after the marriage of the husband and wife—were the property of the husband, on the theory that he had certain definite control, management, and so forth, over it. Some collections were made, but finally in a certain case the Supreme Court held that the property of one taxpayer cannot be taken to pay the tax of another taxpayer, and that in the community-property States there is an absolute ownership and property right in the wife, and that her property cannot be taken to pay the taxes of the husband.

No one could quarrel with that decision, in my opinion; it was and is a sound decision. When we get into the family partnership cases, although the distinguished Senator from Iowa has pointed out two or three decisions of the Supreme Court of recent origin, nevertheless those cases were commenced several years ago, as a matter of fact. It takes some time for a case to go through the lower courts or through the tax court and the lower courts, and then into the Supreme Court of the United States.

So the Treasury has been making an attack on the so-called family partnerships, so far as I know, in all of the States, perhaps including the community-property States, if they happened to involve property that the wife had inherited separately or that the husband had inherited prior to the marriage, before coverture. The Treasury has very vigorously pushed the cases against the so-called family partnerships. I think, and I have said so to the Treasury, and I have said so openly in the hearings in the Finance Committee, that they have gone entirely too far. They do not recognize the fact that a valid partnership may exist for perfectly good reasons, therefore being based upon a valid consideration even at common law, where the wife's real money contribution to the partnership derived originally as a gift from the husband. If the husband makes money and pays all the taxes due upon that money, and if after having paid his taxes he wishes to give the wife an interest in a partnership business or give her the money which she puts into that partnership business, there should not be laid down in those cases the narrow test which our courts, I regret to say, have recognized, to wit, whether the wife actually contributed anything by way of work or by way of attention or by way of management of the business. That ought not to have been the test.

Although the Treasury is right in some respects, it is wrong in other respects in these partnership cases. The Treasury is right to the extent that if it recognized all the so-called family partnerships, it is perfectly possible that the result could be to wreck or destroy the revenue, because any taxpayer could say, "I have created a family partnership, and I am the owner of only one-half or one-third or one-fourth of an interest in this business, because the wife and the kiddies have an interest in the business which I have given them." Some of the partnerships of course are not bona fide partnerships; but I believe that the Treasury has gone entirely too far in its insistence upon its right to tax all such partnerships. The Supreme Court has not held, as I understand, that any family partnership is taxable to the husband as the sole owner; it has not gone to the full extent of saying that the wife does not have a separate and severable interest in the partnership which she can assert; but the Court has said that each case depends upon its own facts, and the Court has very nearly precluded the possibility of the existence of a bona fide partnership where the wife's interest in the partnership property was derived from a gift from the husband.

As I have said, in my opinion, they have gone too far. I think the real remedy is not to undertake to say, however, that every partnership recognized by the law of the State must be recognized by the taxing authorities of the Federal Government. I think that probably would simply torpedo the revenues—to what extent, no one can tell, because taxpayers are very quick to take every advantage of any possible loophole.

Mr. McCLELLAN. To what extent could it go beyond the community-property law?

Mr. GEORGE. I do not know that it could go beyond the community-property law; but I think the amendment which the Senator offered yesterday is a proper amendment to the bill which already is under consideration by the

House Ways and Means Committee and on which several days of hearings already have been held. I think to handle the matter in that way is the proper manner of reaching the question, so that if husband and wife in any non-community-property State wish to treat their property as community property and wish to file separate returns, they may do so.

The question of the inheritance or estate tax is somewhat related to that, because it evidences the desire of the Treasury to tax the income from property held in the community-property States and the earner of the income, rather than to recognize the right of the wife under the community-property laws existing in such State. But it is not necessarily related to the Senator's amendment. In other words, the Senator's amendment might properly be directed to the new tax-revision bill, and I think it should be directed to it; and so far as I have the slightest influence in the matter, I am perfectly willing to identify myself with the Senator in connection with that bill, which presumably, at least, is to be reported to the House of Representatives early in 1948—in January, if possible—and then is to be brought over to this body as soon as it is passed by the House of Representatives. To that bill this will be a perfectly valid and proper amendment, although I think it may result in the loss of revenue. But at the same time I believe that in that general revision of our revenue laws we should make this correction, which undoubtedly does operate as a very great hardship on the States and especially on the taxpayers in all the non-community-property States, and, in addition, especially is it an aggravating and irritating circumstance in the States that adjoin or are adjacent to the community-property States.

Mr. McCLELLAN. Mr. President, I wish to thank the able Senator from Georgia for his remarks. I know of no Member of this body or of the House of Representatives who can speak with greater authority upon tax problems, and I am happy to have this assurance from him. I know that the people of the United States, and particularly the citizens of the non-community-property States, will rejoice in the statement the able Senator from Georgia has made and the assurance he has given that he, too, will devote his efforts and his great influence toward securing the passage of legislation which will correct this evil.

Mr. President, I did not mean to consume nearly so much time, and I shall conclude by saying again to the people of the Nation that their Congress has, in my judgment, by the vote cast yesterday and by the statements made on the floor of the Senate by responsible, able, conscientious Senators and legislators, clearly shown that they now can hope that in the not-far-distant future the Congress will resolve this problem and will rectify the gross injustice that has so long been imposed upon them.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN. I ask for the yeas and nays.

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Colorado suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Moore
Baldwin	Gurney	Murray
Ball	Hatch	O'Conor
Barkley	Hawkes	Pepper
Bricker	Hickenlooper	Reed
Bridges	Hill	Revercomb
Brooks	Hoey	Robertson, Va.
Buck	Holland	Robertson, Wyo.
Bushfield	Ives	Russell
Butler	Jenner	Saltonstall
Cain	Johnson, Colo.	Smith
Capehart	Johnston, S. C.	Sparkman
Capper	Kem	Taft
Chavez	Knowland	Thomas, Utah
Connally	Langer	Thye
Cooper	Lodge	Tydings
Cordon	Lucas	Umstead
Donnell	McCarran	Vandenberg
Downey	McCarthy	Watkins
Dworshak	McClellan	Wherry
Eastland	McFarland	White
Ecton	McMahon	Wiley
Ellender	Magnuson	Williams
Ferguson	Malone	Wilson
Flanders	Martin	Young
Fulbright	Maybank	
George	Millikin	

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MILLIKIN. Mr. President, the question of the taxability of the incomes of family partnerships is an exceedingly complex one. It is perfectly apparent that when we are dealing with the subject of gifts, and especially family gifts, there have to be some standards for determining whether they are bona fide. If we were to adopt the laws of the States and say that we would follow the complexion which State law puts upon family partnerships, of course the States would at once go into an orgy of partnership law which would, in the end, deprive the Federal Government of all revenue from all partnerships having a family aspect.

I do not know of any subject that has greater temptation for evasion than family partnerships, and I do not know of any subject where there has been more arbitrary treatment of the citizen. Since the Tower and Lusthouse decisions have come down, it seems to me that the Treasury, in practice—I am speaking of the practice as distinguished from its rules, regulations, and instructions—has been especially harsh to taxpayers who find themselves involved in family-partnership income-tax questions.

But here is the central problem: If there could be written into the law the complete definition of a valid family partnership, one that would not allow administrative discretion, of course that would be a perfect thing to do, and a highly desirable thing to do. But the difficulty is, when the field of fraud is touched, all experience shows the impossibility of employing rigid definitions and limitations. Human ingenuity is such that it climbs over such walls. So, no matter what may be done here, if the Senate were prepared to do anything today, legislation would be passed that would still allow a large area of administration. When that area of administration exists, there is bound to be a certain amount of arbitrary action. We cannot legislate sense into thickheads, or into arbitrary heads, or into overzealous heads. We can delimit the field in which men with heads of that kind may work, but this subject must be approached with utmost care.

It is perfectly evident that if all the head of a family had to do, in order to halve his income, would be to create a family partnership, and if there were no real test of what constitutes a family partnership, we should at once suffer a great loss of revenue.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. FULBRIGHT. That is exactly what takes place in community-property States by law, is it not?

Mr. MILLIKIN. That is exactly what we settled yesterday. There is no point in rehashing that debate.

Mr. FULBRIGHT. I merely want to call attention to the flagrant injustice which now exists, and to what happens in 10 States.

Mr. MILLIKIN. So that, if we should adopt a profligate amendment today, we would be approving something of which we disapproved yesterday.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield.

Mr. HICKENLOOPER. May I suggest to the Senator that the amendment in no way suggests a new conception of the method of doing business. The fault in the present administrative activities comes from a reversal of attitude of the Bureau, based on the Tower and Lusthouse decisions. I submit the department has gone much further than the Tower and Lusthouse decisions. The amendment only reiterates that a properly established partnership, legal where created, is just as legal today as it has been for the last 200 years in this country. So that the amendment sets up no new machinery, no new method of doing business. It merely recognizes something that has not only existed, but which, until substantially the past 12 months, has been recognized continuously by the Internal Revenue Bureau as a proper business device.

Mr. MILLIKIN. I suggest that the distinguished Senator has argued the futility of the amendment. If it does nothing to change the law, then there is no point in the amendment.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. Yes.

Mr. HICKENLOOPER. I say that it does something to change the arbitrary approach now being taken by the Internal Revenue Bureau. I think the law is sound, and I think the law should be that such partnerships are recognizable; and they have been, in the past. For some peculiar reason, at the present time, this new retroactive effort, based

upon a Supreme Court decision or two, is being widely put forth to the detriment of many hundreds, if not thousands, of people throughout the country, who have been led to rely upon their business organizations in the past, because they have been passed and approved, sometimes by the closure of the case by the Internal Revenue Bureau itself. They now find themselves confronted with a change of policy, in which the Internal Revenue Bureau says, "We will go back, now, 5 years, and we will charge the head of the family with the individual income tax on the income of the business for as much as 5 years past, because we have changed our attitude and our policies, and we now have what we believe to be authority under the Supreme Court cases to do so." It is posing very seriously the question of bankruptcy for hundreds of people who have heretofore been perfectly adequate in their provision.

Mr. MILLIKIN. Mr. President, the distinguished Senator knows that I have especially concerned myself with that problem and with the specific cases which are in his mind. I am inclined to believe that the Bureau has been arbitrary in interpreting the decisions of the Supreme Court. I am inclined to believe that there has been some injustice. What I am trying to say is that, when an effort is made to define by law what is a valid and what is an invalid gift, and when we commence to shorten up the test of what is a valid or an invalid gift, presently all gifts can be made valid and taxation avoided. What I am asking for is that we have the opportunity to go into this question and see if we can draft a sound law which will draw a line between legitimate gifts and legitimate family partnerships, and those that are not legitimate.

Mr. HICKENLOOPER. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. HICKENLOOPER. I may say that the Senator and his committee were not only extremely courteous but they apparently were interested in the specific problem, when they granted me the privilege of appearing before them and presenting it, some weeks ago. I realize that there may be certain practical reasons in the mind of the committee, leading them to determine that this is not the exact time or place to take the proposed action. Therefore, while I intend to support the amendment offered by the Senator from Arkansas, and I have a similar amendment submitted by myself, I am perfectly willing at least to give more weight to the judgment of the Senator from Colorado, that perhaps this particular time may not be the proper time. So, as I have said, I am going to support the amendment but I again say the Senator from Colorado may be right. Nevertheless, I submit to the Senator from Colorado, both as a Senator and as chairman of the Finance Committee, that in connection with this matter, at least in certain phases of it, today there is a great abuse. The taxpayer is being mistreated in many instances. I do not mean to say that the Internal Revenue Bureau is deliberately trying to mistreat taxpayers; I do not mean that; but in the zeal of the Internal Revenue Bureau to do their work well by collecting every last bit of revenue available, I think they have overstepped the bounds of good judgment and good administrative practice. I should like to ask the Senator if I am not correct in believing that not only the Senator but other members of the Finance Committee consider this a serious problem, and one that must have and that should have immediate corrective attention, if possible.

Mr. MILLIKIN. Mr. President, I answer the question unequivocally in the affirmative. I may say that for my own part I have commenced to make studies of this situation. I am commencing to receive reports about it. I have memos and briefs on the subject, all of which impress upon my mind that we are not dealing with a simple subject, that we are obliged to exercise caution, and that we must study and sift a very wide field of tax law. The subject ramifies into trusts. It ramifies into the law of estates. It ramifies into the general law of gifts. It covers, I should say, perhaps the most complex and difficult field in the law of taxation.

I want to answer the Senator's question again. This subject is closely related to the community property subject. It will go along with that subject in the prompt consideration which it will receive from the House Ways and Means Committee, and I can give the same assurance as to the Senate Finance Committee. I am not at all happy as to what is going on in these cases, but what I am doing is groping for a really effective remedy, which will separate the just from the unjust, which will protect the honest family partnership, and which will prevent an evasion in the field that will seriously impair Federal revenues if we allow that sort of thing to happen.

Mr. HICKENLOOPER. Mr. President, will the Senator again yield to me?

Mr. MILLIKIN. I yield.

Mr. HICKENLOOPER. I agree with what I understand to be the idea the Senator is advancing. I agree that matters of far-reaching importance should have the benefit of substantial and complete study, if possible. I say to the Senator, however, that at this time in connection with legitimate gifts between members of the family there are being enforced regulations which in my judgment are doing violent injustice to many individuals. I will say further to the Senator that under no circumstances would I support a provision which would open the door to the evasion of taxes on the part of individuals. Any matter of tax adjustment on property must be tax adjustment within the full legitimacy of the law and the rights the law gives to the taxpayer and to the citizen, and under no circumstance do I want to set up a subterfuge nor support the setting up of a subterfuge. I feel, however, that at this very moment injustices are being done and in many instances will continue to be done under the present policies unless some corrective legislation is carefully considered and passed to deal with such injustices.

Mr. MILLIKIN. I agree with the distinguished Senator from Iowa. All Senators will recognize that we are dealing fundamentally with what is a gift. It is hornbook that one cannot make a gift and keep any strings on it. The investigation by the Department and by the Bureau into these taxes concerns itself with the questions: "Was this colorable? Is this a sham? Did this donor make a phony gift?" The proof of that comes from a vast number of circumstances that bear on "What strings did he keep?" Now, if we should pass a law which provides that we may not look into that question, then obviously the family income will be split and our revenues will be dealt a most serious blow.

All I am asking is that we be given sufficient time in connection with the next general revenue bill to sift the subject thoroughly, so that we can come up with the best measure possible, one which will allow the legitimate partnerships, past and future, to continue, and which will make it possible to stop tax evasion where there is a sham and a pretense and a corrupt intent to defeat the taxes levied by the Congress. That is all that is in my mind.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. HICKENLOOPER. I do not like to prolong the debate, but I should like to observe that according to the reports I have received the Internal Revenue Bureau today is going far beyond the question of sham and fraud in the transfer of property between members of the family. If such transfer represents sham and fraud, then it should have no defense. But where there is incontrovertible proof that the donor has divested himself completely of all authority and dominion over the gift, and where title has completely and irrevocably vested itself, if you please, in the donation, the Bureau still examines into such a gift and takes the position that there is, for tax purposes, no transfer of title, regardless of how complete the transfer has been and how actual it has been. I think that in those fields the Bureau has overstepped the reasonable contemplation of the law.

Mr. MILLIKIN. That is another example, I will say to the Senator, of the arbitrary enforcement of law. I should like very much to participate in evolving an amendment to our code which will draw the line, which will minimize administrative discretion. That is our problem. We cannot approach it hastily. We cannot draw up legislation dealing with it on the Senate floor. Such legislation requires considerable study, a considerable examination into ramified subjects, and I am asking that we be given the opportunity to approach the job from that basis.

Mr. GEORGE. Mr. President, I merely suggest to the distinguished Senator from Colorado that if the amendment should go into the bill it seems to me that there would be little chance that the bill would ever be approved, because the President could very well say, "I do not know what this will do to the revenue."

Mr. MILLIKIN. Mr. President, I am very glad to have that contribution from the Senator from Georgia. The Senator

is in a much better position than I am to make that observation and I am glad he has made it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER] who is necessarily absent. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family and is paired with the Senator from Rhode Island [Mr. McGRATH]. If present and voting the Senator from New Hampshire would vote "nay."

The Senator from Oregon [Mr. MORSE] is necessarily absent.

The Senator from Maine [Mr. BREWSTER] is detained on official business.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from West Virginia [Mr. KILGORE], the Senator from Rhode Island [Mr. McGRATH], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Tennessee [Mr. STEWART] are detained on public business.

The Senator from Tennessee [Mr. McKELLAR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Texas [Mr. O'DANIEL] is detained on official business at one of the Government departments.

The Senator from Arizona [Mr. HAYDEN], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are unavoidably detained.

On this vote the Senator from Rhode Island [Mr. McGRATH] is paired with the Senator from New Hampshire [Mr. TOBEY].

If present and voting, the Senator from Virginia [Mr. BYRD] and the Senator from Louisiana [Mr. OVERTON] would vote "nay."

The result was announced—yeas 24, nays 54, as follows:

YEAS—24

Eastland	Kem	O'Conor
Fulbright	Langer	Pepper
Hickenlooper	Lodge	Russell
Hill	Lucas	Sparkman
Hoey	McClellan	Tydings
Holland	McMahon	Umstead
Johnson, Colo.	Maybank	Wilson
Johnston, S. C.	Murray	Young

NAYS—54

Aiken	Chavez	Gurney
Baldwin	Connally	Hatch
Ball	Cooper	Hawkes
Barkley	Cordon	Ives
Bricker	Donnell	Jenner
Bridges	Downey	Knowland
Brooks	Dworshak	McCarran
Buck	Ecton	McCarthy
Bushfield	Ellender	McFarland
Butler	Ferguson	Magnuson
Cain	Flanders	Malone
Capehart	George	Martin
Capper	Green	Millikin
Moore	Smith	Watkins
Revercomb	Taft	Wherry
Robertson, Va.	Thomas, Utah	White
Robertson, Wyo.	Thye	Wiley
Saltonstall	Vandenberg	Williams

NOT VOTING—17

Brewster	Morse	Stewart
Byrd	Myers	Taylor
Hayden	O'Daniel	Thomas, Okla.
Kilgore	O'Mahoney	Tobey
McGrath	Overton	Wagner
McKellar	Reed	

So Mr. McCLELLAN's amendment was rejected.

Mr. McCLELLAN. Mr. President, I offer the amendment which I sent to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Arkansas will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert a new section, as follows:

SEC. —. Increase in personal exemption.

(a) Subparagraphs (A) and (B) of section 25 (b) (1) of the Internal Revenue Code, as amended, are amended to read as follows:

"(A) In the case of a single person or a married person not living with husband or wife, a personal exemption of $750.

"(B) In the case of the head of a family or a married person living with husband or wife, a personal exemption of $1,500. A husband and wife living together shall receive but one personal exemption. The amount of such exemption shall be $1,500. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them."

(b) Sections 51 (a), 58 (a) (2), and 142 (a) of the Internal Revenue Code, as amended, are amended by striking out "$500" wherever it appears therein and inserting in lieu thereof "$750."

(c) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1946.

Amend the tables contained in sections 400 and 1622 (c) (1) of the Internal Revenue Code to conform to the above amendments.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MILLIKIN. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MILLIKIN. I make the point of order that this amendment cannot be considered, because it interferes with the committee amendments which have already been adopted.

The PRESIDENT pro tempore. The Senator's point, as the Chair understands it, is that the amendment offered by the Senator from Arkansas is inconsistent with amendments already adopted by the Senate. Is that the Senator's viewpoint?

Mr. MILLIKIN. That is the substance of it. We have agreed on the rates and on the withdrawal tables. This amendment would go directly to rates and would change withdrawal tables; it is inconsistent and is contrary to what the Senate has already done.

The PRESIDENT pro tempore. The Chair's opinion is that consistency is not a parliamentary question. There is much to be said for the Senator's viewpoint that there is a collision between the amendment proposed by the Senator from Arkansas and the action already taken by the Senate, as a result of which, if the Senator were attempting to present his amendments to that section of the bill dealing with rates of exemption, it obviously would not be in order. The Chair is unable to rule an amendment, which is a separate section being attached to the bill, is out of order when the only ground upon which he can decide it to be out of order would be its inconsistency, which is not, in the Chair's opinion, a parliamentary prerogative.

Mr. McCLELLAN. Mr. President, I have already made reference to the amendment which I shall now discuss in my remarks on other amendments and also at the time I gave notice that I would offer the amendment when the bill reached the floor. It simply proposes to raise personal exemptions from the present level of $500 for single persons to $750, and from $1,000 for the heads of families to $1,500.

Mr. President, I have said over and over again that I think that is the point where tax relief ought to begin, namely, with people in the low-income brackets, the low-wage earners, the people who are having a struggle to provide the actual necessities of life. I believe this is the way to do it. A reduction of taxes at the bottom level by an increase in personal exemptions affects everyone all the way across the board. The man making $100,000 a year receives some relief and some benefit, and the man in between gets his proportionate relief according to his earnings and his ability to pay. Many a man is struggling today to live on a comparatively decent standard. We take $96 in taxes now from a married man with $1,500 income. If he earns only $1,500 that $96 will go a long way toward providing some of the necessities we are now compelling him by taxation to do without. It is obvious that we should start reducing taxes by helping those at the bottom of the lalder who have the hardest struggle. We should do that rather than take the committee bill which helps the middle and upper bracket income groups primarily and the most.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the Senator from Louisiana.

Mr. ELLENDER. Does the Senator have an estimate of what it would cost the Treasury if his proposal should be adopted?

Mr. McCLELLAN. It is estimated at $3,000,000,000 annually and it will remove from the tax rolls between 8,000,000 and 9,000,000 taxpayers who come between the $1,000 and $1,500 brackets.

Mr. ELLENDER. How much would it add to the pending measure.

Mr. McCLELLAN. It would simply add that much. Of course the measure will go to conference.

Mr. ELLENDER. So that instead of approximately $3,000,000,000 it would be approximately $6,000,000,000?

Mr. McCLELLAN. Unless in conference the other tax reductions now made in the bill were cut down.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. TAYLOR. I want to make the comment that I think this is a very worthy amendment. It is a well known fact, is it not, that at the present time our scarcities are in goods which it takes a lot of money to buy? The big fellow can buy them. They are automobiles, and things of that kind. Surpluses are showing up in textiles and products which the ordinary little people want to buy. If we want to head off a depression the thing to do is to put money into the pockets of the little fellows so that they can buy the things that are in surplus, and not give money to the big boys who want to buy something that is in short supply.

Mr. McCLELLAN. I will say to the Senator that the effect of this amendment would be to place approximately $100 more purchasing power in the hands of a husband and wife whose income is $1,500 a year, and the amount is in proportion for higher incomes.

I do not wish to argue the question further. There is no need for argument. Each Senator is capable of determining for himself the equities of the amendment, and whether it is the proper way to begin reducing income taxes. I believe it is and I shall vote accordingly.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family. He is paired with the Senator from Rhode Island [Mr. McGRATH]. If present and voting, the Senator from New Hampshire would vote "nay"; and the Senator from Rhode Island, if present, would vote "yea."

The Senator from Nebraska [Mr. BUTLER] is absent on official business. He is paired with the Senator from Tennessee [Mr. STEWART]. If present and voting, the Senator from Nebraska would vote "nay"; and the Senator from Tennessee, if present, would vote "yea."

The Senator from Oregon [Mr. MORSE] is necessarily absent.

The Senator from Kansas [Mr. REED] is unavoidably detained. He has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], the Senator Idaho [Mr. DWORSHAK], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Wyoming [Mr. ROBERTSON] are detained on official business.

Mr. HILL. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from West Virginia [Mr. KILGORE], the Senator from Rhode Island [Mr. McGRATH], and the Senator from Tennessee [Mr. STEWART] are detained on public business.

The Senator from Tennessee [Mr. McKELLAR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Texas [Mr. O'DANIEL] is detained on official business at one of the Government departments.

The Senator from Georgia [Mr. GEORGE], the Senator from Arizona [Mr. HAYDEN], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], and the Senator from Utah [Mr. THOMAS] are unavoidably detained.

On this vote I announce the following pairs: The Senator from Virginia [Mr. BYRD] is paired on this vote with the Senator from Washington [Mr. MAGNUSON]. If present, the Senator from Virginia would vote "nay," and the Senator from Washington would vote "yea."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Louisiana [Mr. OVERTON]. If present, the Senator from West Virginia would vote "yea," and the Senator from Louisiana would vote "nay."

The Senator from Rhode Island [Mr. McGRATH] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present, the Senator from Rhode Island would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from Tennessee [Mr. STEWART] is paired with the Senator from Nebraska [Mr. BUTLER]. If present the Senator from Tennessee would vote "yea," and the Senator from Nebraska would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

If present and voting, the Senator from Utah [Mr. THOMAS] would vote "nay."

The result was announced—yeas 27, nays 44, as follows:

YEAS—27

Chavez	Johnston, S. C.	O'Conor
Downey	Langer	Pepper
Eastland	McCarran	Russell
Ferguson	McClellan	Sparkman
Fulbright	McFarland	Taylor
Green	McMahon	Thomas, Okla.
Hatch	Maybank	Umstead
Hill	Murray	Wilson
Hoey	Myers	Young

NAYS—44

Aiken	Ellender	Millikin
Baldwin	Flanders	Moore
Ball	Gurney	Robertson, Va.
Barkley	Hawkes	Saltonstall
Bricker	Hickenlooper	Smith
Brooks	Holland	Taft
Buck	Ives	Thye
Cain	Jenner	Tydings
Capehart	Johnson, Colo.	Vandenberg
Capper	Kem	Watkins
Connally	Knowland	Wherry
Cooper	Lodge	White
Cordon	McCarthy	Wiley
Donnell	Malone	Williams
Ecton	Martin	

NOT VOTING—24

Brewster	Kilgore	Overton
Bridges	Lucas	Reed
Bushfield	McGrath	Revercomb
Butler	McKellar	Robertson, Wyo.
Byrd	Magnuson	Stewart
Dworshak	Morse	Thomas, Utah
George	O'Daniel	Tobey
Hayden	O'Mahoney	Wagner

So Mr. McCLELLAN's amendment was rejected.

Mr. McCARRAN. Mr. President, I send forward an amendment which I desire to offer.

The PRESIDENT pro tempore. The Senator from Nevada offers an amendment, which the clerk will state.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. Section 23 of the Internal Revenue Code (relating to deductions from gross income) is hereby amended by adding at the end thereof a new subsection to read as follows:

"(bb) Capital expenditures for trade or business: At the election of a taxpayer, all expenditures (subject to limitations prescribed below) paid or incurred during the taxable year for the acquisition, construction, or improvement of any real or personal property to be used in a trade or business. Total deductions under this subsection in any 1 year shall not exceed $125,000 or 50 percent of the taxpayer's net income as computed without the benefits of this subsection, whichever is the lesser. If in any year expenditures deductible under this subsection are less than the total of such expenditures, the balance may be added to the expenditures of the immediately succeeding year and be considered for the purposes of this subsection as having been made in such immediately succeeding year. Such expenditures shall be allowable as deductions only under rules and regulations prescribed by the Commissioner, with the approval of the Secretary."

SEC. —. Section 24 (a) (2) of the Internal Revenue Code (relating to items not deductible from gross income) is hereby amended to read as follows: "Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate, except as provided in section 23 (bb);".

SEC. —. Section 113 (b) (1) of the Internal Revenue Code (relating to adjusted basis for property) is hereby amended by striking out the period at the end of subparagraph (H), and inserting in lieu thereof a semicolon and by adding after subparagraph (H) a new subparagraph to read as follows:

"(I) for expenditures deducted under the provisions of section 23 (bb)."

SEC.— The amendments made by sections —, —, and — of this act shall be applicable only with respect to taxable years beginning after December 31, 1946.

Mr. McCARRAN. Mr. President, I shall not take up the time of the Senate to any great extent to explain the amendment. For weeks past it has been before the Senate, because several weeks ago I presented the matter to the Senate, and also presented it to the committee at the time the committee was considering the pending bill.

The amendment is intended to afford the small businessman an opportunity to build his own business by his own efforts. In other words, under the amendment he could plow back into his business 50 percent of his net income and have credit for that, or he could plow back into his business $125,000, whichever might be the lesser sum.

The object is to encourage small business in America. Today the large concerns, the powerful companies, have no particular trouble in getting money with which to build their industries, or improve them. They are in touch with the

banks or with the underwriting concerns, or other financial lending institutions. But the poor man, the one who is going along on a shoestring, who is living on his earnings, and improving his business by his income, has no such access. If he goes into the market to borrow money he jeopardizes his standing, because he may find himself taken over by his larger competitors.

All the amendment does is to provide an opportunity for the small businessman or small business institution in the United States to use 50 percent of the net income in improving the business, so that the output may be greater. If there ever was a time when our country required a greater output and greater production, it is now. How can we encourage greater production unless we encourage the individual or the small business to produce more. And by giving the small businessman opportunity to increase his capacity, to improve his plant, or to improve his business, we encourage production.

Mr. President, one might talk for hours on this subject, but what I have said states the whole case in a nutshell, and I am going to ask the Senate at this time to give me a yea-and-nay vote on the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MCCARRAN], on which he requests the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family and is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting the Senator from New Hampshire would vote "nay".

The Senator from Nebraska [Mr. BUTLER] is absent on official business and is paired with the Senator from Tennessee [Mr. STEWART]. If present and voting the Senator from Nebraska would vote "nay" and the Senator from Tennessee, if present would vote "yea."

The Senator from Oregon [Mr. MORSE] is necessarily absent.

The Senator from Kansas [Mr. REED], who is unavoidably detained, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Maine [Mr. BREWSTER], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Kansas [Mr. CAPPER], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from West Virginia [Mr. KILGORE], the Senator from Rhode Island [Mr. MCGRATH], and the Senator from Tennessee [Mr. STEWART] are detained on public business.

The Senator from Tennessee [Mr. MCKELLAR], the Senator from Wyoming [Mr. MCGRATH], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Texas [Mr. O'DANIEL] is detained on official business at one of the Government departments.

The Senator from Washington [Mr. MAGNUSON], and the Senator from Utah [Mr. THOMAS] are unavoidably detained.

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

On this vote I announce the following pairs: The Senator from Rhode Island [Mr. MCGRATH] is paired with the Senator from New Hampshire [Mr. TOBEY].

The Senator from Tennessee [Mr. STEWART] is paired with the Senator from Nebraska [Mr. BUTLER]. If present, the Senator from Tennessee would vote "yea", and the Senator from Nebraska would vote "nay".

The Senator from Virginia [Mr. BYRD] would vote "nay" if present.

The result was announced—yeas 16, nays 60, as follows:

YEAS—16

Chavez	McClellan	Sparkman
Downey	McMahon	Taylor
Fulbright	Murray	Thomas, Okla.
Hill	Myers	Tydings
Johnston, S. C.	Pepper	
McCarran	Russell	

NAYS—60

Aiken	George	Martin
Baldwin	Green	Maybank
Ball	Gurney	Millikin
Barkley	Hatch	Moore
Bricker	Hawkes	O'Conor
Bridges	Hayden	Revercomb
Brooks	Hickenlooper	Robertson, Va.
Buck	Hoey	Robertson, Wyo.
Cain	Holland	Saltonstall
Capehart	Ives	Smith
Connally	Jenner	Taft
Cooper	Johnson, Colo.	Thye
Cordon	Kem	Umstead
Donnell	Knowland	Vandenberg
Dworshak	Langer	Watkins
Eastland	Lodge	Wherry
Ecton	Lucas	White
Ellender	McCarthy	Williams
Ferguson	McFarland	Wilson
Flanders	Malone	Young

NOT VOTING—19

Brewster	McKellar	Stewart
Bushfield	Magnuson	Thomas, Utah
Butler	Morse	Tobey
Byrd	O'Daniel	Wagner
Capper	O'Mahoney	Wiley
Kilgore	Overton	
McGrath	Reed	

So Mr. MCCARRAN'S amendment was rejected.

EQUITABLE ADJUSTMENT OF TAX BURDEN BETWEEN COMMUNITY-PROPERTY AND OTHER STATES

Mr. BALDWIN. Mr. President, yesterday the Senate voted upon the amendment offered by the senior Senator from Arkansas [Mr. MCCLELLAN], which purported to equalize the income-tax burden between those who dwell in non-community-property and community-property States.

The chairman of the Committee on Finance, the Senator from Colorado [Mr. MILLIKIN], pointed out that this amendment was offered to a bill which was, in effect, not a revenue measure but a tax-reduction measure, and that the adoption of the amendment would upset the entire schedules of reductions set forth in the committee bill. This might well delay the matter of tax reduction beyond the time when it could be made effective in the present calendar year.

Many of us in the non-community-property States are vitally interested in the adoption of legislation which will equalize the present inequalities due to the difference in property laws in the various States. We voted against the amendment, however, because we thought that our choice was a choice between tax reduction to become effective July 1, and delay, by the adoption of a Senate amendment which might be defeated in the House and so might prevent any tax reduction whatsoever this year.

The chairman of the Finance Committee pointed out that his committee was already studying the problem. He indicated that he hoped amendments might be made to the revenue laws which would eliminate the inequities and that such legislation might be ready for the present session, or, at the latest, for the next session.

Therefore, for myself and on behalf of the senior Senator from Massachussetts [Mr. SALTONSTALL], the junior Senator from New York [Mr. IVES], and the junior Senator from Vermont [Mr. FLANDERS], I am offering a resolution which would require the Finance Committee to report to the Senate on this matter not later than March 1 next year, and would further require the committee to submit a specific provision to be included in the next revenue measure—by amendment if necessary—which would, in the opinion of the committee, be a fair solution to this existing inequity.

This resolution is not intended to indicate any lack of confidence in the chairman's statement. Rather it is intended to support his good purpose and intention and to assist him and the committee in dealing effectively with this problem by indicating that it is the will of the majority of the Senate that action abolishing these inequities be forthcoming at the earliest possible time.

It is apparent that an attempt to adjust this inequity in a bill designed solely to reduce taxes could only add confusion and delay. The whole subject is one that properly should be treated in a revenue act as such. It is the purpose of the resolution to express the sentiment of the Senate that legislation adjusting the inequities between non-community- and community-property States be included in the next revenue measure.

I submit the resolution and ask for its appropriate reference.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 119) submitted by Mr. BALDWIN (for himself, Mr. SALTONSTALL, Mr. IVES, and Mr. FLANDERS) was received and referred to the Committee on Finance, as follows:

Resolved, That the Senate Committee on Finance, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study for the purpose of (1) ascertaining the extent to which the property laws of community-property States cause an inequitable distribution of the burdens of the Federal income tax among the citizens of the various States, and (2) devising methods of removing the

inequities resulting from the effects of such laws upon the administration of the Federal income tax laws. The committee shall report to the Senate, not later than March 1, 1948, the results of such study, together with its recommendations as to means of correcting such inequities, including the form of amendments to the next appropriate revenue bill to accomplish such purpose.

Mr. BARKLEY. Mr. President, I appreciate the attitude of the Senator from Connecticut and his colleagues, with which I am in sympathy. I voted against the amendment offered yesterday because I did not believe that it was appropriate on this bill to add $800,000,000 or more to the amount of reduction carried in the bill. I earnestly hope that at an early date we may be able to correct the injustice to which our attention has been called. But the Senate has no original jurisdiction of the subject. It can only deal with it after the House of Representatives which, under the Constitution, must pass revenue bills first, has passed such a bill and it has come to us.

I note that the resolution would direct the Committee on Finance to report not later than March 1 of next year. Unless the House has in the meantime sent a bill to the Senate to which we could attach an amendment of that sort, neither the Senate nor its Finance Committee would have any jurisdiction to deal with the matter originally. I am sure the Senator is familiar with that provision, but it may not have occurred to him that if he is requiring the Finance Committee to report to the Senate by March 1 next, and its report should contemplate a bill of some kind, the Senate would not have any jurisdiction to consider it unless and until the House had acted.

Mr. BALDWIN. Mr. President, I am glad the senior Senator from Kentucky has brought this matter to my attention, so that I may discuss it now very briefly. That point was raised and considered when we prepared the resolution. However, in the face of the fact that the chairman of the Committee on Finance stated not once but several times on the floor that the committee was considering the matter, and that it was prepared to consider it in connection with the next revenue bill, and having in mind the fact that it is highly probable that before next March 1 rolls around there will be an appropriate revenue measure to which to attach the amendment, it seemed to me appropriate for the Senate to consider the resolution and at the proper time go on record as to its position with respect to this very important matter.

Mr. BARKLEY. I understand that, and yet it might place the Senate in the rather incongruous position of being asked to express its attitude respecting the matter before it could do so in a constitutional way, by adding an amendment to a House bill if there was no provision in the House bill dealing with the subject. We would, of course, have ample opportunity to do so if there was nothing in the bill as it came to us on that subject, but if our committee were required to report to the Senate on it before a House bill had come over it could only be a gesture or an expression of opinion on the part of the Senate and would have no legal force.

Mr. MILLIKIN. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield.

Mr. MILLIKIN. It is my understanding that it is not contemplated by the resolution that if a House bill is not before the Senate for consideration we should attempt to prepare a bill contrary to the Constitution. In that event, I assume the Senator will want us to make recommendations on the subject, and be prepared when a bill shall come over to the Senate.

Mr. BALDWIN. That is correct.

Mr. RUSSELL. Mr. President, I have listened with a great deal of interest to the statement made by the Senator from Connecticut. I wish I could share his optimism that the Senate, during the life of the Eightieth Congress, is likely to have another opportunity to vote on removing this injustice to the non-community-property States. The issue has been delayed and bandied back and forth in the Senate for the past 14 years to my certain knowledge. There never does seem to be any appropriate time for the Senate to take a square open and shut vote on eliminating this injustice. We have had amendments seeking to correct this injustice in bills considered by us before this time. But there has never been the appropriate time. For 14 years to my knowledge we have been trying to get a chance to vote on the proposition. Yesterday was the first time we have been able to even get the matter before the Senate on a roll call vote. I did not desire to wait fourteen more years for another chance to register my opinion and I therefore seized the opportunity presented yesterday and did what I could by my vote to eliminate this injustice. I do not delude myself with the idea we will have another opportunity by March 15 next.

If this matter follows the course which has been pursued for years—and very diligent efforts have been made to force it to a vote—no action will be taken. The Finance Committee reported out a measure some years ago which contained a provision in slightly different form from the amendment offered to the pending bill, and brought it on the floor of the Senate, but encountered a filibuster which threatened to defeat the entire tax bill and prevent the collection of excise taxes. They were forced to drop the community-property provision from the bill. I apprehend that if we have a tax bill next spring revising the excise taxes and changing the income taxes we will be confronted with the same old argument that the hour is not yet ripe to correct an injustice of 26 years standing and it will again be shelved.

I do not think we can afford to reduce taxes drastically at this time but if any reduction is to be had, equalization with the community-property States should come first.

Mr. LUCAS obtained the floor.

Mr. TAYLOR. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield.

Mr. TAYLOR. I should like to make a few remarks dealing with the community-property-State laws. I wish to say that it seems to me the Senate is not the place where the community-property question should be considered. I am not a lawyer, and I may be wrong in my conclusion, but if my understanding is correct, the States can enact genuine legislation if they want to, and give their women the same benefits accorded women in the community-property States. They can enact legislation which would permit women to participate in the benefits of community property so far as taxation is concerned. So I think the question should more properly be referred to the States themselves for consideration.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I simply wish to say that I joined with the Senator from Connecticut and other Senators in submitting the resolution which has just been presented to the Senate, for the reason that Massachusetts and the citizens of that State are also intensely interested in the subject of community property. I voted against the amendment which was under consideration yesterday because I thought this was not the proper time to consider the matter, but I join with the Senator from Georgia [Mr. RUSSELL] in hoping that next year we can consider this subject on its merits.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Mr. LUCAS. Mr. President, I offer the amendment which is at the desk and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That this act may be cited as the "Individual Income Tax Reduction Act of 1947."

The PRESIDENT pro tempore. Does the Senator from Illinois wish the amendment to be read?

Mr. LUCAS. I do not.

The PRESIDENT pro tempore. Without objection, the amendment will be printed in the RECORD at this point.

The amendment proposed by Mr. LUCAS is as follows:

Strike out all after the enacting clause and insert the following:

"That this act may be cited as the 'Individual Income Tax Reduction Act of 1947.'

"SEC. 2. Increase in personal exemptions.

"Section 25 (b) of the Internal Revenue Code (relating to credits of individual against net income) is hereby amended by striking out '$500,' wherever appearing therein, and by inserting in lieu thereof '$600,' and by striking '$1,000' and by inserting in lieu thereof '$1,200.'

"SEC. 3. Income of husband and wife.

"So much of section 12 (b) of the Internal Revenue Code (relating to the computation of surtax) as precedes the table therein is hereby amended to read as follows:

"'(b) Computation of surtax.—

"'(1) Separate return: Except in the case of a joint return by husband and wife, there shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax determined by

computing a tentative surtax under the table set forth in paragraph (3) of this subsection, and by reducing such tentative surtax by 5 percent thereof.

"'(2) Joint return: In the case of a joint return by husband and wife under section 51, there shall be levied, collected, and paid for each taxable year upon the aggregate surtax net income of the husband and wife a surtax determined—

"'(A) by computing a tentative surtax under the table set forth in paragraph (3) of this subsection upon an amount equal to one-half of such aggregate surtax net income;

"'(B) by multiplying the tentative surtax ascertained under subparagraph (A) by two; and

"'(C) by reducing the amount ascertained under subparagraph (B) by 5 percent thereof.

"'(3) Surtax table: The table referred to in paragraphs (1) and (2) is as follows:'.

"SEC. 4. Standard deduction.

"Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"'(1) Allowance: In the case of an individual, at his election a standard deduction as follows:

"'(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"'(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of the husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"'(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400.'

"SEC. 5. Reduction in surtax on individuals.

"Section 12 (b) of Internal Revenue Code (relating to rates of surtax) is amended by striking everything after the colon and inserting in lieu thereafter the following:

"'If the surtax net income is:	The tentative surtax shall be:
Not over $2,000	15 percent of the surtax net income.
Over $2,000 but not over $4,000.	$300, plus 17 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$640, plus 21 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$1,060, plus 25 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,560, plus 29 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$2,140, plus 33 percent of excess over $10,000.
Over $12,000 but not over $14,000.	$2,800, plus 38 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$3,560, plus 42 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$4,400, plus 45 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$5,300, plus 48 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$6,260, plus 51 percent of excess over $20,000.
Over $22,000 but not over $26,000.	$7,280, plus 54 percent of excess over $22,000.
Over $26,000 but not over $32,000.	$9,440, plus 57 percent of excess over $26,000.
Over $32,000 but not over $38,000.	$12,860, plus 60 percent of excess over $32,000.
Over $38,000 but not over $44,000.	$16,040, plus 64 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$20,300, plus 67 percent of excess over $44,000.
Over $50,000 but not over $60,000.	$24,320, plus 70 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$31,320, plus 73 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$38,620, plus 76 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$46,220, plus 79 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$54,120, plus 82 percent of excess over $90,000.
Over $100,000 but not over $150,000.	$62,320, plus 84 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$104,320, plus 85 percent of excess over $150,000.
Over $200,000	$146,820, plus 86 percent of excess over $200,000.'

"SEC. 6. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (optional tax table) and section 1622 (withholding tables) as may be necessary to reflect the reduction in taxes provided for in the preceding provisions of this act.

"SEC. 7. The amendments to the Internal Revenue Code made by this act shall become effective with respect to taxable years beginning after December 31, 1947."

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HOLLAND. I should like at this time to address a question to the distinguished chairman of the Finance Committee. Some time ago, as the Senator will recall, I had printed a proposed amendment to the pending bill which would have operated to make more flexible the provisions of the revenue bill with reference to personal holding companies, so as to avert some very great hardships which have been visited upon small personal holding companies by reason of the owners not having the information that they constituted a personal holding company under the provisions of the law. I think I understand aright the attitude of the chairman; but may I at this time inquire what his attitude will be toward the inclusion of such a provision in any general revision of the revenue laws which may be proposed at the next session?

Mr. MILLIKIN. Mr. President, the distinguished Senator from Florida appeared before the Senate Finance Committee, as did one of his constituents, and both of them made a very interesting presentation of the subject. Considerable interest was aroused by those presentations. I shall be very glad to take it upon myself to bring the subject to the attention of the House Ways and Means Committee and urge that committee to give it a thorough sifting. We shall do the same thing on the Senate side. I do not like to promise action of any kind on the part of either of the committees, but there was considerable interest in what the Senator had to say. Let me repeat I shall take it upon myself to bring the question to the attention of the House Committee on Ways and Means, and will also bring it to the attention of the Senate Committee on Finance.

Mr. LUCAS. Mr. President, the amendment which I have offered is in the nature of a substitute for the pending bill and the amendments thereto which have been adopted. I wish to say at the outset that this amendment is not an ill-considered tax measure. According to the expert testimony the loss to the Treasury under my amendment in the nature of a substitute would be somewhat less than under House bill 1.

Before speaking briefly on the three features involved in the substitute, I invite the attention of the Senate to H. R. 1 as it now stands amended. I have read the bill with some care—difficult as that task is—and I have serious doubts whether there are very many Senators who thoroughly understand the bill which we have been considering for some time.

About 2 years ago we attempted to simplify the income tax laws, and I think the Congress of the United States did a very good job in its simplification efforts. Now, under the guise of a 10–20–30 bill—which sounds like one of Kresge's stores—we have, not a further simplification, but a bill of confusion so far as the taxpayer is concerned. Why do I say that, Mr. President? I respectfully invite attention to page 5 of the bill. This is what we find:

(1) In the case of taxable years beginning after December 31, 1947, the combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

If the aggregate is:	The reduction shall be:
Not over $200	33⅓ percent of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $50,000.	24 percent of the aggregate.
Over $50,000 but not over $250,000.	$12,000, plus 19¼ percent of excess over $50,000.
Over $250,000	$50,500, plus 15 percent of excess over $250,000.

In no event shall the combined normal tax and surtax exceed 76½ percent of the net income of the taxpayer for the taxable year.

Instead of having a reduction of 30 percent, 20 percent, or 10 percent, about which we have been talking, we have figures which will require the services of a lawyer if the taxpayer is to file a correct income-tax schedule next year.

In search of enlightenment, I turned next to the report itself, and I find further complications which leave me somewhat puzzled. Instead of a 20-percent reduction across-the-board, we find that

taxpayers have been classified into five sets of brackets, with different rates of tax for 1947 and 1948. The five sets of brackets appear to have been determined on with mathematical accuracy. The only bracket which breaks at an even figure is the bracket from zero to $1,000. The next bracket is a bracket from $1,000 to $1,395.83. This, mind you, is the figure for 1948 only. For 1947, the bracket breaks not at $1,395.83, but at $1,327.60. Somewhere in the shuffle, there is a difference of $68.23, which is floating free. This bracket is the notch bracket. If a taxpayer is in this notch area, then he enjoys a flat reduction of $67 in tax.

The next bracket ends at $79,728.40. The one after that ends at $302,395.60. I must say that I stand in awe of drafters of legislation who can come within 60 cents of accuracy on an income of more than $300,000. Moreover, the person who is lucky enough to enjoy an income of $300,000 will find that under the committee bill he enjoys a 20 percent reduction for the calendar year 1948 on the first $79,728.40 of his income, a 15 percent reduction on the next $223,000 of income, and a reduction of somewhere between 10.52 percent and 10.53 percent on the remainder of his income. I think it is pretty clear that we have come a long way from a 20-percent reduction across-the-board, and I think that in justice to the Senate, before the bill becomes law we ought to have an explanation of what sort of gyrations the drafters of the bill went through to give us this complicated measure.

I use this argument because 2 years ago we spent an unusual amount of time in attempting to simplify the income tax laws so that the taxpayer would have a better grasp of them and an easier time in filling out income tax schedules.

I seriously contend that under H. R. 1 as amended the taxpayer will once again find himself in chaos and confusion as the result of the variety of the percentages he will have to consider, and that before he can file a proper income tax return, under this bill, he will have to consult a lawyer or an accountant or some other person who understands tax legislation.

It seems to me that if we are to give the taxpayer a reduction we might also be good enough to give it to him without tears. I am, of course, aware that the great bulk of taxpayers are able to file a very simplified return and that in many cases the collector of internal revenue will compute the tax for the taxpayer, if his income is under $5,000. But the fact remains that every taxpayer has the option of computing his own tax and not leaving it to the collector to figure out, and it is perfectly natural that if the taxpayer can find a way of reducing his tax by computing it himself under Form 1040, he will try to do so, and I think a vast proportion of taxpayers figure their taxes under the simplified table and under the more complicated form to find out which way will give him cheapest results. The Revenue Act of 1945 gave each taxpayer a reduction of 5 percent. This made for a fairly simple income tax return form. Under the new bill, we will be going back to the situation in which the taxpayer will be irritated not only at having to pay the tax, but at the form outlined by the Treasury Department and the Government.

I am also very much impressed with the fact that all of the elaborate scheme of the Senate version of H. R. 1 could have been accomplished in a much simpler way that would have removed all of the confusion inherent in the bill. That way would be to reduce the percentages in the surtax net income brackets by the appropriate amount with perhaps the splitting up of the brackets into smaller sizes if deemed advisable.

I pause now to ask whether it would not have been possible to accomplish exactly the same results by the method I have suggested.

Our individual income tax structure has from the beginning been built on the principle of ability to pay. I have searched in vain in the majority report for a single reference to this doctrine. The foundation for the bill rests on the need to stimulate managerial incentive and to attract capital into risk enterprises.

That was the theory of H. R. 1 which came from the House to the Senate. Tax relief was made retroactive to January 1, 1947. Every expert who appeared before our committee and every other person knows that there is no incentive from the standpoint of risk capital in a retroactive tax measure. Yet H. R. 1, costing the Treasury $4,900,000,000 as it was reported by the House and came to the Senate, was heralded to the country as being a bill that would accomplish that very thing. The bill which is now before the Senate, which becomes effective as of July 1, will not, in my opinion, have the desired result, so far as incentive is concerned, in causing industry to risk its capital, as claimed by the proponents of the bill.

My bill, Mr. President, seeks to revise the tax structure as of January 1, 1948, and during the next six months it will give everyone in the country an opportunity thoroughly to arrange his business affairs in line with what he desires to risk, and give an opportunity to consider and study carefully the tax law which would take effect on January 1, 1948.

Mr. President, the emphasis is on the crushing load of taxation on those in the upper-income brackets. I submit that this load is just as crushing and considerably more devastating at the lower levels. The simple expedient of raising exemptions is the method we ought to use in distributing any tax reduction we are now able to give the American people.

It is a strange thing that in the beginning the House of Representatives adopted a tax measure that was based on the theory of a 20-percent cut across the board. Everyone admits that this is only a temporary tax expedient and that sooner or later we must write an over-all tax bill to take care of the many inequities which have been disclosed to exist in our tax structure. But, Mr. President, instead of reducing taxes by reversing the method pursued when it became necessary to increase the revenue in order to carry on the war, they adopted the method of a 20-percent cut across the board. When I say they failed to reverse the method followed during the war I mean simply this: We all know that in 1939 the exemption for married people was $2,500, for single persons, $1,000 with an additional $400 for each dependent. At that particular time there were less than 5,000,000 people on the income tax rolls, and in order to produce revenue with which to fight a global war we broadened the base and placed millions of people on the tax rolls who had never in the past paid a dime in tax for Federal purposes. We increased the number on the tax rolls until today between 47,000,000 and 48,000,000 people file income tax returns every year.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Illinois yield to the Senator from Arkansas?

Mr. LUCAS. I yield.

Mr. McCLELLAN. The bill as passed by the House and the amendment adopted by the Senate do not contract the tax base. The base is left as it was throughout the war, is it not?

Mr. LUCAS. Precisely so. It is not contracted at all. That is one of the things I am inveighing against in this argument and in the bill which I am introducing as a substitute for the pending measure. No one can convince me that we have to keep 47,000,000 persons on the tax rolls in order to make good citizens of them. John W. Hanes, former Under Secretary of the Treasury, and Roswell Magill, former Under Secretary of the Treasury, took the cold, blunt position that it was necessary, in order that the people might realize they had a stake in their Government, to keep them on the tax rolls. I dispute and challenge that theory. I understand that we have to have a broader base in order to collect the taxes necessary to take care of the expenditures of Government at this particular time, but I seriously challenge the argument that it is necessary to keep that many people on the tax rolls simply to make good citizens of them, simply to advise them, through the tax collector, that, after all, they have a stake in their Government. A revenue collector goes into a small community and finds an individual who is paying $10 in taxes. Under H. R. 1 he will pay $7. All he gets is a 30 percent decrease in his taxes; it does not make any difference how many dependents he has, he will get the same credit for dependents as he would under the present law. All he gets is a 30 percent reduction. He will still be paying a tax bill. Every Senator knows that when we continue to keep these two-bit and fifty-cent and $1 taxpayers on the tax rolls it costs more money to collect the tax than the Government would lose by removing them from the rolls.

Mr. President, my amendment would simply increase from $500 to $600 the exemption for dependents, and from $1,000 to $1,200 the exemption for a married couple. Think of it, Mr. President. The adoption of that amendment, providing that slight increase in exemptions would take 4,800,000 people off the tax rolls. Moreover, 4,800,000 people

would be taken off the tax rolls without doing violence to the school of thought which believes that people should stay on the tax rolls. The adoption of the amendment would cost the Treasury of the United States $1,500,000,000. I shall never be able to understand why the House did not thus increase the exemptions of the taxpayers in the lower brackets.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield.

Mr. HILL. It is quite obvious that the House felt that the revenue from taxes could be decreased a certain amount, and they wished to give the greater benefit to the taxpayers with the large incomes.

Mr. LUCAS. Exactly. It is the same old story of taking care of those in the higher-income groups, while permitting the people in the lower-income groups to get the worst of the arrangement. Certainly the House should have adopted the simple device of at least increasing the exemption from $1,000 to $1,200, and thus providing relief to the people in that group by taking many of them off the tax rolls. Furthermore, everyone knows that when 4,800,000 persons are taken off the tax rolls a certain number of persons will be removed from the pay roll of the Treasury Department, because it does not take a very brilliant mind to understand that it is necessary to employ a considerable number of persons in order to handle 4,800,000 income-tax returns. The majority party have been telling the people that they wanted to take at least 1,000,000 people off the Government pay rolls, and yet when they have an opportunity to take a great many people off the Treasury Department or Internal Revenue Bureau pay roll by pursuing the method I have advocated, we find that they do not adopt it.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. LUCAS. I yield.

Mr. HILL. The bill without the Senator's amendment violates the proper basis and principle of income taxation, which is that taxes should be based on ability to pay. Is not that true?

Mr. LUCAS. Of course, the Senator from Alabama is correct. Every sane tax measure is based on ability to pay.

Certainly when the Congress provides for the payment of income taxes by taxpayers at the very bottom of the income scale, it is violating the real basis for taxation, which is ability to pay. We have heard for years from Senators on the other side of the aisle about the snoopers and others who were sent out by the Government to harass and annoy the American people. Senators cannot tell me that when the Government keeps 4,800,000 people on the tax rolls, in order to collect a small amount of taxes from them, those people are not going to be annoyed by the revenue agents in the respective communities where they live. So, Mr. President, violence will again be done to the principle which the majority party have been preaching for so long.

Mr. President, I have been referring to the first provision. Let us see who supported that provision at the hearings before the Finance Committee. The first person to whom I wish to refer is Randolph Paul, formerly General Counsel to the Treasury Department, and one of the leading tax lawyers of the United States. He recently wrote a book on taxation. At page 522 of the printed hearings we find that he said:

> The relatively modest $100-per-person increase in personal exemptions and dependency credits contained in the Lucas amendment means an additional ability to buy food, clothing, and shelter. Not only do the lowest incomes sorely need increased power to buy the necessities of life, but the Nation as a whole will benefit if they have increased power since the market for consumer goods will be correspondingly enlarged.

Mr. President, the people who need relief most are those in the low-income groups, who have the mass buying power, and who spend their money as fast as they earn it. They are the ones whom Mr. Paul says should have the relief, although they will not get it under House bill 1 unless it is amended as I propose.

I read further from the hearings:

> For the income group under $5,000 the Lucas amendment provides relief where relief is needed most—in the case of the family with children. The average or typical American family—a man, wife, and two children—with an income of $2,500 a year, now pays a tax of $95. Under the House bill this family would pay a tax of $67, but under the Lucas amendment the same family would pay a tax of $17.

Of course, Mr. President, those are figures that cannot be disputed. Obviously the major tax relief should be afforded to families having an income of $2,500 or less.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. LUCAS. I yield.

Mr. HILL. I wish to call particular attention to the fact that in that case the Senator from Illinois is dealing with the average American family, which is composed of a husband, a wife, and two children, with an income of only approximately $2,500 a year. Of course, the Senator from Illinois knows that that family of four persons, having an income of only approximately $200 a month, has many other taxes to pay. They do not pay them directly, but, of course, they have to pay the taxes just the same, even though they pay them indirectly. Is not that true?

Mr. LUCAS. The Senator from Alabama is correct.

Mr. HILL. They have to pay all kinds of taxes.

Mr. LUCAS. That is correct.

Mr. HILL. It is only rarely that only the ad valorem tax has to be paid. Most of the States impose various taxes, and the Federal Government has imposed taxes called excise taxes. Moreover, the Senator from Illinois knows as well as every other Senator does the terrifically high prices which have to be paid in the United States. Yet, instead of granting the relief which the Senator from Illinois proposes for the average American family of four, with an income of approximately $200 a month, the bill before us proposes that the largest part of the relief be given to those who make the large profits from the high prices which prevail in the United States today. Is not that true?

Mr. LUCAS. Mr. President, I will say to the Senator from Alabama that in my opinion those in the lower-income groups do not get what they are entitled to, under the bill as it came to the Senate, when what is done for them is compared with what is done for families in the middle- and upper-income groups. That is the point I made all the way through the hearings before the Finance Committee, and it is the point I am trying to stress today on the floor of the Senate, although I know that it is useless to do so. Nevertheless I make that point now.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. The Senator's point is that under the bill the attempt is to give the relief at the wrong end of the scale—to give it to those in the higher income groups, instead of giving it to those in the lower income groups, who are most in need of tax relief.

Mr. LUCAS. Mr. President, if the bill as passed by the House were to become law, the greater part of the relief would be given to those in the higher income brackets, with the result that the taxes they would have to pay would be approximately the taxes they had to pay before the war. Of course the Senate Finance Committee has reported the bill with certain amendments; but I have been speaking of the bill as it came from the House of Representatives. By examining the graphs which have been prepared by the Treasury Department experts, we can see exactly what would have happened in the event that the original bill had been enacted into law.

At the hearings Mr. Paul further said:

> If an identical family has an income of $5,000, it now pays a tax of $589. Under the House bill it would pay a tax of $471, but under the Lucas amendment it would pay a tax of $445.

In other words, the families with incomes of $2,500 or less are the families which would be materially aided by a small increase of $100 in the exemption for dependents and an increase from $1,000 to $1,200 in the exemption for a married couple.

Mr. President, I submit that if anyone is to get any tax relief at this time those who have the buying power, those who spend the money, should get the relief afforded by reduced taxes. The Senator from Alabama will be interested in what was stated by a witness who testified before our committee. He said:

> H. R. 1 ignores the plight of the 92 percent of the families in the United States with total family income of less than $5,000. It ignores the fact that more than half the families in the country are still living today on less than $2,000 a year.

Just think of that, more than half the families in the United States of America are today living on incomes of less than $2,000.

> Why not grant urgently needed tax relief to those groups, whose standard of living has been drastically hit because of price rises?

I do not know what these prices are at the present time, but here was the testimony submitted before our committee some 30 days ago with respect to rises in the prices of some of the necessities of life.

According to the Bureau of Labor Statistics, 40 percent of the income of the families in this latter group (of $2,000 or less) must go for food, for which retail prices have increased 31 percent in a period of 10 months.

Coffee increased 49 percent, bread 25 percent, meat 60 percent, milk 32 percent, lard 72 percent, oleomargarine 73 percent, drug products now cost 67 percent more than they did in June 1946. Soap increased 62 percent, cotton goods 39 percent more, household paint 60 percent more, leather 63 percent more.

Why do I cite those figures? Definitely to demonstrate the need for giving these people a fair break, a fair shake, in any income-tax reduction, because of high prices which have greatly increased since OPA went out of existence.

Mr. President, speaking of high prices, well do I remember how the majority on the other side of the aisle told the American people, just about a year ago, "All you need do is to get rid of OPA, get rid of the black market, and you will see prices rise from 20 to 25 percent in the next 30 days, and then, after the 30 days, you will see the prices go back to where they were under OPA."

Mr. HILL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HILL. Of course, the Senator saw those on the other side of the aisle during the last session, day after day, as I did, as they threw their torpedoes into the OPA. Is not that correct?

Mr. LUCAS. That is correct.

Mr. HILL. It was those torpedoes which finally blew up and destroyed the OPA. Is not that correct?

Mr. LUCAS. There is no doubt about it.

Mr. HILL. That is why there are these outrageously high prices today.

Mr. LUCAS. There is no doubt about that at all, I will say to the Senator from Alabama.

I wish now to call attention to prices. The index shows that prices rose constantly after the failure to extend OPA in June, and went up until March, then leveled off in March, and remained at those levels to this time, and all the predictions of a decline in prices made by the majority party when they got rid of OPA failed to come true. The housewife today, those in the galleries who are housewives, who have to buy the clothes they wear and the things they need for the table, well realize that prices are tremendously higher than those they were paying a year ago today. Yet because of a constant drive against OPA, a constant drive against regimentation in a reconstruction period, a constant drive for political reasons, the OPA was broken down, the American people are suffering today as a result of what was done.

Mr. HILL. Mr. President, in speaking about people with low incomes a little while ago the Senator referred to the taxes they have to pay, Federal excise taxes, as well as State, county, and municipal taxes. I call the Senator's attention, if I may, to this statement by Mr. Paul:

It is sometimes forgotten that practically every citizen pays substantial excise taxes.

All the citizens in the lower income groups, the Senator said, have to pay, as Paul says "substantial excise taxes, which have a relatively heavier impact upon the low-income groups than upon the higher income groups."

In other words, so far as the people in the low-income groups are concerned, the excise taxes are much more oppressive, they bear down upon them much more heavily, cost them much more than do the excise taxes on those in the higher income groups. Is not that true?

Mr. LUCAS. The Senator's statement is correct. The argument that is presented, that we can make a good citizen out of an individual by placing his name on the tax roll, is a lot of economic bunk.

Mr. HILL. Did not this Government exist for some 140 years before we even had an income tax?

Mr. LUCAS. Certainly.

Mr. HILL. And has it not been only in more recent years that, because of the necessities and the compulsions of war, we have had to put the people in the low-income groups on the tax rolls? Was there any question about good citizens in this country before they were put on the tax rolls?

Mr. LUCAS. The Senator from Alabama is correct. Let me remind him also that the average citizen in every community pays school taxes, city taxes, county taxes, taxes for municipal purposes. He is tax conscious—do not worry about that—as the result of what he has to pay in his local community, in addition to the hidden Federal excise taxes which he has to pay.

Mr. HILL. Of course, he pays a State income tax; does he not?

Mr. LUCAS. In most States he does.

Mr. HILL. He pays very heavy State and local sales taxes. The sales taxes today are very heavy.

Mr. LUCAS. There is no doubt about that. So far as I am concerned, the argument about keeping on the tax rolls in order to make them tax conscious is merely a lot of economic poppycock.

Mr. HILL. I ask the Senator if it is not a fact that whenever one wants to do a bad thing he tries to cloak it, and give it the semblance of respectability, by announcing some good purpose for it. Is not that true?

Mr. LUCAS. The Senator is correct. I desire also to emphasize what I have said with respect to those in the lower-income groups by reading a short statement made by Stanley H. Ruttenberg, who is assistant director of the research for the CIO of America. He testified before our committee. He does not like the split-income feature, because it does not reach the lower-income groups. But he wrote this to the committee:

Your bill, with the exception of the splitting-of-income provision, while it does not go near far enough, is far superior to H. R. 1.

In other words, they want more exemptions, and they are entitled to more exemptions. The country would have been better off had relief been centered on those in the lower-income brackets, primarily because of the high prices which now prevail.

Mr. William Green, president of the American Federation of Labor, wrote a letter, in which he said—and this comes from the American Federation of Labor:

In a period of general prosperity total tax revenues should be kept at a high level. An increased share of the Federal revenue should be applied toward a reduction of the national debt. The forces of inflation are strengthened at such a time if unwise tax cuts are made.

The national income is now at an all-time high. In the current year the Federal Treasury is to achieve a surplus. While this surplus is likely to be small, its achievement so soon after the vast wartime expenditures and at a time when peace is not yet fully concluded is indeed significant. Under these circumstances the American Federation of Labor believes that tax cuts should be made with extreme care, bearing in mind their ultimate as well as their immediate effects.

* * * * *

The American Federation of Labor is unqualifiedly opposed to any proposal for an across-the-board percentage reduction in individual income tax. We believe that this method for reducing individual income taxes is in direct opposition to the principle of progressive taxation, which labor strongly and insistently supports.

* * * * *

As between H. R. 1 and the Senate substitute for H. R. 1, therefore, we believe that the substitute measure more nearly meets the requirements of a sound tax policy, because it provides more relief to those in the lower-income brackets at a somewhat smaller loss in revenue.

As between H. R. 1 and the Lucas substitute, "we believe that the substitute measure more nearly meets the requirements of a sound tax policy, because it provides more relief to those in the lower-income brackets, at a somewhat smaller loss of revenue."

Mr. President, anyone reading the testimony by the spokesmen for the two great labor organizations of America will understand something about the mass purchasing power of the consuming public. I think I have said it before, but I repeat: The exemption feature of the amendment would cost one and a half billion dollars of revenue.

The next proposal deals with the splitting of family incomes. I shall not discuss that, because it has been thoroughly discussed here within the last 2 days. I shall only say that in my opinion there was never a more glaring inequity in the tax structure than that which exists today between community-property and non-community-property States. I hope the time will come, and very soon, when those inequities will be removed and the entire country placed upon a uniform basis.

Mr. HILL. Mr. President, will the Senator yield at that point?

Mr. LUCAS. I yield.

Mr. HILL. The Senator has been quoting from different organizations. I notice that the American Farm Bureau Federation, which is the great national organization of farmers, has very emphatically endorsed the particular proposition which the Senator has just been discussing.

Mr. LUCAS. The Senator is correct. The Honorable Edward O'Neal, president of the Federation, wrote me a letter on the subject, which I have placed in the RECORD. He is definitely in favor of a bill that will split family incomes and place husband and wife upon a uniform basis throughout the country. Bernard Baruch wrote a letter strongly endorsing that feature of the bill. In fact, there was not a single witness who testified, including witnesses for proponents of the measure, who did not believe this to be a good feature to be embraced within a tax bill, at some time. But the strong proponents of the House bill, such as Mr. Hanes and Mr. Magill, thought the matter should be delayed a little while longer.

Mr. HILL. I spoke of the declaration by the American Farm Bureau Federation. In connection with this matter, I should like to call attention also to the fact that the Farmers Educational and Cooperative Union of America declares as to the proposal by the Senator from Illinois, in a letter addressed to him under date of May 2, as follows:

> As to your proposal for the splitting of family incomes, certainly this would rectify one of the most glaring injustices in the present tax structure, and I think it is worthy of the most serious consideration.

Mr. LUCAS. I thank the Senator. That was the trend of the testimony throughout the hearings before the Senate Finance Committee.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FULBRIGHT. The Senator is a member of the Finance Committee. I wonder if he seriously believes that, were this opportunity of rectifying the injustices to be passed by, there would be any likelihood of a change in the tax structure next year, in accordance with the suggestion, since it would still at that time cost from $800,000,000 to $1,000,000,000?

Mr. LUCAS. I should like to think so, Mr. President; but, knowing what has happened here for the last 26 years, I shall never believe it, until I see it written into a law and signed by the President.

Mr. FULBRIGHT. I cannot imagine that we are at all likely to have an opportunity at any time in the near future of reducing taxes on a similar scale, such as the opportunity we now have. It is an opportunity to bring taxes down. When taxes are lowered under the pending bill, it will become progressively more difficult thereafter to obtain any further reduction. I am sure there will be minor adjustments, but, if the present opportunity is lost, in my opinion there will not be one chance in a thousand that a change will be made next year. The Republicans will come in then and say, "Oh, we would love to do it, but we cannot afford it." Under the pending bill, and under the present conditions, they obviously can afford it. Actually, the people who would benefit under H. R. 1 are to a great extent the same people who would benefit under the splitting of family income, although the benefit is distributed in a slightly different way, through the higher exemptions and the splitting of family income. Is not that true?

Mr. LUCAS. The Senator is correct. I concur in what the Senator says. Here is the danger in writing the tax bill for next year. It is all very well for the House Ways and Means Committee to sit down and talk about inequities in taxation, and to have lengthy hearings; that is a fine thing. Election year is coming along in 1948, and I think it is a good thing, from that angle.

Mr. FULBRIGHT. It sounds good.

Mr. LUCAS. It sounds good. It is a sound proposition to do that, from every angle. But this is my fear—no one knows what is going to happen between now and this time 1 year from now. We have already witnessed a very serious situation from the standpoint of foreign affairs, compelling us to appropriate hundreds of millions of dollars by way of a Greek-Turkish loan. No one is able to say what may happen. As the Senator suggests, there may or may not be a tax bill next year. If I were a gambling man, I should gamble that there will not be a tax bill next year, in view of conditions that exist in this country and the conditions that exist throughout the world. There are many who favor the universal military-training bill. That, alone, would cost $1,500,000,000, according to estimates made by the War Department. It is probably a worthy measure. In any kind of emergency which may arise, expenditures would immediately increase, and it would be difficult to find the necessary votes to reduce taxes next year.

Mr. FULBRIGHT. Unfortunately, I did not hear the beginning of the Senator's discussion. Did he discuss the timing of the bill, or the appropriateness of a tax reduction of the size proposed at this time?

Mr. LUCAS. I said that my substitute bill seeks to start the reduction of taxes on January 1, 1948.

Mr. FULBRIGHT. The Senator has already discussed that?

Mr. LUCAS. Yes; I have. That would afford an opportunity, between now and that time, to study the whole fiscal problem of the Government, and to observe conditions throughout the world. Should anything serious occur, we could take appropriate measures.

Mr. FULBRIGHT. May I suggest that by following that procedure, the Treasury might be better off by from one and a half to two billion dollars. In that connection, the argument made in justification of H. R. 1, namely, that it would give a greater incentive to production, a greater incentive to new business, and so on, seems to me to be completely erroneous. Of course, business is very good at the moment. It is not a lack of production or a prospect of unemployment that is facing the country. It is a lack of consumption, if anything, that is to bring on the anticipated recession, is it not? So, while none of us is opposed to giving an incentive for production, it is the timing of the bill that is basically wrong, it seems to me. Under different conditions the bill would be a very good one; for example, if there were unemployment and a lack of investment. As a matter of fact, investment conditions are very good at the moment, are they not?

Mr. LUCAS. If I understand the Wall Street Journal and other leading financial papers, they are about as good now as they have been in a long time. So far as I am able to ascertain, there is no one who is suffering, whether he is in a corporation or in a partnership, or is conducting a business by himself. In other words, greater profits are being made at the present time than at any other time in the history of the country. Profits of corporations are at an all time high. The individual citizen in America is better off today than he has ever been before.

Mr. FULBRIGHT. It seems to me the purpose is not to try to stimulate greater and greater inflation at the present time. Our real objective should be to stabilize production as nearly as we can at the present level, because, for at least some time, that will continue to be a very satisfactory level. If incentives are provided to further production at higher prices, inflation will be accelerated and there will be a recurrence of what happened at the end of the twenties; the policy followed will bring about a repetition of the same thing that happened at the end of the twenties.

Mr. LUCAS. The Senator knows that in 1945 we passed a tax bill which cost the Treasury Department $6,000,000,000.

Mr. FULBRIGHT. I opposed that bill.

Mr. LUCAS. By that bill we repealed the excess-profits taxes. By that bill, in my judgment, we provided the incentive for big business to do the very things that many say the pending bill will do. The pending bill does not touch corporations at all. I contend that there is absolutely no incentive whatsoever in the pending bill. It is simply the cutting of a juicy melon and passing the pieces around to the people over the country, and the little fellow in the lower income brackets is not going to receive very much.

Mr. HILL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HILL. The Senator from Illinois has expressed doubt as to whether we can have a tax-reduction bill in the next session of Congress. Certainly, he doubts that if such a bill were passed it would involve much tax reduction. The same doubt has been very well expressed by the distinguished junior Senator from Arkansas. In that connection I should like to call attention to the fact that the only avowed candidate for the Republican nomination for President next year, 1948, has just returned from a trip through Europe where he has seen at first hand the conditions, where he has seen the needs of the people. He comes back to us and declares that we should devote 10 percent of all our production of food, of goods, of materials, of everything else for the rebuilding and rehabilitation of the countries of Europe, in the hope that by that method we may be able to build peace in this world. If we are to follow such a program certainly the 10 percent of our production will have to be paid for out of the Treasury, and that means that it will have to be paid

for with taxes taken from the pockets of the people. Certainly with such a program as that confronting us we cannot look with much optimism toward any substantial reduction in taxes at the next session of Congress. Is that not true?

Mr. LUCAS. I agree with the Senator. This further should be said in connection with the Senator's observation. The pending tax reduction bill is based upon a false theory. It is based upon contemplated revenue arising from the national income in the fiscal year 1948.

Mr. HILL. Which no one has any assurance will be maintained at the present level.

Mr. LUCAS. That is true. No one has any assurance of that; and a tax bill cannot be passed now upon the basis of reduction of expenditures. We know that to be true the way things are now going. It will be necessary to have a national income of at least $170,000,000,000 during the coming fiscal year in order to carry out the pledges the party in the majority in Congress have made to the people of the country, namely, to give them a three and one-half billion dollar tax reduction, pay $2,600,000,000 on the national debt, and still have some surplus remaining.

Mr. HILL. Of course, $170,000,000,000 is the highest national income this country ever had, an income which a few years ago the most optimistic person never even dreamed of. Is that not true?

Mr. LUCAS. The Senator is correct. It is the highest income in all our history, and it may be the highest income we will have for a long, long time.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FULBRIGHT. In that connection, I wish to say that the people who are supposed to know, and I think are the best judges of the future of business, that is the people who invest in securities in New York, certainly by their action indicate that they do not believe the national income is going to stay at $170,000,000,000 a year. I wonder whether in the back of their minds they do not know that the kind of financing that it is proposed now and the kind of policy that has been followed during the last few months in approaching the Nation's fiscal problem assure that we are not going to have a continuation of a $170,000,000,000 national income.

Mr. LUCAS. It may be one of the factors that move them to do as they are doing. I do not know what factors are entering into the decline on the stock exchange at the present time. But there must be some reason for the decline. Some of the smart boys who deal on the stock exchange may be looking into the future and may be figuring that now might be a good time to get out. I do not know. No one can tell, of course, what is in store for the future.

Mr. FULBRIGHT. But ordinarily one would think that if a bill were going to have the effect that this bill is supposed to have by way of incentive to business and all that, with the evidence that has been given here of the strength of the proponents of the bill—and it looks as if the bill will be passed—the market would go up, in view of that exhibition of strength for the bill, if the bill will really have the effect its proponents say it will have.

Mr. LUCAS. I do not know about that. I simply do not want to make any comment upon that matter.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. JOHNSTON of South Carolina. Along the line of what has just been stated respecting the financial condition of the Nation, what effect does the Senator think the pending bill will have on the national income in view of the fact that the bill proposes to help those receiving large incomes but does very little to help those receiving small incomes? Will it have a tendency to increase our national income or not?

Mr. LUCAS. There is much food for thought raised by the Senator's question. Some argue that taxes can be reduced and that more revenues will result from the reduction in taxes by reason of stimulating incentive for individuals to invest in business and to make more money and thereby bring more tax revenue into the United States Treasury. I do not agree with that theory at all. Such a result might occur once in a great while. But when taxes are reduced by three and one-half billion dollars, which is what the Government will lose by the passage of this measure, I do not think there is any way to make up that loss in revenue.

Mr. JOHNSTON of South Carolina. Is it not true that if there is a reduction made in the taxes of those receiving the smaller incomes, say $2,000 a year or $3,000 or even up to $4,000 a year, the result will be to put into circulation the money thus saved to the small taxpayers?

Mr. LUCAS. That is where the stimulation of buying power comes. The mass of buying power comes from those receiving such incomes. The man in the lower-income bracket who receives a reduction in his taxes spends the dollars thus saved to him. We have to have a follow through on that policy in order to have a large national income.

Mr. JOHNSTON of South Carolina. Is it not true that economic experts agree that such a policy would stimulate purchasing power to the seventh degree?

Mr. LUCAS. I do not know about that.

Mr. JOHNSTON of South Carolina. I have seen the claim made that purchasing power is stimulated by such action seven times.

Mr. LUCAS. I do not want to enter into a discussion of that matter, because I am not sufficiently familiar with it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I wish to address myself to section 3 of the Senator's substitute amendment. I understood the distinguished Senator from Illinois to say a few moments ago that he had received a written statement from several outstanding authorities on taxation, and other distinguished Americans relative to the wisdom of this provision. I ask the distinguished Senator if he has inquired of the Treasury Department or the Internal Revenue Bureau as to their attitude respecting section 3 of the substitute amendment?

Mr. LUCAS. Does the Senator refer to the splitting of family incomes?

Mr. WHERRY. Yes.

Mr. LUCAS. The Treasury Department advised the Committee on Finance—and the committee has been working on this problem for some time—that they are definitely in favor of having such action taken at the proper time. They do not state any definite time for action, but they take the position that they do not believe that this is the time to reduce taxes.

Mr. WHERRY. Testimony to that effect was read into the RECORD yesterday by the chairman of the Senate Finance Committee. I am intensely interested in knowing whether the Senator from Illinois has been in communication with the Treasury Department or has had any discussion with the Department as to its attitude, and as to whether or not the Department would cooperate and aid if possible in the consideration of such legislation in connection with the tax bill we talk about which will be submitted to Congress at the beginning of the next session.

Mr. LUCAS. The tax bill which is right around the corner?

Mr. WHERRY. Yes, the tax bill which is right around the corner. Can the Senator from Illinois say anything for the record that will be of help to those of us who are interested in seeing that this particular kind of legislation is adopted by the Senate?

Mr. LUCAS. I cannot add anything more that has been said. I have had no personal conversations with the Secretary of the Treasury about this matter. The only thing I did was to have one of the Treasury representatives, Mr. Surrey, come before the committee with a full explanation, which can be found in the hearings. I think it is a very fair explanation. He took no position. The Treasury Department took the position that it was not in favor of tax reduction of any kind at this time. However, like the Senator from Colorado, the Department is very sympathetic toward the splitting of family incomes on a uniform basis throughout the country.

Mr. WHERRY. I know that the Senator has had considerable experience with various Government agencies, and especially the revenue agency. I am looking for a light somewhere, if we can find it, that may be helpful, in the way of a definite assurance. During the past 3 or 4 years I have been told by several officials that they felt that this was legislation which should be enacted at some time.

Mr. LUCAS. I think I can give definite assurance that that is the attitude of the Treasury Department. I do not make that statement on the basis of direct conversations, but it is based upon what the Secretary of the Treasury stated before the committee and upon inference. I am sure that the Treasury representatives will cooperate if and when we get around to drafting a bill.

Mr. WHERRY. If the substitute which the distinguished Senator has offered should be adopted, what would be the cost in revenue so far as concerns the particular section which we are discussing?

Mr. LUCAS. The total loss in revenue occasioned by the three sections would be approximately three and one-half billion dollars.

Mr. WHERRY. I am speaking of the second section. What would it cost?

Mr. LUCAS. I wish I knew. I have heard a great many figures in that connection during the past 2 or 3 days of debate, and I confess that I am somewhat puzzled. In the hearings it was definitely testified that the cost would be $752,000,000. Yesterday the able Senator from Colorado [Mr. MILLIKIN] used the figure of $800,000,000. Then in the last burst of speed before we voted on the amendment offered by the Senator from Arkansas, the distinguished Senator from Colorado made the statement that it would cost $1,000,000,000. Someone had revised the figures again.

I have always had a little trouble with the experts. They can never be pinned down. The Senator knows that in the practice of law one can find experts to testify to almost anything. I do not make that statement with respect to the staff, because they are a competent group. But we can get the Treasury and the staff to agree on scarcely any set of figures. I believe that the experts ought to try to get together when they are trying to advise the Congress and the country on an important tax measure of this kind.

I am glad that the amendment offered by the Senator from Arkansas [Mr. MCCLELLAN] was voted upon yesterday, because I am satisfied, if we had delayed a vote until today, another $200,000,000 or $300,000,000 would have been added to the estimate of loss in revenue.

Mr. WHERRY. Does not the Senator feel that even though the McClellan amendment was rejected yesterday, that fact should not be interpreted as a reflection of the sentiments of many Senators who, if the amendment had not involved a loss in revenue, would have voted for it? Is that interpretation correct?

Mr. LUCAS. The Senator's interpretation is correct so far as the Senator from Illinois is concerned. I will say to the Senator that so far as I am concerned I will join with him, when an appropriate tax measure is before us, in an effort to see that enough Democrats and Republicans get together to place all the citizens of the country on a uniform basis so far as splitting family income is concerned.

Mr. WHERRY. Let me say to the distinguished Senator from Illinois that I believe that the principles involved in the second section of his amendment should be adopted by the Senate. As I stated yesterday in colloquy with the distinguished Senator from Arkansas [Mr. MCCLELLAN], I think there is no answer to the principle involved in such a proposal. It ought to be adopted. In my opinion every Senator feels that it is fair, and that so long as the present situation continues there will be an inequity. I hope that another tax bill is just around the corner. It seems to me that the first business to be considered in connection with such a measure is legislation which will accomplish what the Senator from Illinois and the Senator from Arkansas attempted to do in similar amendments.

Mr. LUCAS. The Senator was good enough to vote for the McClellan amendment yesterday. I understand pretty well the situation with respect to party solidarity in connection with tax bills and other measures. I think it was commendable for the Senator to leave his party and vote for the McClellan amendment. I think the time has passed when either party should attempt to hold in line Members on one side of the aisle or other on such a question as this. The Senator from Nebraska, who is one of the leaders on the other side of the aisle, ought to take the bull by the horns, so to speak, and see if we cannot persuade some Republicans to go along with us the next time.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask if the loss of revenue was estimated on the basis of the present law or on the basis of the bill now pending, which provides for a reduction of between 20 and 30 percent, or upon the basis of the Senator's amendment in the nature of a substitute.

Mr. LUCAS. There are two different questions. As I understand, House bill 1, as amended, would cost the Treasury approximately three and a half billion dollars.

Mr. JOHNSTON of South Carolina. I am speaking now of community property. As I understand, there would be a reduction of between 20 and 30 percent if the committee version of the bill now before the Senate were enacted, estimated on the basis of the present law. If the Senator's amendment were adopted, might not the loss in revenue because of the community-property feature be less?

Mr. LUCAS. I am not prepared to answer that question. It would be necessary to consult the experts.

The third significant provision of the bill is the reduction by two points of the surtax rate in each surtax net income bracket. This has the effect of giving each taxpayer a reduction of 2 percent of surtax net income. This proposal, in contrast with the reductions contained in H. R. 1, gives a more equitable amount of savings in dollars to all taxpayers rather than relating the savings directly to the amount of taxes paid.

Mr. President, the three proposals included in my amendment can be understood by everyone. There is nothing complicated about it. It follows the well-defined pattern of the tax structure which exists at the present time. The cost of the three proposals would be approximately $3,500,000,000.

Yesterday I voted for the amendment offered by the able Senator from Arkansas [Mr. MCCLELLAN]. If that amendment had been adopted, there would have been an additional cost of between $800,000,000 and $1,000,000,000, which would have represented an increased benefit to those in the upper- and middle-income brackets. They are already pretty well taken care of.

The other amendment offered by the Senator from Arkansas would cost the Treasury approximately $3,000,000,000. So, if those amendments had been adopted we should have had a tax-reduction measure involving a heavy loss in revenue. Nevertheless, I supported the first amendment.

The three proposals contained in my amendment would cost a total of $3,500,000,000 if adopted. I am asking that my amendment be substituted for the bill now before the Senate. I believe it is a better, sounder bill, from the standpoint of equity and from the standpoint of honest taxation, in line with the ability of the taxpayer to pay. It follows the pattern that we have been following for years on the question of exemptions. It does not do anything other than what seems to me to be fair and just. If we are to have a tax-reduction bill, I think this is the kind of bill we ought to have.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois.

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Murray
Baldwin	Hatch	Myers
Ball	Hawkes	O'Conor
Barkley	Hayden	O'Daniel
Brewster	Hickenlooper	Pepper
Bricker	Hill	Reed
Bridges	Hoey	Revercomb
Brooks	Holland	Robertson, Va.
Buck	Ives	Robertson, Wyo.
Bushfield	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Cain	Johnston, S. C.	Smith
Capehart	Kem	Sparkman
Capper	Kilgore	Taft
Chavez	Knowland	Taylor
Connally	Langer	Thomas, Okla.
Cooper	Lodge	Thomas, Utah
Cordon	Lucas	Thye
Donnell	McCarran	Tydings
Downey	McCarthy	Umstead
Dworshak	McClellan	Vandenberg
Eastland	McFarland	Watkins
Ecton	McMahon	Wherry
Ellender	Magnuson	White
Ferguson	Malone	Wiley
Flanders	Martin	Williams
Fulbright	Maybank	Wilson
George	Millikin	Young
Green	Moore	

The PRESIDING OFFICER (Mr. BRICKER in the chair). Eighty-six Senators having answered to their names, a quorum is present.

The question is on the adoption of the amendment in the nature of a substitute offered by the Senator from Illinois.

Mr. MILLIKIN, Mr. WHERRY, and other Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. REVERCOMB. Mr. President, I should like to address a question to the Senator from Illinois, the sponsor of the amendment. As I understand from section 7 of the proposed amendment, its provisions would not become effective until January 1, 1948. Is that correct?

Mr. LUCAS. That is correct.

Mr. REVERCOMB. Furthermore, it would replace and strike out all of the committee's bill?

Mr. LUCAS. Precisely; that is correct.

Mr. REVERCOMB. It is a substitute measure, and would not become effective until January 1, 1948?

Mr. LUCAS. The Senator is correct.

Mr. REVERCOMB. I will say to the able Senator that I am very much impressed and very favorably impressed with the idea of increasing exemptions, but from my own viewpoint, I feel that I should make this statement, that I do not want to support any amendment that defers the benefits of any tax bill beyond July 1 of this year.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois [Mr. LUCAS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote, I transfer that pair to the Senator from Oregon [Mr. MORSE], and I will vote. I vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY], who is absent because of illness in his family, is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Rhode Island would vote "yea."

The Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Tennessee [Mr. STEWART]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Tennessee would vote "yea."

The Senator from Oregon [Mr. MORSE], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER].

Mr. LUCAS. I announce that the Senator from Rhode Island [Mr. MCGRATH], and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Tennessee [Mr. MCKELLAR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

On this vote I announce the following pairs: The Senator from Rhode Island [Mr. MCGRATH] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present, the Senator from Rhode Island would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from Tennessee [Mr. STEWART] is paired with the Senator from Nebraska [Mr. BUTLER]. If present, the Senator from Tennessee would vote "yea," and the Senator from Nebraska would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

The result was announced—yeas 28, nays 58, as follows:

YEAS—28

Chavez	Kilgore	O'Daniel
Downey	Langer	Pepper
Eastland	Lucas	Russell
Fulbright	McClellan	Sparkman
Green	McMahon	Taylor
Hayden	Magnuson	Thomas, Okla.
Hill	Maybank	Thomas, Utah
Hoey	Murray	Umstead
Holland	Myers	
Johnston, S. C.	O'Conor	

NAYS—58

Aiken	Ellender	Moore
Baldwin	Ferguson	Reed
Ball	Flanders	Revercomb
Barkley	George	Robertson, Va.
Brewster	Gurney	Robertson, Wyo.
Bricker	Hatch	Saltonstall
Bridges	Hawkes	Smith
Brooks	Hickenlooper	Taft
Buck	Ives	Thye
Bushfield	Jenner	Tydings
Byrd	Johnson, Colo.	Vandenberg
Cain	Kem	Watkins
Capehart	Knowland	Wherry
Capper	Lodge	White
Connally	McCarran	Wiley
Cooper	McCarthy	Williams
Cordon	McFarland	Wilson
Donnell	Malone	Young
Dworshak	Martin	
Ecton	Millikin	

NOT VOTING—9

Butler	Morse	Stewart
McGrath	O'Mahoney	Tobey
McKellar	Overton	Wagner

So Mr. LUCAS' amendment in the nature of a substitute was rejected.

Mr. MAGNUSON. Mr. President, I have certain technical observations on the pending tax bill, and also on the Lucas amendment, just voted upon. The subject matter is much longer than I thought it would be at the time I made the research. I know how anxious the Senate is to dispose of the bill tonight; therefore, I shall not burden the Senate with these long observations, because so much has already been said, much of it being repetitious, but expressing my views on the pending legislation. I therefore ask unanimous consent that I may place this matter in the RECORD at this point following the vote on the Lucas amendment.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The question of tax reduction, debt retirement, and reduction of Federal expenditures was discussed in a preliminary way in the early days of the present session, when we were considering the legislative budget for the fiscal year 1948. Since that time H. R. 1 has been reported out of the House Ways and Means Committee, passed by the House, sent to the Senate, and after lengthy hearings before the Senate Finance Committee has now come to the floor for discussion.

Last Wednesday the Senator from Georgia [Mr. GEORGE] congratulated the chairman of the Senate Finance Committee, the distinguished gentleman from Colorado [Mr. MILLIKIN], on the way he handled the hearings before that committee. I want to join the Senator from Georgia in extending my compliments to the distinguished chairman. I did not have an opportunity to attend all of the hearings, but I know that the public, the witnesses, and those Senators who did have the opportunity to sit in on some of the testimony were most favorably impressed with the committee's attitude and came away from the hearings convinced that open hearings on this vital part of the Nation's business are far preferable to the old procedure of executive sessions.

H. R. 1, as amended by the Senate committee, has the practical effect of making tax reductions effective July 1, 1947, and follows a modified version of across-the-board percentage cut in taxes. In my mind the bill now before us raises two major questions, first, "Does the economy demand tax reduction effective July 1 or is it reasonably safe to begin such reduction on January 1, 1948, instead?" and second, "Is the modified across-the-board principle of percentage reduction the equitable way of achieving the objectives claimed by its proponents to be inherent in H. R. 1?"

The majority argues that tax reductions are needed for two major reasons; first, to increase, or bolster mass purchasing power; and second, to restore incentive for venture capital and to promote additional mangerial initiative. The major question I stated a few minutes ago, namely, "Does the economy demand tax reduction on July 1, rather than January 1, 1948?" relates directly to these two objectives which the majority party allegedly is seeking to accomplish by H. R. 1 as amended.

There are two collateral considerations which of necessity permeate our entire discussion of tax reduction. These are Federal expenditures and the tremendous national debt. As I proceed with this discussion I will mention the problems involved in these two considerations at the appropriate intervals.

I am firmly convinced that tax reductions must be made. The taxpayers of this Nation cannot go on indefinitely carrying the heavy burden imposed upon them by wartime rates. I am equally convinced that Federal expenditures can and must be reduced below their present postwar level. I am further convinced that the national debt of $258,000,000,000, which is approximately one and a half times our total national income, must be retired on a long-term, planned basis.

Insofar as I have been able to ascertain from p rusal of disscussions in the House Ways and Means Committee, by reports of what transpired in hearings before the Senate Finance Committee, and from discussion of tax, debt, and legislative budget questions on the floor of the Senate, those responsible in the Congress have not yet devised a comprehensive plan for revising our total tax structure, nor have they worked out a long-range policy for management and retirement of the public debt. Until the respective committees of House and Senate have addressed themselves to these major problems, and are ready to report a studied, factual, and comprehensive program to the Congress, I am opposed to tax reduction, because without the kind of basic planning I visualize reductions such as those represented in H. R. 1 are piecemeal nibblings at the problem and may well have the effect of destroying our present golden opportunity of achieving a complete overhauling of the tax structure. The same argument applies to the problem of debt retirement. The Senate passed a resolution providing for the application of $2,600,000,000 on the national debt out of any surplus revenues which may accrue during the fiscal year 1948. This is a laudable declaration of intent, but it does not in any way represent a considered judgment on the part of the Senate as to what our long-range debt-retirement policy and program should be.

I don't pose as an expert in tax matters or fiscal policy. To me, however, the proposal made by the Senator from Maryland [Mr. O'CONOR] in Senate Join· Resolution 90, which has been before the Senate since March 18, calling for a study of the relationships

between municipal, State, and Federal fiscal programs, makes sense. Action on that resolution has not yet been taken by the Committee on Expenditures in the Executive Departments, although there has certainly been ample time for it to do so. The House Ways and Means Committee is currently undertaking a study of this over-all problem. For my own part, it is folly to attack such complicated and important problems on a piecemeal basis as represented by H. R. 1.

What I have just said in regard to the necessity for planned action is germane to the first question I mentioned at the opening of my remarks, "Is July 1 the imperative time to institute a substantial reduction in individual income taxes?" I wish now to pursue that question a bit further as it relates to the objectives which the majority leadership alleges to be inherent in this tax bill. You will recall that these objectives are first, to increase mass purchasing power, and second, to provide additional incentive for venture capital and managerial initiative. In this regard these two questions come to my mind, "Is it necessary by July 1 to inject additional purchasing power into the arteries of commerce?" and "Are venture capital and managerial initiative so stifled by present tax rates that unless relief is granted by July 1 the entire economy will suffer from financial anemia?"

The need or lack of need for additional purchasing power in the economy can best be judged by what is happening to sales in various commodity fields of consumer goods. Recent reports in Business Week and other publications designed especially for businessmen state that trouble spots are beginning to appear at certain points in sales of consumer soft goods. The movement of textiles across the retail counters of the Nation has slowed down, the pipe lines are pretty well filled, and some textile mills have already felt the impact. A similar situation prevails in the shoe industry. A very substantial part of the 1946 pack of canned goods is still in the hands of brokers and wholesalers, and these distributors are experiencing resistance from retailers against the high prices at which these 1946 lines must sell if their present owners are to avoid serious inventory losses. I will not attempt to give an encyclopedic account of each item in the soft goods field where retail and consumer resistance is being felt. There are, however, numerous other specific items of soft goods which are presently experiencing sales difficulties.

It is readily understandable to me, and I am sure to all Senators on the floor, that consumer resistance to prices in the soft goods field is inevitable in view of the fact that, as Mr. Lionel Edie pointed out to the committee in his testimony on April 30, the index of agricultural prices reached a peak of 183 in April as compared to the 1926 level. Whereas it is true that agricultural prices are not a complete reflection of all items in the soft goods category, they are indicative of what has happened to prices in this field.

I leave this point with the statement that there are indications in soft goods lines of definite consumer resistance and inventories are beginning to accumulate. There is a very serious question, however, as to whether additional purchasing power, left in the hands of consumers through tax reduction, will have any material effect upon this situation. It is more probable that price readjustments will have to take place before the volume of sales will again turn upward. By giving the proponents of H. R. 1 the benefit of the doubt, let us assume that additional purchasing power in the hands of the masses of our people would serve to stimulate sales of soft goods.

I would like to direct your attention now for a moment to the situation in durable goods lines. Here prices are still firm, and some economists, including the Mr. Edie to whom I have already referred, anticipate that prices will go still higher in some lines. There are two major reasons for this: First, industrial prices did not go up as high during the war and reconversion period as did agricultural prices. The index as compared to 1926 stands at 133. In 1920, 2 years after the close of World War I, the index of industrial prices as compared to 1926 was 150, 17 points higher than the present level. Industrial prices, due largely to the effectiveness of OPA controls, did not rise as precipitously during World War II as they did during World War I, and hence the possibility of a sharp downward tend is not as imminent. Further, the informed estimates are that they will rise somewhat, in the orderly adjustment which must take place between these and agricultural prices.

The second major influence on these prices is to be found in the relationship between production and demand. Many durable goods were either entirely out of production during the war or were produced on a limited basis. There is still a tremendous accumulated demand for durable goods in all lines. A very few, such as table-model radios, are experiencing some sales difficulty. Producers have a long way to go, however, before they satisfy the pent-up demand for durable goods. There are some basic shortages which further bear on this question. Production of steel is proceeding vitally at full-plant capacity and avaliability of steel is a controlling factor in the production of most durable goods. Copper is extremely short and supplies of aluminum and other light metals, according to the most recent report of the Civilian Production Administration, are still inadequate.

Just a few words now about heavy capital goods and construction materials. All of us from the West are aware of the critical shortage of boxcars. The junior Senator from Kansas [Mr. REED] is more fully informed on this question than perhaps any other single Member of the Senate. The basic difficulty in the boxcar shortage is lack of steel. In recent testimony before the Appropriations Subcommittee on the Department of the Interior the Senator from Nebraska [Mr. WHERRY] will recall statements made by virtually every expert in the field to the effect that delivery dates on heavy equipment like generators, transformers, and conductors are presently being quoted by manufacturers as from 18 months to 2½ years following placement of the order. These facts are germane to our present discussion, because the proponents of H. R. 1 are basing their contention that tax reductions are essential on July 1, partly, on the alleged necessity for bolstering purchasing power.

Opponents of the July 1 date, on the other hand, have asserted as one point in their argument that this reduction will have an inflationary effect. My own belief is that the additional purchasing power will not have a material effect in the direction of bolstering soft goods prices, but that it will have a definite tendency to force consumer durable and capital goods prices to higher levels. Or, to put it another way, there is no need on July 1 to inject into commercial arteries the additional $3,200,000,000 represented by the tax reductions in H. R. 1.

Referring back to the first part of my remarks, I stated that the proponents of H. R. 1 argue that tax reduction on July 1 is necessary to provide additional incentive for venture capital and managerial initiative. Let's examine that argument for a moment. I think we can best judge the validity of this assertion by reference to what is happening in the economy by way of capital investment and payment for managerial initiative as represented by corporate profits.

In the hearings before the Senate Finance Committee the distinguished chairman of that committee [Mr. MILLIKIN] quoted a very interesting set of figures, which are at least a partial reflection of what is happening in the economy by way of capital investments. He pointed out that in 1938 businessmen plowed back into their enterprises approximately $11,000,000,000; in 1941, $19,000,000,000; in 1943, at the peak of the war, $1,800,000,000; in 1945, $9,100,000,000; but in 1946, under present tax rates, $32,100,000,000. As measured by this plowback businessmen last year, under the rates of taxation which H. R. 1 seeks to cut on a straight percentage basis, certainly were not deterred in venturing their capital.

What I have just recited concerning plowback investment by businessmen demonstrates willingness of these men to invest in existing enterprises. Now how about investment in new enterprises? Are businessmen unwilling to risk capital in new ventures under present tax rates, as asserted by the proponents of this bill? Or put it another way—Must we reduce taxes on July 1 to induce businessmen to launch new enterprises—would it be disastrous to wait until January 1, 1948? Well, let's look at the record to see whether new ventures are being launched and if so, at what rate.

The latest data I have been able to obtain bearing on this question came from the Department of Commerce. The figures show, and I use round numbers, that from a low of approximately 2,830,000 firms in 1943, the number increased to 2,923,000 in 1944, to 3,224,000 in 1945, and to 3,550,000 in 1946; a net increase of about 700,000 firms between 1943 and December 31, 1946, and over 100,000 more than the prewar peak of September 1941. The number of new enterprises launched by the businessmen of this country certainly tends to contradict the contention that managerial initiative is being stifled by current tax rates.

I regret that I do not have current figures on the number of new firms being launched, but I do have some related data which further bear out my contention that the Nation will not suffer economic collapse if tax reductions are initiated on January 1, 1948, rather than on July 1. I quote now from the United States Department of Commerce April issue of Survey of Current Business.

"Based on reported actual outlays by a representative sample of business firms, expenditures for new plant and equipment in 1946 amounted to $12,100,000,000 (exclusive of agriculture). This total was almost double the $6,600,000,000 investment in 1945. Expenditures for new plant and equipment increased in each quarter of 1946. In the first half of the year they were at an annual rate of $10,000,000,000, this rate increasing to $14,000,000,000 in the second half of the year.

"Present indications from reports of business firms on their anticipated expenditures are that the annual rate of $14,000,000,000 of outlays for new plant and equipment will be maintained in the first half of 1947."

I recognize that there are other indices which are needed to round out the picture on this point, but certainly the funds businessmen plow back into their own enterprises and the number of new enterprises launched are a measure of the confidence they have in their ability to earn a satisfactory return on that investment. May I emphasize again that the total plow-back investment in 1946 was almost twice as great as that in 1941 and almost three times as great as that in 1938, that the number of new enterprises launched in 1946 was at the highest rate in our history, that the outlay for new plant and equipment in the first half of 1947 will be over two times the 1945 rate, and that this tremendous investment was achieved under tax rates which the proponents of the pending bill assert are so high as to stifle the incentive to invest.

In 1946 corporate profits after taxes were running at the rate of approximately $12,000,000,000, over three times the $3,500,000,000 rate obtaining in 1939. One might well ask the question, "How much incentive do businessmen have to have to induce them to put forth their best efforts in managerial

initiative?" If three times the 1939 rate is not sufficient, what should it be? Four, five, six times? And if that is the amount of incentive that is required, what must they charge for their products and how much additional purchasing power would the majority party have to inject into the commercial stream to satisfy this insatiable appetite?

From time to time in the committee hearings on H. R. 1 it was asserted that prices are high because business and industry are being taxed so heavily by the Federal Government. It is true that taxes must be considered as a cost of doing business and that the finished article must bear its proportionate part of those taxes. It seems to me that it would be helpful in weighing the validity of this argument to attempt a rough calculation as to what part of the price for goods and services generally is represented by taxes.

In 1946 corporate earnings before taxes amounted to between twenty and twenty-two billion dollars. Let's assume for purposes of illustration that profits before taxes represent about 10 percent on gross sales. Since gross corporate earnings in 1946 were $22,000,000,000, that would mean that gross sales aggregated roughly $220,000,000,000. Corporations paid roughly $11,000,000,000 in taxes out of earnings. This is about 5 percent of gross sales. If we were to eliminate corporation taxes entirely, therefore, the effect upon aggregate sales prices would be about 5 percent. Again I recognize that these are very rough calculations, but I do want to point out that the argument that the present high level of prices is due to taxation certainly needs some careful analysis before we accept it as gospel.

I already have dwelt to some extent on the contentions, pro and con, that tax reduction on July 1 will or will not be inflationary. In his speech on Wednesday, May 21, the distinguished chairman of the Finance Committee [Mr. MILLIKIN] addressed himself to a point made by the Secretary of the Treasury in committee hearings. The Secretary maintained that July 1 is not an appropriate time to institute tax reductions. The Secretary either stated or implied that this reduction would tend to put pressure under prices and would not materially expand the output of goods and services. The chairman disagreed with this point of view, stating that we now have 2,400,000 people unemployed, whereas during 1943 we had less than 700,000 unemployed. He cites present unemployment as evidence that we are not using our manpower and plant facilities to capacity. I agree that this bit of evidence taken by itself might lead one to agree with his conclusion. There are a number of additional factors, however, equally germane to the point, which must be considered in concert with this statement.

Before I mention some of these additional factors, however, I would like to point out that students of the subject maintain that in a peacetime economy of full production, it is inevitable that from two to two and a half million people will be unemployed. Economists maintain that this is frictional unemployment—people shifting from one job to another, people temporarily out of work because of plant overhauling, and people who for a temporary period are simply not interested in finding or holding a job. I am not prepared to argue this point vehemently, but am inclined to the view that the experts in the field know whereof they speak.

I mentioned that there are factors other than this frictional unemployment which have a direct bearing on the issue. I won't attempt to enumerate all of them, but do wish to cite at least two indexes which tend to indicate that our industrial machine is rolling at substantially full capacity. Production of steel in past weeks has fluctuated between 90 and 95 percent of capacity as compared to an average of 97 percent in 1941. Production of automobiles, production of railway cars, which I have already mentioned, and a host of durable consumer and capital goods are directly dependent upon the availability of steel. Electrical energy is currently being consumed at approximately 150 percent of the average 1941 rate. Other sources of industrial energy, coal and oil, are being produced and consumed at approximately 130 percent of the 1941 rate, and the Federal Reserve index of physical volume of production, using the 1935–39 average as 100, in the month of April was 185. None of these factors alone, nor even all of them together, prove conclusively that we are utilizing our industrial machine to capacity, but they certainly provide significant evidence pointing in that direction.

The study I have made of the problem, although I admit that that study is not exhaustive, certainly warrants these conclusions: The infusion of $3,200,000,000 provided by H. R. 1 will not have a material effect in the direction of bolstering prices in consumer soft-goods lines. It will place additional pressure under the prices of consumer durable goods, and it is not needed as a hypo to venture capital and managerial initiative. In addition, there is evidence that the basic limitation on expanded production is not lack of capital and initiative, but rather is shortage of manpower, materials, and industrial energy.

I now wish to discuss as briefly as I can the second question I raised at the opening of my remarks: If July 1 were the time to institute tax reductions, is H. R. 1 the equitable way to doing it?

H. R. 1 partially destroys the progressivity of the graduated income-tax scale. The rate schedule has grown up over the years as a reflection of a basic concept in Federal tax policy, namely, the ability to pay. At the outset I wish to have it understood, that I realize that ability to pay in and of itself, is not the sole criterion in a sound tax policy. There are other factors such as this: The tax paid by the individual should be in proportion to the benefit he receives from services performed for him by the Government. Tax experts in the Senate such as the distinguished Senators from Georgia [Mr. GEORGE] and Colorado [Mr. MILLIKIN] will think of others. Certainly the ability to pay, coupled with these other factors, is an important principle in a sound Federal tax policy.

A moment ago I stated that H. R. 1 partially destroys the progressivity of the 1939 rates, in that it narrows the gap between the 1939 rates and rates it proposes, far more for taxpayers with incomes over $5,000 than it does for those with incomes under $5,000. For example, the bill narrows the gap between present and 1939 rates for the individual with $5,000 by 3.2 percent, for the individual with $50,000 income by 9.9 percent, and for the individual with $100,000 by 12.6 percent.

To demonstrate the effect of this change upon rates of take-home pay, I have had prepared a short table which sets forth for specified amounts of income the dollar increase and the percentage increase for various income brackets.

The committee bill increases the take-home pay of a married couple with no dependents in the following amounts:

$1,200 yearly income—take-home pay is increased 1 percent.

$1,500 yearly income—take-home pay is increased 2 percent.

$5,000 yearly income—take-home pay is increased 4.2 percent.

$25,000 yearly income—take-home pay is increased 11.4 percent.

The take-home pay of a man earning $50,000 is increased 19.7 percent, the man with $100,000 income, 34.2 percent, the man with $300,000 income, 57.4 percent.

Families with incomes of less than $5,000 receive under the committee bill an increase in take-home pay of 4 percent or less. Families with $300,000 of income, over 57 percent.

I thought it would be interesting to apply these increases in take-home pay to the situation in my own State, the State of Washington. The latest figures I have been able to obtain show that in 1943, 908,730 taxpayers in the State of Washington earned under $5,000 a year. One hundred taxpayers earned over $100,000 a year, and six taxpayers earned over $300,000 a year. In my State, therefore, the committee bill increases the take-home pay for almost one million people by less than 5 percent. It increases the take-home pay for one hundred people by over 34 percent, and for six people increases the take-home pay by over 57 percent.

To me these figures demonstrate rather dramatically who benefits in my State by the committee bill.

I would like to insert the complete table in the RECORD:

Increase in take-home pay under Senate Finance Committee bill at specified rates of net income before personal exemption

[Adapted from table XI–B, comparison of spendable income under present law, House bill, and Finance Committee bill, p. 5584, CONGRESSIONAL RECORD, May 21, 1947]

Net income before personal exemption	Spendable income after tax under—		Increase in dollars	Percentage increase
	Present law	H. R. 1 as amended		
$1,200	1,162	1,173	11	1
$1,500	1,405	1,433	28	2
$2,000	1,810	1,867	57	3.1
$5,000	4,202	4,361	159	4.2
$25,000	15,918	17,734	1,816	11.4
$50,000	25,205	30,164	4,959	19.7
$100,000	36,872	48,716	11,844	34.2
$300,000	65,435	102,995	37,559	57.4

At this point I quote from the remarks of the distinguished chairman of the Senate Finance Committee, as shown on page 5590 of the RECORD:

"Some critics of the bill allege that the percentage of the relief given to those in the lower brackets should be even greater. Usually this conclusion is reached by pointing out that the percentage reductions provided in H. R. 1, as amended, are not the same as the percentage increases which took place in the individual income-tax burdens between 1939 and 1945. It is alleged that tax rates should go down in the same manner as they went up during the war.

"Behind this argument lurks the assumption that the rate structure of 1939 was an ideal one. This is highly questionable. The rates applied to upper-bracket incomes in 1939 were extremely high. They represented the end product of a determined effort to convert the individual income tax into a device for the redistribution of wealth. In their desire to attain this objective, the proponents of the rate structure developed during the 1930's tended to pay far too little attention to the problem of maintaining managerial initiative and an adequate flow of venture capital. For this reason it is not supportable to use the 1939 rate structure as a basis for comparison."

On this assertion by the distinguished chairman of the committee I have two comments to make. First, if the real purpose of H. R. 1 is to revise the entire individual income-tax structure, then I think in all fairness this should be clearly stated, and additionally, I think that the hearings should have been held in the light of this objective. The House concluded its hearings on H. R. 1 in 2 days. I sincerely doubt that so complicated a problem as the progressivity of the income-tax schedule can equitably be disposed of in such summary fashion.

My second comment has to do with the effect of the 1939 rates upon our economy, which the distinguished chairman has branded as, and I quote, "A determined effort to convert the individual income tax into a device for the redistribution of wealth. * * * The proponents of the rate structure * * * tended to pay too little attention to the problem of maintaining managerial initiative and an adequate flow of venture capital."

The years 1939 to 1947 are years in which this Nation has achieved the greatest level of prosperity in its history. I am not irresponsible enough to assert that we owe that high level of prosperity to the progressivity of the 1939 and subsequent tax schedules. I submit, however, that it would be just as logical and defensible for me to make this claim as it is for the proponents of H. R. 1 to assert, as have committee members and business representatives who appeared to offer testimony, that the lowering of individual income-tax rates in the twenties was responsible for the high level of prosperity achieved by the Nation in 1927, 1928, and 1929.

An outstanding commentator on a recent broadcast commented on the eclipse of the sun, which a number of eminent scientists traveled to South America to observe. He stated that there is a primitive Indian tribe in the jungle of South America who, in keeping with ancient tribal tradition and superstition, donned their war paint and shot arrows at the sun to kill the monster which was slowly obliterating the sun's rays. They were extremely gratified at the result of their efforts when the monster disappeared and the sun's rays once more beat down on the jungle.

To attribute the passing of the eclipse to the shooting of arrows by the Indian tribe in South America is just as logical as to attribute the prosperity of the late twenties to income-tax reduction. The events occurred in concert but the forces which produced the end result were far different.

So far I have discussed some—certainly not all—of the factors bearing on the question, "Is it imperative that July 1, 1947, rather than January 1, 1948, be chosen as the date on which to institute tax reductions?" In addition, I have commented on the effect of H. R. 1, as amended, upon the basic progression of present and prewar individual income-tax rates. In this discussion I have tried to indicate the bases upon which I reach two conclusions. First, the economy is not so anemic as to require a transfusion of $3,200,000,000 on July 1. The risk involved in making our tax reductions effective January 1, 1948, is more than counterbalanced by the risk of placing additional pressures under durable and capital goods prices—already dangerously high. The second conclusion is that H. R. 1, as amended, is objectionable because it is aimed at reducing the progressivity of basic individual income tax rates.

I have just voted for the Lucas amendment. The Lucas amendment gives the taxpayers of the Nation the assurance of tax reductions beginning January 1, 1948. By raising personal exemptions $100, it takes 4,700,000 small taxpayers off the Federal tax rolls, thereby giving those who need relief most the maximum relief possible in a tax reduction program. In addition, it gives some relief—admittedly small in the upper brackets—to each of the approximately 43,000,000 who will remain on the rolls. This provision will cost about $1,700,000,000 in revenue computed on a yearly basis. Over $1,500,000,000 of this, or about 92 percent, will go to individuals with incomes of less than $5,000 per year—about $140,000,000, or 8 percent, to individuals with incomes over $5,000 per year.

In addition, the Lucas amendment reduces surtax rates by two percentage points throughout the tax schedule. This provision will reduce Federal revenues by $1,156,000,000 per year. Of this, $788,000,000, or 68 percent, goes to taxpayers under $5,000—$368,000,000, or 32 percent, to taxpayers over $5,000. These two proposals will leave approximately $2,800,000,000 of additional purchasing power in the hands of the Nation's taxpayers—reducing Federal revenues by that amount. To me, it is highly significant that these two provisions, although they would cost in yearly revenues almost $1,000,000,000 less than the committee bill, give substantially the same amount of relief to taxpayers under $5,000.

If a major objective of tax reduction is to bolster purchasing power, here, then, is the way to do it at far less loss in revenues than under the committee bill. It was admitted in committee hearings and here on the floor of the Senate that taxpayers with incomes under $5,000 require greater relief, that they as a group have less of a backlog in savings, and hence will utilize most quickly for necessary purchases any funds left in their hands as a result of tax reductions.

The Lucas amendment achieves tax reduction by raising personal exemptions and reducing surtax rates uniformly. It, therefore, follows in reverse the general pattern utilized by the Congress in raising tax rates to their present level. It retains the basic progressivity of our tax schedule, which was constructed originally in conformity with the principle of ability to pay.

It may well be, as proponents of H. R. 1 assert, that progression in present surtax rates is too precipitous. This is a question which requires extensive study and consideration. Personally I believe that during the summer recess the Congress and the Treasury should undertake a careful and comprehensive study of this and related questions, including a long-term debt-retirement policy. At the proper time I will introduce a resolution incorporating my convictions on this subject.

The Lucas amendment contains an additional provision which I now allude to—the so-called Surrey plan dealing with splitting the family income. There exists a geographical inequality as a result of the fact that the community-property system existing in certain States, including the State of Washington, is recognized for tax purposes under Supreme Court decisions, so that division of community income between husband and wife in these States is recognized for tax purposes. As a result of this, at $5,000 net income, the tax in the community-property State is about 5 percent less; at $10,000 it is 15.7 percent less; at $15,000 it is 22 percent less; at $25,000, 28.9 percent less, and at $50,000 it is 25 percent less. Certainly a cardinal principle in Federal taxation should be equality, as between the tax burden imposed upon a citizen in one section of the country as compared with another.

Unless the inequities created by the community-property issue are resolved through some such proposal as that contained in the Lucas amendment, one of two things will occur—either the other 38 States will take action individually to remove this tax advantage, or these same States will take such action through their congressional representatives. Whether that action comes this year or next year or in the Eightieth Congress or in the Eighty-first Congress, I'm convinced that it will come. It seems to me, therefore, that the community-property States must realize that their congressional representatives are faced with a realistic problem—one on which the representatives from the 38 common-law States have the voting strength to decide the issue in their favor.

I wish to reserve further comment on this portion of the Lucas amendment for a future time. There are collateral issues which must be resolved before I can conscientiously support this provision.

In summary: Tax reductions as contained in H. R. 1 will put additional pressures under consumer durable and capital goods prices. Our industrial plant is being operated at what is, for all practical purposes, peak capacity. Under present rates of taxation businessmen in 1946 did plow back into their enterprises $32,000,000,000 of corporate earnings, thereby demonstrating their faith in their ability to obtain adequate returns on that investment, and new enterprises were launched at the highest rate in our history.

I believe tax reduction on a planned basis is essential. Individual tax reductions, however, are but a single part of the entire tax structure. No action in this area should be taken now which will jeopardize the comprehensive tax revision which should emanate from a thorough study of the fiscal relationships between local, State, and Federal tax policies, the elimination of duplicate taxation, the problem of orderly debt retirement, and related issues.

Institution of individual income-tax reduction on January 1, 1948, is preferable to July 1, 1947. Any reduction in individual income taxes, even on January 1, 1948, should conform to the basic pattern employed by the Federal Government in increasing these taxes. The Lucas amendment meets this criterion and leaves greater leeway than does H. R. 1 for debt retirement and the losses in revenue which will inevitably follow any general overhauling of the tax structure.

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 11, after line 20, it is proposed to add the following:

That in the administration of the Federal income-tax laws with respect to the income of married persons who are residents of the State of Arkansas, the Commissioner of Internal Revenue is authorized and directed to apply such laws in the same manner as in the case of married persons who are residents of Oklahoma, Texas, and other States in which the law of community property exists.

Mr. MILLIKIN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. I suggest that the amendment is out of order, that it would affect a part of the bill which has been passed upon and accepted as a committee amendment.

The PRESIDING OFFICER. The amendment as read applies only to the State of Arkansas.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Does not the Constitution provide that taxes shall be uniform throughout the United States?

The PRESIDING OFFICER. The Chair does not pass upon the constitutionality of the amendment.

Mr. MILLIKIN. It is an amendment to a committee amendment, and I suggest it is out of order.

The PRESIDING OFFICER. The amendment is to the text of the bill, on page 11, after line 20, an addition to the bill itself. The point of order is not well taken.

Mr. FULBRIGHT obtained the floor.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. REVERCOMB. I suggest to the Senator if he will include the State of West Virginia he might get some support.

Mr. FULBRIGHT. I accept that amendment to the proposal.

Mr. TYDINGS. Will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Maryland.

Mr. TYDINGS. I hope the Senator's generosity will not be fully exhausted by including the State of West Virginia. I should like to impose upon the good nature of the Senator by asking him to include the State of Maryland.

Mr. FULBRIGHT. I shall take that under consideration.

Mr. President, the Senator from Colorado [Mr. MILLIKIN], the distinguished chairman of the Committee on Finance, made two points. He objected to the amendment offered by the senior Senator from Arkansas [Mr. MCCLELLAN] primarily because it would cost so much. He said it would cost anywhere from $800,000,000 to $1,000,000,000. My amendment meets that objection very well. It will cost between four and five million dollars. That is an amount which could be easily absorbed in the bill without any difficulty whatever.

The second point which the Senator from Colorado made a few moments ago was that the States which are adjacent to the community-property States are the ones which suffer the most from the unjustified discrimination which exists in our tax system. I think Arkansas is the only State which is adjacent to three community-property States. I know of no other State which suffers from proximity to three community-property States. We have Louisiana and Texas on the south and west, and Oklahoma on the west. So that it seems to me there is a very special reason why the Senator from Colorado would be willing to accept the amendment, and incorporate it as a committee amendment. I am sure his sense of justice is so offended by this discrimination, and the peculiar conditions surrounding Arkansas, that he does not wish to continue this grave injustice to the people of Arkansas.

Mr. MILLIKIN. Mr. President, I regret that I cannot accept the amendment. I should like to keep Arkansas in the Union. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the amendment presented by the junior Senator from Arkansas [Mr. FULBRIGHT].

The amendment was rejected.

Mr. BARKLEY and Mr. PEPPER addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. BARKLEY. Mr. President, I wish to make a very brief statement with reference to the proposed legislation.

Mr. PEPPER. Mr. President, I have an amendment to offer, if the Senator wants to speak just before the bill is finally voted upon.

Mr. BARKLEY. I do not care to delay the offering of the amendment.

Mr. PEPPER. I thought the Senator was under the impression that there would be no other amendment offered.

Mr. BARKLEY. No; I was not under that impression, because I saw the Senator from Florida rise.

Mr. President, I have voted against all the amendments proposed to the bill, including those offered by the Senators from Arkansas and by the Senator from Illinois, because I have reached the conclusion that it is my duty, in my individual capacity as a Senator, in the light of all the conditions existing in our country, to vote against the bill now under consideration. Therefore, I shall cast my vote against the final passage of the bill.

I realize that every man and every woman would like to have tax reduction. I myself should like to have tax reduction. I should enjoy the exhilaration that would come to me from having to pay less taxes than I am now paying.

But in my judgment the country as a whole is not suffering from taxation, so far as the Federal Government is concerned. We are enjoying the greatest peacetime prosperity in the history of the United States. Our production is at an all-time peak, even greater than during the war, at a time when there was a concentration of all our resources to produce for war purposes. Our national income is twice as great as it has ever been in times of peace, and greater than it was during the peak year of the war.

My theory as an individual, as well as a legislator, has always been that it is wise to reduce one's indebtedness while he is making large profits and has an enormous income. No sound business, no well-organized corporation, ever reduces its income at a time when it can wisely pay off its indebtedness, if it has indebtedness. There is not a corporation in the United States, in my judgment, which would reduce its income at the time when its indebtedness was greater than it had ever been in the history of the corporation.

The United States Government is an enormous corporation, the largest in the world, and I have a very profound conviction that sound financial policy demands that we pay off our debt as rapidly as possible. If we were to pay it at the rate of $5,000,000,000 a year it would require 50 years to discharge our public debt. If we paid it off at the rate of two and a half billion dollars a year it would require a hundred years to discharge our public debt. We cannot anticipate nor imagine what emergency may overtake us in the next 50 years or in the next 100 years, that may interfere with the discharge of our public debt for a period of years. I do not believe that we can safely or wisely hand this debt down to the generations that are yet unborn. So that, in the exercise of a sound business policy, of ordinary prudence, while our income is great, I feel that all we can save out of a reduction in governmental expenses ought to be devoted to a reduction of the national debt. If this Congress should be able to save four and a half billion dollars, or even $6,000,000,000 below the estimate of the President's budget, in the expenses for the fiscal year, I believe that a reduction of our public debt by an equivalent amount would do more to stimulate business, to stimulate the confidence of the American people and the American community in the honesty and integrity, financial and otherwise, of our Government, and in its good faith in discharging its obligations, than a mere paltry individual reduction in the amount that prosperous men will be required to pay during the next year or two by the bill which is now pending before the Senate of the United States.

So, Mr. President, feeling that way about our financia situation insofar as the Government is concerned, I could not consistently vote for any amendment that enlarged the cut in national income; which is true of all the amendments we have thus far voted upon.

For the reasons which I have indicated, much as I regret not to go along in the program of tax reduction, I cannot vote for the pending bill. I am speaking only my own convictions. I do not represent anybody else here, except myself and those who have honored me with membership in this body. I do not know that my vote will meet with their approval. I have had no way to take a Gallup poll or any other form of census to ascertain the wishes of my people in the State of Kentucky upon this subject. I imagine they feel, as I do, that they would like to have a tax reduction; they would no doubt welcome it, and if I cannot defend my position in behalf of the financial integrity of the Nation, in behalf of lifting the burden of debt from our backs and from the backs of our children and of our grandchildren, after I shall have cast this vote, I shall of course take the consequences of that inability.

I feel very deeply upon the subject, and therefore I shall cast my vote against the pending bill when it comes to its final passage in the Senate.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PEPPER. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. (a) Section 23 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

"(bb) Tuition and incidental expenses of teachers: In the case of an individual employed as a teacher in any public or private school, all expenses for tuition, books, laboratory fees and equipment, living, travel, and other incidental expenses, necessarily

incurred while pursuing at any institution of learning a course of instruction required for continuance of his employment or for advancement in grade or salary and approved by appropriate school authority for such purpose."

(b) The amendment made by this section shall be applicable to taxable years beginning after December 31, 1946.

Mr. PEPPER. Mr. President, I think Senators are aware that the school teachers of the country are among the most underpaid segment of our professional people. At the hearings on this amendment, which I presented to the Senate Finance Committee, the committee did not reject the amendment; it simply did not act upon it. I presented figures showing that in 1946, public school teachers, in the United States received an average of about $2,000 a year, in comparison with $2,596 for Federal Government employees, and $2,185 for factory workers. Teachers' salaries failed to keep pace with the cost of living, which has risen about 55 percent since January 1941. In 1946–47, about 48 percent of all the teachers got under $2,000 a year, and about 10 percent, under $1,200.

We know that the teachers of the country are required to take some kind of course in the summer, in order to keep themselves professionally up to date. This is a burdensome expense to the ordinary school teacher. The National Education Association made a study of the subject, and found that the average expense incurred by the teacher in taking the summer courses was $200 a year. To require a group, 10 percent of whom make less than $100 a month—they work only about nine months a year—and practically a majority of whom make only $2,000 a year, to expend $200 of their money in the summer, trying to keep themselves up to standard so they can better serve the children of America, imposes a burdensome expense upon them.

There have been various bills introduced in the Congress—I hope the best of them will pass—to provide aid to the school system and to raise the salaries of the teachers; but that legislation has not yet been enacted. The amendment, if adopted, would afford a little relief to the burdened school teacher by making the expenditure incurred in the summer taking training required by the school system of which the teacher is a part a deductible item of expense. It would be only a few dollars; but a few dollars to a person in those income groups means a great deal.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HILL. Let me ask the Senator a question. If a doctor attends a professional meeting, the meeting of a medical association of some kind, his purpose in going is really to get a certain amount of information. It is to him educational. It helps him in his profession and in his business. Is he not allowed certain deductions?

Mr. PEPPER. The doctor in such cases—and I have here the ruling by the Internal Revenue Bureau—is entitled to a deduction for such expenses.

Mr. HILL. Then as I understand, really in principle what the Senator is seeking to do is to have the same deductions allowed to a school teacher as are allowed to doctors and other professional people.

Mr. PEPPER. That is correct.

Mr. HILL. Certainly Senators know that so far as our business friends are concerned, when they come to Washington on business or when they go to New York on business or wherever they go on business, the expense of the trip is deductible, is it not?

Mr. PEPPER. If they had to go to an institute, and spend a week or two, or a month, in order to further the interest of their businesses that also would be a deductible expense.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LANGER. It is true, is it not, that in a great many States the attendance of teachers at the summer school is absolutely compulsory, under pain of losing their teacher's certificate?

Mr. PEPPER. If the Senator will allow me, I should like to read the language of the amendment, because it applies only in case they are required to take the training. The amendment reads as follows:

Tuition and incidental expenses of teachers: In the case of an individual employed as a teacher in any public or private school, all expenses for tuition, books, laboratory fees and equipment, living, travel, and other incidental expenses, necessarily incurred while pursuing at any institution of learning a course of instruction required for continuance of his employment or for advancement in grade or salary and approved by appropriate school authority for such purpose.

In other words, it does not give the teachers a privilege. The amendment deals only with those expenses incurred when they are taking the kind of educational training they are required to take in order to hold their positions or to obtain an advance in grade or salary.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LANGER. I wish to compliment the Senator upon submitting his amendment, and I join with him wholeheartedly.

Mr. PEPPER. I thank the Senator. I am glad to have his valuable support.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McCLELLAN. I want clearly to understand the amendment. The amendment would not relieve school teachers from the payment of income taxes simply because of their profession, would it?

Mr. PEPPER. No; it would not.

Mr. McCLELLAN. As I understand the Senator's amendment, it allows them expenses which they are required by law or by school authorities of the educational system to make in order to continue to serve in their capacity as teachers.

Mr. PEPPER. The Senator has stated the substance of the amendment with absolute correctness. The expenses in question would simply be a deductible item. The reason why the amendment is necessary is because the Internal Revenue Bureau by decision in 1921 ruled, in O. D. 892, as follows:

The expenses incurred by school teachers in attending summer school are in the nature of personal expenses incurred in advancing their education and are not deductible in computing net income.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HILL. I do not criticize the decision made by the Bureau of Internal Revenue, but it seems to me they have approached the question in an unusual way. We were speaking a while ago of doctors. A doctor can deduct expenses incurred for subscriptions to medical journals and things of that kind. What the Senator is seeking to do now is to provide similar deductions for the poorest paid group in the United States in relation to the service they render the country; is that not true?

Mr. PEPPER. That is absolutely correct. The Senator has correctly described them as among the poorest paid groups in our country. I dare say no other group which performs so important a function is so poorly paid as the public and private teachers. The amendment applies to both public and private teachers.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. Does the Senator from Florida have any knowledge as to whether or not in spite of the ruling of the Internal Revenue Bureau, a case was ever presented and carried before the Court of Tax Appeals to obtain a determination?

Mr. PEPPER. I will say to the Senator from Maryland that I think the teachers have simply accepted the ruling of the Internal Revenue Bureau, except that the National Education Association, which strongly approves my amendment, has been trying to have the ruling changed for some time. I have a statement in the RECORD from the National Education Association.

Mr. TYDINGS. It seems to me that if the prima facie evidence presented by the Senator from Florida were presented to the proper court which we have designated to rule on such cases, it would find it difficult to adjudicate against the philosophy of the Senator's amendment. The reason I asked the question was that I cannot conceive that such a court would allow medical and other men travel expenses and would deny them to the school teachers. I shall support the Senator's amendment, and even if we find later on that we have overlooked some point in it, which I doubt very much we have, the conferees will be in a position to correct it. I think the Senator has made out a just case, and I think we ought to give the amendment the support it merits.

Mr. PEPPER. I am very grateful for the kind words uttered by the Senator from Maryland.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HILL. I hope the Senator's amendment will be agreed to. I think the Senator from Maryland has made a very apt suggestion, which is that the amendment should go to conference and there the conferees will have an opportunity to sit down and, if there are any "bugs," as we say, in it, they will be able to pick them out, and if any change or modification needs to be made, they can make it. But certainly, to my mind, the amendment presents a case so worthy and so just that the amendment ought to be adopted.

Mr. TYDINGS. The amount of money involved is infinitesimal.

Mr. PEPPER. Yes, the amount of money involved is infinitesimal. I was about to read three or four decisions which have already been rendered by the Internal Revenue Bureau, which I think, in principle, are clearly the same kind of decisions that we ask for in the amendment.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAGNUSON. I think the Senator's amendment is commendable, but I was wondering whether it might be discriminatory in character. I was hoping it might be made broader. Is it not true that most professional men, ministers, doctors, and engineers perhaps voluntarily, but sometimes are required by their firms or by others to increase their knowledge by attending technical conventions or educational conventions. Can such individuals deduct expenses in connection with attendance upon such conventions?

Mr. PEPPER. I will say that I think they are clearly covered.

Mr. MAGNUSON. I wanted to have that made clear so there might be no discrimination involved.

Mr. PEPPER. These are the decisions I presented before the Finance Committee:

SUMMARY OF DECISIONS OF THE BUREAU OF INTERNAL REVENUE PERTINENT TO EDUCATIONAL EXPENSES OF TEACHERS

1. Travel expenses of a salaried employee who lived in one city and traveled to and from his residence to work in another city.

(a) "In short, every necessary item of expense in conducting business, incurred primarily because of and solely in the furtherance of the business engaged in, is held to be an ordinary and necessary business expense."

(b) The test is the freedom of choice of the individual in occurring the expense. In this case he can't set up his residence wherever he feels like. The result is a matter personal to him. It is not a matter undertaken for business purposes (Bureau of Internal Revenue, C. B. No. 1, April-December 1919, 8-19-317, S. 1048, p. 102).

2. "The expenses incurred by school teachers in attending summer school are in the nature of personal expenses incurred in advancing their education and are not deductible in computing net income" (Bureau of Internal Revenue Bul. No. 17-21, April 27, 1921, 17-21-1595, O. D. 892).

3. (a) Necessary expenses incurred by a member of a professional association in sending a representative to its annual convention for the sole purpose of furthering the business interests of such member are allowable deductions (I. T. 2602).

(b) Amounts expended by physicians in attending medical conventions are deductible (*Cecil M. Jack* v. *Commissioner*, 13 B. T. A. 726, C. B. X-2, 35).

(c) Amounts expended by clergymen to attend general conventions of their church are deductible (appeal of Marion D. Shutler, 2 B. T. A. 23 C. B. X-2, 65).

(d) Expenses of a professor of chemistry in connection with carrying on his profession and attending scientific meetings and conventions are "ordinary and necessary business expenses." (*Alexander Silverman* v. *Commissioner*, 6 B. T. A. 1328-C. B. X-2, 65).

(e) A professional man is entitled to deduct a reasonable allowance covering depreciation actually sustained on part of his library necessary and used wholly in pursuit of his profession (Bulletin F, revised January 1931, p. 24).

(f) In the case of research work of a teacher in college without remuneration, depreciation on books and instruments purchased for use in research work and expenses incurred in attending meetings of scientific societies are deductible. Expenditures for plates and figures for illustrative purposes in publications of the results of his investigation may or may not be deductible depending on whether the expense is an ordinary one or a capital expenditure (C. B. X11-14-6111, G. C M. 11654).

4. Expenses for traveling, meals, and lodging of a university professor while teaching temporarily away from his home city are deductible (C. B. V111-2, July-December 1929, V111-29-4277, I. T. 2481).

5 Dues paid by teachers to professional societies, prices of subscriptions for education journals of the profession, travel, meals, and lodging incurred while attending teachers' conventions, if not reimbursed, are ordinary and necessary expenses which are deductible, the cost of technical books purchased specifically in connection with their professional work is a capital expenditure and is not deductible (C. B. 1941-1 January-June 1941, 1941-6-10589, I. T. 3448).

Mr. President, I think the nature of the amendment is clear, and I hope the Senate will see fit to adopt it.

Mr. MILLIKIN. Mr. President, I will say to the distinguished senior Senator from Florida that I regret I cannot accept the amendment at this time. I read an excerpt from the remarks of the Secretary of the Treasury in his appearance before the House Ways and Means Committee on Monday, May 19:

> In addition to the tax matters of broad and general importance to which I have briefly referred, there are a substantial number of needed technical adjustments of considerable significance that have accumulated during the war years. The Revenue Act of 1942 was the last piece of major legislation in which the Congress undertook to go into such problems to any great extent. Many of these matters pose policy questions of some magnitude and their proper solution will frequently involve technical problems of considerable difficulty and complexity. Among the more important of these items are such matters as the treatment of (a) war losses—

He specifies a number of matters, and then he comes to this provision—

> occupational expenses, a problem which involves primarily the difficulty of drawing satisfactory lines between the nondeductible personal expenses of individuals and their deductible business outlays.

There are inequities in the law, but I am afraid that the amendment would plant another inequity or bring about another disparity between groups.

I notice that the amendment itself is rather broad. It allows all expenses for tuition, books, laboratory fees, and equipment. Much money could be spent for such purposes. There is no limitation on living and travel. One could travel to Europe. There are no limitations on the travel or incidental expenses. I am afraid, I will say to the Senator, that the amendment could bring about quite a large bill. But that is not what I consider primarily important.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. Just a moment, please. I am suggesting that this is one of that large number of subjects which the Treasury recognizes should be gone over in relation to other problems of the same kind, and brought into coordination with such problems. The Treasury has taken the initiative in bringing the matter and related problems to the attention of the House Ways and Means Committee. I can assure the Senator that I shall be actively interested in keeping this matter before that committee and also before the Senate Finance Committee. My personal feeling is that there is much merit to the proposal, as there is much merit to other forms of deduction which are disallowed in connection with business expenses.

Mr. PEPPER. I was about to ask the Senator if the law which permits the deduction of expenses incurred by business executives limits the amount of the deduction.

Mr. MILLIKIN. I have heard that some of the business deductions which are being claimed and allowed are perfectly fantastic. I am not in favor of that. I should like to see this whole subject put on some uniform basis, so that everyone may know whether or not his expenses are business or personal.

Mr. PEPPER. I am merely making the observation that the law which permits business expenses to be deducted does not limit the amount of the deduction. It is left to the Treasury to determine whether the claimed deduction is reasonable or not, and the same rule should apply in this case.

Mr. MILLIKIN. I think that point is well taken.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. WHERRY. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, will the Senator withhold for a moment his suggestion of the absence of a quorum?

Mr. WHERRY. Certainly.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I apologize for taking at this juncture a moment of the time of the Senate, not on the amendment or on the bill itself. I do so because when the bill is finally voted upon no doubt there will be such confusion in the Chamber that it will be impossible for me to say what I now wish to say about another matter. I am addressing my remarks to the leadership of the majority.

There has been great confusion and discussion, and some shifting of position, with respect to the next piece of legislation which is to come before the Senate after the disposition of the pending bill.

We all know that the present law with reference to rent controls will expire on the 30th of June, about 1 month from now. The closer that date is approached the more chaos and confusion will naturally exist among both landlords and tenants as to what is going to happen on the 30th of June. We certainly desire to have no hiatus similar to that which occurred last year in the matter of reimposing price controls generally. After a period of 2½ months when there were no controls it was impossible to resume the situation which existed on the 30th of June when the law expired. So I am expressing the hope to the majority leader and those who are associated with him in controlling the program of the Senate that following the passage of the pending bill it will be the program to proceed immediately to the consideration of the rent-control bill.

I realize that there are other bills with respect to which Senators are pressing for action. I know how anxious the Senator from Michigan [Mr. VANDENBERG] is to bring up the treaties which have been unanimously reported from the Committee on Foreign Relations, and I share his anxiety. I think it is very important that we dispose of those treaties at the very earliest possible date, because of the effect of such disposition upon the stability of the world. In my judgment it is a crucial matter. But that must be done in an executive session.

I hope that next week we may be able to reach the consideration of those treaties; but assuming that we shall not reach the treaties as the next order of business, I earnestly hope that, in spite of any controversy over what legislation shall come up next, and in spite of the anxiety of Members to obtain action upon their respective bills, we shall not longer delay consideration of the rent-control bill.

Several weeks ago the House passed a rent-control bill. The Senate committee has reported what I consider to be a much better bill than that passed by the House. I assume that the Senate bill will be considered up to the point of final disposition, and that the Senate bill will then be substituted for the House bill, so that it may go to conference. All that requires time, and we ought not to wait until the last week or two before the law expires to inaugurate whatever resumption of rent controls we wish to inaugurate following June 30.

I would not presume to offer suggestions to the Senator from Maine or other Members of the majority except for the fact that from day to day we have been told that this bill, that bill, or some other bill was to follow the tax bill. I am earnestly hoping that it has been decided, or will be decided, by the majority that the rent-control bill is to be next in order for consideration.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. There is some justification for the rather soft impeachment by the Senator from Kentucky. There has been some confusion as to what bills should be taken up, and in what order. It was very definitely understood upon this side that immediately upon the conclusion of the tax bill the so-called Bulwinkle bill would be taken up. We have been obliged to change that program because of the necessary absence of the Senator from New Hampshire [Mr. TOBEY], who filed minority views, and who should be given consideration in fixing the time for discussion and action upon that bill. His absence has necessitated a change.

It is my purpose, or the purpose of the Senator from Delaware [Mr. BUCK]—one or the other of us—upon the disposition of the tax bill this afternoon, to move that the so-called rent-control bill be made the unfinished business. It is anticipated or hoped, that either today or tomorrow that bill can be disposed of. But it will be before the Senate later this afternoon and tomorrow. I very much cherish the hope—although I have not great courage in stating it—that we may dispose of the rent-control bill with discussions today and tomorrow, although it is now growing late.

Mr. BARKLEY. Mr. President, I appreciate what the Senator from Maine has said. Of course, the Senator knows my views as to the merits of the rent-control bill and the so-called Bulwinkle bill. Aside from the illness of any Senator or the convenience of any Senator, upon the relative merits of the two proposals, the rent-control bill ought to receive first consideration. However, by whatever method the decision has been arrived at, I am very glad to know that it is to be the next bill to receive consideration.

Mr. WHITE. It is definitely the program of the majority side to proceed to the consideration of the rent-control bill immediately upon the disposition of the tax bill.

Mr. REED. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Kansas.

Mr. REED. I think the majority leader should suggest also that this program was arrived at partly for the convenience of the Senator from Georgia [Mr. RUSSELL], who desired to go home to fulfill an engagement of long standing, and could not be back until next Tuesday. So far as I had anything to say, I was very happy to accommodate the Senator from Georgia.

Mr. BARKLEY. Mr. President, by whatever method of elucidation or comparison the rent-control bill takes precedence over the Bulwinkle bill, I think it is a just consummation, although I regret that the priority of rent-control legislation is brought about by the inconvenience of any Senator, either now or tomorrow. As between the two subjects, I think there can be no comparison, on the basis of importance to the American people, of immediate action upon rent-control legislation.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BUCK. I may say to the Senator that I am anxious to dispose of the rent-control bill. It has been on the calendar since the 3d of April. It is an important measure. As the Senator from Kentucky has stated, the life of the present act expires on June 30. As the majority leader has said, we propose to make it the unfinished business of the Senate this afternoon.

Mr. BARKLEY. I thank the Senator.

I would not have broached the subject except for the apparent uncertainty on both sides of the aisle as to what is to be taken up next. I merely wished to express my hope. I thank both the Senator from Maine and the Senator from Delaware.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. In justification of the absence of the Senator from New Hampshire [Mr. TOBEY] who has filed minority views, he has been called away by illness in his family, and it was felt that we should accommodate him.

Mr. BARKLEY. I appreciate that; and I sympathize with the Senator from New Hampshire because of the illness in his family. I hope it will soon terminate in complete recovery.

Mr. WHITE. I join in that hope.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr CONNALLY. I will say to the majority leader and to the minority leader that I am very hopeful that they will arrange for an executive session at an early date. I have been given assurances that as soon as the tax bill is out of the way consideration will be given to an executive session on the nomination of Joe B. Dooley to be United States district judge for the northern district of Texas. His nomination was reported to the Senate on April 28, almost a month ago. I have not insisted on action, because I realized that the majority leader publicly called attention to the matter and suggested that it be taken up.

Mr. WHITE. I suggested that I would be glad to confer with the Senator most interested in the matter to see if some time could be agreed upon.

Mr. CONNALLY. The Senator from Maine is now talking to the Senator who is most interested in the matter.

Mr. WHITE. I thought the distinguished Senator from Kentucky was interested also. I wanted to see if some date could be agreed upon. I fully agree that these nominations should not stay on the calendar indefinitely; they should be disposed of just as promptly as may be possible.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1), to reduce individual income-tax payments.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER]. On this question the yeas and nays have been ordered, and the Clerk will call the roll.

The legislative clerk called the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the Senator from Oregon [Mr. MORSE] and will vote. I vote "yea."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY], who is absent because of illness in his family, is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting the Senator from New Hampshire would vote "nay" and the Senator from Rhode Island, if present, would vote "yea."

The Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Tennessee [Mr. STEWART]. If present and voting the Senator from Nebraska would vote "nay" and the Senator from Tennessee, if present, would vote "yea."

The Senator from Oregon [Mr. MORSE] is necessarily absent and is paired with the Senator from New York [Mr. WAGNER].

The Senator from Vermont [Mr. FLANDERS] and the Senator from Wisconsin [Mr. WILEY] are unavoidably detained.

Mr. LUCAS. I announce that the Senator from Rhode Island [Mr. MCGRATH], and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Tennessee [Mr. MCKELLAR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

On this vote I announce the following pairs: The Senator from Rhode Island [Mr. MCGRATH] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present, the Senator from Rhode Island would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from Tennessee [Mr. STEWART], is paired with the Senator from Nebraska [Mr. BUTLER]. If present, the Senator from Tennessee would vote "yea," and the Senator from Nebraska would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

The result was announced—yeas 37, nays 47, as follows:

YEAS—37

Aiken	Kilgore	Pepper
Chavez	Langer	Reed
Downey	Lucas	Robertson, Va.
Eastland	McCarran	Russell
Fulbright	McClellan	Sparkman
Green	McFarland	Taylor
Hatch	McMahon	Thomas, Okla.
Hayden	Magnuson	Thomas, Utah
Hill	Maybank	Tydings
Hoey	Murray	Umstead
Holland	Myers	Wilson
Johnson, Colo.	O'Conor	
Johnston, S. C.	O'Daniel	

NAYS—47

Baldwin	Donnell	Martin
Ball	Dworshak	Millikin
Barkley	Ecton	Moore
Brewster	Ellender	Revercomb
Bricker	Ferguson	Robertson, Wyo.
Bridges	George	Saltonstall
Brooks	Gurney	Smith
Buck	Hawkes	Taft
Bushfield	Hickenlooper	Thye
Byrd	Ives	Vandenberg
Cain	Jenner	Watkins
Capehart	Kem	Wherry
Capper	Knowland	White
Connally	Lodge	Williams
Cooper	McCarthy	Young
Cordon	Malone	

NOT VOTING—11

Butler	Morse	Tobey
Flanders	O'Mahoney	Wagner
McGrath	Overton	Wiley
McKellar	Stewart	

So Mr. PEPPER's amendment was rejected.

Mr. MCMAHON. Mr. President, it is not my desire to delay the final vote on this bill. In referring to the bill a few minutes ago, the minority leader, stated that he has taken no Gallup poll in his State and that he did not know whether the bill would be popular or not. I do not pretend to be another Mr. Gallup, but I dare say that a vote against this bill will be somewhat unpopular today and in the immediate future. A cynic said to me recently that "this bill may be bad for the country but its good for me."

However, I have decided to vote against the bill. I shall do so because I envision this bill as another step along the road to a state which is nonexistent, the so-called state of normalcy.

As the distinguished former chairman of the Finance Committee, the esteemed Senator from Georgia [Mr. GEORGE], said the other day, the present state of the world, the chaos upon which we look in every direction, is not such as to assure us that in the United States we can maintain an island of health in what seems to be a sea of malignancy.

No, Mr. President; I think we are not justified in reducing the income of the Treasury at a time when uncertainty exists in our own country and in the whole world. I think we are not warranted in reducing the Government's income at a time when the Federal Reserve charts show that the inflationary spiral, although it flattened out in April, has not yet taken a downward turn. In my opinion, any tax reduction which is made at this time will result in a further so-called shot in the arm and a further stimulation of the economy at a time when we definitely do not need it, and when it may be indeed very dangerous.

Of course we all want to liquidate the war as quickly as possible but I warn the Senate that the assurance implied in this bill that everything is going to be all right is contrary to truth and the facts. It again illustrates that we have not fully comprehended the thorny road ahead.

So, Mr. President, it is my firm conviction that if we had at least delayed the effective date of this measure until January 1, 1948, instead of making it effective at the beginning of the fiscal year, we would be making some contribution to statesmanship and to a regard for the state of the Treasury, which the Senator from Kentucky has so graphically described as being of paramount necessity to this Nation and to the peoples of the world.

Let it be clearly understood that I do not advocate the present tax rates because I wish to maintain expenditures at a high rate. I am as conscious of the necessity for economy in Government as is any other Member of the Senate. But unlike my cynical friend, I am against this bill because I feel that it is not good for the country and it is therefore neither good for the people of my State nor for the people of the United States.

Mr. CONNALLY. Mr. President, I do not wish to detain the Senate for more than 2 or 3 minutes.

We boast of our eminence as a Nation in the world, of our strength, and of our resources. But, Mr. President, one of the essential requirements of a great and powerful state is a financial structure—her public credit—which is sound and which enjoys the confidence not only of her own people but of foreign peoples.

I shall not vote for this bill. I do not believe it is wise or that it is in the public interest at this time radically to reduce taxation. Already the chairman of the Finance Committee has promised that next year there will be a general revision of the whole tax structure, and at that time such revisions as are desirable can be made.

Mr. President, what is our present financial situation? Today the profits and incomes of our people are greater than they have ever been before in our history. That condition exists under present taxes. These enormous incomes and profits to business and dividends have been earned under the present tax laws. No reduction in taxation is required in order to make the people prosperous. No cut of Federal taxes has been required in order to make our people prosper. Today the people of the United States have in their pockets more money than they have ever had before in all their history. But, in addition, we also owe the biggest debt in the history of the world. We owe it to our own people. It is a debt of honor; it is a sacred debt. We speak of the war's being over, but the war is not over until we pay for it. The tremendous debt which now rests on us is a part of the war. It is an obligation to our own people. It must be refinanced and refunded from time to time; but if we do not begin to pay something of a substantial character on the national debt, we shall find that when we

come to refund and renegotiate the bonds, many of the potential bond buyers will say, "They are not making any provision for paying the bonds which I already hold, so I will not buy any more until they do."

Mr. President, that may or may not happen, but it is a possibility.

I think that when the people of the United States have in their pockets more cash money than they have ever had before in their lives, when the Nation has the largest national income in history, and when at the same time it owes the greatest debt in history, then and there is the time to begin paying on the public debt, a debt of honor to our own people, a debt of honor to ourselves, a debt of honor to the cause for which we expended the life's blood of hundreds of thousands of our gallant young men.

So, Mr. President, without undertaking to elaborate on them, those three reasons are sufficient to make me believe that in voting against the bill I am doing the right thing for the country and for the people of the United States. Perhaps that may not appear to be the case until next year, but I am convinced that I am doing the right thing in the long run, from the long-range point of view, in regard to the stability and the soundness of the national finances and the national indebtedness, for it is of the most primary importance to the people of the United States and to the solvency of the Government that the Nation shall meet its obligations at home and abroad.

So, Mr. President, I shall vote "nay" on the final passage of the bill.

Mr. MAGNUSON. Mr. President, I shall detain the Senate but a moment. I, too, shall vote against the pending bill. To me it seems that tax reduction at this time is placing the stamp of approval on the most unsound kind of national financial policy. The bill undoubtedly will be passed, because the majority is bent on tax reduction, regardless of its consequences, because they promised the people politically last fall that they would reduce taxes. But I venture to say that if the bill shall pass, we will not have one dime to pay on the national debt in the coming year. If we do not make a payment on the national debt, the very financial security of this Nation will be impaired. That, in turn, will lower the value of the dollar, and tax reduction will amount to nothing if the dollar goes to a point lower than its present value.

Mr. President, it seems to me that again we are about to start down the road to unsound national financing, and I hope the blame will be placed where it belongs. I intend to vote against the bill. I shall not elaborate, as what I might say has been so well said by the distinguished minority leader. His views I adopt as my own. I appreciate that a vote against tax reduction is not going to be politically popular, for everyone wants tax reduction, but I must compliment the majority side, or those of them who vote for tax reduction, because a lowering of taxes is going to be politically popular for at least a year or 18 months.

Mr. McCLELLAN. Mr. President, we all want tax reduction but in the first remarks I made on the pending bill I said that whether any tax reduction should be made now was certainly debatable. I still feel that way about it. I am not yet convinced that this is the time to start reducing taxes, notwithstanding it might be the temporarily popular thing to do. At all times, when I was pressing for adoption of my amendments, that any time is the right time to do right and the time to rectify a wrong. I sought to have wrongs righted and to get relief if we are to make a reduction in taxes to those who most need relief.

We were told, "We cannot revise the law to do simple justice while reducing taxes, but we have to wait until we have a general revision bill." In my judgment we should have revision in order to establish an equitable base for taxes before we undertake to reduce taxes. A reduction of taxes without a prior or simultaneous revision to do equity and justice merely perpetuates existing injustices, and if we cannot pass a revision bill at this session of Congress, let us wait for the reduction until we can do the revising, and put the system on a sound, fair, and equitable plane.

Mr. President, I tried to help, by the amendments I offered, to make the bill a fair one, to make sound legislation out of it. I tried, with amendments which I supported and some I offered, to carry tax reduction, if we were to have it, to those who needed it most, to start at the right end of the scale and go upward, instead of starting at the wrong end and coming down. I wanted to make it so that there would be relief for the man who ought to have tax relief, if tax relief can be afforded at this time.

I do not care to take further time. I associate myself with my colleagues on this side of the aisle who have pointed out more forcibly than I can the situation and the reasons why we should defer tax legislation for at least another year, or until we can revise the law so as to eliminate the existing inequities, and then ascertain how much loss has been sustained by the Treasury, and how much we can lower taxes on a fair basis without perpetrating discrimination and an inequitable system.

We have this debt to pay—the war debt, Mr. President—and whether we like it or not, we cannot escape the responsibility. It is our patriotic duty to keep this Government solvent, and to do that it is essential that we pay high taxes while we have a high national income, and at the same time use every diligent effort to reduce the cost of government, and apply all excess revenue to the liquidation of the war debt. That is what any prudent man would do in his own business affairs, and we should not do less in the business and fiscal affairs of our Government.

Mr. COOPER. Mr. President, I hesitate to speak at this late hour upon the subject now before the Senate, and my hesitancy is increased by my realization that, as a younger Member of the Senate, there is very little that I can add to the discussion of complex tax problems.

I believe, however, that the action which will be taken upon the pending bill, in a sense, will predetermine and limit the action we will take in this session and in the next session of the Congress upon every important governmental measure. It will affect governmental expenditures, reduction of debt, the establishment of a social program, and, finally, and more important than anything else, our international relationships.

I believe that the vote I cast today will predetermine the votes which I must cast in the future upon these issues, and in consideration of that fact, I will vote against the bill.

I wish to make it perfectly clear that I do not vote against the bill, because there is any doubt in my mind that the Republican majority will reduce expenditures to an extent which will permit tax reduction. I have faith that this will be done.

I have absolute confidence in the distinguished Senator from Colorado, chairman of the Committee on Finance, who has presented the bill. In my short service as a Member of the Senate there has been no one in whose judgment I have had more confidence. During the last 3 days I have voted against every amendment which has been presented, because I believed that if the bill should be passed, the measure which the Senator from Colorado and his committee had studied was the best bill that could be produced.

If there is any objection at all I would have to his argument, it arises from the fact that debt reduction is made secondary to tax reduction. One of the first votes I cast in this body was for an amendment resolving that a minimum of $2,600,000,000 should be paid upon the public debt, and that the proceeds from war surplus properties should be applied upon the public debt. I do not believe there will be another year in the immediate future when we will be able to make any substantial payment upon the public debt.

I should like to disassociate myself completely from those who oppose the bill because they want to maintain the present level of governmental expenditures. I am heartily in accord with the position which has been taken by the Republican majority and by the distinguished senior Senator from Virginia [Mr. BYRD], whose fight to reduce expenditures, I have followed and admired for many years. When the opportunity has been presented thus far, I have voted to reduce expenditures.

Mr. McMAHON. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield to the Senator from Connecticut.

Mr. McMAHON. With reference to the Senator's remark about wishing to dissociate himself from those who oppose the bill because they want to maintain the present level of expenditures, I take it the Senator from Kentucky was not referring to my position, because I wish to say to him that I have not expressed

any such view, and, as a matter of fact, only one of the major appropriation bills has so far been voted on. I do not oppose the bill because I wish to maintain the present level of expenditures, because, Mr. President, I am for economy in Government. I also want to reduce the Federal debt.

Mr. COOPER. If I made an incorrect statement, I beg the Senator's pardon. But, I repeat, I am absolutely opposed to the position of those who desire to vote against the bill merely because they wish to retain the present level of governmental spending. Government expenditures must and will be reduced. The position of those who say that the President's budget must be maintained, and say at the same time that the debt must be reduced, is inconsistent, for they must know that no debt reduction can take place until there is a reduction of governmental expenditures and a budgetary surplus secured. I know further that the present high level of taxes cannot be maintained after this year, and I want to vote for reduction when I can consistently do so.

The chief reason for my opposition to this bill is based upon a factor which has not been discussed at any length during the debate. Two unknown factors have been commented on, the unknown factor of revenues and the unknown factor of expenditures. There is another unknown factor which I believe is more important than any that has been discussed. That unknown factor is the sum of the requirements and the demands which may be made upon this country during the remainder of this year, and in the next fiscal year, to implement our international policy.

I am very sorry that the administration, if it has information upon this subject, has not seen fit to give that information to the Congress and to the people of this country. I do not know whether or not such information is available, but the demands which have been made upon the Congress are portents of those that will yet be made. We have voted at this session to expend $400,000,000 in aid of Greece and Turkey and $350,000,000 to European and Balkan countries for relief. A few days ago, the distinguished ex-President of this country, Mr. Herbert Hoover, in whom we all have great confidence, said to a committee of the House that it will be necessary to spend at least $725,000,000 in the next fiscal year in foreign countries, particularly Germany and Japan, for their bare subsistence.

I want to call the attention of the body to the fact that this is only a negative expenditure, simply for subsistence. Mr. Hoover went on to say that we have a choice of three courses in Europe and Japan. We can withdraw from our commitments and ignore the chaos that would result; or second, we can continue our yearly expenditures of approximately $725,000,000, each year for subsistence purposes, draining our resources without the accomplishment of any positive rehabilitation; or else, third, we can undertake to assist our allies and the occupied countries of western Europe, for which we are responsible to become self-sustaining in order to eliminate this continual drain upon the American Nation, and to promote a healthy world economy.

So far as I am concerned, I believe that we embarked upon this program at least in 1941 when we entered the war. I do not believe it will be ended until we have assisted within reasonable limits, the nations of western Europe and certainly those who hold the seeds of democracy, to reestablish to some degree their economy. It must be done within reasonable limits, coordinated as efficiently as proposed by ex-President Hoover. It must be done within the limits of our own sound fiscal economy.

We have assumed a position of world leadership which we cannot ignore. It means that we must help to restore the economy of the shattered nations of western Europe, thus promoting eventually our own economic welfare. More important, it is the only hope of peace.

I do not want to be personal. I said a few minutes ago that I do not have any exhaustive knowledge of tax problems which we have discussed, for the subject of taxation is one that requires long and patient study. I do think that perhaps, in one instance, I may have certain knowledge which may not have been available to every other Member of this body. For at least 20 months I had the opportunity to see something of the destruction, something of the want, in those countries which now call upon us for aid and whose welfare affects our welfare. I have become convinced that there will be no final peace, there will be no restoration of the world's economy, until we exercise the full leadership that we have assumed. It seems to me that in this vote, if I vote for the pending measure, I shall have limited, perhaps precluded, the vote that I would want to give if these grave issues of international responsibility arise in the next fiscal year. It is idle to talk of peace, and our adherence to a world order, unless we are willing this year to make some sacrifice in terms of money to support it. I have decided to vote against the pending bill.

SEVERAL SENATORS. Vote! Vote!

Mr. HOLLAND. Mr. President, like the distinguished Senator who has just spoken, I am reluctant to take any of the time of the Senate to discuss the pending measure, being merely a freshman Senator, and being not so deeply grounded in the principles of Federal taxation as many of those who are now present. I do feel, though, that my people in Florida will be expecting me to vote for reasonable tax reduction. That was my purpose when I came here, that was my platform when I ran for office, and I think that since I do not find it possible for me to vote for the pending measure, because I do not think it is a reasonable tax-reduction measure, it is imperative that I state at least briefly my reasons for casting my vote against the bill.

In the first place, I want to say that ever since I have been here I have been trying to build a predicate upon which I could support whatever tax-reduction bill came before the Senate. I voted for a reduction of $4,500,000,000 in the budget which reached us from the President. In the matter of voting on the only general appropriation bill which has come before us, I voted with the committee on each of the recommendations for cuts or reductions which they recommended to the Senate, except in four instances. My recollection is that there were 20 to 30 cuts which they recommended. I refer, of course, to the bill for the Labor Department, Federal Security Agency, the Public Health Service, and so forth, which has already cleared the Senate. But in looking at the pending measure, Mr. President and Senators, it seems to me that even a cursory investigation of it shows very clearly that it is a measure which will bring very great relief, substantial relief, to the large payers of income taxes, and will not bring, in anything like equal measure, relief to the millions of small income taxpayers in this Nation, who need the relief more badly than do those who pay in the larger brackets. I say that with reluctance, because I have a great deal of respect and appreciation for many of the things that have been accomplished by the Senate committee in its work upon the House bill; its postponement of the effective date, for instance; its reduction of the general tax cuts, so as to make the over-all reduction of revenue a much less substantial blow to the fiscal structure of the Nation. But on the question of just how these cuts are applied, I cannot agree with the philosophy of the distinguished committee. It is for that reason that I want to address myself briefly to that phase of the measure, the unequal application of the tax cuts as they appear in the pending bill, as between the well-to-do, who get the principal benefit of the cuts, and those who are not well-to-do, who get very little of the benefits of tax reduction.

Mr. President and Senators, if the Senate will bear with me, I should like them to turn, if they will, just briefly to two of the tabulations which appear in the committee report on this important measure, because I think the gist of the situation will appear, by reference to those two tabulations. The first is on page 2 of the committee report. I want to call the attention of Senators to the fact that it is not the percentage of reduction of the tax levied that counts so much; it is the reduction of the amount in actual dollars and cents which the taxpayer has to pay, that counts, insofar as he is concerned. That is the first thing which counts. The second is the percentage of his over-all income which he is able to save by reason of the reduction.

The two tables to which I shall refer relate to those two aspects of the matter.

The first table is on page 2. It is a comparison of the effective individual income-tax rates under present law, under H. R. 1 as passed by the House, and under the Senate Finance Committee bill. I call the attention of Senators, if they will, briefly, to only the last four columns in that particular tabulation. I hope Senators will examine them, because, when they do, they will see just exactly what is proposed to be done. First, with reference to a person drawing

an income of $1,200, if Senators will go across the page, to the last four columns on the right, it will be seen that under the present law, the individual pays, on his income of $1,200, a percentage of tax amounting to 3.17, a little over 3 percent. As a matter of fact he pays $38, whereas under the pending bill he would pay 2.22 percent. He would effect the great saving of $11.40, which is 0.95 percent, less than 1 percent of his income, if the pending bill is passed. I am speaking now about the little taxpayer with an income of $1,200 who would have been excluded entirely from the necessity of paying an income tax if the amendment offered by the distinguished Senator from Illinois [Mr. LUCAS] raising the individual tax exemption from $500 to $600 had been adopted instead of having been rejected by the Senate. That small taxpayer, the first one whom we take, will receive a tax reduction of less than 1 percent, and I think, and I believe all Senators will agree, that it is a negligible percentage of reduction of his tax for that particular taxpayer.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. TAYLOR. That would be less than $1; would it not?

Mr. HOLLAND. That is a reduction of $11.40, as I recall the amount.

If we go down to the $1,500 bracket and take the same figures, we will see that that taxpayer saves out of his whole income 1.9 percent, or less than 2 percent of his income.

Hurrying along, if we go down to the $2,000 bracket we will find that the taxpayer receiving $2,000 a year is saved by the pending bill less than 3 percent, or 2.85 percent of his entire income, if the bill goes into effect.

As we go on down the line, Mr. President and Senators, it will be seen how speedily the income-tax saving goes up as we come to the brackets where much more appreciable income is received, and it will be seen that it is in those brackets that much more appreciable relief in a percentage way is given by the pending bill. Let us go to the bracket, for instance, of the taxpayer receiving an income of $5,000. Note the figures there opposite the $5,000. Under the present law the percentage of tax which he pays is 15.96 percent. Under the pending bill it is 12.77 percent. He would save 3.19 percent of his entire income under the pending bill, as compared with less than 1 percent in the case of really small income earners of the Nation.

But that is not the worst of it, Mr. President and Senators. If we go down to the bracket of the taxpayer with an income of $10,000—and we must proceed hurriedly; we cannot consider them all, but the general pattern will follow through these remarks I am making—it will be noticed that that taxpayer will save under the pending bill 4.37 percent of his entire income as compared with the less than 1 percent saved by the person who receives an income of $1,200.

Going further down the table to the taxpayer who receives $20,000 per year—and now we are getting into the class of the well-to-do-people, it will be found that that taxpayer will save 6.4 percent of his entire income if the pending bill becomes law.

Going further down in the table to the taxpayer whose income is $30,000 a year, it will be found that he will save 7.98 percent, or practically 8 percent, of his entire income if the pending bill should become law.

Proceeding further to the taxpayer whose income is $60,000 a year—and now we are getting down to real money, to people who are making real money—it will be found that that taxpayer, instead of paying 53.15 percent of his income, as he is required to do under the present law, he will be obliged to pay only 42.52 percent of his entire income, or he will be saving 10.63 percent of his entire income.

Mr. President, I do not want to weary the Members of the Senate, but I want them to understand exactly what we are asked to do in this matter, and exactly what we will do if we adopt the bill. I am simply quoting from the figures furnished us by the committee in connection with the bill. The committee has been frank, the committee has been candid, but I have not heard any real discussion by the committee as to the disproportionate relief which is being given to the income taxpayers in the high brackets under the provisions of the pending bill as compared with the income taxpayers in the low brackets.

Going on down to the income taxpayer with an income of $100,000, it will be found, if we wish to subtract the figures, that he will be given relief to the tune of 11.85 percent, nearly 12 percent, on his entire income, as compared with the much greater tax which he now pays.

Then we come to the taxpayer receiving an income of $300,000 a year, which is the place where the curve breaks—a little below that—and it will be found that in that case the taxpayer actually saves 12.52 percent of his entire income in the event the pending bill becomes law. Comparing his present tax with the tax he would then pay, he would save 12.52 percent of his entire income under the provisions of the pending bill, which I think is not a fair bill, but is an extremely partial one, and is written in the protection of those receiving large incomes, who are not the ones who really need relief, which is so necessary by reason of the fact that the cost of living has gone up so steeply. I felt that the proposal made in the Senate by the Senator from Illinois offering to extend an increase in the personal exemption was what would come nearer to meeting the situation than anything else we have had offered us.

Mr. President and Senators, I wish to call attention to a little sentence contained in the committee report which I think shows the philosophy under which the committee has reported the bill better than almost anything else, and that is the sentence appearing at the bottom of page 1, and running over to the top of page 3 of the report, as follows:

> The largest percentage reduction will be received by taxpayers having incomes of $1,000 or less, and the smallest relief—

And this is what I am particularly calling to the Senate's attention—

> and the smallest relief will be received by persons with incomes of $302,000 or more.

"The smallest relief." Yes; from the standpoint the committee approached it. The committee said, "Let us make a 30-percent cut in the tax from $1,000 to $1,400. Let us make a 20-percent cut in the tax on incomes from $1,400 to $79,700, and let us make a 15-percent cut in taxes on incomes from $79,700 to $302,400, and let us make a 10.5-percent cut in the taxes on incomes of $302,400 and over." But when we make it read in terms of dollars saved or in terms of the percentage of the total income of the taxpayer saved, the figure is entirely different. Whoever wrote that sentence certainly had his tongue in his cheek because that statement would be as far from what I think would be actually the true picture presented by the bill as it would be possible to make it.

I reread that sentence, because I think it is the central presentation of the philosophy under which the pending tax bill was written:

> The largest percentage reduction will be received by taxpayers having incomes of $1,000 or less, and the smallest relief will be received by persons with incomes of $302,000 or more.

Mr. President and Senators, I think the answer to that is very clearly put if we will look back at the column on page 2, and we will see that in the case of the poor fellow who has an income of $1,200 a year on which he pays tax, he is given relief of $11.40, or less than 1 percent of his entire revenue, whereas the individual who receives $300,000 a year income—and I have not tried to break it down to the $302,000 figure which is used in the report—receives 12.52 percent reduction of his tax. If Senators will turn to the table on pages 22 and 23 of the report they will see that in the case of the taxpayer who receives a income of $300,000 a year he is actually relieved in terms of dollars and cents in the amount of $37,624.51. Senators will find that in the eighth column under the heading—

> Amount of tax reduction: Finance Committee bill for 1948 and subsequent years * * *, $37,624.51.

As a matter of fact, Mr. President and Senators, comparing the actual relief in dollars and cents obtained by the man who had an income of $300,000 with the man who had an income of $1,200, the actual relief obtained by the man with an income of $300,000 is just 3,300 times bigger in dollars and cents than the relief obtained by the one poor devil with an income of $1,200, who is stated in the report to be in the group who receive the greatest benefits because of the provisions of the bill.

I do not think that the statement in the report is a reasonable conclusion at all. I think that under the terms of the bill the greatest relief will go to those in the high-income brackets. I have no objection to any Senator voting for the bill. That is his privilege and right. Perhaps that is the correct way to ap-

proach the question; but so far as I am concerned, I do not propose to approach tax relief in that way, because I believe that tax relief is actually needed much more in the low-income brackets than in the high-income brackets, and that this measure does not so approach the subject.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HILL. Is it not a fact that families in the lower-income groups must pay excise taxes? Take, for example, a family of four members, the husband, wife, and two children, with an income of $2,500. They must pay Federal excise taxes. They also must pay many other taxes, including State, county, and municipal taxes. The Federal excise taxes bear upon such a family more heavily than upon a family in the high-income group. Such taxes bear more heavily upon people in the lower-income groups than upon those in the high-income groups. Is not that true?

Mr. HOLLAND. That is my belief.

Mr. HILL. A family with an income of $200 a month must pay Federal excise taxes. A much greater burden is imposed upon them, and taxes are much more oppressive upon them than upon a family with an income of $50,000 or $100,000. Yet by this bill, as the Senator so well points out, we are proposing to give the greatest relief not to the low-income families which are so burdened and oppressed with other taxes but to the families and groups with the largest incomes. Is that correct?

Mr. HOLLAND. That is exactly correct.

Let me summarize briefly the two arguments which I have just made——

Mr. PEPPER. Mr. President, before the Senator summarizes, will he yield to me?

Mr. HOLLAND. I yield to the senior Senator from Florida.

Mr. PEPPER. In view of what has just been suggested by the Senator from Alabama with respect to excise taxes, I invite attention to a study which was made by the Treasury Department recently. It showed that more than 80 percent of the taxes collected through excises came from persons with incomes of less than $5,000 a year.

Mr. HOLLAND. I thank the Senator.

To summarize and conclude—and I apologize for having taken so much of the time of the Senate—I wish to make it clear, if it is not already clear, that under the provisions of the bill there is no equity done as between the small taxpayer and the large taxpayer. Instead, the bill is entirely in favor of the large-income group, who need relief the least. There are two particulars in which it is in favor of that group.

First, a much larger percentage of income is given back to the taxpayer in the high-income brackets under the terms of the bill than is given back to the taxpayer in the small-income brackets, and, secondly, the savings in dollars and cents of the big taxpayer is much larger, in proportion, than that given to the small taxpayer. This statement applies not only to the person receiving an income of $1,200 or $1,500, but it applies all the way up until we reach the level of the well-to-do. It will be found that the curve goes up constantly, and that there is a great disparity, as already stated, running all the way from a relief of less than 1 percent—0.95 percent—to the taxpayer with an income of $1,200, to a relief of 12.52 percent to the income taxpayer with an income of $300,000.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HILL. I wish to commend the Senator and ask him to permit me to associate myself with him in the very strong and able statement he has just made. In my opinion, the bill ought to be captioned "A bill for the relief of the large-income groups at the expense of the small-income groups."

Mr. HOLLAND. I thank the Senator.

Mr. President, I shall not trespass longer upon the time of the Senate. I wish the Senate might kill the bill. I am not deluding myself with the hope that it will do so. However, I do not believe that any Senator who will really examine the tabulations to which I have just called attention can possibly escape the conclusion—because I think it is an inescapable conclusion—that the bill, whether by design or accident, is so drawn as to give more relief to those in the higher-income brackets and virtually no relief, or very small relief, to those in the lower-income brackets.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. HILL. I suggest to the Senator that he ask unanimous consent to have printed in the RECORD the tabulations to which he has just referred, so that the entire table may appear in the RECORD.

Mr. HOLLAND. I thank the Senator.

Mr. President, following the suggestion of the Senator from Alabama, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the table appearing on page 2 of the report of the committee, being table I, styled "A comparison of the effective individual income-tax rates under present law, under H. R. 1 as passed by the House, and under the Senate Finance Committee bill."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*A comparison of the effective individual income-tax rates under present law, under H. R. 1 as passed by the House, and under the Senate Finance Committee bill*

Net income before personal exemptions	Single persons, no dependents				Married persons, no dependents			
	Present law	H. R. 1 as passed by House	Finance Committee bill for—		Present law	H. R. 1 as passed by House	Finance Committee bill for—	
			1947	1948 and subsequent years			1947	1948 and subsequent years
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$500								
$600	3.17	2.22	2.69	2.22				
$700	5.43	3.80	4.61	3.80				
$750	6.33	4.43	5.38	4.43				
$800	7.12	4.99	6.06	4.99				
$900	8.44	5.91	7.18	5.91				
$1,000	9.50	6.65	8.08	6.65				
$1,200	11.08	7.76	9.42	7.76	3.17	2.22	2.69	2.22
$1,500	12.67	8.87	10.77	8.87	6.33	4.43	5.38	4.43
$1,600	13.06	9.56	11.34	9.56	7.12	4.99	6.06	4.99
$1,700	13.41	10.18	11.85	10.18	7.82	5.48	6.65	5.48
$1,800	13.72	10.72	12.31	10.72	8.44	5.91	7.18	5.91
$1,900	14.00	11.20	12.60	11.20	9.00	6.30	7.65	6.30
$2,000	14.25	11.40	12.83	11.40	9.50	6.65	8.08	6.65
$2,100	14.48	11.58	13.03	11.55	9.95	7.29	8.64	7.29
$2,200	14.68	11.75	13.21	11.75	10.36	7.86	9.16	7.86
$2,300	14.87	11.90	13.38	11.90	10.74	8.39	9.63	8.39
$2,400	15.04	12.03	13.54	12.03	11.08	8.87	9.98	8.87
$2,500	15.20	12.16	13.68	12.16	11.40	9.12	10.26	9.12
$3,000	16.15	12.92	14.54	12.92	12.67	10.13	11.40	10.13
$4,000	17.34	13.87	15.60	13.87	14.72	11.78	13.25	11.78
$5,000	18.43	14.74	16.59	14.74	15.96	12.77	14.36	12.77
$6,000	19.47	15.58	17.53	15.58	17.42	13.93	15.68	13.93
$7,000	20.49	16.39	18.44	16.39	18.46	14.77	16.61	14.77
$8,000	21.49	17.20	19.34	17.20	19.71	15.77	17.74	15.77
$9,000	22.48	17.99	20.24	17.99	20.69	16.55	18.62	16.55
$10,000	23.47	18.77	21.12	18.77	21.85	17.48	19.67	17.48

TABLE I.—*A comparison of the effective individual income-tax rates under present law, under H. R. 1 as passed by the House, and under the Senate Finance Committee bill*—Continued

Net income before personal exemptions	Single persons, no dependents				Married persons, no dependents			
	Present law	H. R. 1 as passed by House	Finance Committee bill for—		Present law	H. R. 1 as passed by House	Finance Committee bill for—	
			1947	1948 and subsequent years			1947	1948 and subsequent years
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$11,000	24.44	19.55	22.00	19.55	22.80	18.24	20.52	18.24
$12,000	25.41	20.33	22.87	20.33	23.91	19.13	21.52	19.13
$13,000	26.42	21.13	23.78	21.13	24.85	19.88	22.36	19.88
$14,000	27.45	21.96	24.70	21.96	25.99	20.79	23.39	20.79
$15,000	28.47	22.77	25.62	22.77	26.98	21.58	24.28	21.58
$20,000	33.23	26.58	29.90	26.58	31.97	25.57	28.77	25.57
$25,000	37.45	29.96	33.70	29.96	36.33	29.06	32.70	29.06
$30,000	40.88	32.71	36.79	32.71	39.90	31.92	35.91	31.92
$40,000	46.06	36.85	41.46	36.85	45.24	36.20	40.72	36.20
$50,000	50.27	40.22	45.25	40.22	49.59	39.67	44.63	39.67
$60,000	53.75	43.00	48.37	43.00	53.15	42.52	47.84	42.52
$70,000	56.63	45.31	50.97	45.31	56.10	44.88	50.47	44.88
$80,000	59.16	47.32	53.24	47.32	58.67	46.94	52.81	46.94
$90,000	61.43	49.15	55.52	49.58	60.99	48.79	55.11	49.20
$100,000	63.54	50.83	57.61	51.03	63.13	50.50	57.23	51.28
$150,000	70.54	56.43	64.51	58.37	70.26	56.20	64.25	58.13
$200,000	74.28	59.42	68.18	61.95	74.06	59.25	67.98	61.77
$250,000	76.71	61.37	70.56	64.25	76.54	61.23	70.40	64.11
$300,000	78.33	62.67	72.14	65.79	78.19	62.55	72.01	65.67
$400,000	80.36	66.28	74.57	68.65	80.25	66.18	74.47	68.56
$500,000	81.58	68.49	76.04	70.39	81.49	68.41	75.95	70.31
$750,000	83.20	71.44	77.99	72.71	83.15	71.39	77.94	72.66
$1,000,000	84.01	72.92	78.96	73.87	83.97	72.88	78.93	73.83
$2,000,000	85.23	75.14	80.43	75.61	85.21	75.12	80.41	75.59
$5,000,000	85.50	76.46	81.00	76.50	85.50	76.46	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. HOLLAND. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the table appearing on pages 22 and 23 of the committee report, being table IX–A, styled "Comparison of individual income tax under present law, House bill, and Finance Committee bill."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IX–A.—*Comparison of individual income tax under present law, House bill, and Finance Committee bill*

SINGLE PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$500														
$600	$19.00	$13.30	$16.15	$13.30	$5.70	$2.85	$5.70	30.00	15.00	30.00	3.17	2.22	2.69	2.22
$700	38.00	26.60	32.30	26.60	11.40	5.70	11.40	30.00	15.00	30.00	5.43	3.80	4.61	3.80
$750	47.50	33.25	40.37	33.25	14.25	7.13	14.25	30.00	15.00	30.00	6.33	4.43	5.38	4.43
$800	57.00	39.90	48.45	39.90	17.10	8.55	17.10	30.00	15.00	30.00	7.12	4.99	6.06	4.99
$900	76.00	53.20	64.60	53.20	22.80	11.40	22.80	30.00	15.00	30.00	8.44	5.91	7.18	5.91
$1,000	95.00	66.50	80.75	66.50	28.50	14.25	28.50	30.00	15.00	30.00	9.50	6.65	8.08	6.65
$1,200	133.00	93.10	113.05	93.10	39.90	19.95	39.90	30.00	15.00	30.00	11.08	7.76	9.42	7.76
$1,500	190.00	133.00	161.50	133.00	57.00	28.50	57.00	30.00	15.00	30.00	12.67	8.87	10.77	8.87
$1,600	209.00	153.00	181.50	153.00	56.00	27.50	56.00	26.79	13.16	26.79	13.06	9.56	11.34	9.56
$1,700	228.00	173.00	201.50	173.00	55.00	26.50	55.00	24.12	11.62	24.12	13.41	10.18	11.85	10.18
$1,800	247.00	193.00	221.50	193.00	54.00	25.50	54.00	21.86	10.32	21.86	13.72	10.72	12.31	10.72
$1,900	266.00	212.80	239.40	212.80	53.20	26.60	53.20	20.00	10.00	20.00	14.00	11.20	12.60	11.20
$2,000	285.00	228.00	256.50	228.00	57.00	28.50	57.00	20.00	10.00	20.00	14.25	11.40	12.83	11.40
$2,500	380.00	304.00	342.00	304.00	76.00	38.00	76.00	20.00	10.00	20.00	15.20	12.16	13.68	12.16
$3,000	484.50	387.60	436.05	387.60	96.90	48.45	96.90	20.00	10.00	20.00	16.15	12.92	14.54	12.92
$4,000	693.50	554.80	624.15	554.80	138.70	69.35	138.70	20.00	10.00	20.00	17.34	13.87	15.60	13.87
$5,000	921.50	737.20	829.35	737.20	184.30	92.15	184.30	20.00	10.00	20.00	18.43	14.74	16.59	14.74
$6,000	1,168.50	934.80	1,051.65	934.80	233.70	116.85	233.70	20.00	10.00	20.00	19.47	15.58	17.53	15.58
$7,000	1,434.50	1,147.60	1,291.05	1,147.60	286.90	143.45	286.90	20.00	10.00	20.00	20.49	16.39	18.44	16.39
$8,000	1,719.50	1,375.60	1,547.55	1,375.60	343.90	171.95	343.90	20.00	10.00	20.00	21.49	17.20	19.34	17.20
$9,000	2,023.50	1,618.80	1,821.15	1,618.80	404.70	202.35	404.70	20.00	10.00	20.00	22.48	17.99	20.24	17.99
$10,000	2,346.50	1,877.20	2,111.85	1,877.20	469.30	234.65	469.30	20.00	10.00	20.00	23.47	18.77	21.12	18.77
$11,000	2,688.50	2,150.80	2,419.65	2,150.80	537.70	268.85	537.70	20.00	10.00	20.00	24.44	19.55	22.00	19.55
$12,000	3,049.50	2,439.60	2,744.55	2,439.60	609.90	304.95	609.90	20.00	10.00	20.00	25.41	20.33	22.87	20.33
$13,000	3,434.25	2,747.40	3,090.83	2,747.40	686.85	343.42	686.85	20.00	10.00	20.00	26.42	21.13	23.78	21.13
$14,000	3,842.75	3,074.20	3,458.48	3,074.20	768.55	384.27	768.55	20.00	10.00	20.00	27.45	21.96	24.70	21.96
$15,000	4,270.25	3,416.20	3,843.23	3,416.20	854.05	427.02	854.05	20.00	10.00	20.00	28.47	22.77	25.62	22.77
$20,000	6,645.25	5,316.20	5,980.73	5,316.20	1,329.05	664.52	1,329.05	20.00	10.00	20.00	33.23	26.58	29.90	26.58
$25,000	9,362.25	7,489.80	8,426.03	7,489.80	1,872.45	936.22	1,872.45	20.00	10.00	20.00	37.45	29.96	33.70	29.96
$30,000	12,264.50	9,811.60	11,038.05	9,811.60	2,452.90	1,226.45	2,452.90	20.00	10.00	20.00	40.88	32.71	36.79	32.71
$40,000	18,425.25	14,740.20	16,582.73	14,740.20	3,685.05	1,842.52	3,685.05	20.00	10.00	20.00	46.06	36.85	41.46	36.85
$50,000	25,137.00	20,109.60	22,623.30	20,109.60	5,027.40	2,513.70	5,027.40	20.00	10.00	20.00	50.27	40.22	45.25	40.22
$60,000	32,247.75	25,798.20	29,022.98	25,798.20	6,449.55	3,224.77	6,449.55	20.00	10.00	20.00	53.75	43.00	48.37	43.00
$70,000	39,643.50	31,714.80	35,679.15	31,714.80	7,928.70	3,964.35	7,928.70	20.00	10.00	20.00	56.63	45.31	50.97	45.31
$80,000	47,324.25	37,859.40	42,591.83	37,859.40	9,464.85	4,732.42	9,464.85	20.00	10.00	20.00	59.16	47.32	53.24	47.32
$90,000	55,290.00	44,232.00	49,966.00	44,621.50	11,058.00	5,324.00	10,668.50	20.00	9.63	19.30	61.43	49.15	55.52	49.58

TABLE IX-A.—*Comparison of individual income tax under present law, House bill, and Finance Committee bill*—Continued

SINGLE PERSON—NO DEPENDENTS—continued

Net income before personal exemption	Amount of tax				Amount of tax reduction			Percent tax reduction			Effective rates			
	Present law	House bill	Finance Committee bill		House bill	Finance Committee bill		House bill	Finance Committee bill		Present law	House bill	Finance Committee bill	
			For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years		For 1947	For 1948 and subsequent years			For 1947	For 1948 and subsequent years
								Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$100,000	$63,540.75	$50,832.60	$57,608.80	$51,634.64	$12,708.15	$5,931.95	$11,906.11	20.00	9.34	18.74	63.54	50.83	57.61	51.63
$150,000	105,806.25	84,645.00	96,760.00	87,560.31	21,161.25	9,046.25	18,245.94	20.00	8.55	17.24	70.54	56.43	64.51	58.37
$200,000	148,551.50	118,841.20	136,255.60	123,893.78	29,710.30	12,195.90	24,657.72	20.00	8.21	16.60	74.28	59.42	68.18	61.95
$250,000	191,771.75	153,417.40	176,391.20	160,630.99	38,354.35	15,380.55	31,140.76	20.00	8.02	16.24	76.71	61.37	70.56	64.25
$300,000	234,996.75	187,997.40	216,431.20	197,372.24	46,999.35	18,565.55	37,624.51	20.00	7.90	16.01	78.33	62.67	72.14	65.79
$400,000	321,446.75	265,110.25	298,278.50	274,610.25	56,336.50	23,168.25	46,836.50	17.53	7.21	14.57	80.36	66.28	74.57	68.65
$500,000	407,896.75	342,460.25	380,178.50	351,960.25	65,436.50	27,718.25	55,936.50	16.04	6.80	13.71	81.58	68.49	76.04	70.39
$750,000	624,021.75	535,835.25	584,928.50	545,335.25	88,186.50	39,093.25	78,686.50	14.13	6.26	12.61	83.20	71.44	77.99	72.71
$1,000,000	840,146.75	729,210.25	789,678.50	738,710.25	110,936.50	50,468.25	101,436.50	13.20	6.01	12.07	84.01	72.92	78.96	73.87
$2,000,000	1,704,646.75	1,502,710.25	1,608,678.50	1,512,210.25	201,936.50	95,968.25	192,436.50	11.85	5.63	11.29	85.23	75.14	80.43	75.61
$5,000,000	4,275,000.00	3,823,210.25	4,050,000.00	3,825,000.00	451,789.75	225,000.00	450,000.00	10.57	5.26	10.53	85.50	76.46	81.00	76.50

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. TYDINGS. Mr. President, I shall consume about 30 seconds of the time of the Senate.

After considerable debate with myself, I have decided to vote against the bill. In doing so, I do not oppose it primarily because of its component parts. I take this position because I do not believe it is sound to pass a tax-reduction bill until after the appropriation bills have been first acted upon by this body; for no Senator knows how much of the cuts which have been suggested by the House of Representatives will remain after the appropriation bills have passed both branches of Congress and finally become law. I think there will be ample time after those bills are acted upon, or reported to this body, so that we can see what the cuts are, to pass a tax bill. I am not going to put the cart before the horse by reducing revenues before we know what our expenditures are to be.

Mr. MAYBANK. Mr. President, I had hoped to be able to vote for the bill, because no one believes in tax reductions more than I do, and no Senator has voted with greater satisfaction for the curtailment of appropriations than I have voted as a member of the Committee on Appropriations. But, Mr. President, the Government of the United States is unable to redeem in cash the bonds of the GI's, although it could redeem the bonds of the officers of this war. It is no time for me to vote for tax reductions. I think the first thing the Government should do is to redeem the bonds of the soldiers who fought and won this war.

A part of this program will involve the redemption of certain bonds. No one knows what bonds. When the bonds are paid the main sufferers from this tax reduction will not be the banks. They will be the GI's whose bonds were bought by the banks in time of stress, and whose money was sent home to purchase the bonds.

So, Mr. President, I shall vote against the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. MILLIKIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the Senator from New Hampshire [Mr. TOBEY] and I will vote. I vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family and is paired with the Senator from New York [Mr. WAGNER]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from New York, if present, would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is necessarily absent and is paired with the Senator from Oregon [Mr. MORSE] who is necessarily absent. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Oregon if present would vote "nay."

The Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Rhode Island [Mr. MCGRATH]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Rhode Island would vote "nay."

Mr. LUCAS. I announce that the Senator from Rhode Island [Mr. MCGRATH] is absent on public business.

The Senator from Tennessee [Mr. MCKELLAR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

On this vote the Senator from Tennessee [Mr. MCKELLAR], who, if present, would vote "yea," is paired with the Senator from Wyoming [Mr. O'MAHONEY], who would vote "nay."

The Senator from Rhode Island [Mr. MCGRATH] is paired on this vote with the Senator from Nebraska [Mr. BUTLER]. If present and voting, the Senator from Rhode Island would vote "nay" and the Senator from Nebraska would vote "yea."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from New Hampshire [Mr. TOBEY] has been announced by the Senator from Kansas. If present, the Senator from New York would vote "nay."

I announce further that the Senator from Louisiana [Mr. OVERTON] would vote "nay," if present.

The result was announced—yeas 52, nays 34, as follows:

YEAS—52

Aiken	Gurney	Revercomb
Baldwin	Hawkes	Robertson, Wyo.
Ball	Hickenlooper	Saltonstall
Brewster	Hoey	Smith
Bricker	Ives	Stewart
Bridges	Jenner	Taft
Brooks	Kem	Thye
Buck	Knowland	Umstead
Bushfield	Lodge	Vandenberg
Cain	McCarran	Watkins
Capehart	McCarthy	Wherry
Capper	Malone	White
Cordon	Martin	Wiley
Donnell	Millikin	Williams
Dworshak	Moore	Wilson
Ecton	O'Conor	Young
Ferguson	O'Daniel	
George	Reed	

NAYS—34

Barkley	Hill	Murray
Byrd	Holland	Myers
Chavez	Johnson, Colo.	Pepper
Connally	Johnston, S. C.	Robertson, Va.
Cooper	Kilgore	Russell
Downey	Langer	Sparkman
Eastland	Lucas	Taylor
Ellender	McClellan	Thomas, Okla.
Fulbright	McFarland	Thomas, Utah
Green	McMahon	Tydings
Hatch	Magnuson	
Hayden	Maybank	

NOT VOTING—9

Butler	McKellar	Overton
Flanders	Morse	Tobey
McGrath	O'Mahoney	Wagner

So the bill (H. R. 1) was passed.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the bill be printed, with the amendments of the Senate numbered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized, in engrossing the amendments to the bill, to make corrections in the section numbering and lettering, and in cross references, and to correct any typographical errors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLIKIN. I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MILLIKIN, Mr. TAFT, Mr. BUTLER, Mr. GEORGE, and Mr. BARKLEY conferees on the part of the Senate.

CONTINUATION OF RENT CONTROL

Mr. BUCK. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1017, Calendar No. 84.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1017) providing for the temporary continuation of rent control, transferring rent control to the Housing Expediter, providing for the creation of local advisory boards on rent control, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware [Mr. BUCK].

The motion was agreed to; and the Senate proceeded to consider the bill.

REQUEST FOR CONSIDERATION OF TREASURY-POST OFFICE APPROPRIATION BILL

Mr. CORDON. I ask unanimous consent that the rent-control measure which has been made the unfinished business may be temporarily laid aside when the Senate convenes tomorrow, and that House bill 2436 may be taken up at that time. It is the Treasury-Post Office appropriation bill. It is necessary that that measure be considered and passed at the earliest possible moment because of its effect upon the departments in question. Numerous changes have been recommended by the Senate committee in respect to the action taken by the House on that appropriation bill; and the two departments are unable to reorganize their activities until they know just what situation they must face.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. BUCK. Mr. President, I am sorry that I cannot agree to the request. This afternoon both the majority leader and I gave assurance to the minority leader that the rent-control bill would be the next measure taken up.

Mr. CORDON. In that event, Mr. President, I shall renew my request tomorrow. I hope the Senator from Delaware will find it convenient at that time to accede to the request.

Mr. BUCK. I am sure the Senator understands that I take this position solely because we have given that assurance to the minority leader.

RECESS

Mr. WHERRY. Mr. President, if there is no further business to come before the Senate at this time, I now move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 5 o'clock and 54 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 29, 1947, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate May 28 (legislative day of April 21), 1947:

DEPARTMENT OF STATE

Robert A. Lovett to be Under Secretary of State.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 28, 1947

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, we praise Thee for those conditions of life which strengthen and develop the human heart. Grant that in these stirring days we may glean the high aims which we have long loved and cherished. We pray Thee to further and counsel us in all good works, to temper our wills and restrain our affections, lest the ideals which we were taught in other days be lost. Lead us to give ourselves to our tasks with all industry and patience, and to see Thee in the revelation of Thine only begotten Son, feeling the holiness and sublimity of His wonderful character. Keep in Thy blessed care our Speaker and all Members, the newsmen, and employees of the Congress.

This we pray in our Master's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

GOLDEN GATE BRIDGE

Mr. WELCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a brief editorial.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, today marks the tenth anniversary of the opening of the Golden Gate Bridge to the public. It is one of the engineering marvels of this modern age. Whether or not one has visited San Francisco, he has become familiar with that great bridge of steel and concrete connecting the city and county of San Francisco with the great fertile valleys and the Redwood Empire to the north of the Golden Gate by pictures published far and wide. As I have said once before on this floor:

> Its magnitude and beauty are only surpassed by the supreme majesty of the Golden Gate itself—the world-famous marine highway which connects the great Bay of San Francisco with the Pacific Ocean.

It was on November 12, 1918, that I personally introduced the resolution as a member of the Board of Supervisors of the City and County of San Francisco which ultimately made the Golden Gate Bridge a reality. It had long been a dream of the broad-visioned people of the counties on the northern shores of San Francisco Bay and the city of San Francisco that such a bridge be built. After the passage of that original resolution, it took many years of hard work, planning, and campaigning to encourage and build public support. Almost 5 years after its passage the Santa Rosa Chamber of Commerce, through its president, Frank P. Doyle, sponsored a meeting of interested citizens to coordinate the effort to bring the bridge into being through organization. At this meeting I introduced the resolution providing for a citizens' committee of five, composed of Joseph Hotchkiss, Frank L. Coombs, Capt. I. N. Hibbard, Frank P. Doyle, and myself. Through the efforts of this committee, legislation was sponsored in the State legislature creating the Golden Gate Bridge and Highway District, composed of San Francisco, Marin, Napa, Sonoma, Mendocino, and Del Norte Counties. I have been, and still am, a member of the board of directors continuously from its first organization.

Because Federal military reservations occupy each side of the Golden Gate, the problem was complicated. It was necessary to secure a grant from the War Department for the approaches to the bridge on Federal property and to secure that Department's approval to construct a bridge across navigable waters. On September 7, 1923, I introduced the resolution in the board of supervisors requesting the Secretary of War to issue the grant and permission.

The bridge finally became a reality, and on May 28, 1937, it was officially opened to the public. In the 10 years from that date until today more than 50,000,000 automobiles have crossed the Golden Gate Bridge. Many of those automobiles were military vehicles engaged in the prosecution of the war. It became a part of a great military highway necessary to our national defense. Other thousands of vehicles were those of war workers employed in the great shipyards to the north of San Francisco to help to build the ships to win the war.

The progress of San Francisco has vindicated the dreams that originally beheld the bridge. Mr. Speaker, in accordance with the permission extended to me, I invite attention to the following editorial which appeared in the San Francisco Examiner of May 24, 1947:

> PROGRESS VINDICATED
>
> When, on May 28, the Golden Gate Bridge celebrates the tenth anniversary of its opening, persons who had opposed its construction, both on utility and aesthetic grounds, will find their pessimism dismayed.

Already the fifty millionth automobile has crossed the span between San Francisco and the Marin shore, a proof of the convenience and necessity for the structure, and certainly the part the bridge played in national defense was demonstrated nobly during the war.

And now the great towers and cables are a part of the Golden Gate, a great frame for the picture.

The servicemen returning from the Pacific war welcomed the Golden Gate Bridge as meaning home, just as those who crossed the Atlantic from the European battlefields greeted the Statue of Liberty in New York Harbor.

Thus has come into the San Francisco tradition an idea first officially proposed by Congressman RICHARD J. WELCH, when a supervisor here, and carried out by the engineering skill of Joseph Strauss.

The moral is that progress should not be condemned; that even if something is traditionally old, it may be changed. The change may bring a new tradition, more valuable than the old.

FOREIGN POLICY

Mr. MATHEWS. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MATHEWS. Mr. Speaker, what this country needs is a foreign policy which is less foreign and more policy.

EXTENSION OF REMARKS

Mr. REEVES asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an address.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD and include an editorial.

GREECE

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, let us not for one moment assume that the mere fact of passage of the Greek-Turkish aid bill assures democratic and constitutional government in Greece; we are forcibly reminded of this again in a news dispatch from Athens quoting former Premier Sophoulis, leader of the opposition Liberal Party in the Chamber of Deputies and Greece's grand old man. He demands the end of the civil war in Greece and calls for new elections with the participation of the leftist parties now out of the Government, amnesty and social reforms for the poorer classes to seal up important sources of dissatisfaction. This, he says, will deprive Greece's northern Communist-dominated neighbors of any pretext of interference in Greece. It confirms what I saw in Greece myself only 5 months ago. Obviously, not money alone but policy and management together with money will make our effort for democracy in Greece successful. The constant watchfulness of the Congress and the people is now essential to see that we do our part effectively and well, for Greece will be to us and all the world a pattern of our success or failure and democracy's success or failure in a position of world responsibility.

STOCK MARKET PRICES

Mr. OWENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, yesterday two eminent gentlemen were exchanging remarks on the floor and giving statistics, the minority whip and the minority leader of the Rules Committee. Last week they did the same thing. One gentleman said the stock market had gone down 50 percent and the other gentleman said that was modest, that it had gone down 75 percent since the election in November, when the Republicans made certain promises. Afterward, and off the record, I suggested the true facts to them, but they did not correct their remarks. I called their attention to the fact that the 50 leading stocks of the Nation, according to the New York Times report, showed a 2 percent drop as of May 21, 1947, the day preceding the time the remarks were made, and 90 leading stocks—Standard-Poor Report—were 1 point higher on May 15, 1947, than they were in November 1946. I think correct figures ought to be given on the floor of the House. Members should not make political footballs of matters which are so important to the people of the Nation.

MASS PICKETING

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, in common with some other Members of this body I read the papers. This morning I noticed that the press announced that the House conferees on the labor legislation had agreed to strike out of the bill the provisions which ban the mass picket line and violence. I have no criticism of what anyone else does, but I will say this, that you cannot fool the people very much, and if we are not going to strike out the mass picket line, which prevents a man going to work, or a citizen buying merchandise, and if we are to refuse to ban violence and rioting, people are going to come back in November next year to the polls and it is just possible that a Congress will be elected which will write a real labor law.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Indiana.

Mr. HALLECK. Here in the House we have been voting to do something about violence and mass picketing since 1940.

Mr. HOFFMAN. I think the gentleman is mistaken. In 1936 some of us began to vote against it, and most of the Republican Members of the House since 1938 have been voting against violence and rioting by the massed picket line. The people are looking to the House for effective and adequate legislation.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 66]

Allen, Ill.	Gifford	Marcantonio
Auchincloss	Gillie	Meade, Ky.
Bakewell	Gore	Merrow
Bates, Ky.	Grant, Ala.	Mitchell
Bell	Grant, Ind.	Morrison
Bender	Gwinn, N. Y.	Nixon
Bland	Hall,	Norrell
Bloom	Edwin Arthur	Norton
Boggs, La.	Harless, Ariz.	O'Hara
Boykin	Hartley	Patterson
Bradley	Hébert	Peterson
Buckley	Heffernan	Pfeifer
Byrne, N. Y.	Hendricks	Phillips, Tenn.
Carroll	Hess	Ploeser
Celler	Hinshaw	Poulson
Clements	Jenkins, Ohio	Powell
Combs	Jenkins, Pa.	Rabin
Cox	Jennings	Redden
Cravens	Jonkman	Reed, Ill.
Crawford	Keefe	Riley
Crosser	Kefauver	Sabath
Curtis	Kelley	Sarbacher
Davis, Tenn.	Kilburn	Scoblick
Dawson, Ill.	King	Scott,
Dingell	Lanham	Hugh D., Jr.
Domengeaux	Larcade	Shafer
Dondero	Lemke	Somers
Durham	Lynch	Thomas, N. J.
Elston	McDonough	Weichel
Fisher	McDowell	West
Flannagan	Macy	Wolcott
Fuller	Mansfield, Tex.	Zimmerman

The SPEAKER. On this roll call, 329 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include a citation received by Irving H. Saypol.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BUTLER asked and was given permission to extend his remarks in the RECORD and include a letter in opposition to the St. Lawrence seaway.

Mr. O'HARA (at the request of Mr. JONES of Ohio) was given permission to extend his remarks in the RECORD in two instances, and to include in one editorials from five different newspapers, and in the other remarks of Mr. Ivan Bowen, of Minneapolis, Minn., at the

annual meeting of the National Association of Motor Bus Operators.

Mr. CANFIELD and Mr. MILLER of Nebraska asked and were given permission to extend their remarks in the RECORD.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter in each.

Mr. POTTS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an article.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an article.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, to those of us who deal with the hazards of blizzards and floods as part of the odds we take on our farms and on our ranges such a picture as is given of the tragic loss of sheep and cattle and of wheat suffered by the farmers of the United Kingdom should give us pause. Wholly unprepared for the heavy snows and devastated by the consequent uncontrollable floods, they face a very serious food situation. I am inserting herewith a clipping from the London Sunday Express of March 30 that the farmers of this country and the city dwellers as well may have more understanding of the quality of courage of the British people.

WHAT THE SNOWS AND FLOODS COST US: 1,370,000 SHEEP, 30,000 CATTLE, 100,000 ACRES OF WHEAT

The National Farmers' Union, in what is probably the gravest statement on British agriculture ever issued, said yesterday:

"A situation unparalleled in the history of British agriculture has developed from the disastrous harvests of last autumn and the subsequent blizzards and floods. It threatens the rations and calls for a stupendous effort on the part of farmers and farm workers to meet the emergency. The financial losses, direct and indirect, on information so far available, are estimated to be about £20,000,000.

"Reports indicate that some 1,370,000 sheep and lambs died in the snowdrifts, and further heavy casualties are expected (as a result of exposure) before the lambing season ends.

"Many hill farmers have lost their all in the greatest food production tragedy this country has ever known.

"Thirty thousand head of store cattle have been lost in the snow or the floods or have had to be destroyed owing to the impossibility of getting fodder to them.

"Losses of small livestock (calves, pigs, and poultry) may well prove to amount to £500,000. In large areas little more than maintenance rations could be fed to dairy herds, and the milk output is known to have fallen substantially.

"Nearly 100,000 acres of winter wheat have had to be written off as a total loss.

"Upward of a hundred thousand tons of potatoes have been lost to human consumption.

"To repair the ravages as quickly as possible and put the land into a condition to grow food for this year's harvests is a race against time.

"All possible steps are being taken to clear the land of water, but without financial help many of the farmers who have lost so much already will not be in a position to tackle their part of the job.

"The National Farmers' Union, therefore, has decided to launch an appeal for contributions to its agricultural disaster fund. The proceeds of this fund will be devoted to mitigating the crippling nature of the losses.

"The damage is so great that the agricultural industry alone cannot cover the whole of the cost. In consultation with the Government a fully representative national committee is being set up to administer the fund and a similar committee will be appointed for each county.

"The purpose of this fund is to mitigate, as far as possible, the effects of the weather catastrophe on the food situation. The appeal does not cover the ordinary household and personal losses due to the floods, which are the province of the appeal issued by the Lord Mayor of London. The two appeals will not conflict.

"The union adds that the urgency of the appeal cannot be overestimated. Everyone in any way connected with agriculture should send a donation as quickly as possible to the Agricultural Disaster Fund, National Farmers' Union, 45 Bedford Square, London, W. C. 1."

Mrs. SMITH of Maine. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the agricultural appropriation bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Maine?

There was no objection.

Mrs. SMITH of Maine. Mr. Speaker, I have reviewed this bill and the accompanying report and am particularly concerned regarding some of the recommendations that affect appropriations for our Federal activities in forest conservation. The conservation idea and the need for Federal leadership to advance it received its first great impetus in the Republican administration of Theodore Roosevelt. From time to time both parties have further implemented the movement but never to the extent warranted by its importance.

We are now well into the adjustment period of the postwar era and are striving desperately to build the foundations for a sound economy geared to new conditions. We are seeking to build up our national strength to meet new responsibilities at home and abroad. Natural resources, which have always played such an important part in our industrial development, have been severely depleted by the war and also by peacetime years of wasteful exploitation. We have a tremendous job of rehabilitation to undertake in connection with forest resources. In view of this situation I question whether this is not the time to strengthen rather than weaken Federal leadership in conservation.

In reducing appropriations to the United States Forest Service by nearly $16,000,000 we are not striking at some temporary wartime activity for which a need no longer exists, but at the heart of the conservation movement in the United States. It is difficult to understand in what way the public interest is served by withholding increased funds to administer sales of national forest timber at a time of unprecedented demand. What possible public interest is served by completely wiping out funds for the administration of wildlife resources on national forests? A large segment of our people are fishermen and the building up of this form of recreation is inevitably a responsibility of land managing agencies. Are we to understand that this field is to be neglected or handled only incidentally by the largest single land managing agency in the United States? Similar questions could be asked regarding other appropriation actions in the bill as they bear on the administration of our national forests.

In my own region, we have millions of acres producing wood products at only a fraction of the rate at which they are capable of growing it. Our forest industries and land owners are struggling with many problems incident to a shift from the wasteful liquidation policy of past years to one of conservation and management. We are seriously hampered in our efforts by lack of knowledge and information in this new philosophy of forest management. Our forests suffer not only from lack of good management practices but also from damages by insects and disease which good management could do much to control. The information and techniques required to put my region back on its feet as a leading forest products region stems from research.

I am particularly concerned by the heavy reduction in funds for the forest survey. This basic inventory of forest resources is essential to the sound planning of conservation program by both Government and private agencies. In areas where it has been under way for some time industry has time and again consulted the results of this survey for guidance in the establishment of new enterprises and the development of policies.

We need this survey in the Northeast and I am concerned over any action that will present a hazard to the early prosecution of this work.

We have a large number of small forest industries in our territory which need the guidance of research in forest products. Our large industries have profited in the past by the results of Federal research in forest products. A vital part of the conservation concept is the fuller use of what resources we have and a reduction in research along these lines is not consistent with sound economy.

For these reasons I am concerned that the report on this bill recommends reductions in appropriations for vitally important phases of research in forestry. This recommendation certainly is not in accord with the current recognition of the needs for an aggressive program of scientific research which has already been recognized by the Congress in other fields.

My vote for this bill will be with great reluctance. I am not satisfied that the effects of reductions affecting forest conservation have been fully appraised and I question whether at this time we can afford to weaken Federal leadership in a movement of such significance to our national welfare.

FILING OF SUPPLEMENTAL REPORT

Mr. ROSS. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill H. R. 673.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a recent article from the New York Times.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1948

Mr. DIRKSEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, with Mr. HERTER in the chair.

The Clerk read the title of the bill.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the economy of this country is anchored to agriculture. Only a casual glance into the economic history of agriculture will definitely reveal that it sets and controls the patterns of the varied and sundry industries of America. The agricultural resources of the United States are second to that of no other section of the world. Agriculture is the very backbone of American industry and, more important at this particular time, to it the entire world looks for food and clothing. It is an accepted fact that prospering agriculture procreates a general prosperity. Conversely, a stagnant economy trails its failure.

How do we account for this? It is due entirely to the fact that the millions upon millions of farm families spread out and across every county and State of these United States constitute the largest, most desirable and most immediate market for all American industry. It is a market which prevails the year around for all products of every kind and of every character, whether they be automobiles or trucks, hardware or household goods, petroleum products or electrical appliances—everything of every kind made by American industry and American labor. Strike down their prosperity and you strike down the prosperity of more than 140,000,000 American people. This is an irrefutable fact. Time and time again it has happened. It can happen again. And it will happen again if this agricultural appropriation bill, H. R. 3601, and others like it, are meted out to the hardest working group of people on the face of this planet—the American farmers.

Why, Mr. Chairman, what have our farm people done to deserve the treatment which they are given by this legislation? Can we not recall that it has only been a few years since we stripped the farms of their young men and sent them away to fight the battles for freedom. The farms were left in the hands of their fathers and mothers who produced the food and fiber necessary to win a great war. Many of them were aged. Many were physically unable to toil the long hours essential to the planting, cultivation, and harvesting of crops. Farm work is hard work. But they did the job. And they did it with a shortage of labor, a shortage of fertilizer, a shortage of machinery, a shortage of everything but a courage and a will to back their sons who had gone away to war, many of whom never returned. Never before in the annals of American agriculture has there been such an abundance of production—enough to feed and clothe the entire world. For the farm folk there were no strikes, no shut-downs, no sit-downs, nothing but work, work, work. And, as they were going about this great achievement they were fast depleting and bleeding white the fertility of their soil. By good practices under the skillful supervision of the Soil Conservation Service, this fertility can be restored. Cripple the program, as this bill will do, and you turn your back on the great sacrifice which the farm people of this country made to win a great war.

It has not been so many years, Mr. Chairman, since you could purchase with one $20 bill almost all the corn or wheat or cotton one man could produce in a year's crop. And when that situation plagued the American farmer, like the cancer it is, it ate away the stability of every other segment of American industry. They were left with a short market. Ordinarily you would think that we had learned our lesson, that we had become wiser and would profit from our ignorance and mistakes of the past. But apparently that is not the case, at least with many in our midst, for here today we have the majority party, the Republican Party, now most favored by our farm people, sabotaging the Department of Agriculture and driving agricultural industry back to those bleak, dark days of the early thirties.

I ask you again, why this treatment for our farm folk? What have they done to merit such? Have they not met all production goals set by the Department of Agriculture? Beyond the South, last year, possibly in a forgetful moment—and for this we forgive them—did they not vote overwhelmingly Republican? Sure they did. Then why is the Republican Party meting out to them such treatment as is proposed in this bill? There could be but one reason and that, Mr. Chairman, is to smooth the way for the Knutson tax-relief bill—the bill which evidences the great love and affection which the Republican Party harbors for those who are so "unfortunate" as to have incomes of "only" $300,000 or more per annum. Its love for this group is a fact which everyone so well knows but so often forgets.

REPUBLICANS PRAISE THE AGRICULTURAL PROGRAMS

For soil conservation, rural electrification, tenant purchase, agricultural research, school lunch, and other agricultural programs the Republicans have heretofore had but the highest praise. Also their support. But on the other hand they have promised that $300,000-a-year man that they were going to reduce his taxes whereby his take-home income would be increased more than $40,000 per year over that at present. And these "unfortunate" people have put the squeeze on our Republican friends to fulfill that promise. In order to carry it out they are going to kick the slats out of the Department of Agriculture and the American farmer. Well, they may do it but they will rue the day when they do.

Why, Mr. Chairman, I have heard Member after Member on the Republican side bemoan the American dollars which the so-called New Deal administration was pouring into Europe for relief. And simultaneously they have bemoaned the fact that we do so little for our own people. On this proposition I noticed an interesting contrast which appeared on the front page of a local daily newspaper under date of May 22. In one column I found the headline, "Agriculture budget cut 38 percent, House subcommittee lops off four hundred millions," and lo and behold, in another column appeared the headline, "House votes three hundred and fifty millions foreign relief." The relief bill passed the House 288 to 86. The dissenting votes are only about one-third the voting strength of the Republicans in the House, and by no means were all of those 86 dissenters Republicans. Now I am not going to quarrel with those who feel that America, two long years after the war and after two full crops have been made in Europe, should continue to feed and clothe the people of Europe. I do not agree with you, and I voted accordingly. But I do say that you should not make the American farmer pay the entire bill. It is not just and it is not fair.

We all recognize the interest which every American has in maintaining the fertility of our soil, our greatest natural resource. Most of our people own no farm land but upon the land and its productivity are each and all of us dependent for our food and clothing. We were late in awakening to the fact that our soils were being fast depleted through erosion, bad farming practices, and so forth. But we did realize the seriousness of the situation in time to about-face and in time to safeguard the fertility of our soils for ourselves and for generations yet unborn. This was accomplished through the soil-conservation program, which, as everyone knows, proposes from year to year certain sound farm practices for which the Government, as an incentive, pays about one-third of the cost through the AAA. The soil being our greatest natural resource and it being essential that it be preserved

for posterity, I think it good business for the Government to offer the incentive payments.

COMMITMENT FOR 1947 AAA PAYMENTS

Last year the Congress wrote into the agricultural appropriation bill language whereby there could be no misunderstanding as to what amount the Government would expend in the program. It was made crystal clear that the amount would be $300,000,000 for AAA payments and administrative costs. Agricultural agents of this Government cut the 1947 program to fit the pattern and told the American farmer what the Congress had agreed to do by contract—signed, sealed, and delivered. Now here at this eleventh hour, the Republican-controlled Appropriations Committee brings to the floor of this House a bill which would, in face of that solemn agreement, reduce the Government's participation to $165,000,000. The cut amounts to approximately one-third of the European relief bill they passed last week. So, the American farmer is not only going to be called upon to put up some of the food for this relief but also to pay one-third of the bill with the AAA payments which we pledged to him last year. I, for one, will not break faith with our farm people and will certainly vote for the amendment to restore the full appropriation.

AGRICULTURAL RESEARCH

Mr. Chairman, I am astounded and surprised that my Republican friends would cut the appropriation one dime below the budget estimate for agricultural research. I happen to be a member of the Committee on Agriculture which wrote and presented to the Seventy-ninth Congress the agricultural research bill—the Hope-Flannagan Act, so named in honor of the distinguished gentleman and the present chairman of my great committee, the gentleman from Kansas [Mr. HOPE] and my distinguished friend and former chairman, the gentleman from Virginia [Mr. FLANNAGAN]. There was no politics in the writing and passage of that bill. It had the unanimous support of our committee, of the Congress and President Truman.

Every segment of American industry is carrying on extensive research except agriculture, which is far behind. For year after year prior to the war, we were producing great surpluses of agricultural products. For the potential surpluses, new uses must be found, and this particularly applies to cotton. I do not know as much about the problem in your section as I do in mine, but I am sure that yours is no different from mine. In the South we are making rapid strides in crop rotation and industrial development. But, irrespective of the latter, the South is naturally an agricultural country and better adapted to the growing of cotton than any other crop. It is a great crop. It has many uses. But for it, other uses can and must be found. In the research bill we have placed our hope. Adequate appropriations to carry on the work could mean for us the difference between prosperity or bankruptcy. The amount sought—only $9,500,000—is infinitesimal compared with the national budget. And I hope you will support the amendment to be offered to restore the $3,500,000 cut in the appropriation.

RURAL ELECTRIFICATION

Mr. Chairman, the greatest service this Government rendered the man on the farm was bringing electricity—lights and power—to his home. Through the Rural Electrification Administration many have been afforded the comforts of power, but on the whole we have only scratched the surface. I want to see every farm home in this country electrified. And I thought that the Republican members of the Agricultural Appropriations Subcommittee shared a similar feeling. Evidently I am mistaken, for they have cut the budget request for rural-electrification loans by more than $25,000,000 and reduced the administrative funds by 28½ percent. I am reliably informed that this will seriously slow down the work in REA, create bottlenecks in the consideration of applications, and mean that 25-percent fewer farm people can receive electricity in 1948 than if these cuts were restored, and this is a conservative figure. It has been well said that REA will not use any more money than it needs, so why should not the Congress give it an adequate loan authorization? I want to see electricity wired into every farm home in my district, as well as yours; and I would like to see it get there before some of our people get too old to use it. They have waited a long, long time. So, please gentlemen, let us all join together in making an adequate appropriation for rural electrification. The money appropriated will be paid back to the Government with interest, and the farms electrified will be increased in value. REA pays its way; it is self-sustaining and self-liquidating. Let us not hamper or hamstring the activity of the Rural Electrification Administration in its effort and activity toward electrifying every farm home in America.

FARMERS HOME ADMINISTRATION

I also deplore the complete elimination of the farm tenant purchase program of the Farmers Home Administration. In this program hundreds and thousands of our veterans are looking to the opportunity of home and farm ownership. And unless you restore these funds then they will have no other real source to which they may resort for this assistance. The Farmers Home Administration has helped many of our people become home owners and substantial citizens. It is sheer nonsense to cut the throat of the program in the name of economy when it is good economy to offer reasonable assistance to be repaid to those who are earnestly striving toward a substantial position in life.

There are other false economies in this bill. Many of them. Many have been developed by previous speakers. Others will be developed by those to follow. I hope you will join with us in eliminating the many wrongs done the American farmer.

FOR ECONOMY

I want to say now and have it definitely understood that you Republicans have no monopoly on economy. The record since the war discloses many reductions and rescissions of appropriations by a Democratic Congress. I have in many instances voted for reductions and I shall vote for others but I refuse to cut the heart out of the appropriation bill for the Department of Agriculture. This is not economy. It is sabotage.

I favor the elimination of duplication. I favor the elimination of overlapping agencies. I favor dismissal of its many unnecessary high-paid executives, supervisors, and administrators. These things the bill will not accomplish. On the contrary, judging by previous actions of other departments, these high executives will be retained and the lay-offs made at the local level. There is nothing seriously wrong with the agricultural programs. The trouble is that these high executives make the cost unnecessarily high. Economy should be practiced at the high level, and I favor such. But in this bill we find our Republican friends sabotaging the programs instead of reducing the cost. This is, indeed, poor economy.

CONCLUSION

When we look back upon the early thirties we recall 38-cent wheat, 32-cent corn, 16-cent oats, 3-cent hogs, 4-cent beef, and 6-cent cotton. It makes me shudder to think of it. Since then, under a good farm program, we have come a long way. Our farm people are fairly prosperous again. They offer a market now for hundreds of thousands of automobiles and trucks, for 200,000 tractors a year, for more than $400,000,000 worth of household goods, building materials of more than a billion dollars' worth, and so on and on and on. They are not the same people that you knew 15 years ago. They are prosperous, content, and happy. So are all of us. But legislation of this character will drive them back to a depression economy and the rest of America will go back with them. Let us not act too hurriedly, else we turn back to the dark days of years gone by.

Mr. DIRKSEN. Mr. Chairman, I rise to announce that on yesterday when the Committee rose the first paragraph of the bill had been read, and the reading of the bill will be resumed with the second paragraph.

Mr. MAHON. Mr. Chairman, I move to strike out the last two words.

The pending agricultural appropriations bill represents a betrayal of the American farmer by the Republican majority in the House of Representatives. Democratic members of the Appropriations Committee did what they could to prevent this ill-considered measure from coming to the floor. Last Friday, when the full Committee on Appropriations met to give final consideration to the measure, we demanded and secured 12 roll-call votes in committee in an effort to stop the steam roller of the majority, but to no avail. They had the votes. Let it be said for the record, that when the roll call was taken on reporting the bill every Democrat on the committee, with possibly one exception, voted against the bill.

During my brief service in the House of Representatives I had never seen that happen before. It would not have happened had there not been something drastically wrong with the bill. Why is

this bill so unattractive, so unacceptable to the friends of agriculture? Why do I say that it is a slap in the face for the American farmer? Is it because the bill provides certain economies? No. Democrats favor economies in administration and other savings wherever they can safely be made. There are numerous economies in the bill which I favor and stand ready to defend. But here are some of the reasons why the bill is so intolerable. Some of these facts should be made crystal clear in the outset of this debate today.

AGRICULTURAL RESEARCH

Last year Congress passed the Agricultural Research and Marketing Act, which was hailed by friends of agriculture as perhaps the most important forward step in agriculture within a generation. The President asked for the coming year the sum of $19,000,000 to carry out the purposes of this legislation. What happened? The bill before us provides the wholly inadequate sum of $6,000,000 for this purpose.

I am a member of the War Department Subcommittee, which on tomorrow will report out the annual Military Establishment's bill, requiring something over $5,000,000,000. In that bill more than $200,000,000 will be requested for research and development. We are providing this year in the Navy for a research and development program which will cost $34,000,000. Yes; we are being asked to provide $250,000,000 for atomic research, but this pending bill denies the relatively small amount requested for research under the Hope-Flannagan Act for the basic industry of America, and I, for one, will not support such a short-sighted and indefensible policy.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. ABERNETHY. I happened to be a member of the committee which reported the bill to which the gentleman has referred, which was named in honor of our distinguished chairman, the gentleman from Kansas [Mr. HOPE], and our former distinguished chairman, the gentleman from Virginia [Mr. FLANNAGAN]. Is it not a fact that every Member of the House voted for the bill when it passed last year?

Mr. MAHON. I think the gentleman is correct in his statement.

SECTION 32

This bill does great violence to the cause of agriculture in repudiating the section 32 provision of the Agricultural Adjustment Act. Section 32 provides that 30 percent of tariff receipts may be used to dispose of agricultural surpluses and otherwise promote the cause of agriculture. After all, the tariff protects industry and makes it necessary for the farmer to pay a higher price for many of the things required on the farm and why should not a portion of the tariff receipts be used in the interest of the farmer. Section 32 is one of the most effective provisions for agriculture ever written into law—past achievements prove that point—and the provision in this bill which nullifies that law is a step toward a prostrate and bankrupt agriculture. That is another reason why I join with others in crying out against this measure now before us.

AAA PAYMENTS

The bill provides $164,000,000 for the so-called AAA soil-conservation payments instead of the $300,000,000 requested by the President. If the $300,000,000 is not provided, the farmer will be shamefully betrayed. That is true because Congress will have broken the pledged word of the Government to the American farmer, and in my book a breach of faith cannot be defended in the name of economy or any other name.

It is not a question of whether the AAA program is good or bad. Many Members of Congress and many dirt farmers differ as to the merits of the program. It can be agreed that the AAA program is far from perfect. But my point is that when the farmer began his 1947 crop he had a right to believe that the $300,000,000 program would be carried out.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. If we consult the CONGRESSIONAL RECORD containing the proceedings of the House of Representatives on March 8, 1946, we read where the House pledged itself to carry out the $300,000,000 program. If we consult the President's budget message, which was made public in January, the beginning of the crop year, we find the President makes reference to "the $300,000,000 program to which we are committed for the crop year 1947."

Mr. Chairman, the full amount promised for the AAA program should be provided. The question is not an involved problem of policy, but a simple question of good faith.

SOIL CONSERVATION SERVICE

The bill provides a reduction of $6,000,000 in funds requested by the President to carry out the soil-conservation program. This will have a crippling effect on the programs of soil-conservation districts throughout the Nation. I trust the House will restore these funds and thereby contribute to the success of one of the important forward movements in the field of agriculture.

SCHOOL-LUNCH PROGRAM

The school-lunch program is crippled by the bill—cut approximately in half. There are differences of opinion as to the merits of this program. I personally feel that the program has great possibilities and that it should be continued, with the local communities and States assuming an increasing responsibility for the success of the activity.

FARM TENANT PURCHASE PROGRAM

The bill before us completely repudiates the program which we started some time ago to make home owners out of farm tenants, the farm tenant purchase program. There is not a dime in the bill for it. Land prices are high; it is a perilous thing to go into the purchase of farm land but certainly it was unwise for the committee completely to strike from the bill any funds for carrying on that program. I stand with those who believe that a sound American agricultural economy demands farm ownership and I am not willing to stop that program. I shall support an amendment to continue the farm tenant purchase program.

RURAL ELECTRIFICATION

As to the REA program I should like to say this: The cut in administrative expenses is too deep and will have a tendency to hamper the successful handling of the program. Earlier in the year threats were made to the effect that the President's request for $225,000,000 in loan funds to local REA cooperatives would be slashed. Fortunately, we have been able to prevent that being done. Yet the bill should be amended to provide an additional $25,000,000 in REA loans to meet the original requirement which is diminished by reason of the transfer of REA financing from the RFC to the Treasury Department.

Mr. Chairman, in the time at my disposal there is no opportunity for me to discuss all the aspects of the bill in which I am interested and I must conclude. Again I protest the ill-considered and unwise provisions in this measure, and urge that it be modified along the lines suggested. It is imperative that the friends of agriculture cooperate together in keeping faith with the agricultural producers of the Nation. A sound and prosperous agriculture is essential to the Nation's well-being.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McGARVEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on Thursday and Friday of last week, the distinguished gentleman from Illinois [Mr. SABATH] attacked the operations of the New York Stock Exchange, and announced that he was about to introduce two bills which would discourage the short selling which he claims has taken place recently. I regret that I was not on the floor of the House at the time to answer the gentleman. Having been a stock broker for 30 years, I feel confident that I am qualified to defend the stock exchange and its operations.

I would like to ask the gentleman from Illinois [Mr. SABATH], as did the gentleman from Pennsylvania [Mr. RICH], on Thursday, "Where is your Securities and Exchange Commission that has been established to see that these things do not happen?"

The gentleman from Illinois [Mr. SABATH] boasts that it was through his efforts that the SEC was established. Does he now repudiate the Commission which, he asserts, was brought into being by his valiant crusade?

The gentleman belongs, I am afraid to say to that New Deal school of thought which believes in getting the Federal Government into every possible phase of American life. He does not seem to realize that the people are fed up with the Government controls and regulations with which we have been hampered during the past 13 years. I,

myself, was amazed at the number of people who called me when I was in Philadelphia over the week-end, to protest Mr. SABATH's savage and unwarranted attack.

The gentleman will not get far with his bill to provide revenue from the short sales of shares of stock, grains, cotton, or other allied commodities, or his bill to prohibit communication of false information with respect to securities in certain cases. Not only is there no need for them or for the asinine remarks which accompanied their presentation on the floor of the House, but public opinion is against him.

Mr. Chairman, to prove my point I include an editorial which appeared in the Philadelphia Inquirer on Saturday, May 24, 1947. I should also like to insert in the RECORD a dispatch which was transmitted over the Dow-Jones news ticker relative to the gentleman's speech on stock market manipulations.

[From the Philadelphia Inquirer of May 24, 1947]

SHOULD PUT UP OR SHUT UP

There is no excuse for Representative ADOLPH J. SABATH'S savage attack on current New York Stock Exchange operations, which he has seen fit to describe as "outrageous, crooked dealings."

Wall Street has long been a favorite target of empty-headed politicians when they have run out of other topics, but Mr. SABATH'S comprehensive denunciation is too vicious to be dismissed as run-of-the-mill political oratory. His statements and predictions are the kind that no one should be allowed to get away with.

When he says, "If we don't stop the short selling and gambling on the New York Stock Exchange we'll have disaster in this country," and that he is "fearful that the same thing that took place in 1929 to 1932 will take place again unless we put a stop to it," he is going off the deep end.

Emil Schram, president of the New York Stock Exchange, has made the only possible retort in demanding that SABATH either present proof of crooked dealings or withdraw his charges. Prices on the exchange are established through open transactions. The market is regulated by a Government agency, the Securities and Exchange Commission, which also make the rules to regulate short-selling.

If the Congressman has any justifiable complaints he should make them to the SEC and not engage in wild, reckless and completely unsupported statements that can only do severe damage to a legitimate institution and legitimate dealings in securities. He should put up or shut up.

[From Dow-Jones news ticker]

STOCK MARKET

NEW YORK.—Representative SABATH, Democrat, Illinois, yesterday charged that dishonest manipulation has caused the recent stock market decline.

The stock exchange quickly denied the accusation and demanded proof.

Emil Schram, the Exchange's president, in a wire to Representative SABATH, invited him to present factual proof of manipulative activities on the exchange.

He added, "If you do not have any factual information, I think that you should in all decency withdraw what you have said. Reckless statements of the character you have just put out are damaging to our public institutions."

Representative SABATH, in a statement on the House floor, attacked short selling and said he would introduce today a bill which will impose a tax of 5 percent on short selling. He also said such sales should be abolished.

In answer to this, Mr. Schram's telegram declared that, "Short selling is strictly regulated under our rules and those of the Securities and Exchange Commission. Copies of these regulations are available to you.

"Credit regulations are in the hands of the Board of Governors of the Federal Reserve System. You can, of course, address your complaints on that score to that agency. We feel here that one of the causes of recent weakness in our market is the discriminatory restraint upon loans to millions of people who own securities listed on the national registered exchanges."

In Philadelphia, the Securities and Exchange Commission said it had received complaint on short selling from Representative SABATH. It added that it would answer the letter but had no further comment to make.

It was recalled that Representative SABATH had sent a somewhat similar letter to the Commission following the break in the market on September 3 last. A spokesman said the Commission is constantly watching the market and is always on the alert for indications of manipulation.

The Commission has not sent out any general questionnaires on stock-market trading since the one which was issued following the break on September 3.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. McGARVEY. I yield to the gentleman from Illinois.

Mr. OWENS. I recall the gentleman from Massachusetts broke in to say that stock on the stock exchange had dropped 75 percent from last November. I have checked it and I think the gentleman will agree with me when I say that 50 leading stocks have dropped 2 points and 90 stocks have risen 1 point during that same time.

Mr. McGARVEY. I thank the gentleman for his contribution.

Mr. RAYBURN. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to speak out of order for 5 minutes, as the gentleman did, because I think I know a little something about the laws that are administered by the SEC.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Chairman, as far as the gentleman from Illinois [Mr. SABATH] is concerned, he can defend himself; but I remember in the late twenties and in the early thirties the gentleman from Illinois [Mr. SABATH] was one of the first men in this House or in the country to call attention to what was going on in the great stock exchanges of the United States. I think I have a right to speak about this matter because I happen to be the author of the three measures that are now administered by the Securities and Exchange Commission—the Securities Act of 1933, the Stock Exchange Act of 1934, and the Utilities Holding Company Act of 1935.

A department of the Government made the statement that from 1922 to 1932 there had been issued and offered to the public in the United States about fifty billion in securities and that their judgment was twenty-five billion of them were not worth the paper upon which they were written; yet, some of these people who had been issuing these kind of securities came down here and said that we were going to stop the issuance of securities. We passed a bill and every decent dealer of securities in the United States felt like his stable was clean and that he could, therefore, put his securities on the market.

They also came down and said that the stock exchange regulation bill would close all the exchanges in the country. One president of the New York Stock Exchange since that bill was passed said he would not be chairman of the New York Stock Exchange, or president, or whatever you want to call it, unless that bill was upon the statute books. And it went along until the Holding Company Act of 1935. We were going to put all the private utility companies in the United States out of business, and today there is not a decent operating utility in the country that is not glad to have these giant holding companies taken off its back so that it can operate at a decent rate to the public and pay its stockholders.

How did these giant holding companies make their money? There are only two ways on earth that one of these giant holding companies can make money. One is by the manipulation of stocks, to which it lends itself perfectly, and the other is by milking the operating companies at the bottom, because the operating companies are the only ones in the whole set-up that can make money. So, it matters not what the gentleman from Pennsylvania says about operating on the New York Stock Exchange. I have been operating with them, not on them, for 10 or 12 years, and I say to you that even though we have the Securities and Exchange Commission with power and authority to look into these things, that somebody has got to be on the watchtower in a time like this, or we may sink back once more into the same condition that brought about the debacle of 1929.

Mr. DIRKSEN. Mr. Chairman, in the interest of expedition, I think we ought to read the next paragraph. We have had two speeches out of order now, and I will be constrained to object to other similar requests.

Mr. RANKIN. Mr. Chairman, I would like to have 5 minutes.

Mr. DIRKSEN. Will not the gentlemen let the next paragraph be read?

Mr. RANKIN. They took 10 or 15 minutes talking about the stock exchange. Now, the most grievous error in this bill has not been mentioned.

Mr. DIRKSEN. A strict construction of the rule would indicate that all argument on the pro forma amendment has been exhausted.

The CHAIRMAN. Has the gentleman made a motion?

Mr. DIRKSEN. No, Mr. Chairman; just a suggestion that we read the next paragraph.

Mr. RANKIN. That is not the rule of the House, I will say to the gentleman from Illinois. On pro forma amendments, the debate has not been exhausted. I have been trying to get recognition here for 10 or 15 minutes, and I have seen the floor taken in speaking about stock exchanges pro and con. I would like to talk about a matter that

affects the farmers of this Nation. I move to strike out the last word, Mr. Chairman.

Mr. Chairman, I have taken this time to talk about what seems to be the forgotten man, the American farmer. The greatest programs that have ever been instituted for the benefit of the American farmers are soil conservation and rural electrification. I want to talk to you for a moment about rural electrification, for which I have been battling for the last 15 years.

This bill cuts down the recommendation of the Bureau of the Budget, even though the recommendation of the Bureau of the Budget itself is far below what is necessary to carry on the electrification program for the next fiscal year.

Now, remember, we are still behind, far behind, even Japan in rural electrification. While they have 90 percent of their farms electrified and while Germany has 90 percent of her farms electrified and while Italy and France have 94 percent of their farms electrified, we have only a little more than 57.4 percent of our farms electrified.

The farmers of this Nation, in almost every State of the Union, are appealing and pleading for funds to build rural power lines. Every dollar of this money comes back with interest. The Government does not lose a dime.

Besides, it invariably doubles the value of every farm it touches, in providing conveniences, relieving drudgery, preserving foods, promoting health, and inspiring hope. It is the greatest program ever instituted for the benefit of the rural people of this Nation. I want to call your attention to the fact again that there was a larger percentage of American farm boys who went into this war than there were any other class of people in the United States. Now they have come back and are undertaking to make a living under adverse conditions, when the farmer pays more for what he buys, according to the price he gets for what he sells, than he has probably in all the history of this country.

This is not giving the farmer anything. We are merely making it possible for him to help himself.

You provide here for only $225,000,000 for the next fiscal year. On the 1st day of July, the very day of the beginning of the new fiscal year, there will be $270,000,000 in applications before the Rural Electrification Administration, and they are pouring in at the rate of $30,000,000 a month. Are we going to pour out money to feed every lazy lout from Tokyo to Timbuktu at the expense of these farmers and then deny them the benefits of rural electrification? Do you think you are going to get intelligent farmers in your district to move out onto the farm or to stay on the farm and do the hard work necessary to produce the materials to feed and clothe the Nation unless you at least put them on a parity with the farmers of Japan, Germany, France, and Italy by giving them the benefits of electric power?

Do you think you are going to get the farm women, who are today bowing down over the washtubs in your districts, doing the most burdensome work that any woman ever did, to stay on the farm when they are denied even the opportunity to run an electric washing machine or to operate an electric fan, to say nothing of the lights, water pump, refrigerator, and other necessary appliances? If you do, you are badly mistaken. Do not misunderstand it.

That is not the program you were elected on last November. I told you then it was not a Republican victory, but just a delousing of the Democratic Party.

The American people are expecting us to represent them, but you have gone on and punished the people of the South and the West with the most damnable and discriminatory freight rates the world ever saw. You can ship goods from New York to San Francisco cheaper than you can put them off in Kansas, Iowa, or Nebraska, and vice versa, because the Interstate Commerce Commission up until now, at least, has been in the grip of the transcontinental railroads and big interests in certain sections of the country. Do you think you are going to continue that program and go out and fool the American farmer into sending you back to Congress?

At the proper time I propose to offer an amendment not only to restore the cut, but to provide the funds necessary to meet the demands for rural electrification in every State in this Union for the next fiscal year.

Mr. DIRKSEN. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 5 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I do not know exactly how much the New York Stock Exchange has gone up or down, but I do know about $2 has gone off the price of 100 pounds of milk out in Wisconsin, even though we have a Steagall amendment that is supposed to be in operation.

I think it is appropriate at this time to call your attention to the fact that there is every reason to believe that a lot of this interest in the section 32 funds comes from the fact that certain parts of agriculture have been on the gravy train all these years, and they can see that someone is liable to shove them off for the benefit of the rest of agriculture. I will prove that statement by calling your attention to the fact that during a 10-year period what crops do we find that have the benefit of the section 32 funds? I might say to begin with that one of the objections I have always had to the so-called New Deal agricultural program is that I have always felt that it was upside down. They talked about a soil-conservation program, but what they did was use public funds to promote soil-depleting crops at the expense of livestock farming, the best-known agricultural system for soil conservation. You could not get a better example than is shown in the use of these funds. The other day some of my friends wanted to kill the sheep business in this country, according to the speeches they made, and yet $40,000,000 out of this $125,000,000 or $130,000,000 of section 32 funds comes from money collected on wool last year coming into the United States of America on livestock products. What do they use that for? We started out and used $154,000,000 of it during the last 10-year period for cotton. Remember, my good cotton friends may talk about reciprocity. They are strong for these reciprocity agreements. They build a wall up around the American cotton farmer and the American cotton market. They put an embargo on imports. They take section 32 funds and get 30 percent of the custom receipts on livetsock products coming into this country by lowering the tariff and other devices and use it on soil-depleting crops such as cotton.

I do not want you to think I have to go south of the Mason and Dixon's line. The next one I will take will be wheat.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I cannot yield. I want to speak on some of the facts of life here and I want to be sure you get them all.

Sure, wheat is a great product in America but it is only one-tenth of the agriculture of America, and we had a set-up whereby one congressional district obtained $17,000,000 for either raising or not raising wheat, whichever it was, out in Kansas—$17,000,000 in 1 year.

That is more than what went to 35 individual States of this Union in that particular year. One congressional district of Iowa obtained $13,000,000. One district in Texas obtained $12,000,000 for either growing or not growing wheat.

Then, what do they do? They put an embargo on wheat. You cannot bring wheat into this country. Then they want to use section 32 funds to pay export subsidies and they used in connection with grains $180,000,000. Does that make sense? You can see why when they put in the so-called parity program, out of the first $212,000,000 under the guise of parity $50,000,000 of that went to the great State of Texas. I know that Texas is a great State, but I do not think it means one-fourth of America, or surely not one-fourth of American agriculture. After all, when all is said and done what is really behind this fight about these section 32 funds? They want to continue to give a blank check, if you please, to the Secretary of Agriculture, as the gentleman from Kansas [Mr. HOPE] said yesterday, who has control of these section 32 funds so that he can pass them out any way he wants to.

I might say to you, you can talk about the balmy days of the New Deal, but so far as Wisconsin is concerned in 1939, and Wisconsin is the sixth agricultural State in this Nation, we had more farm foreclosures by the Federal land bank in 1939 than ever before in the history of America.

Special privilege to special agricultural interests has been the order of the day altogether too long.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

All time has expired. The pro forma amendments are withdrawn.

The Clerk will read.

The Clerk read as follows:

TITLE I—GENERAL APPROPRIATIONS

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For personal services in the office of the Secretary of Agriculture, hereafter in this act referred to as the Secretary, in the District of Columbia, and elsewhere, and other necessary expenses, including the purchase of two (one at not to exceed $3,000) passenger motor vehicles; travel expenses, including examination of estimates for appropriations in the field; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, hereafter in this act referred to as the Department, $2,050,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such services and expenses, which several amounts or portions thereof as may be determined by the Secretary not exceeding a total of $87,560, shall be transferred to and made a part of this appropriation: *Provided, however,* That if the total amounts of such appropriations or authorizations for the current fiscal year shall at any time exceed or fall below the amounts estimated, respectively, therefor in the budget for such year, the amounts transferred or to be transferred therefrom to this appropriation shall be increased or decreased in such amounts as the Director of the Bureau of the Budget, after a hearing thereon with representatives of the Department shall determine are appropriate to the requirements as changed by such reductions or increases in such appropriations or authorizations: *Provided further,* That, of appropriations herein made which are available for the purchase of lands, not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land: *Provided further,* That no part of the funds appropriated by this act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same: *Provided further,* That, except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 2, line 16, strike out "$2,050,000" and insert "$1,800,000."

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, first I want to call attention to the fact that a total of $550,000,000 will be available to the REA on July 1 for expenditure and allocation. Of course, $325,000,000, the amount now on hand, while it has not been expended, has been allocated. Certainly I feel that the gentleman from Mississippi [Mr. RANKIN] is entirely too much alarmed, when the subcommittee has given the REA everything it can possibly expend in the way it should be expended, without waste and with prudence.

Mr. Chairman, it is not my intent, by the amendments which I shall offer today, to cripple or handicap any of the agencies or bureaus making up the Department of Agriculture. I shall present factual data only in support of the amendments which I shall offer, and leave it to the good judgment of the House as to whether or not the committee has been too lenient in its treatment of certain offices and bureaus in the Department.

Might I quote from a letter issued by the American Farm Bureau Federation as of May 24:

The Federation specifically recommends an over-all reduction of 20 percent in the expenditures for salaries, travel and other administrative expenditures of the Department of Agriculture. * * * A study of the bill and the committee report indicate that most of the reductions in appropriation have been in farm program expenditures, and most of the cuts in personnel and administrative expenses are in connection with reduction in farm programs. * * * Only token cuts were made in the personnel and administrative expenses of such agencies as the Secretary's office, where a cut of only $100,000 was made below the 1948 budget of $2,237,560, leaving a net increase of $18,350 above 1947 expenses. Likewise, the committee was quite generous with the Department's legal staff, reducing the solicitor's office only $100,000 below the budget, and only $54,000 below the 1947 appropriations, which aggregate $2,615,000. The Department is given nearly $5,000,000 for legal staff and for the Secretary's staff, or about one-third as much as the committee plans to give the entire triple A to serve 3,000,000 farmers in 3,000 counties.

Mr. Chairman, I feel that it is absolutely essential, as stated in my supplementary views in connection with the report, that certain amendments to this bill should be adopted so as to secure a balance between the cuts that have been made on the farmers of the Nation in their programs and those which should be made in personnel throughout the Department of Agriculture.

Please keep in mind that this great rambling structure known as the Department of Agriculture has today approximately 80,000 employees, and that number does not include the triple A, county committeemen, and township committeemen, who work on a per diem basis and who individually average a very small earning.

Let us see how the appropriations for the immediate office of the Secretary have been steadily growing. In 1938 that office received $452,700; 1939, $581,920; 1940, $618,210; 1941, $578,014; 1942, $613,970; 1943, $796,850; 1944—and here comes the first big jump—$1,648,184; 1945, $1,700,000; 1946, $1,654,000; and that was raised in 1947 to $2,048,500.

How are we going to stop the growth of this bureaucracy unless we start to put the pruning knife to it right now? Are we going to let these unproductive limbs on top of this apple tree keep shooting up into the air indefinitely or are we going to prune those shoots down to where they will produce the fruit we want produced for the farmers of America?

The Department is requesting in this bill $2,150,000. The committee has allowed $2,050,000, which, as the Farm Bureau very aptly states, is nothing but a token cut.

Mr. Chairman, I do not, personally, want to hamper in any way the work of this great Department which means so much to myself as a farmer, but I do feel that we could at least take 12 percent off of what the committee has allowed and reduce the $2,050,000 to $1,800,000.

We have cut the Secretary of Labor's office in this House by 20 percent below what he had available in 1947. I like to be fair with all of the departments. If the office of the Secretary of Labor can stand a reduction of 20 percent why cannot the Department of Agriculture in the immediate office of the Secretary of Agriculture stand at least a 12-percent cut? Is that asking too much?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Let me call the attention of the House to the fact that the Secretary's office is decidedly top-heavy in the Division of Personnel. In the budget chart we find the Director of Personnel, grade 15; two assistants, Division of Personnel, grade 14; two assistants to the Division of Personnel, grade 13, with seven other assistants doing various kinds of personnel work in the same grade—13. Remember, this is in the immediate office. There is also an administrative officer at grade 13, and three other heads, including an assistant to the Director of Personnel at grade 13, and under these, various chiefs of divisions doing personnel work in grade 12. In addition to this top-heavy setup, we also find a special assistant to the Director of Personnel in the same grade—12.

Now, besides all of this which obtains in the Secretary's office, we find in each of the bureaus and agencies in the Department proper that there is also a personnel office. Yet in the Secretary's immediate office alone $609,632 is asked for in the name of "Personnel activities."

I have not had the time to make a similar study of the Budget and Finance, nor of the Office of Plant Operations, which also stem from the Secretary's office. The policy-making branch of the Secretary's office requires, according to the estimate, $479,000 as requested in the budget, and general operations $473,244.

I do feel, ladies and gentlemen of this House, that $1,800,000 should be ample for the staffing of the Secretary's immediate office, and I am also convinced that the cause of agriculture will suffer in no way whatsoever through the adoption

of this amendment, which will save the taxpayers of the Nation $250,000. This year we are setting the pattern for peacetime operations of these various bureaus. Might I again call to the attention of the House that we have seen fit, in the Labor and Federal Security appropriation bill to cut more than the percentage requested here from the immediate office of the Secretary of Labor.

Mr. Chairman, I leave it to the good judgment of the Members of the House of Representatives as to whether or not this amendment should be agreed to.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. MUNDT. I wanted the gentleman to be sure to distinguish between the directory down here in this tabernacle of the Department of Agriculture and triple A committeemen out in the courthouses of the country which comprise a grass-roots organization for which I think additional money should be appropriated. I believe the gentleman intends to offer an amendment to accomplish that purpose.

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct. I am trying to squeeze a little water out of the bureaus here in Washington so we can make sure our triple A committee system, so necessary for our support price program, is preserved. I will offer my amendment to aid the AAA committees when that portion of the bill is reached.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. JOHNSON of Oklahoma. Mr. Chairman, it has been said that every man, woman, and child in the world, including this country, stands only 8 inches from starvation. This is one of the truest statements, in my opinion, that has ever been made. We know, of course, what is meant by that, that the 8 inches which stand between us and starvation are the precious 8 inches of topsoil from which we all get our food and sustenance. We see what has happened to China down through the thousands of years because they did not adopt a sound conservation program. The valleys of the Tigris and Euphrates were once the most productive in the world. Today they are desolate and barren. We adopted in this country a few years ago a certain sound conservation program. All you have to do today in my State of Oklahoma is to check that work during the past few years to see what has happened to know that it is, and has been, a sound program.

Mr. Chairman, we all know that food occupies a very prominent place in world affairs. We appreciate it is our No. 1 problem. If the raising of food for our people and the people of the world is our No. 1 problem then soil conservation surely should rank as our No. 2 problem. When you find such men as the gentleman from Kansas [Mr. HOPE], chairman of the Committee on Agriculture, opposing the drastic cuts in this bill, it is something we should take into consideration. When men like the gentleman from Kansas rise above partisanship, that should be noted, because this problem should be considered above partisanship. It is something that our urban population and the people who reside in our large cities are just as much interested in as the benefits that may accrue to our farmers.

I will now talk a little about partisan politics. I hope that the Republican House leadership and that Mr. Carroll Reece, chairman of the Republican National Committee, will give just a little thought to this. If we pass this bill as proposed here today and return Oklahoma to its Dust Bowl era, on the basis of the petitions I have received from my home county numbering several thousands in the last 2 days, you are going to take Oklahoma out of the doubtful column or out of the border-State classification next year. Let Mr. Reece study that over. He sent his orators down there last year to tell our farmers in Oklahoma that they were being regimented, that they had to go to a triple A office and sign two or three pieces of paper, that the farmers of this country should not be treated that way. He did make some impression on them at that time. But when this bill goes out of here with soil conservation and the related programs drastically cut they will feel differently. Those people were there before this conservation program went into effect, when our land was washing away, creating barren gullies all over the State, and they can see now that the land has become more productive, which causes our farmers not only to be more prosperous but causes us to have more food with which to feed the urban population of this country. When this Subcommittee on Appropriations for Agriculture met the other day, when the gentlemen who brought out this bill sat down around the table, the American farmer was prosperous, never more prosperous in his life. When you pass this bill today as it is presently written, he is going to be poorer than he has ever been. Unless you want to go back to 1930 and 1931 when cotton was selling for 3 cents a pound, and that is where you are heading with this bill, you had better restore these funds which are so vitally needed.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from California.

Mr. SHEPPARD. When the gentleman refers to the subcommittee he should refer to some members of that committee.

Mr. JOHNSON of Oklahoma. I thank the gentleman. Some of the members of the subcommittee. In the name of sanity, it behooves all of us, when we vote on these amendments today, to take all of these things into consideration when they so vitally affect every segment of our economy. These cuts are not economy. They are the wildest sort of extravagance. They are madness.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, first let me say to the members of the committee that I trust anything I might have said yesterday in the course of our discussion on the rule did not offend the finer sensibilities of any Member. You readily understand in an atmosphere of tension, sometimes earnestness, a kind of overzealousness develops remarks that in cold print often do not look so good. So if there was anything untoward or unseemly in what I might have said yesterday, I apologize to the House. I try always to be restrained in that respect.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. We accept the gentleman's apology.

Mr. DIRKSEN. I thank my good friend the gentleman from Mississippi [Mr. ABERNETHY].

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Texas.

Mr. WORLEY. I will say in all honesty and in all candor that no one in this House commands greater respect for honesty and fair play than the gentleman from Illinois.

Mr. DIRKSEN. I am indeed grateful to the gentleman from Texas.

With respect to the pending amendment it leaves me with some difficulty, I am frank to say. It is the responsibility of the committee and the chairman to be thoroughly candid and forthright with the House, and I would be less than candid if I did not say that we did discuss a possible further cut in the administrative expenditures in the Secretary's office. I tried to err on the side of generosity. The Secretary was once a very distinguished Member of this body; in fact, for 10 years. The Secretary once served as a member of the Committee on Appropriations, and we count him not only as a good public servant, but as a friend.

My theory about it is this: There are times, you know, when there is not a lot of noise from the foundry and the factory, and no evidence that the whole factory is working, but that the front office is busy. I visit a huge plant in my district in off times. I do not hear those accustomed noises, but I know that 20,000 people are working in the plant. Maybe orders are rather slow and maybe 4,000 or 5,000 are laid off for a while, and maybe at times, though, their office is busier than at other times. If this bill is sustained and we terminate some of the functions, it does not necessarily mean that the work of the Secretary's office is accordingly diminished. As a matter of fact, he is asking for additional representatives in the field of food and agricultural organizations and in

the field of export at the present time. So the committee did not want to be niggardly and we permitted him what money we thought was necessary for the efficient and proper conduct of his office. After all, he is the directing head, and you cannot put yourself in the position of denying him the necessary analysts, the necessary statisticians, the necessary research people, and the necessary economists to do that great work, even though some of the functions of the Department may have been curtailed. So that is the whole story and I give it to you in all candor for your own disposition.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Washington.

Mr. HORAN. We found what we thought were clear cases of duplication, did we not?

Mr. DIRKSEN. Indeed.

Mr. HORAN. And we asked the Secretary to make a correction.

Mr. DIRKSEN. That is right.

Mr. HORAN. And that is one reason given in the subcommittee for cutting the Secretary's office.

Mr. DIRKSEN. So there was a disposition to cut further, and there was a disposition not to cut at all, and we compromised in this bill. So the chairman finds himself in some difficulty in urging vigorous opposition to the amendment. I would much simply prefer to state the facts and then let the committee work its will on the amendment.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 34, noes 92.

So the amendment was rejected.

The Clerk read as follows:

RESEARCH AND MARKETING ACT OF 1946

To enable the Secretary to carry into effect the provisions of the act of August 14, 1946 (Public Law 733), including in addition to the objects for which funds are available for such act of August 14, 1946, and under title I of the Bankhead-Jones Act, as amended, personal services in the District of Columbia; printing and binding; over-all administration, planning, and coordination of research under section 10 pursuant to the provisions of section 10 (c); and necessary expenses for carrying out the provisions of title III of the act, as follows:

For payments to States, Territories, and Puerto Rico for agricultural experiment stations pursuant to section 9 of the Bankhead-Jones Act approved June 29, 1935, as amended by the act of August 14, 1946, $3,000,000, of which such amount as shall be allottable to Alaska shall be transferred to and made a part of the appropriation "Research on agricultural problems of Alaska," without matching requirement;

For research on utilization and associated problems pursuant to section 10 (a) of said act, $1,000,000;

For cooperative research other than research on utilization of agricultural commodities and the products thereof, pursuant to section 10 (b) of said act, $1,000,000;

For the improvement and development, independently or through cooperation among Federal and State agencies, and others, of a sound and efficient system for the distribution and marketing of agricultural products pursuant to the Agricultural Marketing Act of 1946 (title II of the act of August 14, 1946), $1,000,000;

In all, $6,000,000: *Provided*, That such sums as may be necessary for penalty mail as required by the act of June 28, 1944, may be transferred to the regular departmental appropriation therefor: *Provided further*, That for necessary printing and binding there may be transferred to, and made a part of, the item "Printing and binding, Department of Agriculture," such sums as are necessary: *Provided further*, That the Secretary may make available to any bureau, office, or agency of the Department such amounts from this appropriation as may be necessary to carry out the functions for which it is made, and any such amounts shall be in addition to amounts transferred or otherwise made available to other appropriation items of the Department: *Provided further*, That no part of this appropriation shall be available for work relating to fish or shellfish or any product thereof.

Mr. CANNON. Mr. Chairman, I have several amendments applying to various paragraphs under "Research and Marketing Act of 1946" on page 4 and page 5. Time would be saved by considering them all together. I ask unanimous consent that these amendments all be considered as one amendment.

Mr. DIRKSEN. Reserving the right to object, Mr. Chairman, the gentleman intends that the section on "Research and marketing" be considered as completely read, down to the bottom of page 5?

Mr. CANNON. Yes, Mr. Chairman.

Mr. DIRKSEN. There is no objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON:

On page 4, line 25, strike out "$1,000,000" and insert in lieu thereof "$2,500,000."

On page 5, line 3, strike out "$1,000,000" and insert in lieu thereof "$1,500,000."

On page 5, line 9, strike out "$1,000,000" and insert in lieu thereof "$2,000,000."

On page 5, line 10, strike out "$6,000,000" and insert in lieu thereof "$9,500,000."

Mr. CANNON. Mr. Chairman, in the latter days of the last Congress a notable bill was enacted under rather extraordinary circumstances. It was unusual in that, being reported by the House Committee on Agriculture, it was fathered by two men, from opposite sides of the aisle, one the gentleman from Kansas [Mr. HOPE], who probably has had longer service than anybody else on that great committee, who is perhaps better informed on agricultural matters than any other one man in the House, and who unquestionably, if by any misfortune we should ever have a Republican President, would be the Secretary of Agriculture.

The gentleman from Kansas [Mr. HOPE] was joined in the sponsorship of that bill by the gentleman from Virginia [Mr. FLANNAGAN], who likewise had long service on the committee and at the time was serving as chairman of the Committee on Agriculture. We had here the rather extraordinary situation of two great leaders on both sides of the table, the gentleman from Kansas [Mr. HOPE] and the gentleman from Virginia [Mr. FLANNAGAN], advocating, in response, to widespread national sentiment, the establishment of this research program in the Department of Agriculture.

As the report of the committee before us today states, in reference to another provision of the bill, the accent today not only in agriculture but in industry is on research. Research has added tremendously to our national wealth. The development of plastics, rayon, synthetics, and innumerable other products is the outgrowth of research, and scientific study. It has paid rich dividends and has added to our national wealth and to the comfort and health of every family in the Nation.

We face a serious postwar problem. I do not have to tell you there is ahead of us, notwithstanding the temporary alleviation brought about by the exportation of vast quantities of agricultural products to Europe, an indigestible surplus of farm commodities for which we must find a market. As a matter of fact, if it were not for the fact that we are at this time feeding Europe as well as America we would today have unmarketable surpluses of many agricultural products on our hands right now.

One method of meeting this surplus is to develop new processes and new uses for farm products. This bill by the gentleman from Kansas [Mr. HOPE] and the gentleman from Virginia [Mr. FLANNAGAN] is the answer and was practically unanimously passed in both House and Senate.

Now in response to a budget estimate asking for $19,000,000 to put the program into effect, the committee recommends that we give them only $6,000,000 which was wholly inadequate to even start the plan.

Mr. Chairman, research requires time. We must get started early. We must act while the problem is ahead of us rather than wait until it is upon us. So in this amendment we are asking for a very modest increase—not the $19,000,000 budget estimate—but the amount required for the first year, a total of $9,500,000.

I trust, Mr. Chairman, that we can have the support of both sides of the aisle on this amendment, in view of the fact that the original bill was sponsored from both sides of the aisle.

Mr. PHILLIPS of California. Mr. Chairman, the amount of money involved in the amendment offered by the gentleman from Missouri is not overwhelming—it is not too great to consider, but the principle involved in the issue is very great.

Last year the Committee on Agriculture, of which I was then a member, brought this bill to the floor—a bill which created the agency for which money is now being asked. The committee was very definite in its statement as to what it wanted with reference to the conditions which had existed in previous years. I read from pages 5 and 6 of the committee report. I quote:

Testimony introduced at the hearings shows that the activity which the Department has developed to improve the marketing system has been shifted about through a long series of departmental reorganizations and

at present the Marketing Research Service and regulatory activities are spread among various bureaus and agencies and departments of the Government.

Without reading the balance of the page or the top of the next page, I state that what the legislative committee said it wanted was a marketing or merchandising research agency that could be identified, the expenditures of which could be determined and separated from the expenditures in production research, and which could be separated from production research.

The bill and report showed what was intended to be set up. The first year was designated as 1947. The first year $9,500,000 should be asked; the next year $19,000,000; and so on up successively until $61,000,000 had been appropriated. This is in reality the first year. I have said publicly, and yesterday I said on this floor, that $19,000,000 would be cheap for what the legislative committee wanted. It would be very expensive for what the Congress is getting from the initial organization in the Department.

I would like to read from the hearings. There are questions by myself and others. The chairman then says this:

Mr. DIRKSEN. Mr. Phillips, just to gather it up in one package, the burden of your argument is that this is a proposal to supplement research already in the Department of Agriculture, instead of consolidating and coordinating that research in one place?

I have here, but do not have time to show you, the Secretary's chart of the proposed organization. The point I am making is that this is not set up on the same level as research in production, but on a lower level, somewhat connected with it, but not as we intended to set it up. For that reason the subcommittee decided that $6,000,000 was adequate this year, and we would very willingly listen to requests for larger appropriations in the future if the organization is set up on the same level as production research, and identifiable.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. COOLEY. I well remember the gentleman's great interest in the bill, when it was considered in the Committee on Agriculture. It is a fact that the legislation which we enacted contemplated not only the use of existing Federal facilities, but it also contemplated the use of State facilities and, likewise, the facilities of private corporations of the country?

Mr. PHILLIPS of California. That is correct.

Mr. COOLEY. The purpose of the legislation was not to concentrate research within the Department of Agriculture, but rather to spread it throughout the Nation.

Mr. PHILLIPS of California. That is correct.

Mr. COOLEY. And to cooperate with all State departments of agriculture?

Mr. PHILLIPS of California. That is correct; and for that reason the subcommittee designated that of the $6,000,000 in the bill, $3,000,000 should be appropriated for the State services which the gentleman speaks about and a million each for three other items, one of which was also a coordinated service.

Mr. COOLEY. Does not the gentleman think that this is a very inconsequential amount of money to provide for such an important undertaking?

Mr. PHILLIPS of California. I think the amount of money is inconsequential. I think the principle involved is very great, because we are so late in the matter of marketing research that if we do not get it properly started now, we are that much later every month and every year.

Mr. COOLEY. Private corporations are spending much more money than we are in this bill.

The CHAIRMAN. The time of the gentleman from California [Mr. PHILLIPS] has expired.

Mr. HORAN. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington [Mr. HORAN]?

There was no objection.

Mr. HORAN. Will the gentleman yield to me?

Mr. PHILLIPS of California. I yield to the gentleman from Washington.

Mr. HORAN. Approximately $30,000,000 is being spent by the Department of Agriculture now in research. The Department heads were not adamant when they came before our subcommittee. They did not answer our questions clearly as to which of the items included in the $30,000,000 applied to this principle we are discussing now, and we felt it was unsafe, when the Department itself was not sure of its ground, to jump, full grown, out of diapers into long pants in this matter. There may be things that should be explored first. That was the reason for the committee's action. I would suggest that on page 141 of the hearings you will find a table of the amounts and activities in research now being done by the Department of Agriculture.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. COOLEY. I would like to say that this legislation did not originate in the Department of Agriculture. It originated in the House Committee on Agriculture, of which the gentleman from California [Mr. PHILLIPS] was a very distinguished member. It has the support of every commissioner or secretary of agriculture in this country. We are faced with no greater problem than the poblem with which we are dealing at this moment. I do not think we should cripple it by providing inadequate funds. I would like to mention one other thing—that it is a new undertaking and they have been in operation only a few months.

Mr. PHILLIPS of California. They have not actually been in operation at all, but they are setting up the organization. I would agree with everything the gentleman from North Carolina [Mr. COOLEY] says. What he says adds up to me to the fact that we should have the kind of agency we want before we appropriate the money.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this series of pending amendments close in 25 minutes, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

Mr. McCORMACK. Mr. Chairman, reserving the right to object, this is on the pending amendment and amendments thereto?

Mr. DIRKSEN. Yes. This limitation is only on the pending amendments offered by the gentleman from Missouri [Mr. CANNON].

Mr. WHITTEN. I must object, unless the gentleman is willing to amend his request so as to reserve 10 minutes to the committee, 5 to be used on this side.

Mr. DIRKSEN. I have no objection to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, the last 10 minutes to be reserved to the committee.

Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Kansas [Mr. HOPE] is recognized for 3 minutes.

Mr. HOPE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Missouri.

Mr. Chairman, this legislation, as has already been said, was enacted unanimously by this House last year after a unanimous report from the Committee on Agriculture. My recollection is that it passed unanimously in the Senate.

The legislation itself was the contribution of many different individuals and organizations. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] had introduced a bill previously which was incorporated in this bill. The gentleman from Virginia [Mr. FLANNAGAN] had introduced a bill, I had introduced a bill, the farm organizations had various suggestions, and all of this legislation was merged into the bill known as the Research and Marketing Act which I believe everyone who has made any study of the matter agrees is a significant contribution to agricultural progress.

It is significant and it is important because of the fact that we are now in a new era as far as agriculture is concerned. During the war we increased our production over 30 percent, and we did that in spite of all the handicaps that confronted farmers during that time in the way of shortages of labor and machinery, fertilizer, and transportation. Now that we are getting out of the war period and farmers are again able to secure normal supplies and equipment, it is certainly not to be thought that our production is going to be any less; rather, the tendency is going to be to increase, and we have adopted a policy in this country as far as agriculture is concerned that we want a policy of abundant production.

In order to carry out a policy of abundant production we must have research, not only research in production—we have had that for many years and we have accomplished wonders through that type of research—but research in utilization and research in marketing, because it is in utilization and marketing that we are going to find how to consume these surpluses of agricultural commodities that we are going to have as soon as the present abnormal world demand for food is supplied; and that time is probably not very far in the future.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield briefly.

Mr. MURDOCK. The gentleman is exactly correct in his stand on this matter, in my opinion. However, if opposition to this amendment is based on the ground that this is merely adding to the research funds of the Department, why cannot provision be made that it be used for the set-up provided for in the bill last year and contemplated at that time? I certainly want both—more research and carrying out the measure passed last year.

Mr. PHILLIPS of California. If the gentleman will yield, the point raised by the gentleman from Arizona is the whole point in issue. The gentleman from Kansas is arguing the merits of the Research Act.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent that my time may be yielded to the gentleman from Kansas.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The gentleman from Kansas is recognized for three additional minutes.

Mr. HOPE. I thank the gentleman from Mississippi.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. PHILLIPS of California. To the gentleman from Kansas may I say that I had not asked my question and that is whether he will not discuss the matter of getting the kind of committee the House wanted in the bill it passed setting up this marketing organization.

Mr. HOPE. I agree with the gentleman that there are some differences of opinion between the committee and the Department of Agriculture as to just how research in marketing should be conducted. That is only one phase, of course, of this legislation—research in marketing—but I believe the gentleman from California will agree with me that some considerable progress has been made toward getting together on that matter. At this time I do not believe it is the wise thing to cut down an appropriation; make it less than we ought to, merely because there is not complete agreement as to how the project shall be carried out. If we fail to provide enough money and the program does not make the progress it should, then the fault is on us, but if we make sufficient appropriations and the program is not successful, then, certainly, we have done our part.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman speaks of cutting down the appropriation. This is the first appropriation we have made.

Mr. HOPE. When I say "cutting down" I mean cutting down from the authorization contained in the bill for the first year. As a matter of fact, this nine and a half million dollars is cutting the budget estimate in half for this year because the budget estimate was $19,000,000.

Mr. Chairman, I want to say just a word to my Republican colleagues on this matter. I do not happen to have with me a copy of the Republican platform of 1944, but if you will observe that platform, you will find that agricultural provisions of that platform emphasized research; that the Republican Party platform on agriculture for 1944 looked along the lines of abundant production and research to utilize that production.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. TABER. My information, both from the Department and from large cooperative organizations especially interested in this bill, is that the Department is nowhere ready to operate and that the funds we have given are plenty to carry them along. Why should we add anything if we want efficiency? The trouble with the Agriculture Department is we have been giving them money in a loose sort of way and we have no efficiency. It has not done the farmers the good it would have if the Department had acted in an intelligent way and if they were made to operate on that basis.

Mr. HOPE. I agree with the gentleman that the Department is not able to use the $19,000,000 at this time, but I do believe that the Department can make use of the nine and a half million dollars and that is what we ought to put in the bill today.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I wish to compliment the very distinguished gentleman who has just addressed the House. He is one of the co-authors of the bill for which we are about to provide the necessary funds. I heard him recently over the radio discuss very ably the research and marketing program. I compliment him and his colleagues on our committee for standing up for agriculture. Yesterday every Republican member of the House Committee on Agriculture opposed adoption of the very brutal rule which was forced on the House at that time.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. CLEVENGER. There were five Republican members of that committee who did not vote against that rule and I was one of them.

Mr. COOLEY. I am very sorry to hear that because yesterday morning when the committee met every Republican there went on record in opposition to the rule and it was my understanding that we authorized the gentleman from Kansas [Mr. HOPE], our distinguished chairman, to so announce it to the House and he did announce it to the House. If the gentleman did not vote that way yesterday, I am very sorry indeed.

Mr. CLEVENGER. No; I did not, and no other person on this earth can pledge my vote at any time on any subject.

Mr. COOLEY. I thought the gentleman himself pledged it.

Mr. CLEVENGER. I did not.

Mr. COOLEY. And told the chairman to announce it to the House.

Mr. CLEVENGER. I did not.

Mr. COOLEY. I apologize very profoundly. It is interesting to see very distinguished Members like the gentleman from Kansas [Mr. HOPE] stand up here and lecture the gentleman and the rest of the Republicans in this House for failure to keep faith with the Republican platform pledge.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. PHILLIPS of California. I was a member of the national committee of the Republican Party that wrote the Republican platform.

Mr. COOLEY. Certainly the gentleman will stand by the Republican platform.

Mr. PHILLIPS of California. I have already said I think this $6,000,000 is sufficient.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Have we reached the point where $6,000,000 is such a measly sum we cannot start a new program with that amount of money?

Mr. COOLEY. I am not sure that I understand the gentleman——

Mr. MILLER of Connecticut. I asked if $6,000,000 is such a trivial sum that we cannot even start a new program?

Mr. COOLEY. Certainly, I do not think we can start the program with $6,000,000 when it embraces the entire Nation; and invokes one of the greatest problems facing the Nation today.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. RICH. I hear so much about what the Republicans are doing. It sounds a good deal to me like you fellows always talk about economy, but you have never voted that way in your lives, and it is about time you do something like that or we are going to be wrecked.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, first I wish to endorse the attitude taken by the distinguished gentleman from Kansas [Mr. HOPE] on the pending amendment.

Then I wish to add one word here in answer to the gentleman from Minnesota [Mr. H. CARL ANDERSEN] when he said a while ago that we would have $550,000,000 for rural electrification by the 1st of July. As a matter of fact, $340,000,000 are already allocated and, besides, he added to that $225,000,000, when the indications are that we will have $270,000,000 more in applications. Now, these applications are coming in at the rate of $30,000,000 a month, so in my opinion you are going to have to have far more than the amount even recommended by the Bureau of the Budget to meet the demands in every State of this Union.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is the gentleman questioning my statement relative to that?

Mr. RANKIN. I think the gentleman was in error.

Mr. H. CARL ANDERSEN. May I quote Mr. Wickard before the committee?

Mr. RANKIN. I understand Mr. Wickard did not explain that this money had been earmarked. I know, because I discussed the matter with the Department of Agriculture.

Mr. H. CARL ANDERSEN. May I read this testimony?

Mr. RANKIN. The gentleman can in his own time.

Mr. H. CARL ANDERSEN. The gentleman does not care to be answered, in other words.

Mr. RANKIN. All right, go ahead.

Mr. H. CARL ANDERSEN. Mr. Wickard states, "This leaves about $325,000,000 unadvanced," speaking of the amount authorized before this time.

Mr. RANKIN. All right, but the applications are already in. That $325,000,000 has all been allocated.

Now we are getting to the point where we can get the materials. We do not have to wait for copper. The average rural-electrification line now is made of alumir um with a steel core. The only trouble with REA is that they have the applications in or the allocations made, but they have not been able to get the materials up to now. Now materials are being made available, and I say we should provide every dollar that they can use. If they do not use it, it will not cost the Government a dollar. If it is used, it will add greatly to the wealth of the Nation, and will be repaid with interest.

Mr. RICH. Mr. Chairman, if the gentleman will yield further, they might not use it, but it is awful dangerous to have it in their hands, because it is tempting to them.

Mr. RANKIN. It is "tempting" the farmer to do something for himself.

Mr. RICH. I am talking about these bureaucrats we have down here. You know that they are not responsible, and the less you give them the better they are off.

Mr. RANKIN. Listen, there never was an organization on earth that did more for any class of people, since I have been living, than REA has done for the farmers of this Nation in the last 10 years. And, they are very careful. Oh, I know this fellow, Levins, who got into trouble down there has been passing the word around trying to discredit the REA. He told them he was going to get even with them when he lost his job.

Mr. RICH. I am not shielding anybody.

Mr. RANKIN. I understand that. What I am trying to do is to get electricity to every farmhouse in America at rates the farmers can afford to pay.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I make no charge at all impugning the motives of anyone. I think the gentlemen on both sides of the aisle are earnestly and sincerely trying to do the right thing, and I know it is a big task. I realize the task that you gentlemen who are specifically charged with that duty by reason of your committee assignment have in trying to reduce appropriations. I appreciate that, and I honor you for your courage when you honestly come out and take the gaff, as it were, in an effort to actually minimize expenditures, but I differ with you in your judgment, not in your sincerity of purpose, as to this bill. I will admit that you may be right. It may be that you are. But I call your attention to this significant fact: Nations become big-headed just as individuals do. I am afraid we are inclined to become big-headed, as a nation, and to think that we can do or fail to do anything we want to and still make progress; but we cannot.

I am sort of like Will Rogers, but I claim to be like that illustrious American in one respect only, that is, about all I know is what I read in the papers. According to the metropolitan press Russia, that we talk about so much, has produced by its experimentation and scientific investigation cotton that grows out in the fields with natural coloring of about all the colors of the rainbow. They also have produced a wheat that grows like alfalfa and does not need to be planted every year. They are making great strides in the field of agriculture. We need every dime that has been requested by this amendment to go forward with the great agricultural program of this Nation. I believe we will do an unwise thing by cutting it down. We are living in a day when we have begun to realize that we scarcely have scratched the surface of what we may accomplish in the agricultural field. Do you not know that out on the western plains, where I live, we sometimes produce 40 to 50 bushels of wheat to the acre on our best land; but the metropolitan press has also published the fact that in the Ukraine in Russia they sometimes produce 100 bushels of wheat to the acre. So let us wake up in this country of ours. You talk about building a bulwark against communism. The best way in the world for us to build that bulwark is to make America strong, and we can make it stronger, in my judgment, by building a strong foundation in the agricultural field than in any other possible way. So let us not make these proposed big cuts in these important agricultural items.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, this is not a party issue that is being considered at this time, this is an issue that is of vital import to the entire Nation. As has been stated, last year the Hope-Flannagan bill passed the Congress unanimously. It provided for research in the field of agriculture, utilization of products, and marketing. The bill provided that in the first year, which should have been this year, 1947, $9,500,000 was authorized for those programs, and in the second year, the year 1948, the year for which this appropriation is made, it should be $19,000,000. Appropriation was not made for the first year, so next year will be the first year of operation. This amendment provides that the sum shall be increased from $6,000,000, as carried in the bill, to $9,500,000 for research in the utilization of farm products and their marketing.

Certainly there could be no stronger argument for this bill than the conditions we faced a few years ago and until the war caused us to be able to handle the surplus products we had built up in this country. Millions of dollars have been spent from section 32 funds, millions of dollars have been spent through Commodity Credit Corporation operations to handle the surplus products of agriculture we have had in this country. The item in this bill for which this appropriation is requested provides for research in finding uses for those products so that in the future we will have a smaller and smaller surplus in those fields. I say you will be penny-wise and pound-foolish if you fail to make a proper appropriation for research in the use of those products which we know in the next few years are going to be surplus.

My friend and colleague on this committee from California states that his objection to this amendment is to the fact that a separate entity has not been set up in the Department, one that you can easily recognize. Why, the chief complaint against the Department is that there are duplications, and many times in the past when the Congress has wanted something done it has set up a different agency and a different group to do the work. The duplications that are complained of are brought about just because of the attitude some folks have, like my good friend from California, that every time you do something new you have to set up a different entity, something that you can recognize. I say that it ought to be coordinated and it ought to fit into other research by the Department.

We have had wonderful success in the field of research in production. We have seen hybrid corn and improved strains of wheat and cottonseed development. We

have seen the rapid advances of research in production. But now that we can produce in the next few years more than we will be able to use, thus having surpluses, I say to you it is very short-sighted if we fail to make this appropriation for research utilization of products and their marketing because every surplus bushel of wheat and every surplus bale of cotton for which you find use so as to keep the Commodity Credit Corporation from having to buy it and so that you will not have to use section 32 funds to export it, will mean saving many times the money that you will be spending under this amendment which, after all, appropriates only half the money that was approved by the Bureau of the Budget in this case.

May I ask the gentleman from California [Mr. PHILLIPS], who is on his feet, if he can justify setting up separate entities and separate divisions for every phase of agricultural research? That is adding to the duplication—the very thing that he says he complains of.

Mr. PHILLIPS of California. I would not attempt to justify that because I am opposed to it. This bill calls for the consolidation of it. The gentleman, I am sure, would want to correct his remarks. He said I oppose coordination. I am very much in favor of coordination. What I am opposed to is absorption.

Mr. WHITTEN. With reference to this matter of the Soil Conservation Service and the AAA payments being duplications, I requested the gentleman in the committee that he vote with me to eliminate such duplication. My recollection is that he voted against it.

Mr. DOLLIVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, again it is worth calling the attention of the House to the fact that the appropriations made for the Rural Electrification Administration are, in reality, loans and not grants. These loans are made by the Government of the United States to local cooperative electric companies, who pledge their assets and earning capacity for the repayment of the money with interest. The period for the amortization of these loans was increased in 1944 from 25 to 35 years.

I am glad to call the attention of the House to the fact that there are at present no loans in the State of Iowa which are not in current condition, with all interest and principal payments kept up. I repeat, there are no arrearages in the State of Iowa by the cooperative corporations which borrowed the money from the Rural Electrification Administration.

The farmers of Iowa have borrowed in excess of $40,000,000 from the REA. Most of it was borrowed for the construction of lines, and only a very small percentage for financing the wiring and installation of other conveniences on the farmsteads. It thus appears that in our State of Iowa, which has been one of the large beneficiaries of the Rural Electrification Administration, the Government has not lost and will not lose one single penny of the money that it has advanced. Surely, here is a use of Government funds, beneficial and yet not extravagant.

It is undoubtedly true that there is no greater modern convenience for the farmer than a steady supply of electricity. Approximately one-half of the electricity used on the farms throughout the United States is used in the household, and the other half in productive activities outside the household. The labor-saving effect of productive electricity is outstanding. Not only does the electrification of farm homes bring about great improvement from the standpoint of comfort and satisfaction in rural life; it also brings about great economic productive value to the farmer. It raises the standards of living and the well-being of agriculture generally. If electricity is useful in the city home, it is doubly useful on the farm.

One of the critical needs in the State of Iowa is the expansion of generating capacity. The fact is that there is literally no additional generating power from which additional electric power can be procured. In my own district of 15 agricultural counties in the heart of the Corn Belt, there is 1 project where 212 farms have been wired for over a year but which cannot be connected with a high line because of the shortage of power. I sincerely hope that this House will see fit to make a proper appropriation for this work of such vital importance.

Again, let me emphasize that this is not a dollar hand-out to anyone, but money advanced by the Federal Government which will be repaid by the borrowers with interest. It has led, and will continue to lead, to an improvement of living conditions in rural America. It will make farm life more comfortable and attractive. It will help continue the vast production of foodstuffs, which were so vital a factor in winning the war, and have so important a place in regaining a stable peacetime economy and an ordered world. The elemental need of the starving world is food. Our farm people of the United States are glad to have so essential a part in helping care for that elemental need.

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the pro forma amendment. Mr. Chairman, first let us understand clearly what is before the committee.

The budget estimate for research in marketing is $19,000,000. The committee allowed $6,000,000 and earmarked it for four different lines of activity. The series of amendments now on the desk of the gentleman from Missouri [Mr. CANNON] propose that $6,000,000 be raised to $9,500,000.

I trust the Committee will vote the amendments down.

I was very much interested when my friend from Oklahoma indicated that while the committee showed zeal and courage, sometimes it was with mistaken judgment. The best the committee can do is always to be guided by the testimony and make out the best case it can.

The story is about this: In the first place, the Department said they expected to run this up to $61,000,000 by 1951. With a program of that size the committee has to exercise the utmost caution. So we took a very good look to make sure that when the program begins the foundation is good and that it is launched in the right direction so that there will be a really efficient effort in the field of research.

It ought to be noted at the outset that this does not displace research in the Department. This is in addition to all other research. There is $59,000,000 worth of research in this Department and we have not disturbed it. We have not cut, for instance, research by the commodity branches in Production and Marketing Administration. That whole line of endeavor will go on just the same. But here we were confronted with an estimate calling for 1,830 people. That means trained people. That means people skilled in research and marketing. Where are they going to get them?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. WHITTEN. The figure which the gentleman mentions had to do with the $19,000,000 figure, as was said by my friend.

Mr. DIRKSEN. That is right; I am talking about the whole program.

But, here, with over 1,830 people they are building from the ground up. There are advisory committees which have only recently been established. So they are going to have to rob other bureaus of their scientific talent. Then, where will they get scientific talent to rebuild those bureaus? We have not put the ax on research. We have left the Bureau of Animal Industry and the Dairy Industry and that sort of thing pretty well intact.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. WHITTEN. Does not the gentleman think they would have a much better chance to get their personnel if they had the money than if they did not have the money?

Mr. DIRKSEN. Definitely not. You cannot create a scientist. A former director of personnel for the Department of Agriculture told me in my office recently that they hired 10 people in the scientific field and could only get one genuine scientist. I said, "What did you do with the other nine?" He said, "We kept them." But getting scientific talent is a hard chore. Where are they going to find them? We went into this thing completely, because every member of the committee is interested in research, so we canvassed the situation. This is the most that in our judgment they can expend. The committee shares the view of the gentleman from Kansas. I conferred with him on many occasions and the committee conferred with him because we wanted to be sure that the action we were taking would in no way cripple the research activity. Insofar as the testimony indicates—and we labored this item probably more than any other item in the bill—in our humble judgment, after reviewing the whole business, this is as large an amount as they can efficiently expend. So I sincerely hope that no more money will be made available than can be efficiently expended.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. HORAN. In view of all the vagueness on the part of the Department themselves, we had the conviction that it would be far safer to start out at the proper size than to start out with an aggrandized program?

Mr. DIRKSEN. I think the best testimony on that point is that in the original estimate they asked for half a million dollars for travel. What in the world would they do with half a million dollars for travel, for scientific personnel, when the bureau has not even been set up? They are working around now on an exploratory basis to get it set up.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that we have $39,000,000 for research in all things in this bill now?

Mr. DIRKSEN. All of that. So I hope the amendment will be voted down.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. COOLEY. Does not Reorganization Plan No. 1 provide for the consolidation or transfer of all research in the Department of Agriculture, to the Secretary?

Mr. DIRKSEN. We hope in good time it will all be consolidated, but this is enough for this purpose.

I trust the amendment will be voted down.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 83, noes 63.

Mr. DIRKSEN. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the chairman appointed Mr. DIRKSEN and Mr. CANNON to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 116, noes 109.

So the amendment was agreed to.

Mr. BATES of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts: On page 5, line 22, after the words *"Provided further,"* strike out "That no part of this appropriation shall be available for work relating to fish or shellfish or any product thereof."

Mr. BATES of Massachusetts. Mr. Chairman, I offer this amendment to the bill because I firmly believe a great injustice has been done the fishery industry of this country by a proviso in the bill that seemingly exempts any benefits that they may receive from the Department of Agriculture in the field of research and marketing. The Department of Agriculture has already been doing much work over a period of years in cooperation with the Fish and Wildlife Service of the Department of the Interior.

In 1946 through Public Law 733 an advisory committee was established for the purpose of doing what they could in the field of research and marketing to develop means by which they could dispose of food, and this means not only agricultural products but also fishery products. The fish and shellfish provisions were included in that act, and purposely so in order that the work between the two departments of the Government could be coordinated and some real benefits flow to the fishery industries of this country. Down through these many months ever since the law was adopted much has been done by coordinating the efforts of the Department of Agriculture and the Fish and Wildlife Service in the Department of the Interior. In the field of research in transportation, marketing, packaging, and in the educational program of the country, where they could coordinate the problems of the fisheries in these respects with agriculture many benefits have come to the fisheries of the country.

The fisheries are losing the sum of $175,000 that they previously received as a result of distribution of the customs fees by the Department of Agriculture in their research studies. Those funds are cut out under the provisions of this bill, the latter part of the bill where those funds are rescinded under title II. As this bill now stands there is not a thing the Department of Agriculture can do to assist the fishery industries of the country as they have over a long period of time.

It was only recently that through the Department of the Interior Appropriation Act the commercial fisheries section of the Fish and Wildlife Service suffered a tremendous reduction. The House fortunately reinserted $150,000 so that they could continue the work as had heretofore been done in respect to assistance to the fisheries of this country. We must keep in mind that other nations of the world are considering fishery organizations as a major business and have set up major departments in their governments to deal with their problems. By clipping the funds that we have heretofore depended upon to help and assist the fisheries industry in the Department of the Interior Fish and Wildlife Service, and now through the Department of Agriculture, we are dealing a hard blow to one of the great industries of the country that is today struggling for its very existence, particularly on account of the rapid increase of imports coming from foreign sources deluging the markets of our country, and harassing our own industry to the point that many of them are facing bankruptcy.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES of Massachusetts. All I am saying, Mr. Chairman, is that this amendment strikes out this provision in the bill that provides that no part of the research fund whatever shall be available for work relating to fish or shellfish or any product thereof. Give the fisheries a chance to get a little of the money, a mere pittance, as we might call it, of whatever fund may be available in the Department of Agriculture, that may be used for the study of transportation questions, packaging questions, marketing questions, education in our schools, all of which is carried on by the Department of Agriculture in respect to agricultural products but which at the same time could embrace fish and shellfish products as part of the food problem of the country.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from North Carolina.

Mr. COOLEY. What justification has been brought forth for this limitation which has been placed in the bill, which will have the effect that the gentleman has stated?

Mr. BATES of Massachusetts. I have not heard any up to the moment but perhaps the committee will explain the reason why this insertion is deliberately placed in this bill to exclude altogether any contribution or any assistance that the fishery industry of this country may get by the close cooperation of the Fish and Wildlife Service and the Department of Agriculture in the study of problems relating to both industries.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Arizona.

Mr. MURDOCK. Did not the raising of the amount from $6,000,000 to $9,500,000 lend color and strength to the gentleman's amendment?

Mr. BATES of Massachusetts. Yes, because it makes more money available. But what we are asking by striking out this provision in the bill is to permit the Department of Agriculture, if they think it is wise, at the same time they are carrying out the research program in respect to agricultural products, to embrace fishery products. It will not cost a great deal of money, but it does give the Department of Agriculture an opportunity to be of some assistance to the fisheries industry. Agricultural products are food and so are fisheries products and should be considered together in the field of research.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield further, certainly we could not expect the Department of Agriculture to undertake the research unless it deemed it necessary.

Mr. BATES of Massachusetts. That is right.

Mr. COOLEY. I do not have any commercial fisheries in my district, but it is an important industry on the eastern coast of North Carolina, and I am very much in favor of the gentleman's amendment to strike out that limitation.

Mr. BATES of Massachusetts. Mr. Chairman, the total expenditures made by the Federal Government for agriculture and also for fisheries is entirely disproportionate; let me say that it costs the taxpayers about $5.83 a ton for every ton of farm products produced in this country, but at the same time it only costs the taxpayers about 82 cents a ton for fish and sea-food products. It seems to me, from the standpoint of fairness, that we ought to have available in the Department of Agriculture some money

that can be allocated for the purpose of joint studies of all food products, including fish and sea food, in a research program which is going on, particularly in the field of transportation, in the field of packaging, and in our school educational program. We should give some consideration to the great fishery industry of this country, the value of which at the present time is approximately $5,000,000,000.

I trust, Mr. Chairman, that the committee in its wisdom will accept this amendment which will permit the Department of Agriculture to assist, under the conditions that I have stated, the fishery industry, when they are carrying on the research program, and not to exclude them altogether as you do under the provisions of this bill.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I join completely in support of the amendment offered by my friend from Massachusetts [Mr. BATES]. It is rather difficult for me to understand why the Committee on Appropriations put in the bill the proviso stating that "no part of this appropriation shall be available for work relating to fish or shellfish or any product thereof." It was only last year that we included fish and shellfish in the Research and Marketing Act. Last year we permitted research in connection with fish and shellfish to be carried on in accordance with any appropriations made. By the provisions of this bill, if enacted into law, none of the appropriations can be used for that purpose.

The language of this paragraph is specifically directed at excluding the fishing industry, commercial fishing, from getting any of the benefits of whatever appropriation may ultimately be made. We do not ask that a specific amount be appropriated. We leave it, within the amount finally appropriated, to the discretion of the Department of Agriculture. I assume the Department of Agriculture in a matter of this kind consults with the Fish and Wildlife Division of the Department of the Interior.

We must bear in mind that the fishing industry is the oldest in the Western Hemisphere. We also must bear in mind that it is a billion-dollar industry, and that it extends all over our country. It is not confined to the Northeast, it is all along the Atlantic coast, the Gulf, the Great Lakes, and the western coast, and it extends far out into the Atlantic and the Pacific.

Following the insertion of fish and shellfish into the Research and Marketing Act of last year, the Department of Agriculture, in consultation with the Fish and Wildlife Service, appointed an advisory committee of 11 persons to carry out the intent of Congress. It is my understanding that there was appropriated a small amount in connection with this activity. At the most, the amount allocated out of the funds appropriated would be a small amount. It is difficult for me, and I speak frankly, to understand why the subcommittee specifically excluded fish and shellfish from any consideration, so far as research and marketing is concerned.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. SHORT. Coming from Missouri, I am about as far away from both the Atlantic and Pacific Oceans and the Great Lakes and the Gulf as any State in the Union. I have no fisheries in my district. However, fishing is a great thriving industry in this country. I can see no reason for excluding this specific industry. It made an enormous contribution to the Nation during the terrible war years, as the gentleman well knows, and it needs protection.

Mr. McCORMACK. I thank the gentleman from Missouri for his contribution. I yield to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. I was interested in trying to ascertain just why the committee would take this action excluding fish and shellfish. Has the gentleman been able to find out the reason therefor? Is it because a comparatively small section of the country is affected?

Mr. McCORMACK. I do not know of any reason. I hope that it is an oversight on the part of the committee. Those things happen, and if that is the case they ought to frankly admit it and accept the amendment offered by the gentleman from Massachusetts [Mr. BATES].

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SHEPPARD. I would like to say that the amendment offered by the gentleman from Massachusetts [Mr. BATES] is quite acceptable to me. Of course, the other members of the committee may speak for themselves, but it is entitled to fair consideration.

Mr. McCORMACK. I appreciate the statement of my friend from California.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts. Like my colleague, the gentleman from North Carolina [Mr. COOLEY], I do not live near the coast, but I am confident this is an equitable amendment and should be adopted.

I am happy to have been among those who voted just a few moments ago to restore the desired and essential appropriations to carry out the Research and Marketing Act of 1946, as described by the capable gentleman who preceded me.

I would like to point out in my few comments the serious marketing problem which confronts the tobacco growers of our country and what this Research and Marketing Act of 1946 promises not only to the tobacco growers but other farm products, in view of alarming surpluses which now loom on the horizon.

Shocking news to the tobacco farmers of North Carolina and every tobacco area of our land came from London within recent days. Members of Congress, Agriculture and State Department experts, tobacco manufacturers, not to mention the tobacco smokers of Britain, were stunned when the British Government announced a 50-percent increase in excise taxes on tobacco.

Last year Great Britain sent $220,000,000 to the United States to purchase American tobacco. Worried British officials insist that this continued program cannot continue in view of Britain's serious financial crisis, and in order to stop the flow of dollars from England, the English smoker must pay dearly for his favorite American brand.

Figures released by the Chancelor of the Exchequer of England indicate that the smokers of England are smoking one-third more than before the war. British smokers are consuming over 250,000,000 pounds a year. Of this amount, 80 percent comes from the United States.

British leaders point out that the whole total of goods sold to the United States just about equals the English consumption of American tobacco. Chancelor Dalton of the Exchequer said this was fantastic and must be stopped.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from North Carolina.

Mr. BONNER. I agree with the gentleman in all that he says with respect to the tobacco situation, but I regret very much that I was not on the floor when the time was limited with respect to the so-called Bates amendment which is now pending.

Had I been present I would have asked for time myself because as a member of the Committee on Merchant Marine and Fisheries of the House I recall that during the war days the Merchant Marine and Fisheries Committee had the Department of Agriculture before it with respect to this very item, and it will be recalled by all of us who were here during that time that the fishing industry of this country gave great strength to the war effort in the increased production of fish for its food value and other uses during the war years. The greatest effort was put forth in the Department of Agriculture to increase the taking of fish both on the Atlantic coast and Pacific coast which was greatly increased not only by the Fish and Wildlife Service of the Department of the Interior but by the Department of Agriculture as well under this very provision.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. BATES of Massachusetts. The facts are that at the same time these studies and researches have been going on by the Department of Agriculture, they have acted jointly with the Fish and Wildlife Service, and this bill prevents them from so doing by this amendment.

Mr. BONNER. It is a terrible mistake for the House not to adopt the Bates amendment.

Mr. DEANE. Now, may I proceed with reference to this serious tax situation recommended, and which I am sure Great Britain will soon put into effect?

The American Government recognizes that Great Britain faces a financial crisis, and these stern measures they are adopting should be a sobering influence upon us Americans. Yet, this new British policy will seriously influence our own 1947 tobacco market.

How, you ask?

Follow me closely. In 1946 the United Kingdom bought 364,000,000 pounds of American tobacco, paying approximately $215,000,000. On these 364,000,000 pounds the British Government levied an import duty of $7.15 per pound. Under the new British tax policy for 1947, they would levy an import duty of $11.04. This means that the British smoker will not pay 47 cents but 67 cents per package. In view of the fact that the average hourly wage in Great Britain is 40 cents, it is simply logical that less tobacco will be used.

The power to tax in this case is the power to destroy a large volume of American exports of tobacco. Our own Government experts predict that British tobacco purchases from America will be cut one-third, or 121,000,000 pounds.

Last year the American farmer grew 1,350,000,000 pounds of tobacco. Forty-five percent, or over 600,000,000 pounds, were sold abroad. Of this 45 percent, two-thirds went to England.

This year our tobacco crop is expected to yield 1,250,000,000 pounds. If Britain follows through with her tax policy, as she is certain to do, she will buy approximately 240,000,000, a drop of 125,000,000 pounds.

It is generally conceded that with Canada, Mexico, and other countries growing their own tobacco, we lose our best customer in Great Britain and, thus, we can expect lower tobacco prices. These remarks are not broadcast to alarm you but to be prepared to expect a sudden drop.

Our tobacco farmers have this satisfaction, that while there is a lack of purchasing power abroad, the United States Government will guarantee the tobacco farmers for two more years a price of 90 percent of parity.

The question arises how long can our Government continue this program. It is conceivable that the United States Department of Agriculture will be left with many millions of pounds of tobacco on hand at the end of this year in order to guarantee parity.

The Congress should support this new Marketing and Research Act with every means at its command. Let me point out also the tremendous challenge and responsibility which rests with the Department of Agriculture in carrying out the provisions of the act. It is imperative that the best brains of the country be brought into play in furthering this new program. A new frontier with enormous markets for the products of the American farmer appears to be opening. There is not any time to lose in the job to be done and let us accomplish the task while time remains.

Finally, let me urge the growers of tobacco, that in order to hold up their prices for the 1947 season, grow the very best tobacco. In my opinion the words you will hear ringing through the tobacco warehouse during the approaching season will be quality and not quantity.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HORAN. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Chairman, I yield to no one in my respect of and affection for the fishing industry and the work that I do as a Member of Congress in defense of the fishing industry. Only this morning I spent 15 minutes before the Senate Appropriations Committee, appropriating for the Department of the Interior. I spoke in behalf of the full budget amount for the commercial fisheries item in the pending Interior bill. I spoke in behalf of the Market News Service which is conducted by the Fish and Wildlife Service in the Department of the Interior. I spoke in behalf of the item of $175,000 that I believe has been indirectly appropriated out of section 32 funds and transferred from the Agriculture Department to the Department of the Interior.

We are not today appropriating for the Department of the Interior. We are appropriating for the Department of Agriculture. If we are going to have any semblance of order in our budgetary approach to implementing the offices in the departments of this Government of ours, we must recognize that we do have departments, each with its Cabinet head. If we are going to appropriate money in one department and have it diffused out through all the other departments of Government, under one expedient excuse after another, we will never be able to provide properly for the different departments.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. DIRKSEN. That is a fact that ought to be emphasized. This money was transferred to the Department of the Interior and we could not make a direct appropriation in this bill for the Department of the Interior. That is the essential thing involved.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. BATES of Massachusetts. All this amendment does is to permit the Department of Agriculture, as it has done for years past, to coordinate their activities with the Fish and Wildlife Service in the field of research, in the field of transportation, in the field of education, in the field of packaging, and by this amendment you strip them of any authority, even to coordinate their activities.

Mr. HORAN. Mr. Chairman, I cannot yield further. I think we will have to draw lines and hold to them.

A former Secretary of the Interior noticed this mistake that had been made by the Seventy-ninth Congress, and in a column written by this gentleman on April 1, he ended his column with these words:

> The Eightieth Congress has a chance to rectify this error. The Congress must appropriate funds if it is to implement this scaly scheme designed to take fish and shellfish surveys away from the Fish and Wildlife Service and place them in Agriculture. Moreover, it would be saving the taxpayers' money and preventing duplication even if it would be disturbing a lobbyist's dream.

I want to call your attention to the Budget that was presented and available to every Member of Congress. If you will turn to page 563 of the Budget for fiscal 1948, you will find outlined there the legislative foundation for this appropriation in the Interior appropriation bill. It belongs in the Department of the Interior, and all those who would preserve and protect what I think is one of the United States best industries, had best see that it is protected as a Department of the Interior appropriation.

Now I yield.

Mr. HAND. Was the gentleman referring to a report made by former Secretary Ickes?

Mr. HORAN. He happens to have been the commentator.

Mr. HAND. Does not the gentleman believe that this order he is seeking should be restored by the legislative committee and not by a subcommittee of the Committee on Appropriations?

Mr. HORAN. Not in this case, because we, the Subcommittee on Agriculture, have no right to appropriate for the Department of the Interior.

Mr. COLMER. With reference to the statement of the distinguished chairman of the subcommittee that here you are merely transferring funds to the Interior Department, is that technically correct? Are you transferring them or are you cutting them out?

Mr. DIRKSEN. The situation, may I say to the gentleman, is that heretofore $175,000 of section 32 funds in the Department were transferred to the Department of the Interior. Those funds were taken out, and in consequence this was merely a covering amendment.

The CHAIRMAN. The time of the gentleman from Washington has expired. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. BATES].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 48, noes 60.

So the amendment was rejected.

The Clerk read as follows:

OFFICE OF THE SOLICITOR

For necessary expenses, including personal services in the District of Columbia and payment of fees or dues for the use of law libraries by attorneys in the field service, $2,425,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of $136,000 shall be transferred to and made a part of this appropriation; and there may be expended for personal services in the District of Columbia not to exceed $1,597,000: *Provided, however,* That if the total amounts of such appropriations or authorizations for the current

fiscal year shall at any time exceed or fall below the amounts estimated, respectively, therefor in the Budget for such year, the amounts transferred or to be transferred therefrom to this appropriation and the amount which may be expended for personal services in the District of Columbia shall be increased or decreased in such amounts as the Director of the Bureau of the Budget, after a hearing thereon with representatives of the Department, shall determine are appropriate to the requirements as changed by such reductions or increases in such appropriations or authorizations.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 6, line 5, strike out "$2,425,000 and insert "$2,025,000."

SOLICITOR'S OFFICE

Mr. H. CARL ANDERSEN. Mr. Chairman, this amendment is being offered in view of the fact that the programs of the Department of Agriculture are being curtailed considerably in the bill which is before the House. As a direct consequence, the work of the Solicitor's Office, especially in relation to the farm-tenancy loans, subsistence loans, and various matters in connection with crop insurance and the AAA program, has been very much lessened and surely an organization which is already today top-heavy can be shaved down to a certain extent without doing harm to anybody in America, least of all the farmers in America.

It is my opinion that we should be consistent with respect to cuts in the appropriations for the various agencies in the Department of Agriculture, insofar as reasonably possible. I do not mean that all agencies should receive the same cut percentagewise, but the fact remains that the effects of cutting one organization severely and leaving others alone will undoubtedly result in bad feelings throughout the Department.

When we consider the entire bill as a whole—programs, personnel, and such have been cut to the extent of 30 percent—it would seem that it is not out of line whatsoever to request that the Solicitor's Office, already top-heavy, should take at least a 20-percent cut below what they have had available this past year. This is especially in view of the fact that its work as detailed in this bill will be considerably lessened.

The committee has seen fit to reduce the $2,525,000 requested for this office by only $100,000. Might I at this point again call attention to the statement put out by the American Farm Bureau Federation in which they term this cut as a token cut only. Please keep in mind that the American Farm Bureau Federation does feel that 20 percent of the personnel throughout the Department of Agriculture could be well eliminated without injury to agriculture.

I do want to call attention to this one fact, and that is, the lawyers in the Office of the Solicitor and the Solicitor himself, together with the nonprofessional people assigned thereto, make up what is called a service organization. They do not produce. They do not do the research, diffuse the useful knowledge, gather the market news, take action necessary to provide the support and loans for commodities, or perform other services which the Department renders to the public and to the farmers. The Solicitor's Office renders legal services, and legal services only, to the administrative or operating people of the Department. Is it not reasonable that cuts in appropriations which reduce personnel and activities of the administrative and operating people, the clients in this instance, should be matched by a comparable reduction in the appropriation for the service agency?

The bill as it now comes before you provides for a mere 4-percent cut in the cost of legal services in the Department. As I stated I do not profess to be able to calculate accurately the effect of the proposed cuts throughout the Department upon the Solicitor's Office and consequently am not inclined to urge a percentagewise cut of 32 percent in this office. On the other hand, as I also indicated a moment ago, I am convinced that the application of a little common sense will result in the conclusion that this legal service organization should be cut more than 4 percent when the clients are being cut more than 30 percent. May I call to the attention of the House the last sentence in the section of this report in connection with this item which reads as follows:

> The committee is of the opinion that an overhauling of the organizational set-up in the Solicitor's Office whereby more legal talent can be devoted to actual legal work rather than supervision could effectuate additional economy in this office.

Please also note that the Solicitor in his statement before the committee predicated his request for more than two and one-half million dollars to a great extent upon work anticipated incident to the Farm Home Administration.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I am a lawyer and a farmer. I am wondering. For the life of me I cannot conceive of any material or beneficial aid that a solicitor or a lawyer would render to the farmers of this country. If it is wet he cannot make it dry. If it is dry he cannot bring rain, he cannot impel an invasion of grasshoppers or crickets. It seems to me it is a soft job for a lawyer who probably could not make a living if we put him out on his own.

Mr. H. CARL ANDERSEN. Mr. Chairman, I call attention to the fact that back in 1938 only $195,000 were appropriated for this particular Solicitor's Office. In 1942 $232,000. Of course, up along in 1944 we did give them the REA and other jobs to take care of, but we see at the same time that they have jumped up to $1,679,000 in 1944. Last year they had $2,214,000. They are asking this year for $2,525,000. Where is this bureaucratic tree going to stop growing? I am trying to prune this tree before it gets too high. You know, the branches on top never do any good as far as producing fruit is concerned. Let us try to instill a little economy into the Solicitor's Office, as well as endeavor to relieve the load upon the taxpayers of the Nation. Four hundred thousand dollars is a reasonable cut; 20 percent is a reasonable cut. They can stand it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Are we going to get down to common sense and really try to effect a little economy or are we not?

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa.

Mr. JENSEN. Is it not a fact in this bill the Department is asking for 223 solicitors or lawyers?

Mr. H. CARL ANDERSEN. They are asking for too many, I will say to my good friend from Iowa.

Mr. JENSEN. The gentleman is very modest in the amendment he has introduced.

Mr. H. CARL ANDERSEN. We have given the farm programs, that the Solicitor's Office is supposed to take care of, a 30-percent cut in the bill in order to effect economy so that we can balance our budget. Why can we not cut this legal personnel by at least 20 percent? I think that is only reasonable.

Mr. JENSEN. Is it not a fact also that any time the Department of Agriculture wants to get some legal service, they can go to the Department of Justice?

Mr. H. CARL ANDERSEN. Why, certainly, in many instances.

Mr. JENSEN. They are at their disposal every minute. I had hoped the gentleman was going to offer an amendment to strike out at least twice as much as he has.

Mr. H. CARL ANDERSEN. I am trying to be reasonable. I am a farmer, and I certainly do not want to do anything to hurt our great Department of Agriculture, but I do want to see to it since this Congress has seen fit to take away 30 percent of the program of the farmers, that we take at least 20 percent of the personnel out of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The amendment was agreed to.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, I do not think there is a Member of the House who knows anything of my voting record but what he will agree that I have consistently voted for economy. I know there are many Members on both sides of the aisle who will agree with that statement. I have been very conserva-

tive and endeavored to so be on every vote that I have cast, whether it be a money matter or one regarding the social problems of the people of this country or of the world.

But I want to call the attention of the Republicans—and I shall not give you a lecture because I am not capable of doing that—to the fact that I have heard many of you make speech after speech criticizing those of us in the minority, who last year were in the majority, for throwing dollar after dollar after dollar across the pond to the people of Europe and never doing anything for our own. That particularly applies to the distinguished chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER] and also the gentleman from Pennsylvania [Mr. RICH], as well as many others.

Since you have lectured us Democrats so often on spending our substance on the people of foreign lands, I want to check the record for a moment to determine where our dollars are being spent and who has been doing the spending.

I hold in my hand the front page of the Times-Herald of Washington of May 22, 1947, which is the second best Republican newspaper in the country, second only to the Chicago Tribune, if that be any credit to its journalism, and on the front page of that paper I see a headline as follows:

The House votes $350,000,000 foreign relief for Europe by a vote of 288 to 86.

Those 86 dissenting votes, my friends, do not equal but about one-third of the Republican membership of this House and they by no means were all Republican votes.

After we had been lectured time and again by our Republican friends to do something for our own people, for instance the American farmer, the farmer of the bread basket of this country, and of the cotton South and of the far West, this same newspaper in another column announced that you Republicans had brought out an agricultural appropriation bill cutting $400,000,000 off of the American farmer. Wherein is your consistency? How much did you save? You saved $50,000,000 if this bill passes as it, which it is not going to do, and you made the farmers of Kansas, Nebraska, Iowa, Illinois, Indiana, New York, and the rest of this country pay the whole European relief bill, plus a $50,000,000 tip.

Now let us see who voted for that $350,000,000 relief bill. Your privilege to vote as you chose I do not question—the sincerity of your lectures to us Democrats I do. Let us take the Republican membership of the Appropriations Subcommittee on Agriculture, which recommends these drastic cuts and we will take them alphabetically. For that $350,000,000 which we so gently and graciously on April 30, threw across the water to Europe—and this was not a Democratic controlled Congress doing the "chunking"—the gentleman from Minnesota [Mr. H. CARL ANDERSEN] voted "aye." The gentleman from Illinois [Mr. DIRKSEN] voted "aye." The gentleman from Washington [Mr. HORAN] voted "aye." The gentleman from California [Mr. PHILLIPS], who is not willing to give $3,500,000 additional to a farm-research program, as he told you a moment ago, voted "aye." The gentleman from Vermont [Mr. PLUMLEY] voted "aye." And, lo and behold, the Republican majority leader who is now facing me, the gentleman from Indiana [Mr. HALLECK] voted "aye," and so did the Republican whip, the gentleman from Illinois [Mr. ARENDS] and so did the gentleman from New York [Mr. TABER]. Now, who is doing the "chunking?" Who is forgetting the people at home?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Just as soon as I finish I will yield.

On the 9th day of May we had before us another bill to "chunk" some more money across the water, $400,000,000 to Greece and Turkey. Let us take the personnel of this subcommittee and see how they voted on that day, and see how they were going to take care of all this economy they were going to settle upon the hard-working farmers of this country. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] voted "aye." The gentleman from Illinois [Mr. DIRKSEN] was paired "aye." The gentleman from Washington [Mr. HORAN] voted "aye." The gentleman from Vermont [Mr. PLUMLEY] voted "aye." And the gentleman from California [Mr. PHILLIPS], be it one time said to his credit, consistent with his argument here today, voted "no." The gentleman from New York [Mr. TABER] voted "aye." The gentleman from Illinois [Mr. ARENDS] voted "aye," and the distinguished Republican majority leader voted "aye."

Then on the 22d day of May, when the conference report on the $350,000,000 appropriation bill came back to the House, and we had another roll call on the bill, Mr. H. CARL ANDERSEN again voted "aye," Mr. DIRKSEN voted "aye," Mr. HORAN voted "aye." Mr. PHILLIPS voted "aye," Mr. PLUMLEY voted "aye," Mr. TABER voted "aye," Mr. ARENDS voted "aye," and Mr. HALLECK voted "aye." Have you ever heard of such rubber stamping?

Aye! Aye! Aye! Aye for everyone!

And on this same day you bring in an appropriation bill to kick the slats out of the American farmer to the tune of $400,000,000.

Aye! Aye! Aye! for European relief—No! No! No! for American farmers—so say the Republicans.

Those are the men who would deny 49,000 veterans of this country a loan through the farm-tenant-purchase program to start a home and a family; who would deny research for agriculture; who would refuse to pay in full committed AAA payments; who would deny electricity to our farm people, all in the name of economy. Well why did not you think of that when you were giving so much to Europe.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. DIRKSEN. Mr. Chairman, we are seeking to expedite this bill. I regret extremely that I must object.

Mr. ABERNETHY. Well, I know it hurts and am sorry you cannot stand more of it. If this is the kind of economy we are going to have, Mr. Chairman, I do not want any of it. You Republicans are committing political hara-kiri. I wish I could sympathize with you but I cannot.

The Clerk read as follows:

BUREAU OF AGRICULTURAL ECONOMICS

For necessary expenses, including not to exceed $1,887,000 for personal services in the District of Columbia, including the salary of Chief of Bureau at $10,000 per annum, and not to exceed $1,000 for the purchase of books of reference, periodicals, and newspapers, as follows:

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Mississippi [Mr. WHITTEN] will at the proper time offer an amendment to restore the $25,000,000 taken away from the tenant-purchase program. The appropriation for the Farmers Home Administration, an agency of the Government which was created just last year.

It took over the functions of the Farm Security Administration, which was in disrepute, and also the functions of the Emergency Crop and Seed Loan offices. After the Farm Security had gotten into disrepute, the Administrator resigned and a former Member of the House of Representatives, Hon. Frank Hancock, was appointed Administrator. When he resigned, after making a very fine record, Mr. Dillard Lasseter, of the State of Georgia, took over, and he became the first Administrator of the Farmers Home Administration.

This economy-minded Republican subcommittee, after lengthy hearings, provided $25,000,000, the budget having recommended $35,000,000. After the bill was reported they went back, and instead of making a scientific cut they dug up this agency, roots and runners. As the gentleman from Mississippi [Mr. ABERNETHY] has just said, 49,000 veterans of World War II who have applications now on file and who desire to purchase farms and avail themselves of this very beneficial legislation, will be disappointed and disgusted.

Although I happen to be the author of a bill, the Farmers Home Administration bill, and although I was chairman of the subcommittee of our committee to investigate the Farm Security Administration, I know I am not the only friend of that agency in the House of Representatives. I know that the agency has many friends in the Republican Party and among the membership of this House generally. I think Mr. Lasseter has done a magnificent job. He has accomplished many economies, and has made an excellent record. Members of both parties should be willing to trust him in the further administration of this program.

It seems to me it would be almost a tragedy for the House to disappoint the 49,000 veterans who are now waiting for an opportunity to purchase a farm home and start themselves in the business of farming.

I appeal to the Democrats and likewise to the Republicans to support the Whitten amendment, when it is offered, and

restore this $25,000,000. I know the Republicans of the House Committee on Agriculture were just as friendly to this agency as the Democrats. I know what the answer will be when the gentleman from Illinois [Mr. DIRKSEN] comes to the well of the House. He will tell the House and the country that Mr. Lasseter has done an excellent job and that Frank Hancock likewise did a fine job as Administrator. He will tell you that the collection record is superb. I have detailed information which I will place in the RECORD but which my time will not permit me to discuss now. He will try to justify the action of this committee by saying that after his committee had given careful thought to the matter, President Truman wrote a letter to Secretary Anderson suggesting that Mr. Anderson call a Nation-wide conference, a conference of all of the officials of public and private lending agencies engaged in making loans to farmers on real property.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, when that letter was received, and publicity was given to it, the idea went abroad that the President was afraid we were going into some sort of inflationary spiral in farm-land values. All of us know that if we have inflation in the rural sections of the country, certainly we have inflation in the cities of America. If we are going to deprive the farmers of America of an opportunity to buy farm homes, certainly we should repeal all veterans' legislation which is now on the books. We should do away with many of the features of the GI bill of rights, because certainly no Member would be justified in discriminating between veterans in the city and veterans in the country.

Going back to the argument which the gentleman from Illinois [Mr. DIRKSEN] will make—and it is easy for me to anticipate his argument, because I heard his statement before the Rules Committee, and I have read the report—a little supplemental report that they put in here—but the effect of it was to destroy absolutely the tenant-purchase program. His suggestion is that he and the Republicans on his committee are trying to follow Mr. Truman and strengthen his arm as he is trying to retard and control the forces of inflation on the farm. Now, the fact is, I have here a letter from Secretary Anderson. I checked with him. He checked with the White House and the White House checked with Mr. Truman in Kansas City. I will read it to the House for your consideration:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 27, 1947.

Hon. HAROLD D. COOLEY,
House of Representatives.

DEAR MR. COOLEY: In reading the report to accompany H. R. 3601, the bill making appropriations for the Department of Agriculture, we find that while $50,000,000 was available for farm tenant loans for the fiscal year 1947, and while the budget submitted an estimate of $35,000,000 for 1948, the Appropriations Committee has deleted the entire amount. This action is accompanied by a statement of the committee that the committee remains a firm friend of the farm tenant loan program and suggests that its action in eliminating the appropriation should strengthen the hand of the President in his current move to halt the excessive inflation of farm land values.

On May 16 the President directed a letter to me expressing his deep concern about the recent rise in farm real estate prices. He was careful to point out that while 24 States had real estate values which are now above the inflationary peak of 1920, there was yet time to prevent further inflation in farm real-estate prices and the overexpansion of farm debts. He suggested an early conference for consideration of the problem.

I know from my discussions with the President, both prior and subsequent to the sending of this letter to me, that by his suggestion for a conference on the farm real-estate situation, he did not desire nor intend to destroy the farm tenant purchase program. Since the report of the Appropriations Committee was issued I have rechecked this with the President and find that he is strongly opposed to a curtailment of the farm tenant program to any point lower than the figure carried in his budget. Many veterans returning from the war have been able to find farms which they can purchase at noninflated prices, sometimes from aged parents who have lived a long time on the farm and are quite ready to retire. We now have pending 83,997 applications for the purchase of farms under the farm tenant program, of which number 41,560 are from veterans.

The record of the Department shows that during the past year, using the appropriations made available a year ago, we have been able to help tenant farmers acquire land under this program at an average of only $3 per farm more than a year ago. These loans to veterans and others are made under a policy which recognizes the long-time earning value of these lands, and purchases made on that basis do not contribute to inflation, but on the contrary set a pattern for the sound transfer of farm real estate from one owner to another. We need that good example and I hope that the Congress will restore the $35,000,000 carried in the President's Budget for the purpose of making these self-liquidating loans on which the repayment record is extremely good.

Sincerely yours,

CLINTON P. ANDERSON,
Secretary.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. In addition to that, I know everybody in this House should be interested not only in the views of the Secretary of Agriculture and the President of the United States, but I venture the assertion that the House Committee on Agriculture is still quite friendly to this item and I believe that the gentleman from Illinois is likewise favorable to the tenant-purchase program. I believe he will be frank enough to tell the House that collections have been excellent under the management of Mr. Lasseter.

I do not want the House to be led astray by thinking that in cutting out this item they are strengthening the arm of the President. You have just heard a letter that came almost directly from Mr. Truman. It came to me through Clinton Anderson, a former Member of the House and a splendid Secretary of Agriculture.

I have here another letter which I will place in the RECORD at this point but which I will not take the time to read. It comes from the American Veterans Committee.

(The letter referred to follows:)

THE AMERICAN VETERANS COMMITTEE,
Washington, D. C., May 27, 1947.

Hon. HAROLD D. COOLEY,
House Office Building,
Washington, D. C.

DEAR REPRESENTATIVE COOLEY: The 1948 agricultural appropriation bill reported by the House Appropriations Committee in effect denies qualified veterans with limited capital resources the opportunity of entering the farming business. By eliminating funds for direct loans from the farm-tenancy provisions of the proposed bill, the committee has deprived veterans of the right to purchase farms under the Bankhead-Jones Farm Tenant Act, a right assured them under the GI bill of rights.

The American Veterans Committee urges the immediate restoration of the $25,000,000 appropriation recommended by the Appropriations Subcommittee for this purpose.

Two out of every three veterans working in agriculture when they entered the armed forces have returned to farms. This group includes over a million veterans, many of whom desire to become farm owners. We believe that they should be given every opportunity to achieve this objective.

The Servicemen's Readjustment Act of 1944, as amended, makes veterans eligible for loans under the Bankhead-Jones Farm Tenant Act. The Bankhead-Jones Farm Tenant Act, as amended, further augments veterans' opportunities of becoming farm owners by giving them preference over nonveterans. This act also provides for special farm-purchase loans to disabled war veterans.

Under these authorities, the Farmers Home Administration has made over 4,300 farm-purchase loans to veterans and had on hand over 40,000 additional applications from veterans as of April 30, 1947. Over 50 percent of the farm-purchase loans made this year were to veterans.

The committee report justifies the elimination of direct farm-purchase funds on the basis that such loans are too inflationary. Without careful selection of farms this statement could become a reality. We firmly believe, however, that a minimum of $25,000,000 could safely be loaned to veterans who desire to purchase farms from relatives and others at less than current market prices, to veterans who need to develop and improve farms they already own, and veterans who are able to purchase farms in areas that have not been seriously affected by high land prices without adding to the inflationary trend. Farm-development loans particularly are anti-inflationary because such loans are used to make improvements such as drainage, land clearing, and building repair and construction, and do not involve the purchase of land.

A veteran entering the farming business needs assistance in selecting his farm and in planning his farming activities during the first few years of his new occupation—a highly specialized and competitive one. Also, as a result of his military service, he has had little opportunity to accumulate sufficient capital to make the down payment needed to qualify for a loan from other sources. In order to give veterans a fair chance to purchase farms and to obtain assistance needed to become firmly established in this business, we strongly urge that

a minimum of $25,000,000 be appropriated for direct farm-purchase loans under the Bankhead-Jones Farm Tenant Act and that adequate funds be provided for effective administration of the program.

Sincerely yours,

CHAT PATERSON,
Legislative Representative, American Veterans Committee.

Mr. COOLEY. The American Legion is in favor of this item.

I believe that every labor organization in America and every farm organization in America is in favor of restoring this item to this bill.

I will hereafter submit for your consideration the agricultural policies of the American Legion and the Veterans of Foreign Wars.

This 1948 agricultural appropriation bill, as reported by the House Appropriations Committee, proposes to eliminate direct loans from the farm-tenancy item, thereby denying qualified veterans with limited capital resources the opportunity of entering the farming business.

Two out of every three veterans working in agriculture when they entered the armed forces have returned to farms. This group includes over a million veterans, many of whom desire to become farm owners. I believe that they should be given every opportunity to achieve this objective.

The Servicemen's Readjustment Act of 1944, as amended, makes veterans eligible for loans under the Bankhead-Jones Farm Tenant Act. The Bankhead-Jones Farm Tenant Act, as amended, further augments veterans' opportunities of becoming farm owners by giving them preference over nonveterans. This act also provides for special farm-purchase loans to disabled war veterans.

Under these authorities the Farmers' Home Administration has made over 4,000 farm-purchase loans to veterans and had 49,235 additional applications from veterans, as of March 31, 1947.

A veteran entering the farming business usually needs assistance in selecting his farm and in planning his farming activities during the first few years of his new occupation—a highly specialized and competitive one. Also, as a result of his military service he frequently has had little opportunity to accumulate sufficient capital and to make the necessary down payment to qualify for a loan from other sources. In order to give veterans a fair opportunity to purchase farms and to obtain assistance needed to become firmly established in this business I strongly urge that a minimum of $25,000,000 be appropriated for direct farm purchase loans under the Bankhead-Jones Farm Tenant Act and that adequate funds be provided for effective administration of the program. Failure to provide these funds will, for many veterans interested in farming, deprive them of a right assured them under the GI bill of rights.

The committee report justifies the elimination of direct farm purchase funds on the basis that such loans are too inflationary. Without careful selection of farms this statement could become a reality. I firmly believe, however, that a minimum of $25,000,000 could safely be loaned to veterans who desire to purchase farms from relatives and others at less than current market prices, to veterans who need to develop and improve farms they already own, and veterans who are able to purchase farms in areas that have not been seriously affected by high land prices without adding to the inflationary trend.

To perform the combined and increased functions heretofore performed by predecessor agencies the Farmers Home Administration will have fewer employees in 1948 than Farm Security had at the time of consolidation. The appropriations made available for the separate operations prior to the consolidation provided for 9,590 full-time employees—8,377 in Farm Security and 1,213 in the Emergency Crop and Feed Loan Division. Through the merger this number has been greatly reduced. All 23 regional offices of the Farm Security and Emergency Crop and Feed Loan Division were abolished by May 1, 2 months prior to the date required by the act.

Requests have been made for $35,000,000 for direct loans for 1948 as compared with $50,000,000 for 1947.

Fifteen million dollars has been requested for the purpose of activating the farm mortgage insurance program.

It is intended to emphasize the farm mortgage insurance program. However, it will still be necessary to make loans from Federal appropriations as it will be necessary to take care of veterans' needs, many of whom do not have the necessary down payment to qualify under the mortgage insurance plan. Indeed the most urgent question with respect to the use of loan funds is the extent to which such loans will be available to veterans of World War II now seeking to establish themselves on family-type farms.

As of May 31, approximately 49,000 veteran applications were pending as compared with approximately 8,000 1 year ago. In order to comply with the veteran preference provision of the act nonveteran loans have been suspended in more than 16 States.

It has been necessary to channel practically all remaining funds into veteran loans during the last quarter of the year. Increase in number of veteran loans is emphasized by the fact that only 211 loans were made in the first half of 1946, whereas 1,495 were made in the first half of 1947. Approximately $28,000,000 had been obligated as of February 28, with expectation that the principal portion of the original $50,000,000 authorization would be used by June 30. Of the amount obligated to date, more than half has been made to veterans and the remainder to nonveterans. There are above 40,000 nonveteran applications pending as of this date.

The crop year 1945, which is the latest period for which complete collection returns are available, was the best year up to that date from the collection standpoint. Seven million four hundred and eighteen thousand one hundred and twenty-nine dollars would have been required in 1945 to meet payments due on the basis of equal annual installments, but borrowers actually paid $18,131,313 in 1945 which is $10,713,184 more than schedule. From the beginning of the program active variable payment borrowers had made cumulative payments of $42,667,556 as against $24,299,786 which would have been due under a fixed payment contract. Sixty-eight percent of the variable payment borrowers were ahead of schedule by an average amount of $1,021 or approximately four annual installments. Sixteen percent of the borrowers were exactly on schedule. Sixteen percent were behind schedule by an average amount of $259 or about the equivalent of one annual installment.

The effect of the proposed cut in personnel of the Farmers Home Administration can only be fully understood by taking into consideration the previous reductions made in the personnel of the Farm Security Administration, predecessor to the Farmers Home Administration, and the total job now assigned to the Farmers Home Administration by the Seventy-ninth Congress.

In the fiscal year 1942, the Farm Security Administration had 19,045 full-time employees. The President's budget estimate for the fiscal year 1948 requested $30,000,000 with full-time employees totaling 8,219. The committee bill reduces the amount for salaries and expenses to $18,000,000 which will provide for less than 4,800 employees. In other words, without taking into consideration the employees or the functions of the Emergency Crop and Feed Loan Division of the Farm Credit Administration, which were transferred to Farmers Home Administration, the reductions in Farm Security Administration alone from 1942 to 1948 under the President's budget estimate would be 10,826 employees or 56.9 percent. Under the House bill the reductions since 1942 would be 14,245 employees or 74.8 percent. Taking into consideration the personnel of the Emergency Crop and Feed Loan Division, the committee bill represents a reduction of 15,523 or 76.4 percent since 1942.

This agency was established by an act of Congress on August 14, 1946, after thorough investigation, will have on next July 1, assets to be serviced during the fiscal year 1948 totaling approximately $800,000,000 including loans outstanding to more than 1,200,000 farm families. In addition, the President's estimate provided for new loans and insured mortgages totaling $141,505,000. On the basis of the President's budget, the administrative and operating costs of this agency represent 3.3 percent of the assets to be serviced and the loans to be made in 1948.

The loans made by this agency are to the small farmers who cannot obtain suitable credit from any other source. The proposed reduction will not only lessen the opportunity for these small farmers of our Nation to succeed, but will seriously impair the Government's investment in the loans outstanding. Such reductions can only result in losses of public funds direcly attributable to insufficient personnel for collecting outstanding Farmers Home Administration accounts.

The committee seeks to force a drastic reduction in the personnel of the Farmers Home Administration, a reduction of from 8,400 to 4,250. The result will be that the Administrator will have only

2.4 percent of the total assets to be administered for administrative purposes. Certainly we have no right to expect the agency to be administered properly and managed with such limitation upon funds for administrative purposes. The result will be a very substantial loss to the Federal Government, but perhaps this is the Republican Party's idea of economy. You economy-minded Republicans are having a field day, but the country will know what you are doing to the farmers of the Nation and to the welfare of the people of this Republic. You are wrecking the farm program and you know it, but you seek to justify your action in the name of economy. You are not saving money. You are actually wasting money. You are not keeping faith with the veterans. You are breaking faith with them. By failing to provide $300,000,000 for soil conservation you are taking from the farmers of America the money you promised them. You are repudiating your own obligations to those who live on the farm. You know that you are violating all of the established rules of the House and invading the prerogatives of the legislative committee, for which you seem to have very little regard, and you are doing all of this merely because you have the votes and the power to do it. There will come a day of reckoning and each of you will have to defend your position before the farmers of your districts. The responsibility is yours, and here and now you must assume it.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Clerk read as follows:

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

Salaries and expenses: For necessary expenses for the Office of Foreign Agricultural Relations and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including personal services in the District of Columbia and not to exceed $500 for newspapers, $628,000.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 13, line 4, strike out "$628,000" and insert "$428,000."

Mr. PHILLIPS of California. Mr. Chairman, this is just a little effort on my part to improve the services of one agency in the Department of Agriculture. Eleven years ago we gave this agency $180,000 a year. Ten years ago, when it was a much better agency from the standpoint of the farmer, we gave it $380,000. We had in those days men like Fred Motz, Leo Mallory, Walter Schreiber, Nick Nielsen, Harry Reed, and Lloyd Steere, men who made names for themselves all over the world, men whose records were so accurate that they were used by the foreign governments in whose countries they served.

Today we have a sort of adjunct to the State Department furnishing us with reports that are, as I said yesterday, often more of historic value than for immediate use.

I am simply suggesting that if we had a better agency at $380,000, perhaps if we cut them back to $428,000 we will get a better one than we have now. Les Wheeler can run a good office. He has in the past and he can again. Getting less may encourage the Secretary of Agriculture to see that this does not continue to be an appendix to the State Department, but that it becomes again an office of the Department of Agriculture, standing on its own feet, giving a service useful to the farmers, and of which the farmers may be proud.

I ask for an aye vote on my amendment to reduce this amount by $200,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

The Clerk read as follows:

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat and meat-food products, $5,000,000, for deposit in the Treasury of the United States as a working-capital fund, without fiscal-year limitation, to be designated as the "Meat inspection fund," which shall be available for all expenses necessary to furnish an adequate and efficient inspection or service, and hereafter every person, firm, public agency, or other organization furnished inspection or service under said laws, including inspection of meat and meat-food products offered for import or export and the inspection of horse meat and horse-meat products, shall pay the United States therefor in accordance with regulations prescribed by the Secretary of Agriculture and at rates and fees to be fixed by him, which payments, to be deposited in the meat-inspection fund, shall provide full reimbursement for the estimated cost attributable to the furnishing of such inspection or service, including scientific and technical investigations and laboratory services; investigations relating to violations of, and authorized exemptions under, the laws relating to Federal meat inspection; supervisory, administrative, statistical, business management, and other costs; personal services in the District of Columbia and elsewhere, without regard to section 607 of the Federal Employees' Pay Act of 1945, as amended; rent in the District of Columbia and elsewhere; purchase and hire of passenger motor vehicles; printing and binding, including the purchase of printed tags, labels, stamps, and certificates as authorized by the act of September 21, 1944 (7 U. S. C. 431); and other necessary expenses: *Provided*, That the Secretary of Agriculture may require advance payment, posting of bonds, or other assurance of payment, in order to protect the interest of the United States, and may withhold or withdraw such inspection or service for nonpayment of charges or fees, or failure to provide the required assurance of payment: *Provided further*, That inspection or other technical services may be rendered to Government and other public agencies, upon request, under the terms and conditions herein provided: *Provided further*, That a schedule of obligations and reimbursements of the meat-inspection fund, as of the close of the last completed fiscal year, and as estimated for the current and ensuing fiscal years, shall be included in the budget as submitted to Congress annually: *And provided further*, That payments shall be made for inspection or service rendered on and after July 1, 1947.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 23, line 12, strike out the paragraph down to and including line 5 on page 25.

Mr. HOPE. Mr. Chairman, this amendment, if adopted, will strike out the provision in the bill relating to meat inspection. Heretofore, as everyone knows, meat inspection has been carried on by the Bureau of Animal Industry at public expense. Under this amendment a revolving fund will be set up and thereafter the packers and processors would be charged a fee for the inspection made by the Federal inspectors.

We have had meat inspection for many years. It is a health measure for the protection of the public and is compulsory as far as meat transported in interstate commerce is concerned. No one will deny the fact it has been effectively and efficiently conducted.

If this amendment is adopted it is contended that for this year something like $6,000,000 will be saved the Treasury of the United States, but no one knows how many millions of dollars we may lose if it results in ineffective inspection. No one knows what effect it may have upon the public health of the country if it impairs the effectiveness of the inspection.

It is my contention inasmuch as meat inspection was instituted for the benefit of the public and the public health it should be paid for by the public and that has always been the theory on which we have proceeded heretofore. It will be said that we have other inspection services where the industry pays the fee. I think that is well stated about the fish industry. I know it is true of the fruit and vegetable inspections that we have. But let me call attention to the fact that as far as other agricultural commodities are concerned like fruits and vegetables, inspection is a voluntary matter, it is not required, it is a service furnished by the Department of Agriculture for the benefit not of the public but of the industry in order to enable the industry to merchandize the commodity on a quality basis. It is a benefit to those who pay the inspection fees.

I do not think anyone knows what will happen if we adopt this amendment. I assume that probably some packers who are now engaged in interstate commerce on a small scale may decide that they will stay within the State in which they are doing business, and to that extent the amount of meat which goes into interstate commerce and is inspected may be cut down. In the case of the large packers they, no doubt, will have to go ahead and pay the fee, but every one of us knows that that fee will be passed on either to the consumer or passed back to the farmer; in most cases it will probably be the latter. At any rate, the public that is paying it now will continue to pay it, whether we pay for it in the form of Federal appropriations, as it should be paid, or whether it is a charge which is assessed by the packer against the public or the farmer.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Washington.

Mr. HOLMES. This is an extremely important problem in relation to the public health, and it is extremely important to the problem of the transport of meat in interstate commerce.

Mr. HOPE. It is.

Mr. HOLMES. Do not these facts add to the importance of the amendment that the gentleman is proposing?

Mr. HOPE. This is, of course, a very important matter from the standpoint of public health, but no one in the House, unless it is the members of the Subcommittee on Agricultural Appropriations, knows anything about whether this thing will work or not. No one knows what the effect will be upon the public health. No one knows what the effect will be upon the farmer if the costs are pushed back onto him. No one knows what the effect will be upon the consumer. I hope that amendment will be adopted.

Mr. HORAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I happen to be an apple and pear grower out West. We have compulsory certification of every apple that leaves the State of Washington. The industry pays for all of that inspection. We do that, of course, naturally in defense of our own industry, because in that way we can provide and assure the consumer of our products that everything is in line with Federal-State inspection. The same thing is true of several other industries. It is true also that the industry itself is one of the chief beneficiaries of Federal-State inspection. What we are discussing here is a service to the meat industry for which, so far, the public has been paying out of general funds. I submit that that is manifestly unfair. It is not moral for an industry to have this benefit and not pay its just share.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not a fact that the fruit growers in the gentleman's area are highly organized, and is it not a fact that the gentleman is now addressing himself to a situation which exists in the Wenatchee Valley, and that you are highly organized, and you have a great cooperative enterprise out there, and that you pay your way? But, when you are dealing with meat you are dealing with something that has to do with every township in this country, and there is no way on earth for them to organize as the apple growers are organized.

Mr. HORAN. May I answer the gentleman in this way: It is not the intention of the Subcommittee on Agricultural Appropriations to change any dot or dash in the present system of inspection. All we are dealing with is the fiscal element as to who shall pay for this service. And I might say that we have been in complete agreement in our action by those responsible in the Department of Agriculture.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Kansas.

Mr. HOPE. I just want to say to the gentleman that that is not the information I have from the Department of Agriculture in regard to this work. They tell me they do not favor it.

Mr. HORAN. I do not want to belabor this point too much, because I am not closing debate on this subject. But I want to say that when we asked the gentlemen of the Department whether they could carry on this work under another arrangement, they assured us they could.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from California.

Mr. PHILLIPS of California. Did not Congress just a short time ago apply the same formula to the inspection of other commodities? I have fish in mind. I think there were others.

Mr. HORAN. Certainly; I understand they did.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I should like to ask this, and I do not know the answer to it. After the department with its $5,000,000 of funds makes an inspection and bills the producer or the packer for it and he does not pay it, what then? Would the department then refuse to inspect him thereafter, or what would be the answer to it, if the gentleman knows? I am serious about it.

Mr. HORAN. I can assure the gentleman from Mississippi there is no danger of a meat packer or anyone else not paying the bill. I can speak from experience on that item. If you want to ship in interstate commerce and there is a just invoice against your name or your firm, you are going to pay that bill. We are not talking about unjust invoices.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman suggested that the industry would pay the cost under the terms of this bill. The gentleman did not explain what was meant by the industry. That means it will be passed back in proportion to the meat producer in this case.

Mr. HORAN. That will be paid, as all things are paid, by the buyer on a sellers' market, or the seller on a buyers' market. That is economic law that even the very able and distinguished gentleman from Texas cannot argue me out of.

Mr. POAGE. That is right, but in the case of an industry like meat it means the producer and not the consumer, and not the processor, does it not? It means as far as meat is concerned that the producer is going to pay the bill.

Mr. HORAN. We have that same problem in the fruit industry. I do not think the present action on the part of the Congress in passing this on in an unjust way to the general public is a solution. Not at all.

Mr. HILL. Mr. Chairman, will be gentleman yield?

Mr. HORAN. I yield to the gentleman from Colorado.

Mr. HILL. How will this work regarding the small factories in the small towns and the small communities?

Mr. HORAN. Exactly as it works today, because we have not changed the system one bit.

Mr. HILL. But you will change the system. That is what worries me.

Mr. HORAN. No, we will not; we will not change it one bit.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes, the last 5 minutes to be reserved to the committee.

Mr. HOPE. Mr. Chairman, this is an important amendment. I think it ought to be more fully discussed. It ought to be considered by the Committee on Agriculture rather than in this summary way. I object.

Mr. WORLEY. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk again reported the amendment.

Mr. COOLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as the gentleman from Kansas has just said, this is an important amendment. I know that even the economy-minded Republicans of this House do not want to take any action which might jeopardize the health of the people of this country. The matter should be considered by our committee, the legislative committee, the integrity of which is now greatly imperiled if not permanently impaired.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman has just stated that the purpose of meat inspection is to protect the public, and that is the consumer. There would be just as much meat consumed in the United States if there was not a bit of it inspected.

Mr. COOLEY. I think the gentleman is correct.

Mr. POAGE. But there will probably be a good many people who will buy it in every city. Therefore, it is not for the benefit of the producer that we inspect meat, but for the benefit of all the people in the United States.

Mr. COOLEY. The gentleman is entirely correct.

Mr. POAGE. This bill as now written would place the burden, which is for the benefit of all the people, upon a small group of people who produce the meat. Is that not correct?

Mr. COOLEY. The gentleman is exactly right.

We are dealing with steers, bulls, and hogs, and the health and welfare of the American people, and, frankly, I feel that this economy bloc has actually gone "hog wild."

We have a very distinguished Republican on our committee, the gentleman from Indiana, Dr. GILLIE, who, unfortunately, could not be here today. He was here yesterday and in executive session discussed the great importance of meat inspection. Dr. GILLIE, I know, is regarded most highly by you Republicans. I know he is esteemed highly by his Democratic collegues. He is a veterinarian and spent years of his life in this particular work, the inspection of meat.

Were he here today, I am sure he would support the gentleman from Kansas [Mr. HOPE], the chairman of our committee, in presenting this amendment.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to my chairman.

Mr. HOPE. The amendment which I offered was offered at the request of the gentleman from Indiana, Dr. GILLIE. Had he been here, he would have offered the amendment himself.

Mr. COOLEY. I am glad to hear that.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. PACE. I am sure the gentleman would want to complete the record by explaining the reason for the absence of the distinguished Member from Indiana, Dr. GILLIE.

Mr. COOLEY. The gentleman from Indiana, Dr. GILLIE, is attending the funeral of our beloved colleague in Indiana, which explains his absence.

If we have a distinguished veterinarian on our committee who, as Mr. HOPE says, was the author of this amendment, if we are not going to follow him, and if we are not going to follow the distinguished Chairman of the Committee on Agriculture, it seems to me it is unfortunate. Certainly we cannot be talking partisan politics when we are dealing with a matter that is vital to the life and welfare of the people of the Nation.

I do not question the good faith of Members when they say that the costs should be paid for by the packers, but actually we know that it will be paid by the public. The big packers will pay the bill. They will label the meat and sell the meat. But what about the little packer in the rural districts? They are going to sell the meat whether it is inspected or not, and the people will have to pay.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HORAN. I want to impress upon you once again that this does not change the system of inspection. It merely changes the matter of payment and by whom the payment shall be made.

Mr. COOLEY. It merely changes who pays the freight?

Mr. HORAN. That is right.

Mr. COOLEY. The gentleman knows full well that the rich, powerful co-ops, such as you have in the fruit area of your district in Washington, can well afford to pay the bill.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HORAN. I do not belong to a cooperative but I am speaking in behalf of the system which I think is just.

Mr. COOLEY. I think the gentleman has done a magnificent job here in Congress for the apple growers of his district. If the meat producers of America were as closely organized and as well financed, perhaps they could pay the bill. But we are going to have hog killings in every township and bull yearlings strung up to trees throughout the country, and going to market without any inspection. Yesterday when Dr. Gillie talked to us, he painted a very horrible picture of the possibilities of this legislation. He talked about tubercular meat and meat diseases of every kind known to the animal industry. He spoke about the animals being slaughtered and sold to the consuming public. The life and certainly the health and welfare of the people of the Nation are at stake in this amendment and the public should pay for inspection from the Treasury of the United States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have the highest regard for the chairman of the subcommittee and his associates. I am willing to economize as much as they are, and probably more, when it comes to appropriations for Agriculture. But when it comes to jeopardizing the health of the American people, then I must take issue with them.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. HORAN. I want to ask the gentleman if action on this bill changes any law by which a man can be put in jail for selling diseased meat.

Mr. AUGUST H. ANDRESEN. No; because the organic law requires that all meat flowing in interstate commerce shall be inspected. But what will happen if this provision goes into operation and the appropriation is denied. You will see hundreds of new small packing plants rising within the different States, doing solely intrastate business, where they are not subject to inspection, and you will also see a great deal of bootlegging, where the meat will be transported across the lines of different States and people will not know the kind of meat they are getting.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. WOODRUFF. I believe the gentleman's State is just as careful and just as particular in preserving the health of the citizens of that State as is the State of Michigan. I wish to say to the gentleman that in the State of Michigan every killing that is made at any plant in that State that is not inspected by Federal inspectors is inspected by State inspectors.

Mr. AUGUST H. ANDRESEN. I am glad that they have it in the State of Michigan. But when this law was originally enacted it was for the protection of the public so that all meat going into interstate commerce would come under Government inspection and people would know that they were getting good meat that was free from disease and fit for human beings to eat.

I believe the situation is a little different here than it was with pears and apples. Meat is a highly perishable commodity. The inspection must be made immediately after the animal is killed so that the insides of the animal can be examined to determine whether or not the animal was diseased. After the inside is taken out, oftentimes you are not able to discover whether that animal had any disease or not. So I say to you that this is a measure that is in the interest of the public health. If there is any laxity in the enforcement of it, then there may be a complete breakdown in the distribution of good healthy meat throughout this country.

I dislike very much to see our intrastate system of meat distribution broken down and substituted by a lot of small tree slaughterers and others, like happened in the OPA days, when a great deal of diseased meat was sold throughout this country. We owe it to the people to protect them. I am sure there are more people eating meat than are eating pears and apples in the State of Washington and other States.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. MURRAY of Wisconsin. I would like to ask the gentleman as to what percentage of the meat of the United States at the present time is under Federal inspection.

Mr. AUGUST H. ANDRESEN. I do not have the exact figure, but I assume it is at least 50 percent.

Mr. DIRKSEN. I will tell the gentleman. It is 70 percent.

Mr. AUGUST H. ANDRESEN. I thank the gentleman. Seventy percent of the meat of the country is federally inspected.

Mr. MURRAY of Wisconsin. Not under Federal inspection?

Mr. AUGUST H. ANDRESEN. I leave it to the distinguished chairman of the Committee on Appropriations who has said it is 70 percent. This demonstrates that a large portion of the meat sold to to the American people is federally inspected and goes out with a Federal stamp placed there by a man paid by the Federal Government so that the meat is good and wholesome and from an animal that was free from disease.

I urge support of the amendment for the benefit of the health and welfare of all consumers.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

Mr. SHEPPARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I find myself in this instance going along with other members of the subcommittee. I think this is one of the pertinent places in this bill where the taxpayers' money can be saved upon the basis of a true economic approach. There has been much discussion about who was going to pay the freight if this language stays in the bill. I think anybody who is conversant with the procedure of the way costs are passed along to the consumer, knows that eventually the consumer is going to pay this cost. As far as any Member being concerned about a great consumer constituency being poisoned, I would like to suggest that the Member refer to his county and to his State legislative bodies and have enacted proper legislation for meat inspection. I do not think there is any legitimate reason to be concerned along that line.

I am opposed to the amendment and request the House to vote it down. I yield back the remainder of my time.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier in the day.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SHEPPARD. Mr. Chairman, I yield back the balance of my time.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have listened to this discussion with a great deal of interest because I have been interested in the livestock business all my life. It so happens that I have been through the packing houses in Chicago numerous times; I have been on the killing floors and have seen the inspectors work following the beef, pork, or mutton, from the live animal down to the finished product.

When the Meat Inspection Act was first passed the whole packing industry of the United States, unjustly I think in large measure, was under very severe attack. It might be said that the original act was almost punitive in character, but it has worked out exceedingly well and the meat inspection has been exceedingly well done. Today every reputable packer wants the inspection, as well as the consumers who understand the importance of having healthy beef, mutton, or pork.

Some fear has been expressed lest if we transfer the burden of the cost from the Federal Treasury to the industry, a lot of little packing plants will spring up all over the country situated within State borders who will avoid this burden by not engaging in interstate commerce. As a matter of fact, Mr. Chairman, it is almost impossible that a thing like that should happen for this reason: a modern packing plant cannot be prosperous unless it engages in the production of byproducts as well as in the original slaughter of live animals, and if they engage in the production of byproducts they must be shipped in interstate commerce and that automatically brings them within the inspection law. The day has long since gone by where the little slaughterer is contented with merely killing the steer and burying the hide, the bones, and the offal and selling only the meat. That day has gone by long since.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. AUGUST H. ANDRESEN. It is less than a year ago since that very thing was taking place.

Mr. WADSWORTH. And it was taking place only because of the OPA price ceiling on live animals which created an artificial condition which, thank God, no longer exists.

Mr. AUGUST H. ANDRESEN. I agree with the gentleman.

Mr. WADSWORTH. That took place under the black market; but you cannot have a black market in the free market, and that is what we have today. The man who is going to engage in the livestock industry, be he producer, farmer, rancher, or processor, or the final marketing outlet, wants his product well thought of by the consuming public. When a consumer goes into the butcher shop and sees on the side of a piece of meat "U. S. No. 1" that is the meat he wants; and every packer, great or small, knows that.

All we do by this proposal is to say that the industry, being one of the great beneficiaries of the inspection service, ought to carry the burden of the cost. Every other industry carries the burden of the cost of inspection. I have been in the Chicago yards time and time again and have purchased live animals to be shipped home. Some had to be inspected for tuberculosis. Who paid the cost of inspection? I did. Should I not? Whose beef was it?

That is all this amendment does. I think it is wise and consistent.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. AUGUST H. ANDRESEN. On the same theory that the gentleman paid for the inspection of cattle, then the consumer should pay for the inspection of the meat.

Mr. WADSWORTH. I am a consumer. The consumer eventually will pay anything that is part of the cost of production.

Mr. AUGUST H. ANDRESEN. Either the consumer or the purchaser.

Mr. WADSWORTH. One or the other, yes. Between them it will be paid. You never can tell where it is scattered. That is true of all expenses. When I buy a pair of shoes in a store here in Washington I pay part of the rent of the store. I do not know to what extent that happens, but it happens in all business. There is nothing new or strange about that. It always happens.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Did the packers appear before the committee and present their opinion on this particular change?

Mr. WADSWORTH. I do not know. I was not a member of the committee.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I hesitate to take the time of the committee now and further I hesitate to disagree with the distinguished gentleman from New York. I rise in support of the amendment. May I say to you this afternoon in these United States that the livestock industry of this country has been built up because of the quality of the products we sell to the people of our country. If we adopt the legislation as offered by the committee we are going to upset the whole meat-inspection program that we have been using for these many years. Not longer ago than day before yesterday I spoke to a member of this committee who is a veterinarian of high standing. He feels the same as I do. He feels that we better leave these regulations as they are. If we are going to change the meat-inspection law, let the bill come in as a separate bill, be referred to the proper committee, and have all the parties to the controversy given a chance to be heard. That is the very thing I objected to in connection with the rule on this bill. The rule covered a straight 100-percent piece of legislation. This is not an appropriation item at all. The consumers do pay for this inspection. We have been paying for this inspection and we are not objecting. No member of this committee has objected to paying for this meat-inspection service.

I want to ask, Where is the pressure coming from to change it? Where is it coming from to change our meat-inspection regulations. If you want a change in the meat-inspection laws, put it in a legislative bill; if there are people who wish them changed from the livestock industry, from the packing industry, from the consumers, let us have hearings where all can give their testimony.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Washington.

Mr. HOLMES. Does the gentleman think that that very important stamp on the dressed carcass of an animal marked "U. S. Inspected" would continue to be used as widely and as thoroughly as it is being used now?

Mr. HILL. It would not mean a thing. Today it is the United States of America behind that stamp. If you adopt this amendment you will still have it. If you do not adopt it you could easily loose the real quality and general benefit of this most efficient service.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN of Missouri. Mr. Chairman, while I represent a wholly metropolitan district, where you do not find farmers, I am also interested in the welfare of the farmer. I dislike to see our farm program crippled. It has been demonstrated many times in our history that the prosperity of the people in the cities is in a large measure dependent upon the prosperity of the people on the farms. We have come to find in our economy that what hurts one group often reflects itself in consequential injury to other groups.

The people in the cities are dependent upon those on the farms for food and for the necessities of life. Those on the farms are dependent upon the cities for markets for their products.

At this time we are making great efforts to bring about price reductions. The high prices we are experiencing affect all of our citizens and most of us will agree that the burden of our existence would be much lighter if prices can be brought down to a reasonable level.

Meat is the mainstay of the family diet of the average American family. Like other commodities, the price of meat has jumped more than double during the

past few months. Contained in this bill is an item for Federal meat inspection. Theoretically, the bill places the burden for the payment for inspection service upon the processors and handlers, but all of us know that this expense is ultimately going to be passed on to the consumers in the form of still higher prices for meat.

We have a rigid sanitary code, prohibiting the interstate shipment of meat that has not been Federally inspected. We have made great progress in protecting the American people by the enforcement of these regulations, and to do anything now that might weaken them, to my way of thinking, is taking a chance with the health of the American people.

It has only been a few weeks ago that we passed a bill in this House providing several million dollars for the eradication of hoof and mouth disease, not within our own country but in Mexico. Congress went far, and I believe rightly so, in this instance in safeguarding the people of our Nation against this danger. Disease in cattle is no respecter of State lines nor even the boundaries of countries.

For over 40 years, the Federal Government has borne the cost of Federal meat inspection. An outstanding record has been made. It would certainly be inconsistent for us to refuse to provide funds to continue this service.

I urge that funds adequate to continue Federal inspection of meats under present methods and standards be restored to the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

INSPECTION COST WILL BE PASSED ON TO FARMERS

Mr. PRICE of Illinois. Mr. Chairman, the bill proposes to eliminate annual appropriations for meat inspection by providing this year a nonrecurring appropriation for a $5,000,000 revolving fund and requiring packers to pay fees to cover the cost of service.

The committee, in saying that the cost of meat inspection should be borne by the product, probably is saying in effect that the cost will be borne by the producer.

The packers operate on a margin, and obviously are not going to absorb the cost. Packers will either pass the cost on to consumers or back to producers, and necessarily so.

Consumers are already grumbling about food prices, with just cause, and some interests are capitalizing on dissatisfaction with high food prices to spearhead a drive against the entire farm program and against national efforts to hold down prices generally. It is extremely doubtful whether consumers will pay increased prices to cover the cost of inspection under present conditions, and it is certain they will not as supplies come more nearly into balance with demand.

This may well mean that the costs of meat inspection will come out of the prices and income of farmers—the people who for many years in the past have had to subsidize consumers by taking prices and income below the parity level of fairness. This meat inspection is a small item of cost, but it can be one more fixed wedge between the price paid by the consumer and the price received by the farmer.

Until there is some way of distributing the cost of meat inspection as fairly as it is now distributed through taxation, we should support the inspection service by appropriations. Certainly, we should not force the farmer, who normally gets only a little over half of the consumer's meat dollar, to pay for this consumer service.

From the standpoint of public policy, there is a clear advantage in maintaining meat inspection through public appropriations. This method helps to assure the public high-quality service. If the service is maintained by fees paid by packers, they may—even though they pass the cost back to producers—acquire a feeling of proprietary interest in the service—a vested right to control or influence the service. We should keep our meat inspectors as free from both subtle and direct pressure as our customs inspectors and internal-revenue investigators. Meat inspection is, and should be, treated as an essential public service, paid for and controlled by the public, acting through Congress.

The amendment of the gentleman from Kansas [Mr. HOPE] should be adopted.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from California.

Mr. HOLIFIELD. On the point at issue I would like to say that when the processors begin paying the salaries of the inspectors you are not going to have free and independent Federal inspection. I have seen that happen many times in State inspection with a number of State slaughterhouses.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from Arizona.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks at the conclusion of the gentleman's speech.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I am apprehensive about any provision which will change our meat-inspection laws or practice. I know that during the recent war the safeguards of inspection were let down and that at the risk of the Nation's health we tried to make meat available to our people regardless of its sanitary controls and inspection. All of us must have regarded that as merely a temporary situation and hoped it would be very temporary. It may be that the provision as written into the bill might be satisfactory and effect some saving, but I am inclined to think that the saving is at too great a risk.

Several have spoken about the pride which the great packers take in their product, and argue that they would maintain the high quality under the proposed plan, but I am not sure in my own mind that such would be the case. I am old enough to remember some of the conditions prevailing at the turn of the century in the days when Theodore Roosevelt was President of the United States and before the passage of the Pure Food and Drug Act of 1906. In those days notable books were written, such as The Jungle, portraying the terrible conditions in the big packing plants, and indicating what a menace to the national health those conditions presented. We are thankful that President Roosevelt read some of that literature and took an Executive interest in cleaning it up.

No doubt the menace from animal disease and unclean meat products at that time was as great a menace to the national health as adulterated drugs or any other food product which Dr. Wiley later fought to eliminate. I cannot see how it would be possible to return to such a sad state of affairs, but I want nothing done in this bill that might lead to it. Therefore, as a measure of safety, I shall oppose this attempt at saving a little money at the risk of the Nation's health.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE.]

Mr. PACE. Mr. Chairman, on the merits of the amendment, the proposal is to let the packers pay the inspection fee, which means the consumers will have to pay it. Of course, when the money is paid by the United States Treasury the consumer is paying it; so there is not too much of a saving, as I see it.

I want to direct my remarks to the distinguished chairman of the committee. This is unquestionably, as he readily will admit, legislation on an appropriation bill. Is there any disagreement about that?

Mr. DIRKSEN. I am not too certain about that. I think that this might very conceivably be in order under the Holman rule, because while it is legislation, it provides for a reduction of expenditures on its face, and while I have sought no parliamentary ruling on it, I am not so sure that the point of order would lie.

Mr. PACE. The law expressly says now how the cost of this inspection shall be paid, you propose to change it and you are therefore changing the law. Assuming that it is legislation, which I think it is, the gentleman from Illinois stated that under the Reorganization Act the Senate committee was not even permitted to report out a bill with legislative language in it. Then when this bill reaches the Senate committee, this provision and other legislative language in the bill will be stricken out. It cannot be reported to the Senate with this language in it.

Mr. DIRKSEN. Let us clear that point. Very definitely not. The Senate has no authority to pass upon whether or not an item in a bill coming from the House is in order so far as that rule is concerned.

Mr. PACE. Using the words of the gentleman himself—and I am not trying to put new words in his mouth—he stated that under the Reorganization Act the Senate committee was not permitted to report to the Senate an appropriation bill containing legislative language. It therefore seems to me the amendment should be adopted, and this question should be referred to the Committee on Agriculture, where full hear-

ing can be held and proper legislation reported to the Congress as to the best method of handling these inspection costs.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, the gentleman from New York, who has been in the cattle business all his life, made the case against the pending amendment to strike this out. This is not unadvised action that we take. Is there anybody in this Chamber who believes that the committee on its own responsibility would undertake this action without careful consultation with the Department of Agriculture? Now, first let me make it emphatic that the committee did not draw this language. This language, may I say to my good friend from Colorado, was drawn in the Department of Agriculture by the budget officer in consultation with the Bureau of Animal Industry and with the Department Solicitor. That is where it comes from. Now, we had ample discussion with Dr. Miller and with Dr. Simms, the head of the Bureau of Animal Industry, and the testimony both on and off the record is quite clear. I asked Dr. Miller:

What fee do they pay, if any?

Dr. MILLER. No fee.

Mr. DIRKSEN. Is there any reason why they should not pay a fee?

Dr. MILLER. The only reason is that there is no requirement for them to pay a fee.

Then I asked him whether or not it could be done. He said:

Now, if, as a public policy, it is desirable to have the packing industry pay for the cost of inspection, we can administer an efficient inspection service under that plan.

There is no change. Not a single lay inspector will be changed. Not a single veterinarian will be changed. Not a single one of the 125 clerks will be changed, and there are some 2,986. All that will happen is the same service will be rendered that they render now. At the end of a quarterly period they will render a bill to the packer for the amount of service that has been rendered, and with respect to the observation made by the gentleman from California [Mr. HOLIFIELD], there is no subsidy in it. The Federal Government still pays these salaries. This is nothing else except a so-called capital account, as it were, with a fiscal-year limitation, and it is revolving in nature, so that the fees are taken in every quarter. These people are still under the discipline and still on the pay roll of the Department of Agriculture. There is no change.

It occurs to me that before all these bland statements are made on the floor that perhaps you ought to refresh yourself a little on the record and see exactly what is before us. Now, that is the whole situation in a nutshell. In addition thereto it will save $6,140,000 this year, and we will be able to recapture an additional $5,000,000 of capital account next year, so that there will be a saving from here on out of at least $11,000,000 or more every year for the Treasury of the United States.

There is one other element that ought to be included here. Do not forget the meat that goes abroad. The countries overseas have regulations, rules, or statutes under which no meat can be exported to their countries unless it is inspected. Out of the Federal Treasury we pay for the inspection of meat that derives to the benefit and the profit of the packers of the country as it is sent into every corner of the world. Should there not be some pay for it? That is no advantage to the Federal Treasury.

In addition, they maintain 7 laboratories. They conduct chemical and pathogenical tests. They have laboratories that work in the field of meat, oils, cereals, and curing materials. There is the whole story. We do it in some respects on perishable vegetables and commodities and there is a fee. On wool standards there is a fee. On cotton fiber there is a fee. On cotton standards there is a fee. On grain standards there is a fee. So this has been carefully worked out, and it is consonant with the fee system that applies to so many agricultural commodities today. Therefore I hope that the amendment to strike out this provision which will save money and put this burden upon those who have the advantage, without impairing its efficiency or efficacy whatsoever, will be voted down.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Utah.

Mr. GRANGER. It seems to me the gentleman is missing the point that has been raised, in my mind at least. It seems to me if the inspection is changed, of course the big packer——

Mr. DIRKSEN. The inspection is not changed.

Mr. GRANGER. This is what will happen if the people who pay the salaries change——

Mr. DIRKSEN. The Federal Government pays the salaries.

Mr. GRANGER. Just a minute. What will happen? The big packer can pay the fees and he will pay the fees, and he will be very diligent in seeing that everyone else pays these fees, but what it will mean in the long run is that the little packer, who cannot have an inspection of his own without this service, will simply be wiped out.

Mr. DIRKSEN. That question has not been raised with respect to $20,000,000 worth of fees that the Department of Agriculture collects. It may be that the distinguished gentleman from Utah thinks he knows more about it than do Dr. Simms or Dr. Miller, but we have some other ideas about it, and the Department of Agriculture thinks this will work out exactly as it is working out at the present time.

I suggest that the amendment be voted down.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired.

The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE].

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 83, noes 102.

Mr. HOPE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DIRKSEN and Mr. HOPE.

The Committee again divided; and the tellers reported that there were—ayes 114, noes 124.

So the amendment was rejected.

The Clerk read as follows:

BUREAU OF DAIRY INDUSTRY

Salaries and expenses: For necessary expenses, including not to exceed $500,000 for personal services in the District of Columbia, in carrying out the provisions of the act of May 29, 1924 (7 U. S. C. 401–404), including investigations, experiments, and demonstrations in dairy industry, for carrying out the applicable provisions of the act of May 9, 1902 (26 U. S. C. 2325, 2326 (c)), relating to process or renovated butter, as amended by the act of June 24, 1946 (Public Law 427), and the act of May 23, 1908 (21 U. S. C. 94 (a)), insofar as it relates to the exportation of process or renovated butter, $1,011,000.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 27, after line 12, insert a new paragraph as follows:

"For repair of buildings, fence, electric line, and feed bunk, recently damaged by tornado at dairy field station, Woodward, Okla., $5,300."

Mr. DIRKSEN. Mr. Chairman, the amendment is a committee amendment and speaks for itself. It is merely to repair damage done by a windstorm at a United States facility at Woodward, Okla.

Mr. CANNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, here is a proposition unbudgeted, unsupported by the Department, and unwarranted by any precedent of the House.

We have had vastly greater national disasters. For instance, at Texas City the other day, in which the loss in life and loss in property was incomparably greater. If we start in making provision for compensatory relief for damages occasioned by every windstorm that blows, we are creating a precedent that will rise to haunt us for years to come.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. I assume the gentleman knows that this is a building that belongs to the Department of Agriculture at Woodward, Okla., and these repairs are for Government buildings at Woodward, Okla. They were blown down by a tornado. If the Government does not repair them and rebuild them, who would rebuild them?

Mr. CANNON. Mr. Chairman, there is ample provision here for repairs to all necessary damage to Government property. Of course, practically every time we have a windstorm a post office or other Government building is blown down or damaged. The proposition has not been presented to the Budget Bureau and the Department does not recommend it.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. DIRKSEN. This amendment was approved by the subcommittee. Obviously, windstorms and acts of God are not going to wait particularly upon legislative processes. Here are some dairy farms that have to be put into condition for use. If you want to leave them there, according to this ingenious argument of the gentleman from Missouri [Mr. CANNON], there is a chance to save $5,300, but they are going to be facilities that cannot be used. Certainly this work ought to be done because these are Federal buildings under the direction of the Department of Agriculture.

Mr. RIZLEY. The gentleman is exactly correct. I was amazed and astonished at the distinguished gentleman from Missouri [Mr. CANNON]; he surely must not have any idea what the facts are. These were Government buildings destroyed by tornado, some completely destroyed. Now he says they are going to practice economy by not repairing or rebuilding these Government buildings. I do not quite understand that philosophy or that argument.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. JENNINGS. It occurs to me that my very good friends are straining at a $5,000 gnat and wanting to swallow a lot of million-dollar camels.

Mr. RIZLEY. I am sure the distinguished gentleman from Missouri is not objecting to this amendment simply because Woodward happens to be in my district and that I happen to belong to the Republican Party; I cannot imagine that is his reason for it. It is just hard for me to conceive the idea that he does not want to do anything about restoring Federal buildings destroyed by an act of God.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. MORRIS. As I understand, this matter was considered by the committee; it was not just grabbed out of thin air.

Mr. RIZLEY. Of course it was not grabbed out of thin air. It is a committee amendment, based upon an itemized statement of actual damages caused by the tornado.

Mr. MORRIS. Certainly when a government project is destroyed or damaged, we should repair it.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. RAYBURN. Is the gentleman sure he said loud enough that Woodward, Okla., was in the congressional district of the gentleman from Oklahoma [Mr. RIZLEY]?

Mr. RIZLEY. Yes; may I say to my distinguished friend from Texas, he understood the gentleman from Oklahoma correctly. Woodward is right in the heart of the great Eighth Oklahoma Congressional District, the outstanding agricultural district in Oklahoma; in fact, one of the outstanding agricultural districts in the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The Clerk read as follows:

National Arboretum: For the maintenance and development of the National Arboretum established under the provisions of the act approved March 4, 1927 (20 U. S. C. 191–194), including travel expenses of the advisory council, $436,900, of which not to exceed $350,000 shall be available for the acquisition of adjoining land, and not to exceed $2,500 may be expended for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574) as amended by section 15 of the act of August 2, 1946 (Public Law 600).

Mr. DIRKSEN. Mr. Chairman, I offer another committee amendment that relates to the same matter.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 30, after line 7, insert a new paragraph, as follows:

"Southern Great Plains Field Station: For replacement and repair of buildings, equipment, and supplies, utilities, fences, and other general repairs and clean-up operations from damages due to the recent tornado at Woodward, Okla., $45,600."

Mr. DIRKSEN. These, Mr. Chairman, are also buildings that were destroyed by the windstorm and must be replaced and repaired.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McCORMACK. And these buildings were owned by the Government?

Mr. DIRKSEN. Owned by the Federal Government; yes.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to ask about the information relative to this damage. While this was considered in the subcommittee there was no evidence of any sort whatever and it was not presented to the whole committee. I would like to know from whence comes the information as to the extent and amount of the damage?

Mr. DIRKSEN. I can tell the gentleman because this was prepared in the Department of Agriculture. A seed house costing $15,000 was completely demolished; a machinery shed costing $7,000 was completely demolished. There was a seed cleaner dust bin demolished costing $500. That results in a total of $22,500.

Then there was a machine shed, four frame dwellings, a frame pump house, office building, frame soil house, and three metal bins; also a quantity of machinery and equipment, including tractors, grass seed clipper mills, binders, cultivators, and so forth; then there was office and laboratory equipment and seed and supplies, blown away or damaged by water, then a power line was destroyed and two transformers demolished; there was also the rebuilding of fences and tree removal, where trees had blown into the area.

The total amount was $50,900.

Mr. WHITTEN. The gentleman has answered my question. He does have the figures from the Department of Agriculture.

Mr. DIRKSEN. In the greatest of detail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The Clerk read as follows:

Agricultural chemical investigations: For conducting the investigations contemplated by the act of May 15, 1862 (5 U. S. C. 511, 512), relating to the application of chemistry to agriculture; for the biological, chemical, physical, microscopical, and technological investigation of foods, feeds, drugs, plant and animal products, and substances used in the manufacture thereof; for investigations of the physiological effects and for the pharmacological testing of such products and of insecticides; for the investigation and development of methods for the manufacture of sugars, sugar sirups, and starches and the utilization of new agricultural materials for such purposes; and for the technological investigation of the utilization of fruits and vegetables and for frozen pack investigations; $511,500.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 35, line 16, strike out the period, insert a comma and the following: "and there shall be transferred to the Bureau of Agricultural and Industrial Chemistry, from Government surplus without compensation therefor, a certain parcel of real property of approximately one acre (consisting of lots 37 and 38 of Deal and Kreiser subdivision, and lots 24 and 25 of tract 728 in the city of Pasadena, Calif.), valued at approximately $15,800."

Mr. DIRKSEN. Mr. Chairman, this language appeared in the Budget but was inadvertently omitted from the committee print.

Mr. CANNON. Mr. Chairman, we have no objection to the amendment. It should be approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

The Clerk read as follows:

Forest products: Experiments, investigations, and tests of forest products under section 8, at the Forest Products Laboratory, or elsewhere, $1,000,000, of which at least $11,050 shall be expended for research in the utilization of waste woods.

Mr. DAVIS of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Wisconsin: On page 41, line 21, strike out "$1,000,000" and insert "$1,555,000."

Mr. DAVIS of Wisconsin. Mr. Chairman, I am not unaware of the advice that is usually given to newcomers of this House that they should keep their eyes and ears open and mouths closed for a while, and while I have been here a little over 3 weeks I feel compelled, because of my direct concern with the slash in the fund for the Forest Products Laboratory at Madison, Wis., to speak up, and I do it reluctantly, because I have a great deal of respect for this subcommittee, and I am not unaware of the great respect in which the chairman

of the subcommittee is held throughout my own Middle West. But, I am prompted to do that, and particularly to take issue with the statement of the subcommittee in their report on page 21 that—

> The work of the Forest Products Laboratory at Madison, Wis., has never enjoyed the high esteem of the committee or of the Congress. Much of the work pursued at this laboratory is academic or visionary in character and has not, in the opinion of the committee, given practical results consonant with the vast sums which have been applied over the years.

As a result of that feeling on the part of the committee they reduced the requested appropriation, which was in accord with their appropriation last year when the pay raise is taken into consideration, to the flat sum of $1,000,000. I cannot help but feel that this slash in funds is due to a misunderstanding of the practical value of this institution in my home State and the failure to understand the work that they have accomplished and that they are now accomplishing.

First of all, I think we all should know that Mr. George Hunt, the present director who took over not more than 2 years ago at Madison, is a sincere and practically minded research director. I am not familiar with what type of directorship this institution has had in the past. But, I am familiar with and I know personally the highly qualified gentleman who is director of this institution at Madison at the present time.

I would like to also call to the attention of this Committee the statement of my colleague, the gentleman from Washington [Mr. HORAN], a member of that committee, when he pointed out to the members of this subcommittee on page 138 of the hearings, as follows:

> Mr. Chairman, they are all utilizing a part of our natural resources that otherwise would go to waste.

Any of you who live in the forestry areas and have seen the tragedy that beset their lands, where the part that could be used for good timber was cut and the rest of it was permitted to be spoiled, can understand very well the language of the gentleman from Washington on page 138 of those hearings.

Mr. Trayer, Chief of the Division of Forest Products, who testified before the committee, was asked to provide a summary of some of the completed projects of the Forest Products Laboratory at Madison during December 31, 1946. Mr. Trayer furnished to the committee, and they appear beginning on page 111 of the report, a list of 825 projects that have been completed by this laboratory. It was made plain that these projects are illustrative and not inclusive of all the projects that have been completed. Among them were a great number of wartime projects, such as packaging work for the Army ordnance. They reduced shipping damages in some cases up to 50 percent. In 1 year alone they reduced the lumber requirements by over 1,500,000,000 board feet, and instituted new packaging procedures. For the War Production Board, by establishing a pilot plant, they revolutionized the process of obtaining alcohol from waste wood products, something we needed badly in wartime and something that we got for almost nothing.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from South Carolina.

Mr. RIVERS. This laboratory at Madison, Wis., serves the entire United States on all products and is not confined to any one area?

Mr. DAVIS of Wisconsin. That is very definitely true. They have the assistance of seven other use stations for utilizing these products throughout the country, but they serve the whole United States.

Mr. RIVERS. They have saved this Nation countless millions of dollars.

Mr. DAVIS of Wisconsin. That is also true.

The wartime record can be shown to have continued during peacetime, and to have existed during peacetime prior to the war.

One of the things they have done is develop a process for the production of newsprint from lumber that could not be used for that purpose before. Over on the other side of the Capitol they are investigating the newsprint situation today. Would anyone here say that in view of that shortage the project for permitting this use is something that is visionary or something that is not practical?

I cannot help but submit to this committee as a whole, in spite of my respect for the subcommittee, that these projects have been neither academic nor visionary but they have been practical, and that they have returned to the people of America a thousandfold every dollar that has been invested. I hope this committee will see fit to adopt the amendment restoring the appropriation for this worth-while Government agency.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes, the last 4 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, I do not think anyone can say there was a mandate at the last election to cut the activities of this very important laboratory. This is the most important laboratory operated by the Department of Agriculture and the Forest Service in the whole Nation, to my knowledge. For the 6 years I have been in Congress we have been fighting, with help from all over the Nation, to maintain this important laboratory and others at places where the research for the improvement of forestry management and the improvement generally of forest products is carried on. In our activities we found a great need for the continuation of the activities of this laboratory. The gentleman from Wisconsin has told you very ably that this is not a sectional thing but a national thing. It serves the entire Nation. It has brought returns a millionfold to the taxpayers and those who are interested in the products of the forest. Nobody can estimate the value of this thing to the entire American people.

I hope that the Committee will not seriously object to this amendment. We would be wise indeed to make it possible for this laboratory to carry on with this very distinguished director, because I am confident if more of us knew more about it many more of us would be here defending and justifying its continued expanded activity.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I subscribe to what our able friend, the gentleman from Wisconsin, and my distinguished colleague, the gentleman from South Carolina, have had to say about the importance of the Madison laboratory. Its work should be continued without reduction.

It may be that the people who are conducting experimental research in Madison need to have a fire built under them so that we can see more tangible results from their work. The commercial application of research and its value to the Nation's economy is its real justification. But the fact remains, Mr. Chairman, Madison is now engaged in highly important experimental work which should be carried through to completion as rapidly as possible.

At this time in our Nation's history, when reduced forestry resources threaten to become a more and more serious matter, we can ill afford to eliminate experimental work which may within a short time make it possible for us to utilize in industry many wood products not now being used.

As only one illustration, I have in mind experimentation which is going on in the utilization of scrub oak, gum, and poplar, which commercially are now considered to possess very little value.

Not only shall we find it necessary to use better methods for the maintenance and conservation of our forestry resources, but in addition we may have to depend largely upon these now virtually useless woods in the future manufacture of paper, fiberboards, and tannin. The Madison laboratory has in process important studies on these woods. During the war we used billions upon billions of feet of our finest timber. We must face the fact that our best timber is gone. Today we are cutting timber faster than we are growing it. We cannot indefinitely continue that process without getting hurt and hurt bad in this country. Our economy is too strongly dependent upon timber to neglect it.

The laboratory in Wisconsin, the largest of its kind, the one which is carrying on the most complete and comprehensive experiments on the entire subject of the utilization of forestry products, is in a position to make material contributions to the Nation, and I think it would be poor economy to limit its activity at this highly strategic period in its history.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, over the years the appropriations for the Forest Products Laboratory has received a great deal of consideration. May I say to my esteemed friend the gentleman from Wisconsin, in whose district this laboratory happens to be, that some years ago I went up to take a look for myself. I was sort of looking around at some of our agricultural installations and, frankly, I cannot disclose on this floor what I found. That does not apply to the present Director but to the previous Director. Subsequently, when we had hearings on the matter he came to Washington. He invited me to dinner. He wanted to talk to me. So I went to see him at the Metropole Club. He fairly wrung his hands and said, "What can I do? What can I do?" I said, "My friend, the best thing you can do is get on a train tonight and go back to Madison where you belong." So I took a look at some of the things going on there. I think the committee was charitable when they say so much is highly visionary and highly academic. Go through this whole list that they recite and they will give you a list as long as your arm of the things they have done. They have showed statistically that "the fiber cavities of wood do not change on swelling and shrinking for the average of many species." That is what they show. They have showed that "the relative humidity at which wood impregnated with aqueous solutions starts to shrink is determined by the relative vapor pressure over the solution."

Now, is not that marvelous? Our friend the gentleman from Missouri [Mr. CANNON] years ago used an expression when we were dealing with these regional laboratories, "We want no chemical curiosities." That is one of the things they are turning out—a lot of arithmetical, geometrical, chemical, and pathological curiosities. So they can fill this book with that sort of thing, but this committee wanted some results at the practical level. That is the reason we cut this down, because we thought it was a waste of funds.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SIKES. Does not the gentleman realize that that type of information is essential in the manufacture of pulp and paper and synthetic products?

Mr. DIRKSEN. Yes; I realize that is just as necessary as knowing something about the stratosphere, but if it is not applied to some actual benefit for humankind then why maintain the laboratory? We have got enough scientists who are living in stellar realms today who find great delight in manufacturing equations of one kind or another, but the final test is, What does it amount to at the barnyard level? That is what we are interested in.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes; I yield.

Mr. RIVERS. That might be curious to you but it is not curious to somebody who knows something about growing timber.

Mr. DIRKSEN. Well, this is very serious with us.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Wisconsin) there were—ayes 54, noes 81.

So the amendment was rejected.

The Clerk read as follows:

To enable the Secretary through the Forest Service to advice timberland owners and associations, wood-using industries or other appropriate agencies in the application of forest management principles to federally owned lands leased to States and to private forest lands, so as to attain sustained-yield management, the conservation of the timber resources, the productivity of forest lands, and the stabilization of employment and economic continuance of forest industries, and to carry into effect, through such agencies of the Department as he may designate, the provisions of the Cooperative Farm Forestry Act, approved May 18, 1937 (16 U. S. C. 568b) (not to exceed $660,034), and the provisions of sections 4 (not to exceed $83,700) and 5 (not to exceed $65,766) of the act approved June 7, 1924 (16 U. S. C. 567-568), and acts supplementary thereto; in all, not to exceed $809,500, of which not to exceed $54,636 may be expended for personal services in the District of Columbia; and not to exceed $30,000 for the construction, alteration, or purchase of necessary buildings, and other improvements: *Provided*, That in carrying into effect the provisions of the Cooperative Farm Forestry Act, no part of this appropriation shall be used to establish new nurseries or to acquire land for the establishment of such new nurseries.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as one who spent considerable time before the Agricultural Subcommittee of the Committee on Appropriations, I want to express appreciation for the patience and uniform courtesy shown by the chairman and members of that subcommittee, during their hearings, and to commend them for the thoroughness of their deliberations.

I am extremely gratified that the committee has allowed the full amount of budget estimates in certain important items affecting forestry. I refer particularly to the appropriations for forest fire cooperation, for farm and other private forestry cooperation and for experimental forests and ranges. In the South we have very little public land and these cooperative programs of protection from fire and of technical aid to landowners are vital to progress in forest conservation. And our forests in turn are the lifeblood of many communities and industries.

However, other provisions in this bill which carry reduced appropriations for vital forestry services do not seem consistent with the needs for a program in keeping with the great importance of the Nation's forests. For example, the amounts provided for investigations in forest management, forest products, and forest resources carry in total, reductions amounting to $1,210,000 in comparison with the appropriations for fiscal year 1947.

New methods of turpentining trees developed under the forest-management investigations program have been of inestimable value to our naval stores industry. Further improvements are needed and any slowing down of progress now will be felt by thousands of people.

I am particularly concerned over the very heavy reductions for research in forest resources investigations. This is the item under which the widely recognized forest survey of the United States is conducted. We have had an initial survey in the South virtually completed and our industries found it of great value in planning their operations. I do not share the opinions of the committee as expressed in their report that this work is of little practical value and I am sure that many forest industries in the South share my feeling. We want to see this survey kept up to date as a basis for further planning.

Likewise, I cannot accept without comment the opinion of the committee that research in forest products as conducted at the Forest Products Laboratory is visionary. Here again there are in the South many recipients of the research results flowing from the laboratory who will not agree with the committee opinion or appropriation action. As only one important example, I mention experiments on the use of scrub oak in the manufacture of paper and board and the derivation of tannin from its bark. Thousands of acres in the South are producing this now worthless tree.

Other portions of the bill concerning research in agricultural crops show no such proportional reductions. This I am glad to see, but in the southeastern United States we have more forest land than cropland. And we have a lot of forest land that ought to be back in forest land. Our forests are depleted, and their production is low compared to what it could be. Over half the southern forests are in industrial or similar ownerships, both large and small, with the remainder owned principally by farmers. There is a considerable acreage in public forests and parks. Practical technical information is the most important tool that these owners can have at hand in operating their forests, and this tool is a result of research and investigation. I am greatly disappointed that forest-research services to our people will be weakened with the passage of this bill.

I am also disturbed over other provisions in the bill as they affect forestry. Total reductions approximating $16,000,000 for the United States Forest Service cannot be taken lightly at a time when national resources have suffered several years of intensified depletion during the war. We discovered during these years what shortages of a vital resource really means. Then they were primarily due to necessary diversion of lumber and other forest products to the war effort. All home-building and other activities forming a part of peacetime progress came to a standstill. This same thing could happen in the face of shortages due to scarcity, and forest resources are ever growing scarcer. Right now we are using timber faster than we are growing it, and our best timber is gone. If we do not take aggressive action to adopt and

implement a broad forestry program designed to rebuild this resource, we are asking for eventual return of public control of production, distribution, and prices such as we had during the war. These things can be avoided only when an abundance of resources are present. I want to see our economy stay free, but we must face the fact that the Federal Government must exercise leadership and pioneer in this matter of forest conservation if we are to really get on top of the job. There is considerable doubt in my mind that the Congress has ever supported forest conservation as fully as it should be supported. For these reasons I regret any retrenchment or any giving of ground in our public efforts to advance conservation in forestry. In fact, we could more properly be debating the amount of increased appropriations for this activity rather than confining our deliberations to reductions.

Mr. FLANNAGAN. Mr. Chairman, I move to strike out the last word.

FOREST DISEASES

Mr. Chairman, the committee cut $80,720 from the budget estimate of $440,000 for investigation of diseases of forest and shade trees and forest products, and methods of their control. The amount allowed, $359,280, appears on line 25, page 28, and lines 1 and 2, page 29 of the bill. In the report, page 16, under the heading "Forest diseases," the committee states that the $80,720 cut was that part of the fund heretofore "allotted for work on diseases of young natural stands and plantings (including white pine blister rust, chestnut blight, and rust of southern pines)."

Very little testimony appears in the hearings relative to the work covered by the $80,720 disallowed. Dr. Cullinan, Assistant Chief of the Bureau of Plant Industry, Soils, and Agricultural Engineering, of the Beltsville Experimental Station, was asked a few questions. His testimony begins on page 773 of the hearings. Evidently no one connected with the experiment station thought any of the projects were in danger, as there has never been any question about the fine work the Beltsville station has been doing in connection with the projects eliminated.

The work eliminated is essential if we intend to protect our forests which, as everyone knows, we are fast depleting. In 1909 our saw timber was 2,826,000,000,000 board feet. In 1945 the estimate was 1,601,000,000,000. This indicates that in 36 years we reduced our saw timber 44 percent. At present we are making terrific drains upon our saw timber. Last year we cut or destroyed 53,900,000,000 board feet of saw timber and against this the estimated growth of saw timber amounted to only 35,300,000,000 feet. Thus it will be seen we overdrew our saw timber account by 18,600,000,000 board feet.

Now, if we are going to stand by and see diseases ravage our forests—the chestnut blight has already killed all of our American chestnut trees—we are going to be right up against it for timber in a very short time.

I am not offering an amendment to restore the cut, because I think the proper way to proceed is for the Senate to bring in the scientists from Beltsville for examination. I am fully convinced if this is done the cut will be restored.

Our forest problem is becoming such a serious problem that we cannot afford to assume the risk of our forests being further depleted from diseases. We should do everything in our power to protect our forests.

Most of the projects that the cut eliminates are in their final stages. It would be absolute folly to discontinue the work at this time.

In the interest of preserving our future forests, it is important that the diseases which attack young trees be held in check. The Forest Service, National Park Service, Soil Conservation Service, State agencies and others depend on the Bureau for information on controlling the diseases.

In addition to devising better control methods, important progress has been made in developing hybrids of white pines resistant to white pine blister rust, of chestnuts resistant to chestnut blight, and loblolly pines resistant to fusiform rust. Further selections and testing are necessary before the varieties should be released for extensive planting. Discontinuance of the work would jeopardize the investment in these experimental plantings.

The forests of the future must develop from young trees. Diseases of young trees frequently prevent the growth of desirable timber stands and plantations. It is important to study these diseases to determine methods of controlling them, also to develop disease-resistant hybrids. The Forest Service, National Park Service, Soil Conservation Service, State agencies, and private owners, depend on the Bureau for assistance in controlling these diseases. The sudden termination of long-time research in this field not only disturbs cooperative arrangements with State experiment stations and other agencies, governmental and private, but also causes large losses resulting from discontinuing long-term investigations and breeding projects, and failure to prepare reports and publications relating to them.

The cut would eliminate 19 average annual positions and affect the work at 12 locations scattered over the entire United States. Since the work is part-time at 9 of the locations, the elimination of funds for the project will have the effect of curtailing important work on other projects. Altogether, forest disease work will have to be discontinued at 6 locations: Saucier, Miss.; Chico, Calif.; Flagstaff, Ariz.; Savannah, Ga.; Syracuse, N. Y.; and Glenn Dale, Md.

The disease investigations and research under this project which would be eliminated include:

First. White pine blister rust, including selection and propagation of pine and ribes resistent to the disease, $25,800.

Because of white pine blister rust, forest reproduction of white pines can now be attained only with costly control measures. So that future plantations of this important forest tree may be safe from the rust, several promising selections of eastern white pine resistant to the disease in initial tests have been developed by cooperative work with the Wisconsin Agricultural Experiment Station and the forestry school at Syracuse University. Further testing is needed before these strains should be released to Government, State, and private nurseries for large-scale propagation and distribution. On the Pacific coast, similar selections are being made of the sugar pine, and promising new hybrid pines developed by the Forest Service are being tested for rust-resistance. Assistance to other agencies is also being continued in the development of better methods for the control of blister rust.

Accidental introduction of white pine blister rust from Europe in about the year 1900 brought the gravest threat to the immensely important white pines of North America, the most important species in the United States being the eastern white pine, western white pine in the Northwest and California, and sugar pine in Oregon and California. While mature pines may be greatly damaged by the rust, the greatest destruction is to the seedlings and young trees which are girdled and killed by the disease. Forest reproduction of white pines in the presence of the rust is hopeless. The rust does not spread from pine to pine but goes from pine to currants—ribes—and from them back to pine. Discovery of this fact led to eradication of the alternate ribes hosts as a control measure.

Many of the essential facts concerning blister rust and its spread under different conditions of climate and host plants have been determined. We now need to intensify our work on the selection and propagation of resistant pines, so that future forest plantations may be safe from the rust. This work is well started. In cooperation with the Wisconsin Agricultural Experiment Station and the forestry school of Syracuse University in New York, several promising selections of eastern white pine have been made and have withstood intensive initial tests. After further tests these strains will be released to Government, State, and private nurseries for large-scale propagation and distribution. On the Pacific coast, this kind of work is being developed for the sugar pine and we are also testing the rust resistance of promising new hybrid pines developed by the Institute of Forest Genetics, United States Forest Service, Placerville, Calif.

Horticultural varieties of currants resistant to blister rust have been selected and are being tested at our northeastern laboratory at New Haven, Conn. This would revive a horticultural industry through providing rust-immune currant varieties that would not threaten the pines.

Experimental plots in Idaho, Washington, Oregon, and California are designed to improve the efficiency and lower the costs of present eradication methods. Where large amounts are being expended on control of infectious diseases, it is always justifiable to make reasonable expenditures for research to improve the control methods, especially as the disease spreads to new climatic areas and infects new alternate hosts.

All of this research would be discontinued.

Second. Chestnut diseases, including breeding, testing, and propagating blight-resistant hybrids, $28,530.

Extensive breeding and selection work has produced many disease-resistant hybrids and Asiatic strains which are being tested in forest plantings. They are also being tested for their tannin content, since a domestic source of tannin is vitally needed, especially during war when it has been a critical material. The blight-resistant chestnuts tested thus far have as high tannin content as disease-susceptible American chestnuts. Further testing is necessary before the varieties should be released for extensive plantings. Discontinuance of the work now would result in the loss of much of the investment in these experimental plantings.

The loss of the chestnut from the blight permanently reduced the productivity of millions of acres of forest land in the area east of the Mississippi River, as trees replacing the chestnut are of less value. Its multiple uses for lumber, tannin, nuts, durable posts, and poles made it invaluable for the farmers' woodlots. Extensive breeding and selection work has given us many disease-resistant hybrids and Asiatic strains now being extensively tested in forest plantings. Within a few years we expect to have sufficient data on their relative value to justify recommending certain ones to State foresters and for the public at large, for extensive forest plantings. To completely discontinue the work now when paying results are so near would result in the loss of much of the Government's investment in these widespread experimental plantings.

Tannin is strategically vital for production of sole leather in time of war. During World Wars I and II ships had to be diverted to bring tannin from Argentina and Africa. At present, blight-killed chestnuts, which will not last indefinitely, furnish over 60 percent of our domestic vegetable tannin. In case of another war some other domestic source of tannin is vitally needed. Blight-resistant chestnuts tested so far have as high tannin content as American chestnuts. In time, enough of them could be grown to serve as a living tannin stock pile. In view of the critical shortage of domestic vegetable tannins, testing of blight-resistant chestnuts and working them into our forests should be accelerated, not stopped entirely.

Chestnut orchards are important in limited areas in California and scattered plantings occur in Oregon, Washington, and Idaho. The few chestnut blight infections so far found have been eradicated in cooperation with these States. There is a good prospect that the disease could be kept under control at a low cost in that area, even though the orchards are mostly composed of the very susceptible European chestnut. Discontinuance of our part of this cooperative work may result in the blight becoming established in the Western States.

This country in normal times imports fifteen to eighteen million pounds of chestnuts from Europe, but the blight is spreading rapidly in Italy and in time this supply will be cut off. Blight-resistant chestnut trees distributed by this Bureau are producing good crops and give indications of being the basis for a large chestnut orchard industry in the Eastern States. Nut decays and other troubles need further study, especially in the Gulf States, but our cooperative work with the horticulturists looks very promising for this entirely new industry.

Third. Fusiform rust, brown spot, and pitch canker of southern pines, $11,960.

Thousands of acres of forest plantations and young natural stands in the South are now being ruined by fusiform rust of loblolly and slash pines—a disease totally different from white pine blister rust—and brown spot of longleaf. The fungi that cause these diseases have been determined. Good progress is being made in controlling these diseases by various methods developed for existing young stands and by testing resistance of pine strains for future planting. Southern pines furnish fully one-third of the domestic annual lumber cut; they also have great value as sources of pulp, ties, poles, cooperage, veneer, turpentine, and rosin. Virgin stands are almost gone; the future supplies depend on reproduction and new forests. In the South, 10,000,000 acres need reforestation, largely with pines. Upwards of 20,000,000 pines are being planted anuually on southern farms. The cut in funds would eliminate all of this research and would necessitate closing our field headquarters at Harrison Experimental Forest, Saucier, Miss.

Fourth. Dwarf mistletoe and other diseases of young natural stands, $9,380.

Dwarf mistletoes rank next to heart rots as a cause of loss in western coniferous forests, where they are a major factor in decreasing growth on millions of acres and are ruinous to the young forest reproduction. The House cut will eliminate the studies on determining the most practicable and efficient methods for mistletoe control so that these methods may be made available for extensive use by timberland operators, as well as cutting out all work on other diseases of young natural stands. Cutting mistletoe out of overstory trees improves them and protects the young reproduction by removing the source of mistletoe seed. In established plots we are studying the extent and frequency of mistletoe cutting required for control, and the conditions under which affected large trees should be harvested. When labor becomes abundant much work of this character will certainly be done by the large timber interests, including the national forests, State forests, and very extensive privately owned forests. There is a large demand for the information, and we should lose no time in determining the most practicable and efficient methods for mistletoe control so that these methods may be made available for extensive use by timberland operators.

BAMBOO DISEASES, $850

A previously unknown serious root disease of timber bamboo has been discovered during the past year in north Florida. Other diseases are impairing bamboo culture in South Carolina, Georgia, and Louisiana. Initial studies on these diseases have been made at the request of bamboo growers. Bamboo is being increasingly planted in the South for diversified uses, one of which is for the production of paper pulp. The growing bamboo industry needs expansion of the work on destructive diseases.

I hope the Representatives interested in protecting our forests from diseases will appear before the Senate committee and urge that the cut be restored.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. GROSS. Can the gentleman name one single pest they have helped to eradicate?

Mr. FLANNAGAN. I certainly can.

Mr. GROSS. I wish the gentleman would name them.

Mr. FLANNAGAN. I refer the gentleman to the chestnut blight which came right down through his State and cleaned out every chestnut tree in Pennsylvania. They have developed at least six types of hybrid chestnuts at the experimental station at Beltsville which have stood up against the blight for over 20 years. They want to carry this experiment on for a few years more to determine which type is the right type with which to restock our Appalachian forests. That is going to take time.

Then I call the gentleman's attention to the pine blister rust. We have checked it. We are to the point now where we know how to eradicate it.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. ALLEN of Louisiana. Mr. Chairman, I rise in opposition to the pro forma amendment. The appropriations in this bill for the Forest Service are not as large as they ought to be. From what has gone on in this House yesterday and today, it is very evident that any motion to increase the appropriations for the Forest Service would be voted down. I hope that when this bill gets over to the Senate the Members of that body who feel kindly toward the Forest Service will be able to restore at least some of the funds which have been reduced.

Mr. Chairman, I beg the indulgence of the House even at this late hour, when I know the Members are tired, to say a few words in support of the Forest Service. This House recently established a special committee to study the newsprint situation. There is a great shortage of newsprint in this country, and we get the most of our newsprint from foreign sources. During the war we greatly depleted our forests because of the great need for lumber. Even before the war, and for many years prior thereto, we have been very negligent about our forests. Many sawmill people cut out the timber with little or no thought of the future. In many instances seed trees were not left. Great stretches of country, especially in the longleaf pine section, have been nearly denuded of timber. It was certainly a short-sighted policy, and today we are experiencing the results of that policy. Erosion is taking place at a rapid rate. This causes accelerated water flow and it all adds up to more frequent and greater floods.

Mr. Chairman, I do not have time to further portray the results of our unwise use of the once great timber resources in this country. But the bright spot in the whole situation is that we have learned at long last that we must conserve our forests, that we must restore

our soils, that we must put back as much as we can the elements and natural resources which have been destroyed over a period of 50 years or more. A good many years ago this Nation embarked upon a plan of reforestation, upon a program of reseeding our denuded lands, conserving and restoring our soils, and the restoration of our natural resources in general. We have spent considerable money in that direction, but we are going to have to spend more. We must realize that there is just so much land in this country. We must realize the absolute necessity of growing forests for our children and those of future generations. It is plain good business to do so. It is unfair for those living in this age to continue to deplete our natural resources without making adequate provision to provide something for those coming after us. I therefore urge, Mr. Chairman, that more ample provision be made for the growing of timber for the future welfare and prosperity of the whole country and for the further conservation and restoration of the natural resources of our country. I hope that the Appropriations Committee in the future will make better provision for these great national needs for all the people than are made in this pending bill.

Mr. SMATHERS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the majority leader and other Republican leaders are in a desperate position. Their very utterances, as well as their actions, evidence this fact. They—the eastern-dominated Republican Party—have already ignored the just claims of the great West and Northwest by the unjustifiable slashing they gave in the Interior appropriations bill. The eastern-dominated Republican Party is now doing the same thing to the farmers and the rural areas of our country. The Republican Party leaders do not tell the country that before he sent his budget estimates up to Congress, President Truman reduced the departmental requests by about $7,000,000,000. Their only cry, as stated by the majority leader, is that "There is stubborn opposition to every effort we make to cut the cost of government." I don't understand it that way. What we are opposing is the false economy of the Republican Party.

Real economy is one thing; false economy is another. I wonder if the people of the West and Northwest consider the sharp reductions in the Interior Department appropriations, which played into the hands of the utility barons, as real economy of false economy? I wonder if they consider what has happened to be in their best interest? I also wonder whether our farmers consider the sharp reductions in this bill as constituting real economy or false economy? Do they consider the blow which has been dealt them by this bill to be to their best interest?

The false economy of the Republican Party in the Interior appropriations bill was harmful to the West and the Northwest and also to the fishing industry of the country. The false economy of this bill is harmful to the farmers of America, to the school-lunch program, and is also harmful to our fishing industry.

The only economic groups who think they will benefit by these reductions are the big business interests of our country. They are the ones who have dictated and who are applauding the Republican false economy program—despite the fact that this false economy is a powerful factor in producing the business recession that now faces the country.

The people of the country might just as well wake up to what is going on in Congress. Eastern big business controls the Republican Party, and that means eastern domination of the Republican Party in Congress. Under the Republican Party, with this eastern domination, the Government is giving primary consideration to dollar values, with human values forgotten. Under the Democratic Party the Government gave, and properly so, primary consideration to human values, to the best interests of our people as human beings.

No, the issue involved in these drastic reductions is not real economy. The issue we are fighting is false economy.

The Clerk read as follows:

Flood control: For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936, as amended and supplemented, to make preliminary examinations and surveys, and to perform works of improvement, $500,000, including personal services in the District of Columbia, to be immediately available and to remain available until expended, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood control purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated: *Provided further*, That allocations of funds for the fiscal years 1947 and 1948 for works of improvement on individual watersheds shall be in the respective amounts set forth in the Department's budget justifications to the House Appropriations Committee and shall not be decreased except as may be necessary by reason of a decrease in the estimates of available prior year balances.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am greatly concerned about some of the drastic cuts being made in this appropriation bill which are detrimental to agriculture. My record for economy in government speaks for itself. I am also quite sure that the farmers of America want economy in government and want savings made in the proper places. This appropriation bill, however, would seem to take the props from under agriculture in many instances. No one knows what the future holds for agriculture. It is the Nation's basic industry, and we, from the Midwest at least, have learned long ago that food for our people simply does not grow on trees. Just now we are being called upon to produce food and more food, not only for our own consumption but for the entire world. The farmer should be encouraged in the splendid work he is doing to feed the starving people of all nations. If we have another depression in this country we had better be sure that we have a foundation ready for agriculture on which to build and survive.

I want to make special reference to the elimination of section 32 funds which provides agriculture with money from custom receipts with which to maintain price supports under surpluses. Section 32 on which agriculture has depended all these years is now rudely jerked from under us at the very time when agriculture is facing the greatest surplus it has ever faced. All appropriations for this fund are eliminated under the provisions of this bill and, in my judgment, such action is ill-advised.

I also want to say a word about the cut in appropriations for conservation and use payments. This program has been carried on for a number of years, much of it during the time when agriculture was in real distress. The program was again specifically authorized by the Congress last year and, as a result, contracts were entered into with our farmers in good faith and now we find that under the provisions of this bill such contracts are being invalidated to the extent that the appropriations are not sufficient to carry them out. This is simply breaking a contractual obligation.

Last year the Committee on Agriculture, of which I am a member, sponsored the enactment of the Hope-Flannagan bill to carry on agricultural research. Appropriations for this service have also been drastically reduced in this bill. The program is still in its infancy and sufficient funds should have been provided to carry on this work to its fullest extent. If there is anything needed in agriculture today, it is research. I hope that sufficient money will be appropriated to carry on this splendid work.

I regret that I cannot agree with the Appropriations Committee on many of the items brought to our attention today. I only have time to mention a few. The Soil Conservation Service is most important. It should be carried on to the fullest extent and the Budget estimate for this service should be allowed. I realize, however, that we must pass this appropriation bill in order to carry on the necessary functions of government and only regret that this committee has seen fit to so drastically cut appropriations in so many instances. I, for one, want to speak out in protest on behalf of the Nation's farmers.

The Clerk read as follows:

Soil conservation operations: For carrying out preventive measures to conserve soil and water, including such special measures as may be necessary to prevent floods and the siltation of reservoirs, and including the improvement of farm irrigation and land drainage, the establishment and operation of conservation nurseries, the making of conservation plans and surveys, and the dissemination of information, $38,000,000: *Provided*, That no part of this appropriation may be expended for soil and water conservation operations in demonstration projects.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

KEEP SCS AS IS

Mr. Chairman, I have made quite a study of the work of the Soil Conservation Service people as they assist soil conservation districts. I have observed progress at close range. I have talked to hundreds of farmers in my congressional district, and to State agricultural leaders and county agents. I think I know a few things that all of you may not be familiar with.

Every one of the 14 counties in my congressional district is organized into a soil conservation district under Iowa State law. The Soil Conservation Service is giving technical assistance to each of these districts, and doing a magnificent job, too. The farmers need this help, and they want it continued and expanded. I know these farmers and their soil-conservation problems. And I know they, the majority of them, Republicans and Democrats alike, would be opposed to sharing the technical assistance they now receive with the new districts that are coming in. But I fear that is exactly what will happen even if we accept the full amount in the President's budget proposals. And so, with all of my congressional district organized into soil conservation districts I think I am in a position to make a few observations based on my personal experience and study.

There has been a lot of talk in the past 2 years that the Soil Conservation Service should be combined with the extension services of our land grant colleges, and that the latter should have charge of soil and water conservation work.

There are a lot of things wrong with this idea. I shall mention only a few of them. In the first place, the Extension Service is the educational agency for agriculture. It was set up for that purpose, and it wants to operate that way. I well remember the testimony of M. L. Wilson, director of extension work, during hearings on the 1947 Agriculture Department appropriation bill. Director Wilson, testifying on the farm labor program made it clear that the Extension Service would like to be relieved of the farm-labor program, so that all the colleges and those connected with them could all be put into the educational program. Director Wilson said that he thought all the extension directors in the States felt the same way; that too much of a load could not be put on the extension workers; that educational work was what these men were fitted for, and what they wanted to do.

H. C. Byrd, president of the University of Maryland, one of our leading land-grant colleges, said this in a speech last December in Chicago:

> If work experience means anything, I can say to you that in my opinion we have done a better job in Maryland than we would have done had the Soil Conservation Service been a part of the AAA or a part of any other unit of the Federal Department of Agriculture.

That is a direct quote from President Byrd of the University of Maryland. The Extension Service folks of the land-grant colleges, I am sure, feel the same way about it. They have got all they can do in the agricultural educational field—that is their job.

The Extension Service does have a big part to play in the soil-conservation program in their own field—that of education. In most States Extension is doing a good job in the field of conservation education which is necessary to prepare farmers for the technical help the Soil Conservation Service gives individual farmers through soil conservation districts. In fact, more educational work is needed in order to speed up the job of getting permanent conservation on the land. Dr. R. K. Bliss, who retired about a year ago as extension director at Iowa State College, made an inspiring soil-conservation talk over the radio on June 12, 1946. In this talk Dr. Bliss pointed out that soil conservation is Iowa's greatest economic problem. He said further, and I quote:

> What the program lacks is the educational and organizational drive to get everyone—farmers, schools, city people—all interested in soil conservation. This educational job falls largely on the Extension Service.

That is the way Dr. Bliss, former Iowa extension director, feels about this problem. So, you see, Extension has all it can handle in the field of conservation education. It is not equipped to deal with technical phases of an action program, nor does it want to do so.

I would like to quote once again from the Chicago speech of President Byrd. Dr. Byrd said:

> We must have a continuing, aggressive national agency devoted exclusively to the problems of land conservation. We have that now in the Soil Conservation Service. The job is too vital, too complex, and too basic ever to become a side line to another activity. We cannot permit the national job to be split into segments, or to be subordinated to a variety of other agricultural programs.

That is a direct quote from the president of the University of Maryland and I agree with him.

SCS ORGANIZATION SOUND

Now let me comment on another charge that has been made against the Soil Conservation Service which I consider to be unfair and untrue—and I think I can substantiate what I am about to say by facts from the record. The charge is that the Soil Conservation Service is a top-heavy organization, that its overhead is high. The Soil Conservation Service has one of, if not the lowest overhead of any agency in the Department of Agriculture. The Soil Conservation Service, more than any other agency I know about, has taken its job out on the land. It has consistently reduced its overhead year after year. I think it is an efficient agency, an economical agency. I only wish all the agencies of Government had half as good a record.

Iowa is one of the eight States in the upper Mississippi region of the Soil Conservation Service, with headquarters at Milwaukee, Wis. The other seven States are Indiana, Michigan, Ohio, Minnesota, Missouri, Wisconsin, and Illinois. In the regional office at Milwaukee, and in the eight State offices in that region, the Soil Conservation Service has a total of 291 employees, including clerical, accounting, budgeting, and purchasing personnel who perform functions required by law of all Government agencies. Of the 291 employees in the regional and State offices in these eight States, the Soil Conservation Service has 95 professional grade administrators, technicians, specialists, and supervisors.

I want to make it clear that I do not consider the Soil Conservation Service, with 95 professional and 196 clerical and stenographic regional office and State office employees in the same 8 States, is wasting the taxpayers' money with a top-heavy organization. I am convinced the Soil Conservation Service is streamlined for an efficient job, that it has the bulk of its personnel—86 percent of its employees by Department and Budget Bureau overhead standards, to be exact—out in the field offices to serve the people on the land. In fact, if you consider that practically all of the professional employees in the regional and State offices contribute valuable specialized technical assistance in the field and not in an office—the real overhead—administration and facilitating service—of the Soil Conservation Service is nearer 6 percent than 14 percent.

The Soil Conservation Service operates efficiently and economically—more so than any other agency in the Department of Agriculture. It is not a top-heavy organization. In reality, about 94 percent of their employees are working directly at the job of getting a permanent conservation program established on the land. We must not hinder this all-important program which the Soil Conservation Service is carrying on so effectively to conserve the precious soil of America.

The Clerk read as follows:

> For expenses necessary to enable the Secretary to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590q), and the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407) (except the provisions of sections 201, 202, 303, 381, and 383 and the provisions of titles IV and V), including personal services in the District of Columbia; not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; $165,614,290, to remain available until December 31, 1948, for compliance with programs under said provisions of the Agricultural Adjustment Act of 1938, as amended, and the act of February 29, 1936, as amended, during the period July 1, 1946, to December 31, 1947, inclusive: *Provided*, That not to exceed $15,000,000 of the total sum provided under this head shall be available during the current fiscal year, for salaries and other administrative expenses for carrying out such programs, but not more than $1,950,000 shall be transferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That payments to claimants hereunder shall be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of the act of March 4, 1909, as amended (18 U. S. C. 80): *Provided further*, That none of the funds herein appropriated or made available for functions assigned to the Agricultural Adjustment Agency pursuant to the Executive order (No. 9069) of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State or county information employees, but this shall not preclude the answering of inquiries or supplying of information to individual farmers: *Provided further*, That no funds shall be available for salaries or other administrative expenses in connection with the formulation or administration of any 1948 program of soil-building practices and soil- and water-conservation practices, under the act of Feb-

ruary 29, 1936, as amended, or programs under the Agricultural Adjustment Act of 1938, as amended, except those pertaining to marketing quotas under the latter act: *Provided further*, That the Secretary may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of said office in auditing payments under this item: *Provided further*, That such amount shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in the 1947 program under said act of February 29, 1936, as amended: *Provided further*, That the Secretary is authorized and directed to make payments to farmers who complied with the terms and conditions of the agricultural conservation programs, formulated pursuant to sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, if the Secretary determines that, because of induction into the armed forces of the United States, such farmers failed to file, or were prevented from filing, applications for payment under any such program during the period the applicable appropriation for such program was available for obligation, such payments to be made out of the unobligated balance of the appropriation, "Conservation and use of agricultural land resources," in the Department of Agriculture Appropriation Act, 1946: *Provided further*, That an application for payment on the prescribed form is filed by any such farmer (or the person entitled to payment in case of death, disappearance, or incompetency of the farmer under regulations issued pursuant to section 385 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C., 1940 ed., 1385)) within 1 year from the date of his discharge from the armed forces, or by December 31, 1947, whichever is later: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, or who has been found in accordance with the provisions of section 6 of the act of July 11, 1919 (18 U. S. C. 201), to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels: *Provided further*, That where farmer participation in the program in any State, region, or area is not sufficient to require the full amount of the money apportioned thereto any such sum or sums in excess of such requirement shall be reapportioned to States, regions, or areas whose original apportionments have not been sufficient to meet such requirements.

Mr. CANNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON: Page 48, line 26, strike out "$165,614,290" and insert in lieu thereof "$300,000,000."

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield for a moment to see if we can agree on time?

Mr. CANNON. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto and amendments to this paragraph close in 30 minutes, the last 10 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. WHITTEN. Mr. Chairman, reserving the right to object, may we see how many Members want to talk on this?

Mr. DIRKSEN. The matter has been discussed in general debate and elsewhere and I think the membership is quite familiar with the issue.

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, I have not been able to speak and I should like to address myself to this matter for at least 5 minutes.

Mr. DIRKSEN. The chairman of the committee has not had an opportunity either, even in general debate.

Mr. CANNON. Mr. Chairman, may I inquire of the gentleman, that applies only to the pending amendment?

Mr. DIRKSEN. And all amendments thereto.

Mr. CANNON. And not to any further amendments?

Mr. WHITTEN. Mr. Chairman, I feel I must object in that there are several amendments I know will be offered and from the number of Members who want to speak this will leave approximately 1 minute each.

Mr. DIRKSEN. Mr. Chairman, suppose we agree to run on for a little while, then see if we can limit time. I withdraw the request.

Mr. CANNON. Mr. Chairman, it is only in recent years that the country has become conservation conscious. Even at that we are a little late. But we are beginning to realize belatedly that we must conserve what remains of our natural resources. Much of our wildlife is already gone and can never be replaced, and millions of acres of arable land have been so depleted and eroded that it can never be reclaimed.

So, at this late date there is a feeling throughout the country that we should conserve what resources still remain.

Our basic resource is the land. Everything goes back to the land. We must produce from the land the food and the raw materials and the fiber upon which every industry in the country is dependent. It takes 100 years to make one inch of soil, and during the war years we have ruined our soil, we have drawn upon it as never before. In response to this thought-producing situation we passed in the last Congress an authorization for a $300,000,000 program of conservation, one which met with general approval on both sides of the House, and in both Houses of Congress.

Under that authorization the Department of Agriculture has announced this program, and a large percentage of the farmers of the Nation have entered into what they believe to be binding contracts with the Government, and most of them have performed what they conceive to be their part of the contract.

This program is of special interest to the small farmers. Out of the 3,404,126 farmers who have participated in the program, 2,746,951 will draw $100 or less than $100, and nearly half will draw less than $40.

It is the small man who has a stake in this program, the man who is not able to finance his own conservation unless specially encouraged. It especially applies to the rented farm.

Here is a long-time program under which we preserve the basic fertility of the soil. It has been remarkably successful. Concurrence in the committee report, eliminating entirely the 1948 program and cutting down to $150,000,000 the appropriation for the current program, means that the Government will be able to pay these farmers less than 60 cents on the dollar.

Mr. Chairman, we cannot repudiate the Government's obligations in that irresponsible manner.

Mr. HORAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hear one of my colleagues asking what the amendment is. The amendment is to increase the amount of payments on what is sometimes referred to as political conservation rather than soil conservation from $165,000,000 to $300,000,000.

I think it is significant that we have already passed the part of the bill which applies directly to the conservation of the soil. Being a farmer, I believe in the conservation of soil as only a farmer can, but I believe I have a moral obligation to myself and to my neighbors and to society in general to take care of that soil myself. No one pays me for taking a bath, but it is good for me. It is good for the farmer to take care of his soil himself.

We have passed the section dealing with Soil Conservation Service, and we approach the Production and Marketing Act, in the first paragraph of which is an amount for soil-conservation payments. We are not talking about soil now, we are talking about payments out of the Federal Treasury. All of the breast beating and the crocodile tears we are going to have today are not over conservation of the soil, they are over the political payments to those who comply.

In his budget message to us earlier this year the President of the United States said:

A year ago the budget message recommended gradual reduction of these payments, and that recommendation is now renewed. More than 60 percent of the total payments go to about one-eighth of the Nation's farmers. Most of this money, thus, is being paid to a comparatively small number of farmers, who, because of their strong position in American agriculture, would undoubtedly continue the best farm-management practices without the persuasion of a bonus from the Treasury.

I subscribe to that part of the President's message.

We should shift our effort from this kind of subsidy to providing technical guidance to all farmers for soil conservation and management along the lines of the Soil Conservation Service—

The section dealing with which we have just passed without objection—

and the Extension Service—

Which this committee did not dilute in any fiscal manner.

The President of the United States concludes:

I therefore propose that the appropriation act limit the conservation and use program for the crop year 1948 to $200,000,000 instead of the $300,000,000 program to which we are committed for the crop year 1947. This will not affect expenditures materially until the fiscal year 1949.

I have read from the committee report, page 6.

On all of those commitments or contracts to which the President refers there was small print which said that this was dependent upon the money being appropriated, and the commitments referred to by the President were made on that basis. I submit that in this debate upon which we are now launching we should restrict our arguments not to the conservation of the soil, which I do not think is debatable, but to the matter of political payments out of the Treasury for practices that any good farmer ought to follow. As the President himself points out, 60 percent of these payments go to one-eighth of the Nation's farmers.

The table below outlines some very interesting facts regarding AAA payments:

[Based on 1945 and 1946 program]

Size of payment to individual payee	Number of payees	Percent of total	Payments		Percent of payment proposed 1947	Amount
			Amount	Percent of total		
$0 to $60	2,150,602	63.17	$55,844,000	22.08	100	$55,844,000
$60.01 to $100	596,349	17.52	45,461,000	17.98	75	34,095,750
$100.01 to $500	616,098	18.10	107,584,000	42.55	50	53,792,000
Above $500	41,077	1.21	43,960,000	17.39	25	10,990,000
Total	3,404,126	100.00	252,849,000	100.00	----------	154,721,750

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. COOLEY. Does the gentleman regard these payments as political payments rather than real soil-conservation payments?

Mr. HORAN. I am afraid that I will have to because they are not large enough to conserve a farm and the farmer still has to use his own best judgment to conserve his soil.

Mr. COOLEY. The gentleman's committee provided $165,000,000 for this.

Mr. HORAN. We provided that in our best judgment to carry out the practices for 1947.

Mr. COOLEY. If the gentleman regards these as political payments, why did he allow $165,000,000 to come out of the taxpayers' pockets for something that he considers a political purpose rather than a soil-conservation practice.

Mr. HORAN. Simply because it was pointed out to us that the commitments had been made.

Mr. COOLEY. All right; but if political commitments were made, certainly the Republican Party is not interested in keeping political commitments. The commitment was for $300,000,000.

Mr. HORAN. The commitment was for what we estimated the amount to be and we felt it should be carried out.

Mr. HOBBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no one thinks any more of WALT HORAN than I do or appreciates the value of his services more. I am sure the statement he has made here today is based not upon the knowledge he has of his own business, which is apple growing, or pear growing, but upon his ignorance of the soil-conservation practices for which the payments are made. If my good friend, WALT HORAN, could go down to the grass roots and see the purposes for which these payments are made and see the cost to the farmer who gets these payments he would see that practically none of these payments are not earned. When you are planting nitrogen in our soil by cover crops, is that political? It is preserving the soil in the best possible natural way. It costs money to earn these payments from the Government.

It has been slurringly charged here that these are political payments. Gentlemen, I assure you nothing could be further from the truth. If you want these soils destroyed; if you want millions of little farmers—who simply have not the initial cash outlay necessary to sow these soil-building, soil-enriching cover crops without this Government investment promised by law—to be compelled to cease these soil-conserving practices, then go right on and vote your pledged word to these farmers who relied on it. But you cannot repudiate this honest debt by killing this amendment and escape the righteous condemnation which always follows such fraud.

I want to read to you from last year's RECORD when our former distinguished colleague, Judge Tarver, of Georgia, offered a committee amendment unanimously adopted by the Subcommittee on Agriculture—if my information be correct—for this $300,000,000 pledge. It is our promissory note. He said:

Mr. TARVER. Mr. Chairman, I am presenting for the consideration of the Committee of the Whole the question to which I made reference a few moments ago. That is, whether or not you are going to authorize for the crop year 1947 program, $300,000,000. I am presenting it in language which is so definite in character as to admit of no misconstruction. It is the time now to decide whether you want to reduce the 1947 crop-year program, not next year after the plans of the Department and those of State AAA authorities and the farmers have already been completed. If we want to reduce it, reduce it now and reject my amendment and offer some other amendment to indicate a lower figure.

But if you want to fix it definitely and in such form as to enable the farmers of the country to rely upon it implicity so that even the Bureau of the Budget cannot disregard it, then adopt the amendment which I have offered.

I may say that I have submitted this amendment to the members of the subcommittee and it is, therefore, offered as a committee amendment, since it met with their approval.

I hope the amendment will be adopted.

So, it is perfectly clear and beyond question, that it was last year when you were free to make the unwise cut now made, that you should have made it for the crop year 1947. Nor can you attempt to palliate your repudiation today of your appropriation of March 8, 1946, by saying that you did not understand the significance of that pledge made 14 months ago. Judge Tarver warned you then, in language too plain to be misunderstood, not to make the pledge unless you meant it. He challenged you then: "It is the time now to decide whether you want to reduce the 1947 crop-year program, not next year after the plans of the Department and those of State AAA authorities and the farmers have already been completed. If we want to reduce it, reduce it now and reject my amendment and offer some other amendment to indicate a lower figure." You cannot misunderstand that. You did not then. You do not now. The issue now presented by the pending amendment is stark clear. It is: Shall we repudiate our promissory note, signed, sealed, delivered, acted on by millions of American constituents in good faith ever since? Or to phrase it another way: Shall we pay our honest debt?

Today we are writing the appropriation bill for next year—the fiscal year 1948. We have a perfect right to write our pledge for the 1948 crop-year program at $300,000,000, or for half that sum, or nothing. But whatever amount we pledge, we should redeem to the dollar by appropriate provision in next year's appropriation bill.

So I am here in honesty and good conscience, never more serious in my life, to say that we have no moral right to fail to pay the promissory note we wrote in last year's appropriation bill and upon which three-quarters of the farmers of this Nation have acted in good faith and spent at least 80 percent of the money that Uncle Sam promised them to improve their land, plus their sweat and blood that went in, in addition, in the faith they had in the integrity of the Government and its pledged word—the law we wrote and made a statute. So if you wish to reduce such payments for succeeding years, then go ahead. Slaughter the whole program, if you wish. That is within your moral right, but you have no moral right to fail to pay, now that it has matured, your promissory note that you wrote last year for $300,000,000. If you want to continue at that same level, it is the best money you can invest in the future of this Nation.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. HOBBS] has expired.

Mr. TEAGUE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Chairman, the budget reductions recommended by the

Appropriations Committee for the Department of Agriculture concerns me a great deal. It should concern every individual in this country for all of us, particularly those living in metropolitan and industrial areas, are entirely dependent upon the farmer for the maintenance of our specialized type of economy. We have only to look about us to the other less fortunate nations to see this fact. England's food situation is desperate. She, along with India, China, Italy, Greece, Germany, and various other nations, is sorely faced with the effect of the population pressure upon the land, and the inability of their own agricultural resources to provide adequate sustenance for their peoples.

Our population has now reached 141,000,000 and the population is continuing to increase at a rate of about one-half million people each year. Our position as the world's wealthiest and most powerful nation is, in a large measure, to be attributed to the ability of the farmers and ranchers of this country to adequately provide food and fiber in such abundance that we have been able to maintain one of the world's highest standards of living.

World War II is not too far back in our memories for many of us to recall the narrow margins by which we escaped serious food shortages. By no means is it so far back for all of us to recall the large quantities of food produced in this country for our allies. Few of us realize, however, that crop yields per acre harvested during the five war years—1942–46 inclusive—averaged a great deal more than during like periods in the past. Interesting comparisons are obtained by comparing yields during the 5 years, 1942 to 1946, with the 5 years, 1929 to 1933.

Here are a few comparisons: Corn yields increased 42 percent, grain sorghum yields increased 25 percent, feed grain yields increased 33 percent, wheat yields increased 28 percent, cotton yields increased 42 percent, and hay yields increased 19 percent. These figures are increases in yield per acre harvested, acreage increases during the war years not withstanding. These and other agricultural yield increases account in no small measure for the difference between victory and defeat in World War II. These yield increases cannot be attributed entirely to good weather or ideal production conditions, for the increases are not spectacular wartime increases. A study of the statistics reveals that they are a result of sustained year-by-year increases in efficient production.

These gains were made through years of effort and experience of good farmers, through years of research and educational services by the Department of Agriculture, our State colleges, our experiment stations, our Extension Service agencies, and through our soil-conservation programs. These gains represent dividends from the Government's continued investments in good farming and contribute immeasurably to the maintenance of our complex type of economy. To discontinue or to arrest the continuity of this work will constitute a disservice not only to farmers but to our entire population of this and future generations by endangering our continued effort to keep agricultural production ahead of our population increases.

There has been a considerable amount of half truths spoken and written in recent weeks concerning price support programs to farmers and its alleged contribution to the current high costs of living. Actually few agricultural commodities are supported or have been supported during the period since the end of the fighting. To be sure, prices have increased for practically all commodities, but such increases are inevitable during periods of prosperity. High incomes, widespread employment, and high rates of production mean rapid movement of merchandise, rapid rates of circulation of money, increased buying power, and a heavy demand for goods and services. But farm prices have not increased at a disproportional rate compared with nonfarm prices.

Let us consider a few facts that are revealed in the recent publication of Agricultural Prices, a monthly publication of the Department of Agriculture. Wholesale prices doubled between the 1935 to 1939 period and April 15, 1947. Retail prices for food also doubled. Farm prices, prices received by farmers, increased two and six-tenths times the 1935–39 average and the farmers' cash income from marketing increased two and seven-tenths times. The farmers' costs, or prices paid, including interest and taxes, increased one and eight-tenths times the 1935–39 average. The ratio of prices received to prices paid, including interest and taxes, but excluding the farmers' labor costs, increased only 40 percent. His wage bill, as represented by the index of farm-wage rates, increased three and three-tenths times the 1935–39 average. Weekly factory earnings had merely doubled during this same period. The farmers' income is somewhat enhanced by a 13-percent increase in the volume of farm marketings, but marketings of nonfarmers has increased considerably more than this.

The farmers' economic position undoubtedly is better than in the 1935–39 period and I am sure we are all glad that it is. But his improved financial position is partly accounted for by his production of much of his own household food requirements and because he can be and is more frugal. But his apparent financial condition must be partly discounted by the fact that he has yet to replace much of his farm equipment, the production of which was curtailed during the war period.

According to the marketing and transportation situation reports of the Department of Agriculture, the public is still spending about 23 percent of its more than doubled annual income for foods. Had the people of this country purchased the same quantities of foods in 1946 as they purchased per capita during the 1935–39 period, their expenditures for food would have declined from 23 percent to 17 percent of their income. The difference between 17 percent and 23 percent, or 6 percent of the public's food bill, I assume, must be attributed to increased quantities of food purchased. A high rate of employment and increased wages has afforded more people better diets and a better living.

The position that this Government took with respect to obtaining the high wartime production for nonfarm sources required huge cash outlays and a heavy assumption of risks for capital investments and essentially guaranteed profits to the wartime producers of nonfarm items. The position it took with respect to farm production essentially was a guarantee against sudden price declines to protect the farmers' investments, not Government investments, in crops that took months—in some cases 14 to 18 months—to produce and market. Bear in mind the farmers' business turn-over, at best, is once or twice each year, while businessmen turn their stock several times each year. I dare say, the approach employed to obtain the agricultural production was and will be by far the more economical. Another 19 months remain for the Government to fulfill its obligations to the farmers. We, of course, must fulfill that obligation. Any abuses under the program should be brought to light and stopped, but we should not seek to penalize all farmers simply because minor abuses may be possible. Nor should we penalize the national welfare by the discontinuance, or retarding of research, educational and administrative programs that have so greatly contributed to our world-wide agricultural leadership.

The Seventy-ninth Congress laid the ground work for the enhancement of our agricultural leadership in the passage, by unanimous vote of both Houses, of the Marketing Research Act of 1946. This act, potentially, is the greatest positive piece of agricultural legislation passed by the Congress in many years. Thus far, however, it has been only a potentiality. Funds have never been appropriated so as to permit the Department and the State colleges to proceed to carry out the wishes of the Congress. We should not stand in the way of this program any longer. The time will come, altogether too soon, when the results of this program will be needed to facilitate the efficient movement of agricultural production to the urban consumers. Much can be done to enhance the value of our agricultural production—to farmers and to consumers—through the efficient placement of the products in the form and at the time and place people want and need those products. To delay this program further will tend to destroy a part of its value, for time is one of our more valuable assets.

A great deal of latitude is possible and feasible in the improvement of our marketing and distribution system. Continued pursuit of the solution of problems now affecting the system will enhance the value of our agricultural economy to the benefit of farmers, dealers, and consumers. Savings of food and fiber and their byproducts, and increased efficiency in the handling of these commodities and products means increased earnings to farmers and businessmen, lower prices and greater nutrition to consumers, and a greater wealth to this country. With conditions what they are

in the world today, the sooner we get started with this program the better it will be for all of us.

I am unalterably opposed to appropriation cuts in the Agriculture appropriation bill which would force the Government to renege on its promises to the agricultural producers. I believe that some savings can be made, but I do not want the heart cut out of the AAA conservation program or any other vital and necessary service just for the sake of reducing the budget. That is false economy.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the statement in last year's bill and the statement by the Department of Agriculture to farmers that payments upon fertilizer and lime to be used upon that individual farmer's land will be made subject to the approval of the Congress and to appropriations by the Congress makes a contract, then I cannot understand English. As a matter of fact, I think it might be of interest to the Congress to know and to realize just for whose benefit this operation is. Frankly, I have never had a farmer in my district—and it is an agricultural district—favor this operation to me. I have had many of them oppose it because they do not believe in subsidies. But I found out the other afternoon, beyond dispute, just what is the source of this operation and the support for it. It is the fertilizer trust and the National Agricultural Limestone Association. Their lobbyist, a fellow by the name of Robert M. Koch, was around to see me the day before yesterday afternoon. He had taken a poll of some people in my district, and of Mr. DIRKSEN's district, and of Mr. PLUMLEY's district, and Mr. ANDERSEN's district, to find out how the farmers in those districts felt. I suppose these post cards were sent around to them by the fertilizer and limestone agents. He brought the thing in to indicate how strong the farmers were for it. I have not heard from a single one of them.

Now, I wonder, are we passing on a bill for the benefit of the farmers, or for the Fertilizer Trust and the Limestone Trust? It is about time we began to think about what we are doing.

Clearly, this item is for the benefit of the Fertilizer Trust and the Limestone Trust, and we ought to wake up and realize just exactly what it means. Why, the gentleman went so far as to indicate that if there was opposition to this, they would be able to see that none of these farmers voted the Republican ticket again. I am ready to meet that challenge. I do not believe the farmers in my territory are going to be run around by the nose by the Fertilizer Trust and the Limestone Trust. I do not believe that the Congress of the United States is going to be a tool of, and supine to, the Fertilizer Trust and the Limestone Trust; and I hope that in opposing this amendment the Congress of the United States will show its independence of the Fertilizer Trust and the Limestone Trust.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma.

There was no objection.

Mr. ALBERT. Mr. Chairman, I hope the committee will adopt the amendment of the gentleman from Missouri [Mr. CANNON].

The enormous cuts in appropriations for the Department of Agriculture come as a shock to the American farmer who is being called upon now to feed the entire world. At no point in this bill are these cuts more disastrous than in the reduction of funds for the AAA program now administered by the Production and Marketing Administration. When appropriations were set at $300,000,000 for this item in 1946, a precedent was established, and in good faith the farmers have acted on that precedent. They depended upon it. Many of them have entered into commitments under it. Farmers performed their part of the bargain, and it is unfair that the Federal Government should repudiate its part of the program. Unless these cuts are restored, this is going to mean money out of the pockets of our farmers on matters that they have entered into in all good faith. In 1947 the farmers of Oklahoma were allotted $7,459,000 as Oklahoma's share of the $300,000,000 appropriation. Over 70 percent of these funds have already been spent. Increased interest in conservation has been so great that already many counties have spent all their funds. This is one of the finest programs ever authorized by this Congress. It is a program for America. It is a program to build up our own country. It is a program for the conservation of our soil upon which we depend for all the basic necessities of life. It is a democratic program largely carried out by the farmers themselves. In all respects its operation has been thoroughly American. I sincerely hope that the committee will restore the full amount of the budget estimates for the PMA. Next to our children, our soil is our greatest national asset. Yet, despite this fact, we find these enormous reductions in budget estimates, both in our triple-A program and in our program for school lunches which has been reduced from $75,000,000 to $45,000,000. In its action on the school lunch item in the deficiency appropriation bill, this Congress has emphatically expressed its position with respect to this valuable program. I sincerely trust that it will restore the full amount of this item which, compared to the amount of money we have spent to feed foreign countries, is almost negligible.

In rescinding all section 32 funds, the Appropriations Committee is saying in effect that although the advantages of tariff to industry are to be maintained, no offset will be allowed to the farmer. This action, in my opinion, will mark the beginning of an unfortunate precedent. I sincerely hope that the Committee will see fit to restore this item.

Many of the reductions in the estimates of the Bureau of the Budget contemplated in this bill relate to loans on which the Government has made a profit. This is certainly true of REA. This program is not a gift to the farmers; it is a profitable investment. Every dollar spent for this program is coming back to the Government with interest. In many sections of the country this program is in its infancy. In many counties in my own State and district, it is just getting started. In this bill we are saying to farmers in such areas that they are not entitled to the benefits which have already been extended to farmers in many other sections of our country. The farmers are prosperous, and in times of prosperity they desire to build up their farms and to enhance their value for the future.

Likewise, our farm-tenancy loans, which have been considered the highest form of risk, have already proved in practice that they are sound. This program benefits the small farmer, the tenant farmer. It is a program which is converting many sections of our country from that of farm tenancy to one of home ownership. It takes no persuasion to convince anyone that home ownership is the foundation of a stable democracy.

I trust that this House will not break faith with the American farmer. I trust and sincerely hope that we may be able to restore the drastic cuts which have been made in the budget estimates for agriculture in many particulars. We all want economy but not false economy, not economy which will cut the heart out of our farm program.

Mr. DIRKSEN. Mr. Chairman, I wonder if we cannot agree on a time to limit debate and whether Members who want to be heard just want to extend their remarks.

Mr. HARDY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HARDY. Mr. Chairman, I am a farmer. I have been extremely close to the agricultural programs since 1933, and was chairman of my county AAA committee from its inception until in 1942 I was made a member of the State AAA committee, and subsequently chairman of the State committee. During the period from 1933 to 1945 I participated in most of the national conferences which developed the detailed operational programs provided for by the Congress. During much of this same period, I was president of the association of vegetable producers in my State, and served for many years as a member of the national fruit and vegetable committee of the American Farm Bureau Federation. I also served for a period of time as chairman of the Virginia Peanut Growers Committee.

One of the basic policies in existing legislation is concerned with the maintenance and improvement of soil fertility. The agricultural conservation program has contributed immeasurably to the resources of our soils and to the productivity of our national agriculture. In the appropriation bill last year, the Department of Agriculture was authorized to develop a program of agricultural conservation for the current year to the

extent of $300,000,000, to be appropriated by this Congress. I question the wisdom of so drastic a curtailment as is proposed in this bill. I do concur in the belief that producers generally are financially able to bear a much greater proportion of the costs of conservation practices than they are now doing. I believe the authorization for next year can be substantially reduced without seriously retarding the constructive conservation that has been started, but I do not think it wise to completely eliminate provision for sponsoring agricultural conservation in future years.

I do not think we can classify agricultural conservation as a subsidy to farmers. The protection, preservation, and upbuilding of our soil's resources is of extreme importance from the standpoint of national welfare. In spite of all our educational activities among farmers, and in spite of the tremendous amount of progress that has been made toward developing in them a consciousness of the necessity for protecting their soils, the time has not yet arrived when individual farmers, acting entirely on their own volition, will carry out conservation measures which are so necessary for the protecting of soil fertility, and for the assuring to our Nation agricultural productivity adequate for our needs.

From my long association with our various agricultural programs I am not convinced that the present Federal policy toward agriculture is the best policy to pursue in the indefinite future. I have some convictions with respect to changing our approach and eliminating the detailed involvment of the Federal Government into the production, habits, and procedures of individual farmers. I think we can avoid any semblance of regimentation, and simultaneously promote a sound agriculture in the best interests of our Nation. I am planning to offer certain suggestions of this nature for the consideration of the Agriculture committee.

Until we have improved legislation with respect to agriculture, I think it is incumbent upon us to utilize to best advantage, and as economically as possible, those facilities which are provided in existing legislation. I think it would be unwise for us to eliminate all our emphasis on soil conservation and believe we should approve this amendment.

Mr. TRIMBLE. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I am supporting an increase in the appropriation for soil conservation and for the Production and Marketing Administration for the reason that for generation after generation, we have been exploiting our soil—the greatest heritage which God has given to us and our children; and only recently have we begun to replenish that soil.

This is not alone the responsibility of the individual farmer, but it is the responsibility of the Government of the United States. Fundamentally, the stability of this country rests upon its soil. When that soil is depleted to such an extent that it will not sustain our economy, then we must go the way of the great nations of the past who neglected that great heritage and went into decay.

To deny these funds now, in my opinion, would be one of the greatest mistakes in judgment that the Congress of the United States could make. We are just beginning—the real surface of soil conservation has only been scratched. I think now, especially, when we are heading into a new period of world recovery when not only the fate of our own Nation but the fate of the world is tied up in whether or not the people of the world have plenty to eat and plenty to wear, it would be particularly tragic if we, the Congress, should recoil from our responsibility and affect a penny-wise, pound-foolish economy.

It is needless for me to stand here and argue to the Congress the merits of soil conservation. It would be childish indeed, because the benefits are well recognized, and the fruits of the program speak for themselves.

So I shall not take any more of your time, but my vote is for an increase in the appropriation.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is regrettable that so much politics has been injected into the nonpolitical subject of an agricultural appropriation bill. The Nation cannot survive without food and fiber. This food and fiber are and must be produced by agriculture. Yet it is apparent that there are those among us who are more interested in making this a political bill than they are in the well-being of and production on the part of the farmer and economy on the part of government.

Everybody concedes that during the last political campaign the Republican Party promised elimination of all possible waste and pledged itself to the strictest economy in the operation of government, including the Department of Agriculture. In keeping with this pledge, every item in the President's budget has been carefully scrutinized by a diligent subcommittee on agricultural appropriations. Weeks have been consumed in this study. The Department has been required to justify every request made in its budget. This has been an interminable job on the part of the committee. Be it remembered that the testimony in the hearings before this subcommittee was taken down in shorthand and is before us today for consideration. These printed hearings have been available for study by members generally. The volume consists of printed pages and is mute evidence not only of the painstaking care of the committee but also is proof that the cuts made in this bill are justified.

Yes, these printed hearings prove conclusively that cuts were not made with a meat ax, as alleged by some of the speakers. The whole Department, and all of the activities in the name of agriculture carried on by the Department, have been laid on the operating table and the parts of the organization unnecessary to efficient functioning have been eliminated. A reading of these hearings is conclusive proof that the delicate knife of the surgeon has been used; that there has been no meat-ax operation, and that only nonessential expenditures have been eliminated.

Mr. Chairman, there is a difference between essential things and desirable things. With a national debt of approximately $260,000,000,000 we must take stock of our resources and our ability to pay. We can all think of improvements in our homes and of desirable changes possible, but none of us would think of making these changes if in doing so we were marching directly toward bankruptcy. Our country must be kept solvent. There is a limit to the amount of money the taxpayer can contribute to government, and the people are demanding that the Congress recognize this fact, cut expenditures, balance the budget, provide for the payment of the national debt and proceed from here on out on a sound fiscal basis. Now this cannot be accomplished without more economy in government, and there is only one way to bring about this economy and that is by cutting and reducing every penny of outgo that is not absolutely essential at the moment.

Mr. Chairman, as I have told the House so many times, I represent one of the most productive agricultural districts in the country. Our activities on the farm are varied and there are few provisions in this appropriation bill that do not have a direct bearing on some part of agriculture within my district. Consequently I am vitally and earnestly interested. I want to do the right thing for my district. I realize, however, that the prosperity of the country and the well-being of the several congressional districts are dependent upon the national economy, and that it takes prosperity in all of the districts to make national prosperity. There are some cuts in this bill which do affect my farmers more than farmers in some other districts. Naturally these constituents do not want these cuts and have so advised me. However, I have faith in them, and when they consider the national picture I feel sure they will not ask for favors in their particular cases. The real trouble in bringing about economy in government is that, while each group and most individuals favor economy, yet all want the economy applied to the other fellow.

In popular vernacular it is not a question of "let George do it," but it is a question of "do it, but let George pay for it." It is just too bad that the honest, sincere, and conscientious effort of the Appropriations Committee to keep faith with the people and weed out wasteful and unnecessary expenditures is being made a political football. I feel sure that no one will accuse me of being offensively partisan in the consideration of any legislation. It is true that the Republicans, preceding the last election, did promise to reduce the number of Federal employees and to bring more economy to the Government. I thought that in this effort the cooperation of the Democrats could rightfully be expected. Apparently I guessed wrong, because up to this good hour, while this appropriation bill is being read for amendment, there has been a solid Democratic vote against practically every cut proposed by the majority. Yes; most of the Republicans

have voted for the cuts, yet partisanship has not so unanimously prevailed. There has not been a vote on an amendment where the Republicans voted on strict party lines. Indeed, the well-being of agriculture is not and should not depend entirely on the edict or strategy of any political party organization.

If a Member is convinced that a reduction is not justified and will injure rather than help the country, then he is doing wrong if he does not vote accordingly. On the other hand, if he responds to a crack of a political party whip, for political purposes only, then he is doing his country a disservice.

Mr. Chairman, I have given careful attention to the printed committee report. I have gone through the bill. I regret that in my opinion the safety of our country requires the elimination of some worthy activities on the part of the Government for the time being; that is, I favor doing some of the things suggested in the President's budget but, under all the circumstances, am convinced that this is not the time. I know, as we all know, that when this bill goes to the Senate additional sums will be added, and that the final Agriculture appropriation bill will be a compromise between the views of the two Houses.

In voting for this measure, I am giving due consideration to the studied conclusions of the committee reporting the bill, which knows more about the details than the rest of the House can hope to know in the time which can be given for consideration.

In conclusion, may I beseech the Members to forget the center aisle which divides our seats politically? Let us think entirely of our responsibility to agriculture and the country at large rather than campaign issues in the 1948 election. Political strategy is all right in its place, but it is entirely out of place when dealing with a nonpartisan question upon which the very existence of the Republic rests.

Mr. DIRKSEN. Mr. Chairman, I would like to see if we can agree to a limitation of debate on this section.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes.

Mr. BROOKS. Mr. Chairman, reserving the right to object, I have not spoken on the bill yet. Unless I can get 5 minutes I will object.

Mr. DIRKSEN. Mr. Chairman, the membership should realize that if everybody is going to be recognized on every amendment we are going to be here for a long, long time.

Mr. BROOKS. What is wrong about giving the farmers a break?

Mr. DIRKSEN. That sounds interesting, of course.

Mr. Chairman, I move that all debate on this section of the bill and all amendments thereto close in 40 minutes, the last 15 to be reserved to the committee.

Mr. CANNON. That is perfectly agreeable, with 15 minutes reserved to the committee.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

The CHAIRMAN. In order that there may be no misunderstanding the Chair will read the names of those seeking recognition at the time the motion prevailed: Messrs. ANDERSON of California, POAGE, BROOKS, WOOD, ALLEN of Louisiana, PACE, CASE of South Dakota, WHITTINGTON, and 15 minutes for the committee.

The gentleman from South Dakota [Mr. CASE] is recognized.

A MATTER OF HONOR

Mr. CASE of South Dakota. Mr. Chairman, whatever I shall say is not prompted by the Fertilizer Trust or the Limestone Trust. I do not think either of them operate in my congressional district or in South Dakota to any extent. What I shall say goes to the question of the moral obligation of this Congress.

In passing, however, in order that the country may know that the ranchers in my district earn their payments I wish to say that the great bulk of these payments go for building stock-water dams.

Mr. Chairman, the year I was first elected to Congress was 1936, one of the tough drought years in the northern Great Plains. In 1934, and again in 1936, I campaigned on the slogan "A dam, an irrigated garden, and some trees on every farm in western South Dakota." When elected, I pursued every honorable course to make that goal come true.

I proposed the use of the old resettlement grants to encourage water conservation. I supported the Water Facilities Act. I wrote the bill which was called the Case-Wheeler Act, or, more officially, the Water Conservation and Utility Act, to get double duty from relief dollars. I urged that the old triple A program place its emphasis upon actual water-conservation practices. I supported at every opportunity the building of stock-water dams as the logical conservation practice for these payments in my district.

And I have seen a transformation in the water resources on the ranches in my congressional district in the last 7 years.

In 1940, in my district alone, 8,040 dams were built on 7,746 farms or ranches. In 1941, there were 6,247 dams built on 6,101 farms. The program slackened a bit during the war because of labor and machinery problems, naturally, but still progress was made. And in 1946, the first postwar year, 7,788 dams were built on 5,831 South Dakota farms, of which 5,565 dams were on 4,178 farms in my congressional district.

Since the inception of the program in 1937, the first year I was a member of Congress, through 1946—10 years—there have been constructed a total of 57,812 dams on 51,147 farms in South Dakota, 70 percent of which are in the western half of the State, the so-called short-grass country. The dirt moved in building these dams totaled 76,194,754 cubic yards.

Along with this dam-building program went tree planting, rotation grazing, and contour stripping. I mention these things, Mr. Chairman, to dispel once and for all any idea that in my district the fertilizer trust has anything to do with the program, or that any such trust has anything to do with my attitude in this matter.

The people in my congressional district work for these conservation payments and these exist to show what they have done.

I will, of course, agree with anyone who says that good as any program may be, there may come a time when you cannot afford to put out the cash for it. If the time has come to say that we will not authorize a conservation-payment program for next crop year; that is one thing, and the sound-thinking people of my district will not complain if that is the situation. I have never seen the time, however, Mr. Chairman, when it was desirable to welch upon an obligation, either individually or nationally. And it is to that point I now address myself.

A year ago when this matter was before the House of Representatives the gentleman who was then in charge of the bill, Mr. Tarver, of Georgia, specifically called attention to the fact that there was language in the bill which proposed to put a ceiling upon the amount of these practices for which 1947 contracts might be entered into with the farmers. He called attention to the fact that that was a ceiling of $300,000,000. After directing attention to it he then offered an amendment and advised the House he was doing it so that it would in effect make the ceiling also a floor and permit the representatives of the Department to enter into contracts with the farmers on the basis of conservation practices amounting to $300,000,000.

The amendment specifically changed the language in the proviso of the bill with that avowed intent.

Mr. Tarver had called attention to what he proposed to do in advance of offering the amendment and then when he offered it did so in these words:

I quote from the CONGRESSIONAL RECORD for March 8, 1946, page 2081:

Mr. TARVER. Mr. Chairman, I am presenting for the consideration of the Committee of the Whole the question to which I made reference a few moments ago. That is, whether or not you are going to authorize for the crop year 1947 program $300,000,000. I am presenting it in language which is so definite in character as to admit of no misconstruction. It is the time now to decide whether you want to reduce the 1947 crop-year program, not next year after the plans of the Department and those of State AAA authorities and the farmers have already been completed. If we want to reduce it, reduce it now and reject my amendment and offer some other amendment to indicate a lower figure.

But if you want to fix it definitely and in such form as to enable the farmers of the country to rely upon it implicitly so that even the Bureau of the Budget cannot disregard it, then adopt the amendment which I have offered.

I may say that I have submitted this amendment to the members of the subcommittee, and it is, therefore, offered as a committee amendment, since it met with their approval.

I hope the amendment will be adopted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. POAGE. I wish to see if I thoroughly understand the amendment. The bill as now written puts on a ceiling of $300,000,000 for next year.

Mr. TARVER. Exactly.

Mr. POAGE. As I understand it, if we adopt the gentleman's amendment, we have in effect

approved $300,000,000 for next year without either putting it up or down; in other words, it is a kind of floor as well as ceiling.

Mr. TARVER. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 62, noes 19.

So the amendment was agreed to.

Mr. Chairman, it will be noted that this issue was raised as specifically as the English language could raise it. The gentleman from Texas [Mr. POAGE] asked:

As I understand it, if we adopt the gentleman's amendment we have in effect approved $300,000,000 for next year without either putting it up or down; in other words, it is a kind of a floor as well as a ceiling.

Mr. TARVER. That is correct.

Immediately thereafter the chairman put the question and the amendment was adopted. The record is clear.

The representatives of the Department were entitled to lay out the program in the various States upon the basis of a $300,000,000 program for this crop year of 1947, and they did so.

Now, there may be some Members who can salve their conscience by saying somewhere, in fine print, upon the contract submitted to the farmer—there is some suggestion this thing might be changed by a subsequent appropriation of Congress—but my conscience permits no such evasion.

Under the language of the record as printed in the CONGRESSIONAL RECORD of March 8, 1946, I cannot go to the farmers and ranchers in my district who have engaged in contracts for the building of dams and who are now told, many of them, that under the cut proposed they will have to refund the money already received and paid for contracts for the building of dams into which they have already entered, and qualify the promise that was made by the House of Representatives and, Mr. Chairman, I do not propose to do so.

I shall vote for the pending amendment, as a matter of honor as I interpret the record.

(Under permission subsequently granted by the House, Mr. CASE of South Dakota appended the following table to his remarks:)

Dams and reservoirs, 1940–45

[Dirt in thousands of cubic yards]

County	1940	1941	1942	1943	1944	1945
Bennett	112.0	86.9	16.3	8.1	5.6	1.3
Butte	471.2	63.3	303.4	313.6	300.5	523.6
Corson	275.7	283.6	78.8	62.7	41.7	146.7
Custer	221.4	167.9	141.0	127.4	135.2	269.6
Dewey	418.4	470.0	161.4	181.7	191.8	233.2
Fall River	609.1	541.9	367.3	239.9	307.5	415.8
Gregory	247.7	188.4	260.7	155.7	151.3	189.8
Haakon	633.5	569.6	415.3	325.2	440.6	580.8
Harding	607.4	435.9	255.6	165.4	169.9	198.3
Jackson	200.8	177.7	203.8	139.1	131.3	240.2
Jones	104.4	411.1	153.1	332.4	360.8	701.0
Lawrence	30.3	11.7	20.5	18.1	45.8	61.0
Lyman	617.6	424.1	307.9	266.1	417.7	422.5
Meade	862.1	865.6	517.8	454.7	499.3	837.9
Mellette	408.1	359.4	263.2	264.5	267.1	436.3
Pennington	538.1	547.4	292.4	359.7	344.4	610.1
Perkins	353.6	447.4	211.0	205.1	124.8	325.0
Shannon	128.4	127.5	25.7	24.0	7.8	19.2
Stanley	294.1	375.4	283.2	230.2	318.6	356.4
Todd	161.4	123.8	21.8	32.4	25.9	73.2
Tripp	249.9	252.4	247.2	230.0	160.4	343.6
Washabaugh	163.1	80.8	24.8	26.7	17.1	36.9
Ziebach	612.3	546.5	306.0	337.6	233.1	227.2
Total	8,320.6	7,558.3	4,878.2	4,500.3	4,698.:	7,249.6

The CHAIRMAN. The chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, hesitant as I am to take the time of this House to again read the record to which reference has been frequently made, I cannot fail to ask each Member to read once more pages 2080 and 2081 of the RECORD of March 8, 1946. That is the record of this House when it considered this bill last year. A part of that record reads:

Mr. TARVER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

"Committee amendment offered by Mr. Tarver: on page 48, lines 21 to 23, strike out all the language within the parentheses and insert in lieu thereof the following: 'amounting to $300,000,000, including administration.'"

Mr. TARVER. Mr. Chairman, I am presenting for the consideration of the Committee of the Whole the question to which I made reference a few moments ago. That is, whether or not you are going to authorize for the crop year 1947 program, $300,000,000. I am presenting it in language which is so definite in character as to admit of no misconstruction. It is the time now to decide whether you want to reduce the 1947 crop-year program, not next year after the plans of the Department and those of State AAA authorities and the farmers have already been completed. If we want to reduce it, reduce it now and reject my amendment and offer some other amendment to indicate a lower figure.

But if you want to fix it definitely and in such form as to enable the farmers of the country to rely upon it implicitly so that even the Bureau of the Budget cannot disregard it, then adopt the amendment which I have offered.

I may say that I have submitted this amendment to the members of the subcommittee and it is, therefore, offered as a committee amendment, since it met with their approval.

I hope the amendment will be adopted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. POAGE. I wish to see if I thoroughly understand the amendment.

The bill as now written puts on a ceiling of $300,000,000 for next year.

Mr. TARVER. Exactly.

Mr. POAGE. As I understand it, if we adopt the gentleman's amendment, we have in effect approved $300,000,000 for next year without either putting it up or down; in other words, it is a kind of floor as well as ceiling.

Mr. TARVER. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 62, noes 19.

So the amendment was agreed to.

There may be Members who feel that they can escape responsibility for this commitment by citing the fact that the Department of Agriculture has always shown a suspicion of the promises of Congress and has put some fine-print provisions in most of the conservation contracts with farmers advising that the payments were contingent on congressional appropriations. I am not one of those who feel that I can break my promise on such a flimsy pretense. As a matter of fact, the Congress has given its solemn promise that the farmers would have $300,000,000 for soil-conservation payments during the crop year of 1947. The farmer could well understand the warning of the Department of Agriculture and still rely implicitly on the direct promise of the Congress itself. You and I made that promise. I am going to try to keep my promise. I wish that all of my colleagues on the majority side would join with the distinguished chairman of the Agriculture Committee and some 8 or 10 other Members who evidently respect their promise even in the face of party pressure. No one can read the record and seriously deny that this House did promise the farmers of America that they would have $300,000,000 for soil-conservation practices during the crop year of 1947.

We told the Department of Agriculture that they should work on a program of $300,000,000—not more and not less, but exactly $300,000,000. They have worked on that kind of a program and they have made promises to the States on that basis. The law required the allocations to be on the basis of $300,000,000. The money has been promised to the counties on that basis. The law we passed so required it.

So that those of you who do not understand this may know just how it works, I will give you an illustration from down in Texas, and it works the same way in every State. The $300,000,000 is first allocated to each of the several States. Then the State divides their allocation between the counties.

As an example, in Bell County, Tex., the county was allocated $129,200, to carry out the 1947 agricultural conservation program. Of this amount $110,656 had been obligated prior to May 24, 1947. Sixty-eight thousand three hundred dollars has already been earned. That is the farmers of Bell County have already done work which entitles them to more than this bill will pay.

In McLennan County, Tex., $140,600 was allocated for the 1947 crop year, and of this amount $110,589 had already been

earned on May 23. That means that if we break faith with these farmers and give them only the half of what we promised, which the committee proposes, it will not only be impossible to pay for the work that has been done but, in addition, those farmers are going to have to refund to the United States Government at least $30,000 that they had every right to believe was theirs. Nor will it be possible for any of the farmers of McLennan County who recently signed up to receive any payment at all for the practices which he carries out.

This means that the United States Government, instead of carrying out its promise to the farmers, is going to find itself in the position of an Indian giver, going around and taking from the farmers what it solemnly promised.

The chairman of the Appropriations Committee has suggested that this program is simply for the benefit of the sellers of limestone and of fertilizer. I feel that this is a very unfair and unfounded charge. No processor of fertilizer gets a dime out of the construction of a terrace. No producer of limestone makes any profit from the construction of a tank or stock pond. As a matter of fact, this charge simply could not be true in my section of the country, and I believe my section has done just about as much as any section in the way of soil conservation. As far as I know, there is not a ton of limestone sold in my district. Probably there should be, but our people feel that it is even more important to keep the soil where it is—to keep it from washing away. We use very little fertilizer. We should use more, but first we feel we must stop our soil from washing away. Maybe, when we have stabilized our soil, we will find ourselves using more limestone and fertilizer, but certainly for the crop year of 1947 the charges of the gentleman from New York are unfair and impossible.

Nor can I salve my conscience, as the gentleman from California does, by saying that it will be all right to break our promise because the farmers of California are rich. Unfortunately, my farmers are not rich. Unfortunately, even with present prices my farmers are making less than most factory workers. But if every farmer were as rich as the gentleman from California boasts his farmers are, it would not, as I see it, be any excuse for welching on our promise. If I sign a note, I try to pay it even if it falls into the hands of the richest man in Texas. I would hate to think that my Government was not as scrupulous in keeping its promises as I feel private citizens should be.

I have had no opportunity to discuss the merits of these payments. I feel that these payments have resulted in a real recognition of the importance of soil conservation. I feel that there is nothing more vital to the long-time welfare of our entire country than the preservation of our soil. I feel that it is clear that these expenditures are of tremendous benefit to our country. I think the bill should not only include $300,000,000 for the 1947 crop year, but it should also provide for a continuation of this worthwhile program. However, I cannot but fear that a committee or a party that will repudiate a solemn promise for 1947 can hardly be expected to give consideration to the needs of the future. Therefore, while I feel that this amendment should go further and make provision for a program for 1948, I shall enthusiastically support the amendment as being the very minimum that this Congress can do if it has any regard for the commitments of our Government.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I want to follow through a bit on what the gentleman from Texas and the gentleman from South Dakota have said. I think it is tragic to break faith with a large group of the population of the country. It is especially tragic to break faith with the farmers, and that is what I think they are doing. But just as important, in my opinion, Mr. Chairman, is the result to the country and to the world generally of this breaking faith with those who till the soil. I have already heard from one farmer in my district who is disturbed about commitments that he has already made. He was out in the field working. He was out in the field plowing, seeking to produce the food and the fiber that this world needs so badly at the present time. He was out there as he should have been, and as millions of other farmers are today, working and producing. Word came to this farmer from Washington that there is a great disturbance in the farm program; that there is a great change going on up here in the plans that he thought he could rely upon in his planting season. He is disturbed mentally. He is disturbed financially, and the result upon his activity and his production in this country is going to be immediate. The country is going to suffer from this change and from this breaking faith by the Congress with the farmers of the Nation. We are going to have less food at a time when the world critically needs food. We are going to have less fiber at a time when the world is half clothed as a result of the greatest war in all history. And I say that perhaps above and beyond our breaking faith with the farmers in passing this amendment is the tragic result upon the production in this country and its effect upon the world as a whole. It is incalculable. I am truly sorry to see this provision in this bill.

Mr. PRESTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PRESTON. Mr. Chairman, although I intended speaking on this bill later during the discussion, I cannot refrain from voicing my protest at the effort of the committee to force the Congress to invalidate binding contracts entered into between the United States Government and farmers all over America. The sum of $300,000,000 was authorized by the Seventy-ninth Congress on March 8, 1946 to be expended during the crop year 1947, under the soil conservation program. Unless we live up to our contract the American farmer will lose all faith in his Government, and rightly so. This program has meant much to the South and the West. It has been a good investment in from the standpoint of improving the soil. It has provided the needed incentive to cause the general upbuilding and improving of our soil. It is the only forward step our Government has ever taken toward this end. No one can deny that the program has been successful and I say, Mr. Chairman, that this fact, coupled with the legal and moral obligation made by the last Congress makes it mandatory that we adopt this amendment to carry on this vital program. I strongly denounce this entire bill and the political party who sponsors it. It is too much to hope for when we permit ourselves ever to believe that the Republican Party will sponsor any legislation favorable to the farmer. History reveals that they never have. In this matter now under discussion a sense of honesty and fair dealing demands favorable action on the amendment restoring this ill-advised cut. When we do this we can face the farmer and feel free from the guilt which will be ours if this amendment is lost. Let us not make the farmer the goat of partisian politics. Give him his just dues. God knows he is entitled to it if any group in America is.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. WOOD].

Mr. WOOD. Mr. Chairman, it has always been my thought that the Congress of the United States should move cautiously on the question of the subsidization of any industry, but in the event that such subsidization is ever justified by the Congress it is my thought that the most deserving group in America is that group of men engaged in agriculture. I was in my home town last week end, at which time I was visited by a group of farmers, headed by the local chairman of the county organization. They presented me with figures to show that the farmers in that county, under the program that this Congress guaranteed to the American farmers last year on the 8th day of March, in the language that has been read to you by the gentleman who preceded me, have already earned under that program more this year than they got last year in the whole crop year.

In the presentation of the amendment which fixed this sum in the bill that was passed here in March of last year, the distinguished chairman of the subcommittee handling this appropriation, the Honorable Malcolm Tarver, of Georgia, used this very exact language in addressing the Congress, which was adopted by the House and written into the law, and it affects this crop year, and I want to read it to you. He said:

> I am presenting it in language which is so definite in character as to admit of no misconstruction. It is the time now to decide whether you want to reduce the 1947 crop-year program, not next year after the plans of the Department and those of State AAA authorities and the farmers have already been completed. If we want to reduce it, reduce it now and reject my amendment and offer some other amendment to indicate a lower figure.

That was a challenge to the Members of Congress to determine then what the farmers might expect in 1947, and we here said then, "We will authorize this expenditure that is carried in this amendment for the crop year of 1947."

If this proposition were a private matter between any two individuals or corporations in America in a court of justice that sort of an implied agreement could be enforced by judgment of our courts.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Texas.

Mr. POAGE. Congress made it illegal for them to offer any other program except the $300,000,000 program, did it not?

Mr. WOOD. The gentleman is correct.

Aside from the merits of the program which the funds provided by this amendment are designed to finance, and my limited time forbids a discussion thereof, I maintain that this Congress cannot now afford to break faith with the farmers of America by now welshing on its pledged word which has been acted on in good faith by them.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. WORLEY].

Mr. WORLEY. Mr. Chairman, let us see what the farmers themselves think of the action which the Republicans recommend here today. I hold in my hand a resolution from the Childress County, Tex., Farm Bureau Federation, which reads as follows:

"Whereas during the past 15 years, the Government of the United States of America, working through and by its own Department of Agriculture, has encouraged and fostered the idea of soil conservation, it being the aim of the Department of Agriculture to build up the farming land in this country so that future generations, yet unborn, may live in a land that is self-supporting and enjoy the abundance of life that past generations have enjoyed.

"Whereas the House Appropriation Committee of the House of Representatives reported the Department of Agriculture appropriation bill on Friday, May 23, 1947, and such bill contained various reductions that will tend to cause the Department of Agriculture to cease its operations on portions of its farm program, and will curtail other functions of the Department that are vitally necessary for the welfare of our people.

"Whereas at the beginning of the crop year, 1947, a handbook was printed and distributed by the Department of Agriculture, in which certain soil-conservation practices were outlined and payments for carrying out said practices were established.

"Whereas newspapers are carrying articles originating in Washington, D. C., to the effect that although farmers have been promised certain payments for carrying out soil conservation practices; and although a good many of these practices have already been carried out by the farmers, that the Congress of the United States, by voting a reduction in the appropriations for the Department of Agriculture, will deny the farmers the payment in full that was promised them in the handbook for 1947.

"Whereas the farmers of America have carried out their part of the 1947 program in good faith: Now, therefore, be it

"*Resolved*, That the Childress County Farm Bureau Federation, go on record as opposing the reductions in the appropriations for the Department of Agriculture, as the members of the organization think that the promises made the farmer for 1947 should be met in full and that a long-range program for the advancement of soil conservation should be carried out; that a copy of this resolution be mailed to the office of the Texas Farm Bureau Federation, and a copy mailed to President Edward A. O'Neal, of the National Federation, asking them to do everything in their power to have this reduction restored when the appropriation bill is passed on by the House and by the Senate."

The foregoing resolution was passed by the members of the Childress County Farm Bureau Federation at their regular meeting on May 26, 1947, at Childress, Tex.

MRS. FRANK L. TAYLOR,
Secretary.

On motion duly made and seconded the members voted to ask the secretary to mail copies of the foregoing resolution to the following: Hon. Eugene Worley; Hon. Tom Connally; Hon. Lee O'Daniel; Mr. Clinton P. Anderson; Chairman Hope, House Agriculture Committee.

I also quote a wire I received from Mr. Joe Hatton, district farm bureau director, sent from Amarillo, Tex.:

I have been in several Panhandle counties. Farmers are greatly alarmed at House Appropriation Committee action. We are counting on your help in getting essential funds restored on section 32, on AAA, and on other measures' appropriation, and vital to all of us.

Another from Mr. W. J. Clements, of Childress, Tex.:

Childress County farmers, ACA, feels that Congress is breaking faith with farmers by reducing soil-conservation payments that were promised first of year for 1947. Suggest you call Republicans' attention to this breach of contract, and use all your influence in restoring funds for 1947–48 program.

And from Mr. A. E. Wise, president, Randall County Farm Bureau, of Canyon, Tex., I received the following:

We note there has been a drastic reduction in appropriation for conservation program. Farmers have gone along for all-out production during war years. We now have greater need for rebuilding soil by various conservation practices than at any time before. Farmers have kept faith with Congress during last few years. We urge that Congress now keep faith with the farmers. We sincerely request that AAA conservation funds for 1947–48 programs be restored.

These are but a few of many I have received from farmers and ranchers in the Panhandle of Texas, all of which severely criticize the deletions which the majority members of the committee recommend.

It seems to me this legislation is indeed breaking faith with hundreds of thousands of people and is overlooking the really fine benefits which the Soil Conservation Service has secured.

I am fully aware that what I say and what other Democrats say from agricultural sections of this country will fall on deaf ears here in the House. The steam roller will continue to roll and arbitrary cuts and slashes will be made by the majority party because they have the votes to do it. It is obvious, of course, the majority intends to cut REA, which does not cost the Government one single penny but which does provide farmers with some of the comforts of life which are enjoyed by city people. The majority party does not seem too much concerned with lightening the load of the farm housewife who will be relieved of much drudgery and heavy labor by REA lines. Nor do they seem to think electricity in general for the rural areas is sufficiently important to properly finance this program which means so much to the rural people.

The same meat ax will also fall on the appropriation for farm tenant-purchase loans to 49,000 World War II veterans who want to buy a place of their own.

There is not a Member of this House who does not believe in cutting Government spending, but there is a decided difference of opinion where these cuts should occur. Mr. Chairman, there is such a thing as foolish and unwise economy. We see it here today.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Chairman, certainly no Member of Congress is naive enough to believe that an action taken by a preceding Congress can bind this Congress.

I call to the attention of the Members a few figures in connection with the farm industry in the State of California. I am from a section of California where the farmers are not dependent upon a dole to keep them in business. I come from a section of the country where we practiced soil conservation for many, many years before a paternalistic Government came in and told us how much lime, how much fertilizer, and how much cover crop should grow on our orchards and our farms. Look at this newspaper article from one of the counties in my district:

Twenty-million-dollar farm crop in Santa Cruz County recorded in 1946.

Remember that figure, $20,000,000—

Fruit and nut crops, $7,000,000; vegetable crop, $7,000,000—

And so on. Then way down here in fine print:

Government payments: Beef-production payments, $7,000; agricultural conservation, $35,000; sugar-beet program, $19,000; dairy subsidy, $52,000.

There is $114,000 in Federal payments out of a total farm crop in that one county of $20,000,000, and only $35,000 of it for agricultural conservation. To me it just does not make sense. If we are ever going to take the farmer off the dole, reduce Federal expenditures, and practice some real economy in this country, this is the time to do it.

Santa Clara County, the sixteenth richest agricultural county in the United States, is located in my district. Last year this county had crops which brought in $82,000,000 to the farmers of that county, one of the richest agricultural counties in the entire country. I now show you the report of the county agricultural commission. Here we are, "Agricultural conservation," under "Federal payments," $116,000, out of a total farm income of $82,000,000. I maintain we are still operating under an agricultural program that was designed to see to it that two-thirds of all the benefits for agriculture in the United States go to one-third of the farmers. It is not an equal program. If we are going to take the farmers off the dole, now is the time to do it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield with pleasure to the majority leader.

Mr. HALLECK. Many are predicting dire political consequences in connection with any cut that is made in the expenses of Government. However, I believe the temper of the people today is such that their votes are not for sale on that sort of basis.

What I should like to inquire of the gentleman is this: Out in my State of Indiana corn is bringing $1.81 a bushel, wheat $2.45 a bushel, soybeans $2.70 a bushel, and oats 95 cents a bushel. Does the gentleman believe the farmer out there feels that the Federal Treasury is expected to provide him with free fertilizer and free limestone for his farm?

Mr. ANDERSON of California. I certainly do not, and as I pointed out earlier, now is the time to take them off the Government dole. This conservation program is not needed by farmers who know their business, who have practiced soil conservation for generations and who can run their farms without being told by the Government how high and how green their cover crops must be before they can collect an infinitismal amount of Federal funds for doing something they would have done anyway.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, we have just heard from two splendid gentlemen, one from the State of Washington and one from the State of California, who happen to live where the apples of Mother Eve grow the finest in the world they think. They would have us adopt a farm policy for the Nation depending upon the needs or rather the lack of needs of these two virtual Gardens of Eden. But we do not all have such wealthy regions to boast of. We are glad that these sections are so wonderfully blessed. Certainly nature has bestowed upon them a bountiful supply of the good things of life.

But, Mr. Chairman, we are not here legislating according to the measure of needs of the fattest sections of our fair land. These gentlemen perhaps feel that their sections are so prosperous that they do not need this assistance in rebuilding their lands and natural resources. We are trying to legislate for the average farmer in the Nation. I am speaking for the average farmer. I am speaking for the farmers, many of whom certainly are not able to do the things that people can do in the districts of the gentleman from California, and the gentleman from Washington. Many of us live in districts where the farmers do not have all that means. Perhaps the most prosperous farmers in the Nation can do all these things alone without any help, but most of them cannot. But even regardless of that, Mr. Chairman, this question of rebuilding, conserving, and restoring our soils and natural resources is one which does concern the entire Nation, rich sections as well as poor sections. This is national, not sectional.

The gentleman from Washington [Mr. HORAN] indicated that the committee had put enough in this bill to cover the amounts of the soil conservation payments which have been obligated up to this time. Well, if that is what he and his committee meant to do. I would like my friend from Washington to listen particularly to what I am going to say. I know he is thoroughly honest. If that is his philosophy, I suggest to him that he has fallen far short of it because a great many of the parishes of Louisiana and the counties of the Nation have already taken up most of the allocation, and far more than the committee allowed in this bill. The committee allowed a little more than 50 percent of the amount requested, and the record shows that in many sections, particularly in the South, nearly 100 percent of the funds have been obligated. Up to April 30, 69 percent in Louisiana had been obligated.

Here is one parish in Louisiana which had an allocation of over $72,000 and as of April 30 they had taken all of the allocation up except $1,500. Here is another parish that had an allocation of $78,000 and on April 30 they had taken up all but $713. Another parish had an allocation of $62,000, and they had taken up as of April 30 all but $1,814. So, I respectfully submit to the committee that if they intended to do what the gentleman from Washington indicates, then the committee fell far short of that goal even at the time of writing the bill. It will take the full appropriation of $300,000,000 to meet the allocations made and soon to be made.

But, Mr. Chairman, there is a question of honesty involved in this appropriation. What you want to do in the future is a question for the Congress to decide.

But here is a question of living up to what we Democrats think is a commitment made last year. I discussed this more fully yesterday in general debate and do not have the time in my few moments now to go into details, but to deny this appropriation seems to us going back on an obligation made last year and this Congress has not heretofore repudiated such and we on this side of the aisle are not going to do it now and we hope you on the left will not.

The gentleman from South Dakota [Mr. CASE] is 100 percent correct. I commend his remarks to your thoughtful consideration. His statement is sound. I appeal to you gentlemen on the left not to do this, not to cut this out at this time for the crop year 1947, at least. I appeal to you to support the full appropriation of $300,000,000 so that the farmers can go ahead and complete the work which they are doing for 1947, at least.

Mr. ZIMMERMAN. Mr. Chairman, during the general debate on this bill on yesterday I stated that our soil was one of our Nation's richest resources. A look at what has happened in other countries, where the soil has been dissipated and permitted to wash away, verifies the truth of that statement. In a few minutes we will be called upon to vote on an amendment which will determine whether we will furnish the necessary money to carry on this program as set up, and which has resulted in the increased fertility and productivity of our soil, or whether we will take a backward step and withhold the necessary funds for the successful operation of this program.

Mr. Chairman, I shall support the amendment offered by the gentleman from Missouri which provides for the funds, pledged to the farmers of America by Congress last year, for carrying on this highly beneficial program for agriculture during the crop year 1947. To withhold these funds at this time, after allocations have been made to States and counties and where payments have been earned, or partly earned, by our farmers, would be tantamount to a breach of contract made by our Government with the farmers of our country.

Mr. Chairman, on many occasions, since I have been a Member of this body, I have heard with pride the statement made from the floor of this House that our Government has always kept its agreements and has never repudiated a contract. Mr. Chairman, I sincerely hope we will not depart from this high principle by our vote on this amendment today.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, to avoid any misunderstanding it should be said that this paragraph does two things. First, it does not appropriate or authorize $1 for this program for the year 1948. That means that if the paragraph is approved as it is, and that part is not touched by this amendment, this program will be completely terminated at the end of this year. That is what some have wanted done. I do not.

Then, secondly, this paragraph seeks to appropriate approximately one-half, or $165,000,000, of the $300,000,000 which the last Congress authorized the Department of Agriculture to expend this year in this work. Someone said a moment ago that no one would be foolish enough to contend that this Congress is bound by the action of the last Congress. If this amendment is not adopted and $300,000,000 is not authorized, it will be the first time during my service in the Congress that the Congress of the United States has failed to carry out its own contract. If there is any doubt that the last Congress authorized the Department of Agriculture to promote this program and the farmers to participate in it, I here have the appropriation bill passed last year with the section marked, which I would like to have anyone who has any doubt to come up and read. It authorized the program this year in the amount of $300,000,000. The committee will contend that the farmers were put on notice that that was subject to appropriation. I have the work sheet in my own State of Georgia. It does contain in fine print down at the bottom this language:

> Payments under 1947 are subject to appropriations provided for this purpose.

In the case of the State of Oklahoma there is no reference. In the case of Arkansas there is no reference. In the State represented by our distinguished majority leader the gentleman from Indiana [Mr. HALLECK], and in Iowa and Michigan, I have the work sheet in my hand and there is no reference whatsoever as to being dependent upon appropriations or any other provision.

I insist that the question now is, Shall the Congress of the United States maintain the contract it made with the farmers of this Nation? Many of them have completed the practices; the program is of great benefit to the farmers and to the Nation and should be greatly increased. I hope the amendment to appropriate the full $300,000,000 will be adopted.

Mr. COMBS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Chairman, the importance of the conservation of our soils, our greatest natural resource, has been repeatedly stressed during these debates. In my own State of Texas it is estimated something more than 11,000,000 acres of what once were fertile farm lands have been rendered worthless through erosion—striking testimony to the neglect of soil-conservation practices in other years. However, the vital question involved in this amendment is not whether soil conservation is a good thing or whether the particular activity which would be financed by the proposed $300,000,000 appropriation is in all respect the best program possible. The simple issue which has been made abundantly clear by the debate is that of common honesty.

As has been pointed out by numerous speakers the $300,000,000 under consideration is in keeping with the commitment made by the last Congress and upon which Government officials and cooperative farmers throughout the Nation have acted in good faith. It is to cover the program for the current crop year. Contracts have already been made. In many instances farmers have already made expenditures and in many cases funds have been allocated and spent and unless this amendment is adopted will have to be refunded by the farmer to whom they have been made.

I have received numerous letters from farmers and others in my district calling attention to the seriousness of this matter. I quote from one such letter:

> If this bill should go through as reported out of the committee, we wonder where the money is coming from to pay for the practices that have already been carried out, since the farmers did not have the money to secure the materials and they most surely will not have it now, to repay the CCC for the funds they have put out in assisting them to carry on conservation work.

This is a most serious matter. As I view it the Congress rests under the solemn obligation of keeping faith with our people. This we can do only by providing the $300,000,000 in funds the last Congress promised would be forthcoming. I trust this amendment will be adopted.

Mr. BRYSON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

SOIL CONSERVATION

Mr. BRYSON. Mr. Chairman, I would like to speak briefly on the Soil Conservation Service appropriation. My State, South Carolina, is entirely covered with soil-conservation districts organized under our State law. All the districts are now receiving assistance from the Soil Conservation Service, but not as much as they need to get the job done in time. Much of the land in South Carolina has been farmed for over 100 years. Indeed, some of our South Carolina soil has been in production since the days of the American Revolution. During most of that period we lost a lot of topsoil through erosion despite the use of certain conservation practices, such as terracing and crop rotation, as well as our farmers knew how to apply these practices to their land. Although these early attempts at conservation did not succeed, at least they paved the way for a coordinated attack on the erosion problem such as I saw under way in the Broad River Conservation District and other such districts last fall. Local farmers are taking the lead in organizing groups to speed up the work but the farmers in my district tell me they need the continuing help of Soil Conservation Service technicians in planning and applying conservation practices on their land.

I was somewhat disturbed when I noted the small increase for technical assistance allowed the Soil Conservation Service in the President's budget. I was disturbed because I knew that new districts were being formed in neighboring States and, in fact, in nearly every State in the Nation, and that the increase allowed would not provide adequate help next year for the new district being organized this year. I feared, and I still fear, that the old districts will be asked to divide their technicians with the new districts. This will mean less help rather than more help for districts in South Carolina next year. We have made good progress and the rate of application of conservation has been speeding up year by year since 1941.

We cannot afford to slow down the conservation work in South Carolina now, so I want to recommend that this committee provide for the new conservation districts organized this fiscal year at the same rate at which all districts were assisted in this fiscal year. As I recall, this is something over $22,000 per district.

The need for conservation assistance of the kind provided by the Soil Conservation Service has not decreased; more farmers in more districts want it and need it. I ask that you increase the appropriation so that the old districts can go ahead at least at the 1947 level in 1948 and so that new districts will be provided for at the same rate as the old districts. This will require an increase of about $5,000,000 for the 1948 fiscal year.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 3 minutes.

Mr. WHITTINGTON. Mr. Chairman, we have under consideration a program that the farmers of the United States are relying upon for the crop year 1947. Whatever be the views about a continuance of that program after 1947, the Congress has said to the farmers that this appropriation would aggregate $300,000,000 for the crop of 1947.

I think we might keep in mind that there is a difference between fertilizer and lime or slag. I ask any Member of this body who knows, of his own knowledge, of any payment that is being made this year or that was made last year for fertilizer under the terms of this appropriation. There is a difference between fertilizer and lime or slag. Slag and limestone are not fertilizer but they are soil building like Austrian peas and other legumes. I know of no limestone or slag trusts in Mississippi. There is no subsidy in the appropriation. Every dollar the farmer receives under this program has to be earned. It has to be a practice that builds up the soil or that drains the land. I know of no payments whatsoever for fertilizer in my State or in any other State. I have inquired from the committee if it has been the practice to approve reimbursements for fertilizer and I am told that no such testimony has ever been presented to the committee.

I just want to say whatever be the merits or demerits of this program, the committee is forestalled and prevented from asserting the demerits of the program because if it be just and fair to appropriate $165,000,000, it is certainly just as fair and just to authorize an appropriation for $300,000,000. We must not discriminate. If one farmer has received his benefits because he has earned them now, should another farmer who earns them next month or the month following be denied those benefits? I say, under the circumstances and under the terms of the Agricultural Appropriation Act passed by the House in March 1946 for the fiscal year 1947, for the 1947 crop year, the Congress of the United States cannot afford to break faith with the growers of agricultural products in this country who have earned the benefits, none of which are reimbursements for fertiiizer.

While the payments are justified on their merits, I do insist that Congress should keep faith with the American farmers. The $300,000,000 was committed for the crop year 1947. The adoption of the amendment is imperative if Congress is to keep faith with the American farmers.

I extend to say that I remind the gentleman from Washington [Mr. HORAN] that while the President recommended for the fiscal year 1948 a reduction in the soil conservation benefit payments, the President was careful to state that Congress had made a commitment for the crop year 1947. There is evidently a confusion by my good friend the gentleman from New York [Mr. TABER] and my good friend the gentleman from Indiana [Mr. HALLECK] respecting fertilizer and limestone. I know there is a Fertilizer Trust and there may be, in some sections, a Limestone Trust,

but fertilizer, as I use the term, applies to nitrates and phosphates. This is entirely different from lime and slag. Fertilizer is used to increase the growth of the current crop. Lime and slag are used for soil building by supplying elements lacking in the soil. I know of no payment under the act as now being administered for fertilizer. There are payments in connection with lime and slag. The payments must all be earned. They are for the benefit of the lands and the building up of the soil. They consist of improving pastures, conserving waters, better drainage, cover crops of vetch and peas. There must be no quibbling.

As shown by the CONGRESSIONAL RECORD of May 8, 1946, the gentleman from Georgia, Mr. Tarver, was careful to state, when the amendment that he proposed for $300,000,000 was approved, that it was a definite commitment for the 1947 crop. Personally, I believe that commitments directly and indirectly have been made that will require the entire amount, and I cannot escape the view that the $165,614,290 contained in the bill will not be sufficient to pay those farmers who have already earned their payments. I repeat that I shall not quibble. It isn't a question of the condition of the contract, nor whether the contracts have been signed. It is a question of the commitment of the Congress and of the practices of the farmers relying upon that commitment. If we fail to provide the $300,000,000 there can be no escape that we are not keeping faith with the farmers. It may be that contracts for about one-half, or for approximately $165,000,000 have been earned, but in practice, other payments have been earned in all probability that have not been reported. Further, in actual practice payments are earned before the contracts are really signed. It begs the question to say that the contracts contain a clause that the payments are conditioned upon appropriations being made. The farmers know that the program in 1947 is in force, and they rely upon Congress to provide funds for carrying out that program in accordance with the commitment made by Congress when the agricultural appropriations bill was under consideration in March 1946, as I have said.

I believe in economy and the elimination of waste and extravagance, but there is a false economy.

I extend further to say that I oppose the elimination of section 32 funds. Under the act of August 24, 1935, as amended, section 32 provides for permanent appropriations. The farmers thus receive the equivalent of the tariff accorded to manufacturers. The retention of section 32 funds is essential. There are other acts that provide for import quotas and export subsidies, but these acts are interdependent with section 32 of the act of August 24, 1935. There must be a program before the acts for export subsidies and import quotas on cotton or wheat or other agricultural products can be invoked or justified. There can be no program under existing law without section 32 funds.

In this connection, I have always advocated ample appropriations for the Commodity Credit Corporation and for the Rural Electrification Administration. I supported and will continue to support adequate appropriations to enable worthy tenants and worthy citizens to become home owners and land owners under the Jones-Bankhead Act, and under the Farmers' Home Administration. I will continue to support adequate appropriations for agriculture.

I gladly urged and supported an increase in the appropriations under the Research and Marketing Act of 1946. Research is fundamental in industry. We should profit by the advances of industry as a result of research and investigation. The Research Act was passed to promote research in connection with the utilization of cotton, cottonseed, and the utilization of other agricultural products. The research of man often contributes more to human progress than the resources of nature.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. PASSMAN. Mr. Chairman, I feel it is time for every man in this Congress to go on record against the proposed inexcusable scuttling of one of our most vital Government agencies—the United States Department of Agriculture. I am not so gullible as to believe that every man will. There are still too many one-tracked so-called economy-minded gentlemen in the House who can see no further than what can be kept in the Nation's pocketbook today—and let tomorrow go hang. In fact, some of them remind me of the housewife who, to save a few pennies on tonight's supper, is willing to buy inferior foodstuffs for her family. Because, gentlemen, that is what this cut in appropriations for agriculture will mean in the long run.

This is a question I feel particularly qualified to speak on. I am proud to say I was born and bred on a farm in Louisiana, our Nation's sugar bowl. I grew up there. I know the farmer's problems. I know his difficulties. I know his back-breaking toil, his heartsick disappointment in bad-crop years. And I know the invaluable help the Department of Agriculture has given him. And this is the help this bill would take away.

I condemn the cut in toto, but there are some phases of it that are even worse than others, if that is possible. For instance, the cut for soil-conservation research, which is something we should all be interested in—city dwellers as well as farmers. For without soil conservation our present bountiful crops cannot hope to be continued indefinitely. The soil will wear out. It will be eroded. It will be washed away. And without research we cannot have the knowledge of how to prevent this.

And in this connection I want to remind you again that in 1946 an amendment was offered on this very floor of the House to fix the AAA payments or soil-conservation payments at a given sum, $300,000,000 to be exact, and at that time the House was given an opportunity to accept or reject the measure. It accepted, and thereby fixed a precedent. Not only that, it made a solemn commitment to our farmers. The program was signed. The farmers joined in in good faith. This bill would be a direct blow to that faith. It would justify our farmers in feeling their Government had failed them.

I condemn the elimination of section 32 funds for surplus disposal. Farmers in every section are alarmed over this taking away of funds that were promised them, money that was dedicated to this purpose. The elimination is, in short, a denial of a solemn obligation, much the same as though a private individual defaulted on a note accepted in good faith by a friend.

Another point I would like to bring out is that the Department of Agriculture has, I believe, an enviable record of aggressive support for really constructive economy by their previous elimination of unnecessary personnel, excessive expenditures, and duplication of services. One would think then that this Republican-dominated economical Congress would appreciate this. But no. Full use was made of these voluntary savings of the Department by a failure on the part of Congress to require such drastic reductions in many badly overstaffed agencies of the Government which had failed to do any house cleaning on their own initiative.

And do not forget, gentlemen—all the farmers are not Democrats. Republican farmers will fall in this debacle too. The one-gallus farmer who works from "kin see to k'aint see"—or from dawn to dusk, the moneyed owners of the rolling wheat fields of our great Midwest, the gentlemen farmers of our historic South, the farmers on the rocky New England hillside—all will suffer. And I say to you, all are entitled to know to whom this suffering, if it comes, can be attributed. To the Grand Old Party—our Members across the aisle, who now willingly take credit for the bill, but who later may find themselves yelling for somebody to come and "help me turn this b'ar aloose."

But what I am asking the Members of this body is that we think of our country as a whole. Think of our farmers as the backbone of that country, as they are. Think of their unparalleled record during the war, when with insufficient labor, broken-down machinery, and every other man-made difficulty, their record was second to none in our winning our victory, helped only by God's bounty in providing good growing seasons, by the sweat of their own brows, and by the Department of Agriculture.

Or think of the matter selfishly, then, if you will. If our farmers are made to produce without guidance or help of any sort, inevitably the entire country will suffer. For the farmer is the life line for us all. Through no other source can we get foodstuffs for our families at prices we can manage to pay. Through no other source can we get the raw materials to run our great industries. Through no other source can we keep our commitments to the starving persons of Europe.

And speaking of food, there is one more subject I would like to touch on briefly. That is the school-lunch program, the appropriation for which has been cut from $75,000,000 to $45,000,000, while in the self-same bill many times this amount is carried for stricken people overseas. This cut would seem to me even more fundamentally short-

sighted than that in the agriculture appropriation. By this cut we are short-changing our citizens of tomorrow. It does not become us, gentlemen, who sit here comfortably fed, to deny bread to those children back home who are hungry. For I tell you this is not a matter of refreshments served at school by a prodigal government. It is often a matter of the difference between health and malnutrition for children of low-income families, many of whom come to school with little or no breakfast and for whom this school lunch is the only correctly balanced nutritious meal they have at all.

The CHAIRMAN. The remainder of the time has been reserved for the committee.

The gentleman from Mississippi [Mr. WHITTEN] is recognized for 5 minutes.

Mr. WHITTEN. Mr. Chairman, I am sure that the Members on the left will not feel that I am too much disturbed about their political futures when I make this statement, but I do think that some of the things I may say may be worthy of their consideration when they cast their vote on this proposition. My time will not permit me to describe the calls which were made on the farmers of America to produce and to plant every available acre and of the Nation's interest in the fertility of its soil, our greatest natural resource. Nor do I have time to describe the great value of this soil conservation program to the Nation as a whole. But whether this is a good program or a bad, the Congress has committed itself for this amendment.

First, I should like to say that this argument—and the distinguished chairman will present this later—that a small percentage of the people get the larger end of these payments is beside the point. The whole purpose of this type of payment is for soil conservation, work on the land, and it is based on the amount and the cost of the work on the land. The more land on which those improvements are made the greater the amount the Federal Government will pay, still being only one-third of the amount actually expended. Where the amount of land improved is small the amount of payment by the Federal Government is small. Before a man earns $1 on the average he must spend out of his own pocket $2. The Federal Government under this program said that the Federal Government is interested in the fertility of our soil and in this great natural resource and if you folks who happen for a temporary period to own this land will spend $2 out of your own pocket to continue the fertility of that soil or to improve it, the Federal Government, because of its interest, will put up $1. That is the way the program has worked.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HALLECK. Reference has been made to the alleged fact that none of this money goes for fertilizer and limestone. My understanding is that this money in considerable measure does go to provide limestone and fertilizer.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Let me answer the gentleman from Indiana. I will say that on the average the expense to the farmer is twice what the Federal Government pays as a contribution toward this good practice. As far as fertilizer is concerned I have never known of a case where fertilizer was supplied, but limestone, yes. Limestone has elements that go to feed the soil and condition it.

The amount of payment is determined by how much a person spends out of his pocket to carry out this program. Here is another thing I would like to point out and that is that last year when this bill was considered Mr. Tarver fixed by his motion that the program for this year be fixed at $300,000,000. He stated in the House:

> I have submitted this amendment to members of the Appropriations Subcommittee and they are not opposed to it; and therefore I offer it as a committee amendment.

This amendment was adopted and was an outright commitment as to what provisions would be made by the Congress this year.

The claim and the contention of the Republican gentlemen on the left that notwithstanding that amendment last year that the provision of this contract between the Federal Government and the farmer who does his work does provide that it—his payment for his practices—is contingent upon the appropriation is correct. I agree that that is the general situation, the contracts did provide such language as that in most instances; but what I should like to call your attention to particularly is that while it does contain the proviso that it is dependent on your appropriations, the action of this Congress last year said there would be $300,000,000 appropriated. While therefore the contracts were dependent upon the appropriation, the action last year told the farmers what the appropriation would be and I say that what that language in those contracts really means is that if the farmers spend out of their own pockets a sufficient sum of money to obligate the Federal Government on its part to pay $600,000,000 that the payment by the Federal Government would be limited to $300,000,000 and the notice in the announcement or contract means that in that case the farmer could only expect his pro rata part of the $300,000,000 as a refund for his expenditures for lime or other aids. I do not care about the rich farmers in the State of California, represented by the gentleman from California [Mr. ANDERSON], who may well be able to stand this loss and contribute this money to the cause of the Republican Party because it seems so important to them. Last year when this Congress and the members of this committee said $300,000,000 shall be available for 1947, and the farmers acted, spent their money and earned it, it is up to us to see that the Government lives up to its contract, regardless of the rich farmers in the district represented by the gentleman from California [Mr. ANDERSON].

We gave our word. This Congress, it is said, is not bound by what the Congress last year did. Certainly the individual Congressmen are bound and I think morally the Congress is bound.

Mr. Chairman, I would make the payment to the richest man in California before I would break the word of the Federal Government.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to yield 2 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN], a member of the subcommittee.

Mr. CANNON. Mr. Chairman, reserving the right to object, that does not interfere with the time remaining on this side, does it?

Mr. BROOKS. Mr. Chairman, I object.

The CHAIRMAN. As the Chair understands it, 5 minutes of the time is reserved for the gentleman from Texas.

Mr. CANNON. The committee yields the last 5 minutes on this side to the gentleman from Texas.

Mr. DIRKSEN. The committee will be first heard from this side of the aisle. It is my understanding that we were to close debate and have 10 minutes available for that purpose. I do want the gentleman from Texas to have time and I thought that was understood in our arrangements. The Chairman has to refresh me as to what time is available.

The CHAIRMAN. As the Chair understands the agreement that was reached, the last 15 minutes was to be reserved to the committee, of which the majority side would take 5 minutes, 5 minutes to be reserved for the gentleman from Texas, and 5 minutes for the gentleman from Mississippi.

Mr. DIRKSEN. That is correct.

The CHAIRMAN. The gentleman from Texas [Mr. RAYBURN] is recognized for 5 minutes.

Mr. RAYBURN. Mr. Chairman, I think I have given more time to the study of the conservation of soil in my section of the country than to any one thing. I happen to live in one of the richest sections of the United States—the black land and rolling sandy loam belt of Texas. It grew up for many years in grass. There were trees only along the branches. For centuries that grass had fed that soil and it was rich in vegetable matter.

Along the creeks and the bottoms they cut the trees away. This is fertile bottom land. The slopes were prairie and, as I have just stated, they were very fertile lands. Little was done to conserve them. That rich ground has no subsoil. It goes down to solid rock, the same color of soil. It is the worst land to erode in the world.

We did not terrace our slopes. The dirt washed down and filled the channels of the creeks. Now, when it rains it spreads all over the bottoms and many of the bottoms or most of them are in willows, elms, and grass. The slopes are eroded to the extent now that east Texas, having been abandoned for crops in many instances, has more cattle in it than west Texas.

When I drive along the road or look out of the train window and see the fertile soil of the country washed down to rock bottom and gutted with ditches, it hurts me almost like the stick of a knife. And, I say to you deliberately that I think our

greatest domestic problem—I do not care what anybody else says—is what we are going to do for the preservation of what fertility is left in our soil and what we are going to do to reestablish the fertility that has already left this land. If we are the same kind of vandals for the next 25 years, even, that we have been in the past 50 years in the destruction of the fertility of our soil, we will not have any amount of surpluses to sell abroad, but we will be using every acre of this worn and torn land to raise the things that we have got to consume inside the United States of America.

Now, this program has started. It is a great program. The farmers have depended upon it. Let me say to my good friend, the gentleman from New York [Mr. TABER] without dragging in the Fertilizer Trust or the Limestone Trust, it does not take any limestone or fertilizer to build a terrace on land to slow up the water and keep the soil from washing into the creeks and rivers and then into the sea. It does not take any limestone or fertilizer to dig a pond for the conservation of water, and also as a matter of flood control to keep the soil from washing down the creek off the slopes. Furthermore, I feel exactly about this question as does the gentleman from South Dakota, and that is whether or not my Government is going to keep what I think was a solemn contract it made with the farmers last year.

In the appropriation bill last year, in my opinion, we made a solemn pledge to the American farmer that we would appropriate this year, $300,000,000 for soil conservation. By passing this bill in its present form, we are not keeping our pledge to the American farmer. This bill in its present form simply wrecks the soil conservation program from one end of the country to the other, and today all of Texas and in the counties of the district that I represent, terracing equipment is idle because agricultural committees cannot give farmers the assurance to go ahead with their work. All dirt moving machinery to build terraces and earthen tanks are standing still. Rock phosphate is on the tracks ready to move, but farmers had to stop buying it. Farmers, merchants, business and professional men and agricultural men in agricultural sections are remarking, with strong disapproval, of the steps being taken in this Congress. In other words, let me repeat, if many millions of dollars more are not put in this bill than the amount proposed by the committee, soil conservation is dead.

We called upon these farmers, their wives and small children when their more grown-up sons were fighting the war for us to produce more and more to feed our armies abroad, our workers at home, and our allies on the field of battle with us. They responded; they produced more in 1943 than they had ever produced before. They produced more in 1944 than they had ever produced before. They produced more in 1945 than they had ever produced before. They have done their part—we should do ours by at least keeping our pledges to them which our Republican brethern, by the provisions of this bill, are not doing.

Another provision in this bill cuts the budget estimate for Rural Electrification $25,000,000. I am tremendously interested in rural electrification because in 1936 I was the author of the bill that started the rural electrification program and it has brought the comforts and conveniences of rural electrification to millions and millions of farm homes. There was little rural electrification in many sections of the country when the rural electrification law began to operate. Only one out of every 50 farm homes in the State of Texas had rural electrification in 1935. Today more than half of the farm homes in the State of Texas have rural electrification. What I want to do is to appropriate enough money here to lend to cooperatives so that every farm home in this country may have these comforts and conveniences.

There were only 11,466 farms in Texas electrified in 1934, or 2.3 percent; in 1946, 212,508 farms in Texas were electrified, or 55.2 percent. Take the counties in the district that I represent: Collin County, in 1930 there were 335 farms that had rural electrification; in 1945 there were 2,782 farms that had rural electrification. Fannin County, in 1930 there were 198 farms that had rural electrification; in 1945 there were 2,268 farms that had rural electrification. Grayson County, in 1930 there were 246 farms that had rural electrification; in 1945 there were 2,232 farms that had rural electrification. Hunt County, in 1930 there were 338 farms that had rural electrification; in 1945 there were 2,768 farms that had rural electrification; Kaufman County, in 1930 there were 185 farms that had rural electrification; in 1945 there were 1,228 farms that had rural electrification. Rains County, in 1930 there were 6 farms that had rural electrification; in 1945 there were 380 farms that had rural electrification. And Rockwall County, in 1930 there were 62 farms that had rural electrification; in 1945 there were 426 farms that had rural electrification.

When I had up the rural electrification bill for passage in 1936 and we were authorizing $410,000,000 to be appropriated over a period of 10 years, people came to me and said you are throwing away this money—you will lend it to farm cooperatives—the farmers will take lights and when their bills are presented at the end of the month they will take them out. I do not know of a single farm home that has had the opportunity to take rural electrification that has not paid its bills or had the lights taken out. When these people had an opportunity to set aside their coal-oil lamp, with its inconvenience and work, and could have light they took it and kept it. This program does not cost the Government of the United States one penny. All of this money is loaned to rural electrification cooperatives for a period of 20 years and today I do not know of a single electrical cooperative that is not ahead with the payment of its interest and its yearly installments. What I want to see and what I contend is that every farm home not only in the district that I represent and in my State, but in the Nation, be given the opportunity to have the conveniences and comforts of rural electrification, and I shall fight for this in the future as I have in the past. Some people say that the amount appropriated here is sufficient, but there has not been a year since the rural electrification program was inaugurated when farmers did not apply for more electrification than all the money that was carried in the bill. If this budget had not been cut $25,000,000 and $50,000,000 more had been added to it, the farmers of America would have asked for every dollar of it to electrify their homes. There are 2,500,000 farm homes in America that do not have electricity.

We are asking many people to remain on the farms to produce what we eat and wear, and ex-servicemen are being encouraged to go to the farm. Thousands of veterans have been looking forward to buying a farm. Thousands upon thousands of them are enrolled in vocational-agricultural schools where they are learning better to operate a farm. We have set up these vocational-agricultural schools in practically all the counties to teach them better modes of farming. They are not going to the farm and stay there unless they have two things—one is rual electrification and the other is an all-weather road.

The Congress in 1944 passed a law to authorize $1,500,000,000 for a 3-year program of expenditures of $500,000,000 per annum for roads. I, and others who worked with me, saw to it that $150,000,000 each year was allotted to the States to be allotted and spent by the highway commissions of the States and the county commissioners court for building farm-to-market roads. This makes many millions for the State of Texas. If the legislatures of the various States will raise money to match these funds and add to them, we can build thousands upon thousands of miles of roads in our farm communities.

We also passed within the last 10 years a Farm Tenant Purchase Act under which we appropriated from thirty to fifty million dollars a year for these years to lend to farmers who wanted to buy homes. The bill we now have under consideration carries not $1 for this program. So, if the bill passes the House and the Senate in its present form, the farm-tenant-purchase program is also dead. You proclaim your friendship for the farm-ownership program of the Farmers Home Administration—but you recommend no funds.

The budget this year carried an estimate of $75,000,000 to carry out the school-lunch program which is popular because it brings nourishing food to school children. This bill in its present form cuts that estimate $30,000,000 which, of course, means that the proper kind of program for the school lunches cannot be carried out.

Let me again say to you, that when these farmers and their families have been called upon at any time in our country's history to produce more and give their sons and daughters to the service of their country, they have never failed to respond. We should today, as their Representatives, respond to their wants and their great needs.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, much has been said in the course of the discussion about whether or not we are confronted with a solemn obligation. I hope I am not insensible to my solemn obligations either in my private or in my public capacity. Let us determine, therefore, whether or not this program is contingent on action by the Congress. There is no better authority, notwithstanding all the words that have been uttered in the well today, than the man who sits at the top and directs this matter, namely, Mr. Dodd, the Under Secretary of Agriculture.

I asked Mr. Dodd in the course of the hearings whether or not it was made clear to the farmers that in every case the payment that was made for any kind of practice was contingent upon action by the Congress in providing appropriations, and here is his answer, and you will find it on page 1249 of the hearings.

This is the Under Secretary of Agriculture talking:

Mr. DIRKSEN. It is, therefore, made abundantly clear to every participant and cooperator that, before he signs up, there is one contingency involved, and that is that the program is necessarily contingent upon legislation and appropriations?

Mr. DODD. That is correct. That is made clear.

They printed it on the form. You talk about fine print. The print on this form is no finer than all the other print on it. There on the front page, not at the bottom, and not off in one corner, but across the middle of the front page of this farm plan are these words:

Payments under 1947 agricultural conservation program are subject to appropriations hereafter made for this purpose by the Congress.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. I think that is generally true but I want to point out to the distinguished gentleman from Illinois that on the forms used in the State of Oklahoma there is no such language. Why there should be any difference I do not know.

Mr. DIRKSEN. The form I read from is for the entire western region.

Now let us pursue this matter of forms a little more. I sent to the Department of Agriculture through the instrumentality of our very capable executive secretary, Mr. Orr, for the forms for the crop year 1947. The money that is carried in this bill, ostensibly for fiscal 1948, applies to the crop year 1947. Here is a memorandum from the budget office of the Department of Agriculture:

Forms in connection with the 1947 program are not available, as they have not been approved by the Comptroller General.

There have been no signatures on the new forms as yet.

When you speak of the reassurances and the assertions that were made last year, obviously one Congress cannot bind another, and this Congress is free to take any action it sees fit. So what happens to this argument that something appeared in the hearings last year that is a binder upon the first session of the Eightieth Congress? That matter has suitably been determined here time after time that we are under no obligation in that respect.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I am speaking about this proposition of whether or not this Congress must necessarily be bound by the last Congress.

Mr. PACE. But it is not in the hearings, it is in the act itself; it is in the law.

Mr. DIRKSEN. I understand, but that does not modify the fact that, in accordance with every understanding, and the understanding that is testified to here in the 1948 hearings, it is contingent upon the appropriations this Congress makes in order to make this program effective, and there is the language. How is it made available to the farmers? Here is the Department's own story. They printed 971,500 copies of the State handbook, and in addition thereto they struck off millions of copies of circulars to get into the hands of every farmer. Here is the language, not of the chairman of the committee, but of the Department of Agriculture:

The information is made available, and it is the obligation of our people at every level to make that information plain for all cooperating farmers.

That is what the Department says, that they tell their people in the field that they must make it plain. So there is no obligation upon the Congress, by their own testimony, and it is entirely contingent.

I hope the amendment will be voted down.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Preferential motion offered by Mr. H. CARL ANDERSEN:

Mr. H. CARL ANDERSEN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. H. CARL ANDERSEN. Mr. Chairman, I have not had the opportunity to present a few minutes' argument in behalf of an amendment of mine, which is at the desk, and which argument I was not able to present due to the limitation of time. Consequently, I am using this parliamentary maneuver to gain the floor and urge consideration for this amendment which will be offered shortly.

The $15,000,000 allocated in this bill for the county and township AAA committees will, frankly speaking, not do the job this year. As I said yesterday, these men will have just about as much to do allocating one hundred and fifty millions as double that amount. To me, the county and township set-up means the heart of our price-support structure. This is the machinery we must have so as to be ready to seal grains for the commodity-credit loans. These loans are the floor under our price structure, and without a decent price no farmer can live as they are entitled to live. I regret this necessity of our not continuing the triple-A payments, but, as I have stated before, Mr. Chairman, agriculture can do without these payments so as to help our Nation meet the tremendous national debt of $259,000,000,000. We, as farmers, are willing to contribute the triple-A payments to the United States in return for a floor under our farm prices. That floor is provided for through commodity-credit loans. I repeat, we need our county and township committeemen to service these loans. Where would we as farmers be without the Steagall amendment? The money in this bill will not do the job, and I hope that you people will see fit to further allocate to them an additional $5,000,000 for that purpose, so that we can preserve the all-important county and township committees, and pay them for their work, so that they will be available in the future for whatever operation which might be necessary to assure adequate minimum support prices.

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, let me make clear what is involved here. The amendment offered by the gentleman from Minnesota deals with the administrative expenses for the conservation and use program. As the matter now stands, when the committee determined to cut back the amount of money that would be distributed to the farmers and left available $150,000,000 it became necessary, of course, to cut back the administrative expenses at the same time. If you did not do so, you would be in the unhappy position of spending nearly $7 in administrative expenses for every $43 of benefits distributed to the farmer. You arrive at that figure simply by taking $150,000,000 and dividing it by 3,500,000 cooperators. Then, if you took the amount originally had for administrative expenses, it would leave a very substantial amount to distribute a very small amount of money. The committee cut that back to $15,000,000 and the amendment offered by the gentleman from Minnesota increases it to $20,000,000.

The long and short of the whole matter is that we are trying to finish the work in the Agricultural Adjustment Administration, but the gentleman's amendment would add $5,000,000 for administrative expenses. So he proposes to pay more money for less work. That amendment ought to be defeated because the Congress would be in an indefensible position in seeking to approve such a high administration cost for a modest amount of distribution.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. PACE. Is the amendment now pending before the House?

Mr. DIRKSEN. That is the amendment he will offer and for which he sought time by making the preferential motion to strike out the enacting clause because the time for debate has been limited.

Mr. PACE. But it is not before the House?

Mr. DIRKSEN. It is not before the House. The vote will come on the amendment offered by the gentleman

from Missouri [Mr. CANNON] to increase the amount in this bill by the difference between $165,000,000 and $301,000,000. He proposes to raise this bill by a substantial $135,000,000. I hope the amendment will be voted down.

Mr. Chairman, if time is yet remaining, I might add this one thought. You know there has always persisted in my mind a statement written by Charles W. Kingsley, the great author. He said there are two kinds of freedom—there is the false freedom where a man is free to do what he likes, and there is true freedom where a man is free to do what he ought.

The whole story here is that there is some soil conservation that the farmers ought to do themselves instead of asking recompense out of the Federal Treasury.

We are trying to preserve a little of the initiative and that spirit of freedom that has been manifest in this country and made it so great and give the people a small measure of the load to carry instead of putting all of it upon the shoulders of the Federal Government.

I hope the amendment will be voted down.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The motion was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 124, noes 126.

Mr. CANNON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. DIRKSEN and Mr. CANNON to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 151, noes 156.

So the amendment was rejected.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 49, line 5, after the word "exceed", strike out "$15,000,000" and insert "$20,000,000".

Mr. H. CARL ANDERSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. Is any debate permitted on this amendment?

The CHAIRMAN. The Chair answers in the negative. All debate on this section has closed.

Mr. CANNON. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Minnesota.

Mr. DIRKSEN. Mr. Chairman, a point of order. The matter is not subject to debate. Debate has been closed on the paragraph.

The CHAIRMAN. All debate has been closed on the paragraph. The Clerk will report the substitute amendment.

The Clerk read as follows:

Substitute offered by Mr. CANNON: Page 49, line 5, strike out "$15,000,000" and insert in lieu thereof "$23,584,956."

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Missouri [Mr. CANNON] for the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 118, noes 137.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 81, noes 124.

So the amendment was rejected.

The Clerk read as follows:

SUGAR ACT

To enable the Secretary to carry into effect the provisions, other than those specifically relating to the Philippine Islands, of the Sugar Act of 1937, as amended (7 U. S. C. 1100–1183), including personal services in the District of Columbia, $55,000,000, to remain available until June 30, 1949: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed $1,326,115.

Mr. REEVES. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. REEVES. Mr. Chairman, I have requested this time in order to bring to the attention of the House the latest development in the investigation of the frauds and irregularities which occurred in last August's primary election in the now famous Fifth Congressional District of Missouri, when a Member of this House, Roger C. Slaughter, my predecessor, was "purged" following endorsement of his opponent by the President.

It has just now been reported to me that last night—following yesterday's report of the county grand jury—the office of the Kansas City Board of Election Commissioners was broken into, the steel safe door on the records room was blasted off with explosives, and all of the ballot boxes containing the ballots cast in the primary election were removed and taken away. News of this latest outrage by the criminal political gang which has ruled Jackson County for many years was received this morning during a session of an investigatory committee of the other body, while the Attorney General of the United States was testifying before the committee.

Believe it or not, the Attorney General assured the committee that he intended to order an investigation of the circumstances. What he wants to do is apply a hasp and lock to the well-known empty barn.

He had his opportunity to investigate that primary election. It was a matter of common knowledge that there had been widespread fraud, miscounts, ballot stealing, and vote buying—all of the same things which had resulted in mass convictions in the Federal courts following the 1936 election. After last year's primary in Missouri, the Attorney General issued a directive to the FBI—allegedly to make a thoroughgoing investigation. We now know that he directed them merely to interview the members of the board of election commissioners and two reporters for the Kansas City Star, John P. Swift and Ira McCarthy, who themselves had investigated and exposed specific, flagrant instances of fraud and corruption. This close limitation on the scope of the activities of the FBI shows plainly that the intention was to whitewash, not to investigate.

Mr. Chairman, the man who called for the purge of Roger Slaughter in that primary election is the same man who, in 1940, while a Member of the other body, bitterly opposed the reappointment as district attorney in Kansas City of Maurice L. Milligan, whose courageous devotion to the duties of his office had resulted in the indictment and conviction of a small army of election crooks.

I incude in my remarks at this point a copy of yesterday's report of the grand jury of Jackson County, Mo., together with certain telegrams which have been received in the last 15 minutes. I urge the Members of the House to read the grand jury's report in its entirety, and especially two paragraphs.

IN THE CIRCUIT COURT OF
JACKSON COUNTY, MO.,
AT INDEPENDENCE,
CRIMINAL DIVISION A, MARCH TERM, 1947,
May 27, 1947.

HON. JOHN R. JAMES: We, the grand jurors, sworn and charged to inquire within and for Jackson County, having in mind the charge given us by your honor, and having completed 8 weeks of investigation directed almost entirely to a consideration of evidence of irregularities and fraud in the August 6, 1946, primary election, in the several townships and voting precincts of said county and in the city of Kansas City, and the city of Independence, Mo., respectfully submit our report.

In our investigation we have duly examined and counted the ballots cast in a relatively small number of the precincts and have subpenaed and examined many witnesses.

In our investigation it was revealed that in some precincts ballots were deliberately miscounted and false returns made of the election results to the election commissioners. We also discovered wrongful, illegal, and wholesale marking of ballots, vote buying and bribery, and illegal participation of party workers who were not polling officials in the counting of votes, gross negligence, carelessness, and indifference on the part of judges and clerks in the performance of their duties.

MISCOUNT OF VOTES

The grand jury subpenaed the ballots, tally sheets, poll books, and other records from the election commissioners and recounted the ballots in certain precincts. Miscounts of shocking proportions were revealed. A significant fact is that where a sizable miscount of votes was found the count invariably was in favor of one factional slate of Democratic candidates. In not one instance in which a consequential miscount was found was the miscount in favor of a candidate other than the candidates upon that particular factional slate.

The grand jury recommends further investigation, including a complete recount of all ballots in the race for the Democratic nomination for Representative in Congress

for the Fifth District of Missouri, by the proper authorities. It is our belief that Roger C. Slaughter, in this race was deprived of the nomination by a fraudulent miscount of votes and by other types of fraud.

In the race for the Democratic nomination for presiding judge of the county court of Jackson County, Mo., the grand jury found a miscount in favor of John H. Thompson, and a miscount against Perrin D. McElroy, which was more than enough to deprive Perrin D. McElroy of the nomination.

In the race for the Democratic nomination for prosecuting attorney of Jackson County, Mo., the grand jury found a miscount in favor of James H. Anderson and a miscount against Michael W. O'Hern, which was more than enough to deprive Michael W. O'Hern of the nomination.

Our investigation revealed a deliberate, calculated, and premeditated plan to miscount and otherwise steal votes from these candidates.

MARKING BALLOTS FOR VOTERS

The election laws and the rules of the election commissioners are explicit and specific, that ballots may not be marked for voters except under certain circumstances and then only after an oath of assistance has been made by the voters. It is apparent that there was serious disregard of these laws and regulations by certain voters, workers, and polling officials, which resulted in widespread fraud.

VOTE BUYING

Our investigation left no doubt in the mind of the jury that an organized plan was set up by certain party workers to pay money to voters, and that some voters looked forward to and expected to receive money for their votes or for voting the names of others, either before or after they did so.

IMPERSONATION AND GHOST VOTING

Our investigation revealed that in certain precincts the names of some registered voters were voted by impersonators, and in some instances payments were made to the impersonators. This type of fraud can only be perpetrated by collusion and conspiracy.

ILLEGAL PARTICIPATION IN COUNT

Our investigation and indictments further reveal that improper and unauthorized persons were wrongfully permitted by the precinct officials to handle ballots and count votes, and otherwise participate in the preparation of the official returns as certified to the election commissioners. In certain precincts watchers and challengers, usually precinct captains, unlawfully and wrongfully took charge of the ballots after the polls closed and after the ballot boxes were opened through collusion with, or intimidation of, polling officials. In all precincts where this was permitted there was a wide discrepancy between the official returns as certified by the polling officials and the true count as determined by the grand jury.

NEGLECT OF DUTY BY POLLING OFFICIALS

It is the responsibility of all judges and clerks of election, individually and collectively to count, canvass, and tally all of the ballots. Our investigation has revealed that this procedure was not followed, and in some precints the ballots were unlawfully counted by only one or two judges of election, and that in some precincts the Democratic judges and the clerk alone counted all Democratic ballots while the Republican judges and clerk alone counted all Republican ballots. This practice lends itself to widespread fraud, and when followed plays into the hands of unscrupulous officials, and others, and can and does usually result in a serious miscount and fraud in the count of the votes cast. It is further revealed that the laws and regulations requiring all judges and clerks of election to count, canvass, and tally all ballots were consistently disregarded.

The jury in its investigation found that certain judges and clerks of election who served in that capacity on August 6, 1946, could scarcely read or write. The jury further found that in certain cases the judges and clerks of election had criminal records.

LACK OF MATERIAL RECORDS

We were handicapped in our invesigation by the fact that no record was furnished us of the names of the persons who served as watchers and challengers in the various precincts on August 6, 1946, and we were further handicapped due to the fact that we were not furnished by the Board of Election Commissioners in Kansas City, Mo., with a book of complaints of election law violations as we understand they are required by law to keep. It is provided in section 12183 of the Revised Statutes of Missouri, 1939, that "It shall be the duty of such election commissioners to aid in the prosecution of all crimes and offenses against this article, and they shall keep a book in which shall be entered all complaints against persons alleged to be guilty of the violation of this law, and when in the judgment of such election commissioners such offense has probably been committed, it shall be their duty to cause a prosecution to be instituted in accordance with the provisions of this article, and cause the parties to be punished accordingly."

It is recommended by the grand jury that in the future the Board of Election Commissioners at Kansas City require, keep and have available such records for examination.

FEDERAL AUTHORITIES

In our investigation of vote frauds we have confined our efforts, of necessity, largely to a recount of the ballots. The grand jury strongly stresses the fact that in an investigation of vote frauds and irregularities the great majority of the fraud can only be substantiated and proved by a thorough, scientific examination of the ballots and records by competent scientific methods by trained men. There were definite indications of conspiracy and irregularities requiring such expert services bearing on the identity of handwriting, pencil marks, finger prints, etc. It is a matter of general knowledge that the Federal Bureau of Investigation, United States Department of Justice, has such expert examiners and facilities to carry on such an investigation. We strongly urge that the United States Department of Justice and the FBI enter this investigation.

FUTURE GRAND JURIES

Due to lack of time this jury has been unable to complete its investigation of vote frauds in the August 6, 1946, primary election as instructed by the Honorable John R. James. The jury recommends that other grand juries, both State and Federal, further inquire into this matter.

INSTRUCTION TO FOREMAN

The grand jury unanimously recommends and hereby instructs the foreman of this jury to forward copies of this report to the Attorney General of the United States and to the Governor of the State of Missouri in order that they may be fully advised of conditions as we have found them in the August 6, 1946, primary election.

COUNTY INSTITUTIONS

The jury inspected all county institutions and while in every instance the conditions were not all we desire, we did find a disposition on the part of the superintendents to make needed improvements insofar as their budgets would permit.

We found in our investigations several instances in which trained personnel had been put in charge. The grand jury commends this practice and urges that more employees of this type be obtained when, and where possible.

We wish to thank the Honorable John R. James, judge, the prosecuting attorney, James G. Kimbrell, and his staff, and Mr. J. A. Purdome, sheriff, and his force and in particular George J. Punshon, deputy sheriff, for their assistance, guidance and helpful cooperation.

Respectfully submitted.

Hugh C. Moore, Foreman; J. M. Slaughter, L. Robert Evans, John B. Spence, Nile G. Gilley, Jay W. Tice, B. J. George, S. S. Arnsome, Eleo. C. Wright, Jr., M. H. Sigfried, Paul Luther, Winfrey G. Nathan.

KANSAS CITY, MO., *May 28, 1947.*

Hon. ALBERT L. REEVES, Jr.,
House Office Building,
Washington, D. C.:

Yesterday afternoon the Jackson County grand jury, which has been investigating the election frauds committed in the Democratic primary August 6, 1946, filed a report in which it expressed the conclusion that Roger C. Slaughter had been deprived of the nomination by reason of fraudulent votes cast and other irregularities. The grand jury further recommend that the Federal Government enter the case and that the ballots be counted by the appropriate authorities. Last night the vaults of the election commissioners were broken into and ballots and other records stolen. Full extent of this robbery not known at this time.

JACKSON COUNTY COMMITTEE FOR HONEST ELECTIONS.

KANSAS CITY, MO., *May 28, 1947.*

Hon. ALBERT L. REEVES, Jr.,
Old House Office Building:

The shocking revelation of the theft of election records in recent primary must challenge the most rigid investigation by all public officials having jurisdiction.

DAVID B. CHILDS,
Chairman.

KANSAS CITY, MO., *May 28, 1947.*

Hon. ALBERT L. REEVES, Jr.,
Member of Congress,
House Office Building:

Everything lawfully possible should be done to protect sacred voting rights and to expose those who prostitute the ballot. Two World Wars and many personal sacrifices waged for decency in government.

EDWARD L. SCHEUFLER.

KANSAS CITY, MO., *May 28, 1947.*

Hon. ALBERT L. REEVES, Jr.,
Member of Congress,
House Office Building:

Stealing of ballot boxes to block further investigation of vote frauds in August primary is last straw. Senator Kem resolution indicates culpable action of Attorney General. Congress should investigate at once with view of bringing impeachment proceeding; expect you to take lead.

MILTON W. MCGREEVY.

KANSAS CITY, MO., *May 28, 1947.*

Hon. ALBERT L. REEVES, Jr.,
Member of Congress,
House Office Building,
Washington, D. C.:

Hope you support full investigation of ballot-box theft and the lack of attention by Federal Government to vote fraud.

RIDENOUR RAYMOND.

KANSAS CITY, MO., *May 28, 1947.*

Hon. ALBERT L. REEVES, Jr.,
Member of Congress,
House Office Building:

Just heard of the destruction of evidence on vote fraud. These incidents in Kansas City definitely need FBI investigation.

Mrs. JAMES ERNEST TURNER,
President, Twentieth Century Women's Republican Club.

KANSAS CITY, MO., *May 28, 1947.*
Hon. ALBERT L. REEVES, Jr.,
Member of Congress,
House Office Building,
Washington, D. C.:

The people of Kansas City are incensed at facts disclosed by grand jury investigation and by investigation pursuant to Kem resolution, showing certain Federal officials have impeded FBI investigation of vote stealing in August primary. Now the ballots have been stolen. Expect you to take lead in pressing congressional investigation with view to impeaching any Federal officials whose dereliction in office has aided guilty persons from being brought to justice.

GRANT STAUFFER.

KANSAS CITY, MO., *May 28, 1947.*
ALBERT L. REEVES, Jr.,
House Office Building:

With the grand jury's report now completed positively proving election frauds it seems most necessary that Federal investigation be made to find out why the Attorney General's office took a hands-off attitude. I urge you to press this matter with all vigor to see that proper justice is dealt to all those involved in a most serious offense.

Regards,

ELMER C. RHODEN.

KANSAS CITY, MO., *May 28, 1947.*
The Honorable ALBERT L. REEVES, Jr.,
House Office Building:

The brazen and disgraceful theft of ballot boxes here following grand jury investigation and indictments is most shocking to all decent citizens of this community. Urge you to demand immediate congressional investigation of United States Attorney General's office laxity in not taking action this entire vote situation in Kansas City.

FRANK A. THEIS,
President, Simonds Shields Theis Grain Co.

KANSAS CITY, MO., *May 28, 1947.*
Hon. A. L. REEVES, Jr.,
Member of Congress:

Yesterday a Jackson County grand jury, after investigating irregularities in the primary election last August, submitted a report finding wrongful, illegal, and wholesale marking of ballots, vote buying, and bribery. Inasmuch as balloting for Federal offices was involved, I strongly urge that you demand a congressional investigation of this deplorable corruption of the franchise. According to press reports evidence of these crimes was presented to the Attorney General but no action was ever taken. I urge you to seek a congressional investigation of the failure of the Department of Justice to act in this matter and in line with the grand jury's report, make available the superior facilities of the Federal Government in unearthing all the irregularities to the end that guilty parties may be properly punished.

WALTER R. SCOTT,
President, Missouri Republican Club.

KANSAS CITY, MO., *May 28, 1947.*
Hon. ALBERT L. REEVES, Jr.,
Member of Congress,
House Office Building:

Local grand jury has disclosed flagrant violation of law in connection with August primary. According to the press, this information was given to Attorney General of United States months ago, who refused to take action. Reported ballot boxes now have been stolen to destroy evidence. If Attorney General had acted, this could not have happened. Congress should immediately institute vigorous investigation, and, if investigation justified, take action to impeach culpable Federal officials. You, as our Representative, should take lead.

W. C. SHANK.

KANSAS CITY, MO., *May 28, 1947.*
Congressman ALBERT L. REEVES, Jr.,
Old House Office Building:

The theft of election records of recent primary is most disturbing. I believe all public officials having jurisdiction should immediately investigate.

LOU ELLA ADAMS.

Mr. Chairman, in the fifth paragraph of its report the grand jury says categorically that "It is our belief that Roger C. Slaughter in this race was deprived of the nomination by a fraudulent miscount of votes and by other types of fraud." On page 4 of its report, the grand jury declares that "There were definite indications of conspiracy," and strongly urges that the Department of Justice and the FBI enter the investigation.

How long will the Congress tolerate the kind of fraud, and violence, and election thievery which has characterized primary and general elections in Kansas City, Mo., for many years? It is a weak and evasive alibi for the chief law-enforcement officer of the United States to say that the laws are inadequate and ineffective. They were adequate and effective enough 8 years and less ago to convict scores of persons, representing the same corrupt political machine in Kansas City, who had been guilty of no more than the offenses committed in the primary of last August—offenses which have resulted in some 50 State court indictments during the last several weeks. If the Federal election laws require strengthening, the Congress should act, and promptly.

But so far as the perpetrators of last August's primary frauds and crimes are concerned, the time has come—to borrow words which made history several years ago—to move on them again. And I do not mean the small fry alone. When the investigation has been completed, Mr. Chairman, a far broader aspect of the situation may have been presented.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOPE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, I want to take this occasion to state that no matter what is done in connection with the appropriation for soil conservation payments, I hope that we will not overlook the value of the county committee system or do anything to diminish its importance. Believing as I do that there is a moral obligation on the part of the Federal Government to carry out the program contained in the appropriation bill for the fiscal year 1947, I supported the amendment offered by the gentleman from Missouri, to increase the appropriation to $300,000,000. When that was defeated, I supported the amendment of the gentleman from Missouri to increase the amount for administration in the field and supported a similar amendment on the part of the gentleman from Minnesota.

Whatever amount is finally appropriated by the Congress for soil conservation payments, the work will have to be done by the county committees. These committees, of course, have many other duties to perform in connection with agricultural programs. To them goes much of the credit for the success with which these programs have been carried on in the past. In the future, it is my hope that we will have more, rather than less, administrative control in the local communities.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I take this time to interrogate the chairman of the subcommittee on the Sugar Act provision in this present bill. I hope the Members have in their possession the report. On page 26 of the report this language appears:

> The amount allotted for payments to sugar producers under the budget is $53,623,885.

Further the report states:

> However, the committee has decided to reduce the national office administrative expense item by $50,000, which will make that amount additional for payments to sugar producers.

My question is, in the event the administrative funds after you have cut them $50,000 are not sufficient to administer the Sugar Act, how could it be administered?

Mr. DIRKSEN. On the basis of all the testimony we are satisfied that there are more than enough administrative funds to administer this program. I may say to the gentleman from Colorado that we have increased the amount that will be available for payments to sugar producers so that a large area of sugar production may be brought into cultivation during this crop year. In addition I may say this has been quite a big program. The amounts that have been collected through the so-called sugar processing tax have averaged more than $15,000,000 in every year, so that the Federal Government has actually realized a reasonably substantial profit on this operation from year to year. We are confident that the money that is involved here for administrative purposes is ample for all administrative detail in connection with the administration of the act.

Mr. HILL. I thank the gentleman. May I call the attention of the House again to what the subcommittee chairman has said, that this program on domestic sugar has not cost the taxpayers a single penny and has placed in the Treasury of the United States more than $15,000,000.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I commend my able and distinguished colleague from Colorado for calling this to our attention. I wonder if he can cite any other investment made by the Federal Govern-

ment which brings a greater return. Not only have we reaped a $15,000,000 profit but we have supplied the Nation with sugar.

Mr. HILL. I might say to my colleague from Colorado that I think the sugar program has probably been the best administered of any program in agricultural activities during this administration.

There are a few things we must keep in mind. In the continental United States we must be careful how we proceed from now on in regard to increasing sugar acreages in other parts of the world and not curtail acreage from our sugarcane and sugar-beet producers.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. WOODRUFF. Can the gentleman name any other governmental activity which shows a profit each year?

Mr. HILL. I cannot.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CHENOWETH. I would like also to call the attention of the gentleman to the fact that according to the best reports from the sugar-beet industry there is now a surplus of sugar in this country. I might add that a committee of your Committee on Agriculture that has been looking into this sugar supply at the present time feels that there is not very much reason to hold down the American housewife in the use of sugar in the days just ahead.

The Clerk read as follows:

NATIONAL SCHOOL-LUNCH ACT

To enable the Secretary to carry out the provisions of the National School Lunch Act of June 4, 1946 (Public Law 396), $45,000,000: *Provided*, That no part of this appropriation shall be used for matching funds from sources within the States derived from the sale of lunches.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 52, line 23, strike out "$45,000,000" and insert "$25,000,000."

Mr. DIRKSEN. Mr. Chairman, in order that we may arrive at some time limit, I ask unanimous consent that debate on this section and all amendments thereto and amendments to amendments close in 20 minutes.

Mr. PRESTON. Mr. Chairman, I object.

Mr. DIRKSEN. Mr. Chairman, I move that debate on this section and all amendments thereto and amendments to amendments close in 25 minutes.

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 126, noes 101.

So the motion was agreed to.

The CHAIRMAN. The gentleman from California [Mr. PHILLIPS] is recognized.

Mr. LARCADE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Chairman, I have protested so many times about this Government giving away billions of the taxpayers' money to foreign countries and disregarding our own people and country that in justice to my constituents and conscience, I must again raise my voice against the reductions for the Department of Agriculture appropriations, H. R. 3601.

Agriculture is the basis of the economy of our Nation. Agriculture is the backbone of our country; and anything which is done to weaken or take away the governmental services of this industry is bound to effect the entire country.

Mr. Chairman, I cannot understand how members of the Committee on Agriculture and other Members of Congress representing farm districts can agree to reduce such items of the appropriations for the Department of Agriculture as the school-lunch program, rural electrification, soil erosion, forest protection, production and marketing administration, marketing service, to conserve our natural resources, and all of the other services which are so important to our agricultural population, and all of which contribute so richly to the prosperity of our country.

Many of our veterans are taking up agricultural pursuits, and to my amazement, even appropriations having to do with programs and benefits for these exservice men are being either discontinued or so reduced by the reductions in this appropriations bill that this deserving group will be deprived of assistance to which they had looked forward to being provided by their Government through the Department of Agriculture.

Mr. Chairman, many times I have pointed out on the floor of this House that it was my privilege to represent one of the most important agricultural districts of this country, and I take this opportunity to say that as the representative of my district I have opposed and I now do most vehemently oppose these reductions in the approprations for the important and necessary services to my district and agriculture in general.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD following the remarks of the gentleman from California [Mr. PHILLIPS].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PHILLIPS of California. Mr. Chairman, there is no man on the floor who is more interested in the school-lunch program nor more in favor of the school-lunch program than I am. I want it understood that the only issue before the House at this time, no matter what oratory may be heard upon this floor, is who shall supervise, who shall manage the school-lunch program; whether it shall be directed from Washington or directed locally; whether it shall actually be as it started out to be, a school-lunch program involving surpluses, or whether it shall become a complete nutritional program the jurisdiction over which rests no longer with the Committee on Agriculture but with the Committee on Education and Labor; and, finally, who shall pay for it.

I have had experience with this program. It has been my observation, and this can be supported by the facts, that the best programs have been those which have been supervised locally, managed locally, and for which, for the greater part at least, local or State money has been used. Such programs for years have been carried out by churches, Rotary Clubs, Kiwanis Clubs, and other groups like these, as well as by school groups like the PTA.

There must be some sort of a Federal clearing house, and my amendment is directed to maintaining Federal supervision, and enough for an actual matching program, and to let additional money for the program be raised in the States. I do not see how any Member of Congress can say this should become a paternalistic, federally-supported program when there are surpluses in every State treasury. We have in my State, for instance, a balance of $430,000,000; you apparently have in the treasury of Alabama a current balance at the present time of $30,000,000; Mississippi has $22,000,000, and States which are spoken of as in great need have from $3,000,000 to $501,000,000. I say that California can well afford to pay the costs of this program in California out of its own funds. I know of nothing more important than the children of the United States of America.

To my mind, the needs of children, as future citizens of the United States, takes precedence over any other necessity to be paid from a State pocketbook. I think this should be a State-supported program and not by Federal payments. For that reason I offer the amendment which is now before you.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JAVITS. Mr. Chairman, I shall vote for the amendment which will increase the amount of the school-lunch appropriation for fiscal 1948 from the $45,000,000 recommended by the committee to $75,000,000, and to eliminate the restricting proviso regarding the ability of the State to match the funds derived from the Federal Government with income from the school lunches themselves. We must give the first thought in this program to its maximum effectiveness and the second thought to the details of the business arrangements between the Federal Government and the States. I do not see that we have any right to harm the program because the business arrangements do not seem to the Committee appropriate but rather that every effort must be made to improve the arrangements so that they are suitable without impairing the program. We must not forget that the whole program is provided for by Public Law 396 of the Seventy-ninth Congress and I see no reason for departing from the principle approved by that act. Therefore, I will

vote to appropriate the full amount the program required for the next fiscal year as set up in the budget—$75,000,000.

As I said at the time I fought for the deficiency appropriation for the school-lunch program for fiscal 1947:

I consider the school-lunch program a part of the national responsibility for health. The program of a hot lunch for school children has met with the universal approval of mothers, teachers, educational authorities, and Parent-Teacher Associations. The cost is infinitesimal compared to the benefits. The health of the child determines the health of the man. I look forward to legislation which will be a national expression of the responsibility for the health of all citizens. The school-lunch program is an early and a necessary step.

The CHAIRMAN. The gentleman from New York [Mr. BUCK] is recognized for 1½ minutes.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK: On page 52, line 23, strike out "$45,000,000" and insert "$11,470,400."

Mr. BUCK. Mr. Chairman, the National School Lunch Act, ever since it was first presented to us, has been replete with misrepresentation. Originally declared to be for the purpose, among other things, of encouraging the domestic consumption of nutritious agricultural commodities and other food, it was enacted at a time when food rationing still prevailed in this country and when millions of people throughout the world were starving. Even today when our fabulous exports of foodstuffs are depleting our own supplies and causing prices to rise proportionately, the Administrator of the School Lunch Program, in testifying recently before the subcommittee, made the outlandish statement on page 1151 of the hearings that the program had "provided one of the best possible outlets for nutritious farm products that might otherwise contribute to local or national food surpluses." Proof that this bureaucrat did not himself believe the statement I have just read is evidenced by his further statement two pages beyond in the hearings which reads:

In the current year, with the exception of potatoes and a few other perishable commodities, surpluses suitable for the school-lunch program have been limited.

The fact is that schools have purchased food for the lunch program with complete freedom of action and in disregard of whether or not a particular commodity is surplus.

The height of misrepresentation, however, is in connection with State matching of Federal contributions. I am certain it was the impression of 95 percent of the Members of this House that this matching would be bona fide. Yet what do we find was the actual practice for the fiscal year 1947? The Federal Government will have expended $72,975,000. State and local governments appropriated but $11,470,400. The difference—and I submit that this is one of the most unconscionable acts of financial finagling which has ever come to my attention—was made up by the assumption that the pennies paid by the children for their lunches were a part of the State contribution. Then, for good measure, the States included as their contribution for matching purposes $25,000,000 of unaudited and unauditable "donations" from churches, parent-teachers' associations, service clubs, and so forth.

My amendment is for the purpose of reducing the Federal contribution to the amount actually appropriated for school lunches by the State and local governments during the fiscal year 1947.

I feel that even this sum is excessive in view of the fact that the Federal Government is some $260,000,000,000 in the red whereas at the end of the fiscal year 1946, there were surpluses in the treasuries of every State in the Union, as per the following figures published by the Bureau of the Census:

Alabama	$30,000,000
Arizona	11,000,000
Arkansas	12,000,000
California	490,000,000
Colorado	22,000,000
Connecticut	29,000,000
Delaware	13,000,000
Florida	38,000,000
Georgia	15,000,000
Idaho	10,000,000
Illinois	188,000,000
Indiana	89,000,000
Iowa	49,000,000
Kansas	27,000,000
Kentucky	25,000,000
Louisiana	27,000,000
Maine	9,000,000
Maryland	33,000,000
Massachusetts	13,000,000
Michigan	84,000,000
Minnesota	29,000,000
Mississippi	22,000,000
Missouri	62,000,000
Montana	9,000,000
Nebraska	10,000,000
Nevada	5,000,000
New Hampshire	6,000,000
New Jersey	42,000,000
New Mexico	7,000,000
New York	501,000,000
North Carolina	98,000,000
North Dakota	17,000,000
Ohio	162,000,000
Oklahoma	26,000,000
Oregon	58,000,000
Pennsylvania	180,000,000
Rhode Island	6,000,000
South Carolina	18,000,000
South Dakota	15,000,000
Tennessee	32,000,000
Texas	55,000,000
Utah	3,000,000
Vermont	8,000,000
Virginia	74,000,000
Washington	90,000,000
West Virginia	22,000,000
Wisconsin	93,000,000
Wyoming	8,000,000

Thus there is not a single State in the Union which could not adequately finance its school-lunch program without any participation by the Federal Government.

In conclusion, I wish to address myself to the Members of the House who represent the States who will pay the bulk of the cost of any money spent by the Federal Government for the school-lunch program.

You Members from Massachusetts should know that your State will receive back in benefits but 43 cents of every dollar your taxpayers must pay into the Federal Government for the school-lunch program. For Connecticut taxpayers the figure is but 28 cents; for New York, 18 cents; for New Jersey, 50 cents; for Pennsylvania, 57 cents; for Ohio, 40 cents; for Indiana, 67 cents; for Illinois, 31 cents; for Michigan, 43 cents. This program short-changes your taxpayers. I hope you will all bear this fact in mind in your consideration of this appropriation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. What is the parliamentary situation with respect to amendments that are pending? The time, of course, was closed on this amendment and all amendments thereto.

The CHAIRMAN. That is correct.

Mr. DIRKSEN. Does action occur now on the substitute offered by the gentleman from New York [Mr. BUCK]?

The CHAIRMAN. That is correct.

Mr. CANNON. Mr. Chairman, immediately upon the presentation of the amendment I submitted a substitute which I sent to the desk. I took it for granted it had been read.

The CHAIRMAN. It has not.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the substitute amendment offered by the gentleman from Missouri be read now.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

The Clerk read as follows:

Substitute offered by Mr. CANNON:

Page 52, line 23, strike out "$45,000,000" and insert in lieu thereof "$75,000,000."

Page 52, line 23, strike out the colon, insert a period and strike out the remainder of the paragraph through line 25.

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. As I understand it, the substitute offered by the gentleman from Missouri is not presently before the Committee.

Mr. CANNON. Mr. Chairman, I have offered it.

Mr. DIRKSEN. It could not have been offered, otherwise it would be before the Committee at the present time. I want to be sure that the members of the Committee appreciate the parliamentary situation and the things on which we vote. My understanding is we vote first on the amendment offered by the gentleman from New York [Mr. BUCK] to reduce the amount from $45,000,000 to $11,470,000.

The CHAIRMAN. That is correct.

Mr. DIRKSEN. When that is disposed of, then the gentleman from Missouri will offer his substitute or amendment to modify the pending amendment, to raise it from $45,000,000 to $75,000,000.

The CHAIRMAN. That is correct.

Mr. DIRKSEN. What about the amendment offered by the gentleman from California [Mr. PHILLIPS]?

The CHAIRMAN. That will be the last amendment voted on.

Mr. DIRKSEN. Mr. Chairman, if there is no more time desired, I should like to be recognized.

The CHAIRMAN. There are others on the list. The Chair recognizes the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, the gentleman from California [Mr. PHILLIPS] a moment ago told us how much he loved the little children of America, how important they are to the country, yet in the same breath he wants to take this money away from them. That just does not add up, to me.

A few years ago the big tax burden that the people bore was by State and county taxes. Today the big tax burden is from taxes due the Federal Government. The States, the municipalities, the counties, and the various subdivisions of our country are not getting back in return the proper ratio of money that we are paying into the Federal Treasury. Our taxes are pyramiding. This program is a program which works as a return from our Federal tax dollars. It is a uniform program that provides nutritious lunches throughout the entire United States. We all know it has paid huge dividends. I want to go on record favoring the amendment by the gentleman from Missouri [Mr. CANNON] to increase this appropriation to $75,000,000.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, under leave to extend my remarks, I quote from a statement issued by the National Congress of Parents and Teachers, which I submit for the consideration of Congress with the hope that adequate funds will be provided for this necessary and worth while program. I feel that it would be neglect of our duty if we do not do so.

Today the number of school children who cannot go home to a nourishing meal at noon is multiplying rapidly. For example, children attending high schools or consolidated rural schools often cannot go home for lunch, the large areas served by these schools make for distances too great to be covered during the noon hour. Also, many mothers are either employed or for other reasons have no time to prepare and serve a nutritious lunch during their children's brief noontime recess. Moreover, children of the same family who attend different schools are seldom able to get home at the same time, and under these conditions lunch at home becomes a hurried, unsatisfactory arrangement. Finally, parents living in large cities frequently prefer their children to remain at school rather than face traffic hazards at the busy noon hour. Student and police patrols cannot be effectively operated during this brief midday interval. The war revealed that malnutrition is much more widespread than most of our people realized. It was found to be most prevalent among the low-economy groups, but many young people from families having good incomes and from farm homes having an abundance of food also showed dangerous dietary deficiencies. These could be attributed only to poor food habits, cold and unpalatable meals, and unbalanced diets. It is generally believed that if all school children were assured a nutritious and palatable meal at noon the health of the school children could be greatly improved and foundations laid for healthier adulthood.

The school-lunch program should be the answer to this, and has proven that it is.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I can only make a very brief observation in the time allotted me. In that time I want to restate the facts that were cited by my colleague the gentleman from Mississippi [Mr. ABERNETHY], a few minutes ago. I want to point out to you that less than a month ago this Congress appropriated $350,000,000 with which to feed the so-called starving people of Europe, half of whom 3 years ago were running bayonets through good American bellies; and yet you have only $45,000,000—less than one-seventh of that amount—to spend on our own children.

I can show you undernourished children now down in the State of Mississippi. I can show them to you in Tennessee, in Arkansas, in Louisiana, and other places; and I assure you they would be in a pretty bad fix if it were not for this school-lunch program. I think it would be criminal to refuse to restore the funds for this school-lunch program. If you vote to cut the funds any further for this item or if you leave it stand at only $45,000,000 you ought to go home and hang your head in shame.

Mr. KENNEDY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KENNEDY. Mr. Chairman, in its report on H. R. 3601 the Appropriations Committee stated they are reducing the budget of the school-lunch program from $75,000,000 to $45,000,000.

According to the provisions of Public Law 396 covering the school-lunch program, $10,000,000 was authorized to be set aside for nonfood items, which includes equipment. Thus, in effect, there will be but $35,000,000 left for food in the program.

If the recommendations of the committee are taken the result will be that States will have to do one of two things:

First. The States will have to choose the number of schools within the State that can be handled throughout the next school year, which in turn will mean that approximately only 35 percent of the presently participating schools will be included in the program.

Second. In the event the States choose to continue the program in all presently participating schools, it is estimated that the program will last only through the first half of next year.

I feel that either of these alternatives would be disastrous, and consequently urge that the House restore for the school-lunch program the seventy-five million requested.

Everyone familiar with the wonderful work done by this program should insist that this project be maintained in its entirety.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I asked for this time because I am going to support the amendment for $75,000,000, but I want to say this in the short time allotted to me, that we have 26,000,000 bushels of Irish potatoes in excess of the needs of the country. I do not understand why a great committee like the Committee on Appropriations, interested in saving funds and saving food, I suppose, could not have worked out a proposition whereby some of the 26,000,000 bushels of Irish potatoes that are spoiling and wasting in this country, and which cannot be sold at home and abroad, might not be given to some of these school children throughout the length and breadth of the United States. If we want to do a real service to the school children of the country as a whole we should make some arrangement whereby some of these funds can be used for the purpose of supplying the school children with food that otherwise would go to waste and spoil and rot in this country. I commend this thought to the gentleman from Illinois as a proposition of a humanitarian nature that he can work upon without expending any funds.

Mr. LYNCH. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LYNCH. Mr. Chairman, in the reduction of the school-lunch program appropriation from the $75,000,000 recommended by the Bureau of the Budget to the $45,000,000 recommended by the Appropriations Committee, the Republican majority in the House has hit the American school child a body blow where it would hurt most—his little stomach. It seems almost inconceivable that Republican economy should go so far. When we see the program of the Republican Party taking shape first in the form of big tax reductions for the higher brackets and penny reductions for the low-income groups; then in the threatened extension of excise taxes which would put the burden of reducing the national debt on those least able to pay; later, in the reduction of the various appropriation bills, thereby throwing thousands of faithful Government employees with years of service out of work; and finally, in this last economy move of curtailing school lunches, we are filled with well grounded fear for the future welfare of the country.

We have voted millions of dollars for the relief and rehabilitation of the countries of Europe, some of which were our enemies. But when it comes to taking care of the first line of defense of our own country—our own children—the Republican majority is apparently willing that they should go undernourished and underfed.

I have time after time heard our colleagues on the other side of the aisle rant and rave about communism. Of course, it is a threat and a danger, but it is because of the program which I have referred to before that it will become a greater danger and a greater threat to this country. Hungry mouths will make Communists. That is the procedure that Russia is using to Sovietize the countries within its present sphere. That is the procedure that will make Communists in our own country. I hope that the House

will adopt the Cannon amendment to increase the school-lunch appropriation to $75,000,000—it will be the humanitarian and patriotic thing to do.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, in the usual steamroller fashion of this Congress the majority party has again limited debate on an important amendment. I wish to announce that I shall support the substitute amendment offered by the distinguished gentleman from Missouri [Mr. CANNON] which seeks to increase the inadequate amount, $45,000,000, allowed by the Republican majority for the vitally necessary school-lunch program to the amount, $75,000,000, requested by President Truman and the Bureau of the Budget for the fiscal year 1948.

Less than a year ago Public Law 396 of the Seventy-ninth Congress which I supported was approved by President Truman and our school-lunch program became basic law. Now, less than a year later, at a time when we are spending billions of dollars for foreign relief, the Republican majority of this House scraps the law and denies a pitifully small sum needed for the most valuable assets we have, our American children. Mr. Chairman, I have all along supported our school-lunch program and I shall continue to do so.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, this matter has been before us on another occasion when we were asking for a deficiency appropriation, and I had something to say about it at that time, as other members did, and I do not wish to belabor you nor to criticize you and to speak in terms of maudlin sympathy about the poor little children, and so on. But, as a matter of fact, my friends, the poor little children are involved.

I wish to address myself in this minute and a half that I have, which is very short, to the thought of the strength of our Nation. I am alarmed and worried about this great Nation of ours like you are. You are as honest and sincere and patriotic as I am; I am certain of that. But all of us who are honest and sincere and patriotic American citizens are trying to look not to the next election but to the next generation, and I am thinking about the health of our Nation and the strength of our Nation, and I am telling you that there are very few things we can do to strengthen our Nation more, in my judgment, than to keep the school-lunch program going in a big way.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

THE SCHOOL-LUNCH PROGRAM: "WE FEED THE GERMANS AND JAPS BUT NEGLECT OUR OWN MOST VALUABLE CROP—OUR CHILDREN"

Mr. SABATH. Mr. Chairman, I consider this action by the Committee on Appropriations the most outrageous of all the meat-ax slashes they have made.

Last session we passed a law, after long and careful consideration, to help supplement the diet of undernourished children. Now they come in and cut the appropriation and by that action virtually nullify the law.

Millions have been appropriated for the relief of hungry and needy people of other countries. For the terrible Turks and for the Greeks you have appropriated more millions, not alone to feed and clothe them, to provide them with arms and munitions.

MONEY TO HELP PRODUCE RECORD CROP—BUT NOT FOR CHILDREN

We have appropriated more millions on millions—and you have voted for those appropriations—to provide fertilizer and soil conservation programs to help the farmers produce record crops; but for the most valuable crop of all, our children, the future citizens, yes, and soldiers, of America, you are providing a niggardly sum, grudgingly and disparagingly.

Yes, you have voted for appropriations to save the cattle, to guard against foot-and-mouth disease, to feed wild ducks—but to feed needy children of our own, American children, you have cut down the already too small budget by $30,000,000.

My colleague, and the gentleman from Illinois [Mr. DIRKSEN], has told you that only 1 out of 10 of the school children obtains the free lunch available under this grant. Let his figures be correct; yet I still say to you that that means we can make it possible for 750,000 school kids to be happy with a hot midday meal, to be better students and better junior citizens, and to grow up to be better and stronger and healthier adults.

He has told you that in Chevy Chase the children all buy their own lunches and pay the regular full price; but he neglected to tell you that Chevy Chase is perhaps the wealthiest community in Greater Washington.

THIS ECONOMY IS A CHEAT ON THE AMERICAN PEOPLE

I have voted for all measures designed to help the American farmer to raise his income, his standards of living, and these wonderful record-breaking crops of which we all have been so proud.

No one has begrudged those funds.

But now for the benefit of children who otherwise might not be able to eat a lunch at all, or at best would have a scrap of bread or a cold boiled egg, I surmise that all of you will vote for this paltry sum on the pretext of economy.

What a cheat you are giving the American people.

You have just passed a bill reducing the tax bill of the wealthy by $3,000,000,000. Is this the way you will make it up—by taking even the lunches away from poor, defenseless urchins?

FOLLOWING DICTATES OF PARTY LEADER

In all this you are, I presume, following the advice of your real party leader, former President Hoover, for he testified before a House committee only a few days ago that he is in favor of feeding the Japanese and the Germans, though we still have not started to bring back the bodies of our 300,000 dead, and our hospitals still are overcrowded with the maimed from the war of resistance against their aggressions. I suppose this is on the theory that we started the war against the Nazis and the Japs.

I well remember that it was this same President Hoover who prevented money appropriated for the relief of starving cattle from being used for the relief of starving people when it appeared the cattle would live without it.

It is easy to understand that his heart would bleed for our defeated enemies but not for our own underprivileged children, who may be the next victims of those enemies when they have been rehabilitated.

You have done everything possible to encourage the high prices which make it harder and harder for underpaid parents to feed their children, with the cost of bread and milk nearly doubled; but you will not do this little bit to make up for that.

The American people will not soon forget this triumph of selfishness over humanity.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. BRYSON].

Mr. BRYSON. Mr. Chairman, with your indulgence, I should like to speak to you briefly and informally.

A matter of great importance which I would like to refer to is the school-lunch program about which my fellow Carolinian has spoken to you. I am very much interested in public affairs now, and I have been for a quarter of a century. I have been in public affairs for that length of time.

I can truthfully say that I know of nothing for which public moneys are expended from which we receive so much value as the school-lunch program.

In my State, of necessity, we have had to consolidate many schools. I would like to point out, too, that in spite of the report about the poor schools in the South, I do not know any State that spends more per capita than the State of South Carolina.

I might add that that assumption as to the state of the schools in the South is now entirely justified. Lately I saw statistics to prove my statement above. South Carolina is carrying a greater load than any other State in an effort to meet its school problems.

Very often children are required to travel 40 and 50 miles to school in our State by way of bus. I remember when we had the controversy about daylight-saving time.

I have seen children in the first grade standing on the highway at the break of dawn, and frequently standing in the chill of the early morning hours, waiting to be transported 40 or 50 miles to school.

I have children in my own home and I know that they get up in haste and confusion, and they frequently do not feel like eating breakfast. As a result, they go away to school, and if they are not provided a hot lunch during the midday, they do not have any warm food until they reach home at the close of day.

I cannot too strongly endorse the school-lunch program.

Mr. PRICE of Florida. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PRICE of Florida. Mr. Chairman, I rise in opposition to this cut in appropriations in the funds for our school-lunch program. In the past weeks we have seen this House vote for millions of dollars to feed the hungry of Europe and I have no quarrel with that program but we should remember that charity begins at home. Why should we not look after the underprivileged of our own States? The records show that millions of our young men were rejected by our armed forces due to the lack of proper nourishment while they were growing into manhood. Let this House forget political promises and campaign talk when it comes to feeding the children of our country.

We can go along with the Republicans on their economy drive in many instances but let us not bring such questions into this argument.

Mr. MANSFIELD of Montana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD of Montana. Mr. Chairman, I am disturbed and dismayed by the amendments offered by the gentleman from New York [Mr. BUCK] to reduce the child-lunch appropriation to $11,000,000 and the amendment offered by the gentleman from California [Mr. PHILLIPS] to reduce it to $25,000,000. I am convinced that the $45,000,000 appropriation recommended by the Appropriations Committee is not enough and consequently I will vote for the amendment offered by the gentleman from Missouri [Mr. CANNON] to increase that amount to $75,000,000.

I must compliment the Republicans for the well-organized steam roller they have used throughout this session and in the consideration of this bill to take away from the American people and the American children the help and the assistance which the Government should rightly give to them. The result has been that organization has triumphed over consideration of our people's needs and the steam roller has functioned at the expense of specific Government obligations and duties in behalf of people who need our assistance.

I am amazed at the callousness of the opposition to the school-lunch program. We can appropriate millions to relieve the distress of people overseas, but we find it difficult to look after our own. I have received scores of letters and telegrams in behalf of the school-lunch program and, as a consistent supporter of it, I will continue to give it my full support. I hope the House will vote to increase the amount for the school-lunch program because we will be investing our money in our greatest national asset—our children.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, last year on the 6th day of June the Congress of the United States passed this act:

> It is hereby declared to be the policy of the Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children, and to encourage the domestic consumption of nutritious agricultural commodities and other foods, by providing an adequate supply—

Mr. Chairman, I trust that we will not bypass that word "adequate." If we intended to hold out to the people of this country that we recognize the value of this program and that we propose to enter into an agreement with the several States to furnish an adequate supply of foods for the school children of this country, we ought to stand by it now. With all due respect, I suggest to the members of this committee that it is mockery to make this amount less than $75,000,000. Let us be sincere in this matter.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. ALLEN of Louisiana. Mr. Chairman, I rise in support of the amendment of the gentleman from Missouri [Mr. CANNON] to raise the appropriation for school lunches to $75,000,000 instead of the sum of $45,000,000 now in the bill. I expressed myself on this matter in general debate yesterday and I cannot say much in the short time now allotted.

This school lunch has been written into our statutory law. The law authorizes $75,000,000 as the Federal contribution to the joint State-Federal program. I am supporting this amendment to appropriate the full amount authorized by law.

No one knows better than I do the trials and tribulations of a boy being reared under hard financial circumstances. I have known what it means to be hungry. We have many American children now who know what that means. I consider, Mr. Chairman, that this school-lunch program, this provision to give a school lunch to children standing in need of it, is a program to strengthen America and make our future citizens not only strong physically but strong mentally. We want to build and keep America strong and certainly this school lunch is a very effective way to do it.

I cannot too strongly urge the adoption of the Cannon amendment and thus insure to the American children a continuance of this program. I make this appeal in behalf of the children of America. Stand by them.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, of all the puzzling matters that face the American people today, I think there is more confusion and more indignation on the part of the population generally concerning the acts of our Government in regard to this one thing; that is, that we are voting millions and billions of dollars to aid the people in the war-stricken countries and even the enemy countries and doing so little relatively for our own people. The majority are acting in the name of economy. I am willing to see work done in other parts of the world to rehabilitate those devastated lands, but I hate to see a refusal on the part of our own Government to do likewise for our own sections of the country. I am willing to clothe and feed the people of the world but we must not neglect our own, and we are doing it in this Agriculture appropriation bill just as the House did in the Interior appropriation bill some weeks ago.

When the school-lunch program had its origin the idea may have been to accomplish two things at once, to distribute surplus agricultural products of food and at the same time to benefit the school children by this nutritional program. It may be that the first objective is no longer needed, but who can tell when it may be needed? I, too, have heard a great deal of complaint about spring potatoes being destroyed, and I also think it is a shame. Of course I know that new potatoes may be of such a perishable character as to make them entirely unsuited for shipment abroad to starving people. But that does not necessarily prevent the use of such food for American children. The other great value of the school-lunch program continues to exist.

With so many millions of our young men disqualified for military service in the war because of lack of nutrition in childhood, it ought to be a warning that the very safety of our Nation depends upon the good health of our boys and girls. Even if we no longer need a market for surplus food in school lunches, the other need is all-compelling, and we are short-sighted indeed if we do not exercise great generosity in implementing the program with suitable funds. I know what school lunches mean in the far Southwest, and I know that even in the best of farming communities many children are suffering from malnutrition. Liberal support and scientific management in this work will repay the Nation and the future great dividends. A saving here is expensive.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I rise now merely to point out the implications that are contained in all these amendments. There are 50,000 schools having school lunches and receiving Federal aid today. There are over 200,000 schools in the United States. On that ratio, you can, by multiplying the amounts by four times, find the implied responsibility this Congress is assuming under these amendments. Under the Buck amendment calling for $11,000,000, eventually, if all the schools participate, it will be approximately $45,000,000.

Under the Phillips formula it will be $100,000,000. Under the committee amendment which I support it will be $180,000,000, eventually, if all schools participate, or four times the amount in the bill which services 50,000 of our 200,000 schools. Under the Cannon amendment it will be $300,000,000.

I want the committee to have the full importance of all that is implied in these amendments.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I supported the school-lunch program heretofore. I am for it now. I feel that some of my friends who want to economize on the children of America and who talk about inefficiency and waste are among those who have voted repeatedly to give billions of dollars to foreign nations, much of it for waste and extravagance. I feel the time has come when we should look after our own people. Charity still begins at home.

Mr. Chairman, to cut the budget estimates 32 percent in the appropriations for the Agriculture Department is not justifiable. It is true that there are duplications that should be eliminated. It is equally true that there are some cuts that should be made. But such cuts should not be made on wealth-producing projects such as the REA, soil conservation, and land-purchase projects for veterans and others. These and others are wealth-producing and not wealth-consuming projects.

I know that the Appropriations Committee claims that the REA has more money than it can spend. That may be true in some localities, but not in others. In my own State only 1 farmer out of 10 has electricity in his home. Modern facilities demand that these farmers, who help feed the Nation, be given some of the conveniences enjoyed by city people. Modern civilization and full production demand that the REA be extended to every farm in this Nation where it is at all practicable. This cannot be done by cutting the REA appropriations.

The REA has a backlog of applications now totaling $240,000,000. The REA estimates this figure will be $270,000,000 by July 1 against which it will have only $10,000,000 in unallotted funds. In other words, it would take $260,000,000 to break even on July 1—without any money to cover new applications through 1948.

The truth is that in place of cutting REA loans $25,000,000, the budget estimate, the committee, realizing the great benefit of REA, should have increased it. If the REA was to accept all of the applications, and extend the benefits of the REA to all the applicants, it would take $361,000,000 by June 30, 1948. I feel that at least the $25,000,000 should be reinstated.

I also feel that the 28½-percent cut in administration funds will mean 25-percent fewer farm people who will receive electricity in 1948 than if the cuts were not made. I feel that at least part of these administration funds should be restored. A 28½-percent cut is too severe.

The committee argues that the REA co-ops, when once set up, are capable of running their own business without Federal supervision. In this way they feel that the expense can be cut. I do believe in local self-government but the committee forgets that the REA is still a very young institution, and that its activities are still expanding. This is especially true in North Dakota and other States like North Dakota. I shall, therefore, vote to restore the budget estimate in the appropriation when that amendment is offered.

Next we come to soil conservation. Here again we have not only a wealth-producing project, but a wealth-saving project; a project that prevents depletion of our soil; a project that prevents erosion, and the dust bowls. Here again the committee argues that the program is completed. Yet the program has but started. Surely to severely cut the estimates in this appropriation is a mistake.

This is especially true when we consider the foreign commitments, the commitments such as the $3,750,000,000 gift to Great Britain, the $750,000,000 gifts made recently and the $27,000,000,000 that we have at present committed ourselves to, but that I am satisfied another administration and another Congress will repudiate.

However, be that as it may, if we are to continue to fulfill these commitments in any degree at all, we will have to conserve our soil. We will have to prevent soil depletion, erosion, and dust bowls. I shall, therefore, vote for and support the restoration of the budget estimates for soil conservation.

I am proud that I voted against the gag rule that was adopted yesterday. That gag rule permits the Appropriations Committee to write the Nation's laws. It virtually sets it up not only as an appropriation committee, but as a legislative committee. I feel that that gag rule, the same as gag rules under previous Congresses, is an insult to the Members of Congress.

I realize that first we gag ourselves, and then say we cannot do anything because we were gagged. I am sorry that so many of my friends yesterday voted for the gag rule. Party regularity must cease when the Nation's welfare is at stake, when the problems of agriculture are at stake. These are not party issues; they are American issues.

Under the gag rule which we adopted yesterday, Members are prohibited from raising points of order. This rule was expressly adopted—deliberately adopted—to permit the Appropriations Committee to change laws as well as to make appropriations.

Under the 1935 law there was a permanent appropriation for agriculture of a sum equal to 30 percent of custom-duty receipts. This amounted to about $148,000,000 each year. Under the law this was used by the Department of Agriculture to steady the market of surplus commodities.

A point of order could have been made against this on the grounds that it is legislation in an appropriation bill, but the gag rule prohibits this. It waives all points of order. I shall assist and do all I can to have that legislative provision stricken from the bill.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. ROHRBOUGH].

Mr. ROHRBOUGH. Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Missouri. I do that because I am interested in young people. We have been having reports that there is a wave of juvenile delinquency. It is mighty hard for young people to be good when they are hungry. I do not know whether or not as we grow older we forget how much it means to youngsters, to small boys and small girls, to have enough to eat.

We are commanded to hunger and thirst after righteousness, but I tell you that the people who are hungry physically cannot hunger and thirst after righteousness. They cannot be good. So, I support the amendment to prevent malnutrition and to promote better citizenship.

Mr. POTTS. Mr. Chairman, I have listened with a great deal of interest to the arguments for and against the provision in the Agriculture appropriation bill with respect to school lunches.

The people of my district have been writing to me on this subject and there is no doubt that they want adequate provision made for continuation of the program.

Accordingly, in compliance with the will of the people of my district, as expressed to me, I intend to vote against those amendments which will reduce the appropriation of $45,000,000 as contained in the bill for school lunches and I intend to vote for the amendment which will increase the appropriation to $75,000,000.

Mr. KERSTEN of Wisconsin. Mr. Chairman, the school-lunch program is primarily a measure of agricultural stabilization. It is only incidentally a child-feeding program. The sum that will tend best to stabilize the agricultural program of our country is the sum we should support. In my opinion that sum is seventy-five million.

While some States may be prepared to take over the child-feeding portion of the program, other States are not.

My district is primarily an industrial district. But I recognize the complete interdependence of industrial and agricultural communities. A crippling blow to the stability of agriculture is a crippling blow to American industry and vice versa.

It is poor economy to cut the school-lunch figure when that cut is a blow to agricultural stability.

Furthermore, how can we justify crippling the child-feeding feature of the program? Which schools do we wish to strike out? On what particular children do you wish the ax to fall?

Mr. JONES of North Carolina. Mr. Chairman, I am opposed to a number of provisions in H. R. 3601 and hope that they will be corrected by proper amendment. The over-all cut of 32 percent in the appropriation for the Agriculture Department, as set forth in H. R. 3601, is entirely too severe and deprives the Agriculture Department and the farmers of many needed services to which the farmers are entitled and which are necessary to preserve their present pros-

perous economy. These cuts affect not only the farm program, but the living conditions and welfare of the farm population throughout the Nation.

I am especially opposed to the provision which reduces the allowance for the school-lunch program from $75,000,000 to $45,000,000. The program was eliminated by the House deficiency bill for 1947, but was reinstated by amendment over the objection of the Republican leadership. Now after this was done, this bill reduces this much-needed appropriation from $75,000,000 to $45,000,000 for 1948. In my opinion, this reduction is absolutely unjustified and is a step backward in the farm life of our Nation. It comes at the very time when this much-needed program was expected to be a permanent set-up and a great advantage in promoting not only the education, but the health of the children of our Nation. It is a disappointment to everyone concerned in this splendid program because it was expected that the program would be expanded rather than abandoned.

We have not time to enumerate the many advantages of the school-lunchroom program or the benefit that the children of the Nation derive from the program. These are demonstrated by the expansion and growing popularity of the program.

The declaration of the policy contained in the act of the Seventy-ninth Congress is as follows: "It is hereby declared to be the policy of the Congress as a measure of national security to safeguard the health and well-being of the Nation's children and to encourage domestic consumption of nutritious agricultural products and other food, by assisting the States through grants and aid and other means in providing an adequate supply of food and other facilities for the establishment, maintenance and operation and expansion of nonprofit school-lunch programs." In initiating, supporting, and maintaining the national school-lunchroom program, the Government of the United States has rendered invaluable aid to the cause of public education and to public health in all of the States of the Union and it seems a tragedy to cut it out when it probably is just entering upon a period of its greatest use to public education.

The very able and progressive superintendent of public instruction in North Carolina, Dr. Clyde Erwin, has urged me and the other members of the North Carolina delegation in Congress to support the program and to urgently request the Appropriations Committee of the House not to desert this important needed legislation which contributes immeasurably to the health and education of the children of the United States. I am informed that the education leaders of many of the States of the Union have written similar letters to their Congressmen urging that this program be supported to the limit.

I hope the Cannon amendment will be adopted.

Mr. Chairman, I would like to submit a letter received from Mr. W. D. Reynolds, county agent of Mecklenburg County, Charlotte, N. C., giving a very intelligent picture of conditions of agricultural life and future prospects of agriculture in the United States provided that the agriculture program is not cut in such a severe way as to handicap, if not destroy, the farm program which has proven so successful and has made the farmers prosperous for the first time in the history of our Nation:

OFFICE OF COUNTY FARM AGENT,
Mecklenburg County, Charlotte, N. C.

Hon. HAMILTON C. JONES,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN JONES: I understand there is a bill being considered by the Agricultural Committee of the United States Congress to reduce the appropriations for agriculture. First, let me suggest to you that in my humble opinion farm people of America have made more progress during the last 15 years than any time in history, and I sincerely believe that one of the big factors causing this splendid progress has been the far-sighted leaders in our Federal Government, the Congressmen, Senators, and others. To me, it would be no less than a tragedy now to hamper this progressive segment of society by reducing the appropriations of the Federal Government to such a point that our agricultural agencies would not be able to render to the farm people the same good services they have become accustomed to during the past few years. Let me hasten to assure you that it is my humble opinion that the farmers have never had more than their share of the appropriations made by our good Congress, and I further believe that the money appropriated has been spent wisely.

As I travel over the county and State and talk to farm people, I am almost daily reminded that this farm or that farm was an old run-down, washed-away farm 15 or 20 years ago. But today we find the soil being reclaimed and rebuilt through the help of the agricultural agencies. I am particularly thinking of the terracing program and soil building, the farmers being encouraged to plant cover crops, pastures and forest trees on certain spots or fields, and then too, the material such as lime, acid and potash that the farmers have been educated to use. Through the help of the Agricultural Department they have been encouraged to use these better practices in a number of cases by certain allowances made to them by our good Government.

It is an uphill road when we go out and talk to farmers about the needs of their soil and they explain to us in all too many cases that they do not have the wherewith to finance the project, but when the Government lends encouragement by supplying certain materials, the road is made easier and progress is much faster.

Now, we have heard some discussion about the overlapping of certain agencies, but in my humble opinion that is merely a mole hill and it has been developed into a mountain by people who do not know how the different agencies plan and work together. Certainly, that is true of our county and there is no reason why that could not be true in every county in the United States. The county agent's program is purely an educational program while the Triple A for instance cooperates by furnishing some of these materials that we have spoken of, which certainly helps to make for a better rural condition. Let me assure you that the farm people are asking no special favors, but they do feel that they are entitled to their fair share of Federal help, and it is useless for me to tell you that unless we continue to encourage the farm people to use better practices in preserving their soil when cultivating their crops and in fact in using better agricultural practices in both field crops and livestock, America stands to lose much. In fact, the whole world will be affected. We must give to the farm boy the same opportunity that business and other professions offer.

Your continued interest in our farm people will not be forgotten by those who till the soil.

Yours truly,

W. D. REYNOLDS,
County Farm Agent.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, let us get the parliamentary situation ironed out. The bill as reported by the subcommittee contains $45,000,000 for school lunches with the proviso that the money paid by children for lunches shall not be considered for matching purposes.

The gentleman from California [Mr. PHILLIPS] offers an amendment to reduce the amount to $25,000,000.

The gentleman from New York [Mr. BUCK] offers a substitute amendment to reduce the amount to $11,470,000.

When it is in order, the gentleman from Missouri will offer to make it $75,000,000, which was the budget request.

Let us see where we are on this thing and notwithstanding, I hope you will pardon me when I say it, but it is the only adjective I can think of, some of the mawkish sentiment that has been expressed here, as a matter of fact, if we did not offer anything in this bill, there would still be $160,000,000 for school lunches. Secondly, let us make it clear that this is not a free lunch. When the deficiency appropriation bill was here for $6,000,000 recently, the welkin resounded in the well of this House with talk of free lunch. Let us see what Dr. Ockley said. Here is his testimony: "One out of every nine children gets a free lunch."

I asked him that, and he said, "Yes, sir." He said, "One in nine is free, and eight out of nine pay the full amount. The ninth child gets a ticket."

Now, then, they can go right on with their school-lunch program, even if the Federal Government did not contribute a nickel to this.

You talk about potatoes and about surplus. This is a cash program. When this money is made available the Department sets it up on a quarterly basis and the cash is allocated to the various States. Do they have to buy surplus potatoes with it? No. They do not. Do they have to buy any food that is in abundance? Read the testimony. The Department says they do not have to buy any surplus supplies. We have no control over them. It is a nutrition program, on a cash subsidy basis. That accounts for the fact that we cannot order them around and tell them what to do on this thing, without writing a lot of provisions and provisos in here that are impossible. Now, that is the whole story.

The logical amendment is the one offered by the gentleman from New York [Mr. BUCK], because if you are going to match direct appropriations by States and counties, it is $11,400,000. So he proposes to match it. That is the law. If you want to include nonfood assistance, then you take the amendment offered by the gentleman from California, because that would be a little more than direct matching, plus the $10,000,000 for nonfood assistance. Now, why $45,000,000 in the bill? First, we match the direct appropriations. Secondly, we

include the nonfood assistance, and that is $10,000,000. Then we give credit to all donations and contributions by churches, by luncheon clubs, whether they are offered in kind or cash or in materials or what. So I thought we were extremely generous in the subcommittee in making it $45,000,000. However, the gentleman from New York [Mr. BUCK] has offered the logical amendment, and the gentleman from California [Mr. PHILLIPS], who has given special study to it and who is a member of the subcommittee, has included, no doubt, the nonfood assistance, and reduced it from $45,000,000 to $25,000,000.

So that is the story. Then, the gentleman from Missouri [Mr. CANNON] will come along and ask you to approve $75,000,000.

Let me conclude by saying that only 25 percent of the Nation's schools are being fed through this program today. If you want to carry it out logically, make up your mind, according to the testimony before the committee, that this will cost the Federal Government somewhere between $350,000,000 and $600,000,000 a year. There is going to be an end to it, but the children will be fed just the same.

One other thing. Out in Chevy Chase they have a school and they serve hot lunches. Mr. HORAN'S wife goes there three times a week to that school to help serve. They pay 25 cents for the lunch. They get no Federal help. They have $600 in the school treasury. They can buy playground equipment if they want to. However, if you go into the Federal program, all the money must go into the program and there will be no opportunity to use it for playground equipment. The children will still be fed.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

All time for debate has expired.

The question comes first on the substitute offered by the gentleman from New York [Mr. BUCK].

The substitute was rejected.

Mr. CANNON. Mr. Chairman, I offer a substitute, which I send to the desk.

The Clerk read as follows:

Substitute amendment offered by Mr. CANNON to the amendment offered by Mr. PHILLIPS of California:

On page 52, line 23, strike out "$45,000,000" and insert in lieu thereof "$75,000,000."

On page 52, line 23, strike out the colon, insert a period, and strike out the remainder of the paragraph through line 25.

The CHAIRMAN. The question comes on the substitute amendment offered by the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, on that I ask for tellers.

Tellers were ordered; and the Chairman appointed Mr. DIRKSEN and Mr. CANNON to act as tellers.

The Committee divided; and the tellers reported that there were—ayes 139, noes 155.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs to the amendment offered by the gentleman from California [Mr. PHILLIPS].

Mr. RANKIN. Mr. Chairman, may we have that amendment reread?

The CHAIRMAN. Without objection, the Clerk will read the Phillips amendment.

There was no objection.

The Clerk reread the Phillips amendment.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 85, noes 153.

So the amendment was rejected.

The Clerk read as follows:

For expenses necessary to enable the Secretary to administer the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U. S. C. 608c–608d), including personal services in the District of Columbia, $525,300.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent to extend my remarks after the reading of line 10, page 52 of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 53, line 6, strike out "525,300" and insert "$725,300."

Mr. PHILLIPS of California. Mr. Chairman, may I have the attention, please, of the gentleman from Illinois [Mr. DIRKSEN], and the gentleman from Missouri [Mr. CANNON], and presumably those other members of the subcommittee who might be on the conference committee between this House and the other body.

I am introducing this amendment so that it will be in the RECORD, and the discussion will appear in the RECORD at this point. This item, on page 53, appearing as $525,300, is the amount of money appropriated by the subcommittee for the administration of the marketing acts. Heretofore this money has been taken from the administrative percentage of the section 32 funds. When representatives of the Department of Agriculture came to the subcommittee this year and asked for an appropriation, they set no amount, expecting that it would be taken from section 32 funds. The subcommittee appropriated exactly the same amount that was used in fiscal year 1947, thinking we were appropriating all that the Department wanted.

It is my belief that a part of the section 32 funds will be released. Immediately the administrative percentage will apply, and those funds may then be used for the item which now appears on page 53. I am therefore putting in a figure of $725,300, which I believe will be the amount needed. I am suggesting that when it goes to the other body, the committee there will probably remove this item entirely from this position in the bill and will apply it against the administrative percentage of section 32 funds.

I ask unanimous consent, Mr. Chairman, that the amendment may be printed in the RECORD, and that I may now withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The Clerk read as follows:

Market news service: For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of livestock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, hay, feeds, cottonseed, and seeds, and other agricultural products, $1,520,000.

Mr. DIRKSEN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. DIRKSEN: Page 53, line 19, strike out "$1,520,000" and insert "$1,527,500."

Mr. DIRKSEN. Mr. Chairman, the amount involved is $7,500 for a marketing news reporter for dairy products in the Cleveland area. It is a committee amendment.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Missouri.

Mr. CANNON. Has it been approved by the Bureau of the Budget?

Mr. DIRKSEN. No; unfortunately it has not. I had not hoped it would be necessary to take the time of the Committee to discuss it, but I shall do so. A very gracious and charming Member of this great deliberative assembly, the gentlewoman from the State of Ohio [Mrs. BOLTON] spoke to me about this little matter quite some time before the committee concluded its reports. They have a marketing news reporter for dairy products at a number of places, including Atlanta, Detroit, St. Louis, and elsewhere, and it was felt there was a great need for the installation of two people in existing office facilities at a cost of $7,500 for this service. I think it is richly deserved, so I promised the lady that I would bring it to the attention of the committee. It has had the approval of the subcommittee, and I hope the House will do this good turn for a very charming and very competent Member of this body.

Mr. CANNON. Mr. Chairman, I rise in opposition to the amendment. I realize it is a lack of gallantry, Mr. Chairman, to oppose any proposition from the Member's district, and I fully concur with what the gentleman from Illinois has said about her charming personality. I am very anxious to go along, but this bill is part of a project to cut the President's budget $6,000,000,000, and now instead of cutting the budget we are even going above the budget.

Mr. DIRKSEN. I might say to my very genial friend from Missouri that we could set up 1,000 offices or an equivalent amount for the amendment he offered a few months ago.

Mr. CANNON. Yes, but we could feed 7,000,000 children and perhaps that is a little more important than a marketing service. The Department has not recom-

mended the expenditure, at least we have had no official notice of it, the Budget Bureau does not approve of it, so, Mr. Chairman, I am constrained reluctantly to oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

The Clerk read as follows:

Loans: For loans under title II, $60,000,000.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 58, strike out all of line 12 and insert in lieu thereof the following: "Loans: Title I and section 43, $25,000,000; title II, $60,000,000; in all for loans, $85,000,000."

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 25 minutes, the last 15 minutes to be reserved to the committee.

Mr. WHITTEN. I will reserve the right to object unless the next to the last 5 minutes is reserved for that side of the committee.

Mr. DIRKSEN. Obviously the chairman of the committee cannot agree to that. After all, this is an amendment that departs from the committee action.

Mr. WHITTEN. I mean of the last 10 minutes, 5 are to be reserved for the gentleman from Missouri [Mr. CANNON].

Mr. DIRKSEN. I have no objection to that.

Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 25 minutes.

Mr. McCORMACK. May I suggest to the gentleman that that motion is subject to a point of order since there has been no debate on the amendment.

Mr. DIRKSEN. Very well. Since no debate has ensued, I withdraw my motion for the moment.

Mr. McCORMACK. The gentleman can submit a unanimous consent request.

Mr. DIRKSEN. I do not want to encumber the gentleman from Mississippi further.

Mr. WHITTEN. Mr. Chairman, this provision of the bill does not represent the considered action of the Republican majority members of the committee. This committee met for eight long weeks, and at the conclusion of the hearings, after hearing innumerable witnesses, the bill was marked up. After 8 weeks of tedious testimony, in many cases, the committee met and marked up the bill. The Republican majority members of the committee subscribed to the amendment which is on the Clerk's desk. Ten days after that happened and 10 days after the clerks had filed the reports and the hearings had been printed, the Republican steering committee met on Monday a week ago. The next day the committee was called back, and then the majority members of the committee reopened this case and struck out the $25,000,000 for the farm-tenant-purchase loan.

In doing that action, which was after the committee had concluded its consideration of the matter, they said to the American veterans, 49,000 of them who made application for the purchase of land under the farm-tenant-purchase program, "You will be cut off and denied the privileges that have been given to other citizens during the time that you were in the service."

I know the distinguished gentleman from Illinois, as smooth and suave as he is, is going to say that land prices are high and it will add to inflation. That is not what they said to those boys when they were out on the battlefronts fighting for their country.

I say to you, under Judge Tarver's chairmanship they carried a provision which protected any purchaser in that the Farm Security could not approve the purchase of a single piece of land unless it was at a reasonable price. Thus, this group on the Republican side who earlier subscribed to this program only had to write such protective language into this bill.

I would like to call attention to the fact further that by striking out that provision for future loans they are striking out the 35,000 applications by the veterans which are in process of being approved. When you go back to your respective districts, I am sure you will have an answer for this.

But as I was saying a while ago, when you were acting on the AAA amendment I had a friend from my State who was defeated for reelection to Congress some years ago. He told me later, "Everything that the people were sore at me about I had perfect defense for, but the trouble was they would not listen to me." Gentlemen, you may have a technical excuse, such as the demands of your party leaders to cut out this program of farm-tenant purchase. You may have a call on you to cut out AAA payments which you guaranteed last year by your action, but I am saying to you that when you break faith with your people back home in your districts you had better send for the gentleman from New York [Mr. TABER] and the gentleman from Indiana [Mr. HALLECK] and some of your Republican leaders because you are likely to need them. I am just afraid your people back home would not listen to them at that.

Mr. DIRKSEN. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 20 minutes, the last 5 minutes to be reserved for the committee.

Mr. CANNON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON. Mr. Chairman, I do not want to interrupt the gentleman from Illinois, but under the rules of the House on a motion to limit debate may not include assignment of the time.

Mr. DIRKSEN. Mr. Chairman, I withdraw my previous motion and now move that all debate on this paragraph and all amendments thereto close in 20 minutes.

The motion was agreed to

TENANT PURCHASE FUNDS ARE BEING REPAID; LOANS NECESSARY TO CONTINUE IMPORTANT SERVICE FOR FARM VETERANS

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the Members understood this amendment and the conditions that pertain to the farm-tenancy program, I believe this amendment would be agreed to.

For example, there are 72,000 acres that belong to the United States Government being liquidated under the Tarver amendment. None of that land can be sold unless there is a provision by which the purchasers, who must be veterans, can make loans. Unless provision is made for the extension of loans under the Bankhead-Jones Act, that land cannot be sold—72,000 acres of it.

The gentleman's amendment provides for $25,000,000. The Administrator tells me that 60 percent of all of current loans are going to veterans of the Second World War. That means that $15,000,000 would be virtually earmarked for them.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. MAHON. I think the gentleman's position is further enforced by the fact that the members of the committee and the chairman of the subcommittee the gentleman from Illinois [Mr. DIRKSEN] have confidence in Mr. Lasseter, who is head of the Administration, and we can be sure that if he cannot loan this money advantageously, it will remain in the United States Treasury.

Mr. HAYS. Exactly. Mr. DIRKSEN's comments evidenced that in the RECORD—his praise of Mr. Lasseter's forthright handling of this program.

Now, here is an opportunity for us, without breaching the economy policy, to provide for several hundred or perhaps several thousand veterans who want land. The gentleman from Mississippi [Mr. WHITTEN] told us that 49,000 of them have applications on file. This is not a breach of the economy policy. This money is being paid back. The Government has loaned $282,000,000 under the Bankhead-Jones Act, and only $50,000 of that is considered lost.

Moreover, we are not adding to the inflationary influence. Let me make that clear. There is a reason for asserting that. The reason is that under the provisions of the law we passed last year it is sold to veterans, not at its present market value, which is an inflated value, but at its earning capacity value.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. MURDOCK. Do I understand if we do not approve this amendment that the bill which the gentleman introduced and which the Congress passed last year will be ineffective?

Mr. HAYS. It would be of no effect whatever as to these remaining farms because the loan procedure could not be used. We told the veterans at that time that we were going to take the rehabilitation project land and earmark it for them. In addition we have 3,000,000 acres

of land that the War Assets Administration will certify as surplus property for sale, some of which will be available for purchase by farm veterans. The Farm Credit Administration has 300,000 acres by transfer from War Assets that will be for sale. We should sell it at its earning capacity value and in family-size units to veterans of the Second World War.

Altogether we have loaned to 44,000 farmers money with which to acquire title to land under the Bankhead-Jones Act, and 7,000 of them have already paid out in full, although, as I pointed out yesterday, they are 40-year loans. This is not an appropriation of $25,000,000. It is the earmarking of a loan fund, practically every dollar of which will be paid back.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. HAND. I think the gentleman has probably answered my question, but is not this program working out advantageously in dollars and cents?

Mr. HAYS. Exactly. Thousands are repaying the debt in advance of the due date. Now, I do not want to hit below the belt. I know none of the Members of this House want to be unfair to the veterans. I have not indicated that any of you are unfair, but as a business proposition, to help some of the 650,000 who once said on an Army questionnaire that they wanted to go back to the land, we ought to continue this service. This is not an emotional appeal. It is good business. The Bankhead-Jones program is working out.

Let us take the $25,000,000 and, as contemplated by FHA, devote $15,000,000 of it to veterans of World War II who are filing these applications by the thousands. Let us put the emphasis on this farm program rather than on the regular veteran farm loans under the GI bill of rights, where we are really adding to the inflationary pressures.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. COOLEY. Mr. Chairman, as indicated by the gentleman from Arkansas, this is not a gift. It is a loan and a sound investment of Government funds. There is not a single good reason why we should deny this Government aid to the underprivileged farmers of America, and especially to our veterans who cannot obtain the necessary assistance from other sources.

I know that my very persuasive and artful friend from Illinois will try to hang this thing around the President's neck. He will blame President Truman for the destruction of the tenant-purchase program, merely because President Truman indicated to the Secretary of Agriculture the desirability of a conference looking toward the prevention of inflation of farm-land values. After the President wrote to the Secretary of Agriculture, the letter to which I have heretofore called your attention, the gentleman from Illinois held another star-chamber session and without hearings of any kind, but under the lash of his party leadership, struck this $25,000,000 from the bill and abruptly ended the tenant-purchase program. I invite the gentleman's attention again to the letter from Secretary Anderson, which I read this morning, in which he stated definitely that he had conferred with the President and that the President assured him definitely that he did not intend for his letter to have such disastrous and devastating effect upon this very worthwhile program. When I knew that the gentleman from Illinois would attempt to hold the President responsible for the action taken by his committee, I communicated with the Secretary of Agriculture and also with the White House, in an effort to ascertain the President's views with reference to the tenant-purchase program. I realized, of course, that the President was at the bedside of his mother, but appreciating the importance of the matter and believing that I knew the President's views, I insisted that he be advised as to the interpretation being placed upon his communication to the Secretary of Agriculture. The President, within the last 48 hours, was advised of the interpretation being placed upon his communication, and the letter from Secretary Anderson, which I read this morning, explains the President's position.

I know that this program cannot possibly be continued without the support of at least some of the Republicans in this House. May I remind you of the fact that the Farmers Home Administration bill was written by both Republicans and Democrats. My recollection is that it passed the House unanimously only a short year ago. It was recognized then as a sound program. Since its approval it has been managed properly by a man who has made an excellent record. I beg you Republicans to reconsider the action of your committee. Why should we single out veterans from the rural sections of America and attempt to economize by depriving them of the benefits of legislation which we so recently enacted in their behalf. You say you are trying to protect veterans from the evils of inflation. If you are so interested in veterans, why not protect all of them from the evils of inflation? Why not accord the same treatment to the veterans who live in the city? All of this talk about inflation is nothing but a lot of ballyhoo and nonsense and a desperate effort on your part to cover up the real purposes you have in mind. Loans which have recently been made by the Farmers Home Administration have averaged slightly more than loans made in the previous year. The Secretary's letter to me indicates an increase of only $3 a farm. Suppose the average loan has been somewhat higher than in the previous year, that does not necessarily mean inflation, because there has been a general rise in prices of everything. All of this talk about inflation is just an afterthought. If we have inflation now, certainly we had it 30 days ago, and at the time when this very able and distinguished subcommittee first reported this measure.

I take great pride in the successful operation of this agency. During the last 12 months the agency has been careful and cautious in making loans. I have not heard of a single unusually large loan being made anywhere in the country. All of the loans have been small loans to finance the purchase of family-size farms. Certainly both parties should take pride in the record which has been established since Congress authorized the creation of the Farmers Home Administration.

I stated earlier in the day that veterans' organizations were in favor of the tenant-purchase program. At the Forty-seventh Encampment of the Veterans of Foreign Wars, which was held September 4, 1946, the following resolution was adopted:

Be it resolved by the Forty-seventh Annual Encampment of the Veterans of Foreign Wars of the United States, That the national legislative committee be authorized to take such action as it deems appropriate to insure that adequate Federal appropriations are available to provide the credit, guidance, and other services required by farm veterans; and be it further

Resolved, That the national legislative committee also inquire into the adequacy of the legislation affecting veterans as family-type farmers, and to the extent that it fails to meet the needs of farm veterans so advise the Congress and the various agencies and departments of the Government that are involved, and support specific legislation affecting the welfare of veterans as family-type farmers as may come before the Congress from time to time.

On February 16, 1947, the following resolution was adopted by AMVETS national executive committee:

Whereas a definite service can be rendered by assisting veterans of World War II who desire to become farmers and there is need for representation by AMVETS in the making of policies affecting agriculture: Now therefore be it

Resolved, That a national agriculture committee of American Veterans of World War II be created to further the interests of veterans who are engaged in agriculture, such as:

1. Assistance to veterans in their efforts to purchase and to become established on farms.
2. Further extension of rural electrification power lines.
3. Improved farm-to-market roads.
4. Better rural health facilities.
5. Improved rural educational facilities; and be it further

Resolved, That this committee consist of seven members to represent the various phases of agriculture throughout the Nation and to be selected on the basis of training and experience in agricultural problems. This committee shall be composed of a chairman and a member from each of the six AMVETS districts, the district members of the committee to be selected by the respective district vice commanders and the chairman to be appointed by the national commander and to serve during the administration of the national commander.

Moved by William Kipp, of Illinois. Seconded by Joseph Crespi, of Georgia. Adopted by unanimous vote of national executive committee.

The agricultural policy of the American Legion as expressed May 16, 1946, is in the following language:

Veterans are coming back to farming at a time when good farms and farming equipment are both hard to find and expensive to buy. During the years they were in the service, they missed their chance to benefit by the good yields and high prices of the wartime period. By every rule—economic necessity, law, and sentiment—the veteran farmer has first call upon opportunities in the field of American agriculture.

The American Legion, however, realizes that in many instances the interests of the veterans are best served by the furtherance of a program benefitting the entire agricultural population.

Therefore, the Legion supports a program for all farmers and asks only that veterans receive preference in obtaining the basic farm needs.

It shall be the policy of the American Legion to endorse and encourage adequate programs to make available: (1) family-size, sound, economic farm units, (2) short- and long-term credit at low interest rates, (3) farm stock, machinery, and equipment, (4) farm housing facilities—and it shall further be the policy of the American Legion that veterans shall have definite preference in acquiring the benefits of these programs.

It shall further be the policy of the American Legion to sponsor extension of existing Government credit facilities to enable disabled veterans to obtain farm purchase and operating loans.

It shall further be the policy of the American Legion to endorse and encourage adequate programs to make available: (1) rural medical care, (2) extension of power lines to rural areas, (3) improved farm-to-market roads, (4) improved marketing facilities, (5) extension and improvement of rural education.

It shall further be the policy of the American Legion to endorse and encourage adequate programs to conserve and extend our natural resources.

On March 7, 1947, at the national rehabilitation conference of the American Legion, in the city of Washington, the following recommendation was adopted with regard to the activities of the United States Department of Agriculture:

That the United States Department of Agriculture should make available maximum assistance, not only in providing financing but also in planning and sound management guidance.

You take your positions with the facts before you. The Republican Party must take full responsibility for the result achieved. This is a sad day for American agriculture. This is the testing ground. This is the place where the roll is called; the place where the truth, however cruel and disappointing it may be, is made known.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I can appreciate the difficulty of trying to examine 2,800 pages of hearings. I appreciate also the advantage that the members of the subcommittee enjoy because for seven solid weeks they have lived with this thing intimately. So now and then inaccuracies creep into the debate, which are quite natural. That is understandable.

Let us look at this whole picture a moment. Is it such a heinous crime for the chairman of a subcommittee to confer with his own leadership? Have you gentlemen not done it for 14 years? Is it treason or a felony for the chairman of this subcommittee to sit down with the distinguished Speaker of this House, the gentleman from Massachusetts [Mr. MARTIN], or the distinguished majority leader of this House, the gentleman from Indiana [Mr. HALLECK], or the steering committee, and compare notes on matters of policy? Is there something so wrong with that? But that is not the reason there was a reconsideration of some items in this bill.

That reconsideration took place on the afternoon of May 20, early in the week, and let me tell you why it took place. It was on a previous Saturday that the very esteemed President of the United States had notified the Secretary of Agriculture to convene a conference on the 9th of June, a few days from now, and that the conference should concern itself with one thing—the appreciation in land values.

What did the President say about it? First, he pointed out that land values had appreciated 92 percent over the 1935–39 level. That is not the gentleman from Illinois speaking; that is the distinguished President of the United States from the great State of Missouri, your President and mine. He pointed out in that statement, which was made public, that in the last 12 months ending March 1, 1947, land values had increased by 12 percent. But the President said something more than that which intrigued my fancy, and I quote him:

In many areas land prices have reached peaks which cannot be sustained by probable long-time farm earnings.

In addition thereto he expressed a special concern for the war veterans of the country who are interested in buying land. My good friend from Arkansas [Mr. HAYS], and my good friend from North Carolina [Mr. COOLEY], talked about the war veterans. I am interested in the war veterans and the President is interested in them also and does not want to see them saddled with high-priced farms which in the face of a recession of commodity levels will stick them and send the farms back to the Government or make them lose the farms as a result of foreclosure.

We reconsidered this matter and we finally took out farm-tenant loans entirely. The gentleman from Mississippi [Mr. WHITTEN] wants to restore that $25,000,000.

Let us see in dollars and cents what has actually happened. I yield to no one in my regard for Mr. Lasseter, the Administrator of the Farmers Home Administration. He is a grand fellow, he is one of the finest administrators in Government today, he was candid and forthright with the committee. What did he say? He said first of all, and this is in contravention of the statements that have been made on the floor, that farms did not increase $3 over last year; they increased $1,700 over last year. Here are the figures: The 1945 average was $5,947; the 1946 average was $7,610. Those are Mr. Lasseter's figures.

But he said something more and you will find it on page 1416 of the hearings, if you are interested:

Owners are getting fearful right now, owners of land, and they want to sell to veterans, to farm tenants who can qualify.

The owners now want to get out and get the high price and stick the veteran and stick the farm tenant, then let the Government bail them out at a later date.

Mr. Lasseter said something else, and you will find it on page 1419 of the hearings. He said:

We have to shop around very carefully to get suitable farms.

They are very difficult to get. Now, there is an opportunity for the veteran, and you gentlemen who have made a case here against this bill yesterday and today have not told the whole truth. Why do you not say that these are 40-year, 3½-percent loans and that there is an opportunity under the GI act to get 40-year, 3½-percent loans, and nearly three times as many have been made in the space of 18 months as would be made in twice that length of time under the Farmers Home Administration. So, the opportunity is there, and this is a wise and discreet action on the part of the committee, and I hope the amendment will not prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The question was taken; and on a division (demanded by Mr. WHITTEN) there were—ayes 94, noes 129.

So the amendment was rejected.

Mr. BROOKS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Chairman, I want to solemnly protest the tragic action of the Appropriations Committee in fairly ruining our farm appropriations. This action is a calamity of the first magnitude to our rural sections. Its full proportions will not be seen for some time to come, but every section of the Nation will feel the impact of this drastic reduction within the next few months.

I feel the action of this committee in cutting the soil-conservation payments is especially to be condemned. Out of the full sum of $300,000,000 recommended by the Bureau of the Budget as being the sum necessary for this year, only $165,000,000 has been placed in this bill. This means a cut to the AAA program for the coming year of $135,000,000 on this item alone; and for the year following, it means the elimination of the entire program.

I doubt that there has been a single phase of the internal program which has meant so much to the farmer as the soil-conservation program and the soil-conservation payments. This program has transformed barren wastes into fertile producing areas. It has taken submarginal land and has made it produce in prolific quantities. It has made it possible in this time of world-wide food scarcity for our farmers to produce all-time records in crops. Our President has called upon our farmers to help produce for a starving world; and with the aid of this most valuable program they have gone to work and have done the job. Millions of people throughout the world who otherwise might starve will now live because of the remarkable results from this great program.

At this particular time, Mr. Chairman, the farmers in our section are interested in the fertilizer program. They have already made commitments for fertilizers, and they are now engaged in placing these fertilizers in the soil and over the meadows. They are moving ahead as requested by the President and as indicated by the statements of former President Hoover to again produce a record-breaking harvest. The world fairly cries out in anguish for the American farm production, and our farmers are working as the hungry peoples of America and other lands pray for the harvest. At this particular time the cut of funds creates a new problem for them; it takes their mind off their work; it makes it impossible for them to meet some of their commitments; and it most assuredly will affect the amount of the harvest.

The Clerk read as follows:

Salaries and expenses: For the making and servicing of new loans, insuring mortgages, the servicing and collecting of loans made under prior authority, and the liquidation of assets transferred to Farmers Home Administration pursuant to the Farmers Home Administration Act of 1946, $18,000,000.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Page 58, line 21, strike out "$18,000,000" and insert "$25,000,000."

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I think this matter deserves the serious consideration of each Member on the floor. There have been many times in the past, when this agency was the Farm Security Administration, that I certainly disagreed with many, many things in connection with it, but the gentlemen who have had charge of it in recent years have done a splendid job, with which I think all will agree. The thing you cannot avoid is that there are now $800,000,000 of debts outstanding that are owed to the United States, and those loans must be serviced. Those people should repay the Government of the United States and should pay their debts as fast as they can during the time their income is fairly good. The man who is now administering this agency has done a splendid job. Last year he was one of the few in the departments who came in with a request for less personnel. This year he came in with a request for still less personnel than last year. Last year an amendment was offered on this floor to reduce the administrative personnel of the then Farm Security Administration from $24,000,000 to $23,000,000, only a $1,000,000 cut. At that time the distinguished chairman of this committee opposed any such amendment and said:

There are many outstanding loans that must be collected, and you will find a table in the hearings to the effect that there are $16,000,000 that could be charged off at the present time. So if we reduce it too much and use what I commonly call a meat-ax technique with respect to this administrative appropriation, we may lose an equivalent amount or more and curtail or cripple some of these functions.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. If the committee action stands and the gentleman's amendment is not adopted, it will reduce this administrative cost to 2.4 percent of the amount of outstanding assets to be administered.

Mr. WHITTEN. That is right. The fact that you have eliminated new loans will not cut out more than just a few people in the administrative personnel, but this agency under Mr. Lasseter reduced the personnel from 8,900 to 8,400 last year, and this year under the President's budget reduced it from 8,400 to 7,200. The committee cut this fund from $30,000,000 for the over-all operation to $25,000,000 in its first meeting, and 10 days later went back and cut out an additional $7,000,000. In 1 year you are reducing an agency that administers $800,000,000 of loans from 8,400 to 4,250 administrative personnel, if you do not adopt this amendment.

If the gentleman from Illinois was correct last year in saying that he was opposed to the use of a meat-ax technique, certainly when you reduce an agency to which you must look for the collection of $800,000,000 and cut it in half within 1 year, you are using the meat-ax technique.

I plead with you, whether you are in sympathy with this program or not, whether you are on this side of the aisle or on that side of the aisle, where you have an administrator that comes in and shows you a good record of reducing personnel in his agency by 1,000 or 1,500 people each successive year, I say that when he is charged with the obligation of collecting $800,000,000 and of trying to see that these people do come back and get to be good citizens and farm owners and worthy members of the agricultural fraternity, it is poor business to reduce this appropriation by any such figure as from $30,000,000 to $18,000,000, to reduce his personnel by approximately 50 percent. I think this amendment certainly should be adopted.

Mr. COOLEY. Does not the gentleman believe it will be impossible to manage the affairs of this agency properly with the small amount of money that is now being provided?

Mr. WHITTEN. I think it can be conservatively stated that we will lose $50,000,000 as a result of failure to provide properly for the administration of this agency.

Mr. HULL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HULL. Mr. Chairman, for more than 30 years the farmers and small-town business people have been interested in the development of an agricultural program which would bring some security and advancement to the farming sections of the country. Their claims to national attention and Federal interest have not been readily granted. The idea, centuries old, that the farmer should supply all others with food, fibers, and general assistance regardless of his own welfare or share in national progress, has persisted in opposition to every move to bring agriculture to a parity with industry. In consequence, the program has been slow in developing and insufficient for its purpose. The aim may be praised, but its accomplishment denied by those who fail to realize that only as agriculture prospers can town and country alike share in general advancement and enhancement of opportunity.

After a war in which victory was made possible by the united endeavors of all, and in which those in agriculture fully met every responsibility, earning and gaining universal approval for their loyalty and the success of their endeavors, it would seem that there should be the warmest approval of expansion of an agricultural program rather than a determined effort to sabotage and destroy it. The program is not perfect. It needs improvement. Undoubtedly it has many weaknesses which are recognized, and which should be remedied. The common endeavor should be its proper expansion and the broadening of agricultural opportunity.

Instead of expansion, this appropriation bill, if enacted, will bring curtailment, and even the elimination of some activities. It is based upon the contention that farmers are doing better, some are making money, hence an insufficient program should be supplanted by another even more insufficient.

The national debt of $259,000,000,000 is pointed to as making necessary reductions in Federal appropriations for the Agricultural Department which administers the many laws passed by Congress for rural betterment. Regardless of the war endeavors of the farmers at home and on the battlefields, and the wartime restrictions which compelled them to live and work under severe handicaps while carrying on for our Nation's success and supremacy, now they are called upon to sacrifice more and more while our Government turns its attention and its resources, including those of agriculture, to the rehabilitation of the world.

This bill, if passed, will reduce Federal expenditures for the agricultural program by $393,000,000, or about 35 percent below the appropriations for the present fiscal year. Nobody objects to the minor economies which can be effected by stopping unnecessary departmental expenditures, the discharge of unnecessary employees, or other savings, even though small, in the interest of general economy, but the purpose should be to improve rather than to destroy. Some features of this bill serve rather to destroy than to improve.

Economy is a broad word. Economizing on agriculture by limiting funds for rural electrification, soil erosion, the Farmers Home Administration, the Agricultural Adjustment Administration, school lunches, and other important activities accomplish relatively little savings when compared with other ac-

tivities which add many times as much to the Federal budget.

For instance, in today's press is the statement that our Federal Treasury will expend nearly $5,000,000,000 for foreign relief of various kinds, an amount 12 times as great as the cut in appropriations in this measure. Recently Congress appropriated $300,000,000 for the rearmament of the army of Greece and rehabilitation of that country. At the same time, another $100,000,000 was voted for equipment for the armies of Turkey, for the possible protection of the American and British oil interests in the Middle East. In these appropriations alone our Treasury will be drawn upon for a greater amount than all the savings proposed in this bill for agriculture.

Is Congress so forgetful of the heroic work of our farmers in war and in peace that it will compel our farm program to be without funds in order to increase the power of the armies of Turkey and Greece? Must agriculture be called upon to pay the cost to the Treasury of the loans, grants, and gifts to Greece and Turkey?

Must the expansion of rural electrification, for instance, be stopped in order to send another $78,000,000 to Korea to rebuild the ruined industries owned by foreign interests in that country?

RURAL ELECTRIFICATION

Rural electrification has come a long way in my district in Wisconsin since the REA program began. We have 10 rural electric cooperatives that are now serving more than 22,000 members. The why these farm families are putting electric power to use for their own profit and convenience is a dramatic demonstration of the tremendous good that can come out of the rural electrification program.

The money that REA lent to these 10 cooperatives is paying dividends to the farmers, to the communities in which they live, and in turn, to the Nation. But the record does not stop there. The cooperatives are paying back the money they borrowed. They are paying it back with interest.

The 10 cooperatives in my district have paid $1,791,543 in principal and interest, and of this $93,921 has been ahead of schedule.

This outstanding record, which I know is duplicated in all parts of the country, raises a very serious question as to the wisdom of the House Appropriations Committee in reducing the REA appropriation for the next year. In the name of economy the committee proposes to sentence thousands of farmers to at least another year in darkness. This is not economy, because the money these farmers need to build power lines will eventually be paid back. Neither is it good sense to throw obstacles in the path of progress.

In my district, the House bill will affect about 9,000 farm families. All of them will have to wait longer for their light and power if the Rural Electrification Administration has to operate on a curtailed basis. About 5,000 of them will have to wait for loan-fund allocations.

All through the war I received letters from farmers who told me how they were hoping to get electricity with the coming of peace. Since VJ-day many of them have told me they have their farms wired in anticipation of electric service. Occasionally a housewife tells me she has been lucky enough to buy a refrigerator or a milk cooler, and she is anxious to know how long it will be before she can put them into service.

These people are growing impatient. And I do not blame them. They have had an opportunity to see what electricity means to farmers who already have it. While other farmers are in a position to modernize, to cut production costs with cheap power, and to enjoy many of the comforts of twentieth century living, they—the farmers still without electricity—have got to wait. They have to continue living decades behind the times and they have to compete with farmers who are farming on an up-to-date scale.

There are more than 9,000 of these people in my district. Throughout the Nation there are two and one-half million. Some of them, I am sure, are in most congressional districts.

What are you going to tell those who helped elect you? That this action is taken to help cut their taxes? They know better—they know that the REA program is self-liquidating. Are you going to tell them that you do not care if they have to live by kerosene lantern an extra year or two?

If the House bill is approved as it now stands, it simply means this Congress has gone on record as holding back the extension of rural electric service. Is that the kind of a record this Congress wants to make? I, for one, will have no part of it.

Rural electrification is on the threshold of what could be its greatest year in history. Manpower and materials are becoming available again on a scale that would permit line construction to leap forward. The opportunity is here and we cannot take advantage of it by practicing false economy of the kind we have under consideration.

The administration of this program, as shown by its record, is one of efficiency and accomplishment. It has established a record unequaled by any private lending institution. In 1935 the Congress entrusted this agency with the job of making loans to electrify rural America. It has discharged its obligation well. More than $1,000,000,000 of Federal money has been lent to over 1,000 borrowers in a program that has directly and indirectly resulted in the electrification of nearly 60 percent of this country's farms—and, I repeat, this money is being paid back.

In my own district, I know of no Federal program that has done so much for my rural constituents, at such trifling cost to the Nation's taxpayers, as this rural electrification program. I am sure that most of my colleagues would be able to say the same.

I believe, and I know that the people whom I represent believe, that only two things could possibly delay the progress of rural electrification. One would be the influence of selfish interests; the other, our own nearsightedness. Obviously, we are not going to let selfish interests influence us in a matter in which the good of the entire country is involved. At the same time, let us not be nearsighted. If we fail to give full support to this valuable Nation-building program, we will be guilty of subscribing to bad business.

FARMERS HOME ADMINISTRATION

The Seventy-ninth Congress provided the Farmers Home Administration Act which took over most of the functions of the Farm Security Administration. The committee has deleted completely the budget estimate of $35,000,000 and provides no funds for farm tenant loans. The production and subsistence loan program has been reduced from $90,000,000 to $30,000,000. The Farm Tenant Mortgage Insurance fund has been reduced from an estimated $15,000,000 for 1948 to $1,000,000, and the item for salaries and expense to administer the program throughout the country has been reduced from $30,000,000 to $18,000,000.

The congressional district which I represent is made up of 11 rural counties in which farmers are largely engaged in the dairy industry. As a result of severe drought and low prices that prevailed in the middle thirties, many hard-working, conscientious farmers, through no fault of their own, lost their farms. When the old Farm Security Administration was established many of those farmers were given the opportunity to make a new beginning and to reestablish themselves as farm owners. Since the start of the program and up to January 1, 1947, 10,718 farmers in my district were granted loans to the extent of $8,670,723. Of that number of farmers, 409 were granted farm ownership loans to the extent of slightly less than $2,000,000, of which 109 have repaid their loans in full. Of the total of 10,718 farmers who received loans, 5,733 of such loans have been paid in full as of January 1, 1947, and the total amount loaned has been reduced from $8,670,723 to $2,176,184. As of January 1, 1947, 280 veterans of World War II applied for and received loans in the amount of $578,850. It is estimated that an additional 138 veterans will have had their loan applications approved as of June 30 of this year, making a total of 418 veterans' loans. Private banks in my district have cooperated fully with the Farmers Home Administration. In excess of 5,000 farmers in my district who have repaid their obligations to FSA and the Farmers Home Administration, are now having their credit needs taken care of by local banks and other lending institutions.

Today I received a letter from Mr. A. R. Vogtsberger, vice president of the Bank of Menomonie, Menomonie, Wis., which I quote:

Congressman MERLIN HULL,
Washington, D. C.

DEAR MR. HULL: I notice that the finance committee has cut the appropriation for the Farm Home Administration by 30 percent.

This seems to me to be a drastic cut since we feel that the administration of the loans that are now outstanding should be continued and we believe too that the cut of $15,000,000 to $1,000,000 for insured mortgages is entirely too drastic.

We believe the farmer has gotten to be the forgotten man again, and we do think that the program that the former Farm Security Administration carried on was a good one and should be continued; and as you will remember, we have cited many cases of farmers who could not have continued if it had not been for the Farm Security Administration.

We know you are opposed to such a cut, but we want you to know how we feel about it.

At the meeting of the Chippewa Club, which consists of 10 banks in this territory, each and every one of them was polled and they were all favorable to keeping the $15,000,000 for the guarantee of loans and also were favorable to the continuation of the FSA work.

With kindest personal regards.

Sincerely yours,

A. R. VOGTSBERGER.

The Farm Security Administration, and its successor, the Farmers Home Administration, have been important factors in encouraging family sized farm ownership, particularly in the interest of our returned servicemen who have no other means of securing the initial funds to acquire farm land, or, in the case of renters, to acquire operating equipment. The program has been highly successful in my State and in my district, and I doubt the wisdom of emasculating this excellent program as proposed in the bill.

THE SCHOOL-LUNCH PROGRAM

As stated in the committee report, during the year 1946 about $234,000,000 was expended on the program in 55,000 schools throughout the country. Of this amount, $75,000,000 was provided by the Federal Government. The committee has reduced the Federal Government's appropriation from $75,000,000 to $45,000,000. For the fiscal year 1947 the sum of $81,000,000 was made available for the program, of which $75,000,000 was obtained from section 32 funds under the act of 1935 which provided that 30 percent of the customs receipts could be used for various purposes, which included the school lunch program. The committee has recommended that all of section 32 funds for the year 1948 are to be rescinded.

During the 1947 fiscal year, $1,108,836.41 Federal food assistance was allocated to the State of Wisconsin from the Federal school lunch fund. With the aid of this Federal assistance, 131,718 Wisconsin school children participated in the grant-in-aid school-lunch program. If the present figure of $45,000,000, out of which $10,000,000 is earmarked for equipment, is appropriated, $525,573.72 will be available for Wisconsin's school lunch food assistance in 1948. This represents a decrease of about 53 percent. Unless a large additional amount is made available from within the State to offset this decrease, the Wisconsin school lunch program will be considerably curtailed the coming school year.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

No one can deny the patriotic response of farmers when requested by their Government to produce food and fiber to win a war. All time production records were broken with less help on the farms, and with worn-out and inadequate equipment. They are still being asked to maintain high levels of production to feed the starving world.

Farmers who were gradually recovering from the great drought and depression of the thirties, during which time soil fertility had become seriously depleted, were again called upon to produce for victory. During the past few years soil fertility has again become depleted. The AAA was, and is, an important factor in stepping up the usage of phosphate and potash fertilizers, and limestone. AAA personnel aided farmers in demonstrating the practicability of strip and contour farming, which added many thousands of tons of food to national production. It should be a matter of public interest to see that the land that produced the food for our armed forces, and much of the food for our allies, is brought back to average productive efficiency.

In Wisconsin in 1937 only 415,000 tons of agricultural limestone was used, as compared with the present level of production and use of limestone of 2,250,000 tons per year. Even prior to the war there was great concern with regard to the general problem of erosion and our dwindling forestry resources. Included in the AAA program was that of farm forestry and gully control, as well as tree planting.

AAA has supplied soil conservation materials, 50 percent of the cost of which was borne by the farmers who applied the materials, planted the trees, and so forth. In Wisconsin from 1940 through 1946 there has been applied 503,414 tons of phosphate and potash fertilizer, 10,422,300 tons of agricultural limestone, 47,301 acres have been planted to trees in connection with the farm-forestry and gully-control program, and 2,028,700 acres are part of the strip and contour-farming program. From 1940 to the present the records indicate sharp increases in accomplishments as described, which demonstrates increasing efficiency on the part of AAA personnel, and greater farmer participation and interest in the program.

In connection with the agricultural-limestone program, there was more involved than simply the application of the ingredient to the soil. Large numbers of people and much expensive equipment had to be provided to quarry limestone deposits, pulverize, and transport it. Such processors of limestone felt they were working on a continuing program. One of the lime-works operators in my district has stated to me that the proposed cut in the 1947 AAA program will bankrupt 70 percent of the limestone producers and truckers who acquired equipment relying on bona-fide contracts entered into with their Government for the 1947 program.

The administrative budget has been so reduced as to end for all practical purposes the popular and wholly justifiable Federal program to aid in the rebuilding of the soil on American farms.

Mr. H. CARL ANDERSEN. Mr. Chairman, I believe if any person were to study the lessening of duties that are today facing the Farmers Home Administrator he would find that this allowance of $18,000,000 is absolutely reasonable.

Keep in mind another thing. Times are good all throughout the agricultural regions. Farmers do not have any difficulty today in finding the money necessary to pay what is due the Government. They do not need much supervision from any agency of Government. They will pay their loans if they have a good crop and decent prices.

We have fought several times on the floor today against this growing bureaucracy. Here is where there is a great deal of it. Here is where we have excessive duplication in government. Do you people realize that the Farmers Home Administration in many ways duplicates the work of the Extension Service?

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. TABER. If there was a consolidation of these duplicating activities, we could save $20,000,000.

Mr. H. CARL ANDERSEN. I believe that we could save at least that under the bill if the Committee on Agriculture would bring together under one head, Extension Service preferably the Soil Conservation Service, the Extension Service, the Farmers Home Administration, and the AAA county and township committee organization.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. COOLEY. If the Congress is going to deprive the returning rural veteran of the opportunity to buy a country home or a farm——

Mr. H. CARL ANDERSEN. Mr. Chairman, I decline to yield further because the gentleman is laboring under a misapprehension. The returning veteran does have the opportunity under the GI bill of rights to make a loan. We are not depriving him of that. That is a different category of loan. In this particular portion of the bill we are keeping that veteran from having a great big mortgage indebtedness piled on top of his head from under which he can never get out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The question was taken; and on a division (demanded by Mr. WHITTEN) there were—ayes 93, noes 122.

So the amendment was rejected.

The Clerk read as follows:

All rights, interests, obligations, and duties of the Reconstruction Finance Corporation arising out of loans made or authorized to be made to the Secretary of Agriculture for the purpose of making rural rehabilitation and farm tenancy loans in accordance with the Department of Agriculture Appropriation Act of 1947 and prior appropriations and loans under the Farmers Home Administration Act of 1946 are, as of the close of June 30, 1947, vested in the Secretary of the Treasury; the Reconstruction Finance Corporation is authorized and directed to transfer, as of the close of June 30, 1947, to the Secretary of the Treasury and the Secretary of the Treasury is authorized and directed to receive all loans outstanding on that date, plus ac-

crued unpaid interest, therefore made to the Secretary under the provisions of the acts named above, and all notes and other evidences thereof and all obligations constituting the security therefor. The Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the unpaid principal of the loans so transferred, plus accrued unpaid interest through June 30, 1947. Subsequent to June 30, 1947, the Reconstruction Finance Corporation shall make no further loans or advances to the Secretary and the Secretary of the Treasury is hereby authorized and directed, in lieu of the Reconstruction Finance Corporation, to lend or advance to the Secretary, in accordance with the provisions of the acts referred to any unobligated or unadvanced balances of the sums which the Reconstruction Finance Corporation has theretofore been authorized and directed to lend to the Secretary. For the purpose of making such loans or advances, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such loans or advances to the Secretary of Agriculture. Repayments to the Secretary of Treasury on such loans or advances shall be treated as a public-debt transaction of the United States.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have seen men jump from one side of a fence to the other, but I have never seen a man on both sides of a fence at the same time.

The gentleman from Minnesota [Mr. H. CARL ANDERSEN], who just addressed the House a moment ago, stood here and argued very forcefully and, apparently from the vote, very persuasively, that he was trying to protect the poor veterans from the evils of inflation. Then, in the next breath, he said we did not need this agency. He said, "We have all the money we need under the GI bill of rights in another agency of the Government."

How can you sincerely maintain the position that your objection to this bill is that you are trying to protect the veterans from inflation and stand here and argue that we have another agency of the Government, which you favor, which has plenty of money to make loans to veterans on the present farm real estate market? The fact is, and everybody knows and I think the country will know, that it is not due to the fear of inflation, it is not due to a letter from Mr. Truman or a letter to Mr. Anderson, but it is due solely to a desire on the part of the Republican Party to reduce the expenditure of Government funds. That is all it is. If you can justify your position, then applaud the statement. So the RECORD does show that that remark brought forth almost unanimous and universal applause from the Republican side. I notice that not a single Democrat applauded.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. FORAND. Have the Republicans reached any conclusion yet as to how much they will reduce the budget?

Mr. COOLEY. I do not think they have, but I think they know this is just fallacy. The Republicans are saying that they are saving money everywhere along the line, and they are trying to cut down Government expenditures. What they are doing is depriving 49,000 veterans of the right to buy a farm home and an opportunity to finance it.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. It seems pretty clear, does it not, that the Republicans have decided that the easiest place to make reductions is to take it out of the farmer's hide?

Mr. COOLEY. That is right. It is an effort to wreck the farm program. That is all it is, pure and simple. You took all the section 32 money; you completely destroyed the crop-insurance program, and now you destroy the tenant purchase program.

There is no way for you to get around the fact that you are accomplishing just this. If you are going to handicap this agency financially and not give Mr. Lasseter, the Administrator, the necessary money with which to operate, it would be better to repeal the whole agency and deprive it of the operating loan also, because, frankly, a veteran can now obtain money to operate his farm and to finance his farm operations much more easily than he can obtain a 40-year loan at 3-percent interest to finance the purchase of a farm home.

Take the crop-insurance program. When we liquidated that Corporation before we gave it $3,000,000 with which to liquidate, but now you give them only $1,000,000. When the show is over and the collections are all in you will lose far more than $1,000,000, the amount you are giving the Corporation. I dare say collections will not be as good 12 months from now, I may say to the gentleman from Illinois [Mr. DIRKSEN] as they are now. When you cut this personnel more than 50 percent you cannot expect the same degree of efficiency.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOFFMAN. If we do not cut down somewhere how are we going to get money enough to give the Turks and the Greeks what the gentleman wants to give them and a lot of others want to give them?

Mr. COOLEY. I do not know what the gentleman wants to give them but I know I voted for the Greek loan and I do not apologize to the gentleman from Michigan or anyone else for the way I voted. I voted for the $350,000,000 loan for general foreign relief, and I do not have to apologize to the gentleman from Michigan.

Mr. HOFFMAN. Does the gentleman want to give less to our farmers so we can give more to the Greeks and the Turks?

Mr. COOLEY. I have been working all along in the interest of our farmers.

Mr. HOFFMAN. I would like to have them get something somewhere along the line.

Mr. COOLEY. What the gentleman's party is doing is wrecking the program, and the responsibility is being fixed in the House today.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. SMITH of Ohio. Mr. Chairman, the pending bill, H. R. 3601, appropriates roundly $805,000,000 for the Agricultural Department for the fiscal year 1948. This is approximately four times more than was appropriated in 1930 and nearly six times more than the average annual cost from 1921 to 1930. The Department of Agriculture has grown into a giant bureaucracy that is eating out the substance of our people, distorting natural price relationships, and regimenting the farmers.

Like most of the executive agencies of the Government, it has become a powerful engine for confiscating private property and redistributing what it does not use for its own sustenance, not only with respect to the farming communities and other industrial interests, but in respect of the farmers themselves.

It is the grossest delusion that the political authority in Washington can put a floor under agricultural prices without regimenting the farmer and dictating the amount of wheat, corn, or other crop affected by such floor he may grow. So-called parity prices can ultimately be sustained only by the exercise of the power of the political regime controlling the Government to dictate to the farmer not only how much but also what he shall grow.

This is fully recognized by the crop allotment program instituted under the AAA. Tyranny is the weapon used to enforce compliance. Farmers are fined for growing more wheat than they are ordered to grow. The ultimate effectiveness of the program is dependent upon the enforcement of the crop allotment plan. It was specifically instituted for that purpose.

The Agriculture Department has become a menace to our people through the use to which it is being put in the international field. I refer to the system of pooling the crops the American farmer grows with those produced by other nations and leaving it to an international agency, where the United States has only one vote, to determine what portion of such pool shall be allocated to the United States.

The danger to the American people of this policy becomes evident when it is realized that the sugar shortage is primarily caused by this program.

Few people realize that this program is to be extended to include many other farm crops.

I submit that this is a dangerous program to the American people. The Agricultural Department has become a gigantic political exploiting machine and should be abolished.

Mr. POAGE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I take this time because it is now becoming apparent that those of us who want to speak on some of the amendments which will be offered will be denied that opportunity. The request

will be made to limit debate by unanimous consent. When that is refused, a motion to that effect will be offered, which will be carried, in spite of all the assurances of yesterday that there would be adequate opportunity for everyone to express their views.

Mr. Chairman, I want to call the attention of this House to one of the widespread misunderstandings in regard to the money now available to the REA. That amendment will come up shortly. The REA, of course, is one of those agencies that has a great public appeal, it is serving a great number of farm people; a great many more people would like to have its services. I recognize it has not been possible for the REA to extend its lines to everyone who would like to have the service of that organization. It has not been possible to build all of the lines for which money has been appropriated in the past year or two; neither has it been possible for everybody in the United States who had the money to pay for an automobile to buy one. It has not been possible to get a great many of the things our people would like to buy and for which they may have the funds.

Presently there is something over $300,000,000 that has been appropriated and is still in the hands of the REA. We have been told on the floor of this House that that money is available for allocation to build new lines, but that is incorrect. That money is not available for allocation. That money, every dollar of it, has been allocated. If you want a new line authorized or approved in your district or anywhere else in the United States, you have to provide additional funds here for lending purposes. It cannot be done out of the money that has been promised to build a line off across the creek. You simply cannot take that same money and build a line on the other side of the creek. The commitments are out on that money. There is no money in the REA from which you can make new allocations.

The REA now has applications pending for about $240,000,000. By July 1 the REA expects to have applications in excess of $270,000,000. If we appropriate all of the money that is provided here, we will be short probably forty-five or fifty million dollars on the 1st of July of being able to take care of all the applications already pending.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Mississippi.

Mr. RANKIN. The REA will have applications for $270,000,000 on the 1st of July. If this bill passes in its present form, there will only be available $225,000,000.

Mr. POAGE. That is right, and I want to make it perfectly clear that this sum is a reduction both from the amount available this year and from the Budget estimates. There are those who have erroneously stated that it is not a reduction, but let the Members of the House know what the situation is. On page 376 the Budget reads:

Loans: For loans in accordance with sections 3, 4, and 5 of said act, and for carrying out the provisions of section 7 thereof, $25,000,000; and for the same purposes an additional sum of $225,000,000, to be borrowed from the Reconstruction Finance Corporation in accordance with the provisions of section 3 (a) of said act.

Heretofore the law has required that REA get a portion of its funds from the RFC. The RFC could only lend 85 percent of the principal of the outstanding obligations constituting security for its loans. The exact wording of the law is found in 49 Statutes, page 1364, and reads:

Provided, That no such loan shall be in an amount exceeding 85 percent of the principal amount outstanding of the obligations constituting security therefor.

This means there had to be certain appropriations from the Congress in order to make the first loans, or at least to provide the necessary 15 percent margin. The Budget recommended this year that there be an appropriation of $25,000,000 from the general fund for loans and that there be additional authority for REA to borrow $225,000,000 from RFC. Both the $25,000,000 of direct appropriations and the $225,000,000 of RFC funds, which made $250,000,000, were available for loans to build lines and to make allocations in the coming year. This bill provides but $225,000,000. Figure it with any kind of pencil you want to, there is $25,000,000 that you are not going to get to build lines in your district, and mine, to serve people who are now applying that we would have had if we passed the Budget estimate.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Washington.

Mr. HORAN. Is it the gentleman's understanding that this $25,000,000 which was deleted was available for loaning purposes?

Mr. POAGE. Of course it was. If the gentleman will but read the Budget, he will see that it was listed as for loans.

Mr. HORAN. It was on deposit.

Mr. POAGE. Oh, no; it was not on deposit. The gentleman simply does not understand how we made loans under the old set-up. I do not like to be dogmatic, but I happened to have been on the subcommittee that wrote that bill under which we have been operating, and I believe I know how it worked. We could make loans from the RFC up to 85 percent of the principal of the obligations constituting the security for the RFC loans. In other words, suppose there was only one loan involved. If the REA were to loan $100,000 to a local co-op, it would be necessary that the REA finance $15,000 out of appropriated funds. Then it could get $85,000 of RFC funds. In other words, RFC never advanced more than 85 percent of the funds. At least 15 percent of all funds REA ever loaned had to come from appropriated funds, and that is the reason it was necessary to make part of the loan funds available in the form of a direct appropriation. The $25,000,000 which the budget proposed to supply as a direct appropriation would provide funds with which REA could make loans to local cooperatives totaling $25,000,000, and in addition the notes taken to secure this amount would, in turn, serve as the needed "margin" to support an RFC loan to the REA of several times that amount.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, 65,000 Iowa farm families still do not have electric service. They are among those called upon to produce the food which is now going to all corners of the world. They should not be penalized in the splendid work they are called upon to do, and the expansion of the REA program today in many respects is more vital than it was in the war years.

The loan funds last year totalled $350,000,000 including a one-hundred-million-dollar deficiency appropriation. The present appropriation bill seeks to cut the loan authorization to $225,000,000, which amounts to a cut of 35.7 percent. Such a reduction will seriously cripple the REA program in Iowa.

A large backlog of applications already exists, and if the needed appropriations are not forthcoming there will be a long delay in getting electricity to those Iowa farmers who do not already have the service. It is estimated that if the proposed cuts for REA go through 25 percent fewer Iowa farm people can secure electricity in 1948 than if the cuts were restored. I speak out for the farm people of my State who certainly are going to be penalized if the proposed cuts are made.

The loans made under the REA program are a sound investment. This money is not a gift, and anyone who knows the facts will agree that the repayment record of the REA cooperatives continues to be very satisfactory. In view of the splendid record made in the loan field, and in view of the great need for the expansion of the program at this very time, let me urge the Congress to appropriate the money needed to effectively carry on the splendid work that is being done by REA for the rural people of America.

Mr. DIRKSEN. Mr. Chairman, I move that all debate on this paragraph do now close.

The motion was agreed to.

The Clerk read as follows:

Salaries and expenses: For administrative expenses, including personal services in the District of Columbia; not to exceed $500 for newspapers; and not to exceed $500 for financial and credit reports, $4,000,000.

Mr. CANNON. Mr. Chairman, I offer an amendment, and I ask unanimous consent that the remainder of this section be considered as read, because both items should come in the same amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The remainder of the section is as follows:

Loans: For loans in accordance with sections 3, 4, and 5 of said act, and for carrying out the provisions of section 7 thereof, $225,000,000, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said act.

Sections 3 (a) and 3 (f) of the Rural Electrification Act of 1936, approved May 20, 1946, as amended (7 U. S. C. 901–915), are hereby amended to read as follows:

"SEC. 3. (a) The Secretary of the Treasury is hereby authorized and directed to make loans to the Administrator, upon the request and approval of the Secretary of Agriculture, in such amounts in the aggregate for each fiscal year commencing with the fiscal year ending June 30, 1948, as the Congress may from time to time determine to be necessary, either without interest or at such rate of interest per annum, not in excess of the rate provided for in sections 4 and 5 of this act, as the Secretary of the Treasury may determine, upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of this act or from the Administrator of the Rural Electrification Administration established by Executive Order No. 7037. Interest rates on the unpaid balance of any loans made by the Reconstruction Finance Corporation to the Administrator prior to July 1, 1947, shall be adjusted to the interest rate, if any, established for loans made after June 30, 1947, in accordance with the foregoing provision: *Provided*, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, or systems shall be fully amortized over a period not to exceed 35 years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and not more than 5 years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments, and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Secretary of the Treasury of all such obligations, and to execute such trust instruments as shall be agreed upon by the Administrator and the Secretary of the Treasury providing for the holding in trust by the Administrator of all such obligations for the Secretary of the Treasury as security for loans to the Administrator heretofore made by the Reconstruction Finance Corporation or made or to be made by the Secretary of the Treasury. All rights, interests, obligations, and duties of the Reconstruction Finance Corporation arising out of loans made or authorized to be made to the Administrator are, as of the close of June 30, 1947, vested in the Secretary of the Treasury; the Reconstruction Finance Corporation is authorized and directed to transfer, as of the close of June 30, 1947, to the Secretary of the Treasury and the Secretary of the Treasury is authorized and directed to receive all loans outstanding on that date, plus accrued unpaid interest, theretofore made to the Administrator under the provisions of this act, and all notes and other evidences thereof and all obligations constituting the security therefor. The Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the unpaid principal of the loans so transferred, plus accrued unpaid interest through June 30, 1947. Subsequent to June 30, 1947, the Reconstruction Finance Corporation shall make no further loans or advances to the Administrator; and the Secretary of the Treasury is hereby authorized and directed, in lieu of the Reconstruction Finance Corporation, to lend or advance to the Administrator, in accordance with the provisions of this subsection 3 (a), any unobligated or unadvanced balances of the sums which the Reconstruction Finance Corporation has theretofore been authorized and directed to lend to the Administrator. For the purpose of making loans or advances pursuant to this section, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such loans or advances to the Administrator. Repayments to the Secretary of the Treasury on such loans or advances shall be treated as a public-debt transaction of the United States.

"SEC. 3. (f) All moneys representing payments of principal and interest on loans made by the Administrator shall be paid to the Secretary of the Treasury in payment of loans made to the Administrator by the Reconstruction Finance Corporation or the Secretary of the Treasury; upon the payment of such loans all moneys representing payments of principal and interest on loans made by the Administrator shall be covered into the Treasury as miscellaneous receipts."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Missouri.

The Clerk read as follows:

Amendment offered by Mr. CANNON: On page 61, line 3, strike out "$4,000,000" and insert in lieu thereof "$5,600,000," and on page 61, line 6, strike out "$225,000,000" and insert in lieu thereof "$250,000,000."

Mr. RANKIN. Mr. Chairman, I offer a substitute.

Mr. CANNON. Mr. Chairman, I yield to the gentleman from Mississippi for the purpose of offering a substitute.

The Clerk read as follows:

Substitute amendment offered by Mr. Rankin: On page 61, line 3, strike out "$4,000,000" and insert "$5,600,000," and in line 6 strike out "$225,000,000" and insert "$300,000,000."

Mr. CANNON. Mr. Chairman, REA was not established until 1935. It has been in existence only 12 years, and six of those years were war years, with all their limitations on labor, material, and appropriations. And yet in those 12 years electricity has been brought to 10,000,000 farmers; REA lines span the continent and serve the people of every State in the Union.

Few services have been provided for agriculture in the last 2,000 years—from the days of Cincinnatus down to the present time—which have contributed so generously to the health and comfort and happiness and prosperity of the American farm, and especially the American home. I mention the home especially, because it is to the women and children of the family it renders its greatest service and upon whom it bestows its choicest blessings.

It offers the solution of one of the national problems of the day. There has been an alarming drift of population from the country to the cities. All that is best in national character is reared on the farm and exemplified in the farm family. Economists and statesmen have studied the problem for a generation. And here is the answer. Through the medium of REA we are bringing heat, light, and power to the farmstead—and at a rate the farmer can pay. At last we are offering inducements which will keep the young generation down on the farm.

But the success of this great program is menaced by the curtailment of funds with which to finance its expansion. Instead of recommending appropriations sufficient to meet its barest needs, the committee is proposing to deny money needed both for loans to farmers and for administrative expenses essential to its maintenance and development.

Mr. Chairman, the most dangerous and damaging limitation that can be made in the REA program is the proposed cut in administrative expenses. Administration is the nerve center, the motive power, and at the same time the governor. It does not matter how much money you have for lending, if you do not have the administration and supervision to process applications and direct operations you might as well have nothing at all. Administration is the vital point in the success of the program. And the heavy cut in administrative expense recommended by the committee—from $5,600,000 to $4,000,000—means the denial or at best the delay, of services to thousands of waiting farm families, with handicaps in both the quantity and the quality of supervision.

I know, Mr. Chairman, the argument that will be made here that they already have more money than they can use, that they cannot get labor and material and cannot spend what they have. But, Mr. Chairman, as our American philosopher, Josh Billings well said: "It is better not to know so much than to know so much that ain't so." When the Administrator was before the committee I asked him how much money they needed, how much money they could use. I asked him if the $250,000,000 recommended by the budget was sufficient. He said, no, that they had asked for $300,000,000, and that the full $250,000,000 was not sufficient to meet their needs and supply installations. The gentleman from Texas has already explained, and I will not go into it, that the money on hand has been allocated and will not be available to accommodate new business.

This is a long-term program. Applications are coming in every month. I do not know what you get from your districts, but from my State we are continuously in receipt of letters appealing for service, "Why cannot we have the REA? Why cannot I be connected? Why cannot you run a line down to my farm?" There is a universal demand throughout the country for this service. The gratifying part of it is that it does not cost the Federal Government a cent. All of this money is coming back. It is not given, but lent—and on good security.

My friends, why should we deny the farmer's wife and children this great boon of modern civilization? Why should we refuse them when it costs the Government nothing and will be paid back with interest?

Mr. DIRKSEN. Mr. Chairman, I move that debate on the pending amendment and all amendments to the REA title in the bill close in 15 minutes.

Mr. RANKIN. Mr. Chairman, I hope the gentleman from Illinois [Mr. DIRKSEN] will not insist on that motion.

The CHAIRMAN. The question is on the motion of the gentleman from Illinois [Mr. DIRKSEN].

The motion was agreed to.

RURAL ELECTRIFICATION

Mr. RANKIN. Mr. Chairman, I am asking for the adoption of this amendment to give to the REA not the $361,000,000 the co-ops say they need.

Frankly, that is what I should like to see done. But to give the $300,000,000 that the head of the REA asked for.

Let us see what the situation is. You have $340,000,000 already allocated. They talk about this fund or this amount being provided. It is already allocated, and your farmers who have not asked for and been allotted funds will not be taken care of unless this amendment is adopted.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. JENSEN. Am I to understand that the present Bureau of the Budget reduced the request of the REA by $50,000,000?

Mr. RANKIN. That is right.

Mr. JENSEN. Before it came to the Congress?

Mr. RANKIN. Yes, sir. And I do not propose to have the Bureau of the Budget legislate for me on rural electrification legislation. When the Steelman order was issued it paralyzed rural electrification. I took the proposition up with the President and got that order changed in order that we might proceed to electrify the farm homes of the Nation.

Frankly, the co-ops in my district have been fairly well cared for. I doubt if they will get a dollar of this money, because they have already secured their loans. But your people are going to need every dollar of this money. You have provided for $225,000,000. There will be $270,000,000 of applications by the 30th day of June to cover that $225,000,000. And $30,000,000 worth of applications are coming in every month. That means that by the first of the year you will have more than enough applications to absorb this entire $300,000,000.

Remember, this is not money that you are giving to anybody. Every dollar of this money comes back with interest. Not only that, but it is enriching the farm homes of America, and therefore enriching the Nation.

You are stimulating the pride of the farm women. You are relieving the drudgery on the farms and in the farm homes. This money will do more good than any other money provided in this bill. Nothing we have ever done for the American farmer has been worth as much to him as rural electrification.

For the first time in the history of this country the rural children are rushing through school to get back home, whereas 15 years ago they were rushing through school to get away from home.

This is building up our own country. It is building your State and mine. There is no politics in it. It does not matter whether you are a Republican or a Democrat, the light looks the same. Your people are clamoring for it. The fact is that some of your States have far surpassed my State in the use of the money that has already been provided. But if you cut this down to $225,000,000, we are already assured that there will be cooperatives turned away for want of funds, which will result in slowing down the greatest program ever established for the benefit of the American farmers.

If I did not feel so deeply on this proposition, if I had not gone through this fight for the last 15 years, if I had not been in contact with the farmers of every State in this Union, if I had not seen what rural electrification was doing, I would not be standing here now making this fight at the end of a hectic day when you are all tired and want to get out. But I say to you it is necessary that this amendment be adopted in order to provide funds, not to give to somebody, but to enable our farmers to help themselves. For your information, I am inserting a table showing the progress we have made in rural electrification since I began this fight.

The matter referred to follows:

Rural Electrification Administration: Number and percent of farms receiving central-station electric service, by States, 1934, 1940, 1945, and 1946

State, division, and territory	Farms receiving central-station electric service, Dec. 31, 1934 [1]		Farms receiving central-station electric service, Apr. 1, 1940 [3]		Farms receiving central-station electric service, June 30, 1945 [5]		Increase in electrified farms from Dec. 31, 1934, to June 30, 1945	Farms receiving central-station electric service, June 30, 1946 [6]		Increase in electrified farms from Dec. 31, 1934, to June 30, 1946	Increase in electrified farms from Dec. 31, 1934, to June 30, 1946	Farms receiving central-station electric service, Dec. 31, 1946		Increase in electrified farms from Dec. 31, 1934, to Dec. 31, 1946
	Number	Percent [2]	Number	Percent [4]	Number	Percent [5]	Percent	Number	Percent [6]	Percent	Number	Number	Percent [6]	Percent
Maine	13,959	33.3	20,221	51.9	27,087	64.2	94.0	29,072	68.9	108.3	15,113	30,165	71.5	116.1
New Hampshire	9,495	53.7	10,845	65.5	15,298	81.4	61.1	16,054	85.5	69.1	6,559	16,605	88.4	74.9
Vermont	7,945	29.4	12,213	51.8	18,916	71.4	138.1	21,857	82.5	175.1	13,912	23,708	89.5	198.4
Massachusetts	14,494	41.3	26,220	82.2	33,287	89.9	129.7	34,071	92.1	135.1	19,577	34,647	93.6	139.0
Rhode Island	1,975	45.6	2,457	81.5	3,148	87.4	59.4	3,248	90.1	64.5	1,273	3,308	91.8	67.5
Connecticut	10,138	31.5	16,995	80.3	20,155	90.6	98.8	21,133	95.0	108.5	10,995	21,251	95.5	109.6
New England	58,006	36.7	88,951	65.8	117,891	78.4	103.2	125,435	83.5	116.2	67,429	129,684	86.3	123.6
New York	57,825	32.7	102,283	66.7	125,433	83.9	116.9	134,237	89.8	132.1	76,412	137,986	92.3	138.6
New Jersey	15,162	51.6	21,298	82.4	23,697	90.4	56.3	24,656	94.0	62.6	9,494	24,851	94.7	63.9
Pennsylvania	45,182	23.6	94,081	55.7	125,612	73.1	178.0	136,388	79.4	201.9	91,206	141,544	82.4	213.3
Middle Atlantic	118,169	29.7	217,662	62.5	274,742	79.1	132.5	295,281	85.0	149.9	177,112	304,381	87.6	157.6
Ohio	48,048	18.8	137,680	58.9	165,387	75.0	244.2	182,424	82.7	279.7	134,376	191,190	86.7	297.9
Indiana	23,476	11.7	91,127	49.4	125,931	71.6	436.4	137,369	78.1	485.1	113,893	142,857	81.2	508.5
Illinois	28,379	12.3	80,027	37.5	121,771	59.6	329.1	134,890	66.0	375.3	106,511	141,929	69.5	400.1
Michigan	42,152	21.4	131,126	69.9	146,325	83.5	247.1	153,725	87.7	264.7	111,573	158,109	90.2	275.1
Wisconsin	39,206	19.6	87,556	46.9	123,006	69.2	213.7	137,751	77.5	251.4	98,545	144,365	81.2	268.2
East North Central	181,261	16.7	527,516	52.4	682,420	71.5	276.5	746,159	78.2	311.6	564,898	778,450	81.6	329.5
Minnesota	13,783	6.8	50,075	25.4	93,208	49.3	576.3	106,284	56.2	671.1	92,501	110,800	58.6	703.9
Iowa	32,047	14.4	73,308	34.4	133,113	63.7	315.4	155,506	74.4	385.2	123,459	163,278	78.1	409.5
Missouri	17,893	6.4	39,204	15.3	77,852	32.0	335.1	97,942	40.3	447.4	80,049	108,786	44.8	508.0
North Dakota	1,968	2.3	3,218	4.4	7,498	10.8	281.0	8,601	12.4	337.0	6,633	9,451	13.6	380.2
South Dakota	2,939	3.5	3,981	5.5	8,964	13.0	205.0	10,143	14.8	245.1	7,204	10,866	15.8	269.7
Nebraska	9,544	7.1	22,832	18.9	39,120	35.0	310.0	40,689	36.4	326.3	31,145	40,378	36.1	323.1
Kansas	13,224	7.6	27,960	17.9	46,056	32.6	248.3	51,273	36.3	287.7	38,049	54,231	38.4	310.0
West North Central	91,398	7.7	220,578	20.2	405,811	39.3	344.0	470,438	45.6	414.7	379,040	497,790	48.2	444.6
Delaware	1,791	17.3	3,545	39.4	5,650	60.8	215.5	6,357	68.4	254.9	4,566	6,452	69.4	260.2
Maryland	6,791	15.3	17,170	40.7	24,124	58.4	255.2	26,990	65.3	297.4	20,199	30,036	72.7	342.3
Virginia	14,954	7.6	42,144	24.1	65,035	37.6	334.9	77,786	44.9	420.2	62,832	84,854	49.0	467.4
West Virginia	3,647	3.5	25,199	25.4	39,148	40.1	973.4	44,137	45.2	1,110.2	40,490	48,331	49.5	1,225.2
North Carolina	9,672	3.2	67,627	24.3	113,574	39.5	1,074.3	131,378	43.7	1,258.3	121,706	41,237	49.1	1,360.2
South Carolina	3,796	2.3	27,568	20.0	55,114	37.3	1,351.9	63,227	42.8	1,565.6	59,431	68,147	46.1	1,695.2
Georgia	6,956	2.8	42,409	19.6	82,248	36.4	1,082.4	95,727	42.4	1,276.2	88,771	103,531	45.8	1,388.3
Florida	5,700	7.8	15,476	24.9	24,750	40.5	334.2	30,792	50.3	440.2	25,092	32,389	53.0	468.2
South Atlantic	53,307	4.6	241,138	23.7	409,643	39.3	668.5	476,394	45.7	793.6	423,087	514,977	49.4	866.1

Footnotes at end of table.

Rural Electrification Administration: Number and percent of farms receiving central-station electric service, by States, 1934, 1940, 1945, and 1946—Continued

State, division, and territory	Farms receiving central-station electric service, Dec. 31, 1934 [1]		Farms receiving central-station electric service, Apr. 1, 1940 [3]		Farms receiving central-station electric service, June 30, 1945 [5]		Increase in electrified farms from Dec. 31, 1934, to June 30, 1945	Farms receiving central-station electric service, June 30, 1946 [5]		Increase in electrified farms from Dec. 31, 1934, to June 30, 1946	Increase in electrified farms from Dec. 31, 1934, to June 30, 1946	Farms receiving central-station electric service, Dec. 31, 1946 [5]		Increase in electrified farms from Dec. 31, 1934, to Dec. 31, 1946
	Number	Percent [2]	Number	Percent [4]	Number	Percent [6]	Percent	Number	Percent [6]	Percent	Number	Number	Percent [6]	Percent
Kentucky	8,480	3.0	38,607	15.3	72,602	30.4	756.2	87,791	36.8	935.3	79,311	94,571	39.7	1,015.2
Tennessee	9,727	3.6	38,884	15.7	71,458	30.5	634.6	83,381	35.6	757.2	73,654	87,487	37.3	799.4
Alabama	11,053	4.0	33,907	14.6	73,129	32.7	561.6	86,564	38.8	683.2	75,511	94,133	42.1	751.7
Mississippi	2,802	.9	26,078	9.0	52,816	20.0	1,784.9	64,435	24.5	2,199.6	61,633	75,047	28.5	2,578.3
East South Central	32,062	2.8	137,476	13.4	270,005	28.1	742.1	322,171	33.6	904.8	290,109	351,238	36.6	995.5
Arkansas	2,943	1.2	21,303	9.8	46,149	23.2	1,468.1	63,102	31.8	2,044.1	60,159	68,558	34.5	2,229.5
Louisiana	2,826	1.7	16,058	10.7	36,778	28.4	1,201.4	49,239	38.1	1,642.4	46,413	54,933	42.5	1,843.8
Oklahoma	5,648	2.6	20,149	11.2	49,473	30.0	775.9	64,548	39.2	1,042.8	58,900	70,134	42.6	1,141.7
Texas	11,466	2.3	79,127	18.9	162,290	42.2	1,315.4	196,910	51.1	1,617.3	185,444	212,508	55.2	1,753.4
West South Central	22,883	2.0	136,637	14.2	294,690	33.6	1,187.8	373,799	42.6	1,533.5	350,916	406,133	46.3	1,674.8
Montana	2,768	5.5	7,947	19.0	11,401	30.2	311.9	13,497	35.8	387.6	10,729	14,299	37.9	416.6
Idaho	13,433	29.8	25,439	58.3	32,139	77.4	139.3	34,733	83.7	158.6	21,300	35,644	85.9	165.3
Wyoming	527	3.0	3,474	23.1	5,632	43.1	968.7	6,283	48.0	1,092.2	5,756	6,485	49.6	1,130.6
Colorado	7,145	11.2	14,823	28.8	24,637	51.7	244.8	28,133	59.1	293.7	20,988	29,986	63.0	319.7
New Mexico	1,350	3.3	4,479	13.1	7,645	25.7	466.3	10,250	34.5	659.3	8,900	10,618	35.8	686.5
Arizona	5,577	29.6	5,607	30.4	9,280	70.6	66.4	9,594	73.0	72.0	4,017	10,703	81.4	91.9
Utah	16,130	52.5	17,411	68.5	20,019	76.1	24.1	20,762	78.9	28.7	4,632	20,872	79.3	29.4
Nevada	946	25.6	1,555	43.5	1,639	47.8	73.3	1,713	50.0	81.1	767	1,838	53.6	94.3
Mountain	47,876	17.6	80,735	34.6	112,392	52.9	134.8	124,965	58.8	161.0	77,089	130,445	61.4	172.5
Washington	40,060	47.5	58,283	71.4	68,194	85.4	70.2	72,388	90.6	80.7	32,328	74,670	93.5	86.4
Oregon	17,839	27.5	36,369	58.8	48,635	77.0	172.6	51,857	82.1	190.7	34,018	52,802	83.6	196.0
California	81,093	53.9	107,904	81.3	121,873	87.7	50.3	123,246	88.7	52.0	42,153	124,036	89.3	53.0
Pacific	138,992	46.4	202,556	73.3	238,702	84.7	71.7	247,491	87.8	78.1	108,499	251,508	89.2	81.0
United States	743,954	10.9	1,853,249	30.4	2,806,296	47.9	277.2	3,182,133	54.3	327.7	2,438,179	3,364,606	57.4	352.3

[1] Edison Electric Institute.
[2] Percent of all farms in State as shown by 1935 United States census of agriculture
[3] 1940 United States census.
[4] Percent of all farms in State as shown by 1940 United States census.
[5] REA estimates, revised 1947, based on final United States census of agriculture, 1945.
[6] Percent of all farms in State as shown by 1945 United States census of agriculture.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The gentleman from Wisconsin [Mr. O'KONSKI] is recognized for 1½ minutes.

Mr. O'KONSKI. Mr. Chairman, I want to endorse wholeheartedly the sentiments of the gentleman from Mississippi [Mr. RANKIN]. I do not think there is a single agency in the history of America that has contributed so much to the welfare of the people of America as the REA. I think we should look at the record they have set. Right now, for instance, their payments are $20,000,000 in advance of what they owe on their loan. You show me another agency or show me any agency in any foreign country where the repayments exceed by $20,000,000 what they owe the Government. With that kind of a record I think the committee should have accepted their terms without equivocation and without pressure from any source. I do not think the Bureau of the Budget should have cut the original demand.

Figures do not lie but there are too many liars who can figure. Figures can be made to prove anything. It is like the case of the family which had four children and they were discussing whether or not they should have five. The wife said she did not want a fifth child because statistics showed that every fifth child born was a Chinaman, and she did not want any Chinaman.

Let me give you some statistics. The difference between what the REA requested and what the committee allowed is the difference between whether or not 135,000 farmers in the United States of America are going to be connected with electricity in the coming fiscal year. I think that the $5,000,000 to connect 135,000 farmers is well worth while. Let us put on the lights in America before we keep the lights burning all over the world.

The budget estimates provide for $250,000,000 in loan funds and $5,600,000 in administrative funds. The House bill provide for $225,000,000 in loan funds and $4,000,000 in administrative funds. These reductions below the budget estimates will seriously retard the progress of rural electrification and delay, for at least another year, the extension of electricity to 135,000 rural consumers.

The slow-down in the program will come at a time when the 2,500,000 farmers still without electricity are more keenly desirous of electrifying their farms than ever before. By July 1 the backlog of applications on hand will amount to $270,000,000 and will be accumulating at the rate of $30,000,000 per month. Farmers are insistently demanding the extension of electric power lines with which to modernize their living and working conditions. Construction materials required for rural power lines are becoming increasingly available. A reduction in REA funds will curtail the rural electrification program in what otherwise would unquestionably be by far the year of its greatest expansion.

The reduction in funds for salaries and expenses—amounting to $1,600,000—will have the effect of hampering program operations in the three major fields of activity—making loans, supervising construction, and protecting the Government's investment.

At the present time REA is striving to make loans to bring electric service to farmers in all sections of the country, even going into new sections in which little or no rural electrification development had been attempted prior to 1935. The reduction in lending operations will mean that the bulk of the loans will have to go to areas where the feasibility of rural electrification can be easily established; other communities that desire electricity just as much, but where more intensive preliminary studies must be made, will have to wait.

Under the agency's present program, it is estimated that about 198,000 miles of rural high lines could be completed in 1948. The committee reductions will bring this downward to an estimated 150,000 miles.

The agency will have the responsibility of servicing and safeguarding a billion dollars' worth of Government funds which have been lent to more than 1,000 borrowers. The successful operation of the electric systems so financed constitutes the real security for the Government. In the past, REA's counsel and advice—of a type which is available only

from this agency—have enabled borrowers to cope with the management and operating problems to the extent that successful operations and prompt repayment have been the result. The percentage of farms electrified has increased from 11 percent to 57 percent in the last 12 years. Today advance payments on REA's loans amount to approximately $20,000,000, while delinquencies are negligible. So far the record has been outstanding. To curtail the program at this time invites a serious threat to a similar record in the future.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Texas [Mr. POAGE] for 1½ minutes.

Mr. POAGE. Mr. Chairman, in 1½ minutes which the chairman of the subcommittee has so generously allowed to each of us who have expressed an interest in REA, I think I have just about enough time to call the attention of the American people to the interest that the great Republican Party has shown in keeping the lights burning in rural America.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. No. The committee has very generously allotted me a minute and a half to speak for the rural people who want lights and cannot get them. I am sorry I cannot spend that time on the gentleman from Iowa. The committee has most generously expended 15 minutes of its valuable time considering the question of providing light and power for all the farming people of America—a touching tribute to their interest in rural people. Think of it, my friends, the chairman of the subcommittee, supported almost unanimously by the membership of the majority party, has taken official action and has, as this record will reflect, decided that lights and power for farm people are worthy of exactly 15 minutes' time. Why, my friends, I am surprised to see such tremendous interest shown in the farming people of America. Full 15 minutes, not cut short to 12 or 14 minutes but full 15 minutes, to be devoted to the American farmer. I am delighted to see that the Republican Party was willing to even recognize that there are farmers who still use kerosene lamps. I am sorry to see that the majority party gives every indication of refusing to provide money with which to enable these farmers to borrow enough to get lights. Mr. Chairman, to show my appreciation of the overwhelming generosity of the subcommittee chairman in the matter of time, I yield back the remaining two seconds of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at each point in the RECORD where I spoke today.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Chairman, the money represented by this cut will remove skilled and experienced engineers, competent scientists in the electrical field, who have done absolutely wonderful things for America.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I cannot yield when I only have a minute and a half. Too frequently I yield to my own hurt.

To give you an illustration, the cost of a transformer to reach up to the high-power line and bring the electricity down so it can be connected with a dairy or farmhouse was $1,500 until REA came. Now, through the skill of two men on the force, that is going to be eliminated entirely by this cut; the cost of transformers has been reduced to $20 apiece. They have been able to do away with so many poles that it is estimated they have saved a million dollars by plowing one shallow furrow and laying the line underground. They have invented a marvelous means of giving farmers utterly without telephone lines or service, telephone service by "hitchhiking" on light or power lines. This works better than regular telephone lines. Such geniuses in REA are to be fired by reason of these cuts.

Technical consultation, standardization and research activities dealing with rural power systems is a continuous and necessary activity and is the very foundation for the design, construction, and operation of an electric system. Unlike services such as engineering, bookkeeping, legal advice, and so forth, it cannot be contracted for locally by the individual REA borrowers. These services can only be carried out on an over-all national scale by specially trained engineers thoroughly familiar with the power industry. For example, the Consumers Service Section, Technical Standards Division of REA has been charged with the responsibility of conducting basic engineering studies of rural power systems, for the purpose of reducing costs and improving the quality of electric service to the farm power users.

Because of the reduced REA budget as recommended by the House committee this important function will be abolished or curtailed to such an extent that this type of service will be lost to rural power systems. Here is how the reduced budget affects this section. Sixty percent of the engineering positions will be abolished, including that of the section head. This particular section has demonstrated its value by reducing the cost in the operation of rural power systems by sponsoring the development and improvement of such equipment as oil circuit reclosers. This development alone has resulted in an annual savings of operating expenses of well over a million dollars on those projects who are now using this type of equipment. Considerable improvement in these reclosers can be made only by engineers who are familiar with switchgear design and performance and of power system operation.

At the present time this section has been actively engaged in the work being carried on by the Radio Technical Planning Board, which was created at the suggestion of the Chairman of the Federal Communications Commission. This Board is composed of the radio and power industry representatives. The purpose of this Board is to consult with and make recommendations to the FCC on technical matters based on the best engineering practices in the proper application of radio communication by the many services who have need for this type of service. It has been only recently that the power utility group has been recognized by the FCC as a public servant which needs radio services for the protection of health and property. REA projects are particularly interested in this activity. The use of radio in the operation of rural power systems offers a tool in which the operator himself will be able to dispatch the maintenance crews expeditiously to the location where an emergency exists. This, in effect, is a protection to life and property. It is well to point out here that the greater part of the rural power lines extend into remote areas which do not now have adequate communication facilities. This is definitely a handicap in the operation of rural power systems because valuable time is lost in restoring service after it has been interrupted. An interruption to a farm power user results in a direct financial loss to him.

Further, this section has been responsible for a reduction in transformer core losses which has resulted in a saving of many thousands of dollars annually in the purchase of wholesale power. These are only a few items to indicate what has been accomplished by this section.

The need for basic engineering on rural power circuits will always exist. Very little is known about load characteristics on rural circuits. Insufficient data is available for use in the future design of rural power lines because the nature and type of load are practically unknown. The REA-financed systems offer one of the best laboratories for obtaining this information.

Inductive coordination problems have been very successfully handled by the Consumers Service Section. The nature of this work deals with interference from power lines to communication circuits, such as telephone, telegraph, and radio. Through good engineering practices both power and communication circuits have been so coordinated that the average layman has never known that such a problem existed. Of necessity, both power and communication circuits must be designed and constructed to operate with the least amount of interference to each other so that the best quality of service may be rendered to the rural population. It has been demonstrated on many occasions by engineers of long experience that the coordination of power and communication circuits can be operated in the same area. It must be remembered that it requires highly skilled technicians to attain this objective.

Much has been said in recent years regarding telephone service in rural areas, which was probably brought about in the use of mechanical and electrical equipment on the farm. Senator LISTER HILL, Alabama, has introduced a bill in Congress for a Rural Telephone Administration. This created a challenge to the power and communication engineers, and, as published in a recent electrical engineering journal, the author pointed out that it is being attacked rigorously

from three angles: First, there is great activity in the extension of direct-wire communications to the farm; second, intensive studies are being made and experiments carried on in the joint wire use of power poles for telegraph and telephone poles for power; third, intensive experiments are being carried on in the joint use of carrier telephones on power lines to render telephone service to farmers who have electric power service. This third item is generally known as telephone conversation hitchhiking over power lines. This is another instance where the Consumers Service Section has contributed toward improving living standards in the rural areas.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, we have heard on this floor many, many times that in Japan 90 percent of the rural farms are electrified. That is not by any means the condition with us. It is true that rural electrification has spread rapidly in this country, but I tell you, Mr. Chairman, without the aid of this REA less than half of the rural farms now electrified would never have been electrified—and that in the homeland of Thomas A. Edison.

We know very well that municipalities are by law given preference, and cooperatives are given preference in the purchase of power produced by Government plants. If you want to carry out the plain intent of the law you must provide more money for REA. You will hamper it by cutting down this part of the program, and that is equivalent to nullifying the law we have already passed giving preference to REA for power produced at Government dams.

Every move to minimize the amount of money available to REA, or, as in this case, to reduce the amount of money available for administration, reduces by that much the number of REA projects, and the number of farmers not now supplied with electricity, that will be supplied. With our modern equipment it is possible to produce much more electricity than we have ever formerly produced. Especially is that true at the great dams on our rivers. I contend that those who want to restrict the output of hydroelectric power and restrict its availability to farmers are in effect bringing about a scarcity which can benefit no one excepting possibly the utilities who would serve a small fraction of the nearest farmers by taking the cream of the prospects, leaving the great majority unserved.

As I indicated, we have written into the law and it is on the statute books that preference shall be given in the sale of cheap power from Government dams to municipalities and to REA cooperatives in the disposition of such power. I know who have fought enacting such provisions during the years that I have been in Congress, and I know that, regardless of their professions of interest in aiding farmers, they can, without outright repeal of those liberal preference laws, through minimizing or limiting appropriations for REA, make it possible to have the same effect as an outright repeal of such statutes would be. I have no desire to injure the private production of power and I am willing to protect the property rights of such as have pioneered utilities in new communities, but I will not go so far as to strengthen their monopolistic control by limiting the rural electrification program.

The gentleman from Missouri and the gentleman from Mississippi have made eloquent appeals. I wish we had more time to present this case.

I hope the amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

The gentleman from Mississippi [Mr. WILLIAMS] is recognized.

RURAL ELECTRIFICATION

Mr. WILLIAMS. Mr. Chairman, I am unalterably opposed to the slash which has been made in funds for rural electrification. And it is utterly ridiculous for our friends on the right to point to the cutting of these funds as a saving for the American taxpayer, because every dollar of this appropriation will be repaid into the United States Treasury with interest, and the American people will not lose a dime. This kind of economy is as phony as a $3 bill.

Mr. Chairman, in 1934, only 10 percent of America's farms were electrified. And yet today, primarily through the splendid efforts and cooperative management of the REA, more than 52 percent of the rural homes enjoy the comforts and advantages of electricity. No program ever conceived or enacted by Congress has meant more to the American farmer, and I heartily and sincerely advocate not only its continuance, but also its expansion.

Remember, Mr. Chairman, and Committee members, that it is the rural citizen who produces so that the urban citizen may have food and clothing. Certainly he is entitled to at least a few of the comforts and conveniences now enjoyed by his brothers in the cities. The way to provide this comfort is through rural electrification.

Every dollar spent by REA is an investment in the future of America.

The CHAIRMAN. The gentleman from Mississippi [Mr. WINSTEAD] is recognized for 1½ minutes.

Mr. WINSTEAD. I wish to say merely that down in my section of Mississippi my people do not share in the great flood-control projects of the hill sections; we did not reap the financial benefits of the war-production programs that have been going on. We are a rural area, composed largely of small home and farm owners. They had the initiative and ingenuity to make their living without government assistance before they would go on the relief rolls during depression.

If you want to centralize your entire population from the rural areas to the cities, where your housing problems are so desperate, just continue as you are going in this bill—fail to electrify the homes in the rural sections of the country. If you want to encourage people to go back to the farms and to the rural sections, give them cheap electric power and roads. Then you will have no trouble about your population having concentrated in the cities where they give so much trouble.

The people in my State have had deposits up for 6 years and have looked forward to the day when the war would be over so that they might have their homes electrified. That same thing is true throughout the country. They expect, and are entitled to, the comforts and benefits of electricity.

Remember, Mr. Chairman, this is not a gift; this is a loan, and the Government cannot lose. The Government is taking no chance in providing funds to continue and extend rural electrification.

This amendment should pass; it is an investment in America's future.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I have taken quite a bit of time in the consideration of this bill, but, being a member of this subcommittee, I regret that our distinguished chairman saw fit to limit debate and that I have such a short time to discuss such an important subject as rural electrification. The majority members of this committee said that they would grant approximately all of the funds that were requested for loans, but then cut the administrative expenses by about one-third. Actually, it has been stated here that the reduction in loan authority of $25,000,000 will mean the elimination next year of 135,000 miles of rural lines. I say to you the Republican members of this committee have seriously hampered the expansion of this program when they cut down the administrative expense. Every move in the construction of a line clears through the administration of this agency in Washington. From the time the application is made, and the engineers of the national agency go over the application and make the survey, until the line is actually constructed, the matter is under administrative authority.

The amount of administrative funds as approved by the House would result in reduction of almost 30 percent in the personnel of the agency. This reduction would sharply retard the progress of rural electrification on the eve of what would otherwise be the year of greatest accomplishment in the history of the program. Specifically, the House reduction would:

A. Restrict loan allocations to those projects requiring least preliminary investigation.

B. Retard construction.

C. Decrease the Administration's ability to protect the Government's $1,000,000,000 investment in existing systems.

The work of the Rural Electrification Administration, including the staff divisions as well as the line divisions with field personnel, may be classified into the three following general categories:

First. Making loans.

Second. Building lines.

Third. Protecting the Government's investment.

PROGRAM IN 1948 COMPARED WITH PREWAR PEAK YEARS

Although the staff of the agency would be reduced by the House bill from the present number of 1,100 to approximately 775, or slightly more than the

average employment during the years of 1939 and 1940, the program of the agency in 1948, as shown by the following figures, will be at least three times as large as the average of 1939 and 1940, the prewar peak years.

	Average of 1939 and 1940	Estimated 1948	Excess of 1939 and 1940
			Pct.
Loan authorizations	$90,000,000	$225,000,000	150
Consumers connected per year	222,500	535,000	140
Total consumers connected	403,800	2,454,000	510
Advance of funds	80,500,000	340,000,000	320
Total investments	171,600,000	1,065,000,000	520
Number of REA personnel	735	775	5

The above table discloses how the 1948 program is vastly greater than that of 1939 and 1940. For example:

First. The loan authorization is $135,000,000 greater.

Second. More than twice as many consumers should be connected during 1948.

Third. Four times as much money will be advanced—a quarter of a billion dollar increase.

Fourth. Not only are the lending and construction activities vastly greater than in 1939 and 1940, but also the activities concerned with safeguarding and servicing the Government investment are multiplied sixfold.

Notwithstanding the administrative demands of the largest program REA has faced, the House bill provides a reduction of the existing staff from approximately 1,100 to about 775. This compares with an average of 735 who carried out the much smaller program in 1939 and 1940.

EFFECT OF HOUSE REDUCTION ON THE 1948 PROGRAM

Specifically, the effect of the reduction in administrative funds as passed by the House would be reflected in the three major functions of the agency as follows:

Loans: There is insistant demand for electric service throughout every part of the Nation, but in order to loan the $225,000,000 passed by the House, with a sharp reduction in the REA staff, it will be necessary to make rather radical departures from the present pattern of loan operations.

Obviously, it will be necessary to reduce sharply the amount of time and effort spent in reviewing loan applications. Therefore, by force of circumstance, loans will tend to be concentrated in those areas where the least intensive analysis is required to determine economic feasibility of the project. That will mean that the bulk of the loans will go to the older, better established borrowers in the economically most favored areas. It will simply be necessary to lay aside applications from borrowers in areas where any additional effort is required in order to determine the feasibility of the loan. In other words the development of rural electrification, under the program resulting from the House action, would not be on a truly national basis.

Construction: The labor and material situation is improving almost daily. Given an adequate administrative staff with which to function, the 1948 construction program would surpass by a wide margin any previous records for the construction of rural power lines. It has been estimated that with our present staff it would be possible to complete the construction of 198,000 miles of line in 1948. With staff reductions amounting to almost 30 percent, it is estimated that it will not be possible to complete more than 150,000 miles in 1948. Every single step in the construction program, from approval of the original plans and specifications through inspection of construction to final advance of funds for completed work, will be slowed up. These are jobs that must be done. To adopt any other course would be costly and unwise. For instance, simply to reduce the amount of engineering assistance and supervision would mean that the Government would be investing funds in electric systems which might or might not be adequately designed to serve as the basis for a self-liquidating loan.

Specifically, a reduction of nearly 30 percent in the number of field and office engineers of the agency will:

First. Delay the approval of plans and specifications, engineering contracts, material contracts, construction contracts, and the supervision of construction progress in the field. The result will be to slow down construction and the connection of new consumers by about 25 percent, and to seriously delay the advance of funds with which borrowers meet their bills to both contractors and material suppliers. In addition, construction costs will be higher because the reduced engineering staff will not be able to make sufficiently detailed cost studies and reviews of system designs to obtain lowest construction and operating costs.

Second. Delay the approval of plans which the cooperatives prepare to meet the many technical operating problems growing out of the greater demands for power which farm people are placing on their utility systems. These include such problems as sectionalizing studies, voltage regulations, rephasing, increasing substation capacity, and so forth.

Third. Delay progress in the construction of generating facilities in parts of the country where power is rationed at the present time or where it is impossible to connect new consumers because of inadequate power supplies.

Protecting the Government investment: In addition to spearheading the largest construction program in history during 1948, REA also will have the responsibility for servicing and otherwise safeguarding a billion dollars' worth of Government funds invested in nearly 1,000 utility systems operating in 46 States and two of the Territories. The real security of the Government in these systems is based on satisfactory and efficient operation of the properties. The great bulk of these loans has been made to farmer cooperatives whose actual experience in the electric utility business is limited wholly to that gained from operations ranging from a few months to at most about 10 years. Although it is the policy of REA to withdraw its counsel and advice as rapidly as its borrowers can efficiently cope with their management and operating problems, the facts in the case are that the multifarious problems arising from the rapid growth of the cooperatives during the last few years is confronting even the most experienced with circumstances in which they need specialized assistance of a kind they can obtain only from REA.

The average REA-financed system will, in 1948, represent an investment of more than $1,000,000 with approximately 800 miles of line serving 2,500 members. Furthermore, in the all-out effort of the last dozen years to get power lines to as many farm people as possible, many of the problems concerned with long-time sound management and the financial welfare of the cooperative have had to be deferred and are now calling for REA attention.

A reduction of nearly 30 percent in the REA staff will reduce the management assistance available to the cooperative to such a point that personnel will not be available in many cases where positive action is necessary to prevent jeopardy of the Government's loan, nor will it be possible to provide the assistance which might prevent such situations from arising. Audits of borrowers' records, which constitute a basic security for this billion-dollar investment, would be so sharply reduced that we would be able to make an adequate check on the financial status of our borrowers on an average of about once every 2 years, whereas good business practice requires more frequent audits. Advice and counsel on such matters as labor relations, training of system personnel, cooperative organization and system appraisal will have to be drastically curtailed.

With the present REA staff—all included, administrative, professional, and clerical—there is an average of only about one person to administer relations with a million-dollar borrower. Under the House bill this would be reduced nearly 30 percent.

Do not kid yourselves when you fail to provide sufficient funds for the administration of the REA. You restrict the program and you are responsible for thousands of farm families being delayed in receiving electricity. You will have prevented them from finding their lot a little easier; their lives a little brighter.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TRIMBLE].

Mr. TRIMBLE. Mr. Chairman, I hope the amendment will be adopted and the authorization for loans to Rural Electrification Administration will be increased. In my own district, and I am sure the same situation exists in all parts of the country, there is a great backlog of applications pending for the extension of rural electrification lines. The amount allowed by the committee will not begin to take up the applications already filed.

If a gift of money were being asked for the various rural electrification co-ops, then I could well understand the opposition of the committee. But even so, just for the sake of argument, let us say that it is a gift. It is my contention

that it would be good business even as a gift on the part of the Government of the United States for three reasons:

First. It would greatly encourage our free-enterprise system because, with the extension of electric energy, the addition of each new home and service would increase the demand for refrigerators, washing machines, stoves, heaters, and many other items in the home, thus affording free enterprise an opportunity to manufacture and sell additional items, thereby adding to their revenue and ability to serve.

Second. It would encourage the faith of the people in the country which they love.

Third. It would bring money into the Treasury of the United States by increasing production and encouraging industry with the incident increase in taxes paid in

As I say, even if it were a gift, it would be good business on the part of the Congress.

However, it is not contemplated that this money be a gift. It is only an authorization for loans to the cooperatives to extend their services to the people who have waited so long for such service. It has been the happy experience of the Rural Electrification Administration that these loans have been good loans, and they are being repaid with interest and many times repaid ahead of due date.

In addition to the interest which the Government receives from the money it loans, it increases its wealth by reason of the taxes collected. The little cooperative which serves my home section paid more than $9,000 in taxes last year, in addition to the interest which it paid to the Government on its loans.

We hear a lot these days about subversive activities. If we want to kill off subversive activities, the best thing we can do is to make our people happy and make our own fine system work. I know of no single better way to do it than to let the cooperatives have all the money they need. I mean all they need, to extend electric energy to every home and to every small industry that does not have it now.

I shall vote for the amendment because I believe it is true economy, even looking at it in a cold-blooded, dollars-and-cents manner.

Mr. CLEMENTS. Mr. Chairman, will the gentleman yield?

Mr. TRIMBLE. I yield to the gentleman from Kentucky.

Mr. CLEMENTS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Mississippi [Mr. RANKIN] to increase the funds for REA loans by $25,000,000 and to restore by $1,600,000 the appropriation for REA administrative purposes. With all other Members of this body genuinely interested in the completion of the REA program, which would bring the great boon of electricity to every American farm, I thoroughly disagree with and vigorously protest against the action of the majority of the Appropriations Committee in cutting the funds for the maintenance, operation, and expansion of the activities of the Rural Electrification Administration during the coming fiscal year.

REA IS SELF-LIQUIDATING

First, let me emphasize that REA is a lending agency—not a spending agency. Let me further stress the fact that REA is on a sound financial basis and, as the record proves, compares most favorably with any private lending institution. All REA loans are self-liquidating at a flat interest rate of 2 percent over an amortization period of 35 years. As of April 1, 1947, REA had approved loans totaling $1,010,037,390 to 1,011 borrowers—of which 931 were cooperatives, 40 were public utility districts, 20 were other public bodies, and 20 were commercial power companies—and as of the same date these borrowers had paid back a total of $131,673,620 in principal and interest on their loans; of this amount $19,995,641 represented payments on principal in advance of due dates. Payments overdue more than 30 days totaled only $1,001,014; in other words, less than one-half of 1 percent of all REA loans are delinquent. Insofar as large-scale, Nationwide financial operations are concerned, that record speaks for itself.

REA LIGHTENS FARM BURDEN

Every Member of this House who has accorded any study to the background of the operations of the Rural Electrification Administration understands and appreciates that the activities of this agency developed out of the needs of the American farmer and his family who, of all groups in our national economy, are the hardest, most diligent, and conscientious workers. Rural electrification is the means by which the major share of the burden of manual labor—the real drudgery—entailed in operating a farm is transferred from the muscles and back of the farmer to power-driven farm machinery and equipment; it is the means by which the numerous household tasks of his wife are made easier, and through which their home and barn are instantly and adequately illuminated. It is, indeed, the miracle that has contributed more substantially to the comfort, convenience, health, contentment, and prosperity of the entire farm family than any other single improvement, making for happier living, greater efficiency, and increased agricultural production.

HOW REA OPERATES

Twenty years ago only 3 percent of the 6,000,000 farms in this country had electricity; 10 years ago just slightly more than 10 percent of these farms had electricity. Why? Because the privately owned commercial power companies could not operate on a profitable basis in rural areas located beyond the immediate vicinity of cities and towns. The Government's answer to the problem of bringing electricity to the American farmer and his family is REA, which is the agency through which Federal credit is extended for rural electrification, thus enabling our farm population to organize and operate its own power systems. The Rural Electrification Administration operates no electrical facilities, but is merely the Federal facility through which rural electrification is made possible. Through Government loans to cooperatives, public utility districts, municipalities, or commercial power companies REA finances electric generation, transmission, and distribution facilities in order to bring electricity to farm families too far removed to receive commercial central station electric service. This agricultural appropriation bill for the fiscal year 1947–48 proposes to cut back by $25,000,000 funds for REA loans.

In addition to loans to local farmer cooperatives and other borrowers, the Rural Electrification Administration provides technical advice, engineering assistance, legal advice, and a standardized accounting system to its borrowers. This bill further proposes to decrease by $1,600,000 the funds for these activities; such a cut could only result in hampering the REA program and curtailing its progress. Efficient regional electric service cannot be planned and carried into operation without an adequate staff of engineers, legal counsel, accountants, and other professional specialists required to do this job, for which reason this $1,600,000 cut in administrative funds should be restored.

IMAGINARY ISSUES

Despite confusing and biased arguments to the contrary, the activities of the Rural Electrification Administration present no real issue between private and public power because they are not in competition. REA services a clientele that, in the main, the privately owned commercial power companies cannot reach. That statement is borne out by the fact that at the inception of the REA program it was hoped and believed that the commercial power companies would take the initiative in the rural electrification program, but this hope proved to be ungrounded in that out of $100,000,000 made available for this program in 1935 out of Emergency Relief funds the commercial power companies borrowed less than $1,000,000, which conclusively proved that the problem of rural electrification was not going to be solved by the privately owned utility companies. Instead, it became obvious that the farmers themselves, in cooperation with the Federal Government, would have to take the lead. Rural electric cooperatives began springing up throughout the entire country, and their achievements during the past 10 years have definitely established that the nonprofit farmer cooperative is the answer to the problem of rural electrification.

REA FUNDS ARE ALLOCATED FAIRLY

The Rural Electrification Act, approved May 20, 1936, specifically requires that 50 percent of the funds available for lending purposes in each year be allocated to the States "in the proportion which the number of their farms not then receiving central-station electric service bears to the total number of farms of the United States not then receiving such service." Thus in every State applicants are guaranteed an opportunity to borrow on a fair and proportionate basis for the development of rural electrification.

Congress annually fixes the limit of REA's lending authority for each fiscal year and directs the lending of funds within that set limitation. This annual loan fund has ranged from as low as $10,000,000 to as high as $550,000,000. As previously indicated, in this current bill

it is proposed that REA have $25,000,000 less than the Administration's recommendation with which to make loans during the coming fiscal year.

Mr. Chairman, already we have glanced at the financial record of the Rural Electrification Administration; now let us glance at the record of REA's achievements.

REA ACHIEVEMENTS

Of approximately 6,000,000 farms in this country, only 3 percent of them had electricity in 1925; in 1935—the year REA went into action—slightly more than 10 percent of the Nation's farms had electricity. In other words, in 1935 less than 750,000 American farms had central-station electric service, but at the close of the first 10-year period of REA operations 3,106,775—or approximately 53 percent of all farms in this country—had electricity. Half of the farms serviced with electricity since 1935 are serviced by REA-financed lines, the rest being on lines of commercial power companies whose activities in rural areas have been encouraged and stimulated by the REA program—which, incidentally, proves that REA is not a Government monopoly, but instead a cooperative agency from top to bottom, keyed to take the initiative and serve as the spearhead in spreading rural electrification throughout the Nation in cooperation with farm groups, local public bodies, or commercial power companies.

As of April 1, 1947, REA borrowers were operating 524,161 miles of lines, serving 1,754,073 farms and other rural consumers in 46 States, Alaska, and the Virgin Islands. About 80 percent of the consumers on REA-financed lines are farms, the remainder being nonfarm rural homes, churches, schools, community halls, stores, and a variety of rural industries, such as creameries, grain elevators, woodworking plants, machinery repair shops, and quarries. The stimulation of rural industries is not by any means the least of the contributions of the REA program to rural welfare and progress.

And now please bear this in mind: That record of achievement has been made despite the fact that of the 12 years REA has been in existence 6 of those years were war years, during which period, as we all know, labor, and all its technical skills, as well as materials and funds, were, of necessity, diverted and channeled into the gigantic task of winning the war; thus for 6 years the demands of war practically brought to a halt the activities of REA; and while this agency is still confronted with the handicap of material shortages, the prospect of obtaining these needed materials is considerably brighter now than it has been during the course of the past several years. War has delayed and unavoidably thrown the REA program behind schedule. To impede or obstruct this program at this time would be a definite set-back to the 3,000,000 American farmers still awaiting REA service, and would retard American agriculture generally. This is not the time to cut back the Rural Electrification Administration program—now is not the time to reduce REA funds by $25,000,000 for loans nor to slash by 30 percent the funds for REA administrative purposes, as proposed in this bill.

DUTY AND RESPONSIBILITY OF CONGRESS

Mr. Chairman, Congress is the only channel through which funds for the Rural Electrification Administration are cleared and made available; therefore, the progress and expansion of the REA program wholly depends on the decision we make here. During 1945 and 1946 REA borrowers resumed large-scale construction, which was made possible because of the cessation of war, which released manpower and materials to civilian peacetime pursuits, and because Congress authorized $550,000,000 for REA loans—larger than the total loans in the agency's previous 10 years of existence—in addition to which $98,081,550 was available from previous allotments which had not been advanced due to wartime restrictions on civilian construction. It was my privilege to support and vote for this $550,000,000 fund for REA loans, and I shall continue to favor maximum REA loans because I believe that in the interests of our great farm population this program should and must be completed as rapidly as possible. To handicap, hinder, or cripple the REA expansion program during this coming fiscal year—when manpower and materials are again becoming available on a scale that would permit REA's construction program to forge ahead and regain the momentum it lost during the war years—would reveal not only a lack of true vision and initiative but would impose on the 3,000,000 remaining American farms still without electricity a distinct and wholly unnecessary privation. The adoption now of a "penny-wise and pound-foolish" policy toward REA would be the epitome of false economy. To attempt to obstruct progress is only to delay it unwisely, and in this instance to the detriment of the farm families of the Nation who anxiously are awaiting the blessings of electricity.

REA BENEFITS TO KENTUCKY

In my own State of Kentucky, the first REA loan was approved in October 1935. Prior to that time, only 8,480 Kentucky farms—or 3 percent of all the farms in the State—had electricity. According to estimates—based on the 1940 census—32.1 percent, or 76,650 Kentucky farms, now have electricity. As of April 1, 1947, the 26 Kentucky REA borrowers, all of whom are cooperatives, were operating 16,327 miles of power lines and serving 69,582 rural consumers. As of the same date, our Kentucky rural electric cooperatives had received REA loan approvals totaling $35,042,355; of this amount, $19,019,853 had actually been advanced for construction projects. Kentucky's REA borrowers had paid $3,966,908 of the principal and interest on their loans, including $600,197 repaid on principal before it was due.

Kentucky, which basically is an agricultural State, has benefited under the REA program, but the job of rural electrification there, as elsewhere, is not as yet completed by any means; while marked progress has been made, approximately 162,157 Kentucky farms still lack electricity. They should have it, and have it without any unnecessary delay, as should every other American farm. REA's goal is electric service to every one of the remaining 3,000,000 potential rural consumers still to be served. REA is now on the threshold of its greatest opportunity to continue the spread of the convenience of electricity to every rural family in the Nation. It is up to Congress to take advantage of that opportunity and complete the job of rural electrification. We can make a real contribution toward that objective by restoring the ill-advised and wholly unwarranted cuts made in this bill for REA activities during the coming fiscal year.

Mr. BRYSON. Mr. Chairman, will the gentleman yield?

Mr. TRIMBLE. I yield to the gentleman from South Carolina.

Mr. BRYSON. Mr. Chairman, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. TRIMBLE. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Chairman, the few minutes which have been allotted to me will not permit a full discussion of the many objectional features of this measure. Hence I must limit my observations to specific examples where this unwise slash in appropriations will cause great harm to the State of Minnesota and to my district.

In the first place, I want to go on record as being wholeheartedly against the cut in the funds of the Rural Electrification Administration. In my opinion, the present rural electrification program is doing about as much for the American farmer as anything else that has ever been attempted by the Federal Government. Millions of our farm housewives have benefited from the REA in that it provides electric energy for cooking, heating, ironing, washing, and many other of the numerous household tasks which would otherwise be drudgery. It has benefited the daily operations of the farmer by providing cheap energy for pumping, elevating, mixing, and so forth. Life has become more productive, pleasant, and worth while for the people, living on 52.9 percent of the farms in the country as a result of rural electrification.

This measure, which proposes to cut $1,600,000 from the administrative expenses of the REA, and $25,000,000 from its loan authorization, is certain to have detrimental effects upon the REA program. In the first place, this cut will mean that many applications for loans by farm cooperatives now pending must be rejected for lack of funds. Just last week I received a telegram from the Carlton County Cooperative Power Association, Carlton County, Minn., protesting this cut in funds. This association has 850 members, of whom only 260 members have been receiving the benefits of electric power. Recently the association made application for a loan for the purpose of building 246 miles of power line in order to provide the same service to its other 500 members. If this cut is to

stand, these good people are to be deprived indefinitely of rural electrification.

This is not an isolated example. Farm cooperatives all over the United States will be unable to go forward with their REA program if the House upholds this proposed slash. In fact, the REA needs some $361,000,000 for the 1948 fiscal year to meet its lending requirements—the $225,000,000 provided in this bill will not even begin to cover application for loans now pending.

This slash is a crushing blow to the hopes of millions of American farmers who desire the advantages of rural electrification. As I stated before, about 53 percent of all farmers in America are today enjoying the benefits of rural electrification. I maintain that we should make it 100 percent—we should expand and extend the rural electrification to cover every farm in the United States, large or small.

May I remind my colleagues that this slash in REA funds cannot be considered an expenditure in the first place. For most of the REA funds are used to make loans to farm cooperatives, which are paid back to the Government from their earnings. In other words, REA funds represent an investment rather than a Government expenditure, and to slash these funds in no way represents an economy.

This reduction in the REA funds is but part of the general pattern of false economies whereby the proponents of this bill are able to cut the heart out of the entire farm program. Although it has been estimated that $300,000,000 is needed for the AAA conservation program, the appropriations for this program have been cut by $100,000,000 down to a total of only $150,000,000. At the same time the crop-insurance program is reduced by $8,000,000; the Farmers Home Administration by $55,000,000; and the Production and Marketing Administration by $27,000,000. Thus the Federal farm program is drastically curtailed—function by function—through the indiscriminate use of the economy ax.

A second example of false economy is found in the proposed reduction in the funds for the school hot-lunch program. You will recall that the Seventy-ninth Congress appropriated $75,000,000 for this program for the 1947 fiscal year. You will also remember that this appropriation was inadequate and that it was necessary to make a deficiency appropriation of $6,000,000 to carry the program from March 31 to the end of the current school year. Even this total of $81,000,000 for the present fiscal year was far from adequate, and that the estimated annual fiscal needs for this service is approximately $120,000,000.

In the face of these facts, the majority now proposes to reduce the appropriations for the national school-lunch program to $45,000,000 for the 1948 fiscal year—a slash of 40 percent. The effect of such a cut is that funds for this purpose will be exhausted by January 31, 1948, and the program will go by default at that time.

I have always favored Government economy, but it is not economical to sacrifice the health and well-being of our children. I maintain that expenditures for food for our school children is a sound investment as they contribute to the building of a healthy citizenry for tomorrow. I call upon my colleagues to subordinate their desire to reduce taxes for the benefit of the wealthy, and restore this budget cut and thus make possible the conservation of America's most precious natural resources—our children.

Another instance of irresponsible budget slashing is found in the reduction of the funds of the United States Forest Service. The lumber and pulpwood industry is an important one in my State of Minnesota, and these industries will suffer from this slash. To slash the national forest protection and management expenditures by over $1,500,000 is bound to hurt the forest-conservation program. The proposed one-half millon dollars reduction in the funds needed for forest research means that our efforts to discover new uses for forest products will have to be curtailed.

Let me give you a concrete example of the effect of this slash in the United States Forest Service budget. A few months ago 400 veterans of World War II living in the city of Ely, Minn., pooled their resources and organized a pulpmanufacturing business. The name of the firm is GI Inc. Before the firm can begin production, an RFC loan is required. At the present time all initial stages in securing this loan have been passed; the only remaining condition in qualifying for this loan is an official survey regarding the forest resources in the area.

Now we find the hopes and plans of these 400 GI's being jeopardized as a result of this cut by one-half million dollars in the funds needed for forest-resources investigations. These veterans cannot get their RFC loan without this official survey, and there can be no such survey without adequate appropriations.

As the House Committee on Agriculture states in its report on this bill, "the appropriation of funds must be geared to some kind of basic philosophy." This is an obvious truth. But the big question is, To what kind of a basic philosophy? I say certainly not one that gives so little assistance to those who need it so much.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. TRIMBLE. I yield to the gentleman from Montana.

Mr. MANSFIELD of Montana. Mr. Chairman, I rise in support of the amendments to increase the funds for the Rural Electrification program because of the need which exists and the necessity to get this program under way. Due to the war, materials have been scarce and necessary building of lines has not been done. Surely now, when we have access to materials, we should proceed with this program as rapidly as possible. It is hard to understand why this Appropriations Committee is so loathe to grant sufficient funds to bring cheap power to rural America. The REA program has done more than any other single factor to bring happiness and security to our farm families and I hope the House will grant the added funds.

When we consider that a country like Japan is 90 percent electrified and the United States only 52 percent electrified we should pause to wonder. My own State is only approximately 35 percent electrified and I am looking forward to the day when Montana and the Nation will be completely electrified—cheaply and satisfactorily. It is one of the answers to the security which all America craves and all America deserves. I hope the Republican steam roller will not smother this worthy amendment as it has consistently and unanimously done on every amendment considered to this time.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I fully agree with the gentleman from Texas. The distinguished gentleman and minority leader from Texas [Mr. RAYBURN] and REA has no better friend on this floor than the gentleman from Washington now addressing you. However, I want to call your attention to the fact that every amount for loans in the President's budget is in this bill. But I want to remind you that a year ago we appropriated money for rivers and harbors, we appropriated for reclamation and War Department civil functions, we appropriated money for airports, we appropriated money for REA and other civil functions, for the construction of more or less public works, and after we went home the President, using the excuse that they were inflationary and made too much construction for this country, froze those funds, and over $400,000,000 of those funds are still frozen. Now, there are in allocations and loan grants in this bill, half a billion dollars for REA. I rejoice that that is true. But, if we are to break the President's budget, and go over it by action on these amendments I ask you in all honesty, what expectation have we that the President will not again, in the name of the inflation that he only 2 weeks ago showed he was fearful of, freeze those funds in the name of a sensible program for fiscal 1948.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it might be expected that on a subject like REA there would be a little more light and a little less heat. I have great affection for the gentleman from Mississippi, but the fact of the matter is that he is greatly mistaken. Now, we might just as well be honest about it. Yesterday he used the figure here of $361,000,000 in demands for power, and where did he get it?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I am not going to yield at this point.

I will tell you where that figure came from, and I do not yield, Mr. Chairman. There are over here in the files of the Committee on Appropriations the questionnaires that a former Democratic Member of Congress by the name of

Clyde Ellis sent out to all the cooperatives, and there he dumped on our desk in the hearing room all of the questionnaires, and the aggregate is $361,000,000. That is the figure that shows up in the mimeographed letter that came to the desk of nearly every Member of Congress this week.

Now, then, what is in them? Well, we went to the trouble to analyze them. Here is a request for a line to cost $6,000 a mile in Tennessee, when the Federal Power Commission told us that the average cost was $1,500. Here is a request to build a line of 115 miles to serve 62 consumers. There are 600 of those questionnaires lying over there. That is where they got this estimate. We have been more than generous with the REA, and you should vote this amendment down. They have more money than they need right now.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired.

The question is on the substitute amendment offered by the gentleman from Mississippi [Mr. RANKIN] to the amendment offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 106, noes 141.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CANNON].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. CANNON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PHILLIPS of California and Mr. CANNON.

The Committee divided; and the tellers reported that there were—ayes 144, noes 159.

So the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be subject to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Strike out lines 24 and 25 on page 71, and lines 1, 2, and 3 on page 72 and insert in lieu thereof the following: "Notwithstanding any other provision of section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended (7 U. S. C., 1940 ed. 612 (c)), not more than $40,000,000 shall be available during the fiscal year ending June 30, 1948, for use in effectuating the purposes of that act. The remainder of the fund appropriated by said act for the fiscal year 1948 is hereby rescinded effective July 1, 1947, and shall be carried to the surplus fund and covered into the Treasury immediately thereafter."

Mr. CASE of South Dakota. Mr. Chairman, I reserve a point of order against the amendment.

Mr. DIRKSEN. Mr. Chairman, I prefer that the point of order be made now.

The CHAIRMAN. The gentleman from South Dakota will state the point of order.

Mr. CASE of South Dakota. Mr. Chairman, I wanted to know exactly what the amendment proposes to do. Obviously, it proposes to amend existing law. I may not want to insist upon the point of order if I can hear it explained.

Mr. DIRKSEN. Mr. Chairman, whether or not the point of order is made will determine the action of the committee. I prefer that the point of order be disposed of at this time.

Mr. McCORMACK. Mr. Chairman, I think in order to protect the chairman of the committee, the gentleman from South Dakota [Mr. CASE] ought to reserve his point of order or make it now.

Mr. DIRKSEN. I expect to see the point of order made now and disposed of, because it will have some bearing on our future action.

Mr. CASE of South Dakota. Mr. Chairman, I have received some explanation of the amendment and I do not insist on the point of order, and I withdraw the point of order.

Mr. DIRKSEN. Mr. Chairman, I have offered this amendment after consultation with the chairman of the House Committee on Agriculture and as many of the members of the Subcommittee on Appropriations as I could discuss it with, and it seems to be agreeable.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McCORMACK. Have you conferred with the members of the subcommittee on the Democratic side?

Mr. DIRKSEN. No. As a matter of fact, we were not departing from the committee position and I rather imagine the Committee on Agriculture discussed it with some members on that side.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

I would like to know what the parliamentary situation is. Has the gentleman reserved his point of order, or not?

The CHAIRMAN. No. The gentleman from South Dakota has withdrawn the point of order.

The question is on the amendment offered by the gentleman from Illinois.

Mr. WHITTEN. Mr. Chairman, if it is in order to be heard at this time, I would like to be heard.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. WHITTEN. Mr. Chairman, I would like to say to the gentlemen on this side particularly, that from section 32 funds, as they were originally sent down, $100,000,000 of the estimated $148,000,000 would have been used for AAA payments. The committee today having reduced the AAA payments, provided for such payments as will be made by direct appropriations, and the $100,000,000 of the $148,000,000 estimated in section 32 funds, not being needed for that purpose, it means, then, that of $48,000,000 that would have been available if the budget recommendation had been followed, $40,000,000 is made available by the chairman's amendment. In effect, you are getting $40,000,000 out of an estimated $48,000,000 that would have been available for the general purposes of section 32, exclusive of the $100,000,000 that might have gone to the AAA payments.

I would like to ask the gentleman from Illinois if that is not a correct statement of his amendment. That is, will the amendment make available $40,000,000 for general section 32 purposes, of the estimated $48,000,000 that would be available?

Mr. DIRKSEN. No. It would be $40,000,000 out of the estimated $48,000,000 that would be available. The whole amount of customs receipts was estimated at $148,000,000, but in the budget estimate, $100,000,000 was transferred to the conservation and use payments, and the other was earmarked for section 32. This makes provision for $40,000,000 of the $48,000,000 which otherwise would have been stricken entirely from the bill.

Mr. WHITTEN. The gentleman, of course, was not paying attention to my earlier remarks, but they are in line with what the gentleman has said. As far as I am concerned, on this committee I have been vitally interested in the section 32 funds. They have proven one of the greatest bulwarks of safety for the American farmer and while $40,000,000 is not $48,000,000, it will substantially meet the needs of the American people. I would like to believe my Republican colleagues are yielding because they have seen the light at this late hour, but I am certain that what they have seen is the handwriting on the wall.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is very apparent now that the chairman of the subcommittee, with the concurrence of the Republican members of the subcommittee, forced by the militant fight made by the Democratic members on the subcommittee, concurred in by the gentleman from Kansas [Mr. HOPE] and several other members of the Republican Party, has now offered this amendment which will bring some relief to the farmers. The credit for this amendment is entirely due to the militant fight that has been made on the floor of the House yesterday and today by a small group of Republican Members and the entire Democratic membership in the House.

Mr. GOFF. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GOFF. I wonder if the gentleman is speaking for the farm constituency he has, those concrete farmers in South Boston?

Mr. McCORMACK. The gentleman from Massachusetts is speaking for the people of South Boston. The gentleman from Massachusetts has supported all farm legislation. The gentleman from Massachusetts spoke for the first Bankhead cotton quota act which was the first piece of farm legislation years ago that passed this House by six or seven votes.

The gentleman from Massachusetts has consistently voted for farm legislation, and I have done it because I do

not think I should view these questions from a sectional angle, and that while I am serving a congressional district here I feel that it is my duty to represent the national interest of the people as a whole.

So in answer to the gentleman whose kindly but wise inquiry was made, the gentleman who represents South Boston—and I represent the people of that district with pride—answers in the affirmative that in making my remarks I am expressing the views of the people of my district, and there is not one farm located in the district.

A motion to recommit will be made. That motion will include increasing the soil-conservation item from $165,000,000 to $300,000,000. I understand it will include an increase for the school-lunch program and an increase for the rural-electrification program. I have no knowledge of anything else or any other items that may be included therein, but those three matters will be included in the motion to recommit and when the vote is had the farmers of the United States and those interested in this bill can interpret the vote and know that a vote against the motion to recommit is a vote against increasing soil conservation to $300,000,000, is a vote against increasing the school-lunch program to $75,000,000, and is a vote against increasing the rural-electrification program.

We now have the practice set in this bill and in the Interior Department bill. In that connection I call the attention of the people of the great Northwest and West to the fact that their hopes are being decimated by the sharp reductions in the appropriations made in the bill by the Republicans and that the control of the Republican Party is in the East. There is an eastern domination of the Republican Party.

This bill conveys to the farmers of the country confirmation of the statement that the Republican Party in making appropriations for the farmers in this bill as they did in making appropriations for the West and Northwest in the Interior Department bill were dominated by the eastern wing of their party.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DIRKSEN. If I may be permitted a comment, I may say to the gentleman from Massachusetts that there is not a member of the Subcommittee on Agricultural Appropriations who comes from east of the Allegheny Mountains.

Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. BATES of Massachusetts. Mr. Chairman, reserving the right to object, I should like to ask a question.

Mr. DIRKSEN. Mr. Chairman, I move that all debate on the pending amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the corrections may be made that will be submitted to the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all Members of the House may have the right to extend their remarks in the RECORD on the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that in connection with the amendment adopted on research, the total be corrected to read "$9,500,000."

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CLEVENGER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Chairman, during the last session of Congress the OPA Act was repealed. There were cries of anguish from the bureaucrats, who predicted dire results.

Let me analyze what happened: Goods reappeared on the shelves. Our economy started to function. In the first quarter this year our national income increased to the rate of $180,000,000,000. Retail sales in March, according to a report of United States News, reached $107,400,000,000. In addition, the public was consuming more goods than in any period in history.

For the first time since 1930 we have a balanced national budget, full employment, and, at the same time, are able to help in restoring world economic conditions.

That condition was the result of the repeal of the OPA. In my opinion, if the OPA had not been repealed, the predictions of the planners of a national income of $140,000,000,000, with 8,000,000 unemployed, would have come to pass.

Then our Nation would not have been prosperous; we would not have been able to balance the budget and reduce taxes. We would have had a national deficit and an increase in appropriations from a reduced national income.

Next, let us look at present price levels. For the past 30 days the 35 leading raw materials, which determine our income and that of the world, have been practically stabilized at 170 percent of 1926 price levels.

If you will recall the price of gold, which is still the yardstick for international exchange, was increased from $20.67, the 1926 price, to $35 an ounce, also an approximate increase of 170 percent. In other words, our prices during the past 30 days have been at par with the only monetary yardstick at the present time.

The farmer is being blamed for high prices and a campaign has been on for weeks to get his price down. At the present time farm marketings are 140 percent of the 1930–39 averages and from the same number of farm acres. The result of this 140-percent farm production times the price at present is the reason for $180,000,000,000 of national income.

Supposing because of controls and the shortage of farm labor, fertilizer, farm machinery, and possibly weather conditions, our farm production drops back to 1930–39 levels, what will be the result? Our national income even with present price levels would be approximately $140,000,000,000, we would have unemployment and a return of national deficits.

Let me say to some of my fellow Members of Congress from the Eastern States, you are still following the plan. For each $1 of farm income the national income will be $7, and if his price or production drops you are going to suffer in direct proportion.

Therefore, whether you represent labor, manufacturing, or finance you should be seriously concerned about the farmers' welfare.

There is plenty of evidence of a desire to break down our farm income. Although Congress repealed the OPA the planners are using their controls over exports and imports as price control.

Under the Constitution Congress was given the right to control our domestic and foreign commerce. But, through the Trade Agreements Act and War Powers Act, Congress gave its control away.

The planners are now thinking in terms of an International Trade Organization which can tell the farmer what to plant, the price he is to receive and how much can be sold to other nations. Then there will be no need for Congress.

A good illustration of what is happening to our price structure can be illustrated by the price of lard.

Because of OPA restrictions and confusion our hog numbers on January 1, 1947, had dropped to 1939 levels. We had a good corn crop and the farmer using the hog as a factory fed to heavier weights, thus giving us both more meat and lard.

For this contribution to our food supply and national income he is now being penalized. Allocations for exports of fats and oils have prevented shipments to the hungry in Europe.

The result has been a piling up of lard in storage. In addition with control of tariffs they have permitted imports of fats and oils to help depress lard still further. And, in addition to that they have been carrying on a program for our housewives to save grease for soap.

What does it all add up to? Because of this control, according to a news item from the Chicago market, heavy hogs have dropped in price $6 to $10 per hundred-weight. The farmer in many cases suffered a loss in trying to produce food.

Quoting from the same article, "Despite increased output and the heaviest accumulation of lard in 3 years, exports under Federal control in the first quarter of 1947 were 11 percent below the same period in 1946 and 54 percent below 2 years ago."

They have led the American people to believe that they need these controls to feed the world and that they must have these controls under the War Powers Act—an emergency measure.

In my opinion these controls are preventing food from reaching the hungry in other nations and the record proves this contention.

In the first 3 months this year we exported approximately $614,000,000 worth of food. We imported $421,000,000. In this 3-month period our exports were less than the first 3 months of 1946. On the other hand, our imports of food increased 36.7 percent over the same period in 1946.

On the basis of the record for the first 3 months of 1947 our total food exports will be approximately $2,500,000,000, with imports practically equaling exports by the end of the year.

With an estimated export total of $13,000,000,000, food products will be about 19 percent.

This ought to illustrate how these controls are being used to benefit the large industries through the foreign loans which we have been making.

As a Member of Congress I am warning you that we are permitting the destruction of our agricultural economy—the foundation of our national income.

It is just a matter of months until the control over exports and low prices for fats and oils will bring on the depression which the planners have been predicting and seem to want.

I do not want another depression and if it is to be prevented Congress must act to regain its constitutional power to control domestic and foreign commerce.

Mr. CANNON. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Chairman, I want to express my appreciation of the courtesy and consideration shown the minority by the chairman of the subcommittee, the gentleman from Illinois [Mr. DIRKSEN].

I count it a privilege to have served under the chairmanship of the gentleman from Illinois. Within my membership on that subcommittee we have never had a chairman of greater ability and more sincere devotion to the real interests of agriculture and the Nation.

I am certain, I violate no confidence when I say that in the event of the misfortune of having a President in the White House of his political affiliation he would unquestionably be a member of the President's Cabinet—and if within the next 6 or 10 years is entirely within the realm of possibility that he would appoint the Cabinet himself.

In anticipation of such happy auspices, I want to take the precaution of now entering application for special consideration. The President of the United States has the duty of appointing some to desirable positions carefully chosen Members of the opposite party on bipartisan and nonpartisan commissions.

May I here take advantage of this occasion to petition:

"Remember me when thou comest into thy kingdom."

Mr. Chairman, one of the fairest provisions of our system of procedure is the rule for the motion to recommit. The minority is necessarily at a disadvantage. For example, on one amendment which was offered today a change of six votes would have carried the proposition, a very important one; still, we have no opportunity of getting a record vote on it in the Committee of the Whole.

So the rules provide that the minority may offer one motion to recommit in order to secure a record vote on what they may consider to be the essential features of their program.

We will offer a motion to recommit which will comprise three very simple provisions. It will submit three amendments. The first amendment will be for $300,000,000 for the AAA, and nothing else, just the $300,000,000 for AAA. The second amendment will ask $75,000,000 for school lunches, and nothing else, just the $75,000,000 for school lunches. And the third will provide $250,000,000 for REA.

Accordingly, Mr. Chairman, a vote for the motion to recommit will be a vote for AAA, for school lunches, and for REA. A vote against that motion to recommit will be a vote against the farmers, the farm family, and the hungry children of America.

Mr. DIRKSEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HERTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. DIRKSEN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. CANNON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CANNON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CANNON moves to recommit the bill to the Committee on Appropriations with instructions to report it back forthwith with the following amendments:

On page 48, line 26, strike out "$165,614,290" and insert in lieu thereof, "$300,000,000."

On page 52, line 23, strike out "$45,000,000", and insert in lieu thereof "$75,000,000", and strike out the remainder of the paragraph through line 25.

On page 61, line 6, strike out the figure "$225,000,000" and insert in lieu thereof the figure "$250,000,000."

Mr. DIRKSEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 174, nays 180, answered "present" 4, not voting 71, as follows:

[Roll No. 67]

YEAS—174

Abernethy	Gary	Miller, Calif.
Albert	Gathings	Mills
Allen, La.	Gordon	Monroney
Almond	Gore	Morgan
Andrews, Ala.	Gorski	Morris
Barden	Gossett	Murdock
Bates, Ky.	Granger	Murray, Tenn.
Battle	Grant, Ala.	O'Brien
Beckworth	Gregory	O'Konski
Bell	Hardy	O'Toole
Blatnik	Harless, Ariz.	Pace
Bonner	Harris	Passman
Boykin	Harrison	Patman
Brooks	Hart	Peden
Brown, Ga.	Havenner	Philbin
Bryson	Hays	Pickett
Buchanan	Hedrick	Poage
Bulwinkle	Hendricks	Preston
Burleson	Hobbs	Price, Fla.
Camp	Hoeven	Price, Ill.
Cannon	Holifield	Priest
Carroll	Huber	Rains
Celler	Hull	Rankin
Chapman	Jackson, Wash.	Rayburn
Chelf	Jarman	Richards
Clark	Johnson, Okla.	Rivers
Clements	Johnson, Tex.	Robertson
Colmer	Jones, Ala.	Rogers, Fla.
Combs	Jones, N. C.	Rooney
Cooley	Karsten, Mo.	Sabath
Cooper	Kee	Sasscer
Courtney	Kefauver	Schwabe, Mo.
Cox	Kennedy	Sheppard
Cravens	Keogh	Sikes
Crosser	Kerr	Simpson, Ill.
Cunningham	Kilday	Smathers
Davis, Ga.	King	Smith, Va.
Davis, Tenn.	Kirwan	Spence
Dawson, Ill.	Klein	Stanley
Deane	Lane	Stigler
Delaney	Lanham	Stratton
Dolliver	Larcade	Talle
Domengeaux	Lea	Teague
Donohue	Lemke	Thomas, Tex.
Dorn	Lesinski	Thomason
Doughton	Lucas	Trimble
Douglas	Lusk	Vinson
Drewry	Lyle	Walter
Durham	Lynch	Wheeler
Eberharter	McCormack	Whitten
Elliott	McMillan, S. C.	Whittington
Engle, Calif.	Madden	Williams
Evins	Mahon	Wilson, Tex.
Fallon	Manasco	Winstead
Feighan	Mansfield, Mont.	Wood
Fernandez	Marcantonio	Worley
Fogarty	Martin, Iowa	Zimmerman
Folger	Meade, Md.	
Forand		

NAYS—180

Allen, Calif.	Arends	Bender
Allen, Ill.	Arnold	Bennett, Mo.
Andersen, H. Carl	Banta	Bishop
Anderson, Calif.	Barrett	Blackney
Andrews, N. Y.	Bates, Mass.	Boggs, Del.
	Beall	Bolton

Bradley	Halleck	Phillips, Calif.
Bramblett	Hand	Plumley
Brehm	Harness, Ind.	Potts
Brown, Ohio	Herter	Poulson
Buck	Heselton	Ramey
Buffett	Hill	Reed, Ill.
Burke	Hoffman	Reed, N. Y.
Busbey	Holmes	Rees
Butler	Hope	Reeves
Byrnes, Wis.	Horan	Rich
Canfield	Howell	Riehlman
Carson	Jackson, Calif.	Rizley
Case, N. J.	Jenison	Robsion
Chadwick	Jennings	Rockwell
Chenoweth	Jensen	Rogers, Mass.
Chiperfield	Johnson, Calif.	Rohrbough
Church	Johnson, Ill.	Ross
Clason	Jones, Ohio	Russell
Clevenger	Jones, Wash.	Sadlak
Clippinger	Judd	St. George
Coffin	Kean	Sanborn
Cole, Kans.	Kearns	Sarbacher
Cole, Mo.	Keating	Schwabe, Okla.
Cole, N. Y.	Knutson	Scott, Hardie
Corbett	Kunkel	Scrivner
Cotton	Landis	Seely-Brown
Coudert	Latham	Short
Crawford	LeCompte	Simpson, Pa.
Crow	LeFevre	Smith, Maine
Dague	Lewis	Smith, Ohio
Dawson, Utah	Lodge	Smith, Wis.
Devitt	Love	Snyder
D'Ewart	McConnell	Springer
Dirksen	McCowen	Stefan
Dondero	McDonough	Stevenson
Ellsworth	McGarvey	Stockman
Elsaesser	McGregor	Sundstrom
Engel, Mich.	McMahon	Taber
Fellows	McMillen, Ill.	Taylor
Fenton	MacKinnon	Thomas, N. J.
Foote	Macy	Tibbott
Fulton	Maloney	Tollefson
Gamble	Mathews	Van Zandt
Gearhart	Meade, Ky.	Vorys
Gillette	Meyer	Vursell
Goff	Michener	Wadsworth
Goodwin	Miller, Conn.	Welch
Graham	Miller, Md.	Wigglesworth
Griffiths	Mitchell	Wilson, Ind.
Gross	Muhlenberg	Wolcott
Gwynne, Iowa	Mundt	Wolverton
Hale	Murray, Wis.	Woodruff
Hall, Edwin Arthur	Nodar	Youngblood
Hall, Leonard W.	Norblad	
	Owens	
	Patterson	

ANSWERED "PRESENT"—4

Angell	Case, S. Dak.	Kersten, Wis.
Bennett, Mich.		

NOT VOTING—71

Andresen, August H.	Gwinn, N. Y.	Norton
Auchincloss	Hagen	O'Hara
Bakewell	Hartley	Peterson
Bland	Hébert	Pfeifer
Bloom	Heffernan	Phillips, Tenn.
Boggs, La.	Hess	Ploeser
Brophy	Hinshaw	Powell
Buckley	Javits	Rabin
Byrne, N. Y.	Jenkins, Ohio	Rayfiel
Curtis	Jenkins, Pa.	Redden
Davis, Wis.	Johnson, Ind.	Riley
Dingell	Jonkman	Sadowski
Eaton	Kearney	Scoblick
Ellis	Keefe	Scott, Hugh D., Jr.
Elston	Kelley	Shafer
Fisher	Kilburn	Smith, Kans.
Flannagan	McDowell	Somers
Fletcher	Mansfield, Tex.	Towe
Fuller	Mason	Twyman
Gallagher	Merrow	Vail
Gavin	Miller, Nebr.	Weichel
Gifford	Morrison	West
Gillie	Morton	
Grant, Ind.	Nixon	
	Norrell	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Sadowski for, with Mr. Ploeser against.

Mrs. Norton for, with Mr. Kearney against.

Mr. Pfeifer for, with Mr. Gwinn of New York against.

Mr. Hébert for, with Mr. Auchincloss against.

Mr. Morrison for, with Mr. Bakewell against.

Mr. Heffernan for, with Mr. Hess against.

Mr. Powell for, with Mr. Towe against.

Mr. Riley for, with Mr. Gavin against.

Mr. Rayfiel for, with Mr. Eaton against.

Mr. Bloom for, with Mr. McDowell against.

Mr. Byrne of New York for, with Mr. Vail against.

Mr. Somers for, with Mr. Brophy against.

Mr. Norrell for, with Mr. Fletcher against.

Mr. Fisher for, with Mr. Elliston against.

Mr. Kelley for, with Mr. Morton against.

Mr. Dingell for, with Mr. Jenkins of Pennsylvania against.

Mr. Buckley for, with Mr. Jenkins of Ohio against.

Mr. Mansfield of Texas for, with Mr. August H. Andresen against.

Mr. Bennett of Michigan for, with Mr. Gifford against.

Mr. Ellis for, with Mr. Merrow against.

Mr. Angell for, with Mr. Shafer against.

Mr. Boggs of Louisiana for, with Mr. Smith of Kansas against.

Mr. Case of South Dakota for, with Mr. Jonkman against.

Mr. Kersten of Wisconsin for, with Mr. Grant of Indiana against.

Mr. Rabin for, with Mr. Weichel against.

Mr. Peterson for, with Mr. Gillie against.

Mr. Redden for, with Mr. Gallagher against.

Mr. West for, with Mr. Johnson of Indiana against.

Mr. Bland for, with Mr. Scoblick against.

Mr. Flannagan for, with Mr. Miller of Nebraska against.

Mr. Hagen for, with Mr. Hartley against.

Mr. ANGELL. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. SHAFER. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. CASE of South Dakota. Mr. Speaker, I was announced as being paired with the gentleman from Michigan, Mr. JONKMAN. Mr. JONKMAN would have voted "nay" had he been present. Under the circumstances I should have my vote recorded as "yea" and then withdraw it and vote "present."

Mr. BENNETT of Michigan. Mr. Speaker, I have a pair with the gentleman from Massachusetts, Mr. GIFFORD. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. KERSTEN of Wisconsin. Mr. Speaker, I have a pair with the gentleman from Indiana, Mr. GRANT. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. DIRKSEN. Mr. Speaker, on that I demand the yeas and naps.

The yeas and nays were ordered.

The question was taken and there were—yeas 315, nays 38, not voting 76, as follows:

[Roll No. 68]

YEAS—315

Abernethy	Arnold	Bishop
Albert	Banta	Blackney
Allen, Calif.	Barden	Boggs, Del.
Allen, Ill.	Barrett	Bolton
Allen, La.	Bates, Ky.	Bonner
Almond	Bates, Mass.	Boykin
Andersen, H. Carl	Battle	Bradley
	Beall	Bramblett
Anderson, Calif.	Beckworth	Brehm
Andrews, Ala.	Bell	Brooks
Andrews, N. Y.	Bender	Brown, Ga.
Angell	Bennett, Mich.	Brown, Ohio
Arends	Bennett, Mo.	Bryson
Buck	Hardy	Patterson
Buffett	Harless, Ariz.	Peden
Bulwinkle	Harness, Ind.	Philbin
Burke	Harris	Phillips, Calif.
Burleson	Harrison	Pickett
Busbey	Hays	Plumley
Butler	Hedrick	Potts
Byrnes, Wis.	Hendricks	Poulson
Camp	Herter	Preston
Canfield	Heselton	Price, Fla.
Carroll	Hill	Priest
Carson	Hoeven	Rains
Case, N. J.	Hoffman	Ramey
Case, S. Dak.	Holmes	Rankin
Chapman	Hope	Reed, Ill.
Chelf	Horan	Reed, N. Y.
Chenoweth	Howell	Rees
Chiperfield	Hull	Reeves
Church	Jackson, Calif.	Rich
Clark	Jackson, Wash.	Richards
Clason	Jarman	Riehlman
Clements	Jenison	Rivers
Clevenger	Jennings	Rizley
Clippinger	Jensen	Robertson
Coffin	Johnson, Calif.	Robsion
Cole, Kans.	Johnson, Ill.	Rockwell
Cole, Mo.	Jones, Ala.	Rogers, Fla.
Cole, N. Y.	Jones, N. C.	Rogers, Mass.
Colmer	Jones, Ohio	Rohrbough
Combs	Jones, Wash.	Ross
Cooley	Judd	Russell
Cooper	Kean	Sadlak
Corbett	Kearns	St. George
Cotton	Keating	Sanborn
Coudert	Kee	Sarbacher
Courtney	Kennedy	Sasscer
Cravens	Kerr	Schwabe, Mo.
Crawford	Kersten, Wis.	Schwabe, Okla.
Crosser	Kilday	Scott, Hardie
Crow	Knutson	Scrivner
Cunningham	Kunkel	Seely-Brown
Dague	Landis	Sheppard
Davis, Ga.	Lane	Short
Davis, Tenn.	Lanham	Sikes
Dawson, Utah	Larcade	Simpson, Ill.
Deane	Latham	Simpson, Pa.
Devitt	Lea	Smathers
D'Ewart	LeCompte	Smith, Maine
Dirksen	LeFevre	Smith, Va.
Dolliver	Lemke	Smith, Wis.
Domengeaux	Lewis	Snyder
Dondero	Lodge	Spence
Donohue	Love	Springer
Dorn	Lucas	Stanley
Doughton	Lusk	Stefan
Douglas	Lyle	Stevenson
Drewry	McConnell	Stigler
Durham	McCormack	Stockman
Elliott	McCowen	Stratton
Ellsworth	McDonough	Sundstrom
Elsaesser	McGarvey	Taber
Engel, Mich.	McGregor	Talle
Engle, Calif.	McMahon	Taylor
Evins	McMillan, S. C.	Teague
Fallon	McMillen, Ill.	Thomas, N. J.
Fenton	MacKinnon	Thomas, Tex.
Fernandez	Macy	Thomason
Folger	Mahon	Tibbott
Foote	Maloney	Tollefson
Forand	Mansfield, Mont.	Trimble
Fulton		Twyman
Gamble	Martin, Iowa	Van Zandt
Gary	Mathews	Vinson
Gathings	Meade, Ky.	Vorys
Gearhart	Meade, Md.	Vursell
Gillette	Meyer	Walter
Goff	Michener	Welch
Goodwin	Miller, Conn.	Wheeler
Gore	Miller, Md.	Whitten
Gossett	Mills	Whittington
Graham	Mitchell	Wigglesworth
Granger	Monroney	Williams
Grant, Ala.	Morgan	Wilson, Ind.
Gregory	Morris	Wilson, Tex.
Griffiths	Muhlenberg	Winstead
Gross	Mundt	Wolcott
Gwynne, Iowa	Murdock	Wolverton
Hale	Murray, Tenn.	Wood
Hall, Edwin Arthur	Murray, Wis.	Woodruff
	Nodar	Worley
Hall, Leonard W.	Norblad	Youngblood
	Owens	Zimmerman
Halleck	Pace	
Hand	Passman	

NAYS—38

Blatnik	Fogarty	Johnson, Okla.
Buchanan	Gordon	Johnson, Tex.
Cannon	Gorski	Karsten, Mo.
Celler	Hart	Kefauver
Dawson, Ill.	Havenner	Keogh
Delaney	Hobbs	King
Eberharter	Holifield	Kirwan
Feighan	Huber	Lesinski

Lynch	O'Brien	Price, Ill.
Madden	O'Konski	Rooney
Manasco	O'Toole	Sabath
Marcantonio	Patman	Smith, Ohio
Miller, Calif.	Poage	

NOT VOTING—76

Andresen, August H.	Gillie	Nixon
Auchincloss	Grant, Ind.	Norrell
Bakewell	Gwinn, N. Y.	Norton
Bland	Hagen	O'Hara
Bloom	Hartley	Peterson
Boggs, La.	Hébert	Pfeifer
Brophy	Heffernan	Phillips, Tenn.
Buckley	Hess	Ploeser
Byrne, N. Y.	Hinshaw	Powell
Chadwick	Javits	Rabin
Cox	Jenkins, Ohio	Rayburn
Curtis	Jenkins, Pa.	Rayfiel
Davis, Wis.	Johnson, Ind.	Redden
Dingell	Jonkman	Riley
Eaton	Kearney	Sadowski
Ellis	Keefe	Scoblick
Elston	Kelley	Scott, Hugh D., Jr.
Fellows	Kilburn	Shafer
Fisher	Klein	Smith, Kans.
Flannagan	McDowell	Somers
Fletcher	Mansfield, Tex.	Towe
Fuller	Mason	Vail
Gallagher	Merrow	Wadsworth
Gavin	Miller, Nebr.	Weichel
Gifford	Morrison	West
	Morton	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Riley for, with Mr. Fisher against.

Mr. Norrell for, with Mr. Sadowski against.

Mr. Morrison for, with Mrs. Norton against.

Mr. Auchincloss for, with Mr. Pfeifer against.

Mr. Smith of Kansas for, with Mr. Powell against.

Mr. Gavin for, with Mr. Klein against.

Mr. Towe for, with Mr. Rayfiel against.

Mr. Jenkins of Ohio for, with Mr. Bloom against.

Mr. Kearney for, with Mr. Kelley against.

Mr. Ploeser for, with Mr. Byrne of New York against.

Mr. Hess for, with Mr. Heffernan against.

Mr. Elston for, with Mr. Dingell against.

Mr. Johnson of Indiana for, with Mr. Rabin against.

Mr. Miller of Nebraska for, with Mr. Buckley against.

Mr. Bakewell for, with Mr. Somers against.

General pairs until further notice:

Mr. August H. Andresen with Mr. Bland.

Mr. Hagen with Mr. West.

Mr. Jenkins of Pennsylvania with Mr. Mansfield of Texas.

Mr. Jonkman with Mr. Peterson.

Mr. McDowell with Mr. Redden.

Mr. Gillie with Mr. Hébert.

Mr. Grant of Indiana with Mr. Flannagan.

Mr. Morton with Mr. Boggs of Louisiana.

Mr. Fletcher with Mr. Cox.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 1. An act to reduce individual income-tax payments.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MILLIKIN, Mr. TAFT, Mr. BUTLER, Mr. GEORGE, and Mr. BARKLEY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. WOLVERTON asked and was given permission to extend his remarks in the RECORD and include resolutions adopted at a mass meeting held in the city of Camden last night on the subject Jewish Rights in Palestine.

Mr. CASE of South Dakota asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include brief data.

Mr. REEVES asked and was given permission to revise and extend the remarks he made in the committee today and include copy of a grand-jury report and copy of telegrams.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an excerpt from News Week magazine. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $228.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a very inspiring eulogy.

Mr. RANKIN asked and was given permission to extend and revise the remarks he made in the Committee of the Whole today and include certain statistics and data on rural electrification.

Mr. EBERHARTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a communication received from Frederick C. McKee, of Pittsburgh, on the Mundt bill to authorize the State Department to continue its short-wave broadcasts.

Mrs. ROGERS of Massachusetts (at the request of Mr. DIRKSEN) was given permission to extend her remarks in the Appendix of the RECORD on two different subject matters.

Mr. MACY (at the request of Mr. DIRKSEN) was given permission to extend his remarks in the RECORD.

INCOME-TAX PAYMENTS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1) to reduce individual income tax payments, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Minnestota [After a pause.] The Chair hears none and appoints the following conferees: Messrs. KNUTSON, REED of New York, WOODRUFF, DOUGHTON, and COOPER.

PERMISSION TO ADDRESS THE HOUSE

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objections to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, I was immensely pleased this afternoon to learn that Mr. Boleslaus J. Monkiewicz, of New Britain, Conn., was named by Attorney General Clark as a member of the parole board.

I am sure that this appointment will also be good news to the Members of this House, especially Mr. Monkiewicz' former colleagues on the Judiciary Committee with whom he served with distinction during the Seventy-sixth Congress, and to his former colleagues on the Banking and Currency Committee with whom he served so eminently during the Seventy-eighth Congress.

During these two terms in the House of Representatives, Attorney Monkiewicz represented the At-Large District of Connecticut, the same district I am privileged to represent in this Congress.

It was my good fortune and a genuine pleasure to refer to this new member of the parole board as my "chief" or "boss," the affable term by which secretaries on the Hill refer to Members of Congress, for I was a secretary on his office staff for 40 months of his combined two terms until I took leave to go on active duty with the Navy.

Mr. Monkiewicz' fine family background, excellent character, legal training and practice, fairness, consideration of others, ability to cooperate with others, wide knowledge of human behavior, eminently fit him for the position to which he has been appointed today.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. KEARNEY (at the request of Mr. GAMBLE), for 1 week, on account of illness.

To Mr. BROPHY (at the request of Mr. ARENDS), for 4 days, on account of official business.

To Mr. O'HARA (at the request of Mr. ARENDS), indefinitely, on account of official business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 107. Joint resolution limiting the application of provisions of Federal law to counsel employed under Senate Resolution 46.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 3029. An act to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 31 minutes p. m.) the

House adjourned until tomorrow, Thursday, May 29, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

715. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 30, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on Greenwich Harbor, Conn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on April 24, 1945 (H. Doc. No. 272); to the Committee on Public Works and ordered to be printed, with two illustrations.

716. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 11, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Rock Hall (Rockhall) Harbor, Kent County, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 273); to the Committee on Public Works and ordered to be printed, with an illustration.

717. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated October 31, 1946, submitting an interim report, together with accompanying papers and illustrations, on a preliminary examination and survey for flood control at the city of Tucson, Ariz., and vicinity, in accordance with the Flood Control Act approved on June 28, 1938, which authorizes a preliminary examination and survey of Gila River and tributaries, Arizona and New Mexico (H. Doc. No. 274); to the Committee on Public Works and ordered to be printed, with three illustrations.

718. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 2, 1947, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Little Sioux River, Iowa, authorized by the Flood Control Act approved on August 28, 1937 (H. Doc. No. 275); to the Committee on Public Works and ordered to be printed, with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSS: Committee on Merchant Marine and Fisheries. House Report No. 333 (pt. II). Supplemental report to accompany H. R. 673. A bill to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels. Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Armed Services. H. R. 3251. A bill to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes; with an amendment (Rept. No. 477). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSSETT: Committee on the Judiciary. H. R. 3149. A bill to amend the act approved December 28, 1945 (Public Law 271, 79th Cong.), entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces"; with an amendment (Rept. No. 478). Referred to the House Calendar.

Mr. GOSSETT: Committee on the Judiciary. H. R. 3398. A bill to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States; without amendment (Rept. No. 479). Referred to the House Calendar.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 3629. A bill to authorize the transfer to the Panama Canal of property which is surplus to the needs of the War Department or Navy Department; without amendment (Rept. No. 480). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 3072. A bill to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building; with an amendment (Rept. No. 481). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. H. R. 2314. A bill to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, so as to authorize lump-sum payments under the said act to the survivors of deceased officers without administration of estates; with an amendment (Rept. No. 482). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 1845. A bill to amend section 371, title 10, United States Code (military leave for Federal employees); with an amendment (Rept. No. 483). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

Mr. GROSS:

H. R. 3645. A bill relating to the exchange of certain private and Federal properties within Gettysburg National Military Park, Pa., and for other purposes; to the Committee on Public Lands.

By Mr. JOHNSON of Illinois:

H. R. 3646. A bill to provide equitable relief to contractors supplying dairy products to armed forces; to the Committee on the Judiciary.

By Mr. MICHENER (by request):

H. R. 3647. A bill to extend certain powers of the President under title III of the Second War Powers Act; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 3648. A bill to amend section 3406 (a) (4) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. SCHWABE of Oklahoma:

H. R. 3649. A bill to amend the Revenue Act of 1945; to the Committee on Ways and Means.

By Mr. PATTERSON:

H. R. 3650. A bill to amend Veterans Regulation No. 1 (a), part I, as amended, to establish a conclusive presumption of service incurrence of tropical diseases; to the Committee on Veterans' Affairs.

By Mr. MILLS:

H. R. 3651. A bill to amend the act of December 5, 1945, entitled "An act granting travel pay and other allowances to certain soldiers of the war with Spain and the Philippine Insurrection who were discharged in the Philippine Islands"; to the Committee on the Judiciary.

By Mr. ROBERTSON:

H. R. 3652. A bill to provide for the transfer of title to certain temporary housing and facilities to educational institutions, States and political subdivisions thereof, local public agencies, and nonprofit organizations having possession of such housing and facilities; to the Committee on Public Works.

By Mr. SIMPSON of Pennsylvania:

H. R. 3653. A bill allowing a credit against the additional estate tax for inheritance, estate, legacy, or succession taxes paid to any State; to the Committee on Ways and Means.

By Mr. CRAVENS:

H. R. 3654. A bill to amend section 6 of Public Law 526, Seventy-ninth Congress, second session, and for other purposes; to the Committee on Public Works.

By Mr. BROOKS:

H. R. 3655. A bill to provide for the selection and elimination and retirement of officers of the Regular Army, and to provide retirement benefits for members of the Reserve components of the Army of the United States, United States Navy and Marine Corps, and Coast Guard; to the Committee on Armed Services.

By Mr. DONOHUE:

H. R. 3656. A bill to permit holders of bonds issued under the Armed Forces Leave Act of 1946 to assign such bonds for the purpose of making payment on certain loans guaranteed under the Servicemen's Readjustment Act of 1944; to the Committee on Armed Services.

By Mr. TOWE:

H. R. 3657. A bill to provide for a Board of Visitors to the United States Naval Academy and for a Board of Visitors to the United States Military Academy, and for other purposes; to the Committee on Armed Services.

By Mr. HOWELL:

H. R. 3658. A bill to amend paragraph (1) of section 2 of the Securities Act of 1933, as amended, relating to the definition of the term "security" contained therein; to the Committee on Interstate and Foreign Commerce.

By Mr. LANDIS:

H. R. 3659. A bill to raise the minimum wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. HAND:

H. R. 3660. A bill to establish a National Superhighway Commission in order to provide for the making of plans and surveys for the construction of a national superhighway system; to the Committee on Public Works.

By Mr. JUDD:

H. R. 3661. A bill to direct the Secretary of the Interior to assist in the establishment in Minneapolis, Minn., of a home and recreational center for American Indian girls; to the Committee on Public Lands.

By Mr. KNUTSON:

H. J. Res. 210. Joint resolution to extend the time for the release, free of estate and gift tax, of certain powers, and for other purposes; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to refuse passage of H. R. 2876, creating a Redwood National Park and a national forest area in California; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COUDERT:

H. R. 3662. A bill for the relief of Col. W. M. Chubb; to the Committee on the Judiciary.

By Mr. ELSAESSER:

H. R. 3663. A bill for the relief of Luke Mauriello; to the Committee on the Judiciary.

By Mr. FORAND:

H. R. 3664. A bill for the relief of Walter F. Zagrodny; to the Committee on the Judiciary.

By Mr. GORSKI:

H. R. 3665. A bill for the relief of Adam Stefan Hawrylak; to the Committee on the Judiciary.

By Mr. HART (by request):

H. R. 3666. A bill for the relief of Universal Steamship Co. for losses sustained due to the interruption of a voyage of the American schooner *Ninette M. Porcella*, by reason of a Presidential proclamation, effective September 28, 1917, forbidding sailing vessels from entering the war zone; to the Committee on the Judiciary.

H. R. 3667. A bill for the relief of S. H. Brown and M. Brown, also known as the Universal Steamship Co., a Georgia corporation, to cover the loss of their bark *Brown Brothers*, destroyed by a German raider during the World War; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

581. By Mr. PATMAN: Petition of John W. Goodwin and 41 other citizens of Cass and Bowie Counties, Tex., favoring the passage of S. 265, a bill to prevent the interstate transmission of advertising of all alcoholic beverages and the broadcasting of such advertising by means of radio; to the Committee on Interstate and Foreign Commerce.

582. By Mr. GWYNNE of Iowa: Petition of Mrs. C. A. Borden and others of the city of Waterloo, Iowa, protesting against compulsory universal military training; to the Committee on Armed Services.

583. By the SPEAKER: Petition of the chairman, Union Republican Progressive Party of Puerto Rico, petitioning consideration of their resolution with reference to amendments to H. R. 3309; to the Committee on Public Lands.

584. Also, petition of the Engineers' Club of Minneapolis, petitioning consideration of their resolution with reference to appreciation for the restoration of the name Hoover Dam; to the Committee on Public Lands.

585. Also, petition of Branch Local No. 23, Patrolmen's Benevolent Association, New Brunswick, N. J., petitioning consideration of their resolution with reference to endorsement of H. R. 1613; to the Committee on Ways and Means.

586. Also, petition of the members of the Valdosta Townsend Club, No. 2, Valdosta, Ga., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

587. Also, petition of the Associated Townsend Clubs of Hillsborough County, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

588. Also, petition of the Brotherhood of Railway and Steamship Clerks, petitioning consideration of their resolution with reference to endorsement of legislation amending the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

589. Also, petition of Aquinas Council, No. 757, Knights of Columbus, petitioning consideration of their resolution with reference to endorsement of the Sasscer bill, to make Good Friday a Federal legal holiday; to the Committee on the Judiciary.

SENATE

THURSDAY, MAY 29, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Edward Hughes Pruden, pastor, First Baptist Church, Washington, D. C., offered the following prayer:

Our God and Father, we thank Thee that amidst the changing scenes of our earthly existence there stands One among us who is the same yesterday, today, and forever. Save us, we pray Thee, from the folly of assuming that changing circumstances affect the unchanging truths upon which our Nation has been founded. Today we would rededicate ourselves to those sacred ideals which were so much a part of our founding fathers' very existence, and which in turn made America great.

As we begin this day's work, we look to Thee for the illumination of Thy spirit, knowing that Thou art the source of all our sufficiency, and that apart from Thee we can do nothing.

Through Jesus Christ our Lord we pray. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of Wednesday, May 28, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1) to reduce individual income-tax payments; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KNUTSON, Mr. REED of New York, Mr. WOODRUFF, Mr. DOUGHTON, and Mr. COOPER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS

Petitions, etc., was laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

Petitions of the members of the South Miami Townsend Club, No. 1, and the members of the Associated Townsend Clubs of Hillsborough County, both in the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A resolution adopted by the Union Republican Progressive Party of Puerto Rico, San Juan, P. R., favoring an amendment to the Organic Act of Puerto Rico providing for the election of a Governor by the citizens of Puerto Rico; to the Committee on Public Lands.

A resolution adopted by the Union Republican Progressive Party of Puerto Rico, San Juan, P. R., favoring the enactment of the so-called Langer bill granting statehood to Puerto Rico; to the Committee on Public Lands.

PROHIBITION AGAINST LIQUOR ADVERTISING

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the New York East Annual Conference of the Methodist Church on May 18, 1947, favoring the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce.

There being no objection, the resolution was received, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it resolved, That the New York East Annual Conference of the Methodist Church go on record as favoring the passage of bill S. 265, by Senator ARTHUR CAPPER, of Kansas, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; that the secretary of this conference send notice of this action to Senator ARTHUR CAPPER; Senator WALLACE H. WHITE, JR., chairman of the Senate Committee on Interstate and Foreign Commerce; Senators ROBERT F. WAGNER and IRVING IVES, of New York; and Senators RAYMOND BALDWIN and BRIEN MCMAHON, of Connecticut; and that the ministers of our conference be urged to take action in their respective churches to build up active support for this measure by petitions, letters, and telegrams to the appropriate Senators.

ECONOMIC REHABILITATION OF GERMANY—RESOLUTION OF UNITED STATES CHAMBER OF COMMERCE

Mr. WHERRY. Mr. President, I present and ask unanimous consent to have printed in the RECORD a resolution entitled "Economic Rehabilitation of Germany," which was adopted at the thirty-fifth annual meeting of the United States Chamber of Commerce, Washington, D. C.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ECONOMIC REHABILITATION OF GERMANY

World prosperity is the fortunate consequence of high productivity. But high productivity in any country requires surrounding conditions adequate for and conducive to creating in men's minds and souls a willingness to work and toil for objectives worth the struggle and sacrifice for their attainment.

The rapid acceleration of Germany's ruin is leading to the desperate readiness of the German people to accept even communism as an escape from political, economic, and social chaos.

The shifting sands of destiny and the fatal course of history have transferred to new areas, west and east, the world's political and economic centers of gravity. Notwithstand-

ing the ravages of successive wars, continental Europe continues essential to Christian civilization. It is impossible to conceive an orderly Europe if in its very center a moral and economic vacuum is created.

Therefore, the rehabilitation of Germany is vitally required for European and world health and well-being. Without an economically sound, self-supporting, and self-respecting Germany, there is scant hope for continued world peace.

The future of Germany must therefore be planned in terms of European and world peace and prosperity. Revival of German industry as a world asset on the ledger of human welfare and progress should be stimulated and fostered without further delay, lest already it be too late.

Forced labor or involuntary servitude must not be countenanced, since they are contrary to our fundamental American concepts of individual human rights.

The enforced migration of whole populations and the arbitrary and ruthless transfer of sovereignty of areas create new and usually greater injustices over which coming generations may brood and, brooding, plan and connive for another try at world domination.

Proper safeguards to insure the impossibility of resurgent military Germany must be taken. But fear of such resurgence and considerations of vengeance on a conquered nation, when translated into irrational reprisals, will inevitably lead to the stimulation, under new and strange masters, of the very military resurgence we are so anxious to avoid.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

H. R. 765. A bill for the relief of Elwood L. Keeler; without amendment (Rept. No. 210).

By Mr. KEM, from the Committee on the District of Columbia:

S. 1265. A bill to amend sections 1301 and 1303 of the Code of Law for the District of Columbia, relating to liability for causing death by wrongful act; with amendments (Rept. No. 211); and

S. 1266. A bill to amend section 1064 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, relating to admissibility of testimony by a party to a transaction when the other party is incapable of testifying; with amendments (Rept. No. 212).

REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—ADDITIONAL REPORT ON FEDERAL EMPLOYMENT (S. DOC. NO. 57)

The PRESIDENT pro tempore laid before the Senate a letter from Mr. BYRD, chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, transmitting, pursuant to law, an additional report of the joint committee on the subject of Federal employment, which was referred to the Committee on Appropriations, and ordered to be printed.

Mr. BYRD. Mr. President, the report of the Joint Committee on Reduction of Nonessential Federal Expenditures just laid before the Senate relates to Federal employment.

The report sums up Federal employment during the past 6 years of prewar, actual war, and postwar Government activity. Information contained in the report is comprehensive, including comparative employment figures and a geographical break-down of Federal employment. In addition it treats personnel transfers and discusses personnel ceilings.

The comparative tables of the report showed that as of January this year the number of Federal employees stood at nearly two-thirds of the wartime peak—still two and a half times as great as it was in 1939, the last normal prewar year. The number was 919,776 on June 30, 1939; on June 30, 1945, it was 3,737,896; and in January this year it was 2,261,459.

Between the wartime peak and January 1947 War and Navy Departments and war-emergency agencies reduced personnel by a total of 1,794,604, but this reduction was partially offset by a net increase of 318,167 in nonwar departments and agencies. Notable among those showing increases in this period were Reclamation Service, which more than doubled; Bonneville Power Administration, Federal Prison System, Division of Labor Standards, Office of Secretary of Labor, Office of First Assistant Postmaster General, Office of Fourth Assistant Postmaster General, State Department's Foreign Service, Office of Foreign Liquidation and Prencinradio, Inc., Federal Security Agency, Public Buildings Administration, Public Roads Administration, and Veterans' Administration.

In its geographical break-down of Federal employment concentration, the report showed that the Washington metropolitan area led the country with 221,288 employees. The State of California ran a close second, with 212,912. New York State was third, with 192,596. Vermont was last, with 3,159. Federal employees on duty outside continental United States totaled nearly 300,000.

Analyzing personnel transfers following the end of the war, the report showed that 68,722 employees had been transferred, under 22 Executive orders, reorganization plans, and public laws. This number did not include personnel transferred by their own initiative. The majority of the transfers were from temporary agencies to permanent departments and establishments.

In discussing personnel ceilings prescribed by the Federal Pay Acts of 1945 and 1946, the report showed that where applied the ceilings were effective, but pointed out that their effectiveness was impaired by the exemption of the major portion of the executive branch of the Government. Between July 1, 1945, and September 30, 1946, when ceilings imposed under the 1945 act carried no penalties the report showed there were 271 ceiling violations, and that in that time 47,278 employees were paid in violation of ceiling determinations. In the last quarter of the calendar year 1946, when penalties were imposed under the 1946 act, there were no violations.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on May 28, 1947, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 107) limiting the application of provisions of Federal law to counsel employed under Senate Resolution 46.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 1362. A bill to facilitate the administration by the Secretary of the Interior, in cooperation with other Federal agencies, of the recreational uses of lands and waters within reclamation, flood control, power, and other Federal reservoir projects; to the Committee on Public Lands.

By Mr. KNOWLAND:

S. 1363. A bill to provide for the establishment of the Patton National Monument in the State of California; to the Committee on Public Lands.

S. 1364. A bill for the relief of Kihei Matsuo; to the Committee on the Judiciary.

By Mr. DOWNEY:

S. 1365. A bill for the relief of Lowe Way Yuen and Dang Chee; to the Committee on the Judiciary.

S. 1366. A bill to amend section 24 of the Federal Power Act so as to provide that the States may apply for reservation for highway purposes of portions of power sites released for entry, location, or selection; to the Committee on Public Works.

By Mr. ROBERTSON of Wyoming:

S. 1367. A bill to amend section 10 of the Taylor Grazing Act of June 28, 1934 (48 Stat. 1273), as amended June 26, 1936 (49 Stat. 1978; 43 U. S. C., sec. 315i); and

S. 1368. A bill to amend section 2357 of the Revised Statutes to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes; to the Committee on Public Lands.

CONTINUATION OF RENT CONTROL—AMENDMENT

Mr. HOLLAND (for himself and Mr. PEPPER) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1017) providing for the temporary continuation of rent control, transferring rent control to the Housing Expediter, providing for the creation of local advisory boards on rent control, and for other purposes, which was ordered to lie on the table and to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENT

Mr. BUSHFIELD submitted an amendment intended to be proposed by him to the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 13, line 22, after the figure "$8,000,000" insert the following: "of which amount not to exceed $402,570, shall be expended for the following nonreservation boarding schools in the State of South Dakota: Pierre, S. Dak., $170,100; Flandreau, S. Dak., $232,470."

HOUSE BILL REFERRED

The bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

THE CHALLENGE TO ALABAMA WOMEN—ADDRESS BY SENATOR HILL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address prepared by him for delivery to the Alabama Federation of Women's Clubs, at Mobile, Ala., on Thursday, May 8, 1947, which appears in the Appendix.]

OPERATION NAVAL RESERVE—ADDRESS BY HON. JOHN NICHOLAS BROWN

[Mr. GREEN asked and obtained leave to have printed in the RECORD an address entitled "Operation Naval Reserve," delivered by Hon. John Nicholas Brown, Assistant Secretary of the Navy for Air, at Providence, R. I., on May 25, 1947, which appears in the Appendix.]

IRRIGATION AND RECLAMATION DEVELOPMENTS—EDITORIAL FROM THE WALLA WALLA BULLETIN

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an editorial entitled "Poor Campaign Strategy," published in the Walla Walla (Wash.) Bulletin, which appears in the Appendix.]

MARINE GENERAL CARLSON DIED DISILLUSIONED—ARTICLE FROM THE WASHINGTON DAILY NEWS

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an article entitled "Marine General Carlson Died Disillusioned," published in the Washington Daily News for May 28, 1947, which appears in the Appendix.]

CREATION OF A WORLD GOVERNMENT—ARTICLE BY MALVINA LINDSAY

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an article entitled "Adventure for Peace," by Malvina Lindsay, which appears in the Appendix.]

MARGARINE AND THE CONSUMER—ARTICLE BY MRS. CORRIE T. PLYLER

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an article entitled "Margarine and the Consumer," written by Mrs. Corrie T. Plyler, and published in the South Carolina Farmer of May 1947, which appears in the Appendix.]

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent that the Subcommittee on War Assets of the Committee on Expenditures in the Executive Departments be permitted to sit during this afternoon's session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. MORSE. Mr. President, I ask unanimous consent that the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare be permitted to hold a meeting this afternoon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEAVES OF ABSENCE

Mr. REED. Mr. President, I have a grandson who will graduate from the United States Military Academy at the exercises at West Point next Monday and Tuesday. I ask permission of the Senate to be absent on Monday and Tuesday of next week.

The PRESIDENT pro tempore. Without objection, the request is granted.

Mr. DONNELL. Mr. President, I ask unanimous consent that I may be absent from the Senate until Monday, June 9, 1947.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. MARTIN. Mr. President, I ask unanimous consent to be absent from the Senate next Monday and Tuesday.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. BALDWIN. Mr. President, I ask unanimous consent to be absent from the Senate on Monday next.

The PRESIDENT pro tempore. Without objection, the order is made.

EXTENSION OF CIVIL-SERVICE RETIREMENT PRIVILEGES

Mr. BUCK obtained the floor.

Mr. WILLIAMS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Delaware yield to his colleague?

Mr. BUCK. I yield.

Mr. WILLIAMS. Mr. President, I desire this morning to discuss Senate bill 637, a bill to amend the Civil Service Retirement Act, as amended; and since there is only one member of the committee present at this time I am going to suggest the absence of a quorum, because some of the members of the committee may want to be here to defend the bill or make a statement about it in reply to what I am about to say. I therefore suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Daniel
Ball	Hill	O'Mahoney
Barkley	Hoey	Pepper
Bricker	Holland	Reed
Brooks	Ives	Revercomb
Buck	Jenner	Robertson, Va.
Bushfield	Johnson, Colo.	Robertson, Wyo.
Byrd	Johnston, S. C.	Russell
Cain	Kem	Saltonstall
Capper	Knowland	Smith
Chavez	Langer	Sparkman
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tydings
Eastland	McMahon	Umstead
Ecton	Magnuson	Vandenberg
Ellender	Malone	Watkins
Ferguson	Martin	Wherry
Fulbright	Maybank	White
George	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Wilson
Hatch	Murray	Young
Hawkes	Myers	

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. BUTLER] are absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from West Virginia [Mr. KILGORE], the Senator from Rhode Island [Mr. MCGRATH], and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Tennessee [Mr. MCKELLAR] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

Mr. WILLIAMS. Mr. President, as I have said, I desire to make a few remarks this morning with reference to Senate bill 637, which is listed on the calendar as No. 144, and is known as the Langer-Chavez amendment to the Civil Service Retirement Act.

Whenever we discuss the civil-service retirement fund, there is one important fact which we must always bear in mind. The civil-service retirement fund is not and was never intended to be classed as a welfare fund. The primary purpose of this retirement fund when established by Congress was to act as an insurance fund whereby the employees and the Government, as their employer, together could contribute. This fund has been built up over the past several years until today it has a valuation in excess of $2,000,000,000.

This fund belongs to the Federal employees and should not be considered as the property of the Federal Government, and as Members of the Congress we have no moral right to pass legislation appropriating any of the accumulated moneys of this trust fund to any other purpose than that for which it was originally established.

This principle was violated in 1942 under a bill sponsored by Representative Ramspeck in the House, and by other legislation and Presidential directives during that period when there were blanketed into the Civil Service Retirement System many of the New Deal employees who had previously never made any contributions toward the building up of this fund.

It is my opinion that neither in those instances nor in any other instance did Congress have the right to blanket in these additional employees without, at the same time, appropriating to the general retirement fund a sum of money sufficient to take care of the obligations being imposed upon the fund. At the time of the passage of the 1942 act, it was represented to the Members of Congress, on page 11 of the House report of the hearings, that the additional cost to the Government under the Ramspeck Act would be approximately $14,000,000. That was not an actuarial report, but it was accepted by the Members of the Congress. Proof that this figure was misleading is contained in the budget report of the General Accounting Office, which shows that the Government contributions to the fund in 1941 were $91,559,110, whereas 3 years later, in 1944, this figure

had increased to $175,993,037, or an additional cost to the Government of over $80,000,000 more than the 1941 figure.

The obligations of the Retirement Act were further increased during the past 2 years, when the salaries of the Government employees were raised an average of approximately 30 percent over the period. Under an amendment that was added to the Civil Service Retirement Act in 1942, the employees were given the choice of using different formulas for the computation of their annuities. One of these formulas gave them the privilege of using the highest 5-year average salary as a base for the computation. This last formula offered to the employees, of using the highest 5-year salary average, was the equivalent of increasing the annuity of those employees who will retire after having served during the 5-year war period approximately 30 percent or in the same proportion as their salaries were increased. The increased cost of this was covered by the increased employee contributions and by an increase in the Government contributions from the $175,000,000 level in 1944 to over $246,000,000 in 1946. This increase in the Government contributions does not take into consideration any of the retirement funds that have been set up under some Government agencies in recent years and which are being operated entirely independent of the present civil-service retirement system. One example of this is the independent retirement fund created by the Tennessee Valley Authority for their employees and toward the support of which the Tennessee Valley Authority itself has appropriated several million dollars a year without even pretending to seek the approval of the Members of Congress.

Today we have on the calendar Senate bill 637, which has been reported favorably by a substantial majority of the committee, along with Committee Report No. 143, which says on page 6 that "the ultimate cost to the Government when the system reaches maturity approximately 30 years hence may be four or five million dollars per year. No immediate increase in appropriations is required." At the same time the report has gone out to all employees on retirement that the bill plans to increase their retirement benefits on an average of from 20 to 25 percent. The employees who are now in the service have all been led to believe that their retirement benefits when they reach the retirement age will be substantially greater than those now offered them under the present act, and also it promises to them the one additional security they want most, namely, survivorship benefits for their families. It is true that under the pending bill there will be an additional 1 percent deducted from the salaries of the various employees, but during the hearings I heard no one testify that he thought this 1 percent would cover the cost of those items contained in S. 637. In view of the fact that the committee reported the bill to the Senate on the assumption that the cost for the next 30 years would be negligible, but are spreading the idea all over the country that all Government employees are to gain additional benefits, it is my opinion that the situation is being misrepresented to either the Members of Congress and the taxpayers, or to the employees themselves.

After studying the history of the New Deal administration's blanketing into civil service all the members of the many wartime agencies, and after reading the provisions contained in S. 637, which I shall later attempt to outline, I am convinced that the principal purpose of the bill I am discussing is to take care of the 1,000,000 employees whom we now plan to dismiss from the Government pay rolls, and do this either at the expense of the Federal Treasury or at the expense of the permanent employees themselves, who are being called upon for an additional 1 percent contribution. The bill represents nothing more than a bonus bill for the Federal employees who fought "the battle of Washington."

At this point I ask unanimous consent to have printed in the RECORD as a part of my remarks a report or chart showing the estimated costs of the program as furnished to the committee by Mr. Irons, Chief of the Retirement Division of the Civil Service Commission. I might say that this report is not contained in the committee hearings which are printed and are on the desks of Senators at this time.

The PRESIDENT pro tempore. Without objection, the publication as requested will be made.

The chart is as follows:

Statement of costs and savings of S. 637 as modified by the Commission's proposal based on employment of 1,500,000 at an average salary of $2,900

[Figures in millions of dollars]

	1948	1949	1950	1960	1970	1980
1. Increase in annuity formula	36	39	42	60	75	75
2. Increase to annuitants on rolls	22	21	20			
3. Benefits to widows of employees	1	2	3	12	17	21
4. Benefits to children	1	3	6	20	20	20
5. Benefits to survivors of annuitants	13	14	15	21	27	27
Total costs	73	79	86	113	139	143
X. Less increase from 5 to 6 percent	44	44	44	44	44	44
	29	35	42	69	95	99
Less savings due to below	28	30	22	62	102	114
A. Reduction in interest rate to 3 percent	6	7	9	26	38	50
B. Nonpayment of interest on refunds	14	14	3	6	9	9
C. Extending vesting right to 10 years	5	6	7	20	35	35
D. Charging total annuity paid to account	3	3	3	10	20	20
Total savings	−1	−5	−20	−7	+7	+15

Mr. WILLIAMS. Mr. President, this report contradicts the estimate of the committee which said there would be no additional cost, in that it estimates the cost, after deducting all the proposed savings at $20,000,000 in 1950. I even question the accuracy of this estimate and will attempt to show that some of these figures are based on assumptions that are unlikely to happen.

An examination of the bill discloses that under section 4 the average annuity is increased 20 percent. The average payments under this section are now $1,000 a year, and under section 4 there would be an increase of $200 per individual retiring after this date. The average number retiring each year is estimated at 30,000 employees, so that there would be an increase of $6,000,000 a year, which would increase by multiples each year until an estimated average of $42,000,000 had been reached in 1950 and in 1960, $60,000,000; by 1970 the figure would reach $75,000,000 and remain level thereafter. That is shown in item 1 of the chart which I have just had printed in the RECORD.

Section 4 also grants benefits to the survivors of annuitants. The estimated cost under this new program would be $13,000,000, effective immediately, and would increase to $21,000,000 by 1960 and to $27,000,000 in 1970. It is expected to remain constant thereafter, as shown in item 5 of the chart.

Section 8 increases the annuity paid to those now on retirement approximately $200 a year, which represents a 25-percent increase. It is estimated that there are now 110,000 employees on retirement, and this section would involve a cost of $22,000,000 a year beginning immediately, which figure would decline under this section as the present annuitants die during the succeeding years, as shown in item 2 of the chart.

Section 12 grants benefits to the widows and children who survive the employee. The cost under this section is estimated at $9,000,000 in 1950, and will increase to $32,000,000 by 1960, and should remain stationary thereafter, as shown in items 3 and 4 of the chart. I might say again that this chart was filed with the Civil Service Committee itself during the hearings, but was not printed in the record of the committee hearings.

It is claimed that under the Senate bill 637 there will be many savings and additional income which will to a certain extent offset the increased benefits which are given to the employees. I shall now attempt to analyze these savings. For instance, section 10 authorizes an increase in the contributions of employees from the present 5 to 6 percent, which increase based on 1,500,000 employees would produce an additional revenue of $44,000,000. This amount will change in direct proportion as the number of employees vary above or below the 1,500,000 figure. This is the deduction shown on the chart by item X.

Under item A of the above report we find that Senate bill 637 reduces the interest rates from 4 to 3 percent on the Government obligations held by the trust fund. The savings on this item alone are

estimated to run from $8,000,000 immediately to as high as $50,000,000 by 1980 as shown by the chart. This is a fallacy; these savings are completely offset by additional appropriations which will be demanded from the Congress to keep the trust fund in the same degree of solvency as has been maintained in the past. For example, last year the Government contributed $246,220,000 and then paid into the fund another $80,000,000, which represented 4 percent interest on the $2,000,000,000 principal of the fund, making a total income to the fund of around $325,000,000, including interest and Government contributions. When we reduce the interest rates from 4 to 3 percent we immediately reduce the revenue from that source $20,000,000, and in order to make the books balance with the over-all income of $325,000,000 Congress would be called upon merely to add the $20,000,000 to the appropriation bill. The same thing will be true in 1980, when the interest savings are estimated at $50,000,000. In that year we would be called upon to add the $50,000,000 to the appropriation bill.

If Senators do not agree with me that this is true, then I ask, Why not eliminate all of the interest and save the full $80,000,000? We all recognize that that cannot be done. As proof that the Civil Service Commission itself agrees with me that the savings being claimed are fictitious, I quote at this point a statement by Mr. Irons, Chief of the Retirement Division, Civil Service Commission, which was concurred in by Mr. J. D. Phenix, actuary and statistician of the Senate Civil Service Committee:

> The reduction in the interest rate of 4 to 3 percent will result in reducing the required appropriations to serve the public debt by 1 percent of the balance remaining in the civil service retirement and disability fund. On the other hand the amount by which the public debt is reduced in this direction will require an increased appropriation to the civil service fund so that the total income to that fund may not be reduced each year.

This completely refutes the claim of the committee that there are any savings from this source.

I should like to ask why this statement was not printed in the hearings which lie on the desks of Senators. Why were estimated savings of $50,000,000 counted in when they were specifically contradicted by all the authorities in the committee hearings?

Senate bill 637 eliminates the so-called tontine charge of $1 a month which is now charged against the employees. Based on the employment level of 1,500,000, which is used in all estimates of this bill, this will mean a reduction in the income from this source of $18,000,000 a year. This reduction in the income is not taken into consideration at all in any of the estimates that have been made as to the cost. I have heard various explanations, none of which were quite clear. Perhaps the chairman of the committee will be able to explain satisfactorily how we can eliminate this $18,000,000 charge without at the same time increasing the appropriations to offset it.

In the preceding chart, item D represents a saving to be accomplished by reducing benefits paid to survivors of employees who die after having reached the retirement age. This is also referred to on page 6, item 3D, of Committee Report No. 143. I will neither confirm nor dispute this item, but I cannot picture the Government being so low on finances as to brag about any savings to be taken away from the survivors of some employee.

Item B in the chart, listed as Nonpayment of Interest on Refunds, shows savings under S. 637 of $14,000,000, both in 1948 and 1949. These savings are based wholly upon the assumption that the employees lose their interest on money refunded if they resign. It does not take into consideration that the employee dismissed will in many cases still be paid interest. As the percentage of dismissals rise over resignations, these savings will disappear, and therefore no reliance can be placed upon this figure.

Item C, extending vesting rights to 10 years, shows a saving of $5,000,000 in 1948 and this is scheduled to increase to $35,000,000 by 1980. Here again we have an estimate made upon the assumption that the employee resigns instead of being dismissed. Remember that the employee who is dismissed after 5 years of service will still retain his retirement benefits under S. 637 and also will get back all the money he has previously contributed to the fund. This is another saving that cannot be counted upon at all.

After we reexamine this chart and allow for the acknowledged errors previously pointed out, we find that the cost in 1950, instead of being $20,000,000, will be nearer $40,000,000; and the cost in 1980, instead of showing a plus sign of $15,000,000 will, when we allow for the acknowledged error of $50,000,000 in item A plus the other errors I have shown, make the additional cost by that time nearer $75,000,000 a year.

As further proof that this estimate is nearer correct than that shown by the committee report, I refer to a statement of Mr. Irons, Chief of the Retirement Division, Civil Service Commission, found on page 134 of hearings held on May 20, 1947. The chairman asked:

> Mr. Irons, in case your amendments were adopted, what percentage would the Government pay as compared to the employee?
>
> Mr. IRONS. If the rate were raised 1 percent, it would be 10 to 6.

It is agreed that the extra employees' contribution of 1 percent will amount to $44,000,000 annually based on a 1,500,000 pay roll. Therefore, using the Commission's own formula, the cost to the Government will be $73,333,000, or practically the same as the figure I have just shown as the ultimate cost, and completely refutes the committee's report.

I personally do not object to survivorship benefits for employees who are willing to pay the cost by extra deductions from the pay roll. In fact, I heartily approve of them. After seeing Congress launched on a world-wide relief program costing billions of dollars, I can hardly see how objection can be made to granting an increase to employees who have faithfully served the Government and now in their old age are caught between the rising cost of living and low-retirement checks, an inflationary spiral brought on by the recent New Deal spending spree.

The only objection I have ever made to either of these features was when I voted that the bill be held up until such time as a reliable actuarial estimate could be made of the costs; then, with an accurate knowledge of the costs, we could intelligently reach a decision and make our report to the Senate.

As proof that this estimate was not obtained, I quote from a letter written to me by Mr. J. D. Phenix, actuary and statistician of the Senate Civil Service Committee, under date of April 30, 1947, or 5 days after the bill had been reported by the committee:

> No reliable estimate of costs can be made until the following data are available:
>
> (1) Number of covered employees who will normally be employed by the Government after the effects of the war have disappeared.
>
> (2) With respect to each employee we must know:
>
> (a) Age, sex, salary, and length of service.
>
> (b) In the case of married males—age of wife and age of each child under 18.
>
> (3) Identical information with respect to each employee who separates from the service over a normal postwar period, plus the reason for his separation—such as death, voluntary or involuntary separation, disability or service retirement.

As I said in the beginning, the primary objective of this bill was to grant extra benefits to the million New Deal employees who expect to lose their jobs under the economy program now being launched. I have outlined those costs as shown on the chart, but now I am going to outline some costs not shown in the hearings at all, and some of the special benefits that will accrue to the employees of the many New Deal agencies. After examining this question I believe that this is the most flagrant attempt at an undercover raid on the Treasury, in the name of the Civil Service retirement system, that I have seen since I have been a Member of the Senate.

At this point I ask unanimous consent to have printed in the RECORD a chart which will show how a penalty is being placed upon any employee who cooperates with Congress in our economy drive, when at the same time a bonus is offered for noncooperation.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

COMPARISON

EMPLOYEE WHO RESIGNS	EMPLOYEE WHO IS DISMISSED
Less than 5 years. Refund without interest.	Less than 5 years. Refund with interest.
Over 5 and less than 10 years. Section 7. Refund without interest.	Over 5 and less than 10 years. Section 7. Annuity age 62 years. Refund without interest.
Over 10 years. Section 7. Annuity age 65. Refund.	Over 10 years. Section 7. Same annuity age 62. Three extra years. Refund.

S. 637

Estimate based on average salary of $3,000 and after allowing for employee withdrawing all his money previously paid into the fund.

First column is based on retirement at age 65 as allowed for voluntary separation under S. 637 and average payments of 10 years, as per Civil Service Commission records.

Second column is based on retirement at age of 62 years as allowed under S. 637 for involuntary separation and average number of years (13) based on Civil Service Commission records.

Years service	Employee resigns	Employee dismissed through reduction of force
5		13 years, at $150 annually equals $1,950.
6		13 years, at $180 annually equals $2,340.
7		13 years, at $210 annually equals $2,730.
8		13 years, at $240 annually equals $3,120.
9		13 years, at $270 annually equals $3,510.
10	10 years, at $300 equals $3,000	13 years, at $300 annually equals $3,900.
11	10 years, at $330 equals $3,300	13 years, at $330 annually equals $4,290.
12	10 years, at $360 equals $3,600	13 years, at $360 annually equals $4,680.
13	10 years, at $390 equals $3,900	13 years, at $390 annually equals $5,070.
14	10 years, at $420 equals $4,200	13 years, at $420 annually equals $5,460.
15	10 years, at $450 equals $4,500	13 years, at $450 annually equals $5,850.

These figures will increase in direct proportion as salaries of employees vary in comparison to the $3,000 average used. In all cases, the figures allow for employees withdrawing all of their contributions previously made to the fund.

Mr. WILLIAMS. As an example of what this differential will be between the employee who resigns and the employee who is dismissed, I refer to the table shown at the bottom of the last chart. As shown by this chart, the employee with more than 5 years of service but less than 10 who resigns voluntarily will receive no consideration except a refund of the contribution which had been deducted from his salary. But the employee who resists the efforts of the Congress to economize and insists upon staying on the pay roll until dismissal will receive in addition to a refund of his money benefits based on a $3,000 average salary as follows:

With 5 years of service, he will receive an annuity worth $1,950, and this increases proportionately each year as shown by this chart until the employee with 9 years of service will receive an annuity with a valuation of $3,510. These payments listed under this chart can be interpreted as nothing other than a bonus to the employees of these New Deal emergency agencies since the employee who is dismissed involuntarily receives this bonus in addition to getting a refund of all his money previously contributed toward the fund.

As is shown by this chart, the employee with over 10 years of service who resigns is eligible for retirement at the age of 65, while that employee who is dismissed is again favored by being granted the same annuity at the age of 62, which means that the employee with an average salary of $3,000 who resigns will receive an annuity valued at $3,000, while the employee who is dismissed will receive an annuity valued at $3,900 based on 13 annual payments of $300 each instead of the 10 annual payments which the voluntarily discharged employee receives. As we can see by the chart, this differential is continued on through until in the 15th year the employee resigning receives $4,500 while the employee discharged receives an annuity valued at $5,850.

In examining this chart we can readily see that the employee who is dismissed through reduction in force receives additional benefits or a bonus for such dismissal which, based on an average salary of $3,000, amounts to from $1,950 to as high as $3,510 over and above those benefits granted to the employee resigning. All of these figures will be increased in direct proportion as the salaries of the employees vary above the $3,000 figure used. The committee has issued a report to the Senate stating that no additional funds will be required in support of this bill for the next 30 years. If we assume that there is any accuracy whatever in this statement, and when we recognize the fact that these employees in all cases are entitled to a refund of all the money which they had contributed toward the support of this trust fund, then there is no other explanation to be made as to the source of these payments than that the sponsors of this bill are proposing to rob the trust fund of the civil service retirement system which has been built up by and belongs to the career employees of the Government.

For Congress to pass this bill without making appropriations to the retirement fund to take care of the expense of this bonus bill will destroy the security of every Government employee in his old age.

If this bill passes, it will mean that in order for Congress to reduce the Government pay roll by 1,000,000 employees and assuming that only half of these employees qualify with over 5 years of service, the total cost of this proposed bonus bill would exceed $2,000,000,000. Whether the money to pay for this plan comes from the career employees trust fund or from the taxpayers themselves would not alter my opinion of this bill. When we consider that the veterans who served a similar number of years in defense of our country are being told that the Government at this time cannot finance a bonus bill, how can any Senator justify his support of a bonus bill to civilian employees?

The excuse being offered by many that they are trying to give the career employees survivorship benefits and increase the payments to the annuitants already on retirement is ridiculous. Why do we have to declare a bonus to these temporary employees in order to give to the career employees those benefits which they have been and are willing to pay for by their own contributions?

Mr. President, as further proof that the estimate as furnished by the committee on the bill is wholly out of line, I have in my hand a report of the House committee on retirement legislation. It is a report of the Board of Actuaries as filed with the House committee on an identical bill. I read first the letter addressed by the Board to the President of the Civil Service Commission:

NEW YORK CITY, *May 14, 1947.*

Mr. HARRY B. MITCHELL,
President, United States Civil Service Commission, Washington 25, D. C.

DEAR SIR: In accordance with the request of the Civil Service Commission, the Board of Actuaries has prepared an estimate of the cost of amending the Civil Service Retirement and Disability Act in accordance with Senate bill 637, as originally introduced, and, as modified under Calendar No. 144. The results of the Board's calculation are presented in the attached memorandum.

The Board hopes that the cost statements presented will prove helpful in considering the adoption of the proposed amendments.

Respectfully submitted.

GEO. B. BUCK,
R. R. REAGH,
EDWARD B. FACKLER,
Board of Actuaries, Civil Service Retirement and Disability Fund.

I next read a brief summary of the report:

The comparative costs given above indicate that the adoption of S. 637 (Calendar No. 144) will increase the cost of the civil service retirement and disability fund to the Government by the difference between 10.82 percent of pay roll and 8.68 percent, or 2.14 percent of pay roll, or $105,324,269 per annum on the basis of the pay roll as of June 30, 1946.

We have this situation presented: Two contradictory reports were filed, one in the House, stating that it would cost approximately $105,000,000, and one in the Senate, which shows that it will cost zero. My estimate that this bill would cost at least $2,000,000,000 is substantiated by the report of the House committee, because it indicates a figure of approximately $105,000,000 over a period of 30 years.

As further evidence of how the bill would operate if it were passed and were actually in force, I have checked one Government agency, namely, the Solid Fuels Administration, which had on its pay roll, as of January 1, 494 employees. That agency was abolished on April 30 because of the Senate's refusal to extend its authority, and I have obtained from Mr. Wheeler, the deputy administrator of that agency, the names and salaries of the employees and their years of service. I do not want to put their names into the RECORD unless required so to do, as I do not think it would be fair to the employees themselves, but I wish to quote the figures from the record. This is a summary in the report regarding the 494 employees: Eleven of them resigned; 383 were dismissed. That completely refutes the statement which was made before the committee that 80 percent of them would resign. I have the names of those who resigned. Twenty-two of the employees who were dismissed had service of less than 1 year. Therefore their benefits under this bill would be negligible. Two hundred and seven of them had service of between 1 and 4 years. Their benefits would not be very much. One hundred and seventy of them had an average of 7 years service. Their additional benefits, in addition to getting all the money back

which they had put into the retirement fund, would be $2,730 per employee, or a total of $464,100. Seventy-one of them had an average service of 12 years. Their additional benefits would be $4,680, or a total of $332,280. Twenty-four had a service record of an average of 20 years. Their benefits would be $7,800, or a total of $187,200.

The benefits that these persons would receive is $983,580—almost $1,000,000 to liquidate an agency with 494 employees. That is an average for each employee in that agency of $1,991.05. The average for employees who had over 5 years service was $3,711.62; but averaging those who do not benefit or who have had less than 5 years service, brought that figure down to $1,991.05.

This agency has been in existence since sometime in 1943—a little less than 5 years—and may, I submit, be considered a fair example.

As a new Member I came here to help reduce the Federal pay roll, but I did not come down to pay employees a premium for the privilege of getting rid of an agency.

Mr. President, I now move that Senate bill 637 be removed from the calendar and recommitted to the committee.

Mr. LANGER. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LANGER. The bill is not before the Senate at this time, and such a motion should not be made at this time.

The PRESIDENT pro tempore. As the Chair understands, the motion of the Senator from Delaware was to recommit Senate bill 637 to the Civil Service Committee.

Mr. WILLIAMS. That is correct.

The PRESIDENT pro tempore. The point of order of the Senator from North Dakota is well taken. The motion is not in order at this time.

Mr. WILLIAMS. Mr. President, I serve notice that when the bill comes up I shall make a motion to recommit it for further study, because it was reported from the committee without a proper report. If the chairman of the committee wishes to dispute any of the statements I have made or any of the figures I have given, I should appreciate very much having him do so at this time, and I should be glad to stand corrected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House insisted upon its amendments to the bill (S. 814) to provide support for wool, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOPE, Mr. AUGUST H. ANDRESEN, Mr. JOHNSON of Illinois, Mr. HILL, Mr. FLANNAGAN, Mr. COOLEY, and Mr. PACE were appointed managers on the part of the House at the conference.

CONTINUATION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 1017) providing for the temporary continuation of rent control, transferring rent control to the Housing Expediter, providing for the creation of local advisory boards on rent control, and for other purposes.

Mr. BUCK obtained the floor.

Mr. McCARTHY. Mr. President, will the Senator yield to me?

Mr. BUCK. I yield.

Mr. McCARTHY. I submit an amendment to Senate bill 1017, and move its immediate consideration. I shall not discuss it at this time.

The PRESIDENT pro tempore. The amendment will be stated later. Inasmuch as there is no pending amendment, the amendment submitted by the Senator from Wisconsin will be the first amendment to be considered by the Senate.

Mr. BUCK. Mr. President, I desire to address myself at this point to Senate bill 1017, the bill to extend rent controls beyond June 30 of this year.

I venture to assert that this bill is the most controversial measure now remaining on the calendar. However, I hope that not very much time will be lost in debating it, for I venture to state that every Member of the Senate has already made up his mind whether he is in favor of continuing rent controls or is not in favor of continuing them, and I do not believe any amount of oratory or persuasion will result in changing the position of any Member of the Senate on this question.

If not actually stated, it was inferred by some of the witnesses who appeared at the hearings on this bill that if a new rent-control law is not enacted, thousands of families will be thrown out on the streets and the breadbaskets of thousands more will be seriously depleted. Mr. President, I do not subscribe to either of those extreme views; but I am fully of the view that rent control should be continued, particularly in metropolitan areas; and I think the Congress should in some way go on record—I do not know exactly how it should be done—as serving notice that if this bill is enacted, it will be the last extension of rent controls which will be considered. I say that because I think notice should be given to the larger cities, such as Philadelphia, New York, Chicago, San Francisco, and others, and to those in charge of the governments of those municipalities that if they wish to have further controls of this kind they should now begin to plan what they will do when the date of termination of this measure is reached, and should not expect the Federal Government to continue to look after the needs of the citizens of their respective cities.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. BUCK. I am glad to yield.

Mr. MYERS. I understood the Senator from Delaware to mention a number of cities, including Philadelphia, which is my native city. Does the Senator from Delaware believe there will be any need, after the expiration date of this measure, for the cities to consider rent-control legislation?

Mr. BUCK. I say to the Senator from Pennsylvania that I hope not, but on the other hand we never know what the situation in the larger cities may be. I would expect that New York City would find that it would have to continue the controls longer than next February. I say that in view of the testimony which was received at the hearings.

Mr. MYERS. If it should be determined and should be evident that rent controls may be necessary beyond the expiration date of this measure, does the Senator from Delaware believe that it will no longer be the function and the responsibility of the Congress to enact such controls, and that they should be turned back to the cities and municipalities and States; or does the Senator believe that if such a need is indicated, his committee should further consider extending rent controls?

Mr. BUCK. In answer to that question, I would say that will depend upon the extent of the need. If need for it is found in only one or two cities, I do not believe it is the function of the Federal Government to look after them.

Mr. MYERS. But if the indications are such that continued rent controls obviously are needed in many areas of the country, would the Senator then be of a different mind?

Mr. BUCK. Oh, yes; most assuredly, I only hope that such a situation will not exist at that time.

Mr. MYERS. I thank the Senator.

Mr. BUCK. Mr. President, after some 2 months of exhaustive hearings and consideration of 10 widely varied bills on rent control, your Committee on Banking and Currency has drafted and reported without dissenting vote, Senate bill 1017, and recommends its adoption.

At this point, I should like to give a brief history of this bill. When I was named chairman of the subcommittee on housing and rents of the Banking and Currency Committee, it was my good fortune to find that I had as associates the junior Senator from Ohio [Mr. BRICKER], the junior Senator from Washington [Mr. CAIN], the senior Senator from Idaho [Mr. TAYLOR], and the junior Senator from Arkansas [Mr. FULBRIGHT]. We met innumerable times at public hearings, which extended over weeks. When they were finally concluded, the committee held several executive sessions, and finally reported to the entire committee a bill which in some respects was quite similar to the bill now before the Senate. However, it differed distinctly in two respects. That first bill to be reported by the subcommittee provided for a 10-percent across-the-board increase in rents and for controls of rents through the State, municipal, and Federal courts. The entire committee rejected the bill, chiefly because of those two provisions; and the subcommittee was requested to renew its studies. That it did, and subsequently it reported to the full committee the bill which now is on the calendar and is before the Senate, the keystone of which, I think, is the provision allowing for the appointment of local advisory boards. I wish to say that that suggestion was taken from the bill which was introduced by the junior Senator from Alabama [Mr. SPARKMAN].

Another change to be found in this bill, as compared to the first one to be reported by the subcommittee, is the method of administration, which is through the Housing Expediter, who at the present time is Mr. Creedon.

That bill, as I have said, was favorably reported by all the members of the committee, some reserving, or stating that they reserved, as is generally the case, the right to object or to offer amendments to the bill on the floor.

To the Senators who sponsored bills on rent control, I may say that their proposals and testimony were most helpful to the committee. The bill before the Senate now has incorporated in it a number of their ideas. Witnesses appearing before the committee represented all levels of the landlord-tenant segment of our economy, and as a result, a good cross section of experience and recommendations from these fields, was obtained.

After sifting and studying the testimony, several basic difficulties and objections to the present rent control system were determined. From the testimony of landlords, it was apparent that hardships—severe hardships in many cases—existed. Moreover, the present system of administration of rent control was not geared to meet these hardships. This was due, I believe, to the basic philosophy of the present rent control administration, coupled with the fact that in attempting to administer a program on a national average basis, certain inequities are bound to exist. Viewing the problem from that angle alone, an obvious solution would be to eliminate completely all rent controls.

On the other hand, evidence was submitted from representative tenant groups indicating that certain landlords had decreased services and repairs, unjustifiably, perhaps, that housing was scarce in many communities; and that if rent controls were completely abolished, even more advantage would be taken of the tenant. I personally cannot subscribe completely to either of these views as I feel that all landlords are not suffering unduly from the present system, nor do I believe that a majority of tenants would be gouged by their landlords if rent controls were completely removed.

Another basic difficulty which was made quite clear to the committee was that demand and supply of rental housing varied from one locality to another, and while one community might have little or no suitable housing available, another might have a surplus. Yet it was said the present rent-control system as administered did not adequately recognize this situation, as seemingly little, if any, local advice was considered by the administrator.

The reaction to that problem was either a flat refusal, by some groups, to believe that the present system was not working to alleviate such conditions, or a suggestion that rent control be terminated as a Federal function and left to the States. I do not believe that any member of the committee subscribed to the view that the present system is properly meeting local problems. However, objection was made both by landlord and tenant groups to complete State control, for several reasons.

First, that by the time a State might enact a rent-control law and get it into operation, the need for control would be past, and needless money and time would have been expended.

Second, there was fear that some States would not act where controls were necessary.

Third, the States which had enacted rent-control laws did not actually want the burden of such controls, but had acted to protect themselves if Federal controls were terminated

Fourth, many feared that, once State control was instituted, it would last much longer than necessary, due to infrequent meeting of legislatures and local polities.

One other problem which presented itself involved the broad problem of shortage of housing facilities generally, and whether or not rent control was impeding new rental housing. Strong arguments pro and con were made on the subject. The committee has given serious consideration to the problem, and I believe the proposed bill will meet the situation squarely.

With the background I have stated, I desire now to address myself to the bill itself, and explain how the committee recommendations are geared to an early termination of rent control with as little hardship for landlords and tenants as possible, while at the same time guaranteeing a fairer and more equitable administration of such controls.

I should like to pass over sections 1 and 2 of the bill, which give the title to the proposed act and the congressional declaration of policy. I believe that there can be little or no disagreement among us on these two sections. Section 3 of the bill sets the termination of the act, and I should like to cover that later, as my discussion of the other sections will in great part explain section 3.

Section 4, 1B, of the bill transfers the administration of rent control to the office of the Housing Expediter, headed by Mr. Frank Creedon, all necessary records, personnel, and unexpended balances of the OPA and its successor, the OTC, to be made available to that office.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BUCK. I yield to the Senator, but I know what he is going to tell me—that that office has already been done away with.

Mr. TAFT. No; I wanted to call attention to the fact that there is on the calendar a House rent-control bill. Is it the Senator's intention to move to strike out all after the enacting clause of the House bill, when all the amendments to the pending bill shall have been acted on, and substitute the Senate language and send the bill as thus amended to conference?

Mr. BUCK. No. The plan is to perfect the pending bill and offer it as a substitute for title II of the House bill, and then amend title I of the House bill so that it will conform to title II and make it workable. I have an amendment to title I of the House bill which reinstates the Office of the Expediter.

Mr. TAFT. I do not quite understand. The Senator intends to take the House bill, which is H. R. 3203, now on the calendar, and leave title I as it is?

Mr. BUCK. No; there is an amendment to be offered to title I.

Mr. TAFT. The Senator intends to substitute the Senate bill for title II of the House bill?

Mr. BUCK. Yes.

Mr. TAFT. Then adopt title I of the House bill with an amendment?

Mr. BUCK. That is correct.

Mr. TAFT. On the particular question of who is to administer the Rent Control Act, the House abolishes the Office of Housing Expediter and permits the President to make anybody the head of this agency. The Senate bill, instead, retains the Office of Housing Expediter.

Mr. BUCK. That is correct.

Mr. TAFT. So that in the conference on that question we would be confined to either keeping the Housing Expediter or letting the President appoint anyone he chose to administer the law?

Mr. BUCK. If my amendment, which is later to be considered, should be agreed to, we would leave title I practically as it is, except that we would reinstate the Office of Housing Expediter, who is to be the Administrator of the act, as the bill provides.

Mr. TAFT. As I understand, when we get through with the Senate bill, we will have before us title I of the House bill, which abolishes all housing controls?

Mr. BUCK. That is correct.

Mr. TAFT. I think Senators should know that we have before us not only the question of rent control, but also have before us the question of abolishing all priority controls on housing to be considered in connection with the pending bill.

Mr. BUCK. I think the matter must be attended to in the Senate. I do not see how the conferees from the Senate can go to the conference with the House conferees and discuss title I unless it is brought to the attention of Senators.

Mr. TAFT. I think the Senator is entirely correct.

Mr. BUCK. The Office of the Housing Expediter was chosen to administer those functions because, first, its primary function is in the field of promoting the construction of necessary housing, and second, because it is temporary in nature. In regard to the first point, several times during the hearings it was evidenced that there had never been a close working arrangement between those agencies of government controlling rentals, and those promoting construction. A builder of new property was guaranteed a 6½-percent return on invested capital by FHA, with rents fixed accordingly, while the long-time property owner was frozen at a rental figure of an arbitrary date, by OPA, regardless of his investment or current market value of his property. It seemed wise to place rent control in the hands of an agency which is in a position to intelligently coordinate a rental program on both new and old property.

The second point, the temporary nature of the agency, I believe, has several things in its favor. The present Housing Expediter has impressed me as a man who is out to do a job as efficiently, and economically as possible, with a minimum amount of publicity for himself, and his agency.

At this point, Mr. President, I desire to say that I think the Government is fortunate in having in its service as experienced and capable an executive as Mr. Creedon. When his name was first

suggested as the Administrator, I recalled that I was very favorably impressed when he came before the Committee on Banking and Currency as the President's nominee to succeed Mr. Wyatt as Housing Expediter. Searching the files in the office, I came upon the committee's copy of his biographical sketch, on which I had written at that time, early in January, the two words "excellent appointment." Mr. Creedon attended the Massachusetts Institute of Technology; he served in the last war; he served with the Corps of Engineers of the United States Army; he has been with the War Production Board; he has been with Stone and Webster; and he was resident manager in charge of construction of the atomic bomb plant at Oak Ridge, Tenn.

I went a little further and looked at the record of the meeting at which he appeared as a nominee for the office. I should like to quote from that record some of the things he said.

Mr. CREEDON. Although I have only been in this job—

He was referring to the job as Housing Expediter—

Although I have only been in this job for a month, I would like to talk about what I have done, and what I intend to do in general terms.

I believe that in the first 48 hours after I was appointed, I did probably more than I can do from now on, to help get housing built, which was to do away with the HH priority system, which a builder needed to get to build a house, and that house, as you know, had to sell for not over $10,000.

Again, he had this to say:

Mr. CREEDON. While I say we have to do everything possible to increase the supply, we have also got to do everything possible to take the red lights off of the free distribution. We have done quite a bit already to that end, and we have now completed our doing in those respects. We have got a little booklet about ready to be published which will be out certainly this week which shows the present score regarding these various Government regulations and rules, saying these are the ground rules; we are not going to make any more changes. This is the score. So that the producers, the distributors, the builders, and the customers will pretty well know what the picture is, so that they can decide whether or not they want to go ahead and build.

I inquired of him what would be the status of the veterans' program at the end of the year. My question was:

What will be the status of this program, at this time? Can the Government drop it?

Mr. CREEDON. My answer without qualification, is emphatically yes; probably before then.

The Senator from Ohio [Mr. BRICKER] then asked this question:

There will be none of these contracts that you are talking about for premiums and expediting that will last beyond the end of this year?

Mr. CREEDON. I am not sure but what there might be some that will carry over.

Senator BRICKER. Some of the guaranties?

Mr. CREEDON. Some of the guaranties will carry over.

I might go a little further and say as long as we are talking informally, that Mr. Foley and I are 100 percent in accord with this. We have about 1,350 people in this office in Washington, that is both the Expediter and the Administrator. The President signed an order Saturday night separating the two, so that we can now get separate working organizations.

Out of the 1,350 Mr. Foley intends to take about 250.

Mr. FOLEY. Approximately.

Mr. CREEDON. Which is to be the administrative staff. Now that would leave around 1,100 in my shop. I hope immediately, gentlemen, to cut that to 600 immediately and then to reduce it in a businesslike way.

That gives some insight into the type of businessman the present Expediter appears to be. He does not leave the impression that he is out to perpetuate himself or his employees in office. As an example, when material controls was transferred to his agency, the bulk—some 800, I believe—of CPA employees attempted to move en masse to the Office of Housing Expediter. He agreed to take only a small number. After the past several years with Government offices filled with ambitious bureaucrats, I take heart at the attitude of such an official as Mr. Creedon. I am confident he will carry out the aims of Congress directly toward early and efficient termination of rent control.

In this regard, one of the witnesses before the committee stated that he would be glad for a while longer to remain under rent control as a landlord, if controls could be taken away from the existing staff of OPA.

Section 4 1C goes further in amending the present act by providing that the Housing Expediter, upon recommendation of the respective Governors, appoint boards of five or more in each defense-rental area. These boards shall make recommendations to the Housing Expediter concerning decontrol within the area, the adequacy of rents within the area, and the adjustment of hardship cases. These local boards are empowered to make recommendations on these points, and the Housing Expediter is given 30 days to take counteraction if it is deemed advisable. Otherwise, the board's recommendation becomes effective. I may say that I think that is the keystone of the pending bill. As I said before, it is a suggestion which was offered by the Senator from Alabama [Mr. SPARKMAN].

Mr. President, the committee feels that a board of local citizens are better equipped to decide local problems than any one person or any outside group. This provision guarantees prompt action on rent controversies within 30 days, in contrast to weeks and months, even years, of delay under past administration. The delay and buck-passing between local, area, regional, and national OPA offices has been one of the major hindrances of efficient rent-control administration. Moreover, innumerable personnel will also be eliminated under this procedure.

At this point I wish to discuss generally the proposals which have been made in favor of a flat across-the-board percentage increase on all rental properties. The first argument as presented to the committee for such a proposal seemed to be that each community had certain unique problems which obviously could not be handled or properly considered in a Nation-wide program. Some communities within a defense-rental area might conceivably overnight have a shift in population—which would no longer require rigid rent control—that would leave a surplus of housing. On the other hand, individual landlords' problems should necessarily be considered separately, and if national standards were to be applied to each individual, such standards could not necessarily be the proper ones to use in each particular case. The proponents of a flat increase admitted that certain landlords would be unduly benefited by such a program, but in order to do justice to those whom no national program would touch, a general increase would be most beneficial.

However, I believe that in the bill, by placing the determination of local rent levels and hardship cases in the hands of local citizens who live every day with their community problems and know better than anyone else the economic situation of the people in their own community, adjustments can be made in individual cases on an equitable and fair basis without giving any windfall to undeserving landlords, and at the same time assisting those in dire need. One of the chief shortcomings of the rent control program has been the lack of local administration. It is, therefore, my belief that, if we turn over to the people living in an area determination of their rent problems, more speedy and fair adjustment in this field can be made, thus eliminating the need of an across-the-board increase.

Section 5 provides that whenever a governor of a State shall certify to the Housing Expediter that a State has a rent control act ready for operation, the Housing Expediter shall terminate Federal rent controls in that State. As a result of this section, States desiring State administration of rent control may have it, but no State is forced into that position. Moreover, if, as has been claimed, States have enacted rent-control legislation to take effect only if Federal rent control is eliminated, these States can still remain under Federal control unless their governors request its removal. It was felt by the committee that in this way no State would be forced into taking over a job originally assumed by the Federal Government, but that each State would have a free determination of its policy in this regard.

Section 6 provides for the decontrol of certain housing accommodations. Original price and rent-control legislation was passed under the basic premise that they were to be maintained only until the supply in any field was equal to the demand. The theory behind this policy was that when supply and demand were equal normal economic competition would level out prices.

Section 6 (1) decontrols all hotels and motor courts. These two types of rental property differ from other rental properties in that they are primarily service industries and are the only service industries still under any type of Government control. Testimony before the committee showed that hotel occupancy was generally falling to the point where hotels were out seeking business, thus demonstrating that competition, the stabilizing factor on prices, was definitely

taking effect. OTC decontrolled all transient hotel rooms on February 15, leaving only 100,000 out of 1,500,000 rooms still under control. The great bulk of these remaining rooms are luxury accommodations not directly affecting the cost of living. The bill would merely complete the policy begun by the OTC in this field.

Section 6 (2) decontrols all housing accommodations renting for more than $225 a month on the theory that they are luxury accommodations not affecting the general cost of living. It is believed that a negligible number of rental housing units rent over that figure, and those are generally occupied by people to whom a small rent increase, if made, would be inconsequential.

Section 6 (3) is aimed at bringing rental units on the market which have been withheld. It was estimated by one witness representing perhaps the largest landlord group in the country that up to 500,000 available rental units were being withheld from the market because of present OPA rules and regulations. I recall having read in the New York Herald Tribune during the month of February an article in which the writer estimated that the units being withheld because of OPA and rent control would amount, in his opinion, to as many as 1,000,000.

It is true that under present regulations a landlord renting property for the first time may set his own original rental rate upon that property. However, the OPA then has the privilege of arbitrarily lowering that rental. One of the chief evils of rent control as it has been administered has been to prevent in some part increase of rental housing. The housing shortage itself is the basic cause for rent control, but if that rent control stifles the availability of new rental housing, it is not serving the Nation's welfare. It is, therefore, deemed desirable to release new rental units from rent control as such. Protection will still be afforded to the renter, as all FHA loans under which most large rental properties are constructed limit the owner to a 6½-percent return on his investment, and the rentals are fixed accordingly. Furthermore, the Bureau of the Census report shows that owners, instead of renting, have been selling in order to escape controls, thus eliminating rental units in that way. According to Census figures of 1940, owner-occupied property was 43.6 percent and tenant-occupied 56.4 percent. In 1945 the tenant-occupied property had dropped to 46.8 percent and owner-occupied had increased to 53.2 percent. Your committee believes that with more reasonable local controls and the freeing from control of new rents, a considerable increase in rental housing can be had.

Section 6 (4) frees from control all housing commenced on or after February 1, 1947, or housing converted into rental units after that date. This again is a stimulus for individuals to make rental property available. The committee set the date of February 1, 1947, in order to prevent enterprising landlords from removing properties from the rental market when they should see the possibility of getting them out from under rent control by that means and then subsequently renting them.

Section 7 covers the eviction procedure and sets up by law the bases for such eviction. Under this section State laws pertaining to evictions shall govern except that a tenant may not be evicted for not paying an increased rent or that his lease has expired. Other specific grounds for eviction are set forth, all of which to your committee are fair and equitable.

Under present OPA regulations there are some 15 grounds enumerated upon which an eviction can be secured. However, in actual practice about the only one which is effective is when an owner sells the property. Even then it may be from 3 months to a year before the new owner can secure possession. The procedure set forth in the bill protects the reasonable and desirable tenant, but gives to the landlord the means to evict highly undesirables under State law, and in the other enumerated instances.

Section 8 merely extends the District of Columbia Emergency Rent Act from its present expiration date of December 31, 1947, to the expiration date of this act, if extended.

Mr. President, I should now like to go back and discuss section 3, which fixes the termination date for Federal rent control as February 29, 1948. We all agree that rent control as a national policy should be terminated at the earliest possible moment. There are many who would solve the problem by eliminating such controls immediately. I personally would like to see this done if feasible. However, it was the general feeling of the committee that the sudden removal of such controls at the present time would cause great hardship upon large segments of our population. It was thought better to set up a system which would move rapidly in the direction of complete decontrol. Under the proposed bill the burden of decontrol is placed in the hands of local people. They may adjust rents as well. Your committee feels that with local administration, sound steps will be taken toward decontrol. Estimates from the building industry and from the Government lends hope that by the middle of this year construction of new housing units will approximate the increase in new families, and that by the end of the year we shall begin to get out in front of that problem. Thus the committee has gone forth to the time when it is believed production will meet demand, and has called for the termination of all Federal control in February of next year. Many areas, we hope, will be decontrolled before that time through action of local committees, so when that time arrives few sections will still be under control, and if necessary can be handled locally from that point on. I do not believe that anyone would wish to extend Nation-wide rent control for the protection of a few communities; and it is felt that under the proposed legislation this would not happen. As each community or section reaches the point where rent control is no longer necessary in the eyes of its own people, it can be relieved from such control.

In conclusion, let me state that I, like some other Senators, proposed legislation which I thought at the time to be the best solution of the rent-control problem. I felt that perhaps a flat across-the-board increase, with enforcement in the hands of our courts, would be the best system and would gain ultimate and most speedy decontrol. I still have confidence in that plan; but on the other hand, I feel that the proposal which the committee is now presenting will accomplish what we are after with the least possible controversy, hardship, and dissension among our people. I therefore urge Senators seriously to consider this proposal. I hope that we can secure final passage of the bill by the Senate on the basis of the merits of the situation.

Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The Senator from Wisconsin [Mr. McCARTHY] has offered an amendment, which is pending. Does the Senator from Wisconsin wish to have his amendment temporarily laid aside so that the chairman of the committee may proceed with his amendment?

Mr. McCARTHY. I shall be glad to have that course followed.

The PRESIDENT pro tempore. The amendment offered by the Senator from Delaware will be stated.

The CHIEF CLERK. Beginning in line 11, page 3, it is proposed to strike out through line 4 on page 5 and insert in lieu thereof the following:

SEC. 1B. (a) The transfer to the Housing Expediter of functions and authority with respect to rent control (together with records, property, personnel, and funds, relating primarily thereto) as made by or pursuant to Executive Order No. 9841, dated April 23, 1947, and the provisions of that order relating thereto are hereby ratified; and for the purpose of exercising such functions and authority the Office of Housing Expediter is hereby extended until February 29, 1948.

(b) Any personnel so transferred who are found to be in excess of the needs of the Housing Expediter for the exercise of the functions and authority transferred shall be separated from the service; and any funds so transferred shall be used, under the direction of the Housing Expediter, only for the purposes for which available prior to transfer or for the purpose of carrying out functions of the Housing Expediter under this act.

On page 6, line 23, it is proposed to strike out "2 (b)" and insert in lieu thereof "2 (a)."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Delaware.

Mr. BUCK. Mr. President, this amendment is made necessary by the Executive order of the President dated April 23, 1947. The amendment ratifies that order and extends the life of the Office of the Housing Expediter until February 29, 1948.

On page 6, line 23, the amendment corrects a typographical error, substituting the letter "a" for the letter "b."

The PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. BUCK].

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I understand that the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] is pending. I have just talked with him. I have an amendment which I have presented to the Senator in charge of the bill, Mr. BUCK. It is very brief, and he has agreed to it.

Mr. BUCK. Mr. President, will the Senator from Louisiana permit the Senator from Wisconsin to have his amendment considered first?

Mr. McCARTHY. Mr. President, I understand that the Senator from Louisiana desires to leave the city.

Mr. ELLENDER. The only reason I ask for the present consideration of my amendment is that I find it necessary to be absent.

Mr. McCARTHY. I hope the Senator did not understand me to say that I approve his amendment. I am willing that my amendment be laid aside temporarily in order that his amendment may be considered.

Mr. ELLENDER. I did not say that the Senator had approved it.

On page 10, after line 24, I propose to insert:

(c) Notwithstanding any other provision of this act, the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered.

Mr. President, my amendment would make it clear that the provisions of this bill which would prohibit the eviction of tenants except in the specific cases enumerated therein could not operate to prevent the eviction of tenants of public housing projects who have ceased to qualify for tenancy in such projects. Many such projects were built under Federal and State laws which restrict occupancy in the projects to families of low income. However, in many cases, tenants who had low incomes at the time they were admitted have since become ineligible for continued occupancy because of increases in income. In other cases, war workers were admitted to low-rent housing projects pursuant to Federal and State laws which temporarily waived low-income requirements. With the return of peacetime conditions, Federal, State, and local housing agencies are now charged with the responsibility of restricting occupancy of low-rent housing projects to veterans and their families and other families of low income who are now crowded together in unsafe or unsanitary dwellings. This amendment would make it clear that these agencies may continue to carry out their responsibility under Federal and State laws, and for such purpose can maintain actions to recover possession of housing accommodations in public housing projects in cases in which such accommodations are occupied by ineligible families.

Similarly, cases will arise which may require eviction of tenants from public housing projects other than low-rent projects, as when a war-housing project is in the process of being relocated under title V of the Lanham Act for occupancy by veterans.

As I have stated, I have presented the amendment to the distinguished Senator in charge of the bill, and he has accepted it.

Mr. BUCK. As I understand the amendment, it would permit the Housing Authority to remove from public housing units tenants who are now earning an income greater than that which would enable them to qualify for occupancy of low-cost public housing units?

Mr. ELLENDER. That is correct.

Mr. BUCK. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. McCARTHY. Mr. President, if I correctly understand the amendment it will allow the Expediter to evict veterans and nonveterans if and when their income reaches a certain figure?

Mr. ELLENDER. The amendment applies solely to public housing. As I indicated a moment ago, there are many tenants in some of the public housing projects at the moment who can pay an economical rent. It is feared that under the provisions of section 7 of the bill such tenants cannot be evicted; and the purpose of the amendment is to make it possible for the authorities in charge of public housing to be able to evict those who are not entitled to be there.

Mr. McCARTHY. I must oppose the Senator's amendment for this very good reason: Presently we are having tremendous difficulty in some of the public housing projects. For example, in Milwaukee, Wis., veterans are presently housed in public-housing units. They were unable to obtain other accommodations because they were away during the war, and when they returned they got the only accommodations which were available and which they are now occupying. Their income has increased because of economic conditions, and some of them earn more than the amount anticipated at the time the act was passed. Under the amendment they could be evicted. I think that would be right and proper if economic conditions were normal, and if they could get other homes in which to live; but they are seriously handicapped. They were not in this country and not able to obtain homes, and now they have families. I do not think anyone should have the right to evict them until there is again sufficient housing. I do not believe they should be kicked out while there is a scarcity of housing.

Mr. ELLENDER. The purpose of the amendment, as I have just indicated, is to enable the Housing Authority to obey the law, because none but persons who are in the low-income brackets should be permitted to remain in such housing. The Senator will recall that many war workers were permitted to obtain accommodations in low-rent housing projects during the war. Many of them, earning from $3,500 to $4,000 a year, are now occupying such premises. It is feared that if the bill should pass as it has been reported to the Senate the Housing Authority will be unable to evict such tenants and make room for persons who are really entitled to the accommodations.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. McCARTHY. If the amendment offered by the Senator provided for the eviction of all except veterans with families, and if they also could be evicted if and when it should be determined that housing conditions were normal, I would heartily approve of the amendment; but I think it is rather viciously dangerous in its present form.

Mr. ELLENDER. I suppose discretion is going to be used.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. I may say that the greatest criticism of public housing and the greatest opposition to the public housing bill is that people earning good salaries have been permitted to remain in public housing. That is what has brought criticism upon public housing.

May I ask the Senator from Louisiana a question?

Mr. ELLENDER. Certainly.

Mr. TAFT. Do low-income-group veterans have a preference today in public housing?

Mr. ELLENDER. They do.

Mr. TAFT. It is not alone a question of the veterans. After all, there are some 14,000,000 veterans. It is a question of whether people earning over a certain income may have the advantage of a subsidized rental. That is the question.

Mr. ELLENDER. That is the question.

Mr. TAFT. The greatest and the most justified criticism of the public-housing program has been that persons not entitled to it have been permitted to occupy public housing through the legislation which was enacted. I think power ought to be exercised with discretion, but I think the Public Housing Authority should have power to give subsidized rental only to people who are actually in need of it and not to others.

Mr. McCARTHY. If the Senator will yield further, I think he did not get my thought. I heartily agree that these projects are low-rental housing projects, and I agree that when a person's income reaches a certain point he should not be permitted to remain in subsidized housing as a normal proposition. Speaking not on the basis of theory but of actual fact, and taking the city of Milwaukee as an example, many veterans, returning from the war could obtain accommodations only in public-housing units. They have families. They would not object to paying a reasonable rental, but if they should be evicted they would have no place to go. While I do not subscribe to the theory that 15,000,000 veterans should be provided all things at the expense of the country, yet when it comes to housing I believe they deserve some special consideration, because they were not here to occupy a house and have the rental frozen. I think the amendment should provide that a veteran with a family should not be evicted unless and until housing conditions have to some extent, at least, become normal.

Mr. ELLENDER. As the Senator from Ohio pointed out, veterans are given priority. If a veteran receives an income of $5,000, why should he receive subsidized housing? If he is able to pay an economical rent, why should he be subsidized? In the locality to which the Senator referred there may be quite a number of worthy veterans who are entitled to low-rent housing.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BUCK. I think it is very unlikely that there are many veterans in public housing. Such projects were filled up before they returned from abroad. One witness exhibited a photograph showing the mayor of the town coming from one of these homes in which he and his family resided.

Mr. ELLENDER. We have been told that there are many public officials in a similar situation. I have not investigated the matter myself, but I understand that in Birmingham, Ala., some public officials who could pay an economical rent were still occupying low-cost housing. The Authority should not be prevented from ousting such tenants.

Mr. McCARTHY. Mr. President, will the Senator yield briefly?

Mr. ELLENDER. I yield.

Mr. McCARTHY. If the Senator is correct, then I can see no conceivable objection to changing the amendment so as not to permit the eviction of veterans until conditions become normal.

Mr. ELLENDER. If that should be done, it might deprive worthy veterans in Milwaukee of housing at rentals which they could afford to pay. I am sure the Senator will grant that there must be in Milwaukee, as well as in many other cities, quite a number of veterans who are entitled to live in such homes because they are not earning sufficient monthly salaries to live anywhere else. If we should adopt the suggestion of the Senator from Wisconsin, it would permit veterans earning from $3,000 to $4,000 or $5,000 to remain in such houses, whereas there may be in those cities veterans who would be entitled to obtain a low rental because of the fact that they are earning low incomes. Why should we deprive them of a place to live?

Mr. McCARTHY. I know that in the city of Milwaukee—and I am sure it is true of every other city in which there is public housing—there are veterans who are going to school. They have families with two or three children. They are receiving just above the limit, perhaps $2,200, $2,300, or $2,400 a year. That is barely sufficient to support their families, and they are receiving eviction notices and will have to leave the homes they now occupy. They have no other place to go. I do not think we should take any action here which would make it easier for those men to be evicted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Louisiana [Mr. ELLENDER].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. McCARTHY. Mr. President, I offer the amendment which now lies at the desk, and I ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, line 8, it is proposed to strike out the quotation marks; on page 7, between lines 8 and 9, it is proposed to insert the following:

(f) The Housing Expediter is authorized and directed to decontrol defense-rental areas at such rate following the effective date of the Rent Control Act of 1947 that at the end of any month following such effective date the number of such areas decontrolled shall equal or exceed 5 percent of the number of such areas under control on such effective date multiplied by the number of months which have elapsed since such effective date.

Mr. McCARTHY. Mr. President, this amendment, if adopted will provide that the Expediter must decontrol at least 5 percent of the total units each month. There are presently in excess of 600 defense-rental areas. This amendment would provide that, as a minimum, the Expediter would decontrol approximately 30 areas each month.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. IVES. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, line 13, after the word "rents", it is proposed to insert a comma and the words "and has specifically expressed its intent that State rent control shall be in lieu of Federal rent control,".

Mr. IVES. Mr. President, I move the adoption of the amendment. It merely clarifies the bill as it now stands. I think a large majority of the Members of the Senate; indeed, probably all Members of the Senate desire at this time to have the Congress enact legislation which will enable the States individually to assume rent control if they so desire, and under the specifications set forth in the statute. However, I do not think it is our intention to force rent control on any State, contrary perhaps to the will of the State, or in any way to indicate that any State shall be obligated to assume rent control.

This amendment is being offered to clarify that situation. Under it, a State would be required to take positive, affirmative action before assuming rent control, as long as rent control still continues under the Federal Government.

Mr. BUCK. Mr. President, I suggest the adoption of the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New York.

Mr. MYERS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Daniel
Baldwin	Hickenlooper	O'Mahoney
Ball	Hill	Pepper
Barkley	Hoey	Reed
Bricker	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Bushfield	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tydings
Eastland	McMahon	Umstead
Ecton	Magnuson	Vandenberg
Ellender	Malone	Watkins
Ferguson	Martin	Wherry
Fulbright	Maybank	White
George	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Wilson
Hatch	Myers	Young
Hawkes	O'Conor	

The PRESIDENT pro tempore. Eighty-three Senators having answered to their name, a quorum is present.

The question is on agreeing to the amendment submitted by the Senator from New York [Mr. IVES].

The amendment was agreed to.

Mr. HAWKES. Mr. President, I should like to call up my amendment to the bill, and have the clerk state it.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 9, between lines 2 and 3, it is proposed to insert the following:

FIFTEEN PERCENT INCREASE IN MAXIMUM RENTS IF LEASE IS EXECUTED

SEC. 7. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"In any case in which a landlord and tenant, on or before December 31, 1947, in good faith enter into a valid written lease with respect to any housing accommodations for which a maximum rent was in effect on September 1, 1946, and such lease expires on or after December 31, 1948, the maximum rent for such housing accommodations shall be increased, as of the date of execution of such lease, by such amount, if any, as may be necessary to make it 115 percent of the maximum rent which was in effect for such housing accommodations on September 1, 1946. In any case in which a maximum rent for any housing accommodations is established pursuant to the provisions of this paragraph, such maximum rent shall not thereafter be subject to modification by any regulation or order issued under the provisions of this act. No housing accommodations for which a maximum rent is established pursuant to the provisions of this paragraph shall be subject, after December 31, 1947, to any maximum rent established or maintained under the provisions of this act, whether or not this act is continued in effect insofar as rents are concerned for any period subsequent to December 31, 1947."

Renumber sections 7, 8, 9, and 10 as sections 8, 9, 10, and 11, respectively.

Mr. HAWKES. Mr. President, in view of the fact that I sponsored an amendment providing for a 15-percent across-the-board increase, a definite, fixed increase, in rentals, and there is so much

misunderstanding regarding the amendment I am now presenting, some carrying in their minds the previous amendment I offered, I should like to present a statement regarding the amendment now pending, and then I shall be very glad to answer any questions Senators may desire to propound. I may say in the first place that it seems to me the amendment would provide a small fraction of the justice to which the owners of rental housing are entitled.

The owners of housing for rental in rent-control areas have been held, in most cases, to rents in effect in 1941, and, in some cases, 1942.

There is little need for argument on my part to convince every fair-minded American that the costs of maintaining and repairing rental properties have advanced by leaps and bounds. Yet rents have been held static for 5 or 6 years.

I have been in favor of a 15-percent increase across-the-board, but have abandoned that program in favor of one which, it seems to me, no representative of the people can fairly and justly resist, namely, that provided in my amendment to S. 1017.

My amendment gives the owner and the tenant the right to enter into a lease which will run through December 31, 1948, or beyond that date, and shall be made voluntarily, by mutual agreement, at a rate not in excess of 15 percent above the rental in effect for that particular housing property on September 1, 1946.

Mr. President, that simply means that if a tenant and landlord wish to agree to a lease providing for a rental 15 percent above the fixed rent of the property on September 1, 1946, they shall have a right to do it. There is no compulsion at all. I have chosen September 1, 1946, because of the fact that in many cases there have been adjustments of rents since that date, and the 15 percent allowed by my amendment must include any and all adjustments which have been made since September 1, 1946.

The amendment proposes that the rent to be in effect for a given housing unit from the time the owner and the tenant agree upon a lease shall not be 15 percent above the rent now in effect, but rather shall not be more than 15 percent above the rent in effect on September 1, 1946.

To be absolutely specific, the new rent agreed upon, within the limits prescribed, will only be effective from the day the lease is executed, and in accord with the terms of the lease.

I have felt that this proviso takes into account the problems of the tenant better than the proviso in the House bill. The latter bill gives the right to the owner and the tenant to agree voluntarily to a lease at a rental 15 percent higher than the rent in effect at the time of the agreement on the lease. That might be 15 percent over the rent in effect on September 1, 1946, plus any adjustments which already have been granted.

I was informed on May 16, 1947, by Mr. Tighe E. Woods, Deputy Housing Expediter for Rent Control, Office of Housing Expediter, that the total number of adjustments granted under section 5 (a) (12) of the rent regulation, between September 1, 1946, and May 16, 1947, is 10,042. This section of the rent regulation is commonly referred to as the substantial hardship section.

In connection with the 10,042 petitions on which rent adjustments have been granted, the Deputy Housing Expediter advises me there are about an average of four dwelling units covered by each petition, so that during the period between September 1, 1946, and May 16, 1947, the rents of approximately 40,000 dwelling units have been increased under section 5 (a) (12).

The Deputy Housing Expediter goes on to say "that the rate of petitions for adjustments has increased very substantially since the recent liberalization of section 5 (a) (12) of the housing regulation."

He furnished the following monthly figures for the first 4 months of this year:

Petitions received:

January 1947	617
February 1947	377
March 1947	1,652
April 1947	3,374

I simply cite these petitions that have been filed and those which have been granted to show the fairness of my amendment in making the increase of 15 percent include all adjustments which have been granted since September 1, 1946.

There are approximately 14,000,000 housing units under control as of today, I am advised by the Office of the Expediter.

In view of the increasing number of hardship petitions cited above, it is obvious that by the time a rent-control law is enacted, unless we go back to a base date of last year, many double-rent increases will be effected under the terms of the lease provision now contained in the House bill.

It seems to me that the adoption of my amendment can do an injustice to no one because no tenant has to take a lease unless he considers it in his interest to do so.

It further seems that the Congress of the United States will be saying to the people who have put their money into rental housing, "We want to restore to you your rights to be free agents and enter into voluntary agreements on some basis of equity. At the same time, so long as there is rent control and housing shortage, the tenant, under this amendment, will be protected in his rights under the law to occupy the property at the rental he is now paying under the conditions prescribed by the law. On the other hand, he may protect himself against an increase in excess of 15 percent over and above the rent he paid on September 1, 1946, by voluntarily agreeing to a lease if and when offered a lease by the owner, which lease will protect him from any further advance in rent prior to January 1, 1949."

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAWKES. I yield to the Senator from Oregon.

Mr. CORDON. Am I to understand the Senator's position is, that the amendment will provide the procedure whereby, if landlord and tenant are in agreement as to the increase up to 15 percent in the rent the tenant is to pay, they may enter into such an agreement for a specific period of time, the minimum period of time in the Senator's amendment, and they will be wholly within the rent-control provisions, if the Senator's amendment be adopted; but that the landlord cannot use the provisions of the amendment to require the tenant to pay the increased rent? Is that correct?

Mr. HAWKES. The Senator from Oregon is absolutely correct. The amendment gives a landlord no power of that kind. It simply gives him the right to negotiate with the tenant, and it gives the tenant the right to use his judgment as to whether he would like assurance that he would not have to pay more than 15 percent up to at least the shortest period of time, December 31, 1948, or January 1, 1949.

Mr. CORDON. If the amendment should be adopted, and if then a tenant should decide not to so contract with his landlord, he would be in no different position, after having refused to contract for the increased rental for the additional time, than he would be, if the amendment were not adopted? Is that correct?

Mr. HAWKES. The Senator from Oregon is absolutely correct. The tenant would be sitting right where his rights under the bill without my amendment would leave him. In other words, the amendment takes no rights away from the tenant; it gives him an opportunity, and it gives the landlord an opportunity.

Mr. CORDON. I thank the Senator.

Mr. HAWKES. I thank the Senator for his questions.

Mr. President, let us remember that General Fleming, Administrator of the Office of Temporary Controls, stated clearly and without equivocation before the Senate Banking and Currency Committee, that he felt the only proper and effective way to handle inequities in the continued administration of rent control was to give a definite, arbitrary 10 percent increase across the board.

So that no Senator will misunderstand, let me say that General Fleming made that statement before the Banking and Currency Committee 2 weeks after the misunderstanding regarding the release from the White House. It was not made before that, but it was his judgment, given before the Banking and Currency Committee, after the question was raised as to who said the President was in favor of a 10 percent increase across the board, and a little altercation ensued, which we will pass by for the moment. But I wanted the Senate to know that that was General Fleming's considered opinion. It was supported by, I understand, the unanimous opinion of the Advisory Board of the OPA.

Let us also remember that the present rent control law expires on June 30, 1947.

Let us remember that with respect to the termination of rent control, the House bill sets the date at December 31, 1947, and provides that the President of the United States may extend rent control for another 3 months, while the Senate bill sets the date of February 29, 1948, for the termination of rent control.

Furthermore, in connection with my amendment, the tenant, if offered a lease, will have a completely free choice. He may elect to go along with his present rental until rent control expires early next year under the terms of the bill we are now debating.

Or he may enter into a lease which will guarantee him housing throughout all of 1948 at an increase of no more than 15 percent of the rent he was paying September 1, 1946.

Such an increase is indeed minor as compared with the increased cost now in effect in practically every other necessity of life, such as food, clothing, heat, medicines, and so forth.

I might say, Mr. President, that I have talked with a number of tenants and with a number of the best real estate men in the United States, who in turn have discussed this subject with their tenants, and my information is that more than 50 percent of the tenants are anxious to make leases now that will carry them through all of 1948 at not over 15 percent more than they were paying on September 1, 1946.

Let us also remember that in the handling of adjustments of rent cases up to date it has been clearly demonstrated that only a fraction of 1 percent of the hardship cases in the United States have been given any adjustment.

I urge the adoption of this amendment on the ground that it will give some hope to that great segment of our free-enterprise system—the rental industry, without in any way injuring anyone.

It will say to them, "We do not feel the time has arrived to give you what you are entitled to; that is, your freedom to negotiate without restriction of law for rental in a competitive market; but we are restoring to you at this time the right to negotiate with your tenant on a basis not in excess of that prescribed in this amendment."

In my opinion, the great majority of the tenants in the United States will welcome the opportunity to make a voluntary lease which protects them in their living quarters up to December 31, 1948, or January 1, 1949, at a moderate increase, as related to the increased cost of maintaining, operating, and furnishing rental housing units.

That, however, is a matter of speculation. Again I state that, in any event, if this amendment is adopted no tenant will be forced to agree to accept a lease. The right granted to the owner to this fair increase of not to exceed 15 percent over September 1, 1946, will completely depend upon the willingness of the tenant to enter into a lease.

Before closing, I should like to point out that in my amendment the owner and the tenant will have the right to make such a lease any time they can agree upon it, prior to December 31, 1947. When the lease is entered into the property involved will be decontrolled, so far as the rent regulations are concerned, on and after January 1, 1948.

The owner will again be a free agent, to function in the free-enterprise system in the American way; whereas the tenant, if he has made a lease under which he can fulfill his part of the lease, will be assured that he cannot be dispossessed for other than just cause under the laws of his State prior to December 31, 1948.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. BUCK. Am I to understand this amendment to mean that the landlord and the tenant can enter into an agreement whereby the tenant is required to pay 15 percent higher rent than he paid on September 1, 1946, for which he gets a lease that will be extended to December 31, 1948?

Mr. HAWKES. Yes; or, to put it another way, let us say January 1, 1949.

Mr. BUCK. He gets about a 6 months' lease, or a 1½-year lease?

Mr. HAWKES. He gets a year-and-a-half lease. In other words, I will say to the Senator from Delaware, that, since the predictions as to relieving the housing shortage may not be realized, my amendment would give the tenant a year and a half. Instead of assuring him housing accommodations until December 31, 1947, when rent controls cease under the House bill as proposed, with the privilege to the President to extend it another 3 months, my amendment would give the tenant an opportunity to occupy the property clear up to January 1, 1949, as against being in the open market as a buyer of housing in which to live after February 29, 1948, the date on which rent control under the proposed Senate bill would be terminated.

Mr. BUCK. May I ask if the Senator is acquainted with somewhat similar provisions in the bill passed by the House?

Mr. HAWKES. I am.

Mr. BUCK. In what respect does the Senator's amendment differ from them?

Mr. HAWKES. My amendment differs from them in the respect that after the lease has been made which carries up to December 31, 1948, the property on which the lease has been made is decontrolled after December 31, 1947. The House bill says nothing about that at all.

Mr. BUCK. Does not the House bill provide that the landlord may receive a 15-percent increase, under a valid lease, above the rental in effect on the date of enactment of the bill? The Senator's amendment goes back 6 months.

Mr. HAWKES. I am glad the Senator from Delaware brought that to my attention. If the Senator will remember, I said in the early part of my statement that to the tenant the important value of my amendment as compared to the House provision is the fact that all the landlord can offer the tenant or take from the tenant in a lease, if the tenant is willing, is 15 percent over the rent that was in effect on September 1, 1946, whereas under the House provision the landlord can make a lease with the tenant at 15 percent above the rent in effect at the time the lease is made, and that might be next December.

Mr. BUCK. So that hardship adjustments since September 1, 1946, would not be ignored in determining the 15 percent allowed. That could not happen under the Senator's amendment, whereas the House provision authorizes 15 percent above the rent in effect when the bill is passed.

Mr. HAWKES. Yes.

Mr. BUCK. What does the Senator think would happen to a tenant who might not be willing to enter into an agreement with the landlord for this increased rental in a lease?

Mr. HAWKES. I do not see how anything in the world could happen to him. He still would be protected by the bill which is in charge of the Senator from Delaware. In other words, my amendment would give the landlord the privilege—and that is all there is to it; there can be no misunderstanding about it—of going to his tenant and saying, "How would you like to have a lease that will give you absolute assurance that you will not pay more than 15 percent increase in rent as against what you were paying September 1, 1946, clear up to January 1, 1949?"

Mr. BUCK. Does the Senator think that an unscrupulous landlord could put pressure upon the tenant?

Mr. HAWKES. I cannot see how he could. I do not see how he could put any more pressure on him than he could under any provision contained in the bill. In other words, unscrupulous landlords, I presume, could be bad in any event.

Mr. BUCK. It would be completely optional with the tenant then as to what he would do?

Mr. HAWKES. It would be completely optional with the tenant as to whether he would accept the offer. I cannot conceive of the tenant being intimidated by threats or in any other way, if he is fulfilling his part of the agreement under which he is now living in the house.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HAWKES].

Mr. HATCH. Mr. President, if I may have the attention of the Senator from New Jersey, I desire to ask him a question. I notice that throughout his remarks the Senator has stressed the fact that his amendment merely provides for a voluntary agreement between the landlord and the tenant; that it merely gives them the right to enter into such an agreement. I am quite sure from what the Senator has said that that is his purpose, but it strikes me, from the language of the amendment as I have it before me, that it leaves the matter rather wide open, and there is not anything at all said in it which might even indicate there was such a right of voluntarily entering into an agreement on the part of the tenant. The language of the amendment is rather plain. It says:

> In any case in which a landlord and tenant, on or before December 31, 1947, in good faith enter into a valid written lease—

With respect to housing accommodations. It does not say anything whatsoever about the terms or conditions of the lease. They could enter into a lease for exactly the same rental that was being paid before, and do so in good faith, but under the operation of the Senator's amendment automatically that rental would be increased about 115 percent. If I misconstrue the Senator's amendment, I should like to be corrected.

Mr. HAWKES. If my amendment says what the Senator is saying, that is not the intent of it, and I do not believe it does.

Mr. HATCH. I ask the Senator to read it, and if I am wrong in my construction I shall be glad to be corrected.

Mr. HAWKES. As I stated to the Senator from Delaware, my amendment——

Mr. HATCH. The substance of the language is "if they enter into a lease."

Mr. HAWKES. Yes, that is right.

Mr. HATCH. If they enter into a lease in good faith regarding housing accommodations, then, provided the lease expires on or before December 31, 1948, the maximum rent of such accommodation shall be increased, not by the terms of the lease, not by the terms of any voluntary agreement, but by operation of law.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HAWKES. Yes.

Mr. TAFT. The maximum rent is not the rent of the lease. The maximum rent is the rent permitted by the Price Control Act. The proposed amendment is an amendment of the Price Control Act, and "maximum rent" means the maximum rent permitted by law shall be increased to 115. The landlord and tenant may agree on any increase, of 105, or 110 percent, but the words "maximum rent" simply mean that they may go to 115, and it will be legal under the Price Control Act. That is the only effect of the words "maximum rent." The phrase does not mean the rent in the lease. It means the maximum legal rent shall be increased to 115.

Mr. HATCH. The Senator from Ohio is quite familiar with this subject, and his explanation makes the matter clear. But such explanation does not appear in the print of the amendment.

Mr. TAFT. If read in connection with the Price Control Act itself it will become apparent that the words "maximum rent" mean the maximum rent permitted by law or by the order of the Price Control Administrator.

Mr. HATCH. The Senator's statement certainly clarifies the matter to that extent. But from a reading of this language, as it appears in the amendment, by one who is not a member of the committee and has not read the amendment until this moment, it would seem that the amendment itself would arbitrarily increase the rent to be paid by 15 percent.

Mr. HAWKES. I think that what the Senator from Ohio has said is correct. If the landlord and the tenant agree that they want to carry the lease through, or they want to enter into a lease running up to December 31, 1948, then under that agreement the rent may be increased 15 percent.

Mr. HATCH. It says "the maximum rent for such housing accommodations shall be increased." With the explanation of the Senator from Ohio that phrase "maximum rent" means the ceiling of the rent should be 115 percent, and beneath that ceiling they could agree on anything, but could not go above it.

Mr. HAWKES. That is absolutely correct. That is what is intended by the amendment. They cannot go above 115 percent of the maximum rent fixed.

Mr. HATCH. The colloquy which has just taken place may be an important part of the history of the legislation.

Mr. HAWKES. I am very glad the Senator has raised the point he did.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. HAWKES. Yes; I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Following out what the Senator from New Mexico has just said, would the distinguished Senator from New Jersey explain a little further what lines 13 to 19, on page 2 of the amendment, mean?

Mr. HAWKES. Yes; I shall attempt to do so. The language is:

> No housing accommodations for which a maximum rent is established pursuant to the provisions of this paragraph shall be subject, after December 31, 1947, to any maximum rent established or maintained under the provisions of this act.

That simply means that if I have entered into a lease with the Senator from Massachusetts any time prior to December 31 next carrying the Senator's right to the housing to December 31, 1948, that then that property, after December 31, 1947—that is the end of this year—is decontrolled the same as it would be under the House bill, if the President did not issue a proclamation. The Senator has a lease on the property that carries him through clear to the end of next year, but it simply says that that property will be decontrolled as of and after December 31, 1947.

Mr. SALTONSTALL. I thank the Senator.

Mr. BARKLEY. Mr. President, may I ask the Senator about that? Does it mean that any housing accommodation which is the subject of decontrol or regulation under this provision shall not be subject to it after December 31, 1947, although the act itself might extend beyond that date, or although any contract entered into under the Senator's amendment might extend beyond that date?

Mr. HAWKES. That is what it means.

Mr. BARKLEY. So anyone who entered into a contract, whether voluntarily or as a result of pressure, for 115 percent maximum rent, or a 15-percent increase after the 31st of next December, although this law would extend beyond that, or his contract might extend beyond that time, would be free, so far as the property involved was concerned, from any regulation or control as to rents.

Mr. HAWKES. The property would be decontrolled so far as this act is concerned, as of December 31, provided the landlord and the tenant had made a lease in accordance with the terms of the amendment, which lease extended to December 31, 1948, or longer.

Mr. BARKLEY. In other words, if a tenant and landlord entered into a contract extending to the end of 1948, in which the tenant agreed to pay a 15-percent increase, under this language that contract would in effect terminate on the 31st of the coming December, and thereafter the property would not be subject to any rent control.

Mr. HAWKES. Yes; the property would not thereafter be subject to any rent control, but the lease would remain in effect.

The Senator referred to the circumstance that the lease might be made under pressure, duress, or intimidation.

Mr. BARKLEY. Or otherwise.

Mr. HAWKES. But the amendment provides that the lease must be entered into in good faith.

Mr. BARKLEY. Of course, the lease might be entered into in good faith even though a man were compelled to sign it. He would still be acting in good faith. He might refuse to sign it. Under the Senator's amendment, I do not know whether a tenant would be subject to being ousted from the property if he refused to enter into such an agreement or not. There would be a sort of automatic pressure, if the landlord could dispossess the tenant if he refused to enter into the contract provided for in the amendment.

It seems to me, with all due respect to the Senator, that this amendment is unnecessary. I do not see why Congress should undertake to fix rents. Under this bill we are establishing a local board. There may be some dispute as to how the local board should be established, whether it should be controlled locally by country officers or city officers, as provided in the House bill, or whether the members should be appointed by the Expediter, with or without consultation with the governor of the State, or appointed from a list submitted by the governor of a State.

In view of the fact that some kind of local advisory board will undoubtedly be established, it seems to me that Congress itself ought not to step in, by a provision such as the amendment offered by the Senator, and say that whenever a landlord is able to induce his tenant to agree to a 15-percent increase in rent, and they enter into such a contract, neither the local board, the Expediter, nor any part of the rent-control machinery can have anything to say about it. That would at least certainly create a spotty situation.

Suppose a man owned an apartment house 50 apartments in it. Suppose he were able to persuade 8 or 10 of the tenants to agree to a 15-percent increase, and the rest of them would not agree. Automatically there would be discrimination between those who were willing to do it, or who for one reason or another were induced to do it, and those who would not be willing to do it. If the landlord were arbitrary about it, what penalty could he inflict upon those who refused?

Mr. HAWKES. I will say to the Senator that the very condition he is talking about has existed for 5 years all over the United States. In Washington I am advised that I am paying three times as much as other tenants on the same floor, for similar accommodations; and yet we are not fighting about it, because the situation has come about because of a certain state of affairs.

Mr. BARKLEY. I do not know what the conditions are which compel the Senator to pay three times as much as

any other tenant for similar accommodations.

Mr. HAWKES. The conditions were created by Congress.

Mr. BARKLEY. Congress enacted a rent control law applicable to the District of Columbia. It created a Rent Control Board, separate and apart from this legislation. It is an independent board. I do not know whether the Senator's situation is analogous to the situation I have in mind in various cities throughout the country where rent control has been inaugurated because such areas were what are known as defense areas.

Mr. HAWKES. I can only say to the Senator that in addition to all the other considerations, I think my amendment provides at least a modicum of justice and encouragement which should be afforded to those who put their money in housing. Otherwise I would not have offered the amendment. I do not believe that throughout the country five people out of a hundred could be found who would not say that it is a fair proposal.

Mr. BARKLEY. I am not questioning the Senator's motives. I may question his judgment. My point is that, inasmuch as we are establishing an authority under this legislation to regulate rents, and providing for the creation of local boards in whom, I suppose, we would have some confidence—otherwise we would not authorize their creation—it seems to me unnecessary and unwise for Congress, in the law, to offer a loophole by which tenants may be high-pressured, or by which tenants who are financially better able to bear the increase than other tenants, may be induced to such a contract, and thereby automatically brings about a sort of invisible pressure against all other tenants in the same apartment who sign the same kind of contract.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. TAFT. It seems to me that this is a very mild provision. What we do, in effect, is to say to a tenant, "Rent control will probably expire the first part of 1948. If you are willing to pay 15 percent more, you can be assured that at that time you will not be hit by a 20- or 25-percent increase."

Mr. HAWKES. Or a 100-percent increase.

Mr. TAFT. It seems to me that that is a perfectly fair proposal. If the landlord is willing to give the tenant a lease running until the end of 1948, it seems to me only reasonable, if the tenant wants such a lease, and does not want to rely on the law to keep the rent exactly where it is, to allow the tenant the option of paying 15 percent more and thereby become certain that the rent will not be increased until the end of 1948. I believe that such a provision would insure a much more gradual adjustment of rents than if we were to end the law suddenly—which we shall do sooner or later—and afford an opportunity generally to bring rents up to the general economic level of other prices in the United States all at once. So it seems to me that this is a very wise and gradual approach to the situation.

Mr. BARKLEY. If in any apartment house a tenant were induced to sign such a contract on the theory that control will end early in 1948, and thereafter he would not be subject to a sudden and radical increase, the amendment would also provide a Damoclean sword hanging over the heads of those who did not feel able to sign such a contract. The threat would be that when rent control terminated they would be compelled suddenly to pay an increased rental, if, indeed, they were allowed to rent at all. Because they had not signed such a contract they might be thrown out entirely. We know that under present housing conditions a vacancy in any apartment is grabbed up at once.

Mr. TAFT. The Damoclean sword is already hanging there. We do not hang it there by this amendment. It is hanging there anyway.

Mr. BARKLEY. It is hanging there because of control; but it is not hanging there because of the refusal of a tenant to sign a contract which the landlord sticks under his nose with the statement, "If you do not sign it, when rent control ends I will not even let you rent the apartment."

Mr. TAFT. He might do that anyway.

Mr. BARKLEY. He would not do it as a penalty against some tenant who might refuse to sign such a contract.

Mr. HAWKES. Mr. President, I am a little surprised that the Senator from Kentucky is not willing to give the landlord a little scintilla of hope by permitting him to negotiate with the tenant a voluntary agreement which the tenant is delighted to have, and which the landlord is willing to have.

Mr. BARKLEY. I believe that increases in rent ought to be uniform. I am not objecting to some increase, whether it is a scintilla, or double scintilla. But it seems to me that there ought to be a uniform rule under the law applicable to all tenants. I object to Congress saying how much the increase shall be in any rental charge. I believe that if we are to have a national authority and local authorities to deal with this subject, they ought to deal with it.

I am satisfied that the local advisory boards who understand the local situation, if they are impartial, as they ought to be, will deal justly with the landlord and the tenant. But what I object to is putting into the law a provision saying that if the landlord is able to induce a tenant to sign a contract for a 15-percent increase, such increase shall be legal as against that tenant, whereas other tenants in the same house may not on account of their lower income be able to sign such a contract, and they are undoubtedly under a handicap if they are unable to do so as compared with those who are able so to do.

Mr. HAWKES. I should like to say to the Senator from Kentucky, for whom I have great respect, that I do not see that it changes the situation of the tenant at all if he does not want to enter into a lease. It gives the tenant a chance to have the assurance that he will not have his rent raised more than 15 percent before January 1, 1949.

In connection with what this great Congress has let other segments of the free-enterprise system do in raising prices and rates I should like to read a few words into the RECORD at this point. Many merchants engaged in the house-furnishing business have raised their prices to 173 percent of the 1921–38 average. Many clothing merchants have raised their prices to 140 percent of that average. We have let food prices go up to 163 percent. We have let wages go up to 187 percent. Why should the owners of rental properties—and there are thousands of them, many of whom are poor or in extremely moderate circumstances—not be permitted a reasonable increase, especially when rentals are held to 85.6 percent of the 1921–38 average? We hear a great deal said about adjusting the hardship cases. I know of cases of widows of professors and college presidents whose husbands left them small apartments as their only means of earning a livelihood.

Mr. BARKLEY. Mr. President, would the Senator identify the document from which he was reading?

Mr. HAWKES. It is a chart prepared by Roy Wenzlick & Co., of St. Louis. If I am not mistaken, the figures are taken from the Bureau of Labor Statistics. That is my recollection.

Mr. BARKLEY. Who issued it?

Mr. HAWKES. I just told the Senator. The document is headed "The Real Estate Analyst," published by Roy Wenzlick & Co. I understand Roy Wenzlick is one of the most celebrated and reliable authorities in the United States on real estate values and the proper relationship of rentals.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. LODGE. I note that the Senator's amendment provides for a flat increase of 15 percent, whereas the House bill provides for not exceeding a 15-percent increase. Am I correct in my understanding that the amendment involves a flat increase up to 15 percent, whereas the House bill has more latitude?

Mr. HAWKES. I think the Senator from Ohio [Mr. TAFT] explained that a few moments ago in referring to maximum rent.

Mr. TAFT. Mr. President, if the Senator will yield, may I say that "maximum rent" is a technical term. This is an amendment to the price control act. It means the maximum legal rent which is permitted. The figure may be 5 percent or 10 percent. But the so-called ceiling on rents, which would invalidate any leases above the present maximum rent set, is raised 15 percent, so that any agreement within the limit may be made. It might be 5 or 10 percent, but it cannot be over 15 percent and still be legal. If it were over 15 percent it would violate the maximum rent provision.

Mr. LODGE. It can be 14 or 13 or 12 percent?

Mr. HAWKES. It could be 5 percent or 8 percent or any other figure which is not greater than the maximum rent provided by law.

Mr. LODGE. Is it the same as the provision in the House bill?

Mr. HAWKES. On that point; yes.

Mr. LODGE. I should like to ask the Senator another question. Does he fear that the courts will not be able to take care of this situation?

Mr. HAWKES. Of course I always judge the present and the future by some of the things which have happened in the past. I am not such an optimist as to think that by the establishment of any new agency we can wave a magic wand and adjust all these cases as promptly as they should be adjusted. I do not know whether the Senator from Massachusetts was present when I read my statement, but I said that only a fraction of 1 percent of the hardship cases submitted to the board have been solved or adjusted.

Mr. TAFT. We have been told right along, all the way through, in the hearings for the past 6 years that individual adjustment of rents was absolutely and completely impossible except in the very worst hardship cases. There are 40,000,000 cases to be settled. Forty million cases cannot be handled by any administrator or any board. Personally I think the board may improve some conditions, but I do not think they will be improved very much as far as individual adjustments may be concerned. They may be able to speed up action. I think there have been as many as 250,000 adjustments made, and the board may be able to speed up action slightly; but as far as settling the great bulk of rental cases is concerned, it is simply an impossible undertaking.

Mr. LODGE. Am I correct in my assumption that this amendment will apply only in cases where the landlord and the tenant agree? Is that correct?

Mr. HAWKES. It authorizes the landlord and the tenant voluntarily to agree to make a lease. Otherwise the tenant stays right where he has been. As the distinguished Senator from Massachusetts knows, General Fleming is a very honorable man. He was in charge of the Office of Temporary Controls for the President of the United States. After the altercation with reference to an arbitrary increase of rents 10 percent straight across the board, when there was some question as to whether it had been authorized, General Fleming came before the Committee on Banking and Currency and said he knew of no way to achieve justice and equity in the adjustment of these cases other than by a 10-percent increase across the board.

Mr. LODGE. This amendment provides for the increase if the landlord and tenant agree to it. If they agree they will not be subject to further rent control. Is that correct?

Mr. HAWKES. After December 31, 1947.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from New Jersey [Mr. HAWKES].

Mr. HATCH. Mr. President, I should like to ask a question or two to clarify the matter in my own mind. But I wanted to say, first, that in reading the amendment and giving every effect to the statement of the Senator from New Jersey and I in no way question the motives or purposes of this particular amendment—I cannot agree that the language of the amendment carries out the purposes which the Senator has just expressed. The Senator has repeatedly said, and I am sure he means it, that this amendment provides for only a voluntary agreement between the landlord and the tenant, and that if there is any coercion or intimidation or influence whatever, it would render the agreement void. However, Mr. President, that is not what the amendment says, as I read it; and if I am incorrect in my interpretation or construction of it I should be glad to be corrected. The amendment provides:

> In any case in which a landlord and tenant, on or before December 31, 1947, in good faith enter into a valid written lease—

Those words "in good faith," are the only words in the entire amendment which relate in any degree to whether or not the agreement will be voluntary. They relate only to entering into the contract.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. CORDON. I have in my mind the thought which the Senator is expressing, and I am wondering whether the Senator agrees with me that the words——

Mr. HATCH. Let me finish my thought, and I am sure the Senator will agree with me.

The words "in good faith" relate actually to the signing of the contract. Any landlord could have brought any pressure in the world to bear upon the tenant before the time for signing the contract. He could have coerced and intimidated the tenant and brought him right up to the point where he knew he had to sign the contract. Good faith does not enter in there at all. Those preliminary negotiations do not exist at that point. It is in respect to the preliminary negotiations that the intimidation, coercion, and other influences of every kind occur. Those things always occur before the contract is entered into. They never occur after it is entered into.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. HAWKES. If the Senator had been in the Chamber when I first presented the amendment and if he had listened to the statement I read at that time——

Mr. HATCH. I was here at that time.

Mr. HAWKES. I said then that if they entered into the lease voluntarily and in good faith——

Mr. HATCH. I said that, and I said that was what the Senator said; but I say the language of his amendment does not bear out what he himself says he wishes to do, it seems to me.

Mr. HAWKES. Of course, I cannot conceive that something would be done in good faith unless it was voluntarily done.

Mr. HATCH. Very well. The actual signing of the lease is done voluntarily after the pressure has been brought. After the pressure has been brought, the lease is signed voluntarily, in good faith. What does the lease relate to? Perhaps it relates to the payment of rent or to the occupancy of the premises or to the keeping of possession during a certain period of time. That is where the good faith enters into the picture.

Perhaps the Senator from New Jersey would like to make a further explanation or statement.

Mr. HAWKES. No; that is all right. Let me ask what the Senator thinks should be done in respect to good faith.

Mr. HATCH. We should provide that the lease be entered into without coercion or intimidation or undue or improper influence, but that it be voluntarily agreed to; we should provide preliminary words of that kind, which would cover the field of negotiation up until the time when the contract is signed. I think that is what the Senator from New Jersey seeks to do, but I am frank to say that the amendment does not do it, in my opinion. That is all I have to say.

Mr. FULBRIGHT. Mr. President, I do not think this amendment should be adopted as a part of the bill, because I think it is in complete disagreement with the entire philosophy of the bill. In other words, under the bill there would be set up to deal with hardship cases local boards such as the ones the Senator from New Jersey is attempting to deal with by his amendment. Under the bill the local boards will have complete authority at the local level to raise rents or decontrol, just as they may wish to do. I do not think an arbitrary 15-percent increase in rents—which is what the amendment amounts to—is consistent with the theory of the bill. In many sections of the country—for instance, in the committee we had evidence as to New York City, and especially as to some of the higher-priced apartments which were put under rent control at an early date—a 15-percent increase would not be sufficient. I dare say there are some places in the country where the rent should be increased either 20 percent or 30 percent. Other areas and places, such as my home town, were brought under rent control very late, not until 1945, and there is no real necessity for an increase in rents. From my own town I have had practically no requests for rent increases, because there the rents were frozen after the rates were high. Because of those varying situations, in the bill we have made provision for the appointment of local boards. We did so in order to make the control flexible.

However, the amendment of the Senator from New Jersey proposes that a Nation-wide increase of 15 percent be made. It seems to me such an amendment is entirely contrary to the purposes of the bill. The committee considered an amendment providing for such an increase; and, as will be seen from the report, the committee considered many other amendments. The bill seeks to place the authority and responsibility back at the local level. For 5 years Senators have been urging that that be done and have been condemning the arbitrary actions of the Washington bureaucracy. By this bill we get away from such arbitrary actions by Washington bureaucracy and we place the authority in the local boards in the home-town areas. Those boards will be composed of the leading citizens; and if they wish to pro-

vide for a 10- or 15-percent increase in rents they will have authority to do so.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MOORE. As I understand the bill, it provides that rent controls shall expire at the end of 1947.

Mr. FULBRIGHT. They will expire at the end of February 1948.

Mr. MOORE. Yes. The assumption is that at that time rent control will expire; is that correct?

Mr. FULBRIGHT. Yes.

Mr. MOORE. And then rent control will be off?

Mr. FULBRIGHT. That is correct.

Mr. MOORE. Then the landlord and the tenant can make a contract with one another to suit themselves.

Mr. FULBRIGHT. That is correct.

Mr. MOORE. In those cases, if the tenant wishes to have his contract extended, he may extend it by agreement with the landlord, and thus be assured of a place in which to live for all of 1948, for instance. Let us assume that at the time of the making of such a contract, there is no rent control at all.

Mr. FULBRIGHT. But there is no prohibition in this bill against his making such a contract.

Mr. MOORE. Oh, yes; there is.

Mr. FULBRIGHT. I mean a contract to extend beyond the term.

Mr. MOORE. Yes; he could make such a contract. There might be a case, under the enactment of the Senator from New Jersey, in which the tenant and the landlord would think it to their mutual interest to make a contract providing for the same rent they already were paying. The bill would prohibit their doing that.

Mr. FULBRIGHT. We are not prohibiting that. We are giving authority to the local boards, to let them do whatever they may wish to do.

Mr. MOORE. The Senator from Arkansas has listened to the testimony, and I myself have listened to some of it; and the Senator from Arkansas knows that it is impossible for the boards or for the Administrator to hear all the thousands of cases which one or more of the parties consider to be hardship cases.

Mr. FULBRIGHT. I do not think it is at all impossible; I think it is very practicable.

Mr. MOORE. I say to the Senator from Arkansas that I have listened to the explanation, and I do not see how there is room for much difference of opinion about the amendment. A few minutes ago the Senator from Kentucky [Mr. BARKLEY] said he thought the rents in apartment houses should be uniform.

Mr. FULBRIGHT. He meant the rents within one apartment house.

Mr. MOORE. Yes. But let us consider the following case: Suppose the Senator and I are tenants in an apartment house, and suppose that I would like to have my occupancy extended for another year, rather than to have it on a month-to-month basis or on the basis of a mere temporary contract. Let us assume there is no rent control, and that I am willing to pay a bonus in order to be sure that I shall be able to make an arrangement of the sort I have just outlined. Would the bill prohibit that? The bill would not prohibit it, would it? That is merely one example. The Senator has said that rent control will lapse at the end of next February.

Mr. FULBRIGHT. That is correct.

Mr. MOORE. Or let us assume I am a tenant of the Senator from Arkansas, and that I should like to be sure that I shall be able to occupy his house for all of 1948. Suppose I say that I will pay him 115 percent of the rent I am now paying. How could there be any pressure in that case? It has been said by the Senator from Kentucky that pressure could be placed on the tenant. Of course, when rent control is removed, if it ever is, it will be possible to apply any pressure that is within the confines of a contract which is freely entered into.

Mr. FULBRIGHT. I think the Senator's argument amounts to a statement that we should get rid of rent control now, and should let all landlords do as they please.

One of the principal reasons for rent control is that a man with a little more money at his disposal would be able to offer the landlord an increased rent, and thus have a present tenant ejected. I think that is what the Senator from Oklahoma is advocating.

If there is a desire to end all rent control by the end of June, that is one thing. I can understand that. But if rent control is to be extended under the bill, then I think this amendment is entirely inconsistent with the theory of the bill. If Senators wish to reject this bill and pass a different one, that is another matter. But I say that the Senate should not adopt the principle of this bill and then provide by amendment for a Nation-wide arbitrary increase of 15 percent in rents. Such an amendment is absolutely inconsistent with the principle of the bill. I am sure the Senator realizes that the adoption of this amendment will be equivalent to giving authority for a 15-percent increase in rents. There can be no question about that.

Mr. MOORE. Of course, we are going to remove rent control at some time. Let us assume that we shall not be asked to renew it after this year. Accordingly, if an effort is made in good faith to decontrol by contract, is there anything wrong with that? We do want to decontrol.

Mr. FULBRIGHT. It seems to me that the thing that is wrong is that we should not do it from Washington.

Mr. MOORE. I do not think we should do any of it here in Washington. I agree with the Senator in that respect.

Mr. FULBRIGHT. Many Senators, including the Senator from Oklahoma, have complained about the bureaucracy in Washington and bureaucratic control. The Senator from Oklahoma knows that in connection with the establishment of certain boards in his home town, such as selective-service boards, the members of the boards were recommended for appointment by the governor. Under the provisions of this bill the procedure which applied in the case of the selective-service boards will be followed. The procedure recommended under this bill is the same.

Mr. MOORE. Of course, the selective-service boards were set up during the war.

Mr. FULBRIGHT. The procedure is the same, the governor recommending the local people who would make up the board. The Senator knows those men will be fair about the matter. What I am saying is that we have accepted that theory, and the chairman of the subcommittee, the Senator from Delaware [Mr. BUCK], and everyone else, agreed on that basic theory, that we were putting the responsibility back on the local authorities, the local boards, not on the regularly constituted local government, but on the authorities appointed under the recommendation of the governor. Now Senators come along with an amendment trying again to impose a Nation-wide rule, to be operated from Washington.

Mr. MOORE. No; we are relaxing to that degree.

Mr. FULBRIGHT. In Tulsa the landlords may need a 20-percent increase, but let the board there decide. If it decides it should be 20 percent, it is perfectly all right. Under the bill as it is written they can raise rents 20 or 25 percent.

Mr. MOORE. What is wrong with empowering the landlord and tenant to make a voluntary contract?

Mr. FULBRIGHT. In the first place, it is superfluous. The fundamental defect is that it is inconsistent with the whole approach of the bill, and I think that if we do what is proposed, each one of the amendments—and I want to come back to the amendment of the Senator from Wisconsin [Mr. MCCARTHY]—would result in destroying the very basis of the bill. If we start taking away the authority of the boards, then we certainly are not going to get any boards to function. There will be nothing left for them to do.

Mr. WHERRY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. WHERRY. The Senator from Oklahoma referred to the tenant and landlord making a voluntary contract. Would the Senator from Arkansas object if there were a provision in the bill authorizing the making of a voluntary agreement between the tenant and the landlord? That would cure the difficulty the Senator is discussing.

Mr. FULBRIGHT. No; it would not cure the difficulty. I think the remarks of the Senator from Kentucky [Mr. BARKLEY] a moment ago answered that suggestion.

Mr. WHERRY. The Senator would not deny the tenant and the landlord the right to make a voluntary contract within the range set forth in the bill; would he?

Mr. FULBRIGHT. No; not within the provisions of the bill as it is.

Mr. WHERRY. I mean the amendment.

Mr. FULBRIGHT. I would object. I think it amounts to saying, in very shrewd language, that there is to be a 15-percent increase. That is what it is equivalent to, and I do not think it is in

accord with the basic principle of the bill.

Mr. WHERRY. The Senator has a right to argue that is what would happen, but it seems to me that if the tenant and the landlord want to make a voluntary contract, the Senator should not object to that. I do not think it has a thing to do with the spirit of the bill, if they want to do it voluntarily.

Mr. FULBRIGHT. The reason why they do not make these voluntary arrangements now is because the law stands there to protect the tenant. If we remove the protection, the tenant is in such a position that he dare not refuse.

Mr. WHERRY. As the Senator is proposing to return the matter to the local level, why should he object to permitting the tenant and the landlord to have opportunity to make a contract at the local level?

Mr. FULBRIGHT. The Senator has the greatest faith in the authorities of Omaha, and I am sure he would not suspect them of not wanting to do the right thing.

Mr. WHERRY. Outside of four or five localities, we do not have any rent districts in Nebraska. We do not need them. I think the reason why there is a desire for control because of the hardship cases is that some persons desire to continue rent control. If we want to discard rent control, I think this is one of the best ways to do it. If we really want to decontrol, this is the way to do it.

Mr. FULBRIGHT. Letting the law lapse is the way to get away from it.

Mr. BUCK. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. BUCK. When I first read the amendment I had somewhat the same reaction the Senator from Arkansas has expressed, but it does seem to me that the tenant would derive some benefit from the proposal. He is guaranteed a lease, at an increase of 15 percent, for a year and a half, dating back to the rent he paid on September 1, 1946. So he does derive some benefit. If the tenant did not want to join in the agreement, how would some unscrupulous landlord treat him?

Mr. FULBRIGHT. He would go out at the end of control, in February. I live in an apartment, and moving is a very difficult undertaking. If the landlord came to me and said, "I would like a 15-percent increase," knowing I have a year-to-year lease, that is all he would have to say, because I could not afford not to give him the 15 percent. All he would have to do would be to say, "I want 15-percent increase." I now lease by the year, and I have to pay the whole year's rent, as all of us have to do, whether we are here or not, but under the conditions which prevail here I could not afford to take a chance and say, "I will not give you the 15-percent increase."

Mr. BUCK. Would the tenant be in any worse position at the end of rent control?

Mr. FULBRIGHT. Everyone then would be on an equal basis. I think the Senator put his finger on the test for those living in the same apartment. Those who can afford to pay the 15-percent increase would agree to do it. If a tenant did not agree, it would be equivalent to being served with a notice of eviction. I think it is unfair to such persons to remove the protection.

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. BARKLEY. Since the Senator has referred to the apartment in which he lives, and has said what he would do if the landlord should come to him and ask him to sign a contract for a 15-percent increase, I might say that I live in the same apartment.

Mr. FULBRIGHT. Would not the Senator agree?

Mr. BARKLEY. We have a very fine landlord, I may say.

Mr. FULBRIGHT. Yes.

Mr. BARKLEY. I am satisfied that even without rent control, he would be a very reasonable man from whom to rent. Suppose the Senator should sign his contract. Suppose we did not have a reasonable man as our landlord. Suppose we had a selfish, greedy man, who wanted to take advantage of this amendment in order to compel all the tenants in the apartment house to pay 15 percent more. The Senator would sign his contract. Then, if the landlord were so minded, he would come to me and say, "Here, BARKLEY, FULBRIGHT has signed a contract for a 15-percent increase in rent. What about you?" I might not be as able to pay the 15 percent, and no doubt would not be, as the Senator from Arkansas is, but I would also want to keep my apartment, and I would fear that if I did not sign my contract I would not be allowed to. Would not that be almost a kind of automatic intimidation, subjecting me to a fear that if I did not go along with the Senator and sign the same kind of contract, I would not have any apartment when my lease expired? And if two of us did it, what effect would it have on the third, the fourth, the fifth, and all the others?

Fortunately, we live in an apartment house where it is a delight to live, where we have one of the most reasonable, accommodating, and fair-minded landlords to be found in Washington.

Mr. FULBRIGHT. I hope he will read these remarks.

Mr. BARKLEY. I hope he will, and that he will consider the advertisement we are giving him if this 15-percent provision is enacted into law.

Mr. FULBRIGHT. It is not so much the 15 percent. If the bill were not being considered in the form in which it now is, that is, if we were not setting up local authority, I think the situation would be very different, but I thought we were doing just what the Senator from New Jersey and other Senators who objected to the so-called bureaucracy would like when we provided for a return to local government. We are putting the responsibility on the people at home, the people who have been complaining. They have been finding fault with what was being done in Washington. We say, "You assume this responsibility. We trust you to do justice to the people in the community." I think every amendment of the kind we are considering is inconsistent with that thought, and I do not want any such amendment in the bill at all.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. The Senator has referred to the desire to return to local government. It seems to me the Senator from New Jersey is seeking to have us return to the principle of allowing a man to get something commensurate out of property he owns, rather than be kicked around by an arbitrary decision of officials in Government agencies, and having his property confiscated, virtually, at a rental completely inadequate and completely improper in comparison with wages and other prices, and in comparison with maintenance costs. I do not think the Senator from New Jersey is overdoing the matter at all.

Mr. FULBRIGHT. The Senator is trying to have us return to a state of nature, in which there is no law at all.

Mr. HICKENLOOPER. Sometimes I think we might be better off.

Mr. FULBRIGHT. In my first remarks I said that if the desire is to kill the bill altogether, that is one thing, and there are arguments for that; but we are talking about the bill we are considering. If Senators desire to take no action at all, that is one thing, but if we are to consider the bill—and the committee did, and reported it favorably—then we should not adopt an amendment like that now pending, because it is inconsistent with the whole theory of the bill.

I think it is a little strange that the Senator from New Jersey and other Republican Senators seem to have a distrust of the ability and justice of the home folks at the county and city level. They are the ones who are to administer the law. It is not to be administered in Washington. The bill specifically provides that the local boards shall deal with hardship cases and individual cases involving a 15-percent increase, in fact, the next day after the bill became law they could decontrol a whole area.

Mr. HICKENLOOPER. In this connection I refer to the experience most of us had with the so-called adjustment boards in local communities under the present rent-control law which were supposed to adjust recommended hardship cases.

Mr. FULBRIGHT. The boards provided for by this bill are not the same as those boards.

Mr. HICKENLOOPER. Oh, I know they are different; I realize that; but the principle is much the same.

Mr. FULBRIGHT. No; it is not. There was never a local board that functioned in the manner the boards under this bill will function.

Mr. HICKENLOOPER. There were local rent authorities in the housing-shortage areas, that would pass on the amount of rent, and make adjustments.

Mr. FULBRIGHT. Not at all. The Senator is entirely mistaken. The rents were absolutely controlled by regulations coming from the Washington office.

Mr. HICKENLOOPER. That is correct.

Mr. FULBRIGHT. Those local boards had no authority to change one iota of the regulations. That was never the case.

Mr. HICKENLOOPER. I understand but the regulations determined the amount of rent.

Mr. FULBRIGHT. But under this bill no regulations are to come out of Washington to determine it. The bill is very specific. It gives the authority to the local board, which board is appointed upon recommendation of the governor of the State.

Mr. HICKENLOOPER. I will admit to the Senator that, had the theory of the bill been in effect some 3 or 4 years ago when there was an attempt to freeze, by arbitrary regulation issued from the central source, the rents in the shortage areas, we might not have had the complaint about rent situations that we have now, and we might not have the restlessness in certain areas over the arbitrary restrictions which have been imposed. But if a tenant and his landlord want to agree to a rent increase that cannot exceed 15 percent, I cannot see why they should not be permitted to do it, and why there would be involved any more compulsion than there is today in rental areas.

Mr. FULBRIGHT. The Senator simply does not agree with my theory as to what the bill itself means.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HATCH. I apologize to the Senator, because I have not had time to study the bill, I am not a member of the committee, and I was not here when the chairman of the subcommittee made his explanation. I should like to ask the Senator a question or two, merely for my information.

Under the pending bill the local board is given absolute authority to fix and control rent, is it not?

Mr. FULBRIGHT. The local board is given authority, as far as it is possible to give it authority under the Constitution. We had to frame the bill so as to conform to the Constitution. We studied that phase of the matter at length. I shall read the provision; it is very short. On page 6 are set forth the things that the local board can do:

(1) Decontrol of the defense-rental area or any portion thereof;

(2) The adequacy of the general rent level in the area—

That is a provision under which the board can raise the rent 15 percent, 20 percent, 30 percent, or 50 percent—

(3) Operations generally of the local rent office, with particular reference to hardship cases.

Referring to subsection (c), I read:

Within 30 days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in 30 days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

I will say to the Senator, we studied that carefully. We thought first of giving authority, without any necessity of approval, but our legal expert said, "You cannot do that and still call it a Federal code."

Mr. HATCH. I understand that, of course, and I think the committee did a very good job. I would like to ask a question. Under that authority, in the specific case to which the Senator is referring, where a landlord and tenant voluntarily agree to a 15-percent increase, is there anything to prevent the local board granting the increase?

Mr. FULBRIGHT. Nothing whatever. It can be done in individual cases; it can be granted for a whole area or the board can decontrol a whole area.

Mr. HATCH. How about an increase of 25 percent?

Mr. FULBRIGHT. The board can allow a 25-percent increase. My point is, the board is given authority to do that sort of thing. If we superimposed a Nation-wide rule, requiring an increase of 15 percent, I think to that extent, the whole theory of the bill would be destroyed, and the usefulness of the local boards would be decreased.

Another amendment has already been adopted, proposed by the Senator from Wisconsin [Mr. MCCARTHY] when I was not in the Chamber. I wanted to raise the point that, if we are going to follow the course of allowing the local boards to act, we should not now begin to add specific directives from Washington. The great difficulty lies in the variety of circumstances existing in New York State, let us say, in Arkansas and in New Mexico. It is impossible to have general rules that will work satisfactorily.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I do not want to keep the floor.

Mr. CORDON. I ask the Senator to yield, because I do not want to enter into an argument with him or interrupt his thought.

Mr. FULBRIGHT. I yield.

Mr. CORDON. I understand the Senator to take the position that, under the pending bill, the local boards would have some power of administration.

Mr. FULBRIGHT. Yes.

Mr. CORDON. As I read it, on page 5, at the bottom of the page, there is a sentence—and it is the sentence that gives any power at all to the local board—reading as follows:

Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this act within its area.

That is a recommendation to local representatives of the Expediter. The next sentence reads:

The local boards may make such recommendations to the Housing Expediter as they deem advisable with respect to the following matters—

And then appear the three matters to which the Senator referred a moment ago. But I find nothing in the provision giving any authority.

Mr. FULBRIGHT. I ask the Senator to skip down to line 18 on page 6, and to read that.

Mr. CORDON. They have made the recommendation; and then appears this statement, in line 18:

Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

Mr. FULBRIGHT. That is the very point that was raised by the Senator from New Mexico.

Mr. CORDON. But I think that in the words "recommendation of a local board appropriately substantiated" there must be read the words "in the opinion of the Expediter"; because he is the only one that passes judgment on it. That is the point I am trying to make.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUCK. I may say to the Senator from Oregon that the committee requested the lawyers who drew this measure to frame it in such a way as to give the local boards all the power that could possibly be given them without giving them supreme power; because, if that were given them, then there would be no reason for a national administrator. The language here used, I am told—and I have questioned it—is the best that they have been able to formulate, to give the boards all the power and all the authority that it is possible to give them.

Mr. CORDON. Mr. President, I am inclined to agree with the Senator's statement.

Mr. FULBRIGHT. Moreover, the constitutional question was raised. I think the Senator will agree that when the discussions began, I was in favor of giving complete and final authority to the local boards.

Mr. BUCK. That is correct.

Mr. FULBRIGHT. The lawyers on the committee thereupon raised the question of the constitutionality of delegating such power under a Federal statute. The best legal counsel we had said, "This is as far as you can go in giving authority under a Federal statute"; and I accepted that as the truth.

Mr. BUCK. I think the Senator will agree with me that if the language could be perfected, to make it stronger, and give the boards greater power, we would welcome such amendment.

Mr. FULBRIGHT. I was perfectly willing to do it, in committee, and that is the history of the discussion in committee. The record will clearly show that it was the intention to confer as much power and authority as possible. The matter was discussed at length with the Expediter, and he understands it is our position that, if the recommendation of the board is not clearly arbitrary, or, I would say, capricious, he must accept it. That was the understanding.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. FERGUSON. What is the difference, constitutionally, between giving full authority to the local boards, and

giving it to the Expediter? What is the constitutional question on that? The Senator says it can be given to the Expediter, but not to the local board. Why not?

Mr. FULBRIGHT. I will ask the Senator from Delaware [Mr. BUCK] if he would like to explain that.

Mr. BUCK. My only answer is, if supreme power and authority be given to the local boards, why have an Expediter or administrator?

Mr. FULBRIGHT. I think the lawyers went further.

Mr. FERGUSON. Why have an Expediter? Why not give the authority to the boards?

Mr. FULBRIGHT. The counsel to the committee said, "This is a Federal law that you are administering, and it is unconstitutional to delegate complete authority to a non-Federal official. You can treat him as an administrator."

Mr. FERGUSON. Why not let the Expediter appoint the officials?

Mr. BUCK. He does do so.

Mr. FULBRIGHT. To act for the Expediter.

Mr. FERGUSON. I cannot see why they are not Federal officials the same as is the Expediter if they are appointed by the Expediter.

Mr. FULBRIGHT. That was the argument which was raised in the committee, and we argued it back and forth. I did not get any further information on it than the lawyers gave.

Mr. FERGUSON. The able Senator from Arkansas has said that the local board could do exactly what the amendment of the Senator from New Jersey provides can be done. I do not so understand. The local board can do only three things. First, decontrol the defense area or any portion thereof. That is a decontrol. Second, determine the adequacy of the general rent level in the area. Third, make recommendations concerning the operations generally of the local rent office with particular reference to hardship cases.

The Senator from New Jersey is not talking about what is known as a real hardship case. He wants to give the right to a landlord and tenant to enter into a lease for 10 months after expiration of the Decontrol Act, the tenant to pay 15 percent additional rent from the time he entered into the lease until the termination of the lease. I do not understand that the local board would have any control to allow a landlord to enter into such a lease.

Mr. FULBRIGHT. I call the Senator's attention to the fact that the argument of the Senator from New Jersey was based on hardship. He was talking about the deplorable condition the landlords are in unless they are granted relief. I do not understand that he was seeking to give property owners a 15-percent increase when they were not entitled to it under any considerations of economics. I understood that his plea was that his amendment would give relief to persons who needed it.

Mr. FERGUSON. Not in what are called hardship cases.

Mr. FULBRIGHT. Why is it not a provision for hardship cases?

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HAWKES. I think this matter has become so confused that I would hardly know my own amendment unless I read it again. The Senator is talking about an arbitrary 15-percent increase. There is no arbitrary 15-percent increase provided for in the amendment at all. The Senator is talking about hardship cases being adjusted by the local boards. I want to call the attention of the distinguished Senator from Arkansas to the fact that the local boards can only make recommendations.

Mr. FULBRIGHT. Then why does the Senator——

Mr. HAWKES. Permit me to finish. I have asked the Senator three times to yield to me, and I wanted to correct some of the things he was saying.

Mr. FULBRIGHT. I have not refused to yield to the Senator from New Jersey.

Mr. HAWKES. Yes; the Senator did.

Mr. FULBRIGHT. I have yielded to every Senator who has asked me to yield.

Mr. HAWKES. Yes; the Senator yielded to every other Senator who asked him to yield, and I wondered whether he had a grouch against me.

Mr. FULBRIGHT. Oh, no, no.

Mr. HAWKES. My amendment has no more to do with hardship cases than a basket of eggs in the back yard would have to do with them. It does not have anything to do with hardship cases. If the Senator will read the amendment, he will find that it gives the landlord and the tenant the right of free American citizens to sit down together and discuss whether the tenant wants a lease which runs through to the end of next year or not. It does not have anything to do with hardship cases.

Mr. FULBRIGHT. The Senator, in his opening speech, had a great deal to say about the poor landlord who owns apartments and who is not receiving sufficient rent. I thought the whole motive for the Senator's amendment was the hardship suffered on the part of the landlord. That is why I misconstrued the Senator's purpose.

Mr. HAWKES. If the Senator will read in the RECORD tomorrow what the Senator from New Jersey said, he will find that he did not say at any time that the amendment had anything to do with adjusting hardship cases.

Mr. FULBRIGHT. The Senator did speak about the hardship suffered by the landlords; did he not? I thought I heard that statement made.

Mr. HAWKES. Would the Senator from Arkansas deny that the landlords of the Nation have been placed in a very difficult position?

Mr. FULBRIGHT. I would not, and I think the bill gives them the best and the most flexible relief I can think of. The situations are not all the same. The Senator will not deny that the situation is not the same in New Jersey and in New York as it is in Texas and Arkansas.

Mr. HAWKES. No. I shall vote for the bill undoubtedly, and I do not think my amendment has a thing to do with the point the Senator has been talking about.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MYERS. I might say to the Senator from Arkansas that the real reason why I have objected to the amendment is that I thought it was a hardship amendment. I think we probably might better call it a windfall amendment. The philosophy and the objective of the amendment I think is best expressed in an editorial which recently appeared in the Pittsburgh Post-Gazette, a Paul Block publication, as follows:

> The landlord could go to the tenant with this proposition: Either sign a 2-year lease calling now for a 15-percent rent boost or risk an unlimited rent increase when rent control expires within a matter of months. The choice in such a situation is obvious.

And then this sentence is rather indicative of the whole situation:

> There would be justification for permitting landlords a 15-percent increase if they had no other recourse for increases. But such is not the case.

I might point out that in my State of Pennsylvania, particularly in western Pennsylvania, in an article which appeared in last Sunday's issue of the Pittsburgh Press, it is indicated that—

> Rent control still is in effect here. But rents are no longer "frozen."
>
> Uncle Sam is now handing out more rent increases in the Pittsburgh district than ever before.

But of course they are hardship cases. As the Senator well knows, we have relaxed the rules so that in any case where there is a hardship it is quite easy for a landlord to receive an increase in his rent. So I think the whole theory and the whole philosophy of the amendment is to grant a windfall to thousands upon thousands of landlords who are not in need of rent increases because of the fact that they are still making a handsome profit and getting a very fair return on their investment.

I am wholeheartedly in accord with the theory that those landlords who are not receiving a fair return certainly should secure it. I think the present law makes such a thing possible. I think the bill as reported by the committee authorizes and guarantees such landlords that they will receive a fair profit and receive an adequate return on their investment.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON of Virginia. The Senator from Arkansas will recall that when in committee we were discussing the meaning of this provision it was our understanding that we were covering three separate and distinct phases of this problem at the level of local control. One was to get a recommendation to end all control. The second was to get a recommendation from the local board to provide a horizontal increase as proposed by the distinguished Senator from New Jersey—not necessarily 15 percent, but 5, 10, or whatever the figure.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HAWKES. The Senator from Virginia is now speaking about my origi-

nal proposal. I want the Senator to distinguish between that and the pending amendment, because my original proposal provided for a horizontal increase. The pending amendment has nothing to do with anything but a voluntary agreement.

Mr. ROBERTSON of Virginia. And the third was that where we used the word "hardship" we really meant inequities, and wherever the board felt that the rental that had been fixed by OPA was not fair to the landlord, it could give an increase based upon the individual merits of the particular case. We contemplated covering all the phases of this matter that could appropriately be covered in legislation of this kind, leaving the control where we felt it ought to be, close to the people to be affected.

Mr. FULBRIGHT. That is exactly my understanding. The only difficulty about the theory—and it is a very simple one—is the question raised by the Senator from Oregon [Mr. CORDON]. It was a troublesome question for us. It is a legal, constitutional problem as to how far we can go in delegating the final authority. We went over the subject with Mr. Creedon in great detail. He thoroughly understands the attitude of the committee. He assured us, as far as any man could, that he was in sympathy with the attitude of the committee. He convinced us that the less he has to do with decisions as to specific problems within a community the better he will like it. We had that understanding. I do not know how much further we can go in giving final authority.

Mr. CORDON. Mr. President, I am quite sure that a discretion of that character would create a better climate for the operation of rent control under rules and regulations, even though it does not change the legal authority. I shall vote for the bill, because I believe it is a much better approach than anything we have ever had. I feel that that type of committee, even though it has only advisory power, will be most helpful in securing a better basis for rent control than we have ever known. At the same time, from the legal standpoint, I cannot but believe that the language leaves the final authority in the Expediter.

Mr. CONNALLY. Mr. President, I should like to invite the attention of the Senator from Arkansas to the language on page 8, and ask him some questions for information. On page 8, in section 6, I find the following language:

> No maximum rents shall be established or maintained under this act for any housing accommodations (1) which consist of, or are located in, any transient hotel, residential hotel, or motor court.

As I understand, if it were a residential hotel, it would not be subject to control. What is a residential hotel?

Mr. FULBRIGHT. From the discussion in the committee, I understand that those are more or less words of art. Under the operation of price control those words have been made to mean certain things.

Mr. CONNALLY. I am asking what they mean.

Mr. FULBRIGHT. In the administration of the act the OPA has determined just what a residential hotel is. It makes a distinction between a residential hotel and an apartment house. I was trying to think of some examples of a residential hotel. I do not know whether or not 2400 Sixteenth Street would come in that category.

Mr. TAYLOR. The Dodge is a residential hotel.

Mr. FULBRIGHT. That point was raised. We were told that that expression has a special meaning, developed under the regulations and experience of the Office of Price Administration. I am sorry that I cannot enlighten the Senator further on that point. I recall that the question was raised.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. TAYLOR. A residential hotel is a hotel with a certain percentage of permanent residents. I do not know offhand what that percentage it. A certain percentage of the rooms or accommodations is rented on a permanent basis.

Mr. FULBRIGHT. That is what is meant. Certain percentages identify the category. I cannot tell the Senator what those percentages are.

Mr. CONNALLY. I should like to ask a question with reference to clause (4). Section 5 provides that—

> No maximum rents shall be established or maintained under this act for any housing accommodations * * * (4) construction of which commenced on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947.

Mr. FULBRIGHT. That is new construction.

Mr. CONNALLY. I think that provision is desirable, because it has a tendency to encourage private building. But suppose a man started his building on the 1st of January. Why should he not have the benefit of this provision?

Mr. FULBRIGHT. There arises the same old problem of where to draw the line. We had to draw it somewhere.

Mr. CONNALLY. Months are required to build a residential hotel. Sufficient time ought to be allowed.

Mr. FULBRIGHT. Residential hotels are not covered by this provision.

Mr. CONNALLY. I know; but I am using that as an illustration of the kind of structure which requires considerable time to erect. Probably there would be sufficient time to build a residence, the construction of which was started after February 1.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. What would be the application of this provision to a hotel to which an addition was made doubling the previous capacity of the hotel? Would that be new construction? Would a portion of the hotel be under rent control, and another portion free from rent control?

Mr. FULBRIGHT. I think that would be the case. The theory is that we would thereby encourage the construction of new facilities. The concluding words in the clause are "or which are additional housing accommodations created by conversion on or after February 1, 1947."

That refers to material conversion. This provision would encourage the construction of additional facilities.

Mr. MAGNUSON. In determining whether or not the conversion were material, the OPA regulations as to rent control would apply. The OPA definition of material reconversion, apartment hotels, residential hotels, and motor courts, would be applied. There is a long list of cases in which the OPA determined which was which under the regulations, is there not?

Mr. FULBRIGHT. Yes; this question involves a determination of the definition. A similar question is involved in determining what is a residential hotel. There is a special definition for residential hotel. A certain percentage of the accommodations must be rented on a permanent basis.

Mr. CONNALLY. Suppose all of it were rented on a permanent basis.

Mr. FULBRIGHT. Then I think it would be an apartment house. At a certain point it becomes a transient hotel. Does the Senator from Delaware remember the definition of a residential hotel?

Mr. BUCK. It is not defined in the act.

Mr. FULBRIGHT. It is defined in the regulations and under the practice of the OPA.

Mr. BUCK. It is defined by the OPA.

Mr. CONNALLY. Was there anything in the hearings on the subject?

Mr. FULBRIGHT. We discussed the question.

Mr. MAGNUSON. The definition turns on a certain percentage, does it not?

Mr. FULBRIGHT. Yes.

Mr. BUCK. It is a hotel if certain services, such as bellboys and elevator service and other things which one might expect to find in any hotel, are furnished.

Mr. CONNALLY. If it is possible to obtain exemption from rent control by employing a couple of bellboys such places will all have bellboys.

Mr. BUCK. I do not see how the exemption could apply to an apartment house.

Mr. CONNALLY. It could very easily. A part of the facilities could be rented on a permanent basis and a part on some other basis. Under the terms of the bill a regular hotel is entirely exempt. I refer to a transient hotel.

Mr. FULBRIGHT. That is correct.

Mr. CONNALLY. There is no maximum rent in connection with such a hotel.

Mr. FULBRIGHT. That is correct.

Mr. CONNALLY. But an apartment house is subject to control, is it not?

Mr. FULBRIGHT. Yes. The apartment house in which I live is a good example of one extreme; and the Mayflower is an example of the other. There are some borderline cases. I had in mind 2400 Sixteenth Street. It seems to me that some of the accommodations in that building are on a transient basis. Some of the rooms are rented by the day, and yet there are many apartments in the building. That is one of the borderline cases.

Mr. CONNALLY. It does not seem to me to be just to allow transient or commercial hotels to charge any rates they desire, while an apartment house across the street is regulated. I do not see any justice in it.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. Is it not true that rent control with respect to transient rooms has been lifted for some time?

Mr. FULBRIGHT. It was removed on February 15.

Mr. MAGNUSON. In almost every large hotel there are a few permanent guests. How would this bill affect them?

Mr. FULBRIGHT. They would be exempted.

Mr. MAGNUSON. There is no control in the case of a permanent guest in a transient hotel?

Mr. FULBRIGHT. That is my understanding.

Mr. MAGNUSON. Suppose the tenant paid a monthly rate. Would there be any ceiling on the rate?

Mr. FULBRIGHT. There is no ceiling if the hotel falls within the category of transient hotels. That is pretty clear. Many Senators have lived at the Mayflower. In my opinion that is a transient hotel, and the rent could be increased.

Mr. MAGNUSON. What would happen in the case of the distinguished Senator from Georgia [Mr. GEORGE] who has lived at the Mayflower for some time? He is a permanent guest. He probably pays a monthly rate. Would this provision put the Senator from Georgia on a daily rate?

Mr. FULBRIGHT. The Senator can ask the Senator from Georgia what happened. The Mayflower has been free from rent control for 2 or 3 months.

Mr. MAGNUSON. Rent control has been removed with respect to rooms rented on a transient basis; but has it not been applied in the case of permanent guests?

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GEORGE. My understanding is that the District of Columbia rent law still applies so far as the Mayflower is concerned.

Mr. FULBRIGHT. I had forgotten about that.

Mr. MAGNUSON. Outside the District of Columbia, as I understand, rooms occupied by transient guests have not been controlled. The control was on rooms occupied by permanent guests of a hotel who were there prior to the enactment of the OPA law. This provision would take control off everyone.

Mr. FULBRIGHT. I think it takes it off everyone within a transient hotel.

Mr. MAGNUSON. As defined by the OPA?

Mr. FULBRIGHT. Yes. I think that is very clear. When we raised the question of a residential hotel they had no doubt in their minds as to what was meant. I am sorry I cannot repeat all the details of what they said, but they have classified certain hotels as residential hotels, and I accepted their word for it. The motor-court definition is clear.

Mr. MAGNUSON. Will the Senator yield for another question?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. If this bill should become law and no one should present a question before the board regarding an increase in rent, would there be any increase in rent at all?

Mr. FULBRIGHT. No.

Mr. MAGNUSON. Unless a case was made there would be no increase?

Mr. FULBRIGHT. No; unless there was a case made for a general increase or for an individual increase.

Mr. MAGNUSON. But if nothing were done about it by anyone, if no one came and asked for an increase——

Mr. FULBRIGHT. It would stay just as it is. It requires affirmative action.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HAWKES].

Mr. HAWKES. Mr. President, I desire to modify my amendment, by inserting in line 7, on page 1, after the words and figures "December 31, 1947", the words "voluntarily and", so that the sentence will read as follows:

> In any case in which a landlord and tenant, on or before December 31, 1947, voluntarily and in good faith enter into a valid written lease with respect to any housing accommodations—

And so forth.

The PRESIDING OFFICER. The Senator from New Jersey has a right to modify his amendment.

Mr. CONNALLY. Mr. President, I should like to have the attention of the Senator from Delaware [Mr. BUCK], the chairman of the committee. For the information of some of us who have not had the benefit of the hearings, will the Senator secure from the OPA a memorandum or letter or something defining a residential hotel and a transient hotel, and put it into the RECORD? I should like to know. I should hate to have to take an OPA representative with me everywhere I go to see if I can get into a hotel.

Mr. HAWKES. Mr. President, may we have a vote on the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey, as modified.

Mr. BARKLEY. Mr. President, just a word before we vote.

It seems to me that the adoption of this amendment would be an expression of lack of faith in the local boards which are proposed to be set up by the bill. We might differ as to the method of setting up local boards, but both the Senate and House bills recognize the feasibility and propriety of having some advice from men who are acquainted with local situations in determining whether there shall be rent increases or complete decontrol. They cannot act finally. I am sure that any board that would be set up by the Expediter would be a board in which he had confidence, and if a lease were submitted which was wholly unsatisfactory to him he could call for another lease. I doubt that that will ever be done in any case.

I cannot support this amendment. I am anxious for reasonable, practicable, workable legislation, but I think that all the people in a given community should be governed by the same general law; that they ought not to be allowed or encouraged to set up a sort of island of safety from regulations provided in the law and recommended by the local boards by inducing tenants who may be more fortunate than others similarly situated to enter into agreements for an increase in rent. We all know, as human beings, the automatic effect of that in any given apartment that we can imagine. It is rather difficult to prove or disprove good faith in any court. We know the automatic effect that has come from a number of tenants similarly situated, occupying similar quarters, and signing a contract for an increase in rent that extends beyond the operation of the law. We know the effect upon others similarly situated except from a financial standpoint. I think the amendment is unnecessary. I think it will be harmful to uniformity in the administration of the law. It is not to be extended very long, in any event, whether we take the Senate or the House bill. It seems to me this amendment injects an element into the rent situation which is unwise and which will raise too many differences between tenants occupying the same kind of quarters or accommodations. Therefore, I cannot support the amendment. I hope we may have a yea-and-nay vote so that those who oppose it may go on record.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. FULBRIGHT. Does the Senator agree that the very reason for extending the law at all is the basic assumption that there is no freedom of choice on the part of the tenant because there is no place to go, and therefore the idea of acting voluntarily, and so forth, is completely unrealistic?

Mr. BARKLEY. One of the objects of the original Rent Control Act was to make it impossible for renters, who were in a better financial situation than others, to occupy, because of their greater financial ability to pay higher rent, all the apartments and the better houses. The same logic that originally applied in connection with tenants in the lower brackets applies here, because in any given neighborhood where the conditions are similar, or in any given apartment house where the accommodations are identical, someone who draws a salary of $200 a month is willing and able to pay 15 percent more rent, and someone who lives in the same apartment house whose income is $150 a month is less able to pay a 15-percent increase. He will be greatly embarrassed and handicapped and automatically put in a position of injustice as compared with the other tenant who receives a greater income. I do not think they ought to be subjected to that sort of a situation.

I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Morse
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Bricker	Hill	Pepper
Brooks	Hoey	Robertson, Va.
Buck	Holland	Russell
Bushfield	Ives	Saltonstall
Byrd	Jenner	Smith
Cain	Johnson, Colo.	Sparkman
Capper	Johnston, S. C.	Taft
Chavez	Kem	Taylor
Connally	Knowland	Thomas, Utah
Cooper	Langer	Thye
Cordon	Lodge	Tydings
Donnell	McCarran	Umstead
Dworshak	McCarthy	Vandenberg
Eastland	McClellan	Watkins
Ecton	McFarland	Wherry
Ellender	McMahon	White
Ferguson	Magnuson	Wiley
Fulbright	Malone	Williams
George	Martin	Wilson
Green	Millikin	Young
Gurney	Moore	

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the modified amendment of the Senator from New Jersey [Mr. HAWKES]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Wyoming [Mr. ROBERTSON] are absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

The Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Tennessee [Mr. STEWART].

The Senator from Kansas [Mr. REED], who is detained on official business, has a general pair with the Senator from New York [Mr. WAGNER]. The Senator from Kansas, if present and voting, would vote "yea"; and the Senator from New York, if present and voting, would vote "nay."

Mr. BARKLEY. I announce that the Senator from California [Mr. DOWNEY], the Senator from Illinois [Mr. LUCAS], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from West Virginia [Mr. KILGORE], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Wyoming [Mr. O'MAHONEY] are detained on official business.

The Senator from Tennessee [Mr. STEWART] is paired on this vote with the Senator from Nebraska [Mr. BUTLER].

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. If present, the Senator from New York would vote "nay" and the Senator from Kansas would vote "yea."

If present and voting, the Senator from West Virginia [Mr. KILGORE], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would vote "nay."

The result was announced—yeas 48, nays 26, as follows:

YEAS—48

Baldwin	Gurney	Morse
Ball	Hawkes	O'Conor
Bricker	Hickenlooper	O'Daniel
Brooks	Hoey	Saltonstall
Buck	Holland	Smith
Bushfield	Ives	Taft
Byrd	Jenner	Thye
Cain	Johnson, Colo.	Tydings
Capper	Kem	Vandenberg
Cooper	Knowland	Watkins
Cordon	Lodge	Wherry
Donnell	McCarthy	White
Dworshak	Malone	Wiley
Eastland	Martin	Williams
Ecton	Millikin	Wilson
Ferguson	Moore	Young

NAYS—26

Aiken	Hayden	Myers
Barkley	Hill	Pepper
Chavez	Johnston, S. C.	Robertson, Va.
Connally	Langer	Russell
Ellender	McCarran	Sparkman
Fulbright	McClellan	Taylor
George	McFarland	Thomas, Utah
Green	McMahon	Umstead
Hatch	Magnuson	

NOT VOTING—21

Brewster	Lucas	Reed
Bridges	McGrath	Revercomb
Butler	McKellar	Robertson, Wyo.
Capehart	Maybank	Stewart
Downey	Murray	Thomas, Okla.
Flanders	O'Mahoney	Tobey
Kilgore	Overton	Wagner

So Mr. HAWKES' amendment, as modified, was agreed to.

RECESS TO MONDAY

Mr. WHERRY. If there is no further business to come before the Senate at this time, I move that the Senate stand in recess until Monday next at noon.

The motion was agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate took a recess until Monday, June 2, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 29 (legislative day of April 21), 1947:

DIPLOMATIC AND FOREIGN SERVICE

Paul J. Sturm, of Connecticut, for appointment as a Foreign Service officer of class 4, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

William J. Barnsdale, of California.
Charles E. Bidwell, of Pennsylvania.
Archer K. Blood, of Virginia.
Robert C. Bone, Jr., of Pennsylvania.
William H. Bruns, of the District of Columbia.
Robert A. Christopher, of Minnesota.
Ralph G. Clark, of New York.
Nathaniel Davis, of New Jersey.
Robert B. Dreessen, of Missouri.
Hermann F. Eilts, of Pennsylvania.
Thomas R. Favell, of Wisconsin.
E. Bruce Ferguson, of California.
John W. Fisher, of Montana.
William R. Gennert, of Massachusetts.
James W. Gould, of Pennsylvania.
Jerome K. Holloway, Jr., of Maryland.
John M. Howison, of Texas.
Randall T. Klein, Jr., of Iowa.
Steven Kline, of California.
David Morris, of New York.
Edward W. Mulcahy, of Massachusetts.
Thomas H. Murfin, of Washington.
David L. Osborn, of Arkansas.
Sandy MacGregor Pringle, of New York.
Thomas M. Recknagel, of New York.
Edward G. Seidensticker, Jr., of Colorado.
Nicholas G. Thacher, of New York.
Francis T. Underhill, Jr., of New Jersey.
William H. Witt, of Massachusetts.

UNITED STATES ATTORNEY

Max M. Bulkeley, of Colorado, to be United States attorney for the district of Colorado, vice Thomas J. Morrissey, resigned.

IN THE ARMY

The following-named officers of the Judge Advocate General's Department Reserve for appointment in the Regular Army of the United States, in the Judge Advocate General's Department in the grade specified, with dates of rank to be determined by the Secretary of War, under the provisions of section 24e of the National Defense Act, as amended:

(Promotion list)

TO BE CAPTAINS

Oeding, Ernst C., JAG, [redacted]
Sullivan, Joseph W., JAG, [redacted]
Leasure, Russell E., JAG, [redacted]
Ward, William R., JAG, [redacted]
Taggart, Thomas R., JAG, [redacted]
Maffeo, Mario A., JAG, [redacted]
Crimmins, Joseph J., JAG, [redacted]
Ricks, Charles L., JAG, [redacted]
Leahy, Paul J., JAG, [redacted]
Hodson, Kenneth J., JAG, [redacted]
McElroy, Virgil M., JAG, [redacted]
Sommers, William D., Jr., JAG, [redacted]
Wilson, John S., JAG, [redacted]
McConaughy, James G., JAG, [redacted]
Downey, William G., Jr., JAG, [redacted]
Tolen, Adrian W., JAG, [redacted]
Sabatino, Louis A., JAG, [redacted]
Simpson, Everett S., JAG, [redacted]
Shull, Lewis F., JAG, [redacted]
Lauritsen, Carl R., JAG, [redacted]
Fickes, William H., JAG, [redacted]
Wilkinson, Charles W., JAG, [redacted]
Byrne, Robert E., JAG, [redacted]
Gray, George A., JAG, [redacted]
Mattoon, Ernest R., JAG, [redacted]
McDonald, Francis G., JAG, [redacted]
Cooper, Joseph E., JAG, [redacted]
Snyder, Emanuel P., JAG, [redacted]
Miller, Jack R., JAG, [redacted]
Smoak, Marion H., JAG, [redacted]
Altman, Sol, JAG, [redacted]
Arn, Lauren A., JAG, [redacted]
Kizer, John F., JAG, [redacted]
Atkins, Woodrow W., JAG, [redacted]

The following-named persons for appointment in the Regular Army of the United States, in the grade and arm or service specified, with dates of rank to be determined by the Secretary of War, under the provisions of an act of Congress approved December 28, 1945 (59 Stat. 663), as amended by the act of August 8, 1946 (Public Law 670, 79th Cong.):

(Promotion list)

TO BE MAJORS

Meldrum, Claron W., Ord., [redacted]
Gardner, Wayne B., Fin., [redacted]
Tumin, Herbert R., CE, [redacted]
Stroube, Esthel O., Fin., [redacted]
Brunner, Michael C., CE, [redacted]
Philp, William H., Ord., [redacted]

Hakanson, Valerius, QMC,
Ryder, Edward A., SC,
Thompson, William C., Fin.,
Gregg, Emmet L., AC,
Wise, Walter W., AC,
Caswell, Dwight W., AC,
Baze, Miles J., QMC,
Fox, Edward W., AGD,
Riddell, John C., CE,
Rucker, Harry E., Fin.,
Maurer, Lothar C., AC,
Webster, Glen A., CE,
Wilson, Harold G., AGD,
Haas, Harry H., Ord.,
Kane, Thomas J., Ord.,
Barker, Willard G., Fin.,
Taggart, Samuel J., Fin.,
French, Albert J., Ord.,
Milton, Ray C., QMC,
Bruns, Emory L., AC,
Rosengren, Walter J., SC,
Grubb, Joseph C., Inf.,
Stonefield, Carl W., Fin.,
Miller, Carroll S., AC,
Thornber, Hubert E., QMC,
Purcell, James N., SC,
Speir, Wilbert A., SC,
Darlington, L. E., QMC,
Seligmann, Gustav L., CE,
Griffith, William E., CE,
Van Meter, Samuel N., AC,
Fillinger, Halbert E., CE,
Kittrell, Jack W., QMC,
Helms, Alexander R., SC,
Fertig, Wendell W., CE,
Turner, Kenneth E., AC,
Walsh, Henry, CE,
Griffith, Leslie E., Inf.,
Wiseheart, Raymond F., AC,
Swits, Harman D., Jr., QMC,
Rhodes, Lawrence B., AC,
Mayhew, Donald P., JAG,
Edelman, Maurice, Fin.,
Payne, John F., AC,
Bloss, Jacob H., AGD,
Siebenaler, Frank J., AC,
Brown, Oliver B., CE,
Weaver, Albert R., AC,
Lawrence, Paul H., Fin.,
Tanner, Charles H., CAC,
Welch, George P., FA,
Seals, James F., QMC,
Shields, Paul A., AGD,
Blair, Robert C., CE,
Ruddy, John M., Fin.,
Dawson, Wallace S., AC,
Tenner, Armin L., QMC,
Buffington, Roland M., Fin.,
Salley, Henry M., CE,
Donnell, John W., AGD,
Hale, Donald H., CML,
Warner, Harold C., JAG,
Shannon, Frank J., Sr., AC,
Donahue, Thomas F., Ord.,
Lydick, John M., Fin.,
Campbell, George E., AGD,
Nash, Allan B., QMC,
Gaines, Thomas L., Ord.,
Du Val, Camille H., AGD,
Hicker, Eugene S., Inf.,
Patterson, Milton E., Fin.,
Derrick, John H., JAG,
Glick, Arthur A., Fin.,
Colby, Franklin H., AC,
Gardner, Erwin F., AC,
Wilson, John J., AC,
Smith, Mark A. H., QMC,
Miller, Robert D., QMC,
Willson, Elmer J., AGD,
Weinaug, Walter L., AC,
Kidner, Herbert M., AC,
Alenius, Eskil M. J., CE,
Doyel, Ernest G, Fin.,
Milner, Morris E., SC,
Phelps, Victor W., Inf.,
Biggs, Frederick D., QMC,
Hornish, William N., AGD,
Freaman, Jay H., QMC,
Smith, Edwin A., Ord.,
Cooper, Leroy G., JAG,
Schonberger, Adolph E., AGD,
Johnson, Harvey A., QMC,

Graham, Clarence Q., AGD,
Venable, Bennett M., AC,
Schultz, William F., Jr., QMC,
Baily, William, AC,
Dwinell, John S., JAG,
Marstin, Charles P., AC,
Kemp, Earnest, Fin.,
Mason, Robert L., AC,
Hanford, George O., JAG,
Berry, Clayton C., AC,
Adair, Leland F., Ord.,
Herbine, Richard G., AC,
Goebel, Herman P., Jr., JAG,
O'Brien, Neal J., AGD,
Hodgskin, Howell L., AC,
Cross, Charles R., AC,
Underwood, John C., SC,
Coates, Theodore P., QMC,
Craig, Harry W., AC,
Cleveland, Sidney E., AC,
Ela, William E., QMC,
Weego, George W., QMC,
Streicher, Frederick, Cav.,
Golembieski, Frank E., AGD,
Clark, Kenneth M., AC,
Craig, Joseph O., AC,
Silbaugh, Verne R., QMC,
Maher, John P., Jr., AGD,
White, Willard, CE,
Clough, Ernest L., AC,
Noell, William C, CML,
Ellison, Marvin C., CE,
Schlotter, William O., QMC,
Sebode, Martin F. C., AC,
Smith, Horace R., AC,
Welsh, Stuart M., SC,
King, Marcus R., AC,
Lachance, Joseph R., Inf.,
Trammell, Admiral B., QMC,
Meserve, George D., AC,
Alfred, Frank C., JAG,
Scarborough, R. F., JAG,
Rogers, John E., Inf.,
Duvall, Charles T., Inf.,
Ulmer, Roy C., AGD
Brock Leon A. FA
Howard George S., AC,
Moseley, Stuart Y., AC,
Turner, Charles M., CE,
Kiely, Lawrence G., FA,
Bunch, Clare W., AC,
Emerson, Maxwell, QMC,
Fagan, Thomas M., AC,
Bell, Charlie H., AC,
Buchanan, Spencer J., CE,
Sogard, Sidney S., AGD,
Hawley, Ray M., AC,
Lansing, James W., AC,
Cathcart, William T., CE,
Eckhoff, Harry C., AC,
Sallee, Ernest A., Inf.,
Tunberg, Bertel K., CE,
Michell, Allen B., Inf.,
Owen, William V., QMC,
McKenzie, Arnold E., AC,
Jones, Edwin A., JAG,
Tedford, Charles H., QMC,
Linn, Walter A., AGD,
Whitcomb, Richard F., Ord.,
Lewis, Gomer, AC,
Cunningham, James C., Ord.,
Cox, John F., Inf.,
Wickens, Paul N., Ord.
Powell Harold C., AC,
Logan, Thomas A., AC,
Gaige, Wilber M., Jr., QMC,
Wilbert, Harry E., CE,
Henderson, Fred R., CE,
Larsen, Arthur J., AC,
Glazebrook, M. A., AC,
Moreland, Lester D., AC,
Dellinger, Olin E., Fin.,
Fox, Charles K., AGD,
Handwork, Bertrand A., AC,
MacLean, Arthur R., CE,
Larson, Robert C., QMC,
James, Edward B., AGD,
Funk, Wharton T., JAG,
Miller, Robert S., AC,
Brown, William H., QMC,
Fowler, Clayton F., Fin.,
Kuster, Kenneth F., QMC,

Russ, Sam W., JAG,
Billups, Richard A., Jr., AC,
Leuenberger, Harold W., AC,
Knox, William W., CE,
Glafka, Alvin R., QMC,
Marshall, S. A., Jr., AC,
Denton, Earl L., Inf.,
Ramey, Herbert S., CAC,
Flynn, William J., JAG,
Yater, Moss, AC,
Kitchings, Boyce D., Jr., Inf.,
Jones, Glynne M., AC,
Purviance, Russell A., AC,
Stuart, Frank B., AC,
Wienecke, Robert H., Inf.,
Hopkins, Philip E., AC,
Morrison, Erwin G., AC,
Smartt, Monroe T., AC,
Young, Lewis G., AC,
Dollerhide, Charles L., JAG,
Poor, Benjamin W., Ord.,
Smalle, Daniel E., QMC,
Blondis, Oscar D., AC,
Ritter, James F., AGD,
Reed, William S., AC,
Hamilton, Donald M., AC,
Spaeth, Arthur F., AC,
Coleman, James M., Fin.,
Kevin, Hugh W., QMC,
Mare, Donald, AC,
Hofto, Glen E., CE,
Ball, William E., Inf.,
Harrington, Edwin J., QMC,
Gaydash, George G., QMC,
Daum, Max V. R., AC,
Gage, George W., AGD,
Huckaby, Roy A., JAG,
Nations, Emmett L., Inf.,
Davis, Stuart W., QMC,
Osthagen, Clarence H., AC,
Green, Robert W., AC,
Bosgieter, Ernest W., AGD,
Reed, Robert W., Inf.,
Gray, Milo I., FA,
Addleman, William C., AC,
Bartlett, Roy W., Fin.,
Barnes, Francis H., Cav.,
Bennett, Burlin S., AC,
Vissering, Norman H., QMC,
Gibson, Emery M., AGD,
Henry, Lyle K., AGD,
Phillco, Rialto, AC,
Rogers, Nathaniel R., AC,
Meyers, Harry T., QMC,
Gordon, Charles W., AC,
O'Donnell, Edward J., AC,
Padgett, Andrew B., Inf.,
Davis, Lester C., AC,
Lawrence C. W., Jr., JAG,
Bartlett, Frank E., Inf.,
Dewey, Charles M., AC,
Hoelscher, Elmer J., AC,
McCarthy, Gerald P., CE,
Franklin, Horace A., Cav.,
Harron, James A., Ord.,
Prahinski, Alfred, AGD,
Thomas, Homer D., Ord.,
Rice, James E., Jr., SC,
Williams, Alex N., QMC,
Wiersema, Kenneth C., AGD,
Farrar, Conway F., Ord.,
Wilson, Minor K., Inf.,
Mussler, Malcolm E., AC,
Fernandez, Manuel, AC,
McAfee, Carlos E., JAG,
Conquest, Ward W., AGD,
Hall, Herbert A., QMC,
Fortress, Edward, Fin.,
Miller, Edward G., Ord.,
Murphy, Edward E., CE,
Heidner, Alvin A., Inf.,
Johnson, Alcorn B., QMC,
Meadows, Benjamin E., CE.,
Lancaster, David B., Jr., AC,
Battey, R. T., 2d, Inf.,
Stephens, William A., AC,
Warren, William C., AC,
Peterson, Charles C., QMC,
Jennings, Clarence M., SC,
Bowman, Jack W., AC,
McCoy, Hubert V., Inf.,
Ritchie, Walter P., JAG,

Henderson, Alfred D., CE,
Noland, George L., CE,
Colman, Charles D., FA,
Brock, Kirk P., Inf.,
Wood, Julian C., Inf.,
Hodgson, Eckford, AC,
Meyer, Walter G., Fin.,
Hunter, Kelvin H., FA,
Hood, William C., Jr., AC,
Lindquist, Albert A., AGD,
Keithly, Thomas G., FA,
Morrison, Burton O., Inf.,
McGill, Upton A., QMC,
Graham, Eugene S., AGD,
McKay, Robert B., Fin.,
Thompson, Oscar H., Inf.,
Emerson, Charles I., AC,
Dixon, Charles A., AC,
Magness, Walter B., AC,
Trevor, Edwin F., Ord.,
Van Wegoner, Lou G., FA,
Bennett, Eugene G., CML,
Davidson, Harvey D., AC,
Howland, Chauncey E., QMC,
Shown, James J., AC,
Newburger, Sidney, Jr., Inf.,
Lally, Lawrence D., QMC,
Miller, Francis M. S., AC,
Sweeney, Henry M., AC,
Phifer, Charles W., AC,
Walker, Paul, AC,
Estes, Murl, AC,
Hill, Samuel T., AGD,
Hale, Milton B., Fin.,
Light, Lester W., AC,
Wilde, Kenneth C., AC,
Law, Charles P., Fin.,
Scholes, Wallace B., AC,
Brinckerhoff, G. G., Jr., CE,
Valente, Abel A., CE,
Hanley, James M., Jr., JAG,
Wick, Thomas H., JAG,
Thompson, Samuel W., QMC,
Brooks, Lawrence E., AC,
Greenberg, Samuel, QMC,
Troxler, Paul D., CE,
McMahan, Thomas E., AC,
Dreier, Wendell C., JAG,

TO BE CAPTAINS

Luten, Ralph W., AC,
Wall, Roy A., QMC,
Thomas, Mark E., CE,
Welsch, Alvin B., Inf.,
Graff, Theodore Q., AC,
Boot, Albert J., Jr., AC,
Miller, Melvin, FA,
Glass, George F., Ord.,
Miller, Francis N., SC,
Ulmer, James C., Inf.,
Damron, James C., AGD,
Shanon, Lyle T., AGD,
Boughner, Kenneth T., AC,
Lott, Lynwood D., AGD,
Ludden, Dwight J., AC,
Embry, John, FA,
Kienth, Kenneth D., AC,
Mayberry, James E., AC,
Goewey, Robert J., AC,
Houston, Reagan T., AC,
Dolan, William S., AC,
Gillette, Joseph R., QMC,
Godfrey, Milton E., AGD,
Churchwell, William H., JAG,
Oldenburg, Harold L., Fin,
Murphy, Vance E., AC,
Ivey, Henry D., AC,
Guernsey, Paul D., AGD,
Eardley, Carl, JAG,
Craig, Earl B., JAG,
Shipp, Claude L., AC,
Hubbard, Jerome, AGD,
Murphy, Leo, Inf.,
Currens, Ronald B., Ord.,
Zucco, Gaetan M., CE,
Kaley, William E., SC,
Townley, John A., Fin.,
Barner, Thomas R., CE,
Bennett, Curtis H., AGD,
Newkirk, Charles H., AC,
Wetherbie, Harold B., Fin.,
Sightler S. B. Jr., Inf.,
Lyle, William H., AC,

Hays, Marvin, QMC,
Russell, George R., QMC,
Shipp, Travis, AC,
Wittrock, Henry E., AC,
Neusse, Henry J. Jr., AC,
Harpold, Harley D., QMC,
Lyon, Harold C., Inf.,
Miller Ernest R., AC,
Moree, Montescue T., CML,
Baker Ernest, AC,
Townsend, Charles M., AC,
Bandlow, Richard O., AC,
McConnell, Richard S., Inf.,
Rafferty, Glen A., CE,
Woods, George E. Jr., QMC,
Rentz, William E., AC,
Waters, Graden C., Inf.,
Crimmins, Michael L., AC,
Maxim, Frank B., QMC,
Jarrett, Donald L., CE,
Ware, Rodney B. Jr., AC,
Steele Roy H., JAG,
Sibley, Edward C., QMC,
White, Hiram B., JAG,
Sinton, Russell L., AC,
Pennypacker, L. A., QMC,
Dunkin, Robert J., AC,
Zartman, Ross B., QMC,
Brasted, Fred, QMC,
Greelis, Don K., AC,
Clarke, Roy L., AGD,
Robinson, Karl, QMC,
Arnold, Alton V., AGD,
Burroughs, Orval N., AC,
Foust, Clarence T., CE,
De St. Jeor Wallace B., AC,
Schmidt, Carl T., Inf.,
Godwin, Lester R., AC,
Smith, Philip L., JAG,
Walden, Walford, CE,
Williams, Francis W., AC,
Avritt, Lester G., AC,
Abbott, Henry E. Jr., AC,
Victory, Thomas F., CE,
Leslie, James B. Jr., CE,
Althouse, Raymond R., CE,
Hartman, Roland F., QMC,
Atkins, Ernest G., AC,
Dorsett, Tracy K., AC,
Lancaster, Alex E., Cav.,
Weaver, John O., QMC,
Carroll, John E., CE,
Mansager, Mervin E., QMC,
Titus, Reed M., QMC,
Robinson, James, AC,
Le Master, Douglas R., AC,
Walker, George L., Inf.,
Hagerty, William A., QMC,
Todd, William L., AC,
Keish, William J. E., Inf.,
Booth, Leon, AC,
Drake, Frank H., QMC,
O'Connor, Robert J., JAG,
Hilliard, Robert C., AC,
Deford, Deane C., AC,
Davis, Clarence C., QMC,
Hellier, Edward G., Cav.,
Sweet, David T., JAG,
Davis, Harry R., CE,
Kilpatrick, Willard H., QMC,
Winget, Leonard W., CE,
Edwards, E. L., QMC,
Ludecke, Fred W., CML,
Doyle, C. E., AC,
Anderson, Irwin B., AC,
Bodley, Harvey H., AC,
Leffingwell, Samuel D., Fin.,
Conway, Leo J., FA,
Harrison, George R., Cav.,
Gaeckle, William H., SC,
Donaldson, Harold B., AC,
Hayes, Milton J., AC,
Clark, Chester W., Ord.,
Stansbury, Edgar B., AC,
Jordan, Walter E., AGD,
Widmer, Albert W., Fin.,
Alexander, Robert F., CE,
Pittman, Beuford A., QMC,
Burch, Charles H., SC,
Lewis, James F., AGD,
Webb, George D., AGD,
Alexander, William B., AC,

Watson, Arthur A., AGD,
Mac Leod, John W., JAG,
Peisinger, Roman J., Inf.,
Duvall, Edward, JAG,
Wall, Clement J., JAG,
Hawley, Robert F., SC,
Hidden, Eugene A., AC,
Mack, Ingham G., AC,
Greenfield, Louis, QMC,
Meglemre, George E., AC,
Stapp, William J., CE,
Van Orsdell, Arthur D., AGD,
Fahringer, Eugene P., CE,
Sams, Gerald A., JAG,
Smith, Frederick L., Jr., Fin.,
Lougee, Laurence W., JAG,
Mount, Charles A., QMC,
Jacobs, Fred A., CML,
Barber, Charles H., AC,
Lawther, J. Paul, Ord.,
Moyers, Eugene E., CE,
Taylor, William L., QMC,
Sprague, Harold E., CE,
Bissell, Paul V., Inf.,
Knapp, Lawrence M., FA,
Parham, Harry C., AC,
Tootelian, Aram S., AC,
Cogswell, William N., AGD,
Dickey, Robert R., Jr., JAG,
Hurst, Kenneth M., QMC,
Gibson, William L., AC,
Alexander, F. B., Jr., Inf.,
Waters, Lynn S., AGD,
White, Eli E., Ord.,
Picknell, Milton O., Ord.,
Spahr, Paul M., AC,
Silance, William H., AC,
Pritchard, Charles H., AC,
Gillespie, Ernest R., Ord.,
Moorhead, James U., CE,
Richardson, Guy B., Jr., AC,
Bostick, John, AC,
Marcinko, Stephen A., AGD,
Hodges, William M., AC,
Fox, Harry L., CE,
Burns, Don R., AC,
Kingham, Arthur R., AC,
Washington, Dudley S., AC,
Johnson, Gustav E., Cav.,
Finnegan, Julian P., AC,
Chappell, Paul E., QMC,
Bryson, Fred L., Fin.,
Cobb, Charles S., Jr., QMC,
Wilson Westray E., Inf.,
Todd, James C., FA,
Rasco, Delphine D., QMC,
Kelly, Henry J., CE,
Laub, Vasco, Inf.,
Pyuen, Pyueng S., CML,
Summers, Paul W., AC,
Rhea, Fred, AC,
Dorn, George W., CML,
Scherrer, Arthur B., AC,
Davis, Thomas C., Fin.,
Martinoli, Frank L., AC,
Jones, Harry H., AC,
Norton, Richard A., CE,
Williams, Cecil C., AC,
Nevill, Gale E., CE,
Bloxsom, Clyde H., AC,
Vernor, Keiso D., CE,
Sipes, Kenneth L., Inf.,
Dahlstrom, John R., AC,
De Groot, Edward B., Jr., AC,
Winnie, Franklin E., Inf.,
Martz, Chester G., AC,
Eakin, Aldean A., QMC,
Ponder, Speers G., CML,
Lange, Harry A., AC,
La Grippo, Antonio N., AC,
Thompson, Maxwell H., CAC,
Koup, Elmer L., AGD,
Laming, Percy H., Fin.,
Cowen, John J., Jr., JAG,
Hahn, Cecil O., AC,
Gallo, Frank P., AC,
Legendre, Stewart H., JAG,
Elver, Carl L., AC,
Robb, Elvyn A., QMC,
Cathcart, Norman R., AC,
Lockman, John M., AC,
Macomber, Kenneth D., Inf.,

Russell, William I., Inf., [redacted]
Daly, John K., Inf., [redacted]
Baron, Edwin W., JAG, [redacted]
Burch, George D., CE, [redacted]
Eubanks, C. A. H., SC, [redacted]
Barrett, John T., CAC, [redacted]
Enyart, Byron K., AGD, [redacted]
Budge, Vernon M., Fin., [redacted]
Haase, Charles H., AC, [redacted]
Borgfeldt, Richard N., CML, [redacted]
Humphreys, Robert W., AC, [redacted]
Sharove, Joseph, JAG, [redacted]
Baker, Francis M., AC, [redacted]
Pike, Robert P., JAG, [redacted]
Fox, John R., Fin., [redacted]
Mayfield, Lule W., QMC, [redacted]
Moessner, Karl F., Inf., [redacted]
Seidener, Robert S., QMC, [redacted]
Weisler, Julian E., JAG, [redacted]
Pollard, Arthur J., AGD, [redacted]
Carson, Kenneth A., Inf., [redacted]
Hynd, William B., AC, [redacted]
Brewer, Samuel M., AC, [redacted]
Saar, Otto T., SC, [redacted]
Kroeber, Adolf, AC, [redacted]
Loewenberg, Jerome L., JAG, [redacted]
Rottner, John S. G., JAG, [redacted]
Armstrong, Gerard T., AGD, [redacted]
Boucher, Paul, JAG, [redacted]
Rogers, Leland T., AC, [redacted]
Nebel, Charles A., QMC, [redacted]
Bradley, Elbert J., Jr., AC, [redacted]
Barney, Robert B. S., AC, [redacted]
Chapman, James W., AC, [redacted]
Volwieder, Harry J., QMC, [redacted]
Peters, Frederick I., AC, [redacted]
Dietze, Herman V., AC, [redacted]
Hoult, Charles S., JAG, [redacted]
Larson, Carl H., QMC, [redacted]
Gibson, Edward L., SC, [redacted]
Riley, William B., Jr., AC, [redacted]
Orrick, Luther E., FA, [redacted]
Huber, William C., CE, [redacted]
Buttolph, Loren D., Cav., [redacted]
Lucey, John F., CE, [redacted]
Alexander, Lawrence J., AC, [redacted]
Bower, Robert S., AC, [redacted]
Beaver, Francis L., FA, [redacted]
Palmer, John M., CML, [redacted]
Lynn, Laurence E., CE, [redacted]
Evans, William A., Ord., [redacted]
Murphy, Edward J., Jr., JAG, [redacted]
Gorman, Harry W., Inf., [redacted]
Hanson, Arthur, AC, [redacted]
Lewis, Gabe W., Jr., AGD, [redacted]
Lollar, William H., AC, [redacted]
Doe, Robert E., AGD, [redacted]
Funk, Russell D., Inf., [redacted]
Resler, Barclay T., QMC, [redacted]
Kohlrieser, Francis L., AC, [redacted]
Leadbetter, Merton K., QMC, [redacted]
Metz, Michael T., QMC, [redacted]
Fulton, Charles E., AC, [redacted]
Kane, Andrew D., JAG, [redacted]
Thompson, Lester E., CML, [redacted]
McAneny, George F., QMC, [redacted]
Sanderson, Harold R., QMC, [redacted]
Hawes, Glenn A., AGD, [redacted]
Rackes, Adams E., CAC, [redacted]
Armitage, David, CML, [redacted]
Goodloe, John H., AC, [redacted]
Richardson, John, AC, [redacted]
Mendell, Martin M., AGD, [redacted]
Giddens, Jerome D., AC, [redacted]
MacLeod, George I., Cav., [redacted]
Jewett, Arno J., AC, [redacted]
Pannis, William W., AC, [redacted]
Laking, Percy A., AC, [redacted]
Todd, Alan B., JAG, [redacted]
Woods, Cameron F., Inf., [redacted]
Hough, Ernest A., Fin., [redacted]
Goodhart, Morgan, AC, [redacted]
Craft, Robert P., AC, [redacted]
Tuggle, William P., Jr., QMC, [redacted]
Singleton, Loy A., AC, [redacted]
Whitehead, James R., QMC, [redacted]
Sanders, Henry I., QMC, [redacted]
Young, Alexander S., AC, [redacted]
Halpert, Walter, QMC, [redacted]
Pickett, Benjamin L., CE, [redacted]
Buttner, Louis, AGD, [redacted]
Hill, Carl R., Inf., [redacted]

Laux, Ray J., QMC, [redacted]
Rupp, Robert O., AGD, [redacted]
Irvin, Roy O., Inf., [redacted]
Bivens, Arthur L., QMC, [redacted]
Frank, Keith W., AGD, [redacted]
Deverall, George G., AC, [redacted]
Sloan, Donald C., AC, [redacted]
Gaither, Loren E., SC, [redacted]
Rieske, Forrest O., AC, [redacted]
Conlin, Paul A., FA, [redacted]
Grider, Edgar L., CE, [redacted]
Gerken, Walter W., Ord., [redacted]
Stoever, Robert E., CML, [redacted]
Schulz, Robert L., QMC, [redacted]
Atwell, William F., SC, [redacted]
Smith, Emory C., AGD, [redacted]
Piper, Sam M., Inf., [redacted]
Jones, Kenneth C., AGD, [redacted]
Pomar, Miguel J., Inf., [redacted]
Parks, Wesley H., AC, [redacted]
Jones, Donald T., AC, [redacted]
Powers, Lowell H., QMC, [redacted]
Ingeman, Milton J., QMC, [redacted]
Behrend, Douglas D., AC, [redacted]
Weaver, Lester C., AC, [redacted]
McGinn, Floy W., FA, [redacted]
Menegus, Wilfred F., Fin., [redacted]
Johnson, Aaron L., AC, [redacted]
Greene, William H., CML, [redacted]
Pickett, George E., CE, [redacted]
Hunt, Jack S., AC, [redacted]
Bevington, Holmes H., Cav., [redacted]
Andrick, Edwin L., Inf., [redacted]
Bannister, Martin W., SC, [redacted]
Lundberg, Floyd M., JAG, [redacted]
Beran, Clayton A., AC, [redacted]
Dwyer, John R., AGD, [redacted]
Daniel, Raymond J., AGD, [redacted]
Kracman, Miles, AC, [redacted]
Matthews, Coke S., Jr., QMC, [redacted]
Besbeck, Louis B., Inft, [redacted]
Davis, Albert F., AC, [redacted]
Sutton, Edmund B., QMC, [redacted]
Fagin, Russell D., AGD, [redacted]
Potter, Fred O., AC, [redacted]
LaFarge, William F., Jr., Inf., [redacted]
Whaley, Gerald E., AC, [redacted]
Jordan, John A., AC, [redacted]
Weir, Robert W. M., QMC, [redacted]
Regan, Ralston B., JAG, [redacted]
Bell, Maynard W., AC, [redacted]
Silverwood, Kermit J., QMC, [redacted]
Lehman, Ted R., AC, [redacted]
Glassman, George H., AC, [redacted]
Small, Braxton E., SC, [redacted]
Reimers, D. Kenneth, Inf., [redacted]
Magee, Oscar J., Inf., [redacted]
Hamersley, Dwight T., AGD, [redacted]
Stinson, William B., Inf., [redacted]
Creighton, Robert R., SC, [redacted]
Siemers, Herman R., Cav., [redacted]
O'Neal, Harllee R., CE, [redacted]
Smith, Vernon S., Jr., AC, [redacted]
Culler, Harry H., AC, [redacted]
Levering, John R., AC, [redacted]
Sames, Harry B., JAG, [redacted]
Roylance, John G., AC, [redacted]
Sprankle, Dane O., SC, [redacted]
Miller, David K., AC, [redacted]
O'Brien, John G., JAG, [redacted]
Koerner, Eldon A., SC, [redacted]
Ayars, Benjamin M., JAG, [redacted]
Darragh, Mattison A., QMC, [redacted]
Hannon, Albert J., Inf., [redacted]
Frampton, Sidney D., QMC, [redacted]
Baugher, Phineas W., AC, [redacted]
Stoltz, Laroy R., AC, [redacted]
McKenna, John P., Inf., [redacted]
Lansdale, Edward G., AC, [redacted]
Shaw, Paul A., CE, [redacted]
MacGregor, Cecil M., Ord., [redacted]
Toft, Douglas O., SC, [redacted]
Hudson, Jack F., QMC, [redacted]
Brown, Allen K., AC, [redacted]
Tucker, Alfred F., AC, [redacted]
Scott, Orlando A., AGD, [redacted]
Varian, John F., Cav., [redacted]
Haviland, George S., CE, [redacted]
Walsten, Carl J. E., AC, [redacted]
Kerr, William L., AGD, [redacted]
Skelton, John W., AC, [redacted]
Fogarty, Maxwell B., QMC, [redacted]

Warner, Charles A., AC, [redacted]
Icke, Earl L., CE, [redacted]
McAleer, William A., QMC, [redacted]
McGary, Alvin, AC, [redacted]
Robblee, Paul A., JAG, [redacted]
Kiel, Arthur G., CAC, [redacted]
Graydon, Charles K., Cav., [redacted]
Metcalf, John K., AC, [redacted]
Devine, Ralph A., Fin., [redacted]
Henderson, Thomas J., JAG, [redacted]
Wilson, Charles F., AC, [redacted]
Agoa, John J., AGD, [redacted]
Preston, Frank H., Jr., CE, [redacted]
Courtney, James H., CE, [redacted]
Ricciardelli, A. M., SC, [redacted]
Dahlin, Roy E., AC, [redacted]
Cain, Robert S., Inf., [redacted]
Courser, Malcolm W., Cav., [redacted]
Lux, Herbert G., CE, [redacted]
Johnson, Ralph K., JAG, [redacted]
Charron, Roland B., AC, [redacted]
Miller, Guy V., FA, [redacted]
Wheeler, Merwin B., AC, [redacted]
Turman, John R., JAG, [redacted]
Heskett, Marcus W., SC, [redacted]
Dalton, John J., Inf., [redacted]
Brewer, James N., QMC, [redacted]
Bittner, Harry H., QMC, [redacted]
Smith, Derryfield N., AC, [redacted]
Eaker, Fred L., Cav., [redacted]
Lewis, Richard L., QMC, [redacted]
Fulton, Harold A., AGD, [redacted]
Bartling, Wray B., AC, [redacted]
Kneyse, Walter A., SC, [redacted]
Bach, William H., FA, [redacted]
Doverspike, Jay W., CE, [redacted]
Hession, William J., AC, [redacted]
Marquette, William J., QMC, [redacted]
Wilhite, Robert T., AGD, [redacted]
Evans, Roy C., Inf., [redacted]
Bowman, Harry G., AC, [redacted]
Losey, Melvin D., QMC, [redacted]
Leland, Alanson T., Inf., [redacted]
Britt, Albert S., Jr., FA, [redacted]
Holt, Francis W., AC, [redacted]
Green, Duff, Jr., Cav., [redacted]
Haile, Roland R., AC, [redacted]
Walitschek, Kurt L., QMC, [redacted]
Georges, Michael P., Inf., [redacted]
Noonan, Thomas M., AGD, [redacted]
Stuart, William H., AGD, [redacted]
Brown, Kenton S., AC, [redacted]
Buser, Oscar C., SC, [redacted]
McLean, Michael T., AC, [redacted]
Truden, James R., QMC, [redacted]
Spencer, Elwin A., Ord., [redacted]
Lewis, George G., Inf., [redacted]
Maguire, Edward J., Ord., [redacted]
Lodge, Edwin R., QMC, [redacted]
Davin, John H., Fin., [redacted]
Shepherd, Marshal L., AC [redacted]
Merritt, Anthony G., Fin., [redacted]
Yancey, Thomas R., Inf., [redacted]
Williams, John A., Cav., [redacted]
Pritchard, William J., CE, [redacted]
Horton, John P., QMC, [redacted]
Reid, John, AC, [redacted]
Cooper, Harry W., QMC, [redacted]
Norton, George E., Jr., AGD, [redacted]
Culbertson, Eual W., QMC, [redacted]
Mills, Morris H., AC, [redacted]
Echols, Leonard E., Inf., [redacted]
Brill, Ray S., AC, [redacted]
Edwards, William H., AGD, [redacted]
Eaton, Gail A., CML, [redacted]
Richardson, Joseph M., Ord, [redacted]
Troth, James R., QMC, [redacted]
Thompson, Walter A., Jr., AC, [redacted]
Lash, Eugene L., CAC, [redacted]
De Marr, James D., SC, [redacted]
Stewart, Stanley L., CE, [redacted]
Teed, Willard G., AC, [redacted]
Cheney, Werlen F., Cav., [redacted]
Yost, Harvey J., QMC, [redacted]
Christopher, George W., AC, [redacted]
Branch, James O., Ord., [redacted]
Sonneman, Otto F., Jr., QMC, [redacted]
Camien, Ralph R., SC, [redacted]
Baldick, Carl J., AC, [redacted]
Berlin, William C., Jr., AGD, [redacted]
Johnson, Milton L., Fin., [redacted]
Siebert, Fred W., AC, [redacted]
Walt, Ivan O., QMC, [redacted]

Miller, Arles H., Fin.,
Metcalf, James F., QMC,
Hines, Clifford C., FA,
Lounsbery, Arthur H., AC,
Schellhammer, F. M., Inf.,
De Tolly, Nicholas S., AC,
Coffman, George W., Jr., Inf.,
Hamilton, James A., CE,
Benn, Robert W., AC,
McBride, Paul C., AC,
Smith, Charles O., AC,
Jung, Charles E., AC,
Osborne, Eric R., SC,
Bergmann, John A., QMC,
Parker, Rudolph A., AC,
Hendricks, Clarence P., CE,
Frick, John E., Inf.,
Daehler, Raymond E., Inf.,
Wine, Leonard E., AC,
Orton, Raymond L., QMC,
McAdams, Clayton A., AC,
Ehrenkrook, Wymond J., AC
Kern, Truman H., AGD,
Matthews, Joseph W., AC,
Rathje, Theodore A., QMC,
Ryan, Victor M., Inf.,
Shaw, Millard, FA,
Long, Lewis R., AC,
Briggs, William A., QMC,
Maiorano, Pasquale P., QMC,
Derr, Roger T., AC,
Bradley, John M., Jr., Cav.,
Bowers, Mervin C., SC,
McFarland, T. S., Jr., AC,
Kamy, Harry D., QMC,
Senn, Merle J., CE,
Wolters, Delevan E., AC,
McCreary, William H, CE,
Pinnegar, Frederick G, AC,
Golden, Bob I., AC,
Le Bell, Arnold, JAG,
Chandler, Fitzhugh H., Inf.,
Johnson, Leonard M., QMC,
Blankenship, F. R., QMC,
Lucke, Emil A., Inf.,
Manion, Thomas F., Jr., AC,
Mallalieu, Charles F., AGD,
Garber, James F., Jr., AC,
Minot, Charles A., FA,
Coleman, Hubert P., FA,
Campbell, William M., Inf.,
Vaughn, Virgil A., QMC,
Pribble, Holton H., AC.
Maginnis, Daniel C., AC,
Brittain, Courtland F., QMC,
Miller, William B., Jr., AC,
Shaw, Walter A., FA,
De Jarnette, James T., CE,
Spillman, William R., AGD,
Cromwell, Jack O., QMC,
Hazard, John T., AC,
Vezzoli, Dante, Ord.,
Smith, Merwin H., QMC,
Harrelson, Elmer H., FA,
Shachtman, Hyman, AC,
Landstrom, Karl S., Inf.,
McGowan, Glenn J., Inf.,
Basbas, James G., AGD,
Richardson, Orin, S., AC,
Hayden, Robert H., CE,
Zinnecker, Gus S., QMC,
Marchant, John C., AC,
Norton, Paul W., JAG,
Benser, Ernest A., Ord.,
Waldron, Clarence L., AC,
Ewing, Walter R., SC,
Hradel, Joseph R., AC,
Blaser, Eugene V., AGD,
Roper, Robert L., CE,
Murray, Roy A., Jr., Inf.,
Chapman, Rubert D., CML,
Mouk, Robert M., AGD,
Haskins, Charles G., AGD,
Smith, Wilfred J., AC,
Ernst, Jack M., Inf.,
Whitney, Otis M., Inf.,
Hardwick, Walter A., AC,
Tribe, Merrill L., QMC,
Limoncelli, Donald D., CML,
Shipp, Samuel W. G., CML,
Crane, George E., JAG,
Robin, Benjamin B., JAG,

Hess, Bule, AGD,
Reed, Albert L., CE,
Mattia, Hugh J., AC,
Schepp, David G., FA,
Rich, Joseph C., QMC,
Flamm, Lewis L., QMC,
Harton, Thomas G., CE,
Condron, John E., AC,
Taylor, Glenn R., CE,
Preston, Walter J., Jr., FA,
Dow, Donald G., QMC,
De Cisneros, George J., AC,
McGovern, John P., SC,
Froehle, Blaire A., QMC,
Hippler, William P., AC,
Barker, Troy A., CAC,
Baker, Samuel E., CML,
Golledge, Kenneth K., AC,
Chenette, Joseph R., AC,
Vining, Osmyn A., AGD,
Mosely, Seaborn H., QMC,
Tangen, Orville C., AC,
Chase, George H., AC,
Boyce, John E., QMC,
Luna, Raymond C., CE,
Harper, James E., Jr., CE,
Jones, Harry, AC,
Griswold, Clinton J., Inf.,
Phillips, Stanley W., QMC,
Willey, George L., QMC,
Montgomery, Lee W., AC,
Malen, Lloyd D., Ord.,
Summerfield, E. S., JAG,
Pond, Leon O., Inf.,
Manss, Robert W., AC,
Buelow, Albert G., AC,
Gray, Kenneth N., AC,
Schofield, Thomas J., AC,
Wobbeking, Bernard G., QMC,
Pearson, Harold J., FA,
Kuster, John F., SC,
Holly, Leo V., Fin.,
Fellows, Paul D., AC,
O'Connell, John, Inf.,
Schmidt, William F., AGD,
Rathbone, John V., Jr., QMC,
Reitherman, Wolfgang, AC,
Joyce, Claude P., Jr., CE,
Pickens, William H., AC,
Crossman, Edward B., Ord.,
Butler, Frank P., CE,
Schliecker, Charles L., AC,
Augustinus, Robert H., AC,
Miller, Alsey C., Jr., AC,
Tyler, John, AC,
Burd, Howard H., FA,
Perry, Bruce H., AC,
Barger, Walter B., AC,
Freiburger, Paul I., AC,
Hagan, John F., Jr., QMC,
Grondona, Richard J., Ord.,
Marsh, Charles S., Fin.,
St. John, Paul J., AC,
Webster, Harry W., AC,
Banigan, George J., JAG,
Kincheloe, Charles M., AC,
De Carlo, Michael R., CML,
Jesse, William C., Cav.,
Lafaver, Amos E., Fin.,
Freshour, Beryl H., AC,
Gregory, William L., AC,
Ford, Herman W., JAG,
Loftus, James V., QMC,
Orr, Robert H., AC,
Drobek, Thaddeus W., Inf.,
Rooney, Thomas O., Cav.,
Walter, George C., Jr., AC,
Hamilton, Allan C., CML,
Hempel, John H., Ord.,
Watson, Ralph H., FA,
Gaffney, John B., AC,
Jacobs, Arthur W., QMC,
Gorham, Frank W., QMC,
Tucker, Almon A., JAG,
Pindar, George F., CAC,
Knobeloch, Wilfred, Fin.,
Elrick, Robert M., AC,
Bireley, William P., AC,
Acton, Lloyd P., Fin.,
Bartlett, William T., CE,
Kolbus, Walter B., AC,
Harnar, Allen H., AGD,

Crosby, Ben G., Jr., Inf.,
Ranges, Raymond F., Ord.,
Hanks, James K., QMC,
Foley, William, CML,
Miller, George P., Inf.,
Beasley, Channing E., AC,
Mason, Albert J., AC,
Groves, Fergus C., AC,
Roadruck, Max J., FA,
Berry, Harry W., SC,
Hadley, Leo L., QMC,
Saurel, Benjamin W., AGD,
Quirk, James T., AC,
Rhodes, James M., 3d, AC,
Hoeman, Arthur J., Ord.,
Stone, Paul W., FA,
Pegram, Earl F., AGD,
Martin, William A., AC,
Beeth, Howard O., AGD,
Steck, Ernest E., Inf.,
Sullo, Erwin E., SC,
Fishback, Joe, CML,
Cassady, Emmett B., AC,
Wilson, Wilbur, Inf.,
Gill, Gordon C., QMC,
Rogers, Frank, AGD,
Kauffman, Christian D., AC.
Mohr, Lawrence G., CE,
Matthews, W. S., Jr., AC,
Piburn, Hurlbert R., QMC,
Keith, Julian G. S., AC,
McKean, John B., Inf.,
Stewart, Manlius R., CE,
Daugherty, James F., AC,
Corbett, William C., Inf.,
Pinney, James E., CML,
Albert, Paul W., SC,
Morgan, Lewis D., QMC,
Meeks, John A., Jr., AC,
Dalessandro, John, QMC,
Shapiro, Carl, AC,
Robbins, Charles, CML,
Maidt, Honald N., QMC,
Levan, Warren A., Inf.,
Howard, Ward C., Ord.,
Bond, George A., Jr., Inf.,
Hairston, Francis B., AC,
Wagner, John H., Inf.,
Flint, Lewis M., QMC,
Villere, Lewis G., QMC,
Collins, Howard J., CML,
Withington, Kenneth, AC,
Sullivan, Harold J., JAG,
Lockridge, Robert W., CE,
Usnick, Edward N., AGD,
Pugh, Thomas A., SC,
Webb, Henderson O., Jr., CE,
Rauenzahn, Daniel A., QMC,
Jennette, John H., AC,
Dixon, Durwood B., CE,
Stoup, Hugh C., AC,
Oldfield, Arthur B., Inf.,
Grant, Thomas J., AC,
Hays, Charles S., SC,
Coate, Raymond L., AC,
Marvin, Reinold H., AC,
Madden, Ted J., QMC,
Neely, William G., AGD,
Brown, Hugh G., FA,
McCollum, Hugh A., AC,
Campbell, Ivan E., AC,
Stolle, Richard, AC,
Burnside, John M., AC,
Smith, Ira H., Jr., JAG,
Ogden, Richard A., AC,
Knapp, Raymond H., QMC,
Mitchell, Howard A., AC,
States, Charles A., AC,
Wells, Bradford H., AC,
Whiteside, Sam, AC,
Shoup, William W., Ord.,
Waggoner, Clinton A., Ord.,
Salmon, Eugene H., QMC,
Eadie, William A., Jr., Ord.,
Peterson, Arthur C., Inf.,
Wiggins, Levis C., AGD,
Blackstone, John E., AGD,
Casali, Odi, Inf.,
Fuller, Benton F., Jr., AC,
Barber, Reginald C., Ord.,
Trampe, Raymond G., Inf.,
Townsend, Wilbur O., QMC,

Newton, Thomas J., JAG,
Hickman, Carroll P., QMC,
Hare, Robert P., 3d, AC,
Horstmann, John W., Inf.,
Barrett, Richard E., Inf.,
Grimsley, Carl E., Inf.,
Heaton, Herman S., AC,
Tippett, Edward W., SC,
Shelley, Sidney, CE,
Stradleigh, Norman F., AC,
Unruh, Marion D., AC,
Quinn, Nathan M., Cav.,
Vandergrift, K. S., QMC,
Brenneman, Garland E., Fin.,
Guild, William L., JAG,
Burnett, John W., Inf.,
Newton, Kenneth H., CE,
Geary, George K., AC,
Faulds, Jack M., SC,
O'Leary, John A., AC,
Swigart, John K., AC,
De Vecchio, Roy G., Fin.,
Bech, Albert R., SC,
Blakistone, John F., Inf.,
Kellerman, Joseph N., Ord.,
Goodwin, Albert J., FA,
Sparrow, William H., Ord.,
McGowan, George E., AC,
Nieman, Harold W., AC,
Striplin, C. F., Jr., AC,
Rossing, William, Inf.,
Smith, James W., AC,
Lutz, Simon M., Jr., AC,
Motz, Leslie L., Ord.,
Troy, Francis A., QMC,
Foxworth, Edward M., Inf.,
Darden, William A., Jr., CE,
Albertson, Van H., JAG,
Grout, Harold P., CE,
Moore, Victor H., QMC,
McCann, Willie H., QMC,
Fling, Gerald W., CE,
Fortin, Thomas L., Inf.,
Moffett, Frank G., Jr., FA,
Kimball, Richard, QMC,
Crane, Warren E., Inf.,
Natt, Theodore M., AC,
Tucker, Lamonte A., CML,
Mozley, Joseph T., Cav.,
Whaley, Bert K., CE,
Milroy, Charles K., AC,
Dorsi, Albert, AC,
Field, Eugene H., AC,
Lovell, Harry F., CE,
Doyle, John J. S., SC,
Hansen, Harry F., CE,
Rowan, Charles A., AGD,
Weinerth, Stuart L., Cav.,
Borin, Gordon B., Ord.,
Carpenter, James S., AGD,
McConagha, Glenn L., AGD,
Waring, Francis M., AC,
Linsley, Scott E., AC,
Anger, A. Henry, QMC,
Delaney, Francis R., AC,
Lewis, Vernon L., QMC,
Brannan, Rudolph, AGD,
Badger, Thomas, Jr., AC,
Adams, William, Inf.,
Egge, George V., AC,
Schon, Mathias J., Jr., QMC,
Meidling, George A., CE,
Halada, Roland J., Inf.,
Beattie, Aldridge N., AC,
Grogan, John F., JAG,
Reynolds, Robert W., JAG,
Punsalan, Leon F., Inf.,
Colwell, Robert H., Cav.,
Sears, Herbert E., AC,
Bowden, Richard W., AGD,
Schaefer, Chester C., FA,
Blevins, Edwin, AC,
Richer, Marcel A., AC,
Grant, Russell P., Cav.,
St. Lawrence, James G., AC,
Grek, Robert M., AC,
Niskanen, William, AC,
Gephart, Harry L., AC,
Moore, Andrew D., AC,
Yount, Dean B., AC,
Downing, John W., AC,
Munson, Thomas V., FA,

Downing, Edward J., QMC,
Astrella, Theodore F., CE,
Haas, Wilford N., AC,
Davis, Charles I., Inf.,
Hogan, Patrick J., AC,
Cannon, Vincent T., AC,
Smith, Arnold L., AC,
Evans, Robert F., Inf.,
Adams, Rellie W., Cav.,
Calhoun, William L., Cav.,
Ferguson, William M., QMC,
Clay, James O., Inf.,
Sherman, William T., CML,
Carey, Eugene C., AC,
Rogers, Norman E., Jr., AC,
Hartman, Frank A., AC,
Speir, Frank W., QMC,
Grower, Mason H., Jr., AC,
King, Herbert T., AC,
Dyer, Armel, Inf.,
Monfort, Harry N., AC,
Raudabaugh, Albert S., AC,
Tegnell, Russell M., CML,
McMath, Carroll B., Jr., Inf.,
Shaw, Irwin T., Cav.,
Goodrich, Guinn B., Inf.,
Spence, George G., AC,
Bieri, Leon, FA,
Irby, Fred B., Inf.,
Sargeant, Bliss P., Jr., AC,
Kaeser, William G., QMC,
Gibbs, Howard J., AC,
Smith, Edward C., AC,
Goss, Gordon A., QMC,
Greven, Philip J., AC,
Clark, Maurice N., Inf.,
Stewart, James C., CE,
Tiemann, William G., QMC,
McClain, Donald M., CE,
Herndon, George B., AC,
Mackusic, Arthur L., Ord.,
Cone, Charles L., AC,
Finlayson, Harrison H., FA,
Quattlebaum, Arthur C, AC,
Mulrooney, James P., CE,
White, Clyde E., Inf.,
Hreha, Joseph A., Fin.,
Krohn, Harold K., Inf.,
Whitaker, Edwin H., Jr., FA,
Smith, Irvin H., AC,
Whitley, Jack R., CML,
Harrington, John N., SC,
Conniff, Jack C., Ord.,
Bledsoe, Hugh H., AC,
Lindberg, Leif W., AC,
Sorensen, Lennard C., Ord.,
Throckmorton, John M., Cav.,
Hummel, John F., JAG,
Black, Ernest O., FA,
Baker, James E., QMC,
Brinsmead, John C., Inf.,
Finberg, Irving W., CE,
Tucker, Temple A., AC,
Scott, William J., Ord.,
Rakestraw, Bryan L., AC,
Neely, Horace D., AC,
Reynolds, James H., Ord.,
Meinecke, Henry W., Inf.,
Heath, Lester E., AC,
Harris, William T., Jr., AC,
McGuckian, Ambrose T., QMC,
Windell, Albert C., AC,
Anderson, Orvie P., AGD,
Neer, Francis O., AC,
Slabodkin, Aaron, Fin.,
Cooper, Stafford A., FA,
Kellogg, Joseph W., AC,
Shumsky, Albert A., AC,
Dixon, John H., Inf.,
Petersen, Byron N., Inf.,
Burdick, Isadore B., Inf.,
Pettus, Lewis A., CE,
Hamilton, George B., Inf.,
Mandel, Samuel, JAG,
Kuenning, Howard F., QMC,
Brewer, Joseph C., AC,
Allen, James J., AC,
Vaughan, Francis L., Fin.,
Farnum, Charles W., Fin.,
Page, Henry M., AGD,
Hughes, J. P., Inf.,
Meyer, George S., CE,

Reynolds, Alden C., AC,
Berry, Secrest L., Ord.,
Pennington, James C., QMC,
Leidholt, Ernest B., Jr., AGD,
Larsen, Herluf T., CE,
Robinson, Everett W., Inf.,
Young, William H., CE,
Freeman, Forbes S., AC,
Bowen, Robert L., AC,
Maher, John J., Jr., Fin.,
Lang, Stephen S., QMC,
Palmer, John R., Inf.,
Price, James A., AC,
Mercier, Alonzo P., AC,
Adams, William A., AC,
Daykin, Albert, Inf.,
Barefield, William C., QMC,
Rodgers, John W., AGD,
McCormick, Harold D., SC,
Bragdon, Kerlin J., JAG,
Rupert, Claude K., AC,
Bower, James R., Inf.,
Ohern, Clyde W., Fin.,
Adams, Emmett B., Jr., Ord.,
Royal, Benjamin E., AC,
Bues, Harry W., Jr., AGD,
Naugle, Harry C., AC,
Hancock, John A., SC,
Lee, Frank E., FA,
Moquin, Wilfrid V., AC,
Jeffries, Murrell M., AC,
Grant, John E., QMC,
Brown, Edward T, AC,
Banning, Harold D., Fin.,
Johnston, Harry C., AC,
Stattler, C. J., Jr., AC,
McDaniel, John T., AC,
Field, Raymond F., AGD.,
Davidson, Richard P., CE,
Douglas, Harry V., Inf.,
Miller, Joseph B., QMC,
Smith, Emmitt D., QMC,
Hauschultz, Earl H., QMC,
Robb, John E., FA,
Stark, Gilbert J., QMC,
DeBaker, Charles E., Inf.,
Kleinjan, Lyle V., AC,
Waggoner, Edward F., QMC,
Ryan, Edward A., FA,
Walk, George A., QMC,
Kehke, Arthur E., Ord.,
Ivins, Daniel F., Jr., AGD,
Bankus, John T., QMC,
Williams, Jack L., QMC,
Rice, Cecil P., Ord.,
Arfman, John F., CE,
Lilley, Clarence W., AC,
Cameron, Thomas J., JAG,
Hill, Philip H., Inf.,
Wilber, Stanley R., AC,
Wildes, Gordon W., AC,
Cochran, Lyle H., AC,
Wolf, Harold C., AC,
Felt, Marion F., Inf.,
Banks, Joseph H., AGD,
Scheid, Arthur M., JAG,
Emery, Daniel B., AC,
Chaney, Louis H., AC,
Atkins Neill S., Jr., QMC,
Birch, Wilson H., CAC,
Zacherle, Alarich L. E., CE,
Stevens, Eugene M., AC,
Hohertz, Melvin A., AGD,
Billing, David D., Ord.,
Johnson, Harry W., Cav.,
Allgeier, Robert M., Inf.,
Cooke, Gilbert C., AC,
Griffin, Goodman G., Jr., AC,
Mathews, Francis J., AC,
Gullion, Maurice B., QMC,
Tarr, Eugene S., AGD,
Caskey, Lawson B., Inf.,
Barlow, Frank S., Jr., QMC,
Peyton, Wythe M., Jr., Inf.,
Iwasko, Eugene S., Inf.,
Schwandt, Harold A., AC,
Johnson, Roberts P., Jr., AC,
Clark, Ernest C., Jr., Inf.,
Clapper, John, Jr., SC,
Blackmarr, William H., JAG,
Littlejohn, James P., QMC,
Parrot, Kent L., Jr., AC,

Butterfield, S. E., QMC,
Romine Robert T., AC,
Summers, Robert R., Inf.,
Scott, Winfield W., AC,
Patt, Dallas E., QMC,
Newcomb, Richard I., Inf.,
Pollard, Richard J., QMC,
Vincent, Joseph B., QMC,
Vos, Calvin M., JAG,
Moynahan, James M., QMC,
Harrison, Harry, SC,
King, Warren J., QMC,
Belote, Byron G., CE,
Carter, Stanley K., QMC,
Paterick, Gerald A., QMC,
Rische, Ernest A., CE,
Russell, Joseph D., AC,
Houck, Colie, AC,
Walker, John H., Jr., QMC,
Blair, Richard A., Ord.,
Dawson, Van B., AC,
Polumbo, Fred A., QMC,
Campbell, Norman A., Inf.,
Yates, Joel H., AC,
Fleming, Sam F., QMC,
Olson, Donald A., AC,
Caples, James S., CE,
Forame, Peter R., QMC,
Slob, Elmer L., Inf.,
Fuller, George A., AC,
Grimes, Robert A., CML,
McBride, Arthur J., Inf.,
Coupland, Leonard T., AC,
Murphy, Vincent P., Ord.,
Rose, Ming, Fin.,
MacKenzie, Norman D., AC,
Bolen, William F., Inf.,
Rochford, Allan B., CE,
Reighard, Robert H., CE,
Bond, Virgil W., AGD,
Siegel, Charles L., Ord.,
Newman, Wilfred B., AC,
Krieger, George H., AC,
Sinclair, William M., Fin.,
Bryan, James L., Inf.,
McDonald, Daniel E., CE,
Corgan, Francis H., Ord.,
Miles, Burton E., QMC,
Sullenberger, Louis E., AC,
Schmidt, Norbert H., Ord.,
Lofstrand, Albert E., Fin.,
Montgomery, Waldo W., QMC,
Frederick, Horace B., Inf.,
Borden, David B., Jr., AC,
Abdalah, Ernest G., AC,
Furrell, Alfred W., AGD,
Rawlings, W. W., Jr., Cav.,
Bates, Frederick R., AC,
Belser, William G., Jr., AGD,
Green, Warren J., FA,
Moran, Patrick J., CML,
Dix, Robert J., QMC,
Hogle, James C., CE,
Bagley, Ray M., SC,
Gray, Richard R., Jr., AC,
Hower Henry H., AC,
Simpson, Owighton D., AC,
Healey, James P., Jr., JAG,
Brook, Howard F., CE,
Hall, Wilbur T., Fin.,
Mason, Arthur L., QMC,
Walters, Joseph C., CE,
Patty, Homer E., AGD,
Harpole, Donald C., AC,
Lowe, Robert L., FA.
Brock, John A., Inf.,
Johnson, Walter D., AC,
Wootton, Bernard M., AC,
Niblock, George B., Jr., Inf.,
Mooney, Harold T., Inf.,
Jones, Thomas B., Ord.,
Star, Reuben, AGD,
Withers, Edwin J., CE,
Millson, Cyril A., QMC,
Kernkamp, Melvin W., SC,
Simmons, Chadwick P., AGD,
Marshall, Furman W., AGD,
Sampson, George P., SC,
Treacy, James J., AC,
Collier, Clay O., FA,
Welton, Kenneth R., CE,
Dickson, Marshall W., QMC,
Bonniwell, Alfred E., AGD,
Fish, Grosvenor W., QMC,
Huckaby, Donald J., FA,
Crisler, Herbert L., AC,
Dahl, Leonard M., AGD,
Carpenter, Harold G., AC,
Hinch, Murrell F., AC,
Taylor, Charles H., AC,
Baxa, Fred R., AC,
Waddell, James M., AC,
Minton, August M., AC,
Postal, Frederick H., AC,
Woodbury, James A., Inf.,
Binford, Everett E., AC,
Clark, Lester H., SC,
Gwillim, Theadore R., SC,
Martin, David, AGD,
Futral, Allen A., CE,
Grogan, Francis J., JAG,
Smith, Leland P., AC,
Sherman, Wilbur B., AC,
Da Rosa, Elmer G., AC,
Frankel, Arthur G., Jr., AC,
Whitten, Harold L., AGD,
Cottingham, Levin B., CML,
Smith, John H. M., AC,
Hagerstrand, Martin A., AGD,
Veirs, Earl E., Jr., QMC,
Blake, Homer C., FA,
Sheridan, Alexander P., AC,
Sutton, Earl, Inf.,
Mize, Henry H., JAG,
Johnson, Lester B., Inf.,
Huff, Howard C., AC,
Shyer, George J., Ord.,
Brott, William F., SC,
Shurtz, Hubert W., FA,
Crownover, Robert L., Inf.,
Oppelt, Robert H., QMC,
Klint, Edmund L., Ord.,
Martineau, Fred J., AGD,
Kauffman, George R., AC,
Hill, Richard F., Inf.,
De Berg, Oak E., CE,
Hoffman, Aldon M., Inf.,
Burgner, Newton M., AC,
Hohman, Henry B., AC,
Forwood, William G., AC,
Alexander, Rowan P., QMC,
Budway, George, AC,
Wallace, Charlton O., CE,
Reynolds, Lawrence S., Inf.,
Freidinger, Henry M., Cav.,
Lynch, John W., JAG,
Dobrinic, Matt P., Inf.,
Markham, Michael C., QMC,
Humphreys, Lloyd R., AC,
Jones, Sherbert B., Inf.,
Bartlett, William L., Fin.,
Swanson, Arthur R., AC,
Ax, George B., FA,
Bohn, John T., AC,
Shoemaker, Joseph A., Inf.,
Long, Harlan J., AGD,
Updike, Perry C., AC,
Williams, John R., QMC,
Adams, Duval S., QMC,
Comer, Hubert W., AC,
Winkle, Lewis A., AC,
Keesling, James C., Jr., AC,
Titard, Lear P., Ord.,
Schroeder, Norman M., QMC,
Egan, John B., FA,
Joy, Wilbur R., AC,
Griffin, Robert J., QMC,
Lang, Edmund H., CE,
Thompson, Arthur C., AC,
Harris, William S., AC,
Webster, James L., AC,
Whiteside, Clyde C., Fin.,
Pence, Harvey J., SC,
Davis, John, QMC,
Adkins, William H., AC,
Lamar, Joseph R., Fin.,
Singleton, Emmett F., AC,
Woolever, Marshall E., AC,
Mallary, Eugene C., AC,
Swarm, William R., FA,
Miner, Harold E., Cav.,
Clema, Joe A., CE,
Hilsman, Edward H., Ord.,
Hutto, Earl B., AC,
Blake, Ellis D., Inf.,
Dolezel, Edward J., AC,
Zeller, Winn F., AC,
Black, John O., AC,
Gillett, Cortland I., CML,
Hoglund, Glen A., AC,
Troll, John F., Inf.,
Lee, Edwin C., Inf.,
McCorkle, John, AC,
Winter, Hugh, AC,
Perry, George E., AC,
Jones, John W., AC,
Bilash, Edward W., AC,
McLeod, John J., AGD,
Leib, Richard C., FA,
Higginbotham, Raymond, AC,
Trotter, John T., AC,
Steuert, Douglas A., AC,
White, Warren M., AC,
Duda, Edward, Inf.,
Smith, Stanley W., SC,
Sladek, Robert F., AC,
Gregory, Clyde, CAC,
Reynolds, Douglas H., AC,
Kane, Charles F., Inf.,
Gunter, George C., Jr., AC,
Young, Donald A., AC,
Gilmore, Wilson A., AC,
Bare, Charlie G., Inf.,
Carter, William A., AC,
Baker, Denzil L., Inf.,
Calvert, George N., Inf.,
Graves, Charles F., AC,
Bussey, John K., AC,
Koby, Francis R., AC,
Cromartie, Marion A., AGD,
Gorman, George W., AC,
Landall, Lincoln W., AC,
Shepherd, Daniel F., Ord.,
Snyder, Frank L., QMC,
Beasley, Everett L., AC,
Kage, Gordon D., AC,
Stampados, D. G., AC,
Curbo, Andrew J., Jr., AC,
Adams, Bill, AC,
Caulfield, Donald B., AC,
Buchanan, Alfred K., AC,
Fizer, Elmer P., AC,
Benjamin, Don C., SC,
Panico, Fred R., AC,
Clay, Roy U., FA,
Nelson, Clarence F., Cav.,
Griffin, Linwood, Jr., Inf.,
Holden, Raymond B., AC,
Zabriskie, Jesse H., AC,
Davenport, William W., AGD,
Eckols, Truman D., Inf.,
Kogan, Edward M., AC,
Pritchard, Wilbur D., AC,
McKenzie, Jack C., Inf.,
Brown, Robert W., AC,
Truesdale, Ebin T., AC,
Manning, Melvin A., AC,
Bugh, Leon F., AC,
Sheppard, Harvey E., CML,
Owens, Frederick J., Inf.,
Shealy, Norris, Fin.,
Redd, Lemuel B., CAC,
West, Willard A., AC,
Bartling, Carl W., CML,
Keach, Milton W., Inf.,
Burt, Walter L., QMC,
Bechtel, Howard J., AC,
Brown, Harold P., AC,
Cundiff, Isaac W., Inf.,
Kulp, William H., AGD,
McDaniel, Seaton F., Ord.,
Willis, Nicholas W., Inf.,
Cone, Harold E., Ord.,
McCaskill, B. L., Jr., AC,
Crosby, Henry A., Inf.,
Halfman, Rollie J., AC,
McCracken, Dwight H., AC,
Regan, Joseph B., Fin.,
Butler, Earle B., CE,
Laib, Arthur J., Jr., QMC,
Brownson, Harold N., Ord.,
Smith, Frank M., AC,
Hilderbrand, George P., AC,
Armold, Harold A., AC,

TO BE FIRST LIEUTENANTS

Sams, Jean P., QMC,
Donahue, Joseph R., QMC,

Nutt, Sidney, Jr., AC,
Cuphaver, Carl A., SC,
Dalia, George C., Cav.,
Holt, Olin P., Ord.,
Vann, James O., AC,
Pangburn, Clifton W., AC,
Franks, William A, Fin.,
Miller, Henry L., FA,
Andrews, James D., AC,
Franklin, Joseph B., QMC,
Renshaw, Donald E., AC,
Rheberg, Steven C., AC,
Antozzi, William O., QMC,
Schleicher, Carl W., AC,
Housel, Barron C., Jr., AC,
Nelson, Carl C., AC,
Irvine, David R., AC,
Briggs, Donald B., AC,
Johnston, Marvin V., Fin.,
Chaput, Clayton L., SC,
Bobela, Michael, AC,
Campbell, W. E., Jr., CML,
McNally, James D., QMC,
Cope, David F., Inf.,
Hurley, Wesley C., Ord.,
Ashby, Raymond C., Jr., Inf.,
Blume, Irving, AC,
McGrath, Thomas W., Ord.,
Smith, Lynn P., AC,
Alphin, Horace E., Fin.,
Dodson, William J., QMC,
Fleming, Jeames H., AC,
Dicken, Keith O., Fin.,
Dyer, Harold F., CE,
Chamberlin, Stanley F., AC,
Oswald, Edward H., Cav.,
Staley, Robert B., QMC,
Pierce, Donald R., FA,
Leclaire, Wilfred B., AC,
Leyendecker, Max T., AC,
Blackburn, Howard V., FA,
Velebny, Samuel, Jr., AC,
Jones, Harold L., QMC,
Finch, William G., AC,
Kingston, Jarvis R., AC,
Stumpf, Carl J., AC,
Johnson, George H., 2d, AC,
Coleman, Byers H., QMC,
Cochran, Archie L., Cav.,
Stevens, Ronald B., AC,
Galusha, Morris E., SC,
Rizon, Robert L., AC,
Wilcox, Howard D., Jr., FA,
Allen, Hugh E., QMC,
Levi, James C., AC,
Bertoni, Louis, AC,
Reagan, Woodrow W., CML,
Hammer, Wendell A., AC,
Hurd, Richard P., Fin.,
Gaynor, James K., Inf.,
Henshaw, Wesley G., QMC,
Dahl, Irwin A., QMC,
Rua, Frank D., AC,
Musgrave, Charles L., AC,
Hopper, William F., Jr., AC,
Lewis, Arden I., Fin.,
Linhard, Povl V., AC,
Plapp, Paul V., QMC,
Briggs, Edwin J., Inf.,
Lock, Raymond H., AC,
Swanson, Clyde W., AC,
Lutz, Carl G., FA,
Merritt, Willard E., AC,
Blank, Bernard B., FA,
Stachura, Walter, AC,
Rector, Roscoe G., AC,
Hudelson, McClure, Inf.,
Diesem, Walter F., QMC,
Foster, Neil N., AC,
Tenore, Bartholomew, G., AC,
Webber, Ira B., Inf.,
Thomson, James W., AC,
Dorsey, Herbert G., Jr., AC,
Newsom, Marion E., Jr., Fin.,
Thorpe, Charles A., AC,
Kehoe, Frank M., CE,
Nelson, Carlton W., Fin.,
Kemp, James B., Inf.,
Mauldin, Osberne C., AC,
Wedlan, Paul A., AC,
Redding, Frank J., Jr., Inf.,
Manning, Wallace A., QMC,
Roth, Louis E., CE,
Driggs, Chase, AC,
Barker, Roger A., QMC,
V'eber, Robert H., AC,
Duff, Forrest W., FA,
Pearson, Beverly V., AC,
Patterson, R. A., Jr., QMC,
Smith, David C., Jr., CML,
Peters, Milfred J., QMC,
Rethke, William H., AC,
Peddicord, Lloyd E., Jr., Inf.,
Beamer, Harry R., AC,
Smith, Clark J., AC,
Bell, Leon E., Jr., AC,
Housenga, Edward L., AC,
Imhof, Louis P., AC,
Thornton, Raymond A., AC,
Graham, Riley A., SC,
Robinson, Calvin V., AC,
Dreiman, Paul E., AC,
Banks, Richard G., FA,
Dunbar, Oliver C., SC,
Bratcher, Buck, QMC,
Plank, Walter F., CML,
Allen, Wendell G., QMC,
Bayle, Frank R., FA,
Finn, Calvin F., FA,
Gilmore, William H., Inf.,
Doman, Roy A., CE,
Espelund, Selmer J., Ord.,
Thomas, George O., AC,
Barth, Luther R., Inf.,
Clark, Jerry H., AC,
Drews, Reno E., Cav.,
Pitts, Robert L., Inf.,
Breeden, Lindsey C., Jr., AC,
Marchetti, Joseph P., AC,
Flashman, James D., AC,
Lazzarini, Louis T., CML,
Doherty, Lawrence J., QMC,
Orr, William R., AC,
Brown, Harvey C., Jr., AC,
Geffel, John C., AC,
Buckles, Galen M., AC,
Glaser, Goodlett J., AC,
Sawhill, Edgar L., AC,
Hirschhorn, Lloyd E., QMC,
Pearson, Ethan R., AC,
New, James H., Fin.,
Williams, Arthur H., Jr., CML,
Nash, Tom L., AC,
Smith, Woods B., QMC,
Patteson, Harvey L., SC,
Long, Kenneth R., AC,
Bergin, Joseph A., AC,
Hughes, Robert C., AC,
Robinson, Raymond E., AC,
Boyd, William C., AC,
Dudney, John F., AC,
Kenderdine, John M., QMC,
Mulholland, Howard, AC,
Lentz, John W., AC,
Nixon, Perry E., AC,
Belland, Walter T., FA,
Peters, Bernard, AC,
Gagne, Herbert F., QMC,
Wayshak, Abraham E., AC,
Moak, James G., SC,
Micka, Louis J., Jr., AC,
Lee, James L., AC,
McConnell, Wayne D., Fin.,
Jessic, Frank S., AC,
Stacey, Fred J., AC,
Martin, Carl J., AC,
Relyea, Carl M., AC,
Buckalew, Louis W., Jr., Inf.,
Aines, Andrew A., QMC,
Sevier, Joseph H., Fin.,
Golden, Ellington D., AC,
Dimmock, Charles, AC,
Lash, Robert L., AC,
Gallagher, John V., AC,
Thurston, Estill S., SC,
McFarland, Jack B., AC,
Carroll, James V., AC,
Davies, William V., AC,
Fritsvold, Melford P., Cav.,
Gough, Wesley, Cav.,
McBee, Shannon C., AC,
Pallister, Francis J., FA,
Grashoff, William H., AC,
Segrist, Charles C., AC,
White, Victor W., CE,
Epperson, Roy F., Sr., CML,
Lulejian, Norair M., AC,
Armstrong, Richard E., AC,
McCroskey, Sam E., AC,
Martin, John B., AC,
Thompson, Rex B., AC,
Bozak, Ernest M., SC,
Wilson, Ross J., Inf.,
Dick, Robert M., AC,
Honeycutt, Dale C. L., AC,
Davitt, James H., SC,
Zuerner, William E., AC,
Foster, Ross J., AC,
Johnson, Norman V., AC,
Poole, Allan E., AC,
Buldain, Frank J., Inf.,
Jurgens, Kenneth E., Ord.,
Knudson, Cecil C., AC,
Emmertz, Roger N., AC,
Brown, Ted, AC,
Buch, Floyd H., QMC,
Graham, James E., AC,
Bauer, Elmer H., Inf.,
Leggette, Frank B., Fin.,
Kimmell, Donald B., Ord.,
Craig, William A., QMC,
Gordon, Amos A., QMC,
Green, Robert A., AC,
Mushen, Robert L., CE,
Matteson, Orval Q., QMC,
Salisbury, Howard G., Inf.,
Monroe, Henry S., AC,
McWade, Albert J., Inf.,
Buchi, Harold U., CE,
Sheehan, Larry J., AC,
Perry, Gilbert T., AC,
O'Neil, Raymond F., AC,
Barker, Paul B., AC,
Tebbs, Jim R., AC,
Richmond, Jack B., Inf.,
Hockley, Claude C., Jr., Inf.,
Kay, Charles W., AC,
Fox, John E., AC,
Stuverud, Homer A., QMC,
Bartholomew, Howard L., Inf.,
Popie, William H., Ord.,
Sites, Eugene P., QMC,
Shaban, Zenon, AC,
Bettien, Richard L., QMC,
Rodgers, Thomas R., Inf.,
St. John, Richard C., QMC,
Palmer, Leslie F., Inf.,
Smart, Howard F., AC,
Waters, Mervin S., Ord.,
Smith, Vincent E., Fin.,
Knoll, William F., QMC,
Owen, William J., Cav.,
Beck, Howard A., AC,
Harrigan, Thomas L., QMC,
Moore, Lowell G., QMC,
Jochim, Lavergne C., AC,
Stewart, Matthew C., Inf.,
Hayes, Taylor C. T., Cav.,
Robbins, Jack A., QMC,
Harrison, Nathaniel W., QMC,
Smith, Clinton D. B., AC,
Anderten, Irwin W., AC,
Dennis, Norman T., Ord.,
Kluge, Emile, AC,
Lewis, Dwight F., AC,
Stevenson, Roger A., AC,
Carpenter, Donald C., AC,
Denniston, Robert N., Inf.,
Alamand, James L., AC,
Gravin, Irving H., AC,
Shewbart, William M., AC,
Kederich, C. H., Jr., Inf.,
Johnson, John G., Jr., Inf.,
Baker, Marshall W., FA,
Hunt, Edward H., AC,
Tonstad, Owen O., Fin.,
Scordas, Horace T., CAC,
Kelly, John H., AC,
Parkins, William H., AC,
Mariska, Ben F., AC,
Jackson, Jerome W., AC,
Griffin, Charles W., Fin.,
Michael, Pierce B., AC,
Haine, Walter A., CAC,
Burk, Frank P., Inf.,
Kirby, David J., AC,

Yuill, Harry F., Inf., [redacted]
Webb, Robert L., Jr., QMC, [redacted]
Gosling, Kenneth R., AC, [redacted]
Wolslagel, Earl W., AC, [redacted]
Burdette, Carlyle B., AC, [redacted]
Smith, Don A., AC, [redacted]
Carlson, John W., Cav., [redacted]
Vacca, Gerald R., AC, [redacted]
Ledley, Wilson V., Inf., [redacted]
McConnell, Lhatt A., AC, [redacted]
Moore, Orven D., Ord., [redacted]
Sloane, Nicholas J., QMC, [redacted]
Huff, William S., Cav., [redacted]
McDouall, Bradford H., AC, [redacted]
Bauer, Christian S., AC, [redacted]
Oliver, Richard H., QMC, [redacted]
Nash, William L., Cav., [redacted]
Spooner, Julius L., AC, [redacted]
Norgordt, Russell L., FA, [redacted]
Jodrey, David B., QMC, [redacted]
McDonough, Robert J., FA, [redacted]
Fields, Harry C., Jr., QMC, [redacted]
Dishuck, John J., AC, [redacted]
Correll, Victor C., AC, [redacted]
Ruedy, Melvin C., QMC, [redacted]
Nettles, Jesse E., AC, [redacted]
Dewey, Willis A., AC, [redacted]
Miller, Victor B., AC, [redacted]
Gill, John E., AC, [redacted]
Pflanz, Louis W., Jr., SC, [redacted]
Bowman, Harold M., Jr., Inf., [redacted]
Tyler, John S., Fin., [redacted]
Noland, Marion B., Inf., [redacted]
Eckert, Jacob C., AC, [redacted]
Gerety, John S., Cav., [redacted]
Commons, Enos L., Jr., AC, [redacted]
Brittain, Gerald F., AC, [redacted]
Slimp, Jack B., QMC, [redacted]
Leahy, William F., AC, [redacted]
Trout, Robert L., CE, [redacted]
Palik, Ted J., SC, [redacted]
Whitehead, Arthur K., Cav., [redacted]
Ware, William, AC, [redacted]
Ostrom, Herbert N., SC, [redacted]
Campbell, Charles S., Ord., [redacted]
Quinlan, Francis E., AC, [redacted]
Myers, Lawrence T., AC, [redacted]
Troianowski, M. J., AC, [redacted]
Hawksworth, F. W., Cav., [redacted]
Staley, Mortimer R., Fin., [redacted]
Rosno, Raymond J., AC, [redacted]
Hilley, William A., AC, [redacted]
Hunt, Robert F., Jr., AC, [redacted]
Youngs, Edward R., QMC, [redacted]
Hansen, Robert P., AC, [redacted]
Caulder, Bruce B., FA, [redacted]
Moist, Robert E., AC, [redacted]
Casterline, James I., Fin., [redacted]
Seamon, Walter E., Jr., AC, [redacted]
Cooper, John T., Jr., FA, [redacted]
Jones, David W., Jr., Fin., [redacted]
Templeton, Robert F., AC, [redacted]
Hills, Kenneth B., AC, [redacted]
Keefe, James H., Inf., [redacted]
Rice, John A., Ord., [redacted]
Holden, Paul C., AC, [redacted]
Libby, Paul V., AC, [redacted]
Slover, Robert H., FA, [redacted]
Atwell, Lawrence A., AC, [redacted]
Lawrence, John C., AC, [redacted]
Packard, Walter B., AC, [redacted]
Baumgartner, John W., Inf., [redacted]
Marsden, Henry H., Jr., QMC, [redacted]
Ehrhardt, Clarence P., QMC, [redacted]
Cope, William S., AC, [redacted]
Master, Hugh H., AC, [redacted]
Sterns, Junius S., Jr., FA, [redacted]
Conkling, Emmett V., AC, [redacted]
Campbell, John, Jr., Inf., [redacted]
Staver, Robert L., Inf., [redacted]
Adams, William L., Jr., FA, [redacted]
Stoddard, Ayres W., Ord., [redacted]
Brown, John P., Inf., [redacted]
Johnston, Arthur B., QMC, [redacted]
Cook, James S., Jr., QMC, [redacted]
Flint, Charles W., SC, [redacted]
Napier, Jack P., Fin., [redacted]
Kooken, Willis E., SC, [redacted]
Keough, John E., QMC, [redacted]
Saffold, Eugene, Cav., [redacted]
Allwine, Franklin N., QMC, [redacted]
Stotlar, William G., QMC, [redacted]
Sutton, A. G., Jr., CE, [redacted]
Roder, Charles C., SC, [redacted]
Martin, Lawrence A., Cav., [redacted]
Richards, Lynn A., AC, [redacted]
Norcia, Benjamin, AC, [redacted]
Hight, Fred T., AC, [redacted]
Brown, Robert M., Jr., AC, [redacted]
Sory, Carl G., CE, [redacted]
Anderson, Arlo S., AC, [redacted]
Ramsey, Jack W., SC, [redacted]
Daniel, Kenneth R., Ord., [redacted]
Carnes, Hughes A., Inf., [redacted]
Trimble, Aaron U., Inf., [redacted]
Ray, Robert H., AC, [redacted]
Johnson, John P., SC, [redacted]
Sharp, Hobert W., Inf., [redacted]
Thompson, William D., SC, [redacted]
Heinzel, Jack H., AC, [redacted]
Desgeorges, Herbert E., AC, [redacted]
Sharpe, Harold H., QMC, [redacted]
Wilmot, Woodrow B., AC, [redacted]
Hogg, Robert, AC, [redacted]
Greer, Harry A., Cav., [redacted]
Scruggs, John A., AC, [redacted]
Powell, Joseph H., Ord., [redacted]
Leighton, Ralph E., Jr., Inf., [redacted]
Nanney, Stancill M., AC, [redacted]
Davis, Edward G., AC, [redacted]
Redlin, Earl P., QMC, [redacted]
Hallam, Louis C., AC, [redacted]
Claypool, Charles B., QMC, [redacted]
Beplat, James A., CE, [redacted]
Horgan, Maurice C., AC, [redacted]
Goetz, John B. M., Ord., [redacted]
Johnson, Warren R., CE, [redacted]
Garrison, Eskelle V., AC, [redacted]
Jarrold, Milton, Inf., [redacted]
McClintic, William A., QMC, [redacted]
Staskewitz, B. E., AC, [redacted]
Dean, David K., AC, [redacted]
Briscoe, Charles A., QMC, [redacted]
Johnson, James E., Inf., [redacted]
Chilcote, Charles A., AC, [redacted]
Corder, Harold W., QMC, [redacted]
Herndon, John M., AC, [redacted]
Brinkerhoff, W. A., CAC, [redacted]
Daubin, Freeland, A., Jr., Cav., [redacted]
McCombs, Harold K., AC, [redacted]
Hustead, C. L., Jr., Inf., [redacted]
Scott, Robert S., Inf., [redacted]
Delosua, Ramon F., QMC, [redacted]
Whipple, John L., Fin., [redacted]
Ayres, Laurence T., Jr., Inf., [redacted]
De Bourbon-Conde, B. A., AC, [redacted]
Hooker, Howard C., Cav., [redacted]
Sutton, John L., AC, [redacted]
Haynes, Charley W., SC, [redacted]
Murr, Arnold P., Fin., [redacted]
Brown, Robert A. S., AC, [redacted]
Palsrok, John, Fin., [redacted]
Bachelor, Donald M., Ord., [redacted]
Griffin, Julious C., AC, [redacted]
Hoffman, George P., AC, [redacted]
Norman, William R., AC, [redacted]
Gillespie, William G., AC, [redacted]
Davidson, Norman J., AC, [redacted]
Hoard, Maurice A., Jr., QMC, [redacted]
Reising, Albert J., AC, [redacted]
Lyke, James P., Inf., [redacted]
Weiner, Joseph, AC, [redacted]
Pryor, Charles D., AC, [redacted]
Koenig, Perier A., AC, [redacted]
Hicks, William B., AC, [redacted]
Slough, Andrew E., AC, [redacted]
Crossman, William V., AC, [redacted]
Weikel, Paul W., AC, [redacted]
Franks, George E., AC, [redacted]
Masters, Milton F., CE, [redacted]
Ahrens, William C., AC, [redacted]
Key, George A., AC, [redacted]
Galt, Edward A., CE, [redacted]
Tigner, Edwin B., AC, [redacted]
Sullivan, Robert E., Inf., [redacted]
Belon, Ralph G., SC, [redacted]
Wolfe, Thomas W., AC, [redacted]
Myers, Earle R., AC, [redacted]
Kappeler, Frank A., AC, [redacted]
Ronan, Charles E., Inf., [redacted]
Hodges, Carroll B., QMC, [redacted]
Feliz, James E., QMC, [redacted]
Ellis, Herbert S., AC, [redacted]
Peterson, Martin F., AC, [redacted]
Kostanski, Henry S., QMC, [redacted]
Brennan, Patrick J., QMC, [redacted]
Register, W. F., Jr., Ord., [redacted]
Katin, Joseph G., QMC, [redacted]
Budd, Hyme A., AC, [redacted]
Scott, Emmett G., QMC, [redacted]
Swanson, Charles K., AC, [redacted]
Holmes, Merrill D., AC, [redacted]
Harrington, Robert L., AC, [redacted]
Gibbs, Charles H., QMC, [redacted]
Flynn, Stanley F., Inf., [redacted]
Dougal, Robert E., AC, [redacted]
Taylor, Frank A., Jr., AC, [redacted]
Kulp, John C., Jr., QMC, [redacted]
Smith, Hall F., AC, [redacted]
Clarke, Worth C., AC, [redacted]
Hays, John B., AC, [redacted]
Mitchell, Arlo W., Inf., [redacted]
Heiser, Joseph M., Jr., Ord., [redacted]
Von Rohr, Arthur D., Inf., [redacted]
Doornbos, Philip O., AC, [redacted]
Sims, Harry G., AC, [redacted]
Crouch, Robert L., Jr., Inf., [redacted]
Long, Floyd K., QMC, [redacted]
Gross, Edward D., AC, [redacted]
Decker, Robert Y., AC, [redacted]
Johnston, Elmer M., CE, [redacted]
Gould, Robert A., Jr., AC, [redacted]
Buttmann, Oscar, AC, [redacted]
Mills, Eugene S., Jr., AC, [redacted]
Tenhagen, Carl B., CE, [redacted]
Baker, Lee E., AC, [redacted]
Smith, Clyde H., AC, [redacted]
Leavitt, William J., AC, [redacted]
Beach, Rex W., AC, [redacted]
Saxe, Robert K., SC, [redacted]
Lockman, Daniel B., AC, [redacted]
Logan, James C., AC, [redacted]
Reynolds, Maurice J., Inf., [redacted]
Thompson, Robert M., Cav., [redacted]
Morrison, Harry J., AC, [redacted]
George, John L., AC, [redacted]
Payne, Leslie M., CE, [redacted]
Schreiber, Harry J., AC, [redacted]
Forrest, George, AC, [redacted]
Wood, Charles N., AC, [redacted]
Eliasen, Arnold C., AC, [redacted]
Mouchet, William D., Inf., [redacted]
Smith, Sydney T., AC, [redacted]
Fischer, John J., AC, [redacted]
McKaba, Edward, AC, [redacted]
Parr, Albert T., AC, [redacted]
Babb, Claude A., AC, [redacted]
Stanford, William A., Ord., [redacted]
Van Buskirk, Alden L., AC, [redacted]
Mickley, William B., AC, [redacted]
Rohrich, Joseph, Jr., AC, [redacted]
Huston, Fred R., AC, [redacted]
Tatem, James B., AC, [redacted]
Scroggins, James H., Jr., AC, [redacted]
George, Robert D., CML, [redacted]
Mason, Ralph, AC, [redacted]
Colvin, James H., AC, [redacted]
Reese, Arthur W., SC, [redacted]
Osborne, Robert J. C., Cav., [redacted]
Bennett, Thomas M., AC, [redacted]
Ross, John S., AC, [redacted]
Johnson, Oscar G., AC, [redacted]
Davis, Robert T., CE, [redacted]
Case, Charles C., Jr., QMC, [redacted]
Pershall, William R., Cav., [redacted]
Smith, Francis J., Jr., QMC, [redacted]
Raley, Claude M., AC, [redacted]
Gnau, William D., FA, [redacted]
Guerdrum, Thorvald J., CE, [redacted]
Canon, Jack Y., Inf., [redacted]
Carson, William J., AC, [redacted]
Williams, Marcus O., QMC, [redacted]
Prohaska, Elmer G., AC, [redacted]
Bowden, William M., AC, [redacted]
Jensen, Ralph S., AC, [redacted]
Toye, Edward E., AC, [redacted]
Bazan, Edward T., AC, [redacted]
Bull, Frederick K., AC, [redacted]
Hines, James P., AC, [redacted]
Goss, Edmund R., AC, [redacted]
Oakley, Samuel H., QMC, [redacted]
Price, David B., QMC, [redacted]
Rundquist, Eric A., FA, [redacted]
Miller, Thomas A., AC, [redacted]
Bartholet, John C., CE., [redacted]
Hoskins, Harry D., Jr., CE, [redacted]
Trinkaus, William K., QMC, [redacted]

Cole, Nester E., AC,
Andrews, Burton S., Inf.,
Edgerton, Eric R., Inf.,
Kellum, George G., Jr., AC,
Peterson, David A., AC,
Bogardus, Allan L., Inf.,
Betts, Francis A., AC,
Goodwin, Vaughn K., AC,
Kennedy, Justus C., Cav.,
Atzenhoefer, Daniel R., QMC,
Moore, William E., Jr., AC,
Beaver, Authney W., AC,
Smith, Byron S., Cav.,
Eichholtz, George H., CE,
Thompson, Dillard N., AC,
Kresslov, Russell, AC,
Fierke, David W., FA,
Tillman, James D., Jr., AC,
Hanks, Joseph E., QMC,
Innes, William H., SC,
Huff, Hotenel J., QMC,
Spieth, Robert, AC,
Wyatt, Harold E., AC,
Larson, Edwin C., AC,
Thiele, Harold E., AC,
Peacock, Earl G., CE,
McCracken, Rufus L., AC,
Pence, James L., Inf.,
Moore, Henry N., AC,
Nyblade, Walter F., AC,
Lichter, Carl J., AC,
Williams, Carl F., AC,
Crouch, Joseph E., AC,
Bates, Richard F., QMC,
Gover, Leroy, AC,
Kreighbaum, Eugene C., QMC,
Bates, Paul E., AC,
Wilson, George H., AC,
Thomas, Clarence L., AC,
Knight, Darce R., SC,
O'Farrell, Hugh R., Cav.,
Kedrovsky, Vladimir B., Cav.,
Pittman, Bernard M., AC,
Danielson, Ray O., AC,
Agin, Edward J., AC,
Martin, Talbert I., QMC,
Drake, Leland R., FA,
Copeland, Lewis A., AC,
Mullen, John M., Cav.,
Fiss, Robert W., AC,
Etka, Dale L., QMC,
Munson, David J., AC,
Dyer, William C., Jr., Inf.,
Lake, Gerald A., CAC,
Beck, Abe J., AC,
Schudel, Charles R., AC,
Fry, Clayton T., QMC,
Baker, Frank M., AC,
Greening, Orlando L., QMC,
Lyons, Charles M., AC,
Lindeke, Albert W., Jr., Inf.,
Kerner, Robert F., AC,
Garvey, Dale M., Cav.,
Goetzke, Kenneth H., AC,
Whittle, Frederick J., AC,
Christianson, C. V., QMC,
Bush, Sterling C., SC,
Cooke, Charles J., AC,
Brogan, John C., Inf.,
Gavares, Nicholas J., AC,
Walker, Roy R., AC,
Harrington, A. A., AC,
Murray, John E., AC,
Stockton, William A., AC,
Sawrie, William E., AC,
Dinsmore, Dwight R., AC,
Lyons, Crawford D., Ord.,
Gallaher, Glendale D., QMC,
Bedford, William H., Jr., Inf.,
Batlin, Alexander, CML,
Shaver, Robert T., Cav.,
Laing, James A., Inf.,
Le Land, Edwin S., AC,
Behrens, George H., AC,
Berkenkamp, Eugene H., AC,
Tam, Donald R., FA,
Dowd, Thomas H., Jr., Cav.,
Jones, Allen N., Jr., AC,
Vickers, Roth E., AC,
Vreeland, Robert W., AC,
Longino, Dick R., Jr., AC,
Greene, Benjamin O., Jr., AC,
Branton, William C., Cav.,
Auten, Frank C., Jr., AC,
True, Oscar H., AC,
Wolf, John J., AC,
Camp, Kenneth L., AC,
Scott, John J., AC,
Bowie, William A., AC,
Urbach, Leonard H., AC,
Jones, George R., AC,
Canine, Chester E., QMC,
Hudson, John H., AC,
Hall, Haywood, AC,
Atwood, Robert G., AC,
Dow, Leonard F., AC,
Smith, Clyde A., AC,
Kinson, Richard L., Fin.,
Wallace, Dow B., AC,
Andersen, Milo P., AC,
Gallagher, James D., Fin.,
Larson, Robert S., AC,
Morelock, George L., Jr., FA,
Rotkis, Walter A., AC,
Miller, Walter F., AC,
Salome, Richard A., AC,
McCash, Donald K., AC,
Turner, David C., Fin.,
Griffin, Harry N., AC,
Stuart, John M., Jr., AC,
Hale, Ralph, N., CE,
Reynolds, Edwin W., Cav.,
Craig, Joe C., AC,
Cox, Amel L., Fin.,
Snyder, Richard G., AC,
Gibson, William H., AC,
Koshko, John R., Jr., Fin.,
Dalto, John, AC,
Voss, Nathaniel R., Jr., AC,
Junius, John G., QMC,
Summers, C. E., Jr., AC,
Murphy, Luther W., SC,
Youngblood, Curtis N., AC,
Sellers, Melvin B., Inf.,
Carter, Sam F., AC,
Likes, David H., AC,
Manthos, Atlee G., AC,
Hennessy, Robert J., AC,
Spurlock, Gerald M., AC,
Kehrer, Kenneth, AC,
Poole, Frederick T., AC,
Davey, Kenneth W., AC,
Johnson, Morrell S., AC,
Woolwine, Charles C., AC,
Dantzker, Morris, Fin.,
Warren, John E., AC,
Kunce, Lee R., AC,
Tarver, John B., Jr., AC,
Reeves, Charles P., Jr., SC,
Sewart, Harold Y., AC,
Bane, Edwin R., AC,
Maas, Charles F., AC,
Doyle, George K., Fin.,
Dickey, Charles H., 3d, QMC,
Richardson, Richard L., Fin.,
Hollier, F. F., Jr., AC,
Nelson, Edor C., Cav.,
Dougherty, Clifford A., AC,
Finney, Drayton K., AC,
Gray, Francis M., Cav.,
Clausen, Leslie C., AC,
Wilkins, James C., Inf.,
Rodgers, Thomas A., FA,
Harrison, Robert B., AC,
Wade, Hugh S., QMC,
Barrere, Robert A., AC,
Powell, Joseph H., AC,
Fonk, Elwyn J., Fin.,
Williams, Joseph B., AC,
Morgan, John C., AC,
Babcock, Bernard E., Fin.,
Thornton, Julian R., Jr., AC,
Gardiser, Joseph A., AC,
Murrey, John S., AC,
Rials, Grady F., QMC,
Christy, John J., Inf.,
Harrington, George E., AC,
Lucey, William G., Inf.,
MacLeod, James F., QMC,
Gee, William C., QMC,
Todd, Alfred G., AC,
White, Claude W., SC,
Rousek, Charles E., Jr., Cav.,
Geanetos, George S., AC,
Wilson, Charles S., AC,
Dickson, Marion L., AC,
Griffith, James J., Jr., AC,
Heene, Fred L., AC,
Sulloway, Alexander M., AC,
Ralf, Earl W., Inf.,
Curran, John H., AC,
Besser, William J., QMC,
Helfort, Albert F., AC,
Stitt, Glenn T., AC,
Maclean, Robert J., Cav.,
Robbins, Robert C., QMC,
Sharp, Frank A., AC,
Payton, Theodore F., AC,
Del Missier, Bruno C., AC,
Wood, Harold L., AC,
Norwood, James L., Inf.,
Hankel, Halland W., Inf.,
Taylor, Ben, AC,
Brooks, Clyde E., AC,
Behnken, B. T., Jr., FA,
Vandal, Henry J., Inf.,
Brooks, Robert L., Jr., FA,
Huston, Sherman L., AC,
Leonard, John W., Inf.,
Woods, Everett N., AC,
Zwanzig, Samuel A., AC,
Wadle, Louis J., Inf.,
Jordahn, Erik W., Ord.,
Dwyer, Oliver C., QMC,
Morgan, Francis B., AC,
Emison, Ernest E., Jr., AC,
Carruth, James E., Inf.,
Hodges, Richard, QMC,
Kontak, Emil W., AC,
Smith, Robert C., AC,
Tillery, James H., AC,
Dvorak, Edward A., Jr., AC,
Clay, Albert B., Jr., QMC,
Ewing, Donald E., AC,
Mattison, William T., AC,
Luszki, Walter A., Inf.,
Di Meo, Frank G., QMC,
Featherston, Walter C., Ord.,
Raber, James R., QMC,
Dice, Evan A., AC,
Rogan, Dave L., AC,
Bonvicin, Emanuel F., AC,
Sullivan, Thomas A., QMC,
Barrett, John P., AC,
Kingsley, Earl R., AC,
Cargill, James N., FA,
Mocquot, Charles M., AC,
Strickland, Arthur T., CE,
Hadley, Cleo V., Inf.,
Brummitt, Leroy D., Inf.,
Rowan, M. C., Jr., AC,
Smith, Rodney E., AC,
Johnson, Kenneth C., Inf.,
Liebmann, Ernst F., Inf.,
Broidy, Vinton E., AC,
Reed, James F., AC,
Chloupek, Laurence E., Inf.,
Trauger, Walter M., QMC,
Wilson, John M., AC,
Dixon, Brendan, AC,
Thompson, Harry M., Fin.,
Ivory, John C., AC,
Beville, Claude, Jr., AC,
Robertson, John C., AC,
Shepperd, Virgil E., AC,
Lerner, Jack L., Cav.,
Wilder, Samuel D., CE,
Dalton, Charles D., AC,
Dannibale, Vincent J., AC,
Magee, Ernest M., AC,
Langford, Karl A., AC,
Hyde, William J., Cav.,
Darnold, Charles R., AC,
Barnett, John A., AC,
Pike, Robert F., AC,
Tribble, Randolph L., AC,
Lind, Harold A., AC,
Beechley, John C., QMC,
Kiser, Edgar L., QMC,
Shaka, Napoleon A., AC,
Tunks, Emerson A. A., AC,
Mathieu, John R., QMC,
Heran, Paul J., AC,
Bullard, Frank M., QMC,
Williams, James W., AC,
Preslar, Sanford D., AC,

Wildinger, Joseph V., AC,
Watwood, Louis V., AC,
Pitts, Ogene, Ord.,
Torrey, Leon E., Jr., AC,
Grimm, Charles B., AC,
Fisher, Philip F., AC,
Gray, Gerald W., Inf.,
Renaud, William E., QMC,
Campion, Norman W., AC,
Harrell, William H., AC,
Bowman, Richard E., AC,
Cooper, Osborn, Inf.,
Etheredge, William O., AC,
Hurd, Harlan F., AC,
Hickman, David E., Jr., AC,
Richards, Grover C., Jr., Cav.,
Taylor, Roger W., AC,
Johnson, Darwin A., AC,
Elcano, Michael P., FA,
Taylor, John F., FA,
Eisner, Friedrich, AC,
Neumann, William C., Jr., Inf.,
Harllee, Robert L., QMC,
Eliker, Hadley B., AC,
Tortora, Bernardino O., AC,
Morissette, Victor E., Fin.,
Shayler, Walter K., AC,
Rodzankas, John F., AC,
Schmidt, John M., QMC,
Cosgrove, Charles P., AC,
Utley, William A., AC,
Heald, Edgar H., AC,
Raaz, Dean J., AC,
Guthrie, Armon C., AC,
Farmer, Herman M., QMC,
Rachal, Daniel W., Inf.,
Branch, George H., AC,
Giambelluca, Nat, CML,
Montgomery, Morris B., Cav.,
Reiber, Jack B., AC,
Barnett, Tom W., FA,
Gaffney, John W., AC,
O'Brien, Frank E., AC,
Growdon, Laurence A., AC,
Robbins, Carl W., Jr., AC,
Bayard, Robert F., Cav.,
Davis, James W., AC,
McIntyre W. J., Jr., SC,
Campbell, Floyd F., AC,
Wilmarth, Clarence M., AC,
Mullen, John J., AC,
Greene, Russell J., AC,
Newton, Everette C., AC,
Hartman, Henry M., Jr., Inf.,
Graham, Edward, AC,
Edmisten, Herbert W., AC,
Burns, Stanley E., Inf.,
Gettys, Charles M., Inf.,
O'Neale, Malcolm L., Jr., AC,
Hartless, William E., AC,
Pirkle, Cecil H., AC,
Lovette, James K., AC,
Dickerson, Robert W., AC,
Storey, Thomas B., AC,
Schmidt, Nathan G., Fin.,
Gwinn, John W., Sr., AC,
Jeffress, Edwin B., Inf.,
Burkett, Bernard J., AC,
Wiesner, Paul F., AC,
Ray, William L., QMC,
Evans, Louis E., Jr., AC,
Masters, Robert E., AC,
Gondek, Adolph J., Inf.,
Brigham, Jex M., AC,
Beno, Kenneth R., AC,
Woods, James R., AC,
Evans, Philip G., AC.,
Murphy, John H., Inf.,
Hill, Albert R., AC,
Wood, George W., Inf.,
Njus, Olav, AC,
Couch, Benjamin J., AC,
Klopfenstein, Alba B., AC,
Hunt, Gilbert W., AC,
Roberts, Perry J., QMC,
Johnson, Arnold R., AC,
Hurt, Hugh A., QMC,
Miller, Sidney L., AC,
Opell, Charles M., AC,
Hammond, William H., Jr., QMC,
Freeman, George C., CE,
Price, Oran O., AC,

Hurley, Edward P., AC,
Owens, Harris R., AC,
Perkins, Willis H., AC,
Condon, Joseph F., AC,
Gammon, Wilson C., AC,
Murdock, Richard G., Cav.,
Baker, Barton O., Ord.,
Powell, Harvard W., AC,
Cronan, Robert A., AC,
Rinn, Frank B., AC,
Ries, Arthur W., QMC,
Anderson, Holly W., AC,
Walker, Walter B., Jr., AC,
McDavid, Andrew E., AC,
Mixon, Carmel A., AC,
Bunker, Walter I., AC,
Soulen, Garrett H., QMC,
Thornhill, John J., AC,
Shockey, Cyrus R., Cav.,
Gaffney, Wendell W., QMC,
Smoot, Oliver R., AC,
Smith, Reet P., AC,
Ronningen, Johan O., Inf.,
Shanklin, William F., AC,
Hoffman, Raymond T., SC,
Lamback, Charles H., AC,
Stover, Glen R., AC,
Lacombe, Raymond J., AC,
Hughes, Harold L., AC,
Gleason, Charles C., Ord.,
Norris, John I., QMC,
McCracken, Austin R., AC,
Spencer, John J., Inf.,
Worrel, Albert A., AC,
Blume, Frederick J., AC,
Hobbs, Gregory J., AC,
Skinner, Paul M., AC,
Harris, Schuyler S., AC,
Lucas, George G., AC,
Wood, Joseph T., Jr., AC,
Harrington, John D., AC,
Lisecki, John R., AC,
Johnson, Robert W., FA,
Knauer, George R., QMC,
Van Wagoner, Robert N., AC,
Hartung, Herbert W., FA,
Wolfe, Charles A., Inf.,
Spurrell, William A., AC,
Lindenmeyer, John H., AC,
Buchmeier, George T., AC,
Quilliman, Earl W., AC,
Gire, Henry L., AC,
Dodds, William C., AC,
Warren, William, AC,
O'Connor, Leo N., AC,
Nelson, Andre H., QMC,
Anderson, Lynden R., AC,
Johnson, Chester H., Ord.,
Morris, Robert J., AC,
Allen, Marshall B., Cav.,
West, Robert W., AC,
Arnold, Roy A., AC,
Engl, John W., Inf.,
Henderson, William D., AC,
Ward, Robert H., Inf.,
Axtell, Eugene N., Inf.,
Neumuller, Robert, CML,
Plate, Stanley W., AC,
Zitar, Edward R., AC,
Gullette, Jesse M., AC,
Popek, Albert B., AC,
Dooley, Benedict J., AC,
Shurtleff, Carlyle H., SC,
Pozerycki, John J., Jr., AC,
Reece, Robert C., AC,
Trenkle, Robert A., AC,
Hancock, Chester H., Fin.,
Glass, William A., Jr., SC,
Downey, William G., AC,
Ruby, Ishmael E., AC,
Sanders, Robert W., QMC,
Martin, Meredith T., AC,
Kellner, James W., AC,
Steele, Donald D., AC,
Kaufman, John E., AC,
Zapponi, William L., AC,
Greco, Joseph A. L., AC,
Osborne, Earl H., CML,
Prior, David, FA,
Culbertson, Omer W., AC,
Tidball, Dale R., AC,
Zaloudek, Charles J., AC,
Landry, Matthew A., AC,

Hoffson, Wilbraham A., AC,
Dalness, Harold E., Inf.,
Van Neste, Henry I., AC,
Van Vliet, Charles T., AC,
Coker, Elmo A., AC,
Seemann, Karl W., Jr., AC,
Shiffrin, Benjamin H., AC,
Stoneback, Lee S., AC,
Davis, Charles L., Inf.,
Canfield, William D., SC,
Eistrup, Fred L., FA,
Melvin, Charles W., AC,
Baker, Donald R., AC,
McSherry, Elwood D., QMC,
Thorson, Paul A., AC,
Greuter, Herbert E., AC,
Sarte, Victor J., AC,
Maritzen, Lyle C., AC,
Evans, William H., AC,
Thomas, William B., CE,
Yourtee, Leon R., Jr., CE,
Alford, James S., AC,
Hinchliff, Edward E., AC,
Hewitt, Walter J., SC,
Shead, Carleton G., AC,
Cromer, Daniel H., AC,
Olson, Sylfest L., AC,
Chase, Linden, AC,
Johnston, Henry R., AC,
Linkous, William L., AC,
Mendelsohn, Irving P., AC,
McPherson, Donald G., AC,
Donnelly, W. A., Jr., AC,
Watten, Einar, Fin.,
Topping, Raymond J., AC,
Mitchell, Ross L., AC,
Winstead, Otho T., Inf.,
Buckley, John A., AC,
Logsdon, Harlan V., FA,
Gilbert, James T., QMC,
Trautt, Edward A., AC,
Hodges, Charles G., Jr., AC,
Jordan, James E., Jr., AC,
Ohlinger, John F., AC,
Zaresky, Alexander A., Inf.,
Conway, Charles E., Inf.,
Anderson, Loran J., AC,
Davis, Edward G., AC,
Spinney, Lewis C., QMC,
Robinson, Norman, AC,
Kegeles, Sidney A., AC,
Avery, Arthur C., Jr., QMC,
Smith, Frank J., AC,
Cowan, James H., AC,
Wyand, Preston W., Inf.,
Cravey, John T., AC,
Proctor, Charles N., AC,
Krogh, Laurence B., AC,
Flanagan, Richard W., AC,
Hofinger, Leopold F., QMC,
Tuzen, Joseph B., Ord.,
Hoover, Wilson, Fin.,
Schupp, Ferdinand F., AC,
Armstrong, Armour S., QMC,
Daly, Arnold J., AC,
Hickman, Paul D., Ord.,
Strauss, Carl E., QMC,
Owens, Verner A., AC,
Abington, Edward G., AC,
Kelso, Charles W., AC,
Campbell, Francis W., AC,
Manicom, William C., AC,
Woolles, Marcellus R., AC,
Oskamp, Garry, AC,
Keegan, Christopher R., Inf.,
Lynde, Glyndon L., AC,
Barnaby, Kenneth T., Jr., Cav.,
Rogers, Daniel T., AC,
Hyslop, William A., AC,
Blair, John H., 3d, Inf.,
Griggs, Archie J., QMC,
Ash, Allie P., AC,
Sogaard, Folmer J., AC,
Hall, Charles E., AC,
Hawkens, Edward A., AC,
Reynolds, Harry M., AC,
Shemwell, Victor B., FA,
Pigue, Munce M., AC,
Battle, Clarence L., Jr., AC,
Hutcheson, Jack, AC,
Aux, George W., FA,
Outland, Arley L., FA,
Reeves, Vernon H., AC,

Sowle, Donald E., AC,
Griffith, William H., Inf.,
Pruett, Ernest C., AC,
Mitchim, Kelly W., AC,
Lee, Orville I., AC,
Coats, James H., AC,
Gaylord, Maurice B., AC,
McCoy, Charles E., Jr., AC,
Hudson, George E., Inf.,
Dobney, Harold W., AC,
Plummer, Roosevelt T., Cav.,
Eldridge, Robert J., Inf.,
Roberts, James R., AC,
Eby, Robert R., AC,
Goodin, Benjamin A., Cav.,
Newton, Steve J., Jr., Ord.,
Pugh, William, AC,
Schwikert, Frank D., AC,
Weldon, William J., AC,
Murray, Joseph E., QMC,
Flanigan, Walter J., QMC,
McLaughlin, Edwin C., Fin.,
Green, Charles H., AC,
Sipper, Joseph R., AC,
Nelson, Robert K., CML,
Hamilton, Herbert O., AC,
Fogle, George C., Inf.,
Root, George R., AC,
Hewette, James B., Inf.,
Gribble, James T., Jr., AC,
Neuman, Bernard A., AC,
Turner, Ollen, AC,
Tibbetts, Oscar N., AC,
Diekmann, Paul J., AC,
Conner, Alva L., AC,
Bee, Thomas J., Fin.,
Brinson, Milton W., AC,
Forrester, James R., AC,
Anske, Ralph D., AC,
Harrell, Mason D., AC,
Kirk, Frank A., Jr., QMC,
Skalak, Rudolph, AC,
Wischmann, George A., AC,
Geb, Frederick A., Jr., SC,
Smith, Brandon C., AC,
Morgan, Earl A., AC,
Feller, Frederick J., AC,
Gallup, Edward F., Jr., AC,
Gaylord, Lester L., AC,
Scott, Travis M., AC,
Beauchamp, Willard A., AC,
McAllister, James B., AC,
Heald, Robert C., SC,
Bonifant, Bern M., Jr., AC,
Pennywitt, Glen E., AC,
Smith, Fred C., Inf.,
Mather, Donald W., Cav.,
Bristol, Thomas F., FA,
Ehlers, Melville V., AC,
Posey, John C., AC,
Nielsen, Woodrow E., AC,
Filippone, Jack C., AC,
Melius, Donald C., QMC,
Carwell, Ivan L., AC,
Pearson, Willard, Inf.,
Praul, Charles L., AC,
Lucas, Noel A., AC,
Taylor, Aubrey D., AC,
Little, John P., AC,
Brockway, Gerald M., AC,
Oldershaw, Douglas C., AC,
Davis, Glenn E., AC,
Gaston, Charles C., AC,
Hass, John A., AC,
Moffett, Alexander S., AC,
Hill, David L., AC,
Jellum, Delbert L., FA,
Smith, Norman L., FA,
Phillips, Arnold T., AC,
Allen, Stanley E., AC,
Ray, Wilbur R., AC,
Doss, Stephen B., AC,
Tanner, Landon P., AC,
McCollom, Francis N., AC,
Michaelis, Leon A., QMC,
Whitting, Henry C., CE,
McCahill, William C., Inf.,
Ceely, William D., AC,
Lambeth B. S., Jr., AC,
Eyres, William G., QMC,
O Neill, Oscar B., AC,
Koger, Harlis R., AC,

Walker, Paul K., AC,
Lathan, Noel O. E., AC,
Ellis, Bythel L., AC,
Brockman, Loraine T., QMC,
Dickens, Thomas N., AC,
Johnston, Charles H., AC,
Miller, Warren M., Jr., AC,
Scott, David M., Jr., QMC,
Sheehan, Roy H., AC,
Babel, John S., AC,
Duenweg, Louis, Fin.,
Royce, Clare H., AC,
Vignetti, John L., AC,
Harkins, Bayard E., AC,
Moyer, Robert F., AC,
Hadwin, Arthur J., AC,
Guider, Herbert N., AC,
Spencer, Harold M., AC,
Dillon, John M., AC,
Magrill, Arthur E., AC,
Lanning, George R., AC,
Lewellen, Roger M., AC,
Smith, Sidney G., AC,
Burnett, Robert L., AC,
Bear, George H., AC,
Atkins, James M., AC,
Swanson, Richard W., AC,
McDaniel, Alva T., Cav.,
Phillips, David G., AC,
Lawton, Kenneth, AC,
Young, Richard A., Jr., Fin.,
Pash, Robert N., AC,
Burton, William E., QMC,
Belgard, John R., AC,
Woinowsk, Russell K., AC,
Abercrombie, John W., AC,
Short, Howard E., AC,
Smith, Everett H., AC,
Swelkhardt, Karl W., AC,
Watkins, John R., AC,
Simonetti, Lino D., AC,
Richards, Edmund B., AC,
Edmunds, Earl A., AC,
Coburn, Blaine K., AC,
Ziegeweid, Eugene J., AC,
Matzger, Neil M., Fin.,
Whitehead, Chauncey B., AC,
Jones, John J., AC,
Robinson, Samuel S., AC,
Rankin, Robert J., AC,
Harris, Jack R., CE,
Watson, Richard C., AC,
Forbes, Alan C., SC,
Addison, John K., CE,
Thabault, George B., AC,
Van Steenis, Loren C., AC,
Hoke, Peter J., AC,
McDowell, Glenwood, AC,
Gilbert, John H., Jr., AC,
Bonnett, Donald E., AC,
Dell Angelo, John A., AC,
Randall, Wilmer A., AC,
Forsblade, Kenneth D., AC,
Adleman, Julius J., AC,
Larsen, Charles J., Inf.,
Lewis, Archie R., AC,
Reed, Henry G., AC,
Hamilton, Frank A., AC,
Reese, James W., AC,
Riddle, Charles L., AC,
Obert, John J., AC,
Burns, Robert, AC,
Coan, Kenneth A., Cav.,
Swanson, Theodore B., AC,
Walker, John H., AC,
Schwengels, Forrest V., AC,
Phaneuf, Eugene O., AC,
Adams, Joseph V., Jr., AC,
Hoppe, Merle C., AC,
Long, Alan G., AC,
Lumpkin, William H., AC,
Knight, Perry L., AC,
Oates, Eugene C., Jr., FA,
Allen, Byron D., Jr., AC,
Gibson, Edwin C., Inf.,
Camp, Joseph B., Jr., AC,
Bordley, M. W., Jr., Cav.,
Estrumse, Elmer F., AC,
MacGregor, Wallace F., AC,
McFarlan, Frank A., AC,
Habeck, Carl W., AC,
Wright, Julian C., AC,
Prevatte, James O., AC,

Mason, John P., CE,
Moore, William W., AC,
Deppe, Ralph W., AC,
Airmet, Elliot S., Jr., AC,
Cole, Richard E., AC,
Hart, Malcolm D., AC,
Chiles, John W., AC,
Ward, Ralph B., AC,
Akins, Dudley S., AC,
Sweigart, Bert L., AC,
Wiklund, Anders O., Inf.,
Ball, Alfred J., Jr., AC,
Wooten, Charles A., Jr., FA,
King, Roger O., Cav.,
Anderson, John M., Jr., AC,
Quick, George S., Ord.,
Prewitt, Richard R., Cav.,
Cullinan, Edward J., QMC,
Hall, Charles A., Ord.,
Sensenbrenner, R. D., AC,
Moore, George E., AC,
Sams, Burton K., AC,
Dacko, William, AC,
Strauss, William, AC,
Jones, Hubert L., AC,
Roberts, C. F., Jr., FA,
West, Howard F., AC,
Ewing, Clair E., AC,
Jones, Joseph A., AC,
O'Brien, John G., AC,
Rudolph, Ray H., AC,
Snaider, Himey J., AC,
Warthman, Darlene J., AC,
Jones, John S., Cav.,
Rhode Storm C., Jr., AC,
Lincoln, Joseph W., AC,
Ondo, Michael, AC,
Christensen, W. R., AC,
Calof, Donald R., AC,
Morris, Thomas R., QMC,
Damelio, George L., QMC,
Funk, Carl F., AC,
Taylor, Charles M., AC,
Norman, Roscoe L., AC,
Billingsley, Max E., Cav.,
Ball, John W., QMC,
Johnson, Lycurgus W., AC,
Ritze, Herbert C., Fin.,
Douthett, Elwood M., AC,
Mucha, Daniel, Inf.,
Husztek, William S., AC,
Smith, Fletcher, FA,
Stepp, Richard D., AC,
Markham, Peter J., AC,
Elliott, Charles R., AC,
Hunt, Seaborn M., AC,
Walker, Hugh V., Jr., AC,
Weatherly, Edison C., AC,
Suggs, John J., AC,
Schwab, Raymond H., QMC,
Gudjunis, Wasco E., AC,
Harper, Harmon H., AC,
Bean, James O., AC,
Schold, George B., Jr., AC,
Tansel, Dave C., AC,
Willis, Benjamin G., AC,
Dressler, William E., FA,
Warden, Clifford V., AC,
Edelen, Henry H., Jr., AC,
Ireland, Melvin J., AC,
Slough, James C., AC,
Turbak, Chester, AC,
Elston, Ernest W., AC,
Poole, George I., Jr., AC,
Cleary, Edward J., Jr., AC,
Creyts, Harold G., Inf.,
Scott, Ralph W., Inf.,
Butchart, John N., Inf.,
Gray, Leon W., AC,
Topper, Morse, AC,
Murphy, Joseph A., CE,
Price, Andrew H., AC,
Tilghman, Marvin H., AC,
Wagner, Wilfred W., AC,
Phillips, Eugene W., AC,
McLaren, William A., AC,
Bryan, William T., AC,
Hughett, Ralph H., Inf.,
Edwards, Kenneth R., AC,
Eldridge, Sheldon F., AC,
Zorka, Jack C., AC,
Schobel, Sumner, AC,

Blackman, Richard O., AC,
Rosenfield, W. A., Jr., AC,
Mills, Robert E., AC,
Sirney, John A., AC,
Mengel, Herbert O., Jr., AC,
Romaine, Owen W., AC,
Browning, John R., AC,
Bradford, Carl W., AC,
Krause, Harris F., AC,
Vandiver, Ray, AC,
Lindsay, Andrew G., AC,
Buckley, William H., Cav.,
Manes, Maurice E., AC,
Bright, David M., AC,
Burt, Joseph A., AC,
Jensen, Denmark C., Inf.,
Thompson, Arthur J., Jr., AC,
Patterson, W. S., Jr., AC,
Delaney, Arthur W., QMC,
Wardrop, Raymond J., QMC,
Kennedy, Elmore M., Jr., AC,
Deane, William B., AC,
Dennis, Larry D., AC,
Johnstone, John C., Inf.,
Jarrell, Robert E., AC,
Wood, Harold H., AC,
Graham, Charles S., AC,
Tistadt, Harry E., QMC,
McCormack, Bailor D., AC,
Dibrell, Charles F., AC,
O'Donnell, John T., AC,
Huntington, Edward M., AC,
Holmes, Robert W., AC,
Carpenter, John W., AC,
Shipley, Edward V., AC,
Boselli, Theodore J., AC,
Newman, Neil A., AC,
Custar, Charles H., AC,
Riddick, James W., AC,
Gaylor, Don G., AC,
Wheeler, Jesse F., Jr., Inf.,
Clarke, Walter C., AC,
Robinson, John H., AC,
Chauvet, Jack S., AC,
Scarburgh, Samuel W., Fin,
Hoit, Zane M., AC,
Suta, Nicholas H., AC,
Peters, Martin F., AC,
Cook, Truman F., CML,
Curry, Benjamin P., AC,
Tattini, Leno, AC,
Jackson, Carl E., AC,
Wilson, Irl D., Jr., AC,
Martin, Vernon P., AC,
Brandt, Forrest A., AC,
Castle, Vernon H., AC,
Strait, Lewis J., Jr., Inf.,
Murden, Charles H., Jr., AC,
Hugos, Howard F., AC,
Zurek, Walter J., AC,
Ponder, David E., AC,
Culp, Chester H., AC,
Andersen, Homer P., AC,
Young, Douglas S., AC,
Miller, Lynus P., Jr., AC,
Grending, Carl N., AC,
Wash, Allan J., Jr., AC,
Walton, Arthur H., Inf.,
Deck, Leland P., AC,
Reinhardt, Herbert W., AC,
Paddock, Kenneth Q., AC,
Williams, Frank A., Cav.,
Metz, Cecil C., AC,
Brady, Michael J., AC,
Hino, Kenji, SC,
Ivey, Maurey H., AC,
Schoming, John N., Inf.,
Parker, Van R., AC,
Francis, Tim B., AC,
Morgan, Russell D., AC,
Obermeyer, Charles R., Inf.,
Monsell, Charles F., Jr., AC,
Smith, Joseph C., AC,
Parkhill, William H., AC,
Hill, John T., AC,
Moe, John G., Jr., AC,
Scott, Fred W., Inf.,
Madsen, George W., AC,
Johnston, Robert E., AC,
Anderson, John C., CAC,
Hull, James J., AC,

Chandler, George W., AC,
Mona, Reuben E., AC,
Watson, James Y., AC,
Zeigler, Howard N., Jr., QMC,
Muir, Willard A., SC,
Slater, Ralph P., AC,
Wilson, Woodrow, AC,
Konin, David H., AC,
Rogers, Dale E., AC,
Knudson, Albert, AC,
Thomas, Eber H., Jr., QMC,
Sherrets, Donald C., Fin.,
Bowen, John W., AC,
Kiegel, Albert C., AC,
Cobb, James O., AC,
Wernlein, Frank A., AC,
Stafford, Robert C., AC,
Williamson, Hugh L., AC,
Jacobs, Herbert M., AC,
Sexton, Ralph E., AC,
Bracy, Carroll H., AC,
Cousins, Otie C., AC,
Archer, Harry C., QMC,
Conner, William F., AC,
Schmidt, Fred C., Jr., AC,
Hiser, Charles H., SC,
Kraus, Russell B., AC,
Kell, John W., AC,
Fahlstedt, Alfred A., AC,
Blood, Arlie J., AC,
Mullins, William P., AC,
Winebrenner, Louis E., AC,
Sharp, Charles E., AC,
Weeks, Howard T., AC,
Brennan, Mortimer C., AC,
Wysocki, Chester C., AC,
Bogren, Stanley E., AC,
MacDonald, James W., AC,
Baker, Hollis H., AC,
Reed, Vincent R., AC,
Ferrari, Robert S., Cav.,
Lyons, Ralph, AC,
Heard, Wade C., AC,
Nash, Russell J., AC,
Costabile, Raymond C., Ord.,
Faulk, Melvin W., AC,
Daubard, Weldon S., AC,
Wiltamuth, Ralph H., Inf.,
Nesrsta, James O., AC,
Adams, Gerard C., QMC,
Foster, John W., AC,
McLeod, Robert M., AC,
Hassenmiller, M. G., AC,
Freeman, Robert F., FA,
Egan, Paul F. G., AC,
Simon, Edwin H., AC,
Jones, George P., Jr., CE,
Nowark, Charles G., AC,
Drum, Robert C., AC,
Hunter, James H., AC,
Weaver, William J., AC,
Johnson, Lehman H., Jr., Inf.,
Geck, John J., AC,
Harbert, John E., Ord.,
Pidgeon, Sidney S., AC,
Miller, Arlo A., FA,
Smith, George A., AC,
Fish, Vinton A., AC,
Kendrick, Donald, AC,
Plourd, Webster W., AC,
Dereskevich, Algert S., AC,
Williams, Marion G., Cav.,
Ulrich, Robert C., Inf.,
Crowder, Robert G., AC,
Alcorn, James P., Cav.,
Fitzsimmons, Joe, AC,
Bradshaw, John F., Fin.,
Beall, Arthur W., Jr., AC,
Warner, George O., AC,
Rawls, Simeon L., AC,
McCredie, Cassius M., AC,
Pilkington, Thomas M., AC,
Buckley, Russell W., AC,
Carlson, Ragnar L., AC,
Douglas, Lawrence F., AC,
Bishop, John C., AC,
Douglas, Gene L., AC,
Bertling, Stephen J., AC,
George, Walter R., AC,
Hardy, Kermit W., AC,
Gotchey, Robert E., AC,
Martin, Gerald L., AC,

Kuhn, George W. S., QMC,
Kelly, James C., Fin.,
Hannley, Vincent P., AC,
Rogers, Jack M., AC,
Martin, Ralph G., AC,
Vinquist, Glenn M., SC,
Coade, William A., AC,
Tracy, Donald, Cav.,
Elmore, Vernon O., AC,
Keil, John D., AC,
Stevens, George B., CE,
Van Benthuysen, Max E., AC,
McCabe, Jerome J., AC,
Furnell, Sterling E., Ord.,
Cocke, Charles E., Jr., AC,
Dean, Joseph R., Inf.,
Karnosky, Benedict A., Cav.,
Johnston, James E., AC,
Harback, Herbert D., SC,
Willis, Lloy C., AC,
Woodruff, David T., AC,
Menth, Blaine B., AC,
Schou, Andrew J., AC,
Allen, John T., AC,
Lockhart, Russell D., AC,
Knabel, Lewis J., AC,
Moore, William W., AC,
Campbell, Dick M., AC,
Lueke, Kenneth L., AC,
Sanborn, Bert S., AC,
De Vore, Nicholas, Jr., AC,
Huskey, Homer A., AC,
Baker, Carl K., AC,
Landwehr, Virgil H., AC,
Scales, John C., AC,
Atchley, Kenneth L., AC,
Saunders, J. R., Jr., AC,
Morgan, Bernie F., Inf.,
Haas, Chester R., AC,
Dockstader, Daniel B., AC,
Miller, Edwin M., AC,
Fry, Richard J., AC,
Vick, John O., AC,
Maloney, Edward J., AC,
De Mun, Earl E., AC,
Beauchamp, Robert J., QMC,
Mineur, George E., Jr., AC,
Walker, Richard L., AC,
Rethman, Vincent C., AC,
White, Grover C., Jr., AC,
Brock, Richard C., AC,
Watkins, James D., AC,
Russell, Edward P., AC,
Havey, James H., AC,
Grubaugh, Glover P., AC,
Arsenault, Hubert J., Inf.,
Griffith, Frank T., AC,
Kight, Jonathan M., Fin.,
Flannigan, Ralph E., AC,
Greene, Grover Y., AC,
Mathews, Bernard L., Jr., SC,
Dwyer, Emmett D., AC,
McCluskey, Jack L., AC,
Curry, William F., AC,
Vega, Carl E., AC,
Schindler, Wilbur J., AC,
Raynolds, Ted E., AC,
Hare, James C., AC,
Reed, Everett G., AC,
Brantner, James A., AC,
Duncan, Ivan M., AC,
McIntyre, Joseph D., AC,
Patch, Dwight D., AC,
Shay, Michael, AC,
Smith, William K., AC,
Patterson, George A., AC,
Leavengood, Lea D., Cav.,
Palmer, Miles R., AC,
Kcchel, Michael J., AC,
Deane, Willard A., AC,
Martin, Patrick J., AC,
Juhasz, Andrew A., AC,
Kowtko, Nicholas, AC,
Bowman, Sam W., Jr., AC,
Gainer, Hubert W., AC,
Kittel, Louis R., AC,
Brauer, Lloyd W., AC,
Buckingham, George E., AC,
Shotwell, William B., AC,
Girtman, John C., Jr., SC,
Rogers, Woods W., Jr., AC,

Dennis, Dominick C., Cav., [redacted]
Boyd, Edwin I., AC, [redacted]
Murphy, Bruce C., AC, [redacted]
Blacker, Kemuel K., FA, [redacted]
Scott, Oliver M., AC, [redacted]
Prescott, Dana S., SC, [redacted]
Johnson, Vern E., Inf., [redacted]
Brown, Albert K., AC, [redacted]
Stanton, Leroy M., AC, [redacted]
Gustafson, Wayne A., AC, [redacted]
Knight, James W., AC, [redacted]
Blomgren, Holton E., Fin., [redacted]
Jones, Grafton K., AC, [redacted]
Piper, Preston, AC, [redacted]
Hadfield, Edward S., AC, [redacted]
Ward, James A., AC, [redacted]
Triolo, Jerome M., AC, [redacted]
Flint, George, SC, [redacted]
McGuire, Thomas C., Fin., [redacted]
Gottlieb, Arthur A., Inf., [redacted]
Moberg, Wesley O., Ord., [redacted]
DeGroot, Peter, AC, [redacted]
Johnson, Robert D., AC, [redacted]
Hill, Charles H., AC, [redacted]
Bennett, Robert B., QMC, [redacted]
James, Harold C., AC, [redacted]
Nuthall, Alfred J., AC, [redacted]
Brunson, Willard P., AC, [redacted]
Mannon, Willard B., AC, [redacted]
Edmondson, Carl C., Cav., [redacted]
Gill, Arlo R., CE, [redacted]
Robinson, John H., Fin., [redacted]
Barker, William H., AC, [redacted]
Weaver, Marvin E., AC, [redacted]
Newell, Edward W., AC, [redacted]
Tower, Archie A., AC, [redacted]
Pilla, Angelo E., Inf., [redacted]
Polivka, Emil W., AC, [redacted]
Rebentisch, H. S., QMC, [redacted]
Byrd, Bacchus B., Jr., AC, [redacted]
Payne, Richard S., Ord., [redacted]
Blohm, Willard H., CML, [redacted]
Wagner, Carl E., AC, [redacted]
Peterson, Martin E., AC, [redacted]
Martasin, William N., Fin., [redacted]
Coffey, Charles F., Jr., FA, [redacted]
Jennings, Clifton V., AC, [redacted]
Thompson, Lorenzo M., AC, [redacted]
DeMelik, Andrew A., AC, [redacted]
Pickering, Ralph M., AC, [redacted]
Hippenstiel, C. R., AC, [redacted]
Duemmel, Warren G., QMC, [redacted]
Mitchell, Samuel A., AC, [redacted]
Pearson, Harvey A., AC, [redacted]
Reifsteck, Calvin D., AC, [redacted]
Weiss, Sidney, AC, [redacted]
Willis, Milton D., AC, [redacted]
Podolak, Stanislaw J., AC, [redacted]
McGee, Joseph B., AC, [redacted]
Rohr, Loudin L., AC, [redacted]
Hancock, William F., Inf., [redacted]
Scurlock, Reagan A., AC, [redacted]
Wallace, Wesley F., AC, [redacted]
Hilbert, Walter H., AC, [redacted]
Murrah, Idas T., AC, [redacted]
Bland, Ruskin M., AC, [redacted]
Kendall, Jimmie W., AC, [redacted]
Taylor, Joe D., AC, [redacted]
Ash, Robert P., Sr., AC, [redacted]
Gell, Thomas W., AC, [redacted]
Blanco, Ira J., AC, [redacted]
Monaco, John, Jr., AC, [redacted]
Bruey, Thomas J., AC, [redacted]
Palmatary, Robert H., Ord., [redacted]
Tracy, Joseph F., Fin., [redacted]
Peterson, Kenneth D., AC, [redacted]
Vinci, Anthony J., Fin., [redacted]
Gooch, Ritchie B., AC, [redacted]
Loftus, Joseph P., AC, [redacted]
Butler, Henry F., AC, [redacted]
Hejna, John J., Inf., [redacted]
Sigmon, Cecil M., AC, [redacted]
Watson, William B., AC, [redacted]
Burwell, Frank H., Jr., Inf., [redacted]
Zielinski, Urban J., AC, [redacted]
Hallock, Judson, AC, [redacted]
Bero, Francis, AC, [redacted]
O'Rourke, John B., Jr., AC, [redacted]
Loughran, Harold R., AC, [redacted]
Maziuk, Fred, AC, [redacted]
Cooke, Thomas J., Cav., [redacted]
Trexler, Troy L., AC, [redacted]

Tracy, Henry L., AC, [redacted]
Pitts, Romaine W., AC, [redacted]
McCurdy, John W., AC, [redacted]
Engels, Anthony M., AC, [redacted]
Allen, Barnett S., AC, [redacted]
Frey, Robert W., AC, [redacted]
Gall, Elmer C., Jr., AC, [redacted]
Timm, Paul A., AC, [redacted]
Quesada, Anthony, AC, [redacted]
Beresford, Harry E., Jr., AC [redacted]
Easley, Horace P., AC, [redacted]
Alsobrook, James E., AC, [redacted]
Ransier, Harry D., AC, [redacted]
McIntosh, Wayne W., AC, [redacted]
Hiller, Elon L., FA, [redacted]
Haaf, Arthur H., AC, [redacted]
Connell, Leonard T., AC, [redacted]
Rafferty, Patrick H., AC, [redacted]
Dorsey, Robert S., AC, [redacted]
Skelton, Milton B., AC, [redacted]
Cain, Walter F., AC, [redacted]
Torr, Francis E., AC, [redacted]
Mottern, Elmer M., AC, [redacted]
Ackerson, Duane W., CE, [redacted]
Davitt, Ralph G., AC, [redacted]
Berry, Edmund B, 3d, AC, [redacted]
Davis, Jerome N., AC, [redacted]
Parmelee, David B., AC, [redacted]
Fickling, William A., AC, [redacted]
Van Deusen, Clark B., AC, [redacted]
Halderson, Oliver K., AC, [redacted]
Gresham, Monsey T., Jr., QMC, [redacted]
Mathos, Harry G., Inf., [redacted]
Denton, Harris L., AC, [redacted]
Maiersperger, W. P., AC [redacted]
Hales, Ray A., CE, [redacted]
Belcher, Delbert R., AC [redacted]
Stevens, Raymond W., AC, [redacted]
Badger, Edwin H., Jr., AC, [redacted]
Battalio, Samuel T., AC, [redacted]
Jones, Wingate B., AC, [redacted]
Tiller, Francis E., AC, [redacted]
Henline, Clair G., SC, [redacted]
Niccolini, Mario E., AC, [redacted]
Alexander, Arnold W., Inf., [redacted]
McBrayer, James R., Jr., AC, [redacted]
Mecredy, Henry E., Jr., FA, [redacted]
Francis, Paul H., AC, [redacted]
Pitts, Arthur S. 2d, AC, [redacted]
Helber, George Z., QMC, [redacted]
Du Mont, Harold J., AC, [redacted]
Hatch, James J., Inf., [redacted]
Ward, George P., AC, [redacted]
Manchester, Richard E., AC, [redacted]
Journigan, Otis W., AC, [redacted]
Stiefel, Max A., AC, [redacted]
Hudson, William L., AC, [redacted]
Agnew, Robert H., Inf., [redacted]
Miller, Donald V., AC, [redacted]
Stephens, John E., AC, [redacted]
Jones, William D., AC, [redacted]
Stephens, Donald A., AC, [redacted]
Heino, Alfred V., AC, [redacted]
Panko, Albert R., AC, [redacted]
Meeks, Wilbert D., Fin., [redacted]
Moore, Wilson J., AC, [redacted]
Rogers, Carleton W., AC, [redacted]
Broich, Lee A., AC, [redacted]
Montgomery, David F., AC, [redacted]
Miller, Hubert E., AC, [redacted]
Warden, Wayne, Jr., AC, [redacted]
Ebbs, Robert R., QMC, [redacted]
Detchemendy, Edward B., Ord., [redacted]
Doerr, George R., AC, [redacted]
Hess, Frederick W., AC, [redacted]
Kodis, John W., AC, [redacted]
Bergman, Harold O., AC, [redacted]
Williams, James W., Fin., [redacted]
Oss, Louis H., AC, [redacted]
Wilber, Charles G., AC, [redacted]
Finan, George K., AC, [redacted]
Hennigan, James E., AC, [redacted]
Hause, Milton M., AC, [redacted]
Dunkelberger, Vance E., AC, [redacted]
Corcoran, John J., Inf., [redacted]
Smith, Woodrow W., AC, [redacted]
Heydon, Thomas A., AC, [redacted]
Stroud, Walter C., AC, [redacted]
Howell, John R., AC, [redacted]
Maynard, Ray S., AC, [redacted]
Edenbo, John W., AC, [redacted]
Hohlaus, Kenneth H., AC, [redacted]

Mitchell, Harry L., AC, [redacted]
Peyton, James W., Jr., Cav., [redacted]
Leetch, Donald G., AC, [redacted]
Jablecki, Leon S., AC, [redacted]
Dobbs, Ross E., AC, [redacted]
Bouknecht, Robert W., AC, [redacted]
Bellman, Arthur B., AC, [redacted]
Northup, Robert L., AC, [redacted]
Farley, James V., AC, [redacted]
Brown, William S., Jr., AC, [redacted]
Wetherell, Lewis G., Inf., [redacted]
Jolly, Hoyt A., Jr., AC, [redacted]
Paskvan, Paul R., Jr., AC, [redacted]
Parker, Stanley E., AC, [redacted]
Bickell, George R., AC, [redacted]
Cunniff, Paul J., AC, [redacted]
West, George C., QMC, [redacted]
Avriett, Giles C., AC, [redacted]
Hill, John K., AC, [redacted]
Hahn, Albert P., Jr., AC, [redacted]
Holland, Charles M., Inf., [redacted]
Bashant, Norman W., AC, [redacted]
Kilness, Kenneth F., AC, [redacted]
Wandel, Hugh E., FA, [redacted]
Bock, Floyd O., AC, [redacted]
Miller, Verlin A., AC, [redacted]
McFall, Silver R., AC, [redacted]
Button, Ervine J., AC, [redacted]
Hanzel, Thomas C., AC, [redacted]
Smith, Fred B., AC, [redacted]
Evens, Bruce H., AC, [redacted]
Clarke, Leo G., Jr., AC, [redacted]
Stevenson, Robert J., AC, [redacted]
Krebs, Laurence F., AC, [redacted]
Williams, Owen J., AC, [redacted]
Specht, Leonard H., AC, [redacted]
Rivera, Robert Y., SC, [redacted]
Bergman, Ralph W., SC, [redacted]
Gardiner, William D., QMC, [redacted]
May, Lomax L., AC, [redacted]
Armstrong, George H., AC, [redacted]
Smith, Carroll B., Cav., [redacted]
Gilkerson, Harold R., AC, [redacted]
Woida, Joseph A., AC, [redacted]
Schlecht, Warner J., AC, [redacted]
McKenny, Donald C., AC, [redacted]
Coverley, Edwin D., AC, [redacted]
Mickelson, Rolf E., CE, [redacted]
Downing, Alvin J., AC, [redacted]
Humphres, Earl C., AC, [redacted]
Smith, John E., AC, [redacted]
Eaton, Robert R., AC, [redacted]
Ryan, Paul T., AC, [redacted]
Flint, Raymond L., AC, [redacted]
Anderson, Rex V., AC, [redacted]
Glasebrook, Arthur J., QMC, [redacted]
Trewitt, Harvey S., Jr., AC, [redacted]
Champlain, Daniel D., AC, [redacted]
Jaccard, Robert B., Inf., [redacted]
Field, Frederick P., Cav., [redacted]
Poffenberger, John T., CE, [redacted]
Artusy, Raymond L., AC, [redacted]
Minton, Warren A., Cav., [redacted]
Dean, Richard, AC, [redacted]
Rivers, William J., AC, [redacted]
Zaremba, Peter P., AC, [redacted]
Nicholson, William S., AC, [redacted]
Walker, Donald J., AC, [redacted]
Wolfe, Judge E., AC, [redacted]
McDonald, Paul R., AC, [redacted]
Adams, Charley J., AC, [redacted]
Davis, Thomas M., AC, [redacted]
Matthews, Edward E., AC, [redacted]
Chapman, Harvey J., Jr., AC, [redacted]
Halberstadt, Harry J., AC, [redacted]
Patrick, Lester R., Cav., [redacted]
Rogers, Robert C., AC, [redacted]
Hughes, William E., AC, [redacted]
Renfro, William G., AC, [redacted]
Gordon, Anyan A., AC, [redacted]
Blount, Charles E., Fin., [redacted]
Perry, Robert R., AC, [redacted]
Wood, Willis H., AC, [redacted]
Hallmark, John M., AC, [redacted]
Champion, Patrick D., AC, [redacted]
Bandley, Marion K., QMC, [redacted]
Beckham, Vance W., AC, [redacted]
McKenzie, Harry C., AC, [redacted]
Platz, Constant V., AC, [redacted]
McLean, Lawrence S., AC, [redacted]
Waters, Albert R., AC, [redacted]
Owen, Robert L., AC, [redacted]

Peters, Robert W., Cav.,
Lind, William J., Cav.,
Manship, Joseph, AC,
Hickman, John C., AC,
Burdick, James R., AC,
Mende, Robert G., AC,
Bruno, Sam, AC,
Synnes, Roger A., AC,
Shellito, Robert T., AC,
Caldcleugh, C. M., AC,
Austin, Charles F., Fin.,
Tankersley, Carl R., AC,
Weigley, Alton J., Ord.,
Morehead, James B., AC,
Shelton, Lee M., AC,
Russell, Glenn E., Fin.,
Ehlinger, William J., AC,
Work, Robert E., AC,
Heissenbuttel, W. G., AC,
George, Paul E., AC,
Tornes, Howard, AC,
Winchell, Robert W., AC,
Floyd, Percy M., Jr., AC,
Whitescarver, John T., AC,
McWalters, Frank W., AC,
Trees, Paul A., QMC,
Heck, Joseph D., Jr., AC,
Mohr, Marlyn E., QMC,
Cushing, Arthur L., AC,
Cunningham, Worthy M., Inf.,
Kirby, Frank E., AC,
Williams, John G., AC,
Crawford, Robert, AC,
Mitchell, Richard R., AC,
Patten, Ronald O., AC,
Cloe, Keith D., AC,
Good, Elmo B., FA,
Miller, William A., AC,
Cotter, James D., AC,
Wells, Earl M., AC,
Rogers, James M., AC,
Brooks, Donald L., AC,
Christensen, A. E., Jr., Inf.,
Norwood, James M., AC,
Szapiel, Stanley V., AC,
Bounds, R. G., Jr., AC,
Kiel, Kenneth J., AC,
Stewart, James C., AC,
Wall, Edward M., AC,
Scruggs, Harold W., AC,
Smith, Leighton C., AC,
Bolsem, Cornelius, AC,
Rogers, Charles W., AC,
Bowers, Waldo, AC,
Kemp, Otto C., AC,
Craft, Albert O., AC,
Carmichael, W. P., Jr., AC,
Bolster, Leo J., Jr., AC,
Malley, John D., AC,
Bowers, Donald M., AC,
Biddle, Maurice F., AC,
Chambers, W. J. H., Jr., AC,
Herblin, William L., AC,
Carraher, Raymond W., FA,
Brewer, James F., AC,
Dailey, Herbert R., AC,
Farr, Hugh M., AC,
Cooper, Roy D., AC,
Eisert, Fred J., AC,
Hill, Robert J., AC,
Jensen, Howard W., AC,
Cox, Clarence B., Jr., Ord.,
Papik, Corwin J., AC,
Hamilton, George B., AC,
Hansard, Frederic E., Fin.,
Holmes, John H., AC,
Weidman, Roy A., AC,
Barrett, Thomas H., AC,
Padgett, Cadman V., AC,
Mac Aaron, Kenneth A., AC,
Kuntz, Bernard R., AC,
Fetterly, Donald J. W., AC,
Tilton, Harvey S., AC,
Collings, Orval D., AC,
McWhirter, D. A., Jr., AC,
Boyd, Robert W., AC,
Anderson, Richard W., AC,
Taylor, Claude E., SC,
Brown, John T., Jr., AC,
Bush, Beverly O., AC,
Fawcett, Lawrence W., Inf.,
McKibben, Frank P., AC,

Moore, Wilson, AC,
Brengle, Paul S., AC,
Cowdery, Burnham W., AC,
Perry, Paul L., AC,
Lewitz, Edward R., Inf.,
Boren, Francis T., AC,
Prendergast, Joseph T., Ord.,
Irish, Lynn T., AC,
Baliga, Joseph R., AC,
Jensen, Dale H., AC,
Smith, Donald J., AC,
Mittelstadt, F. W., AC,
Clark, Glen, W., AC,
Stevens, William F., AC,
Poole, Joseph R., AC,
Schumacher, Otto H., AC,
Warren, Stanley A., QMC,
Torresson, T. S., Jr., AC,
Bozeman, Richard E., QMC,
O'Connor, George E., Inf.,
Buckhiester, W. M., AC,
Godsey, Joseph D., AC,
Moir, Charles L., AC,
Wiese, Keith I., AC,
Gilman, Mark H., AC,
Teasley, Joel H., AC,
Timms, George D., AC,
Bruning, William E., Cav.,
Holcomb, James H., CE,
Myers, Lansing H., AC,
Pelaez, Emmanuel A., AC,
Townsley, Howard B., AC,
Steen, Garland C., AC,
Kelly, Dennis P., Jr., AC,
Vaut, Bert A., Jr., AC,
Parr, James H., AC,
Switzer, Alfred J., Jr., AC,
Stephens, Allen W., AC,
Feser, Joseph L., AC,
Roper, Hilliard M., AC,
Kuntz, Chester H., AC,
Wells, John P., AC,
Tietz, Edward C., AC,
Gault, Charles E., AC,
Oliver, Paul, AC,
Williams, Charles I., AC,
Byrnes, George G., Jr., AC,
Ferguson, Matthew H., T., AC,
Ely, Kenneth E., AC,
Morris, William W., Jr., AC,
Harris, Wesley D., Inf.,
Hastings, William G., AC,
Berg, Gordon H., AC,
Fleming, George T., AC,
Gianatsis, James A., AC,
Titus, Harold J., AC,
Fjelstad, Kenneth S., AC,
Sears, Frank S., Cav.,
Longridge, Thomas M., AC,
Richardson, Willard D., QMC,
Taute, August F., AC,
Filios, John E., AC,
Hughes, Robert B., AC,
Holt, Warner J., AC,
Gosnell, Emmett, AC,
Hereford, Joseph P., AC,
Kressin, Harold R., CAC,
Martin, Rawley W., AC,
Kilman, Ray R., AC,
Beaty, Sherman R., AC,
Hanger, Harry H., AC,
Worthman, Paul E., AC,
Hill, Gordon, AC,
Cobb, Phillip G., AC,
Marks, William G., Jr., Cav.,
Brown, Elwin O., AC,
Fitz, Robert E., AC,
Huard, Norman P., AC,
Garrison, John H., Jr., AC,
Agne, Howard C., Jr., AC,
Duane, Bernard H., AC,
Knox, Jack C., QMC,
Murphy, Manford R., FA,
Epperson, Virgil R., AC,
Andrews, George E., AC,
Campbell, William H., AC,
Brown, John R., Jr., AC,
Glettler, Bernard U., AC,
Stracener, Ivan R., AC,
Pfingst, William K., AC,
Neibert, Francis A., Fin.,
Fischer, Frank O., FA,

Barlow, James D., AC,
Olson, Arvid E., Jr., AC,
Baker, Roger N., AC,
Garay, Stephen L., Cav.,
Angier, Frank E., AC,
Peterson, Conrad R., AC,
Bell, Thomas A., AC,
Kiesel, Chester G., AC,
Carruth, Francis S., AC,
Tillotson, Floyd M., AC,
Aszman, Burton H., AC,
Bloss, Arnold M., Cav.,
Hamilton, Robert K., Cav.,
Akers, William D., AC,
Steigner, John M., AC,
Zedler, Leonard W., Fin.,
Bailey, Carl E., Jr., AC,
Ash, Stanley J., AC,
Klotz, Robert C., AC,
Orris, William L., AC,
Mitchell, William J., AC,
Mays, Harold D., AC,
White, George G., AC,
Covell, Paul M., AC,
Bonifas, Arsene P., Inf.,
Byrne, Edward J., QMC,
Harding, Richard C., AC,
Beck, James A., AC,
McCabe, James S., AC,
Blair, Duane C., AC,
Worthington, W. J., Jr., AC,
Roberts, David L., AC,
Mitchell, Robert R., AC,
Young, Robert W., AC,
Brookes, Wythe P., CE,
Berry, Frederick D., Jr., AC,
Carico, Robert M., AC,
Havens, John J., AC,
Blossom, Charles C., Jr., Inf.,
Wertenbaker, George L., AC,
Gruendyke, Richard N., AC,
Jennings, Gregg N., Inf.,
Washburn, Walter R., Jr., AC,
Niland, William H., Cav.,
Goodwin, George R., AC,
Twilley, John F., AC,
Mysza, John E., AC,
Mathews, Gerald A., AC,
Dickert, James R., AC,
Vernon, Damon A., AC,
Smith, Edwin K., Jr., Inf.,
Davis, Thomas J., AC,
McKelvey, William R., AC,
Loesch, Lawrence F., AC,
Hayes, Harold C., AC,
Nugent, Paul R., AC,
Abrams, James S., AC,
Perry, Williams D., Jr., AC,
Simonson, Sidney A., AC,
Derck, Walter F., AC,
Ham, Stephen, P., AC,
Fancher, Robert E., AC,
Lawson, Melvin M., SC,
Kittel, Robert S., AC,
Shields, Benjamin B., AC,
Teeter, James H., AC,
Tschepl, Arthur L., AC,
Roelofs, Milton, AC,
Brundage, Robert S., AC,
Rice, Carl E., AC,
Henggeler, Francis J., AC,
Haffener, Jack A., AC,
Smith, Edward D., AC,
Harshbarger, Elmer T., AC,
Netherland, James O., AC,
Blitch, Harry A., AC,
Westbrook, Jasper A., AC,
Sawyer, Charles W., AC,
Sewell, Harry B., Cav.,
Wheeler, Clermont E., AC,
Messman, Howard A., AC,
Keller, Frank J., AC,
Foley, Thomas F., AC,
Crist, George H., AC,
Dudley, William R., Cav.,
Simmons, J. A., Jr., AC,
Erickson, Stanley A., SC,
Trippet, William A., AC,
Hubbard, Edwin W., AC,
Bicknell, June E., Jr., AC,
Anderson, Truman F., AC,
Ardis, Thomas B., AC,

Imparato, Edward T., AC, [redacted]
Terhune, Claude M., AC, [redacted]
Askren, William B., Inf., [redacted]
Culp, James L., Inf., [redacted]
Hale, Richard E., AC, [redacted]
Lumpkin, William L., AC, [redacted]
Smith, Calvin H., AC, [redacted]
Tunstall, Francis P., AC, [redacted]
Kelly, Francis S., Inf., [redacted]
Williams, Jack W., AC, [redacted]
Donics, William, AC, [redacted]
Brady, Francis T., AC, [redacted]
Sears, Aubrey C., AC, [redacted]
Wilkins, Charles H., AC, [redacted]
Anderson, Colin E., AC, [redacted]
Morgan, Charles A., Jr., CML, [redacted]
Paige, Ronald A., AC, [redacted]
Witcover, Henry W., QMC, [redacted]
Divine, Robert E., FA, [redacted]
Main, Philip, AC, [redacted]
Holmes, Capers A., Jr., AC, [redacted]
Whiteman, Harold J., AC, [redacted]
Watson, John C., AC, [redacted]
Erlenbusch, William C., AC, [redacted]
Howard, Hugh E., Inf., [redacted]
Brennan, John T., Jr., AC, [redacted]
Watkins, Loy E., AC, [redacted]
Gould, David, AC, [redacted]
Buckley, Jack L., AC, [redacted]
Henderson, W. H., Jr., QMC, [redacted]
Jordan, Jay J., AC, [redacted]
Crumlish, William S., CE, [redacted]
Warner, Roger M., AC, [redacted]
Denton, Ashley N., Jr., AC, [redacted]
Sandifer, Virgil E., AC, [redacted]
Morris, Jack W., FA, [redacted]
Lube, Harold A., AC, [redacted]
Condon, Jack G., SC, [redacted]
Sponable, Edson, J., Jr., AC, [redacted]
Brown, Robert B., AC, [redacted]
Cox, Robert B., AC, [redacted]
Munch, Robert J., QMC, [redacted]
Lake, Donald J., AC, [redacted]
Crowson, Delmar L., AC, [redacted]
York, Dantes A., Inf., [redacted]
Wientjes, Gerard F., AC, [redacted]
Langendorf, William H., QMC, [redacted]
Sanders, William B., AC [redacted]
Riley, Lewis R., AC, [redacted]
Walrath, Richard D., AC, [redacted]
Howe, Charles P., Inf., [redacted]
Blackledge, Roscoe B., AC, [redacted]
Schoenfeldt, Verl B., AC, [redacted]
Van Patten, I. T., 3d, AC, [redacted]
Mays, John B., Jr., AC, [redacted]
Gustafson, Karl W., Inf., [redacted]
Laybourn, John E., AC, [redacted]
De Gooyer, Louis C., FA, [redacted]
Armstrong, G. H., Jr., AC, [redacted]
Spivey, Paulett, AC, [redacted]
Franklin, Wesley C., SC, [redacted]
Thorington, William P., AC, [redacted]
Preer, Carleton, Jr., Cav., [redacted]
Zarger, Glenn W., Cav., [redacted]
Helms, Luther S., Jr., AC, [redacted]
Copley, Robert E., AC, [redacted]
Conner, Hal C., AC, [redacted]
Dutrack, Dean W., AC, [redacted]
Sherrard, Wright J., AC, [redacted]
Adams, George S., Jr., AC, [redacted]
Franz, Richard J., AC, [redacted]
Sanders, Norton W., AC, [redacted]
Kirkpatrick, Harold C., AC, [redacted]
Nesmith, Joseph F., AC, [redacted]
Palmer, Douglas M., Jr., AC, [redacted]
Rea, Kenneth R., AC, [redacted]
Duncan, Oliver L., AC, [redacted]
Victor, Henry G., AC, [redacted]
Browder, Jewell R., Ord., [redacted]
Smith, Charles H., AC, [redacted]
Cox, Lucien K., AC, [redacted]
Smith, Edward W., Jr., Inf., [redacted]
Stanton, Carroll L., AC, [redacted]
Suehr, Richard C., AC, [redacted]
Strider, Nicholas S., Fin., [redacted]
Armor, Marshall H., Jr., FA, [redacted]
Vinson, Elmer L., AC, [redacted]
Finney, William L., AC, [redacted]
St. John, Wilbert E., AC, [redacted]
Dease, George C., AC, [redacted]
White, Rex H., Jr., Ord., [redacted]
Harwick, George L., AC, [redacted]
Wilde, Linn E., Jr., AC, [redacted]
Sutton, George E., AC, [redacted]
Ramputi, Frederick R., AC, [redacted]
Cullum, Felder W., AC, [redacted]
Hansen, Robert M., AC, [redacted]
Baxter, Reuben A., AC, [redacted]
Sanders, William A., Jr., AC, [redacted]
Whempner, Robert J., AC, [redacted]
Powell, William H., AC, [redacted]
Dern, Arthur W., AC, [redacted]
Dean, Floyd R., AC, [redacted]
Harrison, Morgan R., AC, [redacted]
Peck, Douglas M., AC, [redacted]
Christman, Harry W., Jr., AC, [redacted]
Porter, Vernon D., AC, [redacted]
Stowell, Philip M., AC, [redacted]
Lavin, John J., Inf., [redacted]
Lindley, Harold C., QMC, [redacted]
Stitt, Austin W., Jr., AC, [redacted]
Olsen, Howard I., QMC, [redacted]
Crawford, William, AC, [redacted]
Staples, George M., AC, [redacted]
Cogswell, James S., AC, [redacted]
Culbertson, Kline D., AC, [redacted]
Gamber, Karl S., AC, [redacted]
Eck, Anthony I., AC, [redacted]
Conrad, Chester M., AC, [redacted]
Hutchinson, Leonard H., AC, [redacted]
Gessner, Harlan W., AC, [redacted]
Wyman, Frank M., Jr., AC, [redacted]
Wear, John F., AC, [redacted]
Lang, Francis E., Cav., [redacted]
Duncan, Roy R., AC, [redacted]
Ault, Richard L., AC, [redacted]
Spencer, Truman A., Jr., AC, [redacted]
Geer, Virgil C., AC, [redacted]
Hotte, Eugene T., AC, [redacted]
Powers, John F., Jr., AC, [redacted]
Coleman, William W., Jr., AC, [redacted]
Branham, Ethel B., AC, [redacted]
Whittingham, D. J., AC, [redacted]
Kirtley, Robert E., AC, [redacted]
Cavender, John P. K., AC, [redacted]
Hopfenspirger, T. W., AC, [redacted]
Vanden, Heuvel G. R., AC, [redacted]
Miller, Donald J., CE, [redacted]
Ludwig, George H., AC, [redacted]
Stuart, Robert H., AC, [redacted]
Noseck, Kenneth A., Cav., [redacted]
Jones, Laurence W., SC, [redacted]
Lindsey, Clifton S., AC, [redacted]
Meyer, Charles R., AC, [redacted]
Dacey, Timothy J., Jr., AC, [redacted]
Maysonave, Rene E., QMC, [redacted]
Cobb, William W., Cav., [redacted]
Stewart, Richard R., AC, [redacted]
Cappelletti, F. R., AC, [redacted]
Courtwright, Clyde H., AC, [redacted]
Nelson, Raymond E., AC, [redacted]
Porterfield, Samuel G., AC, [redacted]
McCalla, John H., AC, [redacted]
Whidden, Jack D., AC, [redacted]
Legg, Paul A., AC, [redacted]
Couch, John P., AC, [redacted]
Bird, Joseph W., AC, [redacted]
Sluder, Amos L., AC, [redacted]
Bailey, Charles E., AC, [redacted]
Maull, Harold V., AC, [redacted]
Morris, Harry G., Inf., [redacted]
Hoey, Charles J., AC, [redacted]
Thomas, Charles R., Jr., Cav., [redacted]
Haygood, John C., AC, [redacted]
Jackson, Clarence J., AC, [redacted]
Harvey, Clyde L., Jr., AC, [redacted]
Miketinac, Anthony J., Cav., [redacted]
Stewart, Robert W., AC, [redacted]
Clarke, Fred D., Jr., Cav., [redacted]
Olsson, John S., AC, [redacted]
Bennett, Herbert W., AC, [redacted]
Zweifel, Everett E., AC, [redacted]
Reed, Earle D., AC, [redacted]
Chenault, James K., Inf., [redacted]
Jones, Thomas Q., Jr., AC, [redacted]
Prentiss, Vernon, AC, [redacted]
Strausbaugh, Donn P., QMC, [redacted]
Davison, Frederic E., Inf., [redacted]
Farrior, William O., AC, [redacted]
Clark, Robert M., AC, [redacted]
King, Norman E., AC, [redacted]
Mercer, Cassa J., Jr., AC, [redacted]
Davis, Don, Inf., [redacted]
Biggs, Richard C., QMC, [redacted]
Lantz, Roy F., AC, [redacted]
Skinner, Oramel H., Jr., AC, [redacted]
Wilmot, Allan E., AC, [redacted]
Howard, James S., AC, [redacted]
Baldwin, Robert P., AC, [redacted]
Goyt, Gordon F., AC, [redacted]
Brady, Henry G., Jr., AC, [redacted]
Dula, Mason A., AC, [redacted]
Miles, Frederick E., AC, [redacted]
Laird, Paul G., Fin., [redacted]
Parsons, Marcus L., CAC, [redacted]
Fitzgerald, T. C., Inf., [redacted]
Treacy, Norbert C., AC, [redacted]
Powers, Robert B., AC, [redacted]
Player, George C., Jr., AC, [redacted]
Halley, Oscar T., Jr., AC, [redacted]
Bailey, John R., AC, [redacted]
Avery, William B., QMC, [redacted]
Van Hoozer, Alfred V., AC, [redacted]
Clark, Jack W., AC, [redacted]
Agee, Henry T., FA, [redacted]
Murphy, Maurice E., AC, [redacted]
Benesh, Robert H., AC, [redacted]
Kelly, Earle W., AC, [redacted]
Fleming, William H., Jr., AC, [redacted]
Steinemann, Frank C., AC, [redacted]
Weigold, Lewis B., AC, [redacted]
Bartlett, Roland W., Cav., [redacted]
Magill, James J., AC, [redacted]
Bowlby, Lawrence, FA, [redacted]
Ingram, James W., AC, [redacted]
Hurst, Ray H., Inf., [redacted]
Brundrett, Warner M., AC, [redacted]
Holmes, Besby F., AC, [redacted]
Westervelt, Daniel E., Cav., [redacted]
Glenn, Jack P., AC, [redacted]
Polking, Warren A., AC, [redacted]
Holmquist, George W., AC, [redacted]
Telzrow, Thomas E., AC, [redacted]
Foster, Randolph V., Cav., [redacted]
Elwell, Robert L., AC, [redacted]
Rice, Arnold E., Inf., [redacted]
Bachmann, Frederick C., AC, [redacted]
Clark, Cortis A., Jr., AC, [redacted]
Payne, Joseph E., AC, [redacted]
Stealy, Edward J., AC, [redacted]
Loop, Paul A., FA, [redacted]
Dunn, Raymond B., AC, [redacted]
Miller, Robert C., AC, [redacted]
Albright, Clay, AC, [redacted]
McGinn, John L., AC, [redacted]
Shirley, Fred A., AC, [redacted]
Sydnor, Robert A., AC, [redacted]
David, Robert G., AC, [redacted]
Turner, John L., AC, [redacted]
Harris, Wallace A., AC, [redacted]
Richens, Kent J., AC, [redacted]
Killian, Carl L., AC, [redacted]
Olson, Clifford B., AC, [redacted]
Thompson, Donald M., AC, [redacted]
Voyles, James H., Jr., AC, [redacted]
Cloyd, Virgil M., AC, [redacted]
Would, William J., AC, [redacted]
Konosky, John M., AC, [redacted]
Barnum, Robert A., AC, [redacted]
Fleming, Patrick D., AC, [redacted]
Land, William M., Jr., AC, [redacted]
Nicholas, Judson D., Jr., AC, [redacted]
Heekin, James F., QMC, [redacted]
Spielan, Richard, AC, [redacted]
Hawkins, James J., Jr., CE, [redacted]
Rockwood, Charles L., AC, [redacted]
Yarchin, Samuel, AC, [redacted]
Schneider, George E., AC, [redacted]
Crosby, Stephen H., Jr., AC, [redacted]
Lippard, John A., AC, [redacted]
Ferguson, Allen E., Inf., [redacted]
Cauble, Mark W., Jr., AC, [redacted]
Mason, Vincent E., AC, [redacted]
McCrillis, Paul L., QMC, [redacted]
Gibb, Edward F., Jr., Inf., [redacted]
Fox, Austin H., AC, [redacted]
Jensen, Melvin M., Cav., [redacted]
Cody, Joseph J., Jr., AC, [redacted]
Vaught, Robert H., AC, [redacted]
Wray, Robert A., Jr., AC, [redacted]
Scruggs, William B., Jr., Inf., [redacted]
Gendron, Thomas J., Inf., [redacted]
Sorensen, Blair M., AC, [redacted]
Sexton, Luther L., Inf., [redacted]
Schee, Owen, AC, [redacted]

Carleton, Bert M., AC, [redacted]
Teborek, Raymond G., AC, [redacted]
Downey, Bruce J., Jr., AC, [redacted]
Bieging, Glen P., AC, [redacted]
Gill, Mark J., QMC, [redacted]
Bunce, Udell, Inf., [redacted]
Stempin, Harry J., Inf., [redacted]
Clements, Manen O., Jr., AC, [redacted]
Waltman, William S., AC, [redacted]
Menczkowski, John M., AC, [redacted]
Schindler, John D., Jr., AC, [redacted]
Heins, Edison D., AC, [redacted]
Hart, William F., Jr., CE, [redacted]
Newland, Jess E., Inf., [redacted]
Tedder, Irby V., AC, [redacted]
Chesnut, Fred D., Inf., [redacted]
Morgan, Dale L., FA, [redacted]
Schmoldt, Harold D. L., AC, [redacted]
Smotherman, Robert E., AC, [redacted]
Safley, Don L., AC, [redacted]
George, Raymond L., AC, [redacted]
Hickman, Raymond E., AC, [redacted]
Munroe, George B., Jr., AC, [redacted]
Smith, William A., AC, [redacted]
Sowers, Louis M., AC, [redacted]
Clements, Joe L., AC, [redacted]
Madsen, Archie T., QMC, [redacted]
Sheelar, Claire J., AC, [redacted]
Osher, Ernest K., AC, [redacted]
Patterson, Jerry F., AC, [redacted]
Riede, Reinhold C., FA, [redacted]
Strauss, John L., Inf., [redacted]
Fisher, Charles D., AC, [redacted]
Faw, James E., Jr., AC, [redacted]
Brooks, Charles A., AC, [redacted]
Etter, Robert G., QMC, [redacted]
McIntosh, C. A., Jr., Fin., [redacted]
Hill, Preston L., AC, [redacted]
Gilchrist, Frank, CE, [redacted]
Baker, Gordon E., AC, [redacted]
Munsey, Charles W., AC, [redacted]
Ralston, Wilson, AC, [redacted]
Kron, Jack J., Inf., [redacted]
Gaede, David L., AC., [redacted]
Thorpe, George W., AC, [redacted]
McCool, Harry C., AC, [redacted]
Glassburn, Kenneth L., AC, [redacted]
Evans, Calvin E., AC, [redacted]
Dressler, Gordon A., AC, [redacted]
Carroll, John S., Cav., [redacted]
Booth, Elmer E., AC, [redacted]
Whitman, Edward B., Jr., AC, [redacted]
Haley, Albert L., AC, [redacted]
Terzian, Roger H., AC, [redacted]
Price, Frederick E., AC., [redacted]
Cook, Emery A., AC, [redacted]
Jacobs, John W., Jr., AC, [redacted]
Morgan, Vernon W., Ord., [redacted]
Boykin, James H., CE, [redacted]
Miller, George L., AC, [redacted]
Blass, Daniel L., AC, [redacted]
Larson, Harold V., AC, [redacted]
Gosewisch, Guy N., AC, [redacted]
McCormick, Kenneth J., AC, [redacted]
Faulkner, Brock H., Cav., [redacted]
Proctor, Kenneth E., AC, [redacted]
Bratcher, Douglas H., AC, [redacted]
Dedrickson, Lorin R., AC, [redacted]
Van Wingerden, N., AC, [redacted]
Hadley, John C., AC, [redacted]
Sault, William E., AC, [redacted]
Christie, Charles P., AC, [redacted]
Koehne, George H., Jr., AC, [redacted]
Satterwhite, Robert B., AC, [redacted]
Tisone, Albert A., AC, [redacted]
Mahoney, Hugh, AC, [redacted]
Shafer, Robert E., AC, [redacted]
Goddard, Lowell W., AC, [redacted]
Howie, Loren D., AC, [redacted]
Fulton, Wayne L., AC, [redacted]
Schaf, Frank L., Jr., CML, [redacted]
Fuller, Herbert K., AC, [redacted]
Marshall, Prevost, AC, [redacted]
Coad, Hunter S., AC, [redacted]
McCarthy, Eugene J., AC, [redacted]
Ridings, Charles A., AC, [redacted]
Avery, Lyndall J., AC, [redacted]
McCorkle, Philip H., SC, [redacted]
Conrad, John H., AC, [redacted]
Himes, Ralph F., AC, [redacted]
Wursten, Ervin, AC, [redacted]

Ruby, Jack W., CE, [redacted]
Hilt, William M., AC, [redacted]
Ferran, Charles G., AC, [redacted]
Mosher, Rowland O., AC, [redacted]
Houston, William M., AC, [redacted]
Shuford, Louis A., FA, [redacted]
Reynolds, William L., AC, [redacted]
White, Joe R., AC, [redacted]
Schroeder, L. T., Jr., Cav., [redacted]
Thorne, Thomas J., Jr., FA, [redacted]
Tyler, John T., AC, [redacted]
Back, Charles H., AC, [redacted]
Milner, Robert S., AC, [redacted]
Martin, Joseph M., AC, [redacted]
Thomas, William F., CE, [redacted]
Elvin, Malcolm P., AC, [redacted]
Parks, Oattis E., AC, [redacted]
Price, Jack C., AC, [redacted]
Morhous, William R., AC, [redacted]
Senecal, Robert P., AC, [redacted]
Wilson, Donald E., Inf., [redacted]
Royalty, William S., Jr., AC, [redacted]
Sestito, Joseph B., Ord., [redacted]
Brown, John H., Jr., AC, [redacted]
Barton, John R., AC, [redacted]
Hupperich, Herman C., AC, [redacted]
Thacker, Thomas L., AC, [redacted]
Hudson, Roland L., AC, [redacted]
Hernlund, Richard T., AC, [redacted]
Moon, Leo C., AC, [redacted]
Herring, Wilber G., AC, [redacted]
LaFrenz, William A., AC, [redacted]
Augustine, John A., 3d, AC, [redacted]
Pearsall, David W., AC, [redacted]
Albaugh, Harry M., AC, [redacted]
Hinton, Joe K., AC, [redacted]
Scanlan, John F., AC, [redacted]
Watson, Douglas H., FA, [redacted]
Spear, Robert L., AC, [redacted]
Harris, Walter R., Jr., AC, [redacted]
Balkum, Earl T., AC, [redacted]
Blattau, Philip J., AC, [redacted]
Mitchell, Kirk R., AC, [redacted]
Gordon, Andrew F., AC, [redacted]
Davis, George H., AC, [redacted]
Thompson, Harry M., AC, [redacted]
Welch, Rupert C., AC, [redacted]
Heatly, Ralph O., AC, [redacted]
Fisher, Carl B., AC, [redacted]
Maples, Herron N., FA, [redacted]
Woodring, Dugan V., AC, [redacted]
Miller, James E., AC, [redacted]
Cox, Eugene W., AC, [redacted]
Nett, Edward H., AC, [redacted]
Tisdale, Charles F., Inf., [redacted]
Ainsworth, Donald H., AC, [redacted]
Wiley, William S., Jr., CML, [redacted]
Parsons, Charles E., Jr., AC, [redacted]
Bailey, Frank A., AC., [redacted]
Brown, Preston, AC, [redacted]
Potter, Henry A., AC, [redacted]
Miller, Richard W., AC, [redacted]
Russell, Charles B., Jr., AC, [redacted]
Fellows, Walter S., Jr., AC, [redacted]
Jenkins, Donald L., QMC, [redacted]
Guthrey, Edison D., AC, [redacted]
Howell, DeWitt C., QMC, [redacted]
Eiland, John D., Jr., AC, [redacted]
Smith, Cecil B., AC, [redacted]
Hundt, George R., AC, [redacted]
Herron, Thomas J., AC, [redacted]
Cooper, Talmage D., Jr., AC, [redacted]
Propst, Julian C., QMC, [redacted]
Jenkins, Walter E., Jr., Cav., [redacted]
Wilging, Harold A., AC, [redacted]
Speciale, Joachim J., QMC, [redacted]
Classen, Thomas J., AC, [redacted]
Burch, Jack P., CE, [redacted]
Rice, Charles S., AC, [redacted]
Jarman, James T., AC, [redacted]
Folsom, Charles D., Cav., [redacted]
Page, Thomas E., AC, [redacted]
Hardy, John K., AC, [redacted]
Muri, James P., AC, [redacted]
Hagin, William V., AC, [redacted]
Stinson, Lloyd H., AC, [redacted]
Miller, Winthrop G., Inf., [redacted]
Pearson, Helge E., QMC, [redacted]
Stewart, Tom B., AC, [redacted]
Cook, Thomas R., Jr., AC, [redacted]
Nelson, Marshall E., AC, [redacted]
Rhoads, Frank H., AC, [redacted]

Luschen, Frank L., AC, [redacted]
Larson, Robert W., QMC, [redacted]
Uglow, Ray D., Jr., AC, [redacted]
Dees, Robert W., AC, [redacted]
Fryer, Milton, AC, [redacted]
Lewis, Glen, Jr., AC, [redacted]
Cobb, Elmon R., AC, [redacted]
Bean, Arthur E., Jr., AC [redacted]
Bivin, Verne, AC, [redacted]
Dahl, Paul W., AC, [redacted]
Welch, James E., AC, [redacted]
Allard, Charles A., AC, [redacted]
Cooper, Thomas H., FA, [redacted]
Weaver, Charles S., SC, [redacted]
Commenator, George O., AC, [redacted]
Sharp, William E., AC, [redacted]
Spann, James H., Cav., [redacted]
Pettigrew, Paul A., AC, [redacted]
Rohr, Louis W., AC, [redacted]
Schuknecht, Lowell A., AC, [redacted]
Jones, Edelle M., AC, [redacted]
Mytinger, Walter H., FA, [redacted]
Jones, Joe P., AC, [redacted]
McDaniell, S. R., Jr., AC, [redacted]
Hunt, Marvin L., AC, [redacted]
Sturges, William R., Jr., AC, [redacted]
Boardman, Robert L., AC, [redacted]
Clary, Lawson, Jr., AC, [redacted]
Gregorie, James B., Jr., Cav., [redacted]
Cornutt, Howard L., Inf., [redacted]
Ward, Rufus A., AC, [redacted]
Davis, Emmett S., AC, [redacted]
Graham, Ralph W., Inf., [redacted]
Goree, Richard D., AC, [redacted]
Bernard, Joseph T., SC, [redacted]
Covert, John R. M., CAC, [redacted]
Helvey, Hazen D., AC, [redacted]
Busby, Douglas R., AC, [redacted]
Smith, Raymond M., AC, [redacted]
Nedell, Robert S., AC, [redacted]
Mulholland, M. J. B., AC, [redacted]
Best, Jack R., AC, [redacted]
Johnson, Frank E., AC, [redacted]
Keppler, Charles N., AC, [redacted]
Dean, William A., Inf., [redacted]
Cooper, Paul T., AC, [redacted]
Teorey, Thomas F., AC, [redacted]
Wake, Custer E., AC, [redacted]
Crisp, Dennis, AC, [redacted]
Cottrell, Bert M., Jr., AC, [redacted]
Henderson, Lykes S., AC, [redacted]
Hammer, Elmer H., Jr., AC, [redacted]
Buerschinger, H. F., Inf., [redacted]
Powell, Elmer B., AC, [redacted]
Spence, Claude P., AC, [redacted]
Jackson, Elwin H., AC, [redacted]
Vroom, Guysbert B., Jr., Inf., [redacted]
Ackerly, Robert A., AC, [redacted]
Hurt, Wilbur W., AC, [redacted]
Chappell, Roy J., Jr., FA, [redacted]
Finan, Bernard J., Jr., AC, [redacted]
Mayo, Joseph B., Inf., [redacted]
Mallory, Robert F., AC, [redacted]
Gabreski, Francis S., AC, [redacted]
Spears, John H., Cav., [redacted]
Wilkins, Richard F., AC, [redacted]
Kelley, Gordan M., AC, [redacted]
Hitchcock, Charles I., AC, [redacted]
Fant, Murray G., AC, [redacted]
Thompson, John A., AC, [redacted]
Fletcher, Arthur A., Jr., AC, [redacted]
Hoffmann, Carl D., AC, [redacted]
Grass, William E., AC, [redacted]
Steckel, Glenn A., Cav., [redacted]
McLanachan, James D., Cav., [redacted]
Underwood, Herbert A., AC, [redacted]
Malone, Frank C., AC, [redacted]
Riley, Earl V., AC, [redacted]
Major, George C., Cav., [redacted]
Meyer, Erwin A., Jr., AC, [redacted]
Ellis, Robert G., AC, [redacted]
Young, Richard G., Cav., [redacted]
Lord, Nicholas A., CE, [redacted]
Wyman, George H., AC, [redacted]
Ricks, Carlyle, AC, [redacted]
Karlin, Francis J., AC, [redacted]
Peaslee, Jesse C., AC, [redacted]
O'Malley, John F., Cav., [redacted]
McColl, James Q., AC, [redacted]
Milano, James V., Fin., [redacted]
Butts, Clyde I., AC, [redacted]
Hessey, Francis D., AC, [redacted]

Yudkin, Richard A., AC,
Latshaw, Joseph B., Jr., AC,
Schiltz, Glen D., Jr., AC,
Paxson, Charles B., AC,
Hall, Robert [illegible], AC,
Graves, Vincent J., AC,
Simpson, Donald P., AC,
Vail, Hugh B., AC,
Wadkins, Mitchell T., FA,
McRay, Edward J., Jr., AC,
Thompson, Carmi A., AC,
Littleton, A. B., Cav.,
Dole, Charles R., AC,
Bulgin, Richard G., Jr., AC,
Strother, James F., Jr., AC,
Woodyard, William T., AC,
Oswalt, John W., FA,
Le Gwin, John H., QMC,
Lipp, James P., AC,
Riggle, Glenn B., AC,
Holly, George J., Jr., Ord.,
Ezekiel, Thomas C., AC,
Barnes, George R., AC,
Minor, Marion E., Jr., AC,
Olson, Gust E., Inf.,
Johnston, Robert R., AC,
Buckey, George R., AC,
Hubler, George O., AC,
Tannen, Martin R., AC,
Jones, Paul E., AC,
Mangan, James H., AC,
Price, Charles T., AC,
Tesch, William A., AC,
Kendrick, James B., AC,
Redfern, Robert B., Jr., Cav.,
Hill, Lawrence G., Jr., AC,
Marshall, Tom L., AC,
Reardon, John C., AC,
Wenk, Walter R., AC,
Hull, Robert R., AC,
Taylor, William B., AC,
Simpson, Charles C., Jr., AC,
Johnson, Louis H., CE,
Talley, David G., AC,
Bryant, Perry K., AC,
Wing, Albert G., Jr., Cav.,
Johnson, Lester V., Jr., AC,
Beaty, William E., Jr., AC,
Sanders, Frederick A., AC,
Otto, Robert C., AC,
Taylor, William B., 3d, AC,
Fitter, Philip A., AC,
Lyon, Arthur B., Jr., AC,
Guilbert, Edward A., AC,
Kirby, Robert L., AC,
Jones, William O., AC,
Callinan, Patrick M., Inf.,
Ricks, Thomas J., Jr. AC,
Luehring, Verl D., AC,
Robinson, Edward W., AC,
Tullock, Willard D., AC,
Moore, Charles E., AC,
Hines, Jack G., SC,
O'Hara Richard K., AC,
Dusenbury, James A., AC,
Erb, Theodore H., AC,
Nielsen, Melvin J., AC,
Crabtree, Frank R., AC,
Firestone, C. D., Jr., AC,
Tummons, Donald D., Inf.,
Welch, William L., AC,
Kyer, Fred E., AC,
Shackelford, W. S., Jr., AC,
Simpson, Leonard D., Inf.,
Fitch, Charles R., AC,
Acebedo, Adrian W., AC,
Crouch, Horace J., Jr., Inf.,
Finton, James R., AC,
Lohela, Arvo E., AC,
Graybeal, James M., AC,
Burke, Dracos D., AC,
Clark, Jack C., AC,
Neill, Dennis W., Cav.,
Vinzant, Mark H., Jr., AC,
Blood, Gordon F., AC,
Atkinson, William J., AC,
Curren, Wayne B., AC,
Vidlak, Frank J., Cav.,
Heffelfinger, Hugo W., Cav.,
Vitunac, Walter C., AC,
Templeman, Robert B., AC,
Leahy, Edward D., AC,

Binks, William P., Jr., AC,
Stewart, Edward W., Inf.,
Noriega, Virgil, AC,
Kenworthy, C. C., Jr., AC,
Doyle, Garth E., AC,
Fowler, Thomas R., AC,
Larson, Lloyd R., AC,
Taylor, Gerald O., AC,
Allen, William C., AC,
Story, James B., AC,
Bledsoe, Joseph V., AC,
Borden, James C., AC,
Salzarulo, Robert L., AC,
Stadig, John E., CE,
Mundorff, John L., AC,
Porter, Clark W., Inf.,
Schoggen, Elmer G., Jr., AC,
Foss, Joseph A., AC,
Hannah, Raymond C., AC,
Lindley, William C., Jr., AC,
Hamel, George F., Cav.,
Harrison, William F., Inf.,
Farwell, Robert H., AC,
Feicht, Edward R., Jr., AC,
Shelton, Orville W., AC,
Huffman, Roy E., AC,
Hannum, Clifford P., Cav.,
Simpson, Robert T., 4th, AC,
Horne, John E., AC,
Smith, Leslie A., AC,
Gleason, John C., Cav.,
Catington, James D., AC,
Muldoon, Bernard R., AC,
Read, Beverly M., Inf.,
Kolander, Conrad C., Jr., AC,
Snow, David J., AC,
Merten Donald H., AC,
Savage, David B., Cav.,
Edney, James S., AC,
Crane, Glenn, Ord.,
Frank, Henri F., FA,
Miller, John E., AC,
Antonelli, Theodore, QMC,
Simpson, Joe R., Ord.,
Cotton, Jesse F., Jr., AC,
Marshall, Gordon R., AC,
Clarke, Clarence J., AC,
Hilpert, Arvis L., AC,
Ensley, William T., AC,
King, James F., FA,
Knofczynski, Joseph J., AC,
Sianis, Pete C., AC,
Jones, Lyle M., AC,
Kelley, Wendell J., AC,
Wine, Chester B., AC,
Martin, John G., Jr., AC,
Cooke, Guy, Jr., AC,
Lemme, William P., AC,
Rudolph, James O., AC,
Wellborn, Jeffery O., AC,
Diltz, Theo. R., AC,
Hall, Norman L., CE,
Hoke, Dealbert S., Jr., AC,
Harvey, Glenn M., Inf.,
Curry, Donald A., CE,
Knauf, Albert S., AC,
Walker, George T., AC,
Monahan, John D., AC,
Sullens, James A., AC,
McLaughlin, Burl W., AC,
Richmond, John R., Inf.,
Conlin, Joseph S., AC,
Bratton, Andrew J., Jr., AC,
Merritt, Bruce, Cav.,
Simmons, Albert D., AC,
Lewis, George D., AC,
Wadsworth, J. F., Jr., AC,
Cardenas, Robert L., AC,
Widmann, Benjamin, AC,
Blackburn, Vernon H., AC,
Holmes, William E., CAC,
Peters, Ralph D., Cav.,
Knepper, Frank B., Jr., AC,
Peck Thornton C., AC,
Mobbs, George D., AC,
Meserow, Joseph T., AC,
Moseley, Wendell F., AC,
Bales, George C., AC,
Walkowicz, Teddy F., AC,
Le Cuyer, Charles F., FA,
Pretorius, Thomas H., AC,
Davis, Harvey M., AC,

Arnold, James C., AC,
Remillard, David H., AC,
Smith, Robert B., FA,
Price, William G., 3d, AC,
Cape, Rolf D., AC,
Rogers, Thomas J., AC,
Fishburne, Paul L., AC,
Johnson, Ralph R., Jr., AC,
Briggs, Arthur F., 2d, AC,
Howell, Harry R., Jr., CE,
Loomis, Robert G., AC,
Brecht, Harold M., AC,
Jackson, Larkin L., AC,
Grimwood, Don M., AC,
Henne, Charles A., Cav.,
Abbitt, Charles W., AC,
Hudelson, James L., AC,
Munsey, Ned G., AC,
Hull, Joseph D., AC,
Madden, Francis J., Inf.,
Smith, William K., AC,
Pedersen, Gilbert A., AC,
Reed, Talmadge D., AC,
Fechtman, Robert H., Inf.,
Grissom, Thomas C., Fin.,
Brundydge, Henry H., AC,
Sandman, George K., AC,
Stephens, William H., AC,
Smoak, Robert A., QMC,
Smith, James C., AC,
Pattillo, James L., AC,
Newman, Ralph A., AC,
Todd, Robert F., AC,
Kiechel, Walter, Jr., AC,
Bodine, Francis S., AC,
Gilmore, John R., AC,
Robinson, John S., AC,
Barker, Arthur F., AC,
Bjoring, Robert G., AC,
Wesson, F. J., Jr., AC,
Ledford, Jack C., AC,
Sams, Walter B., AC,
Owens, Marcus O., Jr., AC,
Penzkofer, Claire B., FA,
Schaffer, Glenn J., AC,
Cartwright, Jack A., AC,
Simplicio, Silvio G., AC,
Summerfield, Leslie F., AC,
Walker, Philip G., Inf.,
Harrell, William S., AC,
Work, Byron R., AC,
Sowers, Gordon T., AC,
Godwin, Norman A., Cav.,
Tauscher, Robert E., AC,
Doherty, Stephen S., Jr., SC,
Wein, Joseph C., Inf.,
Box, Francis M., AC,
Ferguson, John J., AC,
Kendall, Paul C., AC,
McComb, William J., AC,
Ryan, John L., AC,
Sylvester, Joseph J., AC,
Thompson, Joel C., Jr., AC,
Woods, Merle C., AC,
Wunderlich, Herbert E., AC,
Cole, George P., AC,
Harris, William B., AC,
Ivey, William H., AC,
Morse, Donald M., AC,
Kelso, John M., AC,
Derr, Herbert O., AC,
Reed, Henry C., AC,
Ryden, Donald A., AC,
Short, William W., Jr., AC,
Newbury, Edward S. E., AC,
Brown, William F., AC,
Decker, John A., AC,
Hagreen, Robert J., AC,
Howell, Winfred D., AC,
Walsh, John J., AC,
Stellenwerf, W. A., AC,
Swanson, John W., AC,
Bryant, Donald D., AC,
Earnhart, Charles L., AC,
Ellifritz, Vernon, AC,
Harb, Wallace S., AC,
Harms, Warden D., AC,
Napier, John G., AC,
Price, Robert F., AC,
Roberton, Eddie J., Jr., AC,
Bland, John W., AC,
Elliott, William W., AC,

Fuhrmeister, R. S., Jr., AC, [redacted]
Lundby, Roland O., AC, [redacted]
Mink, Wesley S., AC, [redacted]
Parsons, James W., AC, [redacted]
Peterson, Harry G., AC, [redacted]
Quillen, Monroe C., AC, [redacted]
Blair, Samuel V., AC, [redacted]
Burke, Sylvester V., AC, [redacted]
Ellington, Edward H., AC, [redacted]
McClure, John C., AC, [redacted]
Miles, Lee E., AC, [redacted]
Sherwood, Joseph H., Jr., AC, [redacted]
Moser, Alfred L., AC, [redacted]
Frazier, Douglas P., Cav., [redacted]
Robinson, Edgar A., AC, [redacted]
Clair, William A., AC, [redacted]
Fahey, James M., AC, [redacted]
Carlton, Robert N., AC, [redacted]
Moore, William P., AC, [redacted]
Morrison, Marvis C., AC, [redacted]
Shook, Harold G., AC, [redacted]
Turner, Charles S., AC, [redacted]
Foley, Robert P., AC, [redacted]
Joyal, Philip E., AC, [redacted]
Ballweg, Lawrence H., AC, [redacted]
Booker, Brooks W., Jr., AC, [redacted]
Carter, Clifford G., AC, [redacted]
Ghram, Elmer F., AC, [redacted]
Johnson, C. T., Jr., AC, [redacted]
Wallace, Eugene D., AC, [redacted]
Conklin, Howard E., AC, [redacted]
Crouch, John L., AC, [redacted]
Gandy, Hilliard L., AC, [redacted]
Martin, Ewell, AC, [redacted]
Maher, William L., AC, [redacted]
Ellis, Samuel W., AC, [redacted]
Lewis, Richard C., AC, [redacted]
Williams, Dave W., AC, [redacted]
Burke, Billy, AC, [redacted]
Neal, Philip A., AC, [redacted]
Fulcher, Stanley A., AC, [redacted]
Sheldon, John W., AC, [redacted]
Lewis, William C., AC, [redacted]
Lee, Carl C., AC, [redacted]
Ingram, Sidney O., Jr., AC, [redacted]
Hickey, Rolet V., AC, [redacted]
Byers, John A., AC, [redacted]
Cook, James R., AC, [redacted]
Casey, William J., AC, [redacted]
Coleman, Kenneth D., AC, [redacted]
Alexander, Harry S., AC, [redacted]
Barton, George L., 3d, QMC, [redacted]
Parsons, Irvin M., AC, [redacted]
Jernigan, William L., AC, [redacted]
Stevenson, Dudley W., AC, [redacted]
Pickett, Lawrence J., AC, [redacted]
Brown, Harold L., AC, [redacted]
Wilson, Harold L., AC, [redacted]
Harrison, James H., Cav., [redacted]
Workman, Bryant A., AC, [redacted]
Huntley, William H., Jr., AC, [redacted]
Trowbridge, Lee M., AC, [redacted]
Fowler, J. Riley, AC, [redacted]
Zeigler, Jack S., AC, [redacted]
Estes, Chandler B., AC, [redacted]
Graham, John K., AC, [redacted]
Gentry, M. D., AC, [redacted]
Tomlinson, Hugh C., AC, [redacted]
Bartlett, Kenneth R., CAC, [redacted]
Dillon, Stephen P., AC, [redacted]
Larson, Leon H., Jr., AC, [redacted]
Glickman, Emanuel, AC, [redacted]
Greathouse, Harry S., AC, [redacted]
Brown, Kimbrough S., AC, [redacted]
Davis, Glendon V., AC, [redacted]
Roberts, Edward T., AC, [redacted]
Bickford, Jack C., AC, [redacted]
Brooks, Clarence R., AC, [redacted]
Kesler, Joseph J., AC, [redacted]
Fain, Robert S., AC, [redacted]
Cross, George E., Jr., AC, [redacted]
McClellan, John M., AC, [redacted]
Finkey, Joseph E., AC, [redacted]
Decker, Harold R., AC, [redacted]
Behrens, John N., AC, [redacted]
Butler, Earl H., AC, [redacted]
Herrick, Harold J., AC, [redacted]
Rosenfeld, Stanley I., Fin., [redacted]
Murphy, Lloyd J., AC, [redacted]
Quigley, Hugh E., Cav., [redacted]
Shaw, John B., Jr., AC, [redacted]
Long, Joseph E., AC, [redacted]

Meeker, Everett R., AC, [redacted]
Taylor, William W., AC, [redacted]
Byers, Edward F., AC, [redacted]
Miller, Eugene F., AC, [redacted]
Lupear, Cornell J., AC, [redacted]
Fuchs, William R., AC, [redacted]
Theisen, Emmett J., AC, [redacted]
Hart, Gordon L., AC, [redacted]
Hawthorne, Cooper F., AC, [redacted]
Stribling, Robert A., AC, [redacted]
Taylor, Richard W., AC, [redacted]
Hurley, Frederick J., CML, [redacted]
Yon, Pershing L., AC, [redacted]
Taylor, Robert H., AC, [redacted]
Steakley, Ralph D., AC, [redacted]
Garrett, William A., AC, [redacted]
Kaufman, Alfred, AC, [redacted]
Fears, James W., AC, [redacted]
Whitmire, James M., Jr., AC, [redacted]
Beaven, William M., AC, [redacted]
Cavender, James W., Cav., [redacted]
Minor, Leslie E., Jr., AC, [redacted]
Smith, Edward D., AC, [redacted]
Windsor, Leon J., AC, [redacted]
Martin, Frank H., AC, [redacted]
Lindahl, Thomas B., AC, [redacted]
Horton, Harold E., AC, [redacted]
Wray, Cletus, AC, [redacted]
Tiffany, Robert S., Jr., AC, [redacted]
Satterfield, John R., AC, [redacted]
Alois, Frank J., AC, [redacted]
Perley, Robert L., Cav., [redacted]
Cushman, George H., AC, [redacted]
Hatch, Lewis M., AC, [redacted]
Heiman, Grover G., Jr., AC, [redacted]
Boles, Homer C., AC, [redacted]
Chesmore, Emery R., AC, [redacted]
Nixon, Robert L., AC, [redacted]
Tyler, Joe M., AC, [redacted]
Larrick, Percie J., AC, [redacted]
Benner, Ralph W., AC, [redacted]
Wiehrdt, Leonard I., AC, [redacted]
Aubrey, Carl L., AC, [redacted]
Kline, Earl G., SC, [redacted]
McRaven, Claude C., AC, [redacted]
Daunt, John J., Jr., AC, [redacted]
Hamilton, Joseph C., Jr., AC, [redacted]
Johnson, Paul E., Jr., AC, [redacted]
Payne, Carl G., AC, [redacted]
Ewing, Donald W., AC, [redacted]
Thompson, Norman P., CE, [redacted]
Newland, Martin K., AC, [redacted]
Crites, Doyle L., AC, [redacted]
Baker, Royal N., AC, [redacted]
Walsh, George H., AC, [redacted]
Brush, Elvin W., AC, [redacted]
Walsh, Francis R., AC, [redacted]
Smith, Derwood K., AC, [redacted]
Kessler, Carl E., AC, [redacted]
Hill, William H., AC, [redacted]
Andreae, Andreas A., AC, [redacted]
Clarke, Samuel F., Jr., Inf., [redacted]
Ducote, Marc M., Jr., AC, [redacted]
Smith, Robert E., AC, [redacted]
Maucher, Robert A., AC, [redacted]
Childress, Raymond K., AC, [redacted]
Shofner, Floyd K., AC, [redacted]
Benner, John G., AC, [redacted]
Couts, Richard L., AC, [redacted]
Robertson, Philip O., AC, [redacted]
Frazier, Edwin B., AC, [redacted]
Jones, Lewis C., AC, [redacted]
Fields, Melvin E., AC, [redacted]
Bock, Harry, AC, [redacted]
Stemme, Robert B., AC, [redacted]
Hammer, Kenneth M., AC, [redacted]
Sandifer, Robert S., AC, [redacted]
Zick, Marvin D., AC, [redacted]
De Angelis, John J., AC, [redacted]
Nelsen, Raymond Z., Jr., AC, [redacted]
Brundage, Theodore T., AC, [redacted]
Autrey, Paul, FA, [redacted]
Rotz, Carl R., Fin., [redacted]
Coyne, John C., CE, [redacted]
Melendez, Ismael F., AC, [redacted]
Bahl, Norval A., AC, [redacted]
Pickett, Thomas M., AC, [redacted]
Sherman, John E., AC, [redacted]
Cook, Richard H., AC, [redacted]
Brady, Bernard J., AC, [redacted]
Jobanek, Wilbur L., CE, [redacted]
Vance, Zeb, Jr., AC, [redacted]

Wells, Forest O., CML, [redacted]
Austin, John D., Inf., [redacted]
Goller, Fred F., AC, [redacted]
Kyzer, David A., AC, [redacted]
Furnas, Howard E., AC, [redacted]
McLaughlin, John D., QMC, [redacted]
Mahone, Thomas B., Jr., QMC, [redacted]
Crawford, John D., Jr., AC, [redacted]
Thornton, Clark O., AC, [redacted]
Schlupp, John A., AC, [redacted]
Washabaugh, G. C., Jr., AC, [redacted]
Atkinson, Ivan C., AC, [redacted]
Sells, Orliff V., AC, [redacted]
Stow, Kenneth R., AC, [redacted]
Shontz, Howard B., QMC, [redacted]
Watson, Oscar L., AC, [redacted]
Tacker, Lawrence J., AC, [redacted]
Krier, Rene J., AC, [redacted]
Thomas, David B., AC, [redacted]
Kennedy, Harold R., Inf., [redacted]
Yagmin, Frank A., Jr., AC, [redacted]
Stoneman, Walter G., CE, [redacted]
Cheney, James S., AC, [redacted]
Shapton, Leslie D., AC, [redacted]
Werner, Crowell B., AC, [redacted]
Barnett, William W., Jr., Inf., [redacted]
Rader, Thomas O., AC, [redacted]
Jackson, Edgar R., Jr., CE, [redacted]
Giddings, Richard E., AC, [redacted]
McCord, James M., AC, [redacted]
Kendrick, Robert C., Cav., [redacted]
Mixson, Marion C., AC, [redacted]
Freedman, Hyman, AC, [redacted]
Hill, Landon P., AC, [redacted]
Rollings, Raymond S., AC, [redacted]
Badgett, William R., AC, [redacted]
Brown, Winfield H., AC, [redacted]
Leeper, Michael E., QMC, [redacted]
Heiser, Sherwood W., AC, [redacted]
Lambert, Dwight A., AC, [redacted]
Davis, Paul A., AC, [redacted]
Friedline, George J., AC, [redacted]
Poe, William E., AC, [redacted]
Garber, Harold, AC, [redacted]
Fish, Rue D., Jr., QMC, [redacted]
Parker, Ernest C., Jr., Cav., [redacted]
Cox, Junior N., CE, [redacted]
Penn, Kirby C., CML, [redacted]
Stroud, Herbert O., AC, [redacted]
Matthews, Thurman R., AC, [redacted]
Hunner, Paul C., AC, [redacted]
Harrington, Jasper J., AC, [redacted]
Holden, William J., AC, [redacted]
Hislop, James S., AC, [redacted]
Lewin, Walter W., AC, [redacted]
Hoye, John H., Inf., [redacted]
Riddle, Cecil E., AC, [redacted]
Illing, Richard G., AC, [redacted]
McKemie, Edward B., QMC, [redacted]
Young, William R., AC, [redacted]
Roitsch, Clarence A., AC, [redacted]
Sheeler, Donald E., AC, [redacted]
Dowswell, John R., AC, [redacted]
Robertson, John A., AC, [redacted]
Nielsen, William C., AC, [redacted]
Atchison, Delmar W., AC, [redacted]
Simmons, John A., Jr., AC, [redacted]
Shanklin, Donald W., AC, [redacted]
Garver, James F., AC, [redacted]
Biscayart, Jules D., AC, [redacted]
Geist, Russell C., Jr., Inf., [redacted]
Gawthorp, Paul, AC, [redacted]
Libbey, Richard B., AC, [redacted]
Bye, George E., AC, [redacted]
Furbee, Charles E., AC, [redacted]
SeCor, Howard J., Jr., AC, [redacted]
Wintner, Bernard G., AC, [redacted]
Hartman, Herbert A., AC, [redacted]
Smith, Stanley, AC, [redacted]
Taylor, Daniel J., Jr., AC, [redacted]
Taylor, John P., AC, [redacted]
Soha, Walter M., AC, [redacted]
Lame, Roland C., AC, [redacted]
Seab, James A., Inf., [redacted]
Matthews, Robert A., Inf., [redacted]
Gettings, James J., Jr., Inf., [redacted]
Warden, Ray S., AC, [redacted]
McClughan, George W., AC, [redacted]
Yelton, John F., AC, [redacted]
Maxwell, Jewell C., AC, [redacted]
Lawson, George A., AC, [redacted]
Cavoli, William J., AC, [redacted]

Griffin, Jack S., AC,
Murphy, Thomas L., AC,
Rees, John E., AC,
Roberts, Donald W., AC,
Lanzoni, Silvio D., AC,
Lindsay, Nathaniel H., AC,
Pruett, Jeter A., AC,
Hull, Arnold R., AC,
Sheffield, James R., AC,
Smith, Franklin Q., AC,
Fehrenbacher, J. H. T., AC,
Robertson, Bennett E., AC,
Crisi, Alfred R., AC,
Hubbs, Edgar H., AC,
Geiger, Edward H., FA,
Dunlap, Robert R., AC,
Wold, Leonard R., AC,
Johnson, Frank B., AC,
Schleier, Erich E., Jr., AC,
Isner, Alvis E., Inf.,
Motes Marshall M., QMC,
Priebe, Bernard F., AC,
Spencer, William L., AC,
Overall, Jesse U., 3d, Inf.,
Deitch, Raymond R., AC,
Senior, William G., Ord.,
Roberts, William K., AC,
Militefr, Lud J., AC,
Vogt, Louis R., AC,
Copmann, Chester J., Jr., CE,
Francis, Roderick L., AC,
Saabye, Herbert J., Jr., AC,
Willcox, Grover C., Jr., AC,
Schleeh, Russell E., AC,
Waldroup, Marvin M., Jr., AC,
O'Neill, Harold P., AC,
Seiler, James R., AC,
Fields, Lloyd F., AC,
Foster, James H., Jr., AC,
Burke, William A., Inf.,
Hensley, Harold S., Jr., AC,
Taylor, Glenn W., AC,
Marek, Frank E., AC,
Eckert, Clarence A., AC,
McCleary William J., AC,
Evans, Clayton E., AC,
Arens, Herbert W., AC,
Iverson, Leroy C., AC,
Shaffer, Dale L., AC,
Holmgrain, Bruce E., SC,
Berman, Harold, AC,
Beebout, Vance L., AC,
Sickels, George H., Jr., AC,
Accas, George A., AC,
Young, Roy R., Cav.,
Durston, Glyn, AC,
Thornton, Warren G., Ord.,
Aycock, Robert C., Inf.,
Awtrey, William E., Jr., AC,
McPhee, Charles E., AC,
Caplan, Aaron E., AC,
Bowen, James D., FA,
Lake, Robert S., AC,
Pickell, Wayne F., Inf.,
Henderson, Basil W., SC,
Rushforth, Robert G., AC,
Faith, Don C., Jr., Inf.,
Holton, Ira J., Inf.,
Harris, Charles E., SC,
Hobson, Richard E., AC,
Steiner, William H., Jr., AC,
Crowder, Noral F., AC,
Hoffmann, Robert M., AC,
Mack, Ernest W., AC,
Mapes, Byron A., Jr., AC,
Hendren, Ec V., Jr., Fin.,
Matthews, Allen R., AC,
Brazile, Berry D., AC,
Swaim, Jack, Inf.,
Cronin, James J., AC,
Oxman, Jaffee V., AC,
Blais, Lawrence F., AC,
Karhuse, Carl A., AC,
Plott, Paul A., AC,
Scott, Charles S., Jr., AC,
Miller, Joseph A., AC,
Sharp, John D., Jr., Cav.,
McMurray, Robert A., AC,
Wallen, Phil J., AC,
Roberts, George S., AC,
McLean, Daniel P., AC,
Matthews, Donald E., AC,

Lamb, Robert E., AC,
O'Connor, Frank Q., AC,
Johnson, Roland S., AC,
Dugger, James E., Jr., AC,
McClendon, Lee, AC,
Travis, E. B., AC,
Rose, James L., AC,
Shomo, William A., AC,
Saunders, Clason B., AC,
Campbell, James M., AC,
McClung, Ray S., AC,
Riggs, Williams E., AC,
Holmes, Elwin F., AC,
Latham, John L., Jr., AC,
Vaughn, Jasper M. P., AC,
Arnold, Walter F., Cav.,
Fisher, Franklin L., AC,
Hedlund, Bryce A., AC,
Friedman, Leon J., AC,
Dillon, Francis J., Jr., AC,
Lewis, Armit W., AC,
Smith, Kenneth A., AC,
Hall, William Q., AC,
Snow, Joseph H., AC,
Czapski, Edmund, AC,
Price, William A., AC,
Rolak, Bruno J., Inf.,
Hathway, James A., AC,
Barclay, John R., Inf.,
Burton, Charles R., AC,
Cox, Nicholas H., AC,
Manlove, Clifford T., AC,
Stoffel, Nicholas P., AC,
Bentley, Delwin D., AC,
Temple, Kenneth L., AC,
Jenkins, Ralph C., AC,
Brady, Edward L., AC,
Arnold, Richard T., AC,
Roth, James P., AC,
Gossett, Ernest E., AC,
Trask, James E., AC,
Lehman, Hugh R., AC,
Hesterberg, Raymond C., AC,
Gold, Joe M., Jr., AC,
Jones, Wyly K., Inf.,
Goudreau, Albert D., Inf.,
Plattner, Milton, AC,
Church, Donald L., AC,
Knapp, Joseph M., AC,
McMurtrey, Gail B., Fin.,
Labelle, Russell W., AC,
Barrett, James H., Jr., AC,
Allison, Eugene, AC,
Wilson, Billy B., AC,
Smith, John, Jr., Ord.,
Wilemon, Max W., AC,
Manning, Albert H., Jr., AC,
Conners, Thomas A., AC,
Moffatt, Robert J., AC,
Evans, Gerald W., FA,
Brand, Charles, Fin.,
Sealy, Harry H., AC,
Little, Robert D., AC,
Lynn, Bert H., Jr., AC,
Johnson, Philip, CE,
Bolding, A. P., Jr., FA,
Littrell, William L., AC,
Powell, Clarence L., AC,
Foss, Russ C., SC,
Banker, Robert D., AC,
Nixon, Horace C., AC,
Heinzel, Roy H., AC,
Anderson, William A., AC,
Shumaker, Thomas A., AC,
Yahr, Raymond R., AC,
McEvoy, John P., CML,
Adams, William H., Jr., AC,
Mazza, Vincent, AC,
Pakenham, Thomas F., AC,
Sculley, Raymond, AC,
Barker, Glenn S., AC,
Pursley, William G., Fin.,
McClelland, Jack, AC,
Kramer, Robert H., AC,
Spink, Frank H., Jr., AC,
Livingston, George L., AC,
Grady, William R., AC,
Brant, Francis A., AC,
Buckley, William G., AC,
Asbury, Barney B., QMC,
Stewart, Lewis M., Cav.,
Creighton, Crandell C., AC,

Griffin, Ira L., AC,
Shoultz, James C., Inf.,
Smith, Harvey N., AC,
Wigbels, Lawrence G., AC,
Cox, Luther C., AC,
Snodgrass, Okey W., Jr., AC,
Hunt, John G., AC,
Jones, Garland M., AC,
Brimberry, Will O., AC,
Beaver, James F., Cav.,
Nicholls, Walter L., Jr., AC,
Bilyeu, Hal E., AC,
Scott, Thomas H., Jr., AC,
Baird, Cud T., 3d, Inf.,
Black, William H., AC,
Elliott, Gerald C., AC,
Welti, Conrad J., AC,
White, Harold C., CE,
Foster, Otis J., AC,
Fraser, Joseph F., Jr., AC,
Stephenson, Ottis V., AC,
Booth, Clifford R., AC,
Spear, Peter H., AC,
Sullivan, John W., AC,
Savage, William F., AC,
Greene, Edward P., AC,
Bowen, John E., AC,
Seitzer, Francis A., Fin.,
Mumma, John R., QMC,
Greensides, L. A., AC,
Washburn, Jesse E., AC,
Maffei, Salvatore J., AC,
Cooney, Frank W., Jr., AC,
Saylor, David W., AC,
Smith, Earl O., Jr., AC,
Brinegar, Marion F., AC,
Hogan, Floyd H., AC,
McCalpin, Robert A., AC,
Holcomb, Joel P., FA,
Myrick, Morris N., AC,
Larson, Milo G., AC,
Bennett, Robert J., Cav.,
Pattillo, Leslie G., Jr., AC,
Fowler, John R., AC,
Johnson, Charles W., Jr., AC,
Hatcher, Nolan C., AC,
Wallace, Arthur L., AC,
Truman, Robert V., AC,
Holman, Alvin R., AC,
Campbell, Claude W., AC,
Ryden, Reinhardt A., AC,
Davis, James D., AC,
Sigler, Kerney L., AC
Bauer, James E., AC,
Curran, Emmett E., AC,
Britt, James O., AC,
Marsh, Frederick H., AC,
Belfield, Douglas F., AC,
Helmick, George H. 2d, AC,
Bryant, Marion F., AC,
Jarrell, Howard R., AC,
Day, James H., Jr., AC,
Pendergrast, Donald W., AC,
Greenwood, T. W., Jr., AC,
Hodgson, Charles W., AC,
Neff, Warren H., AC,
Bush, John E., AC,
Wickman, Robert J., AC,
Swensson, John D., QMC,
Tooley, Jack W., QMC,
Holzbach, Henry E., Jr., QMC,
Crawford, Richard W., AC,
Berthiaume, Raymond F., AC,
Miller, Samuel F., AC,
Smith, William D., Jr., AC,
Macek, Kenneth T., FA,
Jory, Jesse F., AC,
Dafler, Henry A., AC,
Brown, Robert G., AC,
Parsons, Hershell E., AC,
Linebaugh, John H. M., AC,
Hellriegel, William C., AC,
Swafford, Frederick L., AC,
Hendry, Augustus M., Jr., AC,
Green, Frank R., AC,
Crossey, James L., AC,
Ashman, Richard C., AC,
Newman, Fred H., AC,
Adams, Robert W., AC,
Hallam, Philip G., AC,
McWilliams, Calvin E., AC,
Wimsatt, Joseph F., AC,

Breeze, William H., AC,
Schofield, Harry J., AC,
McLaughlin, James K., AC,
Campbell, Edward E., AC,
Gates, Robert W., AC,
Culwell, Orrel, AC,
Crim, Harry C., Jr., AC,
Bloomer, Joseph A., Jr., AC,
Hoeper, Paul E., AC,
Haselby, Johnnie V., AC,
Bamburg, Horace E., AC,
Ceuleers, George F., AC,
Weil, Melvin S., Jr., AC,
Johnson, Thomas F., AC,
Wright, Fred A., Jr., AC,
Burns, Harmon E., AC,
Ackerman, Donald L., AC,
Barraclough, Robert A., AC,
Flynn, Thomas G., Jr., AC,
Turton, John S., AC,
Testa, John J., AC,
Byrd, Herman E., AC,
Anderson, Wyman D., AC,
Nickols, Jess R., AC,
Modesitt, Walter E., AC,
Kellogg, David N., AC,
Adams, William A., Jr., AC,
Adair, Allan P. 3d, AC,
Adair, Asa A., AC,
Winfrey, Hal C., AC,
Worde, Marcus H., AC,
Gahl, Ralph D., AC,
Caskey, James W., AC,
Dodd, Marcus W., Ord.,
Rex, Edward M., AC,
Bone, Marshall B., AC,
Upchurch, Jerry E., AC.
Huggard, Peter J., Jr., AC,
Rudolph, Bestow R., AC,
Stanch, Paul M., AC,
Howle, Robert P., Jr., AC,
Magers, James W., AC,
Working, William H., AC,
Bruce, Oliver H., Inf.,
Gill, William A., AC,
Schwartz, John C., AC,
O'Neal, Beverly F., Jr., CML,
Marler, Maurice E., AC,
Long, Richard L., AC,
Gervasio, Edward M., AC,
Guilfoyle, Frank J., AC,
Rasmussen, Darwin E., AC,
Mitchell, Russell A., AC,
Lyness, Charles J., AC,
Johnson, Isham M., AC,
Rieger, Jack A., AC,
Sours, Lyle S., AC,
Venable, James M., Jr., AC,
Keim, Robert D., AC,
Gordon, Herschell G., FA,
Koller, Rudolph C., Jr., AC,
Yeoman, Edwin T., AC,
Gaslin, Harold E., AC,
Monk, Jeremiah B., Jr., Fin.,
Fazio, Vincent F., FA,
Lambertson, N. F., Jr., AC,
White, George W., AC,
Jackson, Gordon E., QMC,
Mason, Kermit R., Cav.,
Allen, Richard J., Cav.,
Tisdale, Tyron E., Inf.,
Miller, Carr L., AC,
Yeomans, William L., FA,
Zeitler, Vernon A., AC,
Smith, Francis H., AC,
Nadler, Paul O., AC,
Howard, Herbert H., CE,
Combs, Lloyd D., AC,
Pirozek, Wasil, AC,
Word, William L., AC,
Gueymard, Joffre L., Inf.,
Browning, Newton F., Fin.,
Counsell, John E., AC,
Pate, Stanton S., Jr., AC,
Boren, James R., AC,
McDaris, Robert A., AC,
Roberts, Clifford E., SC,
Stalzer, Eugene A., AC,
Silva, John J., AC,
Petersen, Tracy J., AC,
Parsons, Herman O., AC,
Pivarnik, Michael, Jr., AC,
Trzyna, Casimir J., AC,
Gunning, Edward J., AC,
Hyde, Thomas C., AC,
Nichols, Philip C., AC,
Gebhart, Harold J., AC,
Garcia, Abraham G., AC,
Mann, Herbert R., AC,
Hoagland, Edward C., Jr., AC,
Whisnant, Isaac E., Fin.,
Brandon, Harold E., AC,
Boles, Fletcher W., Cav.,
Jones, Thomas G., AC,
Phillips, William J., CE,
Favors, Marcus W., AC,
Levy, Robert M., AC,
Shaw, Elmer C., AC,
Hayden, Roy A., Ord.,
Nunziato, Ralph J., AC,
Shepard, Charles W., AC,
Willis, Robert H., AC,
Frank, Milton, Jr., AC,
Hill, Clayton C., AC,
Williamson, L. D., AC,
Towne, Ralph W., AC,
Wall, Risden B., AC,
Weydell, Angus T., CAC,
Lorino, Nash E., AC,
Yantis, Ray J., Inf.,
Wood, Vocqsal D., Jr., CE,
Callaway, Leonard C., AC,
Crutcher, R. L., Jr., AC,
Stewart, Claude C., FA,
Westbrook, Clyde H., Jr., CML,
McGee, George R., AC,
Mardin, Howard R., AC,
Beard, William D., Cav.,
Weigand, Frederick E., AC,
Morgan, John D., Jr., CE,
Carroll, John A., Jr., AC,
Wear, James H., Cav.,
Ludington, Edward P., Inf.,
Dougan, William P., AC,
Tharp, Thomas G., AC,
Johnson, George W., Jr., AC,
Burson, Thomas L., AC,
Hicky, Dan M., AC,
Abellera, Thomas, AC,
Lockhart, George M., AC,
Parsley, Wayne M., AC,
Hornsby, Joseph D., AC,
Faught, Courtney, L., AC,
Cartwright, Philip E., AC,
Simmons, Henry C., AC,
Bell, Roscoe L., AC,
Johnson, George M., Jr., AC,
Davis, Thomas J., Jr., AC,
Stevenson H. A., Jr., AC,
Griffith, Frank J., AC,
Jorgensen, Gerald R., AC,
Womack, Jack E., AC,
Christiansen, K. P., AC,
Luckey, Michael A., AC,
Ashcraft, Gerald S., AC,
Alexander, Andrew J., AC,
Guinnee, Robert P., AC,
Hardee, Walter R., Jr., AC,
Waters, Joseph R., AC,
French, Philip N., AC,
Bores, Albert D., AC,
Gregory, John L., Jr., AC,
Allen, William C., AC,
Cody, Howard E., AC,
Tharpe, William M., AC,
Brockman, Warren D., AC,
Franzel, Robert T., AC,
Hueners, George W., AC,
Scott, George E., AC,
Neie, Reuben W., AC,
Wood, Hollis H., AC,
Saxe, Richard T., AC,
McConnell, Charles H., AC,
Gregg, Charles R., AC,
Holstead, James R., AC,
Smith, James G., AC,
Madeley, Arthur C., Jr., AC,
Treland, Oscar, AC,
O'Connor, Denis, P., AC,
Overholser, E. L., Jr., AC,
Middleton, Arthur J., AC,
Hart, Raymond J., AC,
Gay, William M., AC,
Scott, George W., AC,
Gibson, Orrin L., AC,
Stephen, Gerald L., AC,
Lambert, Lee R., AC,
Spencer, Donald L., AC,
McIntosh, Richard K., AC,
Brazil, Virgil, L., AC,
Barker, Darold K., AC,
Townsend, Guy M., AC,
Moreland, C. T., Jr., AC,
Wright, Theodore O., AC,
Pemberton, John M., AC,
Lucas, Anthony D., AC,
Owen, Edwin B., QMC,
Kane, Raymond J., Jr., AC,
Kemper, George A., Jr., AC,
Schwarze, Elroy H., AC,
Campbell, James M., AC,
Barry, Gaillard F., AC,
Carvalho, Henry P., AC,
Browne, Laurence S., Cav.,
Starkey, Earl E., AC,
Giffin, Charles W., Jr., AC,
Bowers, William R., AC,
Stoner, Lyle W., AC,
Maxey, Horace H., AC,
Ventriss, Donald E., AC,
Staite, Robert A., AC,
Zipper, Harry, AC,
Bagley, Ronald D., AC,
Hutchins, Ralph, AC,
Long, Walter W., AC,
Webb, Clarence R. Jr., AC,
Moberly, James A., AC,
Steinwinter, Howard D., AC,
Bush, Franklin D., Cav.,
Kendrick, Bobbie F., AC,
Bell, Jack A., AC,
Wendell, Helmer C., AC,
Harris, William J., Cav.,
Lewis, Warren R., AC,
Young, Charles M., Jr., FA,
Tosti, Carlo R., AC,
Harris, Howard L., Jr., AC,
Hammett, Charles E., AC,
Bowden, John D., Jr., AC,
Futch, Kenneth H., AC,
Green, Paul C., AC,
Dabinett, John T., SC,
Stephens, Marvin L., AC,
Alexander, Arthur K., AC,
Fox, James H., AC,
Smith, Clifford E., AC,
Bressan, Christopher, AC,
Christianson, Lyle C., AC,
Huckabee, Harlow M., Fin.,
Flor, Cruz Pedro R., Inf.,
Hall, Harold M., FA,
Beeler, Robert L., Jr., AC,
Locke, Theodore F., Jr., Inf.,
Burt, George W., 3d, AC,
McGrath, Thomas J., AC,
McBeth, Harold W., AC,
Davis, Calvin C., AC,
Wiley, James A., Inf.,
Jenkins, Donald E., AC,
Bethea, Ned R., Cav.,
Zepp, Rex E., AC,
Hays, Claude A., CE,
Ruhsam, Harry E., FA,
Danley, Earl E., Inf.,
Bodd, Rudolph R., SC,
Flentke, Donald L., AC,
Kerley, Ralph A., Inf.,
Svejkar, Joseph, AC,
Allen, Merle F., Jr., AC,
Fox, Clifton C., Inf.,
Hudson, Reed O., AC,
Worthington, Roy H., Jr., AC,
Falls, Bruce T., FA,
Guenthner, Robert A., Inf.,
Bartusch, Edwin A., Jr., AC,
Kelley, Max D., CE,
Kramer, Guy M., Jr., AC,
Simmons, William B., AC,
Pautz, Martin R., AC,
Lheureux, Harry D., AC,
Horn, Frank W., Jr., AC,
Spence, Aubrey A., AC,
Gage, Nathaniel A., Jr., QMC,
Dietrich, Calvin G., AC,
Trumble, John B., AC,
Benton, Roger G., AC,

Embrey, Leland E., AC, [redacted]
Andersen, Andrew R., AC, [redacted]
Bryson, Ernest D., Fin., [redacted]
Catterlin, Richard R., AC, [redacted]
Emmons, Perry C., AC, [redacted]
Schmitz, Leonard G., Inf., [redacted]
Guidera, Thomas F., Inf., [redacted]
Wingfield, Roy G., AC, [redacted]
Callis, William A., AC, [redacted]
Edwards, Joseph E., AC, [redacted]
Mulligan, Robert A., AC, [redacted]
Wilhm, Jack F., Cav., [redacted]
Guerin, Merrill R., AC, [redacted]
McBride, George H., Ord., [redacted]
Houston, Cornell C., AC, [redacted]
McVeigh, Don R., AC, [redacted]
Cook, Benjamin T., Ord., [redacted]
Rohrbough, Merrill H., AC, [redacted]
Ellis, Charles J., Jr., AC, [redacted]
Kimball, Morton W., QMC, [redacted]
Watkins, Miles H., AC, [redacted]
Clay, Marvin J., AC, [redacted]
Wilfong, John J., AC, [redacted]
Bennett, John W., AC, [redacted]
Calnon, Jack F., AC, [redacted]
Voigt, Jack P., AC, [redacted]
Hodgkir, Myrl N., AC, [redacted]
Powers, John J., AC, [redacted]
Morrison, Harry B., Jr., AC, [redacted]
Oliver, John G. L., AC, [redacted]
Seale, Maxie B., AC, [redacted]
Smoleroff, Eugene J., CAC, [redacted]
Burnett, George P., Jr., AC, [redacted]
Reineck, Rollin C., AC, [redacted]
Walsh, Robert L., AC, [redacted]
Fullick, William G., AC, [redacted]
Kleppinger, Paul G., AC, [redacted]
Martyniuk, Metro, AC, [redacted]
Fleig, Raymond E., Cav., [redacted]
Rau, William A., Cav., [redacted]
Butsch, Thomas C., Cav., [redacted]
Keene, Forrest M., Jr., AC, [redacted]
Meyer, James H., AC, [redacted]
Riddle, Richard D., AC, [redacted]
McCarthy, Leslie T., QMC, [redacted]
Perkins, Richard M., AC, [redacted]
Taylor, Robert F., Jr., AC, [redacted]
Clark, Gerald H., CE, [redacted]
Starke, Eugene C., AC, [redacted]
Lightfoot, Berl E., AC, [redacted]
Barton, William G., AC, [redacted]
McClanahan W. A., CML, [redacted]
Hampton, Rex H., CAC, [redacted]
Gee, Howard S., AC, [redacted]
Hegyessy, Harold M., Jr., AC, [redacted]
Parker, Reuben D., Inf., [redacted]
Stephens, Valdane, AC, [redacted]
Everett, Phillip E., AC, [redacted]
Schuchard, Walter F., SC, [redacted]
Kirsner, Sheldon W., AC, [redacted]
Miller, Lester F., AC, [redacted]
Peters, Kenneth A., Cav., [redacted]
Hegseth, Orville D., AC, [redacted]
Springer, Ralph R., AC, [redacted]
Hicks, Lonnie W., Jr., AC, [redacted]
Sutton, John L., AC, [redacted]
Grones, Dow S., Inf., [redacted]
Seignious, George M., Cav., [redacted]
Cannon, William B., AC, [redacted]
Webb, Hugh W., CE, [redacted]
Sandusky, William F., AC, [redacted]
Deets, Jack L., AC, [redacted]
Nechey, Walter F., Cav., [redacted]
Hughes, John P. M., Cav., [redacted]
King, John R., AC, [redacted]
Lally, Glenn J., AC, [redacted]
Raebel, James B., AC, [redacted]
Bakewell, Don A., AC, [redacted]
Good, Clyde E., AC, [redacted]
Hoefler, George E., AC, [redacted]
Long, George E., AC, [redacted]
McNeese, Harold G., AC, [redacted]
Weddle, Owen A., AC, [redacted]
Anderson, Richard R., AC, [redacted]
Bellan, Rudolf A., AC, [redacted]
Edwards, Richard G., AC, [redacted]
Mann, Roy E., AC, [redacted]
Spelis, Tadas J., AC, [redacted]
Burns, Robert J., AC, [redacted]
Hayter, Gerald H., AC, [redacted]
Marple, George E., AC, [redacted]
McKnight, T., Junior, AC, [redacted]
Schneider, Edwin A., AC, [redacted]
Phillips, F. T., Jr., AC, [redacted]
Akers, Joshua B., AC, [redacted]
Brown, Robert L., AC, [redacted]
Foster, James O., Jr., AC, [redacted]
Jones, Kenneth E., AC, [redacted]
Kirkpatrick, C. E., AC, [redacted]
Laurents, Robert B., AC, [redacted]
McCutchen, R. W., Jr., AC, [redacted]
Mills, Benjamin L., AC, [redacted]
Minnehan, Bernard A., AC, [redacted]
Pepitone, Byron V., AC, [redacted]
Rice, James H., AC, [redacted]
Stroh, Benjamin F., AC, [redacted]
Weems, Woodrow W., AC, [redacted]
Younkin, Richard C., AC, [redacted]
Potter, Keith R., AC, [redacted]
Ashley, Garland O., AC, [redacted]
Bagwell, Edward J., Ord., [redacted]
Daems, Leonard R., Jr., Cav., [redacted]
Clyde, Gordon F., Ord., [redacted]
Mills, Eris R., Junior, Inf., [redacted]
Sheldon, Porter F., AC, [redacted]
Bisset, David A., Jr., Inf., [redacted]
Pinckney, John E., Cav., [redacted]
Langley, Julius R., AC, [redacted]
Campbell, Joseph L., CE, [redacted]
Winiarczyk, Andrew W., Cav., [redacted]
Barrentine, George T., AC, [redacted]
Levasseur, Armand R., Inf., [redacted]
Richmond, Kimball R., Cav., [redacted]
Angevine, Frank W., AC, [redacted]
Mulheron, William, Jr., Ord., [redacted]
Chesebro, John S., Inf., [redacted]
McMinn, Truman L., AC, [redacted]
Sackett, Carl L., Jr., AC, [redacted]
Graham, Marshall R., AC, [redacted]
Heaberg, James H., AC, [redacted]
McGinniss, Robert H., AC, [redacted]
Warren, James D., AC, [redacted]
Jackson, Frank R., AC, [redacted]
Levick, Warren N., QMC, [redacted]
Crump, James B., AC, [redacted]
Cummins, Frank R., AC, [redacted]
Tedrowe, Thaddeus W., AC, [redacted]
Anderson, Milton A., AC, [redacted]
Thompson, Lassiter, AC, [redacted]
Adams, George W., Jr., AC, [redacted]
Everest, Frank K., Jr., AC, [redacted]
Harrison, W. C., Jr., AC, [redacted]
Heggenberger, R. W., CE, [redacted]
Kramer, Vernon J., AC, [redacted]
Mitchell, Robert H., AC, [redacted]
Weegar, Alfred A., AC, [redacted]
Woodard, Roger C., AC, [redacted]
Looney, William A., AC, [redacted]
O'Connor, Squire T., AC, [redacted]
Paffel, Donald W., AC, [redacted]
Hinkle, Wayne K., AC, [redacted]
Judas, Maxwell V., AC, [redacted]
Trojan, Joseph E., AC, [redacted]
Iovine, Guy T., AC, [redacted]
Sipes, William C., Jr., AC, [redacted]
Talmant, Alex W., AC, [redacted]
Hugunin, Guy J., Jr., AC, [redacted]
Maul, Dwight E., AC, [redacted]
Tweedie, Roy L., AC, [redacted]
Bennett, Robert L., AC, [redacted]
Haslett, Hugh J., AC, [redacted]
McCabe, Earl L., Jr., AC, [redacted]
Meyers, Charles R., Jr., AC, [redacted]
Moleski, George I., AC, [redacted]
Schultz, Kenneth W., AC, [redacted]
Carter, Herbert E., AC, [redacted]
Madole, William H., AC, [redacted]
Helmuth, Louis W., AC, [redacted]
Hibner, Edwin L., AC, [redacted]
Small, Richard D., Jr., AC, [redacted]
Smith, Robert G., AC, [redacted]
Bradshaw, Marion A., AC, [redacted]
Buckey, James H., AC, [redacted]
Fleak, Dennis L., AC, [redacted]
Frarie, Wayne M., Jr., AC, [redacted]
Hobaugh, John H., AC, [redacted]
Jones, James M., Jr., AC, [redacted]
Livingston, Clyde M., AC, [redacted]
Quirk, Michael J., AC, [redacted]
Sollars, John A., AC, [redacted]
Brewster, John H., AC, [redacted]
Greffet, Charles V., AC, [redacted]
Thurlow, Everett B., AC, [redacted]
Phipps, Charles E., AC, [redacted]
Bieck, Robert B., AC, [redacted]
Williams, R. W., Jr., Inf., [redacted]
Anderson, Gordon V., QMC, [redacted]
Fulle, Floyd T., QMC, [redacted]
Wolfgram, William O., QMC, [redacted]
Smith, Claude W., AC, [redacted]
Fowler, Clarence H., AC, [redacted]
Worthington, Arthur W., AC, [redacted]
Sullivan, Francis C., AC, [redacted]
Dunmore, George P., AC, [redacted]
McAllister, Allan M., AC, [redacted]
Bush, Edwin R., AC, [redacted]
Bender, Carroll J., AC, [redacted]
Ellis, Joseph W., AC, [redacted]
Kraemer, Richard H., AC, [redacted]
Weiser, Henry K., AC, [redacted]
Whitley, Arthur N., Cav., [redacted]
Lybarger, Robert L., Inf., [redacted]
Brewer, Edwin H., AC, [redacted]
Smith, Joseph C., AC, [redacted]
Johnston, William R., QMC, [redacted]
Rice, Arthur E., AC, [redacted]
Kellis, James G. L., AC, [redacted]
Goodwin, Howard E., AC, [redacted]
Campbell, James E., FA, [redacted]
Gallagher, Kenneth F., AC, [redacted]
Dollard, Edmund J., Inf., [redacted]
Kelly, Frank A., AC, [redacted]
Provancha, George J., AC, [redacted]
Munson, Orville O., Inf., [redacted]
Nelson, Carlton, Cav., [redacted]
Rowan, John V., Jr., Inf., [redacted]
Bass, George N., Jr., QMC, [redacted]
Bryant, Thomas F., Jr., AC, [redacted]
Des Jarlais Robert W., FA, [redacted]
Jones, Donald P, AC, [redacted]
Ladd, Robert B., AC, [redacted]
Wilson, George H., AC, [redacted]
Neidner, William E., Inf., [redacted]
Wright, Fred P., Jr., AC, [redacted]
Ritchie, Deward, AC, [redacted]
Wagner, Paul C., AC, [redacted]
Neill, Dennis V., AC, [redacted]
Sauls, Niram L., Inf., [redacted]
Askew, George W., Jr., AC, [redacted]
Kuchenbecker, John E., AC, [redacted]
Lobe, Sol I., AC, [redacted]
Gaynos, Nicholaus, AC, [redacted]
Hill, Benjamin W., AC, [redacted]
Phelps, Bernard A., Jr., AC, [redacted]
Schulte, Orville J., AC, [redacted]
Shiflet, Kenneth E., SC, [redacted]
Vaughan, Elton D., SC, [redacted]
Zais, Richard A., AC, [redacted]
Loop, Don P., AC, [redacted]
Tiernan, Thomas J., AC, [redacted]
Thompson, Howard M., Inf., [redacted]
Alvarez, Julian R., AC, [redacted]
Freedland, Sumner, QMC, [redacted]
Hibbert, John A., AC, [redacted]
Smith, Carl C., Jr., AC, [redacted]
Templin, Jack D., AC, [redacted]
White, Robert G., AC, [redacted]
Dougherty, David G., AC, [redacted]
Del Vecchio, Dino, AC, [redacted]
Wilke, Robert G., CAC, [redacted]
Kral, William, AC, [redacted]
Cassady, Robert E., AC, [redacted]
Hendricks, Clyde V., AC, [redacted]
Armentrout, George C., Inf., [redacted]
Moran, Daniel J., Jr., AC, [redacted]
Moranville, Bill H., AC, [redacted]
Morley, Rudyard C., AC, [redacted]
Sanxter, Donald L., AC, [redacted]
Coffield, Peter L., AC, [redacted]
Schultz, Adrian J., AC, [redacted]
Willig, Lester G., QMC, [redacted]
Cercek, John F., AC, [redacted]
Reed, Joseph M., Cav., [redacted]
Schreiner, John W., Jr., CE, [redacted]
Kohnert, Harold A., AC, [redacted]
Taylor, Gardner W., 2d, AC, [redacted]
Hetherington, W. C., Inf., [redacted]
Iddins, Donald J., AC, [redacted]
Sheram, Frank L., Ord., [redacted]
Dunn, James, Jr., AC, [redacted]
Schlie, Walter, AC, [redacted]
Winningham, Porter L., AC, [redacted]
McKinnon, Edwin L., AC, [redacted]
Williamson, Philip J., AC, [redacted]
Leonhardt, Herbert V., AC, [redacted]
James, David M., AC, [redacted]

Mowbray, John C., AC,
Fondaw, Sidney G., AC,
Evans, Keith D., AC,
Morris, F. E., Jr., AC,
Holeman, Harry G., AC,
Markham, Theon E., AC,
Peck, Douglas T., AC,
Scoville, Curtis L., AC,
Thorvaldson, Joel D., AC,
Litchfield, Robert L., AC,
Baker, Charles C., AC,
Price, Weston H., AC,
Symington, T. A., Jr., AC,
Dryer, Melvin G., AC,
Jackson, William C., AC,
Sours, Robert J., AC,
Johansen, Martin C., AC,
Davies, Edwin R., AC,
Kremer, Emil A., AC,
Mowry, Emerson D., AC,
Personeus, Lester, Jr., AC,
Walker, Hal T., AC,
Woodward, Ellis M., AC,
Kissell, William G., AC,
Temple, Charles E., Cav.,
Thatcher, William C., AC,
Crow, Roy H., AC,
Zwink, Wayne E., AC,
MacLean, L. A. Jr., AC,
McElhanon, William E., AC,
Todt, Donald C., AC,
Shelton, Walter S., Jr., AC,
Libbert, John E., AC,
Robinson, Hunter R., AC,
Sapp, Roger E., AC,
McDonald, Gorman A., AC,
McAusland, Douglas G., AC,
King, Homer J., AC,
Hastings, Vernon L., AC,
Dacus, John H., AC,
Guelich, Frank J., AC,
Bartol, Dominic A., Jr., AC,
Cannell, James L., AC,
Dienz, John E., AC,
Dupont, Rene G., AC,
Guernsey, Harold J., Jr., AC,
Hanson, Robert W., AC,
Hayden, James H., AC,
Hill, William C., AC,
Holland, Chaz M., AC,
Hughes, William A., AC,
Olsen, Sumner M., AC,
Phillips, John E., AC,
Stumpf, Oscar J., AC,
Weeks, James B., AC,
Wright, Hanford R., AC,
Yraceburn, Joe R., AC,
Carlson, Elmer G., AC,
Henney, Max W., AC,
Kimball, Clarke C., AC,
Felice, Carman P., AC,
Tenold, Leslie A., AC,
Walker, Lewis H., AC,
Hughes, Charles E., AC,
Lethers, Edward W., AC,
Emrich, Daniel C., AC,
Fortney, Robert S., AC,
Hirshberg, Sidney S., AC,
Walker, James O., Jr., AC,
Crabtree, Jean E., AC,
Farrell, Roger J., AC,
Salmon, Delbert J., AC,
Wigger, William F., AC,
Wilkerson, Harold H., AC,
Bergeson, Harold M., AC,
Keller, John C., Jr., AC,
Burns, Carlton L., AC,
Burns, Richard L., AC,
Renaud, Louis C., AC,
Bacalis, Paul N., AC,
Elling, Milfred O., AC,
Hallmark, Rufus E., Inf.,
Byerley, Howard L., AC,
Roche, Jean [illegible]., AC,
Carey, Robert E., Inf.,
Shiver, Arthur M., Jr., AC,
Franklin, Charles C., Fin.,
Munson, Charles B., AC,
Boyle, Francis T., AC,
Sparks, Belmont E., AC,
Richardson, Glen W., AC,
Balchunas, George A., AC,

Elarth, Vernon H., AC,
Banks, Edmund R., Jr., Inf.,
Grove, Francis M., AC,
Hagens, David K., Inf.,
Laridon, Loren B., AC,
Esch, Maurice E., AC,
Bogan, Harry D., AC,
Squillace, Dominick P., AC,
Perkins, Lytle R., AC,
Bowden, Henry C., Jr., Cav.,
Adams, George M., AC,
Carter, Joseph W., AC,
Craig, Charles C., AC,
Clark, James F., Jr., AC,
Olsen, Charles I., Cav.,
Baker, Ellsworth A., AC,
Erben, James B., AC,
Neal, John R., AC,
Richards, Robert H., QMC,
Mirock, George C., AC,
O'Brien, Alden W., AC,
Renner, Robert N., AC,
Dykes, Leo M., Jr., AC,
Nichols, Willard A., AC,
Myers, Robert A., AC,
Franck, Lewis S., AC,
Prescott, Joseph G., AC,
Thompson, Arnold F., AC,
Johnson, George L., AC,
Agan, Charles K., AC,
Hamby, Malcolm C., AC,
Weimar, Louis J., QMC,
Cox, Richard G., AC,
Clark, James D., AC,
Anderson, Conrad A., AC,
Mullen, Bernard N., AC,
Clocksin, Albert J., AC,
Fredrick, William R., Ord.,
Bruce, Robert E., AC,
Beller, Albert J., AC,
Johnston, Robert R., AC,
Maxwell, George S., AC,
Boswell, Benedict A., AC,
Ocarroll, Thomas K., AC,
Kane, Harold E., AC,
Davis, Young J., QMC,
Peck, George S., AC,
Hall, Frederick W., SC,
Henderson, Vernon J., AC,
Pinson, Claud C., AC,
Jackson, Fred O., Cav.,
Kelly, Joseph D., AC,
Stevens, Howell E., AC,
Heller, Francis H., FA,
Shiner, Byron D., AC,
Pryor, Gaillard S., AC,
Schaitel, Leonard J., AC,
Shaffer, Cornelius J., Cav.,
Kmetz, Andy M., AC,
Carmody, Francis C., AC,
Andre, Louis E., Jr., AC,
Anderson, William L., AC,
Butler, Richard D., AC,
Cannon, James, AC,
Currie, Alexander D., AC,
Emory, Frank N., AC,
Good, Arnold N., AC,
Ramirez, Norbert D., AC,
Santala, Eugene W., AC,
Van Noy, Glen S., AC,
Wright, John W., Jr., AC,
Baker, Dexter K., AC,
Edwards, Clifford E., AC,
Kimbrough, Donovan, AC,
McCoy, Clifford J., AC,
Wood, Jim H., AC,
Klein, Junior F., AC,
Moffat, Harold L., AC,
Bergum, Lester N., AC,
Clampitt, William A., AC,
Ilmanen, Ralph W., AC,
Lowell, Marlan E., AC,
Myers, Horace H., AC,
Prout, Donald G., AC,
Alber, George D., AC,
Hloucal, Otto, A., Jr., AC,
Marsden, Roy F., AC,
Pasero, Bernard B., AC,
Harrison, Robert B., AC,
Wilson, William M., CE,
Nixon, Victor M., FA,
Behrens, Elton A., AC,

Hannon, Leo J., AC,
Simmons, John C., AC,
Carkeet, John L., AC,
Martin, Lawrence E., Jr., FA,
Hadley, James A., AC,
Sweeney, James E., AC,
Anderson, David S., AC,
Spears, Byron P., AC,
Murphy, James J., AC,
Peixotto, James M., CE,
Strayhorne, George V., AC,
Livesay, Willie E., AC,
Dornbrock, Richard C., AC,
Jones, Robert L., AC,
Rey, John F., CE,
Adie, John R., QMC,
Hopkins, Charles, Jr., AC,
Smith, Eben J., AC,
Smutko, Leonard S., AC,
Plascak, Nick, AC,
Hardy, Preston B., AC,
Dennis, Harry S., Jr., AC,
Phears, William D., AC,
Chase, James E., Inf.,
Moody, Edgar W., AC,
Peterson, Theodore W., FA,
Gonske, Walter F., AC,
Dill, Alvin W., AC,
Warwick, Stuart B., AC,
Willms, Gene C., AC,
Highley, Lyndell T., AC,
Orr, Jack P., AC,
Chapin, Richard H., QMC,
Reiter, Jack, AC,
Carter, Daniel R., AC,
Eldredge, Clayton R., AC,
Jackson, Arthur C., Jr., Ord.,
Duval, Joseph E., AC,
Masden, Gilbert A., AC,
Peterson, Sumner W., AC,
Laughlin, Harlan L., AC,
Barnum, Charles C., Jr., AC,
Craddock, Reynold C., AC,
McElroy, James T., AC,
Williams, Jack E., AC,
Green, Paul D., AC,
Smith, Leon A., AC,
Kinney, William H., AC,
Nawrocki, Joseph C., AC,
Brenner, Felix G., AC,
Haney, Charles W., AC,
Norton, Carl R., AC,
Gutierrez, Joseph S., AC,
Stevens, Arthur L., Jr., AC,
King, Kave B., Jr., AC,
Smotherman, B. F., AC,
Lumley, Jack T., AC,
Winneshiek, William S., AC,
May, Lowell E., AC,
Lambert, Joseph R., AC,
Weaver, Worden, AC,
Hester, Benjamin F., AC,
Shoemate, Foy L., AC,
Walker, Richard L., AC,
Dean, Kenneth C., AC,
Patton, Gene M., AC,
Jobe, Robert C., AC,
Hood, Robert F., AC,
Shipley, Francis M., AC,
Beatty, Ibrie M., Jr., AC,
Raeke, Louis A., Jr., AC,
Lamb, Hal W., AC,
Carter, David L., AC,
Parker, Clarence S., AC,
Ulrich, Alvin E., AC,
Chandler, Jack T., AC,
Bridget, Henry B., AC,
Parten, Kenneth M., AC,
Reddrick, Noel B., AC,
Hughes, Lewis C., AC,
Ward, Charles A., Jr.,
Elsberry, Joseph D., AC,
Erdmann, Orville L., AC,
Fitzhenry, Oscar C., AC,
Brosnan, Cornelius G., AC,
Johnston, Howland K., AC,
Miles, James H., Jr., AC,
Bender, Paul C., Inf.,
Askey, Robert F., Fin.,
Kolb, James T., Cav.,
Black, David P., AC,
Gardner, Herbert G., AC,

Stubbs, James M., AC,
Farmer, Herman M., AC,
Harmon, Clifford W., AC,
Barney, Robert O., AC,
Edwards, William H., AC,
Parkins, William S., Jr., Cav.,
Schweppe, Homer W., FA,
Rush, Roger S., QMC,
Rosenfield, J. W., Jr., AC,
Nordenstrom, W. O., AC,
Fredericks, John L., Fin.,
Clark, Andrew R., AC,
Joram, Louis H., AC,
Stark, Louis K., AC,
Taylor, Irving C., AC,
Smith, Robert R., AC,
Robertson, Lawrence R., AC,
Fayman, Edward A., AC,
Evanco, Michael, AC,
Locy, James A., Jr., AC,
Ogiba, Henry S., AC,
Knox, Glen E., AC,
Harris, Richard C., AC,
Flanagan, John J., Inf.,
Patton, John M., AC,
Lee, William W., AC,
Sweeney, Edward J., AC,
Oehme, Vance, AC,
Finklea, Raymond A., Jr., AC,
Brinson, Arthur, Cav.,
Brockschink, F. R., Jr., CE,
Cooper, William E., AC,
Vogler, James B., Jr., AC,
Alworth, John W., AC,
Nathe, Leonard H., AC,
Harris, George T., AC,
Doran, Brendan J., AC,
Elias, Samuel M., AC,
Kinard, Clinton R., AC,
Goldner, Irving A., AC,
Roughton A. E., Jr., AC,
Dreier, Charles N., AC,
Foster, James W., AC,
Merkel, Ellsworth L., AC,
Ford, Oscar C., AC,
Sporn, Martin, AC,
Nolan, Alson V., Jr., AC,
Bloom, Irving, AC,
Hunter, James D., AC,
Boyd, Howard T., AC,
Mara, Thomas D., AC,
Duncan, Kenneth R., AC,
Hardy, Arthur J. Jr., AC,
Edwards, Arthur R., AC,
Larmon, Richard E., AC,
Lynn, Roland R., AC,
Fiala, Robert J., Inf.,
Booth, Raymond W. W., AC,
Tilson, Forrest B., FA,
Moore, Jasper S., QMC,
Hinkel, George M., AC,
Johnston, Wallace W., AC,
Partridge, Robert J., AC,
Anderson, Oscar S., Jr., AC,
Carleton, William A., AC,
Bounds, John E., AC,
Mistrot, Joseph F., AC,
Harvey, John B., Jr., Fin.,
Frankovich, Joseph, Jr., AC,
Baker, Norman N., AC,
Pratt, Leonard E., AC,
Croughan, Joseph M., AC,
Mauck, Fred G. D., AC,
Flicek, Jerry F., AC,
Gates, William M., AC,
Anderson, Edmund B., AC,
Henley, Justin O., AC,
Cathcart, Leonard N., AC,
Shaw, Charles R., Inf.,
Sanders, Wendell W., AC,
Eyler, Carl G., AC,
Klie, Harry K., Fin.,
Ellingsworth, J. B., Jr., Inf.,
Hall, Claude H., Inf.,
Goodman, Jess L., Inf.,
Storck, Gordon F., AC,
Hardy, Claude M., AC,
Pitney, Charles H., FA,
Buhler, Daniel S., Cav.,
McFalls, Carroll, Jr., Cav.,
Wilson, Emmett S., AC,
Brown, Leon W., AC,

Hudak, Edward M., FA,
Miller, Millard J., QMC,
Crowe, Robert E., QMC,
Peterson, Peter R., Jr., FA,
Brown, Harold W., QMC,
Webb, Bert H., Jr., AC,
Nicks, Howard L., AC,
Stulting, Elton R., AC,
Fisher, Robert L., AC,
Hogan, Walton L., AC,
Ballinger, Edward P., AC,
Williams, Robert G., AC,
Lake, James, AC,
Steinberger, Alfred C., AC,
Frederick, Russel R., AC,
Davidoff, Foster, AC,
Potter, Dwight H., AC,
Cadwell, Truman F., AC,
Sharp, Edward E., AC,
Brueland, Lowell K., AC,
Everett, Franklin A., AC,
Butler, John E., AC,
Wilson, Myrt P., AC,
Tate, John C., AC,
Kortemeyer, Henry A., AC,
Fisk, Harry E., AC,
Hartley, James R., AC,
Buer, Glendon J., AC,
Shearer, Richard E., AC,
Cruciana, Louis G., AC,
Heath, Hemphill V., AC,
Amos, Robert F., AC,
Bogard, Wayne C., AC,
Henderson, Horace L., AC,
Hunn, Spencer S., AC,
Wilcox, Robert W., AC,
Sittman, William L., AC,
Eagleston, Glenn T., AC,
Tennant, John H., AC,
Lasko, Charles W., AC,
Moyers, Brian K., AC,
Mathias, John H., Fin.,
Grunzweig, Nicholas J., Inf.,
Fulmer, John M., Fin.,
Jackson, Frank D., AC,
Sullivan, Leo W., AC,
McArtor, William S., Inf.,
Taylor, Cloyd V., FA,
Gray, Thomas E., Ord.,
Hintze, Milton A., Jr., AC,
Gibb, Harry E., Cav.,
Patton, William H., AC,
Mau, Fredric E., AC,
Brauer, Karl H., AC,
Stevenson, John T., AC,
Eades, William B., Jr., AC,
Kramer, Daniel, AC,
Henry, Jesse G., AC,
Hughes, Arden B., AC,
Hilburn, William G., AC,
Crahan, James E., AC,
Gleichauf, Paul W., AC,
Janovitz, George W., AC,
Cartledge, Binford M., AC,
Alexander, Jim V., AC,
Byrne, John P., AC,
Welch, James W., Jr., AC,
Kennedy, Francis S., AC,
Porter, Denver M., AC,
Bahler, George P., AC,
Wells, Ernest J., AC,
Odom, John W., AC,
De Vee, Earl W., AC,
Kelly, Randall, Inf.,
Smith, Durward, AC,
White, John S., AC,
Green, Louis A., AC,
Popek, Edward S., AC,
Wollner, Richard P., AC,
Blair, Ben R., AC.
Davis Joseph F., AC,
Nance, Truett O., AC,
Vivian, Jerrold M., AC,
Ruscitto, James O., AC,
Morgan, Spencer G., AC,
Ballew, John M., AC,
McLachlan, Joseph J., AC,
Brown, Ulece L., AC,
Bartol, Wante J., AC,
Briel, Robert F., Fin.,
Muir, Robert W., AC,
Hamill, Jimmy M., AC,

Collins, John J., AC,
Hnatio, Myron M., AC,
Parris, Harry N., AC,
Baker, Harry F., AC,
Brinson, Robert F., AC,
Williams, Evan E., AC,
Hall, James H., AC,
McClung, James D., AC,
Birge, Walter C., Jr., AC,
Funkhouser, Clinton J., AC,
Morris, Lester W., AC,
Rose, Ralph, AC,
Rudrud, Norman V., AC,
Martin, James F., QMC,
Ramsey, Richard D., AC,
Rickert, Walter K., AC,
Oliphant, Stephen A., AC,
Parker, Hunter D., AC,
Fecher, Louis A. 3d, AC,
Bayne, Harry C., AC,
Fuss, John H., AC,
Chalifoux, A., Jr., AC,
Warns, Thomas F., AC,
Pickett, Joe W., AC,
Brown, Dayton F., AC,
Reddall, Gordon C., AC,
Rucker, Lester R., AC,
Good, Roger R., AC,
Meek, Arthur M., AC,
Dixon, Dale V., AC,
Aurit, Samuel, Ord.,
Gilbert, Stanley K., Ord.,
Kozelski, Clarence A., AC,
Kraus, Glenn R., AC,
Elliott, McLean W., AC,
Stone, Raymond F., AC,
Gallien, Carson R., AC,
Squires, Joseph C., AC,
Calvert, Ross H., Inf.,
Mathews, William R., Jr., FA,
Scott, Robert F., AC,
Ayersman, Richard L., AC,
Perry, Paul W., AC,
Wood, Haylon R., AC,
Davis, Thomas A., AC,
Bartlett, Lynn J., Jr., AC,
Lyman, Lawrence R., AC,
Yandoh, Thomas R., AC,
Fox, Ogden R., Cav.,
Sly, Peter R., AC,
Whitt, James A., AC,
Bonner, Roland B., AC,
Albright, Barry E., Inf.,
Hickman, Charles T., Jr., Inf.,
Eade, George J., AC,
Rosenberg, Louis S., AC,
Parker, George E., AC,
Koval, Andrew E., AC,
Berke, Samuel, AC,
Verhulst, F. J., Jr., AC,
Proulx, Lionel A., AC,
Cole, Eugene E., AC,
Trafton, F. O., Jr., AC,
Antalis, Stephen J., AC,
Taber, Eugene D., Fin.,
Stone, Stephen G., Jr., QMC,
Purpus, Walter R., AC,
Wilson, Robert A. H., AC,
Thompson, Charles E., AC,
Atkins, John H., Jr., AC,
Clark, Thomas M., AC,
Sharpe, Carl L., AC,
Hayes, Patrick, AC,
Meek, Frank E., Jr., AC,
Lawler, John D., AC,
Mickelsen, Earl H., AC,
Scanlan, Joseph W., Fin.,
Coe, Don, AC,
Berger, Marvin E., AC,
Ellison, Lawrence A., AC,
Lugo, Frank M., AC,
Conques, Lawrence, AC,
Bullock, Ralph E., AC,
McCoskrie, Roland K., AC,
Rogers, Glenn E., AC,
Snyder, Harold T., AC,
Peak, Howard W., 3d, Cav.,
Odonnell, James J., Inf.,
Helmantoler, Willis L., AC,
Troutman, B. L., Jr., AC,
Adams, Peter P., AC,
Fairbanks, Marvin W., AC,

Ferris, Joseph, AC, [redacted]
Rudziak, Nicholas D., Inf., [redacted]
Hagenback, James J., AC, [redacted]
Phillips, Wayne A., AC, [redacted]
Burnor, Richard H., AC, [redacted]
Reichardt, Leslie L., AC, [redacted]
Hurst, John D., AC, [redacted]
Barnes, Truman S., AC, [redacted]
Williams, Bert, AC, [redacted]
Barnett, William E., AC, [redacted]
Harris, James W., 3d, AC, [redacted]
Lyons, Horace C., AC, [redacted]
Hansen, William R., AC, [redacted]
Conkey, Howard L., AC, [redacted]
Hoover, John R., AC, [redacted]
Van Natta, Richard H., AC, [redacted]
Brown, Robert C., AC, [redacted]
Carter, Hobart E., AC, [redacted]
Chatfield, Stanley E., AC, [redacted]
Vuchetich, Peter F., AC, [redacted]
Jones, Percy L., AC, [redacted]
Dozier, William T., CML, [redacted]
Paukert, Robert S., AC, [redacted]
Williams, David M., AC, [redacted]
Grant, Albert E., AC, [redacted]
Rife, Raymond S., AC, [redacted]
Schueler, Eldor H., AC, [redacted]
Draper, William G., AC, [redacted]
Penuel, Victor B., Jr., SC, [redacted]
Middlekauff, Darwin C., AC, [redacted]
Howard, Harold E., AC, [redacted]
Hall, Chester A., Jr., SC, [redacted]
Oldham, Charles B., AC, [redacted]
Parello, Thomas L., AC, [redacted]
Lytle, James R., QMC, [redacted]
Roach, Harry E., Jr., AC, [redacted]
Keefer, Irvin J., AC, [redacted]
Mote, Amos M., AC, [redacted]
Latta, Farley A., AC, [redacted]
Gwaltney, Laverne, AC, [redacted]
Slater, Herschel H., AC, [redacted]
Fitzpatrick, Arthur, AC, [redacted]
Neighbors, Robert O., AC, [redacted]
Chapman, Paul V., AC, [redacted]
West, Herman L., Cav., [redacted]
Irby, Shelby L., AC, [redacted]
Lee, John J., AC, [redacted]
Wentz, Paul N., AC, [redacted]
Schmelz, Richard E., AC, [redacted]
McIver, James C., AC, [redacted]
Giblin, Richard T., AC, [redacted]
Dickey, Woodrow W., AC, [redacted]
Kirklin, John M., AC, [redacted]
Sloan, Samuel, 3d, AC, [redacted]
Yarbrough, Thomas E., AC, [redacted]
Andrews, Ralph P., AC, [redacted]
Ritenour, Maurice T., AC, [redacted]
Minietta, Eugene D., AC, [redacted]
Pashco, Henry J., AC, [redacted]
King, Benjamin H., AC, [redacted]
Mitchell, John T., Jr., AC, [redacted]
Baugh, Howard L., AC, [redacted]
Jones, William T., AC, [redacted]
Abrams, Stuart M., AC, [redacted]
Voorhees, Alen V., AC, [redacted]
Grider, Arthur P., Jr., AC, [redacted]
McQuinn, Austin D., Inf., [redacted]
Emmert, Benjamin H., Jr., AC, [redacted]
Bland, Edward C., AC, [redacted]
Haydon, Edward R., AC, [redacted]
Kuhn, Robert W., AC, [redacted]
Pedigo, John H., AC, [redacted]
Feuerstein, Donald W., AC, [redacted]
Ferriss, Lester R., Jr., AC, [redacted]
Mamalis, Solon, AC, [redacted]
Zedler, Donald L., AC, [redacted]
Haddock, Dudley W., AC, [redacted]
Hinkley, Eugene L., AC, [redacted]
Moneyhun, Joseph A., QMC, [redacted]
Ogilvie, George E., AC, [redacted]
Carlson, Howard A., AC, [redacted]
Karas, Philip, AC, [redacted]
McCormick, Raymond C., AC, [redacted]
Kasserman, Harold W., Fin., [redacted]
Clements, Ross L., AC, [redacted]
McCain, Paul B., FA, [redacted]
Herbert, Donald J., AC, [redacted]
Richardson, Robert F., AC, [redacted]
Johnson, Forrest D., AC, [redacted]
Wormington, Jack E., AC, [redacted]
Millett, Donald H., QMC, [redacted]
McGurk, Donald J., QMC, [redacted]

Dwyer, Harry R., AC, [redacted]
Percival, Allen C., Inf., [redacted]
Wilds, Walter C., AC, [redacted]
Staudenmayer, M. W., AC, [redacted]
Bullock, John K., AC, [redacted]
Noyes, Arnold V., AC, [redacted]
Seargeant, Billy M., AC, [redacted]
Stout, Loren R., Jr., AC, [redacted]
Malcolm, Owen H., FA, [redacted]
Smith, Robert L., AC, [redacted]
Brown, Howard O., AC, [redacted]
Berge, Ralph I., AC, [redacted]
Taylor, James L., AC, [redacted]
Steil, Herbert A., Cav., [redacted]
Watts, Ernest L., AC, [redacted]
Tarbell, Swift, Jr., AC, [redacted]
Kern, William S., AC, [redacted]
Copenhaver, Donald L., AC, [redacted]
Doyle, Thomas F., Jr., AC, [redacted]
Farrington, R. F., Jr., AC, [redacted]
Belser, Joseph H., AC, [redacted]
Butterfield, W. H., AC, [redacted]
Marshall, W. E., Jr., AC, [redacted]
McCarroll, Billy J., AC, [redacted]
Kelly, Francis A., AC, [redacted]
Williams, James E., Inf., [redacted]
Kane, Randall S., AC, [redacted]
Codington, Russell E., AC, [redacted]
Cummings, James O., AC, [redacted]
Baranowski, Walter S., AC, [redacted]
Steinbach, Alois L., CML, [redacted]
Sexton, William E., CML, [redacted]
Bossardet, Charles W., AC, [redacted]
Carson, Russell V., AC, [redacted]
Slusher, John T., AC, [redacted]
Poling, Don L., AC, [redacted]
Gordon, A. R., Jr., AC, [redacted]
Anderson, Arthur W., AC, [redacted]
Hulen, William P., Jr., AC, [redacted]
Bundgaard, Robert C., AC, [redacted]
Duncan, George H., AC, [redacted]
Godfrey, Stephen M., AC, [redacted]
Pournaras, Stephen W., AC, [redacted]
Bonnot, Carlos D., AC, [redacted]
Staylor, Leroy W., AC, [redacted]
Netherton, William R., AC, [redacted]
Brown, Gerald, AC, [redacted]
Winter, William F., AC, [redacted]
Saunders, Jackson, AC, [redacted]
Warfield, Allen, Jr., AC, [redacted]
Armijo, Joe F., AC, [redacted]
Ashworth, Kenton L., AC, [redacted]
Stewart, Hugh W., AC, [redacted]
Schreffler, Charles E., AC, [redacted]
Machado, Joseph G., AC, [redacted]
Gallia, Jay R., AC, [redacted]
Dodge, James D., AC, [redacted]
Webb, James H., AC, [redacted]
Puckett, Frank B., Ord., [redacted]
Rapalje, Daniel C., AC, [redacted]
Swayze, Jack, AC, [redacted]
Oakes, Russell E., AC, [redacted]
Bogard, Lawrence M., AC, [redacted]
Jarratt, Jerry D., AC, [redacted]
Dean, Frederick F., AC, [redacted]
Parsons, Robert P., AC, [redacted]
Rothaus, Jack N., AC, [redacted]
Walsh, David I., AC, [redacted]
Schiavoni, Vincent P., AC, [redacted]
Schaefer, Jack C., AC, [redacted]
Kissick, Luther C., Jr., AC, [redacted]
Hicks, Lindsey, AC, [redacted]
Schenkein, George, AC, [redacted]
Ewbank, William L., AC, [redacted]
Conway, Thomas H., AC, [redacted]
Chambers, Dale R., AC, [redacted]
Shepard, William A., Jr., AC, [redacted]
Eichman, Edward A., Jr., AC, [redacted]
Berry, John M., AC, [redacted]
Anderson, James E., AC, [redacted]
Mason, Robert J., Jr., AC, [redacted]
Hale, William S., AC, [redacted]
Bennett, Walter D., AC, [redacted]
Clifford, Raymond V., AC, [redacted]
White, Thomas A., AC, [redacted]
Mandell, Robert I., AC, [redacted]
Swanson, Dustin H., AC, [redacted]
Bell, Homer C., Jr., AC, [redacted]
Blomgren, Norman E., AC, [redacted]
Sims, Harold H., AC, [redacted]
Urban, Harry, AC, [redacted]

Larkin, Robert T., AC, [redacted]
Jones, Kenneth L., AC, [redacted]
Schaunaman, George S., AC, [redacted]
Nowakowski, Rodney E., AC, [redacted]
Flavin, Kenneth A., AC, [redacted]
Sanford, Marvin B., AC, [redacted]
McKinney, B. B., Jr., AC, [redacted]
Murphy, William M., AC, [redacted]
Warner, Robert L., AC, [redacted]
Glenn, Robert M., AC, [redacted]
McDermott, W. J., Jr., CML, [redacted]
Mabrey, Owen D., AC, [redacted]
McCaslin, Kenneth R., AC, [redacted]
Shafer, Philip S., AC, [redacted]
Spear, Robert B., AC, [redacted]
Howard, James P., AC, [redacted]
Ward, Neal P., AC, [redacted]
Hobbs, Harold W., AC, [redacted]
Harwell, James A., Jr., AC, [redacted]
Bregar, Adolph J., AC, [redacted]
Berube, Paul G., AC, [redacted]
Peters, Gilbert A., AC, [redacted]
Fory, Garland V., AC, [redacted]
Nowell, Rufus H., Jr., AC, [redacted]
Cobb, James W., AC, [redacted]
Deutsch, Ainsley, AC, [redacted]
Slusser, Hayden C., AC, [redacted]
Stone, Robert E., AC, [redacted]
O'Connell, Ellis S., AC, [redacted]
Secrest, Edgar L., Jr., AC, [redacted]
Adams, Gail J., AC, [redacted]
Lane, Franklin K., AC, [redacted]
Allenby, Donald R., AC, [redacted]
Stokes, Louis S., AC, [redacted]
Bass, Earl J., AC, [redacted]
Bell, John A., AC, [redacted]
Williams, Charles W., AC, [redacted]
Chamberlin, George F., AC, [redacted]
Herold, Joseph V., AC, [redacted]
Walmer, Harry E., AC, [redacted]
Young, Barnett B., AC, [redacted]
Kiser, Ralph W., AC, [redacted]
Lawyer, John E., AC, [redacted]
McKinney, Clell H., Jr., AC, [redacted]
Minihan, Charles E., AC, [redacted]
O'Hara, Robert C., AC, [redacted]
Kidd, William T., FA, [redacted]
Sert, Louis R., AC, [redacted]
Jungman, Clarence A., AC, [redacted]
Byrne, James F., AC, [redacted]
Martin, Duke P., AC, [redacted]
Cooper, Theodore L., AC, [redacted]
Turrou, Edward A., Fin., [redacted]
Frobom, Leo, AC, [redacted]
Lodge, James D., AC, [redacted]
Seabrook, G. W., 3d, CAC, [redacted]
McKay, Chester E., AC, [redacted]
Maertens, James E., Inf., [redacted]
Hymers, Charles S., Cav., [redacted]
Simons, Doyle E., AC, [redacted]
Powell, Sherrill L., Jr., AC, [redacted]
Gray, David F., AC, [redacted]
Dobson, Robert E., AC, [redacted]
Orlando, Michael J., AC, [redacted]
Graves, Needham W., AC, [redacted]
Jackson, Harley F., AC, [redacted]
Sheldon, George C., Inf., [redacted]
Laden, Robert E., AC, [redacted]
Hundley, Everett L., AC, [redacted]
Kilgore, Bishop M., AC, [redacted]
Henington, Henry M., AC, [redacted]
Collier, Francis B., AC, [redacted]
Koehler, Leonard F., AC, [redacted]
Austin, Paul F., AC, [redacted]
Moore, Ernest F., AC, [redacted]
Gibson, Marion B., AC, [redacted]
Mask, Kenneth J., AC, [redacted]
Boatman, Beryl L., AC, [redacted]
Crane, Russell D., AC, [redacted]
Fleury, Vernon G., SC, [redacted]
Wallschleger, W. L., QMC, [redacted]
August, Jack W., AC, [redacted]
Strayer, Robert F., AC, [redacted]
Canny, Robert W., AC, [redacted]
Brauer, William H., AC, [redacted]
Zelenka, Raymond E., AC, [redacted]
Vigen, Oscar C., Inf., [redacted]
Wells, Jack D., Cav., [redacted]
Weiser, Gus, AC, [redacted]
Bray, Edward, Cav., [redacted]
Dean, Preston M., AC, [redacted]
Rice, William L., Jr., AC, [redacted]

Godbey, Donald E., AC,
Finney, Perry S., Jr., QMC,
Gentry, James E., AC,
Clements, Lawson W., AC,
Abbott, Elmond H., AC,
Coke, John D., AC,
Symmes, Roderick O., AC,
Fitschen, Iver C., AC,
Allen, Donald W., AC,
Richardson, Warren L., Inf.,
Guerrein, Carl J., AC,
Yochim, Frederick A., AC,
Davis, John, Jr., AC,
Reed, Charles W., AC,
Kennedy, Thomas B., AC,
Buffenbarger, H. L., AC,
Moelich, William E., Jr., AC,
Romaniw, Walter, AC,
Ambabo, George C., AC,
Cormany, William F., Jr., AC,
Lewis, Jack M., AC,
Bowman, Joseph W., AC,
Singleton, Floyd E., AC,
McCullough, C. B., AC,
Clark, Waymon D., AC,
Kelley, Edward G., AC,
Irons, Stanley W., AC,
Kinchla, Edward F., Jr., AC,
Price, Robert D., AC,
Jonas, Gordon E., AC,
Duke, Robert H., AC,
Vetter, Fred W., Jr., AC,
McCarthy, Michael C., AC,
Brocks, James B., AC,
Carter, James B., AC,
Gallerani, Alterio, AC,
Kessler, Donald L., AC,
Walker, Charles S., Cav.,
Anderson, Edgar H., Jr., AC,
Lamontagne, Ralph S., AC,
Long, Clifford G., AC,
Hoerner, John C., AC,
Bragg, Wallace S., AC,
O'Brien, Denis H., Jr., AC,
Pratt, William C., AC,
Munn, Nathaniel D., AC,
Abbott, Woodrow A., AC,
Gottliebsen, R. E., Cav.,
Olson, Howard A., AC,
Hughes, John F., AC,
Weed, John B., AC,
Caradiakos, C. G., AC,
Yeager, Anson A., Inf.,
Cunningham, Harvey B., QMC,
Wolfe, Roland L., AC,
Erickson, Orin H., AC,
De Haven, Robert M., AC,
Grottle, George T., AC,
Beeson, Jack T., AC,
Hale, Frederick N., Jr., AC,
Moore, Herbert W., Jr., AC,
Nicholson, Rodney, Jr., AC,
Cloud, Carl E., AC,
Clark, Wayne E., AC,
Crick, James M., Jr., AC,
Quigley, Robert L., AC,
Dietrich, Leroy S., AC,
Lackey, James C., AC,
Chavez, Manuel J. Jr., AC,
Metzger, Robert E., AC,
Wilson, Woodrow W., AC,
Thompson, Allen W., AC,
Miller, Burdsall D., AC,
Meyers, Oliver H., AC,
Johnson, Joseph G., Jr., AC,
Fisher, Thurman D., AC,
Wise, Billie R., AC,
McBride, Elmer T., AC,
Peattie, Harry A., Jr., AC,
Neal, Harold L., Jr., AC,
Apgar, Paul D., AC,
Sargent Hubert E., Jr., AC,
Kelso, William R., AC,
Watkins, Harry N., AC,
Lowe, Ralph Z., Jr., AC,
Volk, Douglas B., AC,
Anderson, Joseph W., Jr., AC,
Weil, August E., AC,
Miller, Robert T., AC,
Forster, Bernard F., AC,
Suprenant, Charles E., AC,
Steen, Clarence H., AC,
Freas, Luther W., AC,
Wakefield, Harry A., AC,
Roberts, Harry W., AC,
Stabler, Tarlton B., AC,
Bates, Elbridge C., AC,
Anderson, Louis J., AC,
Remick, John H., AC,
O'Connell, John F., AC,
Bare, Harold F., AC,
Bormann, Frederick E., AC,
Carter, Charles R., AC,
Hornick, George, Jr., AC,
Arn, Robert M., Cav.,
Janek, Lewis F., AC,
Pensiero, Nicholas F., AC,
Gillmore, Lawrence J., AC,
Himel, Charles L., AC,
Killeavy, Francis T., AC,
Johnson, Ralph A., AC,
Groshong, Nolan A., AC,
Dorff, Richard W., AC,
Keim, Robert P., AC,
Lewis, Lynn M., AC,
Hambleton, B. L., Jr., AC,
Rodriguez, Edward F., AC,
Wampler, Louis C., AC,
French, Jack S., Inf.,
Tucker, Charles L., AC,
Elser, John L., AC,
Archer, Theodore W., Fin.,
Jones, Henry L., AC,
Nowlin, David M., AC,
Cooper, Harold M., AC,
Darby, Wilbur S., AC,
Dahl, Arthur W., AC,
Guzak, Francis W., AC,
Kennedy, Richard T., Fin.,
Borellis, William F., AC,
East, William G., AC,
Adams, James A., AC,
Eickemeyer, Karl F., AC,
Atkins, William J., AC,
Masterson, Robert J., AC,
Jones, Harry L., Jr., Fin.,
Vanden Dries, W. P., AC,
Harbula, Edward A., AC,
Shuck, John F., AC,
Tucker, Claude J., AC,
Beerli, Stanley W., AC,
Barton, Roger D., AC,
Hornsby, Rogers, Jr., AC,
McGrain, Thomas W., AC,
Barnidge, William H., AC,
Flynn, Norman C., AC,
Bailey, Gordon A., AC,
Smith, Richard H., AC,
Collison, James M., AC,
Hamel, Albert G., AC,
Losten, Steven W., Inf.,
Wirt, Robert E., AC,
Green, Joseph, AC,
Dunphy, Earl F., AC,
Childers, Ernest, Inf.,
Strong, Leroy, Inf.,
Klonowski, Joseph J., AC,
Way, Jack, AC,
Heslep, Alvin R., AC,
Korbol, Clifford O., AC,
Irvin, Frank W., Jr., AC,
Jones, Dearl F., FA,
Weber, Otto J., Jr., AC,
Cavanaugh, William D., AC,
Ascherfeld, Karl C., Jr., AC,
Welsh, James H., AC,
McKown, Robert E., AC,
Fitch, Edward B., AC,
Bennett, Walter W., AC,
Wells, Harold E., AC,
Hughes, Robert L., AC,
Masters, Elmer L., AC,
Durner, Dwight E., AC,
Rife, Wayne R., AC,
Roberts, Charles A., AC,
Festersen, Joseph A., AC,
Helms, Willard B., AC,
Talbot, Philip B., AC,
King, Lonnie T., AC,
Fender, Guy D., AC,
Parsonson, Ernest C., AC,
Holbury, Robert J., AC,
Jones, Melbern R., AC,
Sanderson, Duncan M., AC,
Rounds, James M., AC,
Williams, Lewis H., AC,
Judy, James D., AC,
Jamison, Eldon M., AC,
Abbott, Fred E., AC,
Kord, Erna G., Jr., AC,
Rawlings, Orrin D., AC,
Anderson, John B., AC,
Jones, David C., AC,
Denison, George F., AC,
Jacobsen, William L., AC,
Brown, Robert C., AC,
Beighley, Joe W., AC,
Walker, Harold H., AC,
Gilchrist, William T., AC,
Bachtell, Robert C., AC,
Sargent, Frank H., Inf.,
Evdokimoff, Dmitri, AC,
Willis, W. B., AC,
Krause, Francis R., AC,
Prochoroff, George, AC,
Sutton, Robert C., AC,
Beales, John M., AC,
Gradel, George A., AC,
Arneson, Kenneth L., AC,
Hogan, Miller E., AC,
Rhodarmer, Roger K., AC,
Bergstrom, John A., AC,
Grey, Walter F., AC,
Burke, John F., AC,
Carmack, Harold H., AC,
Kuldau, Parker C., AC,
Keating, Philip J., AC,
Kille, Wesley G., AC,
Mattson, Joseph A., AC,
Hotard, Ernest L., AC,
Loring, Charles J., Jr., AC,
Snyder, Wayne K., AC,
Miller, Vaughan, Jr., AC,
Sewall, Eugene T., AC,
O'Leary, John D., AC,
Weaver, Carl T., Jr., AC,
Henry, John G., AC,
Simmons, Malcolm C., AC,
Smith, Willard E., AC,
Hargett, Joe T., AC,
Ridenour, Paul W., AC,
Beck, Howard G., AC,
Shaber, Bert, Jr., AC,
Sommers, Harold L., AC,
Reilley, Robert J., AC,
Boaz, Reynolds O., AC,
Hodges, Millard U., AC,
Morel, Raymond E., AC,
Carpenter, Claude S., AC,
Festini, Steve J., AC,
McCarty, Edward W., AC,
Partrick, Richard H., AC,
Barton, Richard E., AC,
Rorrer, Marvin T., AC,
Frederick, Paul A., 3d, AC,
O'Reagan, John P., AC,
Mahoney, Edward F., AC,
Lewis, Leo C., AC,
Horrigan, Robert J., AC,
Bevard, Franklin B., AC,
Van Sickle, Philip H., AC,
Price, Joe C., AC,
Gettelfinger, R. J., AC,
Mouat, John C., AC,
Gifford, George D., AC,
Ebert, Rembert A., AC,
Umoff, Alexis P., AC,
Crone, Douglas A., AC,
Caudill, Orley B., AC,
Lovaas, William H., AC,
Sullivan, Robert, AC,
Wood, Horace D., AC,
Meibohm, Winfred H., AC,
Smith, Jack A., AC,
Hanner, Charles K., Jr., AC,
Jane, Edwin G., Jr., AC,
Connell, James S., AC,
Bellows, Clyde L., AC,
Leary, Dodge E., AC,
Hamilton, William M., AC,
Michaelson, F. J., FA,
Bohart, Chester H., AC,
Taft, William B., AC,
Bowling, Gene H., AC,

Zigrang William J., AC, [redacted]
Norton, Jack L., AC, [redacted]
Mitchell, Ralph W., Jr., AC, [redacted]
Sparks, Milton W., AC, [redacted]
Smith, Ellsworth W., QMC, [redacted]
Kraus, James C., AC, [redacted]
Synnott, Donald A., Inf., [redacted]
Owens, Melvin O., AC, [redacted]
Carey, George F., Jr., AC, [redacted]
Kemp, James N., AC, [redacted]
Davis, Montie A., Jr., AC, [redacted]
Lindberg, Carl D., AC, [redacted]
Stanley, Marvin M., AC, [redacted]
Quinones, Alphonse D., AC, [redacted]
Brazier, Harold W., AC, [redacted]
Mulcahy, Donald M., AC, [redacted]
Kimbrough, Robert M., AC, [redacted]
Strang, Charles F., AC, [redacted]
Fryer, William H., Fin., [redacted]
Dawson, Theodore E., AC, [redacted]
Jenson, Harris L., AC, [redacted]
Russell, Herbert, AC, [redacted]
Wolfe, Gerald, AC, [redacted]
Farar, Marvin B. D., AC, [redacted]
Vacanti, Charles L., AC, [redacted]
Reilly, Alvin E., AC, [redacted]
Covell, Frank D., AC, [redacted]
Jones, Ellis M., Jr., AC, [redacted]
Mustain, Ivan F., AC, [redacted]
Gregory F. L., Jr., AC, [redacted]
Renken, Fred P., AC, [redacted]
Freeman, Benjamin J., FA, [redacted]
Sitler, Fred H., AC, [redacted]
Cabassa, Jaime L., CML, [redacted]
Driessel, S. J., Jr., AC, [redacted]
Amundson, Floyd A., AC, [redacted]
Terrell, James H., Jr., AC, [redacted]
Alukonis, Stanley, AC, [redacted]
Siebern, Vincent P., AC, [redacted]
Miller, Dean, AC, [redacted]
Olson, Albert T., Jr., Ord., [redacted]
Anderson, Curtis A., AC, [redacted]
Yarbrough, Leonard H., AC, [redacted]
Widney, Ellis V., AC, [redacted]
Blanchard, Jerome L., AC, [redacted]
Holder, Glendl, C., AC, [redacted]
Foster, Clifton, C., AC, [redacted]
Norton, William R., AC, [redacted]
Liptak, James S., AC, [redacted]
Wilson, Morris F., AC, [redacted]
Nunneley, Clarence M., AC, [redacted]
Mayhew, John F., AC, [redacted]
Pitt, Earl S., AC, [redacted]
Seymour, Charles P., AC, [redacted]
Neafus, Paul B., AC, [redacted]
Middleton, Cecil J., AC, [redacted]
Fisher, Charles I., AC, [redacted]
Catledge, Richard C., AC, [redacted]
Serafin, John L., AC, [redacted]
Savage, Robert B., AC, [redacted]
Wright, Robert J., AC, [redacted]
Crahen, Eugene J., AC, [redacted]
Scuro, Vito M., AC, [redacted]
Romo, Peter E., AC, [redacted]
Chinnock, Earl H., AC, [redacted]
Murray, Richard E., AC, [redacted]
French, Russell A., AC, [redacted]
Ruckman, Robert A., CE, [redacted]
Stanton, William J., Jr., AC, [redacted]
Shook, Fredric W., AC, [redacted]
Grotenstein, Morton, AC, [redacted]
Moon, Jack F., AC, [redacted]
McCullough, J. E., Jr., AC, [redacted]
Neil, John G., AC, [redacted]
Brown, Walter J., AC, [redacted]
Sheak, Richard R., AC, [redacted]
Cowan, Burl, AC, [redacted]
Hartley, Frank W., Jr., AC, [redacted]
Warehime, F. E., Jr., AC, [redacted]
Hart, Edward J., AC, [redacted]
McFall, Dana F., Jr., AC, [redacted]
Atterbury, Logan C., AC, [redacted]
Foss, Robert J., AC, [redacted]
Smailes, Arja, AC, [redacted]
Welsch, Arthur H., AC, [redacted]
Martin, Sherman F., AC, [redacted]
Johnson, Merle, AC, [redacted]
Metcalf, George N., AC, [redacted]
Kirby, Burton M., AC, [redacted]
Moore, Clayton H., Jr., Inf., [redacted]
Myers, Luther R., Jr., AC, [redacted]

Fallon, Gerald W., AC, [redacted]
Hipsher, Charles W., AC, [redacted]
Dyser, Francis E., AC, [redacted]
Harper, Cecil, L., AC, [redacted]
Cox, Claude W., AC, [redacted]
Allen, John R., AC, [redacted]
Docton, Frank, AC, [redacted]
Ford, Ross C., AC, [redacted]
Henke, Arnold W., AC, [redacted]
Johnson, Howard C., AC, [redacted]
Perron, Gregory H., AC, [redacted]
Dietrich, Clair M., AC, [redacted]
Vess, Jack H., CML, [redacted]
Kane, Earle F., AC, [redacted]
Staley, Charles W., AC, [redacted]
White, William, AC, [redacted]
Rounds, Kenneth G., AC, [redacted]
Menza, Dominic F., AC, [redacted]
Doersch, George A., AC, [redacted]
Woodruff, Laymont V., AC, [redacted]
Long, Lewis F., AC, [redacted]
Ainsworth, Jess W., AC, [redacted]
McGuff, Paul H., AC, [redacted]
Nebughr, Raymond L., AC, [redacted]
Harris, Charles W., AC, [redacted]
Norley, Louis H., AC, [redacted]
Faziollah, Maurice J., AC, [redacted]
Carlson, Kendall E., AC, [redacted]
Roberts, Ray O., AC, [redacted]
Pidgeon, Charles H., AC, [redacted]
Zotz, John C., AC, [redacted]
Schmidt, David F., AC, [redacted]
Langworthy, Everett W., AC, [redacted]
Crockett, Woodrow W., AC, [redacted]
Laws, Warren P., AC, [redacted]
McCormack, L. H. Jr., AC, [redacted]
Blake, Clifford H., AC, [redacted]
Spann, Henry H., AC, [redacted]
Higgins, Joseph P., QMC, [redacted]
Fry, Ernest M., Inf., [redacted]
Brown, Joseph, Jr., AC, [redacted]
Whalen, Daniel J., Jr., AC, [redacted]
Johns, Mervyn T., AC, [redacted]
Wimberly, Wesley F., AC, [redacted]
Hearn, James A., AC, [redacted]
Turner, William H., AC, [redacted]
Paxton, Heyward A., Jr., AC, [redacted]
Fallon, Jack S., AC, [redacted]
Moses, Larrie E., AC, [redacted]
Driscoll, K. L., Jr., AC, [redacted]
Lane, Ralph H., Jr., AC, [redacted]
Hudson, Jere H., AC, [redacted]
Lewis, James M., AC, [redacted]
Coleman, Thomas P., AC, [redacted]
Taylor, Roland H., AC, [redacted]
Smith, Ralph L., AC, [redacted]
Smiley, Robert F., Inf., [redacted]
Smith, Clyde H., AC, [redacted]
Leavick, Franklin M., AC, [redacted]
Bohling, Charles F., AC, [redacted]
Andrews, William C., AC, [redacted]
Tift, Ralph E., AC, [redacted]
Keema, John M., AC, [redacted]
Mulanax, Robert V., AC, [redacted]
Larson, Loren M., AC, [redacted]
Johnson, Kenneth A., AC, [redacted]
Price, Robert Y., AC, [redacted]
Bouchard, Charles C., AC, [redacted]
Lupa, Henry J., AC, [redacted]
Dayton, Steward R., AC, [redacted]
Kleine, James D., Jr., AC, [redacted]
Lawrance, Preston H., AC, [redacted]
Haberstroh, F. A., AC, [redacted]
Morgan, Noland J., AC, [redacted]
Lewis, Norman F., Jr., CE, [redacted]
Crisman, Harry B., AC, [redacted]
Stonis, Peter C., AC, [redacted]
Andrae, Paul H, 2d, AC, [redacted]
Bilson, John G., AC, [redacted]
Carlson, Raymond J., AC, [redacted]
Taylor, Lloyd R. V., AC, [redacted]
Bell, Benjamin C., CML, [redacted]
Dieck, Theodore F., AC, [redacted]
Tillman, Herman G., Jr., AC, [redacted]
Berte, Samuel C., QMC, [redacted]
Garesche, Winston L., AC, [redacted]
McCarty, John E., Jr., CML, [redacted]
Bennett, Clifton S., AC, [redacted]
Purdy, Douglas C., AC, [redacted]
Ryhlick, Lawrence T., Fin., [redacted]
Madsen, Frank M., Jr., AC, [redacted]
Leach, James H., Cav., [redacted]

Todd, Victor K., AC, [redacted]
Hinnant, Robert E., AC, [redacted]
McFarland, Wallace B., FA, [redacted]
Myers, Joseph R., AC, [redacted]
Wilhelm, Leland F., FA, [redacted]
Stroud, William P., Jr., AC, [redacted]
Margison, Robert L., AC, [redacted]
Gregory, Benjamin F., AC, [redacted]
Milburn, Earl B., Inf., [redacted]
Bozarth, Theodore W., AC, [redacted]
McClure, Samuel S., AC, [redacted]
Gibson, James M., Inf., [redacted]
Carlson, Donald C., AC, [redacted]
Eilar, Norman W., AC, [redacted]
Shafer, Guy L., Jr., AC, [redacted]
Johnson, William T., AC, [redacted]
Davis, Onner D., 2d, AC, [redacted]
Rankin, Robert J., AC, [redacted]
Brown, John W., AC, [redacted]
Cadwallader, John S., AC, [redacted]
MacNeill, Edward H., AC, [redacted]
Rentmeester, Lester F., AC, [redacted]
Beasley, David C., AC, [redacted]
Melton, Charles A., AC, [redacted]
Perry, Joseph H., AC, [redacted]
Knowles, Edward, Jr., AC, [redacted]
Starmer, Glenn A., AC, [redacted]
Crawford, William A., AC, [redacted]
Kinsella, William E., AC, [redacted]
Mayfield, Darrell W., AC, [redacted]
McGuyrt, John W., Jr., AC, [redacted]
Richards, Donald W., AC, [redacted]
Hoyt, Robert F., AC, [redacted]
Spofford, James R., AC, [redacted]
Mitchell, Joseph A., Jr., Inf., [redacted]
Adams, Carl R., AC, [redacted]
Gamelin, Aime J., AC, [redacted]
Moon, Bryden E., AC, [redacted]
Heaviside, Robert W., AC, [redacted]
Pettit, Roy F., AC, [redacted]
Sorenson, Bernard R., AC, [redacted]
Burton, Ernest L., AC, [redacted]
Hovey, Harold G., AC, [redacted]
Lutz, George W., AC, [redacted]
Green, Jimmie L., AC, [redacted]
Lozito, Vincent J., AC, [redacted]
Winn, Otis E., AC, [redacted]
Rose, Howard C., AC, [redacted]
Lackmann, George, Jr., AC, [redacted]
Kosky, John C., AC, [redacted]
Bockelman F., Jr., AC, [redacted]
Seliga, Edward J., AC, [redacted]
Hoener, Richard F., AC, [redacted]
Baker, Gordon, AC, [redacted]
MacDonald, William R., AC, [redacted]
Weitzel, Donald L., AC, [redacted]
Fowler, Walter A., AC, [redacted]
Arlington, Matthew T., AC, [redacted]
Kelley, Vernon B., Jr., AC, [redacted]
Welch, Chester C., AC, [redacted]
Ho'ub, Richard C. A., AC, [redacted]
Hanna, Ross P., AC, [redacted]
Hartzell, Connett F., AC, [redacted]
Nicholson, Clifton L., AC, [redacted]
Merrill, Robert T., 3d, AC, [redacted]
Ross, Amos H., Jr., AC, [redacted]
Lee, Richard D., AC, [redacted]
Brubaker, Thomas F., AC, [redacted]
Waterman, Leroy R., AC, [redacted]
Wambold, William H., AC, [redacted]
Webb, Richard L., AC, [redacted]
Heberling, Raymond L., AC, [redacted]
Tarrant, John R., Jr., AC, [redacted]
Larson, James R., AC, [redacted]
Hoerler, Walter, AC, [redacted]
Smith, Warran H., Jr., AC, [redacted]
Walsh, James, Jr., AC, [redacted]
Sparks, Earl E., AC, [redacted]
Bogan, John W., AC, [redacted]
Van Trease, Hubert C., AC, [redacted]
Blitch, Norman H., 3d, AC, [redacted]
Weyant, Jack A., AC, [redacted]
Seigler, Richard M., AC, [redacted]
Mason, William H., AC, [redacted]
Bynum, Willis A., AC., [redacted]
Martin, Herbert W., AC, [redacted]
Fuller, William G., Jr., AC, [redacted]
Hardman, John W., AC, [redacted]
Hart, Francis J., AC, [redacted]
Cadenhead, John O., Jr., AC, [redacted]
Schindler, Joe T., AC, [redacted]
Richardson, Bill. M., AC, [redacted]

Martell, Donald J., AC,
Wear, Thomas O., AC,
Sanctuary, Robert H., AC,
Carlson, Roy D., AC,
Evans, Raymond E., AC,
Isaacs, Alvin C., Ord.,
McCarthy, John F., AC,
Flannigan, William C., AC,
Donohue, John E., AC,
McFarlane, John D., AC,
Duin, Robert, AC,
Stimson, Theron F., QMC,
McPherson, S. O., Jr., AC,
Wesley, James R., AC,
Rexroat, Larue D., AC,
Taylor, Ulysses S., Jr., AC,
Dyer, John C., AC,
Mallard, Thurston N., AC,
Hargrove, Clifford W., AC,
Sneed, William O., AC,
Olson, Walter I., AC,
Gibson, Charles A., Jr., AC,
Kaufman, Richard H., AC,
Fantone, William H., Jr., AC,
Williams, James B., Jr., AC,
McDonell, Charles E., AC,
Leigh, Richard E., AC,
Shultz, Charles Y., Jr., AC,
Riggs, Francis H., AC,
Brown, George H., Cav.,
Haywood, Vernon V., AC,
Bachmann, F. E., Jr., *AC,
Stern, John R., AC,
Wiseman, Joseph L., AC,
Benne, Louis, AC,
Smith, Lewis C., AC,
Lathrop, Neil H., AC,
Fowler, James F., AC,
King, William H., Jr., AC,
Stotts, Allan H., AC,
Lingan, William J., QMC,
Hakala, Robert W., Inf.,
Canestrari, Gisto, AC,
Holcomb, Robert J., AC,
Earll, Charles F., AC,
Newell, Jamieson, H. B., AC,
Coffer, Harrell R., Inf.,
Conklin, Edmund H., AC,
Avery, James B., AC,
Douglas, Louis R., AC,
Partridge, Charles H., AC,
Miller, Nathan W., AC,
Hurley, John R., AC,
Ullmann, Gilbert, AC,
Bowen, William D., AC,
Jacobs, Michael C., AC,
Wright, Russell E., AC,
Vaughn, Clarke S., SC,
Williams, Ogg L., Jr., AC,
Schaefer, C. J. H., Jr., AC,
Spiva, Thurman, AC,
Sproul, Matthew, Jr., AC,
Holland, William E., Jr., CE,
Armstrong, Jack R., AC,
Konecny, Clarence T., AC,
Barker, Havelock W., AC,
Glick, John R., Inf.,
Palmer, Carl G., AC,
Schnabel, Robert E., AC,
Tucker, William O., Jr., FA,
Hughes, Clyde E., Inf.,
Speight, Harry, FA,
Simon, John J., AC,
Framsted, Kenneth G., AC,
King, Paul S., AC,
Bennett, Frenchy D., AC,
Border, Jean S., AC,
Brown, Robert D., AC,
Long, Raymond W., AC,
McBane, Robert B., Fin.,
Schluet-, Edward A., AC,
Townsend, George E., AC,
Bell, Robert B., AC,
Smith, Paul A., AC,
Schoonvel, John, AC,
Moorhead, Robert B., AC,
Brown, Ben R., AC,
Aagaard, Emmert M., AC,
Welden, Robert D., AC,
Stacey, Walter, AC,
Buehler, Lloyd P., AC,
Lehner, Albert M., AC,

Overton, William W., AC,
Force, Richard C., AC,
Hill, Cowan S., Jr., AC,
Hodgins, L. J. Jr., AC,
Mennell, Robert C., AC,
Ingram, Vernon J., AC,
Meade, Elmer C., AC,
Burk, Clarence G., AC,
Amundson, Lowell O., AC,
Robinson, Charles J., AC,
Townsend, Robert T., FA,
Wimert, Paul M., Jr., Cav.,
Shero, Victor K., AC,
Waid, Elwood J., AC,
Gallagher, James, AC,
Marohl, Hugh P., AC,
Hill, George W., Jr., AC,
Stuyvesant, Ernest D., AC,
Cloninger, Charles R., AC,
Morrison, Robert E., AC,
Donaldson, Glenn H., AC,
Bulkley, Gerald, AC,
Smith, Vander L., AC,
Dyer, Eugene N., AC,
Zuber, Richard S., AC,
McMath, James G., AC,
Lane, Joseph A., AC,
Collier, Milton, AC,
Conklin, Clifford E., AC,
Herman, Donald L., AC,
Clark, William T., Jr., AC,
Kinny, Archer W., Jr., AC,
Evans, Richard N., AC,
McBride, William V., AC,
McKinney, Russell M., AC,
Abels, Erich T., AC,
Taylor, Carroll A., AC,
Dague, Maxwell H., AC,
Thomas, Leo E., AC,
Martin, Jack T., AC,
McKinzie, William M., AC,
Jarrett, David D., AC,
Plentl, Willard G., AC,
Barr, Thomas G., AC,
Watson, Dudley M., AC,
Mestemaker, Joseph E., AC,
Sheetz, Maurice S., AC,
Sewell, Virgil R., AC,
Smith, Mance C., AC,
Egan, James C., Jr., AC,
Tarr, Milton F., AC,
Gibbons, William L., AC,
Sabine, George E., AC,
Weinmeister, C. J., 3d, AC,
MacDonald, Douglas L., AC,
Fountain, Foster F., Jr., AC,
Downing, Edgar C., AC,
Williams, Burl R., AC,
Underwood, William S., AC,
Wilkerson, Sam C., Jr., AC,
Jones, Richard F., AC,
Delosier, Bernard C., AC,
Smith, Ralph L., AC,
Pearson, Ralph J., AC,
Bradbury, Jack E., AC,
Chessnoe, Michael, Ord.,
Dietrich, Fred H., AC,
Reagle, Robert C., AC,
Hammack, Charles R., AC,
Geller, Ulrich A., AC,
Crocker, Gage H., AC,
Hanna, Russell J., AC,
Wolfson, Morton, Cav.,
Woodyard, Jean K., Jr., AC,
Fisher, Alfred K., AC,
Frauenheim, W. G., Jr., Inf.,
O'Toole, Jerome T., AC,
Sullivan, Robert F., AC,
Gradwell, Burgess, AC,
Melvin, Robert T., Jr., AC,
Bertholf, Donald F., AC,
Smith, William G., Jr., AC,
Pachl, Ruel J., AC,
Agostinho, Robert J., AC,
Estes, Melvin A., AC,
Mahan, James J., Jr., Cav.,
Pennstrom, John H., Jr., AC,
Garten, Melvin, Cav.,
Williamson, Thomas W., AC,
Green, James A., AC,
Beauregard, Frank R., AC,
Yoder, Quentin E., Fin.,

Jacobs, Dan J., AC,
Holt, John B., Jr., CE,
Elam, Rhodes M., AC,
Kuertz, Robert R., AC,
Hill, Kenneth D., AC,
Krieger, Mervin, Cav.,
Skinner, Ernest H., AC,
Scarborough, H. E., AC,
Roberts, Benjamin A., AC,
Bischoff, Hans M., AC,
MacDougall, Joseph E., AC,
Tisdale, James W., Jr., AC,
Ogle, Sherman L., AC,
Mackenzie, Robert F., AC,
Moore, Robert B., AC,
Dennison, Robert C., Jr., QMC,
Millson, Edwin H., AC,
Wilson, Mathew R., AC,
Sparrow, Harry I., AC,
Ward, John R., AC,
Ward, John D., AC,
Hunter, William L., Inf.,
Ziegelgruber, Lee R., AC,
Thompson, Walter R., AC,
Malone, S. E., AC,
Hutcheson, G. W., Jr., AC,
Finley, Charles B., AC,
Christensen, Louis N., AC,
White, William T., AC,
Culp, Charles H., AC,
Forster, Joseph M., AC,
Lindberg, Carl A., AC,
Robson, Brian P., AC,
Fielder, Benton, Jr., AC,
Evans, John A., AC,
Shaddix, Winans C., AC,
Wade, William G., AC,
Behnke, William C., AC,
Drake, Donald V., AC,
Nutting, Elmer W., AC,
Dauteuil, Donat F., AC,
Vance, Lewis I., AC,
Swaim, Howard L., AC,
Stein, Winfield M., AC,
Beall, Max T., AC,
Opper, Leroy C., AC,
Dowell, Ralph H., Jr., AC,
MacCauley, Hugh B., AC,
Lundin, Robert L., AC,
Mathison, Charles G., AC,
Stroede, Roger A., QMC,
Flora, William B., AC,
Edwards, Paul H., AC,
Scott, Charles E., Jr., AC,
Leffel, Harold S., AC,
Pritchard, James B., AC,
Goggans, Robert, Inf.,
Hickey, John J., AC,
Garlitz, William B., Jr., AC,
Caple, Dayton F., Inf.,
Boulineau, Donald H., AC,
Wallace, Duane G., AC,
Ritter, Henry W., AC,
Meline, Ralph E., AC,
Bodycomb, Rosser I., AC,
Morgan, Thomas E., Jr., Fin.,
Martin, Cecil S., AC,
Swan, Clinton D., QMC,
Andrew, Wayne E., AC,
Hambrick, George O., AC,
Dent, Richard E., Jr., AC,
Hojnacki, Joseph, AC,
Conklin, William D., AC,
Aumer, Thurman D., AC,
Couch, Paul F., AC,
Lilley, Earl A., AC,
Monroe, Thomas G., Jr., AC,
Jacobs, Eugene W., AC,
White, James H., AC,
Lee, Zaden O., AC,
Stanfield, Donald N., AC,
Gates, Floyd A., AC,
Boyles, Dixon R., Jr., AC,
Wayne, Byron M., AC,
Mayo, William E., AC,
Booth, Lionel R., AC,
Marsh, Franklin C., AC,
Kittrell, William S., QMC,
Brose, Herbert E., AC,
Myrick, Jesse L., AC,
Fitzgerald, Raymond L., AC,
Lovell, Carl E., AC,
Wilson, Theodore A., AC,

Ward, Albert T., AC,
Laedtke, Elmer C., AC,
Culver, Douglas E., AC,
Kangas, John F., AC,
Morfit, Charles B., AC,
Hughey, Marvin H., AC,
Humphrey, Lee J., AC,
Walls, Lee, AC,
Bailey, James M., Jr., AC,
Hendon, Allen H., AC,
Calef, Richard T., AC,
Magee, William F., AC,
Holland, Clark O., AC,
Lackens, Edwin B., AC,
Ruby, Vincent M., AC,
Freeman, Elmer C., AC,
Brooks, William K., AC,
Mullen, John T., AC,
Govednik, Martin J., AC,
Gunn, Charles D., Jr., AC,
Stockton, Floyd C., AC,
Sykes, Thomas M., AC,
LaSalle, Harry S., Jr., AC,
Whalley, William L., AC,
Johnson, Carl H., AC,
Rodgers, James W., AC,
Bates, Walter L., AC,
Rhodes, Donald F., AC,
Goldsmith, David M., AC,
Russell, Henry G., AC,
Sheehan, Joseph B., AC,
Curran, Francis E., AC,
Cannity, Guy G., CML,
Adams, John B., AC,
Taylor, Liston T., AC,
Cale, Thomas E., AC,
Morgan, Clayton A., Jr., QMC,
Stroud, Joe F., AC,
Pusko, Stanley J., AC,
Gregg, Albert J., Jr., AC,
Boone, Herbert D., AC,
Goodman, Guy H., Jr., AC,
Brazie, Charles L., AC,
Heltsley, Charles M., AC,
Ireland, James W., Jr., Cav.,
Norwood, James P., AC,
Meacham, Chauncey W., AC,
Sparrevohn, F. D. R., AC,
Johnson, Conrad L., AC,
Russell, Lloyd G., AC,
Hodges, Hubert B., AC,
Bradley, Lewis L., Jr., AC,
King, Myles A., AC,
Ogozaly, Leo E., AC,
Alvestad, Russell C., AC,
Collinson, N. B., Jr., AC,
Jacobs, Robert A., AC,
Sahl, Frederick H. G., AC,
Mackie, Richard G., AC,
Norman, James S., AC,
Reynolds, Richard F., AC,
Treadway, John E., AC,
Raisor, Clifford E., AC,
Findlay, Clayton, AC,
Emerson, Edwin W., Inf.,
Burton, Carmen W., AC,
Wheeler, Jesse L., Jr., Cav.,
Cash, Hugh P., AC,
Mozley, Claude D., Jr., AC,
Kost, Stephen D., AC,
Gaines, Edwin F., AC,
Thomas, William H., AC,
McCall, Dean O., AC,
Myers, Bill E., AC,
Williams, Robert J., Fin.,
Stallsmith, Donald L., AC,
Baydala, Edward T., Fin.,
Perbetsky, George, AC,
Elliott, William P., AC,
Waggener, Herman A., Jr., AC,
Jones, Troy H., Jr., AC,
Hoenselaar, Floyd J., AC,
Bertza, Emil, AC,
Heiney, Robert A., AC,
Coats, Wilbur L., AC,
Wine, Paul H., AC,
Gallagher, James G., AC,
Stoeppelwerth, Earl, AC,
Carter, Howard K., AC,
Anthony, Richard P., AC,
De Long, Robert F., AC,

Brown, Fountain L., Jr., AC,
Crosland, Daniel, AC,
Thomas John H., Jr., AC,
Fairburn, Craig H., AC,
Carkin, Vernon E., AC,
Carey, Russell J., Jr., AC,
Marsden, William F., AC,
Fieker, Virgil E., AC,
Collins, Preston B., AC,
Altman, Roger G., AC,
Gabrielson, Roy L., AC,
Smith, William S., AC,
McKinney, Fred D., AC,
Hughes, Robert E., AC,
Warner, Richard J., AC,
Pedigo, William E., AC,
Young, Charles W., AC,
Wood, Edwin A., Jr., AC,
McCormick, Robert R., AC,
Clark, Jack M., AC,
Galarneau, Francis E., AC,
Price, Harry M., Jr., AC,
McConnell, Guy G., Inf.,
Riseden, Jack W., AC,
Berry, James E., AC,
Buckley, Cornelius E., AC,
Moyle, Bennett O., AC,
Richards, W. W., Jr., AC,
Ferguson, Howard G., Jr., AC,
France, Robert R., AC,
Lukeman, Robert P., AC,
Mitchell, John W., AC,
Callahan, John A., AC,
Strange, Russell P., AC,
Parsons, Edward B., AC,
Gilmartin, William P., AC,
Walker, Charles L., AC,
Kravchonok, Peter, AC,
Franey, John E., Inf.,
Crawley, James J., Fin.,
Jervey, John P., SC,
Finnan, George A., Jr., Fin.,
Travis, Walter H., AC,
Whitenight, Harry W., AC,
Beckman, Kenneth N., AC,
Bryan, Howard Y., AC,
Bryson, Eddie, AC,
Smith, Arthur W., AC,
North, William H., AC,
West, Sammy A., AC,
Porter, Lester F., AC,
Williams, Arthur F., AC,
Walsh, Edward F., AC,
Smith, Wylie A., AC,
McIsaac, Lewis G., AC,
Taylor, Paulus C., AC,
With, Cleland D., AC,
Mendenhall, George W., AC,
Evans, Jack T., AC,
Parrish, James M., AC,
Patterson, L. K., Jr., Cav.,
Meagher, Robert B., AC,
Davis, William E., Fin.,
Halsey, George E., Jr., AC,
Sher, Harry L., AC,
Walker, Lawrence D., AC,
Schardong, John G., AC,
Hine, Leonard D., AC,
Zurivitza, William, AC,
Piper, James G., Inf.,
Brannon, Raymond T., AC,
Bryant, Ralph W., AC,
Davis, Eddy D., AC,
Todd, Vernon R., AC,
Adair, Arja P., AC,
Millholland, Robert D., AC,
Singleton, Earl H., AC,
Miller, Paul R., AC,
Collins, Glenn R., AC,
Chambers, Thomas L., AC,
Nash, Charles E., AC,
Dethman, Ivan H., AC,
Wright, Noble D., AC,
Alden, John E., AC,
Hinckley, Ralph E., AC,
Robinett, Russell N., AC,
Des Voigne, Melvin C., AC,
Martin, Thomas W., AC,
Fish, Jules V., AC,
Campbell, Norman M., AC,
Byrd, Neal A., AC,
Carey, Gates C., AC,
McCarty, Benjamin F., AC,

Edge, William C., AC,
Scott, Robert A., AC,
Pesacreta, Samuel, AC,
Nelson, Hal J., AC,
Budnik, Eugene, J., AC,
Lawrence, Norman T., AC,
Jackson, William C., AC,
Manning, Simon W., Jr., AC,
Holman, Jack W., AC,
Wilson, Roy E., AC,
Gryskiewicz, L. R., AC,
Hamby, Jesse M., AC,
Thompson, Edward L., AC,
Ecelbarger, Paul R., AC,
Forman, Richard, J., AC,
Cormier, Emery O., AC,
Webster, Noble L., Jr., AC,
Wozniak, Stanley, E., AC,
Bowland, Orrin T., AC,
Bosworth, W. C., Jr., AC,
Fox, Roland G., AC,
White, Harry A., Jr., AC,
Cook, Norman W., AC,
Davidson, Ross, AC,
Patterson, Alfred K., AC,
Wiedenmann, Neal L., AC,
Tate, Leroy D., AC,
Thomas, Robert J., AC,
Wise, John W., AC,
Steelman, William D., AC,
Renz, Karl R., AC,
Richardson, Howard, AC,
White, Morris, D., AC,
Lamb, Bennett G., AC,
Everett, Hal W., AC,
Blair, James W., AC,
Curton, Warren D., AC,
Lindley, Wesley L., AC,
Brofft, Robert E., AC,
Covell, Dwight W., AC,
Auer, John R., AC,
Strong, Roy L., AC,
Sokay, Leslie W., AC,
Martin, Edward O., AC,
Evans, J. L., AC,
Stooksberry, Sam D., AC,
Euart, Kenneth A., AC,
Waterfill, Eugene A., AC,
Gilmore, Charles J., AC,
Metheney, Frank W., AC,
Parker, William C., AC,
Quinn, William H., AC,
Nesley, William L., AC,
Weidler, Roy C., Jr., AC,
Miller, James R., AC,
Trakowski, A. C., Jr., AC,
Heft, Robert E., AC,
Neyland, Lewis J., AC,
Buck, Alvin B., AC,
Downie, Currie S., AC,
Rackham, Edwin J., AC,
Mitchell, William L., AC,
Hesketh, Leslie, Jr., QMC,
Smith, Kenneth E., AC,
Meyers, Charles H., Jr., CAC,
Mosier, Walter M., AC,
Dawson, Dallas O., Inf.,
Roth, Martin E., AC,
Lynch, Nicholas M., AC,
Borchert, David W., AC,
Floyd, Max R., Cav.,
Rowland, Keith C., AC,
Hall, Glen R., AC,
Shelton, Donald A., AC,
Blackburn, T. W., Jr., AC,
Richardson, Oran M., AC,
Staffa, Rudolph W., CE,
Price, Howard I., AC,
Lee, Howard M., AC,
Clark, Melvin E., AC,
Brooks, William L., AC,
Muser, Norman, F. A., Inf.,
McNeil, Samuel F., Jr., SC,
Laulis, James C., AC,
Anderson, Joseph A., AC,
Jacks, Gordon L., QMC,
Woodson, Wilbert T., Jr., Cav.,
Keith, George V., AC,
Montoya, Patrick E., AC,
Jewell, Forrest W., AC,
Shaw, John M., Inf.,
Odom, Robert E., Inf.,
Culet, Ralph S., AC,

Rudy, Moses M., AC,
Walker, Harold E., AC,
Zimmerman, Pershing G., AC,
Hackett, Wilbur M., Jr., AC,
Badgley, John H., Cav.,
Witt, Warren W., Inf.,
Zindler, Herman J., Jr., AC,
Blincoe, Julian L., QMC,
Black, Harold, Inf.,
Martin, James F., AC,
Williams, Hubert L., AC,
Verhagen, Kenneth W., AC,
Harte, Allan S., Jr., AC,
Dixon, Robert J., AC,
Lauder, Edmund, AC,
Coale, Donald G., AC,
Moody, Robert P., AC,
Brown, Russell S., AC,
Mitchell, Jacklin W., AC,
Squier, Eugene R., AC,
Richey, Albert L., AC,
Davis, James A., AC,
Royse, Romie R., AC,
Roberts, John P., AC,
Ackerman, Clifford B., AC,
Johnson, Albert W., AC,
Cutler, William M., AC,
Riggle, Donald E., AC,
Kirberger, Myron F., Jr., AC,
Adams, John H., AC,
Schroeder, Rayolyn W., AC,
Stoker, Norman P., AC,
Allen, Kenneth L., AC,
Glass, Robert G., AC,
Hollis, Medford E., AC,
Addis, Darwin R., AC,
McDonell, Roger W., AC,
Russell, James W., Jr., AC,
Shannon, James A., AC,
Blaha, Roy C., AC,
McLaughlin, W. A., AC,
Rogers, William T., Jr., AC,
Hathaway, Frank A., Jr., AC,
Walker, Andrew G., Jr., AC,
Herrmann, Joseph F., Jr., AC,
McDill, Thomas K., AC,
Atherton, Jack, AC,
Kemper, Othmar A. J., AC,
Caulfield, John G., AC,
Wiechert, Stanley J., AC,
Carter, Wilbur D., AC,
Allstaedt, Kenneth C., AC,
Shaughnessy, W. J., Jr., AC,
Lynn, Alfred J., AC,
Ludwig, Charles A., Jr., AC,
Meyer, Lloyd F., AC,
Evans, Glenn W., AC,
Grunig, David B., AC,
Voss, Clyde K., AC,
Weir, Gerald C., AC,
Smith, Harry E., Jr., AC,
Goff, Theodore B., AC,
Fairfield, W. A., Jr., AC,
Fox, Clyde, AC,
Reeves, Horace B., AC,
Hannon, James D., AC,
Ong, Dong, AC,
Williams, Richard F., AC,
Pierson, William M., AC,
Craft, Jacob F., AC,
Bryant, James A., AC,
Coon, Robert E., AC,
Pennock, Paul W., AC,
Holtmann, Harrold L., AC,
Stauff, Oscar B., Jr., AC,
Thomure, Richard F., FA,
Sproul, Donald N., Inf.,
Maggert, Donald W., AC,
Markel, Carroll B., AC,
Watson, Paul C., AC,
Greene, Julius P., AC,
Peterson, Eugene F., AC,
Collette, Robert W., AC,
Jaeger, Frank J., AC,
McCormack, Robert, AC,
Allen, Robert C., AC,
Haupt, Fred J., 3d, AC,
Murray, Arthur, AC,
Holland, Gould K., AC,
Hervey, Robert E., AC,
Foster, Charles R., AC,

Hodges, Robert M., AC,
Peck, Donald A., AC,
Hodges, Julian O., AC,
Kimball, John G., AC,
Higgins, Warren J., QMC,
Gunderson, Robert S., AC,
English, Robert J., AC,
Hollis, George T., AC,
Hovey, Marsh, AC,
Fitzhugh, Richard E., AC,
Cassady, Richard H., AC,
Wilkins, Paul H., AC,
Blanton, Curtis E., AC,
Simon, Bernard R., AC,
Garden, Francis, Fin.,
Christensen, D. H., AC,
Orton, George W., AC,
McKendrick, Howard R., AC,
Drackett, Ferris J., QMC,
Miller, Earl D., AC,
Guttmann, Henry E., AC,
Brandt, George W. A., Jr., AC,
Freer, Romeo H., Jr., AC,
Thompson, Brian C., AC,
Sims, Lewis P., AC,
Thresher, Robert D., AC,
Flack, Jack O., AC,
Grove, Harry J., AC,
Cook, Warren G., AC,
Schuth, Richard E., AC,
Younger, John P., AC,
Struby, Joseph R., AC,
Neumann, Howard G., AC,
Murray, Raymond C., AC,
Hoey, William K., AC,
Haskett, Harry E., AC,
Maurer, Homer F., AC,
Story, Harvey L., AC,
Jacobs, John W., AC,
Jorgensen, Kenneth B., AC,
Kaurin, Robert H., AC,
Reilly, William J., AC,
Rice, Edward A., AC,
Culbertson, William W., AC,
Grantham D. L., Jr., AC,
Crowell, Raymond A., AC,
Douglass, Walter A., AC,
Dunmire, Floyd T., AC,
Berodt, Howard H., AC,
Downey, Russell A., AC,
Weyle, Lowell F., AC,
Shipley, Fred D., AC,
Crans, Robert E., AC,
Harris, Orland J., AC,
Gary, Theodore A., AC,
Bylander John E., AC,
Acre, John P., AC,
Garlock, Karl H., AC,
Gilbert, James B., Inf.,
Brown, Robert C., AC,
Wardlow, Ralph C., Cav.,
Daly, Robert P., AC,
Reish, Robert C., AC,
Rose, Frank L., Jr., AC,
Dreesen, Victor L., AC,
Herbert, Floyd, AC,
Langley, Edwin W., AC,
Hays, Raymond F., AC,
Light, Clifton F., AC,
Dotson, Verl D., AC,
Cooperman, Harold, AC,
Weaver, William H., Jr., AC,
Reger, Ted E., AC,
Lindquester, David M., AC,
O'Connell, William A. C., AC,
Harden, Charles R., AC,
Thompson, Milton R., Cav.,
Vella, Vito T., AC,
Tattersall, Jess J., AC,
Leach, Wayne, AC,
Yates, John M., AC,
Corbett, Frank W., AC,
Price, Arthur P., Inf.,
Dow, Norman C., AC,
Willingham, H. E., Jr., AC,
Casbeer, Roy N., AC,
Junker, Harold R., AC,
Perfetto, Albert J., AC,
Hodges, Hubert W., AC,
Whye, Harry D., AC,
Obus, Louis J., AC,
Stein, David M., AC,

Ryan, John J., AC,
Julin, Donald D., AC,
Brown, Clyde D., AC,
Guinn, Euin N., AC,
Bracha, Vincent J., AC,
Scherberger, Joseph M., AC,
Lyall, John R., AC,
Clark, John B., Jr., AC,
O'Toole, Lawrence A., AC,
Haven, Donald V., AC,
Loob, Frank A., AC,
Welborn, James E., Jr., AC,
McNary, Lawrence B., AC,
Verbeck, Ernest L., AC,
Gale, Louis E., AC,
Kensler, Thomas C., Jr., AC,
Anderson, Raymond I., AC,
Skoglund, Peter J., AC,
Schindler, Tobias, AC,
Tully, Edward F., AC,
Faustman, David H., AC,
Rowe, Mayron H., AC,
Downey, Frank A., AC,
Mitchell, C. D., Jr., AC,
Williams, Bill D., AC,
Long, Philip L., AC,
Sullivan, James E., Jr., AC,
Collings, Kenneth L., AC,
Grace, Gerald J., AC,
Brannen, Shelton, Jr., AC,
Britting, Wesley E., AC,
Davis, Ruby E., Jr., AC,
Johnson, Gordon M., AC,
Schreiber, Joseph, AC,
Dixon, Dick, AC,
Norris, Loy R., AC,
Hill, Alvin W., AC,
McLain, James L., AC,
Tull, Gordon F., AC,
Evans, Wilbur L., AC,
Bradshaw, Timothy H., AC,
Wenzel, Lloyd M. N., AC,
Butler, John E., Jr., AC,
Hoskins, Robert O., AC,
Loisel, Cyriaque J., AC,
Clarke, John S., Jr., AC,
Jones, Howard A., AC,
Versurah, Vincent V., AC,
Mersereau, Robert T., AC,
Cotton, J. W., Jr., AC,
Klingler, Djack, AC,
Blessing, Samuel E., AC,
King, John F., AC,
Brown, Delmire B., AC,
Douglass, John J., Inf.,
Grier, Robert K., AC,
Harris, Robert B., AC,
Distler, Jack L., AC,
Millikin, Eugene J., AC,
Dallam, Robert N., Fin.,
Maitland, William W., AC,
Sewell, Toxey H., QMC,
Jenkins, Joseph E., Inf.,
Rehbein, Norman W., AC,
Taylor, Kenneth B., AC,
Simokaitis, Frank J., AC,
Gabrhel, Frank J., Jr., Inf.,
Sieber, Charles F., Jr., Inf.,
White, Fred R., Cav.,
Brown, Charles H., Cav.,
Coachman, Francis G., Inf.,
Dunn, Donald W., AC,
Humphrey, James B., CE,
Jones, Donald O., AC,
Stuber, Harold B., AC,
Andrews, Gordon J., AC,
Simpson, Lloyd W., AC,
Lampert, Francis G., AC,
Wiese, Frank E., AC,
Vanderveer, John D., AC,
Tennyson, Allen R., AC,
Lively, James R., AC,
Campbell, Warren E., AC,
Brinkman, Edward A., AC,
Edmonson, Richard W., AC,
Smith, Orrin R., Jr., AC,
Elder, James A., Jr., AC,
Trapp, Jack A., AC,
Sumner, Charles D., Jr., AC,
Neubert, Bernard E., Inf.,
Di Labbio, Paul, AC,

Daffern, Troey, AC,
McFarland, Charles M., AC,
Upton, Thomas J., AC,
Bales, Glenn E., AC,
Fox, Bob D., AC,
Upton, Julian B., AC,
Cox, Harold D., AC,
Sharp, William C., AC,
Stoddard, Donald, AC,
Sparkman, Donald H., AC,
Keppler, Elmer C., AC,
Kilcrease, Curtis E., AC,
Van Camp, Lawrence F., AC,
Robinson, Lester W., AC,
Chmura, Edward, AC,
Thorne, Richard E., AC,
Glasgow, Thurman A., AC,
Brown, Bernard L., AC,
Thompson, Robert D., AC,
Morrow, Russell E., AC,
Heller, Richard F., Jr., AC,
Madsen, Lawrence E., AC,
Morrow, Craig G., AC,
Popham, Jack E., AC,
Carlstrom, Robert D., AC,
Johnson, Haddon, Jr., AC,
Winn, Earl H., AC,
O'Grady, Joe M., AC,
Van Lydegraf, Dean, QMC,
Cismowski, Aloysius M., AC,
Berry, James T., AC,
Smith, Bernard C., AC,
Hoyl, Basil L., AC,
Tench, William C., AC,
Taylor, Robert G., AC,
Rohr, Charles E., AC,
Van Dorn, Wesley, N., AC.,
Doering, Edward W., AC,
Gibson, John R., AC,
Conway, Jack M., AC,
Stewart, William H., AC,
Voss, Robert H., AC,
Matthews, Albert M., AC,
Hargis, Horrace P., AC,
Higgins, Richard W., AC,
Moser, Fred A., Jr., AC,
Wilson, Thomas L., AC,
Bathurst, John F., AC,
Barrett, E. Kane, AC,
Willoughby, A. M., Jr., AC,
Thomas, Richard J., AC,
Cooper, Dale W., AC,
Hurst, Eugene E., AC,
Dankof, Karl E., QMC,
McKee, William V., AC,
Brock, Arthur W., AC,
Goldblum, Theodore, AC,
McGill, Allen K., AC,
Sittler, Lloyd W., AC,
Kerr, Teddy J., AC,
Neuharth, Richard E., AC,
Smith, Douglas R., AC,
Smith, Robert R., AC,
Frost, Douglas H., AC,
Antosz, Leo J., AC,
Harney, Charles J., Cav.,
England, John B., AC,
Cavanaugh, C. E., Jr., AC,
Whitesides, Bruce M., CML,
Madara, George L., Jr., AC,
Harvey, Theodore R., AC,
Poindexter, W. E., AC,
Wallace, Jamie W., Jr., AC,
Phillips J. Coulson, Cav.,
Bradley, Ben W., Fin.,
Parks, Joseph W., Jr., AC,
Moore, Charles E., Fin.,
Wienberg, Harold F., AC,
Stout, Carl E., AC,
English, Burton E., AC,
Dawes, William A., Jr., AC,
Douglas, Logan A., AC,
Mikell, Emory A., AC,
Smith, Kenneth B., AC,
Donohue, William R., AC,
Hunt, Robert L., AC,
Tomlinson, William W., AC,
Thomas, Stanley R., AC,
Pazin, Peter, AC,
McCarthy, Peter J., Jr., AC,
Kinder, Richard O., AC,
Montone, Neil A., AC,

Ward, Walter E., AC,
Townsend, James G., AC,
Dingivan, Edward A., AC,
Kinkade, Otis M., AC,
Hughes, Lloyd C., AC,
Hoza, Paul P., AC,
Cundiff, Jack B., AC,
Steere, Lowell B., AC,
Sanderson, Edward J., AC,
Dallman, Howard M., AC,
Stearns, Richard C., AC,
Meuse, David L., Jr., AC,
Neill, John C., AC,
Strom, Howard F., AC,
Stormo, Virgil M., AC,
Schultz, Robert N., AC,
Kielgass, Earl L., AC,
Sales, Robert N., AC,
Wengel, Emil J., AC,
Shafer, Jonathan K., AC,
Ostrye, Norbert B., AC,
Evans, George O., AC,
Blake, Earl G., AC,
Carlisle, Paul L., AC,
Barthelmess, Robert P., AC,
Wheless, Ellis J., AC,
Fry, James H., AC,
Raymer, John C., Jr., AC,
Bennett, Robert A., AC,
Holman, Albert H., AC,
Kirschbaum, Everett J., AC,
Queen, Thomas W., Jr., AC,
Miller, Homer B., AC,
Danielson, James E., AC,
Myers, George H., AC,
Kopitzki, Alfred L., AC,
Rabourn, Clarence W., AC.
Smith, Ray H., Cav.,
McDonald, William A., AC,
Evans, Ivor P., AC,
Spence, Judson C., Sr., Inf.,
Peterson, John F., AC,
Tolson, George C., AC,
Carter, Richard B., AC,
Amundson, Ray K., AC,
Fernbaugh, Richard M., AC,
Joseph, Edward B., AC,
Layman, Charles A., QMC,
White, Miller G., Jr., AC,
Thompson, Raymond F., AC,
Golubski, Edward G., AC,
Eckes, Leroy J., CML,
McKenna, William W., AC,
Weeks, Herman F., AC,
Brady, Wendell D., AC,
Howell, Howard D., AC,
Kimberlin, John I., AC,
Rodgers, William A., AC,
Spencer, Glen H., AC,
Fritts, Robert E., AC,
Berry, Robert E., AC,
Hickcox, Harold J., AC,
Scott, Leon L., AC,
Dienst, William L., AC,
Campbell, Warren F., AC,
Spencer, Earl W.,
Miller, Frank E., Jr., AC,
Desaussure, Hamilton, AC,
Hicks, William, AC,
Grissom, V. F., Jr., AC,
Barnhart, Harley E., AC,
Scott, Gordon H., AC,
Harnly, Merlin W., AC,
Bolen, George O., Jr., AC,
Fleming, Lawrence J., AC,
Trautwein, Donald F AC,
Christian, H. W., Jr., AC,
Meyler, Walter P., AC,
Bice, John W., AC,
McKay, Robert B., AC,
Spears, Simms M., AC,
Hoffman, Wesley K., AC,
Mimnaugh, W. E., 3d., AC,
Klinikowski, Walter P., AC,
Cox, Frank L., Jr., AC,
McKeen, Chester M., Jr., Ord.,
Wilson, Clarence E., AC,
Venable, Calvin H., AC,
Trigg, Robert E., FA,
Elliott, Merle M., AC,
McMullen, Donald S., Inf.,
Guthrie, Richard E., Fin.,

Jenkinson, Frank F., AC,
Breslin, Francis J., AC,
Denning, Kemp H., Jr., AC,
Lowe, Thomas A., FA,
Spencer, Paul N., AC,
Graves, William F., Cav.,
Steffes, Sylvester P., AC,
Gross, Fred A., Jr., AC,
Curto, Domenico A., AC,
Arch, Kenneth R., Inf.,
Johnson, George W., AC,
Henderson, W. W., 3d, QMC,
Houghten, Richard A., AC,
Hasek, Francis J., AC,
Wilson, Robert B., AC,
Benckart, Robert G., Jr., Cav.,
Smiley, Frederick F., AC,
Hicks, John E., AC,
Trammell, William H., AC,
Haar, Herbert R., Jr., CE,
Struble, Rex D., AC,
Webb, Hardie G., AC,
Renfro, Walter R., AC,
Lamb, Forrest Y., QMC,
Ellis, Dale E., AC,
Chapman, Norman L., AC,
Heard, Edward C., Jr., AC,
Hall, Charles R., AC,
Smith, James S., Jr., AC,
Weber, John A., AC,
Donovan, Harry A., AC,
John, Frank E., AC,
Smith, Landgrave T., Jr.,
Savage, Gene T., AC,
McKay, William L., AC,
Messerli, Louis G., Jr., AC,
Sanders, Leo W., AC,
Schifferer, John S., AC,
Covey, Frank S., AC,
Le Roy, Malden J., AC,
Martin, William P., Jr., AC,
Higgins, Jack L., AC,
Pyle, Lowell D., AC,
Cole, Ray M., AC,
Christensen, John J., Cav.,
Martin, William B., Cav.,
Mimler, Arthur M., AC,
King, William B., AC,
Dennis, David S., AC,
Munera, Antonio V., Jr., Inf.,
Windsor, David W., AC,
Curll, Edwin W. L., QMC,
Povalski, James A., AC,
Moss, Felix R., CE,
Hopkins, Hubert V., Jr., AC,
Schultes, William A., AC,
Clifford, Paul V., AC,
Dickey, Earl R., AC,
Farmer, Owen P., Jr., AC,
Coloney, William G., AC,
Reeves, Burton A., AC,
Hogon, Dudley W., Jr., AC,
Thomas, Jay P., QMC,
Davis, Hubert R., AC,
MacNutt, William D., Cav.,
Moschogianis, Peter C., AC,
Terry, Wendell B., AC,
Metz, Robert G., Cav.,
Brinley, John J., AC,
Heaser, William J., Jr., Inf.,
Joslyn, Clyde A., QMC,
Thomas, William L., AC,
Walsh, Edward F., Jr., AC,
Bouffard, Robert E., AC,
Littig, Goodwin G., AC,
Smith, Donald R., AC,
Olson, Ordean T., AC,
Bradshaw, Harry C., Jr., AC,
LaMoine, Don C., AC,
Barnhill, Robert W., AC,
Spaur, Melvin J., AC,
Hughes, Emmett W., AC,
Dye, L. A., Jr., AC,
Harris, Paul H., AC,
Turner, Marion R., Jr., AC,
Sweatt, Fred J., AC,
Wilson, Ralph W., AC,
Hedlund, Donald C., AC,
Green, Alfred L., AC,
Pierce, Locke H., Jr., AC,
Burrill, James C., AC,
Safley, Lawson M., Inf.,

Cline, Leo E., AC,
Zimmerman, John W., AC,
Doyal, Dean A., Inf.,
Widler, Warren F., Inf.,
Fall, Gerald G., Jr., AC,

TO BE SECOND LIEUTENANTS

Cordell, Dan B., AC,
Stone, David O., AC,
Buchanan, Jack, AC,
Rogers, Roland, AC,
Alexander, William G., AC,
Roberts, Gail D., AC,
Connolly, John W., AC,
Simmons, James N., AC,
Olson, Eugene T., Inf.,
Earley, Leonard E., AC,
Humberd, Donald A., AC,
Holdra, George, AC,
Hemmig, Ralph B., AC,
Williams, Thomas G., AC,
Cockan, Lloyd A., Jr., FA,
Mouth, James H., AC,
Trumbo, Waller F., AC,
Layman, Ralph E., Jr., Ord.,
Ferris, Donald J., AC,
Snyder, Hollice H., Ord.,
Dallas, Dois D., Inf.,
Smith, Robert S., Jr., Cav.,
Allen, Tom C., Ord.,
Rich, Robert E., CE,
Kettler, Jack F., Inf.,
Brooks, Dwight M., Cav.,
Fisher, Harold C., AC,
Gentleman, Robert W., QMC,
McNeil, Loyd J., AC,
Hoffman, Louis V., AC,
Southwick, William E., AC,
Cojeran, Stephen, AC,
Snedeker, Eugene C., Inf.,
Carraway, Joseph G., Jr., Cav.,
Miccio, Edward, Jr., SC,
Fleming, Robert N., QMC,
Merritt, Charles W., AC,
Lang, Albert S., AC,
Fleischman, G. W., Jr., AC,
Eblen, Thomas H., FA,
Jentsch, Clarence A. E., AC,
Klosson, Kenneth A. M., Inf.,
Badger, William D., Jr., AC,
Trapold, A. C., 3d, AC,
Scott, Arthur A., AC,
Sturdevant, Philip A., AC,
Auger, Gerald F., AC,
Skinner, Wilfred F., AC,
Xenakis, Nick J., AC,
Bevacqua, Eugene A., AC,
Wykoff, Gerald K., AC,
Eversole, Delbert E., AC,
Owens, Thomas R., AC,
Christenson, John M., AC,
Nassoly, Edward F., AC,
Connor, George W., AC,
Gray, Bert, AC,
Bingham, Melvin E., AC,
Reeves, James, AC,
McIntyre, Angus J., AC,
Okier, Oliver E., Inf.,
Valenstein, Earle L., CE,
Rector, Kenneth L., AC,
Truesdell, William I., AC,
Lohman, Eugene A., Jr., AC,
Nettles, William R., Jr., Inf.,
McFadden, Charles R., Cav.,
Doyle, William A., SC,
Garner, Edward S., 3d, Ord.,
Barrett, Raymond D., Inf.,
Rodgers, Otis H., Ord.,
Frank, Reuben J., AC,
Elliott, James N., CML,
Bartow, Pierrepont F., Inf.,
Duggan, Walter, Ord.,
Hastings, William P., QMC,
Teselle, John, FA,
McAllister C. B., Jr., QMC,
Slentz, George L., AC,
Stedman, Robert S., AC,
Breuer, Louis K., 3d, AC,
Thouvenelle, Gerald J., Inf.,
Graham, Carroll R., AC,
Myers, Paul E., Inf.,
Newell, Frank C., AC,
Persons, Frank, AC,
Boyer, Frank S., SC,
Breen, Harold, AC,
Krueger, Rudy, AC,
Richmond, Allen P., 3d, CE,
Wellings, Donald J., AC,
Whitley, Jesse W., FA,
Norman, William S., Inf.,
Lisec, Victor, AC,
Smith, Eben D., AC,
Schreier, Bryan J., QMC,
Kleindienst, Louis B., AC,
Terry, Dudley K., Cav.,
Buckley, Louis B., AC,
Boley, Maurice C., AC,
Campbell, John F., AC,
Tipton, William J., AC,
Cusworth, Maynard C., AC,
Anderson, Julian P., AC,
Haynes, Jessie C., AC,
Beard, Charles E., Jr., AC,
Adams, Marvin L., AC,
Larkin, Clayton E., AC,
Parnell, Claude E., Jr., AC,
Ravey, Bill J., AC,
Moore, William W., AC,
Gordon, James H., AC,
Brooks, Robert O., AC,
Clark, Roy E., AC,
Melgard, Robert B., AC,
Weaver, Maurice S., QMC,
Kroesen, F. J., Jr., Inf.,
Suttle, Harry M., Jr., AC,
Hamilton, Maynard G., AC,
Strock, Robert D., SC,
Conder, William T., AC,
Wallace, William E., Inf.,
Roswurm, Robert U., AC,
Martin, Orville W., Jr., Inf.,
Rodgers, Felix A., AC,
Coogan, Vincent F., Inf.,
Robles, Francis P., Inf.,
Fulmer, Otto W., QMC,
Thomas, Edward D., AC,
Culbertson, Robert G., QMC,
Jacobs, Jesse P., Jr., AC,
Bales, William B., AC,
Astor, Raymond J., AC,
Fox, Warren A., SC,
Hanley, Claude W., Jr., AC,
Johnson, Harold R., AC,
Vogeley, Charles B., AC,
Johnson, Lawrence H., AC,
Peyton, Tom L., Jr., CE,
Clements, Charles D., Inf.,
Hall, Allen J., Jr., AC,
Bathurst, Robert M., Jr., Cav.,
Smith, Albert C., Jr., Cav.,
Moore, Wallace E., AC,
Pilotte, Frank F., AC,
Heath, Robert, AC,
Forker, William L., Ord.,
Hearing, Vincent J., Inf.,
Godwin, Claude H., AC,
Santangelo, Russell J., QMC,
Ellis, Edward H., CE,
Eckert, Raymond H., AC,
Rice, C. N., Jr., AC,
Goad, James R., AC,
Kline, Gordon P., AC,
Randolph, Robert R., AC,
Sexton, Charles D., AC,
Frank, William L., AC,
Nations, James O., AC,
Frese, Gregory G., Jr., AC,
Revolinsky, Philip A., Cav.,
Childs, John S., AC,
Warfle, Elwyn J., AC,
Kale, Delbert R., AC,
Horton, Wallace D., AC,
Berline, Henry L., Jr., AC,
Fuller, Grady B., AC,
Goff, William S. Jr., AC,
Peterson, Leo T., AC,
Yearwood, John C., AC,
Norris, George W., AC,
Gillan, Robert W., Jr., AC,
Ross, William E., Cav.,
Alder, Louis O., AC,
Esposito, Alfred L., AC,
Campbell, Hubert S., Jr., Cav.,
Morris, Harry B., AC,
Fligor, Robert D., AC,
Tavoulareas, W. P., FA,
Borders, John E., AC,
Bueker, Gustav H., AC,
Vines, John H., AC,
Smith, Marshall L., AC,
Wheeless, James E., AC,
Fong, George H., Jr., AC,
Romberg, Robert P., AC,
Catlin, B. S., 3d, AC,
Spangler, John D., AC,
Waller, James C., Jr., Inf.,
Kelley, Charles L., Inf.,
Romans, James W., Jr., AC,
Levens, Thomas O., AC,
Crowley, Robert W., Inf.,
Craig, William L., AC,
Courtney, Clyde W., AC,
Ramos, Francisco J., Inf.,
Fox, Arthur A., AC,
Robbins, George B., Jr., Cav.,
Shepherd, William C., AC,
Eichenberg, Paul L., AC,
Wamsted, Leland D., SC,
Lynch, William H., SC,
Sautters, Clyde W., SC,
Keen, Robert J., AC,
Kunkel, Laurence J., SC,
Sherman, William D., QMC,
Woodham, James E., Jr., AC,
Sullivan, Ronald J., AC,
Ferris, Paul V., Jr., AC,
Bahrich, Garry A., Cav.,
Jenkins, Woodrow W., AC,
Powers, Joseph W., Inf.,
Sitton, Ray B., AC,
Carruthers, Warren L., AC,
Krug, Robert A., AC,
Shoults, Harry L., AC,
Anania, August R., AC,
O'Brien, Edward A., Jr., AC,
Monserrate, Luis A., Inf.,
Winkeller, Herbert B., Inf.,
Irwin, Donald S., AC,
Laney, A. Louis, AC,
McKeever, Wendell E., AC,
Risinger, Fred S., Jr., AC,
Johnson, Edward J., AC,
Brown, Raymond, Jr., AC,
Catallo, Albert L., AC,
Powell, Billie W., AC,
Dick, Reay S., AC,
Laatsch, Oliver F., AC,
Pancake, Dale C., AC,
Sheppard, William L., AC,
Guier, William C., AC,
Menzie, William R., AC,
Milton, John L., AC,
McCarren, Edwin J., Cav.,
Luke, William H., AC,
Argersinger, James B., AC,
Coe, Joseph P., Jr., SC,
Finlayson, Robert A., QMC,
Huber, Robert E., QMC,
Holcomb, Thomas H., AC,
Beam, Wilmer M., SC,
Hospelhorn, Cecil W., Inf.,
Black, Herbert D., Jr., Cav.,
Hicks, Orman E., QMC,
McCaulley, Roger A., AC,
Jones, Wesley D., Ord.,
Hobday, Henry C., Jr., Ord.,
Dillon, Lester R., Jr., Inf.,
Cribb, William J., Jr., Ord.,
Turner, Claude E., QMC,
Reed, Warren E., QMC,
Noahson, Coleman, Inf.,
Maybell, James L., AC,
Juraschek, Daniel P., Cav.,
James, Maxwell T., Cav.,
Kahley, Don E., AC,
Wardell, Dennis J., Cav.,
Burke, Thomas D., Jr., Inf.,
Schmidt, Carvel W., QMC,
McNeilly, Charles R., AC,
Bakewell, Arthur L., Cav.,
Williams, Jesse G., AC,
Biagini, Arthur T., AC,
Leidemer, Henry M., AC,
Campbell, Russell C., AC,
Popp, Vern B., AC,

Cranford, Earl C., AC,
Hooten, William J., AC,
Dame, Edward W., AC,
Kelley, Jack W., AC,
Adams, Claude M., Cav.,
Curtis, Curtis D., AC,
Sherman, Robert F., AC,
Presley, Lemuel I., QMC,
Glover, Douglas C., AC,
Boyle, Daniel J., AC,
Tross, Ralph G., Inf.,
Dolson, Richard H., Fin.,
Reiser, Armand E., AC,
Morris, Russell P., Jr., AC,
Halbrook, Luther L., Ord.,
Kreider, Lawrence E., Cav.,
Shofner, Julian D., AC,
Tipton, Carl W., AC,
Ulrich, Arthur J., AC,
Kenny, Patrick H., Jr., AC,
Spellman, Lawrence E., Inf.,
Heller, Russell M., Jr., AC,
Holst, Edward F., Jr., AC,
Watson, Robert F., AC,
Cady, Robert A., Ord.,
Burke, John H., QMC,
Mitchell, Newell D., AC,
Boehm, Frank H., AC,
Carpenter, Henry T., AC,
Kern, John R., Jr., AC,
Moreland, Harry H., AC,
Lindemann, Conrad J., AC,
Coburn, William T., Inf.,
Anderson, James M., AC,
Gentile, Walter T., AC,
Croft, Charles R., Jr., AC,
Simpson, Warren L., AC,
Bradshaw, Buren J., Inf.,
Carr, Bruce W., AC,
Saffell, John A., AC,
Maier, Harold E., Ord.,
Nemky, Milton M., SC,
Wilkes, Hollie A., AC,
Brewer, Robert B., Cav.,
Williamson, Darrell C., AC,
Lee, Joel C., AC,
Walters, Carl, Jr., AC,
Barry, Ray L., AC,
Vandiver, Robert L., AC,
Jackson, Roger T. Jr., AC,
Fletcher, Earl W., Cav.,
Tippitt, Frank W., CML,
Wilt, Mark E., AC,
Broome, Earl B., Jr., CML,
Robbins, Jack B., AC,
Kegley, Milton K., AC,
Watson, Wallace R., AC,
Taylor, James C., AC,
Ryan, Robert M., Jr., AC,
Asla, Felix, Jr., AC,
Suneson, Earl L., AC,
Smith, Sim J., Jr., AC,
Long, Melvin J., CE,
Schroeder, George Z., AC,
Lane, Howard M., AC,
Stein, Herman, Inf.,
Maloy, Robert W, AC,
Stewart, Malcolm A., AC,
Atkins, Richard A., Jr., AC,
Ricker, Lawrence K., AC,
Fossum, Adolph C., Inf.,
Foltz, Gilbert H., QMC,
Vickers, Robert E., Jr., AC,
Homiller, William R., Inf.,
Hammel, Herman A., AC,
Harris, Louis R., AC,
Van Zandt, Kenneth R., AC,
Perkins, William H., AC,
Simon, Henry, AC,
Wheeler, Joseph C., AC,
Stapleton, W. B. F., SC,
Reed, William R., SC,
Ehrlich, Hubert D., AC,
Mort, Thomas A., Ord.,
Brown, Richard K., AC,
Christenson, C. R., AC,
Robinson, Jack A., AC,
Gaffney, John P., AC,
Wright, William R., AC,
McDonald, William M., AC,
Fetler, Philip, AC,

Bass, Calvin G., AC,
Nutting, Orin E., AC,
Gresham, Charles B., AC,
Sullivan, William F., AC,
Miller Eric O. A., Jr., Inf.,
Pierson, Harry T., Jr., SC,
Gray, Arthur M., AC,
Walsh, Owen J., QMC,
Huebner, Otto W., Inf.,
Dement, Jere H., Inf.,
Courtney, Howard A, AC,
Miller, Forrest R., AC,
Yates, Eames L., Inf.,
Schutt, Emil J., AC,
Ganschow, Alfred K., SC,
Owens, James G., Cav.,
Foreman, Shirley L., AC,
Sheehan, Daniel J., Jr., AC,
Cox, Jack, Jr., AC,
Rova, Paul E., AC,
Kaltenbacher, R. F., AC,
Vaughn, Philip R., AC,
Gay, Robert E., AC,
French, Robert R., AC,
Ninde, Albert E., AC,
Ball, Harlan E., AC,
Scott, Rufus W., AC,
Baca, Leo C., AC,
Miller, Marvin W., AC,
Golston, Lawrence L., Cav.,
Rumpf, Darrell R., Inf.,
Glenn, Carl E., QMC,
Thompson, Montie Jr., AC,
Carter, Douglas H., SC,
Clark, Joseph R., AC,
Alexander, Ralph H., QMC,
Lockhart, Albert E., Inf.,
Burke, Michael J., SC,
Dixon, Von H., AC,
Lineberger, John E., AC,
Mann, Frank, Jr., AC,
Dunn, Philip E., Inf.,
Cort, Hugh, Jr., Cav.,
Trogdon, Floyd H., AC,
Trezise, John W., AC,
Crum, Walter S., AC,
Netterblad, John M., AC,
Valentine, George C., Ord.,
Anderson, Carl A., Inf.,
Gruben, James F., AC,
Burgmeier, John J., AC,
Hurley, Thomas J., Cav.,
Flaig, John B., AC,
Dano, Donald E., AC,
Tooles, John H., QMC,
Johnston, W. D., Jr., AC,
Joy, Frederick W., Jr., AC,
Garn, Phil R., Inf.,
Jones, William C., Cav.,
Posich, Lewis V., Inf.,
Norr, Francis M., AC,
Potter, Alma L., AC,
Lewis, Robert W., Inf.,
Babcock, Charles L., Inf.,
Hawley, Harvey D., Cav.,
Du Bois, Keith F., Inf.,
Wykert, Lyle A., AC,
Nelson, Douglas J., AC,
Lovelace, Hewitt E., Jr., AC,
Webb, Thomas A., AC,
Morley, William G., AC,
Newbold, Rodney H., AC,
Friar, Clyde L., CML,
Olenchuk, Peter G., CML,
Rose, Anthony J., AC,
Welbes, Alvin M., AC,
Lawler, Lawrence T., AC,
Collins, Harry O., FA,
King, Don W., AC,
Williams, Lewis E., AC,
Sterling, Ray E., AC,
Sprankel, Harold J., Inf.,
Van Sant, Edward R., AC,
Parish, John T., Jr., AC,
Staver, Donald F., QMC,
Lind, Charles L., AC,
Scales, Lowell D., AC,
Kennedy, John N., QMC,
Pakalka, William, AC,
Selig, Louis G., Jr., SC,
Black, William J., AC,
Lemon, Austin C., Jr., AC,

Dukes, Joseph, Jr., AC,
Newkirk, Mahlon M., AC,
Harbison, John J., AC,
Nastoff, Daniel, AC,
Odiorne, John M., AC,
Gambill, Charles L., CE,
Keir, James M., Jr., AC,
Sniffin, Charles R., Inf.,
Pomerene, Robert L., FA,
Carter, James B., AC,
Moriarty, Richard L., FA,
Stickney, Lawrence M., AC,
Elliott, Richard B., CML,
Armstrong, Cecil R., AC,
Smith, Joe H., Jr., AC,
Green, Victor D., Inf.,
Mungenast, Andrew J., AC,
Capps, Jefferson D., Cav.,
Neiss, Ainsley T., AC,
Bryant, Melvin H., AC,
Hodgin, Robert H., AC,
Stark, Charles L., Inf.,
Vermeire, Virgil L., AC,
Fries, William W., AC,
Lucy, Robert S., AC,
Coates, Robert E., AC,
Healey, William R., Inf.,
Barish, David T., AC,
Graffunder, William O., AC,
Robinson, Marion M., AC,
Graham, Robert P., AC,
Ratto, Stanley N., AC,
Leonard, James M., AC,
Grubbs, James W., Jr., AC,
Fields, Jack H., AC,
Self, David A., Jr., AC,
Black, Elmer E., Jr., AC,
Driscoll, James A., QMC,
Strelecki, J. L., Jr., FA,
Flanagan, Jesse L., AC,
Achee, Fernand M., Jr., CE,
Bowers, Hurst G., AC,
Braun, Julius H., Inf.,
Jacobson, Walter A., Inf.,
Chapman, Harry M., AC,
Waitt, Thomas M., CML,
Fletcher, Don S., QMC,
Wareham, Samuel A., AC,
Stukas, Robert R., AC,
Payne, William R., AC,
Taylor, Charlie T., Jr., AC,
Embery, Robert L., AC,
Laroche, Harold D., AC,
Norberg, Marcus L., AC,
Lewis, Theodore S., AC,
Fauth, William W., AC,
Cavnar, Bobbie J., AC,
Hardy, Charles R., AC,
De Vries, John A., AC,
Westfall, C. C., Jr., Inf.,
Ihrig, Maxwell J., AC,
Guay, Georges R. J., AC,
Moore, Frank G., AC,
Nissen, Jim C., AC,
Blankenbaker, G. S., Inf.,
Allen, George R., Jr., Inf.,
Slay, Alton D., AC,
Banks, Henry S., AC,
Hislop, Sherman L., AC,
Sydnor, Charles B., AC,
Wakeman, Paul M., Jr., QMC,
Axt, Richard C., AC,
Dyer, Drury N., AC,
Daoust, John B., AC,
Hummel, Richard E., AC,
Conyne, Albert H., Inf.,
Timmie, James D., AC,
Butler, Olva B., Inf.,
Warden, Rex W., Jr., AC,
Girardin, Robert L., AC,
Ewing, Donald E., AC,
Loesch, George P., AC,
Stovall, Thomas L., CML,
Sinclair, William D., AC,
Lavinder, Wilford W., AC,
Kramb, John H., AC,
Disharoon, Jerry B., AC,
Wolf, Daniel W., AC,
Troutman, George G., AC,
Blades, Leo L., AC,
Melendez, Michael J., AC,

Thompson, John A., AC,
Bechtold, Louis A., AC,
Watson, Allan R., AC,
Flansaas, Glenn A., AC,
Rhodes, Howard D., CE,
Meyers, Roy L., AC,
Gagnon, John A., Jr., AC,
Smithson, Daryl P., AC,
Kimbel, Joseph B. K., AC,
Bjorgen, Leonard L., AC,
Stockton, Lyle E., AC,
Davidson, Bernard C., AC,
Gibson, Ralph D., AC,
Heringlake, Charles W., AC,
Weatherford, R. H., Jr., AC,
Cunningham, A. S., Jr., AC,
Augustyn, Frank J., AC,
Immig, Richard G., AC,
Schmidt, Julius H., Jr., AC,
Bajcura, Orestes M., AC,
Zuppan, Lawrence L., Jr., AC,
Smith, Charles R., Cav.,
Sanders, Stephen J., AC,
Davis, Homer, AC,
Turner, Joseph H., AC,
Krieger, Thomas B., AC,
Adams, Harry J., AC,
Peebles, Thomas N., AC,
Watkins, Archibald L., AC,
Ricketts, James E., Jr., AC,
Boehm, Paul F., AC,
Garlington, A. R., Jr., AC,
Arave, William L., AC,
Kepner, William C., AC,
Gaines, Edmund P., Jr., AC,
Harris, Roy L., Jr., AC,
Sadler, Robert E., AC,
Bunge, Howard T., AC,
Maier, Aaron D., QMC,
Hallenbeck, Alva M., AC,
Burkett, Daniel L., AC,
Ackerson, Frederic, Inf.,
Stewart, Frank C., Jr., QMC,
Jordan, Herbert L., Inf.,
Blanton, William J., AC,
Rhoads, William C., Fin.,
Winborne, Kenneth H., AC,
Shumaker, Clarke L., Jr., Inf.,
Davidson, Kenneth E., Cav.,
Ganz, Edward C., Jr., Cav.,
Holladay, Thomas D., Jr., QMC,
Austin, Walter T., Cav.,

(Nonpromotion list)

TO BE MAJORS

Morgan, James S., PhC,
Hagman, Frank E., MC,
Tobey, Frank A., CH,
Wheeler, Ralph K., CH,
Kilburn, John W., CH,
Avner, Saul L., MC,
Gillenwaters, Henry L., CH,
Overstreet, Samuel, CH,
Selwyn, Robert E., PhC,
Stevenson, Walter H., MC,
Marren, John J., MC,
Stolz, Stephen H., CH,
Steen, William B., MC,
Burns, Edward J., CH,
Dunn, Waldo E., CH,
Linsley, John C. W., CH,
Carpenter, Stanley J., PhC,
Culp, Curtis F., MC,
Plagens, George M., MC,
Tennies, Leslie G., PhC,
Daugherty, Thomas S., DC,
Haas, William R., MC,
Guin, Howell G., CH,
McEldowney, Morris C., CH,
Simmons, James Q., Jr., MC,
Winslow, Paul E., CH,
Deery, Lawrence E., CH,
Toye, Alfred E., DC,
Tracy, Aloysius J., CH,
Cannon, Alfred R., PhC,
Nagle, John J., CH,
Fletcher, Maurice J., PhC,
Alexander, L. D., DC,
McCue, Edward H., DC,
Harris, Earl F., MC,
Mitchell, Charles H., MC,
Wood, John J., CH,
Raley, Leroy W., CH,
Inman, James G., MC,
Slusser, Gerald A., MC,
Blair, John D., MC,
Baechler, I. C., CH,
Niemi, Osmo I., MC,
Wilkinson, Herman E., MC,
Mauer, John E., DC,
Weedon, Herschel R., CH,
Gagge, Adolf P., PhC,
Bayliss, Milward W., MC,
Sion, Edward G., MC,
Gallagher, Hugh J., CH,
Hunter, Wayne L., CH,
Johnson, Clarence E., MC,
Hamel, Henri A., CH,
Powers, Stanley M., CH,
Trevitt, Daniel H., CH,
Norland, Calvert E., PhC,
Kuhn, Ludwig R., PhC,
Kuitert, John H., MC,
Kane, Stephen W., CH,
Fenton, Bernard J., CH,
Ellenberg, Julian S., CH,
Hessin, Arthur L., MC,
Leh, Willard, PhC,
Krisler, David E., CH,
Rapalski, Adam J., MC,
Konopka, Urban S., CH,
Bunn, Ralph W., PhC,
Englehart, Charles E., MC,
Karpen, Raymond J., PhC,
Morreale, Samuel O., CH,
Leone, Nicholas C., PhC,
Johnson, Francis M., PhC,
Adamowski, John P., CH,
Lyerly, Arnold A., CH,
Zimmerman, Leon W., MC,
Weidenkopf, Stanley J., PhC,
Pletcher, Kenneth E., MC,
Driscoll, Daniel M., DC,
Zehrer, Frederick A., PhC,
Buesing, Oliver R., MC,
Shields, Charles D., MC,
Hall, Wilbur C., CH,
Mitchell, Philip H., PhC,
Pulaski, Edwin J., MC,
Kulczycki, John, Jr., MC,
Finn, Ralph H., CH,
Rule, John S., Jr., DC,

TO BE CAPTAINS

Bryan, Oscar E., Jr., CH,
Grove, Donald W., DC,
Jones, Charles S., DC,
Mastellone, Aniello F., MC,
Sigurdsson, Jon O. S., MC,
Rhea, John I., CH,
Brach, Stanley C., CH,
Kinsella, Leo J., CH,
Scharlemann, Martin H., CH,
Tarpley, Herman V., CH,
Denslow, Joseph C., Jr., MC,
Kendall, Rex S., CH,
Zelenik, John S., MC,
Siwinski, Clement A., CH,
Anderson, Wilber K., CH,
Cameron, George J., CH,
Fulkerson, Maurice D., CH,
Kozak, Edwin J., CH,
Davison, Augustus M., MC,
Knese, Luke A., MC,
Holt, Maurice R., CH,
Groves, Owen A., MC,
Clawson, John R., DC,
Coone, Herbert W., MC,
Turner, Alexander J., CH,
Rogers, Vernon O., CH,
Tornstrom, Clifford H., DC,
Meyer, Wilfred H., DC,
Walker, Jared A., CH,
Bailey, Irwin C., Jr., CH,
Lewandowski, C. J., CH,
Goldbarg, Julius A., MC,
Strait, Claude E., CH,
Rex, Wendell F., CH,
Faker, Alan B., MC,
Bryan, Halden J., DC,
Kasel, Joseph T., CH,
Siegesmund, Kenneth W., DC,
Laffitte, Herbert B., DC,
McElwee, Aloysius J., CH,
Barrett, Walter D. S., CH,
Selzler, Norbert E., CH,
Dicker, Herman, CH,
Rinkowski, George M., CH,
Sheridan, John W., PhC,
Mahr, Raymond A., DC,
Frediani, Alexander W., MC,
Moore, James H., PhC,
Claiborne, William L., MC,
Clark, James F., PhC,
Zielinski, Aloysius C., CH,
Winstead, Maurice B., MC,
Graves, Ned R., CH,
Sullivan, Maurice L., CH,
Bauer, Donald D., MC,
Geise, Gerald E., PhC,
Enmeier, James M., DC,
Ramsey, Douglas E., MC,
Mohnac, Alex M., DC,
Fisher, William T., DC,
Tenery, John H., Jr., MC,
Camp, Elwood W., PhC,
McConnell, James N., CH,
Mosley, George W., DC,
Peters, Don P., Jr., MC,
Steed, Oliver H., PhC,
Cox, William W., MC,
Meadows, Burton T., MC,
Roerig, Richard N., PhC,
Branyan, William H., Jr., CH,
Smith, Lloyd S., DC,
Young, Carl J., CH,
Ralston, Joseph W., DC,
Lonero, Charles, PhC,
Boice, William S., CH,
Mullins, Dewitt F., Jr., MC,
Grundler, Richard A., DC,
Brandt, Alfred E., DC,
Hampton, Wade F., PhC,
Adams, Harry J., PhC,
Bischoff, Paul A., MC,
Case, Iverson C., Jr., MC,
Di Laura, Frank A., MC,
De Fries, William A., MC,
Gulyash, Joseph J. F., MC,
Irving, Glenn C., PhC,
Banfield, Ernest E., Jr., MC,
Fanning, Robert J., DC,
Dunne, Joseph A., CH,
Bell, Richard R., CH,
Alden, Charles W., MC,
Lewis, Converse R., Jr., PhC,
Killian, Frank, Jr., PhC,
Lindberg, Robert B., PhC,
Hack, Vincent I., PhC,
Schoepflin, Adolphe J., MC,
Bencini, Emery A., DC,
Green, Robert P., MC,
Martin, George W., MC,
Sink, Voigt M., CH,
Wiedeman, Geoffrey P., MC,
Austin, Paul F., PhC,
Tiecke, Richard W., DC,
Stansell, Gilbert B., MC,
Sutherland, L. R., MC,
Chapman, Ralph R., MC,
Stabile, Joseph N., PhC,
Raubfogel, Manuel F., PhC,
Johnson, Leroy, DC,
Sheehan, Gerard J., PhC,
Cousins, Owen D., PhC,
Payne, Robert B., PhC,
Palmer, Eddy D., MC,
Harshbarger, K. E., PhC,
McInerney, James J., PhC,
McNulty, M. F., Jr., PhC,
Brandon, Gatlin R., PhC,
Hekhuis, Gerrit L., MC,
Floyd, Vaun T., MC,
Waters, John J., PhC,
Johnson, Bruce W., MC,
Turner, Clyde M., PhC,
Rumer, George F., MC,
Severance, Robert L., MC,
Sanders, Arvey C., PhC,
Ritter, Robert J., PhC,
Bisaccia, Leonard J., MC,
Frick, Lyman P., PhC,
Borah, William N., MC,
Boyer, Lea M., DC,
Hollister, L. C., Jr., MC,
Kirchoff, Wayne F., DC,
Mastrolia, Anthony C., PhC,
Umphress, Donald L., PhC,
Steel, Maxwell W., Jr., MC,

Brunnemann, Auben W., PhC, [redacted]
Lindsey, Douglas, MC, [redacted]
Fulton, John D., PhC, [redacted]
Clark, Robert R., DC, [redacted]
McDonnel, Gerald M., MC, [redacted]
Crispell, Lawrence S., MC, [redacted]
Bosshold, Erich P., MC, [redacted]
Hastings, Walter C., Jr., PhC, [redacted]
Whittemore, F. W., Jr., PhC, [redacted]
Hjetland, Robert I., PhC, [redacted]
Snead, Ralph B., DC, [redacted]
Jasper, William S., MC, [redacted]

TO BE FIRST LIEUTENANTS

Millstein, Conan H., PhC, [redacted]
Peterson, Carmen A., PhC, [redacted]
Muschel, Louis H., PhC, [redacted]
Omalley, Robert J., PhC, [redacted]
Jewell, Dean M., PhC, [redacted]
Malone, Everett W., PhC, [redacted]
Hewitt, Clarence B., MC, [redacted]
Snelling, James H., PhC, [redacted]
Keegan, Hugh L., PhC, [redacted]
Clark, Wallace N., PhC, [redacted]
Weller, Carl B., MC, [redacted]
Hartgering, James B., MC, [redacted]
Markel, Bruce S., Jr., PhC, [redacted]
Baczewski, Zbigniew J., MC, [redacted]
Metz, Charles W., Jr., MC, [redacted]
De Graff, George J., PhC, [redacted]
Larson, Harold P., PhC, [redacted]
Albrecht, Lawrence S., PhC, [redacted]
Westra, Donald F., PhC, [redacted]
Williams, Edward E., PhC, [redacted]
Franklin, Robert B., MC, [redacted]
Flatter, Findlay F., PhC, [redacted]
Gorrell, Charles J., PhC, [redacted]
Fisher, Neal R., MC, [redacted]
Jenkins, James H., Jr., MC, [redacted]
Moll, Richard A., DC, [redacted]
Doisy, Edward A., Jr., MC, [redacted]
Arnold, Ralph D., PhC, [redacted]
Insabella, John, PhC, [redacted]
Millington, George H., MC, [redacted]
Rutledge, Ben A., MC, [redacted]
Sheehy, Thomas J., Jr., MC, [redacted]
White, Robert B., DC, [redacted]
Rogers, Frank A., MC, [redacted]
Handorf, William G., PhC, [redacted]
Allen, James F., PhC, [redacted]
Rivenbark, R. V., PhC, [redacted]
Gaines, Robert L., PhC, [redacted]
Kistler, Grover C., PhC, [redacted]
Brown, Aubrey K., Jr., MC, [redacted]
Horton, Glenn E., MC, [redacted]
Fergeson, Maurice L., MC, [redacted]
Edwards, Edward T., Jr., MC, [redacted]
Brown, John A., PhC, [redacted]
Campbell, Daniel C., Jr., MC, [redacted]
Lauraine, Maness E., DC, [redacted]
Morgan, Floyd E., Jr., PhC, [redacted]
Crosby, Leonard A., Jr., PhC, [redacted]
Hastings, Edward V., MC, [redacted]
Hitchcock, Henry P., DC, [redacted]
Long, Richard E., DC, [redacted]
Patterson, William M., MC, [redacted]
Keenan, James W., PhC, [redacted]
Wendt, Douglas C., DC, [redacted]
Fricke, Vernon S., DC, [redacted]
Scott, Edwin L., MC, [redacted]
Thompson, James T., DC, [redacted]
Gross, Willis C., Jr., DC, [redacted]
Green, Paul M., DC, [redacted]

TO BE SECOND LIEUTENANTS

Miller, Quentin H., PhC, [redacted]
Bines, William H., Jr., PhC, [redacted]
Clark, Robert L., PhC, [redacted]
Ostrom, Thomas R., PhC, [redacted]

IN THE NAVY

The following-named midshipmen (Naval Academy) to be assistant paymasters in the Navy with the rank of ensign, from the 6th day of June 1947, in lieu of appointment as ensigns in the Navy as previously nominated and confirmed:

Joseph H. Clasgens II	James A. Ostiller
James R. Duquette	John S. Park
Raymond DeL. Lochner	John K. Ryder
James D. McNeil	Charles R. Skord

The following-named midshipmen (Naval Academy) to be assistant civil engineers in the Navy with the rank of ensign, from the 6th day of June 1947, in lieu of appointment as assistant paymasters in the Navy as previously nominated and confirmed:

Bradley L. Baker	Charles C. Heid, Jr.
Charles W. Butler	Eugene M. Portner
Robert D. Darragh, Jr.	William F. Reed, Jr.
Elliot A. Dewey	William D. Wilson
James I. Gibson	

Archie E. Floyd (Naval ROTC) to be an assistant civil engineer in the Navy with the rank of ensign, from the 6th day of June 1947, in lieu of ensign in the Navy as previously nominated and confirmed.

Charles J. Stanbach (Naval ROTC) to be an ensign in the Navy, from the 6th day of June 1947, in lieu of ensign in the Navy as previously nominated and confirmed to correct spelling of name.

The following-named (civilian college graduates) to be assistant paymasters in the Navy with the rank of ensign:

Robert F. Dennie, Jr.	Joseph C. Ryan, Jr.
Julian P. Hurtubise	Frank A. Saksa

Norman J. Magneson (civilian college graduate) to be an assistant civil engineer in the Navy with the rank of ensign.

Frank W. Galbraith (civilian college graduate) to be an assistant civil engineer in the Navy with the rank of lieutenant (junior grade).

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 29, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, the author of peace and concord, breathe upon our souls the love of truth and beauty and goodness, that there may be no confusion in our lives. Though with faintness of endeavor we have failed Thee, grant that by Thy direction we may be richer in appreciation of our high calling. We pray that the future may hold for our Republic a brighter dawn for all our citizens.

We wait in deep gratitude for the precious heritage bestowed upon us by the sacrifices of our soldier dead and our soldier living. Lord God of Hosts, be with us yet, lest we forget, lest we forget!

"Come, Peace of God, and dwell again on earth;
Come, with the calm that hailed Thy Prince's birth;
Come, with the healing of Thy gentle touch;
Come, Peace of God, that this world needs so much.

"Break every weapon forged in fires of hate,
Turn back the foes that would assail Thy gate;
Where fields of strife lie desolate and bare,
Take Thy sweet flowers of peace and plant them there."

We pray in the name of the Prince of Peace, Jesus Christ our Lord. Amen.

The Journal of the procedings of yesterday was read and approved.

EXPORT-IMPORT BANK OF WASHINGTON

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 220, Rept. No. 484), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 993) to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HOME OWNERS' LOAN ACT OF 1933

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 221, Rept. No. 485), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FEDERAL HOME LOAN BANK ACT AND NATIONAL HOUSING ACT

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following privileged resolution (H. Res. 222, Rept. No. 486), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2799) to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be

considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

DISPOSITION OF CERTAIN WAR HOUSING

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following privileged resolution (H. Res. 223, Rept. No. 487), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FOREIGN RELATIONS POLICY

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 224, Rept. No. 488), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3342) to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

WAR DEPARTMENT APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the War Department appropriation bill.

Mr. BULWINKLE. Mr. Speaker, on behalf of the Committee on Appropriations, I reserve all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

INTERNATIONAL REFUGEE ORGANIZATION

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 225, Rept. No. 489), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 207, providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances in the RECORD and include extraneous matter.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD.

Mr. WELCH asked and was given permission to extend his remarks in the RECORD and include an editorial published in the San Francisco Call-Bulletin, entitled "Key to Progress."

ECONOMY IN GOVERNMENT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, as of May 23 our national debt was $257,837,000,000 and more. Yesterday you saw a spectacle here where practically everybody on the Democratic side of the House voted to spend more money. We had a terrible time here with the Republicans trying to hold them down but we just won out by the skin of our teeth. Republicans proved they vote for economy in government.

Now, we are to the point where we hear on the radio in the mornings that we are going to try to get rid of a lot of Government employees. Well, if you are going to cut down on expenses, you must get rid of Government employees. That is what we are trying to do. These people who are going to have to get jobs away from the Government ought to now find out that they ought to go back home and get a job. It will save the taxpayers millions of dollars. Government employees can resign from the Government now before they receive a quit notice and go back home and get a job nearer where they lived before coming to Washington; jobs can be found there. That is what they have to do, and we hope some of the Government employees will do it. It is wise and sensible. Let us cut down expenses of government.

EXTENSION OF REMARKS

Mr. BULWINKLE asked and was given permission to extend his remarks in the RECORD and include a notable address by Hon. Garrison Norton, Assistant Secretary of State and chairman of the United States delegation at the opening plenary meeting of the first assembly of the International Civil Aviation Organization.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial from the Boston Post endorsing the idea of making terminal-leave bonds negotiable.

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD and include an editorial from the magazine, Columbia.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an address by Hon. James Forrestal, Secretary of the Navy, and in the other to include an editorial.

Mr. DORN asked and was granted permission to extend his remarks in the RECORD and include a poem by a young lieutenant killed during the Battle of the Bulge; also an article on Hamm Cemetery by the American Chargé d'Affaires at Luxemburg.

Mr. EBERHARTER asked and was granted permission to extend his remarks in the RECORD by inserting two items; one entitled "How To Identify an American Communist," and the other entitled "How To Recognize an American Pro-Fascist."

Mr. RICHARDS asked and was granted permission to extend his remarks in the RECORD and include an article from the New York Herald Tribune.

Mr. LARCADE asked and was granted permission to extend his remarks in the RECORD in two instances and in each instance to include a newspaper article.

PERMISSION TO ADDRESS THE HOUSE

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, the other day the House passed a so-called wool support price bill. It should now be known as a bill to pull the wool over high tariffs. The bill was in fact not one bill but two: First, a bill calculated to give relief to the wool growers, and second, an amendment attached to the bill, which was in itself a bill by which back-door method it was calculated to place the footsteps to this Nation once more on the road to high tariffs.

The Washington Daily News has this to say about it:

VETO THE WOOL GRAB

In 2 days of House debate on the bill to continue Government wool-price supports

almost 40 Congressmen made melancholy pleas on behalf of wool growers, woolen manufacturers, dairymen, cotton farmers, and others.

Taxpayers and consumers—though the bill lays heavy burdens on them—were hardly mentioned.

Congress is supposed to represent the whole country. But wool legislation, like too many other kinds of legislation, is pegged to group benefits and passed by log-rolling reminiscent of the larcenous old high-tariff days. That's only one of the reasons why we think President Truman should veto this bill.

It began as a price-support measure. Even then it was unfair in proposing to support wool at 100 percent of the parity price, as against 90 percent for other farm products. Because the support price is above the world market, American taxpayers through the Government already are stuck with more than 400,000,000 pounds of wool—loss to date, $38,000,000—and American consumers are forced to pay needlessly high prices for woolen goods.

But the House has voted even more protection for wool, adding a 50 percent import fee on foreign wool, which already has to hurdle a tariff of 34 cents a pound. This provision runs directly counter to the reciprocal-trade program and makes the United States look foolish in the current Geneva conference where we profess to be trying to break down barriers to world trade.

This wool bill, as it passed the House, represents the old high-tariff Republicanism and economic isolationism which has done untold damage in the past—and, which, incidentally, was a major factor in keeping the GOP out of national power for so many years. Party leaders would do well to remember that.

The SPEAKER. The time of the gentlewoman from California has expired.

EXTENSION OF REMARKS

Mr. PRICE of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PRICE of Florida. Mr. Speaker, last year this House passed unanimously H. R. 4051, introduced by my colleague the gentleman from Florida, Hon. DWIGHT ROGERS. Thus there is no misunderstanding throughout the United States among the veterans regarding those of us who were Members of the House at that time. I believe today practically every Member of this House believes that it is just and equitable that our boys who are holding terminal leave bonds are entitled to cash now for these bonds. We have reposing peacefully in the committee at this time another proposal in the form of H. R. 3521 also introduced by the gentleman from Florida [Mr. ROGERS]. This bill proposes a solution that in my estimation could not be objectionable to the Treasury Department. It simply provides that these bonds be made negotiable, thus giving the enlisted men an opportunity to exchange bonds at face value for the things they need. The officers were paid in cash, why not come forward now even though late with a small measure of justice for the enlisted man. I would prefer to pay them in cash but it looks as if it is impossible to enact such a law, therefore let us do the next best for our boys.

LEGISLATIVE REORGANIZATION ACT

Mr. GRANT of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GRANT of Alabama. Mr. Speaker, I have today filed a bill to amend the Legislative Reorganization Act of 1946. This act, in providing for increased efficiency in the legislative branch of the Government, made provision that any claims against the United States for money accruing only on and after January 1, 1945, on account of damage to, or loss of property, or on account of personal injury, or death, caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant for such damage, loss, injury, or death, in accordance with the law of the place where the act or omission occurred, shall not be adjusted by private bills filed in Congress but shall be by suit filed in the United States district court for the district wherein the plaintiff is resident, or wherein the act or omission complained of occurred.

You will note that the Government's responsibility for loss, injury, or death is governed in accordance with the law of the place where the act or omission occurred. However, there is a further provision which provides that the United States shall not be liable for punitive damages. Two States in the Nation allow punitive damages, these States being Alabama and Massachusetts, except in Massachusetts there is a limit of $10,000 for death acts.

The Supreme Court of Alabama has interpreted the Alabama statutes to allow the recovery of punitive damages solely. This means that anyone in Alabama having a just claim against the Government finds that he is barred from any recovery due to this provision of the Legislative Reorganization Act of 1946.

Anyone filing a suit in a United States district court in Alabama, under the provisions of this act, will find himself out of court when the Government makes a motion to dismiss.

I do not believe that it was the intention of Congress to bar residents of Alabama and Massachusetts from their day in court. This Congress should amend the Legislative Reorganization Act so that the citizens of Alabama and Massachusetts may have the same privilege as citizens of other States.

In order that this question may be brought forcibly to the attention of Congress, I am also today filing a claim bill for the relief of the heirs of a person in my district who was hit and killed by an Army truck. He was riding a mule on the highway on the right side of the road and in broad open daylight was struck by the Army truck, which resulted in his and the mule's deaths. These heirs are entitled to this relief, either by favorable action upon this bill or by passage of the amendment.

It is realized that recovery by the claim bill is barred and also by the same act the heirs are barred from bringing suit against the Federal Government as could be done if they were residents of other States. I trust that Congress will take notice of this matter and promptly amend this act.

EXTENSION OF REMARKS

Mr. FULTON asked and was given permission to extend his remarks in the RECORD.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include two articles.

Mr. FORAND asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by the Rev. Joseph D. McAllister, S. S., of the Catholic University of America.

SPECIAL ORDER GRANTED

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the disposition of the business on the Speaker's table and any other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO WITHDRAW FILES

Mr. McCORMACK. Mr. Speaker, last year I introduced a special bill (H. R. 6621) for the relief of Jeremiah Lipkind, which was referred to the Committee on Claims. In connection with the bill I introduced certain data and evidence, which data and evidence are now on file with the Clerk of the House. The attorney for the person who was injured has asked me to try to obtain the data and evidence back. I understand the procedure is to ask unanimous consent that I be permitted to withdraw from the files of the Clerk of the House evidence submitted in connection with that bill; and I submit that request.

Mr. RICH. Mr. Speaker, reserving the right to object, will the withdrawing of the records in any way affect the bill?

Mr. McCORMACK. No; the bill was one in the last Congress.

Mr. RICH. They are papers that were sent to the gentleman in connection with the claim?

Mr. McCORMACK. Yes; they were sent to me and I sent them to the committee. They are now in the Clerk's office.

Mr. RICH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE FIRST MEMORIAL DAY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a poem and a statement I inserted in the RECORD some years ago.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, tomorrow will be Memorial Day. I wonder how many Members of Congress know the origin of Memorial Day. You have been told that it was created by an order issued by General Logan.

Memorial Day started at Columbus, Miss., years before General Logan ever issued his order.

On the 25th of April 1866, while the Daughters of the Confederacy were decorating the graves of the Confederate soldiers at Columbus they decorated alike the graves of about 40 Federal soldiers who were buried in the same cemetery.

News of the incident got into the press and provoked from the pen of Hon. Francis Miles Finch, a distinguished New York jurist, a poem called The Blue and the Gray that has come down through the years and will go on down the centuries as one of the great poems of all time.

I am inserting that poem along with these remarks. But I wanted you to know that Memorial Day was started by the Daughters of the Confederacy at Columbus, Miss., in the district I have the honor to represent.

The inland river referred to is the Tombigbee on whose historic banks the city of Columbus is situated.

The Blue and the Gray was first published by Judge Finch in the Atlantic Monthly for September 1867. The entire poem as it appeared in the Atlantic Monthly at that time with the title and introductory explanation reads as follows:

THE BLUE AND THE GRAY

The women of Columbus, Miss., animated by nobler sentiments than are many of their sisters, have shown themselves impartial in their offerings made to the memory of the dead. They strewed flowers alike on the graves of the Confederate and of the National soldiers. (New York Tribune.)

"By the flow of the inland river,
Whence the fleets of iron have fled,
Where the blades of the grave grass quiver,
Asleep are the ranks of the dead;
Under the sod and the dew,
Waiting the judgment day;
Under the one the blue,
Under the other gray.

"These in the robings of glory,
Those in the gloom of defeat,
All with the battle-blood gory,
In the dusk of eternity meet;
Under the sod and the dew,
Waiting the judgment day;
Under the laurel the blue;
Under the willow, the gray.

"From the silence of sorrowful hours
The desolate mourners go,
Lovingly laden with flowers
Alike for the friend and the foe;
Under the sod and the dew,
Waiting the judgment day;
Under the roses, the blue;
Under the lilies, the gray.

"So with an equal splendor
The morning sun rays fall,
With a touch, impartially tender,
On the blossoms blooming for all;
Under the sod and the dew,
Waiting the judgment day;
Broidered with gold, the blue;
Mellowed with gold, the gray.

"So, when the summer calleth
On forest and field of grain,
With an equal murmur falleth
The cooling drip of the rain;
Under the sod and the dew,
Waiting the judgment day;
Wet with the rain, the blue,
Wet with the rain, the gray.

"Sadly, but not with upbraiding,
The generous deed was done;
In the storm of the years that are fading,
No braver battle was won;
Under the sod and the dew,
Waiting the judgment day;
Under the blossoms, the blue,
Under the garlands, the gray.

"No more shall the war cry sever,
Or the winding rivers be red;
They banish our anger forever
When they laurel the graves of our dead!
Under the sod and the dew,
Waiting the judgment day;
Love and tears for the blue,
Tears and love for the gray."

NATIONAL MINERALS RESOURCES DIVISION

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 226, Rept. No. 490), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2455) to establish within the Department of the Interior a National Minerals Resources Division, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time to announce the program for next week since many Members have inquired about that.

On Monday we will call the Consent Calendar. There are quite a few bills on the calendar and it will probably take some time to complete that call. After that is completed we will begin debate on the War Department appropriation bill.

On Tuesday we will call the Private Calendar, after which we will continue with consideration of the War Department appropriation bill. Also we hope to call up on that day House Resolution 176, providing for investigation of the Post Office and Civil Service.

On Wednesday, Thursday, Friday, and Saturday, the balance of the week, we will continue consideration of the War Department appropriation bill if it is not concluded before that time. We also propose to call up H. R. 3342, the United States Information and Educational Exchange Act; H. R. 2798, to amend section 5 of the Home Owners Act of 1933; H. R. 2799, to amend the Federal Home Loan Bank Act, title IV of the National Housing Act; H. R. 3492, to provide for the expeditious disposition of certain war housing; S. 993, to provide for the reincorporation of the Export-Import Bank of Washington, and House Resolution 212, H. R. 49, providing for statehood for Hawaii.

Mr. Speaker, whether or not we can reach and dispose of all those matters next week I do not know, but that is in contemplation. In addition, conference reports may be considered at any time that they are ready. It is probable that conference reports on the labor bill and the tax bill will be ready for consideration next week.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I understand the conferees on the labor bill have reached an agreement. Can the gentleman advise the House as to what day next week, assuming my information is correct, the conference report on the labor bill will be brought up?

Mr. HALLECK. I had heard, like the gentleman, that agreement had been reached. How soon the report will be ready for signature and for filing, I do not know. I had rather assumed, without having definite information about it, it would not be filed until Monday, in which event it would be my idea not to call it up before Wednesday.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Illinois.

Mr. SABATH. After the Consent Calendar has been disposed of, and I hope it will not take very long, what will be taken up?

Mr. HALLECK. On Monday?

Mr. SABATH. On today. Is this District Day?

Mr. HALLECK. We have a couple of resolutions from the Rules Committee, then matters from the District of Columbia Committee were made in order for consideration today in view of the fact we could not get to that last Monday.

Mr. SABATH. Which of the resolutions will be considered?

Mr. HALLECK. Of the District Committee?

Mr. SABATH. No; after we complete the business of the day.

Mr. HALLECK. I yield to the gentleman from Illinois who can possibly inform the gentleman about that.

Mr. DIRKSEN. I think the gentleman from Illinois is interested in what resolutions of the Rules Committee will be called up today, not the District Committee.

Mr. HALLECK. I did not understand the gentleman correctly. There is a resolution from the Rules Committee providing for a potato investigation that we expect to call up; and House Resolution 195, which provides for a study by the District of Columbia Committee. Those two rules will be called.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Is the gentleman from Indiana in a position to assure us that the labor bill conference report will not come up before Wednesday?

Mr. HALLECK. Yes, I will make that assurance. I do not know when the conference report on the tax bill might be called; I can make no assurance about that. But, I will assure the Membership that we will not call the labor bill conference report before Wednesday.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield further?

Mr. HALLECK. I yield.

Mr. McCORMACK. In connection with the tax bill, I realize that the gentleman from Indiana's plans have to be flexible, as I know from my own experience, and the gentleman is as specific with this program as he possibly can be. I am advising the House, and I want the Members to know, from my 6 years' experience, that the gentleman's announcements of the programs have always been as specific as a majority leader could make them. But he has to have some flexibility. In connection with the tax bill there is nothing definite, but the gentleman says not before Wednesday on the labor bill conference report. I presume that means Wednesday, probably, according to the exigencies that confront him next week. In connection with the tax bill conference report, is the gentleman in a position where he can assure the House that it will not be brought up Monday?

Mr. HALLECK. I hesitate to give that assurance. The gentleman understands that in connection with that matter we are working against a considerable deadline.

Mr. McCORMACK. I understand.

Mr. HALLECK. And there is reasonable necessity of disposing of it as quickly as we can.

Mr. McCORMACK. I just simply wanted the RECORD to show, so that the Members would be on their guard. If it was not coming up before Tuesday, then they could govern themselves accordingly, and if the gentleman cannot give that assurance, of course, I would not expect him to and I would not ask him, but my inquiry was for the purpose of getting as much information as I could for the Membership of the House so that they could govern themselves accordingly on Monday.

Mr. HALLECK. I thank the gentleman for his attitude and his help.

Mr. McCORMACK. In other words, it might come up Monday?

Mr. HALLECK. It might come up Monday.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. VORYS. In relation to House Joint Resolution 207, providing for our entry into the International Refugee Organization, on which a rule has been granted, I wonder if there is any possibility of that matter coming up next week, in view of the fact that it has a high priority on General Marshall's suggestions?

Mr. HALLECK. That rule, of course, has just been filed. The other matter from the Committee on Foreign Affairs came out before this particular measure. I have not programed for next week the measure to which the gentleman refers. Of course, if the program so works out that we have time to take it up, and it could be arranged, why I certainly would have no objection to doing that.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. RANKIN. Does not the gentleman think that before we plunge any further into international entanglements we ought to consult the American people? It seems to me that we have gone a long way in constructing and financing a Tower of Babel that bids fair to collapse amidst a confusion of tongues, at our expense. I want to say that I am not in favor of plunging any further into this international morass at the expense of the American people.

The SPEAKER. The time of the gentleman from Indiana has expired.

EXTENSION OF REMARKS

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

LOBBYING

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article and a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, I want to call the attention of the House to something concerning Federal lobbying that is going on. We have heard a lot about lobbying, and we have accused the manufacturers, the farmers, and everybody, but the lobbying I am referring to comes out of these agencies downtown. I want to insert as a part of my remarks a newspaper clipping from the Philadelphia Record this morning dealing with that matter, and also I want to insert as a part of my remarks a telegram signed by the Soil Conservation Service yesterday, sent all over the United States, urging the farmers to turn the heat on us to save the jobs of these fellows down in the Department. This is one the smelliest things I have ever handled. They sent out telegrams yesterday Nation-wide telling the farmers that all benefits from the Government are going to be taken away from them, and probably they will have to make refunds; and telling them to threaten the Congressmen who are putting this across. In other words, these lobbyists are out with the hatchet to get us, those who are for economy in government. It is about time that this lobbying from downtown is stopped.

[From the Philadelphia (Pa.) Record]

TODAY: FEDERAL LOBBY BUSY—CONGRESS ON RUN—SOME TACTICS RAW—SIGNATURES FORGED—HOUSE CUTS RESTORED

(By Herman A. Lowe)

WASHINGTON, May 28.—Congress, which thought it had belled the cat last year when it decreed registration of lobbyists, is now jumping timidly through a hoop in the hands of a great unregistered lobby—the Federal Government.

This Congress started out to create a brave, new world in Washington, to whittle the President's whopping $37,500,000,000 budget down to size. It is now on the run before hundreds of pesky little pressures set up by the slick operators in Government Departments.

The legislators are befuddled. The people turned last November's election into a Republican landslide largely on the issue of excessive Federal spending. Today, the same people have succumbed to the octopus lobby of the Federal agencies and are angrily shouting to their elected Representatives: "Woodman, spare that tree."

Yet it is as certain today as it was on election day that Government expenses are wickedly extravagant. It is just as certain that billions in wasteful expenditures can be carved away without hurting any genuine function of government.

It also is true, although the folks back home do not realize it, that so long as tremendous chunks of Federal coin are poured into padded pay rolls, really deserving projects will never get Government help.

The Government lobby is a honey. Nothing that the NAM, the real-estate boards, the farm bloc, or the labor organizations ever dreamed up compares with it.

There is nothing new about Federal departments and agencies lobbying for funds. Despite statutes outlawing the practice, it has been done for years with every trick in the book. But never before in history have so many worked so hard to prevent so many from being booted from the public pay rolls.

They are pulling strings to have State and local governments protest on behalf of their projects. They are having the folks back home flood the legislators with letters and telegrams—just the way the utility holding companies used to do.

They furnish the ammunition, the facts, to every supporter of their cause. The skilled propagandists among them—and the Federal Government's press agents run into a couple of thousand—prepare propaganda material proving that the Government is actually undermanned. In case you have any doubt about the size of the propaganda machine which has turned on the heat, a congressional committee has figures showing that Uncle Sam spends $75,000,000 a year to supply information.

Some of the machine's tactics have been raw. For instance, the Customs Service lobby prepared mimeographed letters to Congressmen urging that its funds be not reduced. These letters were carried to prominent citizens who were asked to sign and mail them.

In some instances, where enough signatures could not be obtained, the lobby forged them and mailed out the petitions itself. This has outraged many Congressmen—although it got results in the Senate, which has largely restored House cuts.

The service also discharged about 1,000 employees, with all the flourish of a circus parade, in several key port cities such as New York and Philadelphia. The idea was to convince the American public that it was having its throat cut and that smugglers were about to ruin the country.

If the full budget cuts had gone into effect immediately it would not have been necessary to fire nearly so many, the service now admits. But in any event the House-approved cuts would not have taken effect until July 1.

In small towns post offices shut down 1 or 2 days a week. It was explained that this was due to the economy drive and the folks were urged to write to their Congressmen. Again it can be pointed out that the cuts do not go into effect until after July 1 and that no reduction in post office hours is to result. Could it be a coincidence that the Postmaster General is chairman of the Democratic National Committee?

There have been numerous shrewd examples of such tactics. People who should know better are being convinced that Congress—whose aim is to reduce the national debt and the high wartime tax rates—is out to wreck all the Government services.

Much of the pressure comes from new wartime functions which have an ingrained opposition to giving up the ghost, and whose personnel like it where they are now and and want to stay there.

Actually, Congress is only trying to reduce a $37,500,000,000 budget, to about $32,000,000,000 or $33,000,000,000. Anyone who thinks that will cut the heart out of government should remember that the highest prewar budget was about $9,000,000,000.

But with the heavy lobbyist squeeze on now, the economy bloc in the House has begun to crumble around the edges; and in the Senate many house-approved reductions are being restored.

The result is going to be that instead of saving $4,500,000,000 or more, the public will awaken one day to the fact that the reductions have been only half of that, and that they have been played for suckers by the Federal lobby.

It is still not too late to do something about it, if the awakening comes soon.

MAY 27, 1947.

To all participating farmers quoted herein is the portion of an official telegram received by your county committee on May 26, 1947, from the State director of the agricultural-conservation program, which vitally affects you as a farmer:

"Department of Agriculture appropriation bill reported by House Appropriation Committee shows following reduction from recommended budget:

"Agricultural conservation, from $301,720,000 to $165,614,290.

"Drastic reduction in other funds for crop insurance and county association administrative expenses.

"Until further notice issue no purchase orders for conservation materials and services. Cancel purchase orders in hands of farmers and vendors on which delivery has not been made in the case of materials and seeds, and on which work has not started in the case of services. Until further notice suspend 1947 sign-up, substitution of practices on farm lands, and issue no further notices of minimum assistance on farm allowances."

As you can see from this telegram, our whole program may be lost. If you have already received your materials for the 1947 program here, it is possible that a refund may have to be made. If you have not received the materials requested, your order will have to be canceled pending final congressional appropriation. If you plan to purchase your own materials to use for credit under the program there is no assurance from the House Appropriation Committee that you will be paid the 70 percent of the cost that we had hoped to pay.

There appears to be only one way to keep our program in operation, and that lies in the hands of farmer voters of this and all other counties of the United States. The people responsible for the collection and use of public funds are elected periodically by the votes of we the people. A crisis like the one now faced by our farm program should be worth a message to the people who represent us to let them know whether or not we want the program continued.

We leave the continuation of the agricultural-conservation program in your hands and expect you to do what you see fit to have it in operation after July 1, 1947. There is a limited amount of time between now and the final action on the appropriation in which you can act to assure continued operation.

Very truly yours,

F. G. YANCY,
Chairman, County Committee.

Mr. Speaker, Yancy operates in Culpeper County, Va.

In the State director's office there are three or four people employed, receiving salaries ranging from $125 to $200 a month.

In the counties the committees are usually composed of five members. They hold about four monthly meetings and are paid $5 a day.

EXTENSION OF REMARKS

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD in two instances and in one to include a newspaper article and in one a resolution.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

Mr. KEFAUVER (at the request of Mr. MANSFIELD of Montana) was given permission to extend his remarks in the RECORD and include a letter and an article.

AIRPLANE PROCUREMENT

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, about 5 minutes ago the House Committee on Appropriations reported out the annual War Department appropriation bill. It provides a reduction of about $475,000,000 below the budget. In committee, today, I offered an amendment to restore only $40,000,000. I did that because that amount was cut from the airplane procurement program. The President in his budget message requested 932 airplanes. However, planes have now increased in cost to where the budget estimate would provide only 749 planes. The committee cut of $40,000,000 would further reduce the airplane procurement program to 561 aircraft. The committee action in reducing the aircraft program by 188 is not justified in the light of world conditions. I regret that my amendment was defeated in committee. I propose to offer the same amendment on the floor of the House next week. I trust Members of the House will get the hearings, inform themselves of the facts, and vote for the amendment when it is presented for consideration next week. We cannot effectively back up our foreign policy by slashing our military aircraft purchase program.

PROVIDING SUPPORT FOR WOOL

Mr. HOPE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 814) to provide support for wool, and for other purposes, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HOPE, AUGUST H. ANDRESEN, JOHNSON of Illinois, HILL, FLANNAGAN, COOLEY, and PACE.

INVESTIGATION OF POTATO SURPLUS

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 166 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas there has been a surplus potato crop each year for the past 5 years and this surplus is increasing each year due to more yield per acre because of new and improved methods of agriculture; and

Whereas the 1946 crop-year potato surplus was more than 100,000,000 bushels, which cost the Government more than $80,000,000 in subsidies, and these subsidy payments have become perennial and will increase year by year if some solution to the yearly surplus of potatoes is not found; and

Whereas the entire 1946 surplus potato crop of 100,000,000 bushels could have been consumed advantageously in baked goods alone through the use of potato flour, or culture, thereby resulting in the saving of an $80,000,000 subsidy payment, a direct saving to every State in the Union; and

Whereas scientific tests and bakers' experiences show that potato flour, or culture, made from commercial-grade potatoes, improves the flavor and keeping qualities as well as adds to the vitamin content of bread, rolls, cakes, doughnuts, sweet-food mixes, and filler for food products and family flour, a factor that will tend to increase the consumption of baked goods per capita in America; and

Whereas the elimination of these commercial grades, a figure estimated by the United States Department of Agriculture at 10 percent or more, will provide the consuming public with a finer grade of potatoes, thereby increasing the potato consumption per capita; and

Whereas potato flour can be processed the year around and can be stored for 3 years or more without spoilage, which factor results in a stabilization of yearly potato crops and potato prices; and

Whereas potato flour, or culture, processed from exceptionally large surplus potato crops, can be used in mixed poultry and cattle feed and for other purposes; and

Whereas there are at present only four small potato-flour-processing plants in the United States, all working to capacity, but whose limited production cannot satisfy even 5 percent of the anticipated national requirements for potato flour; and

Whereas the United States Government has a definite stake in increasing the use of potatoes through the processing and use of potato flour, and whether the Government would find it to be economical, feasible, and

advisable to own and operate such plants ought to be determined to help formulate public policy: Therefore be it

Resolved, That the Committee on Agriculture of the House of Representatives is authorized and directed to institute studies and hold hearings immediately to determine the feasibility and advisability of carrying out a program designed to do away with the annual potato surplus and to report its findings and recommendations to the United States Department of Agriculture.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH], and yield myself such time as I may desire.

Mr. Speaker, this resolution is a very simple one. It provides merely for a study by the Agriculture Committee of the 100,000,000-bushel surplus of potatoes which will be grown in the United States this year. The findings of the committee would be made known to the Department of Agriculture, together with recommendations for utilizing these surplus potatoes, which are now wasted or destroyed.

Last year the Government lost $80,000,000 in support-price payments on potatoes under the Steagall amendment. Many thousands of bushels of these potatoes were sold at a loss to processors of industrial alcohol, and others were dehydrated and shipped for relief of foreign countries. But the greatest part of the surplus was destroyed because no use for the potatoes could be found.

The Department of Agriculture has estimated that the entire surplus of potatoes could be utilized profitably if 40 percent of the bakers in the United States would use a 4-percent mixture of potato flour in making bread. This mixture has been shown to be more nutritious than the present mixture.

The study to be undertaken by the Committee on Agriculture under the provisions of this resolution will be to determine whether it is feasible to establish additional processing plants to make potato flour. If it is decided that this would be feasible, the committee would recommend a program in the Department of Agriculture to educate the bakers of this country to the advantages of using potato flour.

The study proposed in this resolution may save the taxpayers of this country upward of $100,000,000 a year. It might also open a wider field for the use of potatoes, and thus aid our farmers. Since a 4-percent mixture of potato flour in bread is more nutritious, this resolution will also help consumers. All groups would be served by the study proposed in this resolution, and I hope it is adopted by the House.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. RICH. You talk there as if the committee will discover or try to discover new uses for potatoes and that then the Government will start up these plants to manufacture potato flour. You are not anticipating that the Government is going to get into the potato business?

Mr. ALLEN of Illinois. No, nor into the flour business. That is definitely not contemplated.

Mr. RICH. Do you think this committee will investigate, that is, if it is established, how these potatoes can be given to the poor people who have to pay such high prices for potatoes? Especially now when you say the cost of living is so high. That is what should be done instead of destroying these potatoes by putting kerosene on them. Who in the world ever thought of such a ridiculous destructive method of doing business in this country?

Mr. ALLEN of Illinois. May I point out to the gentleman that that was contemplated by the gentleman from Michigan [Mr. SHAFER] and was one of the things he had in mind when he introduced this resolution.

Mr. RICH. I certainly hope this committee can stop the waste and extravagance that has been going on in this Government. It has been terrible. If you do not stop it, I fear for the safety of America.

Mr. POAGE. I fully agree with the idea of trying to find the best use for potatoes or any other commodity. I think it is a sound provision. But I do want the gentleman from Pennsylvania to understand that if he has any charity that wants these potatoes we will give them the potatoes. The Department of Agriculture will give them the potatoes anywhere that they are located in the United States for any charitable purpose, for any poor people, for any recognized charity that wants these potatoes, and they can have them for nothing.

Mr. RICH. If that is the case, why did they not do that before they poured the kerosene on them?

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. EBERHARTER. I understood the gentleman to say that the Department will be asked to advertise new uses to which potatoes can be put. That would put the Government in the advertising business in behalf of a specific farm commodity, would it not?

Mr. ALLEN of Illinois. No. I am not of that opinion. Neither would I like to have it happen.

Mr. EBERHARTER. I think the gentleman said that.

Mr. ALLEN of Illinois. That is not exactly what I meant if I did say that. I meant that this committee would recommend to the Department of Agriculture, bringing in their views for investigation with the hope of solving these problems. It would not cost the taxpayers money and would avoid the destruction of potatoes.

Mr. EBERHARTER. I want to call to the attention of the gentleman that in Pennsylvania we have a very important industry—the bituminous coal industry—and we cannot get any funds from the Federal Government at all to help that industry, which is vital to the economic well-being of this country, but we are starting here this morning to help the potato industry.

Mr. ALLEN of Illinois. I thank the gentleman for his contribution.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. CASE of South Dakota. I was interested in what the gentleman from Texas [Mr. POAGE] said because, as a matter of fact, there were 800,000 pounds of potatoes stored at a point in South Dakota. I contacted the Department of Agriculture and tried to get them made available for the Indian Service, where people were starving and needed some potatoes. They consulted the lawyers and decided they could give them some potatoes to eat, but if they were going to plant them, they would not let them have them. As a result of that, when we were considering the second deficiency appropriation bill and there were not very many Members present that afternoon, the House of Representatives added an amendment which I offered, which authorized the disposition of these surplus potatoes by making them available to the Bureau of Indian Affairs, either for seed or feed. That was agreed to by the Senate and the President signed the bill the other day. So we have that much constructive legislation on the books today, passed by this Congress, to deal with the potato surplus.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I would rather you ask the gentleman from Michigan [Mr. SHAFER], who has made a great study of this proposition.

I now yield to the gentleman from Illinois [Mr. SABATH].

NOT OPPOSED TO RESOLUTION BUT COMMITTEE ALREADY HAS POWER

Mr. SABATH. Mr. Speaker, I do not oppose the resolution, although I believe the Committee on Agriculture now has sufficient power to make any necessary investigation, without this additional cost to the Government.

I have made requests for better use of surplus potatoes, but unfortunately potatoes are hard to ship. They do spoil in shipping. I have had quite a bit of experience myself. I believe the intent of the resolution is proper, and it should be passed. There should be some investigation made as to the use of potato flour in conjunction with wheat flour. It makes for better bread and more nutritious food. I think a great share of the potatoes which are now surplus can be utilized.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. EBERHARTER. I wonder what is going to happen a few years from now to the wheat surplus that we have if the people begin using potatoes to make bread.

Mr. SABATH. They can only use about 8 to 12 percent of potato flour in mixture with wheat flour.

Mr. EBERHARTER. You know, we have a support price now for wheat.

Mr. SABATH. Oh, we have been taking care of the farmers in every way—wheat, corn, everything else; even cotton and things that go to the gentleman's district just as well.

Mr. EBERHARTER. I just wanted the gentleman to know that in Pennsylvania they have very fine crops of potatoes and none of the potatoes go to waste.

Mr. SABATH. But you do not raise as many potatoes as some other States.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BATES of Massachusetts. I am wholly in sympathy with the resolution,

but very little consideration was given yesterday or the day before to one of the oldest industries in this country and a most perishable product, namely, fishery products. The fishery people are facing positive destruction as a result of the importation of foreign fish. It was only yesterday on this floor there was put in an appropriation bill a proviso that the Department of Agriculture should offer words of advice as to how they could use some of the fish. The only way they have of coordinating the work of the Department of Agriculture and that of the fish and wildlife was nullified by that action yesterday. Here we are today asking the Congress to do something for the potato producers. Tomorrow it will be wheat and the next day something else. But for one of the oldest industries, namely the fisheries industry, not a thing is being done except to persecute them. That is all.

Mr. SABATH. The gentleman cannot reprove me for that. I have opposed all the cuts made in this appropriation bill. The farmers are entitled to all the aid and assistance we can give them. That was forthcoming in former years. Thereby we have made the farmers very prosperous and I hope they continue to be prosperous. At the same time, however, I hope that the prices will not continue to increase the cost of living.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BROOKS. I recognize the fact that we have a 26,000,000-bushel surplus of Irish potatoes in the country. I have been talking to the Department of Agriculture and the Department is going to try to utilize these potatoes. I understand they are even being offered to charitable institutions under certain conditions as long as they do not compete with potatoes in the open market. On yesterday we cut the school-lunch program from $75,000,000 down to $45,000,000. It occurred to me that some arrangement might be made whereby some of the 26,000,000 bushels of potatoes that are going to rot might be made available to school children if they need them. It still seems to me to be a good thought.

Mr. SABATH. I fully agree with the gentleman. I had the matter up some months ago with the Secretary of Agriculture, suggesting to him that we should ship these potatoes to sections of the country where they were needed, or to starving people abroad. Unfortunately, potatoes cannot be shipped without refrigerated cars, because they decompose in shipment and must be thrown away.

Mr. BROOKS. I understand that. May I say I think they have gone as far as they can go. In cold weather the potatoes are liable to be spoiled by freezing and in extreme hot weather they are spoiled by sprouting.

Mr. SABATH. I notice the gentleman knows a good deal about potatoes.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. As I understand this resolution I believe it is the intention to inform the people of this country how to make better use of surplus crops of potatoes they may grow in the future.

Mr. SABATH. Yes.

Mr. EBERHARTER. This, of course, is an informational program that will necessarily follow as a result of recommendations of this committee and will cost money. All appropriation bills we have passed in this Congress have cut out the informational program of the various departments of the Government. On one day, therefore, we cut out the informational services to advise the people of the country about matters of importance to them, but on the next we pass a resolution requiring the expenditure of money to spread information, and the Committee on Appropriations, that supercommittee, will come along and cut it out. So I do not know that this investigation will result in any good in the long run.

Mr. SABATH. Well, I think you gentlemen have sufficient information on potatoes. I know another use to which potatoes can be put; you can make alcohol out of potatoes to good advantage; but I want to speak about some other potatoes for a minute.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. FORAND. Is this potato program one which was initiated as a result of surplus potatoes in Maine a couple of years ago? And is it a movement that is sponsored and directed, so to speak, by Senator BREWSTER?

Mr. SABATH. By whom?

Mr. FORAND. Senator BREWSTER, of Maine.

Mr. SABATH. I do not know. I know Senator BREWSTER is a very busy man. He knows a great deal about a great many things, but I do not know how much he knows about potatoes.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. SHORT. It may be truthfully said, I think, that few Members of this House from city districts have been more sympathetic with the interests of agriculture than the gentleman from Illinois [Mr. SABATH].

I do not want to be critical of the Committee on Agriculture but I do want to offer this one constructive and helpful suggestion, I think: In the Department of Agriculture we have from 20 to 25 agencies dealing with the transportation and marketing of farm commodities. It is because of that overlapping and duplication, and at times conflicting authority and interest, that these crises arise. I might call attention to the fact that in 1944 more than 25,000,000 pounds of sugar spoiled in the warehouses in New Orleans. It turned black; rats got in it. They found over 29,000,000 cases of canned goods that were spoiled. Certainly, the Committee on Agriculture should try to bring some semblance of order out of that chaotic condition.

Mr. SABATH. I may say that the gentleman ought to know the Committee on Agriculture did not have jurisdiction over the sugar or the canned goods. That was the property of the War Department, and the War Department was obliged to prepare itself and to acquire surplus or reserve stocks so that it could supply our boys who were fighting for democracy and the freedom of our Nation as any emergency arose.

Mr. SHORT. I realize that, but we do have these conflicting agencies and many authorities in the Department of Agriculture. If you could get it under a single head with authority and place responsibility there it would be helpful.

Mr. SABATH. When I entered the House the entire cost of running the Government was not as great as it now costs us to run the Department of Agriculture.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman who comes from a State that may think it grows the best potatoes, and I think it does grow very good potatoes.

Mr. KNUTSON. Mr. Speaker, I want to propound a unanimous-consent request that will take me a half minute. I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a conference report on H. R. 1.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Illinois.

Mr. CHURCH. I would like to know if the gentleman approves of the terrible action the other day of wasting oil and throwing oil on tons of potatoes in the South. The gentleman does not approve of that, does he?

Mr. SABATH. No. I think those potatoes should have been shipped and given to people who could use them and who need them. They could help a lot of people. But, as I said, it is very hard to ship potatoes during certain seasons of the year.

Mr. CHURCH. I thank the gentleman.

Mr. ALLEN of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. I do not pose as an expert on potatoes, but I have given a great deal of thought to Irish potatoes and sweetpotatoes, and I think a solution to this problem of abundance is to get a dehydrating plant cheap enough in price so the small farmer can buy it. If we could do that we could save a lot of these potatoes for feed, because they make great feed.

REPLY TO CRITICISM OF REMARKS ON STOCK MARKET MADE IN MY ABSENCE FROM FLOOR

Mr. SABATH. I think the gentleman is right.

Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I hope the House will bear with me while I take the privilege of saying a few words.

Yesterday, at a time when I was not present on the floor, the gentleman from Pennsylvania [Mr. McGARVEY] criticized me, in strong and unparliamentary language, because a few days ago I called to the attention of the membership and of the country what I regarded, and still regard, as dangerous and detrimental practices by stockbrokers, professional traders, and others, and to the failure of the New York Stock Exchange and the Securities and Exchange Commission to take any effective action to safeguard the Nation from those practices.

I am not making any issue of the language used; but I do want to reply, and to again point out the dangers to the country in the outrageous practices of a few speculators on the stock exchanges who imperil the national welfare and economy, with no apparent sense of responsibility, for the sake of their own selfish profit. For your own interest, and for the welfare of our country, I beg you to pay close attention to what I am going to say on a matter which I feel is of the utmost importance.

DID NOT EXPECT SUPPORT FROM STOCK GAMBLERS OR TIPSTERS

I said earlier, and I repeat, that these few manipulators, by short selling of good sound securities of reputable, well-managed companies, can destroy the national confidence and ultimately our prosperity, and precipitate another tragic panic like that of 1929.

The gentleman from Pennsylvania [Mr. McGARVEY] said that while he was home in Philadelphia he was "amazed at the number of people" who had called him to protest at "my savage and unwarranted attack." He also said that he himself has been a broker for 30 years.

I naturally assume that he knows many brokers and that they know him. I do not expect agreement or approval for my views from him, or from any broker, or ex-broker, or from their employees, or their short-selling clients.

The gentleman inserted in his remarks the story carried by the Dow-Jones news ticker criticizing me and rehashing the angry telegram which Mr. Emil Schram, the president of the New York Stock Exchange, sent me as a result of my attack on the vicious practices employed in stock speculation.

EXPECTS NO APPLAUSE FROM BROKERS

Naturally, I do not expect applause from Mr. Schram, either, nor do I expect him to admit the truth of the charges I made, any more than I expect to get the support of the market tip sheets, most of which are prospering on the misleading information they disseminate and for which they spend thousands of dollars in newspaper advertising. These tip sheets and forecasters, most of which could do as well with a crystal ball or by reading tea leaves, all too often, whether knowingly or in ignorance, aid certain manipulators in their movements to boost or to weaken the market, according to the position they plan to take, and I have no doubt are many times rewarded by participation in the illicit profits of the professionals.

I have in my possession copies of the advertisements inserted by several of these tipsters loudly predicting a break in the market. I am not going to use these creatures' names, for there are many unsuspecting people who fall for their misleading and capricious information.

HUNDREDS WRITE IN PRAISE

But where the gentleman from Pennsylvania expresses the sentiments of his former fellow brokers, I have in my office hundreds of letters from nearly every State in the Union, from men and from women, from officers of corporations and from professional men and working people, thanking me for starting and keeping up this fight, and urging me to continue to bring to light these unfair tactics of the short sellers and the adept and conniving manipulators, brokers, speculators, and racketeers—I nearly said gamblers, but gamblers take a chance and this crowd plays a sure thing.

There are not many of them. I want to say that, in my opinion, there probably are no more than a hundred, and perhaps only 50, with sufficient resources and affiliations to play this dangerous and difficult game of short selling, and whose unholy activities may seriously endanger the continued prosperity of legitimate business.

These letters and telegrams have come to me from people who, in all good faith as serious investors, acting on the strength of the financial reports of the companies whose shares they bought, invested, in many instances, their life savings, or a major part of them. They write to me to say that the SEC, which has the power and the jurisdiction, should have prohibited short selling entirely long ago, before I had to raise the issue in public, and should have forbidden the practice by which brokers loan stocks deposited with them by customers to speculators, often without any real knowledge on the part of the customers as to how the stocks are used, and sometimes without any authority at all.

WOULD NOT LISTEN IN 1929

The gentleman was no doubt a broker in 1929, when, in October of that year, 18 years ago, I first began my fight against short selling and other destructive market practices, and called public and official attention to the fact that if they were permitted to continue they were likely to destroy or to seriously harm fairly decent business conditions, possibly even to create the circumstances from which a panic is made.

Though I did everything in my power at that time to stop short selling, and to close these huge and powerful gambling joints, nothing, unfortunately, was done.

Nevertheless, as the final result of my battle—and as was so kindly stated by the former Speaker of the House, the gentleman from Texas [Mr. RAYBURN], when I myself was not present on the floor to speak for myself—the Securities and Exchange Commission was created in 1934, clothed with broad powers, in the hope that through this agency we could stop these infamous deals on the stock exchange, such as to unload worthless securities on an unsuspecting public, pools, market rigging, short selling, and other practices then used to mulct the public.

SHORT SELLING EXPLAINED

Now, you may not understand what I mean by short selling.

I mean this: That the manipulators sell stocks they do not own with the hope of buying the stocks at a lower price.

To do this they must choose the shares of one or more companies which have a large number of shares in the hands of the public; they will prefer to sell new issues short, rather than those that have long been traded in; and they will concentrate on the market leaders; that is, on shares which have advanced the most, since usually those which have advanced the most will react the most.

The time for short selling is usually when the market is fairly high and active, and the stage has been set by rapid circulation of unfavorable rumors. Frequently the short sellers themselves are responsible for the rumors. When they deem the time is ripe, they enter selling orders in the shares they have chosen. Once the raid has started, nervous amateurs contribute to the downward cycle by selling out; and that is why I say this practice is dangerous to the whole economy.

These gamblers are not gambling with stocks which they themselves own; they are gambling with other people's shares. It is not a legitimate business transaction in which a prudent investor, believing the market price of some stock he owns is too high for a good investment, sells one in order to buy another. These manipulators merely expect to buy the same stocks at a few points, or fractions of points, lower.

PUBLIC CONFIDENCE SHAKEN, VALUES WIPED OUT

It sets off a downward spiral. Public confidence is shaken. Usually the values of the entire market list shrinks, which means that collateral values are wiped out. Sound securities of well-managed companies pledged as collateral for bank loans may be sold if the owner cannot meet the call of the loan when the market value becomes less than the loan it secures, and a businessman's working capital wiped out, or his life's savings sacrificed.

There probably are between 8 and 10 million people in the United States who have invested all or most of their savings in stocks they believe to be sound and valuable. But when the short sellers raid the markets and artificially depress the market price of those securities then the capital value of their holdings is impaired.

Even though the stocks may continue to pay dividends, they are worth less at public sales or at the bank as collateral. Within the last 7 or 8 months, some stocks have been so hammered on that their market value is only 50 percent or 25 percent of the prices paid.

No man who sells short is doing it to help the market. He sells short to depress the market so he can come in a few days or a few weeks later and buy it at a bargain price.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Has the gentleman heard the old adage that—

He who sells what isn't his'n
Must pay it back or go to prison.

Mr. SABATH. I thank the gentleman for calling that to my attention. I have that in a letter that I once received from James W. Gerard, our former Ambassador. He is not a poor man, by any means. This is what he says:

There is an old saying that says:

"He who sells what isn't his'n,
When he is catched, shall go to prison."

But, as a rule, very few have gone to prison, with the exception of Mr. Whitney, who was in 1929 vice president, and later president, of the New York Stock Exchange. The last telegram I sent him, I think, was in 1930 or 1931. I said this: "If not for the country's sake, for your own sake," because I knew what position he was in, "stop this damnable practice of fleecing the people and bringing about panic."

MANEUVERS EVADE REGULATIONS

But naturally he did not heed my pleas or warnings, and like Mr. Schram, who today is also criticizing me, he sent out thousands of letters, circulars, and brochures, painting the stock exchanges lily-white, and defending short selling on the pretext that it provides a cushion. To that I can say only that if a man is not knocked down he does not need a cushion.

Finally, because of the intricate manipulations in which he was engaged, Whitney was sent to prison. I do not like to see any man go to prison; but when people willfully and deliberately try to destroy my property or your property or the property of millions of our people, they must somehow be stopped.

The stock exchange defends itself and its practices by saying that short selling is not permitted below the market price; but they do not go on to explain that that rule is circumvented by the device of allowing brokers to use their customers' stock. The short sellers manage to maneuver so that they do sell at one-eighth above the market, but immediately start to sell below the market. For various reasons, the owners of shares of stock leave them on deposit with their brokers. The short sellers can borrow these shares and sell them short by paying a fee to the broker. Presumably the actual owner has signed a waiver permitting this; but frequently the owner does not realize that he is making it possible for the broker and the short seller to make money with his stock, and in a way that actually hurts the value of his own property; and there are cases where stocks have been used in that way without any knowledge on the owner's part.

SMALL SHORT SALES DO HURT MARKET

Apologists for that kind of stock gambling say, "The few thousands of shares sold short in a day when four or five million shares of stock are turned over in the market cannot affect the market."

But they themselves know that statement is false.

These manipulators select 8 or 10 or even 15 market leaders and start selling them down as heavily as possible. When they do that, it affects the entire market. Let us say that they sell only 500 or a thousand shares. That sometimes is enough to drive down the leaders 2 or 3 points, and the entire market starts to slip. On some days the quotation on some of these good, sound, dividend-paying shares under short pressure has dropped as much as 7 points in a day. These wily manipulators know it well. I tell you it is an outrage and should be stopped.

I have pressed and urged on the Securities and Exchange Commission the necessity of reopening and examining this whole issue. I feel that I am entitled to some credit for my part in arousing public opinion into demanding more and more loudly that they should look into this matter and give to the public prompt and accurate daily information on how many shares of stock are being sold short daily, and also give the names of the culprits doing the selling.

SEES DANGER OF REENACTMENT OF 1929 TRAGEDY

As I stated before, I first started my campaign against short selling and market manipulation in 1929; but when, last September, I observed strong evidence of the same practices, my fears were aroused lest the tragedy of 1929 be reenacted, and I called upon the SEC to prohibit short selling and the use of customers' stocks for the purpose.

However, my health did not permit me to follow up at that time.

During the last few weeks I again became alarmed when I noticed that shorts were becoming active in the market, and once more I renewed by plea to the SEC to prohibit these harmful practices, or at least to make known the volume of short trading and the names of the sellers. At the same time I asked for figures on the amount of short selling. On May 21 I received an acknowledgment and a report of short sales to May 3; but it did not, in my opinion, give the information that the public deserves to have. Meanwhile, I saw in the newspaper figures showing that between April 15 and May 15 short sales had increased by 295,000 shares to a total of 1,314,000 shares, not including some 60,000 shares in odd-lot transactions, nor similar transactions on the curb and in smaller exchanges throughout the country, though I suspect that 95 percent of all short sales take place on the floor of the New York Stock Exchange.

STOCKS GOING UP AGAIN

I have noticed that since I reopened my campaign stocks have advanced two and even three points in the last 5 days. I do not claim any special credit for that.

When Members ask me, "What do you think we should do? Should we buy some of these stocks that are going up?" I tell them, "The only thing I can say to you is, if you have real cash and you want to buy stocks, buy stocks in the companies that have been paying dividends, that are properly managed, that are known as outstanding companies, so that you can put away your stock certificates and draw your dividends. Do not buy on margin. Pay cash. Otherwise keep away from that gambling institution."

I hope that I will be able to keep up my fight as I did in 1929 until I have accomplished some concrete results. The circumstances are similar to those in 1929, and the market can be used as the means of precipitating another terrible depression in spite of all the favorable factors.

You will recall, Mr. Speaker, that in my recent wire to Mr. Schram which I inserted in the RECORD on May 23, I said, in part:

Nearly all corporations show increase in their business and profits above the banner years of 1945 and 1946, and country's income last year was one hundred sixty-five billion and estimated one hundred seventy-five billion for 1947, which will be 4½ times greater than in 1932. Country is generally prosperous, and production, employment, crops, and profits are at highest peak * * * retail sales for the first quarter of 1947 increased.

I could have gone on and pointed out that many companies are not only able to pay excellent regular dividends but are declaring extra dividends and back dividends; still stocks, and among them the soundest, are being forced down on the New York Stock Exchange.

ASKS PASSAGE OF BILLS

I hope you gentlemen will cooperate with me. I have introduced a bill which would impose a 5-percent tax on short sales—not that I intend to sanction and institutionalize short selling, but discouragement of what cannot be ended is better than nothing at all.

In my mind there is no excuse for any man's selling something he does not own. I insist that short sales should be prohibited.

What if I suddenly began offering your house for sale at a bargain without consulting you, merely to drive down its market price?

I remember 1893. I remember 1907. I remember 1920, and I remember only too well 1929. I am familiar with the conditions and how they operate.

I assure you that I know what I am talking about. The only people who resent it and call me names are the profiteers, these very men guilty of destructive transactions to the detriment of the business of our Nation.

The few letters I have received which have not agreed with me or have criticized my remarks must be from the broker friends of the gentleman from Pennsylvania [Mr. MCGARVEY] in New York and Philadelphia—the same ones who give the lame excuse that short sales do not affect the market. One of these letters makes the ridiculous statement that "speculation is an institution" and tries to suggest that criticism of that great institution can stem only from Communists. Even sillier, the same letter asserts that the basis of our national economy is risk. The truth is that the basis of our national economy is our national resources, our human resources, and our capacity for bringing the two together to create wealth.

Mr. Speaker, I ask unanimous consent that I may insert in my remarks the speech I made in October 1929, the telegrams and letters that I sent to President

Hoover, to the Assistant Secretary of the Treasury Mills, to the then Attorney General, and to stock exchange officials, as well as some letters that I received recently.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. McCORMACK. I notice that the stock market has gone up since the gentleman made his speech the other day.

Mr. SABATH. Yes, it has. I am mighty glad—not that I want to boost selling or buying of stocks, but, as I say, I know it was an artificial destruction of prices by a small group of selfish, willful men. I am demanding the names of all the short sellers. I have not been able to get them. If I do not receive them in the next few days, I am going to introduce a resolution to demand from the Securities and Exchange Commission the names of all the short sellers and the stocks that they have sold short day by day since last September 1, a short time before the fall elections. If that story is told to the public and brought home to the American people, I know that it will have a wholesome effect and will protect them in the future as I have tried to protect them since I started this fight 18 years ago.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. STEVENSON. I congratulate the gentleman on what he is doing and what he has done. I hope his bill passes and that through his efforts the thieves and robbers are driven out of the temple.

Mr. SABATH. I thank the gentleman very much. I did not want to use language as strong as that because I am subjected to so many attacks from these brokers and manipulators, as you would see if you would read some of the letters that I get from some of these financial agents and customers' men, as they call them, but whom I call touts, because that is what they are. They tout the stock when they want to sell it. You know, these very men who have been selling short in a little while are going to start to boost the market. That sort of manipulation is detrimental to real legitimate business. I am strongly in favor of legitimate business, and if the stock exchange would conduct itself properly and eliminate these practices, I would say all right, but they will not.

They are making the same excuses as did Mr. Simmons, the president of the stock exchange in 1929, and Mr. Whitney and others who came down here to argue with me. All I want is that decency should prevail and that a few men should not bring about destruction and arrest the progress and prosperity which we now enjoy. Mind you, these stocks have been driven down by a group of short sellers notwithstanding the fact, as I have shown, greater profits and greater dividends are being paid than ever before.

Because I have taken somewhat longer than I intended, Mr. Speaker, I shall avail myself at a later date of the permission extended me to insert as a part of my remarks the communications exchanged between me and President Hoover and other Government officials and private personages, my speech of December 9, 1929, and excerpts from some of the many letters I have received in the last few days.

The SPEAKER. The time of the gentleman from Illinois [Mr. SABATH] has expired.

EXTENSION OF REMARKS

Mr. WOOD asked and was granted permission to extend his remarks in the Appendix of the RECORD by inserting a statement on the uses made of the files of the Un-American Activities Committee by the Members of Congress and various Government departments.

Mr. FORAND asked and was granted permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. ROONEY asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Brooklyn Eagle.

POTATO INVESTIGATION

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may require to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Speaker, we now return to the question relative to authorizing an investigation of the potato-surplus situation.

There should be no opposition to this rule. In fact, I am quite sure every Member of this House is fully cognizant that this is essential legislation and all are in thorough accord with its objectives.

I am rather proud of the fact that I anticipated the problems that would arise in this respect by several months. Most Members realize I have spoken more than once in regard to the need for a definite program to help solve this pressing problem.

As early as last January 14 I made reference to the potato-surplus problem here. On another occasion, last February 10, I spoke again on the same subject. On May 14 I spoke again. Several weeks ago I introduced a resolution which calls for a study of the whole potato-surplus problem and a review of possible common-sense methods of solving this problem.

It is that resolution—No. 166—which we are considering today.

Mr. Speaker, if the 100,000,000 bushels of surplus potatoes this year had been turned into potato flour, they would have made 600,000 tons of flour. That 600,000 tons would have totaled 30,000 carloads of potato flour. As everyone can see readily, if this flour had been used either at home or abroad instead of wheat flour, the likelihood is great that there would have been a lessening in demand of wheat flour and that the price of wheat would be more in line with that of other commodities.

This resolution is a very simple resolution. It does not cost any money. It is a rather unusual resolution in that respect.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. McCORMACK. Even if the committee followed it up by asking the Committee on House Administration for an appropriation out of the contingent fund, I think they would be justified in doing it.

Mr. SHAFER. Yes; certainly.

Mr. McCORMACK. As the gentleman said, there is no opposition. It is a very fine resolution, and it will be conducted by a standing committee of the House, and we all have confidence in every member of the Committee on Agriculture, without regard to party.

Mr. SHAFER. I thank the gentleman very much.

Flour prices today are higher than they have been in 32 years. Wheat is now selling on the farm at $2.55 a bushel. No one knows how much higher it can go, to the detriment of every consumer and many businessmen in the United States.

I do not object to the farmer getting a fair price for his wheat. But I know, as you know, there is bound to be a terrific reaction if wheat prices continue to climb out of proportion to the prices of other farm products.

I shall not attempt to predict the course of the investigation which undoubtedly will be made as soon as this resolution is passed.

However, I would like to suggest some various points which my distinguished colleague from Kansas [Mr. HOPE] and his associates on the Committee on Agriculture may well explore. In the field of international relief, for example, there undoubtedly are many ways in which potatoes can be used but have not been used heretofore. Perhaps more ways can be found to ship more potato flour overseas. Perhaps a method can be uncovered by which it can be used as cattle feed in our relief program. Perhaps the State Department can cooperate in helping advertise our potato surplus so that countries which heretofore have not considered using potatoes and potato products now will cooperate with us.

Domestically, there may be any of dozens of ways by means of which potato flour and related products can be used or the use increased. Maybe a way can be found by which nutritionists can be encouraged to make more use of potato flour and related products in their work.

I understand that the Bureau of Home Economics of the Department of Agriculture has the facilities and the know-how—the scientists, the technicians, and the field extension service—to promulgate data and information that may be developed by such a service to domestic consumers and can be transported for use in devastated areas.

What I am saying, Mr. Speaker, is that we in Congress must find some formula and we must inaugurate some program to prevent the destruction of even one potato in the coming year. The American people have shown in this day and age, when devastated countries are facing starvation, they do not feel that any waste of food must occur. We must find ways of preventing all waste, insofar as this is possible.

Only as recently as May 22, in a published letter from Secretary of Agriculture Anderson to Dr. D. A. FitzGerald, Secretary General of the International Emergency Food Council, the Secretary estimated the grain exports from this country necessary to feed western Europe. The Secretary stated that it is doubtful if we will have sufficient grain to export our full commitments. Had our last year's potato surplus been turned into potato flour, equaling some 600,000 tons, this would have represented a goodly percentage of our required grain export for the current crop-year. We then would have been able to hold this grain in this country, thereby bringing our domestic grain price more in line.

Potato flour could be used in a multitude of ways to help the needy people of Europe. It could be used in bread, gravies, in soup, in cattle feed, and in poultry feed. The Government agencies responsible for overseas shipments to Europe should study these possible uses and be aware of the great benefits of potato flour. In so doing they would serve two useful purposes—first, they would be helping the people of Europe, and, second, they would be helping alleviate our surplus problems here.

I wish it specifically known to all parties concerned, particularly potential users, that there is a distinction, and a very important distinction, between potato flour and dehydrated potatoes. Dehydrated potatoes have not received favorable acceptance by the devastated countries of Europe. Potato flour does not require reconstitution. It does not have the objectionable characteristics of dehydrated potatoes. Potato flour will keep almost indefinitely, and can be moved and used long before any reasonable storage would cause deterioration. Insects usually contaminate flours of various types and kinds under storage conditions that must be encountered in storing flour in devastated countries, but it is a known fact that potato flour is practically immune to contamination by and of insects.

Increased processing of potatoes into other forms which will utilize principally the lower grades in terms of size will have a natural reaction of up-grading of what is now considered U. S. No. 1.

All of these suggestions are possible and feasible under the Agricultural Marketing Act of 1946, which authorized the Secretary of Agriculture to do research; to investigate and to experiment with farm commodities, looking toward more economical ways of present processing; to find new uses; to improve marketing in distribution; to bring about conservation and increase consumption. I, therefore, Mr. Speaker, urgently recommend that consideration be given to a program which we will ask the Secretary of Agriculture to create to relieve this pressing problem.

It is my personal opinion that if the facts are properly developed and a true story told straight to the consumer, the consumer will create the demand, and that processors of these foods in which potato flour is used will be forthcoming. It is possible—in fact, probable—that a widespread use of potato flour would improve the flavor of bread so greatly that there actually would be an increase in wheat flour.

I yield to the gentleman from Illinois.

Mr. SABATH. The gentleman calls our attention to the high price of wheat. I want to call his attention to the high price of rye, which is way above wheat. Rye bread is made and used by the poorest people of the Nation; still, due to the manipulation of speculators, it has gone far above $3 a bushel, 50 cents higher than corn and wheat, which is outrageous, and the same practices are being condoned.

Mr. SHAFER. I thank the gentleman.

Since time immemorial, potatoes have been a natural ingredient used in processing bakery products. This is true, regardless of whether such products are commercially processed or made in the home. Because of the inertia of persons interested in handling of potatoes, including the growers, little effort had been made until recently to promote potato flour in the use of bakery products, including yeast-raised wheat goods and pastries.

Efforts now are being made by a few public-spirited producers to increase consumer use of potato flour in bakery products, and economically to package and merchandise potato flour for home consumption. We are told by those who have tried potato flour that it materially increases the flavor of bakery products, adds to the keeping qualities, and, in the case of kitchen use in the home, greatly improves foods ordinarily prepared with wheat flour, cracker meal, and so forth. I am referring specifically to deep-fat frying, such as oysters, veal cutlets, the making of potato soup, gravies, and other nutritious foods too numerous to mention.

Officials of the Department of Agriculture are very interested in the baking industry, which is one of the farmer's most valued customers, inasmuch as the component parts of bakery products are entirely farm commodities. The baking industry offers an avenue of use that cannot be estimated today in terms of tonnage, provided sufficient research and study is made in order that the consumer may be properly informed of the value to be obtained from the diversified uses of potato flour.

Many bakers in the country now are cooperating by using either potato flour or potato culture in the manufacture of bakery products. If all the bakers of the United States would use 4 percent either potato flour or culture, it would be the equivalent of the total surplus of this crop year of 100,000,000 bushels. I wish to point out that there may be some criticism from the bakers who may object to the use of potato flour or potato culture, both of which have excellent values. However, I point to the fact that a substantial number of wise bakers now use potato flour and that they report lesser losses through staling, plus constantly increasing demand for this acceptable variety of a nutritive food product.

Let me take this opportunity, Mr. Speaker, to say that I have had as much cooperation from our former distinguished colleague, now Secretary of Agriculture Anderson, as anyone possibly could wish. He and the officials under him—particularly those in the grain branch and in the fresh fruits and vegetables branch—all have been exceedingly cooperative in furnishing me information which is germane to the problem. Their help has convinced me that this program fundamentally is sound and that we can solve this problem.

My purpose in sponsoring this resolution always has been based on the belief that our agricultural policies essentially must be set by Congress. We make the laws. The Department must administer the program within our laws. We might attempt, in our public statements and otherwise, to place the onus on the Department of Agriculture, but we all know that we in Congress make the general policies under which the Department operates.

I want to make it clear that I do not blame the Secretary of Agriculture or hold him responsible for a deplorable condition which was brought about through our laxity. As early as November 26, 1946, the Secretary asked for our recommendations. Had we acted even last year on the statistics and data, this whole fiasco might not have come about.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. DINGELL. I will vote with the gentleman if he does not put 4-percent-spud flour in my bread, because I am allergic to spuds.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. SHORT. First I want to congratulate the gentleman from Michigan for his keen and continued interest in this important matter and for the time and energy he has spent toward a reasonable solution of it.

While the gentleman from Michigan [Mr. DINGELL] is allergic to potatoes, I love them myself and I know that bread that contains a percentage of potatoes really keeps longer than when it is made entirely of whole-wheat flour.

Mr. DINGELL. Then let us compromise and have two kinds of flour.

Mr. SHORT. During the First and Second World Wars in Germany they used potatoes practically entirely in making bread. I do not want mine made entirely from potatoes, but we should find a way to take care of this surplus, with the whole world hungry—Europe and Asia heavy with ashes—even though we have a heavy crop of wheat this year, even though we exceed the expected billion-bushel record crop there will be shortages in the world for several years to come, and if we can utilize these potatoes to relieve that shortage we should do so.

Mr. SHAFER. This is why I have urged before, as I urge right now, that we initiate immediately this investigation so that a constructive program can be formulated for positive action at the earliest possible moment. It is late in the session, Mr. Speaker, but there is a strong likelihood that we could make this

investigation and a positive program could be outlined to the Congress by the committee before adjournment.

If such a program were to be brought in within 3 or 4 weeks, it is entirely reasonable to expect that we could pass it.

If we do not take some positive steps, we alone will be held responsible.

Germany was forced to a usage program of their 2,500,000,000-bushel potato crop. Due to shortage of corn and other grains it became necessary for the Germans to use potatoes for the feeding of livestock to the point where 35 percent of their potato crop was so used. I am told by Department of Agriculture officials that cattle so fed resulted in some of the finest beef to be procured. We have not been forced into such a program as yet, but we do have a surplus potato program that is costing us $80,000,000 this crop-year from which we receive no benefit whatsoever.

Actually, any program that is formulated must take into account the fact that this is not a temporary problem. Every year, so far as I can remember, we have had a potato surplus problem. The best minds of the agricultural industry, the technicians of the Department of Agriculture, and a number of men in related industries have given an enormous amount of time, study, and effort to this problem. I feel sure that on the basis of information already available, a program can be formulated comparatively quickly to be in effect for many years.

This program will be of vast benefit to the public and to the growers because commercial grades of potatoes will be used in making potato flour. Revised standards can be set up and maintained by the Government so that the consumer really will get a better product. Every housewife shopping at the corner grocery store will be able to get Standard U. S. No. 1 potatoes, whereas today she has no assurance that the potato she purchases is of top quality, notwithstanding the marking that may appear on its container.

Mr. Speaker, I cannot think of any class of Americans who will be against a thorough survey of the potato surplus problem and who will object to a constructive program for solving this problem. Every single American—taxpayer, consumer—they are virtually the same—potato growers, marketers, bankers, and many other types of businessmen—will welcome a constructive program for solving this problem. I have my own personal ideas about what this program should entail, but I am going to trust my colleagues on the committee to arrive at such a program we should follow.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to commend the gentleman for his statement, and I want to include as part of my remarks an editorial taken from the Chicago Tribune of last Wednesday entitled "Potatoes," as follows:

POTATOES

Europe is starving for cereals, which means chiefly starches, but the Department of Agriculture has had no success in persuading European governments to buy dehydrated American potatoes, even though the purchasers would be charged only the cost of dehydration.

The Europeans cannot fairly be blamed. It costs 14 cents a pound to dehydrate potatoes and American wheat can be bought at 6 cents a pound. If the Department is going to continue the scandalous destruction of millions of bushels of potatoes, which last year cost the taxpayers $80,000,000 at a time when the cost of living was of primary, economic, and political importance, the blame cannot be placed on finicky Europeans. It belongs at the door of our own misguided agricultural program.

The subsidy program to support agricultural prices for 2 years after the war has been defended on the ground that it was only fair insurance to the farmers, in return for their outstanding effort to expand food production when military victory depended upon it. That may be a sound argument, but the inclusion of potatoes and other minor crops in that program is not so easily defended, nor is the continuance of the plan after the need for it is ended.

The proper answer to the potato surplus would be to let it go to market and reduce the present price of potatoes. Indirectly that would help the foreign-relief program. If people ate more potatoes here, they would eat less bread, macaroni, and rice.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Delaware [Mr. BOGGS].

Mr. BOGGS of Delaware. Mr. Speaker, I wish to state that I propose to support House Resolution 166 and to state further that I hope that this pertinent and timely resolution by the distinguished gentleman from Michigan [Mr. SHAFER] will receive the favorable action which, in my opinion, it strongly merits.

Last week, from the floor of this House, I directed the attention of the Members to the willful and wasteful destruction by Government agents of tons of potatoes in Alabama. These potatoes had been purchased by the Government with taxpayers' money and were destroyed in order to prevent them from reaching the domestic retail market, where the consumer must pay nearly $6 per bushel for them.

At that same time, I pointed out that millions of people in war-devastated countries of the world are facing starvation for the want of basic, life-sustaining foodstuffs, including potatoes.

At a tremendous cost to American taxpayers, this Nation is undertaking to provide much-needed relief for the peoples of war-stricken countries. We are also being launched on a program of foreign reconstruction and development. The aims of that program, it has repeatedly been stated, are to assume our responsibilities of world leadership and to fight the spread of communism. These are truly worthy aims, yet it is difficult to understand how they can be fulfilled by following a false and futile economy by which sorely needed potatoes and other foodstuffs are first bought with taxpayers' funds, and then destroyed by Government employees.

Mr. Speaker, I call your attention to an article on the subject of potato destruction in the May 26, 1947, issue of Time magazine. After discussing the "oft-repeated folly of destroying food in times of desperate need," the article concludes by pointing out that into all the world-wide domains of hunger, "the picture of the potatoes would find its way. The Communists would see to that. It would help to convince people that the United States is unfit for world leadership."

The resolution now before this House provides for immediate studies to determine the feasibility of carrying out a program which will eliminate the annual potato surplus, and, consequently, the wasteful destruction of this important farm product. This resolution effectively points out the fact that potatoes can be used to produce flour, which in turn can be used in baking bread, rolls, and other foods.

Among the many letters I have received since making my remarks of last week is one from a constituent in Delaware who points out that potatoes may also be used for making starch and industrial alcohol. I am also informed that there are many other practicable uses which can be made of surplus potates.

From housewives, busy business executives, engineers, architects, and others in several States throughout the Nation, I have, during the past week, received pictures of potato destruction in other parts of the country and letters condemning in strong language this economy of destruction, with which we first became acquainted not too many years ago.

In terse terms, these letters testify to the fact that our people cannot understand, do not condone, and will not permit the continued practice of a policy which is contrary to our long-established American economic concepts. One correspondent wrote:

Our insane economy is the laughing stock of the world, and it's about time that the public took a stand against these stupid things.

One of my own constituents summed the matter up by saying that even Lewis Carroll, the renowned author of Alice in Wonderland, could not do justice to the unbelievable things being done by this administration.

Therefore, I sincerely hope that this resolution will be approved in order that an urgently needed study of existing destruction of potatoes called surplus may be undertaken.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. GRANT].

Mr. GRANT of Alabama. Mr. Speaker, since the thing that seems to have started all this publicity about the potatoes happened down in my district on the Gulf shore of Alabama, I think I should say a word in regard to it. I might say that down in Baldwin County, Ala., we grow some of the finest potatoes in the world. Of course, the people from Maine and Idaho and other sections might take exception to that, because we do not usually look upon the South as being a potato-raising section. Baldwin County is larger in area than the State of Rhode Island. We have a regular cosmopolitan citizenship down there. I might say that we have many Poles, Czechs, Slavs, Italians,

Greeks, Germans, and other nationalities. These people are industrious farmers. They are good citizens. They work from morning until night.

I think that the thing that brought this about was a recent picture in the press throughout the Nation showing several tons of potatoes down in Baldwin County, and the statement under this picture to the effect that coal oil or kerosene was poured upon these potatoes for their destruction. That is true. These potatoes were all small potatoes, No. 2 quality, which had no market. After the Department of Agriculture here in the city of Washington found that kerosene oil was poured upon these potatoes for their destruction, they immediately called their representative in Baldwin County and had it stopped. I understand it has never been the policy of the Department of Agriculture to destroy potatoes in any such manner, and the destruction of these potatoes was made by an agent of the Department of Agriculture who had no authority to do so in this manner.

Heretofore surplus potatoes have not been destroyed but they have been placed in a dye. This dye colors those potatoes so they cannot find themselves into a No. 1 market. The Department of Agriculture in previous years, when they discarded a lot of the surplus potatoes which were No. 2's—this dye, I might say, is harmless to human beings and also to animals—colored them and gave them to whoever wanted them, that is, people that wanted them to eat or people who wanted them to feed to their cattle.

I recall in the past few days several Members have spoken on the floor saying it was a crime to destroy potatoes and that the potatoes should have been given to the school-lunch program and to eleemosynary institutions and others. I might say that the commission of agriculture of the State of Alabama and the Department of Agriculture here in Washington has done everything within their power to give these potatoes away. Countless tons of them have been given away to the school-lunch program and to our hospitals and to other institutions who would care to use them.

Mr. SHAFER. Mr. Speaker, will the gentleman yield?

Mr. GRANT of Alabama. I yield to the gentleman from Michigan.

Mr. SHAFER. While they found no place for your potatoes and destroyed them, there were shipped in during the same period of time between four and five million bushels of potatoes from Canada that are today being sold along the eastern seaboard.

Mr. GRANT of Alabama. I might say to the gentleman that that is correct, and some of us who are interested in that matter took it up with the State Department, and they took it up with the Canadian Government in order that we might export some of these No. 2's to Canada, but the Canadian Government would not agree to that.

I am very much interested in this resolution. It may possibly be that some of you have heard recently a little about the destruction of potatoes in the Second Alabama District.

The dumping of about 40,000 bushels recently, which has caused a righteous Nation-wide reaction against this destruction of food, comes largely from radio and press discussion of the matter. Aiding considerably was the pictorial presentation of this destruction through the medium of news pictures widely published throughout the country. These pictures presented this food destruction rather vividly and the reaction to it has been spontaneous and harsh in its disapproval.

No reasonable person will condone the destruction of food, yet, a problem exists in connection with the annual overproduction of potatoes in this country that must be solved if our agricultural economy is not to be shackled by restrictive legislation. This overproduction usually consists of the low-grade potatoes, as the market in most years, at least, satisfactorily absorbs the top grades. Certainly, I am not opposed to the purpose of this resolution.

The blending of a small percentage of Irish potato flour, with wheat flour, I am informed, enhances the quality of the flour and consequently the quality of the products made from that flour. It would stretch the wheat supply and might well consume the surplus potato supply. Much research and experimentation remains to be made as regards this particular use of surplus potatoes, but much progress has been accomplished in connection with it already.

I would like to say, in connection with the discussion, which has frequently substituted fancy for fact, and also regarding some bills which have been introduced in the Congress, that there exists now and will exist at least until June 30, legislation providing for the diversion of surplus potatoes into outlets outside the channels of trade and this provides for the outright gift by the Government of surplus potatoes, which it has purchased under the support program, to welfare institutions and to schools, for use in the school-lunch program. These potatoes almost invariably represent the low grade, or small size potatoes. Their quality is on a par with the larger potatoes and many think that the flavor of the small ones is superior to the others. Some welfare institutions do not want the small potatoes, as they do not peel easily in their paring machines.

Thousands upon thousands of carloads of these low-grade potatoes have been given by the Government to these welfare institutions and schools since Public Law No. 320 of the Seventy-fourth Congress was written upon the statute books on August 24, 1935. That law amended the Agricultural Adjustment Act of 1933. Section 32 of this act, as amended, provides that 30 percent of the gross custom receipts shall be appropriated to the Department of Agriculture for its use in the handling of surplus agricultural commodities. It provides that ways shall be sought to encourage the exportation of these commodities and to permit of their diversion into channels that will not interfere with established commerce and trade. Under this section 32, these potatoes may be given to welfare institutions and schools and they have been most generously given since the enactment of this law.

If the Agriculture Department appropriation bill abolishes or cripples section 32, a bad situation will be further complicated. Funds to the extent of approximately one hundred and forty-eight million per year have been made available by this law. The substitution of a fixed amount of forty million does not adequately take care of the requirements.

I feel that the provisions of section 32 have been wisely administered and am informed that approximately $280,000,000 have been turned into the Treasury by the Department of Agriculture from money provided through this section.

Not a single potato has been dumped or destroyed under the provisions of section 32. If this section should be eliminated, and the program for supporting farm prices was financed through the Commodity Credit Corporation, as it is at present constituted, then all surplus potatoes would be destroyed and it is under the Commodity Credit Corporation that surplus crops have been destroyed in the past. Proper authorization to divert them into useful channels does not exist under the law setting up that Corporation.

Through section 32, ways for the useful disposal of surplus crops are provided. Since section 32 was written into the law, I understand that practically $1,000,000,000 worth of surplus agricultural products have been given to welfare institutions and public schools.

One final thought: If means are not provided to dispose of these potatoes through useful outlets, which may be found through research and experimentation, and proper legal authority is not established to destroy them—which I do not recommend or approve—these early potatoes will destroy themselves. They cannot be kept very long. This resolution offers hope at least.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Speaker, I am very much for this resolution. I note that it is broad enough to include both sweet potatoes and Irish potatoes. We are all interested in it. I hope it passes.

The recent destruction of some potatoes in Alabama was bad. I called the Department of Agriculture immediately and protested this action. I was advised that every effort had been made to use the potatoes and even to give them away to eleemosynary institutions, all without success. I hope the Department never lets this happen again.

Mr. Speaker, the Committee on Agriculture which will make this broad investigation as to the surplus of potatoes and methods of using the surplus will, I am sure, explore all phases of the question and I want to urge the committee to give consideration to finding new uses and new outlets for sweet potatoes, as well as Irish potatoes. My section of the country can produce both. As I indicated a few minutes ago when I asked the gentleman from Illinois [Mr. SABATH] to yield to me, I think one of the best ways to solve our surplus potato

question is to dehydrate a lot of them for feed purposes. Dehydration plants have not yet come down in price enough to make general use available to our small farmers, but I urge this committee, when it goes into this investigation, to give consideration to the development of machinery cheap enough that it can be made available to small farmers to dehydrate potatoes for conversion into feed for livestock. Our problem, Mr. Speaker, is not so much, it appears to me, a question of a surplus as it is a question of conserving what we make so as to make it last the year around. For instance, I dare say that in some sections right now where there have been great quantities of both sweet and Irish potatoes produced, one might find later on few or perhaps no potatoes in the hands of some of the very persons who produced them. While the committee will give attention to the use of potatoes as an ingredient in bread-making, as the gentleman from Michigan pointed out, I think the committee would do well to work out plans for dehydrating and protecting the potatoes which we do make so that we would have them for both human consumption and also for livestock feed throughout the year. I have understood that dehydrated potatoes make a most excellent feed and in voting for this resolution, I urge the committee to explore all angles of the conservation of potatoes, as well as finding new uses.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, I have followed this potato program very closely not only this year but all the years it has been in operation. I think we must be charitable in one way. When potatoes are ready to harvest, everyone wants to get them sold and obtain his money immediately. Under normal conditions the crop has been going to market in a more orderly manner.

I think it is a mighty poor policy for the Government to destroy any food. I believe that these potatoes selling for 5 to 10 cents a pound should never have been burned up. I personally cannot subscribe to this food waste. I think that the administration could have found places to use these surplus potatoes to a good advantage. In addition to the allocations to institutions and to school lunch, there is not any reason why these potatoes could not have been provided to the low-income groups in the various cities and in foster homes.

I do not want to get into an argument as between crops. That is one part in this resolution that must have consideration. I presume the Committee on Agriculture will consider this. If we are going to suggest putting potatoes into flour, it will not be very long before the nut people will be here wanting to put in a half pound of nuts, and someone from Wisconsin might want to put in a couple of pounds of powdered skim milk, which has 35 percent good digestible protein in it. So I presume the Committee on Agriculture will have to take that into consideration if and when they consider the resolution.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I listened with some interest to the discussion, and I think it ought to be pointed out that if the Department of Agriculture is going to carry on a price-support program for potatoes, obviously you do not distribute potatoes in commercial channels; you do directly opposite to what you are paying money out of the Federal Treasury to accomplish. If you use $80,000,000 to support the crop price, then how are you going to give money to consumers of potatoes and at the same time load up your commercial markets? That is the reason they started to divert them to distillers and starch plants and to send them abroad. That was the real difficulty.

The SPEAKER. The time of the gentleman from Wisconsin has expired. All time has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to include in my remarks the bill H. R. 3585, which I introduced a few days ago, that would prohibit the Department of Agriculture or any of its agencies from destroying any food in the United States.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 195 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on the District of Columbia, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete investigation and study of reorganization and home rule for the District of Columbia.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution, the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him and may be served by any person designated by such chairman or member.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA BUSINESS

PAROLE SYSTEM OF DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 494) to reorganize the system of parole of prisoners convicted in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That a Board of Parole for the penal and correctional institutions of the District of Columbia is hereby created to consist of three members appointed by the Commissioners of the District of Columbia, one of whom shall serve on a full-time basis and be designated by the Commissioners as Parole Executive. The other two members shall serve without compensation. The Board of Parole shall select its own Chairman and shall have power to establish rules and regulations for its procedure.

SEC. 2. Upon appointment of the members of the Board of Parole, the powers of the Board of Indeterminate Sentence and Parole created by the act of July 15, 1932 (ch. 492, 47 Stat. 696, title 24, D. C. Code, sec. 201), not specifically repealed by this act, shall be transferred to and vested in the Board of Parole. The officers and employees of the Board of Indeterminate Sentence and Parole, except the members thereof, together with all official records, furniture, and supplies, and all unexpended balances of any appropriations, shall be transferred to the Board of Parole. It shall be the duty of the Parole executive to prepare for the consideration of the Board of Parole all applications of prisoners for parole in such form and at such times and together with such information and records as the Board of Parole may require, to perform such administrative duties as the Board may prescribe, and to supervise prisoners on parole in accordance with the terms and conditions prescribed by the Board. The courts of the District of Columbia, the Department of Corrections, and all other agencies and officials of the District shall cooperate with the Board and shall furnish the Board with such information, files, and records as it may deem necessary in the performance of its duties: *Provided*, That confidential information and records shall not be required to be produced.

SEC. 3. Section 4 of the act of July 15, 1932 (ch. 492, 47 Stat. 697; title 24, D. C. Code, sec. 204), as amended by the act of June 6, 1940 (ch. 254, 54 Stat. 242), is amended as follows:

"SEC. 4. Whenever it shall appear to the Board of Parole that there is a reasonable probability that a prisoner will live and remain at liberty without violating the law, that his release is not incompatible with the welfare of society, and that he has served the minimum sentence imposed or the prescribed portion of his sentence, as the case may be, the Board may authorize his release on parole upon such terms and conditions as the Board shall from time to time prescribe. While on parole, a prisoner shall remain in the legal custody and under the control of the Attorney General of the United States or his authorized representative until the expiration of the maximum of the term or terms specified in his sentence without regard to good time allowance."

SEC. 4. When by reason of his training and response to the rehabilitation program of the Department of Corrections it appears to the Board that there is a reasonable probability that a prisoner will live and remain at liberty

without violating the law, and that his immediate release is not incompatible with the welfare of society, but he has not served his minimum sentence, the Board in its discretion may apply to the court imposing sentence for a reduction of his minimum sentence. The court shall have jurisdiction to act upon the application at any time prior to the expiration of the minimum sentence and no hearing shall be required.

SEC. 5. Section 6 of the act of July 15, 1932 (ch. 492, 47 Stat. 698; title 24, D. C. Code, sec. 206), as amended by the act of June 6, 1940 (ch. 254, 54 Stat. 242), is amended as follows:

"SEC. 6. When a prisoner has been retaken upon a warrant issued by the Board of Parole, he shall be given an opportunity to appear before the Board, a member thereof, or an examiner designated by the Board. At such hearing he may, in the discretion of the Board and under such rules as it may promulgate, be represented by counsel. The Board may then, or at any time in its discretion, terminate the parole or modify the terms and conditions thereof. If the order of parole shall be revoked, the prisoner, unless subsequently reparoled, shall serve the remainder of the sentence originally imposed less any commutation for good conduct which may be earned by him after his return to custody. For the purpose of computing commutation for good conduct, the remainder of the sentence originally imposed shall be considered as a new sentence. The time a prisoner was on parole shall not be taken into account to diminish the time for which he was sentenced.

"In the event a prisoner is confined in, or as a parolee is returned to a penal or correctional institution other than a penal or correctional institution of the District of Columbia, the Board of Parole created by the act of May 13, 1930 (ch. 255, 46 Stat. 272; 18 U. S. C. 723a), shall have and exercise the same power and authority as the Board of Parole of the District of Columbia had the prisoner been confined in or returned to a penal or correctional institution of the District of Columbia."

SEC. 6. Section 9 of the act of July 15, 1932 (ch. 492, 47 Stat. 698; title 24, D. C. Code, sec. 208), as amended by the act of June 6, 1940 (ch. 254, 54 Stat. 242), is amended as follows:

"SEC. 9. The power of the Board of Parole shall extend to all prisoners whose sentences exceed 180 days regardless of the nature of the offense: *Provided*, That in the case of a prisoner convicted of an offense other than a felony, including violations of municipal regulations and ordinances and acts of Congress in the nature of municipal regulations and ordinances, the prisoner may not be paroled until he has served one-third of the sentence imposed, and in the case of two or more sentences for other than a felony, no parole may be granted until after the prisoner has served one-third of the aggregrate sentences imposed."

SEC. 7. Section 3 of the act of July 15, 1932 (ch. 492, 47 Stat. 697; title 24, D. C. Code, sec. 203), as amended by the act of June 6, 1940 (ch. 254, 54 Stat. 242), is amended as follows:

"SEC. 3. (a) In imposing sentence on a person convicted in the District of Columbia of a felony, the justice or judge of the court imposing such sentence, except when the death penalty is imposed, shall sentence the person for a maximum period not exceeding the maximum fixed by law, and for a minimum period not exceeding one-third of such maximum except where the maximum sentence imposed is life imprisonment the minimum sentence shall not exceed 15 years: *Provided*, That the maximum fixed by law shall be imposed as the maximum sentence in the case of a person who has previously been convicted of a crime of violence punishable by imprisonment for a term exceeding 1 year, whether such conviction was under the laws of the United States, the District of Columbia, or one of the States, Territories, or possessions of the United States. This proviso shall not apply where the maximum sentence for the previous conviction expired more than 5 years prior to the commission of the offense for which sentence is being imposed nor authorize the imposition of the death penalty where not now authorized by existing law.

"(b) The term 'crime of violence', as used in this section, means any of the following crimes, or an attempt to commit any of the same, namely: Murder, manslaughter, rape, mayhem, maliciously disfiguring another, abduction, kidnaping, burglary, housebreaking, robbery, arson, any assault with attempt to kill, commit rape or robbery, assault with dangerous weapon or assault with intent to commit any offense punishable by imprisonment in the penitentiary."

SEC. 8. Section 1 of the act of July 15, 1932 (ch. 492, 47 Stat. 696; title 24, D. C. Code, sec. 201), and section 2 of the said act as amended by the act of June 6, 1940 (ch. 254, 54 Stat. 242; title 24, D. C. Code, sec. 202), are hereby repealed.

With the following committee amendment:

On page 6, line 16, after the word "person", insert the words "convicted of a crime of violence and."

The committee amendment was agreed to.

Mr. DAVIS of Georgia. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia:

On page 2, lines 20 and 21, strike out the words "The courts of the District of Columbia." Strike from the bill section 7 thereof beginning with line 3 on page 6 and extending through line 10 on page 7.

Line 11, page 7, strike cut the figure "8" and insert in lieu thereof the figure "7."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROBATION SYSTEM FOR DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 497) to transfer the probation system for the District of Columbia to the probation system for United States courts, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. STEFAN. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. DIRKSEN. Mr. Speaker, I yield to the gentleman from California [Mr. ALLEN], a member of the subcommittee that handled this bill.

Mr. ALLEN of California. Mr. Speaker, the bill, H. R. 497, was one of the seven bills submitted to the Congress at this session by a committee appointed in the Seventy-ninth Congress to study the penal system of the District of Columbia.

This bill provides for the transfer of the parole system of the District or rather the probation system of the District to the probation system prevailing throughout the Federal courts. It includes the municipal court as well as the district court for the District of Columbia.

Mr. STEFAN. If the gentleman will yield, how many cases of probation do you have under the present system in the District of Columbia?

Mr. ALLEN of California. We had a tabulation submitted but I do not have that at present.

Mr. STEFAN. What was the cost of it?

Mr. ALLEN of California. I cannot give you the figures.

Mr. STEFAN. Would this bill transfer the cost of the probation system so that appropriations for it would be made out of the general funds rather than out of the District funds?

Mr. DIRKSEN. There is no provision for that here.

Mr. STEFAN. It leads to that. And I object to it.

Mr. DIRKSEN. If the gentleman is interested in the matter we will withdraw it.

Mr. Speaker, I withdraw the bill.

REGULATING THE BUSINESS OF LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 1633) to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," be amended to read as follows:

"SEC. 16. Rights of creditors and beneficiaries under policies of life insurance: When a policy of insurance, whether heretofore or hereafter issued, is effected by any person on his own life or on another life in favor of some person other than himself having an insurable interest therein, or, except in cases of transfer with intent to defraud creditors, if a policy of life insurance is assigned or in any way made payable to any such person, the lawful beneficiary or assignee thereof, other than the insured or the person so effecting such insurance or executors or administrators of such insured or the person so effecting such insurance, shall be entitled to its proceeds and avails against the creditors and representatives of the insured and of the person effecting such insurance whether or not the right to change the beneficiary is reserved or permitted and whether or not the policy is made payable to the person whose life is insured, if the beneficiary or assignee shall predecease such person: *Provided*, That subject to the statute of limitations the amount of any premium for said insurance paid with intent to defraud creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy, but the company issuing the policy shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless before such payment the company shall have written notice by or in behalf of a creditor of a claim to recover for transfer made or premiums paid with intent to defraud creditors with specifications of the amount claimed."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF THE BED OF E STREET SW. BETWEEN TWELFTH AND THIRTEENTH STREETS

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 1893) to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia, and ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Whereas by act of Congress approved February 12, 1901 (31 Stat. 767), E Street SW., between Twelfth Street SW. and Water Street, among other streets and avenues in the District of Columbia, was vacated and abandoned for public use; and

Whereas under the provisions of said act, the Baltimore & Potomac Railroad Co. was granted the right to occupy and use said street for tracks and other corporate purposes, subject to tax by the District of Columbia, the same as other property in the District of Columbia; and

Whereas said act further provided that in case said Baltimore & Potomac Railroad Co. consolidated with the Philadelphia, Wilmington & Baltimore Railroad Co., to which the assent of Congress was thereby given, the consolidated company would succeed to all of the rights, powers, property, and privileges of said Baltimore & Potomac Railroad Co., within the District of Columbia, including those granted in said act; and

Whereas by instrument of consolidation and merger, dated July 15, 1902, said Baltimore & Potomac Railroad Co. consolidated with the Philadelphia, Wilmington & Baltimore Railroad Co. under the name of Philadelphia, Baltimore & Washington Railroad Co. and later by agreement of consolidation and merger, dated April 3, 1916, all of the rights, powers, property, and privileges of the Philadelphia, Baltimore & Washington Railroad Co. became vested in the Philadelphia, Baltimore & Washington Railroad Co.; and

Whereas the Philadelphia, Baltimore & Washington Railroad Co. desires to acquire the fee-simple title to the bed of E Street SW., between the west line of Twelfth Street and the east line of Thirteenth Street, in said District of Columbia: Therefore

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby authorized, under such terms and conditions as they may prescribe, subject to the approval of the Attorney General of the United States, to convey to the Philadelphia, Baltimore & Washington Railroad Co., its successors and/or assigns, all rights, title, and interests of the United States of America in and to a parcel of land, aggregating thirty thousand six hundred and twenty-two and fifty one-hundredths square feet, more or less, being part of lot 805 in square 299, in the District of Columbia, and consisting of the bed of E Street SW., between the west line of Twelfth Street and the east line of Thirteenth Street, in said District of Columbia, as shown on plat of computation dated January 29, 1945, filed in the office of the surveyor, District of Columbia, in survey book 149, at page 164.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BAND IN METROPOLITAN POLICE FORCE

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 2470) to authorize the establishment of a band in the Metropolitan Police force, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be established in the Metropolitan Police Department a band to perform at such municipal or civic functions and events as may be authorized by the Commissioners of the District of Columbia. The major and superintendent of police is authorized in his discretion to detail, without additional compensation, such officers and members of the Metropolitan Police force as may request such a detail to participate in the activities of such band. The said Commissioners are authorized to employ, without reference to the civil-service laws, one director for such band with compensation at a rate not to exceed the rate of compensation to which a lieutenant in the Metropolitan Police force is entitled.

SEC. 2. Notwithstanding the limitations of existing law, the said Commissioners may appoint to, and employ in, the position of director of such band, any retired officer of the United States Army, Navy, Marine Corps, or Coast Guard, and such retired officer shall be entitled to receive, in addition to his retired pay, the compensation authorized by this act to be paid to such director, such additional compensation to be payable from District of Columbia appropriations.

SEC. 3. Appropriation to carry out the purpose of this act is hereby authorized.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHITE HOUSE POLICE FORCE

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 2947) to authorize an adequate White House Police force, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

Mr. STEFAN. Mr. Speaker, reserving the right to object, will the gentleman from Illinois explain that bill? This bill seeks to increase the number of police at the White House. I want to find out how the expense is going to be arranged. Is it to be paid out of District funds as usual? There will be some Park Police and some from the Metropolitan Police on this force. What is the change, so that the House will understand it?

Mr. DIRKSEN. There is no change in existing law except it authorizes a larger number of police. It comes about in connection with the consideration of the Treasury-Post Office Department appropriation bill. I raised the question during the consideration of that bill about the authority for hiring as many people as they had. Consequently, a message was sent up by the Secretary of the Treasury asking for an increased number, their contention being that in that connection there would be some jeopardy involved for people in high places. I did not register any objection. I said if we had legislative authority, we could then consider the matter in the Treasury-Post Office Department appropriation bill.

Mr. STEFAN. I do not object to having an adequate police force at the White House, but I want to know what the additional cost will be.

Mr. DIRKSEN. It would be the difference between 80 policemen and 110.

Mr. STEFAN. You are increasing it to 110? What will be the average salary?

Mr. DIRKSEN. The salary scale is not changed from what it is at the present time. I do not have the exact figure before me.

Mr. STEFAN. Why do you have to have this bill if it does not change existing law?

Mr. DIRKSEN. It does change existing law in the respect that there is authority now for only 80 people, but it does not change the law insofar as drawing them from the other police forces.

Mr. STEFAN. It only increases the number?

Mr. DIRKSEN. That is right, from 80 to 110. It is done at the request of the Secretary of the Treasury and the White House.

Mr. STEFAN. And it has been recommended by the Commissioners?

Mr. DIRKSEN. Yes. It has full approval.

Mr. STEFAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 2 of the act entitled "An act to create the White House Police force, and for other purposes," approved September 14, 1922 (42 Stat. 841, as amended; U. S. C., 1940 ed., title 3, sec. 62), is hereby amended to read as follows:

"SEC. 2. (a) The White House Police force shall consist of such number of officers, with grades corresponding to similar officers of the Metropolitan Police force, and of such number of privates, with grade corresponding to that of private of the highest grade in the Metropolitan Police force, as may be necessary. Members of the White House Police shall be appointed from the members of the Metropolitan Police force and the United States Park Police force from lists furnished by the officers in charge of such forces. Vacancies shall be filled in the same manner."

With the following committee amendment:

On page 2, line 2, after the comma, insert "but not exceeding 110 in number."

The committee amendment was agreed to.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 1022) be substituted for the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That subsection (a) of section 2 of the act entitled "An act to create the White House Police force, and for other purposes," approved September 14, 1922 (42 Stat. 841, as amended; U. S. C., 1940 ed., title 3, sec. 62), is hereby amended to read as follows:

"SEC. 2. (a) The White House Police force shall consist of such number of officers, with grades corresponding to similar officers of the Metropolitan Police force, and of such number of privates, with grade corresponding to that of private of the highest grade in the Metropolitan Police force, as may be necessary, but not exceeding 110 in number. Members of the White House Police shall be appointed from the members of the Metropolitan Police force and the United States Park Police force from lists furnished by the officers in charge of such forces. Vacancies shall be filled in the same manner."

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The similar House bill (H. R. 2947) was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York asked and was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. SPRINGER asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Bedford Daily Times-Mail.

DISTRICT OF COLUMBIA BUSINESS

AMENDMENT OF LAW REGARDING ABANDONMENT OF CONDEMNATION PROCEEDINGS

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 3235) to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 490 of chapter XV of the Code of Laws for the District of Columbia, as amended (D. C. Code, 1940 ed., sec. 16-610) is amended to read as follows:

"SEC. 490. It shall be optional with the Commissioners to abide by the verdict of the jury and occupy the land appraised by them, or, within a reasonable time to be fixed by the court in its order confirming the verdict, to abandon the same: *Provided, however*, That if such condemnation proceeding shall be abandoned, the court shall award to the owner or owners of the property involved therein such sum or sums as will in the opinion of the court reimburse such owner or owners for all reasonable costs and expenses, including reasonable counsel fees, incurred by him or them in such proceeding; and the sum or sums so awarded shall constitute a judgment or judgments against the District of Columbia."

With the following committee amendment:

Page 2, line 8, insert at the end of the bill the following: *"Provided further*, That no such owner shall be entitled to such reimbursement in any case where the proceeding is abandoned at the request or with the consent of the owner of such property."

Mr. MURRAY of Wisconsin. Mr. Speaker, I just want to keep the record straight on this matter of surplus potatoes. Let me say in answer to my distinguished colleague from Illinois that if the position of the gentleman from Illinois is to be followed, if he wishes to take the view of the Agriculture Department and wishes to take the position that these potatoes cannot be given away because they would replace potatoes that otherwise would be sold in the market place, the answer is that is not much of a reason. If potatoes are given to the school lunch program and if potatoes are given to institutions, they are replacing potatoes that would have been obtained through commercial channels. We would have to say that we cannot send anything to any of these foster homes and low-income groups, or for school lunches or institutions, but that we must destroy them or not use any of them for human food. We do not wish to be placed in this position.

Mr. DIRKSEN. The gentleman from Illinois was not expressing his own opinion, but was simply trying to point out what the argument was on the part of the Department of Agriculture when we had this matter up with them on previous occasions.

Mr. MURRAY of Wisconsin. And I took it that way, I may say to the gentleman from Illinois; but I find that many times I do not agree with the positions they take down in the Department of Agriculture. They have so many people down there in high office particularly who do not seem to use much judgment. They do not seem to be able to understand the intent and provisions of the Steagall amendment so far as milk is concerned. So I do not want to be bound by any particular position they may take.

I personally believe it is entirely wrong to waste food. I feel that the low-income groups in this country and the foster homes as well as these school lunch programs could use this food and that there is absolutely no excuse for wasting the potatoes when they are selling from 5 to 10 cents a pound in the stores. I want to make my position clear. I do not want to be misled by what they say. Of course, it would displace potatoes used in foster homes; of course, it would displace potatoes used in the school lunch program and would displace potatoes used in other institutions; but that is no reason for wasting these potatoes. It is only an excuse and a mighty poor one at that.

Many of these potatoes could have been made into soups, together with dehydrated milk. Tin appears to be available for nonfood products. I took this up with the Home Economics people several weeks ago. Surely a good concentrated potato-milk soup could be made. And thousands of bushels of these potatoes could have been sent for foreign relief. We appropriate large sums of money each year for agricultural information, but we do not seem to make much practical use of the information that is obtained. Before anyone spoils any more potatoes in 1947 it might be well for them to wait and find out how many bushels are produced in 1947. "Waste not, want not" is just as applicable today as in the days of Benjamin Franklin.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORRUPT INFLUENCE IN THE DISTRICT OF COLUMBIA IN CASE OF ATHLETIC CONTESTS

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 3515) to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subchapter 5 of chapter 19 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, is amended by adding at the end thereof a new section to read as follows:

"SEC. 869e. Bribery in connection with athletic contests: (a) It shall be unlawful to pay or give, or to agree to pay or give, or to promise or offer, any valuable thing to any individual—

"(1) with intent to influence such individual to lose or cause to be lost, or to attempt to lose or cause to be lost, or to limit or attempt to limit his or his team's margin of victory or score in, any professional or amateur athletic contest in which such individual is or may be a contestant or participant; or

"(2) with intent to influence such individual, in the case of any professional or amateur athletic contest in connection with which such individual (as a manager, coach, owner, second, jockey, trainer, handler, groom, or otherwise) has or will have any duty or responsibility with respect to a contestant, participant, or team who or which is engaging or may engage therein, to cause or attempt to cause (A) the loss of such atheltic contest by such contestant, participant, or team; or (B) the margin of victory or score of such contestant, participant, or team to be limited; or

"(3) with intent to influence such individual, in the case of any professional or amateur athletic contest in connection with which such individual is to be or may be a referee, judge, umpire, linesman, starter, timekeeper, or other similar official, to cause or attempt to cause (A) the loss of such athletic contest by any contestant, participant, or team who or which is engaging or may engage therein; or (B) the margin of victory or score of any such contestant, participant, or team to be limited.

"(b) It shall be unlawful for any individual to solicit or accept, or to agree to accept, any valuable thing or a promise or offer of any valuable thing—

"(1) to influence such individual to lose or cause to be lost, or to attempt to lose or cause to be lost, or to limit or attempt to limit his or his team's margin of victory or score in, any professional or amateur athletic

contest in which such individual is or may be a contestant or participant; or

"(2) to influence such individual, in the case of any professional or amateur athletic contest in connection with which such individual (as a manager, coach, owner, second, jockey, trainer, handler, groom, or otherwise) has or will have any duty or responsibility with respect to a contestant, participant, or team who or which is engaging or may engage therein, to cause or attempt to cause (A) the loss of such athletic contest by such contestant, participant, or team; or (B) the margin of victory of such contestant, participant, or team to be limited; or

"(3) to influence such individual, in the case of any professional or amateur athletic contest in connection with which such individual is to be or may be a referee, judge, umpire, linesman, starter, timekeeper, or other similar official, to cause or attempt to cause (A) the loss of such athletic contest by any contestant, participant, or team who or which is engaging or may engage therein; or (B) the margin of victory of any such contestant, participant, or team to be limited.

"(c) Whoever violates any provision of subsection (a) of this section shall be guilty of a felony, and, upon conviction thereof, shall be punished by imprisonment for not less than 1 year nor more than 5 years and by a fine of not more than $10,000.

"(d) Whoever violates any provision of subsection (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than 1 year and by a fine of not more than $5,000.

"(e) As used in this section, the term 'athletic contest' means any of the following, wherever held or to be held: A football, baseball, softball, basketball, hockey, or polo game, or a tennis, or wrestling match, or a prize fight or boxing match, or a horse race or any other athletic or sporting event or contest."

With the following committee amendments:

Page 1, line 7, strike out "bribery" and insert "corrupt influence."

Page 3, line 21, after "victory", insert "or score."

Page 4, line 5, after "victory", insert "or score."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING FUNDS FOR CEREMONIES IN THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 3547) to authorize funds for ceremonies in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. STEFAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Illinois would accept an amendment reducing the amount from $25,000 to $10,000.

Mr. DIRKSEN. Yes; or to $15,000.

Mr. STEFAN. No; I have decided that $10,000 would be sufficient for a start.

Mr. DIRKSEN. There would be no objection.

Mr. STEFAN. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, not to exceed $25,000 in any fiscal year for such expenses as the Commissioners of the District of Columbia shall deem to be necessary, including personal services, and without reference to section 3709 of the Revised Statutes, as amended; the Classification Act of 1923, as amended, or the civil-service laws, for the reception and entertainment of officials of foreign, State, local, or Federal governments and other dignitaries and eminent persons visiting in or returning to the District of Columbia; and the certificate of the Commissioners shall be sufficient voucher for the expenditure of appropriations made pursuant to this act.

Mr. STEFAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: Page 1, line 6, strike out "$25,000" and insert in lieu thereof "$10,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE METHODIST HOME OF THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill H. R. 3604, to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Methodist Home of the District of Columbia, a corporation organized under the Revised Statutes of the United States relating to the District of Columbia, by certificate of incorporation filed on January 11, 1889, is authorized to make such changes in the object clause of such certificate of incorporation as may be considered necessary to make such clause correspond with the present organization of the Methodist Church without changing in any respect the charitable character of such corporation. The procedure followed by such corporation for effectuating such change shall be that prescribed in section 602 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901 (31 Stat. 1284), as amended, for changing the name of a benevolent, charitable, educational, musical, literary, scientific, religious, or missionary corporation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALARIES OF TEACHERS, SCHOOL OFFICERS, AND OTHER EMPLOYEES OF THE BOARD OF EDUCATION OF THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill H. R. 3611, to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, and ask unanimous consent that it be considered in the House as in Committee of the Whole; and, Mr. Speaker, in this connection I believe we shall want some explanation from the very distinguished chairman of the subcommittee which handled this matter, the gentleman from Massachusetts [Mr. BATES].

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.—

TITLE I—SALARY SCHEDULES

SECTION 1. That on and after July 1, 1947, the salaries of teachers, school officers, and certain other employees of the Board of Education of the District of Columbia shall be as follows, and, wherever the term "other employees" is used in this act, it shall be interpreted to include only those employees of the Board of Education whose positions are included in the following schedule:

ARTICLE I—SALARIES OF TEACHERS, SCHOOL LIBRARIANS, RESEARCH ASSISTANTS, AND COUNSELORS

Class 1—Teachers in elementary schools

Group A: A basic salary of $2,500 per year, with an annual increase in salary of $100 for fifteen years, or until a maximum salary of $4,000 per year is reached.

Group C: A basic salary of $3,000 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,500 per year is reached.

Class 2—Teachers in junior high schools

Group A: A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,000 per year is reached.

Group C: A basic salary of $3,000 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,500 per year is reached.

Class 3—Teachers in senior high schools

Group A: A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,000 per year is reached.

Group C: A basic salary of $3,000 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,500 per year is reached.

Class 4—School librarians

Group A: A basic salary of $2,500 per year, with an annual increase in salar of $100 for 15 years, or until a maximum salary of $4,500 per year is reached.

Group C: A basic salary of $3,000 per year, with an annual increase in salary for 15 years, or until a maximum salary of $4,500 per year is reached.

Class 5—Teachers in vocational high schools

Group A: A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,000 per year is reached.

Group C: A basic salary of $3,000 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,500 per year is reached.

Class 6—Research assistants and counselors

Group A: A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,000 per year is reached.

Group C: A basic salary of $3,000 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,500 per year is reached.

Class 7—Instructors in teachers colleges

Group A: A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,000 per year is reached.

Group C: A basic salary of $3,000 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,500 per year is reached.

Class 8—Librarians in teachers colleges

Group A: A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,000 per year is reached.

Group C: A basic salary of $3,000 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,500 per year is reached.

Class 9—Chief librarians in teachers colleges

A basic salary of $4,100 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,100 per year is reached.

Class 10—Assistant professors in teachers colleges

A basic salary of $4,100 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,100 per year is reached.

Class 11—Associate professors in teachers colleges

A basic salary of $4,500 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,500 per year is reached.

Class 12—Professors in teachers colleges

A basic salary of $5,000 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $6,000 per year is reached.

ARTICLE III—SALARIES OF ADMINISTRATIVE AND SUPERVISORY OFFICERS AND EMPLOYEES IN THE DEPARTMENT OF SCHOOL ATTENDANCE AND WORK PERMITS

Class 13—Principals in elementary schools with 16 or more rooms and principals in Americanization schools

A basic salary of $4,300 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,300 per year is reached.

Class 14—Assistant principals in junior high schools

A basic salary of $4,300 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,300 per year is reached.

Class 15—Assistant principals in vocational high schools

A basic salary of $4,300 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,300 per year is reached.

Class 16—Assistant principals in senior high schools

A basic salary of $4,500 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,500 per year is reached.

Class 17—Heads of departments

A basic salary of $4,500 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,500 per year is reached.

Class 18—Principals of junior high schools

A basic salary of $4,800 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,800 per year is reached.

Class 19—Principals of vocational high schools

A basic salary of $4,800 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,800 per year is reached.

Class 20—Principals of senior high schools

A basic salary of $5,300 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $6,300 per year is reached.

Class 21—Assistant directors

A basic salary of $4,500 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,500 per year is reached.

Class 22—Directors

A basic salary of $5,300 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $6,300 per year is reached.

Class 23—Divisional directors

A basic salary of $5,300 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $6,300 per year is reached.

Class 24—Chief examiners

A basic salary of $5,300 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $6,300 per year is reached.

Class 25—Presidents of teachers colleges

A basic salary of $5,300 per year, with an annual increase in salary of $200 for the first 6 years and $100 for the seventh year, or until a maximum salary of $7,700 per year is reached.

Class 26—Associate superintendents

A basic salary of $6,400 per year, with an annual increase in salary of $200 for the first 6 years and $100 for the seventh year, or until a maximum salary of $7,700 per year is reached.

Class 27—Assistant to the Superintendent (in charge of business administration)

A basic salary of $7,400 per year, with an annual increase in salary of $200 for the first 6 years and $100 for the seventh year, or until a maximum salary of $8,700 per year is reached.

Class 28—First assistant superintendents

A basic salary of $7,400 per year, with an annual increase in salary of $200 for the first 6 years and $100 for the seventh year, or until a maximum salary of $8,700 per year is reached.

Class 29—Superintendent of Schools

A salary of $14,000 per year.

DEPARTMENT OF SCHOOL ATTENDANCE AND WORK PERMITS

Class 30—Director

A basic salary of $4,500 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $5,500 per year is reached.

Class 31—Chief attendance officers

A basic salary of $3,600 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $4,600 per year is reached.

Class 32—Attendance officers

A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,000 per year is reached.

Class 33—Census supervisors

A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,600 per year is reached.

Class 34—Child-labor inspectors

A basic salary of $2,500 per year, with an annual increase in salary of $100 for 15 years, or until a maximum salary of $4,000 per year is reached.

The teachers, school officers, and other employees provided for in this title, during the first year of service after the effective date of this act shall receive compensation in accordance with the provisions of sections 2, 4, 5, 6, 8, and 9 of this act.

TITLE II—CLASSIFICATION AND ASSIGNMENT OF EMPLOYEES

SEC. 2. The Board of Education is hereby authorized to establish the eligibility requirements and prescribe such methods of appointment or promotion for teachers, officers, and other employees as it may deem proper. The Board of Education is hereby authorized, empowered, and directed, on written recommendation of the Superintendent of Schools, to classify and assign all teachers, school officers, and other employees to the salary classes and positions in the foregoing salary schedule: *Provided*, That teachers, school officers, and other employees on probationary or permanent status shall not be required to take any examinations, either mental or physical, to be continued in the positions in which they are employed on June 30, 1947, or to which they may be transferred and assigned under the provisions of section 6 of this act. Except as hereinafter provided in this section, no teacher, school officer, or other employee shall be appointed in or promoted to group C in any class or appointed in or promoted to classes 13 to 30, inclusive, or receive a salary in excess of $4,000 in any class or in any class and group unless he possesses a master's degree: *Provided, however*, That no teacher, school officer, or other employee shall receive compensation at a rate less than his annual compensation as of June 30, 1947, including the additional compensation authorized by the act entitled "An act to authorize increases in the salary rates of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the 'District of Columbia Teachers' Salary Act of 1945,' as amended," approved July 31, 1946. A school officer in any one of the classes 13 to 30, inclusive, on June 30, 1947, irrespective of whether he possesses a master's degree, may receive the annual increases provided for in this act until the maximum salary of his class is reached. When used in this act, the words "master's degree" shall mean a master's degree granted in course by an accredited higher educational institution.

SEC. 3. The Board of Education, on recommendation of the Superintendent of Schools, is authorized, empowered, and directed to assign, at the time of appointment, teachers, school officers, or other employees hereafter appointed to the salary classes and positions in the foregoing salary schedule in accordance with previous experience, eligibility qualifications possessed, and the character of the duties to be performed by such persons: *Provided*, That the first year of service of any newly appointed teacher, school officer, or other employee shall be probationary.

TITLE III—METHOD OF ASSIGNMENT OF EMPLOYEES TO SALARIES

SEC. 4. For the fiscal year ending June 30, 1948, each teacher, school officer, or other employee in the service of the Board of Education on permanent or probationary tenure on June 30, 1947, shall, except as provided in section 2 of this act, receive the salary provided in the foregoing schedule for his class or position in accordance with the following rules:

(a) For the purposes of the following provisions of this section and of section 5 of this act, the annual compensation received by any teacher, school officer, or other employee shall be defined as the annual compensation received by such employee on June 30, 1947, under the provisions of title I of the District of Columbia Teachers' Salary Act of 1945, approved July 21, 1945, exclusive of any additional compensation authorized by the act approved July 31, 1946.

(b) Teachers, school officers, or other employees shall receive an increase in their annual compensation at the rate of $600 at the beginning of the fiscal year ending June 30, 1948: *Provided*, That each teacher, school officer, or other employee shall receive during the fiscal year ending June 30, 1948, the minimum or basic salary of the lass or class and group to which he is assigned where the minimum or basic salary of said class or class and group exceeds by more than $600 the annual compensation received by such employee on June 30, 1947: *Provided further*, That each teacher, school officer, or other employee whose salary is increased at the rate of not more than $600 per annum during the fiscal year ending June 30, 1948, shall also receive one annual increase in salary in the amount provided in title I of this act for his class or class and group if he would have been entitled to an annual increase on July 1, 1947, under the provisions of said act of July 21, 1945, as amended.

SEC. 5. (a) Each teacher, school officer, or other employee in the service of the Board of Education on probationary tenure on June 30, 1947, whose annual compensation is increased under the provisions of this act at the rate of not more than $600 during the fiscal year ending June 30, 1948, and each teacher, school officer, or other employee who may be appointed or promoted on probationary tenure after June 30, 1947, shall receive his first annual increase on the date of his permanent appointment or promotion.

(b) Each teacher, school officer, or other employee in the service of the Board of Education on probationary tenure on June 30, 1947, whose annual compensation is increased under the provisions of this act at the rate of more than $600 during the fiscal year ending June 30, 1948, shall receive his first annual increase on July 1, 1948.

SEC. 6. Teachers, school officers, and other employees in the service of the Board of Education on July 1, 1947, assigned to salary classes and positions under the said act of July 21, 1945, shall be placed in the salary classes and positions of the foregoing salary schedule as follows:

(a) Teachers in kindergartens and elementary schools, now assigned to salary class 1, group A, shall be transferred and assigned to salary class 1, group A, of the foregoing schedule;

(b) Teachers in kindergartens and elementary schools, now assigned to salary class 1, group B, shall be transferred and assigned to salary class 1, group A, of the foregoing schedule;

(c) Teachers in junior high schools, now assigned to salary class 2, group A, shall be transferred and assigned to salary class 2, group A, of the foregoing schedule.

(d) Teachers in junior high schools, now assigned to salary class 2, group B, shall be transferred and assigned to salary class 2, group A, of the foregoing schedule;

(e) Teachers in junior high schools, now assigned to salary class 2, group C, shall be transferred and assigned to salary class 2, group C, of the foregoing schedule, except that teachers without master's degrees now assigned to salary class 2, group C, shall be transferred and assigned to salary class 2, group A, of the foregoing schedule;

(f) Teachers in junior high schools, now assigned to salary class 2, group D, shall be transferred and assigned to salary class 2, group C, of the foregoing schedule, except that teachers without master's degrees now assigned to salary class 2, group D, shall be transferred and assigned to salary class 2, group A, of the foregoing schedule;

(g) Teachers in senior high schools, now assigned to salary class 3, group A, shall be transferred and assigned to salary class 3, group A, of the foregoing schedule, except that teachers with master's degrees now assigned to salary class 3, group A, shall be transferred and assigned to salary class 3, group C, of the foregoing schedule;

(h) Teachers in senior high schools, now assigned to salary class 3, group B, shall be transferred and assigned to salary class 3, group C, of the foregoing schedule, except that teachers without master's degrees now assigned to salary class 3, group B, shall be transferred and assigned to salary class 3, group A, of the foregoing schedule;

(i) Librarians in senior high school and visual instruction libraries, now assigned to salary class 4, group A, shall be transferred and assigned to salary class 4, group A, of the foregoing schedule;

(j) Librarians in senior high school and visual instruction libraries, now assigned to salary class 4, group B, shall be transferred and assigned to salary class 4, group A, of the foregoing schedule;

(k) Teachers in vocational or trade schools shall be transferred and assigned as follows:

(1) Vocational school teachers now assigned to salary class 5, group A, shall be transferred and assigned to salary class 5, group A, of the foregoing schedue;

(2) Vocational school teachers now assigned to salary class 5, group B, shall be transferred and assigned to salary class 5, group A, of the foregoing schedule;

(3) Vocational school teachers now assigned to salary class 5, group C, shall be transferred and assigned to salary class 5, group C, of the foregoing schedule, except that vocational school teachers without master's degrees now assigned to salary class 5, group C, shall be transferred and assigned to salary class 5, group A, of the foregoing schedule; and

(4) Vocational school teachers now assigned to salary class 5, group D, shall be transferred and assigned to salary class 5, group C, of the foregoing schedule, except that vocational school teachers without master's degrees now assigned to salary class 5, group D, shall be transferred and assigned to salary class 5, group A, of the foregoing schedule;

(l) Research assistants shall be transferred and assigned as follows:

(1) Research assistants now assigned to salary class 6, group A, shall be transferred and assigned to salary class 6, group A, of the foregoing schedule;

(2) Research assistants now assigned to salary class 6, group B, shall be transferred and assigned to salary class 6, group A, of the foregoing schedule;

(3) Research assistants now assigned to salary class 6, group C, shall be transferred and assigned to salary class 6, group C, of the foregoing schedule, except that research assistants without master's degrees now assigned to salary class 6, group C, shall be transferred and assigned to salary class 6, group A, of the foregoing schedule; and

(4) Research assistants now assigned to salary class 6, group D, shall be transferred and assigned to salary class 6, group C, of the foregoing schedule, except that research assistants without master's degrees now assigned to salary class 6, group D, shall be transferred and assigned to salary class 6, group A, of the foregoing schedule;

(m) Instructors in the teachers colleges now assigned to salary class 7, group A, shall be transferred and assigned to salary class 7, group C, of the foregoing schedule, except that instructors in teachers colleges without master's degrees now assigned to salary class 7, group A, shall be transferred and assigned to salary class 7, group A, of the foregoing schedule;

(n) Instructors in the teachers colleges now assigned to salary class 7, group B, shall be transferred and assigned to salary class 7, group C, of the foregoing schedule, except that instructors in teachers colleges without master's degrees now assigned to salary class 7, group B, shall be transferred and assigned to salary class 7, group A, of the foregoing schedule;

(o) Librarians in the teachers colleges now assigned to salary class 8, group A, shall be transferred and assigned to salary class 8, group A, of the foregoing schedue, except that librarians in the teachers colleges now assigned to salary class 8, group A, with master's degrees shall be transferred and assigned to salary class 8, group C, of the foregoing schedule;

(p) Librarians in the teachers colleges now assigned to salary class 8, group B, shall be transferred and assigned to salary class 8, group C, of the foregoing schedule, except that librarians in the teachers colleges without master's degrees now assigned to salary class 8, group B, shall be transferred and assigned to salary class 8, group A, of the foregoing schedule;

(q) Assistant professors in teachers colleges now assigned to salary class 10, shall be transferred and assigned to salary class 10 of the foregoing schedule;

(r) Associate professors in teachers colleges now assigned to salary class 11 shall be transferred and assigned to salary class 11 of the foregoing schedule;

(s) Professors in teachers colleges now assigned to salary class 12 shall be transferred and assigned to salary class 12 of the foregoing schedule;

(t) Principals in elementary schools with 16 or more rooms, and principals in Americanization schools, now assigned to salary class 13, shall be transferred and assigned to salary class 13 of the foregoing schedule;

(u) Assistant principals in junior high schools, now assigned to salary class 14, shall be transferred and assigned to salary class 14 of the foregoing schedule;

(v) Assistant principals in senior high schools, now assigned to salary class 16, shall be transferred and assigned to salary class 16 of the foregoing schedule;

(w) Heads of departments, now assigned to salary class 17, shall be transferred and assigned to salary class 17 of the foregoing schedule;

(x) Principals of junior high schools, now assigned to salary class 18, shall be transferred and assigned to salary class 18 of the foregoing schedule;

(y) Principals of vocational schools, now assigned to salary class 19, shall be transferred and assigned to salary class 19 of the foregoing schedule;

(z) Principals of senior high schools, now assigned to salary class 20, shall be transferred and assigned to salary class 20 of the foregoing schedule;

(aa) Assistant directors, now assigned to salary class 21, shall be transferred and assigned to salary class 21 of the foregoing schedule;

(ab) Supervisors of penmanship, now assigned to salary class 7, group B, shall be

transferred and assigned to salary class 7, group C, of the foregoing schedule with the title of instructor in the teachers colleges. Those without master's degrees now assigned to salary class 7, group B, shall be transferred and assigned to salary class 7, group A, of the foregoing schedule with the title of instructor in the teachers colleges;

(ac) Divisional directors, now assigned to salary class 23, shall be transferred and assigned to salary class 23 of the foregoing schedule;

(ad) Chief Examiner of the Board of Examiners, now assigned to salary class 24, shall be transferred and assigned to salary class 24 of the foregoing schedule;

(ae) Presidents of teachers colleges, now assigned to salary class 25, shall be transferred and assigned to salary class 25 of the foregoing schedule;

(af) Associate superintendents, now assigned to salary class 26, shall be transferred and assigned to salary class 26 of the foregoing schedule;

(ag) Assistant to the superintendent (in charge of business administration), now assigned to salary class 27, shall be transferred and assigned to salary class 27;

(ah) First assistant superintendents, now assigned to salary class 28, shall be transferred and assigned to salary class 28 of the foregoing schedule;

(ai) Superintendent of Schools, now assigned to salary class 29, shall be assigned and transferred to salary class 29;

(aj) Director of department of school attendance and work permits, now assigned to salary class 30, shall be transferred and assigned to salary class 30 of the foregoing schedule;

(ak) Chief attendance officers, now assigned to salary class 31, shall be transferred and assigned to salary class 31 of the foregoing schedule;

(al) Attendance officers, now assigned to salary class 32, shall be transferred and assigned to salary class 32 of the foregoing schedule:

(am) Census supervisors, now assigned to salary class 33, shall be transferred and assigned to salary class 33;

(an) Child-labor inspectors, now assigned to salary class 34, shall be transferred and assigned to salary class 34 of the foregoing schedule;

(ao) All teachers, school officers, and other employees in the service of the Board of Education on July 1, 1947, not specifically mentioned in the provisions of this section shall be placed in the salary classes and positions in the foregoing schedule as determined by the Board in accordance with the eligibility qualifications possesed and the character of duties to be performed by such teachers, school officers, and other employees;

(ap) All teachers, school officers, or other employees, appointed after the effective date of this act, shall be assistants, counselors, instructors in the teachers college, schedule by the said Board, and all teachers, librarians, research assistants, counselors, instructors in the teachers colleges, attendance officers, census supervisors, and child-labor inspectors appointed after the effective date of this act shall receive longevity increases for placement either according to the number of years of experience required by the Board of Education or the number of years of like experience acceptable to and approved by the Board of Education in accredited schools, school systems, colleges, universities, other recognized institutions, trades, and industries, previous to probationary appointment in the public schools of the District of Columbia. In the case of teachers of vocational subjects the Board of Education is authorized and directed to credit approved training and experience in the trades in the same manner and to the same extent as though it were experience in and training for teaching. In crediting previous experience of any person who has been absent from his duties because of naval or military service in the armed forces of the United States or its allies, the Board of Education is hereby authorized to include such naval or military service as the equivalent of approved experience. On July 1, 1947, and thereafter, no teacher or any other employee entitled to longevity increases for placement shall be placed in the foregoing salary schedule for more than the fifth year of accepted and approved experience in salary class 1, group A or group C; salary class 2, group A or group C; salary class 3, group A or group C; salary class 4, group A or group C; salary class 5, group A or group C; salary class 6, group A or group C; salary class 7, group A or group C; and salary class 8, group A or group C, or for more than the fourth year of accepted and approved experience in salary class 32, salary class 33, and salary class 34 in the foregoing schedule. This paragraph shall not be construed to increase the allowance for longevity increases for placement of any probationary or permanent teacher or other probationary or permanent employee in the service of the Board of Education on June 30, 1947.

(aq) No provision in this act shall be interpreted as preventing any teacher, school officer, or other employee of the Board of Education who has been granted leave to enter the armed forces of the United States or its allies from receiving any annual longevity increase or increases to which he otherwise would be entitled when he returns to service in the public schools.

TITLE IV—METHOD OF PROMOTION OF

SEC. 7. On July 1, 1948, and on the first day of each fiscal year thereafter, if his work is satisfactory, every permanent teacher, school officer, or other employee except as provided in section 2 of this act, shall receive an annual increase in salary within his salary class or position as hereinbefore provided without action of the Board of Education, except that after a teacher, school officer, or other employee has received five annual increases he shall receive no further increases until he is declared eligible therefor by the Board of Education on the basis of such evidence of successful teaching in the case of a teacher or outstanding service in the case of a school officer or other employee and of increased professional attainments as the Board of Education may prescribe, and that after having been declared so eligible and after having received five more annual increases, he shall receive no further increases until he is declared eligible therefor by the Board of Education on the basis of such evidence of successful teaching in the case of a teacher or outstanding service in the case of a school officer or other employee and of increased professional attainments as the Board of Education may prescribe. A program of in-service training under regulations to be formulated by the Board of Education shall be established to promote continuous professional growth among the teachers, school officers, and other employees, and such teachers, school officers, and other employees shall annually report evidence of participation in the in-service training program thus established and other evidence of professional growth and accomplishment.

SEC. 8. On and after July 1, 1947, teachers, school officers, and other employees promoted from a lower to a higher salary class or position shall receive a salary in the salary class or position to which promoted which is next above the salary in the salary class or position from which promoted.

SEC. 9. Within the limitations of section 2 of this act, every teacher, instructor, librarian, and research assistant in the service on July 1, 1947, and every teacher, school officer, or other employee thereafter appointed shall, if the class to which he is assigned be divided into group A and group C, be assigned according to eligibility either to group A or group C, and shall be promoted to group C in salary classes 1, 2, 3, 4, 5, 6, 7, and 8 on the basis of documentary evidence establishing the attainment of a recognized master's degree.

TITLE V—ACCOMPANYING LEGISLATION

SEC. 10. For the purpose of determining the classification of principals in the elementary schools, it shall be the duty of the Board of Education, on the recommendation of the Superintendent of Schools, to designate the number of rooms in each elementary-school building or approved combination of elementary-school buildings.

SEC. 11. There shall be two First Assistant Superintendents of Schools, one white First Assistant Superintendent for the white schools, who, under the direction of the Superintendent of Schools, shall have general supervision over the white schools; and one colored First Assistant Superintendent for the colored schools, who, under the direction of the Superintendent of Schools, shall have sole charge of all employees, classes, and schools in which colored children are taught. The First Assistant Superintendents shall perform such other duties as may be prescribed by the Superintendent of Schools.

SEC. 12. Boards of examiners for carrying out the provisions of the statutes with reference to examinations of teachers shall consist of the Superintendent of Schools and not less than four nor more than six members of the supervisory or teaching staff of the white schools for the white schools, and of the Superintendent of Schools and not less than four nor more than six members of the supervisory or teaching staff of the colored schools for the colored schools. The designations of members of the supervisory or teaching staff for membership on these boards shall be made annually by the Board of Education on the recommendation of the Superintendent of Schools.

SEC. 13. There shall be appointed by the Board of Education, on the recommendation of the Superintendent of Schools, a chief examiner for the board of examiners for white schools. An Associate Superintendent in the colored schools shall be designated by the Superintendent of Schools as chief examiner for the board of examiners for the colored schools. All members of the respective boards of examiners shall serve without additional compensation.

SEC. 14. The Board of Education, on recommendation of the Superintendent of Schools, is hereby authorized to appoint annual substitute teachers, who shall qualify for said positions by meeting such eligibility requirements as the said board may prescribe and who shall be assigned to the lowest class to which eligible for the type of work to be performed, and who shall be entitled to salary placement credit as provided in paragraph (ap) of section 6 of this act, but who shall not be entitled to annual increases of said class. The said board shall prescribe the amount to be deducted from the salary of any absent teacher for whom an annual substitute may perform service. The above authorization for the appointment of annual substitute teachers shall not be construed to prevent the Board of Education from the employment of other substitute teachers under regulations to be prescribed by the said board.

SEC. 15. When necessary, the Board of Education, on written recommendation of the

Superintendent of Schools, is authorized and empowered to appoint temporary teachers: *Provided*, That such appointments shall be made for a limited period not to extend beyond June 30 of the fiscal year in which the appointments are made, and the Board of Education is authorized to terminate the services of any temporary teachers at any time, on the written recommendation of the Superintendent of Schools: *And provided further*, That all temporary teachers shall receive the basic salary of the class in which service is to be performed plus salary placement credit provided in paragraph (ap) of section 6 of this act, but shall not be entitled to annual increases of said class.

SEC. 16. The Board of Education is hereby authorized to conduct as parts of the public-school system, a department of school attendance and work permits, evening schools, vacation schools, Americanization schools, and other activities, under and within appropriations made by Congress, and on the written recommendation of the Superintendent of Schools to fix and prescribe the salaries, other than those herein specified, to be paid to the employees of the said departments and activities.

SEC. 17. All employees assigned to salary classes 1 to 12, inclusive, and all attendance officers assigned to salary class 32 in the foregoing schedule, shall be classified as teachers for pay-roll purposes and their annual salaries shall be paid in 10 monthly installments in accordance with existing law.

SEC. 18. Attendance officers in the department of school attendance and work permits assigned to class 32 in the foregoing schedule shall be entitled, in accordance with regulations made by the Board of Education, to cumulative sick leave with pay at the rate of 10 days per calendar year, the total accumulation not to exceed 60 days; and in the event of any further absence of any attendance officer the Board of Education, on written recommendation of the Superintendent, is hereby authorized to appoint a substitute who shall be paid at a rate fixed by the said board and the amount paid to such substitute shall be deducted from the salary of the absent attendance officer. Such attendance officers shall not be entitled to annual or sick leave under any other law.

SEC. 19. The rates of salaries herein designated shall become effective on July 1, 1947. The estimates of the expenditures for the operation of the public-school system of the District of Columbia shall hereafter be prepared in conformity with the classification and compensation of employees herein provided. During the fiscal year ending June 30, 1948, no teacher, school officer, or other employee of the Board of Education whose salary is included in the foregoing schedule shall receive any increase in compensation other than as provided in this act.

SEC. 20. The District of Columbia Teachers Salary Act of 1945, approved July 21, 1945, as amended, is hereby repealed.

SEC. 21. After the effective date of this act, the act entitled "An act to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for purposes of educational improvement, and for other purposes," approved June 12, 1940, shall apply to employees of the Board of Education whose salaries are fixed by this act.

SEC. 22. This act may be cited as "District of Columbia Teachers' Salary Act of 1947."

SEC. 23. This act shall become effective on July 1, 1947.

With the following committee amendments:

Page 2, line 5, after the word "for", strike "fiteen" and insert the word "fifteen."

Page 3, line 1, after the word "in", strike "salar" and insert the word "salary."

Page 3, line 4, after the word "increase", insert the words "of $100."

Page 7, line 10, after the word "of", strike "$5,300" and insert "$6,400."

Page 7, line 15, after the word "an", strike "anual" and insert the word "annual."

Page 21, line 23, after the word "qualifications", strike "possesed" and insert the word "possessed."

Page 22, line 3, strike all of line 3, and insert the words "placed in the salary classes and positions in the foregoing."

The committee amendments were agreed to.

Mr. BATES of Massachusetts. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts: Page 10, line 7, after the word "degree", insert the words: "*Provided, however*, That any school officer without a master's degree in any one of the classes 13 to 30, inclusive, on June 30, 1947, shall thereafter be entitled to annual increases until he reaches an annual salary rate not more than $500 below the maximum of his class: *And provided, further, however.*"

The amendment was agreed to.

Mr. BATES of Massachusetts. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts: Page 10, line 16, strike all the language after the numerals "1946" down to and including the word "reached" on line 20.

The amendment was agreed to.

Mr. BATES of Massachusetts. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts:

Page 3, line 2, the sum of "$4,500" should be "$4,000."

Page 5, line 1, after "article", strike out "III" and insert "II."

Page 15, line 15, after "vocational", strike "schools" and insert "school."

The amendment was agreed to.

Mr. BATES of Massachusetts. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this is the bill fixing and regulating the salaries of school teachers, officers, and other employees of the Board of Education of the District of Columbia.

Under Public Law 568 of the Seventy-ninth Congress, last year, the Congress directed the Board of Education of the District of Columbia to make a study of pay scales and classifications of employees of said Board included under the so-called Teachers Salary Act of 1945.

Section 3 provides as follows:

The Board of Education is hereby directed to make a study of the pay scales and classifications of the employees of the said Board whose salaries are fixed and determined by the District of Columbia Teachers' Salary Act of 1945, as amended, for the purpose of determining what salary and classification adjustments, if any, may be necessary or desirable, and to make a report, including its findings and recommendations, to the respective chairmen of the Senate and House District Committees not later than February 1, 1947.

In accordance with the legislative directive issued by the Congress of the United States last year, the Board of Education instructed its Superintendent of Schools to initiate and complete the study of salaries in the public schools of the District of Columbia and to prepare legislation to propose to the Congress at this session. The Board of Education made the report to Congress on January 31, this year, and the salary schedule proposed by them provided for a flat increase of $700 over the 1945 schedule for all employees in the teachers and administrative groups. Liberalization of the promotion schedules in the separate salary groups was also recommended, and also recommended the establishment of what is known as the single salary schedule that has been widely adopted in many cities of this country.

On October 8, 1946, in conformity with the directive of the school board, the Superintendent of Schools requested a joint legislative council of public schools of the District of Columbia to undertake a study of teachers' salaries and advise the Superintendent what changes should take place.

The joint legislative council of public schools in the District comprises 46 educational organizations representing personnel on every level in the school system.

On December 9, last year, the legislative council submitted its report to the Superintendent of Schools with its recommendations, and then the school board conducted open public hearings at which all interested parties were invited to attend and to discuss the conclusions that the legislative council, and the Superintendent, and the school board itself, had arrived at.

The result was that the school board filed with the Congress a recommendation in the early part of this year providing for a $700 increase in the salary of school teachers over and above the 1945 level. The 1945 act provided for a flat temporary increase of $450 for all teachers in the public schools of the District of Columbia. This temporary increase was for only 1 year and will expire June 30, 1947. Under the provisions of the Board of Education bill, the increase would be brought up to $700, or an increase really of $250 above the flat salary increase of 1945. The temporary flat increase last year was supposed to be a stopgap until a more thorough and comprehensive study could be made of the salary schedules in the school system of the District of Columbia, as the result of that legislative directive of last year. We all understand the crises that the school systems of the country are facing. A report compiled by the National Educational Association indicates that at the present time there are 75,000 vacancies in the teaching force of the United States and over 350,000 teachers have left the profession during the past several years to secure employment elsewhere where they could receive larger salaries. It is estimated that 109,000 of the present teaching force of the country, or one in eight, lack the educational

qualifications nominally required of teachers. The shortage of teachers everywhere is likely to become worse during the next year because of the sharp reduction in the number of students that are beginning to enter the so-called teachers colleges.

We must have in mind also the figures that have been given to us by the North Central Association of Colleges and Secretary Schools, wherein they report that 3,757 students completed their training for elementary teaching in 1946 as compared with 10,182 students in 1941.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES of Massachusetts. In 1941 the teachers' colleges of the country had 39,000 enrolled male students, and in the year 1945 they had only 7,000. In addition, 2,000,000 veterans have been certified as eligible for college training in this country, and only 20,000, or 1 percent, of those veterans have enrolled in the teachers' colleges. It seems to me, Mr. Speaker, it is vitally important for us to do something to develop an incentive for young people to enter the teaching profession. The shortage of teachers in the District of Columbia is a reflection of the national pattern. In the past 10 years, 1,121 teachers resigned from the District of Columbia schools, and this is exceptionally high, when you stop to consider that the total enrollment of teachers in the public schools of the District of Columbia is about 3,500, and these did not include resignations on account of death, illness, retirement, or for any other emergency reasons.

Further evidence on the teacher shortage in the District of Columbia shows that there are 442 temporary teachers presently on duty trying to fill the void that the school system here so badly needs to have filled.

This subject matter has been very thoroughly explored into by the subcommittee over the period of the last 10 weeks. While we did not approve the bill of the school board in toto, we did recommend a $150 increase in the teachers' salaries instead of the $250. The salary schedule as it is constituted in this bill will place the school teachers of the District of Columbia about sixth or seventh among the large cities of the country if this bill is enacted.

We have given very thorough consideration to the question of what is called superior rating. We have wiped out that rating because we feel, and the school board concurs, that it is not the most effective system to develop the best possible work from the school teachers. In place of the superior rating, we have instituted a single salary schedule. The teachers who have less than a master's degree start at $2,500 and over a period of 15 years at $100 a year will receive a maximum of $4,000; and those who have a master's degree will start at $3,000 and will receive 15 annual increments of $100 each until they reach the maximum in 15 years of $4,500.

We have considered this question from many angles, not only from the standpoint of relative salaries in other school systems of the largest cities in the country, but we have given particular attention to the increased cost of living in the District of Columbia over a period of 10 years. We have reconciled about all of the elements entering into the general economic question pertaining to the school teachers of the District. We feel that this bill is fair and equitable in every respect and can well be justified. The school board is in favor of it, the District Commissioners are in favor of it, and the great rank and file of the school teachers themselves are in favor of it. I trust that this bill will be approved by the House.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Arizona.

Mr. MURDOCK. In the committee's consideration of the bill did you take into view the fact that the District of Columbia is not only the Capital of the country but the focal point to which many of our citizens look for guidance and inspiration?

Mr. BATES of Massachusetts. We have given that the most careful thought, and we fully realized that unless we did something to develop an incentive in the District of Columbia first of all for teachers to enter the profession, and secondly, to stay in the profession after they once got in, we could look for no solution to the problem we have here and which also faces many communities in other parts of the country. We believe the pattern we have established here may well be the basis for determination of more adequate salaries among the school systems of the country in general.

Mr. MURDOCK. I am glad to hear that statement made. Many of our States do have splendid school systems, but just the same many also look to Washington for some standards in education. I hope and feel sure the standards being set here are worthy of emulation.

Mr. BATES of Massachusetts. I might say the school board is enthusiastic about this bill.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. JOHNSON of California. As I understand you, you say you are convinced that you have raised the salaries enough to attract the new teachers that we are going to need as the years go by?

Mr. BATES of Massachusetts. Yes. I am thoroughly in accord with the recommendations of the school board as far as the entrance salaries are concerned. Only 6 years ago the entrance salary of the elementary teachers of the District of Columbia was only $1,400. Under this bill it is $2,500.

Mr. JOHNSON of California. I compliment the gentleman on the very fine job that he has done.

Mr. BATES of Massachusetts. Mr. Speaker, I am inserting in the RECORD the following tables which set forth a great deal of information on this very important subject:

Table showing separations from the teaching service of the public schools of the District of Columbia from 1937 to 1946, inclusive

Leaving the service	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	Grand total
A. Leave of absence (not including extensions):										
Educational purposes	14	14	6	11	12	6	4	6	7	80
Educational purposes with part pay				12	12	6	3	13	8	54
Ill health	13	17	11	11	14	27	33	43	30	199
Maternity	53	67	47	63	79	88	70	62	65	594
Military service (national defense)				15	48	102	65	10	1	241
Summer employment				1						1
Serve U. S. Office of Education							1			1
Suspension of rules of Board of Education							1		1	2
Miscellaneous									5	5
Total leave of absence	80	98	64	113	165	229	177	134	117	1,177
B. Resignations:										
Permanent employees	54	30	27	41	52	100	97	58	78	537
Temporary employees	4	2	2		30	95	112	119	220	584
C. Retirement	34	32	32	28	37	42	40	16	32	293
D. Death:										
Permanent employees	7	9	11	9	5	13	6	8	10	78
Temporary employees	1				1			1		3
E. Suspension	1			1						2
F. Termination of permanent employee (alien)				1						1
G. Leave of absence to serve Louisiana State Department of Education	1									1
Total	102	73	72	80	125	250	255	202	340	1,499
Total leaving service	182	171	136	193	290	479	432	336	457	2,676
Temporary appointees leaving service	5	2	2		31	95	112	120	220	587
Permanent appointees leaving service	177	169	134	193	259	384	320	216	237	2,089

Source: Office of the Statistician, Public Schools of the District of Columbia, Apr. 15, 1947.

Report showing numbers of persons examined for teaching positions in the public schools of the District of Columbia, compiled Apr. 15, 1947

	1940–41	1945–46	1946–47
Special subjects (secondary) (December):			
Divisions 1 to 9	78	39	35
Divisions 10 to 13	47	28	55
Total	125	67	90
Academic (secondary) (April and June):			
Divisions 1 to 9	210	73	[1] 43
Divisions 10 to 13	133	70	[1] 73
Total	343	143	116
Elementary (June):			
Divisions 1 to 9	93	36	----
Divisions 10 to 13	238	123	----
Total	331	159	----
Grand total	799	369	206

[1] April only.

History of teachers' salary legislation in the District of Columbia

I. 1924–December 1, 1942. No increases granted during this yeriod: [1]

	Minimum	Maximum
Elementary schools 1A	$1,400	$2,200
Junior high schools 2A	1,600	2,400
Junior high schools 2C	1,800	2,800
Senior high schools 3A	1,800	2,800

II. December 1, 1942–June 30, 1945.[2] Act of April 1, 1943, amended March 11, 1944, granted $300 bonus from December 1, 1942, to June 30, 1945.

III. July 1, 1945–46. Public Law 158, Seventy-ninth Congress, first session,[3] established basic salaries making the temporary $300 bonus permanent and establishing minimums and maximums averaging $400 over those for 1924, including the bonus:

	Minimum	Maximum
Elementary schools 1A	$1,900	$2,900
Junior high schools 2A	1,900	2,900
Junior high schools 2C	2,100	3,300
Senior high schools 3A	2,100	3,300

IV. 1946–47. Public Law 568, Seventy-ninth Congress, second session, provided an additional $450 compensation for 1 year only, to expire June 30, 1947, and directed the Board of Education to make a study of pay scales and classifications as hereinbefore set forth.

Salary levels of teachers and officers during 1946–47, which include the $450 temporary increase, are given in the following tables, Nos. 5 to 26, inclusive, as a basis for showing the position of Washington, D. C., among the 20 largest cities.

[1] Report to accompany H. R. 3376, July 6, 1945, p. 4.

[2] Ibid., p. 4.

[3] Known as the Teachers' Salary Act of 1945.

NOTE.—Salary ranges shown in this table do not include B and D groups to which only 10 percent of the teachers were assigned on the basis of merit and which provided an additional $400 in salary.

Minimum salaries of senior high school classroom teachers in the 20 largest cities for 1947 in the order of rank

MASTER OF ARTS DEGREE

[Information furnished by the National Education Association]

Rank	City and State	Annual minimum salary [1]
1	New York, N. Y	$3,042
2	San Francisco, Calif	2,844
3	Chicago, Ill	2,600
4	Los Angeles, Calif	2,560
5	WASHINGTON, D. C	2,550
6	Buffalo, N. Y	2,475
7	Milwaukee, Wis	2,474
8	Detroit, Mich	2,400
9	Boston, Mass	2,216
10	Minneapolis, Minn	2,200
12	Philadelphia, Pa	2,000
12	Pittsburgh, Pa	2,000
12	Indianapolis, Ind	2,000
14.5	St. Louis, Mo	1,950
14.5	Kansas City, Mo	1,950
16	Cincinnati, Ohio	1,900
18	Newark, N. J	1,800
18	Baltimore, Md	1,800
18	Cleveland, Ohio	1,800
20	New Orleans, La	1,400

[1] Bonus, if any, included.

Maximum salaries of senior high school classroom teachers in the 20 largest cities for 1947 in the order of rank

MASTER OF ARTS DEGREE

Rank	City and State	Annual maximum salary [1]
1	New York, N. Y	$5,400
2	San Francisco, Calif	4,440
3.5	Newark, N. J	4,400
3.5	Minneapolis, Minn	4,400
5	St. Louis, Mo	4,350
6	Chicago, Ill	4,200
7	Detroit, Mich	4,100
8	Boston, Mass	[2] 4,088
9	Los Angeles, Calif	4,060
10.5	Philadelphia, Pa	4,000
10.5	Pittsburgh, Pa	4,000
12	Cleveland, Ohio	3,900
13	Milwaukee, Wis	3,874
14	Kansas City, Mo	3,800
15.5	Baltimore, Md	3,750
15.5	Washington, D. C	3,750
17	Cincinnati, Ohio	3,700
18	Indianapolis, Ind	3,600
19	Buffalo, N. Y	3,275
20	New Orleans, La	2,965

[1] Bonus, if any, included.
[2] Maximum salary for men teachers.

Minimum salaries of junior high school classroom teachers in the 20 largest cities for 1947 in the order of rank

BACHELOR OF ARTS DEGREE

Rank	City and State	Annual minimum salary [1]
1	New York, N. Y	$2,940
2	San Francisco, Calif	2,640
3	Los Angeles, Calif	2,560
4	Detroit, Mich	2,400
5	Milwaukee, Wis	2,374
6	WASHINGTON, D. C	2,350
8	Minneapolis, Minn	2,000
8	Philadelphia, Pa	2,000
8	Pittsburgh, Pa	2,000
10	Cincinnati, Ohio	1,900
11	Kansas City, Mo	1,850
13	Newark, N. J	1,800
13	Cleveland, Ohio	1,800
13	Baltimore, Md	1,800
15	Boston, Mass	1,784
	St. Louis, Mo	[2]
	Chicago, Ill	[2]
	Indianapolis, Ind	[2]
	Buffalo, N. Y	[2]
	New Orleans, La	[2]

[1] Bonus, if any, included.
[2] This city has no junior high schools.

Maximum salaries of junior high school classroom teachers in the 20 largest cities for 1947 in the order of rank

BACHELOR OF ARTS DEGREE

Rank	City and State	Annual maximum salary [1]
1	New York, N. Y	$4,730
2	Minneapolis, Minn	4,200
3	Los Angeles, Calif	4,060
4.5	Newark, N. J	4,000
4.5	Detroit, Mich	4,000
6	San Francisco, Calif	3,996
7	Philadelphia, Pa	3,900
8	Pittsburgh, Pa	3,800
9	Baltimore, Md	3,750
10	Cincinnati, Ohio	3,700
11	Milwaukee, Wis	3,574
12	Cleveland, Ohio	3,450
13	WASHINGTON, D. C	3,350
14	Kansas City, Mo	3,225
15	Boston, Mass	[2] 3,224
	New Orleans, La	[3]
	Buffalo, N. Y	[3]
	Chicago, Ill	[3]
	St. Louis, Mo	[3]
	Indianapolis, Ind	[3]

[1] Bonus, if any, included.
[2] Maximum salary for men teachers.
[3] This city has no junior high schools.

Minimum salaries of junior high school classroom teachers in the 20 largest cities for 1947 in the order of rank

MASTER OF ARTS DEGREE

Rank	City and State	Annual minimum salary [1]
1	New York, N. Y	$2,940
2	San Francisco, Calif	2,640
3	Los Angeles, Calif	2,560
4	WASHINGTON, D. C	2,550
5	Milwaukee, Wis	2,474
6	Detroit, Mich	2,400
7	Minneapolis, Minn	2,200
8.5	Philadelphia, Pa	2,000
8.5	Pittsburgh, Pa	2,000
10	Kansas City, Mo	1,950
11	Cincinnati, Ohio	1,900
13	Newark, N. J	1,800
13	Baltimore, Md	1,800
13	Cleveland, Ohio	1,800
15	Boston, Mass	1,784
	St. Louis, Mo	[2]
	Chicago, Ill	[2]
	Indianapolis, Ind	[2]
	Buffalo, N. Y	[2]
	New Orleans, La	[2]

[1] Bonus, if any, included.
[2] This city has no junior high school.

Maximum salaries of junior high school classroom teachers in the 20 largest cities for 1947 in the order of rank

MASTER OF ARTS DEGREE

Rank	City and State	Annual minimum salary [1]
1	New York, N. Y	$4,730
2.5	Newark, N. J	4,400
2.5	Minneapolis, Minn	4,400
4	Detroit, Mich	4,100
5	Los Angeles, Calif	4,060
6.5	Philadelphia, Pa	4,000
6.5	Pittsburgh, Pa	4,000
8	San Francisco, Calif	3,996
9	Milwaukee, Wis	3,874
10	Kansas City, Mo	3,800
12	Cleveland, Ohio	3,750
12	Baltimore, Md	3,750
12	WASHINGTON, D. C	3,750
14	Cincinnati, Ohio	3,700
15	Boston, Mass	[2] 3,224
	Indianapolis, Ind	[3]
	New Orleans, La	[3]
	Buffalo, N. Y	[3]
	Chicago, Ill	[3]
	St. Louis, Mo	[3]

[1] Bonus, if any, included.
[2] Maximum salary for men teachers.
[3] This city has no junior high schools.

Minimum salaries of elementary school classroom teachers in the 20 largest cities for 1947 in the order of rank

BACHELOR OF ARTS DEGREE

Rank	City and State	Annual minimum salary [1]
1	New York, N. Y.	$2,508
2	Detroit, Mich.	2,400
3	Milwaukee, Wis.	2,374
4	WASHINGTON, D. C.	2,350
5	San Francisco, Calif.	2,340
6	Los Angeles, Calif.	2,310
7	Chicago, Ill.	2,200
8	Buffalo, N. Y.	2,075
10.5	Minneapolis, Minn.	2,000
10.5	Philadelphia, Pa.	2,000
10.5	Indianapolis, Ind.	2,000
10.5	Pittsburgh, Pa.	2,000
13	St. Louis, Mo.	1,950
14	Cincinnati, Ohio	1,900
15	Kansas City, Mo.	1,850
17	Cleveland, Ohio	1,800
17	Baltimore, Md.	1,800
17	Newark, N. J.	1,800
19	Boston, Mass.	1,448
20	New Orleans, La.	1,400

[1] Bonus, if any, included.

Maximum salaries of elementary classroom teachers in the 20 largest cities for 1947 in the order of rank

BACHELOR OF ARTS DEGREE

Rank	City and State	Annual maximum salary [1]
1	New York, N. Y.	$4,290
2	Minneapolis, Minn.	4,200
3.5	Newark, N. J.	4,000
3.5	Detroit, Mich.	4,000
5	Philadelphia, Pa.	3,900
6	Pittsburgh, Pa.	3,800
7.5	Baltimore, Md.	3,750
7.5	St. Louis, Mo.	3,750
9	Cincinnati, Ohio	3,700
10	Los Angeles, Calif.	3,660
11	San Francisco, Calif.	3,576
12	Milwaukee, Wis.	3,574
13	Cleveland, Ohio	3,450
14	WASHINGTON, D. C.	3,350
15	Indianapolis, Ind.	3,300
16	Kansas City, Mo.	3,225
17	Chicago, Ill.	3,200
18	Buffalo, N. Y.	2,875
19	New Orleans, La.	2,812
20	Boston, Mass.	2,504

[1] Bonus, if any, included.

Ranking of salaries paid to teachers and officers in Washington, D. C., as compared with ranking of salaries paid in 19 other large cities, based upon information furnished by the National Education Association, February 1947

Type of position	Ranking	
	Minimum salary	Maximum salary
Assistant and associate superintendents	15	9
Senior high school principals	10	16
Senior high school assistant principals	7	8
Junior high school principals	7	13
Junior high school assistant principals	4	5
Elementary school principals	8	15
Senior high school teachers (master of arts degree)	5	15.5
Junior high school teachers (master of arts degree)	4	12
Junior high school teachers (bachelor of arts degree)	6	13
Elementary school teachers (bachelor of arts degree)	4	14

Annual current expense per pupil and percent of total expenditure, by 6 major accounts, 230 city school systems, 1944–45

GROUP 1. 42 CITIES OF 100,000 POPULATION AND MORE

[From unpublished data prepared by the U. S. Office of Education. These data are the most recent available—Apr. 10, 1947]

City	Total annual current expenditure	Administration		Instruction		Operation of the physical plant		Maintenance of physical plant		Auxiliary school services		Fixed charges	
		Expenditure	Percent of total	Expenditure	Percent of total	Expenditure	Percent of total	Expenditure	Percent of total	Expenditure	Percent of total	Expenditure	Percent of total
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Average of group I	162.61	5.40	3.3	120.32	74.0	17.00	10.5	6.52	4.0	3.54	2.2	9.83	6.0
Average of group I, excluding cities with population of 1,000,000 and more	139.41	4.63	3.3	104.71	75.1	16.65	11.9	6.09	4.4	2.75	2.0	4.58	3.3
Cities of 1,000,000 population and more:													
Los Angeles, Calif.	165.26	6.99	4.2	120.86	73.2	14.57	8.8	6.36	3.8	4.41	2.7	12.07	7.3
Chicago, Ill.	177.89	6.09	3.4	122.94	69.1	25.95	14.6	9.16	5.2	4.37	2.4	9.38	5.3
Detroit, Mich.	151.47	5.81	3.8	114.26	75.4	19.53	12.9	6.39	4.2	4.93	3.3	.55	.4
New York, N. Y.	204.24	5.90	2.9	150.78	73.8	13.77	6.7	6.71	3.3	4.25	2.1	22.83	11.2
Philadelphia, Pa.	146.51	5.24	3.5	112.99	77.3	17.03	11.6	4.59	3.1	2.55	1.7	4.11	2.8
Cities of 100,000 to 999,999 population:													
Birmingham, Ala.	68.34	1.55	2.3	56.68	82.9	5.60	8.2	3.63	5.3	.38	.6	.50	.7
Sacramento, Calif.	166.99	6.14	3.7	125.70	75.3	22.86	13.6	6.64	3.9	3.43	2.2	2.22	1.3
Denver, Colo.	129.34	4.12	3.2	102.24	79.1	10.00	7.7	3.52	2.7	2.37	1.8	7.09	5.5
Hartford, Conn.	211.60	5.39	2.5	155.70	73.6	25.97	12.3	5.40	2.5	5.89	2.8	13.25	6.3
San Francisco, Calif.	204.32	6.08	2.9	149.52	73.1	16.32	7.9	10.94	5.4	4.45	2.2	17.00	8.4
Wilmington, Del.	148.08	7.06	4.8	116.91	78.9	15.86	10.7	4.43	2.9	1.97	1.4	1.85	1.3
WASHINGTON, D. C.	161.01	4.23	2.6	117.19	72.8	24.22	15.2	7.34	4.5	.20	.1	7.83	4.8
Rank	[1] 13	[1] 26		[1] 14		[1] 4		[1] 9		[1] 40		[1] 9	
Atlanta, Ga.	98.11	3.03	3.1	82.12	83.7	7.03	7.2	4.27	4.3	1.10	1.1	.56	.6
Gary, Ind.	131.63	5.11	3.8	99.73	75.8	17.29	13.2	5.59	4.2	2.70	2.1	1.21	.9
Kansas City, Kans.	92.99	3.67	3.9	67.96	73.2	12.35	13.3	6.14	6.6	1.76	1.8	1.11	1.2
Baltimore, Md.	113.24	3.68	3.2	90.62	80.1	13.89	12.3	3.80	3.3	1.21	1.1	.04	.0
Flint, Mich.	113.48	4.01	3.5	80.36	70.8	22.47	19.8	4.98	4.4	1.13	1.0	.53	.5
Minneapolis, Minn.	149.20	3.79	2.6	105.32	70.6	20.24	13.6	6.31	4.2	4.83	3.2	8.71	5.8
Kansas City, Mo.	127.82	4.92	3.8	95.13	74.4	15.23	11.9	5.86	4.5	2.56	2.2	4.12	3.2
St. Louis, Mo.	137.73	6.61	4.8	99.11	71.9	16.22	11.8	7.29	5.3	8.13	5.9	.37	.3
Omaha, Nebr.	116.94	3.50	2.9	90.16	77.2	14.14	12.2	2.90	2.4	1.39	1.2	4.85	4.1
Elizabeth, N. J.	198.86	9.31	4.6	151.44	76.2	21.75	10.9	11.45	5.7	3.43	1.8	1.48	.8
Paterson, N. J.	173.00	5.79	3.3	137.66	79.5	18.52	10.8	5.90	3.4	3.09	1.8	2.04	1.2
Rochester, N. Y.	205.56	6.31	3.1	146.08	71.1	28.97	14.1	9.09	4.4	1.30	.6	13.81	6.7
Charlotte, N. C.	78.22	1.52	1.9	64.19	82.2	6.43	8.2	4.43	5.6	.16	.2	1.49	1.9
Akron, Ohio	135.56	3.26	2.4	101.68	75.0	16.27	12.0	9.50	7.0	.83	.6	4.02	3.0
Cincinnati, Ohio	167.44	5.87	3.5	127.76	76.4	19.51	11.6	5.18	3,2	2.46	1.4	6.66	3.9
Cleveland, Ohio	170.67	4.63	2.7	118.34	69.3	22.45	13.2	9.53	5.5	5.16	3.1	10.56	6.2
Dayton, Ohio	148.07	4.73	3.2	111.34	75.2	18.16	12.3	5.26	3.6	2.26	1.5	6.32	4.2
Toledo, Ohio	143.45	3.91	2.8	109.42	76.2	19.85	13.8	3.11	2.2	2.70	1.8	4.46	3.2
Oklahoma City, Okla.	89.16	2.39	2.6	71.12	79.8	11.25	12.6	3.07	3.4	.93	1.1	.40	.5
Tulsa, Okla.	112.71	3.92	3.5	87.40	77.5	11.37	10.1	7.81	6.9	2.18	1.9	.03	.1
Portland, Oreg.	135.31	5.25	3.8	101.66	75.2	14.14	10.4	5.02	3.8	3.65	2.7	5.59	4.1
Erie, Pa.	149.39	6.12	4.2	107.95	72.2	21.88	14.6	6.18	4.2	3.51	2.3	3.75	2.5
Pittsburgh, Pa.	164.49	8.42	5.2	118.08	71.8	23.00	13.9	8.54	5.2	2.78	1.6	3.73	2.3
Reading, Pa.	144.97	6.58	4.5	102.63	70.8	21.97	15.2	5.53	3.8	3.71	2.5	4.55	3.2
Scranton, Pa.	146.99	5.62	3.8	109.41	74.4	19.98	13.5	4.74	3.3	2.61	1.8	4.63	3.2
Nashville, Tenn.	91.57	1.77	1.9	74.64	81.5	8.25	9.1	4.45	4.8	1.96	2.2	.50	.5
Dallas, Tex.	105.20	2.42	2.3	89.87	85.4	8.02	7.6	2.11	2.1	2.37	2.3	.41	.3
Fort Worth, Tex.	116.10	5.04	4.3	93.45	80.5	9.80	8.4	5.42	4.7	2.22	1.9	.17	.2
San Antonio, Tex.	89.36	2.85	3.2	74.65	83.6	7.76	8.6	4.01	4.5	.06	.1	.03	.0
Seattle, Wash.	150.51	4.60	3.2	118.26	78.5	17.67	11.7	7.25	4.8	2.73	1.8		

[1] For example: A ranking of 13 indicates that there are 12 cities above Washington, D. C., in expenditures.

Estimated annual cost under this bill

[NOTE.—Number of employees as of Oct. 1, 1946]

I. ESTIMATED COST DURING 1947–48 FISCAL YEAR

Estimated cost of $600 minimum increase for 3,608 probationary and permanent employees	$2,164,800
Estimated additional cost to provide minimum salaries for employees who will receive more than $600 increase in 1948	39,600
Estimated additional cost in 1948 to transfer certain qualified teachers from group A to the minimum salaries of group C	19,400
Estimated additional cost of placement for 450 temporary teachers at an average of $300	135,000
Estimated additional cost of placement for 24 annual substitute teachers at $500 each	12,000
Total estimated increased cost for 1948 over the cost for the 1946 fiscal year	2,370,800
Less cost of temporary $450 additional compensation authorized for each employee during the 1947 fiscal year	1,600,000
Total estimated increased cost for 1948 over the cost for the 1947 fiscal year	770,800

II. ESTIMATED ULTIMATE ANNUAL COST OF LEGISLATION 20 YEARS FROM DATE OF ENACTMENT

Estimated ultimate annual cost of promoting 2,067 classes 1A, 2A, 4A, 5A, and 6A teachers from present maximum of $2,900 to proposed new maximum of $4,000	$2,273,700
Estimated ultimate annual cost of promoting 6 class 8A librarians in the teachers colleges from present maximum of $2,900 to proposed new maximum of $4,500	9,600
Estimated ultimate annual cost of promoting 131 classes 1B, 2B, 5B, and 6B teachers from present maximum of $3,300 to proposed new maximum of $4,000	91,700
Estimated ultimate annual cost of promoting 891 classes 2C, 3A, 5C, 6C, and 7A teachers from present maximum of $3,300 to proposed new maximum of $4,500	1,069,200
Estimated ultimate annual cost of promoting 213 classes 2D, 3B, 6D, and 7B teachers from present maximum of $3,700 to proposed new maximum of $4,500	170,400
Estimated ultimate annual cost of promoting 333 teachers in classes 1A, 1B, 2A, 2B, 4A, 5A, 5B, 6A, and 6B who have master's degrees or more to the maximum of $4,500	166,500
Estimated annual cost of placement for 450 temporary teachers, using an average of $400 placement credit for each	180,000
Estimated annual cost of placement for 24 annual substitute teachers, using $500 placement credit for each	12,000
$600 each for 24 annual substitutes	14,400
Estimated ultimate annual cost of promoting 34 assistant professors, associate professors, and professors from present maximums to proposed new maximums	$28,900
Estimated ultimate annual cost of promoting 215 officers from present maximums to proposed new maximums	170,000
Estimated ultimate annual cost of promoting 27 employees in the Department of School Attendance and Work Permits from their present maximums to the proposed new maximums	28,800
Less estimated reduction in ultimate annual cost, because all teachers will not reach the maximums	[1] 637,000
	[2] 3,578,200
Less estimated cost of $450 temporary increase for 1947 only	1,600,000
Estimated ultimate annual cost in excess of temporary increase	1,978,200

[1] Estimates are based upon the assumption that at some given time in the future, all personnel under the Teachers' Salary Act will be earning maximum salaries. Actually, the average number of such personnel receiving maximum salaries from 1937 through 1940 and in 1945 (typical years, excluding war years) was 64.7 percent. Hence, the actual ultimate annual cost will be materially lower than estimated. With 35.3 percent of 3,608 employees below maximum levels, it is estimated that approximately 1,274 will be, at any given time, 5 steps below their maximums. Therefore, the reduction in the estimated ultimate annual cost is $637,000.

[2] The total estimated annual over-all cost of the proposed salary schedule ($3,578,200) is an outside cost. The total pay roll of the school system never will reach this estimated amount, because there is always a considerable savings resulting from turn-over (withdrawal from the service of higher paid teachers and their replacement by persons in lower salaries).

NOTE.—The budget officer of the District of Columbia is in complete agreement with these estimates.

PART III. AN ANALYSIS OF THE BILL

Purpose: One purpose of the bill is to provide a revised salary schedule adequate as to minimum and maximum levels in order to attract and retain in service capable and efficient teachers. Another purpose is to establish the principle of the single salary schedule, and thus grant the same pay for equal preparation at the elementary, junior, and senior high school levels. The bill, moreover, eliminates special classifications for restricted groups of so-called superior teachers, and makes the maximum salary levels available to all teachers who establish eligibility therefor under regulations to be formulated by the Board of Education. The bill also grants a $600 salary increase over salaries for 1945–46, which is a $150 increase over the $450 temporary increase granted for 1946–47 only. Except for a few teachers now receiving salaries above the maximum for their class, all teachers, school officers, and other employees included under this bill will be entitled to a minimum increase of $150 over their salaries for 1946–47. And, finally, the bill provides for a program of continuous in-service training under regulations to be determined by the Board of Education as a means of establishing eligibility for increases at stated intervals.

Title I: This part of the bill contains the salary schedules for all teachers, school officers, and other employees included under the bill.

Under this bill, the basic or minimum salary for teachers without a master's degree will be $2,500 per year on the elementary, junior, vocational, and senior high school levels. Fifteen annual increases are provided to bring the maximum level of this group to $4,000. School librarian's research assistants and counselors, instructors in teachers colleges, and librarians in teachers colleges without master's degrees will also be placed in the salary range of $2,500 to $4,000. With a master's degree already evaluated and approved by the Board of Education each teacher and other employee as listed in the foregoing paragraph is eligible for assignment in group C with the salary range from $3,000 to $4,500.

Attendance officers, census supervisors, and child-labor inspectors, with or without master's degrees, will be placed in the salary range of $2,500 to $4,000.

The following shows in detail the classes and classes and groups for all personnel included under the bill:

Public schools of the District of Columbia—Proposed salary schedule May 21, 1947

SALARIES OF TEACHERS, SCHOOL LIBRARIANS, RESEARCH ASSISTANTS, COUNSELORS, AND MEMBERS OF THE TEACHERS COLLEGE FACULTIES (10-MONTH EMPLOYEES)

Salary class	Teachers' salaries for 1946–47, including the $450 temporary increase			Proposed teachers' salary schedule		
	Minimum	Number of increments	Maximum	Minimum	Number of increments	Maximum
Elementary school teachers:						
Class 1-A	$2,350	10	$3,350	$2,500	15	$4,000
Class 1-B	3,450	3	3,750			
Class 1-C				3,000	15	4,500
Junior high school teachers:						
Class 2-A	2,350	10	3,350	2,500	15	4,000
Class 2-B	3,450	3	3,750			
Class 2-C	2,550	12	3,750	3,000	15	4,500
Class 2-D	3,850	3	4,150			
Senior high school teachers:						
Class 3-A	2,550	12	3,750	2,500	15	4,000
Class 3-B	3,850	3	4,150			
Class 3-C				3,000	15	4,500
Librarians:						
Class 4-A	2,350	10	3,350	2,500	15	4,000
Class 4-B	3,450	3	3,750			
Class 4-C				3,000	15	4,500
Vocational high school teachers:						
Class 5-A	2,350	10	3,350	2,500	15	4,000
Class 5-B	3,450	3	3,750			
Class 5-C	2,550	12	3,750	3,000	15	4,500
Class 5-D	3,850	3	4,150			
Research assistants and counselors:						
Class 6-A	2,350	10	3,350	2,500	15	4,000
Class 6-B	3,450	3	3,750			
Class 6-C	2,550	12	3,750	3,000	15	4,500
Class 6-D	3,850	3	4,150			
Teachers colleges instructors:						
Class 7-A	2,550	12	3,750	2,500	15	4,000
Class 7-B	3,850	3	4,150			
Class 7-C				3,000	15	4,500
Librarians:						
Class 8-A	2,550	8	3,350	2,500	15	4,000
Class 8-B	3,450	3	3,750			
Class 8-C				3,000	15	4,500
Chief librarians: Class 9	3,850	4	4,250	4,100	10	5,100
Assistant professors: Class 10	3,850	8	4,650	4,100	10	5,100
Associate professors: Class 11	4,350	8	5,150	4,500	10	5,500
Professors: Class 12	4,850	8	5,650	5,000	10	6,000

Public schools of the District of Columbia—Proposed salary schedule May 21, 1947—Continued

SALARIES OF ADMINISTRATIVE AND SUPERVISORY OFFICERS (12-MONTH EMPLOYEES)

Salary class	Teachers' salaries for 1946-47, including the $450 temporary increase			Proposed teachers' salary schedule		
	Minimum	Number of increments	Maximum	Minimum	Number of increments	Maximum
Principals, elementary schools: Class 13	$4,150	8	$4,950	$4,300	10	$5,300
Assistant principals, junior high schools: Class 14	4,150	8	4,950	4,300	10	5,300
Assistant principals, vocational high schools: Class 15	4,350	8	5,150	4,300	10	5,300
Assistant principals, senior high schools: Class 16	4,350	8	5,150	4,500	10	5,500
Heads of departments: Class 17	4,350	8	5,150	4,500	10	5,500
Principals, junior high schools: Class 18	4,650	8	5,450	4,800	10	5,800
Principals, vocational high schools: Class 19	5,150	8	5,950	4,800	10	5,800
Principals, senior high schools: Class 20	5,150	8	5,950	5,300	10	6,300
Assistant directors: Class 21	4,350	8	5,150	4,500	10	5,500
Directors: Class 22	5,150	8	5,950	5,300	10	6,300
Divisional directors: Class 23	5,150	8	5,950	5,300	10	6,300
Chief examiner: Class 24	5,150	8	5,950	5,300	10	6,300
Presidents, teachers colleges: Class 25	6,450	5	7,450	6,400	6½	7,700
Associate superintendents: Class 26	6,450	5	7,450	6,400	6½	7,700
Assistant to superintendent, business administrator: Class 27	7,450	5	8,450	7,400	6½	8,700
First assistant superintendents: Class 28	7,450	5	8,450	7,400	6½	8,700
Superintendent: Class 29	10,000	2	12,000	------	----	14,000

EMPLOYEES IN THE DEPARTMENT OF SCHOOL ATTENDANCE AND WORK PERMITS, ALL 12-MONTH EMPLOYEES EXCEPT ATTENDANCE OFFICERS WHO ARE 10-MONTH EMPLOYEES

Director, attendance department: Class 30	$4,350	8	$5,150	$4,500	10	$5,500
Chief attendance officers: Class 31	3,450	8	4,250	3,600	10	4,600
Attendance officers: Class 32	2,350	10	3,350	2,500	15	4,000
Census supervisors: Class 33	2,350	10	3,350	2,500	15	4,000
Child labor inspectors: Class 34	2,350	10	3,350	2,500	15	4,000

Title II: This part of the bill deals with the classification and assignment of employees included under the proposed legislation.

Section 2: This section give the Board of Education authority to establish eligibility requirements for the appointment and promotion of employees under the bill and to assign them to the proper classes or classes and groups upon recommendation of the superintendent of schools. Section 2 provides that no employee without a master's degree shall be appointed in or promoted to group C in any class or appointed or promoted to the rank of school officer in classes 13 to 30, inclusive. No teacher now earning a salary above the maximum of the class to which he will be assigned under the bill will suffer a reduction in salary. Employees now assigned to classes 13 to 30, inclusive, will continue to receive the annual increases until they reach the maximums of their respective classes. Wherever the term "master's degree" is used in the bill, the reference is to an earned degree, not an equivalent thereof.

Section 3: This section authorizes the Board of Education, upon the recommendation of the superintendent of schools, to assign at the time of their appointment, teachers, school officers, and other employees to the salary classes or classes and groups to which they are eligible, and stipulates that the first year of a new appointee shall be probationary.

Title III: This title specifies the methods of assignment of employees to the various salary classes and groups.

Section 4 (a): This paragraph defines annual compensation as that received on June 30, 1947, under the provisions of the Salary Act of 1945, exclusive of the $450 temporary increase provided by the act approved July 31, 1946.

(b) This paragraph provides that teachers, school officers, and other employees included in the bill will receive a $600 increase over their annual compensation as defined in paragraph (a). The effect of this provision is to give each such employee, with certain exceptions, a minimum increase of $150 over his annual compensation as of June 30, 1947.

This paragraph also provides that each such employee shall receive any increase to which he would have been entitled for the school year 1946-47 under the provisions of the act of July 21, 1945, as amended.

Section 5 (a): This paragraph provides that a probationary employee receiving an increase in annual compensation of not more than $600 under the bill shall receive his first annual increase when his appointment becomes permanent. It provides also that each teacher, school officer, or other employee who may be appointed or promoted on probationary tenure after June 30, 1947, shall similarly receive his first annual increase on the date of his permanent appointment or promotion.

(b) This paragraph provides that any employee on probationary tenure who receives an increase of more than $600 shall receive his first longevity increase on July 1, 1948.

Section 6: This section transfers and assigns all teachers, school officers, and other employees from their present classes or classes and groups to the new classes or classes and groups provided in the bill. It provides specifically that teachers without master's degrees shall be assigned to group A of their respective classes. Those with master's degrees in the classes in which the degrees have already been evaluated by the Board of Education are assigned to group C of their classes.

Paragraph (ap) fixes the maximum placement credit for teaching experience or like experience acceptable to and approved by the Board of Education at 5 years for teachers and certain other employees and at 4 years for attendance officers, census supervisors, and child-labor inspectors. It provides also for a maximum of 5 years' placement credit for annual substitutes and temporary teachers.

Title IV: This part of the bill outlines the method of promotion of employees.

Section 7: On July 1, 1948, each teacher, school officer, and other employee, except those already at or above the maximum of their classes or classes and groups, will receive his annual increase without formal action by the Board of Education. After five such annual increases, however, no further increases will be granted until the employee has been declared eligible therefor under regulations to be established by the Board of Education. Upon being declared eligible for further increases, the teacher, school officer, or other employee may then receive five more annual increases, or fewer if he reaches the maximum of his class or class and group with less than five additional increases. After having received five additional annual increases, such employee must again establish eligibility for further increases.

In order to provide opportunity for meeting eligibility requirements for the annual increases at the end of the fifth and tenth years, the Board of Education is directed to set up a program of in-service training and to provide for annual reporting of participation of teachers in such a program. The purpose of the in-service training program is to encourage continuous professional growth on the part of teachers, school officers, and other personnel.

Section 8: Any teacher, school officer, or other school employee who is promoted from a lower to a higher salary class or position will receive, in addition to his earned increase, one additional promotional increase.

Section 9: This section provides that promotion from one salary class to another or from one group to another group within the same salary class shall be on a basis of such evidence of professional attainment as the Board of Education may require.

Mr. DIRKSEN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I want to mention the vast amount of work done by the gentleman from Massachusetts [Mr. BATES] on this bill. He richly deserves the appreciation not only of the Congress but I believe of the school system and the people of the District of Columbia. In addition, Mr. Speaker, I think I should express my personal appreciation to every member of the Committee on the District of Columbia for the fidelity with which they have discharged their duties in undertaking this responsibility. They have done a grand job and I think every one of them merits the appreciation on the part of those who will have the benefits of this legislation as well as the thanks and appreciation of the Congress.

Mr. SMITH of Virginia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, as indicated by the remarks of the gentleman from Massachusetts, this bill brings about a complete change in the system of pay to school teachers. It is a most complicated thing to go into all the various questions of the pay of teachers and the administrative force and bring about a complete overhauling of the system.

The gentleman from Massachusetts has done an amazing amount of work on this subject. He is perhaps too modest to say so himself, but as a member of that subcommittee I know that he collected the figures from all over the country and compared the statistics with the figures of the school system of the District of Columbia as to pay and other conditions of employment here. I have been amazed at the amount of time, energy, and intelligence that he has devoted to this work and the willingness with which he has taken over this situation and on which he has done so well in view of his background of experience in municipal affairs. He has done a fine job for the District of Columbia, and I believe he is entitled to the thanks of this committee and the Congress for what he has done. He has accomplished the most amazing performance, I believe, by getting a bill which is satisfac-

tory to the Commissioners, to the school board, to the teachers, and to the Congress. If that is not a miracle, why, then some of you ought to try to operate on the Committee of the District of Columbia for a few years and see for yourselves.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DEANE, for Monday, June 2, on account of official business.

PERMISSION TO ADDRESS THE HOUSE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROGRAM FOR MONDAY

Mr. HALLECK. Mr. Speaker, earlier in the day I announced the program for next week. At that time the minority whip, the gentleman from Massachusetts [Mr. MCCORMACK] asked me concerning the possibility of the conference report on the tax bill being called up Monday. I said it might possibly be called up Monday, but I could give no definite assurance about it. Since that time I conferred with the gentleman from Minnesota [Mr. KNUTSON], of the Committee on Ways and Means, and with the Speaker and others interested, and have concluded as a result of that conference that we will call up the conference report on the tax bill after the call of the Consent Calendar on next Monday.

I make this announcement in order that the Members may be apprised of the situation and make their plans accordingly for next Monday.

INDIVIDUAL INCOME TAX REDUCTION ACT OF 1947

Mr. KNUTSON submitted a conference report and statement on the bill (H. R. 1) providing for the reduction of income-tax payments.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p. m.), under its previous order, the House adjourned until Monday, June 2, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

719. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $29,610,000 for the Veterans' Administration (H. Doc. No. 277); to the Committee on Appropriations and ordered to be printed.

720. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $35,500,000 for the National Housing Agency (H. Doc. No. 278); to the Committee on Appropriations and ordered to be printed.

721. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing appropriation for the fiscal year 1947 and an estimate of appropriation for the fiscal year 1948 in the amount of $5,000,000 for the Department of Agriculture (H. Doc. No. 279); to the Committee on Appropriations and ordered to be printed.

722. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $150,000,000, together with a contract authorization in the amount of $50,000,000 for the Treasury Department (H. Doc. No. 280); to the Committee on Appropriations and ordered to be printed.

723. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill to repeal that portion of section 203 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended, as designates the land herein described as available land within the meaning of that act, and to restore the land to its previous status under the control of the Territory of Hawaii; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 220. Resolution providing for the consideration of S. 993, an act to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes; without amendment (Rept. No. 484). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 221. Resolution providing for the consideration of H. R. 2798, a bill to amend section 5, Home Owners' Loan Act of 1933, and for other purposes; without amendment (Rept. No. 485). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 222. Resolution providing for the consideration of H. R. 2799, a bill to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes; without amendment (Rept. No. 486). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 223. Resolution providing for the consideration of H. R. 3492, a bill to provide for the expeditious disposition of certain war housing, and for other purposes; without amendment (Rept. No. 487). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 224. Resolution providing for the consideration of H. R. 3342, a bill to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies; without amendment (Rept. No. 488). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 225. Resolution providing for the consideration of House Joint Resolution 207, joint resolution providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor; without amendment (Rept. No. 489). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 226. Resolution providing for the consideration of H. R. 2455, a bill to establish within the Department of the Interior a National Minerals Resources Division, and for other purposes; without amendment (Rept. No. 490). Referred to the House Calendar.

Mr. SADLAK: Committee on Post Office and Civil Service. H. R. 2826. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for investigatory personnel of the Federal Bureau of Investigation who have rendered at least 20 years of service; without amendment (Rept. No. 493). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARTLEY: Committee on Education and Labor. Report pursuant to House Resolution 111 (80th Cong., 1st sess.) authorizing the Committee on Education and Labor to conduct studies and investigations relating to matters within its jurisdiction; without amendment (Rept. No. 494). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGEL of Michigan: Committee on Appropriations. H. R. 3678. A bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 495). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLE of New York: Committee on Armed Services. House Joint Resolution 96. Joint resolution authorizing the President to issue posthumously to the late Roy Stanley Geiger, lieutenant general, United States Marine Corps, a commission as general, United States Marine Corps, and for other purposes; without amendment (Rept. No. 492). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GRANT of Alabama:

H. R. 3668. A bill to amend the Federal Tort Claims Act; to the Committee on the Judiciary.

By Mr. SARBACHER:

H. R. 3669. A bill to declare service in the Mexican Expedition (periodical) of April 12, 1911, to June 16, 1919, as recognizable service for all the purposes of the Veterans' Preference Act of 1944; to grant equal preference under such act to veterans entitled to, or accorded, preference under prior acts of Congress, together with their wives and widows, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SHAFER:

H. R. 3670. A bill to promote the common defense by providing for the retention and maintenance of a national reserve of industrial productive capacity, and for other purposes; to the Committee on Armed Services.

By Mr. D'EWART:

H. R. 3671. A bill to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents; to the Committee on Public Lands.

By Mr. NODAR:

H. R. 3672. A bill to create an Academic Advisory Board for the United States Merchant Marine Academy; to the Committee on Merchant Marine and Fisheries.

By Mr. SHORT:

H. R. 3673. A bill to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to active-duty members of the Civil Air Patrol, and for other purposes; to the Committee on the Judiciary.

By Mr. ENGEL of Michigan:

H. R. 3678. A bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. JUDD:

H. Res. 227. Resolution to amend rule XIII of the Rules of the House of Representatives with respect to committee reports on bills and joint resolutions authorizing new programs of grants-in-aid; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred, as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to make available an appropriation during the fiscal year ending June 30, 1948, for the control of sea lampreys, as authorized by House Joint Resolution 366 of the Seventy-ninth Congress; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. LYNCH:

H. R. 3674. A bill for the relief of Knickerbocker Insurance Co., of New York, and Atlas Assurance Co., Ltd.; to the Committee on the Judiciary.

By Mr. NODAR:

H. R. 3675. A bill for the relief of Joseph Neumayer; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 3676. A bill for the relief of June C. Dollar; to the Committee on the Judiciary.

By Mr. YOUNGBLOOD:

H. R. 3677. A bill for the relief of Vito Castiglioni; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

590. The SPEAKER presented a petition of the territorial committee of the Union Republican Progressive Party of Puerto Rico, petitioning consideration of their resolution with reference to the legislation amendatory of their organic act now pending before the United States Congress, which was referred to the Committee on Public Lands.

SENATE

MONDAY, JUNE 2, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Once again, our Father, the long week end that brings rest and refreshment to so many of our people has brought disaster and sorrow to some, and our Nation is sobered in the reflection that death is in the midst of life. Since we know not at what moment the slender thread may be broken for us, teach us to number our days that we may apply our hearts unto wisdom. And may we be compassionate, remembering the hearts that are sore and our brethren who languish in sorrow and affliction.

Take from us the selfishness that is unwilling to bear the burdens of others while expecting that others shall help us with ours. Make us so disgusted with our big professions and our little deeds, our fine words and our shabby thoughts, our friendly faces and our cold hearts, that we shall pray sincerely this morning for a new spirit and new attitudes. Then shall our prayers mean something, not alone to ourselves but to our Nation.

In the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 29, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 31, 1947, the President had approved and signed the act (S. 854) to amend section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1022) to authorize an adequate White House Police force.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 1633. An act to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia";

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia with respect to abandonment of condemnation proceedings;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor;

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia;

H. R. 3604. An act to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; and

H. R. 3611. An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

DRAFTS OF PROPOSED PROVISIONS PERTAINING TO APPROPRIATIONS OF STATE DEPARTMENT (S. Doc. No. 58)

A communication from the President of the United States, transmitting drafts of proposed provisions pertaining to appropriations of the Department of State, in the form of amendments to the Budget for the fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISIONS APPLICABLE TO APPROPRIATIONS FOR NAVY DEPARTMENT (S. DOC. NO. 59)

A communication from the President of the United States transmitting proposed provisions applicable to appropriations for the Navy Department, in the form of amendments to the Budget for the fiscal year 1948 and an amendment to his letter to the Congress of April 24, 1947 (H. Doc. No. 215) (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

RESTORATION AND CONTROL OF CERTAIN LAND TO TERRITORY OF HAWAII

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to repeal that portion of section 203 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended, as designates the land herein described as available land within the meaning of that act, and to restore the land to its previous status under the control of the Territory of Hawaii (with an accompanying paper); to the Committee on Public Lands.

GROWTH AND CONCENTRATION IN THE FLOUR MILLING INDUSTRY

A letter from the Chairman of the Federal Trade Commission, transmitting a report of that Commission entitled "Growth and Concentration in the Flour Milling Industry" (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"Senate Joint Resolution 4

"Joint resolution relative to an appropriation for insect control in national forests

"Whereas forest-tree-killing insects have become so numerous in certain portions of California that they have been destroying merchantable timber at a rate six times faster than the loss of such timber by forest fire; and

"Whereas the control of such insects requires united action by adjacent owners, of whom the United States Forest Service is the largest owner; and

"Whereas the United States Forest Service has inadequate funds for the control of insect depredations on the national forests, and the Bureau of Entomology and Plant Quarantine has grossly inadequate funds for the necessary field investigation of depredations; and

"Whereas efforts to control these insects by private owners on their own lands in cooperation with the Division of Forestry, State of California, are nullified when similar control measures are not performed on adjacent Federal lands: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California (jointly), That the Legislature of California respectfully memorializes the President and Congress of the United States to appropriate for the United States Forest Service and for the Bureau of Entomology and Plant Quarantine, sufficient funds for necessary insect control in national forests and for field investigations to determine the extent of insect depredations and the extent of control measures to provide adequate protection of forests; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Petitions of the members of the Tampa Townsend Club, No. 8; members of the Tampa Townsend Club, No. 15; and members of the Tampa Townsend Club, No. 19, all in the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A resolution adopted by the Clearwater Valley Light & Power Association, Inc., at its annual meeting assembled at Lewiston, Idaho, favoring the enactment of legislation appropriating $361,000,000 to REA for loans to cooperatives and similar organizations furnishing electrical service in rural communities for the fiscal year 1948, etc.; to the Committee on Appropriations.

A resolution adopted by the Fourth Quadrennial Convention of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, Cincinnati, Ohio, protesting against the enactment of unfair and discriminatory labor legislation; to the Committee on Labor and Public Welfare.

A resolution adopted by the board of managers of the Pennsylvania Society of Sons of the Revolution, Philadelphia, Pa., urging the President and the Congress to destroy communism and communistic influence in Government, in governmental agencies, in labor unions, in schools and colleges, and wherever it exists in the United States; to the Committee on the Judiciary.

A telegram in the nature of a petition from Property Owners and Associates Protective League of America, of Dallas, Tex., signed by Herbert Pflughaupt, corresponding secretary, praying for the enactment of legislation to end rent control; ordered to lie on the table.

By Mr. CAPPER:

A petition signed by 72 citizens of Bushton, Kans., favoring the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

VETERANS' SOCIAL SECURITY

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter signed by Clifton G. Brown, adjutant, Sumter Post, No. 15, the American Legion, at Sumter, S. C., and a copy of a resolution adopted by that post.

There being no objection, the letter and resolution were received, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

SUMTER POST, NO. 15, AMERICAN LEGION,
Sumter, S. C., May 26, 1947.

Senator OLIN D. JOHNSTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSTON: I have been instructed to forward a copy of the attached resolution to you, said resolution having been unanimously passed by Sumter Post, No. 15. It is our feeling that under the present laws a true inequality exists to the detriment of the veteran insofar as social security is concerned.

We respectfully submit this resolution to you for your consideration and guidance.

With best regards, I am,

Yours very sincerely,

CLIFTON G. BROWN.

Whereas social security provides for death benefits payable on a monthly income basis to (a) children under 18 years of age, and (b) to a widow who has children under 18 until the youngest child reaches 18, and (c) monthly benefits to the widow when she reaches 65; and

Whereas it further provides for a monthly retirement income to a wage earner when he reaches 65 and stops "covered employment," and to his wife when she is 65; and

Whereas these monthly benefits are determined by dividing the wage earner's earnings in "covered employment" by the number of months that have elapsed since he became 21; and

Whereas many persons entered military service with social-security protection they had earned in previous "covered employment" and found at the time of their demobilization that they had lost their insured status or that their service had reduced the amount of possible family benefits, this resulting because the time spent in service was not considered "employment" under social security; and

Whereas other veterans, who had no opportunity to build social-security benefits through civilian work prior to entering the armed force, were unable to acquire social-security protection while they were in service and on demobilization these men were without social-security protection for their families in the event of their death; and

Whereas Public Law 719, August 10, 1946, partially corrects the above-described conditions, i. e., if death occurs within 3 years after discharge the veteran is regarded as fully insured, which entitles his widow's and children's benefits to be computed on an average wage of $160 a month; but

Whereas as the laws exist at the present, in the case of a veteran, if he does not die within 3 years after discharge his status will be determined as under the old law which will not give any credit for time spent in the armed forces; and

Whereas it appears that such is unfair and works to the detriment of the veteran: Now, therefore, be it

Resolved, That Sumter Post, No. 15, recommends that Congress enact appropriate laws to eradicate the aforesaid inequalities accruing to the veteran under the laws presently in existence; that said legislation, among other things, specifically provide that all veterans be permanently credited with a set "average monthly wage" for time spent in the armed services; that this resolution be cicularized to the department and national headquarters of the American Legion, and the United States Senators from South Carolina, and to the Member of Congress from this district.

REQUEST FOR WISCONSIN COMMEMORATIVE COINS

Mr. WILEY. Mr. President, I have received a joint resolution enacted by the Legislature of Wisconsin, petitioning Congress to provide for the coinage of 500,000 silver 50-cent pieces to commemorate the one hundredth anniversary next year of the admission of Wisconsin into the Union as a State. I ask that this Resolution be printed in the RECORD at this point and be appropriately referred to the Committee on Banking and Currency.

Mr. President, I have had extensive consultations with the distinguished chairman of the Coinage Subcommittee of the Senate Banking and Currency Committee [Mr. FLANDERS] on this matter. On March 10, the junior Senator from Vermont reported Senate bill 865 and it was placed on the calendar. I have objected to the passage of this bill since its date of introduction because the bill would attempt to declare the policy of the United States to authorize the striking of only commemorative medals in lieu of commemorative coins and to discontinue the striking of such coins.

WHY I OPPOSE S. 865

The bill states the purpose of this policy principally as a means of foiling counterfeiting of coins and avoiding confusion. I have, however, told the Senator from Vermont that there is no reason whatsoever why the design of the commemorative coins could not be made so similar to other coins, with some slight differences to designate the State centennial, so as to accomplish the objective of Senate bill 865.

I stated to the Senator from Vermont that surely once, twice, or so in the history of a sovereign State, it had the right to ask the Congress for commemorative coins, at no cost whatsoever to the Federal Government, and to have the request granted.

MY PREVIOUS AMENDMENT

On March 25, I prepared an amendment to Senate bill 865 which would have allowed the declaration of policy for medals, but would have made for an exception to the policy in the case of commemoration of an anniversary of the admission of a State into the Union, if such anniversary be a multiple of 50.

NEW AMENDMENT

I would like now to add an additional proviso to the amendment heretofore submitted by me and request that it be reprinted. This additional proviso states that there shall be commemorative coins only for such afore-mentioned anniversaries of statehood and "if the State's legislature duly memorializes the Congress for the striking of commemorative coins."

If my amendment to Senate bill 865 were enacted, then, Wisconsin would already have satisfied the provisions stated above.

I respectfully submit that there is little or no reason why opponents of commemorative coins should continue their opposition to such coins, in view of the compromises we have made: (a) through my amendment, whereby we have limited the issuance of commemorative coins and, (b) through my suggestion whereby the designs of such coins may be comparatively similar to the regular 50-cent coins.

I hope that we may soon resolve this question with mutual satisfaction to all sides of the controversy.

Mr. President, I wish to add a brief word. In commemoration of the one hundredth anniversary of her admission into the Union, Wisconsin desires to put on a show which will really be adequate.

In the past, coins commemorating great events have been minted. In such cases what happens is something like this: The Federal Government, which has plenty of silver, mints the coins. If the coins are 50-cent pieces, the amount charged by the Federal Government is 50 cents. But because such coins become valuable to coin collectors, and are much sought after in this particular case, they can be sold by the State at a higher price than the State paid the Federal Government for them. In this particular case 500,000 50-cent pieces would be bought by the State for $250,000, and would belong to the State. The State then would decide at what price to sell the coins. The State might sell them for $2 a coin. They are well worth that price. In that way the State would be able to finance the commemorative show it desires to put on.

I realize that there is some argument against requests being made of the Treasury Department to mint commemorative coins for one purpose or another every time the clock turns round; but, Mr. President, once in 100 years, when a State commemorates the one hundredth anniversary of its admission to the Union, is not such an occasion. I feel that in the case of a State which has accomplished as much in 100 years as Wisconsin has, which has built its population up to 3,200,000, and which during World War II produced billions of dollars worth of materials for the war effort and sent forth its quota to fight for the Nation, as it has in every other war, including its quota for the North to fight for the preservation of the Union, there should be no hesitancy on the part of the legislative branch or the executive branch or anyone else to act favorably upon the petition presented by the Legislature of the State of Wisconsin.

Mr. President, I ask that, following my remarks, the joint resolution agreed to by the Legislature of Wisconsin be printed in the RECORD and referred to the Committee on Banking and Currency.

The PRESIDENT pro tempore. Without objection, the amendment submitted by the Senator from Wisconsin will be received, printed, and lie on the table; and, without objection, the resolution will be received and appropriately referred, and, under the rule, will be printed in the RECORD.

The joint resolution of the Legislature of the State of Wisconsin was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Assembly Joint Resolution 61

A joint resolution requesting the Congress to pass, at the earliest possible moment, bill S. 126 or H. R. 1180 or any similar bill relating to the coinage of 50-cent pieces in commemoration of the Wisconsin centennial celebration

Whereas Senator WILEY has introduced bill S. 126 and Congressman KEEFE bill H. R. 1180, each providing for the coinage of 500,000 silver 50-cent pieces commemorating the one hundredth anniversary of the admission of Wisconsin into the Union as a State; and

Whereas the committee appointed by the Governor to carry out the anniversary observance has worked diligently and faithfully without remuneration to plan and execute a celebration appropriate to the occasion; and

Whereas it is the desire of the committee, in view of the pressing financial needs of many of our State institutions, especially those devoted to education and public welfare, to make the anniversary largely self-supporting by the sale of the commemorative coins; and

Whereas an added financial burden will unnecessarily be placed upon our State in providing for the celebration of its one hundredth anniversary if bill S. 126 or H. R. 1180 or any similar bill is not enacted into law: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Congress be respectfully requested to enact, at the earliest possible moment, bill S. 126 or H. R. 1180 or any similar bill; and be it further

Resolved, That duly attested copies of this resolution be forwarded to the President of the United States, to the clerk of each House of the Congress and to each Member of the Congress from Wisconsin.

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, identical with the foregoing, which was referred to the Committee on Banking and Currency.)

Mr. FLANDERS subsequently said: Mr. President, I should like to make very brief remarks on the question raised by the senior Senator from Wisconsin [Mr. WILEY]. The special coinage situation has proved to be rather embarrassing owing to the large number of requests for special coinage, the one made today being the eighth up to date, and I have heard of more coming.

I am sympathetic to the case presented by the Senator from Wisconsin, and have endeavored to explore with him some means of taking care of his situation. It would be necessary, however, to my mind, to give the same adequate consideration to events and anniversaries of national significance other than the admission of States into the Union. So that celebrations commemorative of the admission of States into the Union does not seem to me to be the rule which can properly be followed.

I furthermore discovered, somewhat to my distress, in endeavoring to do something for the Senator from Wisconsin, that the State of Wisconsin had had a special coinage only 7 years ago, which is much shorter than "once in 100 years."

The simple way to handle this matter, to my mind, is to say that we will have no more. I am sympathetic to any scheme that any Senator can introduce which will cut down the number of coinage issues, and not make it a routine procedure which thereby would cause such events to lose their significance, but I have as yet found no way to satisfy myself, so my stand respecting the bill is as it has been heretofore.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAIN, from the Committee on the District of Columbia:

S. 1125. A bill to amend the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942; with amendments (Rept. No. 215); and

S. 1346. A bill to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; with amendments (Rept. No. 216).

By Mr. WILEY, from the Committee on the Judiciary:

S. 851. A bill for the relief of Belmont Properties Corp.; without amendment (Rept. No. 213); and

H. R. 888. A bill for the relief of certain owners of land who suffered loss by fire in Lake Landing Township, Hyde County, N. C.; without amendment (Rept. No. 214).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE:

S. 1369. A bill to authorize the Veterans' Administration to acquire certain land as a site for the proposed Veterans' Administration Facility at Clarksburg, W. Va., and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. BALL:

S. 1370. A bill to provide for the establishment of the Brainerd War Dead National Memorial; to the Committee on Public Lands.

By Mr. MAGNUSON:

S. 1371. A bill to authorize the construction of a class IV airport for the city of Fairbanks, Alaska, and a public highway or bridge from the city of Fairbanks to the location of the airport; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMAS of Oklahoma:

S. 1372. A bill authorizing the Wyandotte Tribe of Oklahoma to sell tribal cemetery; to the Committee on Public Lands.

(Mr. HATCH introduced Senate Joint Resolution 122, consenting to an interstate oil compact to conserve oil and gas, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

AUTHORIZATION FOR JUDICIARY COMMITTEE TO EMPLOY ASSISTANTS AND MAKE CERTAIN EXPENDITURES

Mr. WILEY submitted the following resolution (S. Res. 120), which was referred to the Committee on the Judiciary:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized to make such expenditures, and to employ upon a temporary basis such investigators, technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $45,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on the Judiciary.

CHANGE OF REFERENCE

On motion by Mr. MILLIKIN, the Committee on Finance was discharged from the further consideration of the bill (S. 1325) to encourage employment of veterans with pensionable or compensable service-connected disabilities through Federal reimbursement to any employer, insurer, or fund, of amounts of workmen's compensation paid on account of disability or death arising out of such employment, and it was referred to the Committee on Labor and Public Welfare.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or

ordered to be placed on the calendar, as indicated:

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 1633. An act to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia";

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor;

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia;

H. R. 3604. An act to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; to the Committee on the District of Columbia; and

H. R. 3611. An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; ordered to be placed on the calendar.

THE GREAT LAKES-ST. LAWRENCE SEAWAY—EDITORIAL COMMENT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Who Fights the Seaway?" published in the Minneapolis Tribune of May 20, 1947, and an editorial entitled "Big Ditch for World Trade," published in the San Francisco Chronicle of May 29, 1947.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Minneapolis (Minn.) Tribune of May 20, 1947]

WHO FIGHTS THE SEAWAY?

The dream of the upper Midwest for a seaway through the Great Lakes-St. Lawrence River appears possible of fulfillment in less than a year.

The need for this project is increasing each year. The war demonstrated how important that seaway could have been to the Nation.

Now, with great quantities of grain moving from this region to Europe, the seaway again would have been a great asset, making unnecessary transshipment at Buffalo and relieving the congestion at east coast ports. Boxcars to haul this grain always are in short supply during the marketing season. With movement of grain by boat from the head of the Lakes, the cars which are available would be used to greater efficiency.

After years of discussion and education, the opposition to the seaway has been narrowed to southern interests, for the most part. The States on the Gulf of Mexico and on the lower eastern seaboard fear loss of port business if ocean vessels can dock at Duluth, Milwaukee, Chicago, Detroit, or Cleveland.

It is strictly a selfish interest that is attempting to prevent the development of this waterway.

Those who oppose the seaway must realize that this upper Midwest region has suffered serious handicaps since the construction of the Panama Canal.

This region was developed as a rail area. The Canal made it possible to ship lumber by boat from the Pacific Northwest to Ohio, via eastern ports, at lower cost than rail shipment from the Pacific Northwest through the upper Midwest.

Air transportation has made it possible for this region to compete in transportation of some products. But it is not possible to haul grain, iron ore, or coal by air. There is no reason why air transportation should expand in the direction of the movement of such commodities.

It is to the development of cheap bulk transportation through the seaway; therefore, that this region must look for establishment and expansion of its industries.

The question is not whether this region will "steal" business from other ports. It is rather a question of equalizing the opportunities of all regions in the Nation. This region has lost through one project—the Panama Canal. Now it deserves to regain some of its losses, at least, by completion of the St. Lawrence seaway.

[From the San Francisco Chronicle of May 29, 1947]

BIG DITCH FOR WORLD TRADE

Digging a channel through the heart of a continent to make Chicago, Duluth, and Buffalo ports of call for large salt-water vessels is a big idea, an old idea, and a winning idea. Some day we and the Canadians will have the St. Lawrence seaway; why not have it 5 or 10 years hence, instead of half a century hence?

The two nations have been talking about the project since 1895, and every President since Taft has endorsed and pushed it. The pros and cons are an old story to Congress, which heard them ad infinitum at hearings in 1933 and 1941. Now new hearings begin, with Secretary Marshall testifying to the value of the seaway from the defense aspect.

Opening the Great Lakes to direct world trade would be of vast importance to our continental heartland. Entirely apart from its economic benefits, which are obvious, the development there of an outward-looking, salt-water psychology would make a tremendous change for the better. As was said here a few weeks ago, when a man can sit in a Chicago skyscraper and look out upon ships arriving from Stockholm or Singapore, he is bound to think of the world and its affairs as related to the United States in a different light from that which normally governs the thinking of an inlander.

Above all, we have in the seaway project this consideration to resolve: If we believe in a free-enterprise economy, as we do, are we not bound to support any feasible program which lessens the cost of distributing the world's goods? The St. Lawrence seaway, bringing ships 2,200 miles from the sea to far-inland Duluth, would expand and cheapen the distribution of goods; of that the history of world trade leaves no room for doubt.

If this seaway is finally dug it will provide double the water draft now available for St. Lawrence-Great Lakes commerce. The planners say it will cost $500,000,000, an expenditure which is to be self-liquidating through toll payments. We can think of no more profitable employment for the resources of the United States and Canada than this job of dredging deeper channels for bringing this wide-apart world more closely together. The Senate Foreign Relations Committee, under the impetus of Senator VANDENBERG, who sponsors the current seaway proposal, should speed it on its way so that we may start soon what we shall surely undertake sooner or later.

MEMORIAL DAY ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a Memorial Day address entitled "A Living Memorial to the Living Dead," delivered by him at the Memorial Day exercises, Battleground Cemetery, Washington, D. C., May 30, 1947, which appears in the Appendix.]

HELICOPTERS AND THE CHANGES THEY REQUIRE IN AVIATION LAW—ADDRESS BY L. WELCH POGUE

[Mr. McCARRAN asked and obtained leave to have printed in the RECORD an address entitled "Helicopters and the Changes They Require in Aviation Law," delivered by L. Welch Pogue, president of the National Aeronautical Association, before the Aviation Law Institute, Milwaukee, Wis., April 25, 1947, which appears in the Appendix]

ECONOMIC EFFECTS OF UNEMPLOYMENT—ARTICLE BY HARRY DANIELS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article prepared by Harry Daniels, of Washington, D. C., dealing with the economic effects of unemployment, which appears in the Appendix.]

APPLICATION OF COMMUNITY-PROPERTY PRINCIPLE TO TAXATION—EDITORIAL FROM MEMPHIS COMMERCIAL APPEAL

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Not a Lost Cause," published in the Memphis Commercial Appeal of May 29, which appears in the Appendix.]

LABOR LEGISLATION—EDITORIAL FROM WASHINGTON NEWS

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Phony Charges," published in the Washington News of May 31, 1947, which appears in the Appendix.]

TAX REDUCTION—EDITORIAL FROM THE BALTIMORE SUN

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an editorial dealing with the tax reduction program, published in the Baltimore Sun of June 1, 1947, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—EDITORIAL FROM THE CHARLOTTE (N. C.) OBSERVER

[Mr. UMSTEAD asked and obtained leave to have printed in the RECORD an editorial entitled "Lagging Federal Aid Bill," published in the Charlotte (N. C.) Observer of May 31, 1947, which appears in the Appendix.]

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. BALL. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Appropriations dealing with appropriations for the State, Justice, and Commerce Departments and the Judiciary may sit this afternoon during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

LEAVES OF ABSENCE

Mr. THOMAS of Utah. Mr. President, having been made a delegate to the International Labor Conference, which is meeting at Geneva, I ask unanimous consent that I be excused from the meetings of the Senate while I am on that duty.

The PRESIDENT pro tempore. Without objection, the request is granted.

Mr. ROBERTSON of Virginia. Mr. President, I ask unanimous consent that I may be absent tomorrow from the session of the Senate because of official business.

The PRESIDENT pro tempore. Without objection, the request is granted.

Mr. MAYBANK. Mr. President, I ask unanimous consent to be absent from the Senate for several days.

The PRESIDENT pro tempore. Without objection, consent is granted.

INTERSTATE COMPACT TO CONSERVE OIL AND GAS (H. DOC. NO. 288)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Judiciary.

(For President's message, see today's proceedings of the House of Representatives on p. 6179.)

Mr. HATCH. Mr. President, in connection with the message of the President which has just been read, I ask unanimous consent to introduce a joint resolution carrying into effect the President's suggestion and giving consent of the Congress to the compact. I might call attention to the fact that I think probably the joint resolution should go to the Committee on Interstate and Foreign Commerce, under the rules, but the present compact will expire in September, and it is essential that action be taken on the joint resolution at this session, as otherwise the present compact would expire. The joint resolution just introduced will continue the compact until September 1951.

The PRESIDENT pro tempore. The joint resolution will be received. The question of reference is one of considerable complexity to the Chair, inasmuch as the Legislative Reorganization Act, page 8, says that the Committee on the Judiciary shall have jurisdiction of interstate compacts generally.

Mr. HATCH. Mr. President, I was not making a request that it go to any particular committee. My understanding was that the other compacts have gone to the Interstate Commerce Committee, but that was before the Legislative Reorganization Act. I have no preference about the committee. My only desire is that whatever committee receives it may act with promptness so that the Congress may pass on it before the session adjourns.

The PRESIDENT pro tempore. Unless there is disagreement with the judgment of the Chair, the joint resolution and the message will be referred to the Judiciary Committee, because the language of the Legislative Reorganization Act would seem clearly to indicate that reference, even though the general subject matter could very appropriately be considered to belong to the Committee on Interstate and Foreign Commerce.

Mr. HATCH. Mr. President, I certainly would not object to that reference.

There being no objection, the joint resolution (S. J. Res. 122) consenting to an interstate oil compact to conserve oil and gas, introduced by Mr. HATCH, was received, read twice by its title, and referred to the Committee on the Judiciary.

REPORT OF RAILROAD RETIREMENT BOARD (H. DOC. NO. 289)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Labor and Public Welfare.

(For President's message, see today's proceedings of the House of Representatives on p. 6179.)

CONSTITUTION OF THE INTERNATIONAL LABOR ORGANIZATION INSTRUMENT OF AMENDMENT

Mr. THOMAS of Utah. Mr. President, on the calendar there appears No. 208, Senate Joint Resolution 117, a joint resolution providing for acceptance by the United States of America of the Constitution of the International Labor Organization Instrument of Amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States.

The amendments proposed by the instrument in no way change our relations with the International Labor Organization. They make it possible for the Organization to articulate properly with the United Nations organization, and serve to bring the constitution up to date.

I would not make the request I am about to make if there had been any opposition to the consideration of the resolution in the committee or to its being favorably reported, and I shall not press the matter here now if there is any objection. With this brief statement, Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate consider Calendar No. 208, Senate Joint Resolution 117.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. WHITE. Am I correct in understanding the Senator to say that the joint resolution comes to the floor of the Senate with the unanimous report of the Foreign Relations Committee?

Mr. THOMAS of Utah. All members of the committee who were present voted in favor of reporting the joint resolution.

Mr. MILLIKIN. Mr. President, I understand the Senator from Utah has made a request for unanimous consent.

The PRESIDENT pro tempore. The Senator from Utah has asked unanimous consent that the unfinished business be temporarily laid aside for the purpose of considering Calendar No. 208, Senate Joint Resolution 117. Is there objection?

Mr. MILLIKIN. Mr. President, reserving the right to object, I inquire if there is anything in the new constitution that fastens any obligations upon us other than to consider recommendations and recommended conventions?

Mr. THOMAS of Utah. There is no change at all in the organization of International Labor Organization through the new constitution. Every recommendation they make is to be submitted to the member states, and the states will approve them or reject them. There is no power at all in the International Labor Organization except the power of recommendation. It does recommend the consideration of treaties.

There is one provision in the amendments which makes it possible, in a state such as ours, which is a federated state, where the jurisdiction in regard to the recommendation rests in the state, for the Federal Government to pass on the recommendation to the individual states. But there is merely a recommendation, and nothing but information is sent.

Mr. MILLIKIN. There is no implied obligation on the states in cases of that kind?

Mr. THOMAS of Utah. No implied obligation at all to accept. The obligation is merely a moral one, and the moral obligation is, of course, not great, because there have been in the neighborhood of six or seven hundred ratifications of recommendations by the different states since the International Labor Organization was set up.

Mr. MILLIKIN. What is the principal purpose of the proposed action at this time? Is it designed to fit the Organization into the United Nations and take it away from the League of Nations? Is that the principal purpose?

Mr. THOMAS of Utah. That is the primary purpose. This Organization is one of the League of Nations units which has survived, and which continued throughout World War II. With the League of Nations going out of existence, it was necessary to revise the constitution of the Organization in order to bring it up to date, and, of course, the International Labor Organization does have a place in the United Nations.

Mr. MILLIKIN. The object is, is it not, to make it one of the specialized agencies under the United Nations?

Mr. THOMAS of Utah. That is correct.

Mr. MILLIKIN. That is to put it into position so that it may become one of those specialized agencies?

Mr. THOMAS of Utah. That is true, but under the constitution it can work independently of the League of Nations.

Mr. MILLIKIN. I should like to ask one more question, which I have already asked, but I repeat it because it is so important in my mind. There is nothing in the new constitution, or in any changes which have been made, which would increase our obligations toward the organization?

Mr. THOMAS of Utah. There will be a slight increase in our cost, because of the redistribution of funds, and because of the fact that America has become, in the sisterhood of nations, a little bit stronger, comparatively, than she was before. Our share of the payments was around 15 percent, under the old organization. I cannot say what it will be under the new, but it must be well under 20 percent; so that the change is not great at all.

Mr. MILLIKIN. It is true, is it not, that the organization will have no authority other than to make recommendations and to suggest conventions, and we will retain, federally, so far as the States are concerned, complete authority to accept or reject the recommendations?

Mr. THOMAS of Utah. That is true.

The PRESIDENT pro tempore. The Chair would like to add a statement to what the able Senator from Utah has said. There are only two proposals in-

volved which have any importance whatever. One is the integration of the International Labor Organization into the United Nations, as the successor to the League of Nations. The other is the creation of machinery to send recommendations to the States, whereas heretofore they have stopped at Washington, even though the subject matter was within State jurisdiction.

The Chair repeatedly inquired, throughout the hearings, whether there was any increased authority of any nature created in the International Labor Organization as a result of the amendments, and the Chair was repeatedly assured that there was no expansion of authority whatever.

Mr. MILLIKIN. One more question, Mr. President. Is there a strengthened follow-up procedure provided? I have this question in mind: While we are not obligated to accept recommendations or recommend conventions, are we obligated to follow up the matter in a way that sets up such pressures as ultimately to bring us into acceptance of the recommendations and conventions?

Mr. THOMAS of Utah. No; I think we are in no way obligated, and the history of the conventions themselves shows that to be the case. For instance, out of one or two score actual treaties which have been recommended, the United States has been able to accept only five of them, and to only three of them are we parties, because they did not apply to us.

Mr. MILLIKIN. Mr. President, may I ask one more question, please?

Mr. THOMAS of Utah. I shall be glad to answer it.

Mr. MILLIKIN. The pending proposal is in the form of a joint resolution. Am I correct in stating that when we first adhered to ILO, when it was a part of the League of Nations, we adhered similarly, that is to say, by joint resolution?

Mr. THOMAS of Utah. That is true, Mr. President.

Mr. TAFT. Mr. President, I should like to ask the Senator from Utah if he would mind putting the matter over until later in the day. I looked at the report made at the last session, and there is nothing in it showing what the amendments are, nor has any Member of the Senate, except members of the Foreign Relations Committee, seen the amendments. I obtained a copy of them just before the session convened, and I have not had an opportunity to read them. They cover a long list. Every article, if not every section, is amended. The amendments may be entirely harmless, but certainly I have had no opportunity to look at them. If the Senator would agree to put the matter over until a little later in the day, I have no doubt it would be found that many of the amendments would be unobjectionable; but it is not merely the matter of an amendment or two. The amendments are set out in the document which I hold in my hand. As I say, they amend practically every article of the existing charter.

Mr. THOMAS of Utah. Mr. President, in my opening statement I said I would make the request, with the understanding that if there were any kind of objection at all I would be glad to withdraw the request.

Mr. TAFT. I should be glad, a little later in the afternoon, as soon as I have had an opportunity to read them, to have the matter brought up again. I think certainly the Senator might go ahead at that time.

Mr. THOMAS of Utah. I made the request, Mr. President, because of the fact that the conference is beginning.

The PRESIDENT pro tempore. The Senator from Utah withdraws his request for unanimous consent.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield to the Senator from Tennessee.

Mr. McKELLAR. I want to inquire about the increased expense. Our expenses are large; they are apparently getting even larger. It is a very important question. Could the Senator give the Senate any information as to the approximate increase in expenditures that would be involved? What would be the increased cost in millions or hundreds of millions of dollars?

Mr. THOMAS of Utah. It does not run into the hundreds of millions. The total budget of the International Labor Office runs between $3,000,000 and $3,500,000 for the year. We are under obligation to pay about 15 percent of that sum at the present time. That is, of course, very much less than what we pay to the United Nations. Under the redistribution of funds, there may be a slight increase, but it will not reach 20 percent.

Mr. McKELLAR. I hope, when the Senator takes the matter up again, possibly later in the day, he will be able to place in the RECORD an estimate of the difference in cost to this country, by reason of the increased expenses.

CONTINUATION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 1017) providing for the temporary continuation of rent control, transferring rent control to the Housing Expediter, providing for the creation of local advisory boards on rent control, and for other purposes.

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement issued today by the National Fair Rent Committee entitled "Rent Control Crisis."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RENT CONTROL CRISIS

Family life in America faces a crisis in the collapse of rent control that is inevitable if the bill now being debated by the Senate is enacted into law.

With the Nation suffering under an acute housing shortage the Senate appears to be seriously considering passage of this legislation which was inspired and sponsored by the real estate lobby.

In the first place, under the McCarthy amendment, this bill provides that rent controls are to be abandoned in at least 30 areas each month. The bill provides no standards for determining how the 30 areas are to be picked each month. This joker can only mean that many communities where rent controls are still needed will soon be without any; and furthermore, that tenants in other communities can only speculate on when their community will be used to fill the required monthly quota. Faced with the imminent, yet uncertain, end of rent controls tenants will have no alternative to yielding to landlord pressure for exorbitant and illegal rent increases. When this situation becomes widespread effective rent control will be gone.

Secondly, the bill will eliminate effective eviction controls which are as important to the stability of family life as rent ceilings. The pending Senate bill (as well as the bill passed by the House) will permit the landlord on 30 days' notice to evict the tenant on the basis of a contract to sell the dwelling unit to a person who desires to live in it.

Under the present rent-control regulations, a landlord cannot evict a tenant because of a sale unless he obtains an eviction certificate from the local OPA rent office. Unless the purchaser is a veteran he must pay at least 20 percent of the purchase price from his own funds in order to obtain an eviction certificate. Also the certificate normally provides a 6 months' waiting period after the sale is completed, during which the tenant is protected from eviction. (In the case of a veteran buyer the delay is only 4 months.) The waiting period affords the tenant a much needed breathing spell, during which the tenant can seek another place to house his family. The elimination of the waiting period will result in conditions even more chaotic than those that originally forced the OPA to adopt this policy. Chain evictions will once again begin at a greatly accelerated tempo.

The Senate bill will also permit a landlord who is adequately housed and has no immediate need for other accommodations to evict the tenant on 30 days' notice merely because the landlord wants to live in the dwelling unit occupied by tenant. Under the present regulations a landlord who can't show an immediate compelling necessity to occupy the tenant's house must obtain an eviction certificate and wait 6 months before he can evict the tenant.

Thirdly, the Senate and House bills will permit real estate speculators to evict tenants from apartment houses by selling stock in phony cooperative housing corporations. The scheme works this way. The purchase of the stock entitles the buyer to a proprietory lease on a particular apartment from which the tenant thereof can then be evicted. This racket became so bad that the OPA, in 1945, was forced to amend its rent regulations to prohibit such evictions except where at least 80 percent of the tenants in an apartment building agreed to buy stock in the cooperative. This did not prevent tenants having a genuine desire to form housing cooperatives from doing so. By the time the OPA adopted this restriction in February 1945, rent controls were seriously threatened in several large cities. Thousands of tenants had become alarmed and demoralized at the prospect of bidders paying outrageous prices for stocks or being evicted.

If real-estate operators push this co-op device aggressively (and the experience of the past indicates that they will), the result will be a complete break-down of rent control. This will mean a housing chaos. Thousands upon thousands of families will be faced with the choice of eviction, purchase of so-called co-op apartment house stock at exorbitant prices, or payment of higher and higher rent. No one can accurately predict what the end will be.

Further threats to tenant security lie in the bill's provisions exempting from controls housing accommodations created by breaking up a single dwelling unit into several smaller units. Anxious to obtain the unlimited rent allowed for these exempt units, many landlords will immediately give tenants eviction notices on the ground of

alleged necessary remodeling. Many cases of pseudo-remodeling will appear.

In short, the removal of strong eviction controls will, by itself, so undermine the rent-control program as to cast doubt on its existence.

The bill provides that if a tenant and landlord, prior to March 31, 1948, enter into a written lease which is to expire on or after December 31, 1948, the lease may fix a rent 15 percent higher than the rent in effect in September 1946. The dwelling unit becomes exempt from further rent control as soon as the lease is made. This legislation is bound to result, generally, in the 15-percent increase for which the real estate lobby worked so hard.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FULBRIGHT. Is it in order now to move to reconsider the vote by which an amendment to the pending bill was agreed to on last Thursday?

The PRESIDENT pro tempore. Such a motion is in order.

Mr. FULBRIGHT. I shall first ask for unanimous consent to reconsider the vote by which the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] was agreed to on last Thursday. I was absent from the Senate Chamber at the time action was taken on the amendment. I was told there were only four or five Senators on the floor. I note from the RECORD that no discussion of the amendment took place. It seems to me to be a very important amendment. Does the Senator from Delaware [Mr. BUCK] object to a reconsideration of the vote by which that amendment was agreed to?

Mr. BUCK. Mr. President, what is the amendment?

Mr. FULBRIGHT. The amendment was offered by the Senator from Wisconsin [Mr. McCARTHY], providing for the automatic decontrol of 5 percent of all the defense-rental areas of the United States. I was not present when the amendment was agreed to. I understand there were only 8 or 10 Senators present at the time. It happened during the noon hour, and there was no discussion of the amendment on the floor. I should like to ask the Senator from Delaware if he objects to reconsideration of the vote by which the amendment was agreed to.

Mr. BUCK. Mr. President, I would have no objection to reconsidering the amendment if the Senator from Wisconsin were present.

Mr. FULBRIGHT. Is he not present?

Mr. BUCK. He is not present at the moment.

Mr. FULBRIGHT. I ask unanimous consent to reconsider the vote by which the amendment was agreed to. I may say that I am scheduled to make a commencement address this afternoon. That is why I bring the question up now.

Mr. BUCK. I have no objection, if the Senator from Wisconsin is present.

The PRESIDENT pro tempore. The Senator from Arkansas [Mr. FULBRIGHT] asks unanimous consent for the reconsideration of the vote by which the so-called McCarthy amendment was agreed to on Thursday last.

Mr. TAFT. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. FULBRIGHT. Mr. President, I move that the vote by which the McCarthy amendment was agreed to on Thursday last be reconsidered. Very few Members of the Senate were present when the amendment was adopted. I had no notice of it. I know that the Senator from Alabama [Mr. SPARKMAN] had no notice of it. To my knowledge it was not presented in the committee, and there was no discussion of it. It seems to me that the amendment is very important, and that it ought to be reconsidered, regardless of the ultimate decision.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas [Mr. FULBRIGHT] that the vote by which the so-called McCarthy amendment was agreed to on Thursday last be reconsidered.

Mr. TAFT. Mr. President, with the understanding that the amendment itself is not being considered at the present moment, but only the motion to reconsider the vote by which it was agreed to, I have no objection to the motion to reconsider.

Mr. FULBRIGHT. That is what I wanted, because the amendment was really not given consideration last Thursday.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas that the vote by which the amendment of the Senator from Wisconsin [Mr. McCARTHY] was agreed to be reconsidered.

The motion was agreed to.

The PRESIDENT pro tempore. The amendment is before the Senate.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FULBRIGHT. Is there any other amendment pending?

The PRESIDENT pro tempore. No other amendment is pending. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY], which will be stated.

The CHIEF CLERK. On page 7, line 8, it is proposed to strike out the quotation marks; on page 7, between lines 8 and 9, it is proposed to insert the following:

(f) The Housing Expediter is authorized and directed to decontrol defense-rental areas at such rate following the effective date of the Rent Control Act of 1947 that at the end of any month following such effective date the number of such areas decontrolled shall equal or exceed 5 percent of the number of such areas under control on such effective date multiplied by the number of months which have elapsed since such effective date.

Mr. FULBRIGHT. Mr. President, in the meantime I have considered this amendment, and I hope other Senators have noticed it. It is a simple amendment——

Mr. TAYLOR. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? Inasmuch as we are reconsidering the amendment, I think Senators should be present.

The PRESIDENT pro tempore. Does the Senator from Arkansas yield for that purpose?

Mr. FULBRIGHT. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	O'Conor
Ball	Hill	O'Daniel
Brewster	Holland	Pepper
Bricker	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Saltonstall
Byrd	Kem	Smith
Cain	Kilgore	Sparkman
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McGrath	Tydings
Ecton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Flanders	Magnuson	Watkins
Fulbright	Malone	Wherry
George	Maybank	White
Green	Millikin	Wiley
Hatch	Moore	Wilson
Hawkes	Murray	Young
Hayden	Myers	

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from Missouri [Mr. DONNELL], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. REED] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART], the Senator from Wisconsin [Mr. McCARTHY], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Michigan [Mr. FERGUSON] are absent on official business.

The Senator from Delaware [Mr. WILLIAMS] and the Senator from South Dakota [Mr. GURNEY] are unavoidably detained.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from North Carolina [Mr. HOEY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. FULBRIGHT. Mr. President, for the benefit of Senators who were not present earlier, let me say that this amendment was offered and adopted without any debate whatever. The sponsor of the amendment, the Senator from Wisconsin [Mr. McCARTHY], merely stated, on page 6045 of the RECORD, what the amendment means. It means that the Housing Expediter will be required to decontrol at least 5 percent of the areas under control each month. I personally

hope and believe that there will be rapid decontrol under the provisions of the bill as it came from the committee. This amendment is somewhat like the amendment offered last Thursday by the Senator from New Jersey [Mr. HAWKES], which was adopted. I think it imposes an unnecessary restriction upon the action of the boards which the bill proposes to create and to which authority to act is delegated. As I stated on Thursday, I think that if we follow the theory of the bill to give authority to local boards to consider each area on its merits, with particular attention paid to local conditions rather than to national conditions, which we have to consider when we legislate in Washington on a national scale, we should not then lay down specific directions which constitute, I think, an unwarranted interference with the administrative function.

I simply see no justification at all for this amendment. I think it destroys the main thought of the bill. It will make it much more difficult to obtain competent men who must have some discretion. We shall be unable to find anyone to act on the board. The one great difficulty foreseen in setting up the system was the obtaining of men from the responsible citizenship of each community to act on the boards. I think that is probably the greatest difficulty in connection with it, although I have confidence that if it is properly handled and the governors respond as I believe they will, we can obtain good men to serve on the boards. I think this type of amendment simply lessens the chances of accomplishing that objective, and I think the amendment ought not to be adopted.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUCK. I understand that the Expediter is not in favor of this amendment. In that case I should be very willing to join the Senator in eliminating the amendment.

Mr. FULBRIGHT. I appreciate the Senator's statement.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from New Hampshire.

Mr. TOBEY. I merely wish to say, with reference to the remarks of the distinguished Senator from Arkansas, that I share his feeling in the premises. I am glad to have the report of the Senator from Delaware that the Expediter himself does not approve of the amendment. What we have done has been to provide for local boards and then proceed to nullify the powers given to the boards. So I share the Senator's feeling in the matter.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. I should like to say to the Senator from Arkansas that I have just received a communication from the Governor of Massachusetts, who is very much opposed to this amendment. He points out the fact that there are six defense areas in Massachusetts. Assume that three of them are easy to decontrol and are decontrolled under the 5 percent clause; then there are three remaining ones. As a result the State will be required to provide control, and when it does so it will be very difficult to administer because the Federal Government has decontrolled. The Governor of Massachusetts hopes very much, and I share in his hope, that the amendment will be rejected.

The PRESIDENT pro tempore. The question is on the amendment submitted by the Senator from Wisconsin [Mr. MCCARTHY].

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HOLLAND. Mr. President, I should like to have stated the amendment which I sent to the desk on Thursday.

The PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from Florida.

The CHIEF CLERK. After the end of section 9 it is proposed to insert a new section as follows:

MAINTENANCE OF ACTIONS FOR CERTAIN ALLEGED PAST VIOLATIONS

No action or proceeding, involving any alleged violation of Maximum Price Regulation No. 188, issued under the Emergency Price Control Act of 1942, as amended, shall be maintained in any court, or judgment thereon executed or otherwise proceeded on, if a court of competent jurisdiction has found, or by opinion has declared, that the person alleged to have committed such violation acted in good faith and that application to such person of the actual delivery provisions of such regulation would result or has resulted in extreme hardship.

Mr. HOLLAND. Mr. President, if I correctly understood the announcement of the distinguished Senator from Delaware, who has been handling the measure on the floor, he intends, as soon as he has perfected the Senate bill, to move that it be substituted for title II of the House bill. In title II of the House bill, appearing as section 207 thereof, is the precise section, in exactly the same words, covered by the amendment which I have offered. The reason I should like to have my amendment adopted now is so that it will become a part of the Senate bill when the motion of the Senator from Delaware is made. I understand that the Senator has no objection to the adoption of this amendment.

Mr. BUCK. I have no objection.

The PRESIDENT pro tempore. The question is on the amendment submitted by the Senator from Florida.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. MAYBANK. I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 8, line 22, it is proposed to strike out "January 31, 1947," and substitute "October 31, 1946."

Mr. MAYBANK. Mr. President, the purpose of the amendment is to bring about more effective regulation. I understand that the Senator from Delaware has no objection to the amendment.

Mr. BUCK. I have no objection.

The PRESIDENT pro tempore. The question is on the amendment submitted by the Senator from South Carolina. [Putting the question.]

Mr. TAYLOR. Mr. President, I was on my feet before the vote was asked for.

The PRESIDENT pro tempore. The result of the vote has not been announced. The Senator from Idaho is recognized.

Mr. TAYLOR. I should like a little further explanation of the amendment.

Mr. MAYBANK. In a good many communities rent control was established in December, January, and February of last year. Those communities had previously no rent control. I can see no reason for establishing rent control in communities where there was no great influx of war workers, or other conditions making rent control necessary.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. FULBRIGHT. I do not understand the purpose of the amendment. Will the Senator state again what the amendment would accomplish?

Mr. MAYBANK. The amendment would eliminate rent control in communities which were put under rent control in November or December of 1946, a year after the war was over and after the President had declared hostilities at an end.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. It seems to me that the amendment has nothing to do with rent control.

Mr. MAYBANK. It has to do with rent ceilings.

Mr. TAFT. The bill provides that no maximum rent shall be established for any housing accommodations which at no time during the period from February 1, 1945, to January 31, 1947, were rented as housing accommodations. That has nothing to do with whether rent control was in force.

Mr. MAYBANK. But certain regulations were put into effect in December of last year.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Delaware.

Mr. BUCK. The amendment does have the effect of reducing the term by 3 months. If what the Senator is endeavoring to do—and I think I know what he is trying to do—can be done in that way, I have no objection. There have been some areas put back under control.

Mr. MAYBANK. There were some areas put back under control last November, for no reason whatsoever, except that there was a desire to move personnel, and so forth.

Mr. BUCK. By putting the date back to October, that will remove them from rent control.

Mr. MAYBANK. It will remove from rent control only the areas which were placed under rent control after October 31, namely, those which were placed

under rent control in November and December of last year.

Mr. McMAHON. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield.

Mr. McMAHON. Is it not quite possible that there may have been a factual finding that the physical conditions had changed to such an extent as to warrant the imposition of rent control?

Mr. MAYBANK. I would not state to the Senator that there might not have been such a factual finding, but in the cases of which I know there was none.

Mr. McMAHON Certainly the Senator from South Carolina will admit that there are areas which have become even more crowded in the last 4 or 5 months; is that not so?

Mr. MAYBANK. I would not question that there may be some such areas.

Mr. McMAHON. I myself could not make such a finding of fact, but in view of the distinct possibility that there may be cases in which such a finding of fact could be made, I am afraid that it would be a mistake to adopt the amendment.

Mr. MAYBANK. I am advised by the legislative counsel that the amendment would only decontrol places which were put under rent control in November and December of last year.

Let me say that I have conferred with the Senator from Delaware [Mr. BUCK] about this matter.

Mr. BUCK. Yes; and it is the opinion of the Senator from South Carolina—and I concur in that opinion—that at this time there are no new areas which have to be placed under rent control.

Mr. MAYBANK. That is correct.

Mr. FULBRIGHT. Mr. President, if the Senator will yield to me, let me ask whether he can advise us whether the case he has in mind is that of a university town which was put under rent control in November or December of last year?

Mr. MAYBANK. Several places in the United States of America were put under rent control at that time. They were tourist resorts. I understand that hotels are not subject to control because of an amendment which has been adopted.

Mr. FULBRIGHT. I know that my home town in Arkansas is an example of a town which was late in being placed under rent control. It did not go under rent control until 1945, as I recall, which was quite late. During the war, the number of law students at the university decreased from 2,500 to approximately 1,200 or 1,500. There was plenty of room at that time. But now that the war is over, the enrollment is up to 5,200, and as a result the housing situation there is much the worst in the entire State.

Mr. MAYBANK. But it was not placed under rent control in November 1946.

Mr. FULBRIGHT. No; it was not quite that late. But we have had evidence of a critical housing situation in nearly every university town in the country, and that situation has developed only lately.

Mr. MAYBANK. I agree that housing conditions in university towns have become critical only recently.

Mr. FULBRIGHT. But the trouble with the Senator's amendment is that it was not presented to the committee, was not considered by the committee; and I am not at all sure about the effects of the amendment in some of the cases we have just been discussing. Furthermore, the local communities in which rent control has been imposed can now decontrol; and in order to take care of some special cases, I do not think the Senator should complicate this bill with any such provision as the amendment which he has offered. If the people of those communities do not want rent control, they can decontrol immediately within 30 days after the passage of this bill.

I cannot understand why whoever is concerned should be suspicious that this bill will not be properly administered. I understand, of course, that in the case of the OPA, about whom everyone complains, charges were made that rent control was applied arbitrarily, in order to keep jobs; but that organization is now out of the picture.

Mr. MAYBANK. I understand that. I am fearful of the administration, as the Senator has suggested.

Mr. FULBRIGHT. The Senator from South Carolina is not fearful of the actions in justice of the citizens of his own communities in South Carolina; is he?

Mr. MAYBANK. No; certainly not.

Mr. FULBRIGHT. Well, they are the ones who will make the decision whether certain areas should be decontrolled. Besides, certain categories of housing, such as hotels, tourist courts, and so forth, are not covered.

Mr. MAYBANK. That is correct.

Mr. FULBRIGHT. I hope the amendment will not be adopted and added to the bill. It will simply be a complication, similar to the others which have been proposed. It will again provide for remote control in a restricted number of cases.

Mr. MAYBANK. I do not know how restricted they are. I will say that the OPA and those administering the Housing Act last November and December went about looking for additional places to put under control, because they were forced to decontrol in other places.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. MAYBANK. I yield.

Mr. SPARKMAN. If I correctly understand the amendment which the Senator from South Carolina has offered, and which, if I am not mistaken, would change the date in line 22, on page 8, from January 31, 1947, to October 31, 1946——

Mr. MAYBANK. That is correct.

Mr. SPARKMAN. If my understanding of the amendment is correct, I cannot see how it can possibly have the effect of accomplishing what the Senator from South Carolina wishes to have accomplished by it.

Mr. MAYBANK. I can only say that I conferred with the Legislative Counsel who drafted the amendment at my request.

Mr. SPARKMAN. But in that section it is provided that—

> No maximum rents shall be established or maintained under this act for any housing accommodations—

Or certain descriptions, and one of them is—

> which at no time during the period February 1, 1945, to January 31, 1947, both dates inclusive, were rented as housing accommodations.

If we now move the date back to October 31, 1946, we simply mean that that restriction stands on that property up to October 31, 1946, but that if at any time after that time it was rented as housing accommodations, then it is subject to maximum rents.

So I do not believe the amendment will do what the Senator from South Carolina has argued that it will do. I believe the effect of the amendment will be just the opposite. I do not believe it will have the effect of taking from under rent control the defense rental areas that were put under rent control subsequent to October 31, 1946, because certainly the amendment would not be applicable to housing units which were rented subsequent to October 31, 1946. The amendment would simply shorten the time, rather than lengthen it, as I see it.

Mr. MAYBANK. It would shorten the date, I may say, of the effect and administration of the previous laws. That is the way I interpret the amendment, and it was double checked by counsel for the Banking and Currency Committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment. If there are no further amendments to be proposed——

Mr. BUCK. Mr. President, I move that the Senate proceed to the consideration of House bill 3203, calendar No. 152.

The PRESIDENT pro tempore. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Delaware.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BUCK. I move that the text of Senate bill 1017 as amended be substituted for title II of House bill 3203.

Mr. FLANDERS. Mr. President, the motion, if agreed to, would put title I of the House bill into effect. Title I deals with another subject entirely. It is, in effect, another bill, a bill on which we have not had committee hearings, and to which we have not given consideration. Therefore, I shall vote against the motion.

Mr. BUCK. Mr. President, let me say that it is proposed that the Senate shall consider title I at the proper time. With that title in the bill I do not see how the conferees on the part of the Senate could go into conference about it unless they had instructions from the Senate regarding it.

Mr. TAYLOR. Mr. President, I agree with the Senator from Vermont that the first title of the bill passed by the House of Representatives is absolutely extraneous to rent control and has nothing to do with it. In fact, it removes all the

remaining controls that apply to building materials, as I understand the matter, although, as the Senator has said, no hearings have been held on it by the Senate.

In this connection I should like to call the attention of the Senate to a letter which I received—and which, I assume, other Senators received—from the Office of the Housing Expediter, Mr. Frank Creedon. He tells us that they are doing very well with veterans' housing, and that he expects to continue to do very well, provided the present minimum of controls is retained over building materials under the allocations which now exist. I believe I am correct when I say that this title of the House bill simply would repeal those controls, and would do the very thing that Mr. Creedon urges us not to do. I believe we have made a mistake when, in the past, we have decontrolled housing and have removed various building material allocations, and so forth.

So I hope the Senate will not take the last, fatal step, throw the whole thing wide open, bring about price increases, and break down what is left of our housing program.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Delaware.

Mr. FULBRIGHT. Mr. President, I should like to make an inquiry. Does the Senator from Delaware intend to leave title I in; or what is the explanation?

Mr. BUCK. The motion is to substitute the perfected Senate bill for title II of the House bill.

Mr. FULBRIGHT. We would be in the position then of having approved title I.

Mr. BUCK. Not necessarily. I hope we will later.

Mr. KNOWLAND. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. I wish to address a question to the Senator from Delaware on the parliamentary situation. Will the action we are now taking have the effect, so far as the Senate is concerned, of doing away with the controls over commercial type buildings?

Mr. BUCK. Not yet. If we adopt title I, that will be the effect. If we amend title I according to the suggestion of the Senator, such controls will be included.

The PRESIDENT pro tempore. The Chair will state that sole effect of the pending motion is to substitute the text of the Senate bill for title II of the House bill.

Mr. FULBRIGHT. Does the Senator from Delaware object to substituting the Senate bill for titles I and II of the House bill? Then they would go to conference.

Mr. BUCK. I prefer to do it the other way.

Mr. FULBRIGHT. I cannot approve leaving title I in the bill. I received a copy of the letter which has been read, and everything I have received has indicated that the Housing Administration opposes the removal of what little restrictions there are.

Mr. BUCK. The Senator from Delaware will propose, if the amendment carries, to amend title I to continue the Expediter as the administrator.

Mr. FULBRIGHT. I cannot understand why the Senator wants to approve it now. That is the only thing that bothers me.

The PRESIDENT pro tempore. The motion of the Senator from Delaware would not have the effect of approving title I. Title I would still be open to amendment. The sole effect of the pending motion is to substitute the Senate text for title II of the House bill. The question is on agreeing to the motion of the Senator from Delaware.

The motion was agreed to.

Mr. BUCK. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDENT pro tempore. The Senator from Delaware proposes the following amendment to title I, which the clerk will state.

The LEGISLATIVE CLERK. On page 1, line 4, it is proposed to strike out "Sections 1 through 9," and insert in lieu thereof "Sections 1, 2 (b) through 9."

On page 2, line 6, beginning with the word "head," to strike out all down to and including the word "act" in line 8 and insert in lieu thereof "Housing Expediter."

On page 2, beginning with line 21, to strike out all down to and including line 23 and insert in lieu thereof the following:

(3) As used in this subsection, the term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or a legal successor or representative of any of the foregoing.

On page 9, line 16, to strike out the period and insert a semicolon and the word "and."

On page 10, beginning with line 7, to strike out all down to and including line 14 and insert:

(c) For purposes of this section (1) the Housing Expediter shall prescribe by regulations the time as of which construction of housing accommodations shall be deemed to be completed, (2) the term "person" shall have the meaning assigned to such term in section 1 (b) (3) of this act, and (3) the term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, rooming- or boarding-house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

The PRESIDENT pro tempore. All the amendments will be considered en bloc, if the Chair is correct in understanding that they relate to the same subject.

Mr. BUCK. That is correct.

The PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc.

Mr. BUCK obtained the floor.

Mr. McCLELLAN. Mr. President, will the Senator from Delaware yield?

Mr. BUCK. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I did not catch the full import of the Senator's amendment. Does the Senator propose now to strike out section (b) on page 2 of the House text?

Mr. BUCK. If the Senator will permit, I will explain it. The amendment reinstates the Expediter, and makes certain changes in other paragraphs in order to conform title I with title II.

Mr. McCLELLAN. I have no objection to doing that, but I want to determine whether it strikes out subsection (b) on page 2, because I want to offer an amendment to that subsection.

Mr. BUCK. No; it does not. It restores the Expediter, and so on.

Mr. McCLELLAN. But it does not impair subsection (b)?

Mr. BUCK. It does not.

Mr. McCLELLAN. I shall want to offer an amendment to that subsection.

Mr. SPARKMAN. Mr. President, will the Senator from Delaware yield?

Mr. BUCK. I yield.

Mr. SPARKMAN. May I ask if the effect of the amendment the Senator has offered, or the series of amendments, would be to take the same action the House took with reference to the removal of all building controls?

Mr. BUCK. That is correct, with the exception that the Expediter would retain the power to place restrictions on materials going into amusement or recreational buildings.

Mr. SPARKMAN. As I understand, the amendment offered by the Senator merely reinstates the Housing Expediter, but takes away all the powers he has to control the allocation of building materials. In other words, it takes from him all the powers he has with reference to veterans' housing or housing in general.

Mr. BUCK. The Senator is correct, except that he would still retain the power to issue restraining orders concerning materials that go into places of amusement or recreation. All other controls would be lifted.

Mr. TAYLOR. Mr. President, will the Senator from Delaware yield?

Mr. BUCK. I yield.

Mr. TAYLOR. Then the Housing Expediter would be an expediter in name only. He would really be director of rent control, without any authority over it in reality. That is exactly what the amendment would do, so far as I can see. It would take away the power of the Expediter. He would be rent director, and his action would be subject to the local committees.

Mr. BUCK. May I ask the Senator from Idaho what controls he has in mind which he thinks should be retained?

Mr. TAYLOR. As I understand, the Expediter has certain controls over allocation of building materials, I judge from the letter he wrote us today.

Mr. BUCK. He has control over the allocation of building materials for commercial buildings, and that is largely the only type of buildings over which he would have control under the proposed act.

Mr. KNOWLAND. Mr. President, will the Senator from Delaware yield?

Mr. BUCK. I yield.

Mr. KNOWLAND. In order to give the Administrator the controls he now has, as I understand the explanation made by the Senator from Delaware, he would

add to subsection (b), relating to the powers of the Administrator, the words "for amusement, recreation, or commercial purposes."

Mr. BUCK. If the Senator cares to include the word "commercial." Does the Senator desire to offer that as an amendment?

Mr. KNOWLAND. I wish to offer an amendment at this time so that the language will read, "facilities to be used for amusement, recreational, or commercial purposes."

Mr. BUCK. I have no objection.

The PRESIDENT pro tempore. Is that an amendment to the amendment?

Mr. BUCK. No; it is an amendment to title I.

Mr. KNOWLAND. It is an amendment to title I.

The PRESIDENT pro tempore. It is not yet in order. The pending question is on the amendments submitted by the Senator from Delaware, to be voted on en bloc.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BUCK. I yield.

Mr. FLANDERS. I have in my hand a list of the powers of which the Expediter would be deprived if title I were accepted, on the theory that the Expediter is to be continued in his office. I read:

2. Limitation of new individual homes to floor area of 2,000 square feet.

3. Requirement of year-round occupancy for new housing.

4. VHP–1, requiring permits for commercial construction (H. R. 3203, sec. 1 (b) (1), requires such permits only for amusement or recreational purposes).

That is taken care of by the amendment proposed by the Senator from California.

5. Allocation of scarce commodities, such as pig iron for cast iron soil pipe, and shop grade lumber for mill work.

6. Guaranteed market program to stimulate prefabricated houses and new-type materials, including 24 contracts now in effect.

7. Premium payments on pig iron and cast iron soil pipe at least through June 30, under existing contracts.

8. Priority assistance to producers of building materials in obtaining replacement equipment and bottleneck production materials.

9. Enforcement of allocations and priorities previously made or granted, to insure the use of such scarce materials for the purposes intended, and agreed to (H. R. 3203, sec. 1 (a), retains such allocations and priorities for purposes of delivery of the materials, but omits protection against misuse by the consignee).

10. Sales prices on houses built under HH priority prior to December 24, 1946.

11. Rent ceilings on new construction (H. R. 3203, sec. 202 (c) (3), merely continues rental contracts already made by veterans for accommodations the construction of which was assisted by HH priorities).

12. Veterans' preference on housing built for rent (30 days) or sale (60 days) and completed prior to enactment of H. R. 3203 (sec. 5 of that bill authorizes 30-day preference on rental or sales housing construction of which is completed after the effective date of the bill and prior to March 31, 1948.

I thought, Mr. President, it might be useful to read over the list of controls that would be dropped, in connection with a consideration of title I of the House bill.

The PRESIDENT pro tempore. The question is on agreeing to the block of amendments submitted by the Senator from Delaware.

Mr. SPARKMAN. Mr. President, before the amendments are submitted to a vote, I think we should consider very carefully what we are about to do. First of all, title I of the House bill is in no sense a rent-control measure. When the House considered the bill, they passed it in three titles. The second title is the one that dealt with rent control. The House then went completely afield and incorporated title I, which removed all building controls. That is the measure we now have under consideration, and the measure we are about to accept in a slightly amended form.

I believe the Senator from Idaho [Mr. TAYLOR] read a letter which had come from the Housing Expediter, who appeared before our committee and who certainly had the complete respect of the committee. In that letter, if I interpret it correctly, he states that it virtually takes away from him any control that he might exercise over new housing.

It is true that under the amendments, as I understand, the Expediter would have the right to exercise certain control over housing for recreation purposes and for other similar purposes. There are a great many other controls in connection with housing that certainly we should not, without giving the matter very careful consideration, merely discard, by accepting title I of the House bill. There is a limitation upon floor space; but I am not certain what it is. It was 1,500 square feet. I believe it has been increased to about 2,200 square feet. I am not sure, but I believe that is correct. That limitation would be removed by the bill, if I understand it correctly, and houses could be built without limitation as to floor space. There is a limitation as to the amount of space that can be given over to bathroom purposes, as to plumbing fixtures that can be used, and as to all those things that are still in the category of scarce items. If I understand correctly the full purpose of the amendment we now have under consideration, all such controls would be eliminated.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAYLOR. I think the Senator is exactly correct. The Senator said that he thought I had read the letter. I did not; I merely referred to it; but I should like to read one paragraph. Mr. Creedon says:

If the few remaining controls are prematurely removed, as provided in H. R. 3203 now before the Senate, I am certain that a serious curtailment of housing construction will result, just as the premature lifting of wartime construction controls in the fall of 1945 was a severe blow to housing construction.

I ask unanimous consent to have the entire letter printed in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE HOUSING EXPEDITER,
Washington, D. C., May 31, 1947.

Hon. GLEN H. TAYLOR,
United States Senate,
Washington, D. C.

DEAR SENATOR TAYLOR: Because of the national importance of housing I know that you will be interested in the present status of the veterans' housing program.

Thus far I have consistently refrained from making predictions regarding the number of housing units that would be provided during the year 1947, because I have not had sufficient data to make a firm prediction.

However, 5 months of 1947 have now passed. Based on the accomplishments during those 5 months and present construction trends, I believe that I can now estimate with reasonable certainty that, if the remaining controls (i. e., limitations on nonessential construction and allocations to producers of scarce building materials) continue for a few more months, over 1,000,000 additional dwelling units will be provided this year.

One million dwelling units are more homes and apartments than have been completed in any previous year in our history, and are 340,000 more dwelling units than were completed last year. Considering only new permanent dwelling units, the 750,000 new homes and apartments which will be completed this year surpass 1946 completions by 300,000. However, it is not necessary to present extensive facts and figures to show that an acute housing shortage continues to exist.

If the few remaining controls are prematurely removed, as provided in H. R. 3203 now before the Senate, I am certain that a serious curtailment of housing construction will result, just as the premature lifting of wartime construction controls in the fall of 1945 was a severe blow to housing construction.

My very real concern for the future of housing impels me to write this letter to you.

Sincerely yours,

FRANK R. CREEDON,
Housing Expediter.

Mr. BUCK. Mr. President, I should like to ask the Senator from Idaho if he does not think that the amendment suggested by the Senator from California will fairly well take care of the controls which the Expediter would like to have, in addition to the controls already in the bill?

Mr. TAYLOR. I can see no reason for the Senate approving title I of the House bill.

Mr. BUCK. Is it possible that title I could be perfected so that it would meet with the approval of the Senator from Idaho?

Mr. TAYLOR. If we do not accept it, I should think we could go to conference and tell the House that we do not like it. We might have to take a minimum, certainly; but if we start amending here, with no hearings or anything else, we shall be proceeding in the dark.

Mr. BUCK. If the Senator believes that the Senate bill, as we perfected it, is what he would like to have become law, I do not see how we can go to conference without either title I or title II of their bill, and retain what we have in the Senate bill as perfected.

Mr. TAYLOR. We probably could not retain all that is in the Senate bill, anyway, so long as theirs is different; but I see no reason why we should approve theirs.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KNOWLAND. Mr. President, at this point, with reference to the amendment which I proposed, and which, as I understood, the Senator from Delaware is willing to accept, when will that amendment be in order?

The PRESIDENT pro tempore. The Chair would think it would be in order just as soon as the pending amendment is out of the way.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Delaware, if the amendment of the Senator from California is adopted, will it in his opinion stimulate the buildng of private houses for veterans and ameliorate the housing shortage? In other words, the purpose of the amendment of the Senator from California is to restrict commericial, recreation, and amusement building, with an idea of stimulating the building of houses. Is that correct?

Mr. BUCK. I will say to the Senator, I think it will be left to the discretion of the Expediter. The controls we are talking about, which are in the Emergency Housing Act, have certainly produced houses, so that the idea of leaving some of them might be a good thing, and if the authority is still retained in the hands of the Expediter, I should think that would answer the purpose very satisfactorily.

Mr. SPARKMAN. Mr. President, it seems to me the proper way to take the bill to conference would be to strike out all in the House bill after the enacting clause, and insert the language of the Senate bill, as perfected. If that is done, title I, title II, and title III of the House bill will go to conference, as I see it. If on the other hand we take Title I and amend it in the way proposed by the Senator from Delaware, then the only thing that will be left for consideration in conference, so far as title I is concerned, will be the difference between the Senate and the House with respect to title I. In other words, we are going to agree, by such amendment, to the removal of controls on housing, certainly to the extent that we accept it by our amendments. It is a matter which was not taken up in committee, and it was not considered, I am almost certain, by the subcommittee. I was not a member of the subcommittee. I served on it for a short time, but as I understand, the provision was not studied by the subcommittee. The full committee did not study it, and the proposal is submitted to us on the floor of the Senate in the face of the letter from the Expediter, telling how badly it will curtail and cripple the housing program, which is already so confused that all over the country people are crying for housing. I think it a very dangerous step for us to take. I think we ought to be frank about it. If we are willing simply to remove controls, and say to the veterans and others who are in need of housing, "Go out and do your best; go out into open competition with all the other people who want to put up buildings of every kind and type"—if we want to do that, then let us agree to title I; but if we want to give to people of ordinary means a reasonable opportunity to build homes of their own in the highly competitive housing field, then I think we had better watch our step with reference to the proposed amendments.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BUCK. In my judgment, it ought to be possible to amend the title so that it will be satisfactory to the Senator from Alabama and other Senators. If the Senate should strike out the title altogether it would leave the conferees without any knowledge of whether the Senate has considered parts of the title or any part of it. Then we would have nothing whatever in title I of the House bill which we could take to conference.

Mr. SPARKMAN. My view is that we have no business dealing with this subject in connection with rent control. It is not a part of rent control. It never has been, and certainly should not be included in the bill. The only way we can amend title I to my satisfaction is to eliminate it from the bill, so that the bill will go to conference with the House with the definite understanding that the Senate does not want to remove housing controls at this time.

Mr. BUCK. Mr. President, will the Senator yield again?

Mr. SPARKMAN. I yield.

Mr. BUCK. The Senator will agree, will he not, that the House has as much to say about the passage of the bill as the Senate has?

Mr. SPARKMAN. That is correct, and the House had a perfect right to place the title in the bill if it wanted to, but that does not mean that the Senate need accept it. The subject may have been considered in the House committee, I do not know; I am not aware of what the scope of the House committee hearings was. But I know that the Senate committee had no hearings on this subject, and the committee did not consider at all the removal of housing controls. I do not believe that on the floor of the Senate we should have this kind of a proposal put to us and be called upon to say that all controls we have heretofore given to the Expediter in trying to secure houses for those without housing shall be removed simply by accepting title I of the House bill.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. McCLELLAN. I think I can appreciate the position the able chairman of the committee has taken. He feels that if we ignore title I altogether, leave it out of the Senate bill and go back to the House without any expression concerning it on the part of the Senate, or if the Senate should completely reject the title, it will be more difficult for the conferees to work out something acceptable to both Houses, and unless a bill in some form is passed. rent control will expire. What the chairman of the committee proposes, as I understand, is to incorporate title I in the bill, and then let the Senate amend it to its satisfaction.

Mr. BUCK. That is correct.

Mr. McCLELLAN. And go to conference with a concrete affirmative expression of the views of this body, and then undertake to work out a bill which can be enacted into law. I shall favor the amendment to be proposed by the able Senator from California and then I shall propose a further amendment to the section to clarify it with respect to one type of buildings which I think ought to be excluded from it.

Mr. SPARKMAN. I agree with the Senator from Arkansas with reference to taking up this title and considering it, but it seems to me that the only way we ought to consider it is simply to strike it out. In that way we can serve notice upon the House that we do not like it and we do not want it. It seems to me that if we simply accept the amendment which has been offered by the Senator from Delaware, we are certainly taking the opposite view, and we are saying that we accept the title passed by the House, with minor amendments to it. It seems to me that is quite a dangerous step for us to be taking in connection with rent control.

Mr. KNOWLAND. Mr. President, I wish to say that I agree generally with what my colleague, the junior Senator from Alabama, has said. We certainly still have in this country a tremendous shortage of housing for veterans, and perhaps there is no State in the Union which has a more critical shortage than my own State of California. I believe that unless we amend the bill as I have suggested, or amend it in substantially that way, the private individual, the veteran, who wants to build a home, the individual who wants to build a home, or multiple dwelling units for rent, will be up against a competitive situation in which industrial and commercial firms will not be able to supply him with the limited amount of building materials necessary. Unless the bill is amended I feel that the whole veterans' program, so far as home building is concerned, will be adversely affected. So for that reason I suggested the amendment adding the words "or commercial," but I believe that in addition to that we should add the words "other than housing." Otherwise the interpretation of "commercial" might be applied against multiple dwelling rental units.

Of course, one thing we should encourage is the construction of multiple dwelling units for rent, because a great many veterans at present high prices are not in a position to buy a home, but they are in great need of housing, and if temporarily they can find a place to rent, then as prices ultimately come down from their present high levels they will then be in a position to buy. So I shall at the proper time suggest the incorporation of the words "or commercial other than housing."

Mr. BUCK. I will say to the Senator from California that I have no objection to the addition of the proposed language.

Mr. TAYLOR. Mr. President, I may say that the Senator from California is

addressing himself to subsection (b) on page 2 of the House bill. If we do not adopt the House bill, the amendment suggested by the Senator from California is not necessary because the Housing Expediter has the power of which the Senator from California is speaking.

The PRESIDENT pro tempore. The question is on the amendments en bloc offered by the Senator from Delaware [Mr. BUCK]. [Putting the question.] The Chair is in doubt.

On a division, the amendments were agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I offer an amendment on page 2, line 12 of the House bill, to strike out the word "or", and insert a comma, so the language will be "amusement, recreational," and then add the words "or commercial other than housing", so the entire language will be "amusement, recreational, or commercial other than housing purposes."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I call up the amendment which I have at the desk.

The PRESIDENT pro tempore. The Senator from Arkansas offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 2, line 3, before the period it is proposed to insert a comma and the following, "other than a building or facilities constructed for use in connection with a State or county fair or an agricultural, livestock, or industrial exposition or exhibition, the net proceeds from which are used exclusively for improvement, maintenance, and operation of such exposition or exhibition."

Mr. McCLELLAN. Mr. President, I modify the amendment by inserting the word "and" preceding the word "other" in the first line of the amendment. I do that in view of the amendment offered by the Senator from California [Mr. KNOWLAND], which has just been agreed to.

The PRESIDENT pro tempore. The Senator from Arkansas has modified his amendment.

Mr. BUCK. Mr. President, does not the Senator think, if the Expediter is given the authority to decide on the type of construction which, in his judgment, he could except, that he would except such buildings as the Senator has reference to?

Mr. McCLELLAN. I should hope he would, Mr. President, but I know, and the able Senator from Delaware knows, that this class of construction does not come within the category of amusement or of recreation, but primarily such construction is for educational purposes. It does not involve a great deal.

Mr. BUCK. It would be limited in its effect, would it not?

Mr. McCLELLAN. It would be quite limited, but it would help to promote things which are essential to progress.

I trust the amendment will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN].

The amendment was agreed to.

Mr. CAIN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. Beginning on page 9, line 17, it is proposed to strike out all down to and including line 2 on page 10, and insert in lieu thereof the following:

(5) The Housing Expediter shall prescribe by regulations: (i) the manner in which such housing accommodations shall be publicly offered in good faith for sale or rental to veterans of World War II in accordance with the provisions of this section, and (ii) exceptions to this section for hardship cases: *Provided*, That nothing contained in this act shall affect or remove any veteran's preference requirements heretofore established under Public Law 388, Seventy-ninth Congress, and outstanding with respect to housing accommodations completed prior to the date of the enactment of this title.

Mr. CAIN. Mr. President, I should like to make a brief statement covering the intention of this amendment.

Public Law 388, Seventy-ninth Congress—the Patman Act—under which the present veterans' housing program is being carried out, establishes a veterans' preference period and contains the following hardship provision:

Provided, That the Expediter by appropriate regulation may allow for hardship cases.

The Housing Expediter has found it necessary and advisable during the past 6 months to establish a procedure by which new construction can be relieved of the holding period in instances in which the first housing completed in a project has not been purchased by a veteran and in such cases the remainder of the houses in the project need be held for a veteran's purchase only during the period of construction.

The Housing Expediter has administered this privilege wisely, and as a result the construction of new housing has not been discouraged, since it can be sold to nonveterans after being held until the date of completion.

Title I of House bill 3203 has no such hardship provision. The primary provisions of section 5 were offered on the floor and approved after limited debate. The National Housing Administrator and the Housing Expediter have both stated that a hardship provision to make proper allowances for instances in which veterans are not purchasing newly constructed homes is essential if the industry is to be encouraged to produce its maximum volume.

The home-building industry has willingly accepted the requirement of veterans' preference and proposes to continue building homes for veterans, but insists that a provision similar to that now in the Patman Act be included in this legislation. Otherwise the 30-day holding period on every conventional and prefabricated house built will work great hardship on the builders and substantially reduce the volume of houses which would otherwise be constructed.

Subsections 3 and 4 set up an ambiguous procedure with no clear method by which a builder can reduce prices. They could be interpreted to prevent reductions or require a succession of 30-day holding periods for each reduced price.

Mr. President, I hope the amendment will be agreed to.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. BUCK. As I understand the Senator's amendment, it offers what is to be found now in section 4 (b) of the Veterans' Emergency Housing Act of 1946.

Mr. CAIN. That is my understanding.

Mr. BUCK. In that subsection the following language is found:

The Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families: *Provided*, That the Expediter by appropriate regulation may allow for hardship cases.

Mr. CAIN. I am merely asking that that provision be placed in the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN].

Mr. MURRAY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	O'Conor
Ball	Hill	O'Daniel
Brewster	Holland	Pepper
Bricker	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Saltonstall
Byrd	Kem	Smith
Cain	Kilgore	Sparkman
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McGrath	Tydings
Ecton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Flanders	Magnuson	Watkins
Fulbright	Malone	Wherry
George	Maybank	White
Green	Millikin	Wiley
Hatch	Moore	Wilson
Hawkes	Murray	Young
Hayden	Myers	

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. CORDON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 2, line 5, after the word "effect", it is proposed to insert a colon and the following: "*Provided further*, That the sum of $25,000,000 shall be used to the extent that other funds are unavailable for the construction and maintenance of access

roads to standing timber on lands owned by or under the jurisdiction of an agency of Government, such sum to be inclusive of the sum of $15,000,000 made available for the same purpose by subsection (c) of section 11 of said act, and to be provided in the same manner as the sum made available by such subsection."

Mr. CORDON. Mr. President, the amendment which has just been read is considered necessary because title I provides for the return to the Treasury of funds which were made available by the Veterans' Emergency Housing Act for housing purposes, including the building of access roads into Government-owned timber. The bill providing for an additional $10,000,000 for use in building such roads, which was introduced by my colleague from Oregon and myself, passed the Senate on the 6th of May. It is now held in committee in the House and will not be reported, because House bill 3203 provides for final disposition of the funds from which the $10,000,000 would be diverted.

My purpose in offering this amendment is simply to carry into effect the action taken by the Senate on the 6th of May in passing the bill at that time. I hope that my amendment will be agreed to.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. BUCK. I regret that the Senator has offered the amendment. It does not belong in the bill; and I should like to suggest that he withhold it and, at the proper time, offer it in connection with Senate bill 866, Calendar 139, the housing bill itself.

Mr. CORDON. The amendment is relevant and germane to title I of House bill 3203. That title provides that the funds made available in Public Law 388 of the Seventy-ninth Congress, and not expended or committed prior to the enactment of the act, "are hereby returned to the Treasury." If this bill be enacted without this amendment, there will be no funds from which access roads can be built. The amendment is germane to title I of the House bill.

Mr. BUCK. Mr. President, will the Senator further yield?

Mr. CORDON. I shall be glad to yield to the Senator from Delaware.

Mr. BUCK. I submit that before it is possible to construct the access roads referred to the life of the act will terminate.

Mr. CORDON. I understand that there is no operation being carried on in the United States today that can do so much to forward the construction of housing as the securing of timber and the cutting of it into lumber for the purposes of construction. The funds provided for will be used to construct access roads in national forest lands throughout the United States, in some 20 or 25 States. The sole purpose of the money, as was explained when the bill was considered before, is to make available merchantable timber owned by the Federal Government, which can be transported over the access roads and made available for the housing program in the United States. Certainly the amendment is more germane to title I of the bill than is title II as it is now in the bill by substitution.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CORDON. I yield to the Senator from Louisiana.

Mr. ELLENDER. Do I correctly understand that the sum which the Senator is now attempting to provide for the purpose which he has stated was previously appropriated for the same purpose?

Mr. CORDON. Mr. President, in the original Veterans' Emergency Housing Act the sum of $400,000,000 was made available to the Expediter for the purpose of aiding in a housing program for veterans. The act provided that $15,000,000 might be diverted toward the construction of access roads. The money was provided, and, except for a few dollars, has been expended. This amendment would make available an additional $10,000,000 to carry on that program and further open the publicly owned forests for timber production.

Mr. ELLENDER. In other words, the amount set aside under the $400,000,000 program has already been virtually spent, and what the Senator seeks to do at the moment is to obtain an additional $10,000,000. Am I correct in that statement?

Mr. CORDON. If I understand the Senator correctly, if he means that $15,000,000 made available out of the $400,000,000 has been spent, yes. House bill 3203 returns to the Treasury all the unexpended balance of the $400,000,000. The amendment simply provides that before the return is made $10,000,000 shall be made available out of that fund for further access-road construction.

Mr. ELLENDER. That is the way I understand it. It simply means an additional sum of $10,000,000 to obtain additional timber.

Mr. CORDON. That is correct.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAWKES. Perhaps the Senator has stated how much money is left in the $400,000,000 fund which has not yet been expended. Is there sufficient money in the fund to more than cover the $10,000,000 requested?

Mr. CORDON. Oh, yes. There has been approximately fifty or sixty million dollars expended out of the original sum of $400,000,000. The program was not in all respects realized. Only a fraction of the $400,000,000 was used.

Mr. HAWKES. I wanted to be sure that it did not require any funds other than what may be taken out of the $400,000,000.

Mr. CORDON. I will say to my friend that if the $400,000,000 fund did not have a sufficient balance, then my amendment would go no further than that balance. However, the fact is that there was only approximately $50,000,000 or $60,000,000 of the $400,000,000 actually expended.

Mr. MAGNUSON, Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. Is it not also true that some funds would be used to construct access roads to certain standing areas of timber which are now ripe and probably would be lost to the housing program unless these roads were constructed?

Mr. CORDON. There can be no question that the Senator from Washington is correct. The funds which would be diverted will be returned to the Treasury by reason of the increased price received by the Government for the timber which is sold from the Government lands. In the second place, timber will be salvaged which otherwise would be wasted and for which the Government would not receive a thin dime. The amendment is in the interest of the Government, in the interest of all the people, and certainly in the interest of those who need housing facilities.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. CORDON. I yield to the Senator from Idaho.

Mr. TAYLOR. Mr. President, I am opposed to the pending rent-control bill, and shall vote against it, though I imagine it will be enacted anyway. I should like to say that the amendment offered by the Senator from Oregon [Mr. CORDON] is logical and necessary if we are genuinely interested in the housing difficulties of the people of America, because in the West during the war years practically all the stands of timber available by present access roads have been cut down. If more roads could be built into the inaccessible parts of our forest reserves, more lumber for our housing program or for housing could be supplied. I do not know whether there is any program. It looks as if it had come to the point that there will be no further program. Nevertheless, the lumber could be used for the purpose of building more houses and bringing down the price of housing and lowering the rentals people are required to pay. It is a good investment, as the Senator from Oregon has said. The money will be repaid in many different ways. I hope the Senate will adopt the amendment.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. CAIN. Mr. President, without prejudice to the sponsor of the amendment, who is held in high regard by the junior Senator from Washington, I urge the Senate, from my point of view, to reject the amendment as being both unnecessary and presently without justification.

Legislatively, the amendment now offered is a companion to Senate bill 800, which recently was passed by this body. Before its passage, and since that time, there has been brought to my attention a considerable amount of information and data bearing on the matter of additional governmental expenditures for access roads.

Again I would urge the Senate to consider the problem of access roads as they are currently being managed throughout the United States, before it takes action on this amendment. I should like to give to the Senate my thoughts and reflections on the amendment, which I have had an opportunity to study since its companion measure, Senate bill 800, was passed several months ago.

I number among my friends and acquaintances most of the logging and lumber operations of the Pacific Northwest. If I know those men—and I think I do—most of them want only an opportunity to bid for the purchase of timber stumpage. They do not need, nor do they want, government subsidies. If the United States Forest Service will make available for bid sufficiently large amounts of stumpage, the industry will build at its own expense the roads needed in order to get the logs to market; and, I may add, the industry will do so much more cheaply than will the Government, if it shall build the roads.

Senate bill 800 and the amendment now pending before the Senate were designed to amend the Veterans' Emergency Housing Act of 1946. Under that act, $15,000,000 was made available for the building of access roads. This amendment makes an additional $10,000,000 available for the same purpose. If the amendment is adopted, the Housing Expediter, Mr. Frank Creedon, in the interest of veterans' housing—and I think it proper to emphasize veterans' housing, for that it what this act is related to—would proceed to build additional access roads.

I properly was concerned with what the Housing Expediter thought about the advisability of having additional moneys provided for his use in that connection. Accordingly, I should like to quote from a letter which Mr. Harry L. Smith, Acting Director of the Review and Analysis Branch of the Office of the Housing Expediter, wrote Mr. Thomas B. Malarkey, president of the Douglas Fir Plywood Association in Portland, Oreg., at the request of the Housing Expediter, some weeks ago. Mr. Smith relates the following in the third paragraph of his letter:

> After considering the need and justification for requesting additional funds for this purpose for the balance of the current fiscal year, Mr. Creedon concluded that new production of logs and lumber resulting from such expenditures would be so late in 1947 as to contribute insufficiently to the housing program authorized in the Veterans' Emergency Housing Act of 1946. Accordingly, on February 3, Mr. Creedon notified the Budget Director that emergency activities in this regard will be discontinued and that he was withdrawing the request for authorization of additional funds. Thereafter, the heads of the cooperating agencies in the Federal Government were notified of this decision.

On the basis of that letter, Mr. President, it appears to me to be somewhat evident that this proposed expenditure cannot be considered in the light of making any real contribution whatsoever to the prevailing emergency need for veterans' housing. I stated a few moments ago that the logging operators themselves will build the necessary roads, if given adequate stumpage. To substantiate that statement, I should like to read portions of a letter from the Polson Logging Co., in the Northwest. The letter was addressed to what is known as the Joint Committee on Forest Conservation, in Portland, Oreg., under date of April 3, 1947. Its subject is germane, for it is that of access roads. Over the signature of Mr. F. E. Polson, manager of the Polson Logging Co., the following remarks are presented for consideration:

> APRIL 3, 1947.
>
> JOINT COMMITTEE ON FOREST CONSERVATION,
> *Portland, Oreg.*
>
> (Attention Mr. W. G. Tilton.)
>
> GENTLEMEN: In respect to your letter of March 31, 1947, on the above subject, we are pleased to set forth some of our views on this important question.
>
> In our opinion there are two principal questions which must be determined. First, whether access roads built by any Government agency for the removal of timber sound public policy or merely another restrictive Government subsidy; and second, whether by so doing, the desired results would be accomplished in the most practical and inexpensive manner.
>
> On the first question it would seem that the timber sales could be so arranged that the successful bidders would be able to build their own roads. For the purpose of an example we mention the Humptulips area of the Olympia National Forest only because we are more familiar with it. It would mean placing enough volume of timber in one area of the forest up for sale to insure that roads could be built and the timber removed by a private operator profitably. This is particularly in point in the forest reserve in this locality because of the fact that the timber is of comparatively low grade and the value does not warrant long truck hauls over expensively constructed roads that require high maintenance costs, unless sufficient timber is placed on sale to make the operation economically competitive.
>
> We might mention in relation to this particular sales area in the Humptulips that our own firm has offered to construct a branch line railroad into the general area and haul the logs by rail to market for the successful bidder, but this offer was rejected by the Forest Service in favor of a long access road program that is far from a satisfactory solution to this road problem.
>
> On the second question, the locations of the roads should be left to the discretion of the successful bidder, as their primary purpose is for the economical removal of the timber and their use for fire protection of the land is secondary. It is fundamental that the firm that has their money tied up in Forest Service stumpage is in a far better position to judge the locations of access roads than comparatively inexperienced Government field men.
>
> It is, therefore, our sincere conclusion that by and large a much better, cheaper, and more satisfactory method can be worked out to solve access road problems by the loggers themselves rather than by Government subsidy. It precludes any possible favoritism that a Government agency is inclined to show to individual bidders, eliminates the threat of coercion, condemnations, and long lists of restrictions; and would provide a more natural and cheaper way of removing timber from Government stands. As all costs, including access road building, must be reflected in the stumpage, all concerned, including the Government, would be far better served by the denial by Congress of tax funds for this purpose.
>
> Very truly yours,
>
> POLSON LOGGING CO.,
> F. A. POLSON, *Manager.*

Mr. President, from my point of view the $10,000,000 requested to be used for access roads under the provisions of the amendment is not needed as an emergency fund for veterans' housing, nor is it by any means completely desired or required by the logging industry, particularly that of the Northwest. That is a question with which the Senate will wish to concern itself.

I have before me, although I have great hesitancy in further taking the time of the Senate, a break-down of the way in which the $15,000,000 has been used, the States in which it has been expended, and the recommendations of the Logging Congress of the Pacific Northwest and the West Coast Lumbermen's Association regarding the recommendations which they would like to submit for a legislative program to be carried out by the Congress of the United States in the interest of further and additional forest conservation in our section of the country. However, on the basis of what I have already said—again, without prejudice to the senior Senator from the State of Oregon—I think there is considerable doubt and question whether anywhere near a majority of the logging and lumbering interests of the Pacific Northwest are desirous of having such access roads built by the Government; for they say, over their own signatures, that if stumpage in sufficient quantity is allocated, they are better prepared to build and to pay for the roads themselves.

Mr. TAYLOR. As one interested in small business, I care not what kind of business it may be, so long as it is legitimate—and certainly sawmill operators run legititmate enterprises—I wish to say that most certainly the Weyerhaeuser interests in the Northwest can build roads, providing stumpage in sufficient quantities is made available to them. They could build a road across the United States if there were sufficient timber, or the Potlatch interests could do the same.

The roads we are talking about, to be built by the Government, would make timber available to everybody. The little fellow could go in where the timber is located. There are hundreds upon hundreds of small sawmill operators in the West who, if the other procedure were followed and the timber were sold in great blocks to the private concerns, would have to stay outside and go out of business. That is practically what it amounts to. We would lose great quantities of lumber we so sorely need, and a direct boon would be granted to the monopolies in the industry.

Mr. CAIN. Mr. President, will the Senator from Idaho yield?

Mr. TAYLOR. I yield.

Mr. CAIN. The Senator's remarks indicate that these are the only moneys presently appropriated and being spent for the purpose of building access roads. Is that the Senator's understanding?

Mr. TAYLOR. I am not familiar with that. The Senator from Oregan offered the amendment, and that was the first I had heard of it. But I know there is a great need for access roads in the timber section of the country, and anything I can do to help build the roads so the timber can be gotten out, and lumber made available, and houses built, I am glad to do. Doubtless the Senator from Oregon can tell my colleagues what moneys are available.

Mr. CAIN. The Senator has been very helpful, but one point I wish to make is that he practically is not familiar with what moneys, under other Federal agen-

cies, are being spent currently for access roads.

Mr. TAYLOR. I do not know the total amount. I take it the Senator from Oregon knew what he was doing when he offered the amendment.

Mr. CAIN. The Senator from Oregon never referred to any other sums which may presently be used by other agencies.

Mr. MAGNUSON. Mr. President, I heartily agree with my colleague from Washington that what the logging interests of the State would like is an opportunity to bid on some of the logs and the stumpage in the so-called national reserve; but I cannot agree with him in his opposition to the pending amendment.

The Senator reads a letter from the Folsom logging interests. Of course, those people do not want the proposed access roads. All of us who know the Pacific Northwest are familiar with the fact that the large companies have sections close to the so-called national forests, and unless access roads are constructed by the Government, the only possible bidders on this stumpage within the forests, in some cases, particularly in the Olympic Forest, would be the Folsom interests, the Weyerhaeuser interests, or the other large timber interests which have lands adjoining these sections of timber, so that the small logger would have no chance to bid, or, if he did bid, and was the lowest bidder, he would have no way of getting to the timber, because he would have to cross sections of standing timber owned by other interests.

It is also true that what is proposed probably will not be of any emergency relief this year in the solution of the so-called housing problem; that problem will continue to exist, in my opinion, for many months longer; but at least the action we are about to take will be a start.

The purpose of the amendment of the Senator from Oregon, as I understand, is to assure that if the Government builds some access roads, it will give the large interests and the small logging interests a chance to bid, and if small interests submit the lowest bid, they will have a chance to get to the timber. That is not true in all cases, but it so happens that in the southern part of the Olympic Peninsula the so-called large interests own the standing timber next to the park areas, so that the small logger will have no opportunity to get to the timber unless the Government builds access roads, so that he will have the same chance others have.

My colleague says the question before the Senate is whether or not this action is completely desired. It is not completely desired by all the logging interests in the State, I agree, but I think it will be found upon examination that those who can build their own roads into the available standing timber in the national forests are those who are now in a geographic and stumpage position so that they can move in, whereas an outsider who may make a low bid cannot go over the others' land and get the timber.

I think the purpose is to open up the land so that the timber can be cut and can be transported to market. Successful bidders in all cases cannot build their own roads, because they have to go over land belonging to the large interests. While my figures may be wrong, I think it will be found from a glance at a checkerboard map of the State of Washington that some 62 or 63 percent of the land adjacent to these available national forest stumpage areas is owned by five large companies, and that therefore, of course, if they were successful, they could build their own roads, but the small operator would not have much chance in some of the areas. I think the effect of the amendment of the Senator from Oregon would be to give the small bidder an opportunity. Everyone would have a chance to get into the area.

Mr. President, this is not the whole program. It is merely the beginning, but it is going to help a little. As the Senator well pointed out, while the Government may not receive back an amount commensurate with the outlay, yet it will get money for the timber, and unless there are access roads to the areas, ripe timber will be lost.

The large lumber interests, which have the sections adjacent to the timber areas—and the State, too, is involved, unless they can get a successful bid—have plenty of timber themselves, and there will not be any bids at all, and revenue will be lost to the Government.

I think the amendment is a good amendment for the over-all logging interests, although some may not agree.

Mr. CAIN. Mr. President, I have thoroughly enjoyed listening to my colleague's remarks. Both Senators from the State of Washington are concerned with the increasing decadence of some of out forest areas, and we would like to see much of the overripe timber cut as soon as possible, in order that it may have merchantable and useful qualities.

One of the objections I have to the emergency access road program is that it has not—or has not so far—fulfilled the purpose for which it was designed. In Oregon and Washington approximately a billion and a half feet of timber a year is becoming overripe. All that timber is not by any means being removed because of the development of the access roads, made possible under the Emergency Veterans' Housing Act of 1946. The question arises in my mind—and I think my colleague will concur—why was it that the $15,000,000 of emergency access road funds were not used in areas which contained the greatest degree of decadence?

Of the $15,000,000, portions were appropriated and spent in 32 States, in many of which there has not been a virgin stand of timber, as my colleague knows full well, for a very long time.

I should like to suggest that last year in the State of Washington the Government sold as stumpage $1,592,000 plus, and invested $1,184,000 in the building of 117.3 miles of road, at an approximate cost per mile of $10,000.

In the State of Oregon stumpage returned $2,237,000 plus to the Federal Government and $3,522,000 were spent to develop 184.3 miles of road, at an approximate cost of $20,000 a mile.

The difference in the cost of roads built in Oregon and roads built in Washington may be readily understood when one considers the general geography and topography of the country. Roads built elsewhere would, of course, cost a very great deal less than roads built in either of those States. I am not, therefore, obviously criticizing the cost factor, in that sense.

I have called the attention of the Senate to the fact that the moneys were spent in 32 of the 48 States, and in certain States where, so far as I know, there has been no problem of timber decadence whatever. This morning I talked with Mr. Frank Creedon, the Housing Expediter, concerning the problem of access roads, and, to the best of my recollection, and as accurately as possible, I will give the substance of that conversation. He said, first, "As an expediter, I do not think I should have anything to do with spending moneys of the kind in question. There are old-line Federal agencies which, over a number of years, have been spending moneys for such purposes. If moneys are to be appropriated, they ought, in my opinion," said Mr. Creedon, "to be spent by the old-line agency." He further said, "Insofar as the wisdom and advisability of building access roads is concerned, if it is desired to build them as a project of the Federal Government, there is a very great need in Oregon, Washington, Idaho, Montana, and elsewhere." He said, "Whether or not they must be built by public means rather than private is a moot question. If individuals, in sufficient number, in any given area, would rather build the roads themselves, and they can work out a proper stumpage-purchase relationship with the Government, that is the policy that ought to be followed."

Mr. Creedon had no firm conviction as to whether private or public interests ought to build access roads throughout America, but he was very firm in his contention that if a public agency were to do it, it should be done by the Department of Agriculture. I should like in that connection to say to the Senator from Idaho [Mr. TAYLOR] that the Forest Service in the Department of Agriculture received last year an appropriation of $26,214,222 for the dual purpose of constructing forest highways and development roads, and I think that important. In the 1948 budget estimate there is carried an item of $23,800,000 to accomplish the same purpose. If by way of argument there should be used $10,000,000 more for the purpose of building access roads, why should it not be considered sound policy to provide funds in that amount for an old-line agency, which obviously we have a right to presume has worked out a program, not in the nature of an emergency program to be hurried through?

If I may, I should like to address one or two remarks, because of his interest, to the senior Senator from Washington [Mr. MAGNUSON] and in fact, to all other Senators. I think the Senator from Washington and I are rather familiar with the work of the Joint Committee on Forest Conservation. It is an organization within the Pacific Northwest, which has as its members the West Coast Lumbermen's Association, which generally represents the mill people of the country,

large, small, and middle-sized. It represents the Pacific Northwest Loggers Association. I do not personally know any logger who does not belong to that association. I mention this because as a matter of policy people of every conceivable interest, large or small, in the Northwest, have grouped themselves together and, over the signatures of their leaders, requested Congress not to appropriate $10,000,000 to be used this year for the purposes outlined in the amendment, but that the Congress do some long-range thinking, in concert and cooperation with those in charge of the forest activities of the Federal Government, in solving the access road problem in the years to come.

I should like, Mr. President, at this point in my remarks, to have unanimous consent to have printed in the RECORD, in order that I may not unduly take the time of the Senate, a letter which has come to me over the signature of the chairman of the Joint Committee on Forest Conservation, in which he confines his statements, in a three-page letter, entirely and concisely to the subject under discussion at the moment.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JOINT COMMITTEE ON
FOREST CONSERVATION,
Portland, Oreg., April 23, 1947.

The Honorable HARRY P. CAIN,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR CAIN: Individual lumbermen and trade associations have received numerous inquiries from Members of Congress regarding their position on access roads. Many of these have been referred to the Joint Committee on Forest Conservation for reply, and for this reason this letter is being sent to all members of the Washington and Oregon congressional delegations.

The joint committee represents the Pacific Northwest Loggers Association, as well as the West Coast Lumbermen's Association. It was created in 1933 to carry out the forestry provisions of the NRA Lumber Code, and since that time has directed the conservation activities of the organized forest industries of the Pacific Northwest.

The joint committee has recently completed a fresh summary of the forestry situation and needs of the Douglas-fir region, published under the title "More Timber." This review deals with the subject of your inquiry—a long-range plan for the construction of access roads into Federal timber holdings, in its relation to the other needs and opportunities of the region. I enclose a copy of this publication in which I have underscored pertinent sections which bear upon this subject (pp. 8, 29, 30, and 36).

In accordance with the conclusions reached in this recent study, the joint committee strongly endorses the proposal for initiating a long-range program of access-road construction in the national forests, under proper safeguards.

The primary need for access roads is the conservation and more effective utilization of national-forest timber, particularly the ripe and overripe timber beyond the reach of logging roads constructed by purchasers in the normal course of operation. A system of main arteries is necessary in many national forests to bring log production up to their sustained yield and distribute it over all logging units instead of overcutting those now accessible.

This necessity is especially evident in the Douglas-fir region. Fifty-three percent of its timber, or 231,000,000,000 feet, is owned by the Federal Government. Fifty-six percent of these Federal holdings carry stands of decadent, old-growth timber, in which the loss from decay and mortality probably is close to one and one-half billion board feet every year. The sound management of these public properties should progressively reduce this loss by opening up overmature stands to cutting. Thereby the Government will not only salvage immense quantities of ripe timber otherwise going to waste; it will also steadily increase the current growth on its holdings by converting stagnant old stands into growing forests.

While heartily advocating a long-range plan for access road construction, I wish to point out certain limitations and restrictions which appear necessary in the light of past experience. I suggest the wisdom of incorporating these in the basic legislation which sets up the program.

First. Federal funds should be limited to the construction of main-line, permanent roads which cannot be built by contractors for Government timber as part of the cost of their logging installations. Many hundred miles of the shorter, less expensive and spur roads have been built into national forest timber areas by successful bidders for stumpage and paid for through adjustments in the appraised price of the timber. This practice should be continued and public funds concentrated upon the permanent road system which only the Government can finance.

Second. Access roads should be selected and located primarily as timber roads, for the long-range management of the forest resources. The fund should be protected from diversion to the construction of roads for other purposes.

Third. The cost of access roads should be repaid, in course of time, through the greater utilization of national forest timber and the higher prices obtained for it. The prices appraised on all timber made available by Government roads should reflect fully the higher values resulting from road construction.

Fourth. As a means of public information and protection of the program, the regional offices of the United States Forest Service should, from time to time, publish lists of the access roads proposed for construction, their estimated cost and the volumes of timber which they will, respectively, make available for use; and should invite comment or discussion of such proposals at a stated hearing or otherwise.

While it does not pertain to this proposal alone, I would like to call your attention to the final recommendation of our joint committee, on page 36 of More Timber. The development and management of national forests in areas like the Pacific Northwest have many important relations to forest industries and private forest management. We feel strongly that a joint forest policy committee as outlined would be of great practical service both to the Government and to private forest owners and operators. An access-road program is one of the many practical phases of joint progress in which such a committee should function.

We greatly appreciate your interest in this important problem and will be glad to give you any further information you may wish.

Sincerely yours,

CORYDON WAGNER,
Chairman.

Mr. CAIN. Mr. President, in this connection I desire to make it very clear that both large and small operators in the Northwest are generally more concerned with having the Government agree to provide for them sufficient areas of stumpage to justify their building access roads, rather than to grant them a subsidy; which they do not want. Were it within my province, I should like to suggest that, in connection with the building of access roads, I think the Government could greatly benefit by adopting what I consider to be a much better system of procedure. I challenge anyone to find out how the Federal Government would expend the $10,000,000 provided for in the amendment of the Senator from Oregon, if it were appropriated, and where it would be expended. Would it be spent to cut out decadent timber in Oregon, Washington, Idaho, and Montana? Or would a part of it be spent in Mississippi and Florida, New Hampshire, and elsewhere? Perhaps the money should be spent elsewhere, but we are entitled to an answer as to where it would be spent.

Furthermore, many of the access roads built under this program are serving a dual purpose; which is proper, from one governmental point of view, but not from the point of view of access roads. An access road is what it purports to be—a road to make possible the getting of timber which is otherwise inaccessible. An access road should not be built to twice the necessary width. It should be built merely wide enough to accomplish its primary purpose.

Without any real criticism of the administration of the program in the past, the moneys invested in the interests of the veterans' emergency housing program have not been so well spent or so well managed and administered as they might have been, had private interests built a good many of the roads.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAGNUSON. I do not think the impression should be created that the proposal is in the nature of a subsidy. It is like the case of a man who owns a house which he wants to sell and who builds a sidewalk in order that a larger number of prospective buyers may come to inspect the house. That illustrates what the Government is doing in connection with access roads. I do not disagree with my colleague that it would be better to have private bidders—that is, successful bidders—build the access roads into the timber, but the problem is that much of the timber is bottled up on the outside by private interests who would be the only bidders, and therefore the Government gets less. I know many examples of that in my own State, and I am sure the same thing is true in the State of Oregon.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. CORDON. I should like to suggest in that connection, Mr. President, that any thought of a subsidy in connection with this subject is utterly wrong. Timber in the forest is sold on competitive bidding. There is plently of competition. When the competitive bid is entered, there is taken into consideration the accessibility of the timber and the type of hauling that is made available. When the Government builds a road, the value of the road to the man who is going to buy and move the timber is

taken into consideration in the submission of his bid on the timber. There is no subsidy in connection with it whatever.

Mr. MAGNUSON. Of course, the Senator from Oregon and the Senator from Washington well know the history of the exploitation of so-called timber-bearing lands in the Pacific Northwest. The practice used to be—and there are still remnants of it on the edge of our national forests—that individuals or corporations would buy up sections of land around certain other sections, and the sections in the middle might be owned by the National Government or by the State or by a private individual. Because of the fact that the purchasers of the outside sections completely surrounded the other land, ultimately they would obtain the timber on such land at the price they wanted to pay. The same thing would be true if the southern part of the Olympic National Forest were to be opened up. I do not believe a small logging operator could bid for the timber on the land there for the simple reason that three or four of the large lumber interests own the surrounding land. They could build their access roads because they are right there on the edge of the national forest, and they could afford to bid on the timber. I think what is now proposed will not only give assurance of more timber—perhaps not for a year—but it will do something to break down the old, bad practice of timber groups buying up land geographically around certain sections of timber and holding their interests there and keeping others out. The result of the present proposal will be to give the Government more money for the timber.

My colleague criticizes, and rightly so, the expenditure of the first $15,000,000. I do not know; but perhaps that money was expended unwisely. I hope the $10,000,000 will not be expended unwisely, because there are sections of timber in our part of the country which can well be utilized by the Government, or can well be utilized by private interests, and unless it is taken out in the next 2 years it will be lost anyway. It may be that we shall have to do some more checking on how the money has been spent. If it has been expended in some States where there is no virgin standing timber, such action would be unjustified. But the proposal of the Senator from Oregon [Mr. CORDON] is a wise one. It will be of some help in the next 2 years in opening up the timber areas in question.

Mr. CAIN. Mr. President, I should like to ask the senior Senator from Washington a question. Assuming by way of argument that his contentions are correct, and that moneys for this purpose should be spent by a Federal agency; can he justify the spending of $10,000,000 for access roads by one governmental division, of an emergency character only, concerned only with constructing roads in order to bring logs out, rather than by an old-line agency which during the course of the same fiscal year is to receive $23,000,000? Why not take the $10,000,000, if it is going to be appropriated, and give it to an agency which has a continuous life?

Mr. MAGNUSON. Normally that proposal would be the correct one. Normally the Department of Agriculture or the Public Roads Administration should do this job. But again we have been cut in our access-roads program. Twenty-three million dollars represents a great cut from the estimate of what is needed. When I see a chance of adding $10,000,000 for access roads, whether it be in a rent-control bill, an appropriation bill for the Department of Agriculture, or a Public Roads Administration appropriation, I am going to vote for it, because the money is so sorely needed in our State. Normally I would say the Senator would be right in his statement. The work should be done by the Department of Agriculture. But a considerable cut has been made in the appropriation for access roads, and $23,000,000 is completely inadequate for the purpose.

Mr. CAIN. The Senator says the money is sorely needed in the States of Washington and Oregon. With reference to the veterans' emergency housing program, which is the only thing we should concern ourselves with in the pending legislation, for what purpose are the moneys in question actually going to be used?

Mr. MAGNUSON. I assume they will be used for access roads in some of the forest areas. I do not care what agency expends the money. I suppose it would be better if the Department of Agriculture were to expend it. If I can obtain $10,000,000 more in the appropriation for the Department of Agriculture I shall vote for that amount also.

Mr. CAIN. If we restrict ourselves to the veterans' housing program, is the senior Senator from Washington of the opinion that a lack of lumber any longer constitutes a bottleneck in the construction of houses for veterans?

Mr. MAGNUSON. That I do not know. I cannot answer.

Mr. CAIN. I should merely like to state in a very positive fashion to the Senator from Washington that on the basis of all available research and data I can obtain lumber is no longer a bottleneck, and at this very time representatives of the States of Washington and Oregon are appearing before committees of Congress pleading with them to unfreeze export controls. Why? Because they have more lumber than they can sell at home, and unless they can get rid of it to foreign markets they are going to be less inclined to cut the very timber for which Senators are considering appropriating an additional $10,000,000.

Mr. MAGNUSON. I understand that that is for certain types of lumber which they want to export, the exportation of which will not interfere with the housing program. There is, however, still a scarcity of certain types of mill work, though I do not have the figures.

Mr. CAIN. But that scarcity interferes with the housing program very positively, in this fashion: In order to get at the better lumber which is processed by higher skills, it is necessary to cut a vast amount of lumber. The lumbering interests, large and small, will merely say, "If we cannot get rid of our surplus at a reasonable return to us we are not going to be very much interested in cutting the better type of lumber." The Senator is familiar with that end of logging, is he not?

Mr. MAGNUSON. The Senator knows that there is another reason than the desire to export lumber which is surplus. Our lumber interests want, and rightly so, to establish again their export market and keep up their contacts. That is another reason for the desire to export lumber. The third reason is that they are apt to receive a better price in the export field than they receive in the local field. And they want some sort of a balanced lumber foreign trade economy. So the reason assigned by the Senator is not the only reason. There is going to be a shortage of lumber for some time until housing is provided for everyone in the United States. I agree with the Senator that this might not be the best place to have the appropriation in question, but it is here. It is going to help us. It is going to help the Government. That is why I am supporting it.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MALONE. Is the Senator from Washington familiar with the fact that in many areas of the West builders and contractors and workers are idle because the CPA refuses to allow them to proceed with their plans, although there is plenty of building material available and plenty of commercial buildings need to be constructed? By reason of this refusal, or for some other reason, the builders and contractors and workers are kept idle, particularly in my State.

Mr. CAIN. That is my understanding.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oregon [Mr. CORDON].

Mr. CORDON. I think perhaps there is a misunderstanding with reference to the use of funds from the Veterans' Emergency Housing Act in road building in the United States. I believe I am correct in saying that the Housing Expediter in using those funds has never yet built 1 foot of access roads in the United States. Neither has a dollar of that money been used by agencies not already constituted and having experience in the matter of access roads in the United States. The funds were transferred from the Veterans' Emergency Housing Fund to the agencies which administered the timberlands. Those agencies expended the funds. Some $13,000,000 last year was diverted from the Veterans' Emergency Housing Fund and was expended by the Department of Agriculture through the National Forest Service in furthering an access-roads program. The money that was expended was not simply thrown hit or miss here or there, but was expended upon a predetermined road program, the purpose of which was to make available the maximum amount of merchantable timber at the earliest practicable time. It was not the purpose of that program that the money should be spent solely to reach old and diseased timber. The major and primary purpose was to get out logs and make lumber. The money was expended for that purpose. Funds from

that source were expended in the States of Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Kentucky, Louisiana, Minnesota, Mississippi, Montana, New Hampshire, New Mexico, North Carolina, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming.

The question has been raised as to why any of the funds should have been spent in any but the major national-forest States. The reason is perfectly simple. The Federal Government owned timberland in the other States. That timber could be made available at an early date by the construction of access roads to it, so the money was spent where it should have been spent and the purpose was achieved.

One may not measure the value of such a road in getting out logs by the number of feet of logs that came over the road in the year the road was built. If we build a road in a given year and it requires 11 months to construct the road, we have 1 month in which to move timber over it. It is not a proper comparison to compare the value of timber moved over the road with the cost of the road. The road built last year is still there, and logs will continue to move over it for many years to come.

This program has been a considered program. The amendment offered here is designed for the use of $10,000,000, in addition to approximately $14,500,000 heretofore made available in a practical plan, the net result of which will be an increase in the lumber supply of the United States.

The question has been asked: "Is lumber now a bottleneck to housing in the United States?" Mr. President, lumber never was a bottleneck to housing in the United States. Certain kinds of lumber have been the bottleneck, and those kinds of lumber are still the bottleneck. Those types of lumber are not desired for export. Export lumber is cut in special sizes by export mills, and is not sold in this country.

Mr. President, I have spent many years in a study of the forest situation in the United States. In offering this amendment, I do so as a considered matter. Had I listened to lumber operators in my own State, I would not have offered the amendment. The majority of such operators do not want the amendment. My considered judgment is that, whether they want it or not, the funds should be made available and the timber made available to all who can come and get it and make it into lumber.

I know the arguments made on both sides of the case. My considered judgment is that, looking at the over-all problem and the best interests of the people of the United States, who have an interest in 175,000,000 acres of timberlands, the program should go forward. It is sound in principle, and is now but a continuation of the only segment of the Veterans' Emergency Housing Act that can be pointed to as having actually yielded results and put roofs over veterans' heads.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

Mr. KNOWLAND. Mr. President, I desire to offer an amendment on page 2 of the House bill, which is now before the Senate. I move to strike out all of section 2 of title 1, beginning after line 23 on page 2, and including line 4 on page 3. The language which I propose to strike out reads as follows:

SEC. 2. Title III of the Second War Powers Act, 1942, as amended, and the amendment made by such title III, shall, insofar as they authorize the making of allocations of building materials and of facilities relating to the utilization of building materials, cease to be in effect on the date of the enactment of this act.

I am very fearful that if this language is left in the bill it will deprive the Administrator of some power that he may need in order to help to expedite the housing program, and might take away from him the power to regulate exports, if that were necessary in order to meet the problem facing the country in regard to housing.

Mr. BUCK. Mr. President, I have no objection to this amendment. I think the differences can be ironed out in conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment.

Mr. TAYLOR. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is an amendment in the nature of a substitute for the pending bill.

The PRESIDENT pro tempore. The amendment offered by the Senator from Idaho will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That the provisions of the Emergency Price Control Act of 1942, as amended, and all regulations, orders, and requirements thereunder, insofar as rents are concerned, shall be continued until June 30, 1948.

No general increase in rents shall be granted under authority of that act except as may be required under the provisions of section 2 (b) thereof.

Mr. TAYLOR. Mr. President, I do not wish to detain the Senate long. I should like to recall that during the last session of the Congress we enacted a so-called extension of price control which had within it mandatory provisions calling for increases in prices. It turned out to be no price-control bill at all. It did not work, and the President had to throw the whole thing out the window.

Mr. President, I am not going to be in the position of voting for a bill to deceive the people into believing that they still have rent control, when in reality there will be no rent control under the pending bill. For one thing, it would extend rent control only until February 29, 1948, a matter of approximately 8 months. It would wind up in the dead of winter, and people could be—and in all likelihood would be—evicted into the cold. If there are those who doubt that with the end of rent control unconscionable advantage of the situation will be taken by those in a position to do so, I should like to read a few clippings from the Twin Falls, Idaho, Times-News. Rent control has been discontinued in Twin Falls, after being in effect for some time. I may say that the Times-News is a Republican newspaper. It is not in favor of Government controls in any way, shape, or form, so it cannot be accused of bias in reporting the facts as they are. At least it cannot be accused of bias in favor of rent control. Here is an item dated Thursday, May 1, 1947. "Rent raised to $210 per month on apartment" is the heading. It reads as follows:

RENT RAISED TO $210 PER MONTH ON APARTMENT

With removal of this area's rent controls Thursday, Roy Lindell, of Twin Falls, was among the first to face an insoluble problem in economics, namely, how to pay $210 monthly rent on a salary of $190 a month.

Lindell, who resides at the Magic Valley Court, 447 Addison West, with his wife, 2-year-old son, and his mother, has been paying $60 monthly rent for a three-room apartment.

He has been notified by Robert Burgess, the operator, that "as of May 1, rent control is no longer in effect in this area. Your rent is due May 20. After that date it will be put on a daily basis of $5 a day per couple and $1 a day for all extra persons. Rent will be paid in advance daily."

On this basis, the rent for the couple during a 30-day month would be $150. Added to this would be $30 for Lindell's mother, plus $30 for the small child. Total, $210.

Mr. President, I have here any number of clippings from the Twin Falls News dealing with the situation in one small community, a town of ten or fifteen thousand people.

"Family of seven hunts for a house" is the heading of another clipping under date of Tuesday, May 6. It seems that they have been evicted. The clipping reads as follows:

FAMILY OF SEVEN HUNTS FOR HOUSE

Mr. and Mrs. Arba Robinson have until June 6 to find a house for the family of seven, Mrs. Robinson reported Tuesday after receiving notification they must vacate a house at 538 Second Avenue East by June 6.

In event the family is unable to vacate the house by June 6, rent will be increased from $30 to $100 per month, according to the notice given the Robinsons by Mrs. Glenn Donason, owner of the building.

Here is another one from Coeur d'Alene, Idaho, where rent controls have been removed. It reads as follows:

RENT DECONTROL HITS PENSIONER—OPA OFFICIALS UNABLE TO HELP 73-YEAR-OLD WOMAN

Predicament of a 73-year-old, gray-haired grandmother, who is having the rent on her unfurnished, three-room cabin raised from $21.95 to $120 a month as a result of recent rent decontrolling action in Coeur d'Alene was brought before Spokane OPA area rent control officials yesterday.

Although the woman, a widow living entirely on a $58 monthly pension, has lived in the cabin and one other in the same project for 11 years, OPA officials admit they are powerless to do anything about the 500 percent rent increase.

TWO COUNTIES AFFECTED

"Decontrol action in Idaho's Bonner and Kootenai counties was taken by the administrator of temporary controls in Washington, effective yesterday," said Area Rent Attorney Joseph H. Hurley, "and the effect of the decontrol action was to remove all rent controls from these two counties. Consequently our office now has no jurisdiction over that area whatsoever."

According to the 73-year-old widow, Mrs. Bert Hutchoroft, and her daughter, Mrs. Bernice McKenzie, the two cabins they have lived in are only 2 out of 23 cabins in the project which will have their rents raised.

"I've lived in my cabin for 7 years," Mrs. McKenzie said, "and the rent has never been higher than $21.95 a month. But Wednesday we received a registered letter from the proprietor telling us our rent would be $4.00 a day, payable in advance, effective the first of June."

CABINS UNFURNISHED

"Why, the cabins we live in aren't even furnished, and I've had to foot all decorating and repair costs myself."

Explaining that while the Coeur d'Alene area is not under the jurisdiction of the Spokane area rent office any more, the office is intensely interested in receiving as much information as possible on the effects of the recent decontrol action in the two Idaho counties.

Mr. Hurley said he would welcome any other reports from tenants or landlords concerning unreasonable rental raises or evictions.

FEW ARE UNREASONABLE

"Sometimes only a few unreasonable landlords will create a bad picture by their mercenary tactics," Mr. Hurley said, "We always have the outlaw type of individual.

"But the rent administrator in Washington has authority to restore these abolished rental controls in cases where unreasonable rent increases and evictions follow in the wake of decontrol action.

"He has done so in the past in other areas, and if the Coeur d'Alene situation gets out of hand we may be sure that some action will be taken."

I ask that these various clippings be placed in the RECORD as a part of my remarks at this point, Mr. President.

There being no objection, the newspaper clippings were ordered to be printed in the RECORD, as follows:

[From the Twin Falls (Idaho) Times-News of May 9, 1947]

INCREASE TOLD IN EVICTION NOTICES

A sharp rise has been noticed in the number of the notices of eviction given the sheriff's office to be served upon tenants, sheriff's deputies said Thursday, since the removal of rent controls from this area on May 1. During the period of rent control, there were only a few such notices.

Since April 24, the sheriff's office has been given 12 notices to serve with most of them filed after May 1. A few were brought in before the lifting of rent ceilings.

Most of the notices contain a provision that the tenant may remain in the property by paying rents which are doubled, tripled, or even higher. One deputy said that a very conservative estimate of the average rent increase would be between 50 and 75 percent.

[From the Twin Falls (Idaho) Times-News of May 21, 1947]

LANDLORD INCREASES RENT FOR THREE-ROOM HOUSE TO $9 DAILY

Rent for a three-room house at 761 Main Avenue East has been raised from $27.50 per month to $9 a day, Mr. and Mrs. George Scott, who occupy the house, were notified Wednesday.

Increase of rent for the house will become effective 15 days from now, R. W. Baker, owner and landlord, informed the tenants in his notice of rent increase, which was served Wednesday morning.

A slide-rule expert figured the rent increase at 981.81 percent increase.

Mrs. Scott said she and her husband had lived in the small house for nearly 2 years. She said the house had one bedroom, a small living room, kitchen, and bathroom.

However, Mrs. Scott said Wednesday morning that she and her husband intended to vacate the house rather than pay $9 per day rent. She said two apartments being built on the second floor of Scott's Frozen Food Lockers building were nearing completion. One of the new apartments will be occupied by the Scotts and the other will be occupied by Julian Wilson, his wife, and son. Wilson is an employee at the locker plant.

Each of the new apartments will have two bedrooms, large living room, kitchen-dinette, utility room, and bathroom, Mrs. Scott said.

The notice of rent increase served this morning was dated May 19. It said: "You and each of you are hereby notified that the rent of the dwelling house now occupied by you on lot 16 of block 93 of Twin Falls town site, in Twin Falls County, Idaho, being No. 761 Main Avenue East in the city of Twin Falls, will be increased from the existing rate of $27.50 per month to the sum of $9 per day, payable weekly in advance, such rent increase to take effect 15 days after the service of this notice upon you.

"This notice is given under the provisions of section 54-307 I. C. A., and you will govern yourselves accordingly."

The notice was signed by R. W. Baker, owner and landlord.

PROBE OPENED ON LIFTING OF RENT CONTROLS FOR BOISE

BOISE, May 15.—An investigation on the possibility of lifting rent controls in Boise has been started by the Federal Government in response to a request by Ned Harlan, as secretary of the Boise Chamber of Commerce, for immediate removal of rent controls.

Keith Burns, area rent control officer, said Harlan in a letter dated March 27 had written Senator HENRY C. DWORSHAK, Republican, of Idaho, asking for immediate lifting of the rent regulations.

In response to an inquiry from Burns, Gov. C. A. Robins has replied that "I believe that there should be no precipitate action taken now. I believe that the rent controls should be continued for at least 6 months more in this crowded area."

Burns said H. C. Brandley, of Denver, regional rent official, had been sent to Boise to conduct the investigation at the request of DWORSHAK in response to Harlan's demand.

Harlan was not available for comment. The chamber of commerce office said he was out of the city and would not return until the last of the month.

[From the Twin Falls (Idaho) Times-News of May 20, 1947]

AREA RENT OFFICE HERE TO END OPA'S RULE

Remnants of OPA control were passing from the lives of Twin Falls residents Tuesday as Robert E. McClusky worked to clear records and other property in preparing to lock the doors of the area rent control office in Twin Falls.

Telephone service at the office has been discontinued and the office is to be closed in accordance with orders received from Washington, D. C., which removed rent control as of May 1 and eliminated the local office May 20.

Only hold-over remaining from the old OPA set-up is sugar rationing which is now under the United States Department of Agriculture. Present plans in Washington, D. C., provide for the demise of sugar rationing in October.

Questions pertaining to sugar rationing should be addressed to the United States Department of Agriculture, Sugar Rationing Administration, at room 309, Kittredge Building, Denever, Colo.

COUNCIL GETS $64 QUERY ON RENT CONTROLS DEATH

A. E. Robison posed some $64 questions during Monday night's city commissioner's meeting, but no one could provide the answers.

"Why," asked Robison, "was rent control taken off in the Twin Falls area?"

Mayor H. G. Lauterbach vowed he didn't know, but opined that the answer probably could be found some place in Washington, D. C.

Then Robison mentioned that the reason he was asking was that his rent had been raised from $30 to $100 a month on the seven-room house occupied by his wife and him and their five children. He had lived at 538 Second Avenue East for 9 years, but now had until June 6 to pay the new rent or move.

Pointing out that he had been searching for some place to live, but unsuccessfully, he asked the commissioners what he was going to do after June 6.

"That's a $64 question," replied Mayor Lauterbach.

Robison agreed.

Then Robison asked if it would be permissible to find a building some place and bring it into the city—if he could find a lot on which to put it.

The commissioners indicated that this would probably be all right if the details were approved by the building inspector.

So Robison took the matter up with Building Inspector Stuart Swan. He added that if this plan didn't work, his last alternative would be to get a tent and put it up in the city park.

If he landed in jail for doing this, he commented philosophically, at least he'd have a place to stay.

Mr. TAYLOR. Mr. President, certainly the Congress does not want to turn citizens of the United States out into the cold in such a situation as this, when rents go up an average of 50 to 75 percent in a rural area, so to speak. It is a farming community in which the pressure is not the greatest. If rents are increased to that extent there, the Lord only knows how much rents will go up in heavily populated communities.

Mr. President, the Banking and Currency Committee went on record definitely against an across-the-board increase in rents. An amendment was submitted in committee for that purpose, but it was rejected. However, a very clever amendment has been adopted on the floor providing that a landlord and his tenant may voluntarily enter into a lease agreement raising the rent 15 percent. If that be done, the contract must remain in effect until January 1, 1949; that is, through all of 1948. Any tenant who expects to live in a place after February 29 next year, when the Rent Control Act expires, must agree to a 15-percent increase in his rent immediately. If he does not agree he will probably be evicted next winter, or at least his rent will be increased by the landlord to some unconscionable figure, in order to be sure that he receives the money he would have received if the tenant had voluntarily agreed to a 15-percent increase. What the amendment of the Senator from New Jersey amounts to is an across-the-board 15 percent rent increase.

Another provision of the bill which we are considering provides for the decontrol of all residential hotels and tourist camps. A number in excess of 300,000 married couples are now living in hotels, commercial rooming houses, trailers, and the like. I do not know exactly what percentage of them live in residential hotels and tourist camps, but certainly a number of the clippings which I have submitted for the RECORD deal with instances in which people have been living for years in tourist camps, and when controls were taken off the rents were raised two or three hundred percent. That is what would happen to the people to whom I am referring.

I am afraid the Senators do not realize what a serious thing it is for a man with a family to be turned out of his housing accommodations in days such as these. I know what it means, because when I first came to Washington with my wife and two small boys we lived in a hotel for 5½ months. It was one of the worst ordeals I have ever been through in my life. Mrs. Taylor and I pride ourselves on the fact that we have never had a real argument in all of the years of our married life, but we had a hard time to keep from arguing when we were living in that hotel with our two small boys. Finally we had to buy a house because no one would rent to us. Even if we could find anything, they would not rent to us, because we had children. We had to buy a house. I have often wondered what we would have done if I had not been a United States Senator and therefore could not raise the money to make a down payment on the house which we purchased.

Mr. President, since I have come to the United States Senate the legislation passed has not been of the nature which I had hoped to see enacted when I became a Member of the Senate. About the first thing we did was to enact a carry-back provision in connection with the tax bill. There was a repeal of excess-profits taxes. We were told that this would aid industry to reconvert to peacetime production. About all it has done, I am afraid, has been to give us reports of greater profits, many times greater in many instances, than ever before in the history of the United States.

Then there was the so-called Price Control Act, which, as I have said before, was a "phony" and was really a price-increase act.

Recently, we have passed a tax bill, which the newspapers have played up by stating that it does more for the little fellow than for the big fellow. Anyone who will look into it will see that the poor little fellow hardly gets a smell out of it. When it applies to salaries such as are received by Members of the Senate, there is a saving of $500 or $600 or $700, depending on how many children are involved; but from there on up it mounts up, and the big fellows save plenty and the little fellow saves nothing. I am opposed to that.

We have on the calendar the Bulwinkle bill to exempt railroads from provisions of the antitrust law.

Housing legislation has been just about a wash-out. There has been reported from the Banking and Currency Committee the Taft-Ellender-Wagner bill on which I hope some action will be taken.

Now comes the rent-control amendment. I read in the newspaper today that the majority party has a plan to reduce the debt by increasing excise taxes; in other words, to increase the taxes which the little fellows pay. We shall let them pay the national debt. We have reduced the income taxes on the big boys, we have reduced their excess-profits taxes; we have given them the carry-back provisions. They are pretty well taken care of. Now we will pay the national debt by saddling it on the little everyday taxpayer, the man with a family.

I want to dissociate myself from all these measures. I disapprove of them. I want no part of the credit, if any be due, for enacting them. I want none of the credit for cutting the reclamation appropriations. I want none of the credit for cutting down the Grazing Service. Our ranges in the West are practically worn out and eroded. I want none of the credit for cutting the Department of Agriculture appropriations. I want none of the credit for cutting $5,000,000 from the appropriation for cancer control, as was done by the Senate in considering the Department of Labor-Federal Security appropriation bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. PEPPER. I understand that as a part of the economy drive in the House of Representatives, the school lunch program appropriations were rather completely cut out of the Department of Agriculture appropriation bill. Would the Senator from Idaho wish to be entitled to any of the great credit for saving that money at the expense of the school children of the United States?

Mr. TAYLOR. Mr. President, the Senator from Florida took the words right out of my mouth. I was just coming to that point, when the Senator asked me to yield. But I am glad to let him make known the fact that he, too, is not in favor of depriving the children of their school lunches.

Furthermore, Mr. President, the appriations for enforcement of the antitrust laws have been cut. I want no credit for any of those things.

I remember that when the bill ending the OPA was enacted last year, some Senators almost came to blows in arguing who had done the most to kill the OPA. I must state that for some time I have not heard anyone talking about taking credit for killing the OPA. They keep very quiet about it now.

Mr. President, I have before me an article from the Washington Daily News of April 25. In it Mr. Alf Landon is quoted as saying that—

> High prices of today are more dangerous to free enterprise than the Communist Party in the United States has ever been.

I agree with Mr. Landon as to that.

I now ask unanimous consent that the entire article be printed in the RECORD at this point. It is entitled "The Elephant Has Ears But Hears Not."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ELEPHANT HAS EARS BUT HEARS NOT

(By Peter Edson)

It all depends on who says what—when and where and how. For instance, the other day a fella who used to be considered pretty important got up and said:

"High prices of today are more dangerous to free enterprise than the Communist Party of the United States has ever been."

NO, IT WASN'T

It wasn't Henry Wallace who said this from a soap box in Europe. But suppose it had been. The cries of anguish that would have arisen from Republican leaders, the National Association of Manufacturers, and like-minded parties would have been enough to drown the neighbors' radio. It would have been denounced as New-Dealism or prolabor, left-wing propaganda intended to destroy the free-enterprise system.

So it may come as a shock to know that the quote above came from good old conservative Alf Landon, addressing the GOP National Committee at Kansas City.

Governor Landon led the Republican Party in the worst licking it ever got. He therefore speaks as an authority on what it takes to beat the GOP. At the Kansas City meeting of the party bosses he showed no restraint in giving them several pieces of his mind. Among other notable quotes was:

"Congressional authority over tariff rates and excess profits—which it should not hesitate to use by drastically lowering the first and taxing the second, if necessary—is a powerful weapon to encourage industrial and labor leaders alike to work together toward a sensible price structure."

Note again that this is not Henry Wallace speaking, but Alf Landon, advocating those good Democratic doctrines of "soak the rich" taxes and lower tariffs as cures for communism.

DON'T GET IT

What the Governor had to say to the party bosses, though, apparently went right over their heads. They missed the significance just as GOP majorities in Congress seem to be missing it.

The United States may miss the recession that so many experts are now predicting, but there seems to be a lot of effort around here to head right into it. A little depression is even suggested in some quarters as a good thing. It comes from the same people who in 1941 were suggesting that a little inflation would be a good thing.

All the blame for this can't be put on the Republicans. They get lots of help from the Democrats. The only thing the Republicans can be blamed for is lack of leadership to head in any other direction than toward glorious boom and inglorious bust.

On this current issue of high prices, Congress got in its main licks against stabilization last year, when the Democrats were in control. But this year, congressional aid to wool growers looks toward high prices. Removal of sugar controls looks toward high prices. The new Wolcott housing bill, if passed, would mean higher-cost housing. The Knutson tax bill is believed to be definitely inflationary in its implications.

All these things have been said before. They can't be said too often. Because, in the words of Alf Landon, they are "more dangerous to free enterprise than the Communist Party" has ever been.

"MANDATE" THEY SAY

Drastic labor curbs, the proposed freeing from Government controls in the public interest for the private power, natural gas, railroad and radio industries and other special interests whose lobbies are hard at work in Washington, the abandonment of the re-

ciprocal trade agreements which seems to be a definite plank in next year's GOP program—all such things can only make a lot of people think that some form of socialism might not be so bad after all.

The trouble is that the people who claim to hate communism the most can't see it—can't see what another uncontrolled spree would lead to. The last time it led to the New Deal.

It is difficult to grasp the congressional frame of mind on all this. There is no denying that most Congressmen have their ears close to the ground. They know what the people back home want. But it is open to question whether the people back home know what this Congress is going to do to them if it continues on its merry way.

GOP congressional leaders feel that the last election gave them a mandate to take off Government controls, restore free enterprise, curb labor, cut Government expense to the bone. When Franklin Roosevelt and the New Dealers claimed they had a mandate from the people to curb industry and install tight Government regulation over business, Republicans said that was a lot of nonsense.

It all depends on who says what—when and where and how. Which was where we came in.

Mr. TAYLOR. Mr. President, I also offer for the RECORD, and ask to have printed at this point, an article which I believe was published in the Washington Post. The article is entitled "Prices of Food in Canada Found Far Below United States Level."

In the article it is stated that in Canada, where there are legitimate price controls and where the legislators conscientiously did what they knew was best for their country, prices are far below United States prices, and there is not the imminent danger of economic collapse, inflation, boom and bust that threatens the United States today. Attached to the article is a comparative table showing food prices in the United States and in Canada.

There being no objection, the article and attached table were ordered to be printed in the RECORD, as follows:

CONTROLS STILL ON—PRICES OF FOOD IN CANADA FOUND FAR BELOW UNITED STATES LEVEL

(By John W. Ball)

Food prices in Canada, under controls, are far below those in the United States, a survey by the Canadian Wartime Prices and Trade Board revealed yesterday.

Since August 1939, the cost of living in Canada has increased about 30 percent, the report shows. Since VJ-day the increase has been held to 6 percent.

This compares with an increase of 54.8 percent from 1939 to date in the United States.

After World War I, the report says, living costs in Canada rose 22 percent in the first 23 months after the armistice; and 87½ percent from July 1914, when the war began, until October 1920.

The comparisons were made in adjacent cities on both sides of the line: Vancover and Seattle; Winnipeg and Minneapolis; Toronto, Detroit and Cleveland; Ottawa and Syracuse and Montreal and Boston. Only items comparable in identity, quality, and style were priced, the report says. The surveys were conducted on both sides of the line by the same pricing experts.

A summary states:

"Food costs, on the average, are substantially lower in Canada. Clothing prices in Canada are the same or lower, excepting for women's stockings. Home-furnishings prices are very similar or lower in Canada.

"On both sides of the border, supplies at the stated prices are not always adequate. This was perhaps more true of Canada, especially for some clothing lines."

TABLE OF COMPARISON

Comparison of actual retail prices in the United States and Canada (for the period April 14–24, 1947; dollars per units):

	Canadian cities	United States cities
	Dollars	*Dollars*
Milk, imp. quart	0.13 -0.16	0.20 -0.225
Butter, pound	.41 - .46*	.63 - .75
Cheese, cheddar, pound	.33 - .45*	.49 - .70
Eggs, dozen	.39 - .49	.53 - .69
Bread, 24 ounces	.075- .10*	.15 - .18
Flour, 24 pounds	.73 - .89*	
Flour, 25 pounds		2.05 -2.19
Rolled oats, 48 ounces	.17 - .25	.27 - .33
Sugar, pound	.08 - .10	.09 - .11
Tea, one-half pound	.43 - .49	.45 - .49
Coffee, pound	.45 - .51*	.49 - .55
Cocoa, one-half pound	.15 - .19	.145- .16
Prunes, pound	.15 - .21*	.23 - .31
Raisins, pound	.15 - .25*	.265- .39
Corn, sirup, 2 pounds	.26 - .31	
Corn sirup, 1½ pounds		.15 - .25
Strawberry jam, pound	.26 - .29	.45 - .72
Potatoes, 10 pounds	.24 - .38	.33 - .59
Canned peaches:		
20 ounces	.21 - .29	
28 ounces		.26 - .43
Canned peas, 20 ounces	.12 - .19	.17 - .25
Canned tomatoes:		
20 ounces		.17 - .24
28 ounces	.15 - .19	.24 - .35
Beef:		
Sirloin steak, pound	.44 - .58	.59 - .75
Round steak, pound	.41 - .49	.59 - .79
Blade roast, pound	.27 - .39	.39 - .55
Veal, leg, boned and rolled, pound	.34 - .39	.52 - .59
Lamb, leg, pound	.39 - .44	.49 - .69
Pork:		
Loin, pound	.39 - .45	.49 - .69
Shoulder, pound	.27 - .38	.43 - .59
Bacon, sliced, pound	.55 - .63	.55 - .75
Lard, pound	.24 - .28	.29 - .45
Vegetable shortening, pound	.26 - .35*	.41 - .53
Soap:		
Toilet, each	.06 - .07	.10 - .125
Laundry, each	.05 - .07	.08 - .20
Flakes, med	.24 - .28	.34 - .39
Clothing items, men's:		
Pajamas, cotton, broadcloth, each	2.50 -6.50	3.95 -7.95
Underwear, combinations, cotton knit, each	1.50 -3.25	1.49 -4.50
Socks, wool and cotton mix, pair	.69 -1.00	.49 -1.10
Shirts:		
(a) Business, cotton broadcloth, preshrunk, each	2.55 -4.00	2.95 -5.95
(b) Work, cotton covert preshrunk, each	1.35 -3.85	1.35 -2.69
Clothing items, women's:		
Hosiery:		
(a) Nylon, 45 gage, pair	1.59 -1.75	1.00 -1.75
(b) Rayon, 45 gage, pair	1.00 -1.25	.79 -1.15
Slips, rayon crepe, tailored, each	2.39 -2.98	1.98 -4.00
Pajamas, spun rayon, each	3.25 -5.98	3.95 -6.98
Panties, knit rayon, elastic waist, band leg type, each	.75 -1.38	.69 -2.00
House dresses, cotton, each	1.59 -2.59	2.79 -4.00
Clothing items, children's:		
Underwear, cotton knit, boy's, 6 years, vests, each	.47 - .79	.39 - .79
Shorts, each	.37 - .79	.33 - .85
Boy's longs, tweed, all wool, 12 years, each	3.98 -5.75	5.40 -8.95
Socks, ankle length ribbed cotton, sizes 6 to 9 years, pair	.19 - .55	.39 - .58
Shoes, oxford, Goodyear welt, calf or elk, sizes 1 to 3, pair	3.95 -6.95	3.69 -7.95

*Subsidized.

NOTE.—Prices in Canada of garments containing cotton are affected in varying degrees by the cotton subsidy.

Mr. TAYLOR. Mr. President, I am not in favor of these measures. I am not in favor of enacting laws that profess to do something but do not do it.

Therefore, I have offered a substitute for the pending bill. The substitute simply extends rent control, as is, until June 30 of next year. The Congress will be in session at that time, and will have been in session long enough to have had a chance to study the situation. If at that time the Congress wishes to permit rent control to die, that can be done.

In respect to the pending bill, let me say that I know that what the sponsors of the so-called advisory committees provision had in mind was to allow greater autonomy by local groups. But, Mr. President, the present law will expire this month. In order to set up the new machinery provided by the bill, the governor of each State will have to appoint the various boards. There are 600 areas throughout the United States; and in many communities in different areas, boards will have to be appointed. That provision has been made on the theory that the citizens will volunteer to serve on those boards. Let me point out that summer is coming on, and everyone will wish to take a vacation. The war is no longer in progress. It will not be easy to find citizens to serve on those boards. Moreover, let me point out that the boards are to be appointed by the governors of the States, and the boards will really run the business, although the Expediter will have to take all the blame. So the local boards will be able to play politics in any way they please, and no stigma at all will attach to them for anything that happens; they will be able to pass the buck back to the poor old Housing Expediter.

Mr. President, I am afraid that plan will not work. If we really want rent control continued, we must reenact the rent control measure as is, and I am convinced that the sensible date is June 30 of next year.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Idaho [Mr. TAYLOR].

Mr. TOBEY. Mr. President, this bill is in the very competent hands of the distinguished Senator from Delaware [Mr. BUCK], as chairman of a subcommittee which I appointed from the Banking and Currency Committee. This committee of ours has handled the matter at great length. Some of us have maintained all the way through that what we wanted was real rent control. Nevertheless, attempts have been made by some persons to torpedo and kill the present rent-control law.

Mr. President, despite all that has been said, my position has been, from the very beginning, that the Senate should vote to have the present rent control continued until 1948 and further extended until such time as the Congress in its wisdom may decide to terminate rent control.

But, Mr. President, I do not like the red herrings that have been drawn across the trail. I do not like to see the people of the country confused and led to believe that they will get something which they really will not get.

I look upon the amendment which has been offered by my friend the Senator

from New Jersey [Mr. HAWKES] as an amendment nullifying rent control. Accordingly I shall vote against the bill, inasmuch as that provision has been placed in it. I shall vote against it as a protest against such legislation. I wish my position to be clearly understood. In my opinion, the Hawkes amendment nullifies rent control beyond peradventure; and now that the Hawkes amendment has been adopted, the real-estate lobbyists and real-estate organizations throughout the country are singing te deums and hallelujahs in their hearts over the accomplishment by indirection of what they were unable to accomplish by direct means.

In addition, Mr. President, I wish to call attention to a matter which I could not present before, due to my absence from the Senate last week because of an illness in my family. Twice during the debate last week attention was drawn to the fact that a very distinguished American soldier and patriot, General Fleming, has stated without equivocation, when he was before the Banking and Currency Committee, that he felt that the proper way to handle the inequities existing under present rent controls was to grant an arbitrary 10-percent increase straight across the board.

I was present in the committee when General Fleming was before the committee. At one point in the hearings he had to go to Iowa, for the funeral services of his beloved aged mother. On a Thursday, a gentleman who was his understudy, came to me and said, "At 5 o'clock there will be issued from the White House a pronunciamento increasing rents 10 percent. It is all fixed up." But, Mr. President at 5 o'clock that day, that declaration was not made. Something happened; a monkey wrench was thrown into the machinery.

Next morning, General Fleming returned to the city, and I asked him to appear before the committee. He came to the committee with his underlings and his counsel, and sat across the table from me in the committee. At that time he was sworn as a witness, and then he proceeded to read one of those determinative statements which sometimes are prepared by someone in a Government bureaucracy. In reading page 1, he read a very dogmatic conclusion to the effect that—

> We have considered the matter, and in justice rents should be increased across the board 10 percent.

Then he continued reading.

Well, Mr. President, when I was a boy in school I formed the very pernicious habit in English class of skipping over to the end of the novel and finding out how the hero and the heroine came out. So when General Fleming had finished page 1 and had progressed to page 6 I was reading on page 12, the concluding page. To my utter amazement and astonishment, I found on this last page, a statement in utter contradiction to what General Fleming had read on page 1, the two statements being as far apart as alpha and omega, or Dan and Beersheba. That statement on the concluding page was in effect that—

> We have come to the conclusion that under no circumstances should a 10-percent increase be made at this time.

So, when he paused for a moment, I said to him, "General Fleming, please read paragraph 3, on page 1, again"; which he did. When he had read that, I said, "Now read the statement appearing on the last page of your prepared statement." When it was read, his face fell. I felt sorry for my good friend, General Fleming, a citizen of New Hampshire, who is an honest gentleman and a great administrator. I said, "When was this statement prepared?" He said, "This morning."

> The fault, dear Brutus, is not in our stars,
> But in ourselves, that we are underlings.

The underlings of that Department had just written pages 1, 2, 3, 4, 5, and 6 the day before, when they thought it was going out with a 10-percent-rent-increase figure in it, but in the cold gray dawn of the morning after, realizing it had been repudiated by the White House, they wrote a new paragraph.

I asked General Fleming which statement he wished to stand on, paragraph 3 on page 1, or the next to the last paragraph on the concluding page. That was the end of the reading.

Mr. President, when that first statement, on page 1 of the General's statement, is cited as evidence, as exhibit A, to carry through a piece of legislation which really amounts to a 15-percent across-the-board increase, I call a halt and say it is not fair. I do not know how many more times they are going to change their opinion, but as far as I am concerned, they made one statement one place and another at another, and Senators can take their choice.

Now, about rent control, I spoke in New York a few nights ago, and said advisedly, and I say again here, there are 130,000,000 people in this country, most of them little people, people of ordinary means, and I believe putting into effect even the Hawkes amendment, which really means a 15-percent across-the-board increase, is an injustice to these people. If any do not agree with me that it means an immediate increase in rentals, let them note the look of glee that has been on the faces of many in the last few days.

I believe rent control should be continued at least until 1948. Take it off now, and it may well be the last straw that will break the camel's back, especially in view of the tragically high costs of living which burden homes today. I want to see rent control carried through in accordance with the principles and philosophies of the rent-control law of today, up to December 31, 1947, or March 31 of next year. That is my considered position.

Mr. President, I shall conclude with one more statement. In the Washington Post of last Saturday there appeared an article which has been handed to me by a gentleman on the floor of the Senate. My distinguished friend the Senator from New Jersey [Mr. HAWKES], according to the article, "predicted that most tenants will agree to 'voluntary' 15-percent increases if his rent-boost formula becomes law." The last paragraph of the article reads:

> HAWKES said the average tenant would rather strike such a "good faith" bargain now than take a chance on a "landlords' choice" rent boost of 20 to 100 percent when rent control ends, probably next spring.

Coming events cast their shadows before them. They are written in the sky for all to read. What is going to happen when we take these controls off, I believe, is an increase in rentals that will stagger people, especially those with small incomes. I want to see the little man protected, because I think he deserves it and has a right to expect it from us.

With malice toward none, and not questioning the motives of any of my colleagues, I believe the Hawkes amendment was adopted through error of judgment. I could not have voted for it had I been present. To me it is what the Senator from Kentucky describes as a sword of Damocles. It will mean that the landlord will say, "Come across and agree—or else." It will mean that the tenant will get it "in the neck" by an increase he will not like, unless he "comes across" and agrees to an increase in his rent.

Mr. President, I hope my colleagues will pardon my resorting to the vernacular, but I feel very strongly about this matter. I yield to no man in my desire to have all controls taken off just as soon as that is justified, but this is not the time to take off rent controls, in my sincere judgment. The bulk of the people feel so, and I have talked with many of them.

So, Mr. President, as I have said, I shall record my vote when the time comes against the bill, because I do not believe it is in the interest of the people of moderate incomes throughout this country, and I shall so record myself in protest.

Mr. HAWKES subsequently said: Mr. President, I wish to make a brief statement in connection with a statement made by my able and distinguished friend the Senator from New Hampshire [Mr. TOBEY] this afternoon while I was in attendance upon a committee meeting.

I understand that he made the statement that I had stated that Mr. Fleming, who appeared before the Committee on Banking and Currency, had said that the only way he could see to solve this problem was by a 10-percent straight increase across the board. The distinguished Senator from New Hampshire stated that Mr. Fleming had made two statements in a prepared statement. One of them was to the effect that there should be a 10-percent increase straight across the board, and the other statement was that he was opposed to it.

I understand perfectly that that statement was made in the original appearance of General Fleming before the Banking and Currency Committee. Two or three weeks after that, as the distinguished Senator from New Hampshire

[Mr. TOBEY] will find in the record of the committee hearings, General Fleming made the statement which I attributed to him the other day, that, considering all the things in front of the Administrator at the present time, he could see no way of doing justice except by a straight 10-percent increase across the board. I think the Senator from New Hampshire was perhaps not present at that meeting, but I am sure the Senator from Delaware [Mr. BUCK] was present and that there were half a dozen other Senators there, and the record will clearly show that the statement which I made the other day is an accurate one.

Mr. TOBEY. Mr. President, reverting to the remarks made by my distinguished colleague, the Senator from New Jersey [Mr. HAWKES], with respect to the statement I made regarding General Fleming, the statement I made was the truth, substantiated in documentary form. I am advised by the distinguished Senator that what he was referring to was some subsequent appearance which General Fleming made before the committee, at which time he said he favored a 10-percent increase across the board. What will his next statement be? It is a case of "off again, on again, gone again, Finnigan." Who knows what will come next? I do not. I suppose the next statement will be the reverse, to be consistent with previous utterances. I think on all the evidence we should disregard the statements made by General Fleming and his group in the matter of rent increases. They are rendered null and void by the inconsistencies and vagaries of the opinions he expressed.

Mr. BUCK. Mr. President, as I understand, the Senator from Idaho [Mr. TAYLOR] has moved to substitute his amendment for the bill reported by the committee. I most strenuously object to his amendment. The subcommittee of the Senate Committee on Banking and Currency spent nearly three months trying to write the bill we are now considering, and reported it with the help of the full committee. The Senator from Idaho [Mr. TAYLOR] was a member of the subcommittee. Many of the matters he has criticized today he did not mention at the time the bill was under consideration, as I recall—and I think I attended all the meetings.

The bill is the best product the committee could bring forth and present to the Senate. In the opinion of the committee, it certainly is more desirable than continuing rent control under the present act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute proposed by the Senator from Idaho [Mr. TAYLOR].

Mr. BUCK. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Buck	Chavez
Ball	Bushfield	Connally
Brewster	Byrd	Cooper
Bricker	Cain	Cordon
Brooks	Capper	Downey
Dworshak	Lodge	Saltonstall
Eastland	McCarran	Smith
Ecton	McClellan	Sparkman
Ellender	McFarland	Stewart
Flanders	McGrath	Taft
George	McKellar	Taylor
Green	McMahon	Thomas, Okla.
Hatch	Magnuson	Thomas, Utah
Hawkes	Malone	Thye
Hayden	Maybank	Tobey
Hickenlooper	Millikin	Tydings
Hill	Moore	Umstead
Holland	Murray	Vandenberg
Ives	Myers	Watkins
Jenner	O'Conor	Wherry
Johnson, Colo.	O'Daniel	White
Johnston, S. C.	Pepper	Wiley
Kem	Revercomb	Wilson
Kilgore	Robertson, Va.	Young
Knowland	Robertson, Wyo.	

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment in the nature of a substitute submitted by the Senator from Idaho [Mr. TAYLOR].

Mr. PEPPER. Mr. President, this is a proposal submitted by the Senator from Idaho to continue rent control as it is now, until June 30 of next year. I think it is a matter of sufficient importance to justify a yea-and-nay vote, and I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Wyoming [Mr. O'MAHONEY].

The Senator from Connecticut [Mr. BALDWIN], the Senator from Missouri [Mr. DONNELL], and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate. If present and voting, the Senator from Pennsylvania would vote "nay."

The Senator from Indiana [Mr. CAPEHART], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oregon [Mr. MORSE], and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The Senator from Kansas [Mr. REED], who is absent by leave of the Senate, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Michigan [Mr. FERGUSON] are absent on official business.

The Senator from South Dakota [Mr. GURNEY] and the Senator from Delaware [Mr. WILLIAMS] are unavoidably detained.

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. HOEY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Nebraska [Mr. BUTLER] are paired on this vote.

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from New York would vote "yea."

The result was announced—yeas 16, nays 58, as follows:

YEAS—16

Aiken	McCarran	Sparkman
Chavez	McGrath	Taylor
Downey	Magnuson	Thomas, Utah
Green	Murray	Tobey
Hill	Myers	
Kilgore	Pepper	

NAYS—58

Ball	Hayden	Revercomb
Brewster	Hickenlooper	Robertson, Va.
Bricker	Holland	Robertson, Wyo.
Brooks	Ives	Saltonstall
Buck	Jenner	Smith
Bushfield	Johnson, Colo.	Stewart
Byrd	Johnston, S. C.	Taft
Cain	Kem	Thomas, Okla.
Capper	Knowland	Thye
Connally	Lodge	Tydings
Cooper	McClellan	Umstead
Cordon	McFarland	Vandenberg
Dworshak	McKellar	Watkins
Eastland	McMahon	Wherry
Ecton	Malone	White
Ellender	Maybank	Wiley
Flanders	Millikin	Wilson
George	Moore	Young
Hatch	O'Conor	
Hawkes	O'Daniel	

NOT VOTING—21

Baldwin	Fulbright	Morse
Barkley	Gurney	O'Mahoney
Bridges	Hoey	Overton
Butler	Langer	Reed
Capehart	Lucas	Russell
Donnell	McCarthy	Wagner
Ferguson	Martin	Williams

So Mr. TAYLOR's amendment was rejected.

Mr. FLANDERS. Mr. President, I wish to make an inquiry, which I suppose is in the nature of a parliamentary inquiry. We are in the position on this bill of having to act on provisions which have not followed the regular course of procedure of being referred to the committee, and having hearings held and a report submitted by the committee. So with respect to title I, which relates to matters which the Senate has not considered, we are left apparently to the alternative course in making any changes we may wish to make, of writing legislation on the floor, which seems to me to be an impracticable process.

Section 1 of the House bill contained a provision which reads as follows:

> Section 1 through 9, and sections 11 and 12, of Public Law 388, Seventy-ninth Congress, are hereby repealed,

A short time ago I read the large number of provisions which are repealed thereby.

What I wish to ask is this: Is there any way, formal or informal, by which the Senate may be polled on those 8 or 10 or a dozen items which are so incontinently and abruptly repealed, so far as we are concerned, so that our formal or informal votes on them may be a guide to the Senate conferees in the conference? We manifestly cannot rewrite the bill on the floor.

The PRESIDENT pro tempore. What is the Senator's request?

Mr. FLANDERS. I am asking the President of the Senate whether there is any formal or informal way by which we can instruct the Senate conferees on the

10 or a dozen provisions of law which are repealed? It seems to be obvious that we cannot rewrite the bill with reference to them.

The PRESIDENT pro tempore. The Chair knows of no way that the Senate can express itself except by voting on direct amendments. Any of the text of title I which is not amended will not be in conference, because it will be the same text in both the House and Senate bills.

Mr. FLANDERS. I accept the judgment of the Chair on that point. I think, however, there ought to be some way by which we could avoid being forced into the predicament in which we find ourselves, and I suggest that the elder statesmen consider whether ways cannot be devised by which the Senate will not be driven into a corner by the other House.

Mr. KILGORE. Mr. President, I move that the Senate reconsider the vote by which title II of the House bill was amended by the substitution of the text of Senate bill 1017, as amended.

I may say, Mr. President, for the benefit of Senators present that the purpose of the motion is to get into position to ask to strike from the substituted text one certain amendment.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia [Mr. KILGORE] to reconsider the substitution of the Senate bill as amended, for title II of the House bill.

Mr. TAFT. Mr. President, the Senate has already perfected its own bill. Action on the bill was completed. It was then substituted for title II of the House bill. It seems to me that that is beyond the scope of the present discussion. I am not making any point of order. The Senate bill was an amendment to the House bill, which amendment has already been adopted. It seems to me that if we are ever to get through with this legislation we cannot go back and reconsider amendments for the purpose of offering other amendments, and perhaps substituting something else. Action on the Senate bill was completed, and it seems to me that it ought to be left as it was completed, without further consideration.

Mr. KILGORE. Action on the Senate bill was completed, and it was substituted for title II of the House bill. I may say that action was completed while a great number of Senators were absent from the Chamber, during a period of time when many of us normally make engagements to go to our home States to deliver addresses in memory of the deceased of our many wars. That was when the bill was amended. It seems to me that it is only fair to some of us to give us an opportunity to vote on some of these questions, and that any move to block such opportunity is merely a motion in the direction of a gag rule.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BUCK. The bill was taken up Thursday at the special request of the minority leader.

Mr. KILGORE. Let me say to the Senator from Delaware that it was necessary for some of us to leave before Thursday. We do not live so close to the city of Washington as does the Senator from Delaware.

Mr. BUCK. But the Senator implied that the majority had tried to put the bill across.

Mr. KILGORE. I am not making any such implication. I am saying that the action was taken by a group of Senators in the absence of a great many other Senators. I should like to have an opportunity for the majority of the Senate to pass upon it.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. HAWKES. The vote on the particular amendment to which the Senator refers was 48 to 26. Forty-eight is an even half of the total number of Senators. The total vote—74—is a very substantial vote in the United States Senate, when compared with the votes on other legislation.

Mr. KILGORE. Let me say that the amendment at which I am particularly striking is the amendment offered by the Senator from New Jersey, which provides that a man who is in a position to contract for a year may take a 15-percent increase and have his lease renewed. That is one thing which I think is most unfair in a rent-control bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia [Mr. KILGORE].

Mr. TAFT. Mr. President, there is no possible way by which the Senate can complete its work and make allowance for Senators being absent on certain days. We cannot possibly complete our work unless we meet on every day which is available to the Senate—Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays. This action was taken on Thursday last. Unfortunately, the Senator from West Virginia was absent. But from now on until the end of the session we cannot delay action because some Senator happens to be absent. That applies just as much to Republican Senators as to Democratic Senators. I urge very strongly on the Senate that we may have an important vote on any day of the week from now until the 4th of July, and I hope every Member of the Senate can be present. I do not believe that the fact that any Senator is unable to be present should be accepted as a proper and sound reason for reopening questions which have been debated and disposed of. I do not believe that we should order another vote in order that a particular Senator may be accommodated.

Mr. BUCK. Mr. President, I am reminded of the fact that the vote to which the Senator from West Virginia objects was taken earlier in the afternoon on the question of substituting the Senate bill, as perfected, for title II of the House bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia [Mr. KILGORE] to reconsider the vote by which the Senate bill was substituted for title II of the House bill.

Mr. KILGORE. The Senate bill, as amended, was substituted for title II of the House bill.

The PRESIDENT pro tempore. That is correct.

The question is on agreeing to the motion of the Senator from West Virginia.

The motion was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. CONNALLY. Mr. President, I have been consulting the Senate bill, and I cannot locate the place in the House bill where my amendment should go. However, the Senator from Delaware [Mr. BUCK], with whom I have conferred about the matter, will know. There is a provision in the bill that housing commenced before March 1, 1947, shall be exempt from control. I wish to strike out the word "commenced" and insert in lieu thereof the words "was completed."

Mr. BUCK. Mr. President, as I understand, the Senator's amendment would permit the exemption of a few more houses.

Mr. CONNALLY. They are already in the course of construction.

Mr. BUCK. I have no objection.

Mr. CONNALLY. The Senator accepts the amendment, so I shall not argue it.

The PRESIDENT pro tempore. The Chair understands that the amendment is on page 8, line 24, in the Senate bill. Without objection, the amendment may be offered. The Chair hears no objection.

The amendment offered by the Senator from Texas will be stated.

The LEGISLATIVE CLERK. On page 8, line 24, of the Senate bill, after the words "construction of which" it is proposed to strike out "commenced" and insert in lieu thereof "was completed."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. CONNALLY].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1017 will be indefinitely postponed.

Mr. BUCK. Mr. President, I ask unanimous consent that the enrolling clerk be authorized to make appropriate changes in the section numbers of the matter which has been adopted as title II of House bill 3203, and that he be further authorized to change the word "Act" to the word "Title" wherever it may be appropriate to make such change.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. BUCK. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr.

BUCK, Mr. MCCARTHY, Mr. CAIN, Mr. FULBRIGHT, and Mr. TAYLOR conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 565. An act to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins;

S. 566. An act to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins;

S. 583. An act to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating holdings therein, and for other purposes;

S. 993. An act to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes; and

S. 1073. An act to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce individual income tax payments.

TREASURY AND POST OFFICE DEPARTMENT APPROPRIATIONS

Mr. CORDON. Mr. President, I move that the Senate proceed to the consideration of House bill 2436, a bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 2436), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. CORDON. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment, the amendments of the committee to be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CORDON. Mr. President, I should like to make a short statement with reference to the bill as it comes from the Senate Appropriations Committee.

May I say, first, that the Senate Appropriations Committee, in returning its report, has dealt only with the changes in the bill recommended by the Senate Appropriations Committee. Those changes were not numerous, and, except in three major instances, were of minor amount. A summary of the bill as reported is as follows:

The amount in the bill as it passed the House was $3,202,056,750.

The net increase by the Senate was $40,994,423.

The amount as reported to the Senate is $3,243,045,173.

The amount of the regular estimates for 1948 is $4,099,123,500.

The amount appropriated for 1947 is $4,267,826,360.

The bill as reported to the Senate is under the appropriation of 1947 by $1,024,781,187, and under the estimates for 1948 by $856,078,327.

Mr. President, at this time I want to call attention to the fact that the decrease as recommended to the Senate by the Senate Appropriations Committee, being $856,078,327, does not in its entirety represent a reduction in controllable appropriative items of that amount. Approximately $800,000,000 of that decrease is represented by the Senate Appropriations Committee in following the action taken by the House on recommendation of its Appropriations Committee, namely, that the Congress adopt the procedure of making fixed appropriations for those items which are not controllable by the Appropriations Committee, due to the fact that they are fixed in amount by substantive law. The major items affected represent refunds of taxes erroneously collected, refunds of payments collected in customs, certain drawbacks, and so forth. In other words, as the Government goes about its business it is compelled in some instances to collect funds from citizens on the basis of an estimate. Thereafter, on an accurate determination, moneys may be returned which were erroneously collected. Those amounts are not controllable by the Appropriations Committees or by the Congress at this time, but are based upon yardsticks and conditions which are embodied in legislation already on the statute books.

Heretofore for a number of years Congress has made indefinite appropriations for those several purposes. The House felt this year that it was better practice to substitute fixed appropriative amounts and correct them in the coming year if they are found to be wrong.

An argument could be made for either procedure. The Senate Appropriations Committee elected to adopt the program which the House has initiated, having in mind the thought that we might try it out. In any event, the amount of money which will be refunded by the Federal Government pursuant to the laws to that effect will not be affected by this appropriation. Such repayment is dependent upon facts not within the control of the Congress at this time.

I make that explanation because I want it perfectly clear, so that there shall be no misunderstanding as to the reduction in the amount of the appropriation estimate requested by the administrative departments for the current year.

Mr. President, I shall not read the balance of the recapitulation, but shall rather go immediately to the major items in which changes were made in the appropriation amounts.

First, Mr. President, the House combined four functions of the Treasury Department and made one over-all appropriation for the four functions. Those are the Office of General Counsel, the Tax Legislative Counsel, Division of Tax Research, and Division of Research and Statistics.

The committee went very carefully into the jurisdiction of the several divisions of the Treasury Department, into the type of inquiry and effort put forth by each of the divisions, and came to the conclusion that a better division would be made if the Office of the General Counsel and the Office of Tax Legislative Counsel were combined and a second agency made up of the Division of Tax Research and the Division of Research and Statistics. So the Senate committee makes the recommendation that that type of division be adopted rather than that which is set forth in the House bill, and the appropriation was appropriately changed, the Senate recommending $100,000 more than did the House for the combined activities as divided by the Senate.

The House appropriation for the Bureau of Customs was most carefully investigated by the Senate committee, due primarily to the fact that very considerable public notice was taken of the House action, and what was undeniably a pressure campaign was indulged in to influence action by the Senate.

After careful investigation, which included two requests by the committee that the Secretary of the Treasury investigate and reinvestigate the Bureau with respect to certain matters, the committee reached the conclusion that the appropriation made by the House of Representatives for the Bureau of Customs should be increased by $1,500,000. That action was taken, as I have heretofore stated, only after two examinations into conditions in the field. Those examinations were made at the request of the committee, and two comprehensive reports were prepared for the committee. Your committee is of the belief that that increase will permit the Bureau of Customs to function, even with an added load, in a way entirely adequate for the benefit of the people as a whole.

Your committee also recommends an increase of $25,000,000 in the appropriation for the Bureau of Internal Revenue, over and above the amount allowed by the House of Representatives. Here, again, the committee made an exhaustive survey of the facts, and requested and secured itemized statistical data showing the returns to the Treasury resulting from the activities of the enforcement agencies of the Internal Revenue service. The committee had that information broken down into units, so that it could obtain a most careful analysis of the facts. The conclusion of the committee was that the retention of approximately 17,000 enforcement agents would be for the best interest of the people of the United States and would represent a return of almost $20 to the Treasury for each dollar expended in that particular effort. That item accounts for the major increase which was made by the committee in the Treasury division of the appropriation bill.

As to the Coast Guard, Mr. President, again the committee was confronted with a most troublesome situation. The House of Representatives had taken the

view that the Coast Guard was expanding its activities unduly, and that it should not be made, as the statement appeared in the report, a "blue water" agency, but should confine its activities solely to domestic waters. During the war the Coast Guard took on additional duties, after it was integrated with the Navy. Among those duties was the operation of navigational aids in various parts of the world, including what are known as loran stations and weather stations. The appropriation made by the House of Representatives for the Coast Guard was clearly insufficient to permit those activities to be carried on by that agency. Investigation indicated that no other agency of the Government had included in its requested appropriations any estimate to cover those activities. The necessity for the maintenance of the loran stations and weather stations was made clearly apparent. With reference to the loran stations, Mr. President, let me say that we have international commitments requiring our participation. There was abundant evidence to indicate the value of both the loran and the weather stations to both water and air navigation. Therefore, your committee felt that, in view of all the additional evidence which it had secured, an additional appropriation should be made, so that those aids to navigation might be continued for the next fiscal year. The item for that purpose represents an increase of $12,483,123 over the appropriations made by the House of Representatives for the Coast Guard. Those items represent the major increases in the Treasury section of the bill.

In the Post Office division of the bill certain increases are recommended by your committee. Most of them are in minor amounts.

For the Office of the Postmaster General your committee recommends an increase of $15,000.

The increases recommended by your committee in salaries in bureaus and offices are as follows:

For the Office of the First Assistant Postmaster General, $30,000;

For the Office of the Second Assistant Postmaster General, $20,000;

For the Office of the Third Assistant Postmaster General, $15,000;

For the Office of the Fourth Assistant Postmaster General, $25,000;

For the office of the purchasing agent, $5,800.

Or a total increase in salaries in bureaus and offices of $95,800.

Your committee recommends an increase of $200,000 in the item for binding and printing.

Mr. President, in regard to the Post Office Department field service, the committee found it necessary to make an increase of $817,600, due to what was clearly a mistake on the part of the House of Representatives in failing to provide salaries for certain Post Office clerks as to whom a recommendation had been made that they be promoted to the position of assistant postmaster. The House cut out the funds to take care of such promotions, but failed to provide sufficient appropriations to take care of the salaries of those clerks in their present positions. Accordingly, the Senate committee recommends that such an appropriation be made.

The committee also recommends an increase in the amount of $200,000 in the appropriation for carfare and bicycle allowance; an increase of $457,000 in the appropriation for rent, light, power, fuel, and water; and an increase of $20,000 in the appropriation for transportation of equipment and supplies—or a total increase in the amount of $1,805,400 for the Post Office Department.

Mr. President, with that brief explanation, I ask that the Senate proceed to consider the amendments of the committee.

The PRESIDENT pro tempore. The first amendment of the committee will be stated.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department," in the subhead on page 2, line 14, after the word "Counsel" to insert "And Tax Legislative Counsel."

Mr. HAYDEN. Mr. President, I intend to discuss some of the amendments briefly, but prior thereto I ask unanimous consent that the minority views be printed at this point in the RECORD as a part of my remarks.

There being no objection, the minority views (Rept. 201, pt. 2) were ordered to be printed in the RECORD, as follows:

The undersigned heartily concur in the several recommendations to increase appropriations contained in the committee report because such increases, as a whole, will have the effect of recovering 20 times as much money in additional revenues, which would otherwise be lost to the Treasury. The Treasury and Post Office Departments are the two great revenue-producing agencies of the Government and, if properly sustained, can produce greater revenues and at the same time give greater service to the public. We believe that, for these same two reasons, it would be wise and in the interest of overall economy to grant additional sums to each of these Departments for other phases of their work.

BUREAU OF INTERNAL REVENUE

With particular regard to the Bureau of Internal Revenue we are convinced that an appropriation above the budget estimate will pay handsome dividends. This conviction is based upon actual experience. During the fiscal year ending June 30, 1946, Congress made deficiency appropriations amounting to $32,650,000 which enabled the Bureau to employ about 5,000 additional deputy collectors and revenue agents. During the present fiscal year about 2,500 more have been put to work and, in a letter to Senator CORDON, printed in the hearings, the Secretary of the Treasury estimates that if the approximately 27,000 men now assigned to that duty are retained they will bring into the Treasury $2,500,000,000 in taxes which otherwise would not be collected.

In his testimony before the Senate committee on page 22, Mr. A. L. M. Wiggins, the Under Secretary of the Treasury and a former president of the American Bankers Association, demonstrated how increasing this personnel has increased the Federal revenues:

"I do not make this statement lightly. Let me give you some figures. During the fiscal year 1944, with an average of 16,163 enforcement officers, the Bureau collected $814,312,825 which would not otherwise have been paid. During the fiscal year 1945 an average of 19,344 enforcement officers collected $1,088,916,075. During the fiscal year 1946 an average of 24,411 enforcement officers, about 5,000 of whom were newly recruited and had not developed to the point of maximum efficiency, collected $1,478,949,000.

"During the first 7 months of this fiscal year, to January 31, 1947, an average of 26,968 enforcement officers, many of whom were still in the training period, collected $1,128,000,000 which likewise would not have been paid. This is at an annual rate of roughly $2,000,000,000.

"ESTIMATED 1948 INCOME FROM ENFORCEMENT OFFICERS

"In 1948, we estimated an income of $2,500,000,000 from our enforcement efforts. The estimate is a conservative one and it was based on the assumption that the number of enforcement officers employed during 1948 would be the same as we have at present and on the further assumption that by virtue of one additional year of training these men would be even more productive.

"Moreover, the class of tax cases on which they would be working during 1948 would be chiefly the high income and high tax rate years of 1944 and 1945, which will be more productive than those of previous years."

During his appearance at the hearings, the very able Commisisoner of Internal Revenue, Mr. Joseph D. Nunan, Jr., stated (p. 229) that the proposed tax-reduction bill now under consideration in the Senate "is going to cause a great many more refunds than now, and, if anything, it should increase our personnel rather than to decrease it. * * * There is no decrease in the number of taxpayers or returns to be filed under the present bill, so that our staff which is now undermanned, will certainly be undermanned under the new bill."

At pages 235–236, the Commissioner said:

"I can also demonstrate that there are today thousands of profitable tax cases that we have to put back into the files untouched because the present enforcement group is simply not large enough in number to handle them. * * *

"I made the following statement to the House committee: (1) That our enforcement group would produce 2.5 billion dollars in 1948 over and above that which would be voluntarily paid; and (2) that we would provide a return of $20 for each $1 expended in enforcement. Since the House cut became known I have stated, in answer to questions put to me, that we would lose some $600,000,000 in revenue due to the $30,000,000 cut."

In the belief that the representations made by responsible Treasury officials are true, the committee has restored $25,000,000 of the reduction of $30,000,000 made by the House of Representatives in the appropriation asked for by the Bureau of Internal Revenue. We think that the full Budget estimate of $208,000,000 should not only be granted but increased. That conclusion is fortified by a written statement filed by Messrs. Robert N. Miller, H. C. Kilpatrick and W. A. Sutherland, well-known attorneys engaged in Federal tax practice, all of whom are members of the standing committee on Federal taxation of the American Bar Association. The following is taken from their statement printed on page 270 of the hearings:

"Since the present $208,000,000 budget contemplates what seems to us a dangerously inadequate coverage of investigations, it is our hope that the committee will not only keep in the budget every dollar which has been asked for, but that the Joint Committee on Internal Revenue will be directed to study the enforcement problem which confronts the Bureau and to determine whether there should not be an increase in the enforcement activities of the Bureau to the extent that its training facilities will permit it to assimilate new personnel.

"It is apparent from the above figures that the personnel suggested is inadequate to the present task of the Bureau and that instead of reducing the budget by $30,000,000 and per-

sonnel by some 7,000 persons, at least 10,000 more persons could be advantageously and economically employed, if so many trained personnel were available, with an increased appropriation of at least $40,000,000 or $50,000,000.

"It might be impossible effectively to train so large a group at once, but the need is clear and the force should be limited below the effective minimum, if at all, by the training facilities available and not by considerations of cost. It would certainly be a great disservice to the immediate revenue and to the future integrity of our income-tax system to cut the personnel below the number now proposed."

In his personal appearance before the subcommittee Mr. Miller said at pages 274–277:

"We feel, that while it is very necessary and very profitable to go after the real fraud cases—and there is easily $1,500,000,000 in this backlog—a greater amount of money is really involved in the nonfraud cases.

"Now those nonfraud cases do get barred in 3 years unless there is a waiver, and for very good reasons a vast number of these cases are not held open until the Government gets around to looking at them.

"It is my own conviction as well as my associates' here, that in case of corporate taxes especially, where the problems involved are numerous, a taxpayer might well have decided that he will stay in the twilight zone waiting to have the questions raised. There are tremendous cases without fraud in them, that have been set up by the ablest and most honest of accountants that are still just full of questions, some of them involving a million dollars or so, that deserve to be ironed out.

"The dangerous thing about those is that they do get barred unless they are discovered and that is the reason for going in now, solely because of the gradual fading away of this tremendous asset. * * *

"ADDITIONAL REVENUE COULD BE OBTAINED BY INCREASING APPROPRIATION

"Senator HAYDEN. Do I understand you to say that it would be good business on the part of the Government, instead of making a deduction of $30,000,000, to add $30,000,000 to this bill?

"Mr. MILLER. We believe that would be true. It is our settled conviction. We think that the current practice of spot-checking returns is entirely inadequate to keep the taxpayers in sufficient fear of discovery. Just as a company builds up good will by advertising and loses it if they do not keep the advertising going, we must keep going to preserve a rather remarkable past habit of the American public of tax compliance. It is a wonderful asset of this country and just as different as anything from France, which I mentioned before.

"IMPORTANCE OF MAINTAINING TAX COMPLIANCE

"Noncompliance busted France. They never could get the taxpayers to let the investigators start. You could not convict anybody because everybody was doing it. Public opinion was against the collection of taxes.

"Now we are wonderfully lucky. I made a study of compliance in 1938 which is published in the report of the Bar Association. It is a very precious thing this country has, and we just cannot afford to lose it.

"Senator CORDON. It is your view, I take it, that it would be on the part of good judgment to maintain a sufficient force to induce tax compliance rather than later to have to put on perhaps a greater force to prosecute tax law violations?

"Mr. MILLER. That is right. Further, if we waited we would not get the cash, because in a very large number of fraud cases the money—and the money in those cases is just as good as any other money—disappears.

"Then there are the really big cases involving difficult questions. In the great big returns where these marginal questions come up, the tax may depend on a problem of valuation. Anybody who touches valuations of railroads or anything else knows that the twilight zones are horribly wide and the degree of judgment employable is immense.

"Senator KNOWLAND. Your theory is that the return on the Government's investment would be much greater now?

"Mr. MILLER. Yes; and particularly while these last 3 or 4 years of high taxes are still fresh and subject to investigation.

"Also, there is the other one involving the people who play fast and loose with taxation. They are the ones who go busted in a few years. They may owe $5,000,000 or $10,000,000 in taxes. We used to find that they were the very fellows who did not have it, when we came around to collect a few years later. It was a kind of a practical statute of limitation for crooks to go busted in some way other than the legal limitation."

We are highly impressed by the suggestion made by Messrs. Miller, Kilpatrick, and Sutherland, that the Joint Committee on Internal Revenue be directed to study the enforcement problem which now confronts the Bureau of Internal Revenue, with a view to determining how many additional deputy collectors and revenue agents could be employed with profit to the Government. That committee, with its efficient staff, should be able to make a prompt recommendation to Congress so that deficiency appropriations can be made before the present session ends in July. What was done in 1946 to increase the number of enforcement officers can be repeated in 1947 with equally beneficial results.

A practically certain return of $20 for $1 on an investment is marvelous. Any businessman who was sure that he could recover 10 for 1, or 5 for 1, or even 2 for 1 would not hesitate to advance all the funds needed to accomplish such results even though he had to borrow money to do it. The testimony before the Senate and House Committees on Appropriations is clear and definite that there are very large amounts of money due to the United States in unpaid taxes and that if what is due is not collected this great asset will fade away due to the operation of the 3-year limitation fixed by law. Every dollar that can be collected now is needed to reduce the national debt and to assist in balancing the Budget. Congress should not let this opportunity pass by practicing false and foolish economy.

CUSTOMS SERVICE

We commend the increase of $1,500,000 recommended by the Senate committee in the appropriations for the customs service as a step in the right direction, but the step is not long enough since it leaves that service with working funds only about equal to the sums available during the present fiscal year. This does not take into consideration that the present personnel of the Bureau is inadequate to give proper care to the constant increase in international trade and travel which has naturally followed the cessation of hostilities, and of which a still greater expension may be reasonably expected.

The prospects are that because of increased smuggling and avoidance of the tariff laws the Treasury will lose much more than the saving of $2,000,000 below the Budget estimate which is proposed by the Senate committee. The commercial interests of the Nation will also suffer because of delays in the customs clearance of merchandise, not to speak of the inconveniences which will be experienced by returning travelers whose baggage must be inspected at the seaports and airports. We do not hesitate to predict that the complaints from both sources will be so general that Congress will be compelled to make deficiency appropriations for the customs service during the next fiscal year. It would be better to make these increased appropriations now.

Just because some employees in the customs service were foolish enough to believe that by inspiring a flood of letters and telegrams they could influence Congress to save their jobs is no reason why the Government should be deprived of much-needed revenue or that the public should be punished by lack of adequate service. Congress should be guided, not by resentment, but by sound business sense.

"PHONY" ECONOMY

There can be no doubt that the sums of money provided in the bill will be insufficient to carry on a number of functions which the Treasury and Post Office Departments are required by law to perform. The most glaring example is the reduction of $800,000,000 in the budget estimate of $2,031,000,000 required for refunding internal revenue collections. It is certain that during the fiscal year ending June 30, 1948, additional money must be appropriated by Congress to meet the repayments which will accrue.

It is also highly improbable that the several sums aggregating $16,500,000 which are made available for the refund of money erroneously collected, the payment of certified claims, and for customs refunds and draw-backs, will be sufficient to meet the actual requirements. The total amount carried in the bill is $3,200,000 less than the sum which the Bureau of the Budget estimated would be needed to meet firm obligations of the Government over which the Treasury Department has no control. We believe that the guess made by the House and Senate Committees on Appropriations is too low and that it would be better to make these appropriations now.

THE POST OFFICE DEPARTMENT

We are also convinced that both committees have underestimated the amount of money that must be provided to sustain certain essential activities of the Post Office Department. The public demand for better city and rural delivery service is so insistent that some part of the reduction of $538,000 below the sums recommended in the President's budget will have to be restored by deficiency appropriations made early in 1948.

The bill as it stands reduces by $240,000 the money made available to pay indemnities for the injury or loss of registered, insured, or collect-on-delivery mail, which is an absolute obligation of the Government, and decreases by $520,000 the money to redeem unpaid money orders over 1 year old, which is also an absolute obligation of the Government. The hearings show that each of these cuts, like a number of others, is "phony" and will not result in an actual saving of such sums to the Treasury. As in the case of the customhouse and other refunds, unless Congress makes deficiency appropriations in ample time many people will be deprived of money due them and which they are entitled to receive without delay.

Altogether it is entirely probable that Congress will have to appropriate sums which, including the $800,000,000 additional normally provided and needed for lawful tax refunds, will approach a billion dollars, and which should have been included in this appropriation bill.

CARL HAYDEN.
MILLARD E. TYDINGS.
THEODORE FRANCIS GREEN.
ELMER THOMAS.
RICHARD B. RUSSELL.
PAT MCCARRAN.
JOSEPH C. O'MAHONEY.

Mr. HAYDEN. Mr. President, I should like to discuss the amendment now pending before the Senate.

There may be some possible advantage in combining the Office of the General Counsel of the Treasury Department and

the Office of Tax Legislative Counsel, although each office performs different functions. It is certainly better to unify the Division of Tax Research with the Division of Research and Statistics than to jumble these four agencies under one head as proposed by the House. The unification recommended by the Senate committee may, after a time, be made workable; but I reserve the right to express grave doubt as to whether the best results can be fully accomplished with a total reduction under the budget estimates of $145,600, as provided in the bill as reported to the Senate.

Now that the enormous expenditures incident to carrying on the war are no longer required, everyone agrees that there should be a general revision of the Federal tax structure. Congress is entitled to have the benefit of the best advice that can be given by those in the Treasury Department who, by actual experience, are qualified to state what the effect will be of numerous proposed changes in the laws relating to Federal taxation. To compel the discharge of men possessing these exceptional qualifications by a failure to appropriate the money to pay their salaries may prove to be short-sighted and unbusinesslike.

It is a matter of even more grave concern when the Treasury Department can be deprived of the services of a number of men who have rendered highly efficient service in the field of public-debt management. The testimony of Under Secretary Wiggins at the hearings in that regard may well be repeated to the Senate. He said:

> Developments in the money markets and in the banking position must be kept under constant review. The flow of funds to the various investor classes must be studied, and their investment position must be examined continually. In addition, alternative proposed financing programs must be developed and the terms of possible Treasury securities worked out for each operation. The Division of Research and Statistics performs this technical-staff work for us.

If, for lack of information, a blunder were made in managing the public debt, it would be worse than a crime.

The PRESIDING OFFICER (Mr. McGRATH in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 2, line 17, after "District of Columbia", to strike out "$450,000" and insert "$250,000."

The amendment was agreed to.

The next amendment was, on page 2, after line 17, to insert:

DIVISION OF TAX RESEARCH AND RESEARCH AND STATISTICS

Salaries: For personal services in the District of Columbia, $300,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Customs", on page 10, line 3, after the word "exceed", to strike out "$826,000" and insert "$832,438", and in line 7, before the word "of", to strike out "$32,500,000" and insert "$34,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue", on page 11, line 18, after the word "exceed", to strike out "$2,480,000" and insert "$2,530,000"; in line 19, after the word "exceed", to strike out "$1,425,000" and insert "$1,500,000"; and in line 20, after the word "ammunition", to strike out "$178,000,000" and insert "$203,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Secret Service Division", on page 16, line 11, after the word "United", to strike out "States," and insert "States;".

The amendment was agreed to.

The next amendment was, on page 16, line 21, after "(3 U. S. C. 62)", to strike out "$270,000" and insert "$372,900."

The amendment was agreed to.

The next amendment was, on page 17, line 2, after the word "determine", to strike out "$6,000" and insert "$9,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Federal Supply", on page 23, after line 15, to strike out:

> No part of any money appropriated by this or any other act shall be used during the fiscal year 1948 for the purchase, within the continental limits of the United States, of any standard typewriting machines (except bookkeeping, billing, and electric machines) at a price in excess of the following for models with carriages which will accommodate paper of the following widths, to wit: 10 inches (correspondence models), $77; 12 inches, $82.50; 14 inches, $85.25; 16 inches, $90.75; 18 inches, $96.25; 20 inches, $103.40; 22 inches, $104.50; 24 inches, $107.25; 26 inches, $113.85; 28 inches, $114.40; 30 inches, $115.50; 32 inches, $118.25; or, for standard typewriting machines distinctively quiet in operation, the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: 10 inches, $88; 12 inches, $93.50; 14 inches, $99; 18 inches, $104.50: *Provided*, That there may be added to such prices the amount of Federal excise taxes paid or payable with respect to any such machines.

And in lieu thereof to insert the following:

> No part of any money appropriated by this or any other act shall be used during the fiscal year 1948 for the purchase, within the continental limits of the United States, of any standard typewriting machines (except bookkeeping, billing, and electrical machines) at a price in excess of 70 percent of the commercial list price in effect at time of delivery for the various models and carriage widths purchased.

The amendment was agreed to.

The next amendment was, under the heading "Coast Guard", on page 25, line 3, before the word "*Provided*", to strike out "$97,000,000" and insert "$109,483,123."

Mr. HAYDEN. Mr. President, the Senate committee very properly concluded that the Coast Guard was the only available agency to operate the loran stations and weather stations as essential aids to ocean navigation by air and surface ships. Such aids are so vitally needed that they will have to be expanded to a greater degree than can be attained by the $12,483,123 recommended to the Senate.

The hearings show that the total request for funds made by the Treasury Department for the Coast Guard for the next fiscal year was $171,279,333, which sum was reduced by the Bureau of the Budget to $132,904,400, and then "meat-axed" by the House of Representatives to a flat $97,000,000. Even with the restoration of $12,483,123, the bill as reported to the Senate is $23,421,277 below the budget, the effect of which may well be an impairment in the efficiency of the life-saving and lighthouse services on the coasts of both oceans and on the Great Lakes, and inadequate inspection of vessels of the merchant marine, all of which could lead to marine disasters, and the consequent loss of human life, which otherwise might have been prevented.

Mr. CORDON. Mr. President, the subcommittee went into this matter in very considerable detail. The Coast Guard's own figures were taken in determining the additional amount to be added by the committee to the appropriation. The Weather Bureau stations for the year would represent $4,712,713, which covered all expenses, including personnel, general expenses, and the like.

The loran stations would cost $5,711,710, according to the Coast Guard's own figures, and that included pay of personnel, equipment, general expenses, and so forth. Then there was included, for the construction of two loran stations in Alaska, the additional sum of $2,058,700. Those three amounts add up to the figure used by the committee and the amount added to the appropriation.

It is the view of the committee, Mr. President, that if these additional aids to navigation are operated efficiently there will of necessity be much less attention needed to be paid to rescue equipment and that type of activity.

The loran stations themselves represent the most advanced activity known in the way of safety appliances. The Weather Bureau stations add the additional knowledge as to weather conditions, and certainly the two should result in a lowering of any need for other types of rescue and safety operations by the Coast Guard.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 28, line 19, after the word "exceed", to strike out "$70,000,000" and insert "$77,153,271", and on page 29, line 5, after "Civilian Employees, Coast Guard", to insert "and Office of the Commandant."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—Post Office Department, Washington, District of Columbia—Office of the Postmaster General", on page 32, line 15, after "(Public Law 658)", to strike out "$375,000" and insert "$390,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries in Bureaus and Offices", on page 32, line 23, after "Office of the First Assistant Postmaster General", to strike out "$1,100,000" and insert "$1,130,000."

The amendment was agreed to.

The next amendment was, on page 32, line 25, after "Office of the Second Assistant Postmaster General" to strike out "$900,000" and insert "$920,000."

The amendment was agreed to.

The next amendment was, on page 33, line 2, after "Office of the Third Assistant Postmaster General", to strike out "$1,325,000" and insert "$1,340,000."

The amendment was agreed to.

The next amendment was, on page 33, line 4, after "Office of the Fourth Assistant Postmaster General", to strike out "$700,000" and insert "$725,000."

The amendment was agreed to.

The next amendment was, on page 33, line 8, after "Office of the purchasing agent", to strike out "$78,000" and insert "$83,800."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent Expenses, Post Office Department", on page 33, line 19, after "Postal Service", to strike out "$1,500,000" and insert "$1,700,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General," on page 37, line 5, after "(Public Law 658)" to strike out "$487,000,000" and insert "$487,817,600."

The amendment was agreed to.

The next amendment was, on page 38, line 6, after the word "bicycles" to strike out "$1,700,000" and insert "$1,900,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General," on page 42, line 19, after the word "offices" to strike out "$13,000,000" and insert "$13,457,000."

The amendment was agreed to.

The next amendment was, on page 43, line 21, after the word "which" to strike out "$5,400,000" and insert "$4,514,000."

The amendment was agreed to.

The next amendment was, on page 44, line 10, after the word "expenses" to strike out "$500,000" and insert "$520,000."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. HAYDEN. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 31, between lines 20 and 21, it is proposed to insert a new paragraph, as follows:

The Joint Committee on Internal Revenue Taxation is authorized and directed to make a study of the enforcement of the internal-revenue laws with a view to ascertaining the numbers of deputy collectors, revenue agents, and other personnel, who should be employed by the Bureau of Internal Revenue in order to insure the maximum net return to the United States from taxes imposed by such laws, and to report the results of such study to the Senate and the House of Representatives.

Mr. HAYDEN. Mr. President, I have submitted the amendment to the Senator from Colorado [Mr. MILLIKIN] and the Senator from Georgia [Mr. GEORGE], who are members of the Joint Committee on Internal Revenue Taxation, and I understand it is acceptable to the Senator in charge of the bill.

Mr. CORDON. Mr. President, the amendment is entirely acceptable. I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

Mr. CORDON. Mr. President, I desire to offer a further amendment to the bill. It is not a committee amendment. It would have been recommended by the committee, but I believe it was omitted through an oversight. However, it has not been presented to the committee, and I am offering it as my personal amendment to the bill.

The PRESIDING OFFICER. The Clerk will read the amendment.

The CHIEF CLERK. On page 10, line 12, it is proposed to change the period to a comma and add the following:

and of which not to exceed $100,000 shall be available, for defraying, on a contract basis or otherwise, the expense of a management study of the Bureau of Customs.

Mr. CORDON. Mr. President, the purpose of the amendment is to authorize the Secretary of the Treasury to make a further and more complete examination of the operation of the Bureau of Customs, with a view to increasing the efficiency of that agency. It will be noted that the amount is simply set as a maximum, and it is a limitation on funds already appropriated. No further appropriation is necessary for the purpose of having the examination and investigation made. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill, H. R. 2436, was read the third time and passed.

Mr. CORDON. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. CORDON, Mr. REED, Mr. BRIDGES, Mr. SALTONSTALL, Mr. FLANDERS, Mr. TYDINGS, Mr. MCKELLAR, and Mr. HAYDEN conferees on the part of the Senate.

CONSTITUTION OF THE INTERNATIONAL LABOR ORGANIZATION INSTRUMENT OF AMENDMENT

Mr. VANDENBERG obtained the floor.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Utah.

Mr. THOMAS of Utah. Mr. President, I desire to renew the unanimous-consent request I made this morning concerning the constitution of the International Labor Organization. The Senator from Ohio, who asked that there be a delay until he could investigate the matter further, has informed me that he has no objection to my unanimous-consent request at this time. I think there is no other objection. I ask unanimous consent that the Senate proceed to the consideration of Calendar 208, Senate Joint Resolution 117.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 117) providing for acceptance by the United States of America of the constitution of the International Labor Organization Instrument of Amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States.

Mr. THOMAS of Utah. Mr. President, I think the explanation made earlier in the day is sufficient. I therefore suggest that we proceed to vote, unless some Senator desires to ask a question.

Mr. TAFT. Mr. President, I note that in the committee report, while it is a summary, there is no copy of the amended constitution of the International Labor Organization. With the approval of the Senator, I ask that, following his remarks, there be printed in the RECORD the amended constitution of the International Labor Organization.

Mr. THOMAS of Utah. I hope that that will be done.

The PRESIDING OFFICER. Is there objection?

There being no objection, the constitution of the International Labor Organization was ordered to be printed in the RECORD, as follows:

INSTRUMENT FOR THE AMENDMENT OF THE CONSTITUTION OF THE INTERNATIONAL LABOUR ORGANISATION

The General Conference of the International Labour Organisation,

Having been convened at Montreal by the Governing Body of the International Labour Office, and having met in its Twenty ninth Session on 19 September 1946; and

Having decided upon the adoption of certain amendments to the Constitution of the International Labour Organisation, a question which is included in the second item on the agenda of the Session,

adopts, this ninth day of October of the year one thousand nine hundred and forty-six, the following instrument for the amendment of the Constitution of the International Labour Organisation, which may be cited as the Constitution of the International Labour Organisation Instrument of Amendment, 1946:

ARTICLE 1

As from the date of the coming into force of this Instrument of Amendment, the Constitution of the International Labour Organisation, of which the text at present in force is set forth in the first column of the Annex to this Instrument, shall have effect as amended in the second column of the said Annex.

ARTICLE 2

Two copies of this Instrument of Amendment shall be authenticated by the signatures of the President of the Conference and of the Director-General of the International Labour Office. One of these copies shall be deposited in the archives of the International Labour Office and the other shall be communicated to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. The Director-General will communicate a certified copy of the Instrument to all the Members of the International Labour Organisation.

ARTICLE 3

1. The formal ratifications or acceptances of this Instrument of Amendment shall be communicated to the Director-General of the International Labour Office, who shall notify the Members of the Organisation of the receipt thereof.

2. This Instrument of Amendment will come into force in accordance with the provisions of Article 36 of the Constitution of the Organisation.

3. On the coming into force of this Instrument, the Director-General of the International Labour Office shall so notify all the Members of the International Labour Organisation, the Secretary-General of the United Nations, and all the States having signed the Charter of the United Nations.

THE CONSTITUTION OF THE INTERNATIONAL LABOUR ORGANISATION

(Amended text)

(Preamble)

Whereas universal and lasting peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required: as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provisions for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of equal remuneration for work of equal value, recognition of the principle of freedom of association, the organisation of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The HIGH CONTRACTING PARTIES, moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world, and with a view to attaining the objectives set forth in this Preamble, agree to the following Constitution of the International Labour Organisation:

CHAPTER I—ORGANISATION

Article 1

1. A permanent organisation is hereby established for the promotion of the objects set forth in the Preamble to this Constitution and in the Declaration concerning the aims and purposes of the International Labour Organisation adopted at Philadelphia on 10 May 1944 the text of which is annexed to this Constitution.

2. The Members of the International Labour Organisation shall be the States which were Members of the Organisation on 1 November 1945, and such other States as may become Members in pursuance of the provisions of paragraphs 3 and 4 of this Article.

3. Any original Member of the United Nations and any State admitted to membership of the United Nations by a decision of the General Assembly in accordance with the provisions of the Charter may become a Member of the International Labour Organisation by communicating to the Director-General of the International Labour Office its formal acceptance of the obligations of the Constitution of the International Labour Organisation.

4. The General Conference of the International Labour Organisation may also admit Members to the Organization by a vote concurred in by two thirds of the delegates attending the session, including two thirds of the Government delegates present and voting. Such admission shall take effect on the communication to the Director-General of the International Labour Office by the Government of the new Member of its formal acceptance of the obligations of the Constitution of the Organisation.

5. No Member of the International Labour Organisation may withdraw from the Organisation without giving notice of its intention so to do to the Director-General of the International Labour Office. Such notice shall take effect two years after the date of its reception by the Director-General, subject to the Member having at that time fulfilled all financial obligations arising out of its membership. When a Member has ratified any International Labour Convention, such withdrawal shall not affect the continued validity for the period provided for in the Convention of all obligations arising thereunder or relating thereto.

6. In the event of any State having ceased to be a Member of the Organisation, its readmission to membership shall be governed by the provisions of paragraph 3 or paragraph 4 of this Article as the case may be.

Article 2

The permanent organisation shall consist of:

(a) a General Conference of representatives of the Members;

(b) a Governing Body composed as described in Article 7; and

(c) an International Labour Office controlled by the Governing Body.

Article 3

1. The meetings of the General Conference of representatives of the Members shall be held from time to time as occasion may require, and at least once in every year. It shall be composed of four representatives of each of the Members, of whom two shall be Government delegates and the two others shall be delegates representing respectively the employers and the workpeople of each of the Members.

2. Each delegate may be accompanied by advisers, who shall not exceed two in number for each item on the agenda of the meeting. When questions specially affecting women are to be considered by the Conference, one at least of the advisers should be a woman.

3. Each Member which is responsible for the international relations of non-metropolitan territories may appoint as additional advisers to each of its delegates:

(a) persons nominated by it as representatives of any such territory in regard to matters within the self-governing powers of that territory; and

(b) persons nominated by it to advise its delegates in regard to matters concerning non-self-governing territories.

4. In the case of a territory under the joint authority of two or more Members, persons may be nominated to advise the delegates of such Members.

5. The Members undertake to nominate non-Government delegates and advisers chosen in agreement with the industrial organisations, if such organisations exist, which are most representative of employers or workpeople, as the case may be, in their respective countries.

6. Advisers shall not speak except on a request made by the delegate whom they accompany and by the special authorisation of the President of the Conference, and may not vote.

7. A delegate may by notice in writing addressed to the President appoint one of his advisers to act as his deputy, and the adviser, while so acting, shall be allowed to speak and vote.

8. The names of the delegates and their advisers will be communicated to the International Labour Office by the Government of each of the Members.

9. The credentials of delegates and their advisers shall be subject to scrutiny by the Conference, which may, by two thirds of the votes cast by the delegates present, refuse to admit any delegate or adviser whom it deems not to have been nominated in accordance with this Article.

Article 4

1. Every delegate shall be entitled to vote individually on all matters which are taken into consideration by the Conference.

2. If one of the Members fails to nominate one of the non-Government delegates whom it is entitled to nominate, the other non-Government delegate shall be allowed to sit and speak at the Conference, but not to vote.

3. If in accordance with Article 3 the Conference refuses admission to a delegate of one of the Members, the provisions of the present Article shall apply as if that delegate had not been nominated.

Article 5

The meetings of the Conference shall, subject to any decisions which may have been taken by the Conference itself at a previous meeting, be held at such place as may be decided by the Governing Body.

Article 6

Any change in the seat of the International Labour Office shall be decided by the Conference by a two-thirds majority of the votes cast by the delegates present.

Article 7

1. The Governing Body shall consist of thirty-two persons:

Sixteen representing Governments,
Eight representing the employers, and
Eight representing the workers.

2. Of the sixteen persons representing Governments, eight shall be appointed by the Members of chief industrial importance, and eight shall be appointed by the Members selected for that purpose by the Government delegates to the Conference, excluding the delegates of the eight Members mentioned above. Of the sixteen Members represented, six shall be non-European States.

3. The Governing Body shall as occasion requires determine which are the Members of the Organisation of chief industrial importance and shall make rules to ensure that all questions relating to the selection of the Members of chief industrial importance are considered by an impartial committee before being decided by the Governing Body. Any appeal made by a Member from the declaration of the Governing Body as to which are the Members of chief industrial importance shall be decided by the Conference, but an appeal to the Conference shall not suspend the application of the declaration until such time as the Conference decides the appeal.

4. The persons representing the employers and the persons representing the workers shall be elected respectively by the employers' delegates and the workers' delegates to the Conference. Two employers' representatives and two workers' representatives shall belong to non-European States.

5. The period of office of the Governing Body shall be three years. If for any reason the Governing Body elections do not take

place on the expiry of this period, the Governing Body shall remain in office until such elections are held.

6. The method of filling vacancies and of appointing substitutes and other similar questions may be decided by the Governing Body subject to the approval of the Conference.

7. The Governing Body shall, from time to time, elect from its number a Chairman and two Vice-Chairmen, of whom one shall be a person representing a Government, one a person representing the employers, and one a person representing the workers.

8. The Governing Body shall regulate its own procedure and shall fix its own times of meeting. A special meeting shall be held if a written request to that effect is made by at least twelve of the representatives on the Governing Body.

Article 8

1. There shall be a Director-General of the International Labour Office, who shall be appointed by the Governing Body, and, subject to the instructions of the Governing Body, shall be responsible for the efficient conduct of the International Labour Office and for such other duties as may be assigned to him.

2. The Director-General or his deputy shall attend all meetings of the Governing Body.

Article 9

1. The staff of the International Labour Office shall be appointed by the Director-General under regulations approved by the Governing Body.

2. So far as is possible with due regard to the efficiency of the work of the Office, the Director-General shall select persons of different nationalities.

3. A certain number of these persons shall be women.

4. The responsibilities of the Director-General and the staff shall be exclusively international in character. In the performance of their duties, the Director-General and the staff shall not seek or receive instructions from any Government or from any other authority external to the Organisation. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organisation.

5. Each Member of the Organisation undertakes to respect the exclusively international character of the responsibilities of the Director-General and the staff and not to seek to influence them in the discharge of their responsibilities.

Article 10

1. The functions of the International Labour Office shall include the collection and distribution of information on all subjects relating to the international adjustment of conditions of industrial life and labour, and particularly the examination of subjects which it is proposed to bring before the Conference with a view to the conclusion of international Conventions, and the conduct of such special investigations as may be ordered by the Conference or by the Governing Body.

2. Subject to such directions as the Governing Body may give, the Office will—

(a) prepare the documents on the various items of the agenda for the meetings of the Conference;

(b) accord to Governments at their request all appropriate assistance within its power in connection with the framing of laws and regulations on the basis of the decisions of the Conference and the improvement of administrative practices and systems of inspection;

(c) carry out the duties required of it by the provisions of this Constitution in connection with the effective observance of Conventions;

(d) edit and issue, in such languages as the Governing Body may think desirable, publications dealing with problems of industry and employment of international interest.

3. Generally, it shall have such other powers and duties as may be assigned to it by the Conference or by the Governing Body.

Article 11

The Government departments of any of the Members which deal with questions of industry and employment may communicate directly with the Director-General through the representative of their Government on the Governing Body of the International Labour Office or, failing any such representative, through such other qualified official as the Government may nominate for the purpose.

Article 12

1. The International Labour Organisation shall co-operate within the terms of this Constitution with any general international organisation entrusted with the co-ordination of the activities of public international organisations having specialised responsibilities and with public international organisations having specialised responsibilities in related fields.

2. The International Labour Organisation may make appropriate arrangements for the representatives of public international organisations to participate without vote in its deliberations.

3. The International Labour Organisation may make suitable arrangements for such consultation as it may think desirable with recognised non-governmental international organisations, including international organisations of employers, workers, agriculturists and co-operators.

Article 13

1. The International Labour Organisation may make such financial and budgetary arrangements with the United Nations as may appear appropriate.

2. Pending the conclusion of such arrangements or if at any time no such arrangements are in force—

(a) each of the Members will pay the traveling and subsistence expenses of its delegates and their advisers and of its representatives attending the meetings of the Conference or the Governing Body, as the case may be;

(b) all other expenses of the International Labour Office and of the meetings of the Conference or Governing Body shall be paid by the Director-General of the International Labour Office out of the general funds of the International Labour Organisation;

(c) the arrangements for the approval, allocation and collection of the budget of the International Labour Organisation shall be determined by the Conference by a two-thirds majority of the votes cast by the delegates present, and shall provide for the approval of the budget and of the arrangements for the allocation of expenses among the Members of the Organisation by a committee of Government representatives.

3. The expenses of the International Labour Organisation shall be borne by the Members in accordance with the arrangements in force in virtue of paragraph 1 or paragraph 2 (c) of this Article.

4. A Member of the Organisation which is in arrears in the payment of its financial contribution to the Organisation shall have no vote in the Conference, in the Governing Body, in any committee, or in the elections of members of the Governing Body, if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years: Provided that the Conference may by a two-thirds majority of the votes cast by the delegates present permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member.

5. The Director-General of the International Labour Office shall be responsible to the Governing Body for the proper expenditure of the funds of the International Labour Organisation.

CHAPTER II—PROCEDURE

Article 14

1. The agenda for all meetings of the Conference will be settled by the Governing Body, which shall consider any suggestion as to the agenda that may be made by the Government of any of the Members or by any representative organisation recognised for the purpose of Article 3, or by the public international organisation.

2. The Governing Body shall make rules to ensure thorough technical preparation and adequate consultation of the Members primarily concerned, by means of a preparatory Conference or otherwise, prior to the adoption of a Convention or Recommendation by the Conference.

Article 15

1. The Director-General shall act as the Secretary-General of the Conference, and shall transmit the agenda so as to reach the Members four months before the meeting of the Conference, and, through them, the non-Government delegates when appointed.

2. The reports on each item of the agenda shall be despatched so as to reach the Members in time to permit adequate consideration before the meeting of the Conference. The Governing Body shall make rules for the application of this provision.

Article 16

1. Any of the Governments of the Members may formally object to the inclusion of any item or items in the agenda. The grounds for such objection shall be set forth in a statement addressed to the Director-General who shall circulate it to all the Members of the Organisation.

2. Items to which such objection has been made shall not, however, be excluded from the agenda, if at the Conference a majority of two thirds of the votes cast by the delegates present is in favour of considering them.

3. If the Conference decides (otherwise than under the preceding paragraph) by two thirds of the votes cast by the delegates present that any subject shall be considered by the Conference, that subject shall be included in the agenda for the following meeting.

Article 17

1. The Conference shall elect a President and three Vice-Presidents. One of the Vice-Presidents shall be a Government delegate, one an employers' delegate and one a workers' delegate. The Conference shall regulate its own procedure and may appoint committees to consider and report on any matter.

2. Except as otherwise expressly provided in this Constitution or by the terms of any Convention or other instrument conferring powers on the Conference or of the financial and budgetary arrangements adopted in virtue of Article 13, all matters shall be decided by a simple majority of the votes cast by the delegates present.

3. The voting is void unless the total number of votes cast is equal to half the number of the delegates attending the Conference.

Article 18

The Conference may add to any committees which it appoints technical experts without power to vote.

Article 19

1. When the Conference has decided on the adoption of proposals with regard to an item in the agenda, it will rest with the Conference to determine whether these proposals should take the form: (a) of an international Convention, or (b) of a Recommendation to meet circumstances where the subject, or aspect of it, dealt with is not considered suitable or appropriate at that time for a Convention.

2. In either case a majority of two thirds of the votes cast by the delegates present shall be necessary on the final vote for the adoption of the Convention or Recommendation, as the case may be, by the Conference.

3. In framing any Convention or Recommendation of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organisation, or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.

4. Two copies of the Convention or Recommendation shall be authenticated by the signatures of the President of the Conference and of the Director-General. Of these copies one shall be deposited in the archives of the International Labour Office and the other with the Secretary-General of the United Nations. The Director-General will communicate a certified copy of the Convention or Recommendation to each of the Members.

5. In the case of a Convention—

(a) the Convention will be communicated to all Members for ratification;

(b) each of the Members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the closing of the session of the Conference, bring the Convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action;

(c) Members shall inform the Director-General of the International Labour Office of the measures taken in accordance with this Article to bring the Convention before the said competent authority or authorities, with particulars of the authority or authorities regarded as competent, and of the action taken by them;

(d) if the Member obtains the consent of the authority or authorities within whose competence the matter lies, it will communicate the formal ratification of the Convention to the Director-General and will take such action as may be necessary to make effective the provisions of such Convention;

(e) if the Member does not obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member except that it shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of its law and practice in regard to the matters dealt with in the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement or otherwise and stating the difficulties which prevent or delay the ratification of such Convention.

6. In the case of a Recommendation—

(a) the Recommendation will be communicated to all Members for their consideration with a view to effect being given to it by national legislation or otherwise;

(b) each of the Members undertakes that it will, within a period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months after the closing of the Conference, bring the Recommendation before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action;

(c) the Members shall inform the Director-General of the International Labour Office of the measures taken in accordance with this article to bring the Recommendation before the said competent authority or authorities with particulars of the authority or authorities regarded as competent, and of the action taken by them;

(d) apart from bringing the Recommendation before the said competent authority or authorities, no further obligation shall rest upon the Members, except that they shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice in their country in regard to the matters dealt with in the Recommendation, showing the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as it has been found or may be found necessary to make in adopting or applying them.

7. In the case of a federal State, the following provisions shall apply:

(a) in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system for federal action, the obligations of the federal State shall be the same as those of Members which are not federal States;

(b) in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system, in whole or in part, for action by the constituent States, provinces, or cantons rather than for federal action, the federal Government shall—

(i) make, in accordance with its Constitution and the Constitutions of the States, provinces or cantons concerned, effective arrangements for the reference of such Conventions and Recommendations not later than eighteen months from the closing of the session of the Conference to the appropriate federal, State, provincial or cantonal authorities for the enactment of legislation or other action;

(ii) arrange, subject to the concurrence of the State, provincial or cantonal Governments concerned, for periodical consultations between the federal and the State, provincial or cantonal authorities with a view to promoting within the federal State co-ordinated action to give effect to the provisions of such Conventions and Recommendations;

(iii) inform the Director-General of the International Labour Office of the measures taken in accordance with this article to bring such Conventions and Recommendations before the appropriate federal, State, provincial or cantonal authorities with particulars of the authorities regarded as appropriate and of the action taken by them;

(iv) in respect of each such Convention which it has not ratified, report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice of the federation and its constituent States, provinces or cantons in regard to the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement, or otherwise;

(v) in respect of each such Recommendation, report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice of the federation and its constituent States, provinces or cantons in regard to the Recommendation, showing the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as have been found or may be found necessary in adopting or applying them.

8. In no case shall the adoption of any Convention or Recommendation by the Conference, or the ratification of any Convention by any Member, be deemed to affect any law, award, custom or agreement which ensures more favourable conditions to the workers concerned than those provided for in the Convention or Recommendation.

Article 20

Any Convention so ratified shall be communicated by the Director-General of the International Labour Office to the Secretary-General of the United Nations for registration in accordance with the provisions of Article 102 of the Charter of the United Nations but shall only be binding upon the Members which ratify it.

Article 21

1. If any Convention coming before the Conference for final consideration fails to secure the support of two thirds of the votes cast by the delegates present, it shall nevertheless be within the right of any of the Members of the Organisation to agree to such Convention among themselves.

2. Any Convention so agreed to shall be communicated by the Governments concerned to the Director-General of the International Labour Office and to the Secretary-General of the United Nations for registration in accordance with the provisions of Article 102 of the Charter of the United Nations.

Article 22

Each of the Members agrees to make an annual report to the International Labour Office on the measures which it has taken to give effect to the provisions of Conventions to which it is a party. These reports shall be made in such form and shall contain such particulars as the Governing Body may request.

Article 23

1. The Director-General shall lay before the next meeting of the Conference a summary of the information and reports communicated to him by Members in pursuance of Articles 19 and 22.

2. Each Member shall communicate to the representative organisations recognised for the purpose of Article 3 copies of the information and reports communicated to the Director-General in pursuance of Articles 19 and 22.

Article 24

In the event of any representation being made to the International Labour Office by an industrial association of employers or of workers that any of the Members has failed to secure in any respect the effective observance within its jurisdiction of any Convention to which it is a party, the Governing Body may communicate this representation to the Government against which it is made, and may invite that Government to make such statement on the subject as it may think fit.

Article 25

If no statement is received within a reasonable time from the Government in question, or if the statement when received is not deemed to be satisfactory by the Governing Body, the latter shall have the right to publish the representation and the statement, if any, made in reply to it.

Article 26

1. Any of the Members shall have the right to file a complaint with the International Labour Office if it is not satisfied that any other Member is securing the effective observance of any Convention which both have ratified in accordance with the foregoing Articles.

2. The Governing Body may, if it thinks fit, before referring such a complaint to a Commission of Enquiry, as hereinafter provided for, communicate with the Government in question in the manner described in Article 24.

3. If the Governing Body does not think it necessary to communicate the complaint to the Government in question, or if, when it has made such communication, no statement

in reply has been received within a reasonable time which the Governing Body considers to be satisfactory, the Governing Body may appoint a Commission of Enquiry to consider the complaint and to report thereon.

4. The Governing Body may adopt the same procedure either of its own motion or on receipt of a complaint from a delegate to the Conference.

5. When any matter arising out of Articles 25 or 26 is being considered by the Governing Body, the Government in question shall, if not already represented thereon, be entitled to send a representative to take part in the proceedings of the Governing Body while the matter is under consideration. Adequate notice of the date on which the matter will be considered shall be given to the Government in question.

Article 27

The Members agree that, in the event of the reference of a complaint to a Commission of Enquiry under Article 26, they will each, whether directly concerned in the complaint or not, place at the disposal of the Commission all the information in their possession which bears upon the subject matter of the complaint.

Article 28

When the Commission of Enquiry has fully considered the complaint, it shall prepare a report embodying its findings on all questions of fact relevant to determining the issue between the parties and containing such recommendations as it may think proper as to the steps which should be taken to meet the complaint and the time within which they should be taken.

Article 29

1. The Director-General of the International Labour Office shall communicate the report of the Commission of Enquiry to the Governing Body and to each of the Governments concerned in the complaint, and shall cause it to be published.

2. Each of these Governments shall within three months inform the Director-General of the International Labour Office whether or not it accepts the recommendations contained in the report of the Commission; and if not, whether it proposes to refer the complaint to the International Court of Justice.

Article 30

In the event of any Member failing to take the action required by paragraphs 5 (b), 6 (b) or 7 (b) (i) of Article 19 with regard to a Convention or Recommendation, any other Member shall be entitled to refer the matter to the Governing Body. In the event of the Governing Body finding that there has been such a failure, it shall report the matter to the Conference.

Article 31

The decision of the International Court of Justice in regard to a complaint or matter which has been referred to it in pursuance of Article 29 shall be final.

Article 32

The International Court of Justice may affirm, vary or reverse any of the findings or recommendations of the Commission of Enquiry, if any.

Article 33

In the event of any Member failing to carry out within the time specified the recommendations, if any, contained in the report of the Commission of Enquiry, or in the decision of the International Court of Justice, as the case may be, the Governing Body may recommend to the Conference such action as it may deem wise and expedient to secure compliance therewith.

Article 34

The defaulting Government may at any time inform the Governing Body that it has taken the steps necessary to comply with the recommendation of the Commission of Enquiry or with those in the decision of the International Court of Justice, as the case may be, and may request it to constitute a Commission of Enquiry to verify its contention. In this case the provisions of Articles 27, 28, 29, 31 and 32 shall apply, and if the report of the Commission of Enquiry or the decision of the International Court of Justice is in favour of the defaulting Government, the Governing Body shall forthwith recommend the discontinuance of any action taken in pursuance of Article 33.

CHAPTER III—GENERAL

Article 35

1. The Members undertake that Conventions which they have ratified in accordance with the provisions of this Constitution shall be applied to the non-metropolitan territories for whose international relation they are responsible, including any trust territories for which they are the administering authority, except where the subject matter of the Convention is within the self-governing powers of the territory or the Convention is inapplicable owing to the local conditions or subject to such modifications as may be necessary to adapt the Convention to local conditions.

2. Each Member which ratifies a Convention shall as soon as possible after ratification communicate to the Director-General of the International Labour Office a declaration stating in respect of the territories other than those referred to in paragraphs 4 and 5 below the extent to which it undertakes that the provisions of the Convention shall be applied and giving such particulars as may be prescribed by the Convention.

3. Each Member which has communicated a declaration in virtue of the preceding paragraph may from time to time, in accordance with the terms of the Convention, communicate a further declaration modifying the terms of any former declaration and stating the present position in respect of such territories.

4. Where the subject matter of the Convention is within the self-governing powers of any non-metropolitan territory the Member responsible for the international relations of that territory shall bring the Convention to the notice of the Government of the territory as soon as possible with a view to the enactment of legislation or other action by such Government. Thereafter the Member, in agreement with the Government of the territory, may communicate to the Director-General of the International Labour Office a declaration accepting the obligations of the Convention on behalf of such territory.

5. A declaration accepting the obligations of any Convention may be communicated to the Director-General of the International Labour Office—

(a) by two or more Members of the Organisation in respect of any territory which is under their joint authority; or

(b) by any international authority responsible for the administration of any territory, in virtue of the Charter of the United Nations or otherwise, in respect of any such territory.

6. Acceptance of the obligations of a Convention in virtue of paragraph 4 or paragraph 5 shall involve the acceptance on behalf of the territory concerned of the obligations stipulated by the terms of the Convention and the obligations under the Constitution of the Organisation which apply to ratified Conventions. A declaration of acceptance may specify such modifications of the provisions of the Convention as may be necessary to adapt the Convention to local conditions.

7. Each Member or international authority which has communicated a declaration in virtue of paragraph 4 or paragraph 5 of this Article may from time to time, in accordance with the terms of the Convention, communicate a further declaration modifying the terms of any former declaration or terminating the acceptance of the obligations of the Convention on behalf of the territory concerned.

8. If the obligations of a Convention are not accepted on behalf of a territory to which paragraph 4 or paragraph 5 of this Article relates, the Member or Members or international authority concerned shall report to the Director-General of the International Labour Office the position of the law and practice of that territory in regard to the matters dealt with in the Convention and the report shall show the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement or otherwise and shall state the difficulties which prevent or delay the acceptance of such Convention.

Article 36

Amendments to this Constitution which are adopted by the Conference by a majority of two thirds of the votes cast by the delegates present shall take effect when ratified or accepted by two thirds of the Members of the Organisation including five of the eight Members which are represented on the Governing Body as Members of the chief industrial importance in accordance with the provisions of paragraph 3 of Article 7 of this Constitution.

Article 37

1. Any question or dispute relating to the interpretation of this Constitution or of any subsequent Convention concluded by the Members in pursuance of the provisions of this Constitution shall be referred for decision to the International Court of Justice.

2. Notwithstanding the provisions of paragraph 1 of this Article the Governing Body may make and submit to the Conference for approval rules providing for the appointment of a tribunal for the expeditious determination of any dispute or question relating to the interpretation of a Convention which may be referred thereto by the Governing Body or in accordance with the terms of the Convention. Any applicable judgment or advisory opinion of the International Court of Justice shall be binding upon any tribunal established in virtue of this paragraph. Any award made by such a tribunal shall be circulated to the Members of the Organisation and any observations which they may make thereon shall be brought before the Conference.

Article 38

1. The International Labour Organisation may convene such regional conferences and establish such regional agencies as may be desirable to promote the aims and purposes of the Organisation.

2. The powers, functions and procedure of regional conferences shall be governed by rules drawn up by the Governing Body and submitted to the General Conference for confirmation.

CHAPTER IV—MISCELLANEOUS PROVISIONS

Article 39

The International Labour Organisation shall possess full juridical personality and in particular the capacity—

(a) to contract;

(b) to acquire and dispose of immovable and movable property;

(c) to institute legal proceedings.

Article 40

1. The International Labour Organisation shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfilment of its purposes.

2. Delegates to the Conference, members of the Governing Body and the Director-General and officials of the Office shall likewise enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organisation.

8. Such privileges and immunities shall be defined in a separate agreement to be prepared by the Organisation with a view to its acceptance by the Members.

ANNEX

DECLARATION CONCERNING THE AIMS AND PURPOSES OF THE INTERNATIONAL LABOUR ORGANISATION.

The General Conference of the International Labour Organisation, meeting in its Twenty-sixth Session in Philadelphia, hereby adopts, this tenth day of May in the year nineteen hundred and forty-four, the present Declaration of the aims and purposes of the International Labour Organisation and of the principles which should inspire the policy of its Members.

I

The Conference reaffirms the fundamental principles on which the Organisation is based and, in particular, that:

(a) labour is not a commodity;

(b) freedom of expression and of association are essential to sustained progress;

(c) poverty anywhere constitutes a danger to prosperity everywhere;

(d) the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of Governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare.

II

Believing that experience has fully demonstrated the truth of the statement in the Constitution of the International Labour Organisation that lasting peace can be established only if it is based on social justice, the Conference affirms that:

(a) all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity;

(b) the attainment of the conditions in which this shall be possible must constitute the central aim of national and international policy;

(c) all national and international policies and measures, in particular those of an economic and financial character, should be judged in this light and accepted only in so far as they may be held to promote and not to hinder the achievement of this fundamental objective;

(d) it is a responsibility of the International Labour Organisation to examine and consider all international economic and financial policies and measures in the light of this fundamental objective;

(e) in discharging the tasks entrusted to it the International Labour Organisation, having considered all relevant economic and financial factors, may include in its decisions and recommendations any provisions which it considers appropriate.

III

The Conference recognises the solemn obligation of the International Labour Organisation to further among the nations of the world programmes which will achieve:

(a) full employment and the raising of standards of living;

(b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being;

(c) the provision, as a means to the attainment of this end and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement;

(d) policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection;

(e) the effective recognition of the right of collective bargaining, the co-operation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures;

(f) the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care;

(g) adequate protection for the life and health of workers in all occupations;

(h) provision for child welfare and maternity protection;

(i) the provision of adequate nutrition, housing and facilities for recreation and culture;

(j) the assurance of equality of educational and vocational opportunity.

IV

Confident that the fuller and broader utilisation of the world's productive resources necessary for the achievement of the objectives set forth in this Declaration can be secured by effective international and national action, including measures to expand production and consumption, to avoid severe economic fluctuations, to promote the economic and social advancement of the less developed regions of the world, to assure greater stability in world prices of primary pproducts, and to promote a high and steady volume of international trade, the Conference pledges the full co-operation of the International Labour Organisation with such international bodies as may be entrusted with a share of the responsibility for this great task and for the promotion of the health, education and well-being of all peoples.

V

The Conference affirms that the principles set forth in this Declaration are fully applicable to all peoples everywhere and that, while the manner of their application must be determined with due regard to the stage of social and economic development reached by each people, their progressive application to peoples who are still dependent, as well as to those who have already achieved self-government, is a matter of concern to the whole civilised world.

The foregoing is the authentic text of the Constitution of the International Labour Organisation Instrument of Amendment, 1946, duly adopted by the General Conference of the International Labour Organisation on the ninth day of October one thousand nine hundred and forty-six in the course of its Twenty-ninth Session, which was held at Montreal.

The English and French versions of the text of this Instrument of Amendment are equally authoritative.

In faith whereof we have appended our signatures this first day of November 1946.

HUMPHREY MITCHELL,
The President of the Conference.
EDWARD PHELAN,
The Director-General of the International Labour Office.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 117) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

Robert Ewing Thomason, of Texas, to be United States district judge for the western district of Texas, vice Charles A. Boynton, retired May 1, 1947;

Albert V. Bryan, of Virginia, to be United States district judge for the eastern district of Virginia, vice Robert N. Pollard, retired; and

Anton J. Lukaszewicz, of Wisconsin, to be United States marshal for the eastern district of Wisconsin.

TREATY OF PEACE WITH ITALY

Mr. VANDENBERG. Mr. President, after consultation with the leaders on both sides of the aisle, and with their approval, I ask unanimous consent that, as in executive session, the Italian peace treaty, being Executive F on the Executive Calendar, be made the unfinished business.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947, which was read the second time, as follows:

TREATY OF PEACE WITH ITALY

The Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, China, France, Australia, Belgium, the Byelorussian Soviet Socialist Republic, Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, the Netherlands, New Zealand, Poland, the Ukrainian Soviet Socialist Republic, the Union of South Africa, and the People's Federal Republic of Yugoslavia, hereinafter referred to as "the Allied and Associated Powers", of the one part, and Italy, of the other part:

Whereas Italy under the Fascist regime became a party to the Tripartite Pact with Germany and Japan, undertook a war of aggression and thereby provoked a state of war with all the Allied and Associated Powers and with other United Nations, and bears her share of responsibility for the war; and

Whereas in consequence of the victories of the Allied forces, and with the assistance of the democratic elements of the Italian people, the Fascist regime in Italy was overthrown on July 25, 1943, and Italy, having surrendered unconditionally, signed terms of Armistice on September 3 and 29 of the same year; and

Whereas after the said Armistice Italian armed forces, both of the Government and of the Resistance Movement, took an active part in the war against Germany, and Italy declared war on Germany as from October 13, 1943, and thereby became a co-belligerent against Germany; and

Whereas the Allied and Associated Powers and Italy are desirous of concluding a treaty of peace which, in conformity with the principles of justice, will settle questions still outstanding as a result of the events hereinbefore recited and will form the basis of friendly relations between them, thereby enabling the Allied and Associated Powers to

support Italy's application to become a member of the United Nations and also to adhere to any convention concluded under the auspices of the United Nations;

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

PART I. TERRITORIAL CLAUSES

Section I—Frontiers

Article 1

The frontiers of Italy shall, subject to the modifications set out in Articles 2, 3, 4, 11 and 22, be those which existed on January 1, 1938. These frontiers are traced on the maps attached to the present Treaty (Annex I). In case of a discrepancy between the textual description of the frontiers and the maps, the text shall be deemed to be authentic.

Article 2

The frontier between Italy and France, as it existed on January 1, 1938, shall be modified as follows:

1. Little St. Bernard Pass

The frontier shall follow the watershed, leaving the present frontier at a point about 2 kilometers northwest of the Hospice, crossing the road about 1 kilometer northeast of the Hospice and rejoining the present frontier about 2 kilometers southeast of the Hospice.

2. Mont Cenis Plateau

The frontier shall leave the present frontier about 3 kilometers northwest of the summit of Rochemelon, cross the road about 4 kilometers southeast of the Hospice and rejoin the present frontier about 4 kilometers northeast of Mont d'Ambin.

3. Mont Thabor-Chaberton

(a) In the Mont Thabor area, the frontier shall leave the present frontier about 5 kilometers to the east of Mont Thabor and run southeastward to rejoin the present frontier about 3 kilometers west of the Pointe de Charra.

(b) In the Chaberton area, the frontier shall leave the present frontier about 3 kilometers north-northwest of Chaberton, which it skirts on the east, and shall cross the road about 1 kilometer from the present frontier, which it rejoins about 2 kilometers southeast of the village of Montgenevre.

4. Upper Valleys of the Tinée, Vesuble and Roya

The frontier shall leave the present frontier at Colla Longa, shall follow along the watershed by way of Mont Clapier, Col de Tenda, Mont Marguareis, whence it shall run southward by way of Mont Saccarello, Mont Vacchi, Mont Pietravecchia, Mont Lega and shall reach a point approximately 100 meters from the present frontier near Colla Pegairolle, about 5 kilometers to the northeast of Breil; it then shall run in a southwesterly direction, and shall rejoin the existing frontier approximately 100 meters southwest of Mont Mergo.

5. The detailed description of those sections of the frontier to which the modifications set out in paragraphs 1, 2, 3 and 4 above apply, is contained in Annex II to the present Treaty and the maps to which this description refers form part of Annex I.

Article 3

The frontier between Italy and Yugoslavia shall be fixed as follows:

(i) The new frontier follows a line starting from the junction of the frontiers of Austria, Italy, and Yugoslavia as they existed on January 1, 1938, and proceeding southward along the 1938 frontier between Yugoslavia and Italy to the junction of that frontier with the administrative boundary between the Italian provinces of Friuli (Udine) and Gorizia;

(ii) From this point the line coincides with the said administrative boundary up to a point approximately 0.5 kilometer north of the village of Mernico in the valley of the Iudrio;

(iii) Leaving the administrative boundary between the Italian provinces of Friuli and Gorizia at this point, the line extends eastward to a point approximately 0.5 kilometer west of the village of Vercoglia di Cosbana and thence southward between the valleys of the Quarnizzo and the Cosbana to a point approximately 1 kilometer southwest of the village of Fleana, bending so as to cut the river Recca at a point approximately 1.5 kilometers east of the Iudrio and leaving on the east the road from Cosbana via Nebola to Castel Dobra;

(iv) The line then continues to the southeast passing due south of the road between points 111 and 172, then south of the road from Vipulzano to Uclanzi passing points 57 and 122, then crossing the latter road about 100 meters east of point 122 and curving north in the direction of a point situated 350 meters southeast of point 266;

(v) Passing about 0.5 kilometer north of the village of San Floriano, the line extends eastward to Monte Sabotino (point 610), leaving to the north the village of Poggio San Valentino;

(vi) From Monte Sabotino the line extends southward, crosses the Isonzo (Soca) river at the town of Salcano, which it leaves in Yugoslavia, and runs immediately to the west of the railway line from Canale d'Isonzo to Montespino to a point about 750 meters south of the Gorizia-Aisovizza road;

(vii) Departing from the railway, the line then bends southwest leaving in Yugoslavia the town of San Pietro and in Italy the Hospice and the road bordering it and, some 700 meters from the station of Gorizia S. Marco, crosses the railway connection between the above railway and the Sagrado-Cormons railway, skirts the Gorizia cemetery, which is left in Italy, passes between Highway No. 55 from Gorizia to Trieste, which highway is left in Italy, and the crossroads at point 54, leaving in Yugoslavia the towns of Vertoiba and Merna, and reaches a point located approximately at point 49;

(viii) Thence the line continues in a southerly direction across the Karst plateau, approximately 1 kilometer east of Highway No. 55, leaving on the east the village of Opacchiasella and on the west the village of Iamiano;

(ix) From a point approximately 1 kilometer east of Iamiano, the line follows the administrative boundary between the provinces of Gorizia and Trieste as far as a point approximately 2 kilometers northeast of the village of San Giovanni and approximately 0.5 kilometer northwest of point 208, forming the junction of the frontiers of Yugoslavia, Italy and the Free Territory of Trieste.

The map to which this description refers forms part of Annex I.

Article 4

The frontier between Italy and the Free Territory of Trieste shall be fixed as follows:

(i) The line starts from a point on the administrative boundary between the provinces of Gorizia and Trieste approximately 2 kilometers northeast of the village of San Giovanni and approximately 0.5 kilometer northwest of point 208, forming the junction of the frontiers of Yugoslavia, Italy and the Free Territory of Trieste, and runs southwestward to a point adjacent to Highway No. 14 and approximately 1 kilometer northwest of the junction between Highways Nos. 55 and 14, respectively running from Gorizia and Monfalcone to Trieste;

(ii) The line then extends in a southerly direction to a point, in the Gulf of Panzano, equidistant from Punta Sdobba at the mouth of the Isonzo (Soca) river and Castello Vecchio at Duino, about 3.3 kilometers south from the point where it departs from the coastline approximately 2 kilometers northwest of the town of Duino;

(iii) The line then reaches the high seas by following a line placed equidistant from the coastlines of Italy and the Free Territory of Trieste.

The map to which this description refers forms part of Annex I.

Article 5

1. The exact line of the new frontiers laid down in Articles 2, 3, 4, and 22 of the present Treaty shall be determined on the spot by Boundary Commissions composed of the representatives of the two Governments concerned.

2. The Commissions shall begin their work immediately on the coming into force of the present Treaty, and shall complete it as soon as possible and in any case within a period of six months.

3. Any questions which the Commissions are unable to agree upon will be referred to the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, acting as provided in Article 86, for final settlement by such methods as they may determine, including, where necessary, the appointment of an impartial third Commissioner.

4. The expenses of the Boundary Commissions will be borne in equal parts by the two Governments concerned.

5. For the purpose of determining on the spot the exact frontier laid down in Articles 3, 4, and 22, the Commissioners shall be allowed to depart by 0.5 kilometer from the line laid down in the present Treaty in order to adjust the frontier to local geographical and economic conditions, provided that no village or town of more than 500 inhabitants, no important railroads or highways, and no major power or water supplies are placed under a sovereignty other than that resulting from the delimitations laid down in the present Treaty.

Section II—France (special clauses)

Article 6

Italy hereby cedes to France in full sovereignty the former Italian territory situated on the French side of the Franco-Italian frontier defined in Article 2.

Article 7

The Italian Government shall hand over to the French Government all archives, historical and administrative, prior to 1860, which concern the territory ceded to France under the Treaty of March 24, 1860, and the Convention of August 23, 1860.

Article 8

1. The Italian Government shall co-operate with the French Government for the possible establishment of a railway connection between Briançon and Modane, via Bardonnèche.

2. The Italian Government shall authorize, free of customs duty and inspection, passport and other such formalities, the passenger and freight railway traffic travelling on the connection thus established, through Italian territory, from one point to another in France, in both directions; and shall take all necessary measures to ensure that the French trains using the said connection are allowed, under the same conditions, to pass duty free and without unjustifiable delay.

3. The necessary arrangements shall be concluded in due course between the two Governments.

Article 9

1. Plateau of Mont Cenis

In order to secure to Italy the same facilities as Italy enjoyed in respect of hydroelectric power and water supply from the Lake of Mont Cenis before cession of this

district to France, the latter shall give Italy under a bilateral agreement the technical guarantees set out in Annex III.

2. The Tenda-Briga District

In order that Italy shall not suffer any diminution in the supplies of electric power which Italy has drawn from sources existing in the Tenda-Briga district before its cession to France, the latter shall give Italy under a bilateral agreement the technical guarantees set out in Annex III.

Section III—Austria (special clauses)

Article 10

1. Italy shall enter into or confirm arrangements with Austria to guarantee free movement of passenger and freight traffic between the North and East Tyrol.

2. The Allied and Associated Powers have taken note of the provisions (the text of which is contained in Annex IV) agreed upon by the Austrian and Italian Governments on September 5, 1946.

Section IV—People's Federal Republic of Yugoslavia (special clauses)

Article 11

1. Italy hereby cedes to Yugoslavia in full sovereignty the territory situated between the new frontiers of Yugoslavia as defined in Articles 3 and 22 and the Italo-Yugoslav frontier as it existed on January 1, 1938, as well as the commune of Zara and all islands and adjacent islets lying within the following areas:

(a) The area bounded:

On the north by the parallel of 42°50′ N.;

On the south by the parallel of 42°42′ N.;

On the east by the meridian of 17°10′ E.;

On the west by the meridian of 16°25′ E.;

(b) The area bounded:

On the north by a line passing through the Porto del Quieto, equidistant from the coastline of the Free Territory of Trieste and Yugoslavia, and thence to the point 45°15′ N., 13°24′ E.;

On the south by the parallel 44°23′ N.;

On the west by a line connecting the following points:

1) 45°15′ N.—13°24′ E.;

2) 44°51 N.—13°37′ E.;

3) 44°23′ N.—14°18′30′′ E.

On the east by the west coast of Istria, the islands and the mainland of Yugoslavia.

A chart of these areas is contained in Annex I.

2. Italy hereby cedes to Yugoslavia in full sovereignty the island of Pelagosa and the adjacent islets.

The island of Pelagosa shall remain demilitarised.

Italian fishermen shall enjoy the same rights in Pelagosa and the surrounding waters as were there enjoyed by Yugoslav fishermen prior to April 6, 1941.

Article 12

1. Italy shall restore to Yugoslavia all objects of artistic, historical, scientific, educational or religious character (including all deeds, manuscripts, documents and bibliographical material) as well as administrative archives (files, registers, plans and documents of any kind) which, as the result of the Italian occupation, were removed between November 4, 1918, and March 2, 1924, from the territories ceded to Yugoslavia under the treaties signed in Rapallo on November 12, 1920, and in Rome on January 27, 1924. Italy shall also restore all objects belonging to those territories and falling into the above categories, removed by the Italian Armistice Mission which operated in Vienna after the first World War.

2. Italy shall deliver to Yugoslavia all objects having juridically the character of public property and coming within the categories in paragraph 1 of the present Article, removed since November 4, 1918, from the territory which under the present Treaty is ceded to Yugoslavia, and those connected with the said territory which Italy received from Austria or Hungary under the Peace Treaties signed in St. Germain on September 10, 1919, and in the Trianon on June 4, 1920, and under the convention between Austria and Italy, signed in Vienna on May 4, 1920.

3. If, in particular cases, Italy is unable to restore or hand over to Yugoslavia the objects coming under paragraphs 1 and 2 of this Article, Italy shall hand over to Yugoslavia objects of the same kind as, and of approximately equivalent value to, the objects removed, in so far as such objects are obtainable in Italy.

Article 13

The water supply for Gorizia and its vicinity shall be regulated in accordance with the provisions of Annex V.

Section V—Greece (special clause)

Article 14

1. Italy hereby cedes to Greece in full sovereignty the Dodecanese Islands indicated hereafter, namely Stampalia (Astropalia), Rhodes (Rhodos), Calki (Kharki), Scarpanto, Casos (Casso), Piscopis (Tilos), Misiros (Nisyros), Calimnos (Kalymnos), Leros, Patmos, Lipsos (Lipso), Simi (Symi), Cos (Kos) and Castellorizo, as well as the adjacent islets.

2. These islands shall be and shall remain demilitarised.

3. The procedure and the technical conditions governing the transfer of these islands to Greece will be determined by agreement between the Governments of the United Kingdom and Greece and arrangements shall be made for the withdrawal of foreign troops not later than 90 days from the coming into force of the present Treaty.

PART II. POLITICAL CLAUSES

Section I—General clauses

Article 15

Italy shall take all measures necessary to secure to all persons under Italian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

Article 16

Italy shall not prosecute or molest Italian nationals, including members of the armed forces, solely on the ground that during the period from June 10, 1940, to the coming into force of the present Treaty, they expressed sympathy with or took action in support of the cause of the Allied and Associated Powers.

Article 17

Italy, which, in accordance with Article 30 of the Armistice Agreement, has taken measures to dissolve the Fascist organizations in Italy, shall not permit the resurgence on Italian territory of such organizations, whether political, military or semi-military, whose purpose it is to deprive the people of their democratic rights.

Article 18

Italy undertakes to recognize the full force of the Treaties of Peace with Roumania, Bulgaria, Hungary and Finland and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect of Austria, Germany and Japan for the restoration of peace.

Section II—Nationality. Civil and political rights

Article 19

1. Italian citizens who were domiciled on June 10, 1940, in territory transferred by Italy to another State under the present Treaty, and their children born after that date, shall, except as provided in the following paragraph, become citizens with full civil and political rights of the State to which the territory is transferred, in accordance with legislation to that effect to be introduced by that State within three months from the coming into force of the present Treaty. Upon becoming citizens of the State concerned they shall lose their Italian citizenship.

2. The Government of the State to which the territory is transferred shall, by appropriate legislation within three months from the coming into force of the present Treaty, provide that all persons referred to in paragraph 1 over the age of eighteen years (or married persons whether under or over that age) whose customary language is Italian, shall be entitled to opt for Italian citizenship within a period of one year from the coming into force of the present Treaty. Any person so opting shall retain Italian citizenship and shall not be considered to have acquired the citizenship of the State to which the territory is transferred. The option of the husband shall not constitute an option on the part of the wife. Option on the part of the father, or, if the father is not alive, on the part of the mother, shall, however, automatically include all unmarried children under the age of eighteen years.

3. The State to which the Territory is transferred may require those who take advantage of the option to move to Italy within a year from the date when the option was exercised.

4. The State to which the territory is transferred shall, in accordance with its fundamental laws, secure to all persons within the territory, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

Article 20

1. Within a period of one year from the coming into force of the present Treaty, Italian citizens over 18 years of age (or married persons whether under or over that age), whose customary language is one of the Yugoslav languages (Serb, Croat or Slovene), and who are domiciled on Italian territory may, upon filing a request with a Yugoslav diplomatic or consular representative in Italy, acquire Yugoslav nationality if the Yugoslav authorities accept their request.

2. In such cases, the Yugoslav Government will communicate to the Italian Government through the diplomatic channel lists of the persons who have thus acquired Yugoslav nationality. The persons mentioned in such lists will lose their Italian nationality on the date of such official communication.

3. The Italian Government may require such persons to transfer their residence to Yugoslavia within a period of one year from the date of such official communication.

4. For the purposes of this Article, the rules relating to the effect of options on wives and on children, set forth in Article 19, paragraph 2, shall apply.

5. The provisions of Annex XIV, paragraph 10 of the present Treaty, applying to the transfer of properties belonging to persons who opt for Italian nationality, shall equally apply to the transfer of properties belonging to persons who opt for Yugoslav nationality under this Article.

Section III—Free Territory of Trieste

Article 21

1. There is hereby constituted the Free Territory of Trieste, consisting of the area lying between the Adriatic Sea and the boundaries defined in Articles 4 and 22 of the present Treaty. The Free Territory of Trieste is recognized by the Allied and Associated Powers and by Italy, which agree that its integrity and independence shall be assured by the Security Council of the United Nations.

2. Italian sovereignty over the area constituting the Free Territory of Trieste, as above defined, shall be terminated upon the coming into force of the present Treaty.

3. On the termination of Italian sovereignty, the Free Territory of Trieste shall be governed in accordance with an instrument for a provisional regime drafted by the Council of Foreign Ministers and approved by the Security Council. This Instrument shall remain in force until such date as the Security Council shall fix for the coming into force of the Permanent Statute which shall have been approved by it. The Free Territory shall thenceforth be governed by the provisions of such Permanent Statute. The texts of the Permanent Statute and of the Instrument for the Provisional Regime are contained in Annexes VI and VII.

4. The Free Territory of Trieste shall not be considered as ceded territory within the meaning of Article 19 and Annex XIV of the present Treaty.

5. Italy and Yugoslavia undertake to give to the Free Territory of Trieste the guarantees set out in Annex IX.

Article 22

The frontier between Yugoslavia and the Free Territory of Trieste shall be fixed as follows:

(i) The line starts from a point on the administrative boundary between the provinces of Gorizia and Trieste, approximately 2 kilometers northeast of the village of San Giovanni and approximately 0.5 kilometer northwest of point 208, forming the junction of the frontiers of Yugoslavia, Italy, and the Free Territory of Trieste, and follows this administrative boundary as far as Monte Lanaro (point 546); thence it extends southeastward as far as Monte Cocusso (point 672) through point 461, Meducia (point 475), Monte dei Pini (point 476) and point 407, crossing Highway No. 58, from Trieste to Sesana, about 3.3 kilometers to the southwest of this town, and leaving the villages of Vogliano and Orle to the east, and at approximately 0.4 kilometer to the west, the village of Zolla.

(ii) From Monte Cocusso, the line, continuing southeastward leaving the village of Grozzana to the west, reaches Monte Goli (point 621), then turning southwestward, crosses the road from Trieste to Cosina at point 455 and the railway at point 485, passes by points 416 and 326, leaving the villages of Beca and Castel in Yugoslav territory, crosses the road from Ospo to Gabrovizza d'Istria about 100 meters to the southeast of Ospo; then crosses the river Risana and the road from Villa Decani to Risano at a point about 350 meters west of the latter village, the village of Rosario and the road from Risano to San Sergio being left in Yugoslav territory; from this point the line proceeds as far as the cross roads situated about 1 kilometer northeastward of point 362, passing by points 285 and 354.

(iii) Thence, the line runs as far as a point about 0.5 kilometer east of the village of Cernova, crossing the river Dragogna about 1 kilometer north of this village, leaving the villages of Buccial and Truscolo to the west and the village of Tersecco to the east, it then runs southwestward to the southeast of the road connecting the villages of Cernova and Chervoi, leaving this road 0.8 kilometer to the east of the village of Cucciani; it then runs in a general south-southwesterly direction, passing about 0.4 kilometer east of Monte Braico and at about 0.4 kilometer west of the village of Sterna Filaria, leaving the road running from this village to Piemonte to the east, passing about 0.4 kilometer west of the town of Piemonte and about 0.5 kilometer east of the town of Castagna and reaching the river Quieto at a point approximately 1.6 kilometer southwest of the town of Castagna.

(iv) Thence the line follows the main improved channel of the Quieto to its mouth, passing through Porto del Quieto to the high seas by following a line placed equidistant from the coastlines of the Free Territory of Trieste and Yugoslavia.

The map to which this description refers forms part of Annex I.

Section IV—Italian colonies

Article 23

1. Italy renounces all right and title to the Italian territorial possessions in Africa, i. e. Libya, Eritrea and Italian Somaliland.

2. Pending their final disposal, the said possessions shall continue under their present administration.

3. The final disposal of these possessions shall be determined jointly by the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France within one year from the coming into force of the present Treaty, in the manner laid down in the joint declaration of February 10, 1947, issued by the said Governments, which is reproduced in Annex XI.

Section V—Special interests of China

Article 24

Italy renounces in favour of China all benefits and privileges resulting from the provisions of the final Protocol signed at Pekin on September 7, 1901, and all annexes, notes and documents supplementary thereto, and agrees to the abrogation in respect of Italy of the said protocol, annexes, notes and documents. Italy likewise renounces any claim thereunder to an indemnity.

Article 25

Italy agrees to the cancellation of the lease from the Chinese Government under which the Italian Concession at Tientsin was granted, and to the transfer to the Chinese Government of any property and archives belonging to the municipality of the said Concession.

Article 26

Italy renounces in favour of China the rights accorded to Italy in relation to the International Settlements at Shanghai and Amoy, and agrees to the reversion of the said Settlements to the administration and control of the Chinese Government.

Section VI—Albania

Article 27

Italy recognises and undertakes to respect the sovereignty and independence of the State of Albania.

Article 28

Italy recognises that the Island of Saseno is part of the territory of Albania and renounces all claims thereto.

Article 29

Italy formally renounces in favour of Albania all property (apart from normal diplomatic or consular premises), rights, concessions, interests and advantages of all kinds in Albania, belonging to the Italian State or Italian para-statal institutions. Italy likewise renounces all claims to special interests or influence in Albania, acquired as a result of the aggression of April 7, 1939, or under treaties or agreements concluded before that date.

The economic clauses of the present Treaty, applicable to the Allied and Associated Powers, shall apply to other Italian property and other economic relations between Albania and Italy.

Article 30

Italian nationals in Albania will enjoy the same juridical status as other foreign nationals, but Italy recognises the legality of all Albanian measures annulling or modifying concessions or special rights granted to Italian nationals provided that such measures are taken within a year from the coming into force of the present Treaty.

Article 31

Italy recognises that all agreements and arrangements made between Italy and the authorities installed in Albania by Italy from April 7, 1939, to September 3, 1943, are null and void.

Article 32

Italy recognises the legality of any measures which Albania may consider necessary to take in order to confirm or give effect to the preceding provisions.

Section VII—Ethiopia

Article 33

Italy recognises and undertakes to respect the sovereignty and independence of the State of Ethiopia.

Article 34

Italy formally renounces in favour of Ethiopia all property (apart from normal diplomatic or consular premises), rights, interests and advantages of all kinds acquired at any time in Ethiopia by the Italian State, as well as all para-statal property as defined in paragraph 1 of Annex XIV of the present Treaty.

Italy also renounces all claims to special interests or influence in Ethiopia.

Article 35

Italy recognises the legality of all measures which the Government of Ethiopia has taken or may hereafter take in order to annul Italian measures respecting Ethiopia taken after October 3, 1935, and the effects of such measures.

Article 36

Italian nationals in Ethiopia will enjoy the same juridical status as other foreign nationals, but Italy recognises the legality of all measures of the Ethiopiar Government annulling or modifying concessions or special rights granted to Italian nationals, provided such measures are taken within a year from the coming into force of the present Treaty.

Article 37

Within eighteen months from the coming into force of the present Treaty, Italy shall restore all works of art, religious objects, archives and objects of historical value belonging to Ethiopia or its nationals and removed from Ethiopia to Italy since October 3, 1935.

Article 38

The date from which the provisions of the present Treaty shall become applicable as regards all measures and acts of any kind whatsoever entailing the responsibility of Italy or of Italian nationals towards Ethiopia, shall be held to be October 3, 1935.

Section VIII—International agreements

Article 39

Italy undertakes to accept any arrangements which have been or may be agreed for the liquidation of the League of Nations, the Permanent Court of International Justice and also the International Financial Commission in Greece.

Article 40

Italy hereby renounces all rights, titles and claims deriving from the mandate system or from any undertakings given in connection therewith, and all special rights of the Italian State in respect of any mandated territory.

Article 41

Italy recognises the provisions of the Final Act of August 31, 1945, and of the Franco-British Agreement of the same date on the Statute of Tangier, as well as all provisions which may be adopted by the Signatory Powers for carrying out these instruments.

Article 42

Italy shall accept and recognise any arrangements which may be made by the Allied and Associated Powers concerned for the modification of the Congo Basin Treaties with a view to bringing them into accord with the Charter of the United Nations.

Article 43

Italy hereby renounces any rights and interests she may possess by virtue of Article 16 of the Treaty of Lausanne signed on July 24, 1923.

Section IX—Bilateral treaties

Article 44

1. Each Allied or Associated Power will notify Italy, within a period of six months from the coming into force of the present Treaty, which of its pre-war bilateral treaties with Italy it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

3. All such treaties not so notified shall be regarded as abrogated.

PART III. WAR CRIMINALS

Article 45

1. Italy shall take all necessary steps to ensure the apprehension and surrender for trial of:

(a) Persons accused of having committed, ordered or abetted war crimes and crimes against peace or humanity;

(b) Nationals of any Allied or Associated Power accused of having violated their national law by treason or collaboration with the enemy during the war.

2. At the request of the United Nations Government concerned, Italy shall likewise make available as witnesses persons within its jurisdiction, whose evidence is required for the trial of the persons referred to in paragraph 1 of this Article.

3. Any disagreement concerning the application of the provisions of paragraphs 1 and 2 of this Article shall be referred by any of the Governments concerned to the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, who will reach agreement with regard to the difficulty.

PART IV. NAVAL, MILITARY AND AIR CLAUSES

Section I—Duration of application

Article 46

Each of the military, naval and air clauses of the present Treaty shall remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Italy or, after Italy becomes a member of the United Nations, by agreement between the Security Council and Italy.

Section II—General limitations

Article 47

1. (a) The system of permanent Italian fortifications and military installations along the Franco-Italian frontier, and their armaments, shall be destroyed or removed

(b) This system is deemed to comprise only artillery and infantry fortifications whether in groups or separated, pillboxes of any type, protected accommodation for personnel, stores and ammunition, observation posts and military cableways, whatever may be their importance and actual condition of maintenance or state of construction, which are constructed of metal, masonry or concrete or excavated in the rock.

2. The destruction or removal, mentioned in paragraph 1 above, is limited to a distance of 20 kilometers from any point on the frontier as defined by the present Treaty, and shall be completed within one year from the coming into force of the Treaty.

3. Any reconstruction of the above-mentioned fortifications and installations is prohibited.

4. (a) The following construction to the east of the Franco-Italian frontier is prohibited: permanent fortifications where weapons capable of firing into French territory or territorial waters can be emplaced; permanent military installations capable of being used to conduct or direct fire into French territory or territorial waters; and permanent supply and storage facilities emplaced solely for the use of the above-mentioned fortifications and installations.

(b) The prohibition does not include other types of non-permanent fortifications or surface accommodations and installations which are designed to meet only requirements of an internal character and of local defence of the frontier.

5. In a coastal area 15 kilometers deep, stretching from the Franco-Italian frontier to the meridian 9°30′ E., Italy shall not establish any new, nor expand any existing, naval bases or permanent naval installations. This does not prohibit minor alterations to, nor the maintenance in good repair of, existing naval installations provided that their overall capacity will not thereby be increased.

Article 48

1. (a) Any permanent Italian fortifications and military installations along the Italo-Yugoslav frontier, and their armaments, shall be destroyed or removed.

(b) These fortifications and installations are deemed to comprise only artillery and infantry fortifications whether in groups or separated, pillboxes of any type, protected accommodation for personnel, stores and ammunition, observation posts and military cableways, whatever may be their importance and actual condition of maintenance or state of construction, which are constructed of metal, masonry or concrete or excavated in the rock.

2. The destruction or removal, mentioned in paragraph 1 above, is limited to a distance of 20 kilometers from any point on the frontier, as defined by the present Treaty, and shall be completed within one year from the coming into force of the Treaty.

3. Any reconstruction of the above-mentioned fortifications and installations is prohibited.

4. (a) The following construction to the west of the Italo-Yugoslav frontier is prohibited: permanent fortifications where weapons capable of firing into Yugoslav territory or territorial waters can be emplaced; permanent military installations capable of being used to conduct or direct fire into Yugoslav territory or territorial waters; and permanent supply and storage facilities emplaced solely for the use of the above-mentioned fortifications and installations.

(b) This prohibition does not include other types of non-permanent fortifications or surface accommodations and installations which are designed to meet only requirements of an internal character and of local defence of the frontiers.

5. In a coastal area 15 kilometers deep, stretching from the frontier between Italy and Yugoslavia and between Italy and the Free Territory of Trieste to the latitude of 44°50′ N. and in the islands adjacent to this coast, Italy shall not establish any new, nor expand any existing, naval bases or permanent naval installations. This does not prohibit minor alterations to, nor the maintenance in good repair of, existing naval installations and bases provided that their overall capacity will not thereby be increased.

6. In the Apulian Peninsula east of longitude 17°45′ E., Italy shall not construct any new permanent military, naval or military air installations nor expand existing installations. This does not prohibit minor alterations to, nor the maintenance in good repair of, existing installations provided that their overall capacity will not thereby be increased. Accommodations for such security forces as may be required for tasks of an internal character and local defence of frontiers will, however, be permitted.

Article 49

1. Pantellaria, the Pelagian Islands (Lampedusa, Lampione and Linosa) and Pianosa (in the Adriatic) shall be and shall remain demilitarised.

2. Such demilitarisation shall be completed within one year from the coming into force of the present Treaty.

Article 50

1. In Sardinia all permanent coast defence artillery emplacements and their armaments and all naval installations which are located within a distance of 30 kilometers from French territorial waters shall be removed to the mainland of Italy or demolished within one year from the coming into force of the present Treaty.

2. In Sicily and Sardinia all permanent installations and equipment for the maintenance and storage of torpedoes, sea mines and bombs shall be demolished or removed to the mainland of Italy within one year from the coming into force of the present Treaty.

3. No improvements to, reconstruction of, or extensions of existing installations or permanent fortifications in Sicily and Sardinia shall be permitted; however, with the exception of the northern Sardinia areas described in paragraph 1 above, normal maintenance of such installations or permanent fortifications and weapons already installed in them may take place.

4. In Sicily and Sardinia Italy shall be prohibited from constructing any naval, military and air force installations or fortifications except for such accommodation for security forces as may be required for tasks of an internal character.

Article 51

Italy shall not possess, construct or experiment with (i) any atomic weapon, (ii) any self-propelled or guided missiles or apparatus connected with their discharge (other than torpedoes and torpedo-launching gear comprising the normal armament of naval vessels permitted by the present Treaty), (iii) any guns with a range of over 30 kilometers, (iv) sea mines or torpedoes of non-contact types actuated by influence mechanisms, (v) any torpedoes capable of being manned.

Article 52

The acquisition of war material of German or Japanese origin or design, either from inside or outside Italy, or its manufacture, is prohibited to Italy.

Article 53

Italy shall not manufacture or possess, either publicly or privately, any war material different in type from, or exceeding in quantity, that required for the forces permitted in Sections III, IV and V below.

Article 54

The total number of heavy and medium tanks in the Italian armed forces shall not exceed 200.

Article 55

In no case shall any officer or non-commissioned officer of the former Fascist Militia or of the former Fascist Republican Army be permitted to hold officer's or non-commissioned officer's rank in the Italian Navy, Army, Air Force or Carabinieri, with the exception of such persons as shall have been exonerated by the appropriate body in accordance with Italian law.

Section III—Limitation of the Italian Navy

Article 56

1. The present Italian Fleet shall be reduced to the units listed in Annex XII A.

2. Additional units not listed in Annex XII and employed only for the specific purpost of minesweeping, may continue to be employed until the end of the mine clearance period as shall be determined by the Inter-

national Central Board for Mine Clearance of European Waters.

3. Within two months from the end of the said period, such of these vessels as are on loan to the Italian Navy from other Powers shall be returned to those Powers, and all other additional units shall be disarmed and converted to civilian use.

Article 57

1. Italy shall effect the following disposal of the units of the Italian Navy specified in Annex XII B:

(a) The said units shall be placed at the disposal of the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France;

(b) Naval vessels required to be transferred in compliance with sub-paragraph (a) above shall be fully equipped, in operational condition including a full outfit of armament stores, and complete with on-board spare parts and all necessary technical data;

(c) The transfer of the naval vessels mentioned above shall be effected within three months from the coming into force of the present Treaty, except that, in the case of naval vessels that cannot be refitted within three months, the time limit for the transfer may be extended by the Four Governments;

(d) Reserve allowance of spare parts and armament stores for the naval vessels mentioned above shall, as far as possible, be supplied with the vessels.

The balance of reserve spare parts and armament stores shall be supplied to an extent and at dates to be decided by the Four Governments, in any case within a maximum of one year from the coming into force of the present Treaty.

2. Details relating to the above transfers will be arranged by a Four Power Commission to be established under a separate protocol.

3. In the event of loss or damage, from whatever cause, to any of the vessels in Annex XII B scheduled for transfer, and which cannot be made good by the agreed date for transfer of the vessel or vessels concerned, Italy undertakes to replace such vessel or vessels by equivalent tonnage from the list in Annex XII A, the actual vessel or vessels to be substituted being selected by the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France.

Article 58

1. Italy shall effect the following disposal of submarines and nonoperational naval vessels. The time limits specified below shall be taken as commencing with the coming into force of the present Treaty.

(a) Surface naval vessels afloat not listed in Annex XII, including naval vessels under construction afloat, shall be destroyed or scrapped for metal within nine months.

(b) Naval vessels under construction on slips shall be destroyed or scrapped for metal within nine months.

(c) Submarine afloat and not listed in Annex XII B shall be sunk in the open sea in a depth of over 100 fathoms within three months.

(d) Naval vessels sunk in Italian harbours and approach channels, in obstruction of normal shipping, shall, within two years, either be destroyed on the spot or salvaged and subsequently destroyed or scrapped for metal.

(e) Naval vessels sunk in shallow Italian waters not in obstruction of normal shipping shall within one year be rendered incapable of salvage.

(f) Naval vessels capable of reconversion which do not come within the definition of war material, and which are not listed in Annex XII, may be reconverted to civilian uses or are to be demolished within two years.

2. Italy undertakes, prior to the sinking or destruction of naval vessels and submarines as provided for in the preceding paragraph, to salvage such equipment and spare parts as may be useful in completing the on-board and reserve allowances of spare parts and equipment to be supplied, in accordance with Article 57, paragraph 1, for all ships specified in Annex XII B.

3. Under the supervision of the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, Italy may also salvage such equipment and spare parts of a nonwarlike character as are readily adaptable for use in Italian civil economy.

Article 59

1. No battleship shall be constructed, acquired or replaced by Italy.

2. No aircraft carrier, submarine or other submersible craft, motor torpedo boat or specialised types of assault craft shall be constructed, acquired, employed or experimented with by Italy.

3. The total standard displacement of the war vessels, other than battleships, of the Italian Navy, including vessels under construction after the date of launching, shall not exceed 67,500 tons.

4. Any replacement of war vessels by Italy shall be effected within the limit of tonnage given in paragraph 3. There shall be no restriction on the replacement of auxiliary vessels.

5. Italy undertakes not to acquire or lay down any war vessels before January 1, 1950, except as necessary to replace any vessel, other than a battleship, accidentally lost, in which case the displacement of the new vessel is not to exceed by more than ten per cent the displacement of the vessel lost.

6. The terms used in this Article are, for the purposes of the present Treaty, defined in Annex XIII A.

Article 60

1. The total personnel of the Italian Navy, excluding any naval air personnel, shall not exceed 25,000 officers and men.

2. During the mine clearance period as determined by the International Central Board for Mine Clearance of European Waters, Italy shall be authorized to employ for this purpose an additional number of officers and men not to exceed 2,500.

3. Permanent naval personnel in excess of that permitted under paragraph 1 shall be progressively reduced as follows, time limits being taken as commencing with the coming into force of the present Treaty:

(a) To 30,000 within six months;

(b) To 25,000 within nine months;

Two months after the completion of minesweeping by the Italian Navy, the excess personnel authorized by paragraph 2 is to be disbanded or absorbed within the above numbers.

4. Personnel, other than those authorized under paragraphs 1 and 2, and other than any naval air personnel authorized under Article 65, shall not receive any form of naval training as defined in Annex XIII B.

Section IV—Limitation of the Italian Army

Article 61

The Italian Army, including the Frontier Guards, shall be limited to a force of 185,000 combat, service and overhead personnel and 65,000 Carabinieri, though either of the above elements may be varied by 10,000 as long as the total ceiling does not exceed 250,000. The organisation and armament of the Italian ground forces, as well as their deployment throughout Italy, shall be designed to meet only tasks of an internal character, local defence of Italian frontiers and anti-aircraft defence.

Article 62

The Italian Army, in excess of that permitted under Article 61 above, shall be disbanded within six months from the coming into force of the present Treaty.

Article 63

Personnel other than those forming part of the Italian Army or Carabinieri shall not receive any form of military training as defined in Annex XIII B.

Section V—Limitation of the Italian Air Force

Article 64

1. The Italian Air Force, including any naval air arm, shall be limited to a force of 200 fighter and reconnaissance aircraft and 150 transport, air-sea rescue, training (school type) and liaison aircraft. These totals include reserve aircraft. All aircraft except for fighter and reconnaissance aircraft shall be unarmed. The organisation and armament of the Italian Air Force as well as their deployment throughout Italy shall be designed to meet only tasks of an internal character, local defence of Italian frontiers and defence against air attack.

2. Italy shall not possess or acquire any aircraft designed primarily as bombers with internal bomb-carrying facilities.

Article 65

1. The personnel of the Italian Air Force, including any naval air personnal, shall be limited to a total of 25,000 effectives, which shall include combat, service and overhead personnel.

2. Personnel other than those forming part of the Italian Air Force shall not receive any form of military air training as defined in Annex XIII B.

Article 66

The Italian Air Force, in excess of that permitted under Article 65 above, shall be disbanded within six months from the coming into force of the present Treaty.

Section VI—Disposal of war material (as defined in Annex XIII C)

Article 67

1. All Italian war material in excess of that permitted for the armed forces specified in Sections III, IV and V shall be placed at the disposal of the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France, according to such instructions as they may give to Italy.

2. All Allied war material in excess of that permitted for the armed forces specified in Sections III, IV and V shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions to be given to Italy by the Allied or Associated Power concerned.

3. All German and Japanese war material in excess of that permitted for the armed forces specified in Sections III, IV and V, and all German or Japanese drawings, including existing blueprints, prototypes, experimental models and plans, shall be placed at the disposal of the Four Governments in accordance with such instructions as they may give to Italy.

4. Italy shall renounce all rights to the above-mentioned war material and shall comply with the provisions of this Article within one year from the coming into force of the present Treaty except as provided for in Articles 56 to 58 thereof.

5. Italy shall furnish to the Four Governments lists of all excess war material within six months from the coming into force of the present Treaty.

Section VII—Prevention of German and Japanese rearmament

Article 68

Italy undertakes to co-operate fully with the Allied and Associated Powers with a view to ensuring that Germany and Japan are unable to take steps outside German and Japanese territories towards rearmament.

Article 69

Italy undertakes not to permit the employment or training in Italy of any technicians,

including military or civil aviation personnel, who are or have been nationals of Germany or Japan.

Article 70

Italy undertakes not to acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

Section VIII—Prisoners of war

Article 71

1. Italian prisoners of war shall be repatriated as soon as possible in accordance with arrangements agreed upon by the individual Powers detaining them and Italy.

2. All costs, including maintenance costs, incurred in moving Italian prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Italian territory, shall be borne by the Italian Government.

Section IX—Mine clearance

Article 72

As from the coming into force of the present Treaty, Italy will be invited to join the Mediterranean Zone Board of the International Organisation for Mine Clearance of European Waters, and shall maintain at the disposal of the Central Mine Clearance Board all Italian minesweeping forces until the end of the post-war mine clearance period as determined by the Central Board.

PART V. WITHDRAWAL OF ALLIED FORCES

Article 73

1. All armed forces of the Allied and Associated Power shall be withdrawn from Italy as soon as possible and in any case not later than 90 days from the coming into force of the present Treaty.

2. All Italian goods for which compensation has not been made and which are in possession of the armed forces of the Allied and Associated Powers in Italy at the coming into force of the present Treaty shall be returned to the Italian Government within the same period of 90 days or due compensation shall be made.

3. All bank and cash balances in the hands of the forces of the Allied and Associated Powers at the coming into force of the present Treaty which have been supplied free of cost by the Italian Government shall similarly be returned or a corresponding credit given to the Italian Government.

PART VI. CLAIMS ARISING OUT OF THE WAR

Section I—Reparation

Article 74

A. Reparation for the Union of Soviet Socialist Republics

1. Italy shall pay the Soviet Union reparation in the amount of $100,000,000 during a period of 7 years from the coming into force of the present Treaty. Deliveries from current industrial production shall not be made during the first 2 years.

2. Reparation shall be made from the following sources:

(a) A share of the Italian factory and tool equipment designed for the manufacture of war material, which is not required by the permitted military establishments, which is not readily susceptible of conversion to civilian purposes, and which will be removed from Italy pursuant to Article 67 of the present Treaty;

(b) Italian assets in Roumania, Bulgaria and Hungary, subject to the exceptions specified in paragraph 6 of Article 79;

(c) Italian current industrial production, including production by extractive industries.

3. The quantities and types of goods to be delivered shall be the subject of agreements between the Governments of the Soviet Union and of Italy, and shall be selected and deliveries shall be scheduled in such a way as to avoid interference with the economic reconstruction of Italy and the imposition of additional liabilities on other Allied or Associated Powers. Agreements concluded under this paragraph shall be communicated to the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France.

4. The Soviet Union shall furnish to Italy on commercial terms the materials which are normally imported into Italy and which are needed for the production of these goods. Payments for these materials shall be made by deducting the value of the materials furnished from the value of the goods delivered to the Soviet Union.

5. The Four Ambassadors shall determine the value of the Italian assets to be transferred to the Soviet Union.

6. The basis of calculation for the settlement provided in this Article will be the United States dollar at its gold parity on July 1, 1946, i. e. $35 for one ounce of gold.

B. Reparation for Albania, Ethiopia, Greece and Yugoslavia

1. Italy shall pay reparation to the following States:

Albania in the amount of $5,000,000.
Ethiopia in the amount of $25,000,000.
Greece in the amount of $105,000,000.
Yugoslavia in the amount of $125,000,000.

These payments shall be made during a period of seven years from the coming into force of the present Treaty. Deliveries from current industrial production shall not be made during the first two years.

2. Reparation shall be made from the following sources:

(a) A share of the Italian factory and tool equipment designed for the manufacture of war material, which is not required by the permitted military establishments, which is not readily susceptible of conversion to civilian purposes and which will be removed from Italy pursuant to Article 67 of the present Treaty;

(b) Italian current industrial production, including production by extractive industries;

(c) All other categories of capital goods or services, excluding Italian assets which, under Article 79 of the present Treaty, are subject to the jurisdiction of the States mentioned in paragraph 1 above. Deliveries under this paragraph shall include either or both of the passenger vessels *Saturnia* and *Vulcania*, if, after their value has been determined by the Four Ambassadors, they are claimed within 90 days by one of the States mentioned in paragraph 1 above. Such deliveries may also include seeds.

3. The quantities and types of goods and services to be delivered shall be the subject of agreements between the Governments entitled to receive reparation and the Italian Government, and shall be selected and deliveries shall be scheduled in such a way as to avoid interference with the economic reconstruction of Italy and the imposition of additional liabilities on other Allied or Associated Powers.

4. The States entitled to receive reparation from current industrial production shall furnish to Italy on commercial terms the materials which are normally imported into Italy and which are needed for the production of these goods. Payment for these materials shall be made by deducting the value of the materials furnished from the value of the goods delivered.

5. The basis of calculation for the settlement provided in this Article will be the United States dollar at its gold parity on July 1, 1946, i. e. $35 for one ounce of gold.

6. Claims of the States mentioned in paragraph 1 of part B of this Article, in excess of the amounts of reparation specified in that paragraph, shall be satisfied out of the Italian assets subject to their respective jurisdictions under Article 79 of the present Treaty.

7. (a) The Four Ambassadors will coordinate and supervise the execution of the provisions of part B of this Article. They will consult with the Heads of the Diplomatic Missions in Rome of the States named in paragraph 1 of part B and, as circumstances may require, with the Italian Government, and advise them. For the purpose of this Article, the Four Ambassadors will continue to act until the expiration of the period for reparation deliveries provided in paragraph 1 of part B.

(b) With a view to avoiding conflict or overlapping in the allocation of Italian production and resources among the several States entitled to reparation under part B of this Article, the Four Ambassadors shall be informed by any one of the Governments entitled to reparation under part B of this Article and by the Italian Government of the opening of negotiations for an agreement under paragraph 3 above and of the progress of such negotiations. In the event of any differences arising in the course of the negotiations the Four Ambassadors shall be competent to decide any point submitted to them by either Government or by any other Government entitled to reparation under part B of this Article.

(c) Agreements when concluded shall be communicated to the Four Ambassadors. The Four Ambassadors may recommend that an agreement which is not, or has ceased to be, in consonance with the objectives set out in paragraph 3 or sub-paragraph (b) above be appropriately modified.

C. Special Provision for Earlier Deliveries

With respect to deliveries from current industrial production, as provided in part A, paragraph 2 (c) and part B, paragraph 2 (b), nothing in either part A or part B of this Article shall be deemed to prevent deliveries during the first two years, if such deliveries are made in accordance with agreements between the Government entitled to reparation and the Italian Government.

D. Reparation for Other States

1. Claims of the other Allied and Associated Powers shall be satisfied out of the Italian assets subject to their respective jurisdictions under Article 79 of the present Treaty.

2. The claims of any State which is receiving territories under the present Treaty and which is not mentioned in part B of this Article shall also be satisfied by the transfer to the said State, without payment, of the industrial installations and equipment situated in the ceded territories and employed in the distribution of water, and the production and distribution of gas and electricity, owned by any Italian company whose siège social is in Italy or is transferred to Italy, as well as by the transfer of all other assets of such companies in ceded territories.

3. Responsibility for the financial obligations secured by mortgages, liens and other charges on such property shall be assumed by the Italian Government.

E. Compensation for Property Taken for Reparation Purposes

The Italian Government undertakes to compensate all natural or juridical persons whose property is taken for reparation purposes under this Article.

Section II—Restitution by Italy

Article 75

1. Italy accepts the principles of the United Nations Declaration of January 5, 1943, and shall return, in the shortest possible time, property removed from the territory of any of the United Nations.

2. The obligation to make restitution applies to all identifiable property at present in Italy which was removed by force or duress by any of the Axis Powers from the territory of any of the United Nations, irrespective of any subsequent transactions by which the present holder of any such property has secured possession.

3. The Italian Government shall return the property referred to in this Article in good order and, in this connection, shall bear all costs in Italy relating to labour, materials and transport.

4. The Italian Government shall co-operate with the United Nations in, and shall provide at its own expense all necessary facilities for, the search for and restitution of property liable to restitution under this Article.

5. The Italian Government shall take the necessary measures to effect the return of property covered by this Article held in any third country by persons subject to Italian jurisdiction.

6. Claims for the restitution of property shall be presented to the Italian Government by the Government of the country from whose territory the property was removed, it being understood that rolling stock shall be regarded as having been removed from the territory to which it originally belonged. The period during which such claims may be presented shall be six months from the coming into force of the present Treaty.

7. The burden of identifying the property and of proving ownership shall rest on the claimant Government, and the burden of proving that the property was not removed by force or duress shall rest on the Italian Government.

8. The Italian Government shall restore to the Government of the United Nation concerned all monetary gold looted by or wrongfully removed to Italy or shall transfer to the Government of the United Nation concerned an amount of gold equal in weight and fineness to that looted or wrongfully removed. This obligation is recognised by the Italian Government to exist irrespective of any transfers or removals of gold from Italy to any other Axis Power or a neutral country.

9. If, in particular cases, it is impossible for Italy to make restitution of objects of artistic, historical or archaeological value, belonging to the cultural heritage of the United Nation from whose territory such objects were removed by force or duress by Italian forces, authorities or nationals, Italy shall transfer to the United Nation concerned objects of the same kind as, and of approximately equivalent value to, the objects removed, in so far as such objects are obtainable in Italy.

Section III—Renunciation of Claims by Italy

Article 76

1. Italy waives all claims of any description against the Allied and Associated Powers on behalf of the Italian Government or Italian nationals arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, whether or not the Allied or Associated Power was at war with Italy at the time, including the following:

(a) Claims for losses or damages sustained as a consequence of acts of forces or authorities of Allied or Associated Powers;

(b) Claims arising from the presence, operations, or actions of forces or authorities of Allied or Associated Powers in Italian territory;

(c) Claims with respect to the decrees or orders of Prize Courts of Allied or Associated Powers, Italy agreeing to accept as valid and binding all decrees and orders of such Prize Courts on or after September 1, 1939, concerning Italian ships or Italian goods or the payment of costs;

(d) Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which will be henceforward extinguished, whoever may be the parties in interest. The Italian Government agrees to make equitable compensation in lire to persons who furnished supplies or services on requisition to the forces of Allied or Associated Powers in Italian territory and in satisfaction of non-combat damage claims against the forces of Allied or Associated Powers arising in Italian territory.

3. Italy likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Italian Government or Italian nationals against any of the United Nations which broke off diplomatic relations with Italy and which took action in co-operation with the Allied and Associated Powers.

4. The Italian Government shall assume full responsibility for all Allied military currency issued in Italy by the Allied military authorities, including all such currency in circulation at the coming into force of the present Treaty.

5. The waiver of claims by Italy under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied and Associated Powers with respect to Italian ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

6. The provisions of this Article shall not be deemed to affect the ownership of submarine cables which, at the outbreak of the war, were owned by the Italian Government or Italian nationals. This paragraph shall not preclude the application of Article 79 and Annex XIV to submarine cables.

Article 77

1. From the coming into force of the present Treaty property in Germany of Italy and of Italian nationals shall no longer be treated as enemy property and all restrictions based on such treatment shall be removed.

2. Identifiable property of Italy and of Italian nationals removed by force or duress from Italian territory to Germany by German forces or authorities after September 3, 1943, shall be eligible for restitution.

3. The restoration and restitution of Italian property in Germany shall be effected in accordance with measures which will be determined by the Powers in occupation of Germany.

4. Without prejudice to these and to any other dispositions in favour of Italy and Italian nationals by the Powers occupying Germany, Italy waives on its own behalf and on behalf of Italian nationals all claims against Germany and German nationals outstanding on May 8, 1945, except those arising out of contracts and other obligations entered into, and rights acquired, before September 1, 1939. This waiver shall be deemed to include debts, all inter-governmental claims in respect of arrangements entered into in the course of the war, and all claims for loss or damage arising during the war.

5. Italy agrees to take all necessary measures to facilitate such transfers of German assets in Italy as may be determined by those of the Powers occupying Germany which are empowered to dispose of the said assets.

PART VII. PROPERTY, RIGHTS AND INTERESTS

Section 1—United Nations property in Italy

Article 78

1. In so far as Italy has not already done so, Italy shall restore all legal rights and interests in Italy of the United Nations and their nationals as they existed on June 10, 1940, and shall return all property in Italy of the United Nations and their nationals as it now exists.

2. The Italian Government understakes that all property, rights and interests passing under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war and without the imposition of any charges by the Italian Government in connection with their return. The Italian Government shall nullify all measures, including seizures, sequestration or control, taken by it against United Nations property between June 10, 1940, and the coming into force of the present Treaty. In cases where the property has not been returned within six months from the coming into force of the present Treaty, application shall be made to the Italian authorities not later than twelve months from the coming into force of the present Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Italian Government shall invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force or duress exerted by Axis Governments or their agencies during the war.

4. (a) The Italian Government shall be responsible for the restoration to complete good order of the property returned to United Nations nationals under paragraph 1 of this Article. In cases where property cannot be returned or where, as a result of the war, a United Nations national has suffered a loss by reason of injury or damage to property in Italy, he shall receive from the Italian Government compensation in lire to the extent of two-thirds of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered. In no event shall United Nations nationals receive less favourable treatment with respect to compensation than that accorded to Italian nationals.

(b) United Nations nationals who hold, directly or indirectly, ownership interests in corporations or associations which are not United Nations nationals within the meaning of paragraph 9 (a) of this Article, but which have suffered a loss by reason of injury or damage to property in Italy, shall receive compensation in accordance with subparagraph (a) above. This compensation shall be calculated on the basis of the total loss or damage suffered by the corporation or association and shall bear the same proportion to such loss or damage as the beneficial interests of such nationals in the corporation or association bear to the total capital thereof.

(c) Compensation shall be paid free of any levies, taxes or other charges. It shall be freely usable in Italy but shall be subject to the foreign exchange control regulations which may be in force in Italy from time to time.

(d) The Italian Government shall grant United Nations nationals an indemnity in lire at the same rate as provided in subparagraph (a) above to compensate them for the loss or damage due to special measures applied to their property during the war, and which were not applicable to Italian property. This sub-paragraph does not apply to a loss of profit.

5. All reasonable expenses incurred in Italy in establishing claims, including the assessment of loss or damage, shall be borne by the Italian Government.

6. United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts imposed on their capital assets in Italy by the Italian Government or any Italian authority between September 3, 1943, and the coming into force of the present Treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces or of reparation payable to any of the United Nations. Any sums which have been so paid shall be refunded.

7. Notwithstanding the territorial transfers provided in the present Treaty, Italy shall continue to be responsible for loss or damage sustained during the war by property in ceded territory or in the Free Territory of Trieste belonging to United Nations nationals. The obligations contained in paragraphs 3, 4, 5 and 6 of this Article shall also rest on the Italian Government in regard to property in ceded territory and in the Free Territory of Trieste of United Nations nationals except in so far as this would conflict with the provisions of paragraph 14 of

Annex X and paragraph 14 of Annex XIV of the present Treaty.

8. The owner of the property concerned and the Italian Government may agree upon arrangements in lieu of the provisions of this Article.

9. As used in this Article:

(a) "United Nations nationals" means individuals who are nationals of any of the United Nations, or corporations or associations organised under the laws of any of the United Nations, at the coming into force of the present Treaty, provided that the said individuals, corporations or associations also had this status on September 3, 1943, the date of the Armistice with Italy.

The term "United Nations nationals" also includes all individuals, corporations or associations which, under the laws in force in Italy during the war, have been treated as enemy;

(b) "Owner" means the United Nations national, as defined in sub-paragraph (a) above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nations national as defined in sub-paragraph (a). If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law;

(c) "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights or interests of any kind in property. Without prejudice to the generality of the foregoing provisions, the property of the United Nations and their nationals includes all seagoing and river vessels, together with their gear and equipment, which were either owned by United Nations or their nationals, or registered in the territory of one of the United Nations, or sailed under the flag of one of the United Nations and which, after June 10, 1940, while in Italian waters, or after they had been forcibly brought into Italian waters, either were placed under the control of the Italian authorities as enemy property or ceased to be at the free disposal in Italy of the United Nations or their nationals, as a result of measures of control taken by the Italian authorities in relation to the existence of a state of war between members of the United Nations and Germany.

Section II—Italian property in the territory of Allied and Associated Powers

Article 79

1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which on the coming into force of the present Treaty are within its territory and belong to Italy or to Italian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Italy or Italian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Italian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Italian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Italian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Italian Government undertakes to compensate Italian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial property to the Italian Government or Italian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial property in the territory of that Allied or Associated Power, acquired prior to the coming into force of the present Treaty by the Government or nationals of Italy, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. (a) Italian submarine cables connecting points in Yugoslavia shall be deemed to be Italian property in Yugoslavia, despite the fact that lengths of these cables may lie outside the territorial waters of Yugoslavia.

(b) Italian submarine cables connecting a point in the territory of an Allied or Associated Power with a point in Italian territory shall be deemed to be Italian property within the meaning of this Article so far as concerns the terminal facilities and the lengths of cables lying within territorial waters of that Allied or Associated Power.

6. The property covered by paragraph 1 of this Article shall be deemed to include Italian property which has been subject to control by reason of a state of war existing between Italy and the Allied or Associated Power having jurisdiction over the property, but shall not include:

(a) Property of the Italian Government used for consular or diplomatic purposes;

(b) Property belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes;

(c) Property of natural persons who are Italian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Italian property which at any time during the war was subjected to measures not generally applicable to the property of Italian nationals resident in the same territory;

(d) Property rights arising since the resumption of trade and financial relations between the Allied and Associate Powers and Italy, or arising out of transactions between the Government of any Allied or Associated Power and Italy since September 3, 1943;

(e) Literary and artistic property rights;

(f) Property in ceded territories of Italian nationals, to which the provisions of Annex XIV shall apply;

(g) With the exception of the assets indicated in Article 74, part A, paragraph 2 (b) and part D, paragraph 1, property of natural persons residing in ceded territories or in the Free Territory of Trieste who do not opt for Italian nationality under the present Treaty, and property of corporations or associations having siège social in ceded territories or in the Free Territory of Trieste, provided that such corporations or associations are not owned or controlled by persons in Italy. In the cases provided under Article 74, part A, paragraph 2 (b), and part D, paragraph 1, the question of compensation will be dealt with under Article 74, Part E.

Section III—Declaration of the Allied and Associated Powers in respect of claims

Article 80

The Allied and Associated Powers declare that the rights attributed to them under Articles 74 and 79 of the present Treaty cover all their claims and those of their nationals for loss or damage due to acts of war, including measures due to the occupation of their territory, attributable to Italy and having occurred outside Italian territory, with the exception of claims based on Articles 75 and 78.

Section IV—Debts

Article 81

1. The existence of the state of war shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts which existed, and rights which were acquired, before the existence of the state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Italy to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Italy.

2. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of pre-war contracts concluded either by the Government or nationals of Italy.

PART VIII. GENERAL ECONOMIC RELATIONS

Article 82

1. Pending the conclusion of commercial treaties or agreements between individual United Nations and Italy, the Italian Government shall, during a period of eighteen months from the coming into force of the present Treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Italy:

(a) In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favoured-nation treatment.

(b) In all other respects, Italy shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for territory of any other of the United Nations or of any other foreign country;

(c) United Nations nationals, including juridical persons, shall be granted national and most-favoured-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Italy. These provisions shall not apply to commercial aviation;

(d) Italy shall grant no exclusive or discriminatory right to any country with regard to the operation of commercial aircraft in international traffic, shall afford all the United Nations equality of opportunity in obtaining international commercial aviation rights in Italian territory, including the right to land for refueling and repair, and, with regard to the operation of commercial aircraft in international traffic, shall grant on a reciprocal and non-discriminatory basis to all United Nations the right to fly over Italian territory without landing. These provisions shall not affect the interests of the national defense of Italy.

2. The foregoing undertakings by Italy shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Italy before the war; and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that State.

PART IX. SETTLEMENT OF DISPUTES

Article 83

1. Any disputes which may arise in giving effect to Articles 75 and 78 and Annexes XIV, XV, XVI and XVII, part B, of the present Treaty shall be referred to a Conciliation Commission consisting of one representative of the Government of the United Nation concerned and one representative of the Government of Italy, having equal status. If within three months after the dispute has been referred to the Conciliation Commission no agreement has been reached, either Government may ask for the addition to the Commission of a third member selected by mutual agreement of the two Governments from nationals of a third country. Should the two Governments fail

to agree within two months on the selection of a third member of the Commission, the Governments shall apply to the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, who will appoint the third member of the Commission. If the Ambassadors are unable to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. When any Conciliation Commission is established under paragraph 1 above, it shall have jurisdiction over all disputes which may thereafter arise between the United Nation concerned and Italy in the application or interpretation of Articles 75 and 78 and Annexes XIV, XV, XVI, and XVII, part B, of the present Treaty, and shall perform the functions attributed to it by those provisions.

3. Each Conciliation Commission shall determine its own procedure, adopting rules conforming to justice and equity.

4. Each Government shall pay the salary of the member of the Conciliation Commission whom it appoints and of any agent whom it may designate to represent it before the Commission. The salary of the third member shall be fixed by special agreement between the Governments concerned and this salary, together with the common expenses of each Commission, shall be paid in equal shares by the two Governments.

5. The parties undertake that their authorities shall furnish directly to the Conciliation Commission all assistance which may be within their power.

6. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

PART X. MISCELLANEOUS ECONOMIC PROVISIONS

Article 84

Articles 75, 78, 82 and Annex XVII of the present Treaty shall apply to the Allied and Associated Powers and to those of the United Nations which broke off diplomatic relations with Italy or with which Italy broke off diplomatic relations. These Articles and this Annex shall also apply to Albania and Norway.

Article 85

The provisions of Annexes VIII, X, XIV, XV, XVI and XVII shall, as in the case of the other Annexes, have force and effect as integral parts of the present Treaty.

PART XI. FINAL CLAUSES

Article 86

1. For a period not to exceed eighteen months from the coming into force of the present Treaty, the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, acting in concert, will represent the Allied and Associated Powers in dealing with the Italian Government in all matters concerning the execution and interpretation of the present Treaty.

2. The Four Ambassadors will give the Italian Government such guidance, technical advice and clarification as may be necessary to ensure the rapid and efficient execution of the present Treaty both in letter and in spirit.

3. The Italian Government shall afford to the said Four Ambassadors all necessary information and any assistance which they may require in the fulfilment of the tasks devolving on them under the present Treaty.

Article 87

1. Except where another procedure is specifically provided under any Article of the present Treaty, any dispute concerning the interpretation or execution of the Treaty, which is not settled by direct diplomatic negotiations, shall be referred to the Four Ambassadors acting under Article 86 except that in this case the Ambassadors will not be restricted by the time limit provided in that Article. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

Article 88

1. Any member of the United Nations, not a signatory to the present Treaty, which is at war with Italy, and Albania, may accede to the Treaty and upon accession shall be deemed to be an Associated Power for the purposes of the Treaty.

2. Instruments of accession shall be deposited with the Government of the French Republic and shall take effect upon deposit.

Article 89

The provisions of the present Treaty shall not confer any rights or benefits on any State named in the Preamble as one of the Allied and Associated Powers or on its nationals until such State becomes a party to the Treaty by deposit of its instrument of ratification.

Article 90

The present Treaty, of which the French, English and Russian texts are authentic, shall be ratified by the Allied and Associated Powers. It shall also be ratified by Italy. It shall come into force immediately upon the deposit of ratifications by the Union of Soviet Socialist Republics, by the United Kingdom of Great Britain and Northern Ireland, by the United States of America, and by France. The instruments of ratification shall, in the shortest time possible, be deposited with the Government of the French Republic.

With respect to each Allied or Associated Power whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty shall be deposited in the archives of the Government of the French Republic, which shall furnish certified copies to each of the signatory States.

LIST OF ANNEXES

I. Maps (see separate volume)

II. Franco-Italian Frontier: Detailed description of the sections of the frontier to which the modifications set out in Article 2 apply

III. Guarantees in connection with Mont Cenis and the Tenda-Briga district

IV. Provisions agreed upon by the Austrian and Italian Governments on September 5, 1946

V. Water supply for Gorizia and vicinity

VI. Permanent Statute of the Free Territory of Trieste

VII. Instrument for the Provisional Regime of the Free Territory of Trieste

VIII. Instrument for the Free Port of Trieste

IX. Technical dispositions regarding the Free Territory of Trieste

X. Economic and financial provisions relating to the Free Territory of Trieste

XI. Joint declaration by the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France concerning Italian territorial possessions in Africa

XII. List of Naval Units:

A. To be retained by Italy

B. To be handed over by Italy

XIII. Definitions:

A. Naval

B. Military, Military Air and Naval Training

C. Definition and list of war material

D. Definition of the terms "demilitarisation" and "demilitarised"

XIV. Economic and financial provisions relating to ceded territories

XV. Special provisions relating to certain kinds of property:

A. Industrial, Literary and Artistic Property

B. Insurance

XVI. Contracts, Prescription and Negotiable Instruments

XVII. Prize Courts and Judgments

ANNEX I. MAPS TO ACCOMPANY THE PEACE TREATY WITH ITALY

(See separate volume)

A. Frontiers of Italy (Article 1)

B. Franco-Italian Frontier (Article 2)

C. Yugoslav-Italian Frontier (Article 3)

D. Frontiers of the Free Territory of Trieste (Articles 4 and 22)

E Sea Areas defined in Article 11 of the present Treaty

ANNEX II. FRANCO-ITALIAN FRONTIER

(Detailed description of the sections of the frontier to which the modifications set out in Article 2 apply)

Little Saint Bernard Pass

Reference: 1:20,000 map: Ste. Foy Tarentaise Nos. 1–2.

The new frontier follows a line which starts from the rocky ridge of Lancebranlette, then, descending towards the east, follows the line of the watershed to the 2,180 meter level, whence it passes to the Colonna Joux (2188). From there, still following the line of the watershed, it reascends on to Costa del Belvedere, the rocky outcrops of which it follows, climbs Mt. Belvedere, skirting its summit and leaving the latter in French territory 120 meters away from the frontier and, passing through points 2570, 2703, Bella Valletta and point 2746, it rejoins the old frontier at Mt. Valaisan.

Mont Cenis Plateau

Reference: 1:20,000 map: Lanslebourg, Nos. 5–6 and 7–8 and on Mont D'Ambin, Nos. 1–2.

The new frontier follows a line which leaves the old frontier at Mt. Tour, follows westwards the administrative boundary shown on the map, follows the Vitoun as soon as it meets it on its northern branch and descends along it as far as Rocca della Torretta.

Then following the line of rocky outcrops, it reaches the stream coming from the Alpe Lamet and descends with it as far as the base of the rocky escarpment along which it runs for about 800 meters as far as the thalweg at a point situated about 200 meters north of point 1805.

Then it mounts to the top of the landslips which overlook Ferrera Cenisio about 300 meters away and, continuing westwards, meets the road which skirts the east of Rne. Paradiso 400 meters west of the loop (1854), leaving it immediately and bending southwards.

It cuts the Bar Cenisia road at a point about 100 meters southeast of Refuge 5, crosses the thalweg in the direction of Lago S. Giorgio, roughly follows contour 1900 as far as point 1907, then skirts the southern side of Lago d'Arpon and rejoins the rocky ridge on which it remains in a southwesterly direction as far as the confluence of the streams coming from the Bard glacier (Ghiacciaio di Bard) at a point approximately 1,400 meters southwest of Lago d'Arpon.

From there, bending southwards, it roughly follows contour 2500, goes as far as point 2579, then, running along contour 2600, it reaches the Lago della Vecchia and rejoins, at the administrative boundary marked on the map about 700 meters southeast of the lake, the Pso. d'Avanza, path, which it follows along the rocky escarpments to the old frontier, halfway between the Col della Vecchia and the Col de Clapier.

Mont Thabor

Reference: 1:20,000 map: Nevache, 1-2, 5-6 and 7-8.

From Cima de la Planette to Rocher de Guion (Cima del Sueur).

The new frontier follows a line which leaves the present frontier at Cima de la Planette and, proceeding southwards, follows the ridge through points 2980, 3178, Rca. Bernaude (3228), points 2842, 2780, 2877, Pso. della Gallina (2671), points 2720, 2806 and Pta. Quattro Sorelle (2700).

Descending the eastern slope of this summit, the line leaves in French territory point 2420, whence it rejoins and follows on the east the path leading to the buildings situated about 200 meters from point 2253, this path and these buildings being left in French territory. It then enters a thalweg, passing about 300 meters northeast of point 1915, whence it reaches the northwestern edge of the reservoir which, in the Vallee Etroite (Valle Stretta) feeds the hydro-electric installations of Sette Fontane, leaving this reservoir and these installations in Italian territory. Skirting the reservoir on the south, it reaches the crossroads at point 1499.

Thence it follows the path which hugs the edge of the woods along contour 1500 and which leads it to Comba della Gorgia near the 1580 contour; then it ascends the thalweg towards point 1974 and joins the edge of the rock, escarpments of La Sueur as marked by points 2272, 2268, 2239, 2266, 2267, remaining on this edge until it meets the old froniter, the crest of the rocks and the path bordering it remaining in French territory.

Chaberton

Reference: 1:20,000 map: Briançon, Nos. 3-4.

The new frontier follows a line which leaves the old frontier at point 3042 (north of point 3070 and north of Pointe des Trois Scies) and follows the rocky ridge as far as Croce del Vallonetto.

From the Croce del Vallonetto it bends toward the south along the rocky ridge and meets the Chaberton road at the point where the latter enters the cirque of the Clot des Morts.

Crossing this road and the thalweg which borders it, the line roughly follows, for 1250 meters, contour 2300 which, on the ground, follows to the southeast a series of rocky outcrops and debris, then it cuts straight across the eastern slope of Mt. Chaberton, reaches a point about 400 meters west of point 2160 leaving in French territory the intermediate pylon of the cable railway which stands there.

Then it proceeds in a straight line, across a series of rocky barriers and steep ravines, towards the position (not marked on the map) of La Fontaine des Chamois, near point 2228 (about 1400 meters northeast of Clavières) which it skirts to the east, following the second bend of the road joining this position with the fortified barracks of Chaberton, on the road from Cézanne (Cesana) to Clavières, leaving the fortifications at La Fontaine des Chamois in French territory.

Thence following first in a southerly direction the commune boundary marked on the map, and then the rocky barrier about 400 meters north of the Clavières-Cézanne (Cesana) road, it bends towards the southwest, passing along the foot of the rocky cliffs, sufficiently far from the latter to allow the construction of a double-track road.

Skirting in this way to the north the village of Clavières, which is left in Italian territory, it meets the Rio Secco about 200 meters upstream from the Clavières bridge and follows down its course, then that of Doire Ripaire (Doria Riparia) as far as the road from Clavières to Val Gimont, which is left to Italy, and follows this road as far as the bridge over the Gimont.

Proceeding up the course of the latter for about 300 meters, the line then leaves it and follows the mule-track which takes it to the upper pylon of the Clavières cable railway (Col du Mont Fort du Boeuf), which is left in French territory. Then, across the ridge, it rejoins the present frontier at Mont la Plane, frontier post 251. The road in the valley of the Gimont is left in Italian territory.

Upper valleys of La Tinée, La Vesubie and La Roya

1. From Cime de Colla Longa to Cima di Mercantour.

References: 1:20,000 maps: St. Etienne de Tinée, Nos. 3-4 and 7-8, Les Trois Ponts, Nos. 5-6.

The new frontier follows a line which leaves the old frontier at Cime de Colla Longa and proceeding eastwards and following the line of the watershed, skirts the rocky ridge, passing through points 2719, 2562, Cle. di Seccia, reaches at point 2760 the Testa dell'Autaret, passes to point 2672, to the Cle. della Guercia (2456) and through points 2640, 2693, 2689, reaches Rocche di Saboulé and follows the northern ridge thereof.

Following the ridge, it passes through points 2537, 2513, Pso. del Lausfer (2461) and point 2573 to Testa Auta del Lausfer (2587) whence it bends southwards as far as Testa Colla Auta, passing Cima del Lausfer (2544), leaving the latter point in Italy.

Thence through point 2484, and along the ridge path which is left in French territory, through points 2240 and 2356, it crosses the Passo di S. Anna, and passing through points 2420 and 2407 it reaches a point about 80 meters south of point 2378 (Cima Moravacciera).

Following the ridge path left in French territory, it passes through Testa Ga del Caval and point 2331, both left in French territory, then leaving the path it continues on the ridge of Testa del'Adreck (2475) and through Cle. della Lombarda and point 2556 and arrives at Cima della Lombarda (2801).

Bending southeastwards, it then follows the rocky ridge and passing through Pso. di Peania, Cima di Vermeil, point 2720 left in French territory, Testa Cba. Grossa (2792), Pso. del Lupo (2730) and point 2936, reaches Mt. Malinvern.

Thence, in a southerly direction, through points 2701, 2612, and Cima di Tavels (2804), then in an easterly direction through point 2823, it reaches Testa del Claus (2889).

Then, bending in a general southeasterly direction, it crosses Passo delle Portette, passes to point 2814, to Testa delle Portette, to point 2868, to Testa Margiola (2831), to Caire di Prefouns (2840), to Passo del Prefouns (2620), to Testa di Tablasses (2851), to Passo di Bresses (2794), to Testa di Bresses (2820), and passing through Cima di Fremamorta (2751), Cle. Fremamorta, point 2625, point 2675, and point 2539, Cima di Pagari (2686), Cima di Naucetas (2706), points 2660 and 2673, Cle. di Ciriegia (2581), reaches Cima di Mercantour (2775).

2. From Cima di Mercantour to Mt. Clapier.

References: 1:20,000 map: Les Trois Ponts, Nos. 5-6 and the Italian 1:20,000 map: Madonna delle Finestre.

From Cima di Mercantour, it proceeds through point 2705, Cle. Mercantour (2611), Cima Ghilie (2998), points 2939 and 2955, Testa della Rovina (2981), points 2844 and 2862, Paso della Rovina, Caire dell'Agnel (2935, 2867, 2784), Cima del Caire Agnel (2830), Cima Mallariva (2860), Cima Cairas (2831), Cima Cougourda (2881, 2921), Cima dei Gaisses (2896), points 2766, 2824, Cima del Lombard (2842), points 2831, 2717, 2591, 2600 and 2582, Boccia Forno, Cima delle Finestre (2657), Col delle Finestre, points 2634, 2686 and 2917 and reaches Cima dei Gelas (3143), then through point 3070 to Cima della Maledia (3061), from whence it skirts the Passo del Pagari (2819) path and then, following the commune boundary, shown on the map, it reaches the Passo di Mt. Clapier (2827), winds round the north and east of Mt. Clapier (3045) along the administrative boundary shown on the map.

3. From Mt. Clapier to Colle di Tenda.

References: Italian 1:20,000 map: Madonna delle Finestre and Colle di Tenda.

From Mt. Clapier, the line follows the administrative boundary represented on the map by points 2915, 2887 and 2562, Passo dell'Agnel and point 2679, up to Cima dell'Agnel (2775).

The line then bears eastwards, still adhering to the administrative boundary represented on the map by points 2845 and 2843 of Rce. dell'Agnel; it then reaches Cima della Scandeiera (2706), crosses Cle. del Sabbione (2332), proceeds over points 2373, 2226, 2303, and 2313 to Cma. del Sabbione (2610), point 2636, Pta. Peirafica, points 2609, 2585, 2572, 2550 and reaches Rea. dell'Abisso (2755).

The line still continues along the administrative boundary marked on the map up to the east of point 2360, then skirts the rocky outcrops north of Rne. Pian Misson, from whence it reaches the Mt. Becco Rosso path and follows it to the north of points 2181, 2116 and 1915 and then skirts the road for approximately 1 kilometer northwards before rejoining the above-mentioned path up to Colle di Tenda. The path and the section of highway mentioned above remain in French territory.

4. From Colle di Tenda to Cima Missun.

Reference: Italian 1:20,000 map; Tenda and Certosa di Pesio.

From Colle di Tenda the line, leaving the path in French territory, proceeds to points 1887 and 2206, then branches off the path to follow along the ridge the administrative boundary shown on the map, then passing through point 2262 reaches Cma. del Becco (2300).

Bearing northward and along the administrative boundary shown on the map it reaches the Col della Perla (2086), follows the path which skirts the rocky outcrop in Cma. del Cuni to Col della Boaira, where it leaves it to follow the ridge to the north. The above-mentioned path remains in French territory.

Skirting the rocky outcrop, it proceeds to point 2275, reaches Testa Claudon (2386), skirts the rocky escarpments, crosses Colla Piana (2219) and reaches point 2355 of Mt. Delle Carsene which is left on French soil, then it follows the northern ridge of this mountain over Pta. Straldi (2375), points 2321 and 2305 up to Pso. Scarason, then swerves northwards up to point 2352, where it meets the administrative boundary shown on the map and follows this boundary through points 2510 and 2532 up to Pta. Marguareis (2651).

Deviating southward it then follows the ridge, passes point 2585 and, passing down the rocky crest, reaches Colle del Lago dei Signori.

Following the path on the summit, which is left in French territory, then running along the crest proper, it comes to Cima di Pertega (2402), passes along the rocky ridge down to Cle. delle Vecchie (2106), whence it follows the summit path, which it leaves in French territory, through points 2190, 2162, Cima del Vescovo (2257) and Cima di Velega (2366) up to Mt. Bertrand.

From Mt. Bertrand (2481) it follows the administrative boundary shown on the map up to Cla. Rossa, where it rejoins the summit path which it then skirts passing through points 2179 and 2252 up to Cima Missun

(2356), then, winding round the east of this mountain summit, the line follows the above-mentioned path which remains in French territory.

5. From Cima Missun to Col de Pegairole.

References: 1:20,000 map; Pointe de Lugo, Nos. 1–2 and 5–6.

Following the same summit path, the line crosses Cla. Cravirora and passes east of point 2265 to Pta. Farenga. It then leaves the path and winds round Cma. Ventosa to the east, after which it joins the Passo di Tanarello path and leaves in France the constructions beside this path. The line then passes along Mt. Tanarello, crosses Passo Basera (2038), skirts Mt. Saccarello which is left approximately 300 meters to the westwards, then following first the rocky ridge and then the path up to Pso. di Collardente it reaches the ridge which leads up to Mt. Collardente, leaving point 1762 on French territory. At this point it skirts a path which is left in Italian territory and comes to Mt. Collardente, leaving on French soil the path which crosses it. The line then follows this path through the Bassa di Sanson east and south of point 1769 up to the constructions, situated approximately 500 meters east of Testa della Nava (1934), which are left in French territory.

When it reaches these works, it leaves the road, rejoins at the ridge the road along the Testa della Nava ridge which remains in French territory, and follows it as far as the works to the southeast of the Cima di Marta or Mt. Vacche, skirting it from the east.

From there, passing along the ridge road left in French territory, it skirts Mt. Ceriana, leaves the road to reach Mt. Grai (2014) and joins it again at the col (1875), follows it to skirt Cima della Valetta and Mt. Pietravecchia as far as the rocky crest.

It then crosses Gola dell'Incisa, runs by way of the ridge and point 1759 to Mt. Toraggio (1972), then to Cima di Logambon and the Gola del Corvo, skirts Mt. Bauso and Mt. Lega (1552, 1563 and 1556) and follows the ridge downwards to Passo di Muratone.

Along the ridge road, left in French territory, it runs to Mt. Scarassan, to the south of Mt. Battolino and of point 1358 and reaches Cla. Pegairole.

6. From Cla. Pegairole to Mt. Mergo.

References: 1:200,000 maps: Pointe de Lugo, Nos. 5–6, San Remo, Nos. 1–2 and Menton, Nos. 3–4.

From Cla. Pegairole the line follows the administrative boundary marked on the map, leaving Cisterne to France, climbs Mt. Simonasso, drops as far as the col and follows the road to Margheria Suan which it leaves in French territory, the chalets remaining in Italian territory.

Continuing to follow the road, left in French territory, it passes to the east of Testa d'Alpe to Fontana dei Draghi, to the springs at point 1406, to point 1297, skirts Colla Sgora on the east, passes the points 1088, 1016, and 1026, crosses the rocky ridge of Mt. Colombin, follows the cantonal boundary shown on the map along Cima di Reglie (846 and 858), departs from this cantonal boundary in a southwesterly direction to follow the ridge of Serra dell-Arpetta (543, 474 and 416) down to the thalweg of the Roya, which it crosses about 200 meters northwest of the bridge of Fanghetto.

The line then ascends the thalweg of Roya to a point situated about 350 meters from the above-mentioned bridge. It leaves the Roya at this point and bears southwest to point 566. From this point it bears west until it meets the ravine descending to Olivetta which it follows as far as the road, leaving the dwellings on this road in Italian territory, mounts the Vle. di Trono for about 200 meters and then turns towards point 410 as far as the road from Olivetta to San Girolamo. Thence it runs southeast along this road for about 100 meters and then bears generally southwest to point 403, running for about 20 meters along and to the south of the road marked on the map. From point 403, it follows the ridge of Pta. Becche as far as point 379, then again bearing southwest, crosses the Bevera, following the thalweg toward Mt. Mergo which it skirts on the south at about 50 meters from the summit (686), left in French territory, and rejoins the present frontier at a point about 100 meters to the southwest of that summit.

ANNEX III. GUARANTEES IN CONNECTION WITH MONT CENIS AND THE TENDA-BRIGA DISTRICT

(See article 9)

A—Guarantees to be given by France to Italy in connection with the cession of the plateau of Mont Cenis.

I. In Respect of Water Supplied from the Lake of Mont Cenis for Hydro-Electric Purposes.

(a) France shall so control the supply of water from the Lake of Mont Cenis to the underground conduits supplying the Gran Scala, Venaus and Mompantero hydro-electric plants, as to supply for those plants such quantities of water at such rates of flow as Italy may require.

(b) France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works required for the purposes of controlling and supplying the water in accordance with subparagraph (a) in so far as these works are within French territory.

(c) France shall inform Italy, as and when required by Italy, of the amount of water in the Lake of Mont Cenis and of any other information pertaining thereto, so as to enable Italy to determine the quantities of water and rates of flow to be supplied to the said underground conduits.

(d) France shall carry out the foregoing provisions with due regard for economy and shall charge Italy the actual cost incurred in so doing.

II. In Respect of Electricity Produced at the Gran Scala Hydro-Electric Plant.

(a) France shall operate the Gran Scala hydro-electric plant so as to generate (subject to the control of the supply of water as provided in Guarantee I) such quantities of electricity at such rates of output as Italy may require after the local requirements (which shall not substantially exceed the present requirements) in the vicinity of Gran Scala within French territory have been met.

(b) France shall operate the pumping plant adjacent to the Gran Scala plant so as to pump water to the Lake of Mont Cenis as and when required by Italy.

(c) France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works comprising the Gran Scala hydro-electric plant and pumping plant together with the transmission line and equipment from the Gran Scala plant to the Franco-Italian frontier.

(d) France shall transmit over the transmission line from Gran Scala to the Franco-Italian frontier the electricity required by Italy as aforesaid, and shall deliver that electricity to Italy at the point at which that transmission line crosses the Franco-Italian frontier into Italian territory.

(e) France shall maintain the voltage and periodicity of the electricity supplied in accordance with the foregoing provisions at such levels as Italy may reasonably require.

(f) France shall arrange with Italy for telephone communication between Gran Scala and Italy and shall communicate with Italy in order to ensure that the Gran Scala plant, the pumping plant and transmission line are operated in such a manner as to comply with the foregoing guarantees.

(g) The price to be charged by France and paid by Italy for electricity available to Italy from the Gran Scala plant (after the local requirements as aforesaid have been met) shall be the same as the price charged in France for the supply of similar quantities of hydro-electricity in French territory in the neighborhood of Mont Cenis or in other regions where conditions are comparable.

III. Duration of Guarantees.

Unless otherwise agreed between France and Italy these guarantees will remain in force in perpetuity.

IV. Supervisory Technical Commission.

A Franco-Italian Supervisory Technical Commission comprising an equal number of French and Italian members shall be established to supervise and facilitate the execution of the foregoing guarantees which are designed to secure the same facilities as Italy enjoyed in respect of hydroelectric and water supplies from the Lake of Mont Cenis before the cession of this region to France. It shall also be within the functions of the Supervisory Technical Commission to cooperate with the competent French technical services in order to ensure that the safety of the lower valleys is not endangered.

B—Guarantees to be given by France to Italy in connection with the cession of the Tenda-Briga District to France.

1. Guarantees to ensure to Italy the supply of electricity generated by the two 16⅔ period generators of the hydro-electric plant at San Dalmazzo; and the supply of electricity generated at 50 periods at the hydro-electric plants at Le Mesce, San Dalmazzo and Confine in excess of such amount thereof as may be required by France for supply to the Sospel, Menton and Nice areas until the complete reconstruction of the wrecked hydro-electric plants at Breil and Fontan, it being understood that such amount will decrease as reconstruction of these plants proceeds and will not exceed 5,000 KW in power and 3,000,000 KWH per month and that, if no special difficulties are encountered in the reconstruction, the work should be completed not later than the end of 1947:

(a) France shall operate the said plants so as to generate (subject to such limitations as may be imposed by the amount of water available and taking into account as far as reasonably practicable the needs of the plants downstream) such quantities of electricity at such rates of output as Italy may require, firstly, at 16⅔ periods for the Italian railways in Liguria and South Piedmont and secondly, at 50 periods for general purposes, after the requirements by France for Sospel, Menton and Nice, as aforesaid, and the local requirements in the vicinity of San Dalmazzo, have been met;

(b) France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works comprising the Le Mesce, San Dalmazzo and Confine hydro-electric plants together with the transmission lines and equipment from the Le Mesce and Confine plants to the San Dalmazzo plant and also the main transmission lines and equipment from the San Dalmazzo plant to the Franco-Italian frontier;

(c) France shall inform Italy, as and when required by Italy, of the rate of flow of water at Le Mesce and Confine and of the amount of water stored at San Dalmazzo and of any other information pertaining thereto so as to enable Italy to determine her electricity requirements as indicated in subparagraph (a);

(d) France shall transmit over the main transmission lines from San Dalmazzo to the Franco-Italian frontier the electricity required by Italy as aforesaid, and shall deliver that electricity to Italy at the points at which those main transmission lines cross the Franco-Italian frontier into Italian territory;

(e) France shall maintain the voltage and periodicity of the electricity supplied in accordance with the foregoing provisions at such levels as Italy may actually require;

(f) France shall arrange with Italy for telephone communications between San Dalmazzo and Italy and shall communicate with Italy in order to ensure that the said

hydro-electric plants and transmission lines are operated in such a manner as to comply with the foregoing guarantees.

2. Guarantee concerning the price to be charged by France to Italy for the electricity made available to Italy under paragraph 1 above until terminated in accordance with paragraph 3 below:

The price to be charged by France and paid by Italy for the electricity made available to Italy from the Le Mesce, San Dalmazzo and Confine hydro-electric plants after the requirements by France for Sospel, Menton and Nice and the local requirements in the vicinity of San Dalmazzo have been met as provided in subparagraph (a) of Guarantee 1, shall be the same as the price charged in France for the supply of similar quantities of hydro-electricity in French territory in the neighborhood of the Upper Valley of the Roya or in other regions where conditions are comparable.

3. Guarantee of a reasonable period of time for the supply of electricity by France to Italy:

Unless otherwise mutually agreed between France and Italy, Guarantees 1 and 2 shall remain in force until December 31, 1961, and shall terminate then or any subsequent December 31 if either country shall have given to the other at least two years notice in writing of its intention to terminate.

4. Guarantee of full and equitable utilization by France and Italy of the waters of the Roya and its tributaries for hydro-electric production:

(a) France shall operate the hydro-electric plants on the Roya in French territory, taking into account as far as reasonably practicable the needs of the plants downstream. France shall inform Italy in advance of the amount of water which it is expected will be available each day, and shall furnish any other information pertaining thereto;

(b) Through bilateral negotiations France and Italy shall develop a mutually agreeable, co-ordinated plan for the exploitation of the water resources of the Roya.

5. A commission or such other similar body as may be agreed shall be established to supervise the carrying out of the plan mentioned in subparagraph (b) of Guarantee 4 and to facilitate the execution of Guarantees 1–4.

ANNEX IV. PROVISIONS AGREED UPON BY THE AUSTRIAN AND ITALIAN GOVERNMENTS ON SEPTEMBER 5, 1946

(Original English text as signed by the two Parties and communicated to the Paris Conference on September 6, 1946)

(See article 10)

1. German-speaking inhabitants of the Bolzano Province and of the neighboring bilingual townships of the Trento Province will be assured complete equality of rights with the Italian-speaking inhabitants, within the framework of special provisions to safeguard the ethnical character and the cultural and economic development of the German-speaking element.

In accordance with legislation already enacted or awaiting enactment the said German-speaking citizens will be granted in particular:

(a) elementary and secondary teaching in the mother-tongue;

(b) parification of the German and Italian languages in public offices and official documents, as well as in bilingual topographic naming:

(c) the right to reestablish German family names which were italianized in recent years;

(d) equality of rights as regards the entering upon public offices, with a view to reaching a more appropriate proportion of employment between the two ethnical groups.

2. The populations of the above-mentioned zones will be granted the exercise of autonomous legislative and executive regional power. The frame within which the said provisions of autonomy will apply, will be drafted in consultation also with local representative German-speaking elements.

3. The Italian Government, with the aim of establishing good neighbourhood relations between Austria and Italy, pledges itself, in consultation with the Austrian Government and within one year from the signing of the present Treaty:

(a) to revise in a spirit of equity and broad-mindedness the question of the options for citizenship resulting from the 1939 Hitler-Mussolini agreements;

(b) to find an agreement for the mutual recognition of the validity of certain degrees and University diplomas;

(c) to draw up a convention for the free passengers and goods transit between northern and eastern Tyrol both by rail and, to the greatest possible extent, by road;

(d) to reach special agreements aimed at facilitating enlarged frontier traffic and local exchanges of certain quantities of characteristic products and goods between Austria and Italy.

ANNEX V. WATER SUPPLY FOR GORIZIA AND VICINITY

(See article 13)

1. Yugoslavia, as the owner, shall maintain and operate the springs and water supply installations at Fonte Fredda and Moncorona and shall maintain the supply of water to that part of the Commune of Gorizia, which, under the terms of the present Treaty, remains in Italy. Italy shall continue to maintain and operate the reservoir and water distribution system within Italian territory which is supplied by the above-mentioned springs and shall maintain the supply of water to those areas in Yugoslavia which, under the terms of the present Treaty, will be transferred to that State and which are supplied from Italian territory.

2. The water so supplied shall be in the amounts which have been customarily supplied to the region in the past. Should consumers in either State require additional supplies of water, the two Governments shall examine the matter jointly with a view to reaching agreement on such measures as may reasonably be required to satisfy these needs. Should there be a temporary reduction in the amount of water available due to natural causes, distribution of water from the above-named sources to the consumers in Yugoslavia and Italy shall be reduced in proportion to their respective previous consumption.

3. The charges to be paid by the Commune of Gorizia to Yugoslavia for the water supplied to it, and the charges to be paid by consumers in Yugoslav territory to the Commune of Gorizia, shall be based solely on the cost of operation and maintenance of the water supply system as well as new capital expenditures which may be required to give effect to these provisions.

4. Yugoslavia and Italy shall, within one month from the coming into force of the present Treaty, enter into an agreement to determine their respective responsibilities under the foregoing provisions and to establish the charges to be paid under these provisions. The two Governments shall establish a joint commission to supervise the execution of the said agreement.

5. Upon the expiration of a ten-year period from the coming into force of the present Treaty, Yugoslavia and Italy shall reexamine the foregoing provisions in the light of conditions at that time in order to determine whether any adjustments should be made in those provisions, and shall make such alterations and additions as they may agree. Any disputes which may arise as a result of this reexamination shall be submitted for settlement under the procedure outlined in Article 87 of the present Treaty.

ANNEX VI. PERMANENT STATUTE OF THE FREE TERRITORY OF TRIESTE

(See article 21)

Article 1. Area of free territory

The area of the Free Territory of Trieste shall be the territory within the frontiers described in Articles 4 and 22 of the present Treaty as delimited in accordance with Article 5 of the Treaty.

Article 2. Integrity and independence

The integrity and independence of the Free Territory shall be assured by the Security Council of the United Nations Organization. This responsibility implies that the Council shall:

(a) ensure the observance of the present Statute and in particular the protection of the basic human rights of the inhabitants.

(b) ensure the maintenance of public order and security in the Free Territory.

Article 9. Demilitarisation and neutrality

1. The Free Territory shall be demilitarised and declared neutral.

2. No armed forces, except upon direction of the Security Council, shall be allowed in the Free Territory.

3. No para-military formations, exercises or activities shall be permitted within the Free Territory.

4. The Government of the Free Territory shall not make or discuss any military arrangements or undertakings with any State.

Article 4. Human rights and fundamental freedoms

The Constitution of the Free Territory shall ensure to all persons under the jurisdiction of the Free Territory, without distinction as to ethnic origin, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of religious worship, language, speech and publication, education, assembly and association. Citizens of the Free Territory shall be assured of equality of eligibility for public office.

Article 5. Civil and political rights

No person who has acquired the citizenship of the Free Territory shall be deprived of his civil or political rights except as judicial punishment for the infraction of the penal laws of the Free Territory.

Article 6. Citizenship

1. Italian citizens who were domiciled on June 10, 1940, in the area comprised within the boundaries of the Free Territory, and their children born after that date, shall become original citizens of the Free Territory with full civil and political rights. Upon becoming citizens of the Free Territory they shall lose their Italian citizenship.

2. The Government of the Free Territory shall, however, provide that the persons referred to in paragraph 1 over the age of eighteen years (or married persons whether under or over that age) whose customary language is Italian shall be entitled to opt for Italian citizenship within six months from the coming into force of the Constitution under conditions to be laid down therein. Any person so opting shall be considered to have re-acquired Italian citizenship. The option of the husband shall not constitute an option on the part of the wife. Option on the part of the father, or if the father is not alive, on the part of the mother, shall, however, automatically include all unmarried children under the age of eighteen years.

3. The Free Territory may require those who take advantage of the option to move to Italy within a year from the date on which the option was exercised.

4. The conditions for the acquisition of citizenship by persons not qualifying for original citizenship shall be determined by the Constituent Assembly of the Free Territory and embodied in the Constitution. Such conditions shall, however, exclude the acquisition of citizenship by members of the former

Italian Fascist Police (A V. R. A.) who have not been exonerated by the competent authorities, including the Allied Military Authorities who were responsible for the administration of the area.

Article 7. Official languages

The official languages of the Free Territory shall be Italian and Slovene. The Constitution shall determine in what circumstances Croat may be used as a third official language.

Article 8. Flag and coat-of-arms

The Free Territory shall have its own flag and coat-of-arms. The flag shall be the traditional flag of the City of Trieste and the arms shall be its historic coat-of-arms.

Article 9. Organs of government

For the government of the Free Territory there shall be a Governor, a Council of Government, a popular Assembly elected by the people of the Free Territory and a Judiciary, whose respective powers shall be exercised in accordance with the provisions of the present Statute and of the Constitution of the Free Territory.

Article 10. Constitution

1. The Constitution of the Free Territory shall be established in accordance with democratic principles and adopted by a Constituent Assembly with a two-thirds majority of the votes cast. The Constitution shall be made to conform to the provisions of the present Statute and shall not enter into force prior to the coming into force of the Statute.

2. If in the opinion of the Governor any provisions of the Constitution proposed by the Constituent Assembly or any subsequent amendments thereto are in contradiction to the Statute he may prevent their entry into force, subject to reference to the Security Council if the Assembly does not accept his views and recommendations.

Article 11. Appointment of the Governor

1. The Governor shall be appointed by the Security Council after consultation with the Governments of Yugoslavia and Italy. He shall not be a citizen of Yugoslavia or Italy or of the Free Territory. He shall be appointed for five years and may be reappointed. His salary and allowances shall be borne by the United Nations.

2. The Governor may authorize a person selected by him to act for him in the event of his temporary absence or temporary inability to perform his duties.

3. The Security Council, if it considers that the Governor has failed to carry out his duties, may suspend him and, under appropriate safeguards of investigation and hearing, dismiss him from his office. In the event of his suspension or dismissal or in the event of his death or disability the Security Council may designate or appoint another person to act as Provisional Governor until the Governor recovers from his disability or a new Governor is appointed.

Article 12. Legislative authority

The legislative authority shall be exercised by a popular Assembly consisting of a single chamber elected on the basis of proportional representation, by the citizens of both sexes of the Free Territory. The elections for the Assembly shall be conducted on the basis of universal, equal, direct and secret suffrage.

Article 13. Council of government

1. Subject to the responsibilities vested in the Governor under the present Statute, executive authority in the Free Territory shall be exercised by a Council of Government which will be formed by the popular Assembly and will be responsible to the Assembly.

2. The Governor shall have the right to be present at all meetings of the Council of Government. He may express his views on all questions affecting his responsibilities.

3. When matters affecting their responsibilities are discussed by the Council of Government, the Director of Public Security and the Director of the Free Port shall be invited to attend meetings of the Council and to express their views.

Article 14. Exercise of judicial authority

The judicial authority in the Free Territory shall be exercised by tribunals established pursuant to the Constitution and laws of the Free Territory.

Article 15. Freedom and independence of judiciary

The Constitution of the Free Territory shall guarantee the complete freedom and independence of the Judiciary and shall provide for appellate jurisdiction.

Article 16. Appointment of judiciary

1. The Governor shall appoint the Judiciary from among candidates proposed by the Council of Government or from among other persons, after consultation with the Council of Government, unless the Constitution provides for a different manner for filling judicial posts; and, subject to safeguards to be established by the Constitution, may remove members of the Judiciary for conduct incompatible with their judicial office.

2. The popular Assembly, by a two-thirds majority of votes cast, may request the Governor to investigate any charge brought against a member of the Judiciary which, if proved, would warrant his suspension or removal.

Article 17. Responsibility of the Governor to the Security Council

1. The Governor, as the representative of the Security Council, shall be responsible for supervising the observance of the present Statute including the protection of the basic human rights of the inhabitants and for ensuring that public order and security are maintained by the Government of the Free Territory in accordance with the present Statute, the Constitution and laws of the Free Territory.

2. The Governor shall present to the Security Council annual reports concerning the operation of the Statute and the performance of his duties.

Article 18. Rights of the Assembly

The popular Assembly shall have the right to consider and discuss any matters affecting the interests of the Free Territory.

Article 19. Enactment of legislation

1. Legislation may be initiated by members of the popular Assembly and by the Council of Government as well as by the Governor in matters which in his view affect the responsibilities of the Security Council as defined in Article 2 of the present Statute.

2. No law shall enter into force until it shall have been promulgated. The promulgation of laws shall take place in accordance with the provisions of the Constitution of the Free Territory.

3. Before being promulgated legislation enacted by the Assembly shall be presented to the Governor.

4. If the Governor considers that such legislation is in contradiction to the present Statute, he may, within ten days following presentation of such legislation to him, return it to the Assembly with his comments and recommendations. If the Governor does not return the legislation within such ten days or if he advises the Assembly within such period that it calls for no comments or recommendation on his part, the legislation shall be promulgated forthwith.

5. If the Assembly makes manifest its refusal to withdraw legislation returned to the Assembly by the Governor or to amend it in conformity with his comments or recommendations, the Governor shall, unless he is prepared to withdraw his comments or recommendations, in which case the law shall be promulgated forthwith, immediately report the matter to the Security Council. The Governor shall likewise transmit without delay to the Security Council any communication which the Assembly may wish to make to the Council on the matter.

6. Legislation which forms the subject of a report to the Security Council under the provisions of the preceding paragraph shall only be promulgated by the direction of the Security Council.

Article 20. Rights of the Governor with respect to administrative measures

1. The Governor may require the Council of Government to suspend administrative measures which in his view conflict with his responsibilities as defined in the present Statute (observance of the Statute; maintenance of public order and security; respect for human rights). Should the Council of Government object, the Governor may suspend these administrative measures and the Governor or the Council of Government may refer the whole question to the Security Council for decision.

2. In matters affecting his responsibilities as defined in the Statute the Governor may propose to the Council of Government the adoption of any administrative measures. Should the Council of Government not accept such proposals the Governor may, without prejudice to Article 22 of the present Statute, refer the matter to the Security Council for decision.

Article 21. Budget

1. The Council of Government shall be responsible for the preparation of the budget of the Free Territory, including both revenue and expenditure, and for its submission to the popular Assembly.

2. If the Assembly should fail to vote the budget within the proper time limit, the provisions of the budget for the preceding period shall be applied to the new budgetary period until such time as the new budget shall have been voted.

Article 22. Special powers of the Governor

1. In order that he may carry out his responsibilities to the Security Council under the present Statute, the Governor may, in cases which in his opinion permit of no delay, threatening the independence or integrity of the Free Territory, public order or respect of human rights, directly order and require the execution of appropriate measures subject to an immediate report thereon being made by him to the Security Council. In such circumstances the Governor may himself assume, if he deems it necessary, control of the security services.

2. The popular Assembly may petition the Security Council concerning any exercise by the Governor of his powers under paragraph 1 of this Article.

Article 23. Power of pardon and reprieve

The power of pardon and reprieve shall be vested in the Governor and shall be exercised by him in accordance with provisions to be laid down in the Constitution.

Article 24. Foreign relations

1. The Governor shall ensure that the foreign relations of the Free Territory shall be conducted in conformity with the Statute, Constitution, and laws of the Free Territory. To this end the Governor shall have authority to prevent the entry into force of treaties or agreements affecting foreign relations which, in his judgment, conflict with the Statute, Constitution or laws of the Free Territory.

2. Treaties and agreements, as well as exequaturs and consular commissions, shall be signed jointly by the Governor and a representative of the Council of Government.

3. The Free Territory may be or become a party to international conventions or become a member of international organizations provided the aim of such conventions or organizations is to settle economic, technical, cultural, social or health questions.

4. Economic union or associations of an exclusive character with any State are incompatible with the status of the Free Territory.

5. The Free Territory of Trieste shall recognize the full force of the Treaty of Peace with Italy, and shall give effect to the applicable provisions of that Treaty. The Free Territory shall also recognize the full force of the other agreements or arrangements which have been or will be reached by the Allied and Associated Powers for the restoration of peace.

Article 25. Independence of the Governor and staff

In the performance of their duties, the Governor and his staff shall not seek or receive instructions from any Government or from any other authority except the Security Council. They shall refrain from any act which might reflect on their position as international officials responsible only to the Security Council.

Article 26. Appointment and removal of administrative officials

1. Appointments to public office in the Free Territory shall be made exclusively on the ground of ability, competence and integrity.

2. Administrative officials shall not be removed from office except for incompetence or misconduct and such removal shall be subject to appropriate safeguards of investigation and hearing to be established by law.

Article 27. Director of Public Security

1. The Council of Government shall submit to the Governor a list of candidates for the post of Director of Public Security. The Governor shall appoint the Director from among the candidates presented to him, or from among other persons, after consultation with the Council of Government. He may also dismiss the Director of Public Security after consultation with the Council of Government.

2. The Director of Public Security shall not be a citizen of Yugoslavia or Italy.

3. The Director of Public Security shall normally be under the immediate authority of the Council of Government from which he will receive instructions on matters within his competence.

4. The Governor shall:

(a) receive regular reports from the Director of Public Security, and consult with him on any matters coming within the competence of the Director.

(b) be informed by the Council of Government of its instructions to the Director of Public Security and may express his opinion thereon.

Article 28. Police force

1. In order to preserve public order and security in accordance with the Statute, the Constitution and the laws of the Free Territory, the Government of the Free Territory shall be empowered to maintain a police force and security services.

2. Members of the police force and security services shall be recruited by the Director of Public Security and shall be subject to dismissal by him.

Article 29. Local government

The Constitution of the Free Territory shall provide for the establishment on the basis of proportional representation of organs of local government on democratic principles, including universal, equal, direct and secret suffrage.

Article 30. Monetary system

The Free Territory shall have its own monetary system.

Article 31. Railways

Without prejudice to its proprietary rights over the railways within its boundaries and its control of the railway administration, the Free Territory may negotiate with Yugoslavia and Italy agreements for the purpose of ensuring the efficient and economical operation of its railways. Such agreements would determine where responsibility lies for the operation of the railways in the direction of Yugoslavia or Italy respectively and also for the operation of the railway terminal of Trieste and of that part of the line which is common to all. In the latter case such operation may be effected by a special commission comprised of representatives of the Free Territory, Yugoslavia, and Italy under the chairmanship of the representative of the Free Territory.

Article 32. Commercial aviation

1. Commercial aircraft registered in the territory of any one of the United Nations which grants on its territory the same rights to commercial aircraft registered in the Free Territory, shall be granted international commercial aviation rights, including the right to land for refueling and repairs, to fly over the Free Territory without landing and to use for traffic purposes such airports as may be designated by the competent authorities of the Free Territory.

2. These rights shall not be subject to any restrictions other than those imposed on a basis of nondiscrimination by the laws and regulations in force in the Free Territory and in the countries concerned or resulting from the special character of the Free Territory as neutral and demilitarized.

Article 33. Registration of vessels

1. The Free Territory is entitled to open registers for the registration of ships and vessels owned by the Government of the Free Territory or by persons or organisations domiciled within the Free Territory.

2. The Free Territory shall open special maritime registers for Czechoslovak and Swiss ships and vessels upon request of these Governments, as well as for Hungarian and Austrian ships and vessels upon the request of these Governments after the conclusion of the Treaty of Peace with Hungary and the treaty for the reestablishment of the independence of Austria respectively. Ships and vessels entered in these registers shall fly the flags of their respective countries.

3. In giving effect to the foregoing provisions, and subject to any international convention which may be entered into concerning these questions, with the participation of the Government of the Free Territory, the latter shall be entitled to impose such conditions governing the registration, retention on and removal from the registers as shall prevent any abuses arising from the facilities thus granted. In particular as regards ships and vessels registered under paragraph 1 above, registration shall be limited to ships and vessels controlled from the Free Territory and regularly serving the needs or the interests of the Free Territory. In the case of ships and vessels registered under paragraph 2 above, registration shall be limited to ships and vessels based on the Port of Trieste and regularly and premanently serving the needs of their respective countries through the Port of Trieste.

Article 34. Free port

A free port shall be established in the Free Territory and shall be administered on the basis of the provisions of an international instrument drawn up by the Council of Foreign Ministers, approved by the Security Council, and annexed to the present Treaty (Annex VIII). The Government of the Free Territory shall enact all necessary legislation and take all necessary steps to give effect to the provisions of such instrument.

Article 35. Freedom of transit

Freedom of transit shall, in accordance with customary international agreements, be assured by the Free Territory and the States whose territories are traversed to goods transported by railroad between the Free Port and the States which it serves, without any discrimination and without customs duties or charges other than those levied for services rendered.

Article 36. Interpretation of statute

Except where another procedure is specifically provided under any Article of the present Statute, any dispute relating to the interpretation or execution of the Statute, not resolved by direct negotiations, shall, unless the parties mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

Article 37. Amendment of statute

This Statute shall constitute the permanent Statute of the Free Territory, subject to any amendment which may hereafter be made by the Security Council. Petitions for the amendment of the Statute may be presented to the Security Council by the popular Assembly upon a vote taken by a two-thirds majority of the votes cast.

Article 38. Coming into force of statute

The present Statute shall come into force on a date which shall be determined by the Security Council of the United Nations Organisation.

ANNEX VII. INSTRUMENT FOR THE PROVISIONAL REGIME OF THE FREE TERRITORY OF TRIESTE

(See article 21)

The present provisions shall apply to the administration of the Free Territory of Trieste pending the coming into force of the Permanent Statute.

Article 1

The Governor shall assume office in the Free Territory at the earliest possible moment after the coming into force of the present Treaty. Pending assumption of office by the Governor, the Free Territory shall continue to be administered by the Allied military commands within their respective zones.

Article 2

On assuming office in the Free Territory of Trieste the Governor shall be empowered to select from among persons domiciled in the Free Territory and after consultation with the Governments of Yugoslavia and Italy a Provisional Council of Government. The Governor shall have the right to make changes in the composition of the Provisional Council of Government whenever he deems it necessary. The Governor and the Provisional Council of Government shall exercise their functions in the manner laid down in the provisions of the Permanent Statute as and when these provisions prove to be applicable and in so far as they are not superseded by the present Instrument. Likewise all other provisions of the Permanent Statute shall be applicable during the period of the Provisional Regime as and when these provisions prove to be applicable and in so far as they are not superseded by the present Instrument. The Governor's actions will be guided mainly by the needs of the population and its well being.

Article 3

The seat of Government will be established in Trieste. The Governor will address his reports directly to the Chairman of the Security Council and will, through that channel, supply the Security Council with all necessary information on the administration of the Free Territory.

Article 4

The first concern of the Governor shall be to ensure the maintenance of public order

and security. He shall appoint on a provisional basis a Director of Public Security, who will reorganize and administer the police force and security services.

Article 5

(a) From the coming into force of the present Treaty, troops stationed in the Free Territory shall not exceed 5,000 men for the United Kingdom, 5,000 men for the United States of America and 5,000 men for Yugoslavia.

(b) These troops shall be placed at the disposal of the Governor for a period of 90 days after his assumption of office in the Free Territory. As from the end of that period, they will cease to be at the disposal of the Governor and will be withdrawn from the Territory within a further period of 45 days, unless the Governor advises the Security Council that, in the interests of the Territory, some or all of them should not, in his view, be withdrawn. In the latter event, the troops required by the Governor shall remain until not later than 45 days after the Governor has advised the Security Council that the security services can maintain internal order in the Territory without the assistance of foreign troops.

(c) The withdrawal prescribed in paragraph (b) shall be carried out so as to maintain, in so far as possible, the ratio prescribed in paragraph (a) between the troops of the three Powers concerned.

Article 6

The Governor shall have the right at any time to call upon the Commanders of such contingents for support and such support shall be given promptly. The Governor shall, whenever possible, consult with the Commanders concerned before issuing his instructions but shall not interfere with the military handling of the forces in the discharge of his instructions. Each Commander has the right to report to his Government the instructions which he has received from the Governor, informing the Governor of the contents of such reports. The Government concerned shall have the right to refuse the participation of its forces in the operation in question, informing the Security Council accordingly.

Article 7

The necessary arrangements relating to the stationing, administration and supply of the military contingents made available by the United Kingdom, the United States of America, and Yugoslavia shall be settled by agreement between the Governor and the Commanders of those contingents.

Article 8

The Governor, in consultation with the Provisional Council of Government, shall be responsible for organizing the elections of Members of the Constituent Assembly in accordance with the conditions provided for in the Statute for elections to the popular Assembly.

The elections shall be held not later than four months after the Governor's assumption of office. In case this is technically impossible the Governor shall report to the Security Council.

Article 9

The Governor will, in consultation with the Provisional Council of Government, prepare the provisional budget and the provisional export and import programmes and will satisfy himself that appropriate arrangements are made by the Provisional Council of Government for the administration of the finances of the Free Territory.

Article 10

Existing laws and regulations shall remain valid unless and until revoked or suspended by the Governor. The Governor shall have the right to amend existing laws and regulations and to introduce new laws and regulations in agreement with the majority of the Provisional Council of Government. Such amended and new laws and regulations, as well as the acts of the Governor in regard to the revocation or suspension of laws and regulations, shall be valid unless and until they are amended, revoked or superseded by acts of the popular Assembly or the Council of Government within their respective spheres after the entry into force of the Constitution.

Article 11

Pending the establishment of a separate currency regime for the Free Territory the Italian lira shall continue to be the legal tender within the Free Territory. The Italian Government shall supply the foreign exchange and currency needs of the Free Territory under conditions no less favorable than those applying in Italy.

Italy and the Free Territory shall enter into an agreement to give effect to the above provisions as well as to provide for any settlement between the two Governments which may be required.

ANNEX VIII. INSTRUMENT FOR THE FREE PORT OF TRIESTE

Article 1

1. In order to ensure that the port and transit facilities of Trieste will be available for use on equal terms by all international trade and by Yugoslavia, Italy and the States of Central Europe, in such manner as is customary in other free ports of the world:

(a) There shall be a customs free port in the Free Territory of Trieste within the limits provided for by or established in accordance with Article 3 of the present Instrument.

(b) Goods passing through the Free Port of Trieste shall enjoy freedom of transit as stipulated in Article 16 of the present Instrument.

2. The international regime of the Free Port shall be governed by the provisions of the present Instrument.

Article 2

1. The Free Port shall be established and administered as a State corporation of the Free Territory, having all the attributes of a juridical person and functioning in accordance with the provisions of this Instrument.

2. All Italian state and para-statal property within the limits of the Free Port which, according to the provisions of the present Treaty, shall pass to the Free Territory shall be transferred, without payment, to the Free Port.

Article 3

1. The area of the Free Port shall include the territory and installations of the free zones of the port of Trieste within the limits of the 1939 boundaries.

2. The establishment of special zones in the Free Port under the exclusive jurisdiction of any State is incompatible with the status of the Free Territory and of the Free Port.

3. In order, however, to meet the special needs of Yugoslav and Italian shipping in the Adriatic, the Director of the Free Port, on the request of the Yugoslav or Italian Government and with the concurring advice of the International Commission provided for in Article 21 below, may reserve to merchant vessels flying the flags of either of these two States the exclusive use of berthing spaces within certain parts of the area of the Free Port.

4. In case it shall be necessary to increase the area of the Free Port such increase may be made upon the proposal of the Director of the Free Port by decision of the Council of Government with the approval of the popular Assembly.

Article 4

Unless otherwise provided for by the present Instrument the laws and regulations in force in the Free Territory shall be applicable to persons and property within the boundaries of the Free Port and the authorities responsible for their application in the Free Territory shall exercise their functions within the limits of the Free Port.

Article 5

1. Merchant vessels and goods of all countries shall be allowed unrestricted access to the Free Port for loading and discharge both for goods in transit and goods destined for or proceeding from the Free Territory.

2. In connection with importation into or exportation from or transit through the Free Port, the authorities of the Free Territory shall not levy on such goods customs duties or charges other than those levied for services rendered.

3. However, in respect of goods, imported through the Free Port for consumption within the Free Territory or exported from this Territory through the Free Port, appropriate legislation and regulations in force in the Free Territory shall be applied.

Article 6

Warehousing, storing, examining, sorting, packing and repacking and similar activities which have customarily been carried on in the free zones of the port of Trieste shall be permitted in the Free Port under the general regulations established by the Director of the Free Port.

Article 7

1. The Director of the Free Port may also permit the processing of goods in the Free Port.

2. Manufacturing activities in the Free Port shall be permitted to those enterprises which existed in the free zones of the port of Trieste before the coming into force of the present Instrument. Upon the proposal of the Director of the Free Port, the Council of Government may permit the establishment of new manufacturing enterprises within the limits of the Free Port.

Article 8

Inspection by the authorities of the Free Territory shall be permitted within the Free Port to the extent necessary to enforce the customs or other regulations of the Free Territory for the prevention of smuggling.

Article 9

1. The authorities of the Free Territory will be entitled to fix and levy harbour dues in the Free Port.

2. The Director of the Free Port shall fix all charges for the use of the facilities and services of the Free Port. Such charges shall be reasonable and be related to the cost of operation, administration, maintenance and development of the Free Port.

Article 10

In the fixing and levying in the Free Port of harbour dues and other charges under Article 9 above, as well as in the provision of the services and facilities of the Free Port, there shall be no discrimination in respect of the nationality of the vessels, the ownership of the goods or on any other grounds.

Article 11

The passage of all persons into and out of the Free Port area shall be subject to such regulations as the authorities of the Free Territory shall establish. These regulations, however, shall be established in such a manner as not unduly to impede the passage into and out of the Free Port of nationals of any State who are engaged in any legitimate pursuit in the Free Port area.

Article 12

The rules and bye-laws operative in the Free Port and likewise the schedules of charges levied in the Free Port must be made public.

Article 13

Coastwise shipping and coastwise trade within the Free Territory shall be carried on in accordance with regulations issued by the authorities of the Free Territory, the provisions of the present Instrument not being

deemed to impose upon such authorities any restrictions in this respect.

Article 14

Within the boundaries of the Free Port, measures for the protection of health and measures for combating animal and plant diseases in respect of vessels and cargoes shall be applied by the authorities of the Free Territory.

Article 15

It shall be the duty of the authorities of the Free Territory to provide the Free Port with water supplies, gas, electric light and power, communications, drainage facilities and other public services and also to ensure police and fire protection.

Article 16

1. Freedom of transit shall, in accordance with customary international agreements, be assured by the Free Territory and the States whose territories are traversed to goods transported by railroad between the Free Port and the States which it serves, without any discrimination and without customs duties or charges other than those levied for services rendered.

2. The Free Territory and the States assuming the obligations of the present Instrument through whose territory such traffic passes in transit in either direction shall do all in their power to provide the best possible facilities in all respects for the speedy and efficient movement of such traffic at a reasonable cost, and shall not apply with respect to the movement of goods to and from the Free Port any discriminatory measures with respect to rates, services, customs, sanitary, police or any other regulations.

3. The States assuming the obligations of the present Instrument shall take no measures regarding regulations or rates which would artificially divert traffic from the Free Port for the benefit of other seaports. Measures taken by the Government of Yugoslavia to provide for traffic to ports in southern Yugoslavia shall not be considered as measures designed to divert traffic artificially.

Article 17

The Free Territory and the States assuming the obligations of the present Instrument shall, within their respective territories and on non-discriminatory terms, grant in accordance with customary international agreements freedom of postal, telegraphic, and telephonic communications between the Free Port area and any country for such communications as originate in or are destined for the Free Port area.

Article 18

1. The administration of the Free Port shall be carried on by the Director of the Free Port who will represent it as a juridical person. The Council of Government shall submit to the Governor a list of qualified candidates for the post of Director of the Free Port. The Governor shall appoint the Director from among the candidates presented to him after consultation with the Council of Government. In case of disagreement the matter shall be referred to the Security Council. The Governor may also dismiss the Director upon the recommendation of the International Commission or the Council of Government.

2. The Director shall not be a citizen of Yugoslavia or Italy.

3. All other employees of the Free Port will be appointed by the Director. In all appointments of employees preference shall be given to citizens of the Free Territory.

Article 19

Subject to the provisions of the present Instrument, the Director of the Free Port shall take all reasonable and necessary measures for the administration, operation, maintenance and development of the Free Port as an efficient port adequate for the prompt handling of all the traffic of that port. In particular, the Director shall be responsible for the execution of all kinds of port works in the Free Port, shall direct the operation of port installations and other port equipment, shall establish, in accordance with legislation of the Free Territory, conditions of labour in the Free Port, and shall also supervise the execution in the Free Port of orders and regulations of the authorities of the Free Territory in respect to navigation.

Article 20

1. The Director of the Free Port shall issue such rules and bye-laws as he considers necessary in the exercise of his functions as prescribed in the preceding Article.

2. The autonomous budget of the Free Port will be prepared by the Director, and will be approved and applied in accordance with legislation to be established by the popular Assembly of the Free Territory.

3. The Director of the Free Port shall submit an annual report on the operations of the Free Port to the Governor and the Council of Government of the Free Territory. A copy of the report shall be transmitted to the International Commission.

Article 21

1. There shall be established an International Commission of the Free Port, hereinafter called "the International Commission", consisting of one representative from the Free Territory and from each of the following States: France, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, the United States of America, the People's Federal Republic of Yugoslavia, Italy, Czechoslovakia, Poland, Switzerland, Austria and Hungary, provided that such State has assumed the obligations of the present Instrument.

2. The representative of the Free Territory shall be the permanent Chairman of the International Commission. In the event of a tie in voting, the vote cast by the Chairman shall be decisive.

Article 22

The International Commission shall have its seat in the Free Port. Its offices and activities shall be exempt from local jurisdiction. The members and officials of the International Commission shall enjoy in the Free Territory such privileges and immunities as are necessary for the independent exercise of their functions. The International Commission shall decide upon its own secretariat, procedure and budget. The common expenses of the International Commission shall be shared by member States in an equitable manner as agreed by them through the International Commission.

Article 23

The International Commission shall have the right to investigate and consider all matters relating to the operation, use, and administration of the Free Port or to the technical aspects of transit between the Free Port and the States which it serves, including unification of handling procedures. The International Commission shall act either on its own initiative or when such matters have been brought to its attention by any State or by the Free Territory or by the Director of the Free Port. The International Commission shall communicate its views or recommendations on such matters to the State or States concerned, or to the Free Territory, or to the Director of the Free Port. Such recommendations shall be considered and the necessary measures shall be taken. Should the Free Territory or the State or States concerned deem, however, that such measures would be inconsistent with the provisions of the present Instrument, the matter may at the request of the Free Territory or any interested State be dealt with as provided in Article 24 below.

Article 24

Any dispute relating to the interpretation or execution of the present Instrument, not resolved by direct negotiations, shall, unless the parties mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

Article 25

Proposals for amendments to the present Instrument may be submitted to the Security Council by the Council of Government of the Free Territory or by three or more States represented on the International Commission. An amendment approved by the Security Council shall enter into force on the date determined by the Security Council.

Article 26

For the purposes of the present Instrument a State shall be considered as having assumed the obligations of this Instrument if it is a party to the Treaty of Peace with Italy or has notified the Government of the French Republic of its assumption of such obligations.

ANNEX IX. TECHNICAL DISPOSITIONS REGARDING THE FREE TERRITORY OF TRIESTE

(See article 21)

A. Water supply to northwestern Istria

Yugoslavia shall continue to supply water to the region of northwestern Istria within the Free Territory of Trieste from the spring of San Giovanni de Pinguente through the Quieto water supply system and from the spring of Santa Maria del Risano through the Risano system. The water so supplied shall be in such amounts, not substantially exceeding those amounts which have been customarily supplied to the region, and at such rates of flow, as the Free Territory may request, but within limits imposed by natural conditions. Yugoslavia shall maintain the water conduits, reservoirs, pumps, purifying systems and such other works within Yugoslav territory as may be required to fulfill this obligation. Temporary allowance must be made in respect of the foregoing obligations on Yugoslavia for necessary repair of war damage to water supply installations. The Free Territory shall pay a reasonable price for the water thus supplied, which price should represent a proportionate share based on the quantity of water consumed within the Free Territory, of the total cost of operation and maintenance of the Quieto and the Risano water supply systems. Should, in the future, additional supplies of water be required by the Free Territory, Yugoslavia undertakes to examine the matter jointly with the authorities of the Free Territory and by agreement to take such measures as are reasonable to meet these requirements.

B. Electricity supplies

1. Yugoslavia and Italy shall maintain the existing supply of electricity to the Free Territory of Trieste, furnishing to the Free Territory such quantities of electricity at such rates of output as the latter may require. The quantities furnished need not at first substantially exceed those which have been customarily supplied to the area comprised in the Free Territory, but Italy and Yugoslavia shall, on request of the Free Territory, furnish increasing amounts as the requirements of the Free Territory grow, provided that any increase of more than 20% over the amount normally furnished to the Free Territory from the respective sources shall

be the subject of an agreement between the interested Governments.

2. The price to be charged by Yugoslavia or by Italy and to be paid by the Free Territory for the electricity furnished to it shall be no higher than the price charged in Yugoslavia or in Italy for the supply of similar quantities of hydro-electricity from the same sources in Yugoslav or Italian territory.

3. Yugoslavia, Italy and the Free Territory shall exchange information continuously concerning the flow and storage of water and the output of electricity in respect of stations supplying the former Italian compartimento of Venezia Giulia, so that each of the three parties will be in a position to determine its requirements.

4. Yugoslavia, Italy and the Free Territory shall maintain in good and substantial condition all of the electrical plants, transmission lines, substations and other installations which are required for the continued supply of electricity to the former Italian compartimento of Venezia Giulia.

5. Yugoslavia shall ensure that the existing and any future power installations on the Isonzo (Soca) are operated so as to provide that such supplies of water as Italy may from time to time request may be diverted from the Isonzo (Soca) for irrigation in the region from Gorizia southwestward to the Adriatic. Italy may not claim the right to the use of water from the Isonzo (Soca) in greater volume or under more favorable conditions than has been customary in the past.

6. Yugoslavia, Italy and the Free Territory shall, through joint negotiations, adopt a mutually agreeable convention in conformity with the foregoing provisions for the continuing operation of the electricity system which serves the former Italian compartimento of Venezia Giulia. A mixed commission with equal representation of the three Governments shall be established for supervising the execution of the obligations arising under paragraphs 1 to 5 above.

7. Upon the expiration of a ten-year period from the coming into force of the present Treaty, Yugoslavia, Italy and the Free Territory shall reexamine the foregoing provisions in the light of conditions at that time in order to determine which, if any, of the foregoing obligations are no longer required, and shall make such alterations, deletions and additions as may be agreed upon by the parties concerned. Any disputes which may arise as a result of this re-examination shall be submitted for settlement under the procedure outlined in Article 87 of the present Treaty.

C. Facilities for local frontier trade

Yugoslavia and the Free Territory of Trieste, and Italy and the Free Territory of Trieste, shall, within one month of the coming into force of the present Treaty, undertake negotiations to provide arrangements which shall facilitate the movement across the frontiers between the Free Territory and the adjacent areas of Yugoslavia and Italy of foodstuffs and other categories of commodities which have customarily moved between those areas in local trade, provided these commodities are grown, produced or manufactured in the respective territories. This movement may be facilitated by appropriate measures, including the exemption of such commodities, up to agreed quantities or values, from tariffs, customs charges, and export or import taxes of any kind when such commodities are moving in local trade.

ANNEX X. ECONOMIC AND FINANCIAL PROVISIONS RELATING TO THE FREE TERRITORY OF TRIESTE

1. The Free Territory of Trieste shall receive, without payment, Italian State and para-statal property within the Free Territory.

The following are considered as State or para-statal property for the purposes of this Annex: movable and immovable property of the Italian State, of local authorities and of public institutions and publicly owned companies and associations, as well as movable and immovable property formerly belonging to the Fascist Party or its auxiliary organizations.

2. All transfers effected after September 8, 1943, of Italian State and para-statal property as defined in paragraph 1 above shall be deemed null and void. This provision shall not, however, extend to lawful acts relating to current operations of State and para-statal agencies in so far as they concern the sale, within normal limits, of goods ordinarily produced by them or sold in the execution of normal commercial arrangements or in the normal course of governmental administrative activities.

3. Submarine cables owned by the Italian State or by Italian para-statal organizations shall fall within the provisions of paragraph 1 so far as concerns terminal facilities and the lengths of cables lying within territorial waters of the Free Territory.

4. Italy shall hand over to the Free Territory all relevant archives and documents of an administrative character or historical value concerning the Free Territory or relating to property transferred under paragraph 1 of this Annex. The Free Territory shall hand over to Yugoslavia all documents of the same character relating to territory ceded to Yugoslavia under the present Treaty, and to Italy all documents of the same character which may be in the Free Territory and which relate to Italian Territory.

Yugoslavia declares herself ready to hand over to the Free Territory all archives and documents of an administrative character concerning and required exclusively for the administration of the Free Territory, which are of a kind which were usually held before September 3, 1943, by the local authorities having jurisdiction over what now forms part of the Free Territory.

5. The Free Territory shall be exempt from the payment of the Italian public debt, but shall assume the obligations of the Italian State towards holders who continue to reside in the Free Territory, or who, being juridical persons, retain their siège social or principal place of business there, in so far as these obligations correspond to that portion of this debt which has been issued prior to June 10, 1940, and is attributable to public works and civil administrative services of benefit to the said Territory but not attributable directly or indirectly to military purposes.

Full proof of the source of such holdings may be required from the holders.

Italy and the Free Territory shall conclude arrangements to determine the portion of the Italian public debt referred to in this paragraph and the methods for giving effect to these provisions.

6. The future status of external obligations secured by charges upon the property or revenues of the Free Territory shall be governed by further agreements between the parties concerned.

7. Special arrangements shall be concluded between Italy and the Free Territory to govern the conditions under which the obligations of Italian public or private social insurance organizations towards the inhabitants of the Free Territory, and a proportionate part of the reserves accumulated by the said organizations, shall be transferred to similar organizations in the Free Territory.

Similar arrangements shall also be concluded between the Free Territory and Italy, and between the Free Territory and Yugoslavia, to govern the obligations of public and private social insurance organizations whose siège social is in the Free Territory, with regard to policy holders or subscribers residing respectively in Italy or in territory ceded to Yugoslavia under the present Treaty.

Similar arrangements shall also be concluded between the Free Territory and Yugoslavia to govern the obligations of public and private social insurance organizations whose siège social is in territory ceded to Yugoslavia under the present Treaty, with regard to policy holders or subscribers residing in the Free Territory.

8. Italy shall continue to be liable for the payment of civil or military pensions earned, as of the coming into force of the present Treaty, for service under the Italian State, municipal or other local government authorities, by persons who under the Treaty acquire the nationality of the Free Territory, including pension rights not yet matured. Arrangements shall be concluded between Italy and the Free Territory providing for the method by which this liability shall be discharged.

9. The property, rights and interests of Italian nationals who became domiciled in the Free Territory after June 10, 1940, and of persons who opt for Italian citizenship pursuant to the Statute of the Free Territory of Trieste shall, provided they have been lawfully acquired, be respected in the same measure as the property, rights and interests of nationals of the Free Territory generally, for a period of three years from the coming into force of the Treaty.

The property, rights and interests within the Free Territory of other Italian nationals and also of Italian juridical persons, provided they have been lawfully acquired, shall be subject only to such legislation as may be enacted from time to time regarding the property of foreign nationals and juridical persons generally.

10. Persons who opt for Italian nationality and move to Italy shall be permitted, after the settlement of any debts or taxes due from them in the Free Territory, to take with them their movable property and transfer their funds, provided such property and funds were lawfully acquired. No export or import duties shall be imposed in connection with the moving of such property. Further, they shall be permitted to sell their movable and immovable property under the same conditions as nationals of the Free Territory.

The removal of property to Italy will be effected under conditions which will not be in contradiction to the Constitution of the Free Territory and in a manner which will be agreed upon between Italy and the Free Territory. The conditions and the time periods of the transfer of the funds, including the proceeds of sales, shall be determined in the same manner.

11. The property, rights and interests of former Italian nationals, resident in the Free Territory, who become nationals of the Free Territory under the present Treaty, existing in Italy at the coming into force of the Treaty, shall be respected by Italy in the same measure as the property, rights and interests of Italian nationals generally, for a period of three years from the coming into force of the Treaty.

Such persons are authorized to effect the transfer and the liquidation of their property, rights and interests under the same conditions as are provided for under paragraph 10 above.

12. Companies incorporated under Italian law and having siège social in the Free Territory, which wish to remove siège social to Italy or Yugoslavia, shall likewise be dealt with under the provisions of paragraph 10 above, provided that more than fifty per cent. of the capital of the company is owned by persons usually resident outside the Free Territory, or by persons who move to Italy or Yugoslavia.

13. Debts owed by persons in Italy, or in territory ceded to Yugoslavia, to persons in the Free Territory, or by persons in the Free Territory to persons in Italy or in territory ceded to Yugoslavia, shall not be affected by the cession. Italy, Yugoslavia and the Free Territory undertake to facilitate the settlement of such obligations. As used in this paragraph, the term "persons" includes juridical persons.

14. The property in the Free Territory of any of the United Nations and its nationals, if not already freed from Italian measures of sequestration or control and returned to its owner, shall be returned in the condition in which it now exists.

15. Italy shall return property unlawfully removed after September 3, 1943, from the Free Territory to Italy. Paragraphs 2, 3, 4, 5 and 6 of Article 75 shall govern the application of this obligation except as regards property provided for elsewhere in this Annex.

The provisions of paragraphs 1, 2, 5 and 6 of Article 75 shall apply to the restitution by the Free Territory of property removed from the territory of any of the United Nations during the war.

16. Italy shall return to the Free Territory in the shortest possible time any ships in Italian possession which were owned on September 3, 1943, by natural persons resident in the Free Territory who acquire the nationality of the Free Territory under the present Treaty, or by Italian juridical persons having and retaining siège social in the Free Territory, except any ships which have been the subject of a bona fide sale.

17. Italy and the Free Territory, and Yugoslavia and the Free Territory, shall conclude agreements providing for a just and equitable apportionment of the property of any existing local authority whose area is divided by any frontier settlement under the present Treaty, and for a continuance to the inhabitants of necessary communal services not specifically covered in other parts of the Treaty.

Similar agreements shall be concluded for a just and equitable allocation of rolling stock and railway equipment and of dock and harbour craft and equipment, as well as for any other outstanding economic matters not covered by this Annex.

18. Citizens of the Free Territory shall, notwithstanding the transfer of sovereignty and any change of nationality consequent thereon, continue to enjoy in Italy all the rights in industrial, literary and artistic property to which they were entitled under the legislation in force in Italy at the time of the transfer.

The Free Territory shall recognize and give effect to rights of industrial, literary and artistic property existing in the Free Territory under Italian laws in force at the time of transfer, or to be re-established or restored in accordance with Annex XV, part A of the present Treaty. These rights shall remain in force in the Free Territory for the same period as that for which they would have remained in force under the laws of Italy.

19. Any dispute which may arise in giving effect to this Annex shall be dealt with in the same manner as provided in Article 83 of the present Treaty.

20. Paragraphs 1, 3 and 5 of Article 76; Article 77; paragraph 3 of Article 78; Article 81; Annex XV, part A; Annex XVI and Annex XVII, part B, shall apply to the Free Territory in like manner as to Italy.

ANNEX XI. JOINT DECLARATION BY THE GOVERNMENTS OF THE SOVIET UNION, OF THE UNITED KINGDOM, OF THE UNITED STATES OF AMERICA AND OF FRANCE CONCERNING ITALIAN TERRITORIAL POSSESSIONS IN AFRICA

(See article 23)

1. The Governments of the Union of Soviet Socialist Republics, of the United Kingdom of Great Britain and Northern Ireland, of the United States of America, and of France agree that they will, within one year from the coming into force of the Treaty of Peace with Italy bearing the date of February 10, 1947, jointly determine the final disposal of Italy's territorial possessions in Africa, to which, in accordance with Article 23 of the Treaty, Italy renounces all right and title.

2. The final disposal of the territories concerned and the appropriate adjustment of their boundaries shall be made by the Four Powers in the light of the wishes and welfare of the inhabitants and the interests of peace and security, taking into consideration the views of other interested Governments.

3. If with respect to any of these territories the Four Powers are unable to agree upon their disposal within one year from the coming into force of the Treaty of Peace with Italy, the matter shall be referred to the General Assembly of the United Nations for a recommendation, and the Four Powers agree to accept the recommendation and to take appropriate measures for giving effect to it.

4. The Deputies of the Foreign Ministers shall continue the consideration of the question of the disposal of the former Italian Colonies with a view to submitting to the Council of Foreign Ministers their recommendations on this matter. They shall also send out commissions of investigation to any of the former Italian Colonies in order to supply the Deputies with the necessary data on this question and to ascertain the views of the local population.

ANNEX XII

(See article 56)

The names in this Annex are those which were used in the Italian Navy on June 1, 1946.

A. List of naval vessels to be retained by Italy

Major War Vessels

Battleships: Andrea Doria, Caio Duilio.

Cruisers: Luigi di Savoia Duca degli Abruzzi, Giuseppe Garibaldi, Raimondo Montecuccoli, Luigi Cadorna.

Destroyers: Carabiniere, Granatiere, Grecale, Nicoloso da Recco.

Torpedo boats: Giuseppe Cesare Abba, Aretusa, Calliope, Giacinto Carini, Cassiopea, Clio, Nicola Fabrizi, Ernesto Giovannini, Libra, Monzambano, Antonio Mosto, Orione, Orsa, Rosalino Pilo, Sagittario, Sirio.

Corvettes: Ape, Baionetta, Chimera, Cormorano, Danaide, Driade, Fenice, Flora, Folaga, Gabbiano, Gru, Ibis, Minerva, Pellicano, Pomona, Scimittara, Sfinge, Sibilla, Urania. Together with one corvette to be salvaged, completed or constructed.

Minor War Vessels

Minesweepers: R. D. Nos. 20, 32, 34, 38, 40, 41, 102, 103, 104, 105, 113, 114, 129, 131, 132, 133, 134, 148, 149, together with 16 YMS type acquired from the United States of America.

Vedettes: VAS Nos. 201, 204, 211, 218, 222, 224, 233, 235.

Auxiliary Naval Vessels

Fleet tankers: Nettuno, Lete.

Water carriers: Arno, Frigido, Mincio, Ofanto, Oristano, Pescara, Po, Sesia, Simeto, Stura, Tronto, Vipacco.

Tugs (large): Abbazia, Asinara, Atlante, Capraia, Chioggia, Emilio, Gagliardo, Gorgona, Licosa, Lilibeo, Linosa, Mestre, Piombino, Porto Empedocle, Porto Fossone, Porto Pisano, Porto Rose, Porto Recanati, San Pietro, San Vito, Ventimiglia.

Tugs (small): Argentario, Astico, Cordevole, Generale Pozzi, Irene, Passero, Porto Rosso, Porto Vecchio, San Bartolomeo, San Benedetto, Tagliamento, N1, N4, N5, N9, N22, N26, N27, N32, N47, N52, N53, N78, N96, N104, RLN1, RLN3, RLN9, RLN10.

Training ship: Amerigo Vespucci.

Transports: Amalia Messina, Montegrappa, Tarantola.

Supply ship: Giuseppe Miraglia.

Repair ship: Antonio Pacinotti (after conversion from S/M Depot Ship).

Surveying ships: Azio (after conversion from minelayer), Cherso.

Lighthouse-service vessel: Buffoluto.

Cable ship: Rampino.

B. List of naval vessels to be placed at the disposal of the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France

Major War Vessels

Battleships: Giulio Cesare, Italia, Vittorio Veneto.

Cruisers: Emanuele Filiberto Duca d'Aosta, Pompeo Magno, Attilio Regolo, Eugenio di Savoia, Scipione Africano.

Sloop: Eritrea.

Destroyers: Artigliere, Fuciliere, Legionario, Mitragliere, Alfredo Oriani, Augusto Riboty, Velite.

Torpedo boats: Aliseo, Animoso, Ardimentoso, Ariete, Fortunale, Indomito.

Submarines: Alagi, Atropo, Dandolo, Giada, Marea, Nichelio, Platino, Vortice.

Minor War Vessels

M. T. B's: MS Nos. 11, 24, 31, 35, 52, 53, 54, 55, 61, 65, 72, 73, 74, 75. MAS Nos. 433, 434, 510, 514, 516, 519, 520, 521, 523, 538, 540, 543, 545, 547, 562. ME Nos. 38, 40, 41.

Minesweepers: RD Nos. 6, 16, 21, 25, 27, 28, 29.

Gunboat: Illyria.

Vedettes: VAS Nos. 237, 240, 241, 245, 246, 248.

Landing craft: MZ Nos. 713, 717, 722, 726, 728, 729, 737, 744, 758, 776, 778, 780, 781, 784, 800, 831.

Auxiliary Naval Vessels

Tankers: Prometeo, Stige, Tarvisio, Urano.

Water carriers: Anapo, Aterno, Basento, Bisagno, Dalmazia, Idria, Isarco, Istria, Liri, Metauro, Polcevera, Sprugola, Timavo, Tirso.

Tugs (large): Arsachena, Basiluzzo, Capo d'Istria, Carbonara, Cefalu, Ercole, Gaeta, Lampedusa, Lipari, Liscanera, Marechiaro, Mesco, Molara, Nereo, Porto Adriano, Porto Conte, Porto Quieto, Porto Torres, Porto Tricase, Procida, Promontore, Rapallo, Salvore, San Angelo, San Antioco, San Remo, Talamone, Taormina, Teulada, Tifeo, Vado, Vigoroso.

Tugs (small): Generale Valfre, Licata, Noli, Volosca, N2, N3, N23, N24, N28, N35, N36, N37, N80, N94.

Depot ship: Anteo.

Training ship: Cristoforo Colombo.

Auxiliary minelayer: Fasana.

Transports: Giuseppe Messina, Montecucco, Panigaglia.

ANNEX XIII. DEFINITIONS

A. Naval

(See article 59)

Standard Displacement

The standard displacement of a surface vessel is the displacement of the vessel, complete, fully manned, engined and equipped ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed water on board.

The standard displacement is expressed in tons of 2,240 lbs. (1,016 Kgs).

War Vessel

A war vessel, whatever its displacement, is:

1. A vessel specifically built or adapted as a fighting unit for naval, amphibious or naval air warfare; or

2. A vessel which has one of the following characteristics:

(a) mounts a gun with a calibre exceeding 4.7 inches (120 mm.);

(b) mounts more than four guns with a calibre exceeding 3 inches (76 mm.);

(c) is designed or fitted to launch torpedoes or to lay mines;

(d) is designed or fitted to launch self-propelled or guided missiles;

(e) is designed for protection by armour plating exceeding 1 inch (25 mm.) in thickness;

(f) is designed or adapted primarily for operating aircraft at sea;

(g) mounts more than two aircraft launching apparatus;

(h) is designed for a speed greater than twenty knots if fitted with a gun of calibre exceeding 3 inches (76 mm.).

A war vessel belonging to sub-category 1 is no longer to be considered as such after

the twentieth year since completion if all weapons are removed.

Battleship

A battleship is a war vessel, other than an aircraft carrier, the standard displacement of which exceeds 10,000 tons or which carries a gun with a calibre exceeding 8 inches (203 mm.).

Aircraft Carrier

An aircraft carrier is a war vessel, whatever her displacement, designed or adapted primarily for the purpose of carrying and operating aircraft.

Submarine

A submarine is a vessel designed to operate below the surface of the sea.

Specialised Types of Assault Craft

1. All types of craft specially designed or adapted for amphibious operations.

2. All types of small craft specially designed or adapted to carry an explosive or incendiary charge for attacks on ships or harbours.

Motor Torpedo Boat

A vessel of a displacement less than 200 tons, capable of a speed of over 25 knots and of operating torpedoes.

B. Military, military air and naval training

(See articles 60, 63 and 65)

1. Military training is defined as: the study of and practice in the use of war material specially designed or adapted for army purposes, and training devices relative thereto; the study and carrying out of all drill or movements which teach or practice evolutions performed by fighting forces in battle; and the organised study of tactics, strategy and staff work.

2. Military air training is defined as: the study of and practice in the use of war material specially designed or adapted for air force purposes, and training devices relative thereto; the study and practice of all specialised evolutions, including formation flying, performed by aircraft in the accomplishment of an air force mission; and the organised study of air tactics, strategy and staff work.

3. Naval training is defined as: the study, administration or practice in the use of warships or naval establishments as well as the study or employment of all apparatus and training devices relative thereto, which are used in the prosecution of naval warfare, except for those which are also normally used for civilian purposes; also the teaching, practice or organised study of naval tactics, strategy and staff work including the execution of all operations and manoeuvres not required in the peaceful employment of ships.

C. Definition and list of war material

(See article 67)

The term "war material" as used in the present Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below.

The Allied and Associated Powers reserve the right to amend the list periodically by modification or addition in the light of subsequent scientific development.

Category I.

1. Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use.

2. Machine guns, military automatic or autoloading rifles, and machine pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine gun mounts.

3. Guns, howitzers, mortars, cannon special to aircraft, breechless or recoil-less guns and flamethrowers; barrels and other spare parts not readily adaptable for civilian use; carriages and mountings for the foregoing.

4. Rocket projectors; launching and control mechanisms for self-propelling and guided missiles; mountings for same.

5. Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in subparagraphs 1–4 above and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.

6. Grenades, bombs, torpedoes, mines, depth charges and incendiary materials or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.

7. Bayonets.

Category II.

1. Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.

2. Mechanical and self-propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in sub-paragraph 1 above.

3. Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

Category III.

1. Aiming and computing devices, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters; equipment for the calibration of guns and fire control instruments.

2. Assault bridging, assault boats and storm boats.

3. Deceptive warfare, dazzle and decoy devices.

4. Personal war equipment of a specialised nature not readily adaptable to civilian use.

Category IV.

1. Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material, machines and installations not used in peace time on ships other than warships.

2. Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instrument or device whether manned or unmanned, guided or uncontrolled.

3. Submersible or semi-submersible ships, craft, weapons, devices, or apparatus of any kind, including specially designed harbour defence booms, except as required by salvage, rescue or other civilian uses, as well as all equipment, accessories, spare parts, experimental or training aids, instruments or installations as may be specially designed for the construction, testing, maintenance or housing of the same.

Category V.

1. Aircraft, assembled or unassembled, both heavier and lighter than air, which are designed or adapted for aerial combat by the use of machine guns, rocket projectors or artillery, or for the carrying and dropping of bombs, or which are equipped with, or which by reason of their design or construction are prepared for, any of the appliances referred to in sub-paragraph 2 below.

2. Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release mechanisms; gun turrets and blisters.

3. Equipment specially designed for and used solely by airborne troops.

4. Catapults or launching apparatus for ship-borne, land- or sea-based aircraft; apparatus for launching aircraft weapons.

5. Barrage balloons.

Category VI.

Asphyxiating, lethal, toxic or incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

Category VII.

Propellants, explosives, pyrotechnics or liquefied gases destined for the propulsion, explosion, charging or filling of, or for use in connection with, the war material in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

Category VIII.

Factory and tool equipment specially designed for the production and maintenance of the material enumerated above and not technically convertible to civilian use.

D. Definition of the terms "demilitarisation" and "demilitarised"

(See articles 11, 14, 49 and article 3 of annex VI)

For the purpose of the present Treaty the terms "demilitarisation" and "demilitarised" shall be deemed to prohibit, in the territory and territorial waters concerned, all naval, military and military air installations, fortifications and their armaments; artificial military, naval and air obstacles; the basing or the permanent or temporary stationing of military, naval and military air units; military training in any form; and the production of war material. This does not prohibit internal security personnel restricted in number to meeting tasks of an internal character and equipped with weapons which can be carried and operated by one person, and the necessary military training of such personnel.

ANNEX XIV. ECONOMIC AND FINANCIAL PROVISIONS RELATING TO CEDED TERRITORIES

1. The Successor State shall receive, without payment, Italian State and para-statal property within territory ceded to it under the present Treaty, as well as all relevant archives and documents of an administrative character or historical value concerning the territory in question, or relating to property transferred under this paragraph.

The following are considered as State or para-statal property for the purposes of this Annex: movable and immovable property of the Italian State, of local authorities and of public institutions and publicly owned companies and associations, as well as movable and immovable property formerly belonging to the Fascist Party or its auxiliary organizations.

2. All transfers effected after September 3, 1943, of Italian State and para-statal property as defined in paragraph 1 above shall be deemed null and void. This provision shall not, however, extend to lawful acts relating to current operations of State and para-statal agencies in so far as they concern the sale, within normal limits, of goods ordinarily produced or sold by them in the execution of normal commercial arrangements or in the normal course of governmental administrative activities.

3. Italian submarine cables connecting points in ceded territory, or connecting a point in ceded territory with a point in other territory of the Successor State, shall be deemed to be Italian property in the ceded territory, despite the fact that lengths of these cables may lie outside territorial waters. Italian submarine cables connecting a point in ceded territory with a point outside the jurisdiction of the Successor State shall be deemed to be Italian property in ceded territory so far as concerns the terminal facilities and the lengths of cables lying within territorial waters of the ceded territory.

4. The Italian Government shall transfer to the Successor State all objects of artistic, historical or archaeological value belonging to the cultural heritage of the ceded territory, which, while that territory was under

Italian control, were removed therefrom without payment and are held by the Italian Government or by Italian public institutions.

5. The Successor State shall make arrangements for the conversion into its own currency of Italian currency held within the ceded terrritory by persons continuing to reside in the said territory or by juridical persons continuing to carry on business there. Full proof of the source of the funds to be converted may be required from their holders.

6. The Government of the Successor State shall be exempt from the payment of the Italian public debt, but will assume the obligations of the Italian State towards holders who continue to reside in the ceded territory, or who, being juridical persons, retain their siège social or principal place of business there, in so far as these obligations correspond to that portion of this debt which has been issued prior to June 10, 1940, and is attributable to public works and civil administrative services of benefit to the said territory but not attributable directly or indirectly to military purposes.

Full proof of the source of such holdings may be required from the holders.

The Successor State and Italy shall conclude arrangements to determine the portion of the Italian public debt referred to in this paragraph and the methods for giving effect to these provisions.

7. Special arrangements shall be concluded between the Successor State and Italy to govern the conditions under which the obligations of Italian public or private social insurance organizations towards the inhabitants of the ceded territory, and a proportionate part of the reserves accumulated by the said organizations, shall be transferred to similar organizations in the Successor State.

Similar arrangements shall also be concluded between the Successor State and Italy to govern the obligations of public and private social insurance organizations whose siège social is in the ceded territory, with regard to policy holders or subscribers residing in Italy.

8. Italy shall continue to be liable for the payment of civil or military pensions earned, as of the coming into force of the present Treaty, for service under the Italian State, municipal or other local government authorities, by persons who under the Treaty acquire the nationality of the Successor State, including pension rights not yet matured. Arrangements shall be concluded between the Successor State and Italy providing for the method by which this liability shall be discharged.

9. The property, rights and interests of Italian nationals permanently resident in the ceded territories at the coming into force of the present Treaty shall, provided they have been lawfully acquired, be respected on a basis of equality with the rights of nationals of the Successor State.

The property, rights and interests within the ceded territories of other Italian nationals and also of Italian juridical persons, provided they have been lawfully acquired, shall be subject only to such legislation as may be enacted from time to time regarding the property of foreign nationals and juridical persons generally.

Such property, rights and interests shall not be subject to retention or liquidation under the provisions of Article 79 of the present Treaty, but shall be restored to their owners freed from any measures of this kind and from any other measure of transfer, compulsory administration or sequestration taken between September 3, 1943, and the coming into force of the present Treaty.

10. Persons who opt for Italian nationality and move to Italy shall be permitted, after the settlement of any debts or taxes due from them in ceded territory, to take with them their movable property and transfer their funds, provided such property and funds were lawfully acquired. No export or import duties will be imposed in connection with the moving of such property. Further, they shall be permitted to sell their movable and immovable property under the same conditions as nationals of the Successor State.

The removal of property to Italy will be effected under conditions and within the limits agreed upon between the Successor State and Italy. The conditions and the time periods of the transfer of the funds, including the proceeds of sales, shall likewise be agreed.

11. The property, rights and interests of former Italian nationals, resident in the ceded territories, who become nationals of another State under the present Treaty, existing in Italy at the coming into force of the Treaty, shall be respected by Italy in the same measure as the property, rights and interests of United Nations nationals generally.

Such persons are authorized to effect the transfer and the liquidation of their property, rights and interests under the same conditions as may be established under paragraph 10 above.

12. Companies incorporated under Italian law and having siège social in the ceded territory, which wish to remove siège social to Italy, shall likewise be dealt with under the provisions of paragraph 10 above, provided that more than fifty per cent. of the capital of the company is owned by persons usually resident outside the ceded territory, or by persons who opt for Italian nationality under the present Treaty and who move to Italy, and provided also that the greater part of the activity of the company is carried on outside the ceded territory.

13. Debts owed by persons in Italy to persons in the ceded territory or by persons in the ceded territory to persons in Italy shall not be affected by the cession. Italy and the Successor State undertake to facilitate the settlement of such obligations. As used in this paragraph, the term "persons" includes juridical persons.

14. The property in ceded territory of any of the United Nations and its nationals, if not already freed from Italian measures of sequestration or control and returned to its owner, shall be returned in the condition in which it now exists.

15. The Italian Government recognizes that the Brioni Agreement of August 10, 1942, is null and void. It undertakes to participate with the other signatories of the Rome Agreement of May 29, 1923, in any negotiations having the purpose of introducing into its provisions the modifications necessary to ensure the equitable settlement of the annuities which it provides.

16. Italy shall return property unlawfully removed after September 3, 1943, from ceded territory to Italy. Paragraphs 2, 3, 4, 5 and 6 of Article 75 shall govern the application of this obligation except as regards property provided for elsewhere in this Annex.

17. Italy shall return to the Successor State in the shortest possible time any ships in Italian possession which were owned on September 3, 1943, by natural persons resident in ceded territory who acquire the nationality of the Successor State under the present Treaty, or by Italian juridical persons having and retaining siège social in ceded territory, except any ships which have been the subject of a bona fide sale.

18. Italy and the Successor States shall conclude agreements providing for a just and equitable apportionment of the property of any existing local authority whose area is divided by any frontier settlement under the present Treaty, and for a continuance to the inhabitants of necessary communal services not specifically covered in other parts of the Treaty.

Similar agreements shall be concluded for a just and equitable allocation of rolling stock and railway equipment and of dock and harbour craft and equipment, as well as for any other outstanding economic matters not covered by this Annex.

19. The provisions of this Annex shall not apply to the former Italian Colonies. The economic and financial provisions to be applied therein will form part of the arrangements for the final disposal of these territories pursuant to Article 23 of the present Treaty.

ANNEX XV. SPECIAL PROVISIONS RELATING TO CERTAIN KINDS OF PROPERTY

A. Industrial, literary and artistic property

1. (a) A period of one year from the coming into force of the present Treaty shall be accorded to the Allied and Associated Powers and their nationals without extension fees or other penalty of any sort in order to enable them to accomplish all necessary acts for the obtaining or preserving in Italy of rights in industrial, literary and artistic property which were not capable of accomplishment owing to the existence of a state of war.

(b) Allied and Associated Powers or their nationals who had duly applied in the territory of any Allied or Associated Power for a patent or registration of a utility model not earlier than twelve months before the outbreak of the war with Italy or during the war, or for the registration of an industrial design or model or trade mark not earlier than six months before the outbreak of the war with Italy or during the war, shall be entitled within twelve months after the coming into force of the present Treaty to apply for corresponding rights in Italy, with a right of priority based upon the previous filing of the application in the territory of that Allied or Associated Power.

(c) Each of the Allied and Associated Powers and its nationals shall be accorded a period of one year from the coming into force of the present Treaty during which they may institute proceedings in Italy against those natural or juridical persons who are alleged illegally to have infringed their rights in industrial, literary or artistic property between the date of the outbreak of the war and the coming into force of the present Treaty.

2. A period from the outbreak of the war until a date eighteen months after the coming into force of the present Treaty shall be excluded in determining the time within which a patent must be worked or a design or trade mark used.

3. The period from the outbreak of the war until the coming into force of the present Treaty shall be excluded from the normal term of rights in industrial, literary and artistic property which were in force in Italy at the outbreak of the war or which are recognised or established under part A of this Annex, and belong to any of the Allied and Associated Powers or their nationals. Consequently, the normal duration of such rights shall be deemed to be automatically extended in Italy for a further term corresponding to the period so excluded.

4. The foregoing provisions concerning the rights in Italy of the Allied and Associated Powers and their nationals shall apply equally to the rights in the territories of the Allied and Associated Powers of Italy and its nationals. Nothing, however, in these provisions shall entitle Italy or its nationals to more favourable treatment in the territory of any of the Allied and Associated Powers than is accorded by such Power in like cases to other United Nations or their nationals, nor shall Italy be required thereby to accord to any of the Allied and Associated Powers or its nationals more favourable treatment than Italy or its nationals receive in the territory of such Power in regard to the matters dealt with in the foregoing provisions.

5. Third parties in the territories of any of the Allied and Associated Powers or Italy who, before the coming into force of the present Treaty, had bona fide acquired industrial, literary or artistic property rights conflicting with rights restored under part A of this Annex or with rights obtained with

the priority provided thereunder, or had bona fide manufactured, published, reproduced, used or sold the subject matter of such rights, shall be permitted, without any liability for infringement, to continue to exercise such rights and to continue or to resume such manufacture, publication, reproduction, use or sale which had been bona fide acquired or commenced. In Italy, such permission shall take the form of a non-exclusive license granted on terms and conditions to be mutually agreed by the parties thereto or, in default of agreement, to be fixed by the Conciliation Commission established under Article 83 of the present Treaty. In the territories of each of the Allied and Associated Powers, however, bona fide third parties shall receive such protection as is accorded under similar circumstances to bona fide third parties whose rights are in conflict with those of the nationals of other Allied and Associated Powers.

6. Nothing in part A of this Annex shall be construed to entitle Italy or its nationals to any patent or utility model rights in the territory of any of the Allied and Associated Powers with respect to inventions, relating to any article listed by name in the definition of war material contained in Annex XIII of the present Treaty, made, or upon which applications were filed, by Italy, or any of its nationals, in Italy or in the territory of any other of the Axis Powers, or in any territory occupied by the Axis forces, during the time when such territory was under the control of the forces or authorities of the Axis Powers.

7. Italy shall likewise extend the benefits of the foregoing provisions of this Annex to United Nations, other than Allied or Associated Powers, whose diplomatic relations with Italy have been broken off during the war and which undertake to extend to Italy the benefits accorded to Italy under the said provisions.

8. Nothing in part A of this Annex shall be understood to conflict with Articles 78 79 and 81 of the present Treaty.

B. Insurance

1. No obstacles, other than any applicable to insurers generally, shall be placed in the way of the resumption by insurers who are United Nations nationals of their former portfolios of business.

2. Should an insurer, who is a national of any of the United Nations, wish to resume his professional activities in Italy, and should the value of the guarantee deposits or reserves required to be held as a condition of carrying on business in Italy be found to have decreased as a result of the loss or depreciation of the securities which constituted such deposits or reserves, the Italian Government undertakes to accept, for a period of eighteen months, such securities as still remain as fulfilling any legal requirements in respect of deposits and reserves.

ANNEX XVI. CONTRACTS, PRESCRIPTION AND NEGOTIABLE INSTRUMENTS

A. Contracts

1. Any contract which required for its execution intercourse between any of the parties thereto having become enemies as defined in part D of this Annex, shall, subject to the exceptions set out in paragraphs 2 and 3 below, be deemed to have been dissolved as from the time when any of the parties thereto became enemies. Such dissolution, however, is without prejudice to the provisions of Article 81 of the present Treaty, nor shall it relieve any party to the contract from the obligation to repay amounts received as advances or as payments on account and in respect of which such party has not rendered performance in return.

2. Notwithstanding the provisions of paragraph 1 above, there shall be excepted from dissolution and, without prejudice to the rights contained in Article 79 of the present Treaty, there shall remain in force such parts of any contract as are severable and did not require for their execution intercourse between any of the parties thereto, having become enemies as defined in part D of this Annex. Where the provisions of any contract are not so severable, the contract shall be deemed to have been dissolved in its entirety. The foregoing shall be subject to the application of domestic laws, orders or regulations made by any of the Allied and Associated Powers having jurisdiction over the contract or over any of the parties thereto and shall be subject to the terms of the contract.

3. Nothing in part A of this Annex shall be deemed to invalidate transactions lawfully carried out in accordance with a contract between enemies if they have been carried out with the authorization of the Government of one of the Allied and Associated Powers.

4. Notwithstanding the foregoing provisions, contracts of insurance and re-insurance shall be subject to separate agreements between the Government of the Allied or Associated Power concerned and the Government of Italy.

B. Periods of prescription

1. All periods of prescription or limitation of right of action or of the right to take conservatory measures in respect of relations affecting persons or property, involving United Nations nationals and Italian nationals who, by reason of the state of war, were unable to take judicial action or to comply with the formalities necessary to safeguard their rights, irrespective of whether these periods commenced before or after the outbreak of war, shall be regarded as having been suspended, for the duration of the war, in Italian territory on the one hand, and on the other hand in the territory of those United Nations which grant to Italy, on a reciprocal basis, the benefit of the provisions of this paragraph. These periods shall begin to run again on the coming into force of the present Treaty. The provisions of this paragraph shall be applicable in regard to the periods fixed for the presentation of interest or dividend coupons or for the presentation for payment of securities drawn for repayment or repayable on any other ground.

2. Where, on account of failure to perform any act or to comply with any formality during the war, measures of execution have been taken in Italian territory to the prejudice of a national of one of the United Nations, the Italian Government shall restore the rights which have been detrimentally affected. If such restoration is impossible or would be inequitable, the Italian Government shall provide that the United Nations national shall be afforded such relief as may be just and equitable in the circumstances.

C. Negotiable instruments

1. As between enemies, no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment, or to give notice of non-acceptance or non-payment to drawers or endorsers, or to protest the instrument, nor by reason of failure to complete any formality during the war.

2. Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or endorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment, or protest may be made.

3. If a person has, either before or during the war, incurred obligations under a negotiable instrument in consequence of an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of these obligations, notwithstanding the outbreak of war.

D. Special provisions

1. For the purposes of this Annex, natural or juridical persons shall be regarded as enemies from the date when trading between them shall have become unlawful under laws, orders or regulations to which such persons or the contracts were subject.

2. Having regard to the legal system of the United States of America, the provisions of this Annex shall not apply as between the United States of America and Italy.

ANNEX XVII. PRIZE COURTS AND JUDGMENTS

A. Prize courts

Each of the Allied and Associated Powers reserves the right to examine, according to a procedure to be established by it, all decisions and orders of the Italian Prize Courts in cases involving ownership rights of its nationals, and to recommend to the Italian Government that revision shall be undertaken of such of those decisions or orders as may not be in conformity with international law.

The Italian Government undertakes to supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued, and to accept all recommendations made as a result of the examination of the said cases, and to give effect to such recommendations.

B. Judgments

The Italian Government shall take the necessary measures to enable nationals of any of the United Nations at any time within one year from the coming into force of the present Treaty to submit to the appropriate Italian authorities for review any judgment given by an Italian court between June 10, 1940, and the coming into force of the present Treaty in any proceeding in which the United Nations national was unable to make adequate presentation of his case either as plaintiff or defendant. The Italian Government shall provide that, where the United Nations national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances. The term "United Nations nationals" includes corporations or associations organised or constituted under the laws of any of the United Nations.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in the city of Paris in the French, English, Russian and Italian languages this tenth day of February, One Thousand Nine Hundred and Forty-Seven.

Here follow the signatures of the Plenipotentiaries of Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, China, France, Australia, Belgium, Byelorussian Soviet Socialist Republic, Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, The Netherlands, New Zealand, Poland, Ukrainian Soviet Socialist Republic, Union of South Africa, People's Federal Republic of Yugoslavia, Italy.

Mr. VANDENBERG. Mr. President, I should like to make the announcement that, if I can arrange it with the Presiding Officer of the Senate, I hope I may be recognized tomorrow at 12 o'clock to discuss the Italian Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. WHITE. Mr. President, if the Senator from Michigan has received satisfactory assurances, I now move, as in executive session, that the Senate stand in recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 4 o'clock and 17 minutes p. m.), as in executive session, the Senate took a recess until tomorrow, Tuesday, June 3, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 2 (legislative day of April 21), 1947:

BUREAU OF INTERNAL REVENUE

Charles Oliphant, of Maryland, to be Assistant General Counsel for the Bureau of Internal Revenue, in place of John Philip Wenchel, resigned.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be dental surgeon (equivalent to the Army rank of major), effective date of oath of office:

Robert M. Stephan

To be pharmacist (equivalent to the Army rank of major), effective date of oath of office:

George F. Archambault

To be senior assistant scientists (equivalent to the Army rank of captain), effective date of oath of office:

Herbert A. Sober	William C. Frohne
Isadore Zipkin	Richard P. Dow
Frederick L. Stone	Roy F. Fritz
Milton Silverman	Ralph C. Barnes
Libero Ajello	Joseph Greenberg
Alan W. Donaldson	John H. Hughes
Louis J. Olivier	Harold B. Robinson
Harry J. Bennett	Elmer G. Berry

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Louis B. Thomas	Joseph Leighton
Donn G. Mosser	C. Brooks Fry, Jr.
Alan D. Miller	Robert D. Dooley
Luther E. Smith	Stuart M. Sessoms
A. McChesney Evans	James J. Thorpe
Donald Harting	Robert M. Farrier
Robert E. Westfall	Charles C. Griffin, Jr.
William T. Meszaros	Joseph E. Clark
Sheldon Dray	Francis P. Nicholson
Cornelius J. Donovan	Raymond N. Brown
	Frederic D. Regan

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of oath of office:

Birdsall N. Carle	R. Carl Millican
Pasquale J. Pesare	Ross A. Snider
Clinton C. Powell	Carl R. Kunstling
Eliah M. Nadel	Marvin O. Lewis
J. Russell Mitchell	

CALIFORNIA DEBRIS COMMISSION

Col. Dwight F. Johns, Corps of Engineers, for appointment as President, California Debris Commission, provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California," vice Col. Edwin H. Marks, Corps of Engineers, to be relieved.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Richard J. Ozley, Columbiana, Ala., in place of C. E. Niven, retired.

ARKANSAS

Clarence W. Chalfant, Augusta, Ark., in place of C. S. Airheart, deceased.

Clayton C. Smith, Hatfield, Ark., in place of H. P. Johnson, transferred.

Leo J. Schreick, Osceola, Ark., in place of G. M. Doyle, deceased.

CALIFORNIA

Howard I. Hollen, Brookdale, Calif. Reestablished June 25, 1945.

David T. Prenter, Dana Point, Calif., in place of L. L. Russell, resigned.

Dexter H. Wilson, Death Valley, Calif., in place of Louise Brown, resigned.

Ralph L. McKenna, Glendora, Calif., in place of J. A. Lee, removed.

FLORIDA

Theodore L. Latimer, Deleon Springs, Fla., in place of Flode Jones, retired.

GEORGIA

Miriam R. Boykin, Halcyon Dale, Ga., in place of Ruby Robarts, resigned.

ILLINOIS

Emil J. Sepich, Canton, Ill., in place of S. W. Ash, resigned.

Arthur Lloyd Sinclair, Kansas, Ill., in place of G. E. Boyer, transferred.

Adam A. Munsterman, Nameoki, Ill., in place of J. A. Miller, resigned.

T. Arthur Dyson, Palmer, Ill. Office became Presidential July 1, 1944.

James F. Hartman, Sadorus, Ill., in place of C. A. Holl, resigned.

IOWA

Willard G. Spangler, Everly, Iowa, in place of A. L. Meyer, deceased.

Elmer A. Jacobson, Larrabee, Iowa. Office became Presidential July 1, 1945.

Lloyd G. Andersen, Nora Springs, Iowa, in place of W. H. Lucas, deceased.

KANSAS

Frank C. McNutt, Woodston, Kans., in place of J. L. Morrissey, transferred.

KENTUCKY

Bonnye B. Davidson, Hardyville, Ky., in place of C. V. Ross, resigned.

LOUISIANA

William O. Woodward, Dubach, La., in place of R. L. Colvin, resigned.

Alton I. Carter, Jonesville, La., in place of E. R. Ford, retired.

MASSACHUSETTS

George F. Swansey, Hyannis, Mass., in place of E. T. Murphy, resigned.

Maxwell S. Gifford, Rochester, Mass., in place of A. W. Nelson, retired.

MICHIGAN

Sena G. Pierce, Caledonia, Mich., in place of Cornelius Oosta, resigned.

C. Gordon Osborn, Hart, Mich., in place of E. G. Corbin, deceased.

Waverly H. Ketchum, Interlochen, Mich. Office become Presidential July 1, 1945.

Clarence J. O'Hearn, Marne, Mich., in place of G. M. O'Hearn, deceased.

Stanley W. Franke, South Rockwood, Mich., in place of J. L. Wyman, deceased.

Rosella B. Moyer, Temperance, Mich., in place of H. E. Wassam, resigned.

MINNESOTA

Lester L. Matzke, Bingham Lake, Minn., in place of J. O. Low, transferred.

Peter B. Kiselewski, Browerville, Minn., in place of L. F. Masonick, resigned.

Irvin R. Johnson, Clarks Grove, Minn., in place of Adolph Johnson, deceased.

Russell McCormack, Garden City, Minn., in place of A. D. McCormack, resigned.

Otto C. Drenckhahn, Goodhue, Minn., in place of B. A. Gorman, deceased.

MISSOURI

Helen E. Jameson, McFall, Mo., in place of B. R. Treasure, resigned.

T. Ray Gourley, Phillipsburg, Mo., in place of F. E. Dennis, retired.

MONTANA

William L. Reed, Deer Lodge, Mont., in place of Robert Midtlyng, resigned.

Frank B. Farr, Lame Deer, Mont., in place of M. M. Beckman, resigned.

NEBRASKA

Cyrus F. McDowell, Chadron, Nebr., in place of R. L. Isham, resigned.

Leslie W. Niel, Plattsmouth, Nebr., in place of M. W. Price, resigned.

NEW YORK

Albert B. Hadden, Jr., Liberty, N. Y., in place of B. R. Gerow, resigned.

Willis R. Marks, Margaretville, N. Y., in place of W. J. Merritt, resigned.

Edward G. McAneny, Norton Hill, N. Y. Office became Presidential July 1, 1945.

Joseph M. Beirne, Willsboro, N. Y., in place of L. L. Baker, deceased.

NORTH CAROLINA

Ruby P. Edwards, Bolivia, N. C., in place of S. P. Cox, resigned.

Henry Max Gunter, Bostic, N. C., in place of B. B. McCurry, resigned.

Ida B. Parker, Shallotte, N. C., in place of W. R. Holmes, removed.

Wesley G. Cromer, Skyland, N. C., in place of G. W. Morgan, resigned.

NORTH DAKOTA

Madelyn F. Moulsoff, Barney, N. Dak., in place of J. E. Little, resigned.

Ruth O. Cavanaugh, Velva, N. Dak., in place of N. J. Krebsbach, deceased.

OHIO

Harry B. Bavis, Bowling Green, Ohio, in place of F. W. Thomas, resigned.

Woodrow E. Cecil, Caldwell, Ohio, in place of A. C. Barnhouse, deceased.

Mary C. Debney, Corning, Ohio, in place of Virgil Davis, resigned.

OKLAHOMA

Sherban H. Fisk, Walters, Okla., in place of J. M. Williams, transferred.

OREGON

Creighton Wayne Flynn, Sheridan, Oreg., in place of R. N. Johnson, resigned.

PENNSYLVANIA

John W. Venables, Tarentum, Pa., in place of J. H. Stewart, retired.

SOUTH DAKOTA

Herby J. Bakkehaug, McIntosh, S. Dak., in place of M. W. Funk, resigned.

TEXAS

Melvin L. Ritchey, Hale Center, Tex., in place of C. A. Moreman, resigned.

Bailey Hair, Olton, Tex., in place of J. F. Wiles, retired.

J. Leonard Gibson, Pickton, Tex., in place of W. J. Allison, deceased.

VERMONT

Francess H. Holden, Chester Depot, Vt., in place of C. R. Hazen, retired.

Bernard H. Lilley, Hyde Park, Vt., in place of O. N. Campbell, resigned.

VIRGINIA

Walter Sherwood Overton, Burkeville, Va., in place of M. R. Bostick, resigned.

Herbert Wallace Francis, Capron, Va., in place of Mary Drewry, resigned.

WASHINGTON

Margaret M. Learned, Hadlock, Wash. Office became Presidential July 1, 1943.

Wilma M. Strutzel, Monitor, Wash., in place of L. W. Strutzel, resigned.

WISCONSIN

Ruth E. Score, Elk Mound, Wis., in place of H. W. Paff, retired.

Albert G. Willgrubs, Norwalk, Wis., in place of H. T. Karis, deceased.

Jay P. Phillips, Palmyra, Wis., in place of C. S. Thayer, resigned.

Otis L. Holman, Westby, Wis., in place of R. M. Grimsrud, resigned.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 2, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, in this gladsome season, when all nature responds to Thy beneficent hand, we pray Thee to free our hearts for work and to possess all our powers to do Thy will. Let us not concern ourselves how others do their duty, but how we shall do ours. Forbid that we should shun the load, however heavy, but be strong in the Lord and faint not.

O God, we beseech Thee to release our land from the abuses of freedom and from the uncontrolled individual whose thought is to do as he pleases. Touch the heart of every lover of liberty to exercise each day the ethics of the Golden Rule. Defend us, O Lord, from all perils and dangers and sudden death, and arouse us against the indifferent and reckless ones who violate the safety and sacredness of human life. We are appalled when we think of the darkened homes that wait in sorrowing loneliness; O God, have mercy upon them and give them peace.

"Cure Thy children's warring madness,
Bend our pride to Thy control;
Shame our wanton, selfish gladness,
Rich in things and poor in soul.
Grant us wisdom, grant us courage,
Lest we miss Thy kingdom's goal."

We humbly pray in Thy holy name, Jesus Christ our Lord. Amen.

The Journal of the proceedings of Thursday, May 29, 1947, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 27, 1947:

H. R. 193. An act to amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 191), as amended;

H. R. 1584. An act authorizing the erection and operation of a memorial museum and shop on the Fort Hall Reservation, Idaho; and

H. R. 2123. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended.

On May 29, 1947:

H. R. 3029. An act to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia.

On May 31, 1947:

H. R. 236. An act to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals;

H. R. 384. An act for the relief of W. H. Baker and Walter Baker;

H. R. 428. An act for the relief of Charles N. Bemis;

H. R. 444. An act for the relief of the estate of Archie S. Woods, deceased;

H. R. 603. An act to amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries;

H. R. 1494. An act for the relief of the estate of Nellie P. Dunn, deceased;

H. R. 1844. An act to authorize the Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control, and for other purposes;

H. R. 2094. An act for the relief of Isaac B. Jones; and

H. J. Res. 153. Joint resolution providing for relief assistance to the people of countries devastated by war.

EXTENSION OF REMARKS

Mr. ROSS, Mr. ANDERSON of California, and Mr. MILLER of Maryland asked and were given permission to extend their remarks in the Appendix of the RECORD.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include the first of a series of broadcasts on the Panama Canal by our late colleague, the Honorable Fred Bradley.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the San Francisco News with reference to the tenth anniversary of the Golden Gate Bridge.

Mr. WEICHEL asked and was given permission to extend his remarks in the Appendix of the RECORD and include news items.

Mr. CANFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a memorial address by the gentleman from New York [Mr. KEATING].

AIR-LINE DISASTERS

Mr. ROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, during the past week end there occurred the two worst air-line disasters that have happened in the history of American commercial aviation. With respect to the United Air Lines accident at LaGuardia Field, I believe it to have been inexcusable, and I charge the Civil Aeronautics Administration and the Civil Aeronautics Board with gross carelessness, irresponsible administration, and dereliction of duty. I urge that there be an immediate full-dress, gloves-off congressional inquiry into the causes of these accidents and into these two agencies.

After visiting the scene of the accident on Thursday evening, I wired the gentleman from New Jersey, the Honorable CHARLES A. WOLVERTON, urging such an inquiry. A further investigation the following day confirmed my belief that an inquiry should be made. My findings lead me to believe that an investigation will substantiate my charges against the CAA and the CAB. Later in the day I shall seek unanimous consent to discuss this more fully.

HELPING THE COMMUNISTS

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, only a few days ago the Congress provided a $400,000,000 fund for Greek-Turkish aid. During the debate it was a matter of common knowledge that the real purpose of the fund is to stop Russian aggression in eastern Europe. It was also set forth, time after time, that the present Government of Yugoslavia is a creature of the Soviet and that aid for Tito is, in effect, support for the spread of communism.

I hold in my hand a photograph of heavy machinery, made in America, being loaded into a ship at Long Beach, Calif., a few days ago, for shipment to Yugoslavia under the account and authority of UNRRA, for which the United States contributed the greater part of the money.

Are we fish or fowl?

We tax our people for immense sums to stop communism and, at the same time, we furnish gratis heavy machinery to help Communists prepare to oppose us.

Is it that our right hand does not know what our left hand is doing—or are Americans just plain dumb?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that the Government, and the Congress, too, has to eliminate some of the laws that have been passed during the past administration if we are going to stop this?

Mr. BRADLEY. I think the gentleman is completely right.

EXTENSION OF REMARKS

Mr. ARNOLD (at the request of Mr. COLE of Missouri) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include an address made by a distinguished former Member of the House, Clare Boothe Luce.

Mr. BUCK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial on the labor bill, which editorial is taken from the Saturday Evening Post of May 31.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper editorials and articles.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a speech which he recently made.

AIR ACCIDENTS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, to those who have expressed concern over the two recent air accidents, it may be of interest to know that the chairman of my committee, the gentleman from New Jersey [Mr. WOLVERTON], has designated a group which has been especially engaged in the subject of safety in air navigation. Although the entire committee has been engaged in this study, this special subcommittee is composed of myself as chairman, the gentleman from Minnesota [Mr. O'HARA], the gentleman from Pennsylvania [Mr. SCOTT], the gentleman from North Carolina [Mr. BULWINKLE], and the gentleman from Tennessee [Mr. PRIEST], who will sit in on the CAB investigation of these two accidents.

It may also interest you to know that in the truck and bus field there have been 4,239 accidents in the first 3 months of this year which have resulted in the death of 373 persons and the injury of 4,600 others. In the railroad field there have been a number of accidents which resulted in the death of 1,101 persons and 13,896 injured. Thirty-two of those persons killed were passengers and 995 of the persons injured were passengers.

Mr. Speaker, we are going to have some accidents regardless. You may expect other accidents. They occur every day. You may read the morning paper and find that people have been killed in the city of Washington every day. These air accidents are particularly spectacular but they are not to be unexpected, but the insurance companies are willing to bet you $5,000 of their money against your 25 cents that you will be safe when you take a ride on either railroad, bus, or airplane. It does not make any difference; they make you the same bet on all of them.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to my colleague from California.

Mr. McDONOUGH. Are there any facts known as to whether these accidents have occurred from surplus planes that have been taken over and that have not been thoroughly examined?

Mr. HINSHAW. No. That might be true, but I doubt that it would have any influence in the matter whatsoever because all of these planes are thoroughly overhauled or rebuilt before they are allowed to be used. They are proven by flight tests before they are allowed to be used in commercial service.

The SPEAKER. The time of the gentleman from California has expired.

LABOR LEGISLATION

Mr. OWENS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, the House and Senate conferees with respect to labor legislation have completed their work and we will be called upon to pass on the conference report in a few days.

One of the most important, if not the most important portion, in my opinion, of the bill that we prepared, H. R. 3020, was a division of the prosecuting and judicial functions. In the conference report that is about to be presented to us those functions are still to remain in one body. This constitutes a complete disregard of the wishes of the American people. I believe we should act upon this matter, and I intend to take some action thereon when the conference report comes before us on Wednesday. It would be a disgrace for the House to permit such a measure to go out to the people after the complaints of the past 12 years, since the passage of the National Labor Relations Act, with respect to the consolidation of powers in one body, and the evils resulting therefrom.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Grand Rapids (Mich.) Herald.

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD in three instances and to include in each editorials.

Mr. HARDY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an eloquent address delivered by the Reverend Daniel J. Driscoll.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Boston Herald.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a petition signed by 55 farmers and businessmen of Audubon County, Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, under leave to extend my own remarks at this point in the RECORD, I include a petition from citizens of Audubon County:

To Hon. BOURKE B. HICKENLOOPER, Hon. GEORGE A. WILSON, United States Senators from Iowa; and to Hon. THOMAS E. MARTIN, Hon. HENRY O. TALLE, Hon. JOHN W. GWYNNE, Hon. K. M. LECOMPTE, Hon. PAUL CUNNINGHAM, Hon. JAMES I. DOLLIVER, Hon. BEN F. JENSEN, Hon. CHARLES B. HOEVEN, Members of Congress from Iowa.

GENTLEMEN: The farmers of Audubon County, Iowa, and in particular the members of the Audubon County Agricultural Adjustment Agency and those participating under the agricultural conservation program, are very much disturbed over the severe reduction apparently contemplated and which has taken form at present in the recommendation of the Committee on Appropriations in the lower House of Congress. They feel that the conservation program is now at a critical stage in which it either must continue or fail.

As Iowa is largely an agricultural State and the prosperity of our country to a great extent depends upon successful agriculture, and that the conservation program has been tried and found effective, anything that will reduce its efficiency at this particular time cannot otherwise be anything but a retarding influence in the prosperity of our country. We feel that the conservation program cannot continue as effective with the severe proposed reduction now being made by certain committees in the lower House of Congress.

Therefore, we respectfully urge and request you as Representatives in Congress of the State of Iowa, that you use all reasonable efforts to see that funds are appropriated in a reasonable amount, so that the conservation program may continue effectively.

Respectfully submitted.

(This petition was signed by 55 farmers and businessmen of Audubon County, Iowa.)

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include a letter and photostatic copies of other letters.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address entitled "Small Businessmen Must Become Intolerant." I am advised by the Public Printer that this will exceed two pages of the RECORD and will cost $189.34, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. RIEHLMAN asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that upon the conclusion of the legislative program and other special orders heretofore entered, I may be permitted to address the House today, tomorrow, and next day for 15 minutes, to discuss the labor bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMUNIST INFILTRATION INTO THE MOVING-PICTURE INDUSTRY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include some testimony taken by the Committee on Un-American Activities.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, two most vicious attacks on the Committee on Un-American Activities were made by cartoons in the Communist Daily Worker a few days ago, and in the Washington Post on yesterday.

These attacks were based upon the fact that, at the request of patriotic Americans, a subcommittee of the Committee on Un-American Activities went to Hollywood, Calif., to investigate one of the most dangerous Communist conspiracies this Nation has ever seen.

When the testimony taken is presented to the Congress and the American people it will be shocking, indeed.

One of the leaders of the moving-picture industry said that ever since the country had got wise to this Communist conspiracy that is writing its infamous lines into almost every moving picture, the attendance of the picture shows in this country had fallen off 23 percent; and he said the last time one of Charlie Chaplin's pictures was shown there were only eight persons present.

This is one of the most dangerous things that affect the children of America. Some of the witnesses that came before that committee said that they could take these pictures and point out the Communist line, and if you do not believe it, just go down to some of the pictures that are being shown in Washington now, and if you are even an ordinary intelligent human being, much less capable of representing your district in Congress, you can see the Communist lines yourself.

It is a part of the plan to undermine and destroy this Nation, to undermine and destroy the American way of life, to undermine and destroy the Christian civilization that our people have built after a struggle of 2,000 years.

The SPEAKER. The time of the gentleman from Mississippi has expired.

RAILROAD RETIREMENT ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 289)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed, with illustrations:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress the report of the Railroad Retirement Board for the fiscal year ended June 30, 1946.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 2, 1947.*

INTERSTATE COMPACT TO CONSERVE OIL AND GAS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 288)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

I transmit herewith a certified photostatic copy of an agreement, executed by the States of Alabama, Arkansas, Colorado, Florida, Kansas, Louisiana, Montana, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Texas, West Virginia, Tennessee, and Indiana, to extend for 4 years, commencing September 1, 1947, the interstate compact to conserve oil and gas. The original of this agreement, in accordance with a provision contained therein, has been deposited in the archives of the Department of State.

The original compact between the States of Oklahoma, Texas, New Mexico, Illinois, Colorado, and Kansas was first executed in February 1935 and received the consent of Congress in August 1935. Since that time the original compact, with the consent of Congress, has been thrice extended and renewed for 2-year periods and once for a period of 4 years, the last extension period expiring September 1, 1947. It is of interest to observe that the original compact, first ratified by 6 States, has now been ratified by 16. The increasing membership in this compact is especially encouraging at this time, in view of the necessity for the conservation of our resources of oil and gas.

I hope that the Congress will, by appropriate legislation, approve this extension agreement in accordance with the provisions of article I, section 10 of the Constitution of the United States.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 2, 1947.*

(Enclosure: Certified photostatic copy of agreement.)

SAFETY IN AIR NAVIGATION

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, speaking as chairman of the House Committee on Interstate and Foreign Commerce, I wish to inform the House that this committee, having legislative jurisdiction of all matters pertaining to civil aviation, has recognized the importance of making a complete study of the subject to promote safety in air navigation. This interest became immediately manifest by starting hearings by the full Committee on Interstate and Foreign Commerce within 5 days after the appointment of the committee in January last.

Because of public concern in the number of air accidents occurring during the latter part of 1946, the investigation and study became the first order of business of the committee. Starting on January 22, the committee undertook a study of the problems involved in increasing the safety of air transportation. In doing so it was well aware of the fact that despite wide publicity given to accidents in air transport both here and abroad, 1946 was the safest year in American air-line travel. It was also aware that more accidents occurred during that year in connection with noncertificated or nonscheduled air transportation and private flying than on certificated air lines.

The hearings were continued by the full committee without interruption during January, February, March, and the first part of April. A subcommittee held hearings as late as Thursday last, May 29.

In all, more than 100 witnesses have appeared before the committee, and the two-volume record of these hearings is now available, in committee print. It contains 1,485 pages.

The committee issued a preliminary report on February 19—House Report No. 59—and its final report is nearing completion and should be ready before the end of the present month.

In general, witnesses appearing before the committee fell within the following groups:

First. Representatives of Government departments and agencies having to do with air safety: Civil Aeronautics Board, Civil Aeronautics Administration, Air Coordinating Committee, Department of Commerce, Army Air Forces, United States Navy Bureau of Aeronautics, United States Weather Bureau, United States Coast Guard, National Advisory Committee for Aeronautics.

Second. Representatives of Government departments operating aircraft: Army Air Forces, Naval Air Transport Service.

Third. Representatives of organizations having to do with air transport operation: Air Line Pilots' Association, Air Transport Association, Flight Engineer Officers' Association, Airline Navigators' Association, Aircraft Owners' and Pilots' Association.

Fourth. Representatives of organizations supplying aircraft or products for use in air transportation: Aircraft manufacturers, air frame, and engines; petroleum companies; navigational aids.

Fifth. Representatives of miscellaneous organizations interested in air safety: Aero Insurance Underwriters, National Fire Protection Association.

Sixth. Airport managers.

Seventh. Air-line pilots, engineers, and navigators.

Eighth. Individuals and groups who desired to present their own ideas and opinions on the present air-safety situation and suggestions for its improvement.

The work of the committee has been directed toward discovering, through statements of witnesses who have appeared before it, the part which each of the following play in increasing and maintaining safety in air navigation:

First. The efficiency and ability of our air-transport companies;

Second. The ability of pilots;

Third. The design of our commercial aircraft;

Fourth. The soundness with which our system of air-navigation facilities is planned;

Fifth. The speed with which technical improvements in air-navigation facilities are introduced, which depends in turn on (a) the rate of technical progress—to the point where large-scale service installations are justified, (b) the rate at which funds are provided for such installations;

Sixth. The intelligence with which our safety regulations are framed;

Seventh. The efficiency with which those regulations are administered.

I also wish to report that today I appointed a subcommittee of five members to attend, as representatives of the Committee on Interstate and Foreign Commerce, the hearings to be held by the Safety Bureau of the Civil Aeronautics Board and obtain first-hand information concerning the causes of the recent air accidents that have been so shocking to all of us. The committee is composed of Messrs. HINSHAW (chairman), O'HARA, SCOTT, BULWINKLE, and PRIEST. This committee is instructed after ascertaining all procurable facts to report to the full Committee on Interstate and Foreign Commerce together with such recommendations as may seem appropriate.

SPECIAL ORDER GRANTED

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. COLMER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MCCORMACK asked and was given permission to extend his remarks in the RECORD and include a letter and copy of a resolution.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PAY READJUSTMENT ACT

The Clerk called the bill (S. 321) to amend section 17 of the Pay Readjustment Act of 1942, so as to increase the pay of cadets and midshipmen at the service academies, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

BUREAU OF RECLAMATION

The Clerk called the bill (H. R. 1556) to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENSEN. Mr. Speaker, reserving the right to object, would the gentleman from California [Mr. WELCH] explain the bill?

Mr. WELCH. Mr. Speaker, as chairman of the Committee on Public Lands, I introduced this bill at the request of the Department of the Interior. The purpose of the bill is to expedite the work of the Department with reference to the Bureau of Reclamation.

Mr. JENSEN. Is that all of an explanation that the gentleman has?

Mr. WELCH. I believe that is all that is necessary. The bill was carefully considered and unanimously reported by the Committee on Public Lands.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SECTION 138 OF THE CRIMINAL CODE

The Clerk called the bill (S. 26) to make criminally liable persons who negligently allow prisoners in their custody to escape.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. OWENS. Mr. Speaker, reserving the right to object, will the gentleman from Pennsylvania [Mr. GRAHAM] explain the bill? I would like to ask whether that provision is negligent or reckless and willful. I would like to ask the gentleman from Pennsylvania [Mr. GRAHAM] whether or not he is going to make a person criminally liable just for negligence in permitting a person to escape or would it have to be reckless and willful.

Mr. GRAHAM. May I make this explanation? This grows out of the escape of two prisoners here from the District of Columbia jail. Both of them had been convicted of murder in the first degree. While they were incarcerated their guards negligently permitted them to escape. They were indicted, tried, and convicted. The conviction was set aside a few days ago by Judge Holtzoff who heard the case on the ground that there was not any law applicable governing the situation.

The Attorney General in the meantime prepared a bill which he submitted to us and which is now before the House for its consideration. Under the provisions of this bill it would hold those who are negligent in a degree less than those who culpably permit a prisoner to escape. The answer to your question would be, "Yes, a person who is negligent would be held for allowing a prisoner to escape."

Mr. OWENS. Just for negligence and even though the person in custody had not been convicted, even of a misdemeanor.

Mr. GRAHAM. For negligence. The line must be drawn some place and that is the answer.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. OWENS. Mr. Speaker, I object.

INTERSTATE COMMERCE ACT

The Clerk called the bill (H. R. 2759) to amend the Interstate Commerce Act, as amended, so as to provide limitations on the time within which actions may be brought for the recovery of undercharges and overcharges by or against common carriers by motor vehicle, common carriers by water, and freight forwarders.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CIVIL GOVERNMENT FOR ALASKA

The Clerk called the bill (H. R. 174) amending section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I would like to ask some questions of the Delegate from Alaska. Under existing law, it is illegal for the exploration of gold in navigable waters of the American Territories. This bill makes possible the exploration of gold mining in the rivers of Alaska. Heretofore it has been the policy of the Government to reserve the mineral rights of the Territories for the benefit of that Territory, if and when it should become a State. This bill reserves the right to the Territory of Alaska, if and when it becomes a State, to cancel the authority granted under this bill. I should like to inquire of the Delegate if the present government of the Territory of Alaska has expressed its attitude concerning the bill.

Mr. BARTLETT. Mr. Speaker, in reply to the gentleman from New York [Mr. COLE] I should like to say that the fifteenth session of the Territorial legislature in 1941 adopted a memorial addressed to the Congress asking that legislation be passed with respect to specific situations regarding the Niukluk River on the Seward Peninsula. Since then it has seemed advisable to extend the authority of the bill because I am informed that a decision of the Supreme Court was to the effect that any stream susceptible of being improved to the point of navigation could be deemed to be navigable. If that were literally construed in Alaska substantially all the gold-mining industry would have to suspend. It is our second largest industry.

I should like to say further that the authority of the War Department under the present law and regulations is not diminished by reason of any provision in this bill.

I refrained from introducing it for considerable time so that I might be satisfied that adequate provision should be made for the protection of the salmon

running in this river and other rivers that might be protected. I now believe the language of the bill will accomplish that purpose and that mining can be carried on and the fish will not be endangered. The Secretary of the Interior has adequate authority, through the Fish and Wildlife Service, to compel the suspension of mining operations if the fish runs are interfered with.

Mr. COLE of New York. The gentleman has not yet answered the question which I have raised. The gentleman pointed out that the Territorial legislature in 1941 did memorialize Congress to make mining possible as to a particular stream. That is quite a different proposition from the one we have before us today which grants blanket authority for mining operations in all streams. I think it is very important that the Congress have some official expression from the Territorial government that that government favors this bill, because it is conceivable that even though the Territory, once it becomes a State, may have the right to cancel the privileges conferred by this bill, when that right is exercised by the State, a sizable claim for money damages might be due from the State to an individual. So I suggest that if the gentleman has not had official word from the Territorial government as to this bill that we here in Congress should have that word before the bill is passed.

Mr. BARTLETT. I should like to say to the gentleman from New York that the Territorial legislature will not be in session again for 2 years. If there were literal construction of the Supreme Court decision it might have the effect of suspending practically all gold-mining operations in the Territory at this time, which, of course, would be a calamity.

Mr. COLE of New York. Of course, it is not my desire to delay the passage of the bill. I wonder if the gentleman cannot, on his own authority, as Delegate and representative of the Territory of Alaska, assure the Congress that his constituency favors this bill.

Mr. BARTLETT. I should say that the Territorial government would absolutely favor this bill so long as adequate provisions are made to protect any fish which might be in any of those streams. Those provisions are contained in the bill. I have no doubt if the legislature were in session tomorrow it would approve this bill.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Alaska some questions.

Would this authorize the mining interests to go in and block the navigation of those streams, such as the Tanana and the Yukon?

Mr. BARTLETT. Not at all, because the War Department would have the same authority with respect to navigation that it does now.

Mr. RANKIN. It would not interfere with navigation on those streams?

Mr. BARTLETT. Not in the slightest degree.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588), is further amended to read as follows:

"SEC. 26. The laws of the United States relating to mining claims, mineral locations, and rights incident thereto are hereby extended to the Territory of Alaska: *Provided*, That, subject only to the laws enacted by Congress for the protection and preservation of the navigable waters of the United States, and to the laws for the protection of fisheries, all land and shoal water between low and mean high tide on the shores, bays, and inlets of Alaska, and all land in the beds and on the shores of navigable streams below the line of high water, within the jurisdiction of the United States, shall be subject to exploration and mining for gold and other precious metals by citizens of the United States, or persons who have legally declared their intentions to become such, under such reasonable rules and regulations as the miners in organized mining districts may have heretofore made or may hereafter make governing the temporary possession thereof for exploration and mining purposes until otherwise provided by law: *Provided further*, That the rules and regulations established by the miners shall not be in conflict with the mining laws of the United States; and no exclusive permit shall be granted by the Secretary of the Interior authorizing any person or persons, corporation, or company to excavate or mine under any of said waters below low tide, and if such exclusive permit has been granted it is hereby revoked and declared null and void; but citizens of the United States or persons who have legally declared their intention to become such shall have the right to dredge and mine for gold or other precious metals in said waters, below low tide, and in the beds and on the shores of navigable streams below high water, subject to such general rules and regulations as the Secretary of the Interior may prescribe for the preservation of order; such rules and regulations shall not, however, deprive miners on the beach of the right hereby given to dump tailings into or pump from the sea opposite their claims, except where such dumping would actually obstruct navigation, and the reservation of a roadway 60 feet wide under the tenth section of the act of May 14, 1898, entitled 'An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes,' shall not apply to mineral lands or town sites."

With the following committee amendments:

Page 2, lines 5 to 9, delete the words "all land and shoal water between low and mean high tide on the shores, bays, and inlets of Alaska, and all land in the beds and on the shores of navigable streams below the line of high water" and substitute the words "and subject also to such general rules and regulations as the Secretary of the Interior may prescribe for the preservation of order and the prevention of injury to the fisheries, all land below the line of ordinary high tide on tidal waters and all land below the line of ordinary high-water mark on nontidal waters navigable in fact."

Page 2, line 22, after the word "waters", insert a comma and delete the words "below low tide."

Page 2, line 24, to page 3, line 6, substitute a period for the semicolon in line 24; delete the words "but citizens of the United States or persons who have legally declared their intention to become such shall have the right to dredge and mine for gold or other precious metals in said waters, below low tide, and in the beds and on the shores of navigable streams below high water, subject to such general rules and regulations as the Secretary of the Interior may prescribe for the preservation of order; such rules and regulations" and substitute the words "The rules and regulations prescribed by the Secretary of the Interior under this section."

Page 3, line 10, after the word "navigation", delete the comma and insert the words "or impair the fisheries."

Page 3, line 15, at the end of line 15, delete the quotation marks and insert the following: "No person shall acquire by virtue of this section any title to any land below the line of ordinary high tide or the line of ordinary high-water mark, as the case may be, of the waters described in this section. Any privileges or rights acquired hereunder with respect to mining operations in or on such land shall be terminable by any State, within the boundaries of which such land may be situated, upon the admission of such State to the Union, and such mining operations shall thereupon become subject to the laws of such State.'"

Mr. COLE of New York (interrupting the reading of the amendments). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and adopted.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BASIC AUTHORITY FOR PERFORMANCE OF CERTAIN FUNCTIONS AND ACTIVITIES OF BUREAU OF RECLAMATION

Mr. JENSEN. Mr. Speaker, a few minutes ago I objected to the consideration of H. R. 1556, to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation, on the ground that sufficient explanation of the bill had not been made. Since that time the able gentleman from Washington [Mr. JONES] has explained the bill to my satisfaction. I withdraw my objection and ask unanimous consent to return to the consideration of the bill.

The SPEAKER. The gentleman from Iowa asks unanimous consent to return to the consideration of the bill (H. R. 1556) to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation.

Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in addition to other purposes for which appropriations for the Bureau of Reclamation are authorized by law, appropriations for the Bureau of Reclamation are hereby authorized for—

(a) disseminating facts, including recordings, solely in connection with the administration of the reclamation laws: *Provided*, That, to the end of avoiding wasteful duplication, this provision shall not be construed as authorizing the dissemination information which other Federal agencies are specifically authorized to distribute and are regularly engaged in distributing;

(b) refunds of overcollections and deposits for other purposes under the reclamation laws;

(c) payment of damages caused to the owners of lands or other private property of any kind by reason of the operations of the United States, its officers, or employees, in the survey, construction, operation, or maintenance of irrigation works;

(d) payment of rewards, when specifically authorized by the Secretary of the Interior, for information leading to the apprehension and conviction of persons found guilty of the theft, damage, or destruction of public property;

(e) payment on behalf of the Northport Irrigation District to the Farmers' Irrigation District for carriage of water;

(f) official telephone service in the field in the case of official telephones installed in private homes when authorized under regulations established by the Secretary of the Interior;

(g) operation and maintenance of camps and other facilities turned over by construction contractors and similar facilities and the furnishing of services related thereto on the Columbia Basin project, Washington.

SEC. 2. Revenues received from the lease of marginal lands, Tule Lake division (Klamath project, Oregon-California), shall be available for refunds to the lessees in such cases where it becomes necessary to make refunds because of flooding, or other reasons within the terms of such leases.

With the following committee amendment:

Page 2, line 1, after the word "dissemination" insert the word "of."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TITLE 28, UNITED STATES CODE

The Clerk called the bill (H. R. 3214) to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. ROBSION. Mr. Speaker, reserving the right to object, and I shall not, there is some difference of opinion between the members of the Ways and Means Committee and the Judiciary Committee. I understand the gentleman from Minnesota [Mr. KNUTSON] and perhaps one or two other members of the Committee on Ways and Means have been named to confer with members of the Judiciary Committee so that perhaps we can iron out the differences. I do not therefore object. I have agreed with the gentleman from Minnesota [Mr. KNUTSON] and others, that the bill may be passed over without prejudice. It will come up again 2 weeks from today.

Mr. Speaker, for the information of the House, the bill passed over without prejudice is H. R. 3214 and is now on the Unanimous Consent Calendar. It proposes to codify and revise title 28 of the United States Code. This bill constitutes a revision as well as a codification of the laws relating to the courts and the judiciary. These laws are now found principally in title 28 of the United States Code and are derived largely from the Judiciary Code of 1911 which was the last prior revision of these laws and subsequent enactments.

What I said concerning the preparation of the revision of the criminal laws embodied in H. R. 3910 and five other bills, which passed the House unanimously on May 12, 1947, applies equally to the thorough preparation of this bill. The work on this revision was commenced by the former Committee of the Revision of the Laws of which I was a member in 1944. That committee engaged the services of the West Publishing Co. and the Edward Thompson Co., two long established and thoroughly reliable law publishing companies that have assisted in the preparation of the original United States Code and every supplement and new edition of that code. The persons in charge of these two publishing companies have had wide experience in codification and revision, not only of the United States Code, but also codes of some of our great States. These companies have worked continuously and closely with the Committee on the Revision of the Laws. The Committee on Revision of the Laws was eliminated under the Reorganization Act and the functions of that committee were transferred to the Judiciary Committee of the House. These companies supplemented their regular editorial staffs by engaging one of the ablest and most widely experienced codifiers and revisers who by reason of his official connections with the Federal Government has long been familiar with the operation and administration of these laws. In addition, they procured an outstanding group of men as an advisory committee who labored unselfishly toward achieving the very best codification and revision possible of these laws. A number of these men were leaders of the bench and the bar of this country. They appeared before the Judiciary Committee and testified that in their opinion this bill is eminently worthy of favorable action by the Congress.

In addition to the advisory committee, the judicial conference of the United States appointed a committee consisting of a Federal circuit judge and two district judges who took an active part in the preparation of the codification and revision. Also, the late Chief Justice Stone and two associate justices of the Supreme Court selected by him constituted a committee of that court and sat in on several of the advisory committee meetings and offered suggestions and constructive criticism of the preliminary drafts.

The bill has received a favorable report from the Attorney General and the Treasury Department which was, of course, interested particularly in the provisions relating to the tax court. The subcommittee of the Judiciary Committee has held many hearings and many conferences on this bill. It was reviewed line by line and section by section by the Committee on the Revision of the Laws and also by a subcommittee of the Judiciary Committee. These committees approved this bill unanimously. The full committee of Judiciary, after going over the bill carefully, made a unanimous and favorable report to the House. Few bills ever considered by Congress during my years of service have received such careful and painstaking consideration, not only by the committees of the House, but by many able members of the Federal bench and the bar. They had one purpose in mind and that was to report to the House a bill that was as nearly perfect as could be made. Years ago, there was codification and revision of the acts of Congress but they were prepared and presented in such a way that the Congress was only willing to approve them as prima facie evidence of the law. They did not have the stamp of the Congress as being positive law. It has been the desire of all those connected with this important work that it be so accurate as to merit the approval of the Congress as positive law.

The Committee on the Judiciary, cooperating with these publishers, able codifiers, revisers, the Federal judiciary, the bar and the departments of Government, propose to codify and revise the United States Code, to eliminate obsolete and dead laws and to set up a framework of 50 titles and to classify the various statutes so that they may be easily found by the bench and bar and the average intelligent citizen, and that this work above everything else be accurate and be accepted as the law itself and not as prima facie evidence of the law.

We have heretofore pointed out that six titles have already been submitted to the House and have passed by unanimous consent. The bill presenting title 18 covered approximately 500 printed pages; title 28—H. R. 3214, before us today, covers 189 printed pages. A bill embracing title 46 will soon be completed and introduced in the House. It proposes to codify and revise all the shipping laws of the United States and will contain nearly 700 printed pages. These titles are being prepared in the order of their importance and need to the country at this time. The Judiciary Committee and all others aiding in this very important work are very anxious to have the fullest cooperation of all Members of the House and it is my hope that when title 28 is called again 2 weeks from this day on the Consent Calendar that the differences now existing may be resolved and that the House will adopt this bill by unanimous consent.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota that the bill may be passed over without prejudice?

There was no objection.

AMENDING SECTION 14 OF THE VETERANS' PREFERENCE ACT OF JUNE 27, 1944

The Clerk called the bill (H. R. 966) to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING ACT RELATING TO APPOINTMENT OF POSTMASTERS UNDER CIVIL SERVICE

The Clerk called the bill (H. R. 2229) to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes," approved June 25, 1938 (52 Stat. 1076), as amended, is amended by striking out the following after the word "provided": "That postmasters now serving may continue to serve until the end of their terms, but they shall not acquire a classified civil-service status at the expiration of such terms of office except as provided in section 2 hereof," and inserting in lieu thereof the following: "That postmasters of the fourth class, appointed in the classified civil service, whose offices advance to a higher class, and postmasters of other classes, appointed in the classified civil service, whose offices are relegated to the fourth class, shall continue to serve under their original appointment until a vacancy occurs by reason of death, resignation, retirement, or removal, in which event the appointment shall be made as provided in section 2 of the act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING AUTHORIZATION FOR PRIORITIES IN TRANSPORTATION BY MERCHANT VESSELS

The Clerk called the bill (H. R. 673) to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, when this bill was called on the Consent Calendar a couple of weeks ago I had the bill passed over because it did not conform to the Ramseyer rule. Since then I have received a supplemental report. I therefore withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the act of July 14, 1941, entitled "An act to provide for priorities in transportation by merchant vessels in the interests of national defense, and for other purposes," as amended and extended (U. S. C., 1940 ed. Supp. IV, title 50 App., secs. 1281 to 1286, inclusive), is repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SECRETARIES FOR CIRCUIT AND DISTRICT JUDGES

The Clerk called the bill (H. R. 2746) to provide secretaries for circuit and district judges.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, I object.

JUDGESHIP FOR EASTERN AND WESTERN DISTRICTS OF MISSOURI

The Clerk called the bill (H. R. 1054) to make permanent the judgeship provided for by the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942 (56 Stat. 1083), is amended by striking out the following: "*Provided*, That the first vacancy occurring in said office shall not be filled."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TIMBER ALLOTMENT ON NORTHERN CHEYENNE INDIAN RESERVATION

The Clerk called the bill (H. R. 2097) to declare the ownership of the timber on the allotments on the Northern Cheyenne Indian Reservation, and to authorize the sale thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the act of June 3, 1926 (44 Stat. 690), the timber on the allotments on the Northern Cheyenne Indian Reservation, whether or not the lands were hitherto classified as chiefly valuable for timber, are hereby declared to be the property of the allottees and may hereafter be sold pursuant to the provisions of section 8 of the act of June 25, 1910 (36 Stat. 857; 25 U. S. C., sec. 406). Nothing contained in this act shall be construed to require the payment to the allottees of the proceeds of sales made prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAFEGUARDS IN ISSUANCE OF PASSPORTS

The Clerk called the bill (H. R. 3001) to provide further safeguards with respect to the issuance of passports by or under the authority of the Secretary of State, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HARRIS. Mr. Speaker, reserving the right to object, I wonder if we may have the author of the bill explain it to us?

Mr. MUNDT. Mr. Speaker, this bill grew out of hearings before the House Committee on Un-American Activities, which disclosed that in numerous cases, such as the Hans Eisler case, the Gerhart Eisler case, the Browder case, and others, passports were fraudulently secured by faking the pictures on them and using fictitious names. After consultation with the Federal Bureau of Investigation this legislation was worked out enabling and permitting the Secretary of State, through the Division of Passports, to insist upon fingerprint passport identification to do away with that kind of fraud.

The second portion merely extends the statute of limitations in passport cases from 3 years, where it is at present, to 5 years, in order to give the Attorney General's office an opportunity to prosecute the cases effectively.

Mr. HARRIS. Does this have the approval of the State Department?

Mr. MUNDT. It has the unanimous support of the Committee on Foreign Affairs and may I say that the Secretary of State endorsed the proposal but raised the question about the administrative burden on the FBI. So we held a hearing with the FBI and they told us they would be able to handle all aspects of the cases.

Mr. CARROLL. Mr. Speaker, reserving the right to object, is it not true that in this bill when the fingerprints are taken they will be kept in the permanent files of the Bureau of Investigation?

Mr. MUNDT. That is correct.

Mr. CARROLL. The gentleman from Arkansas has asked whether or not the State Department has concurred. Is it not true that the Department of State has not concurred?

Mr. MUNDT. No. The letter from the Secretary of State is incorporated in full in the hearings. The State Department said it was entirely in sympathy with my desire in connection with identifying passport applicants, but they raised the question whether the delay would be serious. So we interrogated the FBI. The FBI said the delay would not exceed a week at the outside and the work could be done in 2, 3, or 4 days when necessary.

Mr. CARROLL. I was under the impression that the State Department said it created a great administrative burden. Do I understand there are about 200,000 applicants for passports annually?

Mr. MUNDT. That is correct.

Mr. CARROLL. As I read the report of the State Department, it points out the administrative burden that will be presented as a result of fingerprinting all individuals.

Mr. MUNDT. On the FBI?

Mr. CARROLL. Yes. The FBI said they can clear in approximately a week.

Mr. MUNDT. Yes.

Mr. CARROLL. The point I raise is this: Whenever a businessman or his family, for instance, wants to go overseas and is fingerprinted, the fingerprints are placed in the criminal bureau of the Federal Bureau of Investigation?

Mr. MUNDT. Not at all. May I call attention to two things in connection with that: In the first place, such fingerprints are not placed in a criminal division of the bureau. They are placed in the Identification Division. In the second place, this is simply permissive legislation permitting the Secretary of State in those cases about which there is question as to identity to require fingerprinting. It is not made mandatory in all cases. The businessman from Denver would not have to be fingerprinted at all if his identity were known, which would almost always be the case.

Mr. CARROLL. Is it not true that the Identification Bureau of the Federal Bureau of Investigation houses all criminal records?

Mr. MUNDT. They are all housed in the FBI, but in different files, may I say.

My fingerprint is down here. Most of the Members of Congress have their fingerprints down there, but they are not in the Criminal Division.

Mr. CARROLL. I think it is true that every Member who served in the military service has his fingerprints on record, but they are not available to the FBI.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from California.

Mr. HINSHAW. I would like to say to the gentleman that I not only volunteered sending my fingerprints to the FBI, but those of my children, in order that if anything happened, they might be identified by that means, if by no others, and I think it is a very proper thing to do, and no honest man should fear it.

Mr. CARROLL. I understand that the police departments of the various States have instituted such a method, trying to fingerprint the people, but I wanted the Congress to know, before we passed this bill, that these fingerprints, if it is authorized by the Secretary of State, will repose with the Federal Bureau of Investigation, in the Bureau of Identification.

Mr. HINSHAW. An honest man should not fear that program.

Mr. MUNDT. The gentleman is correct. They are not placed in the Criminal Division. And, as the gentleman from California has just pointed out, no honest man should fear having his fingerprints on file in the Bureau; in fact, it may be very valuable as, for instance, in the case of the terrible airplane accident in Maryland during the week end.

Mr. CARROLL. Does the gentleman know what procedure is followed in foreign countries today? Do they require their people to be fingerprinted before they leave their country?

Mr. MUNDT. I do not know, but I may say that I am also preparing companion legislation to this which would require fingerprint identification of foreigners coming over on visas. That has nothing to do with this bill but it will enable us better to identify and keep a tab on foreigners coming to our shores either legally or illegally.

Mr. CARROLL. I think, Mr. Speaker, after full discussion of this measure, I have no objection to it. I withdraw my reservation of objection.

Mr. HARRIS. Mr. Speaker, in view of the discussion and explanation, I withdraw my reservation to object.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) the purpose of this section is to grant authority to be exercised for effective administration of the laws relating to the issuance and use of passports, with particular reference to need for detecting individuals engaged in subversive activities and the need for guarding against the unlawful securing and use of passports by such individuals.

(b) Hereafter any individual making application for a passport, or for the renewal of a passport, shall, when required by the Secretary of State, either in individual cases or under regulations prescribing classes of cases, be fingerprinted in duplicate, such fingerprinting to be done at such times and places, and in such manner, as the Secretary may by regulations prescribe. One copy of the fingerprint record shall be forwarded to the Department of Justice, to be preserved in such places, for such time, and in such manner, as the Attorney General may by regulations prescribe. If a passport is issued or renewed the other copy shall, when so required by the Secretary of State (either in individual cases or under regulations prescribing classes of cases), be affixed to and become a part of the passport. In all other cases the other copy of the fingerprint record shall be filed at such place or be used or disposed of in such manner as the Secretary of State, after consultation with the Attorney General, shall by regulations prescribe.

SEC. 2. No person shall be prosecuted, tried, or punished for any offense arising under any law relating to the making of application for, or the granting, issuance, renewal, verification, use, false making, forgery counterfeiting, mutilation, or alteration of, passports unless the indictment is found or the information is instituted within 5 years after the commission of such offense.

SEC. 3. Section 1044 of the Revised Statutes of the United States, as amended (U. S. C., 1940 ed., title 18, sec. 582), is hereby amended to read as follows:

"SEC. 1044. Except as otherwise expressly provided by law, no person shall be prosecuted, tried, or punished for any offense, not capital, unless the indictment is found or the information is instituted within 3 years next after such offense shall have been committed."

SEC. 4. Section 2 and the amendment made by section 3 shall apply in all cases where the period of limitation has not expired prior to the day after the date of the enactment of this act.

With the following committee amendments:

Page 2, line 2, strike out the remainder of the line after the comma, and all of line 3 down to and including the word "cases."

Page 2, line 11, strike out all after the word "state" and all of line 12 down to and including the word "cases."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEOGRAPHIC NOMENCLATURE

The Clerk called the bill (H. R. 1555) to promote uniformity of geographic nomenclature in the Federal Government, and for other purposes.

Mr. FENTON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HISTORIC GRAVEYARDS

The Clerk called the bill (H. R. 577) to preserve historic graveyards in abandoned military posts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the War Department policy of transferring bodies from historic military graveyards to national cemeteries be immediately discontinued in every case where local and/or State agencies are willing to assume, through proper legal steps, the responsibility of giving these graves perpetual care.

With the following committee amendment:

Page 1, line 3, strike out all of the lines 3 to 7, inclusive, and insert "That the Secretary of War is hereby authorized in his discretion, and upon such terms and conditions as he may determine with or without monetary consideration, to transfer and convey all right, title, and interest of the United States in or to any historic military cemetery or burial plot located on military posts or reservations which have heretofore, or may hereafter, become abandoned or useless for military purposes, including the graves and monuments contained in such cemeteries or burial plots and approach roads and appurtenances thereto, together with the responsibility for the perpetual care and maintenance thereof, to any State, county, municipality, or proper agency thereof, in which or in the vicinity of which such cemetery or burial plot is located: *Provided*, That in the event the grantee shall cease or fail to care for and maintain the historic military cemetery or burial plot or the graves and monuments contained therein in a manner satisfactory to the Secretary of War, all such right, title, and interest transferred or conveyed by the United States, shall revert to the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REFUND OF TAXES ILLEGALLY PAID BY INDIANS

The Clerk called the bill (H. R. 981) to amend section 2 of the act of 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, after looking over the bill it appears to be one that is properly on the Consent Calendar except that the report indicates that the Department of the Interior is opposed to it. So, on the basis of that information it was my intention to ask that the bill be passed over. However, I understand that the report in that respect is faulty, and the gentleman from Oklahoma, the author of the bill, who is here, can assure the House the report is faulty and that apparently the Department of the Interior has no objection.

Mr. SCHWABE of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Oklahoma.

Mr. SCHWABE of Oklahoma. I am very happy to inform the gentleman that the report is faulty to the extent that it says the report from the Bureau is unfavorable. As a matter of fact, the clerk of the committee stamped it with his stamp "unfavorable" but the report itself is not unfavorable, and it is copied at length in the report of the committee.

Mr. COLE of New York. I withdraw my reservation of objection, Mr. Speaker.

Mr. KEAN. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Oklahoma how much money the refunds involve? This is a very complicated bill, and I want to be sure that none of the Indian oil millionaires will be getting refunds on their taxes.

Mr. SCHWABE of Oklahoma. I would be happy to explain to the gentleman

that there are possibly 100 claimants having approximately 300 claims in all, claims of those who were minor Indians formerly restricted and under guardianship. The total amount involved is approximately $225,000. The situation is that in 1942 Congress passed an act permitting the filing of these very claims. No new or additional claims will be filed under the provisions of this bill. Then the Bureau of Internal Revenue held that the act of Congress did not permit the payment but only authorized the filing of the claims. Under that technical situation as the Bureau of Internal Revenue has construed the act of 1942, the claims although allowed were not paid. This bill seeks not only the allowance but also the authorization of payment.

Mr. KEAN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of January 29, 1942 (56 Stat. 21), is hereby amended to read as follows:

"SEC. 2. That any person duly enrolled as a member of an Indian tribe who received in pursuance of a tribal treaty or agreement with the United States an allotment of land which, by the terms of said treaty or agreement was exempted from taxation, or restricted against alienation, or which by the terms of section 6 of the act of Congress of May 27, 1908 (35 Stat. 312), was in the manner therein provided continued under the supervision of probate attorneys of the United States as the representatives of the Secretary of the Interior during the minority of such allottee, and from which land the restrictions have or have not been removed, and any such enrolled member of an Indian tribe who prior to April 26, 1931, had restricted money in the custody or control of the United States, and who was required or permitted to pay any Federal income tax on such lands or on the rents, royalties, or other gains arising from such lands during such restricted or tax-exempt period or on income from such restricted funds while in the custody or control of the United States, or on income from any allotment during the minority of the allottee, or any such person who has been erroneously or illegally taxed by reason of not having claimed or received the benefit of any deductions or exemptions permitted by law, and who has filed a claim or claims for refund at any time or times before January 29, 1944, shall be entitled to and shall be repaid such taxes so paid, with interest at 6 percent from the date such taxes were paid, notwithstanding any previous rejection by the Treasury Department of any such claim or claims for refund theretofore filed upon the same or similar ground and notwithstanding any decision of the Treasury Department or of any court, it not being the policy or intention of the Government to invoke or plead a statute of limitations or any other defense to escape the obligations of agreement solemnly entered into with its Indian wards, or prior to April 26, 1931, to exact for its own use and benefit an income tax from them while their property continued under the supervision of the United States or during the minority of any such allottee: *Provided, however,* That in the case of the death of any enrolled member of an Indian tribe any such taxes paid by him or on his account may in like manner be recovered by the person or persons who would have received such money had it constituted a part of his estate at the time of his death.

"That all acts and parts of acts in conflict herewith are modified for the purpose, and only for the purpose, of carrying into effect the provisions hereof."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SILVER CREEK RECREATIONAL DEMONSTRATION PROJECT, OREGON

The Clerk called the bill (H. R. 1831) to authorize the exchange of lands acquired by the United States for the Silver Creek recreational project, Oregon, for the purpose of consolidating holdings therein, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 583) be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That for the purpose of consolidating Federal holdings of lands acquired for the Silver Creek recreational demonstration project, in the State of Oregon, the Secretary of the Interior is hereby authorized to exchange any such lands for other lands of approximately equal value when in his opinion such action is in the interest of the United States, the title to any lands acquired hereunder to be satisfactory to the Attorney General. Upon the vesting of title thereto in the United States, any lands acquired pursuant to this authorization shall become a part of the Silver Creek recreational demonstration project, and shall be subject to the laws applicable thereto.

SEC. 2. Upon the conveyance of the Silver Creek recreational demonstration project to the State of Oregon, or political subdivision thereof, pursuant to the act of June 6, 1942 (56 Stat. 326), the Secretary of the Interior may authorize the grantee to exchange or otherwise dispose of any lands so conveyed in order to acquire other lands of approximately equal value for the purpose of consolidating the holdings of the grantee, the title to lands so acquired to be satisfactory to the Attorney General. For the aforesaid purpose the Secretary is authorized to execute a release, as to the particular lands involved, of any condition providing for a reversion of title to the United States, that may be contained in the conveyance by the United States to said grantee. No such release shall be executed, however, unless the grantee shall agree, in form satisfactory to the Secretary, that the lands to be acquired by it shall be subject to the conditions contained in the original conveyance from the United States, except that, in lieu of a provision for reversion, the grantee shall agree to convey said lands to the United States upon a finding by the Secretary in accordance with the procedure provided in said act of June 6, 1942, that the grantee has not complied with such conditions during a period of more than 3 years. Lands so conveyed to the United States shall be subject to administration or disposition in like manner as recreational demonstration project lands that revert to the United States under the terms of the aforesaid act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 1831) was laid on the table.

FIXING THE PRICE OF COPIES OF RECORDS FURNISHED BY THE DEPARTMENT OF THE INTERIOR

The Clerk called the bill (H. R. 2938) to amend section 1 of the act of August 24, 1912 (27 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, as indicated by the title this would authorize the Department of the Interior to charge a fee for the reproduction of records of the Department. To that there can be no real objection. My question is that the bill does not provide what shall be done with the proceeds from the sale of these copies. A bill granting similar authority to another department of the Government passed the House on the Consent Calendar 2 weeks or perhaps a month ago, but in that bill provision was made directing the accounting procedure for these funds. This bill is silent in that respect. Therefore I ask unanimous consent that the bill be passed over without prejudice until that point is cleared up.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PAONIA FEDERAL RECLAMATION PROJECT, COLORADO

The Clerk called the bill (H. R. 3143) to authorize the construction, operation, and maintenance of the Paonia Federal reclamation project, Colorado.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior through the Bureau of Reclamation is hereby authorized to construct, maintain, and operate, pursuant to the Federal reclamation laws, the Paonia project, Colorado, substantially in accordance with the report of the regional director of the Bureau of Reclamation, region IV, dated January 2, 1946, as concurred in by the Commissioner of Reclamation and the Secretary of the Interior: *Provided,* That, notwithstanding any recommendations to the contrary contained in said report, all costs allocated to irrigation shall be reimbursable under the Federal reclamation laws within repayment periods fixed by the Secretary of the Interior at not to exceed 60 years.

SEC. 2. Unexpended balances of sums heretofore appropriated for the Paonia project, Colorado, authorized by finding of feasibility of the Secretary of the Interior approved by the President on March 18, 1939, are hereby made immediately available for expenditure on the Paonia project hereby authorized.

SEC. 3. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such additional sums as may be required for the purposes of this act.

With the following committee amendment:

Page 2, line 4, strike out "60" and insert "68."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC-SCHOOL FACILITIES, WALKER, MINN.

The Clerk called the bill (H. R. 1882) for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, an additional sum of $35,000 for the purpose of cooperating with Independent School District Numbered 5, Cass County, Minn., at Walker, Minn., for the construction, extension, equipment, and improvement of public-school facilities at Walker, Minn., as authorized by the act of July 1, 1940 (54 Stat. 707, 708): *Provided*, That the expenditure of the additional amount herein authorized to be appropriated shall be subject to the same terms, conditions, and requests contained in the act of July 1, supra.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHILOH NATIONAL MILITARY PARK, TENN.

The Clerk called the bill (H. R. 2207) to authorize the Secretary of the Interior to convey certain lands within the Shiloh National Military Park, Tenn., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized, in his discretion, and under such terms and conditions as he may deem necessary, to convey, without consideration, to W. A. Shaw and E. L. Shaw, or nominees, the following-described lands within Shiloh National Military Park in Hardin County in the State of Tennessee: Beginning at a point from which the intersection of Shiloh National Military Park boundary between boundary corners numbered 228 and 229 with center line of Confederate Road bears south eight degrees fifty-seven minutes east, eighty and thirty-seven one-hundredths feet (said intersection bears north eighty-eight degrees 10 minutes fourteen seconds west, one thousand one hundred and thirty-one and eighty-nine one-hundredths feet from boundary corner numbered 228); thence north twenty-nine degrees thirty-one minutes west, three hundred and twenty-six feet; thence south seventy-six degrees nineteen minutes east, three hundred and thirty-seven and fifty-four one-hundredths feet; and thence running sixty feet from and parallel to center line of Confederate Road south thirty-nine degrees twenty minutes west, two hundred and sixty-three and forty-six one-hundredths feet to the point of beginning. The tract as described contains approximately ninety-two one-hundredths acre.

With the following committee amendments:

Page 2, line 3, strike out the word "nine" and substitute in lieu thereof the word "seven."

Page 2, following line 16, add:

"SEC. 2. For the purpose of consolidating Federal holdings within the park, the Secretary of the Interior is authorized, in his discretion and under such terms and conditions as he may deem necessary, to accept any non-Federal real or personal property within the authorized boundaries of the park. In exchange for such properties he may, in his discretion, convey to the grantors of such properties, any federally owned lands or interests in lands within the authorized boundaries of the park which are of approximately equal value, as determined by the Secretary, to the properties being acquired in each case."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SCHOOL BUILDING IN MOCLIPS, WASH.

The Clerk called the bill (H. R. 2545) to provide funds for cooperation with the school board of the Moclips-Aloha district for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash., to be available to both Indian and non-Indian children.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the necessary Federal funds for the purpose of cooperating with the school board of Moclips-Aloha district, Grays Harbor County, Wash., for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *And provided further*, That any amount expended hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the building, through reducing the annual Federal payments for the education of Indian pupils enrolled in public or high schools of the district involved or by the acceptance of Indian pupils in said schools without cost to the United States, and in computing the amount of recoupment, interest at 3 percent per annum shall be included on any unrecouped balances.

With the following committee amendment:

Page 1, lines 4 and 5, strike out the words "the necessary Federal funds" and insert "$88,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER MAINS ACROSS FORT McHENRY NATIONAL MONUMENT AND HISTORIC SHRINE, MD.

The Clerk called the bill (H. R. 2655) to authorize the Secretary of the Interior to grant to the mayor and City Council of Baltimore, State of Maryland, a permanent easement for the purpose of installing, maintaining, and servicing two subterranean water mains in, on, and across the land of Fort McHenry National Monument and Historic Shrine, Md.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to grant to the mayor and City Council of Baltimore, a municipal corporation of the State of Maryland, a permanent easement for the purpose of installing, maintaining, and servicing two subterranean water mains and their usual appurtenances, in, on, and across the land of the Fort McHenry National Monument and Historic Shrine, under such terms and conditions as he may determine to be not inconsistent with the use of such land for purposes of the said shrine.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE, CAIRO, ILL.

The Clerk called the bill (H. R. 1610) to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SHAFER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

OLYMPIC GAMES

The Clerk called the bill (H. R. 2276) to authorize the Secretary of War to pay certain expenses incident to training, attendance, and participation of personnel of the Army of the United States in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and for future Olympic games.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to direct the training and attendance of personnel and animals of the Army of the United States as participants in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and future Olympic games: *Provided*, That all expenses incident to the training, attendance, and participation in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and future Olympic games, including the use of such supplies, material, and equipment as in the opinion of the Secretary of War may be necessary, may be charged to the appropriations for the support of the Army: *Provided further*, That applicable allowances which are or may be fixed by law or regulations for participation in other military activities shall not be exceeded.

With the following committee amendment:

Page 2, strike out all of lines 1 to 7, inclusive, and insert "the expenses in an amount not to exceed $75,000 incident to the training, attendance, and participation in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games, including the use of such supplies, material, and equipment as in the opinion of the Secretary of War may be necessary, may be charged to the appropriations for the support of the Army for the fiscal years 1948 and 1949."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EIGHTY-FIRST NATIONAL ENCAMPMENT OF THE GRAND ARMY OF THE REPUBLIC

The Clerk called the bill (H. R. 3124) to authorize the attendance of the Marine Band at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such convention, there is hereby authorized to be appropriated a sufficient sum to cover the cost of transportation and pullman accommodations for the leaders and members of the Marine Band, and allowance not to exceed $6 per day each for additional traveling and living expenses while on duty, such allowances to be in addition to the pay and allowance to which they would be entitled while serving their permanent station.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

ILLINOIS AND MICHIGAN CANAL

The Clerk called the bill (H. R. 1628) relinquishing to the State of Illinois certain right, title, or interest of the United States of America, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of enabling the State of Illinois to use the lands now occuped by the Illinois and Michigan Canal for highway, park, recreational, or any other public purposes, there is hereby relinquished to the State of Illinois all such right, title, and interest, if any, as the United States of America may have in and to any part of the land comprising the right-of-way of the Illinois and Michigan Canal, as the same was routed and constructed thrcugh the public lands of the United States of America in the counties of Cook, Will, Grundy, and La Salle, in the State of Illinois, pursuant to the provisions, insofar as applicable, of the acts of March 30, 1822 (3 Stat. 659), March 2, 1827 (4 Stat. 234), and March 2, 1833 (4 Stat. 662), and in and to any part of the 90 feet of land on each side of the canal for the entire length thereof referred to in the act of March 30, 1822 (3 Stat. 659); on condition, however, that if any of the lands with respect to which any right, title, or interest is hereby relinquished by the United States of America to the State of Illinois shall ever cease to be occupied and used for highway, park, recreational, or any other public purposes then, and in that event, all such right, title, and interest, if any, in or to the lands which have ceased to be so occupied and used shall thereupon revest in the United States of America.

SEC. 2. This act shall affect only such right, title, and interest of the United States of America in and to the lands described in section 1 hereof as may have been retained by the United States of America, in fee simple, as a reversionary interest, or otherwise, under the acts of March 30, 1822 (3 Stat. 659), March 2, 1827, (4 Stat. 234), and March 2, 1833 (4 Stat. 662), and as has not been disposed of, prior to the approval of this act, by the United States of America.

SEC. 3. Provided that, to protect the rights of navigation in or over the lands comprising the right-of-way of the Illinois and Michigan Canal and the 90 feet of land on each side of the canal in the sections or parts of sections hereinafter enumerated, the State of Illinois or any authorized agent thereof shall not change in any manner the physical conditions which exist at the time of the passage of this act, unless such changes have been recommended by the Chief of Engineers and authorized by the Secretary of War; this to include construction, erection, or removal of any structure, excavation, or deposition of materials from or on such lands, etc. The sections in which such reservations are made are as follows:

Sections 16, 21, 22, and the west half of section 15, township 33 north, range 1 east, of the third principal meridian, La Salle County, Ill.

The east half of section 13, township 33 north, range 2 east, of the third principal meridian, La Salle County, Ill.; and section 18, township 33 north, range 3 east, of the third principal meridian, La Salle County, Ill.

The east half of the east half of section 22, sections 23, 26, 25, and 36, township 34 north, range 8 east, of the third principal meridian, Grundy County, Ill.; and sections 30, 31, 29, and 20, township 34 north, range 9 east, of the third principal meridian, Will County, Ill.

The east half of section 20, sections 21, 16, 10, 9, and 4, and the south half of section 3, township 35 north, range 10 east, of the third principal meridian, Will County, Ill.

Section 14 and the east half of the east half of section 15, township 37 north, range 11 east, of the third principal meridian, Cook and Du Page Counties, Ill.

Sections 29, 28, 21, 16, 10, and 9, township 39 north, range 14 east, of the third principal meridian, Cook County, Ill. Authorizations issued under the provisions of this act shall contain the following clause:

"If future operations by the United States require removal or alteration in the structure or the work herein authorized, the State of Illinois will be required, upon due notice from the Secretary of War, to remove or alter the work without expense to the United States so as to render navigation reasonably free, easy, and unobstructed. No claim shall be made against the United States on account of any such removal or alteration."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF LAND TO CITY OF SITKA, ALASKA

The Clerk called the bill (H. R. 195) to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, I notice that the letter from the Acting Secretary of Agriculture says that the properties are to be sold at their appraised value. Then the bill says "at their reasonably appraised value." May I ask the Delegate from Alaska, Mr. BARTLETT, what that means. Does that mean the value at which the property is appraised by the city of Sitka or does it mean the value which is generally determined by an appraisal by the Department of Agriculture as to the true worth?

Mr. BARTLETT. I cannot answer the gentleman with any positive degree of assurance, but my informal understanding is that the appraisal is to be made by the Department of Agriculture.

Mr. KEAN. Sometimes the appraised value in a city is much lower than the true value and sometimes it is vice versa.

Mr. BARTLETT. I was told by the regional forester of Alaska that the Department would make the appraisal.

Mr. KEAN. That clears up the matter. I thank the gentleman.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized to sell at their reasonably appraised value to the city of Sitka, Alaska, the following-described lands and improvements thereon: The tract of land formerly occupied by the Alaska Agricultural Experiment Station, more particularly shown on the official survey map of the city of Sitka as the United States Reserve for Agricultural Investigations and Weather Service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFENSE TO ENTER NATIONAL-FOREST LAND CLOSED TO THE PUBLIC

The Clerk called the bill (H. R. 1826) making it a petty offense to enter any national-forest land while it is closed to the public.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLMER. Mr. Speaker, I object.

MEDICAL DEPARTMENT OF THE ARMY AND NAVY

The Clerk called the bill (H. R. 3215) to revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Army-Navy Medical Services Corps Act of 1947."

TITLE I

ARMY MEDICAL SERVICE CORPS

SEC. 101. Effective the date of enactment of this act, there is established in the Medical Department of the Regular Army the Medical Service Corps, which shall consist of the Pharmacy, Supply, and Administration Section, the Medical Allied Sciences Section, the Optometry Section, and such other sections as may be deemed necessary by the Secretary of War, and which shall perform such services as may be prescribed by the Secretary of War. The authorized strength of the Medical Service Corps, Regular Army, shall be such strength as may from time to time be prescribed by the Secretary of War. The Medical Service Corps, Regular Army, shall consist of officers in the grades of second lieutenant to colonel, inclusive: *Provided*, That the number of colonels on active duty in the Medical Service Corps, Regular Army, shall at no time exceed 2 percent of the authorized Regular Army officer strength of such corps.

SEC. 102. (a) From the officers commissioned in the Medical Service Corps, Regular Army, in the permanent grade of major or above, the Secretary of War shall appoint the Chief of the Medical Service Corps, who shall serve as Chief during his pleasure, and who, if commissioned in permanent grade below colonel, shall, without vacation of his permanent grade, have the temporary rank, pay, and allowances of a colonel while so serving, and who, while so serving, shall be superior in rank to all other colonels in the corps.

(b) From the officers commissioned in the Medical Service Corps, Regular Army, the

Surgeon General shall appoint such assistant chiefs, who shall be chiefs of sections, and who shall be consultants to him in activities relative to that specific section.

(c) Unless entitled to higher retired rank or pay under any provision of law, each such commissioned officer who shall have served for four years as Chief of the Medical Service Corps, shall upon retirement be retired with the rank held while so serving, shall receive retired pay at the rate prescribed by law computed on the basis of the basc and longevity pay which he would receive if serving on active duty with such rank, and if thereafter recalled to active service shall be recalled in such rank.

SEC. 103. Except as provided in Public Law 281, Seventy-ninth Congress, approved December 28, 1945, as amended, and except as hereinafter provided for transfer thereto, original appointments in the Medical Service Corps, Regular Army, shall be made only in the grade of second lieutenant from citizens of the United States between the ages of twenty-one and thirty years, who possess such physical and other qualifications as may be prescribed by the Secretary of War: *Provided,* That appointments from sources other than the Regular Army or its active Reserve shall be made from persons who are graduates from recognized schools of pharmacy or other schools or colleges with degrees in sciences allied to medicine or such other degrees as may be approved by the Surgeon General: *Provided further,* That persons holding doctorate degrees in sciences allied to medicine approved by the Surgeon General at time of appointment in the Medical Service Corps, Regular Army, may be credited at time of such appointment with an amount of service equal to three years, for the purpose of determining grade, position on promotion list, permanent grade seniority, and eligibility for promotion.

SEC. 104. Effective from date of enactment of this act, commissioned officers of the Medical Service Corps, Regular Army, shall be promoted to the permanent grades of first lieutenant, captain, major, and lieutenant colonel as now or hereafter prescribed for promotion of promotion-list officers to such grades, respectively. Promotion to the permanent grade of colonel shall be by selection under regulations prescribed by the Secretary of War from officers in the grade of lieutenant colonel with at least one year's service in that grade.

SEC. 105. Effective the date of enactment of this act, Public Law 281, Seventy-ninth Congress, approved December 28, 1945, as amended, is hereby further amended as follows:

(a) Section 5 of said act is amended by striking out paragraphs (c) and (d) and inserting in lieu thereof a new paragraph (c) as follows:

"(c) Persons appointed in the Medical Service Corps shall be appointed in grades of second lieutenant, first lieutenant, captain, or major, according to the periods of service with which they are credited in the same manner as set forth in paragraph (a) of this section for persons appointed in arms and services of the Regular Army, the officers of which are on the promotion list."

(b) Section 6 of said act is amended by striking out from paragraph (b) thereof the words "The Pharmacy Corps" and by striking out paragraph (c) thereof and inserting in lieu thereof a new paragraph (c) as follows:

"(c) In the Medical Service Corps if he would upon appointment receive credit for 23 or more years' service under section 5 of this act."

SEC. 106. Officers of the Regular Army who, on the date of enactment of this act, hold commissions in the Pharmacy Corps, are, effective the date of enactment of this act, transferred in grade to the Medical Service Corps. Each such officer so transferred shall be reappointed in the Medical Service Corps in the permanent grade held by him at the time of such transfer; shall be credited for the purpose of determining eligibility for promotion, with continuous commissioned service on the active list of the Regular Army in the Medical Service Corps equal to the period of service credited to him for promotion purposes under existing provisions of law, and shall, subsequent to such transfer, be thereafter promoted in accordance with the promotion system set forth in section 104 of this act.

SEC. 107. (a) Effective the date of enactment of this act, the Pharmacy Corps and the Medical Administrative Corps are abolished.

(b) Effective the date of enactment of this act, persons holding temporary appointments or commissions in the Army of the United States permanently assigned or detailed to the Medical Administrative Corps, the Pharmacy Corps, or the Sanitary Corps, shall be automatically transferred and permanently assigned or detailed, as the case may be, to the Medical Service Corps, Regular Army, established by this act, in the same temporary grade and rank held by them at such time.

(c) The Secretary of War is authorized to prescribe from time to time such regulations as may be necessary for the administration of title I of this act.

(d) No back pay shall accrue to any person by reason of the enactment hereof.

(e) Effective the date of enactment of this act, all laws and parts of laws, insofar as they are inconsistent with or in conflict with the provisions of title I of this act, are repealed.

TITLE II

NAVY MEDICAL SERVICE CORPS

SEC. 201. Effective the date of enactment of this act, there is established in the Medical Department of the United States Navy a Medical Service Corps which shall consist of the Pharmacy, Supply, and Administrative Section, the Medical Allied Sciences Section, the Optometry Section, and such other sections as may be deemed necessary by the Secretary of the Navy. The authorized strength of the Medical Service Corps shall be 4 percent of the authorized strength of the Hospital Corps. The Medical Service Corps shall consist of officers in the grades of ensign to captain, inclusive, and such officers shall take precedence next after dental officers: *Provided,* That the number of captains on active duty in the Medical Service Corps, exclusive of extra numbers, shall at no time exceed 2 percent of the authorized strength of such corps.

SEC. 202. Officers of the Medical Service Corps shall be staff officers and shall be subject to all provisions of law now existing or hereafter enacted relating to the advancement in rank and retirement of other staff officers with the exception of the provisions relating to the composition of selection boards for staff officers. Boards for selection of officers of the Medical Service Corps for recommendation for advancement in rank shall be composed of not less than six nor more than nine officers of the Medical Corps not below the rank of captain: *Provided,* That in case there be not a sufficient number of officers of the Medical Corps legally or physically capacitated to serve on such board as herein provided, officers of the line on the active list above the rank of commander shall be detailed to duty on such board to constitute the required minimum membership.

SEC. 203. During the period that appointments to the Regular Navy may be made pursuant to section 5 of the act of April 18, 1946 (Public Law 347, 79th Cong. 2d sess.), all appointments to the Medical Service Corps shall be made in accordance with the provisions of said act.

SEC. 204. All appointments in the Medical Service Corps, except those provided for in section 203 of this act, shall be in the grade of ensign from those persons serving as commissioned warrant or warrant officers of the Hospital Corps of the Regular Navy and from other persons who possess such physical and other qualifications for appointment as may be prescribed by the Secretary of the Navy: *Provided,* That appointments from sources other than the Regular Navy shall be made from persons who are graduates of recognized schools of pharmacy, or other schools or colleges with degrees in sciences allied to medicine or such degrees as may be approved by the Surgeon General: *Provided further,* That persons holding a doctorate degree in sciences allied to medicine approved by the Surgeon General at time of appointment in the Medical Service Corps may, subject to regulations to be prescribed by the Secretary of the Navy, be appointed in the grade of lieutenant (junior grade). No person shall be appointed under the provisions of this section unless he be a citizen of the United States between the ages of 21 and 32 years and until he shall have established his mental, moral, and professional qualifications to the satisfaction of the Secretary of the Navy.

SEC. 205. All appointments in the Medical Service Corps shall be made by the President, by and with the advice and consent of the Senate.

SEC. 206. The Secretary of the Navy, under such regulations as he may prescribe, may revoke the commission of any officer appointed pursuant to section 204 of this act in accordance with the provisions of section 12 of the act of August 13, 1946 (Public Law 729, 79th Cong.): *Provided,* That any officer whose commission is so revoked and who at the time of his appointment under section 204 of this act held permanent status as a commissioned warrant or warrant officer may be reappointed by the President without examination to such permanent status with the same lineal position and other rights and benefits which he would have had or would have attained in due course had he not been appointed in the Medical Service Corps.

SEC. 207. No officer of the Medical Service Corps shall be entitled to command in the line or any other staff corps of the Navy, nor shall any officer suffer reduction in pay or allowances by reason of appointment in accordance with this act.

SEC. 208. All laws now existing or hereafter enacted relating to the various staff corps of the Navy shall be construed to include the Medical Service Corps, unless otherwise provided in this act.

SEC. 209. The Secretary of the Navy is hereby authorized to prescribe the necessary regulations to carry out the provisions of this title.

TITLE III

THE HOSPITAL CORPS OF THE NAVY

SEC. 301. (a) The first paragraph under the heading "Hospital Corps," page 572, volume 39, of the Statutes at Large (act of Aug. 29, 1916), as amended by the act of April 18, 1946 (Public Law 347, 79th Cong., 2d sess.), is hereby further amended to read as follows:

"Hereafter the authorized strength of the Hospital Corps of the Navy shall equal 3½ percent of the authorized enlisted strength of the Navy and Marine Corps, and as soon as the necessary transfers or appointments may be effected the Hospital Corps of the United States Navy shall consist of the following grades and ratings: Commissioned warrant officers and warrant officers, Hospital Corps, and enlisted men classified as chief hospital corpsmen; hospital corpsmen, first class; hospital corpsmen, second class; hospital corpsmen, third class; hospital apprentices, first class, and hospital apprentices, second class; such classifications in enlisted ratings to correspond, respectively, to the enlisted ratings, seaman branch, of chief petty officers; petty officers, first class; petty officers, second class; petty officers, third class; seamen, first class; and seamen, second class: *Provided,* That enlisted men

of other ratings in the Navy and in the Marine Corps shall be eligible for transfer to the Hospital Corps, and men of that corps to other ratings in the Navy and the Marine Corps."

(b) The second paragraph under such heading is hereby amended to read as follows:

"The President may hereafter appoint as many warrant officers, Hospital Corps, as may be deemed necessary from the ratings of chief hospital corpsman and hospital corpsman, first class: *Provided*, That no person shall be appointed pursuant hereto until he shall have established his mental, moral, physical, and professional qualifications to the satisfaction of the Secretary of the Navy: *Provided further*, That the warrant officers now in the Hospital Corps of the United States Navy or hereafter appointed therein in accordance with the provisions of this act shall have the same rank, pay, and allowances as are now or may hereafter be allowed other warrant officers."

SEC. 302. The Secretary of the Navy is hereby authorized to prescribe the regulations necessary to carry out the provisions of this title and no person shall suffer any reduction in grade or rate, or in pay or allowances, by reason of the requirements of this title or of the regulations provided pursuant thereto.

With the following committee amendments:

On page 2, in line 24, strike out the words "appoint such" and substitute in lieu thereof the word "designate."

On page 3, in line 22, strike out the word "recognized" and substitute in lieu thereof the word "accredited."

On page 3, in line 23, insert a comma after the word "pharmacy" and immediately thereafter insert the word "optometry."

On page 7, in line 6, strike out the word "Administrative" and substitute in lieu thereof the word "Administration."

On page 7, in line 10, strike out the numeral "4" and substitute in lieu thereof the numeral "20."

On page 7, in line 11, strike out the words "Hospital Corps" and substitute in lieu thereof the words "Medical Corps of the Navy."

On page 7, line 13, change the comma to a period, strike out the remainder of section 201 and substitute in lieu thereof the following: "The first proviso to section 4 of the act of June 10, 1926 (44 Stat. 719), as amended, is hereby further amended to read as follows: 'That except as otherwise provided herein, officers having the same rank and the same date of precedence in that rank shall take precedence in the following order: (a) line officers, (b) medical officers, (c) supply officers, (d) chaplains, (e) civil engineers, (f) dental officers, (g) officers of the Medical Service Corps, and (h) officers of the Nurse Corps.' The authorized number of captains on the active list of the Medical Service Corps shall equal 2 percent of the total number of officers on the active list of that corps at any one time. A computation to determine such authorized number shall be made by the Secretary of the Navy as of January 1 of each year, and the resulting number as so computed shall be held and considered for all purposes as the authorized number until a subsequent computation shall be made."

On page 7, in line 21, strike out the words "other staff officers" and substitute in lieu thereof "officers of the Medical Corps of the Navy."

On page 8, in line 7, change the period to a colon and add the following proviso: "*And provided further*, That commanders in the Medical Service Corps shall not be involuntarily retired by reason of failure of selection for promotion until they shall have completed 30 years of service."

On page 8, in line 23, strike out the word "recognized" and substitute in lieu thereof the word "accredited."

On page 8, in line 23, insert a comma after the word "pharmacy" and immediately thereafter insert the word "optometry."

On page 10, strike out lines 6, 7, and 8 and substitute in lieu thereof the following: "of the Navy, nor shall any such officer suffer reduction in the pay and allowances to which entitled by virtue of his permanent status by reason of appointment in the Medical Service Corps established by this title."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES NAVAL POSTGRADUATE SCHOOL

The Clerk called the bill (H. R. 1379) to establish the United States Naval Postgraduate School, and for other purposes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to establish the United States Naval Postgraduate School for the advanced instruction and training of commissioned officers of the Regular Navy and Marine Corps and the reserve components thereof in the practical and theoretical duties of commissioned officers.

SEC. 2. The military command of the United States Naval Postgraduate School (hereinafter referred to as the postgraduate school) shall be exercised by a line officer of the Regular Navy, qualified to command at sea, detailed by the Secretry of the Navy, from the active list not below the grade of captain to serve as superintendent. Such other officers of the line and staff of the Navy and Marine Corps, of appropriate ranks and qualifications, shall be detailed by the Secretary of the Navy as may be necessary to assist the superintendent in (a) the training of students in the practical and theoretical duties of commissioned naval officers, and (b) the administration of the postgraduate school.

SEC. 3. The Secretary of the Navy is authorized to employ at the postgraduate school, under the direction of the superintendent, such number of civilian senior professors, professors, associate professors, assistant professors, and instructors, as in his opinion may be necessary for the proper instruction of students in the theoretical, academic, and scientific subjects pertaining to the technical and practical aspects of the naval profession; and such senior professors, professors, associate and assistant professors, and instructors so employed shall receive such compensation for their services as may be prescribed by the Secretary of the Navy. The Secretary of the Navy shall report to the Congress each fiscal year the number of senior professors, professors, associate and assistant professors, and instructors so employed and the amount of compensation prescribed for each. The act of January 16, 1936 (49 Stat. 1092), as amended by the acts of November 28, 1943 (57 Stat. 594), and August 2, 1946 (Public Law 596, 79th Cong., 2d sess.), shall apply to the civilian teaching staff of the postgraduate school.

SEC. 4. The act of June 10, 1946 (Public Law 402, 79th Cong., 2d sess.), creating the civilian position of Academic Dean of the Postgraduate School of the Naval Academy shall apply to the postgraduate school established by this act.

SEC. 5. The Secretary of the Navy is hereby authorized to permit commissioned officers of the military services of foreign countries, with the authorization and direction of the President of the United States, to receive instruction at the postgraduate school. Such officers shall be subject to the same rules and regulations governing attendance, discipline, discharge, and standards of study as are applied to students of the United States Navy: *Provided*, That such officers shall not be entitled to appointment to any office or position in the United States Navy by reason of completion of the prescribed course of study at the postgraduate school.

SEC. 6. The Secretary of the Navy is authorized, at the request of the Secretary of War and the Secretary of the Treasury, to permit attendance and instruction at the postgraduate school of officers of the Army of the United States and United States Coast Guard, respectively, in such numbers and ranks as may be agreed upon by the Secretary of the Navy with the Secretaries of War and Treasury, respectively: *Provided*, That the War Department and the Treasury Department shall bear the proportionate share of the cost of such instruction as may be received by the students detailed to receive such instruction by the Secretaries of War and Treasury, respectively. Such officers of the Army of the United States and the United States Coast Guard, while under instruction, shall be subject to the same rules and regulations as are applied to students of the United States Navy.

SEC. 7. The title of the act approved December 7, 1945 (Public Law 250, 79th Cong., 1st sess.), is hereby amended to read as follows: "To authorize the Superintendent of the United States Naval Postgraduate School to confer bachelors of science, masters, and doctors degrees in engineering and related fields." Section 1 of the foregoing act is hereby amended to read as follows: "That, pursuant to such regulations as the Secretary of the Navy may prescribe, the Superintendent of the United States Naval Postgraduate School is authorized, upon due accreditation from time to time by the appropriate professional authority of the applicable curriculum of such school leading to bachelors of science, masters or doctors degrees in engineering or related fields, to confer such degree or degrees on qualified graduates of such school."

SEC. 8. There is hereby authorized to be appropriated such amounts as may be necessary for the postgraduate school to carry out its functions as provided herein.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF PUBLIC UTILITY DISTRICT NO. 1, COWLITZ COUNTY, WASH.

The Clerk called the bill (H. R. 2693) for the relief of Public Utility District No. 1, of Cowlitz County, Wash.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not already appropriated, the sum of $62,299.38, to Public Utility District No. 1, Cowlitz County, Wash., in full settlement of the said public-utility district's claim against the United States for a fee paid by the said public-utility district to the clerk of the United States District Court for the Western District of Washington, Southern Division, in cause No. 8592, pursuant to the provisions of paragraph 8, section 555, title 28, United States Code, Annotated, as then in effect: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating

the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRIAL PIECES OF COINS

The Clerk called the bill (S. 565) to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3539 of the Revised Statutes, as amended (U. S. C., title 31, sec. 352), is amended by striking out the word "two" wherever it appears therein and inserting in lieu thereof the word "ten."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANDARD OF INGOTS AND WEIGHT OF SILVER COINS

The Clerk called the bill (S. 566) to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3533 of the Revised Statutes (U. S. C., title 31, sec. 346) is amended by striking out the word "three-thousandths" and inserting in lieu thereof the word "six-thousandths."

SEC. 2. Section 3536 of the Revised Statutes, as amended (U. S. C., title 31, sec. 349), is amended to read as follows:

"In adjusting the weight of silver coins the following deviations shall not be exceeded in any single piece: In the dollar, 6 grains; in the half-dollar, 4 grains; in the quarter-dollar, 3 grains; and in the dime, 1½ grains."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFERRING BLAIR COUNTY, PA., TO WESTERN JUDICIAL DISTRICT

The Clerk called the bill (H. R. 325) to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Blair County, Pa., of the middle judicial district of Pennsylvania, be, and it is hereby, detached from said judicial district and attached to the western judicial district of Pennsylvania: *Provided*, That the transfer herein provided shall not affect any case or proceedings now pending.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO EXTEND RECLAMATION LAWS TO THE STATE OF ARKANSAS

The Clerk called the bill (H. R. 1274) to extend the reclamation laws to the State of Arkansas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ALLEN of Louisiana. Mr. Speaker, I object.

The SPEAKER. Objection is heard. Is there objection to the present consideration of the bill?

Mr. ALLEN of Louisiana. Mr. Speaker, I object to the present consideration of the bill.

GRANTING WATER RIGHT AND CERTAIN LAND IN CLARK COUNTY, NEV., TO THE CITY OF LAS VEGAS, NEV.

The Clerk called the bill (H. R. 3151) to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to donate and convey, subject to such conditions and reservations as he deems needful to protect the interests of the United States in adjacent lands, to the city of Las Vegas, a municipal corporation within the county of Clark, State of Nevada, all the right, title, and interest of the United States to a water right and certain lands in lot 1 and the west half of the northeast quarter of the northwest quarter of section 30, township 20 south, range 61 east, of the Mount Diablo meridian, Clark County, Nev., the said lands being described by metes and bounds as follows: Beginning at corner 1, the southwest corner of said lot 1; thence north, with part of the west boundary thereof, eight hundred and twelve and forty-six one-hundredths feet to corner 2; thence north eighty-nine degrees twenty-three minutes forty-five seconds east, passing within said lot 1 seven hundred and eighty-three and forty-two one-hundredths feet to corner 3; then north thirteen degrees forty-one minutes east five hundred and twenty-three and thirty-eight one-hundredths feet to corner 4, in the north boundary of said section 30; thence north eighty-nine degrees twenty-three minutes forty-five seconds east, with part of said north boundary of said section, one thousand one hundred and thirteen and forty-two one-hundredths feet to corner 5, the northeast corner of the said west half northeast quarter northwest quarter; thence south no degree twenty-eight minutes three seconds west, with the east boundary of said subdivision, one thousand three hundred and twenty and sixty-six one-hundredths feet to corner 6, the southeast corner of said west half northeast quarter northwest quarter; thence south eighty-nine degrees twenty-five minutes thirty-one seconds west, with the north sixteenth line of said section 30, two thousand and nine and seventy one-hundredths feet to the place of beginning, containing forty-nine and ninety-three one-hundredths acres, more or less; also water permit numbered 9940 from the State engineer of the State of Nevada, approving the appropriation of water from the Las Vegas Artesian Basin.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANCOS WATER CONSERVANCY DISTRICT

The Clerk called the bill (H. R. 3197) to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District increasing the reimbursable construction-cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to enter into a contract amending that certain contract between the Mancos Water Conservancy District and the United States dated July 20, 1942, to provide that the reimbursable construction-cost obligation of the district to the United States for construction of the Mancos project will be increased from $600,000 to $900,000, and that the period of repayment of this obligation will be extended from 40 years to 60 years.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VACANCY OF DISTRICT JUDGE IN THE SOUTHERN DISTRICT OF NEW YORK

The Clerk called the bill (H. R. 1436) to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONTINUATION OF VETERANS' AFFAIRS OFFICES IN THE TERRITORY OF THE REPUBLIC OF THE PHILIPPINES

The Clerk called the next business, House Joint Resolution 196, authorizing the Administrator of Veterans' Affairs to continue and establish offices in the Territory of the Republic of the Philippines.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I understand this merely extends the right to remain in their present possession for 12 months.

Mrs. ROGERS of Massachusetts. The gentleman is correct. They may have to move out and get temporary housing facilities for a year. It is only for 1 year. The present law expires within 2 or 3 weeks. Without the extension these veterans will have no place to go and it will be much more costly.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a) to establish regional offices, suboffices, contact units, or other subordinate offices may con-

tinue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary.

With the following committee amendment:

Page 2, line 3, after the word "necessary" insert "but in no event after June 30, 1948."

The amendment was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 115, authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines, strike out all after the enacting clause and insert the provisions of House Joint Resolution 196 as amended.

The Clerk read the title of the Senate resolution.

The SPEAKER. Is there objection to the consideration of the Senate bill?

Mr. ALLEN of Louisiana. Mr. Speaker, reserving the right to object, what is the difference between the two bills?

Mrs. ROGERS of Massachusetts. The Senate bill extends the time indefinitely. The House bill cuts the extension down to only 1 year.

Mr. ALLEN of Louisiana. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the Senate bill, as follows:

Resolved, etc., That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a), to establish regional offices, sub-offices, contact units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROGERS of Massachusetts: Strike out all after the enacting clause and insert the following: "That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a) to establish regional offices, suboffices, contract units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary, but in no event after June 30, 1948."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House Resolution 196 were laid on the table.

INCREASING MINIMUM ALLOWANCE PAYABLE FOR REHABILITATION IN SERVICE-CONNECTED CASES

The Clerk called the bill (H. R. 3308) to increase the minimum allowance payable for rehabilitation in service-connected cases.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I ask unanimous consent that the bill may be read for our information.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That, effective on the first day of the first calendar month subsequent to the date of enactment of this act, paragraph 3 of part VII of Veterans Regulation No. 1 (a), as amended, is amended to read as follows:

"3. While pursuing training prescribed herein, and for 2 months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended: *Provided*, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, $115 per month; and for a person with a dependent, $135 plus the following amounts for additional dependents: (1) $20 for one child and $15 additional for each additional child, and (2) $15 for a dependent parent: *Provided further*, That the rates set out herein shall not be subject to the increases authorized by Public Law No. 312, Seventy-eighth Congress, approved May 27, 1944: *And provided further*, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such person to an amount considered equitable and just."

Amend the title so as to read: "A bill to increase the minimum allowance payable for rehabilitation in certain service-connected cases."

Mr. COLE of New York. Mr. Speaker, reserving the right to object, irrespective of the merits of the bill, the total annual cost is five and a quarter million dollars, entirely too much to justify its consideration on the Consent Calendar. I wonder if the gentlewoman from Massachusetts would not ask that it be stricken from the calendar so that it could be brought up either under a suspension of the rules or under a rule so that we might have ample opportunity to discuss it?

Mrs. ROGERS of Massachusetts. Is the gentleman's reason for objecting because the bill will cost more than a million dollars a year?

Mr. COLE of New York. As the gentlewoman from Massachusetts knows, there is a general understanding that where the cost involved exceeds a million dollars a bill will not be considered on the Consent Calendar.

Mrs. ROGERS of Massachusetts. I thought perhaps because these men were disabled and in need that the bill might be expedited.

Mr. COLE of New York. Irrespective of the merits of the bill, the cost is five and a quarter millions.

Mrs. ROGERS of Massachusetts. As the gentleman knows, it has been very difficult to get a rule.

Mr. COLE of New York. I was not aware of that.

Mrs. ROGERS of Massachusetts. That is why I am so anxious to get it through in this way. I realize that the objectors have a million-dollar limitation, but in view of the difficulty we are having in securing a rule I thought he might withdraw his objection. It is for the disabled.

Mr. COLE of New York. I want the gentlewoman to understand that I have no objection to the bill, and I so indicated, but I do have a responsibility to perform in serving in this capacity, and that is that bills cannot be considered which have an expenditure of over a million dollars. If the gentlewoman will not make the request, she will put me in the embarrassing position of having to object to the bill, which I hope she will not do.

Mrs. ROGERS of Massachusetts. I do not want to embarrass the gentleman, but I want to get the bill through.

Mr. RANKIN. The reason I had the bill read was this: The Disabled American Veterans have complained to me that one of these bills is discriminatory against the disabled veterans. That is the reason I wanted the entire provisions of the bill read.

Mrs. ROGERS of Massachusetts. May I say to the gentleman that the Disabled American Veterans are anxious to have this bill read and passed as is.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENDING SECOND-CLASS MAILING PRIVILEGES TO BULLETINS ISSUED BY STATE CONSERVATION AND FISH AND GAME AGENCIES OR DEPARTMENTS

The Clerk called the bill (H. R. 2857) to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the ninth paragraph under the heading "Office of the Third Assistant Postmaster General" of the first section of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," approved August 24, 1912 (U. S. C., 1940 ed., title 39, sec. 229), is amended by inserting after "issued by State boards of health," the following: "by State conservation and fish and game agencies or departments."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF WAR TO PERMIT THE DELIVERY OF WATER FROM THE DISTRICT OF COLUMBIA

The Clerk called the bill (H. R. 310) to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object, would the gentleman accept an explanation of the bill?

Mr. STEFAN. I would like to talk to the gentleman about it or have it explained in detail. I do not think we can get a detailed explanation at this time.

Mr. SMITH of Virginia. Can we not pass it over temporarily? I will confer with the gentleman, then we will take it up later?

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

EXCLUDING CERTAIN INTERNS AND OTHERS OF THE FEDERAL GOVERNMENT FROM CLASSIFICATION ACT

The Clerk called the bill (H. R. 1714) to exclude certain interns, student nurses, and other student employees of hospitals of the Federal Government from the Classification Act and other laws relating to compensation and benefits of Federal employees, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 102 (a) of the Federal Employees Pay Act of 1945 (Public Law 106, 79th Cong.), as amended, is amended by striking out "and" before "(5)" and by changing the period at the end of such sentence to a semicolon and adding: "and (6) student nurses, medical or dental interns, residents-in-training, student dietitians, student physical therapists, and student occupational therapists, assigned or attached to a hospital, clinic, or medical or dental laboratory operated by any department, agency, or instrumentality of the Federal Government, or by the District of Columbia, and any other student-employees, assigned or attached to any such hospital, clinic, or laboratory primarily for training purposes, who may be designated by the head of such department, agency, or instrumentality, or by the Commissioners of the District of Columbia, as the case may be, with the approval of the Civil Service Commission."

SEC. 2. The Classification Act of 1923, as amended and extended (5 U. S. C., ch. 13), shall not apply to student nurses, medical or dental interns, residents-in-training, student dietitians, student physical therapists, and student occupational therapists, assigned or attached to a hospital, clinic, or medical or dental laboratory operated by any department, agency, or instrumentality of the Federal Government, or by the District of Columbia, and any other student-employees, assigned or attached to any such hospital, clinic, or laboratory primarily for training purposes, who may be designated by the head of such department, agency, or instrumentality, or by the Commissioners of the District of Columbia, as the case may be, with the approval of the Civil Service Commission.

SEC. 3. The heads of the departments, agencies, and instrumentalities of the Federal Government and the Commissioners of the District of Columbia shall prescribe stipends to be paid to persons included in section 2 of this act who are at their respective hospitals, clinics, or laboratories; but no such stipend shall be in excess of the applicable maximum prescribed by the Civil Service Commission. Such persons may be provided living quarters, subsistence, and laundering while at the hospitals, clinics, or laboratories and, when so furnished, the reasonable value thereof, as prescribed by the head of the department, agency, or instrumentality concerned, or by the Commissioners of the District of Columbia, as the case may be, shall be deducted from their stipends; but such deductions may not be less than the lowest deduction applicable to regular employees at the same hospital, clinic, or laboratory for similar accommodations.

SEC. 4. Any person included in section 2 of this act who suffers disability or death as a result of personal injury arising out of and in the course of training, or sustained in the performance of duties in connection therewith, shall be treated, for the purposes of the act of September 7, 1916, as amended (5 U. S. C., ch. 15), as though he were an employee, as defined in such act, who had sustained such injury in the performance of duty.

SEC. 5. The Civil Service Retirement Act of 1930, as amended (5 U. S. C., ch. 14), shall not be applicable to any person included in section 2 of this act.

SEC. 6. The acts of March 14, 1936, as amended (5 U. S. C. 30b, and the following, and 5 U. S. C. 30f, and the following), relating to annual leave and sick leave, respectively, for employees of the United States, shall not be applicable to any person included in section 2 of this act. The heads of the departments, agencies, and instrumentalities of the Federal Government and the Commissioners of the District of Columbia shall prescribe, for persons included in section 2 who are assigned or attached to their respective hospitals, clinics, or laboratories, the conditions under which sick leave and vacations, with or without the payment of stipends, shall be granted, and the extent of such sick leave and vacations. Any annual leave accumulated prior to the enactment of this act by any person included in section 2 shall be carried forward and added to any vacations granted pursuant to this section, but all sick leave accumulated by him prior to such enactment is hereby canceled.

SEC. 7. If any person included in section 2 is, pursuant to the order of the head of the department, agency, or instrumentality concerned, or the Commissioners of the District of Columbia, as the case may be, temporarily detailed to or affiliated with any other Government or non-Government institution, to procure necessary supplementary training or experience, his status as a student-employee shall not be considered terminated by reason of such detail or affiliation, but he may receive his stipend and other perquisites provided under this act from the hospital, clinic, or laboratory to which he is assigned or attached for only 60 days of such detail or affiliation in each training year (as defined by such head or such Commissioners). Where the detail or affiliation under this section is to or with another Federal institution the student-employee shall be paid his necessary expenses of travel to and from such institution in accordance with the Standardized Government Travel Regulations and the provisions of the Subsistence Expense Act of 1926, as amended (5 U. S. C., ch. 16).

SEC. 8. This act shall not be construed as affecting in any way the compensation, rights, or benefits of student nurses receiving training in accordance with the act of June 15, 1943, as amended (50 U. S. C., App., 1451, and the following).

SEC. 9. Nothing contained in this act shall be construed as limiting any authority conferred upon the Administrator of Veterans' Affairs by the act of January 3, 1946 (Public Law 293, 79th Cong.).

SEC. 10. Funds now or hereafter appropriated to the departments, agencies, and instrumentalities of the Federal Government and to the District of Columbia for the expenses of their respective hospitals, clinics, and laboratories to which persons included in section 2 are assigned or attached are hereby made available and authorized for carrying out the provisions of this act with respect to such persons.

With the following committee amendments:

On page 4, lines 1 through 3, strike out section 5 and insert a new section as follows:

"SEC. 5. Persons included under section 2 of this act shall not be subject to the provisions of the Civil Service Retirement Act of May 29, 1930, as amended (5 U. S. C., ch. 14), except that in the event any such person later becomes subject to the provisions of such Retirement Act, his service as a student-employee shall be credited in accordance with the provisions of such Retirement Act."

On page 4, lines 4 through 20, strike out section 6.

On page 5, line 7, strike out after the word "affiliation" the word "in" and insert the word "for."

On page 4, line 21, strike out "7" and insert "6"; on page 5, line 15, strike out "8" and insert "7"; on page 5, line 20, strike out "9" and insert "8"; on page 5, line 24, strike out "10" and insert "9."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL AVIATION COUNCIL

The Clerk called the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, to make inquiry of a member of the committee or perhaps the author, because the cost of these activities is not stated in the report.

Mr. HINSHAW. This bill gives statutory authority to an organization that is already in being known as the Air Coordinating Committee. I doubt that any expense that might be attached to it would amount to anything at all because it merely does that. There is no consideration of expense involved in it because of the fact that it gives statutory authority to an existing agency known as the Air Coordinating Committee.

Mr. COLE of New York. If that is the situation, what is the reason for authorizing such sums as may be necessary to carry out the act?

Mr. HINSHAW. The reason would be that after once giving it statutory authority, the budget for it would come as a separate budget, but it would make no addition to the existing Budget in the over-all Government picture.

Mr. COLE of New York. It seems to me that when a Federal activity is created by statute or is sought to be created

by statute, even though it is one that is being practiced under Executive authority, the Congress should be advised of the annual cost of this new agency to be created, and I was in hopes that the gentleman from California could indicate the approximate annual cost of this Council.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Arkansas.

Mr. HARRIS. I would like to ask the author of the bill if it is a fact that the cost of this would be the salary of the executive secretary plus such incidental costs necessary to the activities of the committee?

Mr. HINSHAW. That is correct, because the other members of the committee are all officers of the Government at the present time, and they already have an executive secretary under the Classification Act for this group, and supplied by one of the departments, and it simply means that he becomes classified under this particular bill, and there is no addition to the pay roll of the overall government.

Mr. COLE of New York. Can the gentleman advise us what funds have been heretofore appropriated for this activity which is now being put in statutory form?

Mr. HINSHAW. That question did not arise before the committee, but it was simply the assignment of various personnel from the various departments. I do not imagine it will run over $50,000 to $75,000 a year altogether; that is, the salaries that are involved in it.

Mr. COLE of New York. Very well. With that information, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.—

NATIONAL AVIATION COUNCIL

SECTION 1. (a) For the purpose of formulating, unifying, and clarifying national policies relating to or affecting aviation, including policies relating to the maintenance of an adequate aeronautical manufacturing industry, and of monitoring and harmonizing the pertinent activities of the executive branch of the Government in accordance with such policies, there is hereby established a National Aviation Council (hereinafter referred to as the "Council").

(b) The Council shall have as members one representative of each participating agency. The President shall appoint a Chairman and a Vice Chairman of the Council from among the members.

(c) For the purposes of this act, participating agencies shall be the State, War, Navy, Commerce, and Post Office Departments, the Federal Communications Commission, and the Civil Aeronautics Board, except that—

(1) the President may from time to time designate as a participating agency any other agency of the Government which he finds has a substantial and continuing interest in the field of aviation, and may terminate the participation of any agency which he finds no longer has such an interest; and

(2) in connection with any matter arising under this act which is of substantial interest to any agency of the Government which is not a participating agency, the Council, in accordance with procedures established by it, shall designate such agency as a participating agency for purposes of consideration of, and action on, such matter.

(d) The member who is to represent any participating agency shall be the head of such agency. Each member shall designate an alternate or alternates to serve on the Council in the event of his absence or inability to serve.

RECOMMENDATIONS BY THE COUNCIL

SEC. 2. (a) The Council shall recommend to the appropriate agencies of the Government the adoption and carrying out, within the limits of authority possessed by them, of such policies, plans, and procedures relative to governmental activities (except activities related to the exercise of quasi-legislative or quasi-judicial functions) relating to or affecting aviation as in the judgment of the Council will promote the public interest and aid in effectuating the purposes set forth in section 1; and

(b) The Council may recommend to the President the establishment of such policies, plans, procedures, or action relating to or affecting aviation as in the judgment of the Council will promote the public interest and aid in effectuating the purposes set forth in section 1.

(c) The powers conferred upon the Council by this section shall be exercised as to any particular matter only by unanimous concurrence of the representatives of all of the agencies participating in the decision on such matter. In the event the Council is unable to reach unanimous agreement with regard to any matter, the Council, upon the request of any member, and after obtaining the views of the head of each agency concerned, shall submit such matter, together with such views, to the President.

EXECUTIVE SECRETARY AND OTHER PERSONNEL

SEC. 3. (a) There shall be an Executive Secretary of the Council, appointed by the Council in accordance with the civil-service laws, who shall perform such duties as may be required by law or prescribed by the Council.

(b) The Council may employ such experts, assistants, special agents, examiners, attorneys, and other employees as in its judgment may be necessary for the performance of its duties. Such employees shall be appointed in accordance with the civil-service laws, and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that expert administrative, technical, and professional personnel may be employed, and their compensation fixed, without regard to such laws.

ASSISTANCE FROM OTHER AGENCIES

SEC. 4. (a) The Council may require reports and information from any agency of the Government as to the activities of such agency which relate to aviation.

(b) The Council may utilize the services, information, facilities, and personnel of the various agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of the heads of such agencies, can be furnished without undue interference with the performance of the work and duties of such agencies.

ADVISORY BOARD

SEC. 5. (a) There is hereby created an Advisory Board of the National Aviation Council (hereinafter referred to as the "Board") which shall consist of ten members who shall be appointed by the Council for terms of 2 years, subject to removal by the Council. All of the members of the Board shall represent the general public and the public interest, but in order that the Council may have the benefit of experience in the matters with which it will deal under this act, at least one member of the Board shall be drawn from each of the following: Those having had experience in matters relating to (1) civil air transport, (2) the aeronautical manufacturing industry, (3) labor or labor relations, (4) private flying and fixed base operation, (5) research and development in aviation or related fields, and (6) education in aeronautics. The Board shall select its own Chairman from among its members. The Executive Secretary of the Council shall act as Secretary of the Board.

(b) The Board, or such panels thereof as may be appropriate under the circumstances, shall advise the Council on matters arising under this act.

(c) Members of the Board shall receive a per diem allowance of $25 for each day, or part thereof, of service in attending meetings of the Board or of a panel thereof or conferences held upon call of the Council, plus necessary traveling expenses incurred while so engaged.

REPORTS TO CONGRESS

SEC. 6. The Council shall submit to the President, for transmission to the Congress, an annual report with respect to its activities, and may include in such report such recommendations as it may deem advisable; and the Council may from time to time submit to the President, for transmission to the Congress, such special reports and recommendations as it may deem advisable. Views of the Board, as well as minority views and recommendations of the Council and the Board, if any, shall be included in such annual reports and in such special reports and recommendations.

DEFINITION OF "AGENCY OF THE GOVERNMENT"

SEC. 7. As used in this act the term "agency of the Government" means any department or independent establishment in the executive branch of the Government.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to enable the Council to carry out the provisions of this act and to perform any other duties which may be imposed upon it by law or Executive order.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER FOR FALLS CHURCH, VA.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 136, the bill (H. R. 310) to authorize the Secretary of War to permit delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. STEFAN. Reserving the right to object, Mr. Speaker, I wish to state for the information of the House that the reason I asked that this bill go over without prejudice was because I wanted a little information about it. I now understand it is an emergency, and the outlying district will pay for the water. It has been approved by the Commissioners, and it comes to the House with the

unanimous vote of the committee. Is my understanding correct?

Mr. SMITH of Virginia. That is correct.

Mr. STEFAN. Therefore I withdraw my reservation of objection, Mr. Speaker.

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I do so in order to request that returns to bills be deferred until the completion of the call of the entire calendar. While I have no objection to this request, hereafter I will object.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, on the recommendation of the Chief of Engineers, United States Army, and the Board of Commissioners of the District of Columbia, is hereby authorized in his discretion, upon request of the town council of the town of Falls Church, Fairfax County, Va., or any other competent State or local authority in the Washington metropolitan area in Virginia, to permit the delivery of water from the District of Columbia water system at the Dalecarlia Filtration Plant, or at other points on said water system, to the Falls Church water system for the purpose of supplying water for the use of said town and such adjacent areas as are now or shall hereafter be served by the water system of said town, or to any other competent State or local authority in said metropolitan area in Virginia. The Secretary of War is hereby further authorized, in his discretion and upon the recommendation of the Chief of Engineers, and said Board of Commissioners, to permit the delivery of such water through the water mains of Arlington County by a connection to Arlington mains at the southerly end of Chain Bridge, or to make connections with the Arlington County water system at one or more points along the boundary line of Arlington County: *Provided*, That all expense of installing any such connection or connections or other appurtenances and any subsequent changes therein shall be borne by said town of Falls Church, or such other communities of said metropolitan area requesting such services: *Provided further*, That all payments for water taken directly from the mains of the water-supply system of the District of Columbia at the Dalecarlia Filtration Plant, or from other points on said water system, shall be made at such time and in such manner as the Secretary of War and said Board of Commissioners may prescribe; all such payments to be deposited in the Treasury of the United States as other water rents now collected in the District of Columbia are now deposited, but for water as may be supplied through the water mains of Arlington County, as hereinabove authorized, such payments shall be made by said Arlington County in the same manner as payments for water supplied for the use of said Arlington County: *Provided further*, That payment for water delivered to communities in said metropolitan area from or through the water mains of Arlington County shall be made to said county as may be mutually arranged on an equitable basis and as approved by the Secretary of War and said Board of Commissioners: *And provided further*, That the Secretary of War, directly or upon the request of the Board of Commissioners, may revoke at any time any permit for the use of said water that may have been granted.

SEC. 2. That the Secretary of War, through the Chief of Engineers, shall have the right at all times to investigate the distribution systems of any community outside the District of Columbia supplied with water from the said District of Columbia water system and if, in his opinion, there is an excessive wastage of water, he shall have the right to curtail the supply to said communities to the amount of such wastage.

SEC. 3. The Secretary of War or the said Board of Commissioners is hereby authorized to acquire by purchase or condemnation all necessary lands, easements, and rights-of-way for pipe lines within the District of Columbia needed for the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL HOME LOAN BANK ACT

The Clerk called the bill (H. R. 3448) to amend the Federal Home Loan Bank Act, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (b) of section 10 of the Federal Home Loan Bank is hereby amended by striking the words "20 years" appearing in the first sentence thereof, and inserting in lieu thereof the words "25 years."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOME OWNERS' LOAN ACT OF 1933

The Clerk called the bill (H. R. 2800) to amend section 5 of the Home Owners' Loan Act of 1933, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection c of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by adding at the end thereof the following:

"Notwithstanding any other provision of this subsection except the area restriction such associations may invest their funds in title I, Federal Housing Administration loans, loans guaranteed or insured, as provided in the Servicemen's Readjustment Act of 1944, as amended, or in other loans for property alteration, repair, or improvement: *Provided*, That no such loan shall be made in excess of $1,500 except in conformity to the other provisions of this subsection, and that the total amount of loans so made without regard to the other provisions of this subsection shall not, at any time, exceed 15 percent of the association's assets."

With the following committee amendment:

Page 1, line 8, after the word "in", strike out the balance of the line and insert "loans insured under title I of the National Housing Act, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORGANIC ACT OF PUERTO RICO

The Clerk called the bill (H. R. 3309) to amend the Organic Act of Puerto Rico.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SALE OF WEATHER BUREAU PROPERTY, EAST LANSING, MICH.

The Clerk called the bill (S. 640) to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and obtain other quarters for the said Bureau in the State of Michigan.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, this bill authorizes the Secretary of Commerce to sell to the Michigan State College a certain piece of real property located on the campus of the university. I was struck by the fact that the bill also carries an authorization for appropriation of public funds, and I should like to inquire of the gentleman from Michigan why it is necessary for the Congress to appropriate funds in order to permit one of its agents to sell or transfer some of its own property.

Mr. DONDERO. I do not know that I can explain to the gentleman from New York the last phase of his inquiry, but I do know that this piece of property, the Weather Bureau, is on the campus of Michigan State College at East Lansing, within the district of the gentleman from Michigan [Mr. BLACKNEY]. The Weather Bureau is inclined to make an exchange of this property for another site, and Michigan State College wants it. They are willing to take it and I think pay for it with other property. The Federal Government is to obtain a site outside the city in a more advantageous position.

Mr. COLE of New York. Will the gentleman, who is the distinguished chairman of the Committee on Public Works, agree with me that no expenditure on the part of the Federal Government will be involved in this transfer?

Mr. DONDERO. I am unable to answer that. This bill does not come from my committee, but I am familiar with the situation at East Lansing. The gentleman from Michigan [Mr. BLACKNEY] is here. Perhaps he can explain it.

Mr. COLE of New York. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, any other law to the contrary notwithstanding, the Secretary of Commerce is authorized to sell, in such manner and on such terms and conditions as he deems to be to the best interest of the United States, to the Michigan State College of Agriculture and Applied Science the Weather Bureau station located on the campus of the said college, to convey such property to the said college by quitclaim deed, and to deposit the proceeds of such sale in the Treasury as a miscellaneous receipt: *Provided*, That the sale of the Weather Bureau property to the Michigan State College of Agriculture and Applied Science shall not be consummated, and the Weather Bu-

reau shall not be required to vacate said property, unless and until the said Bureau shall have obtained and occupied other quarters in the State of Michigan, either by construction of a new building or by rental of, or other means of obtaining, such quarters.

SEC. 2. There is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 2, line 10, strike out all of section 2.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHOCTAW AND CHICKASAW INDIAN NATIONS, OKLAHOMA

The Clerk called the bill (H. R. 2005) to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of April 21, 1932 (47 Stat. 88), is hereby amended to provide that leases or renewal leases may be made for any term not to exceed 15 years: *Provided*, That nothing herein contained shall operate to prevent the sale pursuant to law of the segregated coal or asphalt deposits leased or unleased of the Choctaw-Chickasaw Nations at any time, but any such sale shall be subject to any leases of such deposits heretofore or hereafter made pursuant to law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC HOSPITAL DISTRICT NO. 2, CLALLAM COUNTY, WASH.

The Clerk called the bill (H. R. 2411) to authorize patenting of certain lands to Public Hospital District No. 2, Clallam County, Wash., for hospital purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to patent lots 2 and 3, block 33, as shown on the official supplemental plat of survey of block 33, located in the city of Port Angeles, State of Washington, accepted March 24, 1923, containing seven and sixty-four one-hundredths acres, to Public Hospital District No. 2, Clallam County, Wash., for hospital purposes.

SEC. 2. The patent conveying title to the lands described in the first section of this act shall (1) contain a reservation to the United States of all minerals, including coal, oil, and gas, together with the right to prospect for, mine, and remove the same under regulations to be prescribed by the Secretary of the Interior; and (2) provide that if, at any time, the Secretary of the Interior finds that Public Hospital District No. 2, Clallam County, Wash., has ceased to use the land, or any part thereof, for hospital purposes, or has alienated or attempted to alienate, the same, title to such land, or part thereof, shall thereupon revert to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OTTER CREEK RECREATIONAL DEMONSTRATION AREA, KENTUCKY

The Clerk called the bill (H. R. 2852) to provide for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area in the State of Kentucky.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-described tracts of surplus Federal lands comprising 394.5 acres, are hereby made a part of the Otter Creek Recreational Demonstration Area in the State of Kentucky, subject to all laws relating to such recreational demonstration project areas, without transfer of funds:

Tract A-57, William L. Carr: Grantee, United States Government; grantor, William L. Carr and Rosa Lee Carr (wife); 31.71 acres, more or less; recorded in deed book No. 72, page No. 602, August 25, 1942.

Tract A-73, T. L. Crutcher: Grantee, United States Government; grantor, T. L. Crutcher; 15.6 acres, more or less; recorded in deed book No. 74, page No. 188, September 11, 1943.

Tract A-74, T. L. Crutcher: Grantee United States Government; grantor, T. L. Crutcher; 6.1 acres, more or less; recorded in deed book No. 74, page No. 188, September 11, 1943.

Tract A-75, T. L. Crutcher: Grantee, United States Government; grantor, T. L. Crutcher; 7.7 acres, more or less; recorded in deed book No. 74, page No. 188, September 11, 1943.

Tract A-124, J. C. Hawkins: Grantee, United States Government; grantor, J. C. Hawkins and Lula Hawkins (wife); 5.54 acres, more or less; recorded in deed book No. 71, page No. 400, September 23, 1941.

Tract A-170, V. L. Leonard: Grantee, United States Government; grantor, Irene Leonard (otherwise known as Mrs. V. L. Leonard, widow); 0.49 acre, more or less; recorded in deed book No. 73, page No. 476, September 25, 1941.

Tract A-230, Gus Otterson: Grantee, United States Government; grantor, Gus Otterson and Rosie Otterson (wife); 1.2 acres, more or less; recorded in deed book No. 73, page No. 483, March 20, 1943.

Tract A-231, Gus Otterson: Grantee, United States Government; grantor, Gus Otterson and Rosie Otterson (wife); 13.68 acres, more or less; recorded in deed book No. 73, page No. 483, March 20, 1943.

Tract A-249, Jesse Lee Poole; Grantee, United States Government; grantor, Jesse Lee Poole and Elizabeth Poole (wife); 50.2 acres, more or less; recorded in deed book No. 72, page No. 169, February 24, 1942.

Tract A-258, Rock Haven Baptist Church: Grantee, United States Government; grantor, J. C. Hawkins, trustee, Rock Haven Baptist Church; 2 acres, more or less; recorded in deed book No. 71, page No. 524, November 7, 1941.

Tract A-271, Joe Seelye: Grantee, United States Government; grantor, Joe Seelye and Dora Seelye (wife); 72.25 acres, more or less; recorded in deed book No. 73, page No. 151, October 31, 1942.

Tract A-318, Burrell Van Buren: Grantee, United States Government; grantor, Burrell Van Buren and Olive Van Buren (wife); 82.55 acres, more or less; recorded in deed book No. 73, page No. 255, December 5, 1942.

That part of tract A-346 lying north and west of Otter Creek, J. Hood Withers: Grantee, United States Government; grantor, J. Hood Withers and Julia K. Withers (wife), Mrs. Molly Henry (widow), Mrs. Ina Withers (widow), Mrs. Kate Warren (widow); two parcels totaling 101.85 acres, more or less; recorded in deed book No. 73, page No. 611, May 1, 1943

Tract A-353, Burrell Van Buren: Grantee, United States Government; grantor, Burrell Van Buren and Olive Van Buren (wife); 3.6 acres, more or less; recorded in deed book No. 73, page No. 255, December 5, 1942.

The deed books referred to in the foregoing tract descriptions are contained in the office of the clerk of court, Meade County, Brandenburg, Ky.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNIZING UNCOMPENSATED SERVICES RENDERED THE NATION UNDER THE SELECTIVE TRAINING AND SERVICE ACT OF 1940, AS AMENDED

The Clerk called the joint resolution (H. J. Res. 167) to recognize uncompensated services rendered the Nation under the Selective Training and Service Act of 1940, as amended, and for other purposes.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Congress declares that many members of local boards, boards of appeal, Government appeal agents, examining physicians and dentists, and other uncompensated personnel of the Selective Service System have, in a manner which is an example of patriotism, served the United States in the administration of the Selective Training and Service Act of 1940, as amended. This service has been voluntary and uncompensated and in many cases has resulted in great sacrifices on the part of these citizens.

That in accordance with the historic policy of the United States to recognize and publicly acknowledge the gratitude of the people and the Government of the United States for patriotic service, the Director of Selective Service is directed to issue to such uncompensated personnel of the Selective Service System, upon the expiration of the Selective Training and Service Act of 1940, as amended, suitable certificates of separation.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This completes the call of bills on the Consent Calendar eligible for consideration today.

PANAMA CANAL

Mr. ANDREWS of New York. Mr. Speaker, recently at the request of the gentleman from Michigan [Mr. ENGEL], chairman of the Subcommittee on War Department Appropriations, there was introduced in the House and referred to the Committee on Armed Services a very short bill, H. R. 3629, which is on the Consent Calendar today. It merely authorizes the transfer to the Panama Canal of property which is surplus to the needs of the War Department or Navy Department. Without the passage of this

bill, certain provisions in the War Department appropriation bill to be considered tomorrow would be subject to a point of order. I ask unanimous consent for the immediate consideration of the bill H. R. 3629, which has the unanimous approval of the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the War Department and the Navy Department are authorized to transfer to the Panama Canal, regardless of present location and without charge to the Panama Canal, materials, supplies, tools, and equipment of every character, including structures, vessels, and floating equipment, which are surplus to the needs of the department having title thereto and which may be certified by the Governor of the Panama Canal as necessary for the care, maintenance, operation, improvement, sanitation, and government of the Panama Canal and Canal Zone.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDIVIDUAL INCOME TAX REDUCTION ACT OF 1947—CONFERENCE REPORT

Mr. KNUTSON. Mr. Speaker, I call up the conference report on the bill (H. R. 1) to reduce individual income tax payments, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce individual income tax payments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

On page 2 of the Senate engrossed amendments in lieu of the table there appearing insert the following:

"If the aggregate is:	The reduction shall be:
Not over $200	33⅓% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $100,000.	24% of the aggregate.
Over $100,000 but not over $250,000.	$24,000, plus 19¼% of excess over $100,000.
Over $250,000	$52,875, plus 15% of excess over $250,000."

And on page 3 of the Senate engrossed amendments in lieu of the table there appearing insert the following:

"If the aggregate is:	The reduction shall be:
Not over $200	19¼% of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $100,000.	14½% of the aggregate.
Over $100,000 but not over $250,000.	$14,500, plus 12% of excess over $100,000.
Over $250,000	$32,500, plus 10% of excess over $250,000."

And the Senate agree to the same.

HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,
R. L. DOUGHTON,
Managers on the Part of the House.

E. D. MILLIKIN,
ROBERT A. TAFT,
HUGH BUTLER,
WALTER F. GEORGE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce individual income tax payments submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House bill provided that, with respect to taxable years beginning after December 31, 1946, the aggregate of the tentative normal tax and the tentative surtax under existing law should be reduced as shown in the following table:

"If the aggregate were:	The reduction would be:
Not over $200	33⅓% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $250,000.	24% of the aggregate.
Over $250,000	$60,000, plus 15% of excess over $250,000."

The Senate amendment provides that the reduction for taxable years beginning in 1947 shall be as shown in the following table:

"If the aggregate is:	The reduction shall be:
Not over $200	19¼% of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $50,000.	14½% of the aggregate.
Over $50,000 but not over $250,000.	$7,250, plus 12% of excess over $50,000.
Over $250,000	$31,250, plus 10% of excess over $250,000."

The Senate amendment further provides that for taxable years beginning after December 31, 1947, the reduction shall be as shown in the following table:

"If the aggregate is:	The reduction shall be:
Not over $200	33⅓% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $50,000.	24% of the aggregate.
Over $50,000 but not over $250,000.	$12,000, plus 19¼% of excess over $50,000.
Over $250,000	$50,500, plus 15% of excess over $250,000."

The House bill provided that, with respect to taxable years beginning after December 31, 1946, the combined normal tax and surtax should in no event exceed 76½ percent of the net income of the taxpayer. The Senate amendment retains the House figure with respect to taxable years beginning after December 31, 1947, but provides that with respect to taxable years beginning in 1947 the over-all limitation shall be 81 percent. The House recedes with an amendment which provides that the aggregate of the tentative normal tax and the tentative surtax under existing law shall be reduced as shown in the following tables:

"Taxable years beginning in 1947

"If the aggregate is:	The reduction shall be:
Not over $200	19¼% of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $100,000.	14½% of the aggregate.
Over $100,000 but not over $250,000.	$14,500, plus 12% of excess over $100,000.
Over $250,000	$32,500, plus 10% of excess over $250,000.

"Taxable years beginning after 1947

"If the aggregate is:	The reduction shall be:
Not over $200	33⅓% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $100,000.	24% of the aggregate.
Over $100,000 but not over $250,000.	$24,000, plus 19¼% of excess over $100,000.
Over $250,000	$52,875, plus 15% of excess over $250,000."

Amendments Nos. 2 and 3: The House bill amended the tax table contained in section 400 of the Internal Revenue Code, relating to the optional tax on individuals with adjusted gross incomes of less than $5,000. Amendment No. 2 limits the application of the tax table in the House bill to taxable years beginning after 1947, and amendment No. 3 provides an additional tax table to be applicable to taxable years beginning in 1947 to reflect the reductions provided by amendment No. 1. The House recedes.

Amendment No. 4: This is a clerical amendment and the House recedes.

Amendment No. 5: The House bill amended section 25 (b) (1) of the code to provide an additional exemption of $500 for a taxpayer who attains the age of 65 before the end of the taxable year. The House bill provided that in the case of a joint return the additional exemption of $500 is allowed with respect to each spouse who has attained the age of 65 only if the gross income of such spouse for the taxable year is $500 or more. Under the Senate amendment this gross-income limitation is removed, with the result that, on a joint return, an additional exemption is allowed for each spouse who has attained the age of 65, regardless of the amount of the gross income. The additional exemption for a spouse who has attained the age of 65 may also be taken by the taxpayer on his separate return if such spouse has no gross income. The House recedes.

Amendment No. 6: This is a technical amendment and the House recedes.

Amendment No. 7: The House bill added a new subsection (o) to section 22 of the code so as to require an individual entitled to the old-age exemption to include in gross income the first $500 of certain tax-exempt pensions, annuities, etc. This amendment eliminates the provision of the House bill. The House recedes.

Amendment No. 8: The House bill made a technical amendment to section 22 (b) (5) of the code which was necessitated by the provision in the House bill adding section 22 (o) to the code. The Senate amendment eliminates the provision of the House bill. The Senate amendment also makes four technical amendments, not found in the House bill, relating to the old-age exemption. The first technical amendment amends section 58 (a) (1) of the code, relating to the declaration of estimated tax, to give effect to the old-age exemption. The second technical amendment amends section 1622 (h) (1) of the code to authorize the allowance of the old-age exemption for withholding purposes. The third technical amendment requires employers to give effect to the additional exemption for old age with respect to the first payment of wages made on or after the ninetieth day after the date of the enactment of the bill, if a withholding exemption certificate is filed at least 30 days before such ninetieth day. The fourth technical amendment amends section 23 (x) of the code so that the additional exemption for old age will not operate to increase the present maximum deduction for medical expenses. The House recedes.

Amendments Nos. 9 and 10: These are clerical amendments and the House recedes.

Amendments Nos. 11 and 12: The House bill amended section 1622 (a) of the code, relating to the percentage method of withholding, to reflect the reductions in tax provided in the House bill. The House bill contained four rates for computing the amount to be withheld under the percentage method of withholding. Amendment No. 11 substitutes three rates for the four provided in the House bill. Amendment No. 12 provides new wage bracket withholding tables in lieu of the withholding tables provided in the House bill. The House recedes.

Amendment No. 13: This amendment provides that the new withholding rates and the wage bracket withholding tables shall be applicable with respect to wages paid on or after July 1, 1947, instead of June 1, 1947, as provided in the House bill. The House recedes.

Amendments Nos. 14 and 15: These are clerical amendments and the House recedes.

Amendment No. 16: The House bill added a new subsection to section 108 of the code to provide for the computation of the tax imposed by sections 11, 12, and 400 of the code for taxable years beginning in 1946 and ending in 1947. This amendment adds another subsection to section 108 of the code to provide for the computation of the tax imposed by such sections for taxable years beginning in 1947 and ending in 1948. The House recedes.

HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,
R. L. DOUGHTON,
Managers on the Part of the House.

Mr. KNUTSON. Mr. Speaker, we appear before the House today with the conference report on H. R. 1, which was agreed to on Thursday last.

Perhaps we had better briefly review H. R. 1 as it came to the House in its original form.

The main differences between the House and Senate were as follows:

First. The Senate bill instead of providing a 20-percent reduction on the entire tax attributable on incomes between $1,400 and $302,400, reduced the rate of reduction to 15 percent on the tax attributable to that part of the income in excess of $79,700 and not in excess of $302,400. Your conferees reached a compromise agreement on which the 20-percent reduction rate was continued on the tax on incomes between $1,400 and approximately $137,000 and a 15-percent rate of reduction was allowed on the tax attributable to that part of the income in excess of that amount and not in excess of $302,400. Otherwise, the House reductions for 1948 and subsequent years were retained.

Second. The Senate bill provided that the reductions for the calendar year 1947 should be approximately one-half those under the House bill. This has the practical effect of putting the reductions in effect July 1, 1947, instead of January 1, 1947, since withholding at the full House rates starts on July 1, 1947. However, the Senate bill obviated the necessity for making refunds on the tax collected for the first 6 months of 1947 and reduced the revenue loss for the full calendar year 1947 by over $1,500,000,000.

The House conferees reluctantly yielded on this point.

The only other amendment, not of a clerical or technical nature, was the elimination by the conferees of the so-called Martin amendment, which was omitted with the understanding that it would be considered in the next revenue bill. This amendment required an individual entitled to the additional $500 exemption to include in gross income the first $500 of certain tax-exempt annuities. While the entire conference was in sympathy with the purpose of the amendment, both the Treasury Department and the Bureau of Internal Revenue stated it was unworkable in its present form and your conferees agreed with the Senate conferees that the matter should be eliminated from the bill and taken up in the general revenue bill.

The Senate bill adopted the House provision allowing an additional exemption to taxpayers over 65 years of age. However, the House bill provided that in the case of a joint return, the additional $500 exemption is allowable only to the spouse who has income of $500 or more. The Senate bill removed this limitation, with the result that every person who has attained the age of 65 is allowed the additional $500 exemption, regardless of the amount of his income. Where a separate return is filed by one spouse, and the other spouse has no gross income, the spouse filing the separate return can claim under the conference agreement not only his additional $500 exemption but also the additional $500 exemption of his wife.

The technical and clerical amendments are fully discussed in the statement of the managers, attached to the conference report.

I think I have stated the case, without going into technical details, about as well as I am capable of doing.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. COOPER. I think another way of stating it might be that whereas the House bill had three brackets of reduction, up to $1,400, 30 percent reduction; from $1,400 to $302,000, 20 percent reduction; and above $302,000, 10½ percent reduction, the Senate added one more bracket, so as to make four brackets instead of three. They continued the first bracket as in the House bill, up to about $1,400, 30 percent reduction, but they added a second bracket and made two brackets out of the one bracket that was in the House bill. So that from $1,400 up to $79,000 it was to carry a 20 percent reduction; from $79,000 to $302,000 it was to carry a 15 percent reduction, and from $302,000 on up, 10½ percent reduction. In conference this new bracket that was added by the Senate was changed, as has been indicated by the distinguished chairman, in that instead of extending the $1,400 to $79,000 as was provided in the Senate amendment, it is now provided in the conference report that from $1,400 to $137,000, the 20 percent reduction shall apply. From $137,000 to $302,000, the 15 percent reduction shall apply, and from $302,000 on up, 10½ percent reduction shall apply.

Mr. KNUTSON. That is correct.

Mr. Speaker, I will say it is my intention to insert some tables that are quite voluminous. They have been compared by Mr. Stam and his staff. I ask unanimous consent that these burden tables be here made a part of my remarks in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

(The tables are as follows:)

TABLE I.—*Comparison between the estimated reduction in the individual income-tax liability from present law under the House bill, the Senate bill, and the conference report, calendar year 1947*

Net income class (in thousands)	Present law liability	Reduction in liability from present law under—					
		House bill		Senate bill		Conference report	
		Amount	Percent	Amount	Percent	Amount	Percent
	Millions	*Millions*		*Millions*		*Millions*	
0 to $1	$365	$113	2.8	$62	2.9	$62	2.9
$1 to $2	2,746	856	21.2	459	21.7	459	21.4
$2 to $3	3,368	803	19.9	429	20.3	429	20.0
$3 to $4	2,384	517	12.8	295	14.0	295	13.8
$4 to $5	1,136	238	5.9	129	6.1	129	6.0
Total under $5	9,999	2,527	62.5	1,374	65.0	1,374	64.1
$5 to $10	1,453	302	7.5	162	7.7	162	7.6
$10 to $25	2,125	427	10.6	218	10.3	218	10.1
$25 to $50	1,501	296	7.3	151	7.1	151	7.0
$50 to $100	1,385	269	6.7	113	5.4	113	5.3
$100 to $300	857	162	4.0	70	3.3	81	3.8
$300 to $500	161	28	.7	11	.5	25	1.1
$500 to $1,000	145	19	.5	8	.4	13	.6
$1,000 and over	129	14	.4	7	.3	8	.4
Total over $5	7,756	1,517	37.5	740	35.0	771	35.9
Grand total	17,755	4,044	100.0	2,114	100.0	2,145	100.0

Source: Joint Committee on Internal Revenue Taxation.

TABLE II.—*Estimated Federal receipts general and special accounts for the fiscal year 1948 under present law, House bill, Senate bill, and conference report*

[In billions of dollars]

Item	Estimated receipts in fiscal 1948 of—				Estimated effect upon the budget for fiscal 1948 of—		
	Present law	House bill	Senate bill	Conference report	House bill	Senate bill	Conference report
Direct taxes on individuals:							
Income taxes	20.0	[1] 15.1	16.8	16.7	−4.9	−3.2	−3.3
Estate and gift taxes	.7	.7	.7	.7			
Total direct taxes on individuals	20.8	15.8	17.5	17.4			
Direct taxes on corporations	8.6	8.6	8.6	8.6			
Excise taxes	7.8	7.8	7.8	7.8			
Net employment taxes [2]	.8	.8	.8	.8			
Customs	.5	.5	.5	.5			
Miscellaneous receipts:							
Existing legislation	2.6	2.6	2.6	2.6			
Proposed legislation [3]	.4	.4	.4	.4			
Total miscellaneous receipts	3.0	3.0	3.0	3.0			
Net receipts	41.4	[1] 36.5	38.2	38.1	−4.9	−3.2	−3.3

[1] Part of the reduction in liability under the House bill will result in increased refunds rather than decreased receipts; however, for comparative purposes, the full amount is shown here as a decrease in receipts. The estimate of increased refunds is $450 million.
[2] After deduction for appropriation to Federal old-age and survivors insurance trust fund.
[3] As proposed by the President in the 1948 Budget.
Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE III.—*Comparison of individual income tax under present law, House bill, Senate bill, and conference report*

SINGLE PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax						Amount of tax reduction					Percent tax reduction				
			Senate bill		Conference report			Senate bill		Conference report			Senate bill		Conference report	
	Present law	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years
												Percent	Percent	Percent	Percent	Percent
$500																
$600	$19.00	$13.30	$16.15	$13.30	$16.15	$13.30	$5.70	$2.85	$5.70	$2.85	$5.70	30.00	15.00	30.00	15.00	30.00
$700	38.00	26.60	32.30	26.60	32.30	26.60	11.40	5.70	11.40	5.70	11.40	30.00	15.00	30.00	15.00	30.00
$750	47.50	33.25	40.37	33.25	40.37	33.25	14.25	7.13	14.25	7.13	14.25	30.00	15.00	30.00	15.00	30.00
$800	57.00	39.90	48.45	39.90	48.45	39.90	17.10	8.55	17.10	8.55	17.10	30.00	15.00	30.00	15.00	30.00
$900	76.00	53.20	64.60	53.20	64.60	53.20	22.80	11.40	22.80	11.40	22.80	30.00	15.00	30.00	15.00	30.00
$1,000	95.00	66.50	80.75	66.50	80.75	66.50	28.50	14.25	28.50	14.25	28.50	30.00	15.00	30.00	15.00	30.00
$1,200	133.00	93.10	113.05	93.10	113.05	93.10	39.90	19.95	39.90	19.95	39.90	30.00	15.00	30.00	15.00	30.00
$1,500	190.00	133.00	161.50	133.00	161.50	133.00	57.00	28.50	57.00	28.50	57.00	30.00	15.00	30.00	15.00	30.00
$1,600	209.00	153.00	181.50	153.00	181.50	153.00	56.00	27.50	56.00	27.50	56.00	26.79	13.16	26.79	13.16	26.79
$1,700	228.00	173.00	201.50	173.00	201.50	173.00	55.00	26.50	55.00	26.50	55.00	24.12	11.62	24.12	11.62	24.12
$1,800	247.00	193.00	221.50	193.00	221.50	193.00	54.00	25.50	54.00	25.50	54.00	21.86	10.32	21.86	10.32	21.86
$1,900	266.00	212.80	239.40	212.80	239.40	212.80	53.20	26.60	53.20	26.60	53.20	20.00	10.00	20.00	10.00	20.00
$2,000	285.00	228.00	256.50	228.00	256.50	228.00	57.00	28.50	57.00	28.50	57.00	20.00	10.00	20.00	10.00	20.00
$2,500	380.00	304.00	342.00	304.00	342.00	304.00	76.00	38.00	76.00	38.00	76.00	20.00	10.00	20.00	10.00	20.00
$3,000	484.50	387.60	436.05	387.60	436.05	387.60	96.90	48.45	96.90	48.45	96.90	20.00	10.00	20.00	10.00	20.00
$4,000	693.50	554.80	624.15	554.80	624.15	554.80	138.70	69.35	138.70	69.35	138.70	20.00	10.00	20.00	10.00	20.00
$5,000	921.50	737.20	829.35	737.20	829.35	737.20	184.30	92.15	184.30	92.15	184.30	20.00	10.00	20.00	10.00	20.00
$6,000	1,168.50	934.80	1,051.65	934.80	1,051.65	934.80	233.70	116.85	233.70	116.85	233.70	20.00	10.00	20.00	10.00	20.00
$7,000	1,434.50	1,147.60	1,291.05	1,147.60	1,291.05	1,147.60	286.90	143.45	286.90	143.45	286.90	20.00	10.00	20.00	10.00	20.00
$8,000	1,719.50	1,375.60	1,547.55	1,375.60	1,547.55	1,375.60	343.90	171.95	343.90	171.95	343.90	20.00	10.00	20.00	10.00	20.00
$9,000	2,023.50	1,618.80	1,821.15	1,618.80	1,821.15	1,618.80	404.70	202.35	404.70	202.35	404.70	20.00	10.00	20.00	10.00	20.00
$10,000	2,346.50	1,877.20	2,111.85	1,877.20	2,111.85	1,877.20	469.30	234.65	469.30	234.65	469.30	20.00	10.00	20.00	10.00	20.00
$11,000	2,688.50	2,150.80	2,419.65	2,150.80	2,419.65	2,150.80	537.70	268.85	537.70	268.85	537.70	20.00	10.00	20.00	10.00	20.00
$12,000	3,049.50	2,439.60	2,744.55	2,439.60	2,744.55	2,439.60	609.90	304.95	609.90	304.95	609.90	20.00	10.00	20.00	10.00	20.00
$13,000	3,434.25	2,747.40	3,090.83	2,747.40	3,090.83	2,747.40	686.85	343.42	686.85	343.42	686.85	20.00	10.00	20.00	10.00	20.00
$14,000	3,842.75	3,074.20	3,458.48	3,074.20	3,458.48	3,074.20	768.55	384.27	768.55	384.27	768.55	20.00	10.00	20.00	10.00	20.00
$15,000	4,270.25	3,416.20	3,843.23	3,416.20	3,843.23	3,416.20	854.05	427.02	854.05	427.02	854.05	20.00	10.00	20.00	10.00	20.00
$20,000	6,645.25	5,316.20	5,980.73	5,316.20	5,980.73	5,316.20	1,329.05	664.52	1,329.05	664.52	1,329.05	20.00	10.00	20.00	10.00	20.00
$25,000	9,362.25	7,489.80	8,426.03	7,489.80	8,426.03	7,489.80	1,872.45	936.22	1,872.45	936.22	1,872.45	20.00	10.00	20.00	10.00	20.00
$30,000	12,264.50	9,811.60	11,038.05	9,811.60	11,038.05	9,811.60	2,452.90	1,226.45	2,452.90	1,226.45	2,452.90	20.00	10.00	20.00	10.00	20.00
$40,000	18,425.25	14,740.20	16,582.73	14,740.20	16,582.73	14,740.20	3,685.05	1,842.52	3,685.05	1,842.52	3,685.05	20.00	10.00	20.00	10.00	20.00
$50,000	25,137.00	20,109.60	22,623.30	20,109.60	22,623.30	20,109.60	5,027.40	2,513.70	5,027.40	2,513.70	5,027.40	20.00	10.00	20.00	10.00	20.00
$60,000	32,247.75	25,798.20	29,022.98	25,798.20	29,022.98	25,798.20	6,449.55	3,224.77	6,449.55	3,224.77	6,449.55	20.00	10.00	20.00	10.00	20.00
$70,000	39,643.50	31,714.80	35,679.15	31,714.80	35,679.15	31,714.80	7,928.70	3,964.35	7,928.70	3,964.35	7,928.70	20.00	10.00	20.00	10.00	20.00
$80,000	47,324.25	37,859.40	42,591.83	37,859.40	42,591.83	37,859.40	9,464.85	4,732.42	9,464.85	4,732.42	9,464.85	20.00	10.00	20.00	10.00	20.00
$90,000	55,290.00	44,232.00	49,966.00	44,621.50	49,761.00	44,232.00	11,058.00	5,324.00	10,668.50	5,529.00	11,058.00	20.00	9.63	19.30	10.00	20.00
$100,000	63,540.75	50,832.60	57,608.80	51,634.64	57,186.67	50,832.60	12,708.15	5,931.95	11,906.11	6,354.08	12,708.15	20.00	9.34	18.74	10.00	20.00
$150,000	105,806.25	84,645.00	96,760.00	87,560.31	95,510.00	85,185.31	21,161.25	9,046.25	18,245.94	10,296.25	20,620.94	20.00	8.55	17.24	9.73	19.49
$200,000	148,551.50	118,841.20	136,355.60	123,893.78	135,105.60	121,518.78	29,710.30	12,195.90	24,657.72	13,445.90	27,032.72	20.00	8.21	16.60	9.05	18.20
$250,000	191,771.75	153,417.40	176,391.20	160,630.99	175,141.20	158,255.99	38,354.35	15,380.55	31,140.76	16,630.55	33,515.76	20.00	8.02	16.24	8.67	17.48
$300,000	234,996.75	187,997.40	216,431.20	197,372.24	215,181.20	194,997.24	46,999.35	18,565.55	37,624.51	19,815.55	39,999.51	20.00	7.90	16.01	8.43	17.02
$400,000	321,446.75	265,110.25	298,278.50	274,610.25	297,028.50	272,235.25	56,336.50	23,168.25	46,836.50	24,418.25	49,211.50	17.53	7.21	14.57	7.60	15.31
$500,000	407,896.75	342,460.25	380,178.50	351,960.25	378,928.50	349,585.25	65,436.50	27,718.25	55,936.50	28,968.25	58,311.50	16.04	6.80	13.71	7.10	14.30
$750,000	624,021.75	535,835.25	584,928.50	545,335.25	583,678.50	542,960.25	88,186.50	39,093.25	78,686.50	40,343.25	81,061.50	14.13	6.26	12.61	6.47	12.99
$1,000,000	840,146.75	729,210.25	789,678.50	738,710.25	788,428.50	736,335.25	110,936.50	50,468.25	101,436.50	51,718.25	103,811.50	13.20	6.01	12.07	6.16	12.36
$2,000,000	1,704,646.75	1,502,710.25	1,608,678.50	1,512,210.25	1,607,428.50	1,509,835.25	201,936.50	95,968.25	192,436.50	97,218.25	194,811.50	11.85	5.63	11.29	5.70	11.43
$5,000,000	4,275,000.00	3,823,210.25	4,050,000.00	3,825,000.00	4,050,000.00	3,825,000.00	451,789.75	225,000.00	450,000.00	225,000.00	450,000.00	10.53	5.26	10.53	5.26	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE IV.—*Comparison of individual income tax under present law, House bill, Senate bill, and conference report*

MARRIED PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax						Amount of tax reduction					Percent tax reduction				
			Senate bill		Conference report			Senate bill		Conference report			Senate bill		Conference report	
	Present law	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years
												Per cent	*Per cent*	*Per cent*	*Per cent*	*Per cent*
$1,000																
$1,200	$38.00	$26.60	$32.30	$26.60	$32.30	$26.60	$11.40	$5.70	$11.40	$5.70	$11.40	30.00	15.00	30.00	15.00	30.00
$1,500	95.00	66.50	80.75	66.50	80.75	66.50	28.50	14.25	28.50	14.25	28.50	30.00	15.00	30.00	15.00	30.00
$1,800	152.00	106.40	129.20	106.40	129.20	106.40	45.60	22.80	45.60	22.80	45.60	30.00	15.00	30.00	15.00	30.00
$2,000	190.00	133.00	161.50	133.00	161.50	133.00	57.00	28.50	57.00	28.50	57.00	30.00	15.00	30.00	15.00	30.00
$2,100	209.00	153.00	181.50	153.00	181.50	153.00	56.00	27.50	56.00	27.50	56.00	26.79	13.16	26.79	13.16	26.79
$2,200	228.00	173.00	201.50	173.00	201.50	173.00	55.00	26.50	55.00	26.50	55.00	24.12	11.62	24.12	11.62	24.12
$2,300	247.00	193.00	221.50	193.00	221.50	193.00	54.00	25.50	54.00	25.50	54.00	21.86	10.32	21.86	10.32	21.86
$2,400	266.00	212.80	239.40	212.80	239.40	212.80	53.20	26.60	53.20	26.60	53.20	20.00	10.00	20.00	10.00	20.00
$2,500	285.00	228.00	256.50	228.00	256.50	228.00	57.00	28.50	57.00	28.50	57.00	20.00	10.00	20.00	10.00	20.00
$3,000	380.00	304.00	342.00	304.00	342.00	304.00	76.00	38.00	76.00	38.00	76.00	20.00	10.00	20.00	10.00	20.00
$4,000	589.00	471.20	530.10	471.20	530.10	471.20	117.80	58.90	117.80	58.90	117.80	20.00	10.00	20.00	10.00	20.00
$5,000	798.00	638.40	718.20	638.40	718.20	638.40	159.60	79.80	159.60	79.80	159.60	20.00	10.00	20.00	10.00	20.00
$6,000	1,045.00	836.00	940.50	836.00	940.50	836.00	209.00	104.50	209.00	104.50	209.00	20.00	10.00	20.00	10.00	20.00
$7,000	1,292.00	1,033.60	1,162.80	1,033.60	1,162.80	1,033.60	258.40	129.20	258.40	129.20	258.40	20.00	10.00	20.00	10.00	20.00
$8,000	1,577.00	1,261.60	1,419.30	1,261.60	1,419.30	1,261.60	315.40	157.70	315.40	157.70	315.40	20.00	10.00	20.00	10.00	20.00
$9,000	1,862.00	1,489.60	1,675.80	1,489.60	1,675.80	1,489.60	372.40	186.20	372.40	186.20	372.40	20.00	10.00	20.00	10.00	20.00
$10,000	2,185.00	1,748.00	1,966.50	1,748.00	1,966.50	1,748.00	437.00	218.50	437.00	218.50	437.00	20.00	10.00	20.00	10.00	20.00
$11,000	2,508.00	2,006.40	2,257.20	2,006.40	2,257.20	2,006.40	501.60	250.80	501.60	250.80	501.60	20.00	10.00	20.00	10.00	20.00
$12,000	2,869.00	2,295.20	2,582.10	2,295.20	2,582.10	2,295.20	573.80	286.90	573.80	286.90	573.80	20.00	10.00	20.00	10.00	20.00
$13,000	3,230.00	2,584.00	2,907.00	2,584.00	2,907.00	2,584.00	646.00	323.00	646.00	323.00	646.00	20.00	10.00	20.00	10.00	20.00
$14,000	3,638.50	2,910.80	3,274.65	2,910.80	3,274.65	2,910.80	727.70	363.85	727.70	363.85	727.70	20.00	10.00	20.00	10.00	20.00
$15,000	4,047.00	3,237.60	3,642.30	3,237.60	3,642.30	3,237.60	809.40	404.70	809.40	404.70	809.40	20.00	10.00	20.00	10.00	20.00
$20,000	6,393.50	5,114.80	5,754.15	5,114.80	5,754.15	5,114.80	1,278.70	639.35	1,278.70	639.35	1,278.70	20.00	10.00	20.00	10.00	20.00
$25,000	9,082.00	7,265.60	8,173.80	7,265.60	8,173.80	7,265.60	1,816.40	908.20	1,816.40	908.20	1,816.40	20.00	10.00	20.00	10.00	20.00
$30,000	11,970.00	9,576.00	10,773.00	9,576.00	10,773.00	9,576.00	2,394.00	1,197.00	2,394.00	1,197.00	2,394.00	20.00	10.00	20.00	10.00	20.00
$40,000	18,097.50	14,478.00	16,287.75	14,478.00	16,287.75	14,478.00	3,619.50	1,809.75	3,619.50	1,809.75	3,619.50	20.00	10.00	20.00	10.00	20.00
$50,000	24,795.00	19,836.00	22,315.50	19,836.00	22,315.50	19,836.00	4,959.00	2,479.50	4,959.00	2,479.50	4,959.00	20.00	10.00	20.00	10.00	20.00
$60,000	31,891.50	25,513.20	28,702.35	25,513.20	28,702.35	25,513.20	6,378.30	3,189.15	6,378.30	3,189.15	6,378.30	20.00	10.00	20.00	10.00	20.00
$70,000	39,273.00	31,418.40	35,345.70	31,418.40	35,345.70	31,418.40	7,854.60	3,927.30	7,854.60	3,927.30	7,854.60	20.00	10.00	20.00	10.00	20.00
$80,000	46,939.50	37,551.60	42,245.55	37,551.60	42,245.55	37,551.60	9,387.90	4,693.95	9,387.90	4,693.95	9,387.90	20.00	10.00	20.00	10.00	20.00
$90,000	54,891.00	43,912.80	49,596.40	44,282.35	49,401.90	43,912.80	10,978.20	5,294.60	10,608.65	5,489.10	10,978.20	20.00	9.65	19.33	10.00	20.00
$100,000	63,127.50	50,502.00	57,226.00	51,283.38	56,814.75	50,502.00	12,625.50	5,901.50	11,844.12	6,312.75	12,625.50	20.00	9.35	18.76	10.00	20.00
$150,000	105,383.50	84,306.80	96,368.40	87,200.98	95,118.40	84,825.97	21,076.70	9,015.10	18,182.52	10,265.10	20,557.53	20.00	8.55	17.25	9.74	19.51
$200,000	148,124.00	118,499.20	135,959.60	123,530.40	134,709.60	121,155.40	29,624.80	12,164.40	24,593.60	13,414.40	26,968.60	20.00	8.21	16.60	9.06	18.21
$250,000	191,339.50	153,071.60	175,990.80	160,263.58	174,740.80	157,888.58	38,267.90	15,348.70	31,075.92	16,598.70	33,450.92	20.00	8.02	16.24	8.67	17.48
$300,000	234,564.50	187,651.60	216,030.80	197,004.83	214,780.80	194,629.83	46,912.90	18,533.70	37,559.67	19,783.70	39,934.67	20.00	7.90	16.01	8.43	17.03
$400,000	321,014.50	264,723.50	297,869.00	274,223.50	296,619.00	271,848.50	56,291.00	23,145.50	46,791.00	24,395.50	49,166.00	17.54	7.21	14.58	7.60	15.32
$500,000	407,464.50	342,073.50	379,769.00	351,573.50	378,519.00	349,198.50	65,391.00	27,695.50	55,891.00	28,945.50	58,266.00	16.05	6.80	13.72	7.10	14.30
$750,000	623,589.50	535,448.50	584,519.00	544,948.50	583,269.00	542,573.50	88,141.00	39,070.50	78,641.00	40,320.50	81,016.00	14.13	6.27	12.61	6.47	12.99
$1,000,000	839,714.50	728,823.50	789,269.00	738,323.50	788,019.00	735,948.50	110,891.00	50,445.50	101,391.00	51,695.50	103,766.00	13.21	6.01	12.07	6.16	12.36
$2,000,000	1,704,214.50	1,502,323.50	1,608,269.00	1,511,823.50	1,607,019.00	1,509,448.50	201,891.00	95,945.00	192,391.00	97,195.50	194,766.00	11.85	5.63	11.29	5.70	11.43
$5,000,000	4,275,000.00	3,822,823.50	4,050,000.00	3,825,000.00	4,050,000.00	3,825,000.00	452,176.50	225,000.00	450,000.00	225,000.00	450,000.00	10.58	5.26	10.53	5.26	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the distinguished gentleman from North Carolina.

Mr. DOUGHTON. Mr. Speaker, I was very much opposed to the retroactive provision in H. R. 1, which passed the House. That was one of the main reasons why I was opposed to the bill. A retroactive tax bill is much more difficult to administer, in the first place.

In the next place, it would have made it ineffective for half of the fiscal year 1947 and we would have lost something like $4,000,000,000. The retroactive provision is eliminated. The loss in revenue for 1947 will be about half the amount, as I understand it. In addition to that, it is my understanding that the estimate of the revenue receipts for the fiscal year 1948 are about two and one-half or three billion dollars more now than they were at the time H. R. 1 was passed in the House.

One reason why I was so strongly opposed to H. R. 1 was because I would not vote for any tax bill unless we were assured it would balance the budget, in the first place, and, second, that we could make a reasonable payment on the public debt. Then, if we could have tax reduction, very well.

Now the picture has changed. The revenue losses will be only about half as much. The revenue receipts will be two or three billion dollars more. So that I feel that inasmuch as the bill is not retroactive, and that the revenue receipts for the fiscal year 1948 will be two or three billion dollars more than were estimated, and that the loss on account of the retroactive feature will be only about half as much, I could support this conference report. Progress seems to be being made as far as reducing the President's budget is concerned.

So I feel now that we can balance the budget, that we can make a reasonable payment on the debt, and for those reasons I signed the conference report and shall vote for it. I would not have signed the conference report, however, if it had contained all the provisions in the House bill.

Mr. KNUTSON. The distinguished gentleman from North Carolina is always consistent, always helpful, and very cooperative.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. DONDERO. In the discussion that was had recently the question was asked: Suppose a man makes $10,000 in the last 6 months of 1947, but made nothing in the first 6 months of 1947, will the new rate apply to his entire income for the year or will it be divided one half at the old rate and one half at the new rate?

Mr. KNUTSON. He would compute the income tax for the entire year and apply approximately one-half of the House reduction. That is really what it amounts to, as I understand.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. FORAND. Is not this the first step in the move to shift the burden of taxation from the backs of the big taxpayers to the backs of the little people?

Mr. KNUTSON. I do not so consider it at all.

Mr. FORAND. Is it not a fact that as a result of this bill as now written 4 percent of the taxpayers will get 36 percent of the relief?

Mr. KNUTSON. No; that is not correct. The gentleman knows as well as I that 64 percent of the income dollar goes to those receiving $5,000 or less a year.

Mr. FORAND. The gentleman is evading my question. Is it not a fact

that 4 percent of the taxpayers get 36 percent of the relief of this bill?

Mr. KNUTSON. I do not figure that out.

Mr. FORAND. May I go just one step further, Mr. Speaker, and ask another question? I said this was the first step to shift the burden of taxation. According to the gentleman's own statement when a witness appeared before our committee last week pleading for the removal of the excise tax on coal the chairman stated that it was the intent of the committee to shift the burden of taxation from income taxes to excise taxes.

Mr. KNUTSON. No; that is not the way the chairman stated it at all, and it is unfortunate that the gentleman from Rhode Island should have received that impression. What the chairman did say in effect was that at the present time we derived 75 percent of our revenue from income taxes, which is all well and good as long as business is booming and everybody is making money, but once we get into a recession the income tax is going to be wholly inadequate as a source of revenue and we must therefore find new sources of revenue.

Mr. FORAND. And therefore we are going into excise taxes on a larger scale, which means that the excise taxes are paid by the little taxpayers of this country, the little people, the people of low incomes.

Mr. KNUTSON. The little people have been let out.

Mr. FORAND. They have what?

Mr. KNUTSON. They have been let out.

Mr. FORAND. They have been let out?

Mr. KNUTSON. Yes.

Mr. FORAND. That is not the way I read it.

Mr. KNUTSON. Well, I know; the gentleman does not want to read it right.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. CURTIS. In connection with what the gentleman from Rhode Island said, I believe it should be pointed out that the bill as written by the House and as it comes from the conference committee enhances the relative position of the low income tax groups.

Mr. KNUTSON. Certainly it does.

Mr. CURTIS. Had a straight-across-the-board reduction been made, whether it be 10 percent, or 15 or 20 percent, the man with the small income, after that was applied, would pay the same proportion of tax as the man with the large income, they would still be in the same relative position if it were applied across the board.

Mr. KNUTSON. That is what some of them object to.

Mr. CURTIS. This was varied to such an extent that the lower income tax brackets get the higher percentage. They start out at 30 percent. In other words, the individual with a net taxable income of a thousand dollars pays less taxes proportionately now than he did before this bill?

Mr. KNUTSON. There is no question about that.

Mr. CURTIS. The relation of his tax to the tax of the wealthy man is in a much better position?

Mr. KNUTSON. Yes. The gentleman from Rhode Island said this is the first step in a certain direction. It is the first step back to sanity in taxation.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Rhode Island.

Mr. FORAND. Can the chairman of the Committee on Ways and Means or any Member of this House deny the fact that a widow with an income of $600 a year will get relief of 10 cents a week, but if that widow is fortunate enough to have an income of $10,000 she will have a far greater relief, better than $9 a week?

Mr. KNUTSON. I do not know.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from California.

Mr. GEARHART. The gentleman from Rhode Island should bear in mind that under the Democratic tax-reduction bill of 1945 that same widow would have gotten only a 5-cent reduction.

Mr. KNUTSON. Money went farther in those days.

Now, let us not get into politics. I want this thing discussed on its merits. I have tried to avoid politics and I hope all the other Members will do likewise.

Mr. Speaker, I now yield 7 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, H. R. 1 will live long in the annals of tax perfidy. It will be known for its betrayal of millions of small needy taxpayers. There is no difference between this conference bill and the iniquitous bill originally passed by the House. In fact, as the bill now stands, the neediest taxpayers who were granted a crumb of relief by the House version of H. R. 1 now receive only half a crumb for 1947. The bill still leaves the lion's share of tax reduction to the wealthy. Have no illusions—the people are going to know just how much it favors the rich against the poor. You cannot hide the fact, despite the earnest efforts to camouflage the Knutson 20-percent across-the-board plan, that the little man with the big family who now pays a hundred dollars of tax will save, under this bill, the magnificent sum of $15 in 1947. The man who pays $1,000 in tax will save, under this bill, exactly the sum of $100, or 6⅔ times as much. The man who nows pays $10,000 in tax will save, under this bill, the sum of $1,000 or 66⅔ times as much. The man who now pays $100,000 in tax will save, under this bill, a mere $10,000, or 666⅔ times as much. The man who now pays a million dollars in tax will save, under this bill, approximately $75,000, or 5,000 times as much.

No, Mr. Speaker, it is readily apparent that these tax savings, which are multiplied by two for 1948 and subsequent tax years, are a deliberate windfall for the well-to-do.

Yet I do not know why I should appear surprised at this turn of events. Long ago we learned what could be expected from the Mellon-minded Republicans on tax matters. However, H. R. 1 is quite a contrast from the concern expressed by the unanimous Republican membership of the Committee on Ways and Means in their minority report on the tax-adjustment bill of 1945. In that report, Mr. Speaker, concern was expressed for the low-income groups—the school teachers, clergymen, shop keepers, sales people, bookkeepers, barbers, clerks, and other relatively fixed low-income groups. The then minority asserted that the "successful solution of our entire reconversion problem will very largely depend upon the resources of this particular segment of the taxpaying public. Within this group we find the bulk of the American market for the products of agriculture and industry, not to mention the sources of capital used in the production of agricultural and manufactured goods and maintenance of essential services. If tax demands continue for too long to empty the pockets of these citizens, the results can be serious on a broad scale."

This element of taxpayers in the low income groups is forgotten by the majority as they enact H. R. 1. In providing a huge windfall to stimulate the managerial incentive and venture capital of the upper bracket taxpayer, the majority overlook the dire need of the lowest income taxpayers under a $500 personal exemption.

What a gross fraud has now been perpetrated upon the American people, and particularly these low-income groups. In contrast with the Revenue Act of 1945 which dropped 3,500,000 of the most needy taxpayers from the rolls, H. R. 1 leaves everyone on the rolls but a few elderly people.

You will recall, Mr. Speaker, that many of us were concerned about the bill continuing the wartime excise tax rates, which was passed by the Congress earlier this session. At that time we feared that an attempt would be made to keep these war-time sales taxes on a permanent basis. Industry representatives, however, who had no opportunity to be heard before the Committee on Ways and Means, and consumers groups privately were assured that such was not the case—that the war-time rates were simply being extended to permit the Congress to make a comprehensive review of the internal revenue laws. Last Wednesday, however, the gentleman from Minnesota [Mr. KNUTSON] made the following statement to a witness before your committee:

> It is the hope of the committee to be able to shift much of the burden that is now being carried by the income tax group, which includes almost everyone, over to the excises, at least in part.

And he said:

> Obviously, if we are going to extend the excise field we will have to include a great many items that are not now included. It is the thought of the committee that perhaps the revenue derived from excises should be set aside into a fund that could be called the war retirement tax fund.

Mr. Speaker, the President has advised that now is the time for debt retirement. The gentleman from Minne-

sota [Mr. KNUTSON] offers instead the Republican program for tax reduction. He would enact a host of sales taxes to provide the wind-falls to the rich so generously granted by H. R. 1.

Does the Republican Party accept this leadership? Do they think they can get away with replacing a graduated income tax based upon ability to pay with regressive sales taxes?

Mr. Speaker, even at this late stage this diabolical scheme should be stopped. It is far worse at its best than the bastard Mellon tax plan of 1924 which died in shame at the hands of Jack Garner and his courageous Democratic colleagues on the Committee on Ways and Means at that time. The conference report on H. R. 1 should not be approved, but should be allowed to die—just as the report on the legislative budget has been allowed to die in conference.

It will require no scrutiny, Mr. Speaker, to convince the President that this bill is vicious in its favoritism, and that it ought to be voted. An equitable tax bill, giving fair and broad relief, might be passed in view of the favorable increased revenues and a reduction of expenditures, but that does not mean H. R. 1 as presented to the House under this conference report.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, there are so many impelling reasons why this conference report on H. R. 1 should not be adopted that I shall be able only to list them. Because of the necessity for brevity a full discussion of the facts in support of each point is impossible at this time. But the legislative history of H. R. 1 and the data supplied by our technical staffs lead me to the following conclusions:

First. Now is the time for debt retirement, not tax reduction: The estimates of revenue receipts for fiscal 1947 and fiscal 1948 made by the staff of the Joint Committee on Internal Revenue Taxation, it is true, are higher than the estimates made by the Treasury. If the joint staff estimates are correct, they seem to forecast a continuation of relatively high levels of national income through 1948. Now these estimates of continued prosperity lead me to repeat, if we cannot begin substantial debt retirement now in times of record national income, when on earth will we be able to begin?

Second. The prospect for substantial appropriations cuts are, if anything, worse than when H. R. 1 was originally considered by the House: At that time the Republican leaders promised a reduction in the President's budget of four and one-half to six billion dollars, but the chairman of the Committee on Ways and Means conceded the other day what we all, of course, already knew—that neither of the goals can be attained. Who can now predict at this time what the cost of our foreign policy will be? Indeed, the majority are beginning already to crow about a reduction of two and eight-tenths billions, of which one and four-tenths billions are, at best, illusory paper transactions. In my opinion, Mr. Speaker, the $800,000,000 cut in the appropriation for tax refunds and the $600,000,000 transfer from 1948 to 1947 for the Commodity Credit Corporation are a frantic effort to cover up the inability of the majority to provide even what they consider to be a safe margin for tax reduction now. Indeed, I am advised that since the Commodity Credit item appeared as both a debit and credit in the President's budget, the transfer of this item to 1947 does not alter the 1948 total of expenditures and receipts. I have asked Budget Director Webb to verify in writing my information that this is nothing more than an offsetting bookkeeping transaction.

Third. The people do not want tax reduction at the expense of debt retirement: If ever there was a subject that should be treated as a nonpartisan issue, it is the formulation of a sound fiscal policy. But if the majority cannot find such a high motive for abandoning H. R. 1, they should do so in their own political self-interest. The rash Republican campaign promise of 20-percent tax reduction should be remembered only as a vote-getting device. According to the recent Gallup poll, only 38 percent of the people would give priority to tax reduction over debt retirement.

Fourth. I charge that the Republican plan is to substitute sales taxes to replace the revenue lost by H. R. 1: Have the majority considered Mr. Speaker, what the people are going to think of their continuing by an act of this session of Congress the wartime excise tax rates in order to be able to reduce income taxes, chiefly favoring the upper brackets? Excise taxes are sales taxes and are known to be regressive. The graduated income tax is the accepted standard of ability to pay. Yet I could hardly believe my ears the other day during a session of the Committee on Ways and Means when the chairman announced the intention of the Republicans to find new sources of revenue—new excise taxes—thus shifting much of the burden that is now being carried by the income-tax group to the excises. Mr. Speaker, if the gentleman from Minnesota wants to run on a platform in 1948 of substituting sales taxes for the income tax, I predict that his chairmanship of the Committee on Ways and Means is endangered.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. That statement is neither factual nor fair. The chairman of the committee has explored the excise field with the view of seeing what could be developed there to supplement the shrinking revenues that will come from the income-tax source once times become hard.

Mr. EBERHARTER. That bears out my statement absolutely. The gentleman favors a reduction of the income tax right now, and at the same time he is looking for a place to impose additional excise or sales taxes. That bears out exactly what I said.

Mr. KNUTSON. Not necessarily. The Chair is exploring the field for getting additional taxes.

Mr. EBERHARTER. The gentleman favors an income tax reduction now, yet at the same time he is looking for new places to levy sales or excise taxes.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to my colleague on the committee.

Mr. FORAND. That is the very point I made in my few remarks with the chairman a few minutes ago. Now I will quote from the printed hearings. The chairman is addressing a witness, Mr. Newbold:

> The CHAIRMAN. Mr. Newbold, of course, we realize that the 4-cents-per-ton tax imposed on coal is discriminatory. Would you object to the tax, if it were extended to cover competing fuels, such as gas and electricity? Of course, we have two kinds of electricity, one that is generated with coal, which would pay the tax, and electricity that it generated by water power. My purpose in asking the question is this. We are now undertaking a revision of the tax code. It is the hope of the committee to be able to shift much of the burden that is now being carried by the income-tax group, which includes almost everyone, over to the excises at least in part, because the income tax is not a reliable source of income in times of depression or recession.

Mr. EBERHARTER. Fifty. Many overdue technical revisions of the Internal Revenue Code will have to be postponed if H. R. 1 becomes law. We should not waste our opportunity to develop a sound permanent peacetime tax structure.

Sixth. H. R. 1 discriminates against low-income taxpayers: This bill is an infinitely more inequitable tax bill than the Revenue Act of 1943, which President Roosevelt termed "tax relief for the greedy, not for the needy." There can be no dispute of the fact that less than 4 percent of the taxpayers, those with incomes in excess of $5,000 receive 36 percent of the tax reduction under H. R. 1, while the remaining 96 percent, the low-income taxpayers, and these hard-pressed people now total nearly 48,000,000—will divide what is left. Or, let us put it in terms of take-home pay, something that everyone can understand. All these percentages mean little to anyone but a tax expert. However, Mr. Speaker, I think the working people of my district and my State will know what the Republican Party stands for when they learn that the $300,000 man is given an increase in take-home pay, after taxes, of more than 60 percent, while the man under $5,000 receives less than a 5-percent increase in take-home pay. The current 15 cents an hour wage increases seem like small change when compared with the windfall of $19 an hour increase

in take-home pay which the $300,000 man receives under this tax bill. I think each Member of the House should realize the number of people to whom he is voting this special tax bonus of 60 percent, if he votes for adoption of this conference report. State by State, Mr. Speaker, the number of persons who will receive this generous sum are:

Number of taxpayers, by State and by size of net income

[Estimates for 1947 based on 1943 distribution, by State and classes]

States and Territories	Total	Under $5,000	$5,000, under $10,000	$10,000, under $25,000	$25,000, under $50,000	$50,000, under $100,000	$100,000, under $300,000	$300,000 and over
1. Alabama	585,959	570,982	9,128	4,420	992	347	84	6
2. Alaska	183,021	177,847	3,043	1,693	304	111	19	4
3. Arizona	294,386	276,131	4,958	2,586	516	147	48	
4. Arkansas	3,993,181	3,833,067	99,843	46,127	9,918	3,201	937	88
5. California	375,413	360,374	9,691	4,279	759	216	78	16
6. Colorado	899,863	856,473	29,525	10,438	2,317	814	250	46
7. Connecticut	108,715	102,964	3,493	1,599	364	167	90	38
8. Delaware	392,731	374,414	12,283	4,514	1,083	327	102	8
9. District of Columbia	612,074	585,023	16,115	8,229	1,892	582	191	42
10. Florida	686,480	664,586	12,959	6,771	1,538	464	152	10
11. Georgia	173,160	163,806	6,526	2,022	506	186	40	4
12. Hawaii	173,059	168,486	3,155	1,223	152	33	10	
13. Idaho	3,448,219	3,308,887	89,250	37,992	8,400	2,757	809	124
14. Illinois	1,323,532	1,287,050	24,792	9,216	1,771	520	163	20
15. Indiana	831,683	800,311	23,890	6,301	891	239	41	10
16. Iowa	586,981	566,302	14,199	5,360	830	213	71	6
17. Kansas	603,559	589,703	8,564	4,138	810	249	75	20
18. Kentucky	611,760	594,383	10,593	5,266	1,032	363	115	8
19. Louisiana	293,967	285,491	5,635	2,304	405	101	29	2
20. Maine	937,258	898,595	26,595	9,216	1,953	667	206	26
21. Maryland	1,921,114	1,853,351	42,710	19,090	4,271	1,308	358	26
22. Massachusetts	2,275,038	2,166,923	78,432	22,570	4,777	1,691	583	62
23. Michigan	972,421	945,396	18,481	6,677	1,346	402	119	
24. Minnesota	247,988	238,689	5,409	3,150	597	108	35	
25. Mississippi	1,234,644	1,198,126	22,200	10,956	2,429	716	193	24
26. Missouri	180,120	173,167	5,071	1,646	192	29	11	4
27. Montana	437,206	421,216	11,156	3,997	658	150	25	4
28. Nebraska	77,132	74,883	1,352	658	152	59	22	6
29. Nevada	186,615	182,527	2,705	1,081	213	69	20	
30. New Hampshire	1,925,792	1,848,671	51,950	19,795	3,755	1,210	377	34
31. New Jersey	115,764	112,324	2,141	1,081	152	52	12	2
32. New Mexico	5,867,636	5,611,536	155,963	73,257	18,095	6,269	2,183	333
33. New York	747,443	730,108	10,255	5,360	1,194	379	119	28
34. North Carolina	174,318	168,486	4,508	1,176	132	13	3	
35. North Dakota	2,999,262	2,892,351	72,685	26,237	5,576	1,763	564	86
36. Ohio	510,408	496,099	9,353	3,903	708	268	71	6
37. Oklahoma	513,446	491,419	14,312	5,925	1,245	402	131	12
38. Oregon	3,684,045	3,570,977	71,445	30,563	7,448	2,636	840	136
39. Pennsylvania	318,807	308,892	5,973	2,868	729	239	102	4
40. Rhode Island	373,120	365,054	5,071	2,398	425	134	38	
41. South Carolina	149,450	145,086	3,268	940	121	29	6	
42. South Dakota	687,849	669,266	11,269	5,501	1,235	435	125	18
43. Tennessee	1,919,647	1,862,712	33,256	18,009	3,886	1,167	413	104
44. Texas	211,434	205,928	3,606	1,505	304	72	19	
45. Utah	100,780	98,284	1,690	658	101	29	18	
46. Vermont	792,588	767,550	16,565	6,771	1,225	350	115	12
47. Virginia	1,046,793	1,015,599	20,397	8,511	1,639	491	144	12
48. Washington (includes Alaska)	497,180	486,739	6,874	2,868	546	121	32	
49. West Virginia	1,183,854	1,151,324	22,087	8,464	1,488	383	100	8
50. Wisconsin	87,669	84,243	2,366	893	132	23	10	2
51. Wyoming								
Total	48,544,504	46,801,801	1,126,897	470,202	101,204	32,701	10,298	1,401
	48,544.6	46,801.8	1,126.9	470.2	101.2	32.7	10.3	1.4

In all, Mr. Speaker, a total of only 1,401 taxpayers in all the States of the Union and the Territories are so generously provided for. And against these 1,401, balance the interests of the 49,000,000 who must assume their burden of eventual debt retirement if H. R. 1 should become law. This conference bill would actually restore the upper-bracket taxpayers practically to the pre-war-tax level. In fact, Mr. Speaker, the original 20-percent across-the-board plan would have reduced the taxes paid by the very wealthy below the 1939 level. In contrast, however, the taxpayers with incomes below $5,000 will, under this bill, still pay several hundred percent as much as their prewar tax. Need I remind you that personal exemptions in 1939 were $2,500 for a married couple and $1,000 for a single person? And we all know that the millions of young people who fought the war are largely in the brackets under $5,000, where the personal exemptions means so much. Must these veterans who fought the war now come home to pay, not only their share of the financial cost—this $258,000,000,000 debt—but the share of the upper-bracket taxpayers as well? That is precisely what will happen if H. R. 1 becomes law.

Seventh. Proponents of the bill have abandoned the pretense that it is based upon the concept of ability to pay: The majority report of the Committee on Ways and Means of the House devoted nearly a page in an effort to try to justify this "rich relief" bill on the ground that present standards of ability to pay were being retained. I think it is significant that the majority report of the Finance Committee of the other body says not one word about ability to pay.

Eighth. The stimulation of managerial incentives and the investment of venture capital should not receive a higher priority than the purchase of the necessities of life: Throughout the reports and debates on this bill we find Republicans emphasizing the need for stimulating managerial incentive and investment capital. But, Mr. Speaker, how about offering a little incentive to the workingman with $2,500 net income who is trying to keep his wife and two kids from want under present Republican National Association of Manufacturers' price levels? Moreover, according to the House majority report on H. R. 1, more than one-third of the income of the $300,000 man who is supposed to contribute so much venture capital is now taxable at a maximum rate of only 25 percent. This is the result of present capital-gains-tax limitations, provided the taxpayer has the courage to leave his money invested for 6 months. How much greater tax incentive must he have? There must have been plenty of incentive for the number of $100,000-a-year men to increase from 2,921 in 1939 to 9,018 in 1947. The same incentives which caused this increase would still remain without the passage of H. R. 1.

Ninth. The special tax exemption for the aged is a sad acknowledgment of our failure to establish an adequate system of social security: I can assure the majority that the indiscriminate allowance of a special exemption, whether needed by an aged person or not, will not be accepted as a satisfactory solution of the financial insecurity of old people. Many old folks are not covered under the present social-security system, and many do not earn enough to receive any tax benefit under H. R. 1. How much better would it have been for the Committee on Ways and Means to have kept its promise to the aged by making expansion and liberalization of the social-security system the first order of business of the Eightieth Congress.

Tenth. H. R. 1 presents administrative and compliance problems: In this respect, the conference bill is worse than the bill passed by the House. The flat 20 percent across the board has degenerated to the point that two sets of tables, each with five brackets, are required. I suggest that you look at page 6196 of the RECORD for May 29. There you will see how complex this simple matter of a 20-percent tax cut has become. If a tax cut embodying all the inequities of H. R. 1 is to be enacted, then surely the same results can be achieved through adjustment of the surtax brackets and surtax tables. Yet the only reason given by the majority for following their own system of percentage reduction is that it is "more readily understood by the public." Note, however, that the figure 20 percent does not appear even once in the conference amendments. I predict that H. R. 1 will force many smaller taxpayers next March 15 for the first time to seek counsel on how best to compute their income tax liabilities. Congress claimed, and perhaps deserved, great credit for the simplification of the tax structure, but this bill now piles complexity upon complexity to the filing of a tax return. Taxpayers still may elect to use the simplified form, but they will do so ordinarily after computing the tax both ways—with the resulting headaches caused by H. R. 1.

These are not all the reasons why H. R. 1 should not become law. But I must stop. It would be wonderful if we could have all the blessings of democratic government without cost. But if we must have taxes, let them be imposed as simply as possible and upon the ability-to-pay principle. And if the Congress is going to depart from the principle of ability to pay, let it be done honestly and openly, and let there be no pretense about it. Taxation we must have, Mr. Speaker; but, if I may borrow from the recent Denver speech of the senior Senator from Illinois, let it by all means be "taxation without misrepresentation."

Mr. Speaker, I have a table here which shows the inequity of this tax bill, and I ask unanimous consent to revise and extend my remarks and include this table in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I hardly know whether it is worth while to correct some of the misstatements made by the preceding speaker.

Mr. FERNANDEZ. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. FERNANDEZ. Can the distinguished chairman tell us what will be the over-all reduction in revenue for this calendar year under the bill as agreed to by the conference committee?

Mr. KNUTSON. It will be about $1,700,000,000 for this year and $4,000,000,000 next year. Of that amount, 64 percent will go to those receiving $5,000 and less. To hear some of the preceding speakers, one would be led to believe that this bill is designed to give relief to the rich. Well, they are simply confused in their facts. The reverse is the case. We are giving 30 percent reduction to those in the low-income bracket, 20 percent up to $137,000, and 15 percent between $137,000 and $302,000, and only 10½ percent on incomes above $302,000, hence it will be seen the statements made by the preceding speakers fall of their own weight.

Mr. REED of New York. Mr. Speaker, the final action on H. R. 1 will be taken here today when the conference report is adopted. I realize that this is probably the best result that can be obtained at this time. Naturally, I have been in favor of H. R. 1 as it left the House in the first instance. The change from January 1 to July 1, 1947, is not in accord with my views, but inasmuch as almost all legislation is a matter of compromise I believe that the conferees on the part of the House did all that they could do to relieve the taxpayers of any portion of their tax in 1947. Personally, I believe that it would be much better for the country if H. R. 1 as the House enacted it could have been put into effect, because it would not only relieve the taxpayers from a terrific burden but it would release venture capital and thus provide an incentive for new enterprise with ever increasing pay rolls.

I want to call attention to a fact that must not be overlooked in adopting tax legislation. I refer to the importance of furnishing more jobs and more pay rolls to provide opportunity for the ever increasing flow coming from our high schools and colleges. I shall only take one instance which shows the constant need for an increase in the development of new enterprise. I note in Sunday's paper that there are 29,000 students in Minnesota University. When it is considered that our universities all over the United States are bulging with students and that an army of students will enter the business and professional and industrial world, it is highly important that new enterprise be developed to absorb this great mass of young people. Then there are the boys and girls graduating from schools all over this land they, too, must find their place in private enterprise if this country is to expand.

I was very much impressed with the statement made by H. W. Prentis, Jr., president of the Armstrong Cork Co., Lancaster, Pa., in an address delivered on November 20, 1946, before the one hundred and fifty-eighth dinner of the Economic Club of New York.

I take pleasure in quoting from his reremarks under the heading "Present taxes discourage individual initiative":

Here are three married men—each with two children—residing in New York. The first earns $10,000 a year; spends $7,750 for living expenses; pays $1,825 in Federal and State income taxes; and saves $425 per annum. The second receives $15,000 a year; spends $10,200 for his family's living; pays $3,585 in income taxes; puts aside $1,215 per annum. The third enjoys earnings of $20,000; spends $11,950 for living expenses; pays $5,745 in income taxes; and saves $2,305 per annum. Living costs in each case have been carefully estimated item by item.

If the $10,000 man invests his entire annual savings of $435 regularly every year with compound interest at 2½ percent, it will take him 36 years to accumulate enough to leave his family a net estate of $20,000—after paying modest funeral and legal expenses and the New York estate tax of approximately $200. If the $15,000 man invested all his yearly savings with compound interest at 2½ percent, he would have to work 34 years to provide a net estate of a little over $50,000 for his widow; the $20,000 man, 37 years to leave approximately $100,000 to his dependdents. Note too that all three of these men, if they died at 65, would have had to reach their maximum earning levels at the comparatively early ages of 29, 31 and 28 years respectively—a situation which would be the exception rather than the rule. No provision for life insurance was made in any of these cases so that all would remain on the same comparative basis. Invested at 3 percent, the first man's widow would receive the munificent annual income of $600; the second's, $1,500; the third's, $3,000—all subject to income taxes at prevailing rates.

Now one of the finest instincts of a normal man is his desire to provide for the future security of himself and his family. Hence, the present tax laws, which strike at the very roots of personal incentive, should rightly be a matter of deep concern to every thoughtful American. People generally do not realize what has been done to them in the past 10 years. With income and estate taxes and interest rates at their present levels, it is virtually impossible—as these figures show—for a young man starting at scratch to accumulate a competency for his old age and that of his family after he is gone. The present personal income taxes, corporate taxes, the capital gains tax and the ever-present threat of taxes on accumulated surplus combine to encourage the integration of existing, closely held family enterprises with larger corporations, and simultaneously make the development of similar small businesses in the future a well-nigh insurmountable task. So all that even an exceptionally able man with no inherited capital behind him can look forward to in America tomorrow is perhaps a little more than the pittance provided by the Federal old-age pension system. We should never forget that, while the welfare of the so-called common man is of vital importance, it is only through the initiative and ingenuity of the uncommonly gifted individual that the general well-being can be further advanced.

The bill as agreed upon in conference brings some relief to all classes of tax-burdened people and it does release some money in the way of venture capital, but it does not in my opinion go far enough in respect to either of these important factors.

I am hoping to see the long range tax bill, upon which hearings are now being held, solve a multitude of problems which have long been delayed because of the war and unlimited spending; even prior to the war.

We must not overlook the investment required to create a job. Pay rolls require a vast investment in each individual worker's job. It is easy to demagogue on a tax measure, but to do so is dangerous to free enterprise.

I insert some realistic information relating to jobs:

A study by the Twentieth Century Fund estimates that aggregate investment of new capital in commerce and industry, transportation, urban development and rural development may exceed $280,000,000,000 in the next 15 years, exceeding $18,000,000,000 annually.

The Chamber of Commerce of Gastonia, N. C., and the Chamber of Commerce of the United States recently cooperated in a case

study of "Investment Per Job" in that community. This survey revealed an average investment in fixed and working capital per worker in Gastonia manufacturing industries of $8,000 in food processing; $3,941 in apparel and finished products; $3,850 in beverage bottling and $2,179 in textile mills. In distribution and service industries, the investment per job varied from $45,762 for cotton merchants; $9,000 in warehouses; $8,385 in furniture, and $7,200 in automobile repair to $2,357 in barber shops and $1,567 in cleaning shops.

THE CONFERENCE BILL—H. R. 1—AMOUNT OF TAX REDUCTION

The aggregate full year income-tax reduction granted individuals by the Knutson bill, H. R. 1, as agreed to in conference, is substantially the same as it would have been under the House bill, $4,000,000,000. For the calendar year 1947, the reduction agreed to by the conferees is approximately $2,000,000,000. And for all except about 4,750 taxpayers, the reduction for 1948 in the individual case will be the same under the conference bill as it would have been under the House bill.

THE EFFECTIVE DATE OF THE REDUCTION

The effective date, so to speak, of the reduction under the conference bill is 6 months later than under the House bill. As the measure was passed by the House, the reduction dated back to the beginning of the year 1947. In the Senate it was postponed, in effect, to the middle of the year and the change was adopted by the conferees. This action does not mean that the taxable year 1947 will be divided into two taxable years or that the tax liability for the year will be affected by which half the income is received or accrued in. The postponement of the reduction for a half year is expressed in terms of a decrease in its first-year amount by one-half.

I have said that the aggregate full year tax reduction agreed to in conference is substantially the same as under the House bill and that for all but about 4,750 taxpayers the reduction for each is the same as it would have been under the House bill.

The difference lies in the surtax net income band between $1,400 and $302,400. The Senate and conference bills subdivided this into two bands. The Senate bill fixed the line of separation at $79,700 of surtax net income.

The conference bill fixed it at approximately $136,700. The lower band in each case was given a 20-percent reduction in tax; the higher, a reduction of 15 percent. The reduction under the House bill was 20 percent throughout.

THE 20-PERCENT-REDUCTION BAND

As has just been stated, the House bill granted a 20-percent reduction to surtax net incomes between $1,400 and $302,400, representing the range of tentative tax liability—before reduction—between $279.17 and $250,000.

The conferees lowered the upper limit of this band to approximately $136,700 of surtax net income—on which the existing tentative tax is $100,000. The Senate had lowered it to approximately $79,700—on which the existing tentative tax is $50,000.

THE 15-PERCENT-REDUCTION BAND

This percentage of reduction is new under the Senate and the conference bills. It applies to an area carved out of the upper part of 20-percent-reduction area of the House bill. Its higher limit, both in the Senate and conference bills, was $302,400 of surtax net income—the upper limit of the 20-percent area in the House bill. Its lower limit, as agreed to in conference, is $136,700 of surtax net income. Under the Senate bill it was $79,700.

THE 30- AND 10½-PERCENT-REDUCTION BANDS

The width of neither the 30-percent nor the 10½-percent reduction band of the House bill was changed by the Senate and was not, therefore, in conference. The same is true of the marginal band between $1,000 and $1,400 of surtax net income, where the reduction moves downward from a high of 30 percent to a low of 20 percent.

REVENUE EFFECT

The effect of the conference action in dividing the 20-percent-reduction zone is an estimated decrease of $63,000,000 in the aggregate reduction for all taxpayers. Under the Senate bill, the estimated decrease was $76,000,000. The number of taxpayers affected by the conference agreement, as I have stated, will probably be about 4,750.

ADDITIONAL EXEMPTION FOR INDIVIDUALS AGED 65 YEARS OR OVER

The House bill allowed an additional exemption of $500 in the form of a credit against net income, for both normal and surtax purposes, for individuals aged 65 years or more at the end of the taxable year. In the case of a joint return, only one such credit was to be allowed unless the husband and wife had each reached the age of 65 and each had a gross income of $500 or over. Moreover, the credit was to be applied in reduction of the aggregate of certain amounts, otherwise wholly excludible from gross income, received as pensions, annuities, retirement pay, old age and survivors benefits, or similar payments. The conferees accepted the Senate changes eliminating this affect and allowing the additional exemptions to each of the spouses making a joint return if the age of each is 65 or more, regardless of the amount of the gross income. And in the case of a separate return by husband or wife, the other having no gross income, the conferees accepted the Senate amendment allowing the taxpayer an additional exemption of $500 for himself and one of like amount for his wife. Related amendments harmonize the tax withholding provisions with these provisions affecting the tax liability.

This liberalization of the provisions governing the additional exemption of $500 for aged individuals will further decrease the revenue only by an estimated $50,000,000.

FISCAL YEARS

The diminished tax reduction agreed to in conference for the year 1947 required amplification of the fiscal year provisions of the House bill. Since the House bill made the full reduction effective January 1, 1947, there was need only for prorating provisions covering taxable years beginning in 1946 and ending in 1947. The decreased reduction for 1947 in the conference bill requires fiscal year provisions covering not only taxable years beginning in 1946 and ending in 1947, but also those beginning in 1947 and ending in 1948.

Mr. KNUTSON. Mr. Speaker, in order to conserve time, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. ALLEN of Illinois. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 220, nays 99, answered "present" 1, not voting 109, as follows:

[Roll No. 69]

YEAS—220

Allen, Calif.	Gamble	Murray, Tenn.
Allen, Ill.	Gathings	Murray, Wis.
Allen, La.	Gavin	Nixon
Anderson, Calif.	Gearhart	Nodar
Andresen, August H.	Gillie	Norblad
Andrews, N. Y.	Graham	Norrell
Angell	Grant, Ind.	O'Hara
Arends	Griffiths	O'Konski
Arnold	Gross	Owens
Auchincloss	Gwinn, N. Y.	Passman
Banta	Gwynne, Iowa	Philbin
Bates, Mass.	Hale	Phillips, Calif.
Beall	Hall, Edwin Arthur	Phillips, Tenn.
Bender	Hall, Leonard W.	Ploeser
Bennett, Mich.	Halleck	Plumley
Bennett, Mo.	Hébert	Potts
Bishop	Hedrick	Poulson
Blackney	Herter	Ramey
Boggs, Del.	Heselton	Rankin
Bolton	Hinshaw	Redden
Bonner	Hoeven	Reed, Ill.
Boykin	Hoffman	Reed, N. Y.
Bradley	Hope	Reeves
Bramblett	Horan	Rich
Brehm	Howell	Riehlman
Brooks	Jackson, Calif.	Rizley
Buck	Javits	Robertson
Buffett	Jenison	Robsion
Bulwinkle	Jensen	Rockwell
Burke	Johnson, Calif.	Rogers, Fla.
Busbey	Johnson, Ill.	Rogers, Mass.
Butler	Johnson, Ind.	Rohrbough
Byrnes, Wis.	Jones, N. C.	Ross
Canfield	Jones, Wash.	Russell
Carson	Jonkman	Sadlak
Case, N. J.	Kean	St. George
Case, S. Dak.	Keating	Sarbacher
Chadwick	Kerr	Schwabe, Mo.
Chenoweth	Kersten, Wis.	Schwabe, Okla.
Chiperfield	Kilday	Scoblick
Church	Knutson	Scott Hugh D., Jr.
Clippinger	Kunkel	Shafer
Coffin	Landis	Sheppard
Cole, Kans.	Lane	Short
Cole, Mo.	Larcade	Simpson, Ill.
Cole, N. Y.	Latham	Smith, Maine
Cotton	Lea	Smith, Ohio
Coudert	LeCompte	Smith, Wis.
Cox	LeFevre	Snyder
Crawford	Lemke	Springer
Cunningham	Lewis	Stefan
Curtis	Lodge	Stevenson
Dague	Love	Stratton
Davis, Ga.	Lucas	Taber
Davis, Tenn.	McConnell	Talle
Dawson, Utah	McCowen	Thomas, Tex.
Devitt	McDonough	Tibbott
D'Ewart	McDowell	Twyman
Dirksen	McGregor	Vinson
Dolliver	McMahon	Vorys
Domengeaux	McMillan, S. C.	Vursell
Dondero	McMillen, Ill.	Wadsworth
Doughton	MacKinnon	Weichel
Eaton	Maloney	Welch
Ellis	Martin, Iowa	West
Ellsworth	Mathews	Whittington
Elsaesser	Meade, Ky.	Wigglesworth
Engel, Mich.	Meade, Md.	Wilson, Ind.
Engle, Calif.	Merrow	Wilson, Tex.
Fallon	Meyer	Wolcott
Fenton	Michener	Wolverton
Fletcher	Miller, Md.	Woodruff
Foote	Mundt	Youngblood
Fulton		

NAYS—99

Abernethy	Boggs, La.	Cannon
Almond	Brown, Ga.	Carroll
Andrews, Ala.	Bryson	Celler
Battle	Buchanan	Clark
Beckworth	Buckley	Colmer
Blatnik	Burleson	Combs
Bloom	Byrne, N. Y.	Cooley

Cooper	Huber	Pace
Cravens	Hull	Patman
Crosser	Jarman	Pickett
Delaney	Johnson, Okla.	Poage
Dingell	Johnson, Tex.	Price, Ill.
Eberharter	Jones, Ala.	Rains
Evins	Karsten, Mo.	Rayburn
Feighan	Kee	Richards
Fernandez	Kefauver	Rooney
Flannagan	Kennedy	Sabath
Fogarty	King	Sasscer
Folger	Kirwan	Smathers
Forand	Lanham	Smith, Va.
Gordon	Lesinski	Spence
Gore	Lyle	Stigler
Gorski	McCormack	Teague
Gossett	Madden	Thomason
Granger	Mahon	Trimble
Grant, Ala.	Manasco	Walter
Gregory	Mansfield,	Wheeler
Hardy	Mont.	Whitten
Harris	Marcantonio	Williams
Harrison	Miller, Calif.	Winstead
Havenner	Mills	Worley
Heffernan	Morgan	Zimmerman
Hobbs	Morris	
Holifield	Murdock	

ANSWERED "PRESENT"—1

Chelf

NOT VOTING—109

Albert	Goodwin	Muhlenberg
Andersen,	Hagen	Norton
H. Carl	Hand	O'Brien
Bakewell	Harless, Ariz.	O'Toole
Barden	Harness, Ind.	Patterson
Barrett	Hart	Peden
Bates, Ky.	Hartley	Peterson
Bell	Hays	Pfeifer
Bland	Hendricks	Powell
Brophy	Hess	Preston
Brown, Ohio	Hill	Price, Fla.
Camp	Holmes	Priest
Chapman	Jackson, Wash.	Rabin
Clason	Jenkins, Ohio	Rayfiel
Clements	Jenkins, Pa.	Rees
Clevenger	Jennings	Riley
Corbett	Jones, Ohio	Rivers
Courtney	Judd	Sadowski
Crow	Kearney	Sanborn
Davis, Wis.	Kearns	Scott, Hardie
Dawson, Ill.	Keefe	Scrivner
Deane	Kelley	Seely-Brown
Donohue	Keogh	Sikes
Dorn	Kilburn	Simpson, Pa.
Douglas	Klein	Smith, Kans.
Drewery	Lusk	Somers
Durham	Lynch	Stanley
Elliott	McGarvey	Stockman
Elston	Macy	Sundstrom
Fellows	Mansfield, Tex.	Taylor
Fisher	Mason	Thomas, N. J.
Fuller	Miller, Conn.	Tollefson
Gallagher	Miller, Nebr.	Towe
Gary	Mitchell	Vail
Gifford	Monroney	Van Zandt
Gillette	Morrison	Wood
Goff	Morton	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Morton for, with Mr. Chelf against.

Mr. Bakewell for, with Mr. Chapman against.

Mr. Preston for, with Mr. Hays against.

Mr. Jenkins of Ohio for, with Mr. Priest against.

Mr. Wood for, with Mr. Keogh against.

Mr. Van Zandt for, with Mr. Bell of Missouri against.

Mr. Deane for, with Mr. Klein against.

Mr. Sundstrom for, with Mr. Lynch against.

Mr. O'Toole for, with Mr. Rayfiel against.

Mr. Holmes for, with Mrs. Norton against.

Mr. Hart for, with Mr. Powell against.

Mr. Vail for, with Mr. Rabin against.

Mr. Price of Florida for, with Mr. Kelley against.

Mr. Brophy for, with Mr. Camp against.

Mr. Donohue for, with Mr. Pfeifer against.

Mr. Towe for, with Mrs. Douglas against.

Mr. Dorn for, with Mr. Somers against.

Mr. Simpson of Pennsylvania for, with Mr. Stanley against.

Mr. Sikes for, with Mr. Monroney against.

Mr. Judd for, with Mr. Dawson of Illinois against.

Mr. Hand for, with Mr. Sadowski against.

Mr. Hess for, with Mr. Jackson of Washington against.

Mr. Miller of Nebraska for, with Mr. O'Brien against.

Mr. Harness of Indiana for, with Mrs. Lusk against.

Mr. Elston for, with Mr. Gary against.

Mr. Kearns for, with Mr. Clements against.

Mr. Seely-Brown for, with Mr. Albert against.

Mr. Jennings for, with Mr. Drewry against.

General pairs until further notice:

Mr. August H. Andresen with Mr. Mansfield of Texas.

Mr. Brown of Ohio with Mr. Courtney.

Mr. Barrett with Mr. Peden.

Mr. McGarvey with Mr. Elliott.

Mr. Macy with Mr. Durham.

Mr. Muhlenberg with Mr. Barden.

Mr. Goodwin with Mr. Riley.

Mr. Hill with Mr. Bland.

Mr. Hagen with Mr. Rivers.

Mr. Gillette with Mr. Harless of Arizona.

Mr. Gallagher with Mr. Hedrick.

Mr. Crow with Mr. Morrison.

Mr. Corbett with Mr. Fisher.

Mr. Clevenger with Mr. Peterson.

Mr. CHELF. Mr. Speaker, I have a live pair with the gentleman from Kentucky, Mr. MORTON. If he were present he would vote "yea." I voted "nay." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ROBSION. Mr. Speaker, the Republican candidates for the House and Senate at the November elections in 1946 made their solemn pledge to the country that if they were elected they would, first, reduce the expenditures of the Government; second, reduce taxes; and, third, pay a substantial sum on the national debt.

On March 27, 1947, the Republican leaders brought before the House H. R. 1 which proposed to reduce very substantially the income taxes of all groups of the American people. This measure at once met with opposition of the administration and their leaders in the House and Senate. On a roll call in the House it was passed by a vote of 273 to 137. Quite a number of Democrats voted for the bill. The bill then went to the Senate where it was recently adopted by a vote of 58 to 34. As the Senate had made some changes in the House bill, it was referred to a conference committee made up of five Members of the House and five Members of the Senate. After giving thorough consideration to the bill passed by the House and the bill passed by the Senate, eight of the conferees agreeing submitted their conference report to the House and Senate and this conference report, if adopted by both Houses, completes this legislation.

On a roll call just completed the House accepted the conference report by a vote of 220 for and 99 against, a majority of more than 2 to 1. The effective date of these reductions is July 1, 1947. The House bill provided that these reductions should begin on January 1, 1947. This provision was changed in the Senate. Of course, no one knows if the President will sign the bill or veto it. The President has indicated many times that there should be no tax reduction at this time. Many of his leaders in the House and Senate have taken the same position and a number of the so-called liberals and some others are urging the President to veto this bill and deny the 50,000,000 or more income taxpayers of the Nation relief from these heavy taxes. I sincerely trust that the President will not veto the bill. The people of many countries to whom we have made generous grants and loans which will never be repaid, have been granted tax relief by their governments. The American people today have the highest per capita debt and the highest per capita taxes of the people of any country in the world. They need and are entitled to this relief.

This bill, among other things, reduces the taxes of approximately 30,000,000 income taxpayers in the lowest brackets approximately 30 percent. It reduces the taxes of approximately 20,000,000 or more income taxpayers in the middle group approximately 20 percent, and the income taxes of about 1,000 persons in the higher income-tax group 10½ percent. A man with a wife, earning not more than $2,300, will not be required to pay any income taxes. A man with a wife and two children, if his income does not exceed $3,300, will be free from paying income taxes. Persons over 65 years of age will be allowed an additional exemption of $500. These reductions in taxes and savings to the people in the lower income-tax groups will be available to spend for the benefit of themselves and their families and thereby reduce the burden of the cost of living. The large percentage of those in the middle income-tax group and who contribute much to the invested capital to create jobs will be encouraged to invest these savings in job-producing activities. This also will be true of those in the higher income group, and therefore about 50,000,000 income taxpayers of this country will benefit from this measure.

Of course, I have helped to pass many tax bills since I have been a Member of Congress. I believe this is the best tax bill I have ever had an opportunity to vote for, and millions of Americans will be greatly disappointed if the President vetoes this bill. If he does, let us indulge the hope that the House and Senate will pass it over his veto. It is urged that we cannot afford to cut taxes. The President submitted his budget to Congress calling for $37,500,000,000. Many of us believed then, and still believe, that was excessive; that there is no need of this country spending that tremendous sum for the coming fiscal year, the third peacetime year since the war. The highest sum that President Roosevelt asked the Congress to give him for a peacetime year was approximately $12,500,000,000. Mr. Truman asks for three times that much. The Congress is cutting off a lot of unnecessary officeholders and a lot of unnecessary expenses. We can cut taxes and at the same time reduce the national debt by several billion dollars and the Republicans will then have carried out two of their major promises. In a few days the Congress will have completed action on a measure to bring about more peaceful and equitable relationship between

management and labor and protect the welfare of the American people as a whole.

The reduction in expenditures, reduction in taxes and the management-labor relations have and will pass the House and Senate by overwhelming majorities and if President Truman vetoes these measures, he certainly will render a disservice to himself and to the American people.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill H. R. 1, just before the roll call, and to include certain extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, after any other special orders, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. BUSBEY asked and was granted permission to extend his remarks in the RECORD and include an article from the May issue of Plain Talk entitled "State Department's Left Hand."

Mr. EDWIN ARTHUR HALL asked and was granted permission to extend his remarks in the RECORD and include a radio address recently made by him.

Mr. MACKINNON asked and was granted permission to extend his remarks in the RECORD and include two articles.

Mr. LARCADE (at the request of Mr. DOMENGEAUX) was granted permission to extend his remarks in the RECORD.

EXTENDING TIME CERTAIN PERSONS MAY ACT AS COUNSEL, AGENT, OR ATTORNEY

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1073) to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (j) of the Renegotiation Act (50 U. S. C., Supp. V, App., sec. 1191 (j)) is amended to read as follows:

"(j) Nothing in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., title 5, sec. 99) shall be deemed to prevent any person by reason of service in a department or the Board during the period (or a part thereof) beginning May 27, 1940, and ending on June 30, 1949, from acting as counsel, agent, or attorney, for prosecuting any claim against the United States: *Provided*, That such person shall not prosecute any claim against the United States (1) involving any subject matter directly connected with which such person was so employed, or (2) during the period such person is engaged in employment in a department."

Mr. KNUTSON. Mr. Speaker, this bill is identical with a House bill, H. R. 3101, which has been unanimously reported by the Ways and Means Committee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3101) was laid on the table.

AMENDING SECTION 4 OF THE PUBLIC DEBT ACT OF 1941

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 2872, to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the Public Debt Act of 1941 (Public, No. 7, 77th Cong., 1st sess.), as amended by section 6 of the Public Debt Act of 1942 (Public, No. 510, 77th Cong., 2d sess.), hereby is amended further to read as follows:

"SEC. 4. (a) Interest upon obligations, and dividends, earnings, or other income from shares, certificates, stock, or other evidences of ownership, and gain from the sale or other disposition of such obligations and evidences of ownership issued on or after the effective date of the Public Debt Act of 1942 by the United States or any agency or instrumentality thereof shall not have any exemption as such, and loss from the sale or other disposition of such obligations or evidences of ownership shall not have any special treatment as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto; except that any such obligations which the United States Maritime Commission or the Federal Housing Administration had, prior to March 1, 1941, contracted to issue at a future date, shall when issued bear such tax-exemption privileges as were, at the time of such contract, provided in the law authorizing their issuance. For the purposes of this subsection a Territory, a possession of the United States, and the District of Columbia, and any political subdivision thereof, and any agency or instrumentality of any one or more of the foregoing, shall not be considered as an agency or instrumentality of the United States.

"(b) The provisions of this section shall, with respect to such obligations and evidences of ownership, be considered as amendatory of and supplementary to the respective acts or parts of acts authorizing the issuance of such obligations and evidences of ownership, as amended and supplemented.

"(c) Nothing contained herein shall be construed to amend or repeal sections 114 and 115 of the Revenue Act of 1941."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRIBUTIONS BY PERSONAL HOLDING COMPANIES

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 468) to amend section 115 of the Internal Revenue Code in respect of distributions by personal holding companies.

Mr. Speaker, this bill has also been unanimously reported by the Ways and Means Committee.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 115 (a) of the Internal Revenue Code is amended by adding after the words "subchapter A net income" and before the comma the following: "reduced by the net operating loss credit provided in section 26 (c) (1)."

SEC. 2. The amendment made by section 1 shall be effective for all taxable years beginning after December 31, 1943.

SEC. 3. No interest shall be allowed or paid in respect of any overpayment of tax resulting from the foregoing amendment.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the last sentence of section 115 (a) of the Internal Revenue Code is amended to read as follows: 'In the case of a corporation which, under the law applicable to the taxable year in which the distribution is made, is a personal holding company, or which, for the taxable year in respect of which the distribution is made under section 504 (c) or section 506 or a corresponding provision of a prior income-tax law, is a personal holding company under the law applicable to such taxable year, such term also means any distribution (whether or not a dividend as defined in the preceding sentence) to its shareholders, whether in money or in other property, to the extent of its subchapter A net income, less the sum of the following:

"'(1) The net operating loss credit provided in section 26 (c) (1);

"'(2) The dividend carry-over provided in section 27 (c); and

"'(3) The deductions for amounts for retirement of indebtedness provided in section 504 (b).'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill last passed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, H. R. 468 amends the last sentence of section 115 (a) of the Internal Revenue Code. To understand this, you will need a little background.

Shareholders in ordinary corporations are taxed on dividends only. These are defined as distributions from earnings or profits. In order to compel personal holding companies to distribute all of their profits, subchapter A of the Internal Revenue Code imposed a heavy sur-

tax on what was defined as the "undistributed subchapter A net income." It soon became evident that some corporations might have taxable income but no "earnings or profits" from which to pay ordinary dividends and so could get no credit for dividends. To meet that problem a sentence was added to section 115 (a) to make any distribution whatever, even a distribution of capital, by a personal holding company taxable as if it were a dividend. The only object of that provision was to enable such a corporation to claim a dividend credit large enough to offset the heavy surtax imposed by subchapter A. But the language used in the original provision, section 186 of the 1942 act, went further than the particular object required and inequities resulted in that shareholders were taxable on capital distributions even when the corporation did not require the credits. That led to the introduction of a limitation by section 512 of the 1943 act, which provided that a capital distribution—which was not an ordinary dividend—should be taxable up to the amount of the subchapter A net income. Unfortunately, that limitation was still too broad. This is because the tax base for personal holding companies is not the subchapter A net income but the undistributed subchapter A net income. Again, distributions of capital were unnecessarily taxed as if they were ordinary dividends. To accomplish this further limitation, which should have been done at the time of the amendment in 1943, this bill, H. R. 468, became necessary. This bill correlates the definition of "dividends" with the undistributed net income of personal holding companies. It has been carefully drafted and studied both by the Treasury officials and by the Joint Committee staff, and it has not only their express approval but also the approval of the Bureau of the Budget.

An example will clarify the meaning of this amendment:

In 1946, X Corporation has no earnings or profit but had a 1945 net operating loss of $10,000. Its subchapter A net income for 1946 is $11,000 but current earnings and profits are zero because of capital losses which are not deductible. However, its undistributed subchapter A net income is $1,000, that is, $11,000 less the $10,000 prior year loss. Assume that in 1946 it distributed $15,000 from capital. In the case of an ordinary corporation, such a distribution would be nontaxable to the stockholders. However, under the present wording of section 115 (a), $11,000 out of the $15,000 would be taxable to personal holding company stockholders whereas only $1,000 is all that is required as dividend credit to offset the "undistributed subchapter A net income." The present amendment is designed to correct this type of inequity.

The provision is made retroactive to December 31, 1943, so as to correct any inequities in all years that are still open since the 1943 amendment.

EXTENSION OF REMARKS

Mr. NIXON (at the request of Mr. KERSTEN of Wisconsin) was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. SASSCER asked and was given permission to extend his remarks in the Appendix of the RECORD and include the inaugural address of Mayor D'Alesandro, of Baltimore.

SPECIAL ORDER GRANTED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes tomorrow following the completion of the legislative business for the day and such special orders as may already have been entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONSIDERATION OF H. R. 2798

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 221, providing for the consideration of the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, and ask for its immediate consideration. The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and yield myself 1 minute.

The SPEAKER. The gentleman from Illinois [Mr. SABATH] will be recognized for 30 minutes and the gentleman from Illinois [Mr. ALLEN] is now recognized for 1 minute.

Mr. ALLEN of Illinois. Mr. Speaker, the bill made in order by this rule merely provides for the conversion of Federal savings and loan associations to comparable State associations.

Under the Home Owners' Loan Act of 1933, as amended, State associations were permitted to join Federal associations. This bill merely provides that Federal loan associations, if they desire, may associate themselves under the charter of a State association.

I understand the bill passed the Committee on Banking and Currency unanimously and that the rule was granted unanimously by the Rules Committee. It is an open rule providing for 1 hour's general debate.

I now yield to the gentleman from Illinois.

LEGISLATION ENACTED IN 1933 HAS PROVED OF BENEFIT TO BUILDING AND LOAN ASSOCIATIONS AND TO MEMBER SHAREHOLDERS

Mr. SABATH. Mr. Speaker, I am naturally pleased that this bill does not aim to repeal or weaken the law that was passed in 1933 to insure the financial stability of thousands of building and loan associations throughout the country and which saved thousands upon thousands of shareholder members from loss of their weekly savings deposited in such associations. At that time nearly every one of the associations was in a most serious financial plight and unfortunate condition because a large number of the member shareholders, due to losses sustained in the stock-market crash and others, owing to the loss of their employment, could not make their weekly payments and many were obliged to withdraw their deposits. The crippling of these associations was further augmented by the loans which they had made on properties which had depreciated in value and the losses they sustained were more than they could possibly stand. Therefore, I am pleased to say, as one who advocated this legislation to save the building and loan associations from collapse and to save the meager savings of hundreds of thousands of member shareholders, the law proved a blessing to these thrifty people and served to reestablish confidence in building and loan associations. Since that time the associations have grown tremendously and the shareholders have been encouraged to lay aside a small amount of their earnings secure in their feeling that under the protection of the Government their savings would be safeguarded. Even the most vicious opponents of the New Deal must admit from time to time that the legislation passed in those most trying days was in the best interest of the people and for the best interest of the Nation.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

STATE CONVERSION OF FEDERAL SAVINGS AND LOAN ASSOCIATIONS

Mr. WOLCOTT. Mr. Speaker, I call up the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (i) of section 5 of Home Owners' Loan Act of 1933, as amended, is hereby amended by striking out the period at the end thereof and inserting a colon and the addition of the following: "*Provided, however*, That said conversion shall not be in contravention of the State law. Any association chartered as a Federal savings and loan association may convert itself into a savings and loan, building and loan, or homestead association, or a cooperative bank, incorporated under the laws of the State, District or Territory in which the principal office of such association is located (hereinafter referred to as the State institution), upon the vote, cast at a legal meeting specified by the law of such State, District, or Territory as required for such a conversion, but in no event less than

51 percent of all the votes cast at such meeting, voting in person or by proxy: *Provided further*, That legal titles are protected by such conversion: *Provided further*, That conveyances of legal titles are made. If none of the outstanding shares of the converting Federal association are held by the Secretary of the Treasury or the Home Owners' Loan Corporation, and if such conversion is to a State institution, which is mutual in character and of a type which has been insured by the Federal Savings and Loan Insurance Corporation, no approval of such conversion by the Federal Home Loan Bank Board or the Federal Home Loan Bank Administration shall be required and such converted institution shall continue to be an insured institution and bound under all of the agreements contained in the original application for insurance of accounts, and by such conversion shall accept and be bound by all agreements required by section 403 of title IV of the National Housing Act and such insured institution shall upon such conversion and thereafter be authorized to issue securities in the form theretofore approved by Federal Savings and Loan Insurance Corporation for issuance by similar insured institutions in such State, District, or Territory. Such conversion shall be effective upon approval by the duly constituted authorities of the State, District, or Territory which have supervision over such institutions where such institution is located, and the filing of a certified copy of the resolution authorizing such conversion and the approval of such State, District, or Territory authority with the Federal Home Loan Bank Administration or the Federal Home Loan Bank Board.

"In addition to the foregoing provision for conversion upon a vote of the members only, any association chartered as a Federal savings and loan association, including any having outstanding shares held by the Secretary of the Treasury or Home Owners' Loan Corporation, may convert itself into a State institution upon an equitable basis, subject to approval, by regulations or otherwise, by the Federal Home Loan Bank Board or the Federal Home Loan Bank Administration and by the Federal Savings and Loan Insurance Corporation: *Provided*, That if the insurance of accounts is terminated in connection with such conversion, the notice and other action shall be taken as provided by law and regulations for the termination of insurance of accounts."

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments:

Page 2, beginning with the word "vote" in line 4, strike out the balance of line 4 and all of lines 5, 6, 7, and the word "proxy" in line 8, and insert in lieu thereof the following: "vote required for such conversion, cast at a meeting called and held for such purpose in accordance with the law of such State, District, or Territory due notice of such meeting to be given to all the shareholders of such association, but in no event upon the vote of less than 51 percent of all the votes cast, voting in person or by proxy at such meeting: *Provided further.*"

Page 2, strike out the words "are protected" in line 14, all of line 15, and the words "legal titles are made" in line 16, and insert in lieu thereof the following: "to all real estate shall be passed by proper conveyances."

Page 3, line 24, strike out ", by regulations or otherwise."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL HOME LOAN BANK ACT, TITLE IV OF THE NATIONAL HOUSING ACT

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 222 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2799) to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH], and I yield myself at this time such time as I may require.

Mr. Speaker, this bill provides for the retirement of the capital stock held by the Government in the Federal home-loan banks and the Federal savings and loan insurance corporations, and for a reduction in the premium charged institutions insured by the Federal Savings and Loan Insurance Corporation.

The Committee on Banking and Currency passed this bill unanimously and the Rules Committee passed the resolution unanimously. I do not know of any objection to the bill.

Mr. SABATH. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, if I am not mistaken, the House passed a similar bill in the last session. I think it is legislation in the right direction. I cannot find any objection to the bill; I think it should pass; consequently, there is no objection to the rule being adopted and action taken without any further comment.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill (H. R. 2799) to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes, be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the Federal Home Loan Bank Act, as amended, is amended by the addition of a new subsection as follows:

"(l) At the option of each member but within 2 years after the enactment of this amendment, each member of each Federal home-loan bank shall acquire and hold and thereafter maintain its stock holding in an amount equal to at least 2 percent of the aggregate of the unpaid principal of such members' mortgage loans, home-purchase contracts, and similar obligations, but not less than $500. Such stock in excess of the amount required may be purchased from time to time by members and may be retired from time to time as heretofore. From time to time and at least annually after the enactment of this amendment, each Federal home-loan bank shall retire and pay off at par an amount of its stock held by the Reconstruction Finance Corporation or assigns for the Government equivalent to the amount of its stock held by its members in excess of the amount required to be held by them immediately prior to the enactment of this amendment: *Provided*, That none of such Government capital shall at any time be retired so as to reduce the aggregate capital, reserves, surplus, and undivided profits of the Federal home-loan banks to less than $150,000,000. Funds arising from the retirement of said stock held by or for the Government shall remain in the Treasury of the United States and be available for subscription to stock in the Federal home-loan banks in the future. Upon a determination by the Board that the proper functioning of the Federal home-loan banks at any time requires additional capital, the Board shall request the Secretary of the Treasury to subscribe to the stock of the Federal home-loan banks as determined by the Board in an amount not in excess of the stock retired under this amendment and the Secretary of the Treasury shall subscribe for such stock and pay therefor from the funds in the Treasury as a result of this amendment."

SEC. 2. Subsection (g) of section 11 of the Federal Home Loan Bank Act, as amended, is amended by inserting the words "one-half" before the words "the sums paid in on outstanding capital."

SEC. 3. Subsection (b) of section 402 of the National Housing Act is amended by the addition of the following:

"After the effective date of this amendment the Corporation is authorized and directed to pay off and retire its capital stock in units of $1,000, from time to time, from its assets which are in excess of $150,000,000. Such retirement and payment shall be to Home Owners' Loan Corporation or its successor and for the full amount paid for such stock less any amount paid as dividends thereon. Such payments shall be continued from time to time as such funds are available from assets in excess of $150,000,000 until the entire capital stock is retired and the Corporation shall continue to operate with its insurance reserve, undivided profits, and other funds. Whenever, in the judgment of the Board of Trustees of the Corporation, funds are required for insurance purposes, the Secretary of the Treasury is authorized and directed to purchase obligations of the Corporation in an amount equal to the amount of capital stock of the Corporation previously retired, in accordance with the provisions of this paragraph, in addition to the amounts of such obligations which he is otherwise authorized to purchase."

SEC. 4. (a) Subsections (a) and (b) of section 404 of the National Housing Act, as amended (U. S. C., 1940 ed., title 12, sec. 1727 (a) and (b)), are amended by striking out the word "one-eighth" wherever it appears therein and inserting in lieu thereof the word "one-twelfth."

(b) Subsection (c) of section 404 of the National Housing Act, as amended (U. S. C., 1940 ed., title 12, sec. 1727 (c)), is amended to read as follows:

"(c) If an insured institution has paid a premium at a rate in excess of one-twelfth of 1 percent of the total amount of the accounts of its insured members and its creditor obligations for any period of time after June 30, 1946, it shall receive a credit upon its future premiums in an amount equal to

the excess premium so paid for the period beyond such date."

SEC. 5. Notwithstanding any other evidence of the intention of Congress, it is hereby declared to be the controlling intent of Congress, that if any provision of this act, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

With the following committee amendments:

Page 1, line 6, strike out all of line 1 after the figure (1) and insert "Within."

Page 2, line 16, strike out all of the line after the period and all of lines 17, 18, 19, and 20 down to the period.

Page 3, line 1, strike out "shall" and insert "Treasury, in his discretion, may."

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the committee amendment as printed in the bill be amended by striking out the word "Treasury." It is very obvious an error was made on the part of the Printing Office.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk continued the reading of the committee amendments, as follows:

Page 3, line 14, insert the word "net" before "assets."

Page 3, line 19, insert the word "net" before "assets."

Page 4, line 2, strike out "retired," and insert "retired."

The committee amendments were agreed to.

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Strike out all of section 5, beginning in line 21, page 4, through line 3, on page 5, and insert in lieu thereof:

"SEC. 5. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this act and the applicability of such provision to other persons or circumstances shall not be affected thereby."

Mr. WOLCOTT. Mr. Speaker, the purpose of this amendment is to correct a very obvious error in the printing of section 5.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REINCORPORATION OF EXPORT-IMPORT BANK OF WASHINGTON

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 220 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 993) to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I shall later yield 30 minutes to the gentleman from Illinois [Mr. SABATH]. I yield myself such time as I may require.

Mr. Speaker, this bill has to do with the Export-Import Bank of Washington. This legislation is necessary in order that the bank may continue in active operation beyond June 30, 1948. It is my understanding that there was no objection by either side before the Committee on Banking and Currency. It passed the Committee on Rules unanimously.

I now yield to the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, this bill was unanimously reported by the Committee on Banking and Currency. The legislation is necessary, due to legislation that was previously passed, namely, to reincorporate under the national law.

Mr. Speaker, I have no objection to the rule; in fact, I think the rule should be adopted and the bill passed.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Rhode Island.

Mr. FORAND. I just wanted to inquire whether there was any particular termination date, or is this to be a continuing proposition?

Mr. ALLEN of Illinois. June 30, 1953.

Mr. FORAND. I thank the gentleman.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill (S. 993) to provide for the reincorporation of the Export-Import Bank of Washington, and for other purposes, be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 (a) of the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666), is hereby amended to read as follows:

"SEC. 2. (a) There is hereby created a corporation with the name Export-Import Bank of Washington, which shall be an agency of the United States of America. The objects and purposes of the bank shall be to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof. In connection with and in furtherance of its objects and purposes, the bank is authorized and empowered to do a general banking business except that of circulation; to receive deposits; to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guaranty, and to guarantee notes, drafts, checks, bills of exchange, acceptances, including bankers' acceptances, cable transfers, and other evidences of indebtedness; to purchase, sell, and guarantee securities but not to purchase with its funds any stock in any other corporation except that it may acquire any such stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness to it; to accept bills and drafts drawn upon it; to issue letters of credit; to purchase and sell coin, bullion, and exchange; to borrow and to lend money; to perform any act herein authorized in participation with any other person, including any individual, partnership, corporation, or association; to adopt, alter, and use a corporate seal, which shall be judicially noticed; to sue and to be sued, to complain and to defend in any court of competent jurisdiction; and the enumeration of the foregoing powers shall not be deemed to exclude other powers necessary to the achievement of the objects and purposes of the bank. The bank shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the executive departments of the Government. The bank is hereby authorized to use all of its assets and all moneys which have been or may hereafter be allocated to or borrowed by it in the exercise of its functions. Net earnings of the bank after reasonable provision for possible losses shall be used for payment of dividends on capital stock. Any such dividends shall be deposited into the Treasury as miscellaneous receipts."

SEC. 2. The Export-Import Bank Act of 1945, as amended, is hereby amended by striking out from section 6 thereof the words "Such obligations shall be redeemable at the option of the bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity and bear such rate of interest as may be determined by the Board of Directors of the bank with the approval of the Secretary of the Treasury" and substituting in lieu thereof the following: "Such obligations shall be redeemable at the option of the bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity as may be determined by the Board of Directors of the bank with the approval of the Secretary of the Treasury. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the bank."

SEC. 3. The Export-Import Bank Act of 1945, as amended, is hereby amended by striking out section 8 therefrom and substituting in lieu thereof a new section 8 as follows:

"SEC. 8. Export-Import Bank of Washington shall continue to exercise its functions in connection with and in furtherance of its objects and purposes until the close of business on June 30, 1953, but the provision of this section shall not be construed as preventing the bank from acquiring obligations prior to such date which mature subsequent to such date or from assuming prior to such date liability as guarantor, endorser, or acceptor of obligations which mature subsequent to such date or from issuing, either prior or subsequent to such date, for purchase by the Secretary of the Treasury, its notes, debentures, bonds, or other obligations which mature subsequent to such date or from continuing as a corporate agency of the United States and exercising any of its functions subsequent to such date for purposes of orderly liquidation, including the

administration of its assets and the collection of any obligations held by the bank."

SEC. 4. The Export-Import Bank Act of 1945, as amended, is hereby amended by the addition of a section 12 as follows:

"SEC. 12. The Export-Import Bank of Washington created hereby shall by virtue of this act succeed to all of the rights and assume all of the liabilities of Export-Import Bank of Washington, a District of Columbia corporation, and any outstanding capital stock of the District of Columbia corporation shall be deemed to have been issued by and shall be capital stock of the corporation created by this act and all of the personnel, property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), assets, contracts, obligations, and liabilities of the District of Columbia corporation are hereby transferred to, accepted, and assumed by the corporation created by this act without the necessity of any act or acts on the part of the corporation created by this act or of the District of Columbia corporation, their officers, employees, or agents or of any other department or agency of the United States to carry out the purposes hereof and it shall be unnecessary to take any further action to effect the dissolution or liquidation of Export-Import Bank of Washington, a District of Columbia corporation. The members of the Board of Directors of the District of Columbia corporation, appointed pursuant to the provisions of the Export-Import Bank Act of 1945, shall, during the unexpired portion of the terms for which they were appointed, continue in office as members of the Board of Directors of the corporation created by this act."

Mr. WOLCOTT (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, it will be recalled that last year we passed the Corporation Control Act. Under that act the life of the Export-Import Bank will expire on June 30, 1948, if it is not renewed or continued under this bill. Formerly, and before the Corporation Control Act was passed, there was no time limitation on the life of the Export-Import Bank, but, as I have said, under that act the life of the corporation would have expired on June 30, 1948. The Export-Import Bank of Washington was a District of Columbia corporation. Its life was limited only under the general District of Columbia Corporation Act. The Corporation Control Act provided that all Government corporations not created by charter of Congress would expire on June 30, 1948. This reincorporates the Export-Import Bank as a Government corporation.

It is necessary to change the charter slightly because there are many things in the District of Columbia Corporation Act which do not appear in the general act covering Government corporations. For example, we have to provide that the corporation may sue and be sued. That was an authority contained in the District of Columbia Corporation Act but which is not included in the general corporation act of the United States. We also provide that the bank may have the free use of the United States mails, and so forth. What we are doing is continuing the Export-Import Bank of Washington under a congressional charter until June 30, 1953.

Mr. SMITH of Ohio. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I do not know of anyone except myself who is going to oppose the extension of the Export-Import Bank Act; nevertheless, I intend to oppose it. The Export-Import Bank has now taken on foreign lending activities similar to the lending that is carried on by the Treasury. It is making loans to Poland, France, and other foreign countries with not one bit more security than the Treasury has for the loans it is making.

When Mr. Martin, Chairman of the Export-Import Bank, was before our committee, he mentioned that the bank was resisting pressure with respect to the making of loans from all sources. What he had in mind was the pressure being brought to bear upon him by the National Advisory Council. I called this to the attention of the committee at the time Mr. Martin made the statement. I am quite convinced that the National Advisory Council is telling the Export-Import Bank exactly what to do with respect to foreign loans. That is serious enough.

Members of Congress should fully realize how the Export-Import Bank obtains its capital; that it acquires it by confiscating private property. There is no other way by which it can secure its capital.

I have been asked whether I consider taxation as the confiscation of private property. Certainly I do when the tax burden has reached the point that obtains at the present time—where we are paying in taxes one dollar out of every four of our income. It is hard to conceive how anyone can possibly question that taxation in the United States has become confiscation. When one reflects upon the many revolutions and national crises that have been caused by excessive taxation we ought to realize that our present burden is something serious to think about. Shakespeare, in one of his plays, attributed Cardinal Wolsey's downfall to excessive taxation, which amounted to one-sixth of the national income. Ours is one-fourth.

It is the grossest fallacy to suppose, as perhaps most people do, that the capital which political lending agencies possess is an addition to existing capital. The funds of these agencies are merely a subtraction from existing private capital. When the proponents of political lending tell us about all the good things that are being done by such lending they fail to tell us about the good things that would have been done with the funds by the taxpayers if they had been allowed to keep them. Whoever believes that the taxpayers would not have made better use of these funds than are the political lending agencies simply admits he does not believe in free private enterprise.

The Export-Import Bank has grown like Topsy: just as have the other political lending agencies and bureaus under the New Deal.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. In 1939 it had a lending power of $100,000,000. That has been increased until now it has $3,500,000,000, and it seems quite certain that the Export-Import Bank officials will be back in the near future for another huge increase.

The Export-Import Bank officials presented to our committee a statement showing the financial condition of the bank. Its balance sheet has little or no meaning and cannot possibly have standing by itself. It is only when its financial condition is made a part of an over-all balance sheet covering all lending activities of the Federal Government that we can have a clear picture of its true condition.

A number of other political lending agencies and the Treasury itself are making huge Government, private, and semiprivate loans to many countries throughout the world, just as is the Export-Import Bank. This political agency claims to have a good record in the repayment of its loans. Maybe it has had such a record up to the present time and it may even continue to have in the future but this may not mean much. We all know that most, if not nearly all the so-called foreign loans made by the Treasury and certain other political agencies, have not been and never will be repaid. I asked the President of the Export-Import Bank whether some of its repayments might not be derived directly from the dollars which the Treasury and some of the other lending agencies shoveled out. Mr. Martin could give me no answer to this question. Of course he could not; because he has no way of knowing, nor can anyone else have. The loans made by the Export-Import Bank to France and those made by the Treasury to the same country ought to clearly illustrate the fallacy underlying its balance sheet. It is only after full and complete settlement of all loans made to France, by the Treasury, the International Monetary Fund and other lending agencies including the Export-Import Bank, that we will be able to know the true condition of the Export-Import Bank. Therefore the balance sheet of the Export-Import Bank does not and cannot possibly have any real meaning.

Sooner or later there will come an end to foreign lending. Whether that will be brought about by deliberate congressional action or whether we will just go on and on with our lending until the well runs completely dry and utter disaster overtakes us I do not know, but I am sure there will be an end to it some day.

Since I am perhaps the only Member of Congress who is opposed to the reenactment of this legislation I shall not ask for a roll-call vote. I wish, however, to have the record show my position in the matter. As stated, some day there must be an accounting for all of these political activities and I want the record to show that not quite all of the Members were

completely blind to the ultimate dangers to our Nation which are inherent in programs such as the Export-Import Bank.

Mr. SCHWABE of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. SCHWABE of Oklahoma. Is it not a fact that the purposes and practices of this have changed entirely from the original design, anyway?

Mr. SMITH of Ohio. That is correct.

Mr. SCHWABE of Oklahoma. Would the gentleman comment on that, showing that originally it was for the purpose of financing some of our own exporters, small businessmen, and concerns? Now we are lending the world over.

Mr. SMITH of Ohio. It was principally set up to help our own exporters. That was its original function. As the gentleman has stated, this agency has taken on activities altogether different from those originally provided, as have so many other New Deal agencies.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. BROWN of Georgia. All the money from this bank has to be spent on products grown in the United States or produced in the United States.

Mr. SMITH of Ohio. That does not alter my objection to the bill in the least. If the dollars which the Export-Import Bank lends are spent for goods produced in the United States and the Treasury furnishes the dollars to foreign countries for repaying the dollars which the Export-Import Bank loans, which assuredly must be the case in some instances, the balance sheet of the bank ought to take cognizance of this fact, which it fails to do.

Mr. SCHWABE of Oklahoma. It is inflationary.

Mr. SMITH of Ohio. That is another important point.

The SPEAKER. The time of the gentleman from Ohio has again expired.

Mr. SMITH of Ohio. Mr. Speaker, may I have two additional minutes?

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Of course, it is inflationary. A number of Members on the right side of the aisle have almost made it a habit of giggling and smiling when I have on so many occasions mentioned printing-press money and its dangers. Very well. That is perfectly satisfactory with me, but nevertheless, Government printing-press money is another factor which enters into this proposition. In other words, the funds of the Export-Import Bank are raised by public debt transactions, which is another way of saying they are to be raised by printing them. When we tell our constituents that we are against high prices, let us tell them also how we vote on these measures, because it is measures of this kind that have created the high prices. It is your flat money that is principally doing this.

Mr. SPENCE. Mr. Speaker, I ask for recognition on the bill.

The SPEAKER. The gentleman from Kentucky is recognized for 5 minutes.

Mr. SPENCE. Mr. Speaker, I am sure there will be no opposition to the passage of this bill on this side of the aisle. The Export-Import Bank, I believe, has served a very useful purpose. It will die on June 30, 1948, unless it is reincorporated under the Federal corporation law which we passed sometime ago.

I do not anticipate any great dangers to our financial system because we extend the life of this corporation which has served a very useful purpose. I think its affairs have been handled very ably. I hope there will be no opposition to the bill.

Mr. BUFFETT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I hesitate to take this time, and do so under some apprehension as the result of not having had a chance to prepare my remarks.

I was not informed until a few minutes ago that this bill was coming up today. But I do not want this occasion to go by without offering a few observations on this legislation.

I recognize that the vote on the reincorporation of this bank is something of a mechanical performance. It reminds me of a person on an airplane ride. After he gets in the air he cannot change his mind. We are in flight on a seemingly unlimited venture in the use of American public credit for foreign loans.

Two years ago when this matter came up and this House voted to enlarge the lending powers of the Export-Import Bank, I opposed it as vigorously as I knew how, but to no effect. This business of foreign loans reminds me of a story that came back from Arabia a few days ago. It seems that some Government officials were over there conferring with a group of Arabs. The Arabs said "We do not want to meddle into the affairs of America. We do not know the difference between the Export-Import Bank, the International Fund, the Bretton Woods Bank, lend-lease, or what have you. All we want to know from you people is, how many dollars do we get and when."

I think that is typical of sentiment throughout the world: How many dollars do we get and when? They are not interested whether it is through the Export-Import Bank, a direct loan from the Congress, the International Fund, the Foreign Economic Commission, or any other of the 40 or more agencies that are still sending American goods abroad. It is a situation that is extremely disturbing to those of us who believe the public credit should be used sparingly as George Washington advised some 170 years ago.

Mr. RAMEY. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. RAMEY. There is something about this that is not clear to me. Perhaps the gentleman from Nebraska or some other member of the committee can clarify it. When it came to power politics in the matter of aid to Turkey and Greece and we gave money to destroy nations the Congress voted on the bill. When we gave Mexico money we did it through this bank. What is the reason for the difference in treatment in the two cases? We have this Export-Import Bank, yet notwithstanding it we bring other bills on the floor to do the work of the bank. Why does not the bank do all of the work or why do we not do all of the work, one or the other? What is the reason? It is very confusing.

Mr. BUFFETT. The gentleman from Ohio asks a very difficult question. Perhaps the best answer is that if all these lending activities were centered in one group, not over 5, 10, or 15 different agencies, the American people would be disturbed about the total amount and there would be some disposition in Congress to call a halt on this dangerous inflationary activity. In that connection there was one item in the testimony during the hearings before our committee about which the entire Congress should be informed. That is the point brought out by Mr. Martin, chairman of the bank, when I was questioning him as to how far this country could go with this foreign-lending business. I said to Mr. Martin, "In the twenties private credit operated in the field of foreign loans and pushed that activity until there was a break-down of private credit in 1929 and the world had the greatest financial crash of all time." I went on to ask Mr. Martin other questions. I wanted to know what the signposts or the danger signals were that this Congress might be watching for to make sure we did not take ourselves into a crash in public credit after a pattern similar to the crash which took place in private credit. Mr. Martin's answer to that question was to this effect, "We are in the danger zone now."

There is a message to this Congress from a man who is one of our experts on foreign lending, perhaps the best expert. It is a message directed to us declaring, "We are in the danger zone now."

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman from Ohio [Mr. RAMEY] asked why we come in with these special bills, why we did not let the Export-Import Bank lend all the money. One answer is that it cannot lend the money fast enough. So you have to have these special bills asking for additional funds.

Mr. RAMEY. But the public is not informed.

Mr. HOFFMAN. No. You cannot expect the Export-Import Bank, or whatever they call it, to get it out fast enough. They are working overtime. They cannot get it out fast enough, so we have to have special bills.

Mr. BUFFETT. I thank the gentleman for his contribution.

As a boy I had one financial experience that impressed itself on my mind when

I was carrying papers to a small cigar store in my home neighborhood. The manager of that store had a sign on his cash register, a little jingle which read like this:

I loaned money to three friends. I lost the three friends, also the money.
I have decided to lose no more friends.

It took me a long time to understand what that sign meant. But now as I see foreign loans made all over the world by our Government, I am reminded of that message. Why? Because our foreign loans, just as the foreign loans that France made before World War II, are losing us friends instead of making friends.

Some say that they are a helpful instrument in our foreign policy.

Let us take as a specific example the case of France. In the last 2 years France has received from the Export-Import Bank a credit of $1,200,000,000. But if you pick up the papers today you will see that France is not cooperating with the Allied Governments in the management of Germany.

If this loaning business was a great instrumentality of good will you would think that France, having been loaned $1,200,000,000 through this bank, would cooperate in that difficult task in Europe. But despite the money, despite this gigantic assistance, today our occupational problems are tremendously intensified because France is not cooperating.

We found out something else very interesting during the course of these hearings. I asked Mr. Martin to supply the committee with the names of the people appearing for foreign loans who had previously been in the employ of the United States Government.

I learned that in connection with the loans to France, Italy, Poland, China, Greece, and the loan that went to Turkey, men who had recently been in the employ of the United States Government were down at the bank using their talents and their abilities to get the bank to make the loans to these governments. So by virtue of the fact they knew their way around, we might say, in government circles, they were able to get a pretty good price for their services in urging the Government of the United States to make substantial loans to these foreign countries.

So far as these Government loans are concerned, I am not one of those who is optimistic enough to believe these foreign loans are going to be paid back in the long run. Loans between governments have never been good risks. The taxpayers who are called upon to pay them have no part in the making of the loans. We loan the money to the politicians in power. When they go out of power their successors frequently say, "That loan was contracted by somebody else," and sooner or later, when times get tough, the day arrives when these loans are politically difficult to service. We had that experience between World Wars I and II in private credit. It is much more liable to happen to public credits.

There is another item that should be mentioned. Export-Import Bank loans are now being used to funnel vast quantities of goods out of this country, at the very time when the demand in this country is not being fulfilled.

This reincorporation will pass this House. I recognize that fact, but I think this Congress should be facing realistically the warning voiced by Mr. Martin, "We are in the danger zone now." The failure by Congress to put on the brakes on foreign lending will cruelly rob the humble people whose savings are in Government bonds, and who have placed their faith in the integrity of Government promises.

Smugness and indifference now by Congress will be paid for later by tears and blood, as the consequences of the present inflation begin to develop.

I regret my inability to bring about a change in attitude in this body, but if we continue down this primrose pathway of inflation it will not be because warnings were not sounded. In that endeavor some of us have made unstinted efforts.

Mr. ROSS. Mr. Speaker, I move to strike out the last word, and I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, I said earlier in the day that I would discuss more fully the air-line accident that occurred at LaGuardia Field on Thursday evening which resulted in the loss of 42 lives. I want to say at the outset that I agree with the remark made by one of the gentlemen this morning, that air-line travel is still the safest form of transportation. I flew down from New York this morning.

LaGuardia Field is in my district. I arrived at the scene of the accident a short while after it had happened, and I was permitted to explore pretty thoroughly the area of the accident. I also went into the basement of the building where 38 bodies were laid out, and I tell you it was the most horrible sight I have ever witnessed. There were 38 charred bodies; limbs resembling charred timbers of a building that had been gutted with fire; twisted bodies; lives of men and women who 10 minutes earlier had been laughing and conversing gaily about their holiday vacation.

While there that evening I was informed of many heroic feats. I cannot let this moment pass without mentioning one in particular. The gentleman who performed this act I am proud to call a personal friend of mine. He is Mr. Edward McGrath, of 3431 Eighty-first, Jackson Heights. Ed arrived at the scene of the accident just a few minutes after it occurred. He grabbed an ax from one of the fire engines which was standing by, ran to the end of the plane, chopped a hole in it, went through the hole into the rear compartment, and with no regard for his own safety and with the terrific heat and flame all around him, rescued several persons by pulling them through the opening. He continued until finally he was overcome with smoke-poisoning and was sent to the hospital. That to me is one of the greatest feats of heroism ever performed, and I want to commend him.

Mr. Speaker, I charged in the House this morning, after an investigation which I made that evening and the following day, that the Civil Aeronautics Administration and the Civil Aeronautics Board should be investigated, that there was gross carelessness. I am going to give you some of the information that was given me.

We all are aware that there was an approaching storm at the time. Traffic was congested. The control tower has authority over which runway a plane is allowed to leave on. It has complete authority over whether or not a plane shall ascend into the air. Somebody in the control tower so interpreted a regulation which has been promulgated by the CAA or the CAB as to permit this plane to leave on the shortest runway at LaGuardia Field, a runway, and I am certain the investigation will verify this, which would accommodate that size plane loaded with 60,000 pounds only if there were sufficient headwind. According to the accounts I received there was a 19-mile headwind.

I went out to the hospital and talked with Mr. Baldwin, the pilot of the plane. The following day I went all over the scene of the accident. I talked with one of the vice presidents of United Air Lines and many other air-line employees. It seems there was at the time the pilot was instructed to use runway 18 a 19 m. p. h. headwind which would permit the plane to ascend if the favorable weather condition continued to prevail, but the runway was not long enough to permit the plane to ascend if that headwind was not there. I contend there should not be any regulation under which a man in the control tower can with a roll-of-the-dice decision gamble away the lives of citizens and the employees of the air lines.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. ROSS. I yield to the gentleman from New York.

Mr. ROONEY. Is it not possible that the accident could have been avoided if the runway instead of being 3,600 feet long was a 10,000-foot runway?

Mr. ROSS. I think it is so stated, I will say to the gentleman from New York.

Mr. ROONEY. There is not much question about it, the pilot would have had time after applying his brakes to stop that plane if it had been a 10,000-foot runway.

Mr. ROSS. It is my understanding that that is correct.

Mr. ROONEY. Only about a week ago the majority of this House cut a requested appropriation of $65,000,000 by 50 percent, to $32,500,000, for the Federal-aid airport program and voted against my amendment which called for the full amount. These funds would have provided 10,000-foot runways at airports such as LaGuardia Field, and we might not today be in grief over all the lives that were lost as a result of that accident.

Mr. ROSS. May I say to the gentleman from New York in that respect that there are many other runways at La-Guardia Field at the present time of sufficient length to make the plane airborne if the decision had been made to send the plane out on one of the longer runways.

Mr. Speaker, the American aviation industry is too important to the progress of America, the aviation industry is too important to our national defense, and it is certainly too important to the lives of our citizens and the employees of the air lines, to allow laxity in our safety regulations and to allow any regulation whereby an individual can gamble with the safety of human lives and the security of an industry.

Mr. SMITH of Ohio. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 4, line 11, after the words "June 30", strike out "1953" and insert "1949."

Mr. SMITH of Ohio. Mr. Speaker, this amendment hardly needs any explanation. The Corporation would continue operating until 1948 even if no legislation were passed at the present time. My amendment would extend it to June 1949. There is nothing about the Export-Import Bank that requires it to be extended longer than a year or two.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. BUFFETT. The amendment you propose would have the effect of enabling a new administration or a different administration in the event one is elected in the fall of 1948 to take a good look at the bank in the spring of 1949, would it not?

Mr. SMITH of Ohio. That is correct. I think the people ought to have an opportunity to express themselves on that particular point.

So, Mr. Speaker, without further explanation I ask that this amendment be adopted. I do want to say that while the bill was reported out unanimously by the members who were present I was not present when it was reported out, and had I been present I would have voted against reporting it out. I earnestly ask that this amendment be adopted. There cannot be any serious objection to it.

As the gentleman from Nebraska [Mr. BUFFETT] has said, it would give another Administration an opportunity to look into the matter. I do not think we can be too careful at the present time in dealing with these lending agencies.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield further?

Mr. SMITH of Ohio. I yield.

Mr. BUFFETT. This amendment would fit right in with what Mr. Martin said before our committee when he told us that we were in the danger zone, would it not?

Mr. SMITH of Ohio. Yes, that is certainly true.

Mr. BUFFETT. As a prominent member of the administration circle of executives, certainly he would not be inclined to overestimate that activity, would he?

Mr. SMITH of Ohio. I think you are correct about that. Another thing, this man is a member of the National Advisory Committee. He is in a position to know something about the over-all lending activities that have taken place. So let us at least be cautious about the matter.

Mr. WOLCOTT. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, of course, the whole object of this amendment is to stop the operation of the Export-Import Bank. My worthy colleague from Ohio has indicated that he is very strongly opposed to it, and he takes this method of killing the Export-Import Bank. The reason we found it necessary to bring this legislation here at this time is because the corporation would expire on June 30, 1948, under the Corporations Control Act which we passed last year. Up to the time that act was passed there was no limitation on the life of this corporation. There was no limitation whatever except that which is found in the Distric of Columbia Corporation Code which was probably 30 years. We have put a very definite limitation on the life of this corporation without interference with its normal and desirable operations. We have set 5 years. Why? Because many of the commitments of the Export-Import Bank for the movement of American goods to foreign governments are 2-, 3-, and 5-year commitments and to narrow the scope of their activities by cutting this date back and giving it a life of only 2 years would limit their activity in that field to 2-year commitments. At the present time we are moving locomotives and heavy equipment by the credits created by the Export-Import Bank. When we expanded the Export-Import Bank a year ago from $800,000,000 to $3,500,000,000 we had a purpose, and it was perhaps a selfish purpose. It was to enable us to sell American goods abroad. I do not think the gentleman could have delved very deeply into the economic conditions of this country or which face this country within the next few months, when he says we should not make available credit for the movement of heavy-industry goods. At this very moment we are approaching a situation where we find if it had not been for the credit we have established to move heavy goods abroad, we would have saturated the domestic market with heavy goods and there would have been perhaps hundreds of thousands of people out of employment in America.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SMITH of Ohio. I hope I do not understand the gentleman to be telling the House that the Export-Import Bank has made commitments 5 years ahead.

Mr. WOLCOTT. I say it may have made commitments 5 years ahead. Many of these loans are from 1 year to 3 or 4 years.

Mr. SMITH of Ohio. But as long as it has not committed itself beyond——

Mr. WOLCOTT. Well, this is a revolving fund. You would close it up on that date. The reason for continuing this beyond June 30, 1948, is to allow this fund to revolve for financing the exportation of American goods, and for the importation of things which we need from abroad, in order to enable us to manufacture many commodities in the United States which we re-export.

Mr. SMITH of Ohio. Will the gentleman yield further?

Mr. WOLCOTT. Yes, I yield.

Mr. SMITH of Ohio. Does the gentleman have any idea or hint that the Export-Import Bank is going in for a further increase in capital?

Mr. WOLCOTT. Well, we can take care of that matter when it does come up. We surely do not have to kill it off now against the possibility that this House may have an opportunity next year or 2 years or 5 years from now to say whether it shall give them more capital or less capital. You understand this Congress always has control over the capital structure of the Export-Import Bank. We can bring in legislation at any time we want to, to narrow or to expand its scope. They cannot do it without our authority.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BUFFETT. You mean that under the present operations of the Export-Import Bank that all payments out and all collections back have to be in by July of next year?

Mr. WOLCOTT. No. All they could do after June 30, 1948, would be to liquidate. We want it to continue as a going concern. I wish you would not have made a political thing out of the Export-Import Bank, because we prevented that last year when we expanded the capital of the Export-Import Bank. It is not necessary to view the operations of the Export-Import Bank in the light of some oncoming political election.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Georgia. At the hearing a year ago when we increased the capital stock from $750,000,000 to $3,500,000,000, the evidence disclosed that this corporation had made some $42,000,000 in the 11 years of its operation. I agree with the gentleman that we expect to get our share of the exports by extending the life of this agency.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. BUFFETT. Mr. Speaker, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, in appraising the amendment offered by the gentleman from Ohio, I think the committee should understand that those of us who are trying to improve this bill are under a considerable handicap. The hearings have not been printed—at least have not been bound—and the bill has been brought to the floor without prior notice.

The amendment, as I understand, provides that the bank may continue making loans, service loans, and collect on loans until July 1949 and as many years thereafter as may be necessary to complete the

collection of the loans made prior to July of 1949. Certainly that constructive amendment does not destroy the bank, nor does it prevent the bank from going ahead with their business and operating just as they have been operating with the approach of the June 30, 1948, termination date.

As far as the political aspects of this policy are concerned, it is part of the responsibility of Congress to set up Federal agencies so that when a new administration comes in, in the spring of 1949, it will have a chance to decide the pattern of Government lending and Government spending. By that time the people of this country may have decided they want an entirely different pattern than the present extravagance that is sending our resources all over the world.

The unsupported claim has been made that our heavy industry would have collapsed if it had not been for these foreign loans. In most industries that observation goes wide of the mark. For example, in the first quarter of this year, according to figures furnished me, about 1,700 freight cars and boxcars were shipped abroad. This occurs at the very time when the crops of the Nation will be lying on the ground because the railroads of this country cannot get boxcars to move them. Why can they not get boxcars? A leading reason is that 1,700 freight cars were shipped abroad in the first quarter, and many of them were financed in all probability by funds from the Export-Import Bank.

Many Congressmen are complaining about a shortage of durable goods in this country. They either should be willing to constrict these export activities in fields of shortage or stop complaining when their people cannot buy automobiles and other necessities.

During the first quarter of this year 134,000 cars were shipped abroad, although controls were still in effect. Since the 1st of April control on the shipment of cars abroad ceased. As a result, down in Brazil and over in China they are paying $4,000 and $5,000 for new Ford cars, while people in your district and mine cannot get new cars at all.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. SMITH of Ohio. It is important for the House to realize that some of these foreign loans are really political loans. That is true with respect to the loan made by the Export-Import Bank to France. It is purely a political loan. It has nothing to do with commerce at all.

Mr. BUFFETT. I thank the gentleman for his observation.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. HOFFMAN. Does the gentleman mean loans to buy an election? He said they were political loans.

Mr. SMITH of Ohio. I think that is something to be considered.

Mr. HOFFMAN. Then this buying of elections is not confined to Missouri or Kansas City apparently.

Mr. SMITH of Ohio. I wish to make an explanation there. It is an international political power proposition.

Mr. BUFFETT. As a practical matter, a large part of the demoralization of the governments of the world may have come about because of this spending policy of the United States Government through its lending agencies. In every land the ruling politicians are not figuring how to balance their budgets, how to be thrifty, how to stop spending. They are figuring ways and means of getting more dollars, more goods, and more resources out of Uncle Sam.

You, therefore, have this kind of situation: The men in every land who are conservative, who want to get back to a balanced budget, have as their opposition men who say, "Well, I can go to America. I can talk about communism in our country and I can get a loan from America."

Like the Arab, they all say, "We do not want to meddle in American affairs, we do not care which agency we get loans from, all we care about is how many dollars do we get and when?"

I urge adoption of the amendment.

The SPEAKER. The time of the gentleman from Nebraska has expired.

The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 3, noes 33.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HESS (at the request of Mr. COLE of New York), for 2 weeks, on account of illness in family.

To Mrs. DOUGLAS, for 1 week, on account of official business.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair wishes to announce that he will be unable to preside tomorrow, and has designated the majority leader the gentleman from Indiana [Mr. HALLECK] to act as Speaker pro tempore.

SPECIAL ORDER GRANTED

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LABOR BILL

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. I desire to interrogate the gentleman from Indiana the majority leader [Mr. HALLECK]. I understand that the conference report on the so-called labor bill has not yet been filed. I am unable to find out definitely, and I am asking if the gentleman knows when it might be filed?

Mr. HALLECK. I understood that the report was being prepared today and will be filed. However, I could not undertake to say definitely that such is the situation.

Mr. RAYBURN. Well now, suppose the conference report is not filed until tomorrow and it cannot be printed until tomorrow night, I would think that would be pretty short notice to the Members who had not seen it, if it is available Wednesday morning for the first time, to call this conference report up on Wednesday.

Mr. HALLECK. Of course, I do not know that it will not be filed today. As I say, my understanding is that it would be ready today. It is also my understanding that copies of the bill as finally agreed upon are available to anyone who wants to study the legislation.

Mr. RAYBURN. I hope the gentleman has investigated that. Some Members have told me that they could not get a copy of the bill as agreed upon, and were told that it would be Wednesday morning before they could get them. Now, there were a few copies of the committee print available to the newspapermen, I think, on last Wednesday or Thursday, but they were exhausted in a few moments, and I wanted to ask the gentleman about that.

Mr. HALLECK. I might say to the gentleman from Texas that I have seen a number of such copies, and, in addition, I know that many of the newspapers have published the contents of the bill.

Mr. RAYBURN. That is correct.

Mr. HALLECK. That is, the text of the bill.

Mr. RAYBURN. It so happens that many of us have not seen any newspaper that carried that account, and I was wondering if the gentleman could not do something about having some additional committee prints made of the agreement made tonight so that they would be available to the Members tomorrow.

Mr. HALLECK. I shall certainly be glad to undertake to do that. Certainly there is no inclination on my part—and no inclination on the part of anyone, so far as I know—to refrain from giving to all the Members full opportunity to know what is in the bill. I shall be glad to cooperate in that direction, as suggested by the minority leader.

Mr. RAYBURN. Even though that is available tomorrow and the conference report is not available until Wednesday morning, will the gentleman still insist on bringing the bill up on Wednesday?

Mr. HALLECK. I may say to the gentleman from Texas that I have talked to a great many of the Members, including members of the committee, and they are of the opinion that the conference report should be disposed of as quickly as possible; so, under the circumstances, if it is ready, and there is fair opportunity for

the Members to be informed as to what the bill contains, I would be compelled, I think, to put the measure on the program for Wednesday, as indicated.

Mr. RAYBURN. I know the gentleman does not intend to be unfair, and he never does, but frankly I do not think that is enough time to give Members to look at a bill of this tremendous importance. If they get it Wednesday morning when they get to their offices at 9 or 10 o'clock, and then have it taken up at 12, that is pretty fast work.

Mr. HALLECK. First of all, I will not say that the report is not to be filed today. As I said before, my understanding is that the report is to be filed today. I know of no reason why copies of the bill as agreed upon should not be made immediately available, and certainly available tomorrow morning, for Members to see and to have the opportunity to read them and become informed about the bill.

Mr. RAYBURN. Will the gentleman undertake to see that that is done tonight?

Mr. HALLECK. Yes; I shall be glad to do that.

Mr. RAYBURN. I still think the bill ought to come up Thursday, as I told the gentleman.

REORGANIZATION PLAN NO. 2, OF MAY 1, 1947

Mr. HOFFMAN. Mr. Speaker, by direction of the Committee on Expenditures, I file a report on the concurrent resolution (H. Con. Res. 49) against adoption of Reorganization Plan No. 2, of May 1, 1947.

The SPEAKER. Referred to the Union Calendar and ordered to be printed.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that at the conclusion of the remarks of the gentleman from Illinois [Mr. CHURCH] I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

VETERANS' ADMINISTRATION INSURANCE SERVICE

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following data may be of value to Members of Congress on reasons for the growing dissatisfaction with Veterans' Administration insurance service.

There are approximately 5,000,000 veterans still retaining national service life and veterans (converted) insurance from World War II.

There are approximately 400,000 veterans still retaining Government insurance from World War I.

There were approximately 13,000,000 servicemen in World War II.

There were approximately 5,000,000 Government insurance policies in force immediately after World War I.

This appalling drop in insurance retained by veterans of both wars and the fact that World War II insurance is falling off month by month justifies an inquiry into the reason why Government insurance for veterans, which is the most liberal and cheapest in existence, should be losing ground.

A very superficial investigation reveals the reason for this situation very clearly.

The average veteran who can afford it would prefer to pay more for a given amount of insurance with a commercial company because of the more efficient service he receives.

Substantiation of this statement is contained in the following facts:

Veterans' Administration has approximately 1,200,000 unapplied remittances floating around the country which they are unable to credit properly because they cannot locate records.

Thousands of applications for conversion of national service life—term—insurance are lying dormant for the same reason.

It is next to impossible for a veteran or a veteran's dependent to get an answer to an inquiry regarding insurance in anything even approaching a reasonable period of time.

Veterans who have paid premiums regularly suddenly receive lapse notices, frequently from offices with which they have had no contact.

Others who have been unable to keep their premiums do not receive lapse notices.

No policies covering any of the various types of insurance have been issued to veterans. Many have no record at all of their insurance.

Death and benefit claims frequently run over a year before settlement.

When these, and many other deficiencies, are brought to the attention of Veterans' Administration officials, from the Administrator down, the answers are always the same; namely, the unprecedented rate of discharge of military personnel; the shortage of personnel and the failure of the Congress to provide enough money to correct that situation; they have "not been given enough time to straighten things out."

Considering these answers one by one, it is believed that Veterans' Administration insurance now has far more people per policy in force than is required by any commercial company, and it is not likely that the Congress is going to provide for any more people.

It is almost 2 years since the end of the war. It is hoped that by "give us enough time" is not meant that sufficient veterans will drop their insurance to make the job easier.

Veterans' Administration official flatly state that, unless funds for more personnel are provided, policies will not be issued, lapse notices will not go out on time, and so forth.

Veterans' Administration officials state that they do not plan to issue any policies to holders of national service life—term—insurance even though additional personnel is forthcoming.

There is $30,000,000 to $60,000,000 surplus in Veterans' Administration insurance funds. Veterans' Administration is vague as to the exact amount, and I have suggested to the Administrator that a preaudit of Veterans' Administration insurance funds by the Comptroller General might be of value to all concerned. Whatever the surplus is, Veterans' Administration insurance officials state no dividend can be declared until some 10,000,000 tabulations are made, and that this operation again depends on getting more people. There are people employed in the Capitol who are having the same difficulty with their insurance.

Members of Congress are receiving an increasing number of complaints about the service being rendered to veterans and their dependents by Veterans' Administration. I believe the time has come to stop rendering lip service to the mythical fine job allegedly being done for the veteran by the Veterans' Administration insurance and face the cold fact that the service being rendered is inefficient and unsatisfactory.

I have considerable evidence to indicate that the principal reasons for this situation are not insufficient numbers of employees or insufficient time to get organized, but, rather, a stubborn adherence to obsolete and inadequate methods and procedures. I expect to have some specific recommendations to make in this connection in the near future.

As chairman of the Committee on Veterans' Affairs, I appointed a very fine subcommittee on insurance, headed by the gentleman from Tennessee [Mr. PHILLIPS], to work out insurance matters.

They should be given every opportunity to take out various sorts of veterans' insurance. They should also receive policies just as persons taking out commercial life insurance receive policies. Today the veterans receive nothing but a little slip of paper. The men who fought for us are entitled to policies that mean something; so that they can see what they are. Certainly their dependents should see those policies.

AUTOMOBILES FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I should like to state that a remarkably fine piece of work in registering motor vehicles has been done by Mr. Rudolph M. King, Massachusetts registrar of motor vehicles, and his office, insofar as assisting the disabled veterans, amputees, and paraplegics is concerned, to get the automobiles they have received under the law. They have gotten out a placard or a sticker which I have here, which goes on every automobile operated by an amputee. It tells the police that these veterans may park in restricted areas in order that they can drive their automobiles to their places of business and carry on gainful employment. These automobiles have opened up a new world of happiness and a new world of occupation and employment. Many of these men are becoming taxpayers as a result of the employment they have received.

The gentleman from New York has introduced a bill which takes in another group, the blind, to provide them with automobiles. It was reported out of the

committee unanimously. It is now pending before the Rules Committee. I noticed today, Mr. Speaker, that a great many bills came up under rules. I wish to state that our committee has sought repeatedly to have a rule on H. R. 246. It was the unfinished business, yet other rules have been taken up. The chairman has promised a hearing soon, and it must be soon, or I believe the necessary number of signatures will be obtained on the petition that was placed on the Speaker's desk by the gentleman from New York [Mr. KEARNEY].

The SPEAKER pro tempore. The time of the gentlewoman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SUGAR

Mrs. ROGERS of Massachusetts. Mr. Speaker, I caused to be inserted in the RECORD on Thursday an article by Mr. Ickes, in which he said the housewives should march on Washington in order to secure the sugar that is flowing out of the windows and the doors and everything else of the various stores and warehouses. We have an enormous supply of sugar. There is no reason why it should not be given to the housewives. The canning season is approaching. Manufacturers will want it. The housewives will want it.

I am inserting as a part of my remarks an editorial from the Lowell Sun entitled "Calling the Turn":

CALLING THE TURN

The sugar shortage cleared itself up with surprising speed after the Department of Agriculture had been given warning that it could no longer hold back the flow of this vital commodity without public and congressional reprisals.

Once it was prodded into action, the Department hustled to make greater quantities of sugar available, releasing much of the vast quantities that were piling up in warehouses, stymied by Government restrictions.

In most cases of this kind, the public has begun to think that Federal agencies seem to take a diabolical joy in making the people take it on the chin as long as possible. As materials and commodities became increasingly available in the postwar era, the Federal officials who were permitting only a trickle to filter through to the public became increasingly anxious to hold back as long as they could.

Their hands were forced, finally, as has been the hand of the Department of Agriculture on sugar.

Another example of this Federal persistence is found in the continuation of credit curbs on automobile sales. Yesterday the National Automobile Dealers Association asked Congress to abolish these restrictions, arguing that within a short time new car production will reach prewar average output and that their chances of doing business on a normal basis, such as prevailed before the war, will be seriously impaired by Federal red tape.

The regulation on credit is enforced by the Federal Reserve Board, which, presumably, is interested in keeping its office force at an unnecessary maximum. Hence it is anxious to keep its finger in a business that is quickly reverting to prewar normal.

Congress should take immediate inventory of all these abuses. It is not only sugar and credits, it is building materials and many other items which are greatly in demand.

All such controls that were invoked during the war during national mobilization of supplies and resources should be eliminated without debate. There are no logical reasons to support their continuation; the law of supply and demand, which has always worked satisfactorily in American business, will take care of the situation handily.

But the law of supply and demand will never work out right while the Federal Government and its numerous needless bureaus insist upon running things in their untrained and unreasonable way.

It is a very strong editorial, Mr. Speaker, and I hope Congress will take action if the administration does not, to remove the controls itself.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Illinois [Mr. CHURCH] is recognized for 30 minutes.

(Mr. CHURCH asked and was given permission to revise and extend his remarks and insert certain short quotations and tables.)

JOHN H. FAHEY, FEDERAL HOME LOAN BANK COMMISSIONER

Mr. CHURCH. Mr. Speaker, I have asked for this time because of the relevancy of my subject in a way to the subject matter of the two bills the House has just passed. These two bills came up suddenly and were passed with little debate. They are H. R. 2798, providing for State conversion of Federal savings and loan associations, and H. R. 2799, dealing with the subject of the retirement of the capital stock of the Federal home-loan banks and Federal Savings and Loan Insurance Corporation.

Mr. Speaker, on a previous occasion I have paid my respects to Mr. John H. Fahey. In these remarks today I desire to do so again.

The outstanding example of a public office being held by a person wholly unfit for the position is that of the Federal Home Loan Bank Commissioner, Mr. John H. Fahey. His is a consistent record of disregard of the law, arbitrary abuse of power and the throttling of the thrift and home financing business which he is supposed to nurture.

It is time to call public attention to the way Mr. Fahey is abusing his powerful position because his term will very shortly expire. If he is appointed to another 6-year term, he will be 81 years old before that term expires. That in itself is sufficient to raise a real question as to his fitness for continued office-holding but compared with the remainder of his record it is really a minor matter.

Mr. Fahey started out in arbitrary disregard of the law from the day he was appointed. Section 17 of the Federal Home Loan Bank Act, under which Mr. Fahey was appointed to the Federal Home Loan Bank Board, states of the Board that "each member shall devote his entire time to the business of the Board." For 4 years after his appointment, that is until 1937, Mr. Fahey was president and publisher of the Worcester (Mass.) Post. Throughout his entire term of office he has been a trustee of the Twentieth Century Fund, Inc., and from time to time has held the offices of chairman of the executive committee and president. During most of his period of office he has been Administrator of the enormous Filene estate, a position which is of such magnitude as to obviously require a great deal of time. He has also been trustee of the multi-million-dollar building occupied by the chamber of commerce here in Washington. Clearly, Mr. Fahey has not been giving his entire time to the job for which the taxpayers pay him and furnish him a car and chauffeur. Furthermore, it is equally clear that he never intended to when he took the oath of office. The matter is even more serious because in early 1942 he helped bring about the abolition of the Federal Home Loan Bank Board and the substitution of himself as sole commissioner exercising all the powers previously held by a five-man board. That position involved heading up the Home Owners Loan Corporation which once held mortgages up into the billions of dollars; a Federal Home Loan Bank System of approximately $450,000,000; the Federal Savings and Loan Insurance Corporation with nearly $200,000,000 of resources insuring over $6,000,000,000 of the savings of millions of American people; and the Federal Savings and Loan System with nearly $5,000,000,000 in resources. A man holding this position and with a proper regard for his responsibilities, if not for the law, would certainly find it worthy of his full energies; but the outside business interests which Mr. Fahey has continued to hold in violation of the law show his attitude.

Records of the Federal Home Loan Bank System are replete with a continuous succession of trips to and from New York and Boston where his real interests lie. If you have any question as to whether he is devoting his entire time to his Government business, see how often you find him in Washington and how often in Boston where the Filene estate is centered. This is not just the current condition—it has been going on for years.

How this condition affects the Nation can well be brought out in one small illustration—small in that it is one of many, but vital in its effect on the veterans' housing program. Savings and loan associations, early, did a magnificent job in loans to veterans under the so-called GI home-loan program. The following figures tell the story, including the decreasing amount which they have been able to make. This falling off was inevitable unless these associations could secure the assistance from their Federal Home Loan Bank System which the type of job they were doing certainly entitled them to.

Veterans' Administration home loan performance of savings and loan associations

As of—	Number of loans made to date	Increase in number of loans during quarter	Dollar volume of loans made to date	Increase in dollar volume during quarter	Percent of dollar volume of VA guaranteed loans made by savings and loan associations to date
June 30, 1945	7,504	----------	$35,490,000	----------	66.9
September 30, 1945	17,000	9,496	76,777,000	$41,287,000	72.3
December 31, 1945	37,017	20,017	173,265,000	96,488,000	82.7
March 31, 1946	73,672	36,655	348,542,000	175,277,000	69.5
June 30, 1946	146,438	72,766	775,076,000	426,534,000	70.1
September 30, 1946	197,133	50,695	1,054,082,000	279,006,000	52.7
December 31, 1946	257,668	60,535	1,421,771,000	367,689,000	49.3

The fact that the savings and loan associations would need help was recognized even by other officials of the Federal home-loan bank as long as a year ago. A plan was proposed whereby they could temporarily sell some of their Veterans' Administration guaranteed loans to the Federal home-loan bank of which they are members and use the money to maintain the flow of credit for housing veterans. Eight or nine months ago the development of such a plan was announced by other officials of the Federal Home Loan Bank System at various savings and loan meetings. Savings and loan managers were, in effect, advised to make their lending plans accordingly on the basis that they would secure this sort of help for veterans' loans this year. The completed plans with all the necessary regulations have been on Mr. Fahey's desk for more than 3 months. He just has not found time to get around to them either to approve them or disapprove them or to authorize his subordinates to put them into effect. Thousands—indeed, hundreds of thousands—of veterans who find home-ownership credit tightening up in their communities can put the finger right on Mr. Fahey as a principal source of their difficulty. Preoccupation with the Filene estate, with the Twentieth Century Fund, and the indecision of a 75-year-old bureaucrat dramatically show their results here.

Continuously John Fahey has demonstrated his own lack of background in the thrift and home financing business and his antagonism toward these institutions which he is supposed to foster. The original Federal Home Loan Bank Act provided for a reasonably decentralized reserve credit system. Every action of Mr. Fahey has been to take away the independence of the banks, their responsiveness to the needs of their members and to the needs of the communities which those members serve; and instead, to concentrate every vestige of power and authority in the Commissioner.

The original Federal Home Loan Bank Act provided that the management of each of the then 12 banks should be in a board of 11 directors; 9 of whom were to be elected by the member financial institutions who owned stock in the bank system, and 2 of them to be appointed by the Washington Board. Early in his career as Chairman of the Federal Home Loan Bank Board, Mr. Fahey set about to change this and he succeeded so that the number of elected directors was cut down to eight and the number appointed was increased to four. This was done over the bitter opposition of the members of the bank system. Virtually without exception, the appointed directors have come from businesses foreign to that of the members of the bank system. They have no responsibility to the bank members, they are wholly responsible to Mr. Fahey. But beyond that, Mr. Fahey has consistently appointed the Chairman and almost as consistently the Vice Chairman of each Federal Home Loan Bank from among his own appointees so that the leadership in each bank rests with a Fahey man. The effects of this evident antagonism to the business which he constantly tries to control are apparent and they have become particularly apparent during the period from early 1942 when Mr. Fahey arranged to have his Board abolished and himself appointed as the all-powerful czar of the business.

Let us look at the record as to the number of Federal savings and loan associations during that period. Remember that in section 5 of the Home Owners Loan Act of 1933 Mr. Fahey was authorized to provide for the organization of Federal savings and loan associations in order to provide local thrift institutions and to provide for the financing of homes. And in section 6 specific provision was made for him to encourage local thrift and local home financing and to promote and develop these institutions.

In the 5-year period in which Mr. Fahey has been sole czar there has been a net gain of only seven such associations. This in spite of the fact that there are approximately 800 cities and towns in the United States with populations of 2,500 or above in which there are no savings and loan associations either federally or State chartered. It seems clear that Mr. Fahey is just not interested in following the congressional mandate, and he is answerable to the citizens of these 800 communities which Congress wanted to help by making it possible for them to have a local home-financing institution.

The same sort of picture runs through every part of the operation for which he is responsible. For example, on January 1, 1947, there were actually 108 fewer members of the Federal Home Loan Bank System than was the case on January 1, 1942, just before Mr. Fahey succeeded in gathering all the power into his own hands. The decrease was from 3,772 to 3,664. Incidentally only 61 percent of all associations in the United States are members of the reserve system set up—so the Congress thought—for their benefit and for the benefit of the communities which they serve. In view of the record, one can hardly blame the other 39 percent for not putting their heads into Mr. Fahey's noose.

Much the same picture runs through the number of saving and loan associations insured by the Federal Savings and Loan Insurance Corporation. In the same 5-year period beginning with 1942, there were only 126 net gains in the number of insured associations with an even 2,500 at the end of 1946. What a contrast this is with the Federal Deposit Insurance Corporation. The 2,500 insured savings and loan associations represent only 42 percent of all the savings and loan associations, whereas 93 percent of all the banks have deposit insurance. Remembering that all the Federal savings and loan associations must have their accounts insured, the real picture is found in connection with State-chartered associations which go in on a voluntary basis. Only 23 percent, by number, of such associations have sufficient confidence in Mr. Fahey to submit to his supervision. What a contrast with the 89 percent of the State-chartered banks which have their accounts insured by the Federal Deposit Insurance Corporation.

Why do 3,664 associations belong to the bank system while only 2,500 have their accounts insured? The reason is clear. Through the exercise of his supervisory powers, Mr. Fahey has almost life and death power over an insured association which is not the case if it only belongs to the reserve banking system. Associations are afraid to entrust their futures to Mr. Fahey. That their fears are justified is overwhelmingly shown by the case of the Long Beach Federal Savings and Loan Association which will be described a little later.

However, even where an association in the desire to better serve its community musters up the courage to apply for insurance, it runs immediately into Mr. Fahey's repressive policies. If it is small and really needs insurance of accounts, it cannot get it. If it is big and powerful, its chances are good. Of all the associations in the United States with assets under $500,000, only 9.5 percent have share insurance. Of those between $500,000 and $1,000,000 about one-third are insured and of those over $5,000,000 nearly two-thirds are insured. These figures, as well as the testimony of numerous institutions, reflect the virtual impossibility of a small association affording its members the protection which Congress provided. Clearly, Congress never intended any such discrimination.

Other facts bring out the way in which Mr. Fahey is slowly throttling the savings and loan business. The mutual savings banks, fortunately for them, have been able to stay out of his clutches. While they are eligible for membership in the Federal Home Loan Bank System only 25 out of the 541 such institutions have joined that System. In 1930 the total assets of mutual savings banks were

about the same as those of the savings and loan associations. Today, the mutual banks are more than 60 percent larger. When we compare these figures, we who are from States not having mutual savings banks should take heed as to the future source from which our families can secure local home financing from specialized financial institutions. Certainly if we have any regard for that future, it is time that Mr. Fahey be retired to look after his other interests and to permit our citizens to have the type of thrift and home financing which Congress intended when it enacted the Federal Home Loan Act, set up the Federal Savings and Loan Insurance Corporation, and established the Federal Savings and Loan System.

Mr. Fahey is not only not an active, constructive builder—he is a virulent destroyer. Woe be unto him who crosses his path. The report of the select Committee To Investigate Special Agencies created by this House, of which the gentleman from Virginia [Mr. SMITH] was the chairman brings out what happens to anyone whom Mr. Fahey can reach and who does not bend the knee. The hearings and findings of that committee are published in connection with Complaints of Federal Home Loan Bank of Los Angeles and Federal Savings and Loan Association of Long Beach against the Federal Home Loan Bank Administration. As this highly respected committee concluded, the action of Mr. Fahey "was not only a disservice to the Government but also a greater disservice to the people for the protection of whose rights and exercises our Government exists." With no previous notice or hearing, on March 29, 1946, Commissioner Fahey abolished the Federal Home Loan Bank of Los Angeles and arbitrarily transferred the stock in it owned by its members to a new bank known as the Federal Home Loan Bank of San Francisco which, in turn, was a merger with the former Federal Home Loan Bank of Portland. The stockholders of the Portland bank similarly had no notice or right of hearing in connection with this action.

Further, as brought out in the report of Mr. SMITH's committee, because the manager of the Long Beach Federal Savings and Loan Association of Long Beach, Calif., opposed Mr. Fahey in his arbitrary action with regard to the Federal Home Loan Bank of Los Angeles, the Commissioner, again without previous notice or hearing, took over the Long Beach Federal, a $26,000,000 savings and loan association solvent by his own admission and having reserves of $1,300,000. The complete lack of confidence which the public has in anything which Mr. Fahey touches is shown by the fact that since the date of the takeover, in spite of the fact that the association is insured by the Federal Savings and Loan Insurance Corporation, people have constantly withdrawn their money from it until it is now cut down to something under $15,000,000 of savings accounts and in less than a year is well on the way to a 50-percent loss in such accounts. It is estimated that in added expenses alone, Mr. Fahey's so-called conservator is costing the association $400 per business day.

The vindictive and high-handed way in which Mr. Fahey abuses his power as illustrated in the Los Angeles Bank and Long Beach Association cases are entirely too long to describe here, but the facts as brought out by the congressional investigating committee are a matter of public record, as are their corrective recommendations, which are as severe a rebuke as the majority party committee is ever likely to make of an appointee of an administration of their own party.

Of course the savings and loan associations did not stand idly by while Mr. Fahey and his satellites progressively cut them down. What happened to those who opposed, where he had the power to punish directly, is self-evident in the Los Angeles and Long Beach cases. Undoubtedly, those were excellent examples to put the fear of the Almighty into the hearts of those who might consider a difference of opinion with the high Commissioner but he could not reach the associations' courageous trade organization, the United States Savings and Loan League, quite so directly. In defense of the business which the league represents, it has had to constantly fight back, bring the facts to the Congress and take the story to the people. But as one Washington publication devoted to financial affairs pointed out, you cannot have a difference of opinion with Mr. Fahey without expecting retribution. A newspaper reporter critical of anything Mr. Fahey does will find immediately an attempt to convince his publisher that he should be fired.

There is a familiar New Deal tactic to use against any business group which has a difference of opinion with a man in Mr. Fahey's position. This is to organize a rival group, as witness the Lawyers' Guild, and many others. This was the tactic which Mr. Fahey followed. He sponsored the organization of the National Savings and Loan League and promptly transferred to it as its manager and assistant manager two of his employees, one of whom had been manager of the Federal Savings and Loan Insurance Corporation. Undoubtedly he has been disappointed in the results since, in contrast to the United States League's 3,600 members, Mr. Fahey's National League has fewer than 300 members who are not also members of the long-established business organization. Probably it was worth the try and maybe it would have been more successful had not the trend of national events in the past year shown that it might still be possible to keep your self-respect and stay in business without joining forces with the Commissioner's pet trade association.

Mr. Fahey is an atrocious administrator with a reckless disregard for how he spends other people's money. The operating expenses of the Federal Savings and Loan Insurance Corporation show that clearly. Since 1941 they have increased by nearly 70 percent. Why there should be such increases in the expense of a corporation which has had practically no loss cases to work out during that period, I defy anyone to answer. Fortunately, we have a beautiful comparison with another Government operation, namely, the Federal Deposit Insurance Corporation. The following table shows the story:

Year ending Dec. 31—	Operating expenses of the F. S. & L. I. C.	Percentage of operating expenses to premium income		Operating expenses per $1,000,000 of insured risk	
		F. S. & L. I. C.	FDIC	F. S. & L. I. C.	FDIC
1941	$301,846	9.1	7.1	$113.68	$137.16
1942	343,000	9.1	6.8	114.33	117.10
1943	392,370	9.5	5.9	112.11	101.59
1944	481,150	10.4	4.7	116.39	76.31
1945	436,188	7.8	4.1	87.69	57.77
1946	530,000	7.9	3.6	90.32	52.95

Incidentally, while the operating expense of Mr. Fahey's insurance corporation has increased by over 70 percent, that of the Federal Deposit Insurance Corporation has remained practically the same.

A similar set of comparisons can be found through every operation which Mr. Fahey touches. The Federal Home Loan Bank Administration, itself, operates on the basis of assessments levied on the 12—now 11—Federal home-loan banks. For 10 years following 1933 they were $300,000 per year. Currently they are $500,000 per year, another increase of nearly 60 percent in the past 5 years. Again a direct comparison can be made, since the assessments from the Federal Reserve banks for the support of the Board of Governors has increased only 38 percent in a similar period.

Mr. Fahey has given wide publicity to certain phases of what he seems to regard as the highly successful operation of the Home Owners Loan Corporation. However, the Home Owners Loan Corporation record is one which will not stand really careful investigation. First of all, ever since the year that the HOLC went into operation, Mr. Fahey and all other real-estate owners have been in a rising real-estate market. Employment has been high, so have people's incomes and the ability to pay their mortgages. Life-insurance companies, mutual-savings banks, commercial banks, and savings and loan associations owning real estate or mortgages during the same period have had records just as good or better than has the HOLC. As a matter of fact, during the past 15 years it would have been a little difficult to actually lose any money in an operation like the Home Owners Loan Corporation. Nevertheless, Mr. Fahey has managed to do just that. No other holder of real-estate mortgages has had Mr. Fahey's advantages in raising money with as low an interest rate; that rate being conditioned on the fact that the bonds of the HOLC are guaranteed by the United States Government as to both principal

and interest. It is that subsidized interest rate with its ability to use capital costing 50 percent or more under the cost to pri ate business which has kept Mr. Fahey's head above water in the HOLC. But Mr. Fahey has had his losses and in one State alone, by November 1943, the loss figure had exceeded $250,000,000. The State in question was New York, and as is brought out by an article in the New York Times, issue of March 8, 1944, those losses paid for by the taxpayers of the United States were directly related to Mr. Fahey's own dereliction. I quote from the article as follows:

The New York refinancing program was carried out under the direction of Vincent Dailey, long known as James M. Farley's righthand man in New York State Democratic Party activities, who was State manager of the HOLC during its lending period from August 15, 1933, to December 28, 1936, about 6 months after the last loan was made. Mr. Dailey kept up his interest in politics during that period, continuing to serve as State campaign manager for his party. In the fall of 1936 he received a 90-day leave from the HOLC to manage the New York campaigns of President Roosevelt and Governor Lehman for reelection. He admitted in 1935 that his HOLC employees, numbering about 1,200 full-time workers and about 2,000 part-time or fee employees, were taken from the ranks of the Democratic Party.

A similar political operation with a similar record occurred in Massachusetts where Mr. Fahey's State manager was a brother of Miss LeHand of Roosevelt administration fame.

The story in New Jersey is strikingly similar. Sometime the source of these losses, the recipients of the specific loans which caused them and all the sordid details will have to be brought to light, but that you can be sure will not be while Mr. Fahey remains as Commissioner.

Far from being a careful public-spirited administrator, Mr. Fahey's actual record has been one of vindictive retribution to those who had any difference of opinion with him, favoritism to subservient satellites and reckless expenditure of the funds furnished by the institution which he is supposed to represent and of the taxpayers generally. His office expenditures of $350,000 a year could be cut at least 50 percent without hurting the public interests at all. Legal service expenditures from his office, the Home Loan Bank System and the insurance corporation total more than $175,000 per year; even though it is the duty of the Attorney General to conduct such litigation as the Commissioner is now engaged in in connection with the Federal Home Loan Bank of Los Angeles and the Long Beach Federal Savings and Loan Association.

It has been the Commissioner's constant policy to foist off on the Federal Home Loan Bank System or the savings and loan business his particular favorites. Reading of the hearings conducted by the Smith committee shows clearly that the beginning of the problem was the attempt to force the former Governor of the Federal Home Loan Bank System, Mr. Tuohy, in as president of the Federal Home Loan Bank of Los Angeles. The former manager of the Federal Savings and Loan Insurance Corporation was set up as manager of the National Savings and Loan League and an even more glaring case is found in connection with Mr. Fahey's former chief examiner, who now heads up the Safety Federal Savings and Loan Association in Kansas City. Mr. Kreutz, now the head of the National Savings and Loan League, was the chief of Mr. Fahey's review committee when the Safety Federal developments started. It was his responsibility, among others, to determine whether or not an association could be converted to a Federal savings and loan association. He authorized this conversion 100 percent without a physical examination, in spite of the fact that the association had a withdrawal list of people who wanted their money—nearly $2,000,000. It owned over $4,000,000 of foreclosed real estate. Soon after conversion, a determined effort was made to get in Mr. Kreutz as manager of the Federal but that was too much to stomach, so a compromise was effected and Mr. Ballard—Mr. Fahey's chief examiner—became the managing officer, which position he still holds; but the significant thing is that in 3 years beginning in July 1940, after Mr. Ballard came in, the Federal Savings and Loan Insurance Corporation poured $1,400,000 into the Safety Federal to insure its safety and Mr. Ballard his job. This in spite of the fact that only a few years before the Safety had been certified by Mr. Kreutz as solvent, fit for conversion on a 100-percent basis and without some of the other qualifying provisions required of other converting associations whose basic condition was actually much better.

This is one of the more flagrant cases, but the record shows a constant flow of Mr. Fahey's employees into positions of responsibility in the savings and loan business.

If we are to continue to have a going, developing thrift and home-financing business in this country, able to keep the veterans' housing program really moving along on the financial side, it is imperative that Mr. Fahey be relieved of his responsibilities at once.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois may have three additional minutes in order that I may ask him a question or two.

Mr. CHURCH. Mr. Speaker, I do not desire additional time.

The SPEAKER. The gentleman from Illinois does not desire further time.

FEDERAL SAVINGS AND LOAN LEGISLATION

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, the gentleman from Illinois who preceded me made certain pertinent remarks regarding H. R. 2798 and 2799, but he failed to include H. R. 2800, which was passed by unanimous consent earlier today. This action rather amazed me. While I was not shocked that no one went on record in opposition to it, I was rather amazed in view of the fact that the American Bankers Association has gone on record as opposed to H. R. 2800.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. ROONEY. Is that the bill passed by unanimous consent by the majority party today which provides that Federal savings and loan associations may lend money on unsecured loans?

Mr. BUCHANAN. That is right.

Mr. ROONEY. The gentleman from Pennsylvania was not surprised during the past half hour that the name of Mr. Morton Bodfish, the $50,000-a-year lobbyist for the savings and loan people, was not mentioned at the foot of the script read by the gentleman from Illinois?

Mr. BUCHANAN. I was rather amazed at that.

I wish to call attention to an article appearing in the New York Times of May 23, containing a complete report of the opposition of the American Bankers Association to H. R. 2800.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include this article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(The article referred to follows:)

BANKERS OPPOSE LOAN LEGISLATION—UNSECURED GRANTS BY SAVINGS INSTITUTIONS HELD CONTRARY TO PROPER OPERATIONS

The proposals contained in the bill, H. R. 2800, which would permit Federal savings and loan associations to make unsecured loans is opposed by the American Bankers Association, it was announced here yesterday. The ABA, it was explained, has filed a statement with the House Committee on Banking and Currency, asserting that the proposals constitute a departure from the natural and proper field of operations of the savings and loan groups.

"As we understand the purpose of H. R. 2800," the ABA's Committee on Federal Legislation, Savings Division, noted in the statement, "it is to permit any Federal savings and loan association to make property alteration, repair, or improvement loans, without security of any kind, whether by mortgage or otherwise, either (1) insured under title I of the National Housing Act, or (2) guaranteed or insured under the Servicemen's Readjustment Act, or (3) without such insurance or guarantee.

"Traditionally, these associations have been mortgage-lending institutions. These institutions have had no experience in making loans such as these where their soundness is entirely dependent on the character of the borrower."

Even the insurance under title I of the National Housing Act or the guarantee or insurance under the Servicemen's Readjustment Act is no substitute for the experience of a lender in avoiding losses in making this type of loan, the committee asserted. The reason for the favorable loss experience on FHA Title I loans, it stated, is that these insured loans in large measure have been made by experienced lenders who were competent to evaluate the risks involved.

It should be noted, the committee added, that the insurance provided both under Title I of the National Housing Act and under the Servicemen's Readjustment Act is not on the individual loan but rather on a certain percentage of the loss sustained on the aggregate of such loans. Further, the guarantee under the Servicemen's Readjustment Act covers not more than 50 percent of

the outstanding balance of the loan so that if larger losses are taken on a substantial number of individual loans, the insurance or guarantee may be insufficient.

"There appears to be only one area in which these unsecured property alteration, repair, or improvement loans might justifiably be made by these associations," the committee concluded. "That's where they already hold a mortgage on the property which is to be altered, repaired, or improved with the proceeds of the unsecured loan. In such circumstances an unsecured loan might be warranted to save the borrower or the association the additional expense of rewriting the mortgage, searching the title, recording papers, etc., which one or the other would have to bear.

"Also since the association will already have a mortgage loan on the property it should have some knowledge of the borrower's character and the prospects of repayment of the unsecured loan according to its terms."

COMMITTEE PRINT OF LABOR BILL AVAILABLE TO MEMBERS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, earlier in the afternoon, the minority leader the gentleman from Texas [Mr. RAYBURN] inquired as to when the conference report on the labor bill might be expected to come before the House for action. He suggested it would be helpful to the Members if a copy of the committee print of the bill as agreed on in conference could be made available tomorrow morning.

I take this time to report that I have checked with the clerk of the Committee on Education and Labor, who, in turn, has checked with the Printing Office, and the committee clerk has advised me that committee prints will be available to him in the morning and he has made arrangements for their circulation to each one of the Members the first thing in the morning. The bill as agreed upon in the conference, therefore, will be available tomorrow to all the Members for such study and investigation as they care to make of it.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. ROONEY. May I inquire of the gentleman from Indiana whether he can give us an indication as to when the conference report itself will be ready?

Mr. HALLECK. I cannot tell the gentleman about that.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 39 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 3, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

724. A letter from the Acting Secretary of the Interior, transmitting copies of legislation passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix; to the Committee on Public Lands.

725. A letter from the Chairman, Federal Trade Commission, transmitting a report of the Federal Trade Commission entitled "Growth and Concentration in the Flour Industry" (H. Doc. No. 282); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

726. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $65,000,000 for the Department of Agriculture (H. Doc. No. 283); to the Committee on Appropriations and ordered to be printed.

727. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing appropriation and a proposed rescission of $175,000,000 from accounts of the United States Maritime Commission (H. Doc. No. 285); to the Committee on Appropriations and ordered to be printed.

728. A communication from the President of the United States, transmitting proposed provisions pertaining to existing appropriations for the Treasury Department (H. Doc. No. 286); to the Committee on Appropriations and ordered to be printed.

729. A communication from the President of the United States, transmitting revised estimates of appropriation for the fiscal year 1948 involving an increase of $7,870,193.34 for the Senate and House of Representatives, legislative branch (H. Doc. No. 287); to the Committee on Appropriations and ordered to be printed.

730. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $350,000,000 for relief assistance to war-devastated countries (H. Doc. No. 734); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLACKNEY: Committee on Armed Services. H. R. 1380. A bill to amend the laws relating to the payment of 6 months' death gratuity to dependents of naval personnel; with an amendment (Rept. No. 497). Referred to the Committee on the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3583. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; without amendment (Rept. No. 498). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. House Concurrent Resolution 49. Concurrent resolution against adoption of Reorganization Plan No. 2 of May 1, 1947; without amendment (Rept. No. 499). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. H. R. 3138. A bill to provide for the periodic audit of the records of the accountable officers of the Senate and House of Representatives; without amendment (Rept. No. 500). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 1974. A bill to provide for the protection of forests against destructive insects and diseases, and for other purposes; without amendment (Rept. No. 501). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. H. R. 2298. A bill to amend the Interstate Commerce Act, as amended, and for other purposes; with amendments (Rept. No. 502). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WELCH: Committee on Public Lands. H. R. 1148. A bill authorizing the issuance of a patent in fee to Spencer Burgess Doyle; with an amendment (Rept. No. 496). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 3679. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds; to the Committee on Public Lands.

H. R. 3680. A bill to amend sections 207, 209, 213, 215, 216, 220, 222, and 225 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended; to the Committee on Public Lands.

By Mr. HALE:

H. R. 3681. A bill to amend the Internal Revenue Code with respect to alimony and separate maintenance payments; to the Committee on Ways and Means.

By Mr. LANDIS:

H. R. 3682. A bill to extend the period for providing assistance for certain war-incurred school enrollments; to the Committee on Education and Labor.

By Mr. MICHENER (by request):

H. R. 3683. A bill to validate payments heretofore made by disbursing officers of the United States Government covering the cost of shipment of household effects of civilian employees, and for other purposes; to the Committee on the Judiciary.

By Mr. NORBLAD:

H. R. 3684. A bill to provide for the addition of certain revested Oregon & California Railroad grant lands to the Silver Creek recreational demonstration project in the State of Oregon, and for other purposes; to the Committee on Public Lands.

By Mr. SCHWABE of Oklahoma:

H. R. 3685. A bill authorizing the Wyandotte Tribe of Oklahoma, through its business committee, to sell and convey, subject to the approval of the Secretary of the Interior, the Wyandotte Indian public burial ground in Kansas City, Kans.; to the Committee on Public Lands.

By Mr. WELCH:

H. R. 3686. A bill to permit the allocation of funds under the Federal Highway Act for the construction, reconstruction, or maintenance of highway approaches to certain toll bridges which are part of the strategic network of highways; to the Committee on Public Works.

By Mr. ELSTON:

H. R. 3687. A bill to amend the Articles for the Government of the Navy to improve the administration of naval justice; to the Committee on Armed Services.

By Mr. KUNKEL:

H. R. 3688. A bill to amend the Sugar Control Extension Act of 1947 so as to provide for allocation of sugar for home canning purposes; to the Committee on Banking and Currency.

By Mr. REED of New York:

H. R. 3689. A bill to extend for 2 years the application of section 22 (b) (9) and (10) of

the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HOBBS:

H. R. 3690. A bill to amend the Federal Tort Claims Act; to the Committee on the Judiciary.

By Mr. DOMENGEAUX:

H. R. 3691. A bill providing for the continuance of compensation or pension payments and a subsistence allowance for certain children of deceased veterans of World War I or II during education or training; to the Committee on Veterans' Affairs.

By Mr. LEA:

H. R. 3692. A bill to amend the Interstate Commerce Act, as amended, with respect to ownership or stock interest in freight forwarders; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Oklahoma:

H. J. Res. 211. Joint resolution consenting to an interstate oil compact to conserve oil and gas; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to pass, at the earliest possible moment, S. 126 or H. R. 1180, or any similar bill relating to the coinage of 50-cent pieces in commemoration of the Wisconsin centennial celebration; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to an appropriation for insect control in national forests; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to appropriate the funds authorized by the Agricultural Marketing Act of 1946 (Public Law 733, 79th Cong.), for agricultural marketing and research, at the earliest possible date; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the creation of an additional national cemetery in the Los Angeles area and the enlargement of existing national cemeteries in California; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States to take appropriate measures to assist in the restoration and preservation of the city of St. Augustine, Fla., and other historic missions, forts, and landmarks of the State of Florida; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to pass legislation enabling the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu to issue sewer bonds; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Delaware, memorializing the President and the Congress of the United States relative to the proposed amendment to the Constitution of the United States relating to the terms of office of the President; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact Senate bill 637, amending the Civil Service Retirement Act of May 29, 1930; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to enact H. R. 881 and H. R. 1199, granting tax exemptions to those held prisoners by the Japanese; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 3693. A bill for the relief of Mrs. Sarah Alfandary; to the Committee on the Judiciary.

By Mr. BUFFETT:

H. R. 3694. A bill for the relief of Eric Seddon; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. R. 3695. A bill authorizing the issuance of a patent in fee to Bessie Jordan White; to the Committee on Public Lands.

By Mr. CASE of South Dakota:

H. R. 3696. A bill authorizing the issuance of a patent in fee to Daniel Broken Leg; to the Committee on Public Lands.

By Mr. DOUGHTON:

H. R. 3697. A bill for the relief of Mrs. Zelma Inez Cheek; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 3698. A bill for the relief of the estate of Julius Zaffareni; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 3699. A bill for the relief of William S. Meany; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

591. By Mr. SMITH of Wisconsin: Petition of Brotherhood of Painters, Decorators, and Paperhangers of America, Union No. 108, of Racine, Wis., expressing opposition to the Hartley and Taft labor bills; to the Committee on Education and Labor.

592. By the SPEAKER: Petition of the Massachusetts Catholic Order of Foresters, petitioning consideration of their resolution with reference to opposition to communism; to the Committee on Foreign Affairs.

593. Also, petition of the members of the Clearwater Valley Light and Power Association, Inc., petitioning consideration of their resolution with reference to appropriation of funds to Rural Electrification Administration; to the Committee on Appropriations.

594. Also, petition of the board of managers of the Pennsylvania Society of Sons of the Revolution, petitioning consideration of their resolution with reference to opposition to communism; to the Committee on Foreign Affairs.

595. Also, petition of the members of South Miami Townsend Club, No. 1, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

TUESDAY, JUNE 3, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

We pray, O God, that Thou wilt fill this sacred minute with meaning, and make it an oasis for the refreshment of our souls, a window cleaning for our vision, and a recharging of the batteries of our spirits. Let us have less talking and more thinking, less work and more worship, less pressure and more prayer. For if we are too busy to pray, we are far busier than we have any right to be.

Speak to us, O Lord, and make us listen to Thy broadcasting station that never goes off the air.

Through Thy Holy Spirit, who is waiting to lead us into all truth. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Monday, June 2, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bill and joint resolution of the Senate, each with an amendment in which it requested the concurrence of the Senate:

S. 640. An act to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan; and

S. J. Res. 115. Joint resolution authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 174. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588);

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska;

H. R. 310. An act to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia;

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania;

H. R 468. An act to amend section 115 of the Internal Revenue Code in respect to distributions by personal holding companies;

H. R. 577. An act to preserve historic graveyards in abandoned military posts;

H. R. 673. An act to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels;

H. R. 981. An act to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens;

H. R. 1054. An act to make permanent the judgeship provided for by the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942;

H. R. 1379. An act to establish the United States Naval Postgraduate School, and for other purposes;

H. R. 1556. An act to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation;

H. R. 1628. An act relinquishing to the State of Illinois certain right, title, or interest of the United States of America, and for other purposes;

H. R. 1714. An act to exclude certain interns, student nurses, and other student-employees of hospitals of the Federal Government from the Classification Act and other laws relating to compensation and benefits of Federal employees, and for other purposes;

H. R. 1882. An act for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district;

H. R. 2005. An act to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments";

H. R. 2097. An act to declare the ownership of the timber on the allotments on the Northern Cheyenne Indian Reservation, and to authorize the sale thereof;

H. R. 2207. An act to authorize the Secretary of the Interior to convey certain lands within the Shiloh National Military Park, Tenn., and for other purposes;

H. R. 2229. An act to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service;

H. R. 2276. An act to authorize the Secretary of War to pay certain expenses incident to training, attendance, and participation of personnel of the Army of the United States in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and for future Olympic games;

H. R. 2411. An act to authorize patenting of certain lands to Public Hospital District No. 2, Clallam County, Wash., for hospital purposes;

H. R. 2545. An act to provide funds for cooperation with the school board of the Moclips-Aloha district for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash., to be available to both Indian and non-Indian children;

H. R. 2655. An act to authorize the Secretary of the Interior to grant to the Mayor and City Council of Baltimore, State of Maryland, a permanent easement for the purpose of installing, maintaining, and servicing two subterranean water mains in, on, and across the land of Fort McHenry National Monument and Historic Shrine, Md.;

H. R. 2693. An act for the relief of Public Utility District No. 1, of Cowlitz County, Wash.;

H. R. 2798. An act to amend section 5, Home Owners' Loan Act of 1933, and for other purposes;

H. R. 2799. An act to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes;

H. R. 2800. An act to amend section 5 of the Home Owners' Loan Act of 1933, and for other purposes;

H. R. 2852. An act to provide for the addition of certain surplus Government lands to the Otter Creek recreational demonstration area, in the State of Kentucky;

H. R. 2857. An act to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments;

H. R. 2872. An act to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes;

H. R. 3001. An act to provide further safeguards with respect to the issuance of passports by or under the authority of the Secretary of State, and for other purposes;

H. R. 3124. An act to authorize the attendance of the Marine Band at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947;

H. R. 3143. An act to authorize the construction, operation, and maintenance of the Paonia Federal reclamation project, Colorado;

H. R. 3151. An act to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.;

H. R. 3197. An act to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District increasing the reimbursable construction cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period;

H. R. 3215. An act to revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes;

H. R. 3448. An act to amend the Federal Home Loan Bank Act, and for other purposes;

H. R. 3587. An act to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes;

H. R. 3629. An act to authorize the transfer to the Panama Canal of property which is surplus to the needs of the War Department or Navy Department; and

H. J. Res. 167. Joint resolution to recognize uncompensated services rendered the Nation under the Selective Training and Service Act of 1940, as amended, and for other purposes.

TRANSACTION OF LEGISLATIVE BUSINESS

By unanimous consent, as in legislative session, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

MEMBERSHIP OF UNITED STATES IN CARIBBEAN COMMISSION

A letter from the Secretary of State, transmitting a draft of proposed legislation providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor (with accompanying papers); to the Committee on Foreign Relations.

TRANSFER BY NAVY DEPARTMENT OF A MOTOR LAUNCH TO THE JUNIOR NAVAL MILITIA, INC.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Junior Naval Militia, Inc., had requested the Navy Department to transfer a motor launch for use by that organization in training boys and young men; to the Committee on Armed Services.

LAWS ENACTED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix, V. I. (with accompanying papers); to the Committee on Public Lands.

REIMBURSEMENT OF EMPLOYEES OF DEPARTMENT OF COMMERCE FOR ENTERTAINING FOREIGN REPRESENTATIVES

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize the Secretary of Commerce to reimburse employees of the Department for the expense of entertainment of representatives of other countries, and for other purposes (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

ELECTION FRAUDS IN KANSAS CITY, MO.

Mr. KEM. Mr. President, a few minutes ago the following telegram from David B. Childs, of Kansas City, Mo., who is chairman of the Jackson County Republican Committee, was delivered to me:

Kansas City is again chagrined by the exposé of election frauds. Although your office is not one of law enforcement an aroused citizenry, irrespective of politics, demands that you do everything within your power to see that the guilty are properly punished. As Governor Hadley once said, "Crooks are neither Republicans nor Democrats."

DAVID B. CHILDS
Chairman, Jackson County Republican Committee.

The President of the United States has recently addressed a joint session of the Congress on the importance of maintaining free institutions in various remote parts of the world. He asked for a way of life distinguished by free elections as against a way of life that relies on terror and oppression. The Congress may well ask today: What is the President of the United States now doing toward enforcing the conspiracy laws of the United States in order to guarantee free elections in the very heart of America?

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the General Assembly of the State of California; ordered to lie on the table:

"Assembly Joint Resolution 46

"Joint resolution relative to memorializing Congress to enact Senate bill 637, amending the Civil Service Retirement Act of May 29, 1930

"Whereas there is now pending before the Senate of the United States, Senate bill 637, providing for certain amendments to the Civil Service Retirement Act of May 29, 1930, relative to retirement annuities; and

"Whereas said bill was reported from committee to the Senate on April 25, 1947, with the recommendation that it be passed: Now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California (jointly)*, That the Congress of the United States is memorialized and urged to cause the said bill to be enacted into law at the earliest possible date in order that postal employees may be provided enough income with which to live upon retirement; and be it further

"*Resolved*, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President pro tempore of the Senate and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the Territory of Hawaii; to the Committee on Appropriations:

"Senate Joint Resolution 34

"Joint resolution requesting the Congress of the United States of America to enact legislation appropriating sufficient funds to reimburse the several counties of the Territory of Hawaii for the cost of restoring the pavement of streets, roads, and highways (subjected to war damage) to their prewar condition

"Whereas the streets, roads, and highways of the several counties of the Territory of Hawaii were, throughout the war, subjected to severe and heavy traffic by the vehicles of the armed forces and their contractors; and

"Whereas, such severe and heavy traffic resulted in substantial damage to the pavements of the streets, roads and highways of the several counties; and

"Whereas restoration of all streets, roads, and highways of the several counties to their

prewar condition would impose too great a financial burden on the several counties; and

"Whereas under Public Law 694, Seventy-ninth Congress, there is provided funds in the amount of $4,000,000 to cover an estimate of the minimum damage to Territorial and county highways; and

"Whereas this sum appears insufficient to take care of the cost of repair of all war damage to highways: Now, therefore

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. That the Congress of the United States of America be and it is hereby requested, through the delegate to Congress from the Territory of Hawaii, to enact legislation which will appropriate sufficient funds to the several counties of the Territory of Hawaii to reimburse them for the cost of restoring the pavements of their streets, roads, and highways to prewar condition.

"SEC. 2. That the Honorable JOSEPH R. FARRINGTON, Delegate to Congress from Hawaii, be and he is hereby requested to afford every assistance and aid possible in seeking passage of such legislation.

"SEC. 3. This resolution shall take effect upon its approval.

"Approved this 22d day of May A. D. 1947.

"INGRAM M. STAINBACK,
"Governor of the Territory of Hawaii."

Two joint resolutions of the Legislature of the Territory of Hawaii; to the Committee on Public Lands:

"Senate Joint Resolution 22

"Joint resolution requesting Congress of the United States of America to pass legislation enabling the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu to issue sewer bonds

"Whereas the city and county of Honolulu is prepared to initiate a program of public improvement, interrupted and delayed by the war; and

"Whereas it is the desire of the Territory of Hawaii to aid, assist and cooperate with the city and county in its program of public improvement; and

"Whereas the city and county has expended a sizable sum for the planning of a complete sewerage system including a sewage treatment and disposal plant as part of its program of public improvement; and

"Whereas the limitation on bonded indebtedness as set in the Hawaiian Organic Act and the Revised Laws of Hawaii 1945 limits the city and county in the issuance of bonds to finance such public improvement; and

"Whereas it is to the loss of the city and county to cause a further delay in the commencement of such a program by the city and county: Now, therefore

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. That the Congress of the United States of America be, and it hereby is, requested, through the Delegate to Congress from the Territory of Hawaii to enact legislation which will enable the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, to authorize the board of supervisors of the city and county of Honolulu to issue general obligation bonds in the sum of $5,000,000 for construction, maintenance and repair of a sewerage system in the city of Honolulu and to that end the Congress of the United States of America is hereby requested and urged, through said Delegate to Congress, to adopt a bill in substantially the following form, to wit:

"'An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds

"'*Be it enacted, etc.*, That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, may authorize the city and county of Honolulu, a municipal corporation of the Territory of Hawaii, to issue general obligation bonds in the sum of $5,000,000 for the purpose of enabling it to construct, maintain and repair a sewerage system in the city of Honolulu.

"'SEC. 2. The bonds issued under authority of this act may be either term or serial bonds, maturing, in the case of term bonds, not later than 30 years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

"'SEC. 3. Act ——— of the Session Laws of Hawaii 1947, pertaining to the issuance of sewerage system bonds, as authorized by this act, is hereby ratified and confirmed subject to the provisions of this act: *Provided, however,* That nothing herein contained shall be deemed to prohibit the amendment of such Territorial legislation by the Legislature of the Territory of Hawaii from time to time to provide for changes in the improvements authorized by such legislation and for the disposition of unexpended moneys realized from the sale of said bonds.

"'Approved:

"'———— ————.'

"SEC. 2. This resolution shall take effect upon its approval.

"Approved this 20th day of May A. D. 1947.

"INGRAM M. STAINBACK,
"Governor of the Territory of Hawaii."

"House Joint Resolution 38

"Joint resolution requesting the Congress of the United States to amend sections 207, 209, 213, 215, 216, 220, 222, and 225 of the Hawaiian Homes Commission Act, 1920, as amended

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is herebey requested to amend sections 207, 209, 213, 215, 216, 220, 222, and 225 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended, substantially as set forth in the following form of bill:

"'A bill to amend sections 207, 209, 213, 215, 216, 220, 222, and 225, of title 2 of the Hawaiian Homes Commission Act, 1920, as amended

"'*Be it enacted, etc.*—

"'SECTION 1. That section 207 (a) of the Hawaiian Homes Commission Act, 1920, as amended, is hereby further amended to read as follows:

"'"SEC. 207. Leases to Hawaiians, licenses. (a) The Commission is authorized to lease to native Hawaiians the right to the use and occupancy of a tract or tracts of Hawaiian home lands within the following acreage limits per each lessee: (1) Not less than 1 or more than 40 acres of agricultural lands; or (2) not less than 100 nor more than 500 acres of first-class pastoral lands; or (3) not less than 250 nor more than 1,000 acres of second-class pastoral lands; or (4) not more than 1 acre of any class of land to be used as a residence lot: *Provided, however,* That, in the case of any existing lease of a farm lot in the Kalanianaole settlement on Molokai, a residence lot may exceed 1 acre but shall not exceed 4 acres in area, the location of such area to be selected by the lessee concerned: *Provided, further,* That a lease granted to any lessee may include two detached farm lots located on the same island and within a reasonable distance of each other, one of which, to be designated by the Commission, shall be occupied by the lessee as his home, the gross acreage of both lots not to exceed the maximum acreage of an agricultural or pastoral lot, as the case may be, as provided in this section."

"'SEC. 2. Section 207 (c) of the Hawaiian Homes Commission Act, 1920, as amended, is hereby further amended to read as follows:

"'"(c) (1) The Commission is authorized to grant licenses for terms of not to exceed 21 years in each case, to public-utility companies or corporations as easements for railroads, telephone lines, electric power and light lines, gas mains, and the like. The Commission is also authorized to grant licenses for lots within a district in which lands are leased under the provisions of this section, to—

"'"(A) Churches, hospitals, and public schools;

"'"(B) Theaters, garages, service stations, markets, stores, and other mercantile establishments (all of which shall be owned by lessees of the Commission or by organizations formed and controlled by said lessees).

"'"(2) The Commission is also authorized, with the approval of the Governor, to grant licenses to the United States for terms not to exceed 5 years, for reservations, roads, and other rights-of-way, water storage and distribution facilities, and practice target ranges: *Provided,* That any such license may be extended from time to time by the Commission, with the approval of the Governor, for additional terms of 3 years: *Provided further,* That any such license shall not restrict the areas required by the Commission in carrying on its duties, nor interfere in any way with the Commission's operation or maintenance activities."

"'SEC. 3. Section 213 of the Hawaiian Homes Commission Act, 1920, as amended, is hereby further amended to read as follows:

"'"SEC. 213. Hawaiian home-loan fund; Hawaiian home-development fund; Hawaiian home-operating fund; Hawaiian home-administration account. (a) There are hereby established in the treasury of the Territory two revolving funds to be known as the Hawaiian home-loan fund and the Hawaiian home-operating fund, and two special funds to be known as the Hawaiian home-development fund and the Hawaiian home-administration account.

"'"(b) Hawaiian home-loan fund. Thirty percent of the Territorial receipts derived from the leasing of cultivated sugarcane lands under any other provisions of law, or from water licenses, shall be deposited into the Hawaiian home-loan fund until the aggregate amount of the fund (including in said amount the principal of all outstanding loans and advances, and all transfers which have been made from this fund to other funds for which this fund has not been or need not be reimbursed) shall equal $2,000,000. In addition to these moneys there shall be covered into the loan fund the installments of principal paid by lessees upon loans made to them as provided in paragraph 2 of section 215, or as payments representing reimbursements on account of advances made pursuant to section 209 (1), but not including interest on such loans or advances. The moneys in said fund shall be available only for loans to lessees as provided for in this act, and for the payments provided for in section 209 (1), and shall not be expended for any other purpose whatsoever, except as provided in paragraphs (c) and (d) of this section.

"'"(c) Hawaiian home-development fund. Twenty-five percent of the amount of moneys covered into the Hawaiian home-loan fund annually shall be transferred into the Hawaiian home-development fund until the aggregate amount of such annual transfers shall equal $400,000. The moneys in said development fund shall be available, with the prior written approval of the Governor, for the construction of sanitary sewerage facilities, for the construction of roads through and over Hawaiian home lands, and for other non-revenue-producing improvements.

"'"(d) Hawaiian home-operating fund: All moneys received by the Commission from any other source, except moneys received for the Hawaiian home-administration account, shall be deposited in a revolving fund to be known as the Hawaiian home-operating fund. The moneys in said fund shall be available (1) for construction and reconstruction of revenue-producing improvements, including acquisition therefor of real property and interests therein, such as water rights or other interests; (2) for payment into the treasury of the Territory of such amounts as are necessary to meet the following charges for Territorial bonds issued for such revenue-producing improvements, to wit, the interest on such bonds, and the principal of such serial bonds maturing the following year; (3) for operation and maintenance of such improvements, heretofore or hereafter constructed from said fund or other funds; and (4) for the purchase of water or other utilities, goods, commodities, supplies, or equipment and for services, to be resold, rented, or furnished on a charge basis to occupants of Hawaiian home lands. The moneys in said fund may be supplemented by other funds available for, or appropriated by the legislature for, the same purposes. In addition to such moneys, said fund, with the approval of the Governor, may be supplemented by transfers made on a loan basis from the home-loan fund. The amounts of all such transfers shall be repaid into the home-loan fund in not exceeding 10 annual installments, and the aggregate amount of such transfers outstanding at any one time shall not exceed $500,000. No projects or activities shall be undertaken hereunder except as authorized by sections 220 and 221 or the other provisions of this act.

"'"(e) Match moneys: The Commission is authorized and empowered to use moneys in the development and operating funds, with the prior written approval of the Governor, to match Federal, Territorial, or county funds available for the same purposes and to that end is authorized to enter into such undertaking, agree to such conditions, transfer funds therein available for such expenditure and do and perform such other acts and things, as may be necessary or required, as a condition to securing match funds for such projects or works.

"'"(f) Hawaiian home-administration account: The entire receipts derived from any leasing of the available lands defined in section 204 shall be deposited into the Hawaiian home-administration account. The moneys in said account shall be expended by the Commission for salaries and all other administration expenses of the Commission, not including structures and other permanent improvements, subject, however, to the following conditions and requirements:

"'"(1) The Commission shall, at such time as the Governor may prescribe, but not later than November 15 preceding each biennial session of the legislature, submit to the Territorial director of the bureau of the budget its budget estimates of expenditures for the next ensuing biennium in the manner and form and as required by Territorial law of Territorial departments and establishments.

"'"(2) The Commission's budget, if it meets with the approval of the Governor, shall be included in the Governor's budget report and shall be transmitted to the legislature for its approval.

"'"(3) Upon approval by the legislature of the Commission's budget estimate of expenditures for the ensuing biennium, the amount thereof shall be available to the Commission for said biennium and shall be expendable by the Commission for the expenses hereinabove provided, or, if no action on the budget is taken by the legislature prior to adjournment, the amount submitted to the legislature, but not in excess of $200,000, shall be available for such expenditures; any amount of money in said account in excess of the amount approved by the legislature for the biennium or so made available shall be transferred to the general fund of the treasury of the Territory, such transfer to be made immediately after the amount of moneys deposited in said administration account shall equal the amount approved by the legislature or so made available.

"'"(4) The money in said administration account shall be expended by the Commission in accordance with Territorial laws, rules and regulations, and practices."

"'SEC. 4. Section 215 (1) of the Hawaiian Homes Commission Act, 1920, as last amended by the act of November 26, 1941, 55 Statutes at Large, page 785, is hereby further amended by deleting from the first sentence the figures "$3,000" and inserting in lieu thereof "$5,000", and by deleting from the first sentence the figures "$1,000" and inserting in lieu thereof "$3,000", so as to cause the portion of the first sentence following the colon and preceding the proviso to read as follows:

"'"The amount of loans at any one time to any lessee, or successor or successors in interest, of a tract of agricultural or pastoral land shall not exceed $5,000 and to any lessee or successor or successors in interest, of a residence lot shall not exceed $3,000."

"'SEC. 5. Section 215 (2) of the Hawaiian Homes Commission Act 1920, as amended, is hereby further amended to read as follows:

"'"(2) The loans shall be repaid in periodic installments, such installments to be monthly, quarterly, semiannual, or annual as may be determined by the Commission in each case. The term of the loan shall not exceed 30 years, provided that payments in any sum in addition to the required installments, or payment of the entire amount of the loan, may be made at any time within the term of the loan. All unpaid balances of principal shall bear interest at the rate of 3 percent per annum, payable periodically or upon demand by the Commission, as the Commission may determine. The payment of any installment due shall, with the concurrence therein of at least three of the five members of the Commission, be postponed in whole or in part by the Commission for such reasons as it deems good and sufficient and until such later date at it deems advisable. Such postponed payments shall continued to bear interest at the rate of 3 percent per annum on the unpaid principal."

"'SEC. 6. Section 216 of the Hawaiian Homes Commission Act, 1920, as amended, is hereby further amended to read as follows:

"'"SEC. 216. Insurance by borrowers; acceleration of loans; lien, and enforcement thereof. The Commission may require the borrower to insure, in such amount as the Commission may by regulation prescribe, all livestock and dwellings and other permanent improvement upon his tract, purchased or constructed out of any moneys loaned from the fund; or in lieu thereof the Commission may directly take out such insurance and add the cost thereof to the amount of principal payable under the loan. Whenever the Commission has reason to believe that the borrower has violated any condition enumerated in paragraphs (2), (4), (5), or (6) of section 215 of this title, the Commission shall give due notice and afford opportunity for a hearing to the borrower or the successor or successors to his interest in the tract as the case demands. If upon such hearing the Commission finds that the borrower has violated the condition the Commission may declare all principal and interest of the loan immediately due and payable, notwithstanding any provision in the contract of loan to the contrary. The Commission shall have a first lien upon the borrower's or lessee's interest in his tract, growing crops, either on the tract or in any collective contract or program, dwellings, or other permanent improvements thereon, and his livestock, to the amount of all principal and interest due and unpaid and of all taxes and insurance upon such tract and improvements paid by the Commission, and of all indebtedness of the lessee, the payment of which has been assured by the Commission. Such lien shall have priority over any other obligation for which the tract, said growing crops, dwellings, other improvements, or livestock may be security.

"'"The Commission may, at such times as it deems advisable, enforce any such lien by declaring the borrower's interest in his tract, or his successor's interest therein, as the case may be, together with the said growing crops, dwellings, and other permanent improvements thereon, and the livestock, to be forfeited, the lease in respect to such tract canceled, and shall thereupon order the tract to be vacated and the livestock surrendered within a reasonable time. The right to the use and occupancy of the Hawaiian home lands contained in such tract shall thereupon revest in the Commission, and the Commission may take possession of the tract and the improvements and growing crops thereon; provided that the Commission shall pay to the borrower any difference which may be due him after the appraisal provided for in paragraph (1) of section 209 of this title has been made."

"'SEC. 7. Section 220 of the Hawaiian Homes Commission Act, 1920, as amended, is hereby further amended to read as follows:

"'"SEC. 220. Development projects; appropriations by territorial legislature; bonds issued by legislature. The commission is authorized directly to undertake and carry on general water and other development projects in respect to Hawaiian home lands and to undertake other activities having to do with the economic and social welfare of the homesteaders, including the authority to derive revenue from the sale, to others than homesteaders, of water and other products of such projects or activities, or from the enjoyment thereof by others than homesteaders, where such sale of products or enjoyment of projects or activities by others does not interfere with the proper performance of the duties of the commission; *Provided, however,* That roads through or over Hawaiian home lands, other than Federal-aid highways and roads, shall be maintained by the county or city and county in which said particular road or roads to be maintained are located. The legislature of the Territory is authorized to appropriate out of the treasury of the Territory such sums as it deems necessary to augment the Hawaiian home-loan fund, the Hawaiian home-development fund, the Hawaiian home-operating fund, and the Hawaiian home-administration account, and to provide the commission with funds sufficient to execute and carry on such projects and activities. The legislature is further authorized to issue bonds to the extent required to yield the amount of any sums so appropriated for the payment of which, if issued for revenue producing improvements, the commission shall provide, as set forth in section 213 (d)."

"'SEC. 8. Section 222 of the Hawaiian Homes Commission Act, 1920, as last amended by the act of November 26, 1941, 55 Statutes at Large, page 787, is hereby further amended by amending the second sentence thereof to read as follows:

"'"All expenditures of the commission, as herein provided out of the Hawaiian home-administration account, the Hawaiian home-development fund, or the Hawaiian home-operating fund, and all moneys necessary for loans made by the commission, in accordance with the provisions of this chapter, from the Hawaiian home-loan fund, shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the commission."

"'SEC. 9. Section 225 of the Hawaiian Homes Commission Act, 1920, as amended, is hereby further amended to read as follows:

"'"SEC. 225. Investment of loan funds; disposition. The commission shall have the power and authority to invest and reinvest any of the moneys in the loan fund, not otherwise immediately needed for the purposes of the fund, in such bonds and securities as authorized by territorial law for the investment of territorial sinking fund moneys. Any interest or other earnings arising out of such investments shall be credited to and deposited in the Hawaiian home-operating fund and shall be considered a deposit therein from the other sources mentioned in section 213 (d)."

"'SEC. 10. This act shall take effect on and after the date of its approval.'"

"SEC. 2. This joint resolution, upon its approval, shall be forwarded to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States and to the Delegate to Congress from the Territory of Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 22d day of May A. D. 1947.

"INGRAM M. STAINBACK,
"Governor of the Territory of Hawaii."

The petition of the Municipal Assembly of the City of Mayaguez, P. R., praying for an amendment to the Organic Act of Puerto Rico providing for the election of a governor by the citizens of Puerto Rico; to the Committee on Public Lands.

A telegram in the nature of a petition from Lucille Ward, of Dallas, Tex., praying for the enactment of legislation to end rent control by June 30, 1947; ordered to lie on the table.

By Mr. CONNALLY:

A concurrent resolution of the Legislature of the State of Texas; to the Committee on Finance:

"Senate Concurrent Resolution 47

"Concurrent resolution relative to memorializing Congress to enact House Resolution 881 and House Resolution 1199, granting tax exemptions to those held prisoners by the Japanese

"Whereas many citizens of the State of Texas, civilians and members of our armed forces, were taken and held in Japanese prisons, and suffered untold hardships; and

"Whereas it is fitting and proper that the former prisoners of war receive the benefits granted by two bills now pending before the Congress of the United States, H. Res. 881 and H. Res. 1199, which bills give them certain tax benefits under section 251 of the Internal Revenue Code of the United States: Now, therefore, be it

"Resolved by the Senate and House of Representatives of the State of Texas (jointly), That the Legislature of the State of Texas respectfully memorializes the President and the Congress of the United States to enact H. Res. 881 and H. Res. 1199; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President, the President pro tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from Texas in the Congress of the United States."

(The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of Texas, identical with the foregoing, which was referred to the Committee on Finance.)

PROHIBITION AGAINST LIQUOR ADVERTISING

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I have received from the Northern New York Conference of the Methodist Church, advising me of the action taken at their conference in Utica, N. Y., this month on my bill, S. 265, which would prohibit the advertising of alcoholic beverages.

There being no objection, the letter was received, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

THE NORTHERN NEW YORK CONFERENCE
OF THE METHODIST CHURCH,
Mohawk, N. Y., May 26, 1947.

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: At the request of the Northern New York Conference of the Methodist Church, which convened in Utica, N. Y., May 14–18, 1947, I am sending you a copy of the following action, which was unanimously adopted by the members present:

"We, as ministers and laymen of the Northern New York Conference of the Methodist Church, representing 30,000 voters of New York State, urge the adoption of the Capper bill (S. 265) to prohibit the advertising, and interstate commerce in the advertising, of all alcoholic beverages."

Respectfully yours,

W. A. WILBUR.

RATES OF NATURAL-GAS UTILITIES

Mr. MORSE. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Council of the City of Portland, Oreg., relating to House bill 2185, which proposes to prevent the use of the prudent-investment theory in fixing rates of natural-gas utilities.

There being no objection, the resolution was received, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Resolution 23239

Whereas a bill has been introduced into the Congress of the United States, numbered H. R. 2185, to amend the Natural Gas Act; and

Whereas this bill proposes to eliminate the prudent-investment theory of utility rate fixing with regard to natural gas; and

Whereas the city of Portland, Oreg., is not now served by any natural-gas utility but a legislative ban on rate fixing upon the prudent-investment theory in regard to natural-gas utilities would affect regulation of other utilities; and

Whereas the Pacific coast area and the city of Portland are vitally interested in consumer costs for utility services which now, or in the future, may exist in this area: Now, therefore, be it

Resolved by the Council of the City of Portland, That the proposed bill, H. R. 2185, is contrary to the interests of the consumer public in that it probably will have an adverse effect on the prudent-investment theory for rate-fixing determinations, and that such bill, if passed, will tend to affect adversely the consumers of all public-utility products and services; and be it further

Resolved, That an abolition of the prudent-investment theory of rate regulation will materially increase the cost of regulation and cause delay in obtaining for consumers any rate reduction, to the greater expense of the public consumer and taxpayer; and be it further

Resolved, That the bill numbered H. R. 2185 should not be passed; and be it further

Resolved, That a copy of this resolution duly certified be sent to Mr. Herman C. Wilson, president of the National Institute of Municipal Law Officers, for presentation to the House Interstate and Foreign Commerce Committee, and that copies be sent to Senators GUY CORDON and WAYNE MORSE and to the Honorable HOMER D. ANGELL.

PROTESTS AGAINST REDUCTION IN BUDGETS FOR INTERIOR AND AGRICULTURE DEPARTMENTS

Mr. MORSE. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD, two statements issued by the Women's International League for Peace and Freedom, Washington, D. C., relating to the reduction in the budgets of the Departments of the Interior and Agriculture.

There being no objection, the statements were received, referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

THE REDUCTION OF THE BUDGET OF THE DEPARTMENT OF THE INTERIOR

The cut in the budget of the Department of the Interior is made at a time when projects under way have already involved the Government in vast expenditures of money. To fail to finish work started is wasteful of money already spent. Furthermore, many of these projects would be productive of income when finished.

The Congress has recommended a cut of $138,881,907 in the budget request of the Department of the Interior, which is nearly half of the budget request of this Department. If the Senate approves of this cut this will mean hampering the work of irrigation, electric-power development for many purposes, fire protection for some of our regions, surveying and discovering mineral resources, caring for our Indian wards, and other vital services to the American people.

Study of the proposed use of the money requested makes the proposed cut seem extremely wasteful of our natural resources and of the work already done on unfinished projects. It is the opposite of economy from every viewpoint.

THE WOMEN'S INTERNATIONAL LEAGUE
FOR PEACE AND FREEDOM.
WASHINGTON, D. C.

IS IT ECONOMY?—A STATEMENT ON THE PROPOSED CUT IN BUDGET OF THE DEPARTMENT OF AGRICULTURE

Value of farm products (figures obtained by subtracting from gross farm income the amount of Government payments):

1939	$9,121,000,000
1940	9,575,000,000
1941	12,556,000,000
1942	17,000,000,000
1943	21,358,000,000
1944	22,269,000,000
1945	22,924,000,000
1946	26,404,000,000

Appropriations to Agriculture Department:

1939	$1,548,000,000
1940	1,649,000,000
1941	1,549,000,000
1942	1,610,000,000
1943	1,127,000,000
1944	1,185,000,000
1945	1,169,000,000
1946	1,254,000,000
1947	1,274,000,000
1948 (budget request)	1,188,000,000

The above figures show the increase of dollar value in agricultural products from 1935 to 1946. Estimates show that the present year will probably be as good a year as 1946. Thus we see that the value of our agricultural production has increased from $9,121,000,000 to $26,404,000,000, while the

budget of the Agriculture Department has decreased during the same period. Inflation has, of course, had much to do with the increase of value, but the same inflation has affected the value of the money appropriated to the Department of Agriculture.

In terms of amount of products coming from the farm, the increase has been about one-third. Therefore, we must recognize that under the guidance of the Department of Agriculture, our farmers have increased the productivity of the farms by one-third during the period when manpower was short, and that this has been done without an increase (but with a decrease) in money spent for the Department of Agriculture. It is also significant that this increase has come principally through an increase of productivity per acre rather than through use of new land.

It may be said that the farmers would have been able to increase production without the aid of the Department of Agriculture. Whatever may be true in this regard, it is difficult to believe that they would have done so with the degree of scientific care of the land which has prevailed in this period. We must not forget the Dust Bowl experiences of the past.

Economies in administration may be possible and desirable, but in view of the food needs of the world and the burden which they place on American agriculture, we must ask ourselves whether it is, in reality, an economy at all to cut the appropriations of the Department of Agriculture in such a way as to handicap their program.

WOMEN'S INTERNATIONAL LEAGUE.
WASHINGTON, D. C.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. 358. A bill to provide for settling certain indebtedness connected with Pershing Hall, a memorial in Paris, France; with an amendment (Rept. No. 223);

S. 1032. A bill for the relief of certain officers and employees of the Foreign Service of the United States; with an amendment (Rept. No. 224);

H. R. 620. A bill for the relief of Blanche E. Broad; without amendment (Rept. No. 225);

H. R. 723. A bill for the relief of the legal guardian of Hunter A. Hoagland, a minor; without amendment (Rept. No. 226);

H. R. 811. A bill for the relief of J. F. Powers; with an amendment (Rept. No. 229);

H. R. 1065. A bill for the relief of the estate of Thomas Gambacorto; without amendment (Rept. No. 227); and

H. R. 2257. A bill for the relief of Southeastern Sand & Gravel Co.; without amendment (Rept. No. 228).

By Mr. McGRATH, from the Committee on the District of Columbia:

S. 924. A bill to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia; with an amendment (Rept. No. 217);

S. 966. A bill to authorize the establishment of the District Educational Agency for Surplus Property in the municipal government of the District of Columbia, and for other purposes; without amendment (Rept. No. 218);

S. 1124. A bill to amend the Boiler Inspection Act of the District of Columbia; without amendment (Rept. No. 219);

S. 1191. A bill to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; without amendment (Rept. No. 220);

H. R. 1624. A bill to authorize payment of allowances to three inspectors of the Metropolitan Police force for the use of their privately owned motor vehicles, and for other purposes; without amendment (Rept. No. 221); and

H. R. 1997. A bill to provide seniority benefits for certain officers and members of the Metropolitan Police force and of the Fire Department of the District of Columbia who are veterans of World War II and lost opportunity for promotion by reason of their service in the armed forces of the United States; with an amendment (Rept. No. 222).

By Mr. ECTON, from the Committee on Public Lands:

S. 394. A bill authorizing the issuance of a patent in fee to Raymond Wesley Doyle; with an amendment (Rept. No. 230);

S. 395. A bill authorizing the issuance of a patent in fee to Richard Jay Doyle; with amendments (Rept. No. 235);

S. 396. A bill authorizing the issuance of a patent in fee to Thurlow Grey Doyle; with an amendment (Rept. No. 231);

S. 397. A bill authorizing the issuance of a patent in fee to Lawrence Stanley Doyle; with an amendment (Rept. No. 232);

S. 398. A bill authorizing the issuance of a patent in fee to Spencer Burgess Doyle; with an amendment (Rept. No. 233); and

S. 399. A bill authorizing the issuance of a patent in fee to Gladys May Doyle; with an amendment (Rept. No. 234).

By Mr. BROOKS, from the Committee on Rules and Administration:

S. J. Res. 112. Joint resolution to establish a commission to formulate plans for the erection, in Grant Park, Chicago, Ill., of a Marine Corps memorial; without amendment.

S. J. Res. 113. Joint resolution authorizing the erection in the District of Columbia of a memorial to the Marine Corps dead of all wars; without amendment; and

H. J. Res. 188. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to the dead of the First Infantry Division, United States Forces, World War II; without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON:

S. 1373. A bill to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588); to the Committee on Public Lands.

By Mr. BALL:

S. 1374. A bill for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district; to the Committee on Public Lands.

By Mr. BALDWIN:

S. 1375. A bill to incorporate the Jewish War Veterans of the United States of America; to the Committee on the Judiciary.

PROPOSED RULE REGARDING PRINTING OF MATTERS IN THE RECORD

Mr. JENNER, from the Committee on Rules and Administration, reported an original resolution (S. Res. 121), which was ordered to be placed on the calendar, as follows:

Resolved, That hereafter no written or printed matter shall be offered or received for printing in the body of the CONGRESSIONAL RECORD as part of the remarks of any Senator unless such matter (1) shall have been read orally by such Senator on the floor of the Senate, or (2) is offered and received for printing in such manner as will indicate clearly that the contents thereof were not read orally by such Senator on the floor of the Senate. No request shall be entertained by the presiding officer to suspend by unanimous consent the requirements of this resolution.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 174. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588);

H. R. 577. An act to preserve historic graveyards in abandoned military posts;

H. R. 981. An act to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens;

H. R. 1556. An act to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation;

H. R. 1628. An act relinquishing to the State of Illinois certain right, title, or interest of the United States of America and for other purposes;

H. R. 1882. An act for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district;

H. R. 2005. An act to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments";

H. R. 2097. An act to declare the ownership of the timber on the allotments on the Northern Cheyenne Indian Reservation, and to authorize the sale thereof;

H. R. 2207. An act to authorize the Secretary of the Interior to convey certain lands within the Shiloh National Military Park, Tenn., and for other purposes;

H. R. 2411. An act to authorize patenting of certain lands to Public Hospital District No. 2, Clallam County, Wash., for hospital purposes;

H. R. 2655. An act to authorize the Secretary of the Interior to grant to the mayor and City Council of Baltimore, State of Maryland, a permanent easement for the purpose of installing, maintaining, and servicing two subterranean water mains in, on, and across the land of Fort McHenry National Monument and Historic Shrine, Md.;

H. R. 2852. An act to provide for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area, in the State of Kentucky;

H. R. 3143. An act to authorize the construction, operation, and maintenance of the Paonia Federal reclamation project, Colorado;

H. R. 3151. An act to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.; and

H. R. 3197. An act to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District increasing the reimbursable construction cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period; to the Committee on Public Lands.

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska; to the Committee on Agriculture and Forestry.

H. R. 310. An act to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arling-

ton County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia; and

H. R. 2545. An act to provide funds for cooperation with the school board of the Moclips-Aloha district for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash., to be available to both Indian and non-Indian children; ordered to be placed on the calendar.

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania;

H. R. 1054. An act to make permanent the judgeship provided for by the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942; and

H. R. 2693. An act for the relief of public-utility district No. 1, of Cowlitz County, Wash.; to the Committee on the Judiciary.

H. R. 468. An act to amend section 115 of the Internal Revenue Code in respect to distributions by personal holding companies; and

H. R. 2872. An act to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes; to the Committee on Finance.

H. R. 673. An act to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels; and

H. R. 3587. An act to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 1379. An act to establish the United States Naval Postgraduate School, and for other purposes;

H. R. 2276. An act to authorize the Secretary of War to pay certain expenses incident to training, attendance, and participation of personnel of the Army of the United States in the seventh winter sports Olympic games and the fourteenth Olympic games and for future Olympic games;

H. R. 3124. An act to authorize the attendance of the Marine Band at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947;

H. R. 3215. An act to revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes;

H. R. 3629. An act to authorize the transfer to the Panama Canal of property which is surplus to the needs of the War Department or Navy Department; and

H. J. Res. 167. Joint resolution to recognize uncompensated services rendered the Nation under the Selective Training and Service Act of 1940, as amended, and for other purposes; to the Committee on Armed Services.

H. R. 1714. An act to exclude certain interns, student nurses, and other student-employees of hospitals of the Federal Government from the Classification Act and other laws relating to compensation and benefits of Federal employees, and for other purposes;

H. R. 2229. An act to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service; and

H. R. 2857. An act to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments; to the Committee on Civil Service.

H. R. 2798. An act to amend section 5, Home Owners' Loan Act of 1933, and for other purposes;

H. R. 2799. An act to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes;

H. R. 2800. An act to amend section 5 of the Home Owners' Loan Act of 1933, and for other purposes;

H. R. 2448. An act to amend the Federal Home Loan Bank Act, and for other purposes; to the Committee on Banking and Currency; and

H. R. 3001. An act to provide further safeguards with respect to the issuance of passports by or under the authority of the Secretary of State, and for other purposes; to the Committee on Foreign Relations.

COMMITTEE MEETING DURING SENATE SESSION

Mr. FERGUSON. Mr. President, I ask unanimous consent that the subcommittee of the Special Committee To Investigate the National Defense Program may hold sessions during today and tomorrow while the Senate is in session.

The PRESIDING OFFICER (Mr. THYE in the chair). Without objection, permission is granted.

FEDERAL AID TO EDUCATION—ADDRESS BY SENATOR HILL

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address on the subject Should There Be Federal Aid to Education? delivered by him on April 21, 1947, which appears in the Appendix.]

ADDRESS BY REV. BERNARD W. DEMPSEY, S. J., BEFORE MORTGAGE BANKERS' ASSOCIATION OF AMERICA

[Mr. KEM asked and obtained leave to have printed in the RECORD an address delivered by Rev. Bernard W. Dempsey, S. J., regent of the School of Commerce and Finance, St. Louis University, before members of the Mortgage Bankers' Association of America at Kansas City, Mo., on May 8, 1947, which appears in the Appendix.]

THE ST. LAWRENCE SEAWAY—ARTICLE FROM THE DENVER POST

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an article entitled "St. Lawrence Seaway Again in Public Eye," published in the Denver Post for May 25, 1947, which appears in the Appendix.]

TREATY OF PEACE WITH ITALY

The Senate, as in Committee of the Whole, resumed the consideration of Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Moore
Baldwin	Hawkes	Morse
Ball	Hayden	Murray
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	Revercomb
Bricker	Hoey	Robertson, Wyo.
Brooks	Holland	Russell
Buck	Ives	Saltonstall
Bushfield	Jenner	Smith
Cain	Johnson, Colo.	Sparkman
Capehart	Johnston, S. C.	Stewart
Capper	Kem	Taft
Chavez	Kilgore	Taylor
Connally	Knowland	Thomas, Okla.
Cooper	Langer	Thomas, Utah
Cordon	Lodge	Thye
Downey	Lucas	Tobey
Dworshak	McCarran	Tydings
Eastland	McCarthy	Vandenberg
Ecton	McClellan	Watkins
Ellender	McFarland	Wherry
Ferguson	McGrath	White
Flanders	McKellar	Wiley
Fulbright	McMahon	Williams
George	Magnuson	Wilson
Green	Malone	Young
Gurney	Millikin	

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. BUTLER] are absent on official business.

The Senator from Missouri [Mr. DONNELL], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. REED] are absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. O'CONOR], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. PEPPER], and the Senator from North Carolina [Mr. UMSTEAD] are detained on public business.

The Senator from South Carolina [Mr. MAYBANK], the Senator from Louisiana [Mr. OVERTON], and the Senator from Virginia [Mr. ROBERTSON] are absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER (Mr. IVES in the chair). Eighty Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, the Senate must now exercise its constitutional function of passing upon the treaties which have been written by 21 Allies to terminate formally World War II with Italy, Hungary, Rumania, and Bulgaria.

The Senate must decide whether we shall initiate the healing processes of peace insofar as lies within our power. In meeting this obligation, the Senate is a free agent. It can base its decision upon whatever considerations it may wish to consult, and a wide variety of advice is available.

I presume every Senator's desire in the first instance will be to give due weight to the urgent Executive recommendations of our constitutional partners in treaty making, who have the primary constitutional responsibility and prerogative in this area of action. I emphasize again that this executive responsibility is primary only. The Senate is a free agent, but the Senate cannot ignore the bases upon which the Executive makes his recommendations to us in this utterly vital area of action at this utterly critical moment in the history of the world.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. EASTLAND. Have there been recommendations from the executive department since the Hungarian coup?

Mr. VANDENBERG. I will reach that point in a few moments, if the Senator will permit me to proceed.

Therefore, as a basis for my presentation of the subject, I first give the Senate the judgment of the President of the United States uttered as recently as May 5, 1947. He should have more intimate and accurate and dependable facilities for gaging this problem, and the effects of what we do, than any other man in America. He said:

> These treaties are the result of months of effort by outstanding leaders of both parties in this Government and of other

governments to work out a common peace in this important area of the world. Nothing has occurred to render their efforts unsound or unwise. It is more than ever important that the Government of the United States should appear to the world as a strong and consistent force in international relations. Treaties which have been worked out with the approval of so large a proportion of all the nations convened at the Paris Conference represent the considered judgment of the international community. Moreover, many of the most difficult problems were resolved as the result of American initiative.

I now underscore this final sentence of quotation from the President:

It would be a great misfortune and a heavy blow to our country's leadership in world affairs should we now unilaterally withhold approval of these treaties.

That is the opinion of the President of the United States.

I now quote the former Secretary of State, James F. Byrnes, without whose indomitable purpose to open the treaties to general Allied consultation there would have been no peace conference to mobilize the universal judgment of our partners in the war. He spoke to us as follows on May 6, 1947:

If we now fail to ratify the treaties we have insisted upon for the last 18 months, we will thereby veto the action of the Allied Nations. If we exercise the veto power, the responsibility for the maintenance of the armies of occupation and of chaotic political and economic conditions in these countries will rest upon us.

I now quote Secretary of State George C. Marshall, speaking to the Foreign Relations Committee upon his recent return from Moscow. I interpolate at this point that if there is any doubt in anybody's mind about my attitude toward the Secretary of State, I should like to say that I consider him to be a very great and deeply trusted American and a Secretary of State in the finest American tradition. Secretary Marshall was responding to a specific question as to the relationship between these pending treaties and those which remain to be written with Austria and Germany at the core of Europe's tragedy. I quote Secretary Marshall:

If these treaties are suspended or rejected, I think it would be exceedingly harmful to the prospect for completing a satisfactory treaty with Austria and the development of one with Germany. As a matter of fact, I have decided fears that the situation would so deteriorate that I do not know quite how we would go about the further negotiations. It is already exceedingly difficult, as everyone knows. Now all we would do is to make it more difficult, if not impossible.

To answer specifically at this point the question raised by the Senator from Mississippi [Mr. EASTLAND], I beg to testify that in a conversation with the Secretary of State this morning he reasserts his position in total and without reservation, and insists that the present situation even more requires our affirmative action.

I respectfully submit, Mr. President, that the Senate cannot lightly dismiss these high admonitions and these high warnings, even though it is a totally free agent in making up its mind and reaching its decision. These admonitions and warnings are entitled at least to a priority of consultation because they come from the constitutional sources upon which we must continue to rely for the primary creation and administration of our foreign policy, no matter what form our advice and consent, or lack of it, may take. There can be no shadow of a doubt, there can be no suggestion of a reservation, as of today, in connection with the Executive attitude. We are urged to prompt ratification of these treaties, for the sake of the best calculated chance of peace for all concerned. Theirs is the primary responsibility—referring to the executive branch of the Government—theirs is the primary responsibility if we ratify in response to their recommendations. Ours is the exclusive responsibility if we reject the treaties.

Now let us look at other background factors. The Senate Foreign Relations Committee unavoidably faced special obligations in these connections. I hope we discharged them faithfully. We opened the public hearings to every citizen who wished to be heard. The full record is on Senators' desks. We consulted at length, in both public and private, with the State Department. With every possible sympathy, Mr. President, we listened to the completely understandable pleadings of many representatives of our splendid Italian-American citizenship who argued for change or postponement in respect to the Italian treaty. None of us could approve all the detailed engagements set out in these pending treaties. All of us wished that the treaties had been written, or could be rewritten, more completely in keeping with all our American recommendations, and freed of all necessity to find common ground with our wartime Allies, each one of which had an equal right, with us, of consultation. But in the very nature of things our negotiators had no such option. I can testify that we won many an important point for which we contended. I can identify these points—and I intend to do it—and not even the critics of these treaties, at home or abroad, have withheld their expressions of unstinted gratitude, I am proud to say, for what we succeeded in doing. But we could not dictate solely to suit ourselves. This is not a dictated peace, and under the American concept it cannot be a dictated peace.

I repeat, we did not, we could not, enjoy the luxury of that option. Neither did, or could, the Senate Committee on Foreign Relations. We faced a condition; not a theory. We assessed the realities. No such treaties are ever satisfactory. But we decided that these treaties, representing the consensus of 21 nations, are the best available; that further improvements must await events; that the alternative is greater confusion, greater chaos, greater disintegration; that present ratification, all things considered, emphatically is advisable. With no illusions regarding the hard road ahead for all Europe and for us, regardless of what we may here do, the committee made this decision by a full vote of 13 to nothing. For whatever it is worth, I add this exhibit to the presumptions which recommend ratification to the Senate.

I shall not take the time of the Senate to review the treaty texts in detail. This has been done many times before. This information is succinctly summarized in the Appendix to the full committee report, which is on the desks of Senators. Therefore I confine myself today largely to an analysis of treaty criticisms. I simply remind Senators again that practically every recommendation made by the Peace Conference of 21 nations by a two-thirds vote is written into these texts. They are the common denominator of the Allied minds. We cannot change them unilaterally even if we would. Senators can imagine, for example, what would happen in the potentially explosive boundary areas between Yugoslavia and Italy—the cockpits of white-hot controversy—if each one of us sought to take unilateral action in the expression of our unilateral wishes. Imagine what would happen if the United States drew one boundary line in this controverted area, and if Soviet Russia drew another; or if we procrastinated and jointly drew none at all. Imagine what would happen if we unilaterally tried to give Trieste to Italy, as was our wish, while Soviet Russia unilaterally tried to give Trieste to Yugoslavia, as was her wish—or if we leave it all in angry flux, instead of establishing this treaty compromise under the agreed authority and protection of the United Nations. Senators can imagine how the prospects, if any, of an Austrian or a German treaty will fade even further into dim intransigence if the Big Four lock horns in this present limited area of agreement and have to return to the weary, painful round of sterile contentions which marked these satellite negotiations throughout most of 1946.

These are grim realities, Mr. President. Our emotional impulses, no matter how nobly mediated, are no match for these realities. I repeat that we face a condition, not a theory. So do these treaties. We must start to rebuild a broken world. The only way to begin is to begin.

There is no large controversy over three of these treaties, those with Rumania, Hungary, and Bulgaria, although the Hungarian situation now becomes highly complicated, and I shall refer to it specifically before I have concluded. Senators will find one strong appeal in the hearings in behalf of Rumania. But the issue clearly is Italy; and it is the Italian treaty which is now pending for the Senate's verdict. It is here that we do or do not cross the Rubicon. It is here that powerful, organized movements in the United States, on one theory or another, have besieged Senators with appeals for rejection or delay. I wish to say again that I deeply sympathize with these ethnic loyalties. I think I understand them. I certainly understand arguments addressed to the thesis that when Italy ceased to be an enemy state with the fall of Mussolini and aggressively joined the Allied cause, she did so under promises that her atonement would count in her favor when the peace was written. Frankly, Mr. President, I think it has—even in the treaty here pending, as I shall undertake to prove. Frankly, I think it will be even more evident in years to come—a theme to which I shall subsequently advert. But I hope and pray, Mr. President, that these

ethnic loyalties will not unwittingly lead our good Italian-American friends into disservice to their own old fatherland, as might too easily be the case if we did not face the facts of life. No one better understands than I that the choice is a hard one, for them and for us. But we must make it with our heads and hearts, and not with our hearts alone.

At this point I wish to read, because of its significant bearing, two or three paragraphs from a letter which came to me under date of May 7 from Dr. Francesco Gasparini, who is an Italian citizen recently arrived in New York as a representative of ANSA, which is the Italian equivalent of the American Associated Press. Dr. Gasparini's letter came to me unsolicited. This is his voluntary observation:

I am well aware that many Italian-Americans have urged you and the United States Senate not to ratify the Italian Peace Treaty, or at least to postpone ratification. But now permit me, as an Italian coming from Italy, to tell you that, on the contrary, the Italian people need ratification, and need it badly; today rather than tomorrow, tomorrow rather than the day after.

We all agree that the treaty is unjust; more than unjust, it is punitive; but, at least, it is a peace treaty, and Italy cannot even hope to start on the road to reconstruction unless the treaty becomes effective.

I am not authorized to speak in the name of the Italian people, but I know for sure that I am interpreting the feeling of all, or almost all Italians who have our country's destiny at heart, and I know how the overwhelming majority of the members of our government and of the Constituent Assembly feel in this matter.

I can well understand the attitude of the Italian-Americans, who are prompted only by their love for the old country, but evidently are not fully aware of the financial and economic plight in Italy; the situation is such, that we cannot possibly wait any longer for a starting point on which to build up our national economy. If we had bread and jobs for everyone in Italy, I, too, would fall in with the Italian-Americans in urging that ratification be at least postponed. But, unfortunately, we have 2,500,000 unemployed in Italy, and too many families are short even of bread. We cannot afford to wait.

Furthermore, we cannot overlook the lowering of morale in the great majority of the 46,000,000 inhabitants of the Italian peninsula; unquestionably even the morale of the Italian people could be improved by such a substantial change in the present situation, as would be brought about by the ending of the state of war between Italy and the United States of America, and by the withdrawal of occupation troops.

I do not pretend, Mr. President, that this letter is anything other than appears upon its face. I have inquired regarding its author and I find him authentic. I submit for what it is worth his testimony from Italy itself in respect to the subject which I now proceed to analyze.

It seems to me, Mr. President, that to reject or to indefinitely postpone the ratification of this Italian treaty, relatively speaking, would be bad for Italy, bad for Europe, bad for us, and bad for peace. It would perpetuate confusion and uncertainty. It would make any sort of planning impossible. It would indefinitely delay desperately important decisions relating to the disposition of Italian colonies. It would hamper sound rehabilitation. It would prolong occupation by foreign troops. It would create major doubts whether the United States can be depended on to keep its word. It would precipitate new resentments and new frictions on the border.

Let me emphasize that statement, Mr. President. I repeat, we are choosing between alternatives. The rejection or postponement of the ratification of the treaty would precipitate new resentments and new frictions on the border. It would inspire some Allies, disappointed in what they consider to be too soft a peace, to reopen their demands for more reparations and more territory; such, for example, as the Austrian Tyrol. It would postpone Italy's entry into the United Nations, with all the vitally important privileges and prerogatives thus involved. It would postpone Italy's entry into new stabilizing economic arrangements with other powers. It would "trade a bird in the hand for two in the bush"—with no "bush" in sight. In the words of Secretary Marshall, "You would not improve your treaty by delay; but you would have a very great risk to the world." Still other words of Secretary Marshall:

My own view, to state it very frankly, is that the whole situation practically dissolves; that would be my own feeling in my position in approaching any further conferences; the world would lose all confidence in our proposals and our leadership. I do not think we can afford that.

Mr. President, I am unable to make myself believe that any of the hypothetically claimed advantages from rejection or delay can weigh against these bitter considerations; and I say this from the standpoint of both Italy and the United States. I am frank to add that I do not pretend to know what the effect of our action, one way or the other, may be upon the ascendency of totalitarianism in Italy—a specter of dread menace which I do not minimize. If we ratify, and American and British troops withdraw, it is said that we leave a disarmed Italy at the mercy of armed subversion at home and armed penetration by hostile neighbors. But if we do not ratify, we leave Italy at the mercy of Communist propaganda which can tear to shreds any further concept of American democratic good faith, and we tacitly accept the more or less permanent assignment of keeping our troops in Italy—and very busy troops they may indeed become under the resultant aggravated circumstances.

I cannot concede the relative wisdom of the latter course. I cannot concede that it would have any kinship with our policy in Greece and Turkey, where our overriding aim is to encourage independent autonomy. Neither can I concede that treaty ratification, though accompanied by troop withdrawal, leaves Italian democracy at the helpless mercy of its foes. The major powers which sign these treaties in good faith will confront a continuing obligation to hold others to strict accountability for bad faith, if such there be; and all the other powers, which have helped to write these treaties, will constitute such a mighty force in the United Nations that this organized conscience of the earth inevitably will find a way to make bad faith too unprofitable to be worth while. In this connection I call the attention of the Senate to a particularly significant statement by former Secretary Byrnes, at page 183 of the committee hearings:

By long and persistent effort we did achieve a settlement by common Allied agreement. If that settlement is not respected by the signatories, we will have a clear right in accordance with the principles of the United Nations to defend Italy.

I should add at this point that the treaty itself leaves Italy far from helpless. It permits an army of 185,000 men, a constabulary of 65,000 men, an air force of 25,000 men, and a navy of 25,000 officers and men. This may be small on the basis of global comparisons, but it is all her impoverished economy could afford, even though there were no such limitations in the bond, and it is far, far from impotence. Furthermore, these limitations are not static. The treaty itself declares that these limitation clauses "shall remain in effect until modified in whole or in part by the Security Council and Italy." In other words, modification is contemplated in the future. This is not a strait-jacket. There is hope ahead. Why not put at least a little emphasis on hope? There are other "hopes" to which I shall subsequently advert. Let us not ignore these encouragements. I think, Mr. President, that some of them are far more tangible than any wishful hopes for a better basic treaty now or in the foreseeable future at the end of another era of uncertainty, subversion, and resultant disintegration.

Nor is this all of the military story. In the Free Territory of Trieste 5,000 American troops and 5,000 British troops will remain so long as the governor considers them necessary to law and order and to peace and security. This is the point of greatest hazard. One may say that such armed forces are as nothing compared with the hordes an aggressor could turn loose upon Italy. I reply that our present armed forces in Italy also are as nothing compared with the hordes an aggressor could turn loose. Each is but a token force. But one token is calculated to be as repressive, in its lengthened shadow, as the other.

Oh, but, it is said, this treaty was written in contemplation of further early treaties with Austria and Germany. It was to be a part of a pattern. This expectation has defaulted, it is said. Therefore, this treaty should default. We should wait, it is argued, for the Austrian and German treaties and fit this treaty into the pattern then disclosed. In my opinion, Mr. President, this is the counsel of despair. We do not know when we shall get the German and Austrian treaties. But we do know, on the authority of Secretary Marshall, that if these treaties on the perimeter are abandoned or indefinitely suspended, it will be necessary to take time out to retrace all the earlier steps, and thus we shall have further postponed the final treaties if, indeed, we shall not have shelved them for keeps. I am unable to see that this serves Italy or Europe or America or peace.

Someday we shall get these other treaties, even if, unhappily, we are forced by circumstance to organize

peace in our own zones alone. If this or any other evolution ultimately invites better advantages for Italy, in respect to peace and security, I have no shadow of a doubt that the General Assembly of the United Nations will take jurisdiction under article XIV of its Charter. That is what, among other things, article XIV is for—"to recommend measures for the peaceful adjustment of any situation, regardless of origin, which it deems likely to impair the general welfare or friendly relations among nations," and so forth.

I specifically asked former Secretary Byrnes for his interpretation of this point in the committee hearings. His reply will be found at page 185. He said the door is not shut to change. On the contrary, he said, there is an invitation to change.

Here again is hope. It may be said that it is nebulous, but everything in life these days is nebulous and relative. I reply that this very positive provision in the United Nations Charter is far less nebulous than it is to lean on the wishful notion that if we postpone ratification of this treaty, we shall somehow start a chain of reaction which will hasten, instead of hamper, German and Austrian treaties; and that this, somehow, by some unknown process, will reflect Italian advantage. We have the categorical advice of Secretary Marshall that this is not so. We have his warning that the exact opposite is so. The facts of life underwrite his warning. So does the experience of all American participants in the actual modern business of making peace.

It is one thing to moralize abstractly upon this subject, Mr. President. It is quite another thing to "face the music"—if anyone may call it music. I spoke feelingly upon this subject to one distinguished witness at our committee hearings. The dialogue will be found at page 98 of the hearings. Dealing with this general contemplation, I said to him:

> It is very easy for us to sit here across this table, and you and I can agree in 20 minutes on the kind of treaty we would like to write for Italy. * * * But having sat last year for 213 days across from Mr. Molotov, I can assure you it is quite a different thing from sitting across from you.

Mr. President, this leads me to another observation regarding the pending treaty. There seems to be a prejudicial myth afloat to the effect that the United States engaged in some sort of appeasement in the writing of this treaty. Nothing could be further from the truth. The truth is that the United States firmly stood its ground. The truth is that, as a result, Italy is infinitely the beneficiary, despite the inevitability of incidental compromise in bringing the viewpoints of 21 nations to one, common dotted line.

Let me note a few of these significant considerations. They are important, not by way of apology in any sort of sense, but by way of justification for the Italian treaty. Probably the reparations figures are the most spectacular exhibit. At page 188 of the committee hearings former Secretary Byrnes testified that the total claims actively pressed against Italy amounted to between twenty and twenty-five billion dollars. Mr. President, I said between twenty and twenty-five billion dollars. Compare that figure with the $360,000,000 of total reparations in the final treaty figures—between 1 and 2 cents on the dollar, to be paid over 7 years, and not to start for 2 years. Even so, the states receiving reparations in current production must furnish the raw materials. Soviet Russia gets $100,000,000—in 7 years, after waiting 2 years—1 percent of the physical damage done to her by Italian armies, she asserts. Is that appeasement? Do you think, Mr. President, that Italy could hope to fare better in renegotiation 6 months or 6 years from now?

We properly emphasize Italy's right to special credit because of her magnificent atonement in the last years of the war. It is important to our sense of justice. But, in simple honesty, Mr. President, can we expect our allies to ignore and forget the ghastly destruction they suffered from Fascist Italy during the first years of the war?

For example, can we expect Greece to forget? Greece gets $105,000,000 of the $360,000,000 in reparations, plus the return of her conquered Dodecanese Islands. Must we not consider justice for Greece, our brave and consistent ally, even as we seek justice for ex-enemy Italy? Is it justice to Greece to reject or postpone this treaty and thus reject or postpone Greek repossession of her Dodecanese Islands, as demanded by a resolution adopted by the Senate of the United States?

Mr. President, let us be fair about this question. The record eloquently demonstrates that the United States fought for long and dogged months, notwithstanding these considerations, to set total Italian reparations at a still lower figure. But, frankly, I marvel, not that the final reparations figures are so high but, rather, that they are so low. I see no tangible prospect of making them lower. Meanwhile, we insisted upon the significant clause in the treaty which reads:

> Deliveries—
>
> For reparations—
>
> shall be scheduled in such a way as to avoid interference with the economic reconstruction of Italy and the imposition of additional liabilities on other Allied or Associated Powers.

And we constitute the Ambassadors of the four big powers at Rome as a court to administer this and other protections.

Mr. President, I shall not tax the Senate's patience by reviewing in detail all the clauses in this treaty which are relatively favorable to Italy, largely as a result of American insistence; but it is important to set the general pattern of this telltale fact. Otherwise, our Italian-American friends—yes, and New Italy herself—may forget these evidences of an American friendship which is calculated to be of inestimable value to New Italy in the trying days and months and years that lie ahead. I wish gratefully to acknowledge again the expressions of gratitude which most of our Italian-American witnesses in the committee hearings expressed upon this score.

Let me list a few of these treaty advantages for Italy which the United States helped to gain. There is the clause which protects Italy against being indiscriminately stripped of her artistic, historical, and archeological values—things dear to the Roman heart. There is the clause requiring that Italian property wrongfully transferred to Germany shall be restored to Italy. There is the clause requiring the restoration of United Nations property on the basis of 66⅔ percent, instead of 100 percent of value—a percentage which we tried to reduce to 25 percent—and there is the critically important clause permitting these settlements to be made in local currency. There are the clauses protecting the property rights and interests of Italians in Trieste and in ceded territories. There are the clauses requiring conclusive arbitration of disputes arising under the treaty. There are the clauses denying advantages to Italy's creditors not possessed before the war. There are the clauses protecting Italian water rights on the French and Yugoslavian borders. There are the boundaries themselves which the Soviet bloc sought to drive very much farther into Italian soil. There is Trieste itself, which at least is neutral instead of being delivered to the Yugoslavs. I could go on and on. Perhaps most important, there would have been no peace conference at all except for the relentless insistence of the United States—a conference where all nations, including Italy and the other ex-enemy states, had their full, free right of consultation.

Let me add one more significant exhibit bearing upon American attitudes toward New Italy. Not only did we waive all reparation claims, but it is the announced policy of our Government to release Italian property controlled by it, whether blocked or invested. It is contemplated that arrangements will be promptly made for the unblocking and return of such property. These arrangements and relationships are now under way, and approaching a happy climax. This vital matter, from the Italian viewpoint, is covered in detail in the Acheson letter, at page 145 of the committee hearings.

Mr. President, I make no claim that this is an easy peace. Such a thing as an easy peace is impossible in the liquidation of so terrible a war. It was not an easy war, let us not forget, particularly for those European countries which were overrun and devastated by Nazi-Fascist arms. Their scars and wounds, let us not forget, are infinitely deeper than our own. It would not be human nature if their viewpoints were so objective as ours can be. Their right of consultation, however, is just as great as ours. They must ratify these treaties, as well as we. I doubt whether weighted justice is possible in such circumstances. Indeed, I doubt, in all honesty, whether justice can be specifically identified amid such complex and incompatible emotions and experiences. The best we can do is to do the best we can.

But the point I have tried to make is that this treaty is relatively an infinitely easier peace, a more just peace, for New Italy, as a result of the long

and constant intercessions of the Government of the United States. It much more nearly repays Italy, as Italy was promised, for her valiant, sacrificial aid in the latter years of the war. It much more adequately invites New Italy to the rehabilitation which shall restore her stabilities as a useful, self-sufficient, and honored member of international society.

I think it is vitally important, for the sake of New Italy herself, to stress the demonstrated fact that she has the loyal friendship of the United States. We want her to resume her own prosperous and stable independence. We want to help her back upon her own feet. We have already poured more than $900,000,000 into postwar Italy. We are making additional appropriations this month. We shall sympathetically cooperate in every possible, practicable way in seeking to promote her sound, democratic welfare. We were her friend at London, Paris, and New York. We are her friend today. We wish to be her friend tomorrow. Her effective democratic independence is an aim we deeply cherish. The way to end uncertainty and disintegration is to end uncertainty and disintegration. The way to end war is to write the peace.

Hence, Mr. President, in my humble opinion, we must not make a helpless conundrum of Italy's destiny by rejecting or postponing the ratification of this Italian treaty. We should not fiddle while Rome burns.

I should like at this point to have inserted in the RECORD, Mr. President, a statement made yesterday by the Secretary of State dealing with this precise problem, and dealing with it in the same friendly, sympathetic, helpful, encouraging way in which I have undertaken to speak.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The American Government naturally wishes every success for Prime Minister de Gasperi and the new Italian Government in the difficult tasks which they must face. There are many bonds between Italy and the United States, and the American people have a deep interest in the Italian welfare.

We are happy to have been of assistance in rebuilding the Italian economy and we shall continue to give aid to the Italian people, who have demonstrated their sincere and abiding faith in democratic processes for the preservation of their individual liberties and basic human rights.

PROBLEMS NOT MINIMIZED

There is no desire in the United States to minimize Italy's problems. But the Italians have already overcome many of their most immediate postwar difficulties and I feel that they may recently have been underestimating their own capacity for reconstruction.

Everyone who comes back from Italy remarks upon the vitality of the people, their will to work and their very real attachment for democracy. The world has watched with admiration and even surprise the progress which the Italians have made thus far in taking up their lives again as a free people.

I have every confidence that they will continue that progress and with the help we shall give them rebuild Italy as a free and prosperous nation.

Mr. VANDENBERG. Mr. President, I am frank to say that I am one of those who would have preferred one over-all European peace settlement if it had been possible. But that is water over the dam. I also am one of those who believe that there must one day be an integrated Europe, economically and politically, if the pattern for tomorrow shall be sound. This still is possible.

I further believe that we cannot wait too much longer for Soviet cooperations and consents in stabilizing western and central Europe, although common consents and cooperations are still infinitely preferable. The rest of us are entitled to just as much voluntary freedom of action on our side of the iron curtain as the Soviets and their satellites have assumed, often coercively, on their side. We cannot wait indefinitely to stabilize relationships among those who substantially think alike, and this includes the control of atomic energy. Patience is still a virtue, but not forever, particularly when time runs against us. All these things are very definitely in my mind. So is the evolution of the United Nations into more effective peace functions prayerfully desired by a vast preponderance of its membership.

But, Mr. President, I am unable to see that we hasten these or any other long-range objectives by postponing or rejecting preliminary agreements already made; by reopening yesterday's uncertainties and adding them to those of today and tomorrow; by putting ourselves and Europe and the world back 2 years in respect to certain fundamental decisions which, short of another war, require total Allied consent; by inviting suspicions regarding our own reliability in respect to peace decisions even when made by a general peace conference which we inspired; and by substituting speculation for reality.

Mr. President, we shall not reach the Hungarian Treaty until after we have concluded our consideration of the pending covenants with Italy, Rumania, and Bulgaria. But inasmuch as the Hungarian situation inevitably intrudes upon our minds and our judgments because of untoward circumstances, I would not want to conclude this discussion without my own frank disclosure to my colleagues of my own reactions to what has happened in Hungary.

The treaty with Hungary has now virtually become, in the last 10 days, a treaty with another Soviet satellite. It potentially classifies itself now with the Bulgarian and Rumanian treaties, which are with Soviet satellites. As in the cases of Bulgaria and Rumania, so also in the case of Hungary, it is necessary to have a treaty with this ex-enemy country in order to end the state of war, regardless of what their internal status may be. In the case of Hungary, there may be additional reasons, to which I shall presently advert. But recent developments in Hungary certainly add nothing but a further sense of outrage to the sensibilities of those Allied Nations which, like America, will and must continue to insist that peace with justice is the goal which we shall continue to pursue.

Nowhere have Communists more openly presented a more cynical illustration of their idea of democracy. It is an ugly travesty upon the word. Nowhere has this violation of the basic freedoms for which we were presumed to have been fighting World War II raised more definite implications of Moscow's influence in these unholy events or required more definite official inquiry to fix the facts. Otherwise, Yalta and Potsdam, to say nothing of the Atlantic Charter and the pledges of the United Nations, are contemptuously flouted and their "scraps of paper" become relics of dishonor.

Ever since the Hungarian people voted by a large majority in favor of the so-called Smallholders Party and set up a coalition government the Communist minority, mustering but 17 percent of the popular vote, has been busy undermining the coalition government, of which they were a nominal but treacherous part. Under what seems to have been the conspiring protection of occupying arms, this minority infiltrated the Government and captured the police. Three months ago they arrested the secretary-general of the Smallholders. They refused to listen to American protests. They evolved a series of subsequent police assaults upon other Smallholders, chosen to rule by the Hungarian electorate. This armed conspiracy now climaxes in the removal of the Smallholders Premier, who bargains in exile for his life. He is succeeded by one who apparently is Moscow's nominee and who will now rule a complacent satellite. The familiar pattern of infiltration and internal sabotage once more appears to have "done its stuff." If the pattern runs true to form Hungary will soon enjoy the further travesty of a rigged election to confirm these triumphs of Communist "democracy."

America cannot deal with Hungary as it deals with Greece. Hungary is an ex-enemy state. Greece is an ever-constant ally. Hungary is under armed occupation by Soviet troops pursuant to her rights under the terms of armistice. Greece is an independent state. Hungary cannot, therefore, ask or receive our aid in the Greek manner. The cases are different, though the underlying causes are much the same. They are parallel tragedies, but they cannot have parallel treatment. Yet this need not mute our voice. We need not be impotent. On the contrary, it should move us swiftly to demand the total facts. We cannot condone, by any sort of silence, what appears to be the treacherous conquest of a brave, exploited people whose independent autonomy appears to have been destroyed within a few short months by those same minorities which were overwhelmingly repudiated at the Hungarian polls. This may become, Mr. President, if the facts justify these presumptions, a clear call to trial in the forum of the United Nations; and, I repeat, if the facts justify these presumptions it will become America's duty to sound that call.

But is this a reason to reject the pending treaty with Hungary, or to have the Hungarian consideration move us toward a rejection of the treaty with Italy?

That Mr. President, is a totally different question. If rejection would help free Hungary, I would not only favor, I would demand rejection, but it seems to me that all the facts argue directly to the contrary.

Ninety days after the ratification of this treaty, all foreign troops—which means all Soviet troops—must be withdrawn from Hungary, except those necessary to protect so-called lines of communication between Russia and Austria. I hasten to say that this exception is an unhappy one, because the Soviets will measure this necessity to suit themselves. On the other hand, there is bound to be some degree of withdrawal, and it has been dependably estimated at a minimum of 50 percent. Whatever withdrawal occurs will represent vital relief for Hungary; will proportionately weaken military dictatorship, and proportionately relieve Hungarian autonomy. Here again we must assess the alternative. If we do not ratify the treaty, the Soviet control continues without any sort of interruption. If anything, the failure to ratify will be calculated to intensify this usurpation. It seems to me that inevitably it will be interpreted to these struggling and harassed Hungarian patriots as some sort of evidence that we are content to leave them at the mercy of this ugly status quo. On the other hand, ratification will restore new Hungary to an independent place, at least in theory, in the society of nations; and even the theory has its powerful, protective implications. It will make offenses against Hungary hereafter not only offenses against Hungary but also offenses against the Great Powers, against all the Allied Powers which joined in the peace conference, and against the United Nations, which Hungary will then be eligible to join. I believe the Hungarians themselves would prefer to take this latter chance.

There is nothing that could have been written into the Hungarian Treaty which would have prevented these events, which I do not hesitate to identify as a conspiracy against Hungarian autonomy. But refusal to ratify the treaty would simply extend the era of conspiracy. It would extend the time in which to complete the uninterrupted subjugation of the forces of free democracy and self-government. Ratification carries with it no presumption or suggestion that we sanction or condone events against which we have vigorously protested. It merely serves, Mr. President, in my opinion, to clarify the situation, to establish the essential preliminaries which must precede a physical peace, and to hasten the day when Hungarian democracies, if such there still be, may yet hope and expect more successfully to appeal to the conscience of the world.

So, Mr. President, I submit the four treaties to the Senate en bloc, with the immediate occasion relating only to the Italian Treaty. And I say in finality, that it would be a very solemn responsibility which the Senate would assume if these treaties should not be ratified. It would be solely our responsibility, because it would be the Senate alone which would veto the recommendations of the Council of Foreign Ministers, Peace Conference, the President of the United States, the Secretary of State, and the Senate Foreign Relations Committee. For the time being, we are the court of last resort. I say again that this is no foreclosure on any Senator's complete and total right of independent judgment. But I also respectfully urge again that it should take a solid preponderence of substantial evidence to overcome these favorable presumptions, in a matter of this overwhelming concern to the peace of the world, America and all.

The PRESIDING OFFICER. The Treaty with Italy is before the Senate and is open to amendment.

Mr. WHERRY. Mr. President, I wonder if I may ask the distinguished Senator from Michigan a question or two relative to the treaty.

The PRESIDING OFFICER. Does the senior Senator from Michigan yield for a question or two by the Senator from Nebraska?

Mr. VANDENBERG. Oh, yes.

Mr. WHERRY. I am informed by one who has made an analysis and a study of the Italian Treaty that the total reparations which have been agreed upon amount to about $360,000,000, of which the Soviet Union gets $100,000,000; Yugoslavia $125,000,000; Greece, $105,000,000; Ethiopia, $25,000,000; and Albania $5,000,000.

Mr. VANDENBERG. I think that is approximately correct. I do not have the figures before me.

Mr. WHERRY. How is that to be paid in the case of Soviet Russia and Yugoslavia?

Mr. VANDENBERG. Does the Senator mean how is it to be paid to them?

Mr. WHERRY. Yes.

Mr. VANDENBERG. The treaty very specifically indicates divers and sundry methods by which the reparations are to be paid to Russia. They are to be paid out of Italian assets in other countries that have been taken over. They are to be paid by the transfer of scrap war materials. They are to be paid ultimately out of Italian production, hedged about by the rule of conduct to which I referred in detail.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. VANDENBERG. Yes.

Mr. CONNALLY. In the case of current production——

Mr. WHERRY. Mr. President, to clarify the situation, do I have the floor?

Mr. CONNALLY. I beg the Senator's pardon.

The PRESIDING OFFICER. The Chair thinks the Senator from Michigan still has the floor, and he yielded at the request of the Senator from Nebraska.

Mr. VANDENBERG. I yielded the floor.

Mr. CONNALLY. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. CONNALLY. I was going to supplement what the Senator from Michigan said, and call his attention to the fact that in the case of current production the raw materials must be furnished by Russia or by Yugoslavia.

Mr. VANDENBERG. That is what I had in mind when I referred back to the program I described in my main address.

Mr. WHERRY. That is the very point I want to bring to the atttention of the distinguished Senator from Michigan, and, of course, to the distinguished Senator from Texas, because it is my understanding that the raw materials are to be furnished by Russia, that they are to be shipped into Italy, and they are to be processed in Italy with Italian labor. Now I should like to ask the distinguished Senator from Michigan——

Mr. EASTLAND. Mr. President, will the Senator from Nebraska yield for a question?

Mr. WHERRY. Once again, Mr. President, I ask, Do I have the floor?

The PRESIDING OFFICER. In order to make the situation clear, the Chair will say that the Senator from Nebraska is recognized as having the floor.

Mr. WHERRY. I thank the Presiding Officer.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. EASTLAND. The Senator speaks of Russian raw materials being shipped into Italy and manufactured.

Mr. WHERRY. That is correct.

Mr. EASTLAND. I should like to ask the Senator from Nebraska how the raw materials can be manufactured in Italy when we are giving Mr. Tito and France Italy's entire electric-power production? Tito gets 70 percent, France gets 30 percent. And now we are giving Mr. Tito 90 percent of Italian hard coal. If those facts are true, the question is: How can the Italian factories operate unless Communist Tito permits it?

Mr. WHERRY. I shall be glad to yield to the Senator from Montana to answer the inquiry made by the distinguished Senator from Mississippi, because that was one of the questions I myself was going to ask the Senator.

Mr. VANDENBERG. Mr. President, I disagree with the figures, to begin with. I shall be very glad to produce figures which I think are accurate. I know perfectly well that Italy is not denuded of 100 percent of her electric power. On the contrary, I know that in such instances as on the French border and on the Austrian border particular care was taken to write into the treaty protection of the existing power facilities which would be still available to the Italians on the same basis as they are available to others.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. EASTLAND. If the Senator would kindly give me the facts as to the amount of Italian electric-power production that is retained, I should like to have them.

Mr. VANDENBERG. I shall be very glad to ask for a statement on that subject.

Mr. EASTLAND. I have been informed that 30 percent of Italy's electric-power production goes to France, and 70 percent to Mr. Tito.

Mr. VANDENBERG. I disagree completely with those net results, because I know of the instances where we very carefully protected the Italian use of electric power, even though the plants

involved were in territory transferred to other countries.

Mr. EASTLAND. That being true, if there is an agreement by Mr. Tito and Mr. Stalin that Italy can still secure the electric power, I want to know if we can enforce it, and I certainly would like to know if the Senator from Michigan would place any confidence in a promise made by Mr. Tito and Mr. Stalin.

Mr. VANDENBERG. Mr. President, the Senator from Mississippi can state the case as prejudicially as he wishes. This is a treaty for whose integrity the Government of the United States, the Government of Great Britain, the Government of France, and the governments of 16 other allies, in addition to Mr. Tito and Mr. Stalin, are responsible. So far as I am concerned, Mr. Stalin and Mr. Tito are unavoidably partners to this treaty, and there is not any way that I know of that the distinguished Senator from Mississippi can cut them out of their right of possession unless he is prepared to send the American Army in by way of ouster.

Mr. EASTLAND. The simple question I ask the Senator is: If they get Italy's electric power resources, and if they have promised to transport some of that power back to Italy, how are we going to enforce that promise? Clearly, the promise is worthless.

Mr. VANDENBERG. Now the Senator is referring solely to power. I do not wish him to misunderstand me. He is referring solely to power on the border. I deny that there is such a 100 percent transfer of power or coal.

Mr. EASTLAND. Well, if it is 50 percent.

Mr. VANDENBERG. Very well. I do not know what the percentage is, but I shall find out for the Senator, and he will be authentically advised.

Mr. EASTLAND. What are Mr. Tito's and Mr. Stalin's words worth?

Mr. WHERRY. That is right.

Mr. VANDENBERG. The Senator from Nebraska says, "That is right," and I say, "that is right." I also say that that is the kind of a world we are in, and that this is the best we can do toward starting those physical boundaries and establishing that physical status upon which there must be mutual agreement, unless we are willing to start now to fight it out with them, and that after that basis is established, it remains for the Senator from Mississippi and the Senator from Nebraska and the Senator from Michigan to decide for themselves on their consciences how far they are willing to go to meet a challenge from Mr. Tito or Mr. Stalin. And we do not escape, I suggest to the Senator from Mississippi, any such challenge by running away from this treaty.

Mr. EASTLAND. But how can we start the rehabilitation of which the Senator speaks when we make the entire Italian economy subject to the whims of Tito?

Mr. VANDENBERG. I disagree completely with the Senator's statement.

Mr. EASTLAND. How much of the Italian coal production goes to Yugoslavia?

Mr. VANDENBERG. I shall give the figures to the Senator. I do not have them with me at the moment.

Mr. EASTLAND. Our State Department states that Italy loses 90 percent of her hard coal and 65 percent of her brown coal and soft coal.

Mr. VANDENBERG. There is no doubt in the world that the areas in the Istrian Peninsula which are transferred include a dominant portion of the Italian coal supply. There is not any doubt about that. Neither is there any doubt about the fact——

Mr. EASTLAND. That coal goes to Yugoslavia.

Mr. VANDENBERG. Yes, I would think so; and I do not know how the Senator is going to take it away from her, either.

Mr. McMAHON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. WHERRY. I yield to the Senator from Connecticut.

Mr. McMAHON. Mr. President, I should like to ask the Senator from Michigan a question. Let me put it this way: I noticed that the Senator from Michigan referred to the fact that we could not much longer delay making a separate peace with Germany. I think I understood the Senator to say that we could not delay that settlement too long.

Mr. VANDENBERG. I agree. That is what I said.

Mr. McMAHON. In view of that situation which faces us, does not the Senator feel that perhaps a similar settlement with Italy would be indicated?

Mr. VANDENBERG. It could. I am not sure that I clearly follow the Senator's question.

Mr. McMAHON. What I am trying to point out to the Senator is that, if we have to go to the length of making a separate peace with Germany, it would seem to me to be at least arguable that we would do better to withhold action on this treaty. I am not clear in my own mind that that is so, but I merely put the question for the consideration of the Senator, as to whether it would not be better to delay the ratification of this treaty until we come back in January, to see whether or not we shall have made any progress in the German situation.

Mr. VANDENBERG. Mr. President, will the Senator from Nebraska yield to me to reply to the Senator from Connecticut?

Mr. WHERRY. I yield.

Mr. VANDENBERG. I thought I had fully covered the Senator's question in my original statement, but I shall be very glad to repeat myself to this extent: I suppose that the most competent witness in the world to respond to the Senator is Secretary of State Marshall, inasmuch as he is the one who has confronted the recent difficulties in negotiating with some of our Allied friends. Upon him rests the necessity for further negotiation. It is Secretary Marshall's categorical statement, as I have quoted it, that, in his opinion, he cannot even proceed further with any degree of hope whatever to negotiate in respect to Germany and Italy if he goes with a record behind him of a refusal by the United States Senate even to approve the limited agreements to which we have already subscribed our faith.

Mr. McMAHON. I thank the Senator. I think that point needs emphasizing.

Mr. TYDINGS. Mr. President, will the Senator from Nebraska yield to me so that I may ask the Senator from Michigan a question?

Mr. WHERRY. I yield.

Mr. TYDINGS. Is it not a fact that the treaty between Italy and Russia has already been ratified?

Mr. WHERRY. Ratified by whom?

Mr. TYDINGS. The point is that it does not need ratification. My idea is that when the Russians signed this treaty it was tantamount to ratification.

Mr. VANDENBERG. Is the Senator referring to the pending treaty?

Mr. TYDINGS. Yes.

Mr. VANDENBERG. The Soviets have not formally ratified this treaty. Great Britain has. It is expected that France will do so within a fortnight. There is no information regarding the Soviet attitude.

Mr. TYDINGS. In the event the United States did not ratify the treaty, and in the event the remaining signatories thereto all ratified or confirmed the treaty, would there be any way in the world that we could recapture for Italy, in that impasse, the coal and other advantages which she has had to let go under this treaty?

Mr. VANDENBERG. I do not know how they could be recaptured. On the contrary—and I repeat myself to this extent—I believe that if the tremendously treacherous area between Italy and Yugoslavia, the area which is in such bitter controversy, were left for another 6 months in a state of inconclusive flux, subject to all the techniques of infiltration and indirect control and subjugation for which our Communist friends are so well adapted and in which they have had so much experience, there would not be the slightest hope on earth even of a neutral Trieste.

Mr. TYDINGS. What I am driving at is this: I take it that there are many things in the treaty which the Senator from Michigan and other Senators would like to see otherwise. But the practical consideration which confronts us all is, Is it possible in the case of Italy, the world being in the shape it is in, for us to do anything about it? Is there anything we can do about it, to make the Italian lot easier, and to make the things she has surrendered less than the treaty provides?

Mr. VANDENBERG. I know of no answer to the Senator's question.

Mr. TYDINGS. We are face to face with a situation which we do not like in large measure. What I am thinking about is, What can I, as a Senator, do about it? I am forced to answer my own question in the light of the Senator's explanation by saying that I do not know of anything I can do about it, with Russia on one side, Britain on the other side, and we ourselves over here debating the Italian Treaty on the floor of the Senate. If any Senator can give us an approach that will make the situation better than it is, I certainly am all ears. He is the

man I am waiting to hear. But so far I have been unable to reason out any program by which I could help to improve upon the present treaty.

Mr. VANDENBERG. As usual, I think the Senator from Maryland is right on the beam. I could write myself a questionnaire, to be addressed to the Senator from Michigan, in connection with this debate, asking questions regarding these treaties which would be very difficult for the Senator from Michigan to answer. I could present challenges which would be highly prejudicial to the Italian treaty. That is what seems to happen in these unhappy days when we must liquidate a horrible war, with no available answer which is easy and pleasant for all. I respectfully submit that the thing which ought to be presented by way of argument against the ratification of these treaties is precisely what the able Senator from Maryland indicates—a better plan. I thank the Senator.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LODGE. In connection with the question of the Senator from Maryland, I should like to ask the Senator from Michigan whether it is not pertinent to recall the statement of Secretary Byrnes, that the treaty itself contains an invitation to future developments which would be generally favorable to Italy. Is not that correct?

Mr. VANDENBERG. There is no question about that. I undertook to underscore that point in the observations I originally made.

Mr. LODGE. Would the Senator from Michigan agree with the Senator from Massachusetts in hoping that as the future develops, that feature of the treaty will offer an opportunity for better conditions for Italy as time goes on?

Mr. VANDENBERG. I completely agree with the able Senator. I simply wish to add that it seems to me that the opportunity for the new Italy lies in helpful evolution, through the various instrumentalities which are available as a result of having set down the initial foundations upon which to start to rebuild; and I am unable to see that there is remotely as good a chance for the new Italy to rebuild without these foundations.

Mr. LODGE. That is what the Senator wants to do.

Mr. VANDENBERG. That is what we all want to do.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McGRATH. I should like to address a question to the Senator from Michigan. Is it not a fact that ratification of this treaty is essential before Italy can be admitted to full membership in the United Nations?

Mr. VANDENBERG. Oh, yes; that is indispensable.

Mr. McGRATH. How long after ratification would it be possible for Italy to be received into full membership.

Mr. VANDENBERG. I should think that through the necessary hospitality of the United Nations it could be done at the next session of the General Assembly and the Security Council, this fall.

Mr. McGRATH. Does the Senator believe that the admission of Italy to the family of nations known as the United Nations would serve to strengthen the hand of the democracies in that great body?

Mr. VANDENBERG. The Senator means the democracies in the United Nations?

Mr. McGRATH. That is correct.

Mr. VANDENBERG. I want to be completely frank with the Senator in my reply. That would depend entirely upon the ultimate evolution of Italy's internal government. Italy is free, under our concept of autonomy, to choose her own government. My expectation would be, based, it seems to me, upon reasonable premises, that Italy will develop democratically if given any remotely reasonable encouragement, under which circumstances most emphatically the answer to the Senator's question would be yes.

Mr. McGRATH. Would it not follow that unreasonable delay or the denial of Italy's right to participate in the councils of the world might have a strong tendency to drive her toward the communistic viewpoint?

Mr. VANDENBERG. That is my point of view, and that is my opinion.

Mr. McGRATH. Is the Senator planning during the course of the debate to enlighten the Senate a little more fully upon the part that Italy might play in order to protect her own interest from within the council of nations rather than from without? Assuming we ratify the treaty and Italy becomes a member, would she not then be in position to do much more for herself than we as her friend could do for her?

Mr. VANDENBERG. I should like to say to the Senator what I neglected to say, that Italy has already made request for membership in the United Nations.

Mr. McGRATH. I understand that.

Mr. VANDENBERG. It seems to me that everything the Senator has said is so in respect to her increased opportunities for preserving her own independence, her own autonomy, and her own place in the world, when once she achieves this new status.

Mr. TYDINGS. Mr. President, will the Senator yield for one more question?

Mr. WHERRY. I yield.

Mr. TYDINGS. In the event that the treaty is finally ratified, has the Senator, in his explorations, found any mechanism which would not be in the nature of a crippling reservation, which could be used after or accompanying ratification to hold the door open to a more kindly consideration of Italy's plight?

Mr. VANDENBERG. I do not see how anything of the sort can be done textually. So far as a more sympathetic or friendly consideration of Italy's plight is concerned, I am frank to say that I do not know how there could have been a more sympathetic or friendly consideration, so far as the attitudes of the Peace Conference and the attitudes of 75 percent of the Council of Foreign Ministers were concerned. On the basis of the facts I submitted regarding reparations, for instance, I am unable to believe that any sort of renegotiation could hope to produce any easier terms. On the contrary, I should think renegotiation would be just as likely to stir up all of the appetites which were so evident in the beginning of our original negotiations over these treaties, and that we would find ourselves far from confronting the sole question as to whether Italy is to have more favorable terms. We could easily confront the alternative: a demand for far less easy terms.

Mr. TYDINGS. Mr. President, the Senator has been very kind, and I shall not detain him further. I should like, however, to summarize the situation and see whether the Senator agrees with me: We are confronted first, with the fact that it is this treaty or no treaty at all; and, second, if we ratify this treaty, there has already been explored the possibility of lessening its more harsh features, and the possibilities resulting from that exploration show that there is very little which statesmanship can now conceive, for the time being, to improve on the provisions affecting Italy which are set forth in the treaty.

Mr. VANDENBERG. That is true, plus the fact, I repeat, that inherent in the situation are at least available formulae for future review and revision as the facts may ultimately justify.

Mr. TYDINGS. That is the one ray of hope that permeates the arrangement by which Italy may improve her lot. There is nothing else visible in the picture. Does the Senator agree?

Mr. VANDENBERG. I know of nothing else.

Mr. TYDINGS. In conclusion, I should say that if I should finally vote to ratify this treaty, I would do so in a spirit of great regret that more favorable terms in some respects of the treaty could not be found, and with no reflection on the negotiators, who evidently did the best they could do with an impossible situation; but I should also want to say that if opportunity comes in the future to soften some of the terms of this Italian treaty, I believe I would look on that generally with favor, because I am of the opinion that the Italian people are not warlike, but were the victims of a dictator who carried them in the main much further than most of them would perhaps have wanted to go under a more kindly and more democratic avenue of expression.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FLANDERS. I wish to ask an elementary question of the Senator from Michigan: Is Italy's signature to the treaty necessary?

Mr. VANDENBERG. I would think so; yes.

Mr. FLANDERS. Is it assured?

Mr. VANDENBERG. I do not think anything is assured, I say to the Senator, in this highly unassured world. I certainly would underwrite nothing in respect to international relations 5 minutes hence.

Mr. WHERRY. Mr. President, before the 5 minutes have elapsed, I should like to ask the distinguished Senator to go back to the question of reparations. But

before I ask about that, I again make the premise that I also was informed, as was the distinguished Senator from Mississippi, that the power and coal necessary for the operations would be apportioned to Tito on approximately the same basis as the Senator suggested. Regardless of whether that percentage changes, I should like to ask the distinguished Senator if it is true that the treaty makes it mandatory for Italy to furnish the labor to fabricate the raw materials and also to provide a certain amount of the coal and the power which are necessary in that connection; and, if that is so, I ask whether such a requirement places a considerable mortgage upon the backs of the Italian people in their efforts to work their way out?

Mr. VANDENBERG. Yes, certainly, and I do not know how a nation could emerge from a war as a defeated nation, in the first half of its experience in that connection, without confronting some such situation as that.

Mr. WHERRY. I suppose that if we followed that process all the way through to a conclusion, we might make even harsher terms. But what leads me to the next question is the fact that, as I believe, Russia did not have one soldier on Italian soil. She did not; did she?

Mr. VANDENBERG. Not that I know of.

Mr. WHERRY. Yet Russia—not the United States of America—is the one who is insisting upon harsher terms.

Mr. VANDENBERG. It does not make any difference whether the Russians were on Italian soil. The important fact is that Italians were on Russian soil.

Mr. WHERRY. But the important fact is that no Russians were on Italian soil, and it is not the Russians who should now be dominating this treaty?

Mr. VANDENBERG. The Russians are not dominating this treaty.

Mr. WHERRY. Let me ask the Senator this question: In the light of what the distinguished Senator from Mississippi has already said, how in the world can Italy pay reparations unless she receives gifts and loans from the United States?

Mr. VANDENBERG. As I have indicated, the terms are that the reparations shall begin 2 years hence, shall last for 7 years, and shall amount to $100,000,000 for Russia, which will be approximately $15,000,000 a year for 7 years. They constitute about the smallest reparations ever provided for, I think, in respect to a major conflict of this nature. I do not contemplate that that $15,000,000 a year, beginning 2 years hence, under all the other restrictions that are involved, threatens the economic life of new Italy.

Mr. WHERRY. That brings up another question: As I understand the situation, Italy will continue to pay until the excess of the value of the finished products over the value of the raw materials sent her by Russia amounts to the reparations figure. Is that correct?

Mr. VANDENBERG. Would the Senator mind telling me what he is reading from?

Mr. WHERRY. I am reading from some memoranda I have prepared in order that I may ask the Senator a few questions.

Mr. VANDENBERG. I understand.

Mr. WHERRY. But if the memoranda in anywise interfere, I shall place them on the desk, and shall ask the question in my own words only: I wish to know when the determination is finally to be made in regard to when the excess of the value of the finished products over the value of the raw materials sent to Italy by Russia will amount to the reparations figure. I understand that the Senator from Michigan thinks that will occur in 7 years.

Mr. VANDENBERG. I am unable to follow the Senator's question, although I am very anxious to answer anything he wishes to ask.

Mr. WHERRY. I shall elucidate. The distinguished Senator from Michigan has said that he thinks this process will be over in 7 years, at the rate of so many millions of dollars a year. As I understand the terms of the treaty, Russia will have a right to continue to send raw materials into Italy, and those raw materials must be processed by Italian labor.

Mr. VANDENBERG. Does the Senator mean in addition to the reparations?

Mr. WHERRY. I am now speaking about the reparations figure.

Mr. VANDENBERG. Is everything the Senator is asking within the reparations figure?

Mr. WHERRY. It is.

Mr. VANDENBERG. I know of no answer to give the Senator except that for the 7 years there is an obligation in the amount of $100,000,000, which amounts to approximately $15,000,000 a year.

Mr. WHERRY. Certainly.

Mr. VANDENBERG. And that is to be worked out, wherever possible on a basis of having raw materials sent into Italy——

Mr. WHERRY. And having fabricated materials go out from Italy?

Mr. VANDENBERG. Yes; and on the basis of having fabricated materials go back to Russia.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. So Italy will not be required to draw upon her almost empty treasury or her exchange resources in order to buy the raw materials which she will fabricate for the purpose of paying the reparations.

Mr. WHERRY. Certainly.

Mr. VANDENBERG. All of which, of course, the Senator recognizes as being a great advantage for Italy, as compared with an arrangement which lacked that provision.

Mr. WHERRY. Yes.

Mr. President, let me say that is the point I am trying to reach, and it is the one upon which I should like to have light. It is my understanding that that arrangement will continue to operate until the excess value of the fabricated products sent back to Russia, over the value of the raw materials sent into Italy, when they were sent in, will amount to the value of the reparations for Russia provided in the treaty. I wish to know how the Senator from Michigan knows that that will be done in 7 years. Furthermore, I should like to know who is to determine what the value is?

Mr. VANDENBERG. I can answer that question for the Senator: If there is any disagreement whatever respecting any phase of the interpretation, if there is any requirement for an adjudication of the terms, it will be the responsibility of the four Allied ambassadors in Rome.

Mr. WHERRY. Of which Russia has one Ambassador.

Mr. VANDENBERG. And of which we have one Ambassador, and our veto is just as good as Russia's.

Mr. WHERRY. Certainly. But if our veto then is no more good than our veto now, I do not see how we shall arrive at a determination of the value of those goods.

Mr. VANDENBERG. I see. What would the Senator from Nebraska do about it?

Mr. WHERRY. In the first place, I think there certainly should be some restriction with regard to how long that process could continue. I think there should be some way to determine the value of the exported fabricated goods, because if no value is placed on them in the treaty, and if Russia is given the right to determine when the excess has been reached, or when the reparations have been paid, it might be found that that would not be done in 7 years; it might be 15 years. The Russians could continue to revalue the difference between the value of the raw materials sent into Italy and the value of the exports of fabricated goods.

Mr. VANDENBERG. I am totally unable to follow the Senator. I am sorry; it must be my fault.

Mr. WHERRY. Then let me ask the Senator this question: What becomes of the raw materials that go into Italy from Russia?

Mr. VANDENBERG. They are fabricated and sent back.

Mr. WHERRY. What value is placed on them when they come in?

Mr. VANDENBERG. The language is:

> 4. The Soviet Union shall furnish to Italy on commercial terms the materials which are normally imported into Italy and which are needed for the production of these goods. Payments for these materials shall be made by deducting the value of the materials furnished from the value of the goods delivered to the Soviet Union.

The measure of value is "commercial terms."

Mr. WHERRY. Arranged by whom?

Mr. VANDENBERG. By the Soviet Union and Italy, with an appeal to the four Ambassadors in the event of a disagreement.

Mr. WHERRY. I thank the Senator. I have already read that in the treaty. I think my question is very intelligent and scarcely needs clarification because it is my theory that Russia could continue to make changes and to manipulate those values until she could continue to draw reparations from Italy that would far exceed the $100,000,000 for a length of time far exceeding the number of years now specified, to wit, 7, during which Russia would have a mortgage on the labor of Italy and also would have a mortgage on Italy's production of the

coal and power that would be needed to produce those fabricated goods.

Mr. VANDENBERG. I am sure that is the Senator's view, but it is not my view. I can only say again that if any such abortion were to occur, it would have to be underwritten by the American Ambassador in Rome.

Mr. WHERRY. I should like to ask the distinguished Senator another question, if he will yield.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. WHERRY. I mean I wish to have the Senator yield for a question.

Mr. VANDENBERG. Yes.

Mr. WHERRY. I should like to ask this question: This treaty was written prior to the time when we apparently changed our foreign policy toward Russia. Does the Senator feel that if the provisions of the treaty were written today, there would be any change in our attitude toward Italy, and would there be any difference between the terms of the treaty now before us and the terms of a new treaty written under those conditions between the four Governments and Italy?

Mr. VANDENBERG. Let us take the Senator's premise first, because we would have to agree upon that. The Senator says this treaty was written after our foreign policy changed with respect to Russia.

Mr. WHERRY. No; I said before it changed.

Mr. VANDENBERG. Very well; the Senator from Nebraska says that this treaty was written before our foreign policy changed with respect to Russia.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. So far as the Senator from Michigan is concerned, he has had only one policy toward Russia, although he suspects that he did not state it orally on the floor of the Senate until he returned from the first meeting of the General Assembly, in London, which was in February 1946. It has been said that the new policy with Russia, which, let us say, is a policy of friendly firmness—which is an understatement—commenced with my speech on the floor of the Senate when I returned from the first General Assembly, and the address, 24 hours later, by the distinguished then Secretary of State, Mr. Byrnes, I think before the Foreign Policy Association, in New York. That was in February 1946. The negotiation of this treaty started in April 1946. Therefore, if the Senator from Nebraska bases his question on the calendar which I have indicated, I would say the answer is "No," and that the policy with Russia to which he refers antedates even the beginning of the negotiation of this treaty.

Furthermore, I add, in answering the final portion of the Senator's question, that in the 213 days we sat across the table from Molotov, last year, I know of no single instance where the effort of the United States was not relentlessly pressed for the American point of view, in respect to what it believed to be justice in regard to this settlement. It would be absurd to say that we always won our point of view; but I think anyone familiar with the record would have to agree by way of verdict that we were amazingly successful in what I consider to be the appropriate approach to the Russian question, the appropriate approach being, not one of aggressive belligerence, but one of unyielding allegiance to certain fundamental essentials which shall be stated in a fashion which indicates that we mean what we say, and which shall be accepted, I hope sooner or later, on the basis that we say what we mean.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. WHERRY. Let me finish this inquiry. In view of the fact that so much was accomplished in those deliberations, such as the reduction and the scaling down of the reparations, does the Senator feel that if we attacked this problem with the distinguished Senator from Michigan spearheading it with all his zeal, we might not now get a better peace treaty with Russia than that outlined in the provisions of the treaty which is now before the Senate.

Mr. VANDENBERG. The Senator means the treaty for Italy?

Mr. WHERRY. Yes; and I am inquiring whether the Senator feels better terms might not be obtained from Russia in the treaty we are writing for Italy?

Mr. VANDENBERG. I do not.

Mr. WHERRY. I yield now to the Senator from Mississippi.

Mr. EASTLAND. Does not the Senator from Nebraska feel that if we cannot get a better treaty from Russia for Italy, it will be necessary to make a separate treaty of peace with Italy, a treaty of peace which will protect the Italian economy, which will permit the Italians to earn a living, and not leave them a prey to communism and place the Italian economy at the mercy of the Communists, as this treaty does?

Mr. WHERRY. I wonder if the distinguished Senator from Michigan would answer that question.

Mr. VANDENBERG. I am very sorry; I did not exactly comprehend the question.

Mr. WHERRY. If the Senator does not mind, I shall make an observation, and then ask a question. The distinguished Senator from Mississippi has asked the Senator whether he does not feel that, if this treaty were not ratified, as time went on the United States could make a separate treaty with Italy, and in doing so afford Italy better protection, so far as her economy was concerned, than is done in the treaty before us; that we could provide for Italy the basis upon which Italy could establish a democratic government, and not be infiltrated by Communists, as it no doubt will be under the pending treaty, with its provisions and terms.

Mr. EASTLAND. In that regard, Mr. President, I should like to make a statement. The Senator from Michigan has questioned some figures on power production and coal production.

Mr. VANDENBERG. Let us answer the other question first; shall we?

Mr. EASTLAND. My present question is related. I want to make clear what the Senator from Nebraska said.

Mr. VANDENBERG. Very well.

Mr. EASTLAND. I quote an advertisement inserted in the RECORD by the Senator from Connecticut [Mr. MCMAHON] on April 21 last:

> The treaty gives Tito's Communist government all but one of Italy's coal mines.
>
> The treaty also gives to Tito all of Italy's bauxite mines in Istria, and nearly all of the great hydroelectric plants developed by Italy in Istria since the last world war.

We have just voted to give $300,000,000 to Greece. One of the arguments used in support of the gift, or loan, was that if we did not make it, and save Greece from the pressures of communism, there would be a general reaction, that Italy would next be swept into the Communist orbit, and the Middle East would fall. One of the considerations of the loan was the desire to prevent Italy becoming a Communist satellite; that was one of the reasons; yet here we are, a few days later, asked to ratify a treaty of peace which would turn Italy's coal resources, and largely her electric-power resources, over to Tito, and make it impossible for her economy to function.

The question was, Does not the Senator from Michigan think that if we would hold off and make a separate treaty of peace which would save those resources for Italy, this country's interest would be better protected?

Mr. VANDENBERG. I will see if I can remember the sum total of the inquiry.

My first answer is that the impossibility of making a better treaty with Italy it seems to me is self-evident. The Senator from Mississippi says, Why should we not make a separate treaty with Italy which would be more favorable to her? Let us see how that would work. Let us say that the Senator from Mississippi is making the treaty the way he wants to make it, and he gives the bauxite mines to Italy, and we sign the treaty with Italy. Italy has the bauxite mines, so far as we are concerned, under our treaty. Yugoslavia and Russia come along and say, "Well, now you have made a separate treaty with the United States; make a separate treaty with us, and the basis upon which we want to make a separate treaty is to have those bauxite mines in Yugoslavia."

Under those circumstances, who liquidates the question as to who gets the bauxite mines, unless we put the American Army in to settle it?

Mr. EASTLAND. The answer to that question is, Yugoslavia and Russia are not going to invade Italy so long as American soldiers are there.

Mr. VANDENBERG. Mr. President, that is a very comforting theory in one aspect, and a very disturbing one in another. The premise which the Senator now poses depends upon American arms in Italy as a substitute for a treaty, and so far as I am concerned, I am not prepared to face the indefinite armed occupation of Italy, the indefinite armed defense of Italy against Russian and Yuogslavian claims, when there is an alternative available which at least sets a limitation upon the responsibilities which we confront.

I say to the Senator again that I am unable to fathom how to make a separate treaty of peace respecting matters which inevitably involve multilateral

decisions. Who is to decide what happens in Trieste? We cannot decide for ourselves. As a matter of fact, if we waited 6 months, as some Senators would apparently like to have us do, before we even negotiated a treaty with Italy, I suspect we would find that by that time Trieste was so effectively infiltrated under the Hungarian formula that it would not make much difference whether we set up a free state and called it neutral or not.

In other words, what I am saying to the Senator is that the answer to his question always requires an assessment of the alternative. I may be all wrong, and the Senator may be entirely correct, and if the Senator is right in his judgment, he certainly should vote against the ratification of this treaty. I do not press my view upon him at all. I merely say to him that my view is that the situation which he so fears will so infinitely deteriorate during the next 6 months without a treaty, and will so infinitely multiply the hazards and jeopardies for Italy, that the net result will be nothing short of tragic. Therefore I shall vote to ratify the treaty.

Mr. EASTLAND. I cannot see how the situation would deteriorate if we did not have a treaty. Under the pending treaty, we are giving Italy's natural resources to an enemy state.

Mr. VANDENBERG. To what enemy state?

Mr. EASTLAND. Yugoslavia.

Mr. VANDENBERG. That is not an enemy state.

Mr. EASTLAND. Legally, technically, no; in reality, it is.

Mr. VANDENBERG. I have given the Senator my answer.

Mr. WHERRY. Mr. President, will the Senator answer this question? If we should ratify this treaty and there should be the wholesale infiltration which it is said by many of those who are opposing the treaty there might be, what difference, so far as the bauxite mines are concerned, would there be between that action and the making of a separate treaty?

Mr. VANDENBERG. There would be a good deal of difference.

Mr. WHERRY. What would be the difference?

Mr. VANDENBERG. The difference would be that we would have challenged, first, the signatories in the Council of Foreign Ministers, three of which at least would be ignored in this action. We would have challenged 18 of the 21 nations in the Peace Conference.

Mr. WHERRY. They ratified it.

Mr. VANDENBERG. They have nothing to do with ratification.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. It would be a situation which certainly would challenge the other fundamentals of the United Nations. In my opinion, it would be a situation which would be sufficiently repressive, so that the danger to Italy would be infinitely less than if the whole situation is left in the present state of flux and uncertainty, with the obvious disintegration which is going on.

Mr. WHERRY. What is the difference between signing a separate peace with Italy and signing a separate peace with Germany?

Mr. VANDENBERG. Oh, there is a very great deal of difference.

Mr. WHERRY. I should like to have the Senator explain that.

Mr. VANDENBERG. I shall be very glad to explain it. In the first place, when I have spoken about a separate peace with Germany, I have spoken about a separate peace involving those areas of Germany which are under the control of like-thinking allies; let us say the British, the Americans, and the French. I have never talked about a separate peace with Germany which would undertake to involve the Russian area of Germany. Therefore, I am talking about an agreement between those who have a disposition and a will to agree, and who have sufficiently common ideas so that there is a likelihood of agreeing. I submit to the Senator that is a totally different concept from undertaking a separate peace with another independent nation which, in turn, is at the mercy of other nations; which would not be the situation in connection with the German peace I have been describing.

Mr. EASTLAND. Mr. President, would the Senator from Nebraska let me ask the senior Senator from Michigan a question?

Mr. WHERRY. Yes.

Mr. EASTLAND. Does the Senator from Michigan think that in the future, whether we like it or not, there will be two worlds?

Mr. VANDENBERG. I am not prepared to answer that question, because, as I indicated a little earlier, I would not undertake to be a prophet for 5 minutes in respect to what is going to happen on this painful and unhappy earth. The Senator knows what my dedications and hopes are. I still hope and pray, and still have some degree of belief, that it is possible to create in the United Nations a common, functioning conscience of this earth which can make itself effective in behalf of peace with justice. Whether or not that is a vain hope, time alone will tell; but I am very proud still at least to nurse the hope.

Mr. EASTLAND. The Senator has done fine work, and I congratulate him. But does not the Senator believe at this time, then, that we shall have two worlds in the future?

Mr. VANDENBERG. I decline to answer the question, because I am not in possession of sufficient facts, any more than is the Senator from Mississippi, or any other living man, to know the undisclosed events of day after tomorrow in our international relationships. If it be necessary to confront the concept of two worlds, I am prepared to confront the concept. I do not want to confront that concept until the last possible opportunity to avoid it has been exhausted, and I do not think we have yet exhausted the alternative.

Mr. EASTLAND. Does the Senator think that the Italian settlement should go over, then, until there is a general European settlement, to see whether or not we shall have one world, and then, if there are to be two worlds, draw that line definitely, so that Italy will not fall within the Communist orbit?

Mr. VANDENBERG. I think if we stood here all afternoon, apparently we should have no meeting of minds in respect to the Senator's reiterated question, would it not be better for Italy if we waited for 6 months before ratifying the treaty? I can only reiterate that in my opinion, and in the opinion of the Secretary of State—which is far more important; infinitely more important—a delay of 6 months, a continuation of the existing uncertainty and flux in these highly controversial and prejudicial areas, will not only result in Italy's tremendous disadvantage, but is well calculated, in the words of Secretary Marshall, to make any sort of hopeful approach to an Austrian and German treaty almost impossible.

Mr. WHERRY. One question right at that point, Mr. President, if the Senator from Michigan will yield further for a question. If the treaty is ratified, and there is infiltration in Italy, such as has been made, apparently, in Hungary, would the Senator be in favor of the United States continuing to loan money to Italy, to make good on this treaty, for Italy's payment of reparations to Russia?

Mr. VANDENBERG. I decline to answer on a premise to which I disagree, to begin with.

Mr. WHERRY. Will the Senator accept my premise?

Mr. VANDENBERG I decline to accept the Senator's premise.

Mr. WHERRY. Very well. Then I ask the Senator to state his own premise, and to answer, please.

Mr. VANDENBERG. I have stated my own premise so often, and answered it, that I do not know which one the Senator wishes me to repeat.

Mr. WHERRY. What I want to know is, if this treaty is ratified and there is a wholesale infiltration into Italy, would the Senator be in favor of continuing to make loans to Italy with which to pay reparations to Russia? That premise, I think, is in the minds of many Senators, because I made the statement when I returned from Europe that I did not feel that I would ever vote for an appropriation or for the ratification of a peace treaty that would compel the taxpayers of the United States to pay reparations indirectly to Russia. We are asked to accept a peace treaty here, pursuant to which apparently the United States will have to loan money to Italy, to enable Italy to make good on the settlement of reparations.

Mr. VANDENBERG. Mr. President, may I repeat that the reparations involved amount to slightly less than $15,000,000 a year for 7 years? I do not think Italy is going to require any loans in order to pay $15,000,000 a year in reparations out of current production. On the other hand, it would be just as fair to suggest to the Senator that any estimated degree of expense to American taxpayers—which might be involved in this relationship, I freely admit, at some point—any burden which the American taxpayer confronts in that aspect is nothing compared to the burden that the American taxpayer confronts, if the theory of some Senators is followed, and

we keep the American Army in perpetual occupation of Italy. That is where the American taxpayer will meet the bill.

Mr. McMAHON. Mr. President, will the Senator yield at that point for a question?

Mr. WHERRY. I shall yield in a moment.

I do not want the distinguished Senator from Michigan even to assume that I have advocated keeping an American Army in Italy, because that is one thing I have not done. The only thing I have said is, What is the difference between a separate peace and one in which we permit legally the infiltration of communism into Italy? I ask that, especially in view of the fact that we have loaned $400,000,000 to Greece and Turkey, and provided a total for Greece and Turkey of approximately $800,000,000—among other things, for a military installation, which I call intervention—in an effort to stop the threat of communism. We shall certainly have to loan money to Italy to enable her to pay the reparations, on the theory that we are to assist Italy in establishing a sound government. It seems to me that the theory upon which it is based, is to enable Italy to pay the reparations, and so that she may turn her face westward, and attempt to set up a democratic government. When the first loan is made to Italy, the Senator from Michigan knows it will not be merely the first $100,000,000. Italy will want $100,000,000, and then she will want another $100,000,000, and other hundreds of millions in order to stabilize her economy. I repeat, especially in view of the fact that we are lending money to Greece and Turkey for the very purpose of military intervention, and that we are here loaning money to Italy with which to pay reparations, would the Senator advocate continuing to loan money to Italy, on the basis of an understanding that from such loans reparations are to be paid to Russia? I think it is a fair question. I think that certainly Senators are entitled to know the answer. I am not a member of the Committee on Foreign Relations. I have not heard these matters discussed. I did not sit across the table from Molotov for 213 days. I did not trade any mules with him. But I want to say here that I represent the State of Nebraska and the people of the United States of America, and I have many letters in my files protesting against the ratification of the treaty. The protests are based on the fact that it mortgages Italian labor, that it would give up the Italian coal and the Italian electric power, when the Italian people themselves need it to stabilize themselves. Are we going to continue to make loans to Italy or to any other country—there are some other countries to be considered in this connection—so that they may continue to pay reparations to Russia, simply because Russia exacts the pound of flesh and the United States does not? I think that is a fair question.

Mr. VANDENBERG. Well, what is the question? I should like to answer it and sit down. Have I not answered it?

Mr. WHERRY. No, the Senator has not answered it; and I have asked it in good faith. I think I am entitled to know about the matters concerning which I have asked questions. Too often treaties have been brought on the floor of the Senate, or other matters have been placed before us, and we have been told "This is it, and this is what you ought to take." Certainly those of us who want to find out what it really is we are asked to vote upon have the right to ask pertinent questions of those who are responsible for the legislation. I think it is only proper that such questions should be asked.

Mr. VANDENBERG. May I interrupt the Senator?

Mr. WHERRY. Yes.

Mr. VANDENBERG. To inquire whether in the course of the debates of the last few months he has been curtailed in any fashion in his cross-examinations of the Senator from Michigan ad infinitum.

Mr. WHERRY. The Senator has been very, very generous to me, and I want to thank him for it.

Mr. VANDENBERG. I did not want any impression to be created that the Senator has been in any wise curtailed in his questions.

Mr. WHERRY. I want to say that if I had not cross-examined the Senator I would not have obtained the information I wanted. I would not have supported IRO if it had not been that on the basis of answers to exhaustive questions which I addressed to the distinguished Senator from Michigan I was convinced on the floor of the Senate that I should support the IRO. But I would not have reached such a conclusion if I had not continued to ask questions of the Senator from Michigan.

I am not sure what the Senator has in mind respecting the length of the debate over the treaty, or whether the few questions which have been asked since 1:30 o'clock today are too exhaustive. I certainly do not want to try the Senator's patience too much. But I still think, as one representing the people of a great State, and as a Senator of the United States, that it is entirely proper for me to submit such a question as that which I have asked of the distinguished Senator from Michigan, which is whether the Senator feels that we should continue to make loans to countries who must pay reparations to Russia, the reparations to be paid from such loans. Should we continue to do so, or should we at this time consider the subject and decide upon some other policy?

Mr. VANDENBERG. I tried to answer the Senator, I thought, many times, in response to that specific question.

Mr. WHERRY. I have not heard the answer.

Mr. VANDENBERG. The answer is in the first instance that I know of no loans which have been made or are contemplated to be made for the purpose of paying reparations. And inasmuch as the reparations scale down to less than $15,000,000 a year, and since they involve primarily Italian labor rather than resources which require loans or investments, I would not think that the amount involved in Italian reparations by any stretch of the imagination could involve the question of American loans. Now, how can I answer the Senator any more distinctly and definitely than that?

Mr. WHERRY. I wish to say to the distinguished Senator from Michigan that he has gone clear around the question and answered it in a round-about way. In effect he has said, "I do not know how it could happen. I cannot even conceive of it." But I will say, in concluding this particular line of questioning, that it is my judgment that a proposal for a loan to Italy will come before the Senate of the United States. It will be asked for in behalf of the Italian people so that they may be able to maintain their government, to maintain their economy. Certainly a part of such a loan, if it should be approved by the Senate, and made to Italy, will go toward payment of reparations to Russia, which are provided for in this treaty.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MALONE. I should like to ask the senior Senator from Michigan this question. In considering the amount the Italians are to pay each year, I heard the sum of $15,000,000 mentioned quite often.

Mr. VANDENBERG. I averaged the $100,000,000 to be paid to Russia over 7 years. We were discussing the payment to Russia.

Mr. MALONE. Yes. The Italians will have to pay it all during the 7 years.

Mr. VANDENBERG. Yes.

Mr. MALONE. Then it will be about $14,000,000 a year.

Mr. VANDENBERG. Yes.

Mr. MALONE. Have any estimates been made as to the number of days' work which will be required in order for the Italians to pay the reparations due to Russia, Greece, and other countries—the total sum involved?

Mr. VANDENBERG. I do not know.

Mr. MALONE. I should like to make an observation in that respect. It seems to me that is the first thing which should be considered. Wages in most countries are figured on a subsistence basis. In other words, laborers make the amount of money it takes to provide them and their families a living, and we know that Italy is now on the bottom. Italy is starting from scratch again. So it seems to me that the number of days of labor which would be required over the 7-year period to pay the reparations would have to be paid for by someone during that period. From where would the money come? Has the Foreign Relations Committee considered that subject? It seems to me the money must come from the people while they are performing their work.

Mr. VANDENBERG. Mr. President, this is an infinitesimally small segment of the total Italian economy. The Foreign Relations Committee certainly has not figured out how the Italian economy is going to sustain itself during the next 7 years. The Italian economy is an infinitely broader problem—I suppose multiplied by 10,000, compared with this particular problem. I should say that the maintenance of Italian economy is an over-all problem and not a segmentary problem, if there is such a word.

Mr. MALONE. I think there is such a word. I also would like to pursue that theory a little further, since requests for loans have been coming before the Senate very regularly. We understand there are proposals for other loans coming to us. I join with the Senator from Nebraska. I really expect that when the

payments of reparations begin to bog down, and when the labor cannot be paid for in other ways, we will be asked for a loan to maintain Italy's national integrity, so the Italian Government can make good with its people, and so again we can keep them from falling into communism. All that we expect. Therefore, I want to join with other Senators who think that it is not the thing for us to do to put money into one end of the economy and siphon it out at the other end. If there have been any estimates made as to what this all amounts to, and where the money is coming from, I should certainly like to have further information about it. If the Foreign Relations Committee has such information, I should like to have it.

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I yield.

Mr. McMAHON. I realize the tremendous responsibility which rests upon the Senator from Michigan by reason of the position which he occupies as chairman of the great Foreign Relations Committee, and I can recognize his reluctance to answer "iffy" questions; yet this thought occurs to me. If within the next 60 days, after we ratify this treaty, there should be repeated the kind of theft of the Government of Italy which has been perpetrated with respect to Hungary, I am wondering whether our position with regard to Italy would be prejudiced in view of the fact that we had ratified this treaty, because I say to the Senator that, so far as I am concerned, and as a Senator of the United States, I could not look with equanimity upon the taking over of the Government of Italy by a Communist coup d'état, thereby sealing up the Mediterranean.

As I said, I recognize that the Senator from Michigan cannot stand here and answer "iffy" questions, but that very possibility is one of the things that is in many Senators' minds, if I am not mistaken, in answering ourselves as to whether our position would not be seriously impaired and prejudiced in the event such a sad thing should occur.

Mr. WHERRY. Mr. President, I ask the distinguished Senator from Michigan if it is his intention to have a vote on the Italian treaty this afternoon?

Mr. VANDENBERG. Oh, no.

Mr. WHERRY. I realize that the distinguished Senator from Colorado [Mr. MILLIKIN] is anxious to take up the conference report on the tax bill.

At this time I ask unanimous consent to have printed in the RECORD as a part of my remarks a resolution by the Order Sons of Italy in America, which I recently received in the mail.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution urging postponement of the consideration of the treaty with Italy until such time as the treaty with Germany shall have been concluded

Whereas our organization is dedicated, among other worthy objectives, to cementing the bonds of friendship and promoting closer relations between the freedom-loving people of the United States and Italy; and

Whereas there is now under consideration by the Senate of the United States a treaty of peace with the Republic of Italy; and

Whereas we, the executive committee of the supreme council, Order Sons of Italy in America, in special meeting convened at New York City, March 29, 1947, believe that the said treaty should be considered in the light of the historic events that have preceded it which we understand to be as follows:

Italy declared war on Germany on October 12, 1942, was immediately recognized officially as a cobelligerent by the Allied powers and for 20 months fought valorously by their side with her entire Navy, Army, and Air Forces, including thousands of irregular or guerrilla troops know as "Partisans."

In this struggle she lost over 300,000 in killed alone, suffered billions of dollars in property damage, of which not a small part consisted of priceless works of art which can never be replaced. Immediately after hostilities ended in Europe in June of 1945, she declared war upon Japan. Only the collapse of Japan shortly thereafter prevented her active participation in the theater of the South Pacific with her fleet of torpedo, motor craft, and light cruisers, the finest in Europe for the type of fighting required around Japan.

That Italy's contribution to the defeat of Germany was important, timely and valuable has been recognized by every military leader acquainted with the tremendously difficult terrain she faced, from Maj. Gen. Mark Clark down. That it was material was proclaimed at Potsdam, when the Tripartite Conference officially declared:

"Italy was the first of the Axis Powers to break with Germany, to whose defeat she made a material contribution, and has now joined with the Allies in the struggle against Japan."

Both before the armistice and during the period of active participation as a cobelligerent, the government and the people of Italy received from President Roosevelt, Prime Minister Churchill, and all of the political and military leaders of the Allies the most ample assurances and promises that Italy would not be considered as a defeated enemy, but that a just and liberal account would be taken of her contributions to the common victory, and especially in overthrowing the Mussolini regime and being the first of the Axis Powers to fight with the Allies.

Here in the United States our Government, through its Department of State, the OWI, and the OSS, urged the people of Italy to revolt against their Fascist-Nazi oppressors, lay down their arms, and accept the guaranties of the Atlantic Charter and the blessings of the "four freedoms."

Our organization was requested by the OWI, as patriotic American citizens, to assist in broadcasting this appeal over the air waves to Italy. We were asked specifically to tell the people of Italy to stop fighting; that we were going in as liberators, not as conquerors; that the slogans were, "Save Italy now"; "Victory for America—Freedom for Italy."

We responded gladly, as requested, and did supply speakers of ability and national reputation who made the broadcasts. What happened subsequent to these and other diplomatic solicitations is history: Italy overthrew Mussolini and went over to the Allied cause.

Certainly, if any nation can be said to have a valid claim to just consideration, both as a matter of morals and of contract, that nation is Italy.

Despite this valid claim for just consideration and treatment, the treaty of peace, purporting to define and settle the status quo with Italy and the Big Four powers, and now presented to the Senate of the United States for ratification, contains none of the assurances and the promises that Italy would not be considered as a defeated foe, but that a just and liberal account would be taken of her contributions to the common victory.

Not only are these absent, but terms are inserted so harsh, so unjust, so impossible, as to make her survival as a sovereign democratic state with a republican form of government impossible. It can be fairly said that this is not a treaty of peace but a sword of war for the future, because the treaty:

1. Mutilates the territorial integrity of what is universally recognized as the Italian homeland by ceding Briga, Tenda, and Venezia Giulia to other powers and by separating Trieste from it to form a so-called Free Territory of Trieste.

2. Imposes the renunciation of title to the colonies in Africa, i. e., Libya, Eritrea, and Somaliland, which governments, previous to Mussolini, poured out billions to develop.

3. Imposes the renunciation of acquired rights and interests in China and other places and all special rights in any territory mandated or deriving from the mandate system.

4. Reduces the Naval, Military, and Air Establishments to mere token forces so small as to make adequate defense of her borders impossible.

5. Compels the complete demilitarization of her Yugoslav frontier while imposing no similar restriction on Yugoslavia, thus leaving Italy open to invasion any time Yugoslavia chooses to attack.

6. Enforces economic enslavement by compelling the payment of $365,000,000, in reparations, said payment to come from various sources including current industrial production and raw materials. Russia will take her $100,000,000, in part, by furnishing raw materials to Italy to be finished in her factories at "values" (price) to be fixed by the four ambassadors; and

Whereas the said treaty—

1. Rescinds the assurances and pledges made to Italy that she would not be regarded as a defeated foe if she overthrew her government and joined the cause of the allies, and will jeopardize America's integrity and pledged word if ratified.

2. Imposes economic enslavement by requiring the payment of millions of dollars in reparations beyond the ability of the Italian people to pay, in effect constituting a perpetual mortgage to be satisfied by "slave labor" and which in truth can never be paid or satisfied, unless the United States underwrites the payment of the same.

3. Sows the seeds of future wars by setting up in its territorial clauses as a craven compromise to Yugoslavia's demand for domination beyond the Adriatic, an alleged "Free Territory of Trieste" out of land and population universally recognized as Italian for centuries, thereby creating another Danzig with all its implications of tragedy and disaster.

4. Makes homeless and casts out into the world as pariahs the entire populations of the cities of Pola, Zara, and other portions of Venezia Giulia ceded to Yugoslavia.

5. Imperils the defense and maintenance of Italy as a free democratic sovereign state by reducing its means of military defense.

6. Invites invasion by compelling the complete demilitarization of its Yugoslav border.

7. Violates the letter and spirit of the Atlantic Charter by failing to afford to the Italian nation the means of dwelling in safety within its own boundaries and by ordering territorial changes which do not accord with the freely expressed wishes of the people concerned.

8. Clashes with the policy of the United States in foreign affairs to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure, recently announced by President Truman, it being obvious that if it be necessary to protect Greece and Turkey from Communist satellite infiltration and expansion because the security of the United States requires that these nations be kept strong as bastions of defense, then with equal forces it follows that the largest nation in the Mediterranean and the third largest in Europe should be protected for the same reasons.

It should be observed, in conclusion, that everybody knows, who knows anything about political conditions in Italy, that none of the extreme demands made by Yugoslavia with Russian support would have been made if

Italy had agreed to accept Communist direction. And that even now said demands reflected in the treaty would be withdrawn and direct negotiation had if Italy at this late hour would accept said Communist direction.

Italy and Greece are parallel cases in this regard. And both are indissolubly linked with the German problem. Until that problem is resolved and the pattern of the peace of Europe and the Western World is established, any attempt to settle the peace of Italy by the United States on these harsh terms is not only an act of ingratitude, but is premature and illusory.

America, in the days not too far distant, will need the friendship and the loyalty of the freedom-loving people of Italy. They should not suffer any injustice at our hands; on the contrary, they should be welcomed with the same spirit and the same enthusiasm shown them when they were welcomed as allies on the battlefield. Certainly now is not the time to fasten the fetters of communism on the oldest Christian civilization in the western world: Therefore be it

Resolved, That we urge the Senate of the United States to vote to delay ratification of said treaty of peace with Italy pending further study and until such time as the European settlement and the treaty with Germany shall have been concluded; and be it further

Resolved, That a copy of this resolution be spread upon the minutes and forwarded to his Excellency, the President of the United States; the Secretary of State; the President of the Senate, and every Senator of the United States.

EXECUTIVE COMMITTEE OF THE SUPREME COUNCIL, ORDER SONS OF ITALY IN AMERICA,
FELIX FORTE,
Supreme Venerable.
S. LOPRESTI,
Assistant Supreme Venerable.
F. J. GIMINO,
Supreme Orator.
S. PARISI,
Supreme Financial Secretary.
V. BIANCO,
Supreme Treasurer.

Attest:

A. A. DE MARTINIS,
Supreme Recording Secretary.

Mr. WHERRY. I also ask to have printed in the RECORD at this point as a part of my remarks a letter from the Omaha (Nebr.) Chapter of the Order Sons of Italy in America.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ORDER SONS OF ITALY IN AMERICA,
Omaha, Nebr., March 25, 1947.

Hon. KENNETH S. WHERRY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The Grand Council of the Order Sons of Italy in Nebraska, with a large membership, all of whom are American citizens and voters, respectfully requests that you vote against the adoption of the Italian peace treaty. It is felt that the terms are too drastic and unfair to Italy.

Yours truly,

JOSEPH VACANTI,
Venerable.

Mr. WHERRY. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from the Risveglio Italo-Americano, beneficial society of Omaha, Nebr., an Italian-American organization.

There being no objection, the letter was ordered to be printed in the RECORD, as follows :

MARCH 25, 1947.

Hon. KENNETH S. WHERRY,
United States Senator,
Senate Office Building, Washington, D. C.

DEAR SENATOR: The Lodge Risveglio Italo-Americano, of Omaha, Nebr., with a large membership, all of whom are American citizens and voters, respectfully requests that you vote against the adoption of the Italian peace treaty. It is felt that the terms are too drastic and unfair to Italy.

Yours truly,

ALFIO LA FERLA,
Venerable.

Mr. WHERRY. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from a friend in California.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LA MESA, CALIF., *March 15, 1947.*

Hon. KENNETH S. WHERRY,
United States Senator From Nebraska,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WHERRY: You will possibly recall that during the time that our national sovereignty was in jeopardy and assailed by alien guns and ideologies that I spared neither time, effort, nor material resources to serve as consultant to the Office of Strategic Services on Italian affairs, and to help the office of OWI and other Government agencies in marshaling the forces of our Nation and to solicit the sympathies of liberty-loving Italians in Italy to help overthrow the Mussolini regime, and to line up what forces and influences could be made available in helping us win the war.

As national secretary of the American Committee for Italian Democracy (this committee was headed by Justice Ferdinand Pecora, of New York, and other outstanding leaders of Italian extraction), we appealed and made known to the people of Italy that we were going in as liberators and not as conquerors. In this I feel that our Nation in many ways has more than kept its promise, but now comes the peace treaty for ratification by the Senate of the United States, and, my dear Senator, that treaty is worse than Munich. The Italian people have been treated in it as conquered slaves and not as liberated free people. The compromises have sown the seeds for a third world war. I am sure that its ratification is impossible, and that it should be sent back to the Department of State for further study and adjustments. It is my opinion that the present treaty cannot be ratified by the Senate without jeopardizing America's integrity.

No one respects Secretary of State Byrnes more than I do as a great American, but I feel that in this case he has been out talked, out guessed, and out foxed, and the facts have been deliberately misrepresented to him in favor of Tito of Yugoslavia, the puppet of Russia, and the never-satisfied grizzly bear of the north, together with the suave, but unappreciative, French.

In writing you this letter, sir, I am voicing the feeling not only of myself, who has helped to defend this Nation in two World Wars, but of hundreds of thousands of Americans of Italian extraction who have given of themselves unstintingly to the cause of freedom, justice, and democracy, and who were and are willing to lay down their lives on the altar of sacrifice in behalf of our beloved America were occasion or circumstances to demand it.

Yours in the service of our country,

FRANK B. GIGLIOTTI.

Mr. WHERRY. Mr. President, these are personal letters written to me by outstanding Italians of my State and others. I have selected these letters from among many letters which I have received.

REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

As in legislative session,

Mr. MILLIKIN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce individual income tax payments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: On page 2 of the Senate engrossed amendments in lieu of the table there appearing insert the following:

"If the aggregate is:	The reduction shall be:
Not over $200	33½% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $100,000.	24% of the aggregate.
Over $100,000 but not over $250,000.	$24,000, plus 19¼% of excess over $100,000.
Over $250,000	$52,875, plus 15% of excess over $250,000."

and on page 3 of the Senate engrossed amendments in lieu of the table there appearing insert the following:

"If the aggregate is:	The reduction shall be:
Not over $200	19¼% of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $100,000.	14½% of the aggregate.
Over $100,000 but not over $250,000.	$14,500, plus 12% of excess over $100,000.
Over $250,000	$32,500, plus 10% of excess over $250,000."

And the Senate agree to the same.

E. D. MILLIKIN,
ROBERT A. TAFT,
HUGH BUTLER,
WALTER F. GEORGE,
Managers on the Part of the Senate.

HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,
R. L. DOUGHTON,
Managers on the Part of the House.

Mr. MILLIKIN. Mr. President, I ask unanimous consent, as in legislative session, for the present consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. MILLIKIN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THYE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Brewster	Buck
Baldwin	Bricker	Bushfield
Ball	Brooks	Cain

Capehart	Holland	Revercomb
Capper	Ives	Robertson, Wyo.
Chavez	Jenner	Russell
Connally	Johnson, Colo.	Saltonstall
Cooper	Johnston, S. C.	Smith
Cordon	Kem	Sparkman
Downey	Kilgore	Stewart
Dworshak	Knowland	Taft
Eastland	Lodge	Taylor
Ecton	Lucas	Thomas, Okla.
Ellender	McCarran	Thomas, Utah
Ferguson	McCarthy	Thye
Flanders	McClellan	Tobey
Fulbright	McFarland	Tydings
George	McGrath	Vandenberg
Green	McKellar	Watkins
Gurney	McMahon	Wherry
Hatch	Magnuson	White
Hawkes	Malone	Wiley
Hayden	Millikin	Williams
Hickenlooper	Moore	Wilson
Hill	Morse	Young
Hoey	O'Daniel	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. MILLIKIN. Mr. President, the Senate conferees went to conference with 16 Senate amendments. The House conferees agreed to all the Senate amendments with the exception of No. 1. As to that the House accepted it with an amendment of its own. Senate amendment No. 1 adopted an additional rate reduction bracket to take care of the reduction between $1,400 and $302,400. On that part of the tax attributable to income in excess of $79,000 and not in excess of $302,400, the Senate allowed a reduction for 1948 and subsequent years of 15 percent instead of the 20 percent allowed under the House bill. A compromise was agreed upon by the conferees by which the 15-percent reduction starts at approximately $137,000 instead of at $79,000. This has the effect of allowing the full 20-percent reduction with respect to the tax on incomes between $1,400 and $137,000, and a 15-percent reduction on the tax applicable to that part of income between $137,000 and $302,400.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. McMAHON. Was it necessary for the Senate conferees to agree to push the amount from $79,000 to $137,000?

Mr. MILLIKIN. I did not understand the Senator's question.

Mr. McMAHON. Was it necessary to recede from the Senate amendment providing the cuts would stop at $79,000? Did the Senate conferees have to raise it?

Mr. MILLIKIN. The junior Senator from Colorado thought it was necessary.

Mr. McMAHON. I think it is most regrettable, I may say to the Senator from Colorado.

Mr. MILLIKIN. I do not know whether it should be called most regrettable. I think it is regrettable when the Senate has to yield any concession on any of its amendments; and to that extent I share the Senator's regret. I wish it had stayed where it was. But, as I stated before, we went to conference with 16 Senate amendments. The conference necessarily involved some compromise. That was the point of compromise; and I do not regard it as a highly material matter.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I gladly yield to the Senator from Illinois.

Mr. LUCAS. What the conferees have done is further to increase the amount of tax reduction for those persons in the middle and higher income tax brackets over what was agreed upon in the Senate?

Mr. MILLIKIN. The conferees agreed to extend the 20 percent reduction from $79,000 to $137,000 as distinguished from the Senate's version of starting a 15 percent reduction at $79,000.

Mr. LUCAS. Is that merely an arbitrary decision?

Mr. MILLIKIN. No.

Mr. LUCAS. Was there any basis for making that raise?

Mr. MILLIKIN. Yes. We considered the revenue loss. We necessarily had to consider the viewpoint of the House, that the 20-percent reduction should run from about $1,400 to $303,000. The figure agreed upon of $137,000 is a sort of midway station. It is the kind of thing which the Senator knows happens when we are compromising figures.

Mr. LUCAS. I appreciate the fact that in any legislation there must be compromise in order to obtain legislation. But I notice that the compromise was applicable only to the middle and upper income brackets, and there was no compromise with respect to the lower income brackets where a reduction is really needed.

Mr. MILLIKIN. We did not take any amendments to the conference that would have raised that question.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TYDINGS. Could the Senator give the Senate the amount in dollars of the total tax reduction as represented by the conference report?

Mr. MILLIKIN. Yes. The amount is $3,300,000,000.

Mr. TYDINGS. How much does the conference report raise the amount of tax reduction over that in the Senate amendment.

Mr. MILLIKIN. The item which I have mentioned comes to between $56,000,000 and $60,000,000.

Mr. TYDINGS. That is the only increase in the amount of tax reduction as a result of the conference over the original Senate amendment?

Mr. MILLIKIN. That is correct, with the exception of minor technical adjustments which would follow from changing the bracket.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. MILLIKIN. I yield.

Mr. LUCAS. The $60,000,000 which the Senator is now discussing goes directly to those persons who have incomes in excess of $73,000 and up to $303,000?

Mr. MILLIKIN. They will have a 20-percent reduction instead of 15 percent in the brackets between $79,000 and $137,000.

Mr. LUCAS. In other words, the $60,000,000 will go to that one group of people who are now receiving from $79,000 per annum up to $137,000 per annum?

Mr. MILLIKIN. Yes; and who are working about 3 days a week for Uncle Sam at the present time.

Mr. LUCAS. And 3 days for themselves. It is pretty fair pay.

Mr. MILLIKIN. I would not call 50-percent slavery a very happy condition.

Mr. President, I ask unanimous consent to include in the RECORD at this point a table of estimated Federal receipts, general and special accounts, for the fiscal year 1948, under present law, House bill, Senate bill, and conference report.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated Federal receipts, general and special accounts, for the fiscal year 1948 under present law, House bill, Senate bill, and conference report

[In billions of dollars]

Item	Estimated receipts in fiscal 1948 of—				Estimated effect upon the budget for fiscal 1948 of—		
	Present law	House bill	Senate bill	Conference report	House bill	Senate bill	Conference report
Direct taxes on individuals:							
Income taxes	20.0	[3] 15.1	16.8	16.7	−4.9	−3.2	−3.3
Estate and gift taxes	.7	.7	.7	.7			
Total direct taxes on individuals	20.8	15.8	17.5	17.4			
Direct taxes on corporations	8.6	8.6	8.6	8.6			
Excise taxes	7.8	7.8	7.8	7.8			
Net employment taxes [1]	.8	.8	.8	.8			
Customs	.5	.5	.5	.5			
Miscellaneous receipts:							
Existing legislation	2.6	2.6	2.6	2.6			
Proposed legislation [2]	.4	.4	.4	.4			
Total miscellaneous receipts	3.0	3.0	3.0	3.0			
Net receipts	41.4	[3] 36.5	38.2	38.1	−4.9	−3.2	−3.3

[1] After deduction for appropriation to Federal old-age survivors insurance trust fund.
[2] As proposed by the President in the 1948 Budget.
[3] Part of the reduction in liability under the House bill will result in increased refunds rather than decreased receipts; however, for comparative purposes, the full amount is shown here as a decrease in receipts. The estimate of increased refunds is $450,000,000.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. MILLIKIN. Mr. President, I also ask unanimous consent to have printed in the RECORD two tables, table I being a comparison of individual income tax under present law, House bill, Senate bill, and conference report, single person—no dependents; and table II being a comparison of individual income tax under present law, House bill, Senate bill, and conference report, married person—no dependents.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Comparison of individual income tax under present law, House bill, Senate bill, and conference report*

SINGLE PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax						Amount of tax reduction					Percent tax reduction				
			Senate bill		Conference report			Senate bill		Conference report			Senate bill		Conference report	
	Present law	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years
												Per cent	Per cent	Per cent	Per cent	Per cent
$500																
$600	$19.00	$13.30	$16.15	$13.30	$16.15	$13.30	$5.70	$2.85	$5.70	$2.85	$5.70	30.00	15.00	30.00	15.00	30.00
$700	38.00	26.60	32.30	26.60	32.30	26.60	11.40	5.70	11.40	5.70	11.40	30.00	15.00	30.00	15.00	30.00
$750	47.50	33.25	40.37	33.25	40.37	33.25	14.25	7.13	14.25	7.13	14.25	30.00	15.00	30.00	15.00	30.00
$800	57.00	39.90	48.45	39.90	48.45	39.90	17.10	8.55	17.10	8.55	17.10	30.00	15.00	30.00	15.00	30.00
$900	76.00	53.20	64.60	53.20	64.60	53.20	22.80	11.40	22.80	11.40	22.80	30.00	15.00	30.00	15.00	30.00
$1,000	95.00	66.50	80.75	66.50	80.75	66.50	28.50	14.25	28.50	14.25	28.50	30.00	15.00	30.00	15.00	30.00
$1,200	133.00	93.10	113.05	93.10	113.05	93.10	39.90	19.95	39.90	19.95	39.90	30.00	15.00	30.00	15.00	30.00
$1,500	190.00	133.00	161.50	133.00	161.50	133.00	57.00	28.50	57.00	28.50	57.00	30.00	15.00	30.00	15.00	30.00
$1,600	209.00	153.00	181.50	153.00	181.50	153.00	56.00	27.50	56.00	27.50	56.00	26.79	13.16	26.79	13.16	26.79
$1,700	228.00	173.00	201.50	173.00	201.50	173.00	55.00	26.50	55.00	26.50	55.00	24.12	11.62	24.12	11.62	24.12
$1,800	247.00	193.00	221.50	193.00	221.50	193.00	54.00	25.50	54.00	25.50	54.00	21.86	10.32	21.86	10.32	21.86
$1,900	266.00	212.80	239.40	212.80	239.40	212.80	53.20	26.60	53.20	26.60	53.20	20.00	10.00	20.00	10.00	20.00
$2,000	285.00	228.00	256.50	228.00	256.50	228.00	57.00	28.50	57.00	28.50	57.00	20.00	10.00	20.00	10.00	20.00
$2,500	380.00	304.00	342.00	304.00	342.00	304.00	76.00	38.00	76.00	38.00	76.00	20.00	10.00	20.00	10.00	20.00
$3,000	484.50	387.60	436.05	387.60	436.05	387.60	96.90	48.45	96.90	48.45	96.90	20.00	10.00	20.00	10.00	20.00
$4,000	693.50	554.80	624.15	554.80	624.15	554.80	138.70	69.35	138.70	69.35	138.70	20.00	10.00	20.00	10.00	20.00
$5,000	921.50	737.20	829.35	737.20	829.35	737.20	184.30	92.15	184.30	92.15	184.30	20.00	10.00	20.00	10.00	20.00
$6,000	1,168.50	934.80	1,051.65	934.80	1,051.65	934.80	233.70	116.85	233.70	116.85	233.70	20.00	10.00	20.00	10.00	20.00
$7,000	1,434.50	1,147.60	1,291.05	1,147.60	1,291.05	1,147.60	286.90	143.45	286.90	143.45	286.90	20.00	10.00	20.00	10.00	20.00
$8,000	1,719.50	1,375.60	1,547.55	1,375.60	1,547.55	1,375.60	343.90	171.95	343.90	171.95	343.90	20.00	10.00	20.00	10.00	20.00
$9,000	2,023.50	1,618.80	1,821.15	1,618.80	1,821.15	1,618.80	404.70	202.35	404.70	202.35	404.70	20.00	10.00	20.00	10.00	20.00
$10,000	2,346.50	1,877.20	2,111.85	1,877.20	2,111.85	1,877.20	469.30	234.65	469.30	234.65	469.30	20.00	10.00	20.00	10.00	20.00
$11,000	2,688.50	2,150.80	2,419.65	2,150.80	2,419.65	2,150.80	537.70	268.85	537.70	268.85	537.70	20.00	10.00	20.00	10.00	20.00
$12,000	3,049.50	2,439.60	2,744.55	2,439.60	2,744.55	2,439.60	609.90	304.95	609.90	304.95	609.90	20.00	10.00	20.00	10.00	20.00
$13,000	3,434.25	2,747.40	3,090.83	2,747.40	3,090.83	2,747.40	686.85	343.42	686.85	343.42	686.85	20.00	10.00	20.00	10.00	20.00
$14,000	3,842.75	3,074.20	3,458.48	3,074.20	3,458.48	3,074.20	768.55	384.27	768.55	384.27	768.55	20.00	10.00	20.00	10.00	20.00
$15,000	4,270.25	3,416.20	3,843.23	3,416.20	3,843.23	3,416.20	854.05	427.02	854.05	427.02	854.05	20.00	10.00	20.00	10.00	20.00
$20,000	6,645.25	5,316.20	5,980.73	5,316.20	5,980.73	5,316.20	1,329.05	664.52	1,329.05	664.52	1,329.05	20.00	10.00	20.00	10.00	20.00
$25,000	9,362.25	7,489.80	8,426.03	7,489.80	8,426.03	7,489.80	1,872.45	936.22	1,872.45	936.22	1,872.45	20.00	10.00	20.00	10.00	20.00
$30,000	12,264.50	9,811.60	11,038.05	9,811.60	11,038.05	9,811.60	2,452.90	1,226.45	2,452.90	1,226.45	2,452.90	20.00	10.00	20.00	10.00	20.00
$40,000	18,425.25	14,740.20	16,582.73	14,740.20	16,582.73	14,740.20	3,685.05	1,842.52	3,685.05	1,842.52	3,685.05	20.00	10.00	20.00	10.00	20.00
$50,000	25,137.00	20,109.60	22,623.30	20,109.60	22,623.30	20,109.60	5,027.40	2,513.70	5,027.40	2,513.70	5,027.40	20.00	10.00	20.00	10.00	20.00
$60,000	32,247.75	25,798.20	29,022.98	25,798.20	29,022.98	25,798.20	6,449.55	3,224.77	6,449.55	3,224.77	6,449.55	20.00	10.00	20.00	10.00	20.00
$70,000	39,643.50	31,714.80	35,679.15	31,714.80	35,679.15	31,714.80	7,928.70	3,964.35	7,928.70	3,964.35	7,928.70	20.00	10.00	20.00	10.00	20.00
$80,000	47,324.25	37,859.40	42,591.83	37,859.40	42,591.83	37,859.40	9,464.85	4,732.42	9,464.85	4,732.42	9,464.85	20.00	10.00	20.00	10.00	20.00
$90,000	55,260.00	44,232.00	49,966.00	44,621.50	49,761.00	44,232.00	11,058.00	5,324.00	10,668.50	5,529.00	11,058.00	20.00	9.63	19.30	10.00	20.00
$100,000	63,540.75	50,832.60	57,608.80	51,634.64	57,186.67	50,832.60	12,708.15	5,931.95	11,906.11	6,354.08	12,708.15	20.00	9.34	18.74	10.00	20.00
$150,000	105,806.25	84,645.00	96,760.00	87,560.31	95,510.00	85,185.31	21,161.25	9,046.25	18,245.94	10,296.25	20,620.94	20.00	8.55	17.24	9.73	19.49
$200,000	148,551.50	118,841.20	136,355.60	123,893.78	135,105.60	121,518.78	29,710.30	12,195.90	24,657.72	13,445.90	27,032.72	20.00	8.21	16.60	9.05	18.20
$250,000	191,771.75	153,417.40	176,391.20	160,630.99	175,141.20	158,255.99	38,354.35	15,380.55	31,140.76	16,630.55	33,515.76	20.00	8.02	16.24	8.67	17.48
$300,000	234,996.75	187,997.40	216,431.20	197,372.24	215,181.20	194,997.24	46,999.35	18,565.55	37,624.51	19,815.55	39,999.51	20.00	7.90	16.01	8.43	17.02
$400,000	321,446.75	265,110.25	298,278.50	274,610.25	297,028.50	272,235.25	56,336.50	23,168.25	46,836.50	24,418.25	49,211.50	17.53	7.21	14.57	7.60	15.31
$500,000	407,896.75	342,460.25	380,178.50	351,960.25	378,928.50	349,585.25	65,436.50	27,718.25	55,936.50	28,968.25	58,311.50	16.04	6.80	13.71	7.10	14.30
$750,000	624,021.75	535,835.25	584,928.50	545,335.25	583,678.50	542,960.25	88,186.50	39,093.25	78,686.50	40,343.25	81,061.50	14.13	6.26	12.61	6.47	12.99
$1,000,000	840,146.75	729,210.25	789,678.50	738,710.25	788,428.50	736,335.25	110,936.50	50,468.25	101,436.50	51,718.25	103,811.50	13.20	6.01	12.07	6.16	12.36
$2,000,000	1,704,646.75	1,502,710.25	1,608,678.50	1,512,210.25	1,607,428.50	1,509,835.25	201,936.50	95,968.25	192,436.50	97,218.25	194,811.50	11.85	5.63	11.29	5.70	11.43
$5,000,000	4,275,000.00	3,823,210.25	4,050,000.00	3,825,000.00	4,050,000.00	3,825,000.00	451,789.75	225,000.00	450,000.00	225,000.00	450,000.00	10.53	5.26	10.53	5.26	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE II.—*Comparison of individual income tax under present law, House bill, Senate bill, and conference report*

MARRIED PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax						Amount of tax reduction					Percent tax reduction				
			Senate bill		Conference report			Senate bill		Conference report			Senate bill		Conference report	
	Present law	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years
												Per cent	Per cent	Per cent	Per cent	Per cent
$1,000																
$1,200	$38.00	$26.60	$32.30	$26.60	$32.30	$26.60	$11.40	$5.70	$11.40	$5.70	$11.40	30.00	15.00	30.00	15.00	30.00
$1,500	95.00	66.50	80.75	66.50	80.75	66.50	28.50	14.25	28.50	14.25	28.50	30.00	15.00	30.00	15.00	30.00
$1,800	152.00	106.40	129.20	106.40	129.20	106.40	45.60	22.80	45.60	22.80	45.60	30.00	15.00	30.00	15.00	30.00
$2,000	190.00	133.00	161.50	133.00	161.50	133.00	57.00	28.50	57.00	28.50	57.00	30.00	15.00	30.00	15.00	30.00
$2,100	209.00	153.00	181.50	153.00	181.50	153.00	56.00	27.50	56.00	27.50	56.00	26.79	13.16	26.79	13.16	26.79
$2,200	228.00	173.00	201.50	173.00	201.50	173.00	55.00	26.50	55.00	26.50	55.00	24.12	11.62	24.12	11.62	24.12
$2,300	247.00	193.00	221.50	193.00	221.50	193.00	54.00	25.50	54.00	25.50	54.00	21.86	10.32	21.86	10.32	21.86
$2,400	266.00	212.80	239.40	212.80	239.40	212.80	53.20	26.60	53.20	26.60	53.20	20.00	10.00	20.00	10.00	20.00
$2,500	285.00	228.00	256.50	228.00	256.50	228.00	57.00	28.50	57.00	28.50	57.00	20.00	10.00	20.00	10.00	20.00
$3,000	380.00	304.00	342.00	304.00	342.00	304.00	76.00	38.00	76.00	38.00	76.00	20.00	10.00	20.00	10.00	20.00
$4,000	589.00	471.20	530.10	471.20	530.10	471.20	117.80	58.90	117.80	58.90	117.80	20.00	10.00	20.00	10.00	20.00
$5,000	798.00	638.40	718.20	638.40	718.20	638.40	159.60	79.80	159.60	79.80	159.60	20.00	10.00	20.00	10.00	20.00
$6,000	1,045.00	836.00	940.50	836.00	940.50	836.00	209.00	104.50	209.00	104.50	209.00	20.00	10.00	20.00	10.00	20.00
$7,000	1,292.00	1,033.60	1,162.80	1,033.60	1,162.80	1,033.60	258.40	129.20	258.40	129.20	258.40	20.00	10.00	20.00	10.00	20.00
$8,000	1,577.00	1,261.60	1,419.30	1,261.60	1,419.30	1,261.60	315.40	157.70	315.40	157.70	315.40	20.00	10.00	20.00	10.00	20.00
$9,000	1,862.00	1,489.60	1,675.80	1,489.60	1,675.80	1,489.60	372.40	186.20	372.40	186.20	372.40	20.00	10.00	20.00	10.00	20.00
$10,000	2,185.00	1,748.00	1,966.50	1,748.00	1,966.50	1,748.00	437.00	218.50	437.00	218.50	437.00	20.00	10.00	20.00	10.00	20.00
$11,000	2,508.60	2,006.40	2,257.20	2,006.40	2,257.20	2,006.40	501.60	250.80	501.60	250.80	501.60	20.00	10.00	20.00	10.00	20.00
$12,000	2,869.00	2,295.20	2,582.10	2,295.20	2,582.10	2,295.20	573.80	286.90	573.80	286.90	573.80	20.00	10.00	20.00	10.00	20.00

TABLE II.—*Comparison of individual income tax under present law, House bill, Senate bill, and conference report*—Continued

MARRIED PERSON—NO DEPENDENTS—Continued

Net income before personal exemption	Amount of tax						Amount of tax reduction					Percent tax reduction				
			Senate bill		Conference report			Senate bill		Conference report			Senate bill		Conference report	
	Present law	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years
												Per cent	*Per cent*	*Per cent*	*Per cent*	*Per cent*
$13,000	$3,230.00	$2,584.00	$2,907.00	$2,584.00	$2,907.00	$2,584.00	$646.00	$323.00	$646.00	$323.00	$646.00	20.00	10.00	20.00	10.00	20.00
$14,000	3,638.50	2,910.80	3,274.65	2,910.80	3,274.65	2,910.80	727.70	363.85	727.70	363.85	727.70	20.00	10.00	20.00	10.00	20.00
$15,000	4,047.00	3,237.60	3,642.30	3,237.60	3,237.60	3,237.60	809.40	404.70	809.40	404.70	809.40	20.00	10.00	20.00	10.00	20.00
$20,000	6,393.50	5,114.80	5,754.15	5,114.80	5,754.15	5,114.80	1,278.70	639.35	1,278.70	639.35	1,278.70	20.00	10.00	20.00	10.00	20.00
$25,000	9,082.00	7,265.60	8,173.80	7,265.60	8,173.80	7,265.60	1,816.40	908.20	1,816.40	908.20	1,816.40	20.00	10.00	20.00	10.00	20.00
$30,000	11,970.00	9,576.00	10,773.00	9,576.00	10,773.00	9,576.00	2,394.00	1,197.00	2,394.00	1,197.00	2,394.00	20.00	10.00	20.00	10.00	20.00
$40,000	18,097.50	14,478.00	16,287.75	14,478.00	16,287.75	14,478.00	3,619.50	1,809.75	3,619.50	1,809.75	3,619.50	20.00	10.00	20.00	10.00	20.00
$50,000	24,795.00	19,836.00	22,315.50	19,836.00	22,315.50	19,836.00	4,959.00	2,479.50	4,959.00	2,479.50	4,959.00	20.00	10.00	20.00	10.00	20.00
$60,000	31,891.50	25,513.20	28,702.35	25,513.20	28,702.35	25,513.20	6,378.30	3,189.15	6,378.30	3,189.15	6,378.30	20.00	10.00	20.00	10.00	20.00
$70,000	39,273.00	31,418.40	35,345.70	31,418.40	35,345.70	31,418.40	7,854.60	3,927.30	7,854.60	3,927.30	7,854.60	20.00	10.00	20.00	10.00	20.00
$80,000	46,939.50	37,551.60	42,245.55	37,551.60	42,245.55	37,551.60	9,387.90	4,693.95	9,387.90	4,693.95	9,387.90	20.00	10.00	20.00	10.00	20.00
$90,000	54,891.00	43,912.80	49,596.40	44,282.35	49,401.90	43,912.80	10,978.20	5,294.60	10,608.65	5,489.10	10,978.20	20.00	9.65	19.33	10.00	20.00
$100,000	63,127.50	50,502.00	57,226.00	51,283.38	56,814.75	50,502.00	12,625.50	5,901.50	11,844.12	6,312.75	12,625.50	20.00	9.35	18.76	10.00	20.00
$150,000	105,383.50	84,306.80	96,368.40	87,200.98	95,118.40	84,825.97	21,076.70	9,015.10	18,182.52	10,265.10	20,557.53	20.00	8.55	17.25	9.74	19.51
$200,000	148,124.00	118,499.20	135,959.60	123,530.40	134,709.60	121,155.40	29,624.80	12,164.40	24,598.60	13,414.40	26,968.60	20.00	8.21	16.60	9.06	18.21
$250,000	191,339.50	153,071.60	175,990.80	160,263.58	174,740.80	157,888.58	38,267.90	15,348.70	31,075.92	16,598.70	33,450.92	20.00	8.02	16.24	8.67	17.48
$300,000	234,564.50	187,651.60	216,030.80	197,004.83	214,780.80	194,629.83	46,912.90	18,533.70	37,559.67	19,783.70	39,934.67	20.00	7.90	16.01	8.43	17.03
$400,000	321,014.50	264,723.50	297,869.00	274,223.50	296,619.00	271,848.50	56,291.00	23,145.50	46,791.00	24,395.50	49,166.00	17.54	7.21	14.58	7.60	15.32
$500,000	407,464.50	342,073.50	379,769.00	351,573.50	378,519.00	349,198.50	65,391.00	27,695.50	55,891.00	28,945.50	58,266.00	16.05	6.80	13.72	7.10	14.30
$750,000	623,589.50	535,448.50	584,519.00	544,948.50	583,269.00	542,573.50	88,141.00	39,070.50	78,641.00	40,320.50	81,016.00	14.13	6.27	12.61	6.47	12.99
$1,000,000	839,714.50	728,823.50	789,269.00	738,323.50	788,019.00	735,948.50	110,891.00	50,445.50	101,391.00	51,695.50	103,766.00	13.21	6.01	12.07	6.16	12.36
$2,000,000	1,704,214.50	1,502,323.50	1,608,269.00	1,511,823.50	1,607,109.00	1,509,448.50	201,891.00	95,945.00	192,391.00	97,195.50	194,766.00	11.85	5.63	11.29	5.70	11.43
$5,000,000	4,275,000.00	3,822,823.50	4,050,000.00	3,825,000.00	4,050,000.00	3,825,000.00	452,176.50	225,000.00	450,000.00	225,000.00	450,000.00	10.58	5.26	10.53	5.26	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. HOLLAND. Mr. President, will the Senator from Colorado yield for a question?

Mr. MILLIKIN. I yield.

Mr. HOLLAND. If I correctly understand the conference report, it means that an additional reduction of 4¾ percent of the total income of the taxpayer is made to every taxpayer whose income is $50,000 a year and upward. Is that correct?

Mr. MILLIKIN. Those taxpayers whose incomes fall between $79,000 and $137,000 will get a 20-percent reduction, instead of a 15-percent reduction, as provided in the Senate version as it went to the conference.

Mr. HOLLAND. Is it correct that every taxpayer receiving an income of over $100,000 will receive an additional reduction of his taxes in the amount of $2,375 for each year?

Mr. MILLIKIN. Will the Senator repeat the question, please?

Mr. HOLLAND. Is it correct that every taxpayer receiving in excess of $100,000 of income a year will receive in each taxable year an additional reduction of his tax bill in the amount of $2,375?

Mr. MILLIKIN. I would have to compute that. I do not find the tax burden table that makes that clear. If the taxpayer is in the $100,000 income bracket, he receives a 20-percent reduction, instead of the 15-percent reduction which was provided by the Senate amendment. That will continue up to $137,000 of income, after which point the reduction decreases to 15 percent, and that continues up to about $302,000, after which it decreases to about 10½ percent.

Mr. HOLLAND. Is the reduction cumulative, in that every taxpayer with an income above $100,000 will receive the full benefit of the increased rate up to that stage, and will carry that benefit all the way up, no matter how high his income may go?

Mr. MILLIKIN. A taxpayer who has an income of $100,000 will get a 20-percent tax reduction on his $100,000. A taxpayer who has an income of $150,000 will receive a 20-percent reduction on the first $137,000 and a 15-percent reduction on the balance.

Mr. HOLLAND. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. MILLIKIN. Mr. President, I ask for the yeas and nays.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. As I understand the parliamentary situation on a conference report of this character, the Senate must vote it either up or down, and no amendments can be made to the report. Is that correct?

The PRESIDING OFFICER. That is correct; the conference report is not open to amendment. The question is on agreeing to the report.

Mr. MILLIKIN. Mr. President, I ask for the yeas and nays.

Mr. LUCAS. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WHITE. On this vote I have a pair with the senior Senator from Kentucky [Mr. BARKLEY], who is unavoidably detained. I am informed that, if he were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES], who is absent on official business, is paired with the Senator from Virginia [Mr. ROBERTSON]. The Senator from New Hampshire, if present and voting, would vote "yea," and the Senator from Virginia, if present and voting, would vote "nay."

The Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Wyoming [Mr. O'MAHONEY]. The Senator from Nebraska, if present and voting, would vote "yea," and the Senator from Wyoming, if present and voting, would vote "nay."

The Senator from Missouri [Mr. DONNELL], who is absent by leave of the Senate is paired with the Senator from Virginia [Mr. BYRD]. The Senator from Missouri, if present and voting, would vote "yea," and the Senator from Virginia, if present and voting, would vote "nay."

The junior Senator from Pennsylvania [Mr. MARTIN], who is absent by leave of the Senate, is paired with the senior Senator from Pennsylvania [Mr. MYERS]. The junior Senator from Pennsylvania, if present and voting, would vote "yea"; and the senior Senator from Pennsylvania, if present and voting, would vote "nay."

The Senator from Kansas [Mr. REED], who is absent by leave of the Senate, has a general pair with the Senator from New York [Mr. WAGNER]. The Senator from Kansas, if present and voting, would vote "yea"; and the Senator from New York, if present and voting, would vote "nay."

The Senator from North Dakota [Mr. LANGER] is detained on official business at the Government departments. If present and voting, he would vote "nay."

Mr. LUCAS. I announce that the Senator from South Carolina [Mr. MAYBANK], who is absent by leave of the Senate, is paired on this vote with the

Senator from Maryland [Mr. O'CONOR], who is absent on public business. If present and voting, the Senator from South Carolina would vote "nay" and the Senator from Maryland would vote "yea."

The Senator from Wyoming [Mr. O'MAHONEY], who is absent on public business, is paired with the Senator from Nebraska [Mr. BUTLER]. If present and voting, the Senator from Wyoming would vote "nay" and the Senator from Nebraska would vote "yea."

The Senator from Virginia [Mr. BYRD], who is absent on official business, is paired with the Senator from Missouri [Mr. DONNELL]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Missouri would vote "yea."

The senior Senator from Pennsylvania [Mr. MYERS], who is absent on public business, is paired with the junior Senator from Pennsylvania [Mr. MARTIN]. If present and voting, the senior Senator from Pennsylvania would vote "nay," and the junior Senator from Pennsylvania would vote "yea."

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from New York would vote "nay," and the Senator from Kansas would vote "yea."

The Senator from Virginia [Mr. ROBERTSON], who is absent by leave of the Senate, is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from New Hampshire would vote "yea."

The Senator from North Carolina [Mr. UMSTEAD], who is absent on public business, is paired with the Senator from Florida [Mr. PEPPER], who is absent on public business. If present and voting, the Senator from North Carolina would vote "yea," and the Senator from Florida would vote "nay."

I further announce that the Senator from Montana [Mr. MURRAY], who is absent on official business, and the Senator from Louisiana [Mr. OVERTON], who is absent by leave of the Senate, would vote "nay" on this question, if present.

The result was announced—yeas 48, nays 28, as follows:

YEAS—48

Aiken	George	O'Daniel
Baldwin	Gurney	Revercomb
Ball	Hawkes	Robertson, Wyo.
Brewster	Hickenlooper	Saltonstall
Bricker	Hoey	Smith
Brooks	Ives	Stewart
Buck	Jenner	Taft
Bushfield	Kem	Thye
Cain	Knowland	Tobey
Capehart	Lodge	Vandenberg
Capper	McCarran	Watkins
Cordon	McCarthy	Wherry
Dworshak	McKellar	Wiley
Ecton	Malone	Williams
Ferguson	Millikin	Wilson
Flanders	Moore	Young

NAYS—28

Chavez	Hill	Magnuson
Connally	Holland	Morse
Cooper	Johnson, Colo.	Russell
Downey	Johnston, S. C.	Sparkman
Eastland	Kilgore	Taylor
Ellender	Lucas	Thomas, Okla.
Fulbright	McClellan	Thomas, Utah
Green	McFarland	Tydings
Hatch	McGrath	
Hayden	McMahon	

NOT VOTING—19

Barkley	Maybank	Reed
Bridges	Murray	Robertson, Va.
Butler	Myers	Umstead
Byrd	O'Conor	Wagner
Donnell	O'Mahoney	White
Langer	Overton	
Martin	Pepper	

So the conference report was agreed to.

LEAVES OF ABSENCE

Mr. MAGNUSON. Mr. President, I ask unanimous consent to absent myself from the Senate tomorrow. For the purpose of the RECORD, should there be a vote on any of the treaties before the Senate previous to the time fixed in the unanimous-consent agreement, Thursday at 2 o'clock, I announce myself in favor of the treaties as presented to the Senate.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to be absent from the Senate beginning tomorrow, until next Tuesday, in order to attend the commencement exercises and the inauguration of the new president of the University of Arkansas.

The PRESIDING OFFICER. Without objection, leave is granted.

TREATY OF PEACE WITH ITALY

The Senate, as in Committee of the Whole, resumed the consideration of Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947.

Mr. VANDENBERG. Mr. President, the Senator from Nebraska [Mr. WHERRY] and I have canvassed the Senate as generally as we could in respect to the debate on the pending treaty. We find only one Senator, apparently, who has any desire to speak on the treaty, and there is some doubt about his doing so. It is probably advisable, however, that a definite hour be set for a vote, so that all Senators may be on notice regarding the terminal vote. I think it is agreeable to everyone interested if I make the following request, that at 4 o'clock p. m. tomorrow the Senate proceed, without further debate, to vote upon the four treaties in the order in which they are listed on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. TYDINGS. Mr. President, I shall not object, but I should very much appreciate if the Senator could find it possible to amend the unanimous-consent request suggested so as to make the hour 3:45 o'clock tomorrow. If he cannot, I shall abide by the hour suggested.

Mr. VANDENBERG. Very well, Mr. President; I suggest that the vote be taken at 3:45 o'clock p. m. tomorrow.

Mr. FULBRIGHT. Mr. President, reserving the right to object, I should like to propound a parliamentary inquiry. Is it in order now to move to postpone the further consideration of the pending treaty to January 25, 1948?

The PRESIDING OFFICER. If the unanimous-consent request is agreed to, a motion to postpone will not be in order.

Mr. FULBRIGHT. The unanimous-consent request, if agreed to, would preclude such a motion. If we agreed unanimously to vote tomorrow, nothing could set aside the agreement except another unanimous consent agreement. I should like to know if it is in order now to move to postpone further consideration of the treaty until a day certain.

The PRESIDING OFFICER. The Senate has before it at this time a request for unanimous consent that a vote be taken at 3:45 o'clock tomorrow.

Mr. VANDENBERG. Let me rephrase the request to cover the suggestion of the Senator from Arkansas. I ask unanimous consent that at 3:45 o'clock tomorrow the Senate proceed without further debate, to vote upon the four treaties, and any motions in connection therewith, the treaties to be taken up in the order of their appearance on the calendar, which request, in the opinion of the Senator making it, leaves the Senator from Arkansas entirely free to make the motion to which he refers.

Mr. FULBRIGHT. I may say, for the information of the Senator from Michigan, that unfortunately I shall be away tomorrow, and I shall be forced, under those circumstances, in any case, to make my position in regard to the treaty clear at this time. I considered making such a motion today, and I did not want to be foreclosed.

Mr. VANDENBERG. The Senator can proceed immediately. We are now considering the treaty, it is before the Senate, and if the Senator will permit the agreement to be made so that we may know what the final termination plans are, the Senator can proceed immediately in the direction he indicates.

Mr. FULBRIGHT. With that understanding, I have no objection to the request.

Mr. CONNALLY. Mr. President, if we agree now by unanimous consent to vote tomorrow at 3:45 o'clock, the Senator could not make his motion today and get a vote on it.

Mr. VANDENBERG. Oh, yes; he could. The request I have made would include all motions respecting the treaty.

The PRESIDING OFFICER. If the agreement as now proposed were entered into, the motion could then be made, and action could be taken upon the Senator's motion at any time between now and 3:45 o'clock tomorrow afternoon.

Mr. CONNALLY. With that construction, of course, it would be proper for the Senator to proceed now.

Mr. McMAHON. Mr. President, I very much dislike to object to any unanimous-consent request, and if the request were for a vote to be taken 24 hours later than the time suggested I should have no objection. I think, however, that the importance of the pending question, and the consequences which would flow from the Senate's action in this matter, demand that we at least take time to give it more thought and more consideration. So far as I know, it was not until yesterday that the Senate was advised that this treaty would be taken up today, and today being Tuesday, I think that if we were to take until Thursday at 3:45 o'clock in considering it, the request might be reasonable. I shall, however, be forced to object to the unanimous-consent request to vote at 3:45 o'clock tomorrow.

The PRESIDING OFFICER. The Senator from Connecticut objects.

Mr. VANDENBERG. I wish to make a further suggestion. I have no interest in hurrying the Senator from Connecticut, or any other Senator, to a premature vote. The suggestion about a vote tomorrow was based upon a very careful canvass, by the Senator from Nebraska and the Senator from Michigan, of Senators who were interested, so far as we knew, and the result of our inquiry left us without any speaking program, even for the remainder of this afternoon. The only interest the Senator from Michigan now has is to fix a time certain for the vote, so that all Senators may be on notice as to when it is to occur, and without any attempt to mortgage or divide the time between now and then, because in the opinion of the Senator from Michigan the debate in respect to the treaty will exhaust itself very promptly, and I should like to have the Senate free to proceed to something else in the interim, if the debate should end. So, with that understanding, I shall rephrase my request, and I ask unanimous consent that on Thursday, at 2 o'clock, the Senate shall proceed to vote upon the pending treaties or any motion still pending in connection with them.

Mr. LUCAS. Mr. President, reserving the right to object, I cannot understand why it is necessary to postpone this matter until Thursday if the list of speakers has been exhausted, and if it is for the purpose of saving the time of the Senate. I do not understand the reason for postponing the vote.

Mr. VANDENBERG. Neither do I.

Mr. LUCAS. In other words, the Senate will be proceeding for 2 days without further discussing the treaty. I do not understand it at all. It seems to me we ought to proceed this afternoon and try to conclude the matter, if no other Senator desires to discuss it.

Mr. VANDENBERG. It has just been disclosed that I cannot even get an agreement for tomorrow.

Mr. LUCAS. I think we should proceed and go through with it.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it

Mr. HATCH. If no further debate is desired, should we not proceed to vote this afternoon?

Mr. VANDENBERG. I think perhaps the debate is exhausted for this afternoon, but I cannot say that the Senator from Mississippi [Mr. EASTLAND] does not wish to speak tomorrow, although he may not be prepared to speak today. It was in the spirit of ultrafairness, to protect the rights of all Senators, that I was making the suggestion in respect to tomorrow.

Mr. HATCH. Mr. President, I merely wanted to observe that this strikes me as unusual procedure. While I appreciate that, as the Senator from Michigan says, his suggestion was made in a spirit of cooperation and in a desire to have the vote set for an hour certain, yet, since there is no further debate to be had, I am unable to understand why there should be a delay in the voting until tomorrow. I raise the point merely to get action.

Mr. VANDENBERG. The Senator just saw me try to get an agreement for tomorrow, in which effort I failed. I submit my request.

Mr. LUCAS. I object.

The PRESIDING OFFICER. The Senator from Illinois objects.

Mr. VANDENBERG. I withdraw my request, and will make none further.

DEPARTMENT OF JUSTICE NOMINATIONS

Mr. WILEY. Mr. President, there are on the Executive Calendar the nominations of two judges whom it is important to confirm. I ask unanimous consent, as in executive session, to consider the nominations of ROBERT EWING THOMASON, of Texas, and of Albert V. Bryan, of Virginia, to be United States district judges.

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, I wonder if the Senator would not include the nomination of Peyton Ford, of Oklahoma, in the Department of Justice, which is on the calendar. The position in the Department of Justice is vacant, and has been vacant for a month.

Mr. WILEY. I have no objection whatever, and I include that.

Mr. THOMAS of Oklahoma. I ask that the unanimous-consent request be agreed to, including, with the two judges mentioned, the nomination of Peyton Ford, of Oklahoma, as Assistant Attorney General, to fill an existing vacancy.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request. The Chair hears none, and the clerk will state the nominations.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Peyton Ford, of Oklahoma, to be Assistant Attorney General to fill an existing vacancy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGES

The legislative clerk read the nomination of Hon. ROBERT EWING THOMASON to be United States district judge for the western district of Texas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Albert V. Bryan to be United States district judge for the eastern district of Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. RUSSELL. Mr. President, has the Executive Calendar been concluded?

The PRESIDING OFFICER. The Senator from Wisconsin has the floor. Does the Senator from Georgia desire to ask the Senator from Wisconsin a question?

Mr. RUSSELL. No, Mr. President; I am asking the floor in my own right.

Mr. WILEY. I ask that the President be immediately notified of the confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. CONNALLY. Mr. President, I am very glad the Senator from Wisconsin brought up the judicial nominations and had them disposed of. I want to say that there is another nomination on the calendar similar to the ones just considered in which I am very much interested. I hope we may agree on an early date for consideration of the nomination. The Senator from Maine [Mr. WHITE], the distinguished majority leader, a few days ago, expressed some concern about the matter and some anxiety in connection with its consideration. I wish to join him in his expressions. I have spoken to the Senator from Wisconsin about the case.

Mr. WILEY. The Senator from Texas has spoken to me about the nomination. I have agreed that as soon as we can have an understanding in relation to legislative measures which are on the calendar, we will immediately fit in somewhere the nomination of Joe B. Dooley. I shall be happy to bring it up. Since it is a contested matter, I felt I could not bring it up today.

Mr. CONNALLY. I am not insisting on it being considered today, but I hope the Senator from Wisconsin will exert his powers to bring about an understanding regarding it. As I have no voice in the understandings on the other side of the aisle, I hope that he will bring his powerful influence to bear, to secure some sort of understanding, so that it will not be necessary merely to "fudge in," as the Senator suggests, or to "wedge in," the consideration of this nomination because it is of the highest importance.

Mr. WILEY. I believe the Senator understands my position very well.

Now, Mr. President, I desire to be recognized in relation to a matter that has recently come to my attention, and it will take me probably 15 minutes.

Mr. RUSSELL. Mr. President, I yielded my right to speak on the confirmations sought by the Senator from Wisconsin. I had a perfect right to address the Senate at that time, when the nominations were being considered, but I yielded, in order to expedite the consideration of the appointments.

The PRESIDING OFFICER. If the Senator from Wisconsin has completed the order of business that he was bringing before the Senate at that time, then the Senator from Georgia will be recognized.

TREATY OF PEACE WITH ITALY—AGREEMENT ON TIME FOR VOTE

Mr. RUSSELL. I wish to express to the senior Senator from Michigan my deep appreciation for the consideration which he had shown a certain member of the minority party in agreeing to let the vote on the pending treaties go over until an hour certain. I must say, Mr. President, it is a little unusual to have the minority leader object to a request that has been made by a member of the minority, when the majority was generous enough to fix an hour certain for a vote on the treaties. It is not unusual in the Senate—or it was not in the old days, when we tried to be somewhat considerate of each other's rights—for matters to be carried over for a day or 2 days, when a Senator has been taken by surprise by a matter being brought to the floor of the Senate and has not had an opportunity to prepare to speak, or, in some cases, to go through the material in his files and determine whether or not he should make a speech.

I regret very much, Mr. President, to see that practice abandoned. I think it has not only been beneficial to the Senate and to individual Senators, but it has been very helpful to the Nation as a whole for Senators to be given a chance first to determine whether or not they wish to address themselves to a subject and, when they do wish to address themselves to it, to have an opportunity to express their views.

Mr. President, it has been well said that in the clash of mind with mind the truth scintillates. Any debate, within reason, which takes place on the floor of the Senate on these very perplexing questions respecting which the minds of our own people are confused or divided, is helpful, and assists the Senate to perform its high function to the American people. As one member of the minority I wish to express again to the Senator from Michigan my appreciation of the fairness which he has always manifested toward the members of the minority, and which he extended to some individual Senator in this case. I do not know what Senator is involved, but I do know it is nothing unreasonable for a Senator to request that a matter of this great importance shall go over for a day in order that he might have an opportunity further to determine the action he will take.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LUCAS. In view of what the Senator from Georgia has said I withdraw the objection I made a moment ago, and shall permit the unanimous-consent request to be entered into respecting a definite hour on Thursday.

The PRESIDING OFFICER. The Senator from Illinois withdraws his objection to the unanimous-consent request that a vote be had at 2 o'clock p. m. on Thursday next. Is there further objection to the unanimous-consent request previously made by the Senator from Michigan [Mr. VANDENBERG]? The Chair hears none, and the unanimous-consent request is entered into.

The unanimous-consent agreement, as reduced to writing and agreed to, is as follows:

Ordered, That on the calendar day of Thursday, June 5, 1947, at the hour of 2 p. m., the Senate without further debate proceed to vote upon any motion, amendment, or reservation that may be pending, or that may be made or proposed with respect to the treaties with Italy, Rumania, Bulgaria, and Hungary, and upon the question of ratification of the said treaties in the order named.

ORDER OF BUSINESS IN EXECUTIVE SESSION

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Is the Senate still in executive session?

The PRESIDING OFFICER. Yes; the Senate is in executive session for the consideration of the Italian peace treaty only.

Mr. LUCAS. Mr. President, a further parliamentary inquiry. As the Senate is in executive session for the consideration of peace treaties, and is also in executive session for the purpose of considering nominations which have been sent to the Senate by the President of the United States, what is the status of the nominations for postmasters with respect to which resolutions have been submitted to discharge the Committee on Civil Service and Postoffice?

The PRESIDING OFFICER. The Senate has not gone into formal executive session. Unanimous consent requests have been considered on the basis of the individual requests.

Mr. LUCAS. Do I understand the Chair to hold that the Senate has not been in executive session?

The PRESIDING OFFICER. The Senate has been in executive session on each specific question which has been raised.

Mr. LUCAS. A further parliamentary inquiry. When the Senate goes into executive session, even under unanimous-consent agreement, does that in anywise affect the resolutions to discharge the committee with respect to the nominations of postmasters?

The PRESIDING OFFICER. Specific requests were made from the floor for the consideration of matters which were on the Executive Calendar.

Mr. LUCAS. If I correctly understand the Chair's ruling, I must say that I cannot agree with it. The Senate can go into executive session under a unanimous-consent agreement, but when the Senate goes into executive session that in nowise affects the resolutions which have been submitted to discharge the committee concerning certain nominations of postmasters submitted by the President of the United States. Do I have a correct understanding of that matter?

The PRESIDING OFFICER. If the Senate went into executive session by unanimous consent or by motion generally, then the ordinary procedure would be followed; but the Senate went into executive session by unanimous consent for a specific purpose.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. VANDENBERG. I simply want to explain to the Senator from Illinois that in his absence yesterday afternoon I asked unanimous consent that, as in executive session, the Senate should proceed with the consideration of the treaties. The request was deliberately made in that fashion and explained to minority Members, including the Senator from Maryland, for the purpose of avoiding the precise question which the Senator from Illinois now raises.

Mr. LUCAS. I thank the able Senator from Michigan, but I want to make the statement, Mr. President, that sooner or later I am going to be constrained to object to the taking up of anything by unanimous consent on the Executive Calendar until some disposition is made of the resolutions which are now on the table to discharge the committee from the further consideration of about 700 postmasters, all told, throughout the United States of America. I have been agreeing to the unanimous-consent requests, but sooner or later I shall object, and some of us will be constrained to compel the Senate to go into executive session on a show-down as to whether or not the Senate is going to confirm or reject the nominations of postmasters.

Mr. FULBRIGHT obtained the floor.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GEORGE. I wish to propound a parliamentary inquiry. Is it the ruling of the Chair that when consent is given to a unanimous request that the Senate go into executive session, that the matters which can be considered in such executive session are limited by the terms of the unanimous-consent request?

The PRESIDING OFFICER. The unanimous-consent request was made for the specific purpose of considering the Italian peace treaty, and the Senate is limited to that one specific question.

Mr. GEORGE. The parliamentary inquiry I wish to make is as follows: When the Senate goes into executive session, under unanimous consent or on motion, is the Senate limited to consideration of particular matters in that session?

The PRESIDING OFFICER. The Senate is not ordinarily limited to consideration of particular matters when it goes into executive session by unanimous consent or on motion. But unanimous consent was asked yesterday that the Senate proceed, in executive session, to consider a specific matter, that is the Italian treaty. It was so recognized and so held. The Chair might say further that the Senator from Wisconsin asked unanimous consent that the Senate go into executive session specifically for the purpose of acting upon certain nominations.

Mr. GEORGE. I must respectfully submit that the reasons the Senators wanted the Senate to go into executive session were as stated by the Chair, but when once the Senate goes into executive session, the Senate is in executive session. The Senate cannot, by a preliminary unanimous-consent agreement, limit its activities within an executive session. I am merely inquiring regarding the view of the Chair, for if it were pertinent at this time I should appeal from it, because it cannot be a sound rule of procedure. If the Presiding Officer please, any Senator may state the reason why he wishes an executive session, and that he wishes the Senate to consider only one or two or three matters, but if he obtains consent for an executive session, then the Senate is in executive session, and, in my judgment, any executive business is in order.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas [Mr. FULBRIGHT] has been recognized. Does the Senator from Arkansas yield to the Senator from Maine?

Mr. FULBRIGHT. I yield to the Senator from Maine.

Mr. WHITE. Mr. President, as I understand the situation, and I think I understand it rightly, the Senator from Michigan asked unanimous consent that the Senate, as in executive session, proceed to act for a specific purpose, namely, the consideration of a treaty. Now the Senator from Wisconsin has made a pre-

cisely similar request. He asked unanimous consent that the Senate go into executive session for the consideration of designated nominations, and named them, and the Senate consented to going into executive session upon those terms and those conditions, which were a part of the Senator's request. I submit, Mr. President, that after having reached an agreement, and having agreed that we should go into executive session for a definite, specific, limited, and defined purpose, that commitment follows us into executive session, and that it does not follow that immediately we cross the line, as in executive session, we have the right then to disregard the conditions and the terms upon which the Senate entered into executive session.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GEORGE. Mr. President, the unanimous-consent agreement is merely in lieu of a vote. It is simply one method by which the Senate goes into executive session. It does not go halfway in and halfway out, or two-thirds in and one-third out.

I most respectfully submit to my distinguished friend that when we go into executive session we are in executive session. If it were a pertinent question, I should appeal from the ruling of the Chair, because it is a ruling which simply cannot be defended. The only reason on earth why the Senate proceeds by unanimous-consent agreements is in lieu of motions, in lieu of a parliamentary procedure which is dispensed with by the unanimous-consent agreement. I am not protesting because these are the only particular nominations which are to be considered in this executive session, but I do protest against the limitation of an executive session when once we have it.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Arkansas [Mr. FULBRIGHT] has the floor. Does he yield to the Senator from Illinois?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. Mr. President, a parliamentary inquiry .

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. Is the Senate in executive session or in legislative session at the present time?

The PRESIDENT pro tempore. In the opinion of the Chair, by unanimous order of the Senate, the Senate is in executive session for a limited purpose, namely, the consideration of certain treaties.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. I ask unanimous consent to amend the unanimous-consent agreement so as to go further into executive session, to consider the resolutions which have been lying on the table, for the discharge of the Committee on Civil Service in relation to approximately 700 postmasterships throughout the United States.

The PRESIDENT pro tempore. The Senator from Illinois asks unanimous consent to amend the existing unanimous-consent agreement in the particulars described by him. Is there objection?

Mr. WHITE. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BARKLEY. I feel very much inclined to agree with the Senator from Georgia [Mr. GEORGE] with respect to the ability of the Senate to go into executive session for a particular purpose and not be in executive session for anything else. But it may be entirely a moot question. Personally I doubt very much whether it was necessary for the chairman of the Committee on Foreign Relations, our very distinguished President pro tempore, to ask that the Senate go into executive session for the purpose of considering the treaties, to avoid the situation which he said a moment ago he sought to avoid, in connection with the question raised by the Senator from Illinois [Mr. LUCAS].

I do not think there is any Senator on this side of the aisle who would wish to interfere with the consideration of the treaties in order to confirm the nominations of postmasters. Certainly I myself would not consent to such interference, much as I am interested in the confirmation of postmaster nominations, and much as many of us are interested. I believe that the importance of confirming postmaster nominations, as compared to the importance of ratifying these treaties, is out of all proportion, and I myself would not consent to laying the treaties aside for one moment in order that we might take up the question of the discharge of a committee from further consideration of the postmaster nominations, or their confirmation.

I do not think it was the purpose of the Senator from Illinois to try to inject that question. Rather it was his purpose to clarify the situation. I am certain that neither the Senator from Illinois nor any other Senator is bereft of the sense of responsibility to the extent that he would ask that we lay aside an important treaty to consider postmaster nominations.

However, the question is raised as to whether, when we go into executive session, we are in executive session. I do not know of any rule of the Senate which provides that the Senate may go into executive session for one purpose and not for any other purpose that may be legitimate. I have no fear that we are going to lay aside these treaties in order to consider postmaster nominations.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GEORGE. I merely wish to say for the advise of the chair, whoever may be in the chair, that this is a very simple matter, to be resolved in the right way by forcing a vote for an executive session whenever it is desired to consider any executive business. If the ruling of the chair is to be adhered to, I must join with other Senators who say that there should be some limitations on unanimous consent agreements.

Mr. MORSE and Mr. LUCAS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Arkansas yield; and if so, to whom?

Mr. FULBRIGHT. The Senator from Oregon was on his feet first, I yield to him.

Mr. MORSE. Mr. President, I simply wish to make a brief comment on the parliamentary situation in which we find ourselves. I believe that if the ruling of the Chair stands, it will be a very unfortunate precedent.

There seems to be a growing opinion in the Senate that we can do anything by unanimous consent under the rules. I submit that such is not so. We cannot destroy fundamental procedural rights in the Senate by unanimous consent, because such rights accrue to the individual Senator. We are dealing here with a question of jurisdiction necessary to take up executive business. From the standpoint of jurisdiction, we cannot take up under the rules a treaty until we first go into executive session. The executive session goes to the totality of the jurisdiction. We cannot limit that jurisdiction by unanimous consent because we cannot transact any business of an executive nature until we are in executive session. Once we are in executive session the jurisdiction rests in each Senator to call up any executive business that is pending. We can vote him down but we cannot take his jurisdictional rights away from him by any agreement in advance of the executive session that only certain executive business will be discussed, if and when we go into executive session.

In my opinion, the Chair will look in vain in the rules of the Senate to find a rule which supports his ruling. I do not believe that we need to carry the question to the extent of an appeal this afternoon, but I think the Senator from Georgia [Mr. GEORGE] has placed his finger on the essence of the point we are raising when he says that if we have to protect our rights from such a ruling as the Chair has handed down this afternoon, we shall have to object to ever going into executive session with any attempted limitation upon jurisdiction.

The PRESIDENT pro tempore. The Chair does not know what the ruling is which has been handed down, which is so bitterly assailed. The Chair is not conscious of having handed down any ruling, except to recognize the fact that the Senate gave unanimous consent, as in executive session, to consider the treaties. There has not been any ruling on anything that the Chair knows about.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. The present occupant of the chair was not in the chair when the ruling was made. Certainly a ruling has been made that no other business on the Executive Calendar may be considered under the unanimous-consent agreement requested by the Senator from Michigan [Mr. VANDENBERG] yesterday.

The Senator from Georgia, the Senator from Oregon, and other Senators disagree with that opinion. I wish to

associate myself with them. I raised the question in the first instance. I definitely believe that once we go into executive session we cannot place any limitation of time on the executive session, and we cannot go into executive session for one particular purpose. Once we are in, we are in.

Let me say further, in reply to the able Senator from Kentucky [Mr. BARKLEY], that I do not wish the inference to be drawn from the remarks which he made that I raised this question simply for the purpose of laying aside the treaties which are now before the Senate.

After the unanimous-consent agreement was made, the able Senator from Wisconsin [Mr. WILEY] rose and obtained unanimous consent to go into executive session for the purpose of considering the nominations of Mr. Ford, Mr. Holt, and Mr. Overby. It was after that that the Senator from Illinois raised the question as to the motions to discharge the Committee on Civil Service. In view of the fact that the Senate did go into executive session at the request of the Senator from Wisconsin to consider certain nominations, I thought it was perfectly proper to raise the question which has been debated for the past 30 minutes.

Mr. MORSE. Mr. President, will the Senator yield for one comment?

Mr. FULBRIGHT. I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, the Senator from Illinois points out that there has been a ruling by the predecessor of the present occupant of the chair. He is quite correct. I think the present occupant of the chair has, in effect, ruled when he stated with apparent approval what the unanimous-consent agreement was. He states it as though such a unanimous-consent agreement would be subject to the interpretation that has been made of it. The point we are raising is that the Senate cannot, by unanimous-consent agreement, agree to go into executive session with a limitation upon the jurisdiction of the Senate while in executive session in advance of going into that session itself. Once the Senate goes into executive session it is the same thing as the jurisdiction of a court vesting in a case. If a court as a matter of law has jurisdiction then once it takes jurisdiction it has jurisdiction. Its jurisdiction cannot be taken away from it by any attempt of the parties or of another court to limit its jurisdiction. Once the Senate goes into executive session it has jurisdiction over all executive matters until the Senate itself votes itself out of executive session. Any attempt to limit the jurisdiction of the Senate while in executive session by any unanimous-consent agreement entered into with that objective in mind, prior to the Senate's actually going into executive session, cannot be binding upon individual Senators because it goes to their jurisdictional rights which automatically accrue to them once the Senate is in executive session.

TREATY OF PEACE WITH ITALY

The Senate, as in Committee of the Whole, resumed the consideration of Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947.

Mr. FULBRIGHT. Mr. President, now that the parliamentary situation is clarified I want to advert to the question of the ratification of the treaty with Italy. I may say that I was forced to be absent from the Senate yesterday afternoon in order to make a commencement speech and I did not anticipate making a speech today on the subject. But since it has been brought up I think it is necessary to express myself regarding ratification of the treaty with Italy.

I should like to say by way of introduction that I have not had a single letter from an Italian constituent or from any foreign-born person in my State regarding the treaty, and it is not a case of trying to protect their interests in either Italy or any of the other countries concerned.

I have been considering the treaty for some time and have been very doubtful about the propriety of its ratification prior to the settlement of the relations between Austria and Germany; in other words, the over-all settlement of the peace in western Europe. But when the newspapers carried the announcement of the Communists taking over the Government of Hungary it seemed to me that was final confirmation of what many of us have believed was their policy. I have the feeling that if we proceed now to ratify the treaty, the significant part of which is the withdrawal of our troops from Italy, we shall create such a condition that the Communists in Italy, with the backing of the Communists in eastern Europe and in Russia, will proceed to take over the Government of Italy in a similar fashion.

Therefore, I think that a discussion of reparations, as to whether they are too large or too harsh, or a discussion of clauses regarding the retention of art objects, as to whether or not they are good or have any significance, is quite beside the point. In the face of what happens, as I understand, when Communists take over control of a government, as they have in Hungary, in Rumania, and in Bulgaria, all the details of the treaty designed to protect the inhabitants of course have no significance whatever. I think that is a persuasive reason why consideration of the treaty should be delayed. I want to make it clear that it is not because the treaty itself is an unreasonable one in consideration of all of the factors which faced the conference. I have great sympathy for the position of the distinguished chairman of the Senate Committee on Foreign Relations, and my criticism of the treaty has nothing whatever to do with his efforts or with the efforts of our representatives in obtaining the terms which they did obtain in this treaty. I realize that if we were treating with people who would live up to their treaties—in other words, with responsible persons on the other side, and with people upon whom we could depend to carry out the treaty—it is very probable the situation would be different. It is very likely that our representatives did the best they could. I realize that they must compromise and must give and take on points such as Trieste, hydroelectric projects, and coal. My basic difficulty regarding the treaty is not the details which have been mentioned and about which so much has been said by Italians in this country. They call them basic injustices. I think the important thing at this particular time which causes me to believe that consideration of the treaty should be delayed is the renewed expansion of the Communists as exemplified by their actions in Hungary. That gives them a constitutional basis. At least, what they have done, it is claimed, was done in accordance with the constitution, although everything indicates that it was done by force and the threat of violence. Certainly the former Premier of Hungary, in his statement from Switzerland, indicated that it was for fear of his life that he went to Switzerland, as a result of such violence. In any case, the Communists now have control right up to the border of Italy, and it looks clear to me that they would refuse to make any effort to arrive at a treaty with Austria in order to maintain there the troops they have in Hungary, under the terms of the armistice, and to take over that country.

Therefore, in consideration of all the happenings within the past few weeks it seems to me that by withdrawing our troops Italy would be subjected to the very probable repetition of what has occurred in Hungary. I do not think we ought to do that.

I have on occasion in the past urged in the Senate that we approach the problem in Europe in connection with the settlement of the peace from an over-all point of view, and that we try to look at the problem and see what is needed from an economic point of view and from the standpoint of how much money is needed, and from an over-all point of view regarding non-Communist Europe. I think the plan which I understand is being considered by the State Department, which is called the continental economic plan, is a step in the right direction. On the other hand, I think the State Department has been very slow in developing that policy. It seems to me that taking this action now would in a sense prevent the creation of any unification of action or any economic or political unification in western Europe, because it would be a step in the direction of setting up a recreated Italy separate and distinct, without any regard to any over-all agreements or arrangements between the western European states. I think the basic difficulty in considering the Italian treaty is due to the fact that the principal signatory, other than the United States, is, I believe, completely undependable with regard to carrying out its terms. When we look back and consider the agreements at Tehran and at Yalta—particularly at Yalta and at Potsdam—and consider the lively discussions which went on in the press and on the floor of the Senate regarding the wisdom of those agreements, and then consider how completely they were ignored, how wholly ineffective they were in practice in their application to the way governments were set up in Poland, in Rumania, and in Yugoslavia—

how completely the tripartite pariticipation provisions were ignored in setting up governments—it seems like a sort of dream; there is something completely unreal about it. I have the same feeling, at the moment, regarding the treaty with Italy. In view of what has happened in Hungary, and in view of the fact that that is not the first time such a thing has happened, it seems to me quite unrealistic and sort of other-worldly to be bothering about the specific provisions of the treaty. The fact is—and this is the important fact—that if we withdraw our troops from Italy, the result will be the creation of a situation in which the Communists, who already are very strong in Italy, will be able to proceed by force as well by intrigue—the latter being the well-known method they have used in other countries—to take over the Italian Government at the proper time. My guess is that if we do ratify the treaty, that proper time will not be in the immediate future, but probably will be after they have succeeded in obtaining the release of Italian credits and Italian property in this country, amounting to approximately $150,000,000, or at least more than $100,000,000. Of course, they will wait until they have received payment on the loan which already has been extended to the Italian people, just as the Communists in Hungary timed their action by waiting until there had been returned to Hungary the $32,000,000 in gold which we had only a few weeks ago.

So I would not expect such action to be taken in Italy next week. On the other hand, after weighing all the possibilities and, in my opinion, the probabilities, I cannot see how delaying the ratification of this treaty until next January, let us say, would result, under existing conditions, in any greater disintegration than that which would occur if we withdrew from Italy. In fact, I think the presence of our troops in Italy gives her some assurance that the assistance we give to Italy will be applied for the purposes for which we intend it to go, and at the same time I think the presence of our troops there is a deterrent to the taking over of the Italian Government by the Russians. All of us recall that about the only time the Russians have refrained from completing an expansionist move which they had undertaken was in the case of Iran; and I think their action at that time was in response to a very positive and definite position on the part of the United States, and was in accord with a specific agreement which has been made with the United States and Britain and Iran regarding the date of withdrawal of the Russians from Iran. In other words, a line had been drawn there, so to speak, by a treaty; and when the Russians were challenged, they did not wish to proceed regardless of our protest.

But that situation is very different from the situation in Italy. Upon our withdrawal from Italy upon the recreation of an independent Italy, the Russians' procedure will be to gain their objectives while proceeding in accord with the Italian constitution, just as the Russians did in the case of Hungary. Of course, such action is in a sense in accord with their constitution, but in another sense the use of force and threats, as was done in Hungary, seems to me to be a complete perversion of what was intended by the constitution, either in the case of Hungary on the one hand or in the case of Italy on the other hand.

Mr. President, I realize the momentum of the move to have the Senate ratify the Italian treaty; and I also recognize that the great persuasive powers and influence of the Senator from Michigan [Mr. VANDENBERG], the chairman of our Foreign Relations Committee, coupled with the statement of the Secretary of State, undoubtedly will procure the ratification of this treaty. I make this statement only because I feel so strongly that the ratification of the treaty at this time would be an error and would lead to disastrous results not only in Italy but, more particularly, in respect to the plan, if there is one, or the idea of creating in western Europe some system of federation, economic unification, or whatever word we may like to use, to bring those countries together in a relationship which will enable them to trade freely among themselves and, I hope, in time to work out a political federation of some kind which will withstand the shocks of ill fortune in the future, and which, I would hope, would make a great contribution to a peaceful world.

Mr. President, I now ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a few editorials dealing with the subject of a federated Europe. I make this request primarily for the purpose of showing to the Senate and to the people of the United States the widespread interest in the proposal to promote a federation in western Europe. I think many persons are unaware of the fact that all over the United States, and in all kinds of newspapers, editorials and expressions in various articles on this subject have appeared.

There being no objection, the editorials and articles were ordered to be printed in the RECORD as follows:

[From the Evansville (Ind.) Courier and Press of May 18, 1947]

THE ONLY WAY

Now that Congress has approved the Greek-Turkish-aid program and we are launched upon the Truman doctrine, a question arises that must be answered:

Is it to be merely a holding operation against communistic aggression?

If it is just that, if we lack the imagination and the daring to make it any more than that, then we probably are embarking upon a losing proposition.

Long-term policies and programs must be evolved and supported, if the Truman doctrine is to succeed.

Such a long-term program is imperative for Europe.

Such a program has been advanced in the Congress through a concurrent resolution introduced in the House by Representative BOGGS of Louisiana and in the Senate by Senator FULBRIGHT, of Arkansas. It says:

"The Congress hereby favors the creation of a United States of Europe within the framework of the United Nations."

There never was a more timely moment to push this program. As a matter of fact it seems the only alternative to chaos and the disappearance of Europe as a bulwark of western civilization.

Once this country adopts the goal of European federation as a major part of our foreign policy, a great many problems and issues will fall into place and make possible a more sane handling of them. One of the great weaknesses in our feeble efforts to counteract Russian radio propaganda has been the lack of sane long-term objectives that make sense to the suffering millions of Europe.

There is still more than half of Europe left free of Soviet domination. That part could provide a sufficient foundation to demonstrate the workability of the federation idea. But there isn't any time to lose. The part not under Soviet domination may be much smaller a year from now.

The idea of European federation is old. But it has been advanced more and more frequently in the last few years. Senator FULBRIGHT in a Senate speech the other day used some quotations supporting the idea, some of which we are going to repeat.

Take this sentence from the book, "Strategy for Democracy," published in 1942 by Kingsley and Petergosky:

"Europe must unite. Peace on the European continent can be made a stable affair only through some process of federalization."

Here is what William Bullitt, former ambassador to Russia, said in a speech at New York University, on March 28, 1943:

"The world needs a strong, integrated, democratic Europe. A loosely-held-together agglomeration of weakness is not strength. Such a Europe might slip rapidly into another uneasy balance of power or, if it should not be armed, into another uneasy balance of impotence and fall prey to internal and external pressures."

From the book, Revolt of the Masses, by Ortega and Gasset, we read: "The real situation of Europe would, then, appear to be this: Its long and splendid past has brought it to a new stage of existence where everything has increased; but at the same time the institutions surviving from the past are dwarfed and have become an obstacle to expansion. Europe has been built up in the form of small nations. In a way the idea and the sentiment of nationality have been her most characteristic invention. And now she finds herself obliged to exceed herself. This is the outline of the enormous drama to be staged in the coming year. Will she be able to shake off these survivals, or will she remain forever their prisoner? Because it has already happened once before in history that a great civilization has died through not being able to adopt a substitute for its traditional idea of the state".

Further in this book, we find: "To my mind the feeling of shrinkage of impotency, which undoubtedly lies heavy on the vitality of Europe in these times, is nourished on that disproportion between the great potentialities of Europe and the form of political organization within which they have to act."

In the Courier, in December 1943, Dorothy Thompson said: "For no peace can be made without Europe, which happens to contain 350,000,000 people. The crux of the whole peace is the reconstruction of Europe. But so far not a single basis in principle or in action has been laid for that reconstruction".

Last December, at Zurich, Winston Churchill made this statement: "I am now going to say something which will astonish you. The first step in the recreation of the European family must be a partnership between France and Germany. In this way only can France recover the moral and cultural leadership of Europe. There can be no revival of Europe without a spiritually great France and a spiritually great Germany".

This is the way history must be shaped unless Europe is to slip back into the Dark Ages again, to be reformed behind the iron curtain of its Soviet masters.

The Truman doctrine is not enough as a holding operation. It must involve much more than that. It must involve a plan for the reconstruction of Europe which, as

Dorothy Thompson says, is the crux of the whole peace.

Only the federation plan holds forth hope of permanent peace and economic well-being for Europe—all of Europe.

[From the Atlanta (Ga.) Journal of May 20, 1947]

FAITH OF A EUROPEAN

Whatever one may think of the political implications in Winston Churchill's proposal of a united Europe, there is no denying the brilliant act of faith which his words compose. The "rubble-heap, charnel-house, breeding ground of pestilence and hate"—that Europe we of today see plainly. "Has she nothing to give to the world," Mr. Churchill asks, "but the contagion of the black death?" His categorical denial, moving in its terms and its associations, is the language which for two dismal postwar years we have been awaiting.

"There is the fairest, most temperate, most fertile area of the globe. The influence and the power of Europe and of Christendom have for centuries shaped and dominated the course of history. * * * Religion, law, learning, art, science, industry throughout the world all bear in so many lands, under every sky and in every clime, the stamp of European origin and traces of the European influence."

Winston Churchill, for years the first citizen of Britain, has constantly thought of himself as a citizen of Europe. "We hope to reach again," he says, "a Europe purged of the slavery of the ancient times in which men will be as proud to say: 'I am a European' as once they were to say: 'Civis Romanus sum.'"

Is Churchill, great traditionist that he is, here looking at the present through the eyes of the past, or is he glancing prophetically at the future? He says that it is often a mistake to try to settle everything at once. "Far off, on the skyline, we can see the peaks of the delectable mountains. But we cannot tell what lies between us and them."

When he couples his plea for a united Europe with an unequivocal statement on the imperative need of some effective world supergovernment, we can take the measure of his time scale, which projects him far into the future.

That, likewise, brings into greater perspective the implications of his more specific statements on European unity. By defining the "four pillars of peace" as the United States, the Soviet Union, the British Commonwealth, and a united Europe, and placing Britain in the last two of these, does Mr. Churchill open himself to the charge of creating a purely anti-Russian bloc? He denies it, and explains that the Europe he envisions is not only a geographical entity but a cultural entity in which individual human liberties form the touchstone.

It was not so, of course, with the Romans or the Holy Roman Empire; Napoleon made it so very imperfectly and Hitler rose to power through the attempt to deny history itself. But Churchill's Europe, as he makes clear in speaking of France's future role, will be the creation of an act of faith if it is created at all. It is, he says, a spiritual conception which so long as men feel its worth will not die.

[From the Buffalo (N. Y.) News of May 22, 1947]

UNITY IS EUROPE'S PROBLEM

The ancient Greeks used the word "problem" to mean some thing or event thrown unexpectedly into experience, creating difficulties, and requiring man's mind to find new and different ways of getting on in a world suddenly disordered. As Prof. Horace M. Kallen suggested at the U. B. Centennial, it marks the intrusion of conflict into order—"the irruption of the obscure or unknown into the clear and known." Europe today is confronted with the problem, in the original use of the word, of disintegration rather than recovery after combat. Mr. Churchill's plan for a United States of Europe is designed to solve this problem, and deserves the attention of whatever nation-saving statesmen there remain on that unhappy Continent that cradled western civilization as we know it.

This half-American Briton speaks generously and grandly as a European whose patriotism is not alone to a nation but to a continent and a civilization. Surely his is the voice of Europe speaking for common survival. He would smooth away frontier lines, demolish tariff impediments to rising standards of living, so all European states can, as he well puts it, assure their peoples "those fundamental human and personal rights and liberties on which our democratic civilization has been created." He asks the pointed question: "Are we Europeans, through our poverty and our quarrels, forever to be a burden and a danger to the rest of the world?" He calls for France and Britain to become the cofounders of a federal union through western Europe, in order that prosperity can live as freedom's guest.

His offer of common citizenship to Frenchmen in the despairing summer of 1940 shows that this calls for a United States of Europe is no sudden Churchillian dream. Indeed, a solution of this sort has been in the imagination of great leaders in Europe since France's Henry IV put forward his grand design over three centuries ago. Surely, Mr. Churchill is right in saying that the present is the supreme opportunity for unity in Europe in some form.

Anne O'Hare McCormick says that the best argument against it is the political impossibility of concord at the moment. At the same time, this political nuclear fission is the very best argument that the time for unity is at hand. The people of that unhappy Continent have only to look across the Atlantic as it was 160 years ago to find one of history's most powerful analogies by example. But for the chaos that was confounding the United States that had emerged from the war of independence, the founding fathers would not have been able to have brought into being the more perfect Union that has now grown into the strongest as well as the freest power the world has ever known.

The United States had achieved its independence from George III, but the individual States were unwilling to entrust the Confederation Congress with the power to operate as a central government. Each State had its own tariffs and excises; the New York of Gov. George Clinton levied on schooners from Massachusetts and provision boats from New Jersey as though they were from Bremen, Brest, or Bristol. Paper money became not worth a continental because printing presses turned it out night and day. The Confederation Congress could tax nothing, and the States showed little interest in meeting the requisitions made upon them. At length things reached so low a point that George Washington, James Madison, and others were able to project a new frame of government and to persuade the jealous States to put it into commission. The gravity of the need forced efficient solution.

History does not repeat exactly, but it does afford analogies that are serviceable to statesmen seeking the way out from catastrophe. The peoples in the ruins of Europe can take heart from the perils that beset Americans in 1787—perils that were overcome through resolute action. Mr. Churchill puts it well for the Continent whose self-regeneration he seeks: "This is the hour of choice, and surely the choice is plain. If the peoples of Europe resolve to come together and work together for mutual advantage, to exchange blessings instead of curses, they still have it in their power to sweep away the horrors and miseries which surround them and to allow the streams of freedom, happiness, and abundance to begin again their healing flow."

[From the St. Louis (Mo.) Post-Dispatch of May 22, 1947]

THE VOICE OF A STATESMAN

(The United Nations has failed because it recognizes national sovereignty. There can be no international law while nations retain self-willed sovereignty.—Former Supreme Court Justice Owen J. Roberts.)

It is not necessary to be as pessimistic as Justice Roberts is to observe that at the present stage the chances of the United Nations to become the potent arbiter of peace seem scarcely greater than were those of the League of Nations.

The chance for the League of Nations to be endowed with the degree of governance necessary to prevent war was thwarted by the bitter-enders in the Senate who prevented the effective participation of the United States. The United Nations was launched with the handicap of the veto power, and the opportunity to correct this weakness by exempting the control of armaments from the veto has been resolutely blocked by Russia.

We can hope that UN will yet be endowed with the vitality and authority it needs, but the possibility that this may not happen is at least sufficient to suggest the wisdom of working meanwhile for more limited objectives which will contribute to the preservation of peace. The doctrine of limited objectives is especially applicable to the proposal for a United States of Europe, the consummation of which would not conflict with but rather strengthen the ultimate chance for a powerful United Nations.

The Fulbright resolution would place Congress on record as favoring a United States of Europe within the framework of the United Nations. Winston Churchill sees a United States of Europe not as a rival but as a corollary of the United Nations. In his speech last week launching the United European Committee, Mr. Churchill said:

"In the UN constitution agreed on at San Francisco, direct provision is made for regional organizations to be formed. United Europe will form one major regional entity. There is the United States, with all its dependencies; there is the Soviet Union; there is the British Empire and Commonwealth; and there is Europe, with which Great Britain is profoundly blended. Here are the four main pillars of the world temple of peace. Let us make sure that they will bear the weight which will be reposed upon them.

"After the first great war the League of Nations tried to build * * * an international order upon a weak, divided Europe. Its failure cost us dear. Today, after the Second World War, Europe is far weaker and far more distracted. One of the four pillars of the temple of peace lies before us in shattered fragments. It must be reassembled and reconstructed before there can be any real progress in building a spacious superstructure of our desires."

This speech will go down as one of the great orations of the greatest British orator of this generation. With the same exaltation that marked his speeches in the war, Churchill rose above his own predilections and loyalties and appealed to the conscience of mankind.

Has Europe nothing to give the world, he asked, but war and vengeance until all that invests human life with dignity and comfort has been obliterated? With all that modern production and transportation can offer, is Europe to strangle herself with trade barriers until she is incapable even of averting famine from the masses of our people? Or

will the European states come together to allow the streams of freedom, happiness, and abundance to begin again their healing flow?

Churchill asked Prime Minister Attlee to resume the advocacy of a united Europe which he voiced before the last war, and he appealed to France to share with Britain the duty and the opportunity to unite the Continent. While Communists marched with anti-Churchill banners in front of the hall in which he spoke, he appealed to the Russian people to understand how much they stand to gain by the elimination of the causes of war in Europe.

Here was a speech to wake the lagging imagination of our statesmen in Washington, as well as in London, Paris, and Vienna. Can they not see that this is the same Churchill, the same man of vision, who tried to warn Europe of what should have been done to avert the last eruption? Is he to be again the man before his time, the voice crying in the wilderness?

[From the Mankato (Minn.) Free Press of May 20, 1947]

UNITED STATES OF EUROPE

Winston Churchill attracted much attention, in his own country and throughout the world recently when he spoke in London in behalf of a United States of Europe.

This is not a new theme for Mr. Churchill—he was advocating it vigorously before the beginning of World War II; it was part of the eventual plan he had in mind when he offered France joint citizenship with Britain during the dark hour which the French experienced in June of 1940.

But if a united Europe was advisable and desirable in those seemingly faraway days, it is an absolute necessity now. Broken, battered, and weakened by two devastating wars within a quarter century the democratic nations of Europe, all of them, are now so prostrate that it is virtually impossible to talk about the emergence or the independence of any one, even the strongest of them, standing alone.

Either Europe must stand united against the threat of Communist totalitarianism or it will be submerged by that form of collectivist threat. Churchill is as sound, his vision is as clear and sure on this question as it was 10 years ago when he repeatedly warned against the growing danger of Hitlerism.

Out of the present chaos and confusion there will either come a united, coherent group of states, acting in unison for a common purpose, or there will come the collapse of all that we have regarded as good and essential in western Europe's civilization. The aid which the United States is extending to various countries and regimes can be only temporary—the long run solution of Europe's basic problem lies in the program which Winston Churchill has outlined with prophetic vision, born of long years of study and experience with Europe's tangled affairs.

[From the Springfield (Mo.) News and Leader of May 23, 1947]

BARS TO EUROPEAN UNION

Back in the early thirties Winston Churchill put forward the idea of a united Europe. It was an idea foreign to the thinking of its time—a time of going Fascism, dawning Hitlerism, Maginot mentality, ultranationalism, insincerity, and appeasement. Mr. Churchill, a Tory with a vision, saw the evils and their remedy. But no one of comparable vision and authority in all Europe answered and supported him.

It took a second World War—which a strong, united Europe almost surely could have prevented—to show the true value of Mr. Churchill's remedy. Europe of 15 years ago had all the necessary ingredients of that remedy except one—wisdom. Today such important ingredients as stability, prosperity, health, and strength are gone. And there is some question whether wisdom has been gained.

A few nights ago Mr. Churchill again appealed to Europe to unite. It was an eloquent, intelligent plea which took into account all the grim realities of the present.

Mr. Churchill urged a European federation as one of the "four pillars of the temple of peace." The others, he said, are the United States, the Soviet Union, and the British Commonwealth. They would support a United Nations expanded into a world supergovernment to prevent war.

"Are the states of Europe," Mr. Churchill asked, "to continue forever to squander the first fruits of their toil upon the erection of new barriers, military fortifications and tariff walls and passport networks against one another?"

For the most part, Europe's answer was silence. France, which with Britain would be the backbone of any European union, showed a slight reaction. Her statesmen were too busy for comment. Most French newspapers ignored his speech.

Instead there came from France the voice of Charles de Gaulle, wartime hero, interim President, and now head of a new and somewhat disturbing political movement. Following Mr. Churchill by a day, M. de Gaulle made a speech in which he called for a strong state in France.

The former general said he meant by a strong state "what others mean in reference to themselves—for example, in Moscow and Washington—a state whose chief is a chief and in which no confusion of powers hampers or dilutes responsibility."

It is odd that M. de Gaulle should mention Washington and Moscow in the same breath—especially since he must know that in the United States the powers of government are delegated, though not confused, and that responsibility is divided, though not diluted.

Substitute the word "authority" for "responsibility" in the quotation above and you have a statement that might have been made by Hitler or Mussolini in the days when Mr. Churchill first proposed a united Europe.

If M. de Gaulle expresses a growing sentiment in France today, then the difficulties of adopting Mr. Churchill's plan are increased enormously. For the same reason the plan becomes even more urgently necessary.

[From the Clarksburg (W. Va.) Exponent of May 22, 1947]

BARS TO EUROPEAN UNION

Back in the early thirties Winston Churchill put forward an idea of a united Europe. It was an idea foreign to the thinking of its time—a time of going fascism, dawning Hitlerism, Maginot mentality, ultranationalism, insincerity, and appeasement. Mr. Churchill, a Tory with a vision, saw the evils and their remedy. But no one of comparable vision and authority in all Europe answered and supported him.

It took a Second World War—which a strong, united Europe almost surely could have prevented—to show the true value of Mr. Churchill's remedy. Europe of 15 years ago had all the necessary ingredients of that remedy except one—wisdom. Today such important ingredients as stability, prosperity, health, and strength are gone. And there is some question whether wisdom has been gained.

A few nights ago Mr. Churchill again appealed to Europe to unite. It was an eloquent, intelligent plea which took into account all the grim realities of the present.

Mr. Churchill urged a European federation as one of the "four pillars of the temple of peace." The others, he said, "are the United States, the Soviet Union, and the British Commonwealth. They would support a United Nations expanded into a world supergovernment to prevent war."

"Are the states of Europe," Mr. Churchill asked, "to continue forever to squander the first fruits of their toil upon the erection of new barriers, military fortifications and tariff walls and passport networks against one another?"

For the most part, Europe's answer was silence. France, which with Britain would be the backbone of any European union, showed slight reaction. Her statesmen were too busy for comment. Most French newspapers ignored his speech.

Instead there came from France the voice of Charles de Gaulle, wartime hero, interim president, and now head of a new and somewhat disturbing political movement. Following Mr. Churchill by a day, M. de Gaulle made a speech in which he called for a "strong state" in France.

The former general said he meant by a strong state "what others mean in reference to themselves—for example, in Moscow and Washington—a state whose chief is a chief and in which no confusion of powers hampers or dilutes responsibility."

It is odd that M. de Gaulle should mention Washington and Moscow in the same breath—especially since he must know that in the United States the powers of government are delegated, though not confused, and that responsibility is divided, though not diluted.

Substitute the word "authority" for "responsibility" in the quotation above and you have a statement that might have been made by Hitler or Mussolini in the days when Mr. Churchill first proposed a united Europe.

If M. de Gaulle expresses a growing sentiment in France today, then the difficulties of adopting Mr. Churchill's plan are increased enormously. For the same reason the plan becomes even more urgently necessary.

[From the Lima (Ohio) News of May 7, 1947]

BARS TO EUROPEAN UNION

Back in the early thirties Winston Churchill put forward the idea of a united Europe. It was an idea foreign to the thinking of its time—a time of going fascism, dawning Hitlerism, Maginot mentality, ultranationalism, insincerity, and appeasement. Mr. Churchill, a Tory with a vision, saw the evils and their remedy. But no one of comparable vision and authority in all Europe answered and supported him.

It took a second world war—which a strong united Europe almost surely could have prevented—to show the true value of Mr. Churchill's remedy. Europe of 15 years ago had all the necessary ingredients of that remedy except one—wisdom. Today such important ingredients as stability, prosperity, health, and strength are gone. And there is some question whether wisdom has been gained.

A few nights ago Mr. Churchill again appealed to Europe to unite. It was an eloquent, intelligent plea which took into account all the grim realities of the present.

Mr. Churchill urged a European federation as one of the "four pillars of the temple of peace." The others, he said, are the United States, the Soviet Union, and the British Commonwealth. They would support a United Nations expanded into a world supergovernment to prevent war.

"Are the states of Europe," Mr. Churchill asked, "to continue forever to squander the first fruits of their toil upon the erection of new barriers, military fortifications and tariff walls and passport networks against one another?"

For the most part, Europe's answer was silence. France, which with Britain would be the backbone of any European union, showed slight reaction. Her statesmen were too busy for comment. Most French newspapers ignored his speech.

Instead there came from France the voice of Charles de Gaulle, wartime hero, interim President, and now head of a new and somewhat disturbing political movement. Following Mr. Churchill by a day, M. de Gaulle made a speech in which he called for a strong state in France.

The former general said he meant by a strong state "what others mean in reference to themselves—for example, in Moscow and Washington—a state whose chief is a chief and in which no confusion of powers hampers or dilutes responsibility."

It is odd that M. de Gaulle should mention Washington and Moscow in the same breath—especially since he must know that in the United States the powers of government are delegated, though not confused, and that responsibility is divided, though not diluted.

Substitute the word "authority" for "responsibility" in the quotation above and you have a statement that might have been made by Hitler or Mussolini in the days when Mr. Churchill first proposed a united Europe.

If M. de Gaulle expresses a growing sentiment in France today, then the difficulties of adopting Mr. Churchill's plan are increased enormously. For the same reason the plan becomes even more urgently necessary.

[From the Albany (N. Y.) Knickerbocker News of May 21, 1947]

A UNITED EUROPE

Mr. Churchill—again at his best, eloquently urging his countrymen to dedicate themselves to a cause "majestic and high"—is championing a united Europe which will assure the blessings of peace and prosperity to its own people and to the world.

Mr. Churchill is laying the foundation for a broad campaign in the field of public opinion and he rightly refused to complicate the situation with details. He makes it clear that the whole design for a United Europe is within, and subordinate to, the United Nations and that the way must be prepared by a favorable public opinion before particular governments can be expected to act. He asks that from now on his own and other governments should meet continental problems from the European rather than from the nationalistic angle.

The plan for a stable and peaceful Europe should command the support of Russia. Mr. Churchill regrets that this is not the case, but says that the peace, amity, and well-being of so many millions of men and women must not be frustrated by the veto of any single power, however respected.

It is important that we in this country recognize that a program for a United Europe does not run counter to the United Nations, any more than does the existence of the United States itself. It is also equally essential that our own policies in Europe shall be guided by principles applicable to the continent as a whole and not merely to separate nations. Behind the German problem or the Austrian or the Italian problem is that of Europe as a whole.

[From the St. Louis (Mo.) Post-Dispatch of May 25, 1947]

TIME FAVORABLE FOR DEVELOPMENT OF JOINT ECONOMIC PROJECT FOR RECOVERY OF ALL WESTERN EUROPE—LELAND STOWE SAYS THIS WOULD MEAN COORDINATION OF PRODUCTION, EXPORTS, POWER, MONETARY POLICIES—EXPERTS THINK THIS IS ONLY WAY TO REHABILITATION

(By Leland Stowe)

As a spokesman for postwar Europe's salvation, Winston Churchill has made himself both vulnerable and suspect by his Greek policy, his Fulton, Mo., speech, and other matters. But when the old organ master of the King's English discusses the need of a European union—or of a federation of western Europe, if necessary, as a starter—he is not dealing with a personal monopoly. Some of us, alas, can remember the moving humanitarianism of Aristide Briand as he pleaded vainly at Geneva in the late 1920's, for a "United States of Europe." If only governments and peoples had listened then.

I happen to prefer vastly the Briand approach to the recent Churchill approach. Given his background and convictions, Churchill is bound to consider a possible union of European countries chiefly in terms of a counterbalance to Soviet Russia.

Would it not be more constructive, and also safer and more practical, to think of Europe today as a natural bridge and a potential neutralizer between Russia and the Anglo-American powers?

Does not this prostrate Europe need recovery, an over-all economic treatment, far more than it needs strategic injections?

These are questions which the American Government now begins to face. Washington must have answers prepared before the menace of a general European collapse slides into reality within a year or 18 months.

It is of some real encouragement that important administration officials now are directly concerned with the economic basis of the growing crisis in Europe. If we can evolve a program that puts European recovery ahead of power politics, we may reduce the area and excuse for power politics in due time. This is where the concept of a European federation assumes exceptional significance.

When Briand crusaded bravely for a United States of Europe there were pitifully few in London or Washington who were at all interested, least of all, those in political power. But these 20 intervening years of ceaseless crises and disasters have served as a brutally effective plow turning up a certain amount of promising new soil in high places.

The mental attitudes of British and American leaders are changing at last. The terrible facts of Europe's alarming plight are proving more powerful than the clear-sighted logic of lone idealists like Briand. So we hear serious talk at last about union or federation for Europe.

What has caused this pronounced change in attitude? Obviously it has been precipitated by the depredations of World War II. Nations and men have finally wrought such chaotic havoc on Europe, the center of modern civilization, that no purely nationalistic cures—applied nation by nation, without regard for resources and geography—can be expected to cure anything.

This Europe is much too ravaged, dislocated, and impoverished to be restored separately, piece by piece. Yes, it might be propped up piece by piece for a short time—$500,000,000 prop for Italy today, a similar prop for France tomorrow, and so on. But it is now clear that each operation of this sort—like our present one in Greece—would only be a blood transfusion of short-term efficacy.

Europe has become too weakened and poverty-stricken to respond to anything less than an all around treatment which attacks her economic disease as what it really is—an entity, a common whole.

When this much is recognized as fact in Washington, it raises an interlocked question: Can America's Government and her taxpayers afford to finance Europe's recovery in any way except by treating much or most of Europe as an economic whole?

Some highly placed Washington officials are beginning to face this question also. They have to face it because America, it is said by very competent authorities, may have to provide some 15 billion dollars, or perhaps more, to underwrite European recovery between 1948 and 1951.

There seems no likelihood that this step or this cost can be avoided. The alternatives would be near-anarchy, civil bloodshed, or revolutions in several leading European countries. The consequent increase in communism, or in totalitarian governments of whatever kind, would certainly be very considerable. Quite aside from this, a Europe in protracted anarchy, being totally unable to buy from us, would dangerously increase unemployment in the United States.

Thus two unprecedented situations now exist. For the first time European nations are in such intolerable economic circumstances that they may be forced to eschew narrow nationalisms in support of a European union. For the first time also the United States Government and people have a personal dollars-and-cents interest in helping build a union of European countries.

Finally, all concerned have a time-limit gun pointed at their heads unless they cooperate to do something about it. Never before has this combination of imperatives existed.

Within 5 years we shall see whether the intelligence of western leadership was sufficient to grasp and act upon the drastic meaning of these present imperatives.

By "European union" we do not now mean an early emergence of a United States of Europe, with individual countries playing an identical role with the States in the United States. It would probably take many years for anything so integrated and federalized to emerge in Europe—possibly decades. As of now, however, it is certainly possible to develop a common economic plan for the recovery of all of western Europe.

That would mean coordinated production and export schedules, joint distribution of the Ruhr's coal and steel, inter-related systems of electrical power, correlated monetary policies, and similar cardinal features of economy and finance.

It would mean a joint economic plan for Allied Germany, France, and Italy. Around this nucleus the Netherlands, Scandinavia, Belgium, Austria and Switzerland would be brought in. Such an economic European union should be equally open to Czechoslovakia, Poland and Danubian Nations now in the Soviet zone.

In the view of some Washington experts, and others in London, Europe's economic recovery must be achieved through this federated, over-all approach, either with the Soviet's assistance or without it, if necessary. They insist that western Germany, France, and Italy constitute the heart and stomach of any vital European organism. Only taken together and treated together do they make any economic common sense.

Now, the experts insist, it has become far too costly to attempt to treat them in any other way. Around the German-French-Italian nucleus a general European recovery can be built. As a living and growing central organism it could scarcely fail to attract other countries into a coordinated economic program.

Only hope for Europe

It is expected that Moscow will be suspicious or antagonistic to any synchronized steps toward European economic union. Nevertheless Europe's millions are as hungry for hope as they are for food. They want to live; and they wait impatiently for some program, some major action, which promises them life. Only a plan and a big plan can give them hope and offer them life.

The ironies of our common world predicament are many. One of these ironies is now becoming evident. An American Congress, which often registers itself as skeptical or opposed to economic planning, will find itself compelled to approve economic planning on a very large scale in order to save Europe—in order to save Europe from chaos, Communism or a number of other things. Washington will also have to plan for Europe's recovery in order to have any assured recovery here at home.

We shall have to lay the foundations for an economic European union—or else.

[From the Dallas (Tex.) Times-Herald of May 23, 1947]

CHURCHILL IS THINKING ALONG RIGHT LINE

Winston Churchill, in renewing his plea for a United States of Europe, points to a step that may be necessary to the salvation, not only of the continent in question, but of the world.

Whether the union could be formed along the line favored by Mr. Churchill is open to debate. He seems to contemplate an organization similar to the United States of America. However, there are age-old differences among the European nations in language and culture.

But the need of a large degree of political and economic unity in Europe seems obvious. The lack of such unity breeds war, and war today quickly spreads. A peaceful Europe probably would mean a peaceful world.

Mr. Churchill does not wish to supplant the United Nations as a global organization, but holds that a federalization of European nations would go a long way toward insuring success of the U. N. by eliminating sources of discord. Some day his dream may come true.

[From the Terre Haute (Ind.) Star of May 21, 1947]

BARS TO EUROPEAN UNION

Back in the early thirties, Winston Churchill put forward the idea of a united Europe. It was an idea foreign to the thinking of its time—a time of going fascism, dawning Hitlerism, Maginot mentality, ultranationalism, insincerity, and appeasement. Mr. Churchill, a Tory with a vision, saw the evils and their remedy. But no one of comparable vision and authority in all Europe answered and supported him.

It took a Second World War—which a strong united Europe almost surely could have prevented—to show the true value of Mr. Churchill's remedy. Europe of 15 years ago had all the necessary ingredients of that remedy except one—wisdom. Today such important ingredients as stability, prosperity, health, and strength are gone. And there is some question whether wisdom has been gained.

A few nights ago Mr. Churchill again appealed to Europe to unite. It was an eloquent, intelligent plea which took into account all the grim realities of the present.

Mr. Churchill urged a European federation as one of the "four pillars of the temple of peace." The others, he said, are the United States, the Soviet Union, and the British Commonwealth. They would support a United Nations expanded into a world supergovernment to prevent war.

"Are the states of Europe," Mr. Churchill asked, "to continue forever to squander the first fruits of their toil upon the erection of new barriers, military fortifications, and tariff walls and passport networks against one another?"

For the most part, Europe's answer was silence. France, which with Britain would be the backbone of an European union, showed slight reaction. Her statesmen were too busy for comment. Most French newspapers ignored his speech.

Instead there came from France the voice of Charles de Gaulle, wartime hero, interim president, and now head of a new and somewhat disturbing political movement. Following Mr. Churchill by a day, M. de Gaulle made a speech in which he called for a "strong state" in France.

The former general said he meant by a strong state "what others mean in reference to themselves—for example, in Moscow and Washington—a state whose chief is a chief and in which no confusion of powers hampers or dilutes responsibility."

It is odd that M. de Gaulle should mention Washington and Moscow in the same breath—especially since he must know that in the United States the powers of government are delegated, though not confused, and that responsibility is divided, though not diluted.

Substitute the word "authority" for "responsibility" in the quotation above and you have a statement that might have been made by Hitler or Mussolini in the days when Mr. Churchill first proposed a united Europe.

If M. de Gaulle expresses a growing sentiment in France today, then the difficulties of adopting Mr. Churchill's plan are increased enormously. For the same reason the plan becomes even more urgently necessary.

[From the New York (N. Y.) Times of May 26, 1947]

A "CONTINENTAL PLAN"

According to a dispatch to this newspaper by James Reston, official Washington is beginning to consider a new approach to European reconstruction which will take account of both the developing economic crisis in Europe and the growing apprehensions in Congress and elsewhere as to how far the United States can go in pouring out billions of dollars for foreign aid and relief without ruining itself. The new approach is a result of the growing realization that the old policy of shoring up the shattered economies of individual European nations and feeding their hungry is insufficient to bring about a real recovery, and that what is needed is a "continental plan" which will permit American aid to be concentrated on key problems and at key points and thus become a lever for the economic advancement of the continent as a whole without producing that general exhaustion on which Russia appears to count.

This new trend of thought was clearly indicated in Secretary of State Marshall's call for a worldwide survey of economic conditions to determine just what the reconstruction demands on the United States are. Since the end of the war, and in addition to more than $300,000,000,000 spent on the war itself, the United States has allotted for foreign aid and relief the enormous sum of more than seventeen and a half billion dollars. Despite this, and notwithstanding a partial recovery in some countries, Europe, which at one time was the economic power center of the world and still possesses enormous resources, has been unable to get on its feet and now faces a growing crisis as its productive capacity remains crippled and its foreign assets are literally being eaten up.

The main reason for this is, of course, the lack of peace and security caused by the deadlock between Russia and the West. But the events of the last 2 years have also taught us some lessons which we are only now beginning to heed. They have taught us that this is, indeed, one world, not only politically but above all economically; that the economies of all nations are mutually interdependent, and that in Europe in particular, as Under Secretary Acheson said, recovery cannot be complete until the various parts of European economy are coordinated in a harmonious whole. They have also made us realize that behind our allies and our former enemies stands a continent of which they are all a part, and that the infliction of a destructive peace on some nations must be paid for by the distress of all nations. Finally they are teaching us that revolutionary reforms which do not first assure the subsistence of those to be reformed are bound to defeat themselves.

The growing realization of all this is beginning to widen the vision of men everywhere above the narrower viewpoints of the war. It has brought the American Government around to the conviction that if any nation is to revive in Europe all nations must revive, including our former enemies. It has brought forth in Europe itself a growing movement for both political and economic integration, demonstrated by the customs union between the Netherlands, Belgium, and Luxembourg, by the plans for greater integration of the British and French economies, and by the increasing appeal of the idea of a United States of Europe. But two other things are likewise evident. The first is that the European plans, excellent as long range solutions, are yet unable to deal with the immediate situation. The second is that the immediate situation can be dealt with only with the cooperation of the Europeans themselves.

For that reason it might be well to weigh the idea of calling a European economic conference to consider the working out of the continental plan now being suggested in Washington. It might have to be called even if the next meeting of the Big Four leads to better progress toward peace than was achieved in Moscow, and it would appear to be essential if London turns out to be another failure. Such an economic conference should embrace as many nations as are willing to participate, but the rejection of it by some should not stop it. For the past 2 years Russia has been integrating that part of Europe under her control into her own economy, irrespective of past agreements or the recently concluded satellite peace treaties. If Russia will abandon these plans and join in an all-European reconstruction, well and good; she has as much to gain from it as any nation. But the western world can no longer afford to watch the Russian process of mastication with paralyzing fascination. The time has come to go ahead, with Russia if possible, without her if necessary. And the economic conference looks like the best step toward making such a move effective.

[From the Duluth (Minn.) News-Tribune of May 22, 1947]

THE UNNECESSARY WAR

Winston Churchill revealed the other day that back in 1943 when President Roosevelt asked him what name should be given to the war then raging, Churchill had suggested "the unnecessary war." That name did not become widely circulated at the time. Perhaps that was just as well, for whatever its truth, it might have done our morale no good.

The Churchill remark is much more than an epigram. It is a complaint, bitter and cynical, but it is also an accusation and a declaration of high hope.

That bitterness is important, because it is something all thinking persons can identify in themselves. This country, Britain, and France had immense power and prestige in 1919. The people of the world had learned the grim lesson that war is no fun. The statesmen of these and of other countries tried to find some kind of program. We can pity them all, we can respect many of them, but as a group we must brand them failures. That is the complaint, the accusation that grows out of Churchill's remark.

But it is also a word of hope, perhaps the most impressive uttered so far. We have learned that condemning old wars and scoffing at possible future wars will not prevent those future wars. We know that the nonnecessity of a war is a minor question when we find ourselves in it. With this knowledge so recently burned into our consciousness we are too likely to accept the idea that wars are entirely inevitable, that our efforts to prevent, to avoid, to postpone them are doomed from the beginning.

We can admire Mr. Churchill's designation of the recent war as the view of a man who is both statesman and historian. From there we can go on to examine his own program for the future, presumably for the prevention of other unnecessary wars.

He calls for a United Europe within the United Nations. Only thus, he says, can Europe find respite from wars and their attendant agonies. He denies that this would be a blow at Russia.

It is possible that a United Europe is not the answer, and that if it is, Mr. Churchill is not the man best able to convince doubters of that. He has gone on record on many questions at many times and has a powerful array of enemies everywhere.

He does come out and say that the most recent war was not necessary and he appears to offer a way by which the world might escape another unnecessary war. The terrible slowness of recovery on the continent and in Britain itself may give his idea more of a chance than it would otherwise have had.

[From the Syracuse (N. Y.) Herald-American, May 18, 1947]

A EUROPEAN UNION TO FACE RUSSIA

(By Bertram Benedict)

Europe is slipping into chaos while nothing is accomplished on the peace treaty with Germany, the American people were told by Secretary of State Marshall in his radio report after returning from the fruitless Moscow conference. Yet at the same time Secretary Marshall gave only a counsel of patience, patience. If the State Department has any other proposal up its sleeve, none has been disclosed.

Yet many students of world problems, both in Europe and the United States, have a plan. It calls for a union of western Europe states, predominantly economic but also to some extent political, into what has come to be known as a United States of Europe. Senator FULBRIGHT, Democrat, Arkansas; Senator THOMAS, Democrat, Utah; and Representative BOGGS, Democrat, Louisiana, have introduced in Congress a resolution reading in full:

"That the Congress favors the creation of a United States of Europe within the framework of the United Nations."

It is no new idea. Disregarding such early advocates as Henry IV, William Penn, Immanuel Kant, and Victor Hugo, the proposal was pushed after World War I by so practical a statesman as Aristide Briand, 10 times Premier of France, and is now supported by hard-bitten Winston Churchill.

In fact, under Briand's instigation, the 27 European states that were members of the League of Nations met in Geneva in 1930 to discuss ways and means of creating a United States of Europe. The conference got nowhere fast. The delegates praised the principle, disagreed violently on how to achieve it. Some objected that a body outside the League would weaken the League. Others disagreed with the Briand thesis that political should precede economic unification. Others saw an attempt at economic and financial rivalry with the United States.

It will be noted that the Soviet Union was not represented. Some of the delegates at Geneva in 1930 thought it futile to project a United States of Europe with the largest and most populous European state left outside. Others even saw in the 1930 Conference another attempt to strengthen the existing "cordon sanitaire" against Moscow.

At all events, any move to create a United States of Europe in 1947 would in effect be an anti-Soviet move. The great difference would be that in 1930 the Soviet Union was on the defensive; in 1947 it is on the offensive. The move today would be an attempt to avert the chaos which is threatened by the Soviet tactics in international affairs and which the Soviet Union is widely suspected of actually desiring. If objection is raised that a union of western Europe now would create two worlds instead of the one world visualized by the United Nations Charter, the answer would be that in actuality Europe is already divided into two worlds.

[From the Wilkes-Barre (Pa.) Times-Leader News of May 21, 1947]

MR. CHURCHILL'S PLAN

Back in the early thirties Winston Churchill put forward the idea of a united Europe. It was an idea foreign to the thinking of its time, a time of going fascism, dawning Hitlerism, Maginot mentality, ultranationalism, insincerity, and appeasement. Mr. Churchill, a Tory with a vision, saw the evils and their remedy. But no one of comparable vision and authority in all Europe answered and supported him.

It took a Second World War, which a strong united Europe almost surely could have prevented, to show the true value of Mr. Churchill's remedy. Europe of 15 years ago had all the necessary ingredients of that remedy except one, wisdom. Today such important ingredients as stability, prosperity, health, and strength are gone. And there is some question whether wisdom has been gained.

A few nights ago, Mr. Churchill again appealed to Europe to unite. It was an eloquent plea which took into account all the grim realities of the present.

Mr. Churchill urged a European federation as one of the four pillars of the temple of peace. The others, he said, are the United States, the Soviet Union, and the British Commonwealth. They would support a United Nations expanded into a world supergovernment to prevent war.

"Are the states of Europe," Mr. Churchill asked, "to continue forever to squander the fruits of their toil upon the erection of new barriers, military fortifications, and tariff walls and passport networks against one another?"

For the most part, Europe's answer was silence. France, which with Britain would be the backbone of any European union, showed slight reaction. Her statesmen were too busy for comment. Most French newspapers ignored his speech.

Instead there came from France the voice of Charles de Gaulle, wartime hero, interim president, and now head of a new and somewhat disturbing political movement. Following Mr. Churchill by a day, M. de Gaulle made a speech in which he called for a strong state in France.

The former general said he meant by a stronge state "what others mean in reference to themselves—for example, in Moscow and Washington—a state whose chief is a chief and in which no confusion of powers hampers or dilutes responsibility."

If M. de Gaulle expresses a growing sentiment in France today, then the difficulties of adopting Mr. Churchill's plan are increased enormously. For the same reason the plan becomes even more urgently necessary.

[From the Charlotte (N. C.) Observer of May 19, 1947]

UNION OF EUROPE

Winston Churchill, in his speech in London last Wednesday launching the actual campaign for a United States of Europe, reduced the problem to its simplest terms—too simple, we fear, for actualities.

Europe, he said, the originator and once leading protagonist of western civilization, has degenerated into "a rubble-heap, a charnel-house, a breeding ground of pestilence and hate. Ancient nationalistic feuds and modern ideological factions distract and infuriate the unhappy, hungry populations."

As a result of this continuous, internecine strife, Europe has lost its place of leadership in western civilization, and, instead of giving hope and guidance to the rest of the world, it now has "nothing to offer but the contagion of the black death."

"Has Europe's mission," asks Churchill, "come to an end?"

He believes not and conceives that the only way of regaining her lost leadership is to bury the ancient hatreds and antagonisms under the pressing necessity for survival through a united Europe.

But, can the people of Europe be made to realize that this necessity for union supersedes all of their age-old differences?—that the alternative is the death of a continent? Can all of its diversified races and cultures be welded into a single whole?

Let us inquire, for a moment, what it takes to make a nation or a federation.

Common race and language, a community of religion, literature, history, tradition, and background—all of these two peoples may have and yet not be a single nation. The United States and Britain have all these in common, but they are not and never will be one country.

Of the 21 nations of Latin America, all but one speak the same language, have the same background, traditions, history, literature, and culture; many of them had the same liberator in the person of Simon Bolivar; but they remain vehemently and determinedly separate and independent states.

On the other hand the world has no more compact nation than Switzerland, with its three races, three languages, three cultures. The Germans of Switzerland have not the slightest feeling of communality with the Germans across Lake Constance; the Italian Swiss hold themselves distinct from the Italians beyond the Simplon Pass; and the French Swiss are a different nationality from the French below Geneva. They are neither Germans nor Italians nor French, but all are Swiss.

What, then, unites these Swiss while their blood relatives below the mountains are forever at one another's throats? The answer to that question should solve the riddle of how to submerge the racial hatreds of Europe in a continental union.

The bonds that unite diverse peoples into a single nation, we should say, are these: (1) A common political, social, and economic philosophy; and (2) a common aspiration for the future. The second is the more important, because it could overcome differences in the first.

Without that aspiration, for example, it would be impossible to merge a police state with one enjoying constitutional government; to harmonize a hereditary caste system with equality of opportunity; to adapt communism to free private enterprise.

But, when a common aspiration for the future becomes so overwhelming that it can force a reconciliation of racial and ideological animosities, then we have the makings of a nation or of a federal union.

Mr. Churchill believes that the basis of such an aspiration can be found in the ineffable weariness of Europe, in the profound despair of people so sick unto death of rapine, famine, and slaughter that their yearning for peace becomes the overmastering impulse of their lives.

If they can be convinced that the one way to achieve that peace is through a federal union of Europe that will transcend all disruptive forces, the common aspiration will have been planted in the minds and hearts of the people. The union will then be attainable.

As Churchill said, it is not the work of a day, but of many years, and we can make only the beginning. To the practical mind the obstacles seem almost insuperable, but, when human suffering becomes insufferable, it may react with a force stronger than all of the dictators, all of the nationalists, and all of the hatreds they have been able to engender.

For the sake of that bare possibility, we should give to the European Union movement our most hopeful blessing and our most energetic support.

[From the Manchester (N. H.) Union of May 20, 1947]

UNITED EUROPE

Winston Churchill has once more focused attention on the idea of a federated Europe. This idea has long been recognized by students of world politics as the logical basis of a stable and prosperous continent. The curse of Europe has been its sectional hatreds and

rivalries that have made it a continent of division and conflict. Split up into comparatively small states, separated from each other by trade barriers, and looking upon each other as potential enemies, life on that Continent has been rendered economically and politically intolerable.

The chaotic conditions following World War II has made the demand for unity more imperative. Premier Attlee's prewar words that Europe must federate or perish are truer today than ever. Impoverished by the ravages of war, the European nations must work out some plan of standing together and striving to restore their ruined economic structure, or sink together into chaos and ruin.

The proposal made by Churchill therefore is nothing novel or unreasonable. It is backed up by both common sense and experience. There exists in the United States today an illustration of what a vast area can do when it makes union and not division its mainspring. It is not difficult to imagine the United States divided into 48 States rivaling each other, instead of the great American Union living at peace with its 2 neighbors, Canada and Mexico. What Churchill foresees is a United States of Europe in many ways similar to the United States of America.

There exists, however, one strong impediment to a federated Europe today, in the form of the basic division between Russia and the Western World. This impediment makes it inevitable that when Churchill talks about a federated Europe, his words must be taken as applying to western Europe alone. The union Churchill conceives is one based on the principles of western democracy, in which civil liberties would be guaranteed. This type of union will not be accepted by Russia and her eastern European allies. In fact, when Churchill talks about a federated Europe, the Russians regard him as simply making another play in the game of power politics.

Yet, it is a grave question whether the plan of federation should not be applied to western Europe, including Germany, or as much of it as is occupied by the western powers. There is no reason why the refusal of Russia to cooperate should be allowed to throw western Europe into chaos and ruin. That is exactly what Russia wants to pave the way for communism in western Europe, and it is exactly what the western powers cannot permit.

Some plan must eventually be worked out whereby the economic and political union of western Europe can be realized if that area is not to be engulfed by communism.

[From the Miami (Fla.) News of May 19, 1947]

FAITH OF A EUROPEAN

Whatever one may think of the political implications in Winston Churchill's proposal of a united Europe, there is no denying the brilliant act of faith his words compose. The "rubble heap, charnel house, breeding ground of pestilence and hate"—that Europe we of today see plainly—"Has she nothing to give to the world," Mr. Churchill asks, "but the contagion of the black death?" His categorical denial, moving in its terms and its associations, is the language which for two dismal postwar years we have been awaiting.

"There is the fairest, most temperate, most fertile area of the globe. The influence and the power of Europe and of Christendom have for centuries shaped and dominated the course of history. * * * Religion, law, learning, art, science, industry throughout the world all bear in so many lands, under every sky and in every clime, the stamp of European origin and traces of European influence."

Winston Churchill, for 6 years the first citizen of Britain, has constantly thought of himself as a citizen of Europe. "We hope to reach again," he says, "a Europe purged of the slavery of the ancient times in which men will be as proud to say: 'I am a European' as once they were to say: 'Civis Romanus sum.'"

Is Churchill, great traditionalist that he is, here looking at the present through the eyes of the past, or is he glancing prophetically at the future? He says that it is often a mistake to try to settle everything at once. "Far off, on the skyline, we can see the peaks of the delectable mountains. But we cannot tell what lies between us and them." When he couples his plea for a united Europe with an unequivocal statement on the imperative need of "some effective world super-government," we can take the measure of his time scale, which projects him far into the future.

That likewise brings into greater perspective the implications of his more specific statements on European unity. By defining the "four pillars of peace" as the United States, the Soviet Union, the British Commonwealth, and a united Europe and placing Britain in the last two of these, Churchill opens himself to the charge of creating a purely anti-Russian bloc. He denies it, and explains that the "Europe" he envisions is not only a geographical entity but cultural entity in which individual human liberties form the touchstone.

It was not so, of course, with the Romans or the Holy Roman Empire; Napoleon made it so very imperfectly and Hitler rose to power through the attempt to deny history itself. But Churchill's "Europe," as he makes clear in speaking of France's future role, will be the creation of an act of faith if it is created at all. It is, he says, a spiritual conception which so long as men feel its worth will not die.

[From the New York (N. Y.) Post of May 21, 1947]

MAN TO MAN

(By Harold L. Ickes)

The advocacy by Winston Churchill of a United States of Europe again brings into sharp focus the resolution introduced into the Congress a few weeks ago by Senator FULBRIGHT, of Arkansas, and Representative BOGGS of Louisiana proposing support for a United States of Europe within the framework of the United Nations.

I do not believe I can remember an occasion when a resolution of this character has received such widespread support. Few have ever been offered that held out such a hope for world peace and a higher civilization.

It may be that the newspaper readers have not read much about it in their local papers. Until last week the press services had carried no accounts about it. The radio networks had not yet told the story. The reason for this is that the movement did not originate in any one particular place. It has been in the nature of a spontaneous ground swell.

The proposal for a United States of Europe did not come from a conference such as the Moscow meeting of foreign ministers. It was not the result of a convention in Geneva or Luxembourg Palace, or London. The suggestion was not made at a press conference at the White House, and so there had been no real news story. But that the movement for a United States of Europe is in reality a truly great news story is evidenced by the spontaneous support that the proposal received throughout this country.

Even a partial list of newspapers that have supported the proposal editorially is noteworthy. So far as I know, the first paper to take up the idea was the New Orleans Item. Within a matter of days favorable editorials appeared in the New York Times, the St. Louis Post-Dispatch, the Chicago Daily News, the Portland Oregonian, the Memphis Commercial Appeal, all of the Scripps-Howard newspapers throughout the country, and Time magazine. In Washington three newspapers have advanced the proposal editorially—the Washington Post, the Washington Daily News, and the Times-Herald.

I cannot but wonder if there has ever been an issue on which so many newspapers of such different colorations have been in agreement. That the Patterson-controlled Washington Times-Herald and Henry Luce's Time magazine should be found in the same rendezvous with the Washington Post and the St. Louis Post-Dispatch is almost unbelievable.

Finally, on May 14, the proposed United States of Europe became front-page news when Winston Churchill spoke in Royal Albert Hall, London, before more than 6,000 representatives of every shade of political opinion to be found in England. Among other things, he said:

"If the peoples of Europe resolve to come together and work together for mutual advantage, to exchange blessings instead of curses, they still have it in their power to sweep away the horrors and miseries which surround them and to allow the streams of abundance to begin again their feeling flow. It is, of course, alleged that all advocacy of the ideal of United Europe is nothing but a maneuver in the game of power politics and that it is a sinister plot against Soviet Russia. There is no truth in this. The whole purpose of a united democratic Europe is to give decisive guaranties against aggression. Looking out from the ruins of some of their most famous cities and from amid the cruel devastation of their fairest lands, the Russian people should surely realize how much they stand to gain by the elimination of the causes of war and the fear of war on the European continent. * * *"

If I understand Mr. Churchill's proposal it is that the nations of Europe that were our allies in the late war should begin to organize a United States of Europe leaving the latch string out for other nations, including Russia, which may not be among the first converts to the idea.

Mr. Churchill's eloquent plea is the more impressive when one reflects that Prime Minister Attlee, who possesses widely different political views, has likewise expressed himself in favor of the proposal.

We may be, if we press forward, on the threshold of one of the greatest political experiments of our times. But it is an experiment that must be made. As Mr. Churchill wisely observed, "let there be no mistake upon one point. Without a united Europe there is no prospect of world government."

It is my personal conviction that the nations of Europe either must federate, or perish, one by one. Even if an attempt to unite Europe should fail, the world would be no worse off than it is today. And if the undertaking should succeed, all humankind would take heart. Europe and the world will have peace if they are bold enough to take it.

Never has there been a Holy Grail so worth the seeking.

[From the Philadelphia (Pa.) Bulletin of May 21, 1947]

UNITED STATES OF EUROPE—CHURCHILL'S SPEECH FOR UNION UNANSWERABLE

(By Ralph W. Page)

WASHINGTON, May 21.—Winston Churchill is the greatest living master of language and for the same reason one of the clearest thinkers and greatest leaders of the age.

His speech last Thursday upon the necessity for the Federation of Europe is unanswerable.

What is Europe? Why it is a system of beliefs and ideas—a priceless compound of the Hebrew belief in God; the Christian message of compassion and redemption; the Greek love of truth, beauty and goodness; the Roman genius for law.

But what has befallen this Europe? Why is it a rubble heap, a charnel house, a breeding ground of pestilence and hate? Ancient nationalistic feuds and modern ideological

factions distract and infuriate the unhappy, hungry population.

Now comes the vital question.

Are the states of Europe to continue forever to squander the first fruits of their toil upon the erection of new barriers, military fortifications and tariff walls and passport networks against one another?

Americans, who live under the impregnable protection and harmony of a federal system, readily agree with the great statesman's conclusion, with Prime Minister Attlee that Europe must federate or perish.

He is quite right in saying that the United States has a vital interest in a peaceful and prosperous Europe. "This," he says, "is surely not unnatural when we remember how the manhood of the United States has twice in a lifetime been forced to recross the Atlantic Ocean and pour out their treasure as the result of wars originating from ancient European feuds."

This is a past reason. But today we have an urgent present reason. To save our civilization and our trade and prosperity, as well as to forestall another war, we are compelled to devote more, and indefinite, treasure to the reconstruction of this Europe.

We understand that no amount of relief and charity distributed in the disruptive situation he so graphically described will succeed.

Our intent is to finance production, the revival of self-support, the return of trade, and so to receive back our investment and establish a profitable market for our produce.

We recognize, as well as the great English statesman, that the only hope of such a consummation is for the people of Europe to come together and work together for mutual advantage and to exchange blessings instead of curses.

In order to make American approval official, Senator J. W. FULBRIGHT, of Arkansas, and Representative HALE BOGGS, of Louisiana, have introduced a joint resolution saying:

"The Congress hereby expresses itself as favoring the creation of a United States of Europe within the framework of the United Nations."

The only hesitancy anyone in this country has to enthusiastic support of this purpose is the idea that the Russians would object and claim that the object is to create a coalition against them.

Such a strong, peaceful, and prosperous neighbor would in fact be a godsend to the impoverished Soviets. It would not only secure them against any fear of attack, but would provide them the materials for their reconstruction and a market for the great industries they are sacrificing to build.

It is true that such a Europe would offer poor pickings for a process of infiltration and disintegration that depends upon strife and despair. But not even the greatest advocates and admirers of the Kremlin can desire the perpetuation of ruin for the sake of spreading communism.

[From the Youngstown (Ohio) Vindicator of May 18, 1947]

CHURCHILL ON A UNITED STATES OF EUROPE

In the week just ended Winston Churchill proved again that he is one of the great men of all time. He went to the heart of the world's life-and-death crisis; he set forth a way out; and he clothed his wisdom in a moving eloquence unmatched in our time and unsurpassed in any.

The center of the world's trouble, as seen clearly by Mr. Churchill, is the collapse of Europe, which threatens the stability of all the world. The remedy is to unite and reconstruct the Continent, within the framework of the United Nations. The eloquence was displayed in Mr. Churchill's stirring address to the United Europe meeting in London.

It is always profitable to quote at some length from Mr. Churchill. He began with this statement of the situation:

"The influence and the power of Europe and of Christendom have for centuries shaped and dominated the course of history. * * * Religion, law, learning, art, science, industry throughout the world all bear in so many lands, under every sky and in every clime, the stamp of European origin and traces of European influence.

"But what is Europe now? It is a rubble-heap, a charnel house, a breeding ground of pestilence and hate. Ancient nationalistic feuds and modern ideological factions distract and infuriate the unhappy, hungry populations."

Evil teachers, Mr. Churchill went on, urge the paying off of old scores, and false guides point to vengeance as the path to prosperity. This course, he said, would have terrible results:

"Is there, then, to be no respite? Has Europe's mission come to an end? Has she nothing to give to the world but the contagion of the black death? Are her peoples to go on harrying and tormenting one another by war and vengeance until all that invests human life with dignity and comfort has been obliterated?

"Are we Europeans * * * through our poverty and our quarrels, forever to be a burden and a danger to the rest of the world? Do we imagine that we can be carried forward indefinitely upon the shoulders—broad though they be—of the United States?"

As Mr. Churchill asserted, the time has come when these questions must be answered. Wisely he did not offer a detailed program for uniting Europe, for "it is often a mistake to try to settle everything at once." So he stated only in general terms his proposal that Britain and France join hands as founder-partners in the enterprise. They must, in friendly manner, bring the German people back into the circle of Europe, for otherwise the continent cannot be revived. He suggested that the old states and principalities of Germany, now being reconstituted, be invited to take their place in the Council of Europe.

It is already widely recognized that the revival of Germany is essential as part of a reconstructed Europe. As Secretary Marshall has asserted, the German problem cannot be settled by itself, or Poland's position by itself, or Austria's. In each case, as he told the Moscow conference, settlement must be regarded from the view of what is best for Europe as a whole. Nothing can be gained, and all will be lost, by keeping Germany an economic slum in the center of Europe.

Some sort of United States of Europe is of vital interest to America. Next year, if not this year, we shall have to consider granting very large additional aid to Europe. If present conditions there continue, there will be a very real danger—which some have remarked in respect to Turkish aid—that more help will be pouring money down a rathole.

It would be different if the European nations could come together, under the leadership of France and Britain, for a political and economic reorganization. We could feel that a new lend-lease program might well be as good an investment for peace as the old one was for war. Strong support for the United States of Europe idea has already appeared in this country. As Mr. Churchill said:

"This is surely not unnatural when we remember how the manhood of the United States has twice in a lifetime been forced to recross the Atlantic Ocean and pour out their treasure as the result of wars originating from ancient European feuds."

Russia has even more reason to want an end of dictator-breeding poverty and hatred in Europe. Twice in living memory she has suffered sorely from invasion by Europeans. Indeed a great merit of the unification plan, in the form proposed, is that it shifts from the idea of forming an anti-Russian bloc to that of organizing Europe under the U. N. as a pillar of peace and prosperity for all nations, including Russia.

At first Russia would, of course, suspect a plot. She would keep her satellites out of any European union. But as Mr. Churchill said, those nations which now wish to join can begin the enterprise, holding the door constantly open for the others. We could hope that in time Russia and her followers would learn that the United States of Europe did not threaten them. A recent favorable development along this line was the meeting of economic officials of Poland and Czechoslovakia, seeking to develop more trade with the western countries. They have found that Russia's standard of living is so low that nothing can be gained from trade with her.

In any case the European effort must be made. It is vital primarily to give millions of human beings a chance to live in human decency. Mr. Churchill spoke of the many, in Europe and outside it, who have suffered so much from military and economic war:

"Is the honest, faithful breadwinner never to be able to reap the fruits of his labor? Can he never bring up his children in health and joy and with the hopes of better days?

"Can he never be free from the fear of foreign invasion, the crash of the bomb or the shell, the tramp of the hostile patrol, or what is even worse, the knock upon his door of the secret political police to take away the loved one far from the protection of law and justice?"

In trying to answer these questions the United Europe movement could get the support of the British Government. Prime Minister Attlee has said that Europe "must federate or perish." Strong support also can be expected from President Truman and Mr. Marshall. It is a commonplace that if we are to avoid waging war, we must wage peace. The way to wage peace now is to strive for a federation which will end Europe's war-breeding and revive its former beneficent influence, to which American civilization owes its existence.

[From the Wilmington (Del.) News of May 19, 1947]

UNITED STATES OF EUROPE?

Formation of a "United States of Europe," as proposed in a speech by Winston Churchill last week, is not a new idea. Nor is it anti-Russian, though Russian ambitions stimulated by the break-down of the old Europe lend it a particular urgency now. What is novel in Churchill's suggestion is that it should come from a Briton. For the British have always felt instinctively that a divided Europe was less dangerous than one which at some future time might be united against them.

With British and American support the dream might at last be realized—unless, indeed, Europe is already too far gone to be saved. There are obstacles that seem insurmountable. But political systems are in flux; their rigidities may dissolve where we least expect it.

The whole European peninsula is so disorganized, abject, and impotent today that the alternative may be a return to the patchwork pattern of the Middle Ages. If that break-down occurs, it does not seem likely that the Catholic Church will again have the power to provide the stability and unification that can hold the structure together. Today it is the quasi-religion of communism which is prepared to muscle its way into that role.

Observers report that the people of Europe, whose opinion should carry weight, are convinced that the only hope left is for Europe—west of Russia—to be a much more compact unit than it has been in the past. That is

why the Czechs and the Poles are seeking to collaborate more closely, both with each other and with the West. It is why the low countries—Belgium, Holland, Luxembourg—are removing trade barriers among themselves by a customs union to start August 1. Unable as yet to unite into one, Europe is trying at least to unite into fewer components.

[From the Cleveland (Ohio) Plain Dealer of May 18, 1947]

UNITED EUROPE

A united Europe is not so wild a dream as those who would profit by the Continent's continued division pretend.

The day is here when the first steps toward unification must be taken if Europe is not to drift into deeper chaos. Czechs and Frenchmen, Norwegians, and Greeks, must be able to travel the Continent in safety and assurance saying, "I am a European" as the ancients traveled the known world with the universal passport, "Civis Romanus sum."

But the need of united Europe today is neither a recollection of past glories nor the expression of hope for the future, but the statement of an immediate practical need.

Winston Churchill, the Conservative who is fundamentally more radical and forward-looking than modern liberals bogged in ideological swamps, talking last week in historic Royal Albert Hall before the first meeting of the United European Committee which he launched in January, expressed sound reasons for continental solidarity.

There can be no solution of the German problem except in a European framework. The Moscow conference proved this. Europe cannot help itself without coming together for mutual aims, for, as Churchill rhetorically expressed it, "Do we imagine that we can be carried forward indefinitely upon the shoulders—broad though they may be—of the United States?"

Europe simply cannot go on and fill its role in western civilization under conditions which Britain's wartime Prime Minister described when he asked:

"Are the states of Europe to continue forever to squander the first fruits of their toil upon the erection of new barriers, military fortifications, and tariff walls and passport networks against one another?"

The continent today finds itself "a rubble heap, a charnel house, a breeding ground of pestilence and hate. Ancient nationalistic feuds and modern ideological factions distract and infuriate the unhappy, hungry populations."

Europe must help itself if it is to overcome these hard facts and face the future with any hope of peace and stability. There are difficulties in the way, but a start must be made. Churchill reminded his politically mixed audience of 6,000 persons of some of them when he recalled that 15 years ago, when he first proposed the idea of a United Europe, the United States was skeptical of the suggestion.

Today the United States, tragically aware of its inevitable connection with all European trends and events, realizes that a United Europe would be the greatest possible guaranty of peace. It concurs in Churchill's belief that there cannot be an effective world order until Europe is united. It sees Europe as one of the pillars of international order, the others being the American sphere, the Soviet Union, and the British Commonwealth of Nations.

What America fears is not a Europe united by free and equal component parts, but a Europe dominated by one power, whether or not it may be aggressive at the moment. In that sort of forced organization lies potential danger. Because of it the Truman doctrine was evolved. With a real United Europe no application of the Truman doctrine would be needed.

A difficulty still active is the attitude of the Soviet Union which sees in any European federation, however limited, a threat to the safety of Russia.

Churchill, who has been grossly maligned as the spearhead of a Europe organized against the Russians, dealt effectively with this fear when he said:

"The whole purpose of a united democratic Europe is to give decisive guaranties against aggression. Looking out from the ruins of some of their most famous cities and from amid the cruel devastation of their fairest lands, the Russian people should surely realize how much they stand to gain by the elimination of the causes of war and fear of war on the European continent.

"The creation of a healthy and contented Europe is the first and truest interest of the Soviet Union. We had therefore hoped that all sincere efforts to promote European agreement and stability would receive, as they deserve, the sympathy and support of Russia. Instead, all this beneficent design has been denounced and viewed with suspicion by the Soviet press and radio. We have made no retort, and I do not propose to do so tonight."

Europe must be united with or without the Soviet Union. To this end the United States will lend its support. The Churchill program, originating in a closer collaboration between Britain and France, is essential for peace. Ideologies must be subordinated. Old nationalistic feelings must go. The watchword was supplied by Churchill: "Without a united Europe there is no prospect of world government."

[From the Bellingham (Wash.) Herald of May 21, 1947]

LAST CHANCE

Winston Churchill, who was an ardent champion of a United States of Europe even before the close of the recent war, declared in a speech last week:

"If the peoples of Europe resolve to come together and work together for mutual advantage, to exchange blessings instead of curses, they still have it in their power to sweep away the horrors and miseries that surround them and to allow the streams of freedom, happiness, and abundance to begin their healing flow. This is the supreme opportunity, and, if it be cast away, no one can predict that it will ever return or what the resulting catastrophe will be."

It is all very simple—perhaps too simple. Churchill is right. But people seem to be as stubborn as realism.

[From the Evansville (Ind.) Courier of May 24, 1947]

WORDS OF VALUE

Winston Churchill, for 15 years an advocate of a United States of Europe as the first essential step toward world peace, is returning to the attack. "It is not true," he said in a recent London address, "that a united Europe would menace Russia." On the contrary, he believes that the U. S. S. R. would gain much from a Europe relieved of the threat of war. He asks that France and Britain take the lead in restoring Germany's economy as a first step, lest Europe remain as it is today—"a charnel house, a rubble heap, a breeding ground for pestilence and hate."

This latest speech by the former Prime Minister came just as Life magazine and the New York Times announced their purchase of the five volumes of his war memoirs totaling about a million words, for a price said to be a million dollars.

Churchill's utterances have been listened to with well-deserved attention for years by those who disagree with him. They are always worthy of that attention, for no living man has participated as actively as he in the turbulent world scenes of the last 30 years.

[From the Pittsfield (Mass.) Berkshire Eagle of May 21, 1947]

EUROPEAN FEDERATION VERSUS REVIVED NATIONALISM

Back in the early thirties Winston Churchill put forward the idea of a united Europe. It was an idea foreign to the thinking of his time—a time of going fascism, dawning Hitlerism, Maginot mentality, ultra-nationalism, insincerity, and appeasement. Mr. Churchill, a Tory with a vision, saw the evils and their remedy. But no one of comparable vision and authority in all Europe answered and supported him.

It took a Second World War—which a strong united Europe almost surely could have prevented—to show the value of Mr. Churchill's remedy. Europe of 15 years ago had all the necessary ingredients of that remedy except one—wisdom. Today such important ingredients as stability, prosperity, health, and strength are gone, and there is some question whether wisdom has been gained.

A few nights ago Mr. Churchill again appealed to Europe to unite. It was an eloquent, intelligent plea which took into account all the grim realities of the present.

Mr. Churchill urged a European federation as one of the "four pillars of the temple of peace." The others, he said are the United States, the Soviet Union, and the British Commonwealth. They would support a United Nations expanded into a world super-government to prevent war.

"Are the states of Europe," Mr. Churchill asked, "to continue forever to squander the first fruits of their toil upon the erection of new barriers, military fortifications and tariff walls and passport networks against one another?"

For the most part, Europe's answer was silence. France, which with Britain would be the backbone of any European union, showed slight reaction. Her statesmen were too busy for comment. Most French newspapers ignored his speech.

Instead there came from France the voice of Charles de Gaulle, wartime hero, interim president, and now head of a new and somewhat disturbing political movement. Following Mr. Churchill by a day, Mr. de Gaulle made a speech in which he called for a "strong state" in France.

The former general said he meant by a strong state "what others mean in reference to themselves—for example in Moscow and Washington—a state whose chief is a chief and in which no confusion of powers hampers or dilutes responsibility."

It is odd that M. de Gaulle should mention Washington and Moscow in the same breath—especially since he must know that in the United States the powers of Government are delegated, though not confused, and that responsibility is divided, though not diluted.

Substitute the word "authority" for "responsibility" in the quotation above and you have a statement that might have been made by Hitler or Mussolini in the days when Mr. Churchill first proposed a united Europe.

If M. de Gaulle expresses a growing sentiment in France today, then the difficulties of adopting Mr. Churchill's plan are increased enormously. For the same reason the plan becomes even more urgently necessary.

[From the Dubuque (Iowa) Telegraph-Herald of May 24, 1947]

BARS TO EUROPEAN UNION

Back in the early 1930's Winston Churchill put forward the idea of a united Europe. It was an idea foreign to the thinking of its time—a time of going fascism, dawning Hitlerism, Maginot mentality, ultranationalism, insincerity, and appeasement. Mr. Churchill, a Tory with a vision, saw the evils

and their remedy. But no one of comparable vision and authority in all Europe answered and supported him.

It took a second World War—which a strong, united Europe almost surely could have prevented—to show the true value of Mr. Churchill's remedy. Europe of 15 years ago had all the necessary ingredients of that remedy except one—wisdom. Today such important ingredients as stability, prosperity, health, and strength are gone. And there is some question whether wisdom has been gained.

A few nights ago Mr. Churchill again appealed to Europe to unite. It was an eloquent, intelligent plea which took into account all the grim realities of the present.

Mr. Churchill urged a European federation as one of the four pillars of the temple of peace. The others, he said, are the United States, the Soviet Union, and the British Commonwealth. They would support a United Nations expanded into a world supergovernment to prevent war.

"Are the states of Europe," Mr. Churchill asked, "to continue forever to squander the first fruits of their toil upon the erection of new barriers, military fortifications, and tariff walls and passport networks against one another?"

For the most part, Europe's answer was silence. France, which with Britain would be the backbone of any European union, showed slight reaction. Her statesmen were too busy for comment. Most French newspapers ignored his speech.

Instead there came from France the voice of Charles de Gaulle, wartime hero, interim president, and now head of a new and somewhat disturbing political movement. Following Mr. Churchill by a day, M. de Gaulle made a speech in which he called for a strong state in France.

The former general said he meant by a strong state "what others mean in reference to themselves—for example, in Moscow and Washington—a state whose chief is a chief and in which no confusion of power hampers or dilutes responsibility."

It is odd that M. de Gaulle should mention Washington and Moscow in the same breath, especially since he must know that in the United States the powers of government are delegated, though not confused, and that responsibility is divided, though not diluted.

Substitute the word "authority" for responsibility in the quotation above and you have a statement that might have been made by Hitler or Mussolini in the days when Mr. Churchill first proposed a united Europe.

If M. de Gaulle expresses a growing sentiment in France today, then the difficulties of adopting Mr. Churchill's plan are increased enormously. For the same reason, the plan becomes even more urgently necessary.

[From the magazine America of May 31, 1947]

SHALL UNITED EUROPE LIVE?

Mr. Churchill's crisp periods (in his Albert Hall speech, May 14) have not formulated the age-old question. They have merely taken it, magnificently, out of the realm of rhetoric into the arena of responsible statesmanship. Are we to be taxed by our children with another light-hearted and perhaps fatal treason to the cause of peace for not rising now to the opportunity of recreating a Europe we can recognize and revere as our own motherland? The opportunity for the restoration of Europe to our world-community councils was never clearer, despite appearances and smoke screens, as the need for her resurrection was never more peremptory.

To begin with the need, Europe's bodily health and spiritual vigor are a primary assumption in all our plans for the peace and reconstruction of one world. No pontiff, sane philosopher, or nontotalitarian statesman has ever dreamed of a realistic peace of which Europe's mani-colored but uni-patterned civilization was not destined to be one of the central pillars, if not its cornerstone. No reputable public voice has ever dared dispute the truth or implications of young Gordon Sewell's warning premise for the peacemakers:

"Europe is a spiritual conception. In the rich pattern of this culture there are many strands: the Hebrew belief in God; the Christian message of compassion and redemption; the Greek love of truth, beauty, and goodness; the Roman genius for law."

After our hairbreadth rescue of the soul of this Europe from the menace of Hitler's deadly attack, shall we allow her to disintegrate, to lose consciousness of her collective Christian personality and communion with the West, and to yield her bleeding body in desperation to the undertaker from the East? We shall if we continue to content ourselves with the lethargic, blind-alley policy of piecemeal relief and piecemeal economic and political barter which has characterized our planning for Europe's reconstruction from Yalta through Potsdam to Paris and Moscow.

Europe will not save herself, or be saved for the United Nations, piecemeal. We need to deal with her and appeal to her not merely as an economic whole, but as the single cultural entity she has never ceased to be and as the potential federation of sovereign Christian states toward which she was evolving ever more manifestly and consciously before the twin plagues of nazism and communism made her divided continent a shambles.

The hour of our need is the hour of our opportunity. World opinion is crystallizing about "regional agreement" in Europe, with or without Russia's consent. Americans of every faith and fealty, including high administration officials, are rallying to the support of the Fulbright-Thomas-Boggs concurrent resolution which would have Congress on record as favoring "the creation of a United States of Europe within the framework of the United Nations." Nothing but absurd and paralyzing concern for Communist "sensibilities" to blocs and cordons sanitaires (federation, of course, would be neither) lies in the way of our heeding now Mr. Churchill's counsel "to approach the various pressing continental problems from a European rather than from a restricted national angle * * * to design each new arrangement so that it can be fitted later into the pattern of a United Europe." Customs unions, trade agreements, cultural and diplomatic understandings have already progressed far beyond the planning stage in western Europe, and await only the semblance of peace in Germany, Austria, and Italy for their integration within a specifically European system of exchange.

It may take some heroic boldness, the cynics being what they are, for the distinguished delegates to "United Europe's" unofficial parliament convening at Geneva this summer even to broach the subject of a constitution or a charter. Let them be bold. Let them reveal to the peacemakers (including Russia) how widely their famous "Declaration of European Interdependence" is endorsed in Europe and within the UN. Let them make plain the promise of the first practical steps already taken to implement it. From there on, the problem of the unification of Europe becomes an urgent and a cheering challenge to her own restored good sense and to the moral stamina of her spiritual children all over the world.

Mr. FULBRIGHT. Mr. President, in order to place the question before the Senate—and I presume it will be voted on at the first opportunity—I move that consideration of the treaty with Italy be postponed until January 25, 1948.

The PRESIDENT pro tempore. The Senator from Arkansas moves that consideration of the treaty with Italy be postponed until January 25, 1948.

Mr. WHITE. Mr. President, I move—and I believe the motion is a preferential one—that the Senate now stand in recess until 12 o'clock noon tomorrow.

Mr. WILEY. Mr. President, I had spoken to the distinguished majority leader. Let me inquire whether he has moved that the Senate now stand in recess.

Mr. WHITE. I am moving—and I think the motion is a preferential one—that the Senate stand in recess until tomorrow at noon.

Mr. GEORGE. Mr. President, will the Senator withhold his motion until I can make a parliamentary inquiry?

Mr. WHITE. I withhold it.

Mr. GEORGE. Inasmuch as the Senator from Arkansas has submitted a motion for postponement to a day certain, under the unanimous-consent agreement which has been entered, as I understand——

Mr. BARKLEY. Yes; it has been agreed that the vote will be had on Thursday.

The PRESIDENT pro tempore. It has been agreed by unanimous consent that the vote will occur on Thursday at 2 o'clock.

Mr. GEORGE. Under those circumstances, would it be in order to vote on the motion of the Senator from Arkansas as late as Thursday, before the final vote is taken on the treaty?

The PRESIDENT pro tempore. The motion to postpone, submitted by the Senator from Arkansas, can be voted on at any time between now and 2 o'clock on Thursday. If it is not voted on before 2 o'clock on Thursday, it will be voted on at that time.

Mr. GEORGE. I merely wish to have that matter understood, so that there will not be any debate on it at that time.

Mr. WHITE. Mr. President, in making the motion, did not the Senator from Arkansas mean to have it voted on at this time?

Mr. FULBRIGHT. Either at this time or at any other time.

Mr. WHITE. Mr. President, under rule XXII, I understand that a motion to take a recess takes precedence over a motion to postpone consideration.

The PRESIDENT pro tempore. There is no question about that.

Mr. BARKLEY. Mr. President, in view of the willingness of the Senator from Arkansas to have his motion voted upon at this time, without further debate, would it not clear the atmosphere somewhat to have a quorum call and then have a vote taken on the motion?

Mr. WHITE. Mr. President, I move that the Senate stand in recess until 12 o'clock tomorrow.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maine.

The motion was rejected.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

During the call of the roll,

Mr. BARKLEY. Mr. President, in view of the fact that many Senators are engaged in committee work, and other

official duties, and since we can vote on the motion at any time before 2 o'clock Thursday, I ask unanimous consent to withdraw the point of no quorum.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and the point of no quorum is withdrawn.

A PROTEST AGAINST PRESIDENTIAL INVASION OF FUNCTIONS OF LEGISLATIVE BRANCH ON PORTAL-TO-PORTAL LAW

Mr. WILEY. Mr. President, I rise on a matter which I deem of tremendous consequence to the proper functioning of our system of checks and balances and separation of powers. I want to issue my most fervent protest against certain recent actions taken by the executive branch, with respect to the portal-to-portal law, the effect of which actions is to bring into question the historic separation of powers which has existed throughout American history among the three branches of government.

HISTORY FOLLOWING PORTAL-TO-PORTAL LAW

On May 14, the Chief Executive signed the Portal-to-Portal Act of 1947. At that time he sent an unusual and virtually unprecedented message to the Congress, in which he presented his views with respect to the meaning of certain sections of that act.

The Presidential message was referred to the Senate Committee on the Judiciary, which immediately considered the statement of the President. It did so from the standpoint of determining (a) whether the interpretations suggested by the President were in conflict with those of the Congress; and (b) more important, whether the effect of the President's interpretative statement following the enactment of the bill was an invasion of the prerogatives of the legislative branch, if it should be considered substituting Presidential conceptions for Congress' will and intent in the law.

These significant questions were presented to the committee by two of its distinguished Members, the senior Senator from Missouri [Mr. DONNELL] and the junior Senator from Kentucky [Mr. COOPER]. These two men, as the Senate knows, had in subcommittee performed intensive and exhaustive work on the portal-to-portal bill, the equal of which, as I have previously stated, I had rarely seen in my 8 years in the Senate.

However, I personally raised a doubt as to whether the Judiciary Committee should question the Presidential message as the two Senators suggested. But events since the suggestion by the two Senators was made have confirmed the worst fears that they rightly felt for the integrity of our checks-and-balances system of government. Moreover, these events have convinced me that my own judgment in the matter, in underestimating the harmful consequences of the Presidential message, was unwarranted.

RECENT DEPARTMENT OF JUSTICE ACTION

Several months ago, the Department of Justice filed a petition for Government intervention in cases pending before the United States District Court for the Northern District of California. These cases involved the alleged failure on the part of employers to compute properly and pay overtime compensation under the Fair Labor Standards Act, with a resultant liability running from $20,000,000 to $50,000,000. The greater portion of that amount would be reimbursable from the Government because the employer was operating during most of the period under cost plus contracts with various Government agencies.

Five days after the Portal-to-Portal Act was signed by the President, a Department of Justice representative moved to amend the Government's answer so as to set forth a defense permitted by section 9 of the Portal-to-Portal Act. That defense related to good-faith reliance on administrative rulings, as well as good-faith reliance on an administrative-enforcement policy which, in effect, was a policy of not enforcing the act with respect to the issues involved in this case.

The motion was allowed by the court on May 22 but, and here is the significant point: 5 days thereafter the Department of Justice representative moved to strike the amended answer allowed by the court and substitute therefor another defense. This defense relied solely upon affirmative administrative rulings. It abandoned completely any defense which was available to the Government under the portion of the act relating to good-faith reliance on enforcement policy.

I understand that the Department of Justice had sent out instructions to its representative for the May 27 amendment, following consultations with the Labor Department.

I ask that the original amendment of May 19 and the subsequent amendment of May 27 be printed following my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the amendments to the Government's answer were ordered to be printed in the RECORD.

(See exhibits A and B.)

Mr. WILEY. The effect of the May 27 amendment in its failure to assert legal defenses might obviously lay the Government open for a tremendous liability, not only in these California cases but in innumerable other cases which may involve claims upon the Government aggregating hundreds of millions of dollars. In summary, the Department of Justice is ignoring certain defenses which Congress has made available to it under the Portal-to-Portal Act, but which the President construed in his message as not being available to the Department.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILEY. If I may conclude briefly, I shall be glad to yield.

REASONS FOR PROTEST

I protest this interpretation of legislation on the part of the Chief Executive and the subsequent action by the executive departments because—

(A) I believe that the Department of Justice should interpose every legal defense available to it in protection of the United States Government from these claims.

(B) If the Presidential message with its conflicting interpretations of the law—as compared with those of the Congress—is allowed to go unnoticed, it will set a dangerous precedent for the President in the future, in effect, to set aside the congressional will and intent. Moreover, it will, in effect, give him an item veto over individual phases of legislation, which the Constitution never intended.

(C) If the Presidential message were to go unnoticed, and if its interpretation of legislation should be adopted by administrative departments and courts, it would be a step toward the undermining of our entire constitutional system wherein each of the three coordinate branches of Government is supposed to exercise its jurisdiction independently.

Mr. President, I ask that a more extensive statement of the history of this case be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD.

(Subsequently Mr. WILEY withdrew his request that the statement be printed in the RECORD.)

Mr. WILEY. In conclusion, I may say that I shall ask the Senate Judiciary Committee to examine this whole problem at length and to consider inviting the Secretary of Labor and the Attorney General to give a full explanation of their actions.

I am now very happy to yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, I wanted to inquire as to whether or not the interpretation now being made by the Attorney General is the interpretation that was set forth in the President's message?

Mr. WILEY. Substantially so; and contrary to the interpretation outlined by the joint managers of the House and Senate when they issued their conference report; and, I believe, contrary to the language of the statute itself. The amendment which was originally granted by the court, as I said, raised the issue of the defense of good-faith reliance on enforcement policy. For some reason, after the President's message had come in, the Department of Justice then was instructed to again amend the answer, and to eliminate the defense of good-faith reliance on enforcement policy.

Mr. FERGUSON. Mr. President, as I understand, in the first instance, the Attorney General was following the law.

Mr. WILEY. That is correct.

Mr. FERGUSON. He filed an answer following the interpretation of the law as the Senator sees it, and as the report indicates that it should be?

Mr. WILEY. That is correct.

Mr. FERGUSON. But, after the President sent his message to Congress, the Attorney General changed his idea, and took the ideas from the President's message, following that rather than his previous interpretation. Is that correct?

Mr. WILEY. Yes, that is substantially correct. I should like to call attention to page 16 of the conference report on the Portal-to-Portal Act. The language is as I now quote:

> It should be noted that under both sections 9 and 10 an employer will be relieved from liability, in an action by an employee, because of reliance in good faith on an administrative practice or enforcement policy;

only: (1) where such practice or policy was based on the ground that an act or omission was not a violation of the act, or (2) where a practice or policy of not enforcing the act with respect to acts or omissions led the employer to believe in good faith that such acts or omissions were not violations of the act.

I have introduced into the RECORD the two answers but, to simplify the matter, it is clear that what has been done here is that the Government has abandoned, in its second amended answer, any defense which is available to it under the portion of the act relating to good-faith-reliance on enforcement policy.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

Mr. WILEY. Yes.

Mr. FERGUSON. Has not a similar question been raised in the matter brought before the Senate by the able junior Senator from Oklahoma [Mr. MOORE] as to the Government failing to file certain pleas in portal-to-portal cases, and is not an investigation now under way by the Committee on the Judiciary of that particular set of circumstances?

Mr. WILEY. The Senator is correct. The chairman of the Committee on the Judiciary appointed a subcommittee, of which the Senator from Oklahoma [Mr. MOORE] is chairman, and that subcommittee is now investigating what purports to be general claims that for years, when suits were brought, the Government has neglected to set up defenses which were available. After taking this matter up with the Committee on the Judiciary, if it is agreeable to the committee I expect to refer the matter to the subcommittee, of which, I understand, the junior Senator from Michigan is also a member.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. WILEY. Yes.

Mr. FERGUSON. The able Senator from Wisconsin is familiar with the fact that we have had great difficulty in securing the facts to ascertain exactly what has been done by the Department of Justice in portal-to-portal pay cases.

Mr. WILEY. The Committee on the Judiciary, which is handling over 30 percent of the bills in the Senate, has the same amount of help as committees which are handling a good deal lesser amount of work, say from 3 to 5 percent of the bills in the Senate. The result is that we find ourselves in the position of having practically no investigators available, and certainly a committee which has the amount of work to do that the Committee on the Judiciary has, should have and I hope will have additional funds allotted to it.

Pursuant to direction from the committee I submitted the other day a resolution providing for $45,000 additional which would provide means to employ efficient investigators so the committee could actively look into these matters which we think are of tremendous concern to the country. We have other matters involving penitentiaries which must be investigated. There are two or three other subcommittees of the Committee on the Judiciary which, if their work is to be really efficient, must be furnished effective investigators.

Mr. President, a statement was prepared by the Senator from Missouri [Mr. DONNELL], and the Senator from Kentucky [Mr. COOPER], which I shall ask to have printed in the RECORD, but which I seem to have mislaid. Perhaps the Senator from Kentucky has the statement. I wish to say that the statement, as I said before, was considered by the Committee on the Judiciary. The committee took no formal action. Some of the members of the committee thought that perhaps it was not wise to enter into any controversy in the matter. But the two Senators I mentioned had foresight. They sensed that perhaps the very intent of the message was to do just what has been accomplished. I for one did not sense it in that way. I acknowledge that I was remiss in not having the prescience they had.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. McGRATH. I may call the attention of the distinguished Senator from Wisconsin to the fact that the matter of the issuance of this statement was before the committee on two occasions, the latest of which was yesterday. If my memory serves me correctly, the matter was laid on the table for consideration by the full committee on next Monday. In other words, because of the absence of a quorum of the committee it was decided that we should not issue the statement as a committee statement until a quorum was present and had voted it out.

I am therefore somewhat surprised to find the chairman of the committee acting here on the floor contrary to what I know was the intent of the full committee. The distinguished chairman knows that I do not violently disagree with the legal interpretation which the statement places on the Portal-to-Portal Act. I am not in agreement with the interpretation which the executive department has placed on the act. I made the statement in the committee that I perhaps would not object to the statement being reported out. What I say now is that when our committee has under consideration an item so important as this, which involves the President of the United States and the Congress of the United States, it deserves the action of the full committee, and I do not believe it is proper for the chairman to put the statement in the RECORD this afternoon before the committee has had a chance to act on it, as was our understanding of yesterday.

Mr. WILEY. Mr. President, I am very happy to hear the distinguished Senator from Rhode Island state that he does not agree with the President in his conclusion. I want to set the Senator straight. I am not putting the statement in as a statement of the committee. I am putting the statement in as the statement of myself, endorsing fully the conclusions of the distinguished Senator from Kentucky and the distinguished Senator from Missouri, who spearheaded the portal-to-portal fight on the floor of the Senate.

Mr. McGRATH. Mr. President, will the Senator further yield?

Mr. WILEY. In a moment I shall be glad to yield. I want to say further that we did take the matter up in committee yesterday, but, because at the time we took it up there were only six Senators present, we were not able to take action on it under the rules. But, Mr. President, since that time the information I have given has come to me from California, and the pleadings have come to me, and I can assure the distinguished Senator from Rhode Island that yesterday when we were considering this matter I had no knowledge of the significant step that was taken in the court of California, which, if we permit it to pass unnoticed, to my mind, will represent a serious threat to the legislative integrity. I am speaking solely for myself, not representing the committee. I have called attention to the fact, as I think it is an obligation of a Senator of the United States to do.

I feel that the check and balances system of the Government is the most important thing that keeps the Government together. We must have a legislative body separate and distinct, with integrity. We must have a judicial body separate and distinct, with integrity. And we must have a similar executive body. In my 8 years as Senator I have never gone over into the other field and criticized the Executive when he performed executive functions. But when and if the Executive steps into the field of the legislative body of which I am a member, I feel it is my sworn duty to call attention to the facts involved, and let the public itself judge of the matter.

I now yield to the Senator from Rhode Island.

Mr. McGRATH. Mr. President, I am not at all acquainted with what happened in the courts of California or what orders were issued by the Department of Justice. Apparently it is something that happened since 12 o'clock yesterday noon. I know, however, that this was a matter of such grave importance that in committee on two occasions we decided to postpone its consideration until the full committee was present. We were acting on this matter in executive session. I believe that if something has occurred which requires the immediate attention of the committee on the subject which the committee had under consideration, the distinguished chairman of the committee could have gotten us together very quickly this afternoon.

But am I to understand, Mr. President, that hereafter any matter that we have under consideration in the executive councils of the Committee on the Judiciary can be made the subject of a speech on the floor of the Senate by any member of the committee. Am I to understand that henceforth nothing is to be regarded as sacred and secure within the confines of that committee until the committee has finished with it, or that every Member will have the right to express his own personal views prior to consideration by the full committee? If that is the rule, it will be all right with me. I shall be only too happy to abide by it.

Mr. WILEY. Mr. President, I am sorry that my distinguished colleague was not present when I opened my state-

ment. I am only offering the statement of the two Senators——

Mr. McGRATH. That is the statement under consideration by our committee. The Senator is now asking that it be placed in the RECORD. That is the very statement which our committee voted yesterday to hold over for consideration until a week from yesterday. It is no longer the statement of two members of the committee.

Mr. WILEY. I am sorry that there has been any misunderstanding about this matter.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WILEY. In a moment. I have a responsibility, and I do not yield that responsibility to anyone else. My responsibility came when I found that in the courts of California the executive branch of the Government was failing to plead a defense which might mean millions of dollars lost to this country.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. WILEY. In a moment.

In relation to this particular instrument, which is the findings of the two Senators whom I have mentioned, on two different occasions we considered the matter in committee, and the committee refused to adopt those findings as its idea. One of those occasions was yesterday. When the question arose again yesterday we found that only 6 members of the committee were present. The chairman of the committee ruled that no action reporting the findings would be valid. That is why they were not reported.

On the other hand, if my distinguished colleague from Rhode Island feels that this instrument, which I have not read, and which is nothing but the findings of the distinguished Senators I have mentioned, in any way invades his personal prerogative or the prerogative of the Committee on the Judiciary, I can let the matter go for a week.

The statement of the two Senators is not necessary to establish the point which I was making. The point which I was making was not discussed in committee. Neither the committee nor I nor the Senator from Kentucky knew anything about it. It was brought up afterward, when the message came from California, and when these pleadings were placed in my hands. The only reason why I asked that this statement be printed in the RECORD was to confirm the solid judgment of two of my associates, the Senator from Missouri and the Senator from Kentucky. If any Senator wishes to object, I shall be glad to withdraw the request.

I now yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, are we to understand that the chairman of the Judiciary Committee now seeks to affect some action in the courts in which these pleadings are alleged to have been filed?

Mr. WILEY. Not at all.

Mr. McCARRAN. Is the chairman of the Judiciary Committee of the Senate now trying to affect proceedings in the courts of California?

Mr. WILEY. Not at all.

Mr. McCARRAN. If not, then why does the Senator bring to the floor of the Senate the pleadings of which he complains?

Mr. WILEY. I am sorry that my colleagues on the other side of the aisle cannot see my purpose.

Mr. McCARRAN. Why were not those instruments presented to the committee?

Mr. WILEY. I told the Senator why. They were not placed in my hands until this morning.

Mr. McCARRAN. Well and good. Could they not lie over until Monday, the regular meeting day of the committee?

Mr. WILEY. They will be presented to the committee in due time.

Mr. McCARRAN. Why are they presented to the United States Senate before the Senator presents them to his committee for action?

Mr. WILEY. For the reason which I have outlined. I feel that the people of the country should understand what is going on and the techniques which are being employed. If there is any place where the people should be made cognizant of what is going on it is on the floor of the Senate. That is the reason I brought the matter up. I have no apology to make to the Senator or to anyone else.

Mr. McCARRAN. Does the Senator mean by his speech on the floor of the United States Senate that he wants to affect the action of the courts in California? Is that his object?

Mr. WILEY. I have told the Senator that my purpose is not to affect the action of the courts. The purpose is to straighten out some of the executive officers of the Government.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. COOPER. I think it is only fair to the distinguished Senator from Wisconsin to make a statement in response to the observations of the distinguished Senator from Rhode Island [Mr. McGRATH]. I think he will agree, and that the Senator from Nevada [Mr. McCARRAN] will agree, that with respect to the action which was taken in the committee concerning the report, the events which occurred in the committee were as follows:

The Senator from Missouri [Mr. DONNELL] proposed, at one or two meetings of the committee, that the findings be reported. No action was taken. The distinguished Senator from Nevada—and I believe also the Senator from Rhode Island—suggested that no action be taken by the committee, but that members of the committee who desired to sign the report as individuals might sign the report and let it be made their report to the Senate.

Yesterday the Senator from Missouri was absent, and at his request I made a motion in the committee that the report be made by the committee to the Senate. It was suggested that a quorum was not present. As I remember, no action of any kind was taken.

I believe I am correct in saying that again the Senator from Rhode Island suggested that in his opinion such action would not be wise, but again suggested that such action could be taken by individual members of the committee. I think the Senator from Rhode Island will agree with me in my statement of the facts.

I contend that no action was taken, and that the Senator from Wisconsin has pursued the very course which the distinguished Senator from Nevada and the distinguished Senator from Rhode Island proposed several times in the committee.

Mr. McCARRAN and Mr. McGRATH addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. WILEY. I shall be glad to yield in a moment, when the Senator from Kentucky shall have concluded.

Mr. COOPER. As to the other matter, I feel that the Senator from Wisconsin is simply bringing to the attention of the Senate the point that the statement of the President when he signed the portal-to-portal bill did not appear—at least to some members of the committee—to be an accurate interpretation of the intent of the committee and of the Senate when the bill was passed.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. McCARRAN. The Senator from Kentucky has mentioned the name of the Senator from Nevada as having stated that I favored the report being made by individual Senators. I did nothing of the kind. I distinctly said, and I now say on the floor of the Senate, that for the Judiciary Committee to attempt to make a response to the President's message would be merely bickering with the Executive. Suppose the President should come back with another message, replying to ours, and then we should make further reply to the President. That is all it would amount to. The courts, in applying the rule of construction, will pay no attention to what we say after the bill is enacted.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. COOPER. Without attempting to argue the point as to what would occur between the Senate and the Executive branch of the Government, I again state that so far as the procedure in the committee is concerned—and I make this statement in support of the chairman of the committee—I distinctly remember that the Senator from Nevada stated that the proposed report should not be the action of the committee, but he stated, as I understood him, that he saw no reason why individual members should not sign the report.

Mr. McCARRAN. I made no mention of individuals whatsoever. I was not present at the meeting last Monday. I was present the previous Monday.

Mr. COOPER. That is correct.

Mr. McCARRAN. And I objected to its being sent in as a message from the committee, because it was not anything to be said by the Committee on the Judiciary. It reduces the dignity of the Committee

on the Judiciary to a level with boys' play. That is all it is.

Mr. WILEY. Mr. President, I am sorry that that last statement has been made by the distinguished Senator from Nevada. We ought to be men enough to be able to differ without calling names. We go to church on Sunday. The Senator goes to his church and I go to mine. We have gotten above the point where we quarrel about religion. But when there is an election approaching we refer to the other fellow's actions as "boys' play." I have not been one who has indulged in boys' play in the Senate, but when I sense an obligation I have the right at least to be told that I have an honest conviction on it, and it is not boys' play. I told the Senate that the Congress of the United States passed a law; and it is the function of the Congress, under the Constitution, to legislate; it is not the function of the Executive to legislate. The Executive followed the course which has been pursued for approximately 14 years of infringing upon the legislative branch. We had during that time a period of "must" legislation, when men marched like little school boys to the crack of the whip. But, by all the gods, it will not happen again. When we dare to rise and say that the Executive not only tells us what we mean, in a message, but his minions go into court to carry out that intent, I say the people of this country have a right to know what is going on, and we should let public opinion be the deciding factor as to who is "playing horse" or engaging in "boys' play."

Mr. McGRATH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LODGE in the chair). Does the Senator from Wisconsin yield to the Senator from Rhode Island?

Mr. WILEY. I yield.

Mr. McGRATH. Mr. President, I simply want to keep the record straight, and in response to the explanation just made by the Senator from Kentucky [Mr. COOPER], I should like to review briefly how the issue arose and my position on it in the committee.

As the Senate will recall, the President of the United States sent a message here explaining his reasons why he saw fit to sign the Portal-to-Portal Act of 1947. In that message the President attempted to place certain interpretations upon what the law meant. I have no hesitation in saying, Mr. President, that I do not agree with the interpretations placed on the act in the message of the President. That is aside from the point, however. The message was referred to the Committee on the Judiciary for its consideration. The distinguished Senator from Missouri [Mr. DONNELL] and the distinguished Senator from Kentucky [Mr. COOPER] undertook to draw up an answer to the Presidential statement. The reason they wanted the Committee on the Judiciary to approve of the answer was because they felt that the President's statement had become a part of the legislative history of the act, and that the courts would, within every right and reason, accept the Presidential interpretation as set forth in his message interpreting the act. Mr. President, I want it understood that I do not believe that any statement by the President, when he either signs or vetoes an act of Congress, becomes any part of its legislative history. The last chapter of legislative history, so far as my belief goes, is written and closed when the bill leaves the Halls of the Legislature. Therefore I took the position in the committee that nothing was to be gained by the Senate's entering into a controversy with the President over what was the meaning of the language which it had written into the portal-to-portal legislation; that we should accept the President's message and place it in our files and allow the courts to make the interpretations. I stated to the committee that, so far as I was concerned, for the committee to issue its statement, which in effect told how far the portal-to-portal legislation went, how far beyond what even the President of the United States himself thought, would be more than justification for the position which those of us had taken who opposed the legislation.

I am personally happy that the majority sees fit now to place this statement in the RECORD, because I think labor is going to be amazed when it realizes fully what the Senate Committee on the Judiciary itself thought was the full intent and purpose of the legislation and how far it goes beyond what even the President of the United States thought. I am delighted that the statement is going to be printed in the RECORD so that all may read it.

The point which brings up this controversy and which upsets me no little is the fact that the consideration of this very important matter was before the committee in executive session. We were trying to determine the wisdom of our committee's entering into this controversy with the President of the United States. There were some suggestions that if it was thought necessary that a statement be issued it could be issued by those members of the committee who felt so strongly about it, without the committee's taking an official position. I was not one of those who made that suggestion. The Senator from Kentucky will recall that my position was that I did not particularly care whether the committee issued the statement or not. I saw some advantage to our side in its being issued. But I thought it was very unwise to issue the statement. However, I was willing to abide by the majority action. We discussed the matter at great length yesterday and finally decided that inasmuch as we did not have a quorum present the matter should go over until next Monday, and it was made, as I understood when I left the committee, the special order of business for our consideration next Monday.

I have been asked many questions by the press concerning this controversy, because they all know about it. The proposed statement was distributed to all members of the committee. Information has leaked out of our committee that we were considering such a matter. It seemed that we should have given it full consideration before the statement was placed in the RECORD.

I want to say to the distinguished Senator from Wisconsin, whom I call one of my best friends in this Chamber and whom I admire greatly and under whom I am happy and pleased to serve on the committee, that I regret that the controversy has risen. I think it somewhat improper that the statement, which forms the root and basis of a serious matter now under consideration, should be placed upon the public record before it has been given the final consideration of the committee.

Mr. WILEY. Mr. President, I am very grateful to the distinguished Senator from Rhode Island for his very friendly and conciliatory remarks, and I want to say that after consultation with the Senator from Kentucky I withdraw my request. Although the Senator from Rhode Island is perfectly willing that the statement go into the RECORD, I withdraw my request to have the statement placed in the RECORD. I hope the Senator from Rhode Island understands me in this regard. The purpose of my remarks was not primarily to have the statement put into the RECORD; it was in confirmation of my general thesis that the two distinguished Senators who worked so hard were correct in surmising that the President's message had something in it which I did not think was of consequence, and I was wrong. My real object in rising today was to bring to the attention of the country something that grew out of the President's message, which I never dreamed would grow out of it, and that is, that after he had made the statement we should see direct effects in the courts of our country involving millions, and in many instances it is claimed hundreds of millions of dollars, in suits.

Again I thank the Senator for his gracious remarks.

Mr. McGRATH. Let me say to the Senator that I do not intend to object to his placing the statement in the RECORD; and if he offers it for the RECORD, I shall make no objection. If he does not offer it for the RECORD, I shall be glad to consider it with him in committee next Monday.

Since the controversy has gone this far, I wish to assure the distinguished chairman of the committee that I shall assuredly vote that it be made a statement of our committee, because I think the issue now before the country requires that the committee make the statement.

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA, SOUTHERN DIVISION—CHARLES CARDINALE, ET AL., PLAINTIFFS, V. W. R. GRACE & CO., DEFENDANTS—NO. 26063S

(Motion of defendant W. R. Grace & Co. to amend answer)

Defendant above named moves the court to amend the answer on file in the above action by adding thereto the following additional defenses:

Eighth defense

The acts or omissions, and each of them, of this defendant, complained of by plaintiffs, and each of them, in this action were in good faith in conformity with and in reliance on the administrative ruling, approval, and interpretation of the Wage and Hour Division, Department of Labor, made and given on or about December 1938, that the straight time rate of pay paid by defendant to plaintiffs herein was the regular rate

of pay within the meaning of the act and that overtime payments by defendant to plaintiffs were overtime compensation within the meaning of the act; and as a result thereof and pursuant to the provisions of section 9 of the Portal-to-Portal Act of 1947, this defendant is not liable to plaintiffs, or any of them, for any of the acts or omissions complained of in this action.

Ninth defense

The acts or omissions, and each of them, of this defendant, complained of by plaintiffs, and each of them, in this action were in good faith in conformity with and in reliance on that certain administrative ruling, approval, and interpretation known as Interpretative Bulletin No. 4 issued by the Administrator of the Wage and Hour Division, Department of Labor; and as a result thereof and pursuant to the provisions of section 9 of the Portal-to-Portal Act of 1947, this defendant is not liable to plaintiffs, or any of them, for any of the acts or omissions complained of in this action.

Tenth defense

The acts or omissions, and each of them, of this defendant, complained of by plaintiffs, and each of them, in this action were in good faith in conformity with and in reliance on the administrative practice and enforcement policy of the Wage and Hour Division, Department of Labor, with respect to the class of employers to which this defendant now belongs and has belonged for all times mentioned in this action; and as a result thereof and pursuant to the provisions of section 9 of the Portal-to-Portal Act of 1947, this defendant is not liable to plaintiffs, or any of them, for any of the acts or omissions complained of in this action.

Eleventh defense

Defendant refers to the allegations in the eighth, ninth, and tenth defense of this answer and incorporates said allegations in this defense by reference.

The acts or omissions, and each of them, by this defendant, giving rise to this action were in good faith, and this defendant at all of the times mentioned in this action had reasonable grounds for believing that the acts and omissions, and each of them, if any, of this defendant were not a violation or violations of the Fair Labor Standards Act of 1938, as amended, and for this reason the court in the exercise of the discretion vested in it by the provisions of section 11 of the Portal to Portal Act of 1947 should award no liquidated damages to plaintiffs or either of them.

This motion is made upon the ground that the foregoing defenses are authorized by the Portal to Portal Act of 1947, approved May 14, 1947, and are part of this defendant's defense to this action.

Dated May 19, 1947.

FRANK J. HENNESY,
JOHN F. SONNETT,
J. FRANCIS HAYDEN,
MARVIN C. TAYLOR,
Attorneys for This Defendant.

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA, SOUTHERN DIVISION—CASTAGNASSO, PLAINTIFFS, V. PARR RICHMOND, DEFENDANT, NO. 25302–H

(Motion of defendant, Parr Richmond, to amend answer)

Defendant above named moves the court to amend the answer on file in the above action by striking therefrom the amendments thereto allowed by the court on May 22, 1947, and substituting therefor the following:

Eighth defense

This defendant alleges, as a defense under section 9 of the Portal to Portal Act of 1947, that it believed that, in respect of all cargoes where the overtime rates established by the collective bargaining contracts in effect during the period in suit were 1½ times the straight time rates established by the contracts for such cargoes, the contract straight time rates were the regular rates for handling such cargoes within the meaning of those words in the Fair Labor Standards Act of 1938, and that payments at such contract overtime rates for handling such cargoes fully discharged all its obligations under the Fair Labor Standards Act of 1938 for handling such cargoes. This defendant paid the plaintiffs in accordance with this belief. This belief, and payment in accordance therewith, were in good faith in conformity with and in reliance on the administrative ruling, approval, and interpretation of the Wage and Hour Division through its administrator, its regional director, and its regional attorney in 1938 and in conformity with and in reliance on the regulations, rulings, and interpretations contained in the Wage and Hour Division's Interpretive Bulletin No. 4. Wherefore this defendant says that by virtue of the provisions of section 9 of the Portal to Portal Act of 1947 it is not subject to any liability under the Fair Labor Standards Act for failure to pay compensation for handling such cargoes on any other basis.

Ninth defense

This defendant says that it paid the plaintiffs in accordance with the terms of the collective-bargaining contracts in effect during the period in suit, except that in certain instances it paid the plaintiffs more overtime than the contracts called for—that is to say, whenever in any workweek a plaintiff had worked 40 straight-time hours and thereafter performed further work in periods which, under the contracts, called only for payment at straight-time rates, this defendant paid for such work at contract overtime rates because it believed that it was required to do so by the Fair Labor Standards Act. This defendant alleges that it believed in good faith and on reasonable grounds that payment as above stated was not a violation of the Fair Labor Standards Act, but on the contrary was a full compliance with its requirements. Wherefore this defendant prays that the court, in the exercise of the discretion vested in it by section 11 of the Portal-to-Portal Act of 1947, award no liquidated damages against this defendant in the event that it finds and rules that such payments fell short of full compliance with this defendant's obligations under the Fair Labor Standards Act.

This motion is made upon the ground that the foregoing defenses are authorized by the Portal-to-Portal Act of 1947, approved May 14, 1947, and are part of this defendant's defense to this action.

Dated May 27, 1947.

FRANK J. HENNESY,
PEYTON FORD,
J. FRANCIS HAYDEN,
MARVIN C. TAYLOR,
Attorneys for This Defendant.

RECESS

Mr. WHITE. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 51 minutes p. m.), as in executive session, the Senate took a recess until tomorrow, Wednesday, June 4, 1947, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 3 (legislative day of April 21), 1947:

DEPARTMENT OF JUSTICE

Peyton Ford to be an Assistant Attorney General.

UNITED STATES DISTRICT JUDGES

ROBERT EWING THOMASON to be United States district judge for the western district of Texas.

Albert V. Bryan to be United States district judge for the eastern district of Virginia.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 3, 1947

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. HALLECK.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the wise may bring their learning and the wealthy their riches, but we would bring the gifts which the poorest may offer, an honest and a contrite heart. Lord God, help us each day to hold fast these richest of offerings.

As we approach our labor, may it find us renewed in vigor and unafraid. O put us in league with all that is excellent and which knows no compromise or expediency, turning from any truants who fail in the way of uprightness and honesty of purpose. Deeper than we have known and clearer than we have seen, do Thou reveal and impress us with our responsibility and social duty, which demands that a public office is a public trust. As guardians of truth, of honor, and human rights, may we ever protect the sanctity of liberty, of peace, and the right to work. Break down the walls that separate men and enable them to serve one another.

For our Master's sake, Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2436. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CORDON, Mr. REED, Mr. BRIDGES, Mr. SALTONSTALL, Mr. FLANDERS, Mr. TYDINGS, Mr. MCKELLAR, and Mr. HAYDEN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3203. An act relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference

with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BUCK, Mr. MCCARTHY, Mr. CAIN, Mr. FULBRIGHT, and Mr. TAYLOR to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 117. Joint resolution providing for acceptance by the United States of America of the Constitution of the International Labor Organization Instrument of Amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States.

EXTENSION OF REMARKS

Mr. WILSON of Indiana asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Bedford Daily Times-Mail.

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a syndicated article on the labor conference report by David Lawrence and in the other to include an article from Aviation News of May 12.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

Mr. BUTLER asked and was given permission to extend his own remarks in the RECORD and include an editorial.

LABOR LEGISLATION

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, there have been various suggestions to the House as to what the President might do in respect to certain legislation. Last night I took occasion to read through the conference committee print on the labor bill which we will probably have up for consideration and action tomorrow.

I want to say just this: That if any political lieutenants of the President or any so-called leaders of labor brandish old hackneyed phrases about vicious or drastic labor legislation, and browbeat the President into vetoing this bill as it now comes to us, the American people will have witnessed a bunch of gangsters entering the White House and holding up the President with a wooden gun.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Mississippi.

Mr. RANKIN. Then I would like to have the gentleman explain how they "browbeat" the House conferees into accepting the Senate version.

Mr. CASE of South Dakota. Well, I think the only reason that somebody suggested was that they had to do something like that to try to get it through the White House. The gentleman should remember that the conferees are accepting the bill, not vetoing it. The bill has some values, but it definitely is not an antilabor bill and certainly he will be scared of a shadow who fears to accept it on that ground.

The SPEAKER pro tempore. The time of the gentleman from South Dakota has expired.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I trust that before the President acts on this bill he be allowed to see what it is. It is my understanding that the conference report is coming up in the House tomorrow, and if it has been printed yet, I cannot find a copy of it. It was not filed last night. It will probably be filed tonight, and we will get to our offices tomorrow at 7:30 or 9:30 or 10:30, and we may have a copy of the conference report then, which we are supposed to vote on soon after 12 o'clock. Frankly, I have been around here a good while, and I would like to know what is in this conference report before I vote upon it. Now, there is a committee print being circulated around here of what is supposed to be the bill, but no conference report is available to anybody. I would like to see what the statement of the managers on the part of the House and the Senate about this bill is before I vote on it.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

EXTENSION OF REMARKS

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the second broadcast by our late colleague, the Honorable Fred Bradley, dealing with the Panama Canal.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Times-Herald.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Long Beach Independent.

THE NATIONAL DEBT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I, too, am like the minority leader. I do not know what is in this conference report yet. But this is not the first time that I have been placed in such a position. For the last 10 or 12 years we have been in the same position when he was Speaker of the House. Time after time after time the Democratic House committees brought in conference reports and we were supposed to vote on them without any time at all for study. Now you have been notified the report will be ready tomorrow morning and you can look them over 4 hours before you have to vote on the conference report.

But, I want to call the attention of the minority leader to the Treasury statement of May 27, showing that the national debt at that time was $258,304,565,000. Who is responsible for that condition? For 15 years the Democrats and New Dealers have been building this debt up until we have now the greatest national debt that this country has ever known. We are going to have the toughest time we ever had if we do not cut down expenses now and try to balance the budget and try to reduce this debt that they have built up.

In 1940 we appropriated for the Interior Department $71,000,000—now it takes $600,000,000. It cost $18,000,000 to run the Department of Labor in 1940, for 1948 they want $356,000,000 for the Labor Department. Other departments of Government are just as exhorbitant in expenditures. Let us look at the personnel. The Department of State had 5,400 employees in 1939. They want money enough today to employ over 25,000 employees. The Department of Justice employed over 19,000 people in 1941. They now want to employ over 23,000 employees. The Department of Commerce employed 14,000 people before the war; now they want to employ over 40,000 employees. Is it any wonder we Republicans want to cut down expenses of Government and lay off employees. The taxpayers and voters gave us a mandate to do the job. Let us do it.

SERVICEMEN'S READJUSTMENT ACT OF 1944

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1135) to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years, for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, I would like to know what this is all about.

Mrs. ROGERS of Massachusetts. I may say to the gentleman that this simply extends for 1 year the provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years. The present bill expires at the end of this month. Under the decentralization plan there are 1,468 branch regional, subregional, and other offices. These field offices are quartered in 1,685 separate buildings.

Mr. HOFFMAN. Is this something General Bradley wants?

Mrs. ROGERS of Massachusetts. He has asked for it by letter to the Speaker of the House. It has the approval of the Budget. Our Committee on Veterans' Affairs reported the bill out unanimously.

I have asked to take up the Senate bill as the Senate already has passed the bill unanimously, and time is so important.

Mr. HOFFMAN. I withdraw my reservation of objection, Mr. Speaker.

Mr. WILSON of Indiana. Reserving the right to object, Mr. Speaker, has this problem been taken up with the Committee on Public Buildings and Grounds? Do not they have something to do with the providing of space in the District of Columbia?

Mrs. ROGERS of Massachusetts. I understand General Bradley has done everything possible along that line with all the various departments.

Mr. WILSON of Indiana. I do not recall its having come up. I should like to know what they are using the space for that they already have, how much of that space is being utilized for concessions and being rented out to private enterprise, and how much money the Veterans' Administration is getting from the rental of space that the taxpayers are giving them, and using that to subsidize their cafeterias as they are doing in the Pentagon.

Mrs. ROGERS of Massachusetts. The general has assured us that this is not anything that is not necessary.

Mr. WILSON of Indiana. I am afraid we should know more about this matter before it passes in this manner. I am going to have to object to the consideration of the bill at this time.

Mrs. ROGERS of Massachusetts. Will the gentleman not allow it to go through? It will be more expensive, probably, if this bill is not passed promptly. The present bill expires the end of the month.

Mr. WILSON of Indiana. I think the bill may well be held over another day. We are receiving from Woodward & Lothrop and from Walgreen's drug store a million dollars. That is received by the War Department in the Pentagon. Yet they are occupying space in 17 other buildings, and that money is going to subsidize the employees over there to pay for their food, $1,000,000.

Mrs. ROGERS of Massachusetts. May I say to the gentleman that most of these facilities are not in the city of Washington. They are scattered all over the country.

Mr. WILSON of Indiana. Would the gentlewoman object to holding this up for one more day?

Mrs. ROGERS of Massachusetts. If the gentleman wishes to object, that is his privilege.

Mr. WILSON of Indiana. I should like to have one more day, until we can learn more about this.

Mr. PHILLIPS. If the gentleman will yield, may I ask the gentlewoman if she has a list of these facilities?

Mrs. ROGERS of Massachusetts. I do not have the list here.

Mr. PHILLIPS. Could that be inserted in the RECORD so that, if the gentleman objects and the bill is held over, the Members may have an opportunity to see that list?

Mrs. ROGERS of Massachusetts. I am very sure that could be secured, and I shall be very glad to insert it.

Mr. WILSON of Indiana. Can the gentlewoman tell me why this bill did not come before the Committee on Public Buildings and Grounds?

Mrs. ROGERS of Massachusetts. I do not think it has been the custom to bring these things before that committee. I know General Bradley has gone to all the various departments and asked what they could give him in the way of space. I know that from past experience.

Mr. WILSON of Indiana. Will the gentlewoman withdraw her request until tomorrow?

Mrs. ROGERS of Massachusetts. The gentleman has reserved the right to object. If he objects to it today, that settles it.

Mr. WILSON of Indiana. Then I am going to have to object, Mr. Speaker.

CALENDAR WEDNESDAY BUSINESS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and include an article by Mark Sullivan on the subject of the wool bill, which appeared in the Washington Post.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a speech he made on Memorial Day.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an analysis of the Taft-Hartley bill as reported by the committee of conference. This may exceed the limit by a page or two, but I ask that despite that fact I may be permitted to include it in my remarks.

Mr. RANKIN. Mr. Speaker, reserving the right to object, whose analysis is it?

Mr. MARCANTONIO. It is by Mr. Lee Pressman, general counsel of the CIO.

Mr. RANKIN. Do you not think it would be better to insert the report of the conferees in the RECORD instead of having the CIO come in and insert its criticism at extra expense to the Government?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a radio address.

SPECIAL ORDER GRANTED

Mr. REDDEN. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted I may address the House for 5 minutes today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include a Memorial Day address.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD in regard to a bill he is introducing today.

OLD-AGE SECURITY

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, one of the most inspiring parts of our Constitution is contained in the preamble which guarantees to all citizens the right to life, liberty, and the pursuit of happiness. Yet, when men and women, 9 out of 10 of them in this country, reach the age of 60, they are unable to pursue that happiness because of limited means or the lack of wherewithal.

Therefore, I am advocating immediate consideration and passage of a universal old-age pension plan such as the one outlined by the gentleman from Oregon [Mr. ANGELL] in his bill, H. R. 16. This is popularly known as the Townsend plan. Our hope is that not just one group or a few will be included in our social-security system, but all groups regardless of race, religion, or color, and regardless of occupation. All citizens of the land should have the opportunity to enjoy the fruits of a well-earned retirement and the results of all their productive years so that they can live happily in their old age.

We can successfully fight off communism by making our American system work. The most natural desire of everyone is to have security in his declining years. Reasonable retirement for all is the answer, especially when such retirement is actuarily sound.

The millions of Americans who have reached 60 or who are approaching this ripe age deserve consideration. They have the right to anticipate their brightest days to come.

With security guaranteed, they can emulate the experience of Rabbi Ben Ezra who in his wisdom said in Browning's poem:

> Grow old along with me!
> The best is yet to be,
> The last of life, for which
> The first was made.

THE SUGAR SITUATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to

revise and extend my remarks and include therein a letter I have written to the Department of Agriculture regarding the sugar situation.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am working again trying to get the Secretary of Agriculture to make sugar available for the housewives so that they can do their canning.

I said in part of a letter which I wrote to the Secretary of Agriculture:

Unless action is taken immediately by your Department and permit the use of some of the sugar by releasing the rigid restrictions for the purchase of it, we soon will hear of the destruction of sugar similar to the recent destruction of tons of food potatoes because of foolish bungling. Housewives in angry, protesting letters are daily asking why sugar is not available to preserve surplus food in their homes and factories, as was always their custom before the restrictive regulations.

I will say that even with the regulations the housewives in the past have been allowed a certain amount of sugar with which they may can.

The letter reads further:

Your Department should immediately make additional sugar available for canning and preserving in order to save tons and tons of food now available.

The letter in full is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 3, 1947.

Hon. CLINTON P. ANDERSON,
Secretary of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: I am writing to you again asking that you make additional sugar available to persons, families, and industrial users in the United States. From daily reports throughout the world enormous supplies of sugar are available, warehouses are full and overflowing, sugar is piling up on the docks, and transportation will soon be unable to handle the tremendous supply. Unless action is taken immediately by your Department to permit the use of some of this sugar by releasing the rigid restrictions for the purchase of it, we soon will hear of destruction of the sugar similar to the recent destruction of tons of food potatoes because of foolish bungling.

The press in sensible, logical editorials, housewives in long, angry, protesting letters, daily ask why sugar is not available for preserving their surplus food in the homes and the factories, as was always their custom before these restrictive regulations. Your Department should immediately make additional sugar available for canning and preserving in order to save the tons and tons of food now available and becoming available in increasing amounts each day. To permit the waste of this crop of sugar with the hordes of starving peoples throughout the world is criminal. Unless action is taken immediately by your Department to grant additional sugar for canning and preserving surplus foods, I shall ask the Congress to take the necessary action.

Very sincerely yours,

(Mrs. John Jacob Rogers).

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, since today is the birthday of Jefferson Davis, I ask unanimous consent to extend my remarks in the RECORD and include a speech by Bishop Galloway.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FORMER SECRETARY BYRNES AND THE MOTION-PICTURE INDUSTRY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I was very much surprised if not shocked to read a United Press report this morning that the film industry has employed former Secretary of State Byrnes to represent it before the Committee on Un-American Activities.

Mr. Eric Johnston, president of the film industry or the Motion Picture Producers Association, announces:

Byrnes' first assignment will be to champion the screen's freedom of expression before the House Committee on Un-American Activities which opens a public hearing on the film industry in Washington this month.

We are determined—

Said Johnston—

that subversive propaganda, Government pressure, or political censorship will never undermine freedom of the screen.

Mr. Speaker, the American people today are beginning to learn where this Communist propaganda in our motion-picture industry comes from, and the House Committee on Un-American Activities is not going to be intimidated in its effort to expose the Communist propaganda in motion pictures and to bring out legislation to stop it.

The "freedom of the screen," as Mr. Johnston calls it, does not surpass in importance the protection of American institutions, or the protection of the children of this country against the insidious poisons carried by many of these pictures.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

THE PRIVATE CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Private Calendar. The Clerk will call the first bill.

DIXIE MARGARINE CO.

The Clerk called the first bill (H. R. 354) for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn.

Mr. SMITH of Wisconsin and Mr. POTTS objected, and the bill, under the rule, was recommitted to the Committee on the Judiciary.

LT. COL. ORVILLE E. McKIM

The Clerk called the bill (H. R. 559) for the relief of Lt. Col. Orville E. McKim.

Mr. DOLLIVER and Mr. SMITH of Wisconsin objected, and the bill, under the rule, was recommitted to the Committee on the Judiciary.

MARY LOMAS

The Clerk called the bill (H. R. 1742) for the relief of Mary Lomas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 19 (a) of the Immigration Act of February 5, 1917 (39 Stat. 889-890; 54 Stat. 1044; 8 U. S. C. 155), the Attorney General is authorized and directed to permit Mary Lomas, of Fairmont, W. Va., to remain permanently in the United States if she is found to be otherwise admissible under the provisions of the immigration laws other than quotas.

With the following committee amendment:

Page 1, line 9, after the period insert "Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Greece of the first year that the said quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. INGA PATTERSON

The Clerk called the bill (H. R. 1152) for the relief of Mrs. Inga Patterson, widow of F. X. Patterson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,375 to Mrs. Inga Patterson, widow of F. X. Patterson, of Washington, D. C., in full settlement of all claims against the United States for expenses incurred as a result of condemnation proceedings involving property of the said F. X. Patterson, Anacostia Road SE., Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATURALIZATION OF CERTAIN UNITED STATES ARMY PERSONNEL—YUGOSLAV FLIERS

The Clerk called the bill (H. R. 1652) to provide for the naturalization of certain United States Army personnel—Yugoslav fliers.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

JAMES HARRY MARTIN

The Clerk called the bill (H. R. 617) for the relief of James Harry Martin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That James Harry Martin, of Pontiac, Mich., be permitted to file an application with the Secretary of War for benefits under the World War Adjusted Com-

pensation Act, as amended, on or before January 1, 1948, any time limit in such act for filing such an application to the contrary notwithstanding.

Mr. POTTS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POTTS: On page 1, line 6, after the words "on or before", strike out "January 1, 1948" and insert in lieu thereof "July 1, 1949."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLIED AVIATION CORP.

The Clerk called the bill (H. R. 631) for the relief of the Allied Aviation Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Allied Aviation Corp., of Cockeysville, Md., the sum of $234,195.20 with interest thereon from November 1, 1943, to the date of payment, in full settlement of all claims against the United States for costs incurred and losses sustained in the creation and production of experimental amphibious gliders for the Navy Department in the prosecution of the war, the said costs and losses having been occasioned primarily by reason of the corporation's reliance upon representations, commitments, and assurances made in good faith by agents of and on behalf of the Government but which were not fulfilled: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the prosecution and collection of this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$234,195.20 with interest thereon from November 1, 1943, to the date of payment" and insert in lieu thereof "$108,753.13."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARVIN PETTUS

The Clerk called the bill (H. R. 637) for the relief of Marvin Pettus.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marvin Pettus, of Mansfield, Ark., the sum of $5,000, in full settlement of all claims against the United States for injuries sustained and damages suffered by him as result of being struck by an Army vehicle operated by Army personnel on the camp ground of Camp Chaffee, Ark., on the 15th day of December 1944, and said injuries having been caused by the negligent operation of said Army vehicle so as to cause it to run into the vehicle in which the said Marvin Pettus was riding: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$1,536."

The SPEAKER pro tempore. The question is on the amendment.

Mr. POTTS. Mr. Speaker, I object.

Mr. SMITH of Wisconsin. Mr. Speaker, I object.

The SPEAKER pro tempore. The Chair may say to the objectors that the question was put as to whether there was objection to the present consideration of the bill, and no objection was heard.

The question recurs on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. DON ALEXANDER

The Clerk called the bill (H. R. 813) for the relief of J. Don Alexander.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. POTTS objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

ESTATE OF ABRAM BANTA BOGERT

The Clerk called the bill (H. R. 837) for the relief of the estate of Abram Banta Bogert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of the late Abram Banta Bogert the sum of $8,217.65, in full settlement of all claims against the United States for the personal injury, hospital and medical expenses, loss of earnings, property damage, and death of the said Abram Banta Bogert, as the result of an accident involving a United States Army truck driven by John G. Walter, Company D, One Hundred and Twenty-eighth Ordnance, Pine Camp, N. Y., on Route 9W in the town of Saugerties, Ulster County, N. Y., near pole No. 1515, about 4 miles north of the village of Saugerties, at about 4 o'clock on the afternoon of February 26, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the name "Bogert", strike out the bill down to the colon in line 5, page 2, and insert in lieu thereof "deceased, the sum of $6,117.65, in full settlement of all claims against the United States for personal injury and death of the said Abram Banta Bogert, Saugerties, N. Y., the medical, hospital, and burial expenses incurred by reason of such injury and death, and the property damage sustained as a result of an accident involving an Army truck, which occurred on Route 9–W near Saugerties, N. Y., on February 26, 1943."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LORENZO H. FROMAN

The Clerk called the bill (H. R. 987) for the relief of Lorenzo H. Froman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Lorenzo H. Froman, former owner of a certain farm consisting of 165 acres of land, more or less, near Camp Knox, in Hardin County, Ky., is, as such former owner, hereby authorized to bring suit against the United States of America to recover damages, if any, for loss or losses which he may have sustained or suffered, as such owner, by reason of establishment, construction, or maintenance of Camp Knox in the State of Kentucky. Jurisdiction is hereby conferred upon the District Court of the United States for the Western District of Kentucky to hear, consider, determine, and render judgment for the amount of any such damages, if any, as may be found to have been sustained or suffered by the said former owner of said farm, with the same right of appeal as in other cases, and notwithstanding any lapse of time or statute of limitations: *Provided*, That such action will be brought within 1 year from the date that this act shall become effective.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF NORMAN C. COBB ET AL.

The Clerk called the bill (H. R. 993) for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $25,000 to the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb, late of Topeka, Kans., in full settlement of all claims against the United States for the deaths of the said Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb, sustained as the result of an accident involving a United States Army plane, when it crashed into the house in which they were located, in Memphis, Tenn., on April 29, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the dollar sign strike out "$25,000, to the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb", and insert in lieu thereof "5,000 to the estate of Norman C. Cobb, the sum of $5,000 to the estate of Naomi R. Cobb, and the sum of $2,000 to the estate of Garland L. Cobb". Page 2, line 3, after the words "sustained as" strike out "the result of an accident involving a United States Army plane, when it crashed into the house in which they were located, in Memphis, Tenn., on April 29, 1944" and insert in lieu thereof "a result of the crash of a United States Army airplane into the house in which they resided, in Memphis, Tenn., on April 29, 1944."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL W. DAVIS, JR., ET AL.

The Clerk called the bill (H. R. 1144) for the relief of Samuel W. Davis, Jr.; Mrs. Samuel W. Davis, Jr.; and Betty Jane Davis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the following named persons, residents of Greensboro, N. C., the amount specified in the case of such person, in full satisfaction of his or her claim against the United States for the personal injury and other damage indicated in each case resulting from a collision between a United States Army vehicle and an automobile driven by the claimant, Samuel W. Davis, Jr., in which other claimants were passengers, near the town of Creedmoor, N. C., on December 26, 1944:

Samuel W. Davis, Jr., for personal injuries, medical expenses for his own injuries and those of his wife and daughter, and damage to automobile, in the total sum of $55,518.88;

Mrs. Samuel W. Davis, Jr., for personal injuries in the sum of $10,000;

Legal guardian of Betty Jane Davis, a minor, for personal injuries, in the sum of $5,000: *Provided*, That no part of any sum appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out the bill down to the colon in line 11, page 2. Insert in lieu thereof "the sum of $18,518 to Samuel W. Davis, Jr., of Greensboro, N. C., for personal injuries and loss of earnings sustained by him and for medical and hospital expenses incurred by him on account of his injuries and those of his wife, Mrs. Samuel W. Davis, Jr., and his minor daughter, Betty Jane Davis, and for future medical and hospital expenses for their treatment; the sum of $4,000 to the said Mrs. Samuel W. Davis, Jr., for personal injuries sustained by her; and the sum of $3,000 to the legal guardian of the said Betty Jane Davis, a minor, for the personal injuries sustained by said minor, in full settlement of all claims of the said Samuel W. Davis, Jr., Mrs. Samuel W. Davis, Jr., and Betty Jane Davis, against the United States arising out of an accident which occurred on December 26, 1944, on United States Highway No. 15, near Creedmoor, N. C., involving an Army truck."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSIS M. NICHOLS

The Clerk called the bill (H. R. 1162) for the relief of Persis M. Nichols.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ESTATE OF GEORGE W. COOMBS

The Clerk called the bill (H. R. 1497) for the relief of the estate of George W. Coombs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of George W. Coombs, deceased, the sum of $600 as reimbursement of a like amount improperly collected from the said George W. Coombs while serving as postal superintendent of Inwood station, New York City: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LULA WILSON NEVERS

The Clerk called the bill (H. R. 1508) for the relief of Mrs. Lula Wilson Nevers.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WILLIAM P. GILLINGHAM

The Clerk called the bill (H. R. 1531) for the relief of William P. Gillingham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William P. Gillingham, Big Bear Lake, Calif., the sum of $5,321. The payment of such sum shall be in full settlement of all claims of the said *William P. Gillingham* v. *The United States* on account of the death of his wife, Elizabeth S. Gillingham, resulting from personal injuries sustained on February 1, 1943, when an automobile in which she was riding collided with a United States Army truck on United States Highway No. 66 at Devore, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORMAN THORESON

The Clerk called the bill (H. R. 1658) for the relief of Norman Thoreson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Norman Thoreson, Pasco, Wash., the sum of $7,472.20. The payment of such sum shall be in full settlement of all claims of the said Norman Thoreson against the United States as the result of damage to grazing land, such damage being caused by fire, June 5, 1944, resulting from practice-bombing operations of Navy planes from the Pasco Naval Air Station: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$7,472.20" and insert "$3,202.88."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA L. DUDLEY

The Clerk called the bill (H. R. 1799) for the relief of Eva L. Dudley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eva L. Dudley, of St. Petersburg, Fla., the sum of $2,000, in full settlement of all claims against the United States for property damage, personal injuries, hospital, and medical expenses sustained as a result of an automobile accident, on November 26, 1943, caused by a United States Veterans' Administration fire truck near the main gate of the Bay Pines Veterans' Administration Hospital, on United States Highway No. 19, Bay Pines, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection

with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. SMITH of Wisconsin. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin: Page 1, line 6, after the sum "$2,000", insert "pay to Grace M. Collins, of Lima, Ohio, the sum of $2,000, and pay to Guy B. Slater, of Ada, Ohio, the sum of $2,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "For the relief of Eva L. Dudley, Grace M. Collins, and Guy B. Slater."

A motion to reconsider was laid on the table.

A. J. DAVIS, ET AL.

The Clerk called the bill (H. R. 1851) for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. J. Davis, the sum of $575, for loss of automobile; to Mrs. Lorene Griffin, the sum of $500, for personal injuries and the sum of $42.75 for hospital and medical expenses; to Earle Griffin, the sum of $500, for personal injuries and the sum of $135.50 for hospital and medical expenses; and to Harry Musgrove, the sum of $7,500, for personal injuries and the sum of $475 for hospital and medical expenses, in full satisfaction of all claims against the United States on account of personal injuries received by them on November 25 or 26, 1944, when the car owned by A. J. Davis and operated by Harry Musgrove and occupied by Mrs. Lorene Griffin and Earle Griffin, was struck from the rear by a Government-owned car being operated by Cecil Coleman, an employee of the naval stores experiment station, Forestry Service, United States Department of Agriculture, Olusta, Fla.; said accident occurring approximately 1½ miles west of Sanderson, Fla., on United States Highway No. 90: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$575" and insert "$275."

Page 1, line 7, strike out "$500" and insert "$542.75."

Page 1, line 7, after the word "injuries" strike out the words "and the sum of $42.75 for."

Page 1, line 9, strike out "$500" and insert "$635.50."

Page 1, line 10, strike out the words "and the sum of $135.50 for."

Page 2, line 1, strike out "$7,500" and insert "$2,821."

Page 2, line 2, strike out the words "and the sum of $475 for."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEW JERSEY, INDIANA & ILLINOIS RAILROAD

The Clerk called the bill (H. R. 2302) for the relief of New Jersey, Indiana & Illinois Railroad.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the New Jersey, Indiana & Illinois Railroad, the sum of $3,114.34, in full and final satisfaction of all claims against the United States for property damage resulting from the explosions which occurred at the naval ammunition depot at Port Chicago, Calif., on July 17, 1944, and which has been approved and recommended for payment by the Secretary of the Navy in his report dated September 13, 1945, and entitled "Summary of Reports of the Secretary of the Navy to the Congress of the United States Pursuant to Public Law 423, Seventy-eighth Congress, Second Session, of Claims Resulting From the Explosion Which Occurred at the Naval Ammunition Depot at Port Chicago, Calif., on July 17, 1944."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRUCE BROS. GRAIN CO.

The Clerk called the bill (H. R. 3387) for the relief of Bruce Bros. Grain Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $279.90, to the Bruce Bros. Grain Co., in full settlement of all claims against the Government of the United States to cover loss sustained by said company on a car of wheat, car No. 96110, Chicago, Burlington & Quincy, shipped from St. Joseph, Mo., July 15, 1921, to Minneapolis, Minn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

R. W. WOOD

The Clerk called the bill (H. R. 3170) for the relief of R. W. Wood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $106.34 to R. W. Wood, of 1811 D Street NE., Washington, D. C., in full settlement of all claims against the United States for salary not paid while under suspension at Army air base, Key Field, Miss., from January 22, 1944, to January 31, 1944, inclusive, while serving as associate civil engineer and superintendent of construction: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK SCHINDLER

The Clerk called the bill (S. 135) to legalize the admission into the United States of Frank Schindler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is hereby directed to record the entry into the United States of Frank Schindler at New York City, N. Y., on June 11, 1939, as a lawful admission to the United States for permanent residence for the purposes of the immigration and naturalization laws. The Secretary of State shall thereupon reduce by one the immigration quota for Czechoslovakia for the first year that such quota may be available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE LATE ROY STANLEY GEIGER

The Clerk called the joint resolution (H. J. Res. 96) authorizing the President to issue posthumously to the late Roy Stanley Geiger, lieutenant general, United States Marine Corps, a commission as general, United States Marine Corps, and for other purposes.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the President is authorized to issue posthumously to the late Roy Stanley Geiger, late a lieutenant general, United States Marine Corps, a commission as general, United States Marine Corps, as of January 23, 1947.

SEC. 2. The Secretary of the Navy is authorized and directed to amend the records of the Navy Department so as to carry the said Roy Stanley Geiger as a general, United States Marine Corps, to rank from January 23, 1947.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPENCER BURGESS DOYLE

The Clerk called the bill (H. R. 1148) authorizing the issuance of a patent in fee to Spencer Burgess Doyle.

Mr. TRIMBLE. Mr. Speaker, the report on this bill did not get to me in time; therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER pro tempore. That concludes the call of bills on the Private Calendar.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the House Committee on Banking and Currency may meet this afternoon notwithstanding that the House is in session.

The SPEAKER pro tempore. During general debate?

Mr. WOLCOTT. During general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1948

Mr. ENGEL of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion I ask unanimous consent that general debate continue for the remainder of the day or until such time as there are no further requests for time. I may say I have spoken about this with the gentleman from North Carolina [Mr. KERR], the ranking minority member, and he states there is no objection to the request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. CANNON. Mr. Speaker, reserving the right to object, as I understand the gentleman's request there will be no occasion to read the bill today?

Mr. ENGEL of Michigan. We will read the first paragraph today, and, if possible, we would like to pass it.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, and I shall not object if the gentleman will confine his request to general debate here today. The Members leave and they do not know whether the bill will be read for amendment or not.

Mr. ENGEL of Michigan. Mr. Speaker, we will read the first paragraph anyway.

Mr. CANNON. If the reading is confined to the first paragraph there will be no objection to the gentleman's request from this side of the aisle.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3678, with Mr. MICHENER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ENGEL of Michigan. Mr. Chairman, I yield myself 50 minutes, and I ask unanimous consent to revise and extend my remarks and include certain tables compiled by me or under my direction.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. Mr. Chairman, I am presenting to the House of Representatives on behalf of the Appropritions Committee the military appropriation bill for the fiscal year ending June 30, 1948.

The hearings on this bill were opened on February 17 and did not close until April 29, 1947. Four of the seven members of our subcommittee including the chairman are also members of the Deficiency Subcommittee of the Appropriations Committee which held important meetings during much of the same period that the War Department Subcommittee held hearings on this bill. This delayed us somewhat. I want to express my personal appreciation to every member of my subcommittee for the splendid cooperation I received. It was the most difficult bill which came before this subcommittee during the 11 years during which I have been a Member. I want especially to express my appreciation to my very able and distinguished colleague and former chairman of this committee, the gentleman from North Carolina, Judge JOHN H. KERR. I shall never forget his sympathetic and statesmanlike support and cooperation.

In making savings the committee always had in mind that we were making adequate appropriations for an Army of 1,070,000 officers and men as authorized by law with an Air Corps as planned by the Commander in Chief and the Army. This is in full accord with the over-all request of the War Department and the authorization of the House Military Affairs Committee. The committee is firmly convinced that we should have such an Army. It is equally convinced, in view of the savings we propose, that this Army will be more efficient and effective than before. Inefficiency causes waste; waste causes inefficiency and when you cut off waste you make the Army more efficient. Surplus personnel affects all personnel and makes all personnel less efficient. It encourages a "let Joe do it" policy.

The bill carries a reduction of $475,809,077 below the budget estimate and rescinds $1,100,000,000 of 1946 and prior years' appropriations. It reduces civilian employees by 74,631, at a saving of $184,086,216. It reduces Army officers from 146,000 to approximately 126,000, a reduction of 20,000, at a saving of $106,250,000. It reduces flying pay $3,600,000. In all, it takes 94,631 people off the pay roll, at a total saving of $293,936,216. This, together with other savings, reduces the budget requests by $475,809,077. The committee did not cut off one enlisted man. It did not take $1 from the research and development program. It did not cut off 1 of the 18,201 civilian employees engaged in research and development. It did not cut off 1 of the 30,000 employees engaged in and paid out of industrial production funds in our arsenals, quartermaster depots, and so forth. It did not cut one Army nurse officer or dietitian from the Army pay roll. The committee did not take $1 of the pay, clothing allowance, subsistence, rations of one enlisted man or of one necessary officer. The committee wants to be very specific in this phase of the savings made.

Decisions in making these cuts were not always unanimous, of course, the chairman himself being as often in the minority as on the majority side of the votes. Neither were they political. The gentlemen on the other side of the aisle, and especially the ranking member and former chairman, gave me much and valuable support.

I shall now consider the entire budget in detail as far as time will permit. I believe that if you read or listen to my remarks you will agree that the committee made these savings without sacrificing any feature or function necessary to a sound and effective national defense.

BIRD'S-EYE VIEW OF ENTIRE WAR DEPARTMENT 1948 APPROPRIATION REQUEST

The following is a bird's-eye view of the entire War Department budget picture as presented to the legislative Joint Budget Committee of the Senate and House of Representatives for the fiscal year ending June 30, 1948:

Total appropriation requested	$7,044,507,100
Total expenditure availability	10,038,327,755
Total estimated expenditures	8,254,658,654

While the amount of expenditure during any one year is limited by the length of time it takes to carry out a definite program and certain other factors, in the final analysis it is the President and not the Congress, the Executive and not the legislative branch of the Government, which determines the speed of the defense program and the actual amount of the expenditures. Witness the fact that it was the President through his Budget Bureau who stopped in a large part the 1947 research and development program of the Army Air Corps as well as the production of airplanes by ordering the Air Corps not to spend $135,000,000 of the funds appropriated for the present fiscal year. Of this amount, $75,000,000 was taken from research and development and $30,000,000 for production of airplanes. In April of this year, when it was too late, according to the testimony, to carry out the program and obligate the money, the President sent a message to Congress asking Congress to transfer this money to "Pay of the Army." Congress did so in view of the testimony that it was too late to obligate it. The same was true with regard to the transfer of $60,000,000 out of a total of $100,000,000 Congress appropriated for the National Guard and $30,000,000 out of $60,000,000 appropriated for the Organized Reserves.

The testimony shows that the total estimated expenditures are so estimated because the President told the Army that was the amount it could spend during the fiscal year 1948. Summarizing: Total appropriation, $7,044,507,100; total fixed by the President as amount to be spent,

$8,254,658,654; total available for expenditure, $10,038,327,755. Before I proceed further I want to emphasize that the Constitution intended Congress and not the President to control expenditures. This can only be done by having the appropriation budget and expenditure budget as nearly equal as possible and eliminating the tremendous backlog of money available for expenditure from prior years' appropriations.

BILL PROVIDES FOR A RESCISSION OF $1,100,000,000—1946 AND PRIOR YEARS

The testimony before our committee shows that the War Department still has available $5,270,883,360 of 1946 and prior years funds, including $185,000,000 reserved for the possible payment of portal-to-portal pay. Maj. Gen. George T. Richards, War Department Budget Officer, estimated that it would require $3,700,000,000 to liquidate the obligations still outstanding against these funds.

The Budget Bureau estimated it would require approximately $3,000,000,000 to liquidate such obligations. On page 171 of the hearings is found the following testimony:

Mr. ENGEL. It has happened that you have $2,270,000,000 more money than you thought you were going to have.

General RICHARDS. Yes, sir. That is the estimated amount and can be attributed to the aftermath of the war.

Mr. ENGEL. Would not that $2,270,000,000 be considered as a backlog?

General RICHARDS. The majority would be; yes, sir.

Mr. TIBBOTT. Will you turn that back to the Treasury?

General RICHARDS. We will never draw it from the Treasury?

However the fact is these funds may be drawn from the Treasury. They can only be used for 1946 and prior years' obligations. Since the major part of all war claims against the United States Army, including claims of foreign governments, were incurred for those years and inasmuch as the appropriation bills for those years carried transfer clauses, these funds can and may be and are being used in the settlement of such claims by transferring them to the various services of the Army and they can be used by the State Department for bargaining without any action on the part of Congress. The fact is that if these funds are not rescinded they may be used for such purposes in part or in whole. If they are rescinded they cannot be used. The committee recommends the rescission of $1,100,000,000 of 1946 and prior years' funds including the $185,000,000 reserved by the Army for portal-to-portal pay. This will leave adequate funds to meet any legitimate claims that may be filed against the Army for those years.

BREAK-DOWN OF WAR DEPARTMENT MILITARY BUDGET

The War Department budget is broken down further into two parts—military and civil functions. Each of these is broken down into two appropriations. The military is broken down into the principal and supplemental estimate. The civil-functions budget is broken down into the regular civil functions, including rivers and harbors, flood control, Panama Canal, and other items usually appearing in the budget, and in addition we have the item this year for government and relief in occupied areas. Following is a table of the break-down:

A. Military budget now being considered	$5,717,791,500
B. Supplemental estimate to be considered if and when Armed Services Committee authorizes the expenditure further broken down as—	
(a) Engineer service, including construction in overseas possession	125,000,000
(b) Construction at military posts in United States	100,000,000
(c) Quartermaster Corps, cemeterial expenses	54,000,000
Total supplemental estimate	279,000,000
Total military budget estimate for fiscal year 1948	5,996,791,500
C. In addition to the above there is a contract authorization for the Air Corps in the amount of	280,000,000
Total estimates, including contract authorization	6,276,791,500
Civil-functions budget for 1948:	
A. Regular civil-functions estimate, including rivers and harbors, flood control, etc	297,691,100
B. Panama Canal	25,024,500
C. Relief in occupied areas	725,000,000
Total civil-functions budget, including relief in occupied areas	1,047,715,600
Total War Department 1948 budget, including contract authorization	7,324,507,100

ONLY $5,717,791,500 OF TOTAL ULTIMATE BUDGET OF $7,324,507,100 NOW BEFORE HOUSE

Of the total War Department budget of $7,324,507,100 sent to the Joint Congressional Budget Committee by the President, we have before us only the military part amounting to $5,717,791,500 plus the $280,000,000 contract authorization, leaving the $279,000,000 supplemental estimate to be considered later if and when authorized by Congress, and leaving further the $1,047,715,600 civil functions and relief for occupied areas when that bill is considered, which it will be as soon as the present bill is disposed of.

THE PRESENT BILL WILL ONLY REPRESENT A PART OF THE TOTAL WAR DEPARTMENT CUT IN APPROPRIATIONS

The present bill will only represent a part of the total savings in War Department appropriations. Further savings will undoubtedly be made in rivers and harbors, flood control, Panama Canal, as well as other civil-function items which will come before this House later. Savings are also possible in the $725,000,000 estimate for relief in occupied areas. It is only when these items have been considered and passed upon, that total savings in the War Department appropriations will be determined.

SIXTY-ONE AND FIVE-TENTHS PERCENT OF ARMY BUDGET IS FOR PERSONNEL

In order to reduce a budget intelligently one should know what one is eliminating. A careful analysis of the Army budget shows that—

First. Three billion five hundred and twenty-three million five hundred and sixty-eight thousand two hundred and sixty-seven of the total appropriation of $5,717,791,500 considered in this bill, or 61.5 percent is for Army personnel, civilian and military.

Second. Of this $3,523,568,267 for total Army personnel, $2,295,000,543 or 40 percent of the total budget is for military personnel and $1,228,567,724, or 21.5 percent of the total budget is for civilian personnel.

Third. The remaining $2,194,223,233 or 38.5 percent is for gas, oil, planes, maintenance, travel, rations, subsistence, equipment and other nonpersonnel items usually found in the budget.

PERSONNEL MUST BE CUT IF SUBSTANTIAL SAVINGS ARE TO BE MADE

It is obvious from the foregoing analysis that no substantial saving can be made without a cut in civilian and Army personnel, since they constitute 61.5 percent of that part of the War Department budget considered here. I shall first consider Army military personnel.

WE MUST HAVE AN EFFECTIVE ARMY OF 1,070,000 OFFICERS AND MEN

I have repeatedly stated that any action I took in cutting the War Department budget would be with a view of maintaining an effective army of the presently authorized 1,070,000 officers and men, including an effective Army Air Force of 400,000 officers and men and any cuts that I have advocated have been with that objective.

JUST WHAT KIND OF AN ARMY DID WE HAVE BEFORE AND DURING THE WAR AND WHAT WAS RELATIVE OFFICER STRENGTH?

Before we proceed further let us examine the Army record and see what the percentage of officer strength was before and during the war.

First. March 1940: In March 1940 the total military strength of the Army was 249,466 officers and men. We had 18,870 or 7.6 percent officers. Nurses were not then commissioned officers.

Second. September 1941: In September 1941 the total strength of the Army was 1,601,013, including 116,989 or 7.3 percent officers. Nurses were not commissioned officers.

Third. March 1945: In March 1945, at the height of hostilities, just before Germany surrendered, with thousands of officers engaged in the procurement and production of billions of dollars' worth of war supplies and equipment, with thousands more being trained and held to replace casualties on every front, we had a total Army strength of 8,167,387, including 869,094, or 10.7 percent, officers. Nurses were commissioned officers and are included.

Fourth. January 1947: In January 1947 the total strength of the Army was 1,253,619, including 151,914, or 12.1 percent, officers.

Fifth. The budget proposes an Army of 1,070,000 officers and men, with 146,000, or approximately 13.7 percent, officers, assuming they have the full number of enlisted men.

The Army is now asking nearly twice the percentage of officers it had in September 1941 and 3 percent more officers than it had in March 1945, at the height of hostilities. This in the face of the largest reservoir of wartime officers—480,000—in reserve we have ever had and in the face of thousands of National Guard officers and an extensive peacetime officer reserve training program.

JUST WHAT KIND OF AN ARMY DID THE WAR DEPARTMENT ASK FOR?

Just what kind of an Army did the War Department ask for when it appeared before the Military Affairs Committee of the House of Representatives a year ago in March and April 1946? What was the testimony given by the War Department before that committee at that time upon which the legislation was based authorizing an Army of 1,070,000 officers and men? Let us examine the record.

OFFICER STRENGTH

A. On March 22, 1946, Maj. Gen. Willard G. Paul, General Staff, G–1, United States Army, testified before the Military Affairs Committee as follows:

We figure, roughly, 10 percent officer strength of the total strength. That means we would have around 140,000 to 150,000 officers on the 1st of July of this year (1946) and about 100,000 on the 1st of July next year (1947). (See p. 55 of hearings before Military Affairs Committee.)

The tables inserted in the record later show that they expected to have 1,550,000 officers and men on July 1, 1946—see page 151 of same hearings.

B. A statement by Brig. Gen. Gordon E. Textor was submitted by the War Department for the record in the hearings before the Military Affairs Committee on April 4, 1946. On page 161 of these hearings General Textor said, in part:

Thus, on January 1, 1948, when requirements are estimated to be 1,070,000 officers and men, total personnel available would consist of 634,000 volunteer enlisted men, 100,000 officers, and 65,000 inductees still in service—or a total of 799,000. We would thus be short 270,000 men.

He was arguing for a compulsory selective-service law. It will be noted that both General Paul and General Textor included 13,500 warrant officers and nurses in the total of 100,000 officers required for an Army of 1,070,000 officers and men, since all of the remaining 970,000 men over and above the 100,000 officers were accounted for as either enlisted or drafted men or men short and to be acquired either by draft or enlistment.

C. On April 4, 1946, Brig. Gen. Gordon B. Textor inserted in the record of the hearings—page 162—above referred to two tables of requirements and availables of an Army of 1,070,000 officers and men as of July 1, 1946, July 1, 1947, and January 1, 1948, which reads as follows:

Requirements and availables—24-month term of service for inductees

Date	Volunteer Army (enlisted men)	All officers	Total officers and enlisted men	Inducted men in service	Total availables	Requirements (officers and enlisted men)	Surplus or deficit
July 1, 1946	800,000	150,000	950,000	600,000	1,550,000	1,550,000	0
July 1, 1947	719,000	100,000	819,000	200,000	1,019,000	1,070,000	−51,000
Jan. 1, 1948	634,000	100,000	734,000	65,000	799,000	1,070,000	−271,000

NOTES.—No selective service after May 1946. 24-month term of service for inductees.

Requirements and availables—18-month term of service for inductees

Date	Volunteer Army (enlisted men)	All officers	Total officers and enlisted men	Inducted men in service	Total availables	Requirements (officers and enlisted men)	Surplus or deficit
July 1, 1946	800,000	150,000	950,000	600,000	1,550,000	1,550,000	0
July 1, 1947	719,000	100,000	819,000	30,000	849,000	1,070,000	−221,000
Jan. 1, 1948	634,000	100,000	734,000	0	734,000	1,070,000	−336,000

NOTES.—No selective service after May 1946. 18-month term of service for inductees.

In each case officers were computed at 10 percent of the total strength of the Army. The fact that in each instance they used the word "all officers" in the tables and then accounted for the remainder of the Army over and above the number of officers as enlisted or drafted men seems to be conclusive evidence that the plans of the War Department at that time were on the basis of 10 percent officer strength. In view of the fact that we have a Reserve officer strength of 480,000 plus a great number of National Guard officers and in view of our Reserve officers' training program for younger officers it appears that a 10-percent officer strength for a Regular Army was sound and adequate for our national defense.

There is no doubt but what the Military Affairs Committee and the House of Representatives in authorizing an Army of 1,070,000 officers and men had in mind 10 percent or 100,000 officer strength, as no other figure was at any time even suggested by anyone either inside or outside the Army.

D. During the hearings on this bill I asked the Army for a table of organization for an Army of 1,070,000 officers and men based upon 100,000 officers or 10 percent officer strength. This table was never furnished the committee. The Army had apparently changed its mind. Now let us examine the record of the hearings on this bill and see what they asked for.

E. While in April 1946 they asked for 10 percent officer strength, the first evidence that the Army had changed its mind came when it announced its plans for a reduced strength from January 1, 1947, and July 1, 1947. The record of the hearings on this bill shows—page 40—that on December 31, 1946, the Army had 162,515 officers and 1,156,968 enlisted men or a total of 1,319,583 officers and men and planned to have on July 1, 1947, 923,848 enlisted men and 146,152 officers for a total of 1,070,000 officers and enlisted men. They proposed to reduce enlisted men 20 percent and officers 10 percent during the last 6 months prior to July 1, 1947, when the limit was placed at and reduced to 1,070,000 officers and men. They increased the officer strength from 10 percent to approximately 13.7 percent of the total strength by adding 46,000 more officers than they told the Military Affairs Committee they required, thereby increasing the officer strength and reducing the enlisted strength by the same number, 46,000.

THIS CHANGE IN OFFICER STRENGTH COST THE TAXPAYERS $253,000,000

The average cost of an Army officer is approximately $5,500 a year. On this basis these 46,000 officers cost the taxpayers $253,000,000, or more than a quarter of a billion dollars. The present budget as submitted to the Congress includes this $253,000,000. Some of the members of our subcommittee felt that the War Department had broken faith with the Military Affairs Committee and with the Congress. In view of the fact we had more than 480,000 wartime Reserve officers, in addition to National Guard officers and Reserve officers being trained, and in view of the further fact that most of these 46,000 officers would probably join the Officers' Reserve if dropped from the Regular rolls, some of the members of our subcommittee felt that the first War Department estimate was right and that 100,000 officers were adequate. These members felt that these 46,000 surplus officers could be dropped and the $253,000,000 saved for the hard-pressed taxpayers of America without impairing our national defense.

MAJORITY OF COMMITTEE DID NOT AGREE

The majority of the committee did not agree on dropping these 46,000 officers and saving this $253,000,000. We went into the question further, called Secretary of War Patterson, Major General Richards, Army budget officer, and Major General Paul and several other officers before our committee for further evidence.

ARMY PROPOSED ONE OFFICER TO SIX OR SEVEN ENLISTED MEN FOR AIR CORPS AND ONE TO EIGHT OR NINE FOR OTHER THAN AIR

A. Maj. Gen. George Richards, budget officer, testified before our committee, that the ratio of officers to enlisted men should be one officer to eight or nine enlisted men in other than air. This would mean one-seventh or one-eighth officer strength for the Air Corps and one-eighth to one-ninth for other than Air Corps strength—pages 42 and 43 of hearings. The testimony further shows that the Secretary of War ordered the Air Corps cut temporarily for the fiscal year 1948 from 401,000 officers and men

as proposed to the Military Affairs Committee to 375,000 officers and men. On this basis of one-eighth officer strength if we gave the War Department all it asked for, the Air Corps would be entitled to 47,000 officers or one-eighth of 375,000. The other than air forces would have 695,000 officers and men and would on the basis of one officer to nine enlisted men be entitled to one-tenth officers or 69,500 officers. This would give them a total of 116,500. This is upon the assumption that they would have 100 percent authorized enlisted strength.

B. If we adopt this plan we could cut off 29,500 officers which at $5,500 each would be a saving of $162,250,000 for the taxpayers. Some of the members of the committee felt that this saving could be made without impairing national defense.

C. If we gave the Army these 116,500 officers in addition to 13,500 warrant officers and nurses making a total officer strength of 130,000 we would cut off 16,000 officers which at $5,500 each would be a savings of $88,000,000.

D. General Eisenhower's evidence was about the same as that of General Richards, that is, 10 percent other than air and 15.6 percent or approximately 6.5 enlisted men to one officer for the Air Corps. General Richards was undoubtedly and naturally giving General Eisenhower's views.

SUMMARY ON OFFICER PROPOSALS

The committee considered carefully the following three proposals:

First. Whether to cut off 46,000 officers and save $253,000,000 for the taxpayers, giving the Army the total officer strength of 100,000 requested when they appeared before the Military Affairs Committee when that committee and the House determined the strength of the Army on April 1, 1946.

Second. Fix the ratio of one officer to seven enlisted men for air and one officer to nine enlisted men for other than Air Force, or a total officer strength of 116,500. We could save on this basis $162,250,000 for the taxpayers.

Third. Give the Army the ratio of 1 officer to 7 enlisted men for air and 1 officer to 9 enlisted men in other than air forces in addition to 13,500 warrant officers and nurse officers for a total officer strength of 130,000, cutting off 16,000 officers at $5,500 per officer, or a total saving of $88,000,000.

Fourth. Give the Army what it asked for—146,000 officers, despite all testimony, and let the taxpayer foot the bill and save nothing.

The committee finally decided on the following:

First. Cut off 2,600 warrant officers at a saving of $10,000,000.

Second. Cut off 17,500 officers at $5,500 each at a saving of $96,250,000.

Third. Make no reduction in officer nurses, dietitians, and so forth.

Fourth. No reduction of enlisted personnel was considered at any time.

This made a total reduction of 20,500 officers and warrant officers at a saving of $106,250,000.

The committee believed that many officers were placed on a flying status and were given flying pay who were not entitled to such pay. I asked the Air Corps to screen the list of flying officers carefully and take off such officers as were not entitled to flying pay. They took off 696 officers at a saving of $1,100,000. The committee considered that entirely inadequate and reduced flying pay by $3,600,000. In view of the fact that the total flying pay aggregates $68,000,000, I still consider the reduction inadequate.

CIVILIAN EMPLOYEES

In considering a reduction of civilian employees in the War Department one must first determine just how many civilian employees the Department planned on having during 1948 when the 1947—this year's—budget request was made and when an army of 1,070,000 officers and men was planned.

FIRST ASKED FOR 335,000 CIVILIAN EMPLOYEES IN THE ZONE OF INTERIOR OF UNITED STATES

In May 1946, when the hearings were held on the 1947 military appropriations bill for the War Department, Fletcher C. Waller, then Director of Civilian Personnel and Training, testified before our subcommittee as follows:

Mr. ENGEL. Can you give us the maximum and minimum or the number (of civilian employees) on July 1, 1947?

Mr. WALLER. It is anticipated that the number will be down to 335,000 on July 1, 1947.

Mr. ENGEL. How many of these will be in Washington?

Mr. WALLER. The average throughout the fiscal year will be about 21,000.

He later testified that on July 1, 1947, 19,000 civilian employees would be in Washington—see page 92 of hearings on 1947 military appropriations bill.

Again:

Mr. ENGEL. These civilian employees, of course, include employees in the armories, those engaged in war production, and so forth?

Mr. WALLER. Those are all employees with military functions; it does not include the civil functions of the War Department.

The above testimony referred, of course, to the number of civilian employees in the zone of interior of the United States.

TESTIMONY ON PRESENT BILL SHOWS 40 CIVILIAN EMPLOYEES FOR EVERY 100 SOLDIERS

Mr. A. H. Onthank, the present and also the prewar Director of Civilian Personnel, testified on February 17, 1947, before our subcommittee that the War Department required 35 to 40 civilians for every 100 soldiers. His specific testimony appears on page 156 of the hearings and is as follows:

Mr. ONTHANK. If you give the War Department a job to do which requires 1,000,000 soldiers it means roughly 35 to 40 percent civilians to back this up.

We have 500,000 officers and enlisted men in the zone of interior of the United States now and on the basis of 40 civilians for every 100 soldiers the War Department requirements would be met for the zone of interior by giving them 200,000 civilians.

Mr. Onthank testified further that there were 85,000 civilians in the zone of interior supporting overseas garrisons—see pages 133 and 134 of War Department hearings.

On this basis the total requirement for War Department civilian personnel in the zone of interior of the United States is 285,000.

HOW MANY CIVILIANS DOES THE WAR DEPARTMENT NOW WANT IN ZONE OF INTERIOR?

Brig. Gen. Arthur G. Trudeau, Acting Deputy Director of Personnel, testified before our subcommittee that they required 365,000 civilian employees not including 30,000 employees engaged in various types of production in our arsenals and elsewhere. This would place the total requirement for the zone of interior of the United States at 395,000 or 60,000 more than Mr. Waller testified they needed on July 1, 1947, and 75,000 more than Mr. Onthank testified they required.

THE 1948 BUDGET PROVIDES MONEY FOR 414,613 CIVILIAN EMPLOYEES FOR ZONE OF INTERIOR

Your committee went over the budget carefully, analyzed and computed the number of civilian employees provided for in the budget for each department or branch of service, as shown in six tables inserted. These tables will be referred to again. They show the following:

Table I: That the budget provided for 344,644 civilian employees in military establishments in the zone of interior of the United States. This table, of course, does not include the employees in tables II, III, and IV. Neither does it include overseas employees in No. V. Neither does it include the 30,000 civilian employees engaged in industrial production in our arsenals, quartermaster depots, and elsewhere. The budget has $868,240,343 to pay these 344,644 employees.

Table II: That the budget provided $52,498,690 to pay 16,583 departmental civilian employees.

Table III: That the budget provided $16,431,655 to pay 5,186 employees engaged or who will be engaged in industrial mobilization and planning.

Table IV: That the budget provided $59,426,290 to pay 18,201 civilian employees engaged in research and development. These are in addition to some who will be paid out of industrial production funds.

The above four tables do not include 30,000 employees engaged in industrial production of war supplies and equipment within the zone of interior. The total civilian employees in the zone of interior of the United States, including the 30,000 industrial employees provided for in the budget, are 414,613.

Table V: This table shows that the budget provided for 110,420 civilian employees of the War Department employed overseas in our possessions and occupied areas who will be paid $215,050,527.

Table VI: This is a summary of all civilian employees both overseas and in the zone of interior, but does not include the 30,000 industrial production employees. When we add these 30,000 we find that the budget provides for an over-all total of 525,034 civilian employees for the fiscal year ending June 30, 1948. Of these employees, 495,034 will be paid a total of $1,212,087,505. The other 30,000 will be paid out of production money. As was stated, industrial employees are paid out of production funds. For example, the

ordnance may have a certain amount of money to purchase Garand rifles or some other item. It may let a contract to a private corporation for a part of this amount and another contract to Springfield Armory, owned and operated by the Army Ordnance. The employees engaged in the production of this item at the Armory or Arsenal are paid out of the contract price, the Armory or Arsenal being in the same position as a private contractor. The amount paid these employees is not included in "Pay of the Army," but in the amount allowed for the production and purchase of supplies and equipment. The same is true with regard to the production of clothing by the Quartermaster General at the Philadelphia Quartermaster Depot and other similar production items.

THE BILL BEFORE THE HOUSE PROVIDES FOR A REDUCTION OF 74,648 CIVILIAN EMPLOYEES AND A SAVING OF $184,086,212

The tables above referred to and inserted in the RECORD as a part of my remarks show that if the bill is passed in its present form, it will provide for a reduction of 74,631 civilian employees at a saving of $184,086,216. The purpose of itemizing the proposed savings in personnel was not to tie down the War Department to exactly the number of employees named for each service but to give the committee's idea as to where cuts might and should be made.

COMMITTEE OPPOSED TO REDUCING CIVILIAN EMPLOYEES ENGAGED IN RESEARCH AND INDUSTRIAL PRODUCTION

The committee, however, had a firm conviction and was strongly opposed to cutting any civilian personnel engaged in research and development.

TABLES CAREFULLY WORKED OUT

These reduction tables were very carefully worked out. Each item was considered carefully and separately before the reduction was decided upon. The savings were made with the record of present and past War Department hearings in mind. It will be noted that reductions in personnel range from no reduction up to 25 percent. The over-all reduction averages approximately 15 percent both in number of employees and in the total dollar reduction. It was the intention of the committee that the percentage of reduction should be as uniform as possible in employees of all grades, unless it appeared that a service was top-heavy on higher grade employees.

ZONE OF INTERIOR REDUCTION

The total reduction of employees recommended in the zone of interior is 63,590 out of a total of 414,614 employees, including the 30,000 industrial employees.

A. This leaves a total for the zone of interior of 351,024 employees, or 16,024 more than Mr. Waller testified the Army planned to carry over on July 1, 1947, and 66,024 more than Mr. Onthank's testimony showed the Army required.

B. If we take the entire number of 74,631 out of the 414,613 employees in the zone of interior, including the 11,041 reduced in overseas personnel, then the Army would still have 339,983 employees in the zone of interior, or 4,983 more than Mr. Waller said they expected to have on July 1, 1947, and 54,983 more than Mr. Onthank thought they required.

C. In view of the constant reports which came to the committee from various sources of the large number of civilian employees in the armies of occupation and in our overseas theaters, including our island possessions, the committee felt that a 10-percent cut could be made in those theaters without hampering operations or national defense, and the committee so recommends. This 10-percent cut in overseas personnel would, of course, be a part of the total reduction made herein. The total figures are shown in table VI inserted at the conclusion of my remarks.

SUMMARY OF CUTS IN ARMY AND CIVILIAN PERSONNEL AND PAY

Reduction of 17,500 officers at a saving of $96,250,000.

Reduction of 2,600 warrant officers, $10,000,000.

Reduction in flying pay, $3,600,000.

Reduction of 74,631 civilian employees, as per tables attached, $184,086,216.

Savings on personnel by the total reduction of 20,100 officers and 74,631 civilians, $293,916,216.

GENERAL REMARKS ON REDUCTION OF ITEMS OF EQUIPMENT, SUPPLIES, ETC.

In considering a reduction of any appropriation for clothing, supplies, matériel, equipment, weapons, and other items, one must take into consideration the following facts:

A. What was the inventory on hand in terms of dollars and, whenever practical, in terms of weapons or items requested?

B. The amount available for expenditure from prior years' appropriations and the unliquidated obligations, and whether those unliquidated obligations were in part for obligations represented by unpaid invoices of goods carried in the inventory.

C. The amount of the appropriation for the preceding year, 1947 in this case, and the amount expended to the latest date.

D. The amount of the appropriation asked for in the current 1948 budget, including contract authorization.

E. The total amount available for expenditure if the amount requested is appropriated.

I. ARMY AIR FORCES 56 PERCENT OF TOTAL MILITARY BUDGET; TOTAL MILITARY BUDGET SUBMITTED IS $5,997,791,000

The total military budget of the War Department for the fiscal year ending June 30, 1948, is $5,717,791,000. This does not include the $279,000,000 supplemental appropriation not yet submitted. Neither does it include the $280,000,000 contract authorization given the Air Corps for planes, and so forth, which has been submitted. If we add this last amount to the $5,717,791,000 submitted it gives us a total of $5,997,791,000 for the Army which is here being considered.

II. ARMY AIR CORPS 1948 BUDGET REQUESTS

A. The total requests or cost of the Army Air Forces if all requests are granted for 1948 will aggregate $3,372,330,000, or 56 percent of the total War Department military budget of $5,997,791,000 submitted. Other than Air Forces will receive the remaining 44 percent, or $2,625,461,000.

B. Of this $3,372,330,000 for the Army Air Forces for 1948, should all amounts be available, only (a) $1,130,000,000, or one-third of this total, is appropriated directly to the Army Air Corps. This is for pay of civilians, planes, equipment, and so forth. Of the remaining sum, (b) $1,351,000,000 will be appropriated to the pay of the Army for pay, including $68,000,000 flying pay, subsistence, rent, and other allowances coming under this head; (c) $346,000,000 will be appropriated to the Quartermaster Corps for clothing, rations, and other similar items; (d) for engineers service to Air Corps, $169,000,000; transportation for Air Corps, $135,000,000; services, equipment, and miscellaneous items furnished by other services, $241,330,000.

III. HOW MUCH WILL THE ARMY AIR CORPS HAVE AVAILABLE FOR PLANES IF AMOUNT IS ALLOWED AND WHAT KIND OF AN AIR FORCE WILL WE HAVE?

Before we can determine what kind of an Air Force we will have, we must determine, first, the inventory value of usable planes and equipment on hand; second, the amount available and obligated for prior years for planes and equipment not yet delivered; third, the 1947 and 1948 appropriations.

INVENTORY OF AIRPLANES, SPARE PARTS, ENGINES, ETC.

Inventory: The dollar value of the items on hand on January 31, 1947, is as follows:

Thirty thousand five hundred and sixty-six complete aircraft usable for next 5 years, $4,675,000,000.

Spare engines: Domestic, 52,187, $773,000,000; overseas, 8,163, $114,000,000.

Aircraft parts and accessories, $1,158,000,000.

Equipment, $462,000,000.

Total inventory on hand, $7,182,000,000.

AMOUNT AVAILABLE FOR EXPENDITURES FOR AIRPLANES, SPARE ENGINES AND PARTS, EQUIPMENT AFTER JANUARY 1, 1947

The amount available for expenditure for airplanes after January 1, 1947, spare engines, parts, equipment is as follows:

A. Out of 1945 and prior years' funds:

1. For 733 planes, $257,603,559.

2. For spare engines and spare parts, $94,354,488.

3. For Government-furnished equipment, $90,607,460.

Total available from 1945 and prior-year funds, $342,565,507.

B. Out of 1946 year's funds:

1. For 635 airplanes, $139,485,547.

2. For spare engines, $35,805,056.

3. For Government-furnished equipment and maintenance, spare parts, $85,159,805.

4. Radar and radio equipment, $23,003,613.

5. Training equipment, $5,142,645.

Total available for expenditure from 1946 funds, $288,596,666.

C. Out of 1947 funds: The total appropriation for planes, spare parts, allowed by Congress for the fiscal year ending June 30, 1947, was $401,870,900. In September 1946 the President through his Budget Director impounded $30,000,000 of this amount and in April 1947 sent a message to Congress asking that $135,000,000 Air Corps money, including this $30,000,000 be transferred from the Air Corps to pay of the Army and it was so transferred. This left a balance of $371,870,900 available for expenditure for this

purpose. Congress further appropriated $52,781,800 for radar and radio equipment bringing the total available for these two purposes to $424,652,700, $8,246,037 of which has been expended for these purposes up to January 1, 1947, leaving a balance available for expenditure of $416,406,663 from 1947 funds. This will allow the production of 681 planes at present prices in addition to spare engines, spare parts, and so forth.

D. Out of 1948 funds if allowed: The total appropriation and contract authorization for planes, spare parts, and engines requested for 1948 is as follows:

Appropriation requested for 838 planes at present prices, $400,000,000.

For spare engines and parts, $40,000,000.

For radio and radar, $40,000,000.

Total 1948 appropriation requested for planes, spare parts, spare engines, radar and radio, $480,000,000.

SUMMARY

Inventory on hand:

Thirty thousand five hundred and sixty-six complete aircraft, latest used in war and usable for average of 5 years, $4,675,000,000.

Sixty thousand three hundred and fifty spare engines, $887,000,000.

Aircraft parts, accessories, and equipment, $1,620,000,000.

Total inventory on hand, $7,182,000,000.

AVAILABLE FOR EXPENDITURE AFTER JANUARY 1, 1947, FOR PLANES AND EQUIPMENT

From 1945 and prior years appropriation, including 733 planes, $342,565,507.

From 1946 funds including 635 planes, $288,596,666.

Balance 1947 appropriation including 681 planes, $416,406,663.

From 1948 appropriation including 838 planes, radio and radar, $480,000,000.

Total available after January 1, 1947, for planes, spare parts, engines, equipment, including radio and radar, $1,527,568,836.

Inventory of planes, engines, and spare parts, $7,182,000,000.

Total inventory and expenditure available if all requests are granted, $8,709,568,830.

DECISION OF THE COMMITTEE ON REDUCTION OF PLANES, ETC.

The committee considered and reconsidered the question of whether or not a reduction in the appropriation for planes, spare parts, and engines could be made. Our decision was made more difficult by the fact that the President had reduced our 1947 appropriation for planes from $401,870,900 to $371,870,900 and at the same time had asked Congress to appropriate $480,000,000 more for planes, spare engines or spare parts, radio and radar equipment.

DECISION OF COMMITTEE

The decision was finally made that a reduction of 10 percent of the $440,000,000 appropriation for planes, spare engines, and so forth, could and should be made. This will reduce this appropriation by $44,000,000 or to $396,000,000. It will give the Army Air Corps $25,000,000 more cash appropriation for 1948 for this purpose than the President left them in 1947 after transferring $30,000,000 plane money to the pay-of-the-Army fund.

The Army Air Corps will have available for expenditure after January 1, 1947, for planes, spare parts, engines, equipment, including radio and radar, the sum of $1,483,558,836.

AIR FORCE EQUIPMENT IF PROGRAM IS CARRIED OUT

If this program is carried out our inventory of airplanes, spare engines, and other usable equipment will be as follows:

First. Inventory of 30,566 complete usable aircraft, 60,350 spare engines, spare parts, radio, radar, and other equipment as of January 1, 1947, $7,182,000,000.

Second. Value and cost of 2,683 of the latest planes of every type to be paid out of 1945, 1946, 1947, and 1948 money. This includes a large number of heavy bombers, transport and fast fighter planes, also including adequate spare engines, parts, radio, radar, and other equipment, $1,483,558,836.

Total inventory of planes and equipment if and when this program is carried out will be $8,665,558,836.

We would, of course, have to deduct from this sum the number of planes that would be lost, damaged beyond repair, or destroyed after January 1, 1947.

MUST NOT BE OVEROPTIMISTIC

It must be noted that while the picture looks good now and perhaps for a year or two more, it will become increasingly worse because of the large number of planes which will become obsolete during the next 1 to 5 years. It is hoped that the plane production program can and will be increased materially as and in proportion to the reduction of Federal expenses. We hope for a reduction in expenditures in United States aid to foreign countries as well as a reduction of occupational and other costs as peace treaties are made. My purpose in giving the present-day picture is not to be misconstrued. This picture does not warrant the note of pessimism that has been current in the Nation regarding our relative air strength on the one hand. Neither does it warrant a note of overoptimism. In fact the real danger to our national defense lies in a possible overoptimism as to our military and of course our air strength.

RESEARCH AND DEVELOPMENT FOR AIR

The amount available for expenditure for research and development for the Air Corps from 1948 and prior years' appropriations if the total 1948 requests are granted are as follows:

From 1945 and prior years appropriations, $105,597,949.

From 1946 appropriation, $206,576,849.

From 1947 appropriation: The Congress appropriated $185,000,000 for research and development for the fiscal year ending June 31, 1947. In September 1946 the President impounded $75,000,000 of this amount and in April 1947 sent a message to Congress asking that this sum be transferred to "Pay of the Army." In view of the fact that it was then too late to obligate this sum efficiently according to the testimony, the committee granted the request for the transfer leaving the net sum of $110,000,000 available for that purpose. Fourteen million one hundred and thirty thousand four hundred and seventeen dollars had been expended prior to January 1, 1947, leaving as available for expenditure after that date the sum of $95,869,583.

From 1948 appropriation, $145,000,000.

The committee made no reduction in this appropriation.

TOTAL AMOUNT AVAILABLE FOR RESEARCH AFTER JANUARY 1, 1947

The total amount available for research and development after January 1, 1947, out of 1945, 1946, 1947, and 1948 appropriations, if this bill is passed in its present form, will be $553,044,391.

In concluding my remarks on this part of the bill I want to point out the irregularity of the past program on research and development. In order to obtain the maximum results with the minimum expenditure a research program must be planned over a term of years and the money, whatever the amount determined upon, must flow evenly and with the long-term program in mind constantly. The system of appropriating money, planning, then reducing the appropriation made and appropriating a larger sum again will bring a minimum result with a maximum expenditure instead of a maximum result with a minimum expenditure.

TRANSPORTATION CORPS

The budget estimate for the Transportation Corps aggregated $400,000,000, or 7 percent of the entire military budget of $5,717,000,000. This does not include the cost of the Air Transport Command. If we were to include this item it would run close to 10 percent. This in the opinion of the committee is entirely too high. This service had $374,062,232 unexpended balance of 1946 and prior years funds, including according to figures furnished me $101,320,203 overseas funds called triple-O funds and $137,529,935 unallotted funds. The budget provides for a total pay roll of $127,355,442 to pay 54,622 civilian employees. The committee after careful consideration recommends a reduction of $52,422,773 below the budget estimate. This includes a reduction of 9,139 civilian employees and a $22,422,773 reduction in the transportation pay roll, or a nonpersonnel reduction of $30,000,000.

AIR CORPS SUPPLIES, ETC.

In addition to the reduction in personnel and the 10-percent reduction on airplanes, spare engines, and parts which has been fully discussed, the following reductions were made:

Supplies and equipment, $300,000.

Transportation, $6,143,075.

Fuel and oil, $10,041,444.

Procurement of air-borne and ground communications equipment, $9,479,026.

Miscellaneous, $971,000.

Total, Air Corps, not including personnel and airplanes, $26,934,525.

ENGINEER CORPS

The budget estimate of the Engineer Corps was $365,000,000. The committee allowed $299,214,506, with a reduction of $65,785,494, including $32,204,640 reduction in personnel pay roll. The remainder of $33,580,854 was a reduction in matériel, supplies, and equipment, including $20,000,000 reduction in barracks and quarters. As high as 14.75 percent administrative overhead charge was added

to some of these items. A total of $14,798,278 was so added, which the committee thought excessive.

OTHER REDUCTIONS IN SUPPLIES, EQUIPMENT, ETC.

A reduction of $16,303,401, in addition to personnel reduction, was made in the Quartermaster appropriation request for clothing and other items. No reductions were made in the Medical Corps outside of a 10-percent cut in personnel. A nonpersonnel reduction of $5,360,905 was made in the Signal Corps. A nonpersonnel reduction of $8,525,510 was made in the Ordnance Department. The remaining $17,167,666 nonpersonnel reduction which makes up the total reduction of $475,809,077, was made in other services not mentioned in this paragraph. All items including the above are included in the committee report.

TABLE I.—*Civilian employees, Military Establishment appropriation, 1948, zone of the interior only*

Appropriation title	Number	Reduction		Budget estimate	Reduction in dollars
		Percent	Number		
National War College	101			$292,500	
Command and Staff College	153			370,500	
Finance Department:					
Pay of the Army	18,774	20	3,755	45,795,854	$9,159,171
Finance Service	9,375	20	1,875	23,467,186	4,693,437
Quartermaster Corps:					
Welfare of enlisted men	700	20	140	1,942,907	388,581
Clothing and equipage	13,284	20	2,657	27,056,561	5,411,312
Incidental expenses	27,337	25	6,834	65,352,390	16,338,097
Transportation Service	[1] 35,007	20	7,001	94,150,283	18,830,057
Signal Corps	[2] 10,346	15	1,552	27,952,924	4,192,937
Air Corps	[1] 98,380	15	14,757	257,101,350	38,565,202
Medical and Hospital Department	[1] 19,567	10	1,957	49,505,424	4,950,542
Engineer Corps:					
Engineer Service	[2] 5,120	20	1,024	14,475,200	2,895,040
Barracks and quarters	47,994	20	9,599	121,489,498	24,297,899
Ordnance Department:					
Ordnance Service	[2] 50,370	15	7,555	116,829,394	17,524,409
Rock Island Bridge	13			36,143	
Chemical Corps	[2] 2,050	20	410	5,196,696	1,039,339
Army Ground Forces, training and operation	1,337			3,668,070	
U. S. Military Academy, maintenance	1,256		63	3,252,543	162,627
Organized Reserves	3,455		345	10,241,840	1,024,184
National Board for Promotion of Rifle Practice	25			63,080	
Total, military activities	344,644		59,524	868,240,343	149,472,834

[1] Does not include "Research and development" personnel. [2] Does not include either "Research and development" or "Industrial mobilization" personnel.

TABLE II.—*Civilian employees, Military Establishment appropriation, 1948, departmental employees only*

Appropriation title	Number	Reduction		Budget estimate	Reduction in dollars
		Percent	Number		
Office, Secretary of War	1,097	25	274	$3,475,000	$868,750
Office, Chief of Staff	2,264	25	566	8,550,000	2,137,500
Adjutant General's Office	4,300	20	860	11,088,000	2,217,600
Office, Inspector General	74	20	15	181,000	36,200
Office, Judge Advocate General	160			506,000	
Office, Chief of Finance	565	20	113	1,685,000	337,000
Office, Quartermaster General	1,805	20	361	5,462,000	1,092,400
Office, Chief of Transportation	820	20	164	2,767,000	553,400
Office, Chief Signal Officer	625	20	125	2,091,000	418,200
Office, Commanding General, Army Air Forces	1,705	25	426	5,250,300	1,312,575
Office, Surgeon General	695	10	69	2,229,390	222,939
Office, Chief of Engineers	1,079	25	270	4,252,000	1,063,000
Office, Chief of Ordnance	1,040	25	260	3,763,000	940,750
Office, Chief of Chemical Corps	129	25	32	525,000	131,250
Office, Chief of Chaplains	35			95,000	
National Guard Bureau	125			351,000	
Provost Marshal General's Office	50	20	10	176,000	35,200
Special Service Division	15	20	3	52,000	10,400
Total, departmental	16,583		3,548	52,498,690	11,377,164

TABLE III.—*Civilian employees, Military Establishment appropriation, 1948, industrial mobilization*

Appropriation title	Number	Reduction		Budget estimate	Reduction in dollars
		Percent	Number		
Quartermaster Corps, regular supplies	131	10	13	$440,000	$44,000
Signal Service	42	10	4	165,947	16,595
Engineer Service	43	10	4	140,000	14,000
Ordnance Service and supplies	3,953	10	395	12,955,000	1,295,500
Chemical Corps	1,017	10	102	2,730,708	273,071
Total, industrial mobilization	5,186		518	16,431,655	1,643,166

NOTE.—In addition to the above reductions in cost of personnel there is a reduction of $1,002,334 in industrial mobilization funds other than personnel.

TABLE IV.—*Civilian employees, Military Establishment appropriation, 1948, research and development*

Appropriation title	Number	Reduction		Budget estimate	Reduction in dollars
		Percent	Number		
Transportation Service	103			$410,000	
Signal Corps	2,678			10,048,080	
Air Corps	7,970			25,316,400	
Medical and Hospital Department	258			1,011,810	
Engineer Service	860			2,400,000	
Ordnance Service	5,089			15,800,000	
Chemical Corps	1,243			4,440,000	
Total, research and development	18,201			59,426,290	

NOTE.—The total estimate for research and development, including the personnel costs shown above, is $222,216,400.

TABLE V.—*Civilian employees, Military Establishment appropriation, 1948, overseas only*

Appropriation title	Number	Reduction		Budget estimate	Reduction in dollars
		Percent	Number		
Finance service:					
Pay of the Army	15,242	10	1,524	$33,900,000	$3,390,000
Finance Service	562	10	56	1,459,132	145,913
Quartermaster Corps:					
Welfare of enlisted men	840	10	84	2,334,785	233,478
Clothing and equipage	4,144	10	414	4,963,517	496,352
Incidental expenses of the Army	11,110	10	1,111	18,075,843	1,807,584
Transportation Service	18,690	10	1,869	30,028,159	3,002,816
Signal Service	3,721	10	372	7,729,680	772,968
Air Corps	23,900	10	2,390	53,471,700	5,347,170
Medical and Hospital Department	3,171	10	317	6,732,521	673,252
Engineer Service	15,910	10	1,591	39,137,108	3,913,711
Ordnance Service and supplies	13,038	10	1,304	17,015,200	1,701,520
Chemical Corps	92	10	9	202,882	20,288
Total, overseas	110,420	----------	11,041	215,050,527	21,505,052

TABLE VI.—*Total reduction of all employees appropriated for in the bill*

Appropriation title	Number	Reduction		Budget estimate	Reduction in dollars
		Percent	Number		
Zone of the interior	344,644	----------	59,524	$868,680,343	$149,560,834
Departmental	16,583	----------	3,548	52,498,690	11,377,164
Industrial mobilization	5,186	----------	518	16,431,655	1,643,166
Research and development	18,201	----------	----------	59,426,290	----------
Overseas	110,420	----------	11,041	215,050,527	21,505,052
Total	495,034	----------	74,631	1,212,087,505	184,086,216

Number of employees as shown above provided for in bill (495,034—74,631), 420,403. Funds appropriated for employees as shown above ($1,212,087,505—$184,086,216), $1,028,601,289.

The CHAIRMAN. The gentleman from Michigan has consumed 50 minutes.

Mr. ENGEL of Michigan. Mr. Chairman, I yield myself 10 additional minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman referred to getting behind the iron curtain. Can the gentleman tell us how many Russian agents are in the United States getting in behind our curtain so as to find out what we are producing?

Mr. ENGEL of Michigan. I do not know anything about that; I am not a sleuth.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I have only about 5 minutes remaining and I do not want to go over the hour unless, of course, the membership wishes to grant me more than an hour.

I would like to know; the United States Army, I am sure, would like to know, how they get military information out of Russia.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from California.

Mr. SHEPPARD. I would like to ask the chairman this question: The Air Corps Material Division has indicated it would like to maintain 10 depots throughout continental United States. I understand there is organic law that creates arbitrarily only seven depots. Are there sufficient funds in the present bill for the Material Division of the Air Corps to operate 10 depots if it so desires?

Mr. ENGEL of Michigan. No. We gave them the money the Budget asked for, the amount the Budget asked for for those depots.

Mr. SHEPPARD. Am I to interpret the chairman's answer that that would be only seven depots?

Mr. ENGEL of Michigan. Seven depots; yes.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. In reference to the gentleman's statement regarding the difficulties of knowing the number of airplanes Russia has, it is very easy to figure that out. We can figure out what we gave them and that is what they have.

Mr. ENGEL of Michigan. The reports I get state that they are outproducing us. It was not the planes we gave them. We know what we gave them, so we are not worried about that. The story was as to the number of planes they are producing. Press reports stated that Russia was producing more planes than we were producing and that they were producing better planes.

Mr. KERR. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I am convinced that 90 percent of the taxpayers of this Nation demand that governmental expenses be cut. There are some expenses which have priority over others, and these taxpayers themselves realize this. The responsibility of being the wealthiest nation on the earth, and one which in normal times did one-half of the business of the world, places obligations on us, both morally and politically, which we must meet. Cutting our expenses and meeting our obligations is the most serious duty that ever confronted us.

We pyramided a debt of $400,000,000,000 in World War II, and since the war we have given or loaned to our allies and enemies of this war about $22,000,000,000, and have made private investments in these countries of approximately $14,500,000,000.

It is obvious that demands will be made upon this Nation to stabilize the affairs of the world for years to come, and it will require patience, knowledge, and wisdom to bring back a normal world. We doubtless have the patience and we have the physical attainment and knowledge which surpasses all other ages, but it is quite evident that what mankind lacks is wisdom. Knowledge is information gathered; wisdom is knowledge applied; and nations are like men—they know enough to do right, but, lacking wisdom, they do wrong. The trouble with the United Nations organization to promote peace upon the earth is that selfishness abounds and wisdom is lacking.

It is estimated that 19,000,000 men are today under arms and that 40 nations are spending at least $27,000,000,000 on armaments, and the smoke of war still smothers some portions of the world. More than 16,000,000 of the total men in uniform constitute the ground armies, 6,000,000 of whom are in China, 4,000,000 in Russia, a million and two hundred and fifty thousand in Great Britain, and in the United States more than 670,000. This Nation has incomparably the greatest sea power, the tonnage and striking power of our Navy outranking all others in the world combined.

Crushing taxation burdens all the world, and outside the United States peacetime conscription is well-nigh universal, and more money is being spent today on indirect military objectives in the development of atomic force, bacteriological warfare, guided missiles, jet planes, and new weapons than was ever spent before in the history of the world.

The chairman of our subcommittee has informed you that the subcommittee charged with the responsibility to hear and determine the justifications for appropriations for the Military Establishments for the fiscal year ending June 30, 1948, has spent many days in hearing testimony in support of the justifications and has discharged its responsibility to the best of its ability in appraising the needs of our Army and has reported its findings and recommendations to the full Committee on Appropriations, and now submits the approval of these findings to the House of Representatives for further determination.

Last year, when I as chairman of the Military Establishments Appropriations Subcommittee reported this annual bill, I was moved to mention the splendid cooperation on the part of every member of the subcommittee in our endeavor to bring to the House a bill that was adequate to meet the needs of a peacetime Army. With one exception, every member of the present subcommittee is the same as last year's subcommittee, and without exception, each member has discharged his responsibility with the same degree of care and patriotism that moved us in the performance of our prior duties.

The course of political events has relieved me of the responsibilities placed upon the chairman of the subcommittee and these responsibilities now rest upon the shoulders of the gentleman from Michigan [Mr. ENGEL]. Mr. ENGEL is one of the most industrious men in Congress. In the performance of the duties placed upon him by reason of his position as chairman of the subcommittee, he has spent many long and tedious hours in performing the duties incident to preparing a bill of the magnitude of the one now before us. He cannot be commended too highly for the physical and mental energy and the conscientious service he has put into this bill. His work has inspired each member of this committee, and, in my opinion, this Congress and this Nation owes him a debt of deepest gratitude.

Hearings on the bill now before the House were quite extensive and in view of the heavy duties imposed upon each individual member by other activities, and especially in the heavy work in our offices, the constant attendance of each member reflected his patriotic desire to perform a task of the highest importance. There are items in this bill which do not have the full endorsement of each member, but the conclusions arrived at represent the cooperative and combined judgment of the membership of this entire subcommittee.

The present world situation is such that an appropriation for national defense must be viewed in the light of international relations. There is at the present moment no firm basis for peace. I am convinced that our Nation is making every effort to secure an honorable, valid, and lasting peace, and it is now apparent that even if such a desired achievement will be accomplished, it does not appear to be possible in the near future. Of course, when these accomplishments are brought about and the world becomes friendly and stable again, it will relieve this Nation from the necessity of maintaining a great standing army and providing funds to support it.

You will note that the largest single reduction made in the budget estimate is in the cost of the civilian personnel of the Army. This budget estimate approximated $1,200,000,000. The committee, after thorough consideration, has recommended a reduction of $184,086,216 in the budget estimate and the distribution of this reduction is shown in the tables in the report.

In the consideration of the estimates the committee developed the facts that just prior to Pearl Harbor, with an Army of 1,700,000, the supporting services of 380,000 civilian employees were utilized. At the peak of the wartime production, with an Army of 7,000,000 men and officers, there were 1,349,000 civilian employees; as of December 1946, the middle of the present fiscal year, with an Army of 1,319,000 men, there were employed in this country 411,000 civilians and in overseas areas 141,000, at an estimated cost of $1,000,337,000. For the fiscal year 1948, the budget estimate called for 384,614 civilian employees in the zone of the interior plus 30,000 to be employed on approved projects and paid from funds made available on a project basis, and 110,420 for overseas services, totaling 525,034. And from this total number the committee recommends a reduction of 74,631, of which 63,590 are in the zone of the interior and 11,041 overseas. No reduction whatever was made in the civilian employee estimate for research and development, and no reduction is proposed in the 30,000 to be employed on approved projects. After careful consideration, it is the opinion of the subcommittee that a reduction of $184,086,216 from this large item will in no way impair the program of our military service.

The next largest reduction made in the recommendation of the budget is in the appropriation entitled "Pay of the Army," and is brought about by a recommended substantial reduction in the number of officers and warrant officers. The justification for this is clearly supported by the fact that the Army has been reduced to 1,070,000 men, with a total of 132,500 officers and 13,500 warrant officers, nurses, dietitians, and physiotherapists. It was the opinion of the committee that this number of officers was excessive, and the committee suggests that one officer for each nine enlisted men is a proper proportion, and experience has indicated this rule to be correct. With the advance of science and technical equipment used by present-day armed forces, it is conceivable that a slightly higher percentage of officers might be required and might be desirable. With this thought in mind, a majority of the committee recommended that a reduction of 17,500 officers and 2,600 warrant officers be made, and in its recommendation has reduced this appropriation, on account of the reduction of officers, $96,250,000, and, on account of the reduction of warrant officers, $10,000,000. You will note that on a percentage basis this will provide for an Army of 1,070,000 men, supported by approximately 30 percent of that number of civilian personnel, and 12 percent office personnel, not including warrant officers.

QUARTERMASTER CORPS

Further suggested reductions are made by the committee in the Quartermaster Corps under the appropriation title "Regular Supplies of the Army." The budget request for $82,000,000 has been reduced to a recommended amount of $70,059,860—a reduction of $11,940,140—and the reduction, as shown in the report, is distributed throughout the quartermaster items. The committee was informed that the four items bearing the greater portion of the recommended reductions have in their depots supplies in excess of $53,000,000. I have no doubt that additional supplies are required in these items to supply the needs for the next fiscal year, but by proper management the supplies now on hand will be used first, insofar as possible, and with the additional funds provided in this bill the additional items required for the next year can be acquired.

I was impressed with the efficiency of the officers presenting the budget requirements for the Quartermaster Corps and believe in their ability to adjust their needs to the action taken by the committee. They are keenly aware of the requirements to keep members of the armed forces in good health, well-being, and high morale.

TRANSPORTATION CORPS

The Transportation Corps is primarily a service organization and its functions are to provide for the movement of Army personnel, supplies, equipment, and material. It has performed such duties in an admirable manner. It is not a policy-making organization and for that reason does not exercise control over the size, location, deployment, movement, or mission of the Army.

During recent years it is the general opinion that Army movements have been excessive; personnel has been moved many more times than would appear to be necessary, and each movement of personnel has required a corresponding movement of supplies, equipment, and material. This presents a difficult problem since the Transportation Corps is not directly responsible for the orders directing movement of troops, and so forth, but must provide the instrumentalities for the movement from funds appropriated to it. On the other hand, the administrative function responsible for the orders requiring transportation does not have the cost of that transportation taken from its appropriation. Therefore when the committee concludes that excessive funds are being spent for transportation it is not necessarily a reflection upon the Transportation Corps, but upon some other branch of the Department responsible for the orders requiring transportation. However, the only way an appropriating committee can attempt to remedy the situation is by reducing the funds requested for transportation and point out that the agencies of the Department responsible for directing excessive transportation should reconsider and be more conservative in requirements. On this basis, the budget request for the

Transportation Corps of $400,000,000 has been reduced by $30,000,000 in addition to the proposed reduction of $21,832,873 in the civilian personnel items, $553,400 in departmental personnel, and $36,500 in industrial mobilization, leaving a total recommended appropriation for the Transportation Service of $347,577,227.

RESEARCH AND DEVELOPMENT

The importance of scientific development cannot be overemphasized. Events which hastened the end of World War II make this crystal clear. Not only in the field of atomic energy is scientific development most important. On VJ-day our Nation excelled in this particular field; but in other scientific fields such as guided missiles, jet and rocket propulsion, and electronics, we now know that, in certain phases at least, we were not in the forefront. It is known, however, that in all these scientific fields only the surface has been scratched and that further utilization of benefits depends upon further research, discoveries, and developments.

The objective of all War Department research and development will be to apply the results of scientific analysis and research to the development of the most advanced weapons, techniques, material, and counter measures for the use of the Army in the execution of the military policy of the United States. This objective must envision the economic, political, industrial, and sociological implications with respect to the production of these weapons.

To implement such a broad objective, definite missions of research and development were presented to the committee as necessary. In brief, they are:

First. To create weapons which will be ahead of those of our competitors both in time and design.

Second. To create counter measures to the weapons of our competitors.

Third. To minimize the effect of climatic extremes on both men and weapons.

Fourth. To obtain the new scientific facts necessary to accomplish the foregoing objectives.

During the war, research facilities and programs were developed with haste to make up for our deficiencies. The accomplishments were without parallel in human history, but at the same time they were achieved at too great an expense both in time, money, and materials. If we profit from this expensive experience, we will develop a well-rounded program to explore all reasonable avenues of research and development; one which will insure our troops the most efficient, the lightest, the most durable, and the most climatic-resisting equipment possible to produce. The weapons will be the most accurate and the most mobile in the world. Clothing will provide the greatest protection for troops under all conditions; will be comfortable, yet efficient and durable. Our advance in all matériel will keep us in the forefront and enable us to do our part toward maintaining a peace which all desire.

The committee has been assured that every effort is being, and will be made, to coordinate the efforts of the several development agencies to utilizing in the most efficient manner, both time and money in the accomplishment of the research and development goal above set forth. The committee has not reduced the funds requested for this activity; its only admonition is that the expenditure be administered carefully with the purpose of accomplishing maximum results.

The committee recognizes that the research and development program will not and should not fluctuate with the size of the Army. In order to maintain progress and secure maximum results consistent with economy and efficiency, a relatively constant level of funds must be made available year by year for this activity. Otherwise, projects of great potentiality might have to be abandoned after only getting well under way. This would be waste. The funds recommended are, in the committee's opinion, the least which can insure economical continuance of the research and development program.

ARMY AIR FORCES

Events of the past few years have made it clear that the Army Air Forces have kept pace with other branches of our Army to produce the most powerful offensive fighting force the world has ever known. Many components go into a complete and rounded-out Air Force—not the least of which is the industrial capacity of our Nation to produce and place at the disposal of the trained Army personnel planes in large numbers which are unsurpassed in quality.

It was clearly pointed out by officials of the Army Air Forces, and I wish to call it to the attention of the Members of this body, that the mission of this branch of the Army is to provide the Air Force elements of national security. In recent years it has frequently been referred to as the "first line of defense," thus displacing claims made on behalf of the Navy for many years. But whether or not it is the "first line of defense," it is the force in our Army that can bring the policy of one of the great generals of our Nation to fruition. I refer to Gen. Nathan Bedford Forrest and his memorable statement that has become a classic, that he won his battles by getting "there fustest with the mostest." The Army Air Forces places our Nation in that position.

It is not my purpose here, however, to eulogize the Air Forces. All of you are familiar with their accomplishments. I do wish to point out some of the problems that confront this component of our Army, and as their problems become the problems of this body, it devolves upon us to provide the directorship and means of coping with the questions presented to the Army Air Forces.

From the time of Pearl Harbor to VJ-day there was an ever increasing production of Air Forces needs. That production, of course, came from the industrial capacity of our Nation. Since VJ-day the demand for the type of production required in wartime has slackened because the civilian economy does not require the same type of equipment and supplies used for war purposes. The question then arises as to how it will be possible to keep a sufficiency of the wartime type of capacity to meet an emergency should one arise. This is not a question solely with the Air Forces, it reaches into many other components of the armed forces, especially Ordnance. Insofar as the Air Corps is concerned the committee has approved in large part the requests for funds needed to keep industrial capacity in a position to quickly expand to meet required needs. It is necessary to keep abreast of scientific developments by producing new designs and prototypes of planes that may be used for testing purposes. It is necessary also to keep the aircraft industry sufficiently occupied that its capacity to produce the planes and other equipment and supplies needed will not be lost. There must be an even flow of work for the aircraft industry year after year to keep it current on required needs and to have a skeleton force which may quickly be expanded and built up to a place where emergency requirements can be met.

The present budget estimates for new aircraft is $440,000,000. A majority of the committee having ever in mind the need to reduce expenditures as much as possible have agreed on a reduction of 10 percent or $44,000,000. This will reduce the number of new aircraft from the requested 932 to approximately 800. A reduction of approximately 11 percent is recommended in the item for fuel and oil for aircraft as with fewer planes these requirements should not be as great.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. MAHON. The latest figures from the Air Force, which were not available earlier in the hearings, show that 932 airplanes could not be produced with that money, but that only 749 could be produced and that the cut made by the committee would reduce the airplane-procurement program from the highest estimate of 932 down to 561 planes. That is brought about by the reduction of the committee and the increase in the cost of airplanes. It is brought about by several factors.

Mr. KERR. I think, of course, that the gentlemen's statement is correct. But you know what the information of the committee is. We now have 30,000 airplanes.

Mr. MAHON. To all intents and purposes, some of our planes might just as well be denominated as cracker boxes, because in modern warfare they would not be first-line aircraft. Our number of first-line aircraft is certainly nothing like approaching what it should be.

Mr. KERR. Has the gentleman any idea of what our number of first-class aircraft is?

Mr. MAHON. I might make a guess, but I do not have any definite figures from the War Department. But it remains to be seen how these old stored aircraft will work if we should happen to need them in time of an emergency.

Mr. KERR. Well, you ought to complain to the War Department which has charge of the development of the Air Forces. They have told us how many planes which this money we have appropriated will make. It looks like you

could have gotten from them the information as to how many we have available for fighting purposes now. There is no question but that we have got 30,000 of them distributed all over this Nation.

Mr. MAHON. Many of those 30,000 are out in the weather deteriorating and will probably never be used. The War Department will tell the members of this committee how many first-class aircraft we have—bombers and fighters—but I doubt that we would want to make public the intimate details of that. I know the most intimate details do not appear in our hearings and I would not take the responsibility of making it public on the floor.

Mr. KERR. I regret that the gentleman did not get that information and tell this committee about it if it was so important.

Small reductions in other items are recommended which in addition to reductions recommended in civilian personnel bring the total reductions recommended to $116,667,492, or approximately 13.8 percent reduction from the budget estimate.

I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I think the gentleman handled the situation very well. I was going to make a comment on the observations of the gentleman from Texas [Mr. MAHON]. I think the gentleman from North Carolina made appropriate answer. I might say more about it later. I thank the gentleman.

CONTRACT AUTHORITY

Mr. KERR. The bill provides for contract authorization of $280,000,000 for the procurement of aircraft, equipment, spare parts and accessories which will carry the program into future years and provide an even flow of orders for the aircraft industry.

I wish to point out if the Congress agrees to handling the aditional authority for $280,000,000 on a contractual authority basis, it is obligating the Government to appropriate in the future the funds required to pay for the aircraft, equipment, and so forth, procured under the authority exercised during the fiscal year 1948. The policy of granting contractual authority has not always been looked upon with favor as it may increase the cost of governmental operations and administration. This is especially true if the authorization includes numerous contracts. In the instant case, however, there should be relatively few contracts.

It has always given me pleasure to speak kindly of my fellowmen, and especially of those with whom I have worked in the performance of life's duties.

The clerks assigned to duty in the Appropriation Subcommittees of the House of Representatives have been men of highest character and outstanding intellect, and the responsibility placed upon them is rarely appraised as it should be.

Robert E. Lambert, the efficient clerk of the War Appropriations Subcommittee, deserves the highest meed of praise for the service he has rendered our subcommittee, and I know that each member joins with me in an expression of our deep appreciation for the splendid service he has rendered in the preparation of the bill now before the House. Mr. Lambert has the highest ideals in respect to his work, and there is always indescribable superiority added to the character and fiber of the man who, always and everywhere, puts quality and efficiency into his work—this Mr. Lambert does.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. KERR] has again expired.

Mr. CASE of South Dakota. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I will discuss the pending bill briefly, and I shall devote part of my remarks under general debate to the conference report of the conferees on the labor bill.

ARMY APPROPRIATIONS

First, however, I do want to say something about the Army appropriation bill. At the outset I should like to say that every member of the subcommittee who has worked under the chairmanship of the gentleman from Michigan [Mr. ENGEL], will agree with me, I am sure, in saying that we think we have the hardest working chairman in the House of Representatives. We have a chairman who puts in more detailed study on the hard plugging work of the preparation of a bill than any chairman that I know anything about, at least. And he gets results.

Last fall I had the feeling that the Congress would be called upon to make some reductions in appropriations, perhaps for the armed services, both the Army and the Navy. I wrote the gentleman from New York [Mr. TABER] when it was apparent that he would be chairman of the Appropriations Committee following the election, and I said that I felt if it became possible for the subcommittees of the Committee on Appropriations which dealt with budgets for the armed services to be merged or to coordinate their activities much as the Committees on Naval Affairs and Military Affairs are doing in the Armed Services Committee, this was a fitting time for the country to avail itself of the services of a man like AL ENGEL to take the leadership in coordinating expenditure for the two services. The Chairman has been diligent. We had longer hearings on the Army bill this year than we have had in the 8 years I have been a member of the subcommittee. We examined the estimates more in detail. The printed hearings, I think, are the longest we have ever had. Following the hearings on the bill itself we spent more days in actually marking up the bill and examining the individual items than has been done in the 8 years I have been on the committee. That is a sample of the thoroughness with which the bill has been prepared under the leadership of the gentleman from Michigan.

The country, I believe, wants to know that the Army bill and the Navy bill provide for security; at the same time they do want some reduction in the general expenditures of the Federal Government. I was interested in the way in which headlines told of the reporting of the Army appropriation bill the other day. They talked about the total of the bill and then said that the reductions proposed amounted to something over 8 percent. They said that was a modest precentage in comparison with the percentage cuts on many of the other bills. Whether they said it critically or approvingly varied with different papers; but it should be pointed out that in dealing with the Army first of all you must consider the size of the Army.

If the size of the Army is once determined then you have automatically fixed a certain amount of money required for pay and subsistence, and other allowances of the members of the Army. The pay of the Army is fixed by statute. Subsistence, of course, reflects the cost of living.

It is estimated that every enlisted man in the Army costs the Federal Government $3,150 for his pay, his clothing, his subsistence, and other allowances. The figures for officers are approximately $5,500; that is the average for the officers of various ranks. Both of these figures go higher if part of the Army is overseas, and about half of our Army is overseas. Taking these figures just as an average, if you have an Army of 1,070,000 men, with approximately 130,000 officers and warrant officers you can readily figure out what money is untouchable. Multiply the 130,000 by $5,000 for even figures and you have $650,000,000 required for the officers. Take the remaining number of men, 950,000 enlisted men and multiply that by $3,100, the average, you have something over $2,900,000,000.

If you add the $2,900,000,000 to the $650,000,000 you have $3,500,000,000 to start with as the amount required for pay, subsistence, and allowances in which no cuts can be made. The only way to reduce that would be to reduce the number of officers or men.

The military budget came to this subcommittee with budget estimates amounting to about $5,700,000,000. When you subtract the $3,500,000,000 required for, say, subsistence and allowance, you have left about $2,100,000,000 where you can operate for the purpose of making reductions. The reductions proposed by the committee total $475,000,000. It is obvious that $475,000,000 is more than 20 percent of the $2,100,000,000 that you have in the field where you can operate for the cuts.

Then, you add to that the principle that the committee took, namely, that we were not going to cut funds for research and development, and you take off another quarter of a billion dollars. You then have a 25-percent cut in items, exclusive of pay, subsistence, and allowances and funds for research and development.

This bill carries approximately $222,000,000 for research and development. It also carries approximately $23,000,000 for industrial mobilization, almost equally important.

The committee, and rightfully in my judgment, took the position that research and development should not be curtailed. We were aware of the fact that last year after we appropriated funds for research and development the President and the Bureau of the Budget proposed to impound around $100,000,000 that the Con-

gress had appropriated for research and development. There apparently was some protest in Army circles on that figure, and as a result of a reexamination and a visit to Wright Field, where the Air Forces have their research division, the $100,000,000 that was to be cut back was reduced to $75,000,000. The $75,000,000 of the Air Forces' research and development money was frozen or impounded, and subsequently it was transferred to other purposes of the War Department. It was used in part to take care of the pay of the Army, the pay of the civilian employees; so that last year $75,000,000 that the Air Force should have had for research and development was used for other purposes.

Gen. Curtis Le May, who was head of the Twentieth Air Force, the B–29's in the Pacific, in response to questioning testified before our committee that that cut-back had delayed the research program anywhere from 8 months to a year and a half. He explained to us that a research program was not something that you could pick up now and accomplish in a few months' time but that research requires advance planning if you are going to carry it forward and use the different new devices in planes. You have to do your technical work on these devices, you have to put them on the planes. Sometimes you have to redesign the planes in order to accommodate the new instruments that you propose to put in them.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Missouri.

Mr. PLOESER. Would it be the gentleman's judgment that such action on the part of the Executive was damaging to the national defense program?

Mr. CASE of South Dakota. We did not think it helped at all and that is why the committee took the position we would not cut this $222,000,000 which was requested by the budget for research and development at this time. We wanted to give the Air Corps an opportunity to get caught up.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. KEATING. I am in thorough accord with the committee's action in not cutting down the appropriation for research. Is there any way in which we can prevent similar action being taken next year by the Executive?

Mr. CASE of South Dakota. I wish I knew. We asked that question during the hearings. I do not know whether it shows on the record or not. It may have been asked off the record. There was some division of opinion as to how the Congress, if it wanted to prevent appropriated funds from being impounded by the executive branch of the Government, could accomplish it. That has been raised in connection with other appropriation bills.

I think I can say that we made it perfectly clear to those who were before us that we expected them to go ahead with the program for which we were appropriating funds. At the same time it must be recognized that the President is Commander in Chief of the Army and Navy, and that as Commander in Chief of the Army and Navy, if he directs officers in the Military or Naval Establishments to do certain things, as a matter of discipline and obedience they will follow his directives.

Mr. PLOESER. Mr. Chairman, if the gentleman will yield further, I think it is probably very clear that it would be impossible, certainly most difficult, for the Congress to compel the Army to spend a certain amount of this fund on research. At the same time, I think it is within our power and our province to prevent the transfer of this fund to any other purpose.

Mr. CASE of South Dakota. And this bill, I may say, comes to you without a transfer clause in it. They are not going to transfer this money to some purpose other than that to which it is appropriated.

Mr. PLOESER. I think that is tremendously beneficial, in view of the fact that we have known that they transferred it to keep more unnecessary civilian employees cluttering up the War Department.

Mr. CASE of South Dakota. Perhaps we have taken care of that, too. On pages 5, 6, and 7 of the committee report you will find tables showing various divisions of the War Department, the number of requested positions for civilian employees, the reduction proposed by the committee, the percentage reduction, the number of the reductions, the estimated cost for the full number requested and the reduction in dollars applied.

Thus, the committee has made perfectly clear where the reductions in the number of civilian personnel are to take place, both in percentage as well as in dollars.

Now, there is one other branch of the War Department's activities where we proposed that no cuts be made, and that is in the National Guard. With some of the members of the committee I felt at different times that the National Guard had been overlooked. There is a little tendency, I think, on the part of some career men in the Army to look down a bit at the National Guard. Yet the fact remains that when we get into an emergency we always call upon the guard. Under any logical interpretation of the kind of attack that might come to this country, we can expect attacks at various parts of the country if war should come again. We cannot expect to escape attack here. We can expect that these attacks will come with suddenness; they will be surprise attacks. That to me, and I think to the members of the committee, means we should have in all parts of the country a good organized group of trained people who can be called together quickly, who will know how to respond to discipline to take charge of any situation that might arise. So, the committee proposed that no cuts should be made in the funds requested for the National Guard.

We also looked with a friendly eye toward the Organized Reserves. There was some slight cut of their civilian personnel, but for the Organized Reserves proper we did not propose any cut. If further cuts are to be made in the bill, or if cuts are to be made in military appropriations, I think you would have to turn to cutting the size of the Army itself. That involves a broad question of national policy which ought not really to be handled in this bill. If it could not be handled any other way, that question should be raised here, perhaps, but it is not the normal place to do it.

A very distinguished gentleman, a former President of the United States, who appeared before the subcommittee in connection with certain estimates which we considered, said to the members of the committee that he thinks that our Army in Germany is either too large or too little; too little to stop the advance of any enemy forces if they were to be attacked, and too large for a purely police job. That is a point of view which has some justification, I think. However, a decision as to whether or not we should reduce our armed forces overseas is a matter of broad policy.

I recall that the morning after General Marshall returned from Moscow, in a review article written by Frederick Kuhn, I believe, which appeared in the press services of the country, it was stated that the one tangible result of the Moscow Conference was an agreement that the several occupying powers should by the 1st of June report a proposed reduction of the number of troops in the occupying forces, to become effective not later than the 1st of September. On the 1st of June, or thereabouts, a report appeared in the press that the various representatives of the several occupying powers had been unable to get together on an agreement as to what that reduction should be.

I personally feel that if we are going to achieve further economies in our military budget, we must turn more and more of the job of military government and of preserving order in the occupied countries upon the native people themselves. Very substantial reductions can be made when we decide to do that. Whether or not the United States would want to do it in advance of an agreement with other powers is a question of policy that I hardly think can appropriately be determined in the consideration of the military bill. If I thought it could, I would be in favor of proposing, of course, to reduce the total number of the armed forces overseas.

So much for the military bill. If the Members of the Committee during this period of general debate will indulge me, I should like to turn now to a little discussion of the so-called Taft-Hartley bill, the labor bill, as it appears now in the form of this committee print of the conferees, which some of the Members have seen and on which the House will probably vote tomorrow.

It will be recalled that the House passed a labor bill by an overwhelming vote, about 3 to 1, or better; that it passed the other body; and the bill went to a conference committee. It will, of course, be recalled that last year we came to about the same position We passed in the House of Representatives a bill dealing with labor problems. It was changed somewhat in the other body. We did not send that bill to conference. Some of us who were interested in it were successful in working with Members of the other

body so that amendments were incorporated in it so that when it came from the other body it was in about the same position as the bill had been when it passed the House. The House concurred in the Senate amendments, and the bill went to the White House and was vetoed.

The question arises now as to what is going to happen to the present labor bill. Having had some definite connection with the bill a year ago, I felt it at least a privilege if not a personal responsibility to form some opinion upon the content of the bill which will come from the conference committee today or tomorrow.

VETO OF LABOR BILL INCONCEIVABLE

As I have gone through that conference committee report I have come to the conclusion that it is inconceivable that President Truman will veto the Taft-Hartley labor bill as it has come from the conferees of the House and Senate. It is inconceivable that the President should veto the bill, that is, if he is to do it on the ground that this bill carries any wallop against organized labor.

The new labor bill as written by the conferees does many things, but it certainly does not destroy organized labor. On the contrary, it says that if a majority of the employees of a given employer eligible to vote authorize it, a union may bargain with the employer to require that every employee and all new employees shall join the union within 30 days. That is, by a simple majority vote, all workers may be required to pay initiation fees and dues.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CASE of South Dakota. Mr. Chairman, I yield myself 16 additional minutes.

If anything, this statutory recognition will strengthen organized labor and bring unions into many plants which heretofore have been open shops. In the face of that one provision alone, I do not see how organized labor can even ask the President to veto the bill.

The new labor bill as it comes from the conferees is weakest, in my personal opinion, in the approach it makes to the $64 question of the strikes that tie up the Nation, the strikes that affect the general welfare, health, and safety. All that the bill proposes is a 60-day cooling-off period, enforceable by power for the Attorney General to get an injunction while a committee of inquiry reports on the facts, but is forbidden even to make recommendations for settlement. At the end of 60 days, the Mediation Service reports to the President on the progress toward settlement, if any, and the injunction is dissolved.

The only affirmative step is that within 15 days after the board of inquiry reports, the National Labor Relations Board is required to take a secret ballot of the employees on the latest offer of settlement made by the employer. There is not the slightest compulsion in the bill upon either party to seek a settlement. I have been unable to find any device in the bill which would seek to bring the play of any persuasion, natural or legal, upon either party. In fact, the bill expressly says:

> Neither party shall be under any duty to accept, in whole or in part, any proposal of settlement made by the Service.

That is about the nearest to a feather-duster solution I have ever seen proposed for national paralysis strikes. Certainly the man who came before Congress and asked for a draft of the railway workers to end the railroad strike can never veto this bill on the ground that it is too tough. As a matter of fact, the bill bows itself away from even the feather-duster approach to final strikes in railway disputes by expressly providing that—

> The provisions of this title shall not be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act.

In other words, if a situation develops again as developed with the railroads there will be nothing more to deal with the situation than we had the last time.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HOFFMAN. If John L. Lewis were to call a strike in the coal industry, what remedy would there be under this bill other than the 60-day postponement?

Mr. CASE of South Dakota. I do not find any.

Mr. HOFFMAN. I do not either.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. KERSTEN of Wisconsin. Under the provisions of this bill, John L. Lewis could not by his own act call a strike. Is that not true? In other words, there must be a vote by secret ballot. Is that not correct?

Mr. CASE of South Dakota. Well, it might be a secret ballot. If John L. Lewis continues as he has, I imagine he would be able to get the secret verdict he wants.

Mr. KERSTEN of Wisconsin. That would depend on how the miners voted.

Mr. CASE of South Dakota. In any event, when the strike is called, what does this bill offer? It offers a chance to ask the Attorney General to get a 60-day injunction and when those 60 days have expired and the report is made of whatever steps have been taken, and the report may not bring in recommendations, the injunction is dissolved. The bill says:

> The Attorney General shall move for a dissolution of the injunction.

There you are.

The bill offers only one further step in the matter of strikes which the President thinks affect the national health or safety. When the injunction is dissolved the President is required to submit to the Congress a report of the proceedings with recommendations if he has any to make. What is then to happen if Congress is not in session, the bill does not say.

So, it is my personal opinion that the bill does not come to grips with the problem of the national welfare strike in the way that problem must be faced and met.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HALE. Does not the gentleman think that ad hoc legislation offered in an emergency is almost certain to be bad?

Mr. CASE of South Dakota. The recommendation which the President asked in that certain emergency, I think, was bad. That is the kind of situation we are left with, even if the Congress were in session and the President came up with some emergency legislation which would be as the gentleman has described it, written hurriedly and poorly checked. The ad hoc bill which the President sent up in the railroad emergency last year, as I recall, proposed to give him the right to draft railroad workers by declaring an emergency which he alone could end. That was the form of the bill as it came up to Congress. So I do not like this feature of the conference bill which leaves an answer to general strikes to be found when the emergency arises.

On the other hand, the bill does provide many salutary improvements in existing law. None of these changes afford a ground for veto; on the contrary, they constitute the positive reasons why the Congress should send the bill to the White House and why the President should sign it into law.

First of all, the bill rewrites the Wagner Act in the light of the 12 years of experience we have had in its operation. Any law of a general character, pioneering in a field as temperamental as industrial relations, can well afford examination and revision in the light of its actual workings.

The Taft-Hartley bill establishes a list of unfair labor practices for labor organizations or their agents corresponding to the unfair labor practices established in the original Wagner Act for employers. In this respect, the bill is similar to the revised bill which I introduced at the opening of this session of Congress, H. R. 725.

Among the matters dealt with by this device are featherbedding, jurisdictional disputes and secondary boycotts, refusals to bargain with employers, coercion of workers, discrimination in employment, and freedom of speech for the employer. I may say, however, that the language on freedom of speech leaves much to be desired, in my opinion.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HOFFMAN. When you go out and talk to your constituents you tell them if they elect you Congressman they will get benefits. They will get a good Congressman. If they elect the other fellow they will not get quite so good a Congressman.

Mr. CASE of South Dakota. I do not say much about the other fellow.

Mr. HOFFMAN. At least you lead them them to believe that if they elect you they will get a good Congressman. Otherwise you would not be a candidate. This provision about free speech provides that he can give a speech if he does not make any threats or offer any benefits. How can you make a speech unless your heart is in it and you can offer benefits?

Mr. CASE of South Dakota. The gentleman answers his own question.

Only time will tell how effectively these problems are treated, but at least a definite legal ground work is laid for dealing with these matters.

In my judgment, this is progress. The measure of the progress will rest to a large extent with the National Labor Relations Board which is to be enlarged from three to five members, and its functions made more clearly policy making and less administrative. This change in the composition of the Board, and its field, incidentally, is one which I endorse and was first proposed, I believe in the bill, H. R. 725, which I introduced early in January, as previously mentioned.

Also, in the first title of the bill, the procedural provisions of the old National Labor Relations Act have been improved and made to conform more nearly to approved equity practice. These are matters of detail, but important and worth while in any comprehensive approach to the field of labor legislation.

Certainly there is nothing in this general revision of the Wagner Act which would afford the President any consolation for a veto, much less justification. He might pick out a phrase here or there of a picayunish character that he would rewrite, but surely he would find many more objectionable phrases in the original Wagner Act as it now stands on the statute books.

Title II of the bill established a Federal Mediation and Conciliation Service as an independent agency of the Government, merging with it the Conciliation Service now located in the Department of Labor. Although the President objected to the provisions in the vetoed Case bill of last year which took the Conciliation Service out of the Department of Labor, there is good reason to believe that he would not veto a bill this year on that ground.

Certainly those who have followed the course of labor legislation will be impressed by the number of people, both those known as radical and as conservative, who believe the Conciliation or Mediation Service should be independent and utterly above suspicion of bias or control.

The bill introduces a new and generally well recommended device in the form of a National Labor-Management Panel to assist the Mediation Service in its efforts to avoid industrial controversies and to achieve voluntary adjustments of controversies that do arise.

The principle of mediation and conciliation is well established. It is recognized in the present Conciliation Service. The changes proposed here by statute correspond in a general way to procedures that have been more or less formalized by administrative orders in present practice. Certainly, nothing in this part of the bill affords any ground for a Presidential veto on that score. Indeed, this portion of the bill the President may welcome if grapevine rumors of his displeasure with some operations of the present Conciliation Service have any foundation.

The Taft-Hartley bill incorporates some other provisions which were in the Case bill of last year and which are pretty much accepted as proper subjects of legislation.

For instance, the bill establishes suability for and by labor organizations as entities. The bill last year did that. The objection to suits against labor organizations has stemmed from a proper resentment against the travesty that took place in the old Danbury Hatters case where individual members of a union were harried and their property attached to satisfy a judgment for action taken by officers whom they did not control. It was as bad as such action would be against minority and individual stockholders of a corporation for acts they could not control. Both ir the bill last year, and in this Taft-Hartley bill, the language while making labor organizations responsible under their contracts and for the acts of their agents, limits judgments to the assets of the organization itself.

The bill, as did the bill vetoed last year, requires that welfare funds be administered on a trust basis if the employer contributes to them. In this respect, the conference bill, in my opinion, is an improvement over the House bill which forbade welfare funds altogether and did not even permit employer payment or contribution to the mutual-aid or benefit-insurance funds many well-established and well-respected labor organizations and craft lodges have maintained for many years. Certainly this feature will not invite a Presidential veto. It should be welcomed by organized labor.

The bill incorporates other features which are generally accepted as appropriate items in any modern labor legislation.

The ban on political contributions which has been the law as a part of the Smith-Connally Act now expiring, is picked up and extended to primaries and conventions as well as general elections.

There is a ban on strikes by Government employees which is in keeping with stated governmental policy and certainly will not prompt a veto.

There is a provision to protect labor organizations from having officers who are members of the Communist Party. It relieves the National Labor Relations Board from investigating matters raised by labor organizations unless the organization has on file an affidavit that its officers are not members of the Communist Party and have not been within the preceding 12 months. Surely the rank and file of sturdy American workers will welcome that protection and the President will hardly deny it to them by vetoing the bill because that is offered.

There is one significant portion of the bill, title IV, which definitely bids for Presidential support. It proposes to create a joint committee from the Senate and House Committees on Labor to study basic problems affecting friendly labor relations and productivity and report by March 15, 1948, with recommendations. Since the President made such a recommendation on the subject in a special message to the Congress a year ago, he certainly will not veto the bill on the ground that it carries such a provision.

Taken in a broad way, then, the Taft-Hartley bill offers some improvements in existing law, writes into law some generally approved practices, and offers one method, gentle though it be, of recognizing that a national emergency may exist in case of a strike affecting national health or safety.

If political lieutenants or so-called leaders of labor brandish old, hackneyed phrases about vicious or drastic antilabor legislation, and browbeat the President into veto of this bill, America will have witnessed gangsters entering the White House and holding up the President with a wooden gun.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. McDONOUGH. In other words, summarizing the bill—and I appreciate the fine statement the gentleman has just made—is there anything, in the gentleman's opinion, in the bill that would do any harm to any legitimate organized labor union that is organized for the benefit of its membership?

Mr. CASE of South Dakota. Absolutely not.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. LUCAS. Is it the gentleman's opinion that the prosecutive and judicial functions of the National Labor Relations Board are separated far enough that they will be performed equitably?

Mr. CASE of South Dakota. I think there is an improvement in the bill in that respect. I did not mention that feature. I do think that improves the present Wagner Act. The new National Labor Relations Board will become more of a policy-making board, more of a quasi-judicial board. The investigatory functions are separated from the duties of the individual board members. This is a change from the way they operated in the past.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. KERSTEN of Wisconsin. The gentleman has made a splendid analysis of the conference report. I wish to compliment him. Does not the gentleman believe that this bill can be designated as neither prolabor nor promanagement but as a middle of the road bill fair to both parties?

Mr. CASE of South Dakota. It certainly is a fair bill. It is not either prolabor or promanagement. As I stated in the first part of my remarks I do not think it goes as far as it should in dealing with national welfare strikes. I think it goes farther than it should in encouraging the establishment of union shops with compulsory membership by a simple majority vote of the employees of a given employer. I think it should have done something more to regulate mass picketing activities. The gentleman is probably warranted in describing it as a middle-of-the-road bill.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. KEATING. Speaking in generalities, may I ask the gentleman whether in his opinion this bill by its terms even approaches in severity the bill which the

President stood in this House and advocated last year?

Mr. CASE of South Dakota. Certainly not.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. KERR. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the members of the subcommittee have already been complimented, including our able and efficient clerk, Mr. Robert Lambert, who has been working with intelligence and energy on a day-and-night basis for weeks trying to whip this bill into shape for presentation to the House. The virtues of our chairman, the gentleman from Michigan [Mr. ENGEL], have not been overestimated. I have observed in my service here that occasionally a member will arise and extol the virtues of a colleague, his statesmanship, his capacity, but finally makes some reservations which take away the spirit of the compliment. Well, I have no reservations with respect to my chairman. I yield to no one in my admiration for his energy and effort. He is an able and diligent servant of the American people. Of course, I do not always agree with him, and I am sure he would not expect me to.

I want to say at the outset that this bill—the appropriation bill for the War Department for the fiscal year beginning July 1, 1947—is to me very unacceptable in some particulars and I want to make reference now to one particular in which it is most unacceptable from my standpoint. I shall offer an amendment, not as a token amendment, not merely for the record, but with the hope of getting results, an amendment which will restore the airplane-production program requested by General Spaatz, Chief of the Army Air Forces, who plead with this Committee almost on bended knees to give him this money for what he called an already greatly impoverished air force. I think that the money requested for aircraft procurement ought to be restored and I think when the President of the United States affixes his signature to this bill it will have been restored. I make that prediction now for the record.

The bill provides for a reduction below the estimates of the President's budget in the sum of $475,000,000. I am not now going to offer amendments to restore more than $40,000,000 of that sum. I do think that some of the cuts were too deep and that we cannot save the amounts that we undertook to save here. I think we can probably save several hundred million dollars but I feel that we should proceed with caution. It would be difficult to exaggerate the importance of a strong national defense program in these days of uncertainty.

Let no one mistake the position of the members of this committee. We are all favorable toward economy and good government. No one in America of either political party has a monopoly upon that virtue. When the able chairman of our committee early in the session stood athwart the path of Government spending he expressed the fervent hope that appropriations in this bill could be cut by $1,000,000,000. It has been my hope and belief that substantial savings could safely be made. In my opinion further study by the War Department of the present bill will reveal that additional changes will be in the public interest.

Now, we marked up this bill after several days of deliberation and we put our pencils down, and I, for one, thought that we had agreed in subcommittee on the final draft of the measure, having begun consideration of the bill on February 17. But, after we had marked up the bill the subcommittee was called back into session. That was about the time that the Navy bill was to be reported out, and it was then stated that an effort would be made to cut the funds in the bill for the aviation-procurement program. I protested then, as I protest now, the action of the committee in reducing the airplane-procurement program for the United States Army Air Forces.

In the committee report which was originally prepared I protested the fact that in the report as then written there was only one line in the whole report which made reference to the procurement of airplanes, and that was over in a table in the latter part of the document.

Following my protestations, which must have been considered valid, the chairman of our committee has written now on pages 8 and 9 of the report a statement in considerable detail regarding the aviation program. I thought that the committee should be forthright with the country and the Congress and say exactly what was being done by way of reducing the aircraft procurement program. If any justification existed for such action it should have been plainly set forth. But the original report did not give to the Congress and the press of the country an accurate statement as to that situation, and as a result, on Thursday, May 29, the Evening Star, of Washington, which is one of the most reputable papers in the Nation, came out with a three-column headline making reference to the Army military budget cut of 8 percent and in a subheadline the Evening Star said the following:

"$5,240,982,423 fund includes full plane, research requests."

Well, the bill did nothing of the kind, and of course, nobody now maintains that it did do anything of the kind. But it was unfortunate that this sort of information was at first accepted as the correct statement of the situation by the press.

Now, we do have 30,000 planes, but as I said earlier in the discussion today, some of them are little more than cracker boxes. Many of them, many thousands, in fact, are out in the open. It remains to be seen how well they will weather the ravages of time. Certainly by the thousands they are becoming unusable year by year. No one would say that we have more than 9,000 first line aircraft. I do not have the exact figures before me. No one would say that all of them would be readily usable.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Kansas.

Mr. REES. With respect to the airplanes, what excuse is there for having destroyed quite a number of B–29 airplanes that were in the process of being built and almost completed at the close of hostilities? Quite a number of B–29 airplanes were in the process of construction at that time, a great many of them almost completed. They made junk out of them, destroyed them. In view of the gentleman's statement, what excuse could there be for that sort of policy?

Mr. MAHON. I think there could be no excuse any time for the destruction of first-rate B–29 aircraft. I have no information indicating that completed B–29 aircraft may have been destroyed. If the gentleman wishes to pursue that question, I wish he would get his own time, because I am not familiar with the facts about which he is now speaking. Undoubtedly there was a cut-back in plane production when the war ended and production stopped on B–29's just starting down the assembly line.

Mr. REES. I shall be glad to furnish the gentleman information on that subject.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. KILDAY. Does not the gentleman take the position that whatever may have been done in the past which was wrong or unjustified, the idea now is, as the possessor of atomic energy, and with the necessity for building up experimental planes to utilize jet propulsion, that the small number of planes, some 900, asked for by the War Department is certainly a minimum for us to proceed with experimentation on planes that would be essential in the event of another emergency?

Mr. MAHON. Yes, the gentleman makes a very fine point. I am not one who is willing to look backward when it comes to the matter of aviation, nor am I one who is willing to be other than very enthusiastic for the expansion of our aviation program. The fact that in the committee report as it was originally drafted there was only one line about the airplane procurement program, which looms as one of the large items in the bill, $440,000,000, would leave the implication that those who had written the report were not air-minded. I cannot feel that this is true, but that is the logical deduction.

The gentleman will remember that following World War I some of the nations tried to hold onto their old equipment, and looked to that equipment for security. That fact contributed somewhat to disastrous consequences later. If America today spends a lot of time looking for security to old, antiquated aircraft that we have on hand, America will be inviting trouble in the battle for postwar supremacy. I, for one, am not as much concerned about what we have or what we had, as I am with the possibilities for the future. It is in the future that the hope of our country lies.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. BROOKS. Would not the gentleman feel it would be only fair to say

that when the war ended even the B–29 was not the latest, most efficient, and most effective type of heavy aircraft being produced?

Mr. MAHON. The gentleman is correct. Of course, that would not justify the discarding of first-rate B–29 aircraft.

Mr. KILDAY. If the gentleman will yield further, I believe the gentleman would agree with me that neither of us would support an appropriation to build any large number of the conventional-type airplanes or the type that we used during the last war. Admitting that the B–29 is the best that any nation has at this time, still I would not be willing to go ahead and build a large number of B–29's certainly not B–17's, P–51's, or P–47's, but I would be willing to go along with experimentation and development so that we can properly utilize jet propulsion and perhaps atomic propulsion, and certainly the type of airplane that would be in a position to utilize the atomic bomb.

Mr. MAHON. The gentleman is correct. Other nations of the world are interested in aircraft: Since I came on the floor the gentleman from Texas [Mr. WORLEY] has shown me a newspaper clipping to the effect that one of the great nations of the world is contemplating a 100,000-airplane-procurement program. I doubt that such a statement as that is entirely authentic, but to me it is unthinkable at this time before the peace has been written and when there are perils on every side and when the streamer headline of one of the papers in Washington, D. C., said yesterday, "The United States warned to get set for atomic warfare," I say it is unthinkable that we would refuse to give the Army Air Forces, the queen of the skies up to this day and forever the queen of the skies so far as I am concerned, that we would deny General Spaatz's plea and the earnest appeal of our President for 749 planes as carried in the budget.

I say, Mr. President, and I say, General Spaatz, and I know that the General would agree with me, "You have not asked for enough planes for the Army Air Forces." Certainly, I shall not take the responsibilty for reducing the number of the planes requested.

On all these controversial and complicated issues that come before the Congress, it is never quite possible to tell just how certain members feel about different questions. Here, however, the point is easily discernible, the point is well drawn and very simple. We will have a chance to vote on it, and every man can record his position and write it in the RECORD as to whether or not he is for a first-rate aircraft program as requested by the Chief of the Air Forces and the President of the United States. If Members vote for my amendment to restore 188 tactical aircraft—jet propulsion bombers and fighters and planes of that type—then they are voting for the kind of air force I believe we need. If Members want to record themselves as voting to the contrary, that is the privilege of a Member of the House of Representatives.

I yield to the gentleman from South Dakota [Mr. CASE] who, in my opinion, will probably be willing to support this amendment before this bill goes to the White House.

Mr. CASE of South Dakota. As the gentleman knows, because he was in the committee, I was not enthusiastic about this particular reduction at this time.

Mr. MAHON. That is right.

Mr. CASE of South Dakota. But there is something to be said for the point of view which was expressed by the gentleman from Texas [Mr. KILDAY], and that was that the B–29 was more or less obsolete when we came through the war, and the viewpoint that finally prevailed with the majority of the committee was that we did not want to load the Air Force up with some obsolete planes. We wanted to say to the President that we want to save some money so that we would have it to spend on buying some modern aircraft after we get the benefit of the renewed reasearch and development program which he had set back to the tune of $75,000,000 last year.

Mr. MAHON. I thank the gentleman for his contribution. The research and development program is, of course, important, but, mind you, that nation is marked for trouble which waits until it has a perfect aircraft before it starts working on the production line. The gentleman from South Dakota knows, as I do, through long months of service on the committee, that every airplane that comes off the assembly line is at that moment to some degree obsolescent. We have appropriated and vouchsafed appropriations of money time and again for modification centers to take that new aircraft just off the assembly and put in the latest improvements that had been subsequently developed. So we cannot wait to get the last word in research before aircraft construction is begun. To do so would mean that no planes would ever be constructed.

If we did lose some time on research and development last year we cannot make it up now. We can only go on from here. It is like General Spaatz said on page 615 of the hearings:

> We are not trying to make up that loss in 1948 appropriation. But we have taken the loss in time, so instead of the 5-year research and development program that would be finished in 1952, that project will now end in 1953 or 1954.

Please note this fact as to research and development: You can spend a billion dollars in research and development and it may not get results. We might have spent $2,000,000,000 on the atomic bomb, as we did, and then it might not have worked. Research and development does not always work as planned, but I would not minimize the great importance of such activity.

So, what we will do with our future program is to use the best information we have in devising the best aircraft that can be produced.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. KILDAY. With reference to the remarks made by the gentleman from South Dakota [Mr. CASE] does the gentleman feel we should be concerned, if the Army Air Force got the 932 planes it originally hoped to get from the money they asked for, or the 749 planes which it would actually buy because of the increase in price by the time the bill came here, or if it should get 561 which this bill would permit them to acquire, that there would be any danger of overloading the Army Air Force with antique types of planes?

The CHAIRMAN. The time of the gentleman from Texas [Mr. MAHON] has again expired.

Mr. KERR. Mr. Chairman, I yield the gentleman from Texas 10 additional minutes.

Mr. MAHON. It is unthinkable to me that any thoughtful person would say that with an air force of more than 300,000 men, 749 new planes would be too much for the air forces for training and for national security. At least we need a little nucleus of an air force of the most modern design if we are to train air personnel and if we are in the test tube of experience, to develop all the bugs and defects to the end that we may have better planes, more efficient, powerful, and safer for air force personnel.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield

Mr. CASE of South Dakota. There is one other factor that I think the committee should be aware of in its consideration of this procurement proposition. Some commitee which has studied our airplane picture thinks that there should be about 3,000 planes a year produced, of a military character, for the Army and Navy.

Mr. MAHON. Yes. Will the gentleman permit me to say that the Army program as now written of 561 planes, plus the Navy program of 575 planes, would give us something less than 1,500 planes, and something like 1,500 planes short of what might be necessary for us to maintain the aircraft industry.

Mr. CASE of South Dakota. That is the picture as far as current funds are concerned. Of course, that is not quite the entire picture. I know there are many Members on the floor who are really and sincerely trying to get at the bottom of this situation. I would like to have the Members refer to page 8, where you will find a listing, not merely of the new funds carried in this bill but of the items that are on order, the money unobligated, that was available for this purpose, and the contract authority in the bill. You will note there is a little table there which shows that on February 8, 1947, we had on order for the Air Corps $616,523,000. There was also unobligated $50,417,564 on that date. The bill provides $396,000,000. Then the bill carries contract authority for $280,000,000, making a new procurement total of $1,342,940,571. It is a question on which experts could honestly disagree.

Mr. MAHON. But the experts in aviation do not disagree.

Mr. CASE of South Dakota. The question is how much you want to put into procurement until you have your research and development program brought up to date. I recall we had a somewhat similar occasion that arose before the war when General Arnold suggested to some members of the subcommittee that we ought not to go too strong

on the purchase of certain planes because he thought they would be obsolete by the time he got them and he wanted to get the benefit of some new research incorporated into the planes and did not want to get loaded up.

We do not want to get some more cracker boxes. The gentleman referred to cracker boxes.

Mr. MAHON. Will the gentleman now let me proceed?

Mr. CASE of South Dakota. I will agree that men well may vary in their opinions as to how much we can appropriate to establish a certain policy. If we find that the domestic aircraft industry may not be able to turn out what we ought to have I will be inclined to go along with the gentleman if it comes to that point; but at the same time I do not think the country or the Congress ought to have an impression other than what is the truth, and that is that there is over $1,342,000,000 for Air Force procurement.

Mr. MAHON. That is correct. Mr. Chairman, I must decline to yield further until I have proceeded with my statement.

Mr. CASE of South Dakota. I appreciate the gentleman's courtesy.

Mr. MAHON. The gentleman has quoted with approval the warning words of General Arnold as the yardstick which we should follow. Following out the same line of argument I have quoted the statement of General Spaatz, his successor; and I hope the gentleman will be willing, as I think he eventually will, to vote for my amendment. I think the Congress is for an adequate aircraft program and I know the people are for such a program. I think the Members of Congress will hesitate to say that they want fewer planes than the very minimum requested by the Chief of the Air Forces and the President of the United States.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield briefly to the gentleman from Texas.

Mr. POAGE. I am one of those who is not on this committee and who is not on the Military Affairs Committee. I do not know much of the details, but as the matter strikes me what we have here is a question of whether we are going to defend America with outmoded equipment, second-rate or obsolete equipment, or whether we are going to carry out the promise that has been made to the American people of keeping American aviation second to none in the world.

Mr. MAHON. I know what the people I represent want—what the people of the Nation want. They want an air force second to none. They want economy, but they do not want it taken out of the Army Air Forces. They do not want Congress to proclaim to the world that America is weakening in her aviation program, that America is slipping, that America is cutting down the number of aircraft required for national security. I do not want to send that word to the capitals of the world and I do not propose to do so; and I do not think the Congress ought to do it. That is the reason I propose to offer this amendment later in the proceedings on this bill.

I should like to make this statement: Commercial aircraft are different from military aircraft. Commercial aviation companies cannot very well make combat planes. Combat airplane factories are required. I want you to hear what General Spaatz says with respect to the airplane industry. You will find it at page 603 of the hearings. He says a number of important things with respect to that matter, which I now quote:

General SPAATZ. I am gravely concerned that we are today rapidly losing one of our principal elements of national security. Our aircraft industry increased to a size where it was able to turn out 80,000 planes in a year in the last year of the last Great War. It was not able to arrive at that status until more than 5 years had elapsed after initial mobilization. We will not be given 5 years in which to prepare and build up to maximum output the next time. In 1948 our aircraft industry faces a prospect of building less than 1,500 planes. That means that the industry will practically disappear. In this unhappy event, the Nation will lose one of its prime resources for defensive and offensive strength. One of the essential elements of its war-making potential will have disappeared. I urge the Congress to realize the gravity of this situation and work out sound measures for maintaining the aircraft industry at the minimum level which, in my opinion, requires an annual production of about 3,000 planes.

The aviation industry cannot produce a few planes this year, fewer next year, and a great number the third year. There must be an even flow.

As the gentleman has so well pointed out the Air Forces already have hundreds of millions of dollars for the construction of aircraft that are coming off the assembly lines now and will continue to come off the assembly lines for 2 years. The planes that we are providing for in this bill will come off the assembly lines in about 2 years. We must project that production line forward.

I am advised that the military aviation industry is threatened by reason of the following conditions:

There is not enough business to keep the industry at a high tempo. The aviation plants are too large for the small amount of business which they have, but we cannot permit the junking and dismemberment of plant capacity because this capacity will be of the greatest importance if trouble comes. We have to be ready for it in our industrial mobilization program.

Our combat plane industry had a lot of foreign orders prior to and during the war. They no longer have that business. So it is up to us to be watchful, alert, and ready if we are to meet the difficulties which may befall us in the future.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. THOMASON. Our colleague is making a very able argument in support of his position. The thing that is almost past understanding with me is that the very able gentleman from South Dakota [Mr. CASE] made a fine argument in behalf of the item for research and development, yet I do not know what we need with so much money for research and development if we are not going to put some of it into practical use. The committee seems to have done a good job in practicing economy in connection with a good many items. However, I belong to that school which believes that the very last thing we ought to cut in an appropriation bill such as this is the matter of airplanes and atomic energy. Forty million dollars, the amount that will be in the gentleman's amendment when he offers it, is not a drop in the bucket compared to the total in this appropriation bill. In view of present world conditions and also the advance in scientific development, there are two things that under no condition ought to be cut below what the experts tell us, experts such as, General Spaatz, General Arnold, and General Vandenberg, and I challenge anybody who is opposed to the gentleman's amendment to find a single man in a high place in the Air Corps who will not say that the last thing that ought to be cut in this bill is the matter of airplane production.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. NORRELL. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MAHON. Mr. Chairman, I thank the gentleman from Texas for his timely comment. The argument is correct, it is unanswerable. It is in the heart of the American people to follow the philosophy which the gentleman has expressed and it is up to us in the Congress to follow it.

I should like to point out that we seem to have been conscious of the importance of aviation when we passed the Navy bill, because we did not reduce the procurement for the Navy. The Navy procurement program of 575 planes is greater in numbers than the procurement program in this bill for the Army. I have no jealousy as between the services, but if aviation was essential for national defense a week before last, why is it not a good thing now?

Mr. THOMASON. I am one of those who believes that under present world conditions we ought to have the best air force in the world. In view of this report and what the report says about the appropriation for air activities, I feel certain that we will soon be a second-rate power from an air force standpoint unless we take the necessary precautions. Drastic reduction in aircraft is a danger and a gamble we cannot afford to take under present world conditions.

Mr. MAHON. That is right, and it is up to us to furnish the leadership in this contest.

Mr. THOMASON. The very able chairman of this subcommittee who has contributed much, especially in the line of economy and economical government, could surely find some other places in this bill to dig out this $40,000,000 and let this item be restored. There are plenty of us who are going along and will join the gentleman in his fight to restore the item for aircraft procurement.

Mr. MAHON. Let me say for the gentleman from Michigan that it was only

as a last resort and after the bill had been tentatively agreed to that this unwise reduction was made. One of the old-time hymns admonishes us to "yield not to temptation." At first the committee pushed aside the proposal to reduce the aircraft program but later yielded to the temptation to cut out the $40,000,000. Yielding in this matter endangers our future security.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. POAGE. Will it not have an adverse effect? If I understood the gentleman's argument correctly, it seems to me he makes a very logical case that if we do not appropriate this money and keep a constant stream of money going into the military aircraft program we are going to put the military aircraft business out of being. If we do that, then seek to bring it back, each time we bring it back we increase greatly the cost of each individual plane. The cost of these planes is going to increase if we do not build them at a more or less level rate.

Mr. MAHON. The gentleman has made a very fine point. The committee cut the procurement program from 749 planes to 561 planes. The cut in the funds was only 10 percent, but that cut is about 20 percent in aircraft. Going into the cost of the first planes is your engineering costs, and many such expenditures, but as you increase the number of units you bring down the per unit cost, and we can get so much more for our money if we will spend this additional $40,000,000 which my amendment provides. In other words, we will get more for the $40,000,000, which I include in my amendment, than we will probably get for much larger funds included in the bill, by reason of the fact so well pointed out by the gentleman from Texas.

Now, the bill does not cut research and development directly, except to this extent, that it reduces the number of officer personnel, some of whom are engaged in research and development. The Army of the future has got to be a smart Army. You cannot get men on low salaries to afford the leadership in research and development. You must have men of experience and capacity, and you must have top flight officers for much of that work, and this bill reduces rather drastically the officer personnel. The civilian personnel in the Department, having to do with research and development, has been to some extent reduced, if I understand correctly the implications of the bill before us as it applies to departmental personnel here in Washington.

I should like, if I have time, to make reference to the cut in the warrant officers. There are at present only about 5,200. The number is cut approximately in half. Now, a warrant officer position is something to which the enlisted man may look forward. He may become a warrant officer, and it has many advantages. It is something to stimulate his ambition for a life in the service. But, the bill reduces the warrant officers almost in half. It is like coming along and saying, "Reduce the number of master sergeants." I say we ought to do everything in our power to encourage the enlisted men, and those who favor more opportunity for incentive for the enlisted man, I think, should deplore the action of the committee in reducing the warrant officers to the extent they were reduced.

Mr. THOMASON. Mr. Chairman, if the gentleman will yield further, can the gentleman tell us how many warrant officers we will have under this bill?

Mr. MAHON. I think we have about 5,200 now, and the committee cut out something like 2,600, which leaves about 2,600. It is a very disturbing bombshell in the laps of the warrant officers of the Nation and a deterrent to incentive among the enlisted men.

Mr. THOMASON. In that connection, can the gentleman also tell us how many majors there are now in the Army?

Mr. MAHON. There are some very interesting facts in the hearings in regard to the military officer personnel. Page 1591 of the hearings indicates that we probably have about 18,000 majors.

Mr. THOMASON. I agree with the gentleman that we ought to provide an incentive for the enlisted men, even though we have to cut the officer personnel in some branches.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. KERR. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MAHON. I would like to say by way of further compliment to the able chairman of the committee, that this hearing is the most understandable and valuable hearing that this subcommittee has ever held in its entire history, in my judgment. It contains more than 1,600 pages. It gives the answers to a lot of our questions, and if Members are interested enough, as I know they are, to know more about this aviation problem, and the amendment I expect to offer, I hope they will avail themselves of the opportunity to read those hearings.

Before I conclude I want to say that General Richards, the budget officer of the War Department, who has worked day and night in his job, and who has an amazing capacity for an understanding of the War Department program, and whose integrity and capacity have never been questioned, has given us every assistance. I am sure that all the members of the committee will be glad for me to express the high esteem in which we hold the able budget officer of the War Department, General Richards.

Mr. THOMASON. I am sure every Member of this House is interested in efficient and honest Government, but during the course of this very interesting debate the chairman of the committee alluded to the fact that he had tried to get two competent auditors to audit the War Department. Can the gentleman tell us whether or not the hearings have disclosed anything that is irregular or illegal or out of line in the activities of General Richards or anybody else in high authority in the War Department?

Mr. MAHON. May I say to the gentleman that the committee has no information which would give any implication at all of irregularity in the War Department. As a member of the Government Corporations subcommittee, I may say that we find that many of the Government corporations have different bookkeeping systems and the various departments of the Government have different bookkeeping systems. The procedure used varies with the department. As the gentleman knows, the accounts of the War Department are kept by the Chief of Finance and the responsibility for the accounting system rests with the Chief of Finance. No doubt he would welcome a complete audit by the General Accounting Office if Congress should desire that such be done.

For one, I feel that General Richards and General Eisenhower and Secretary of War Patterson have been very faithful in undertaking to perform the duties assigned to them.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. LYLE. Here is a matter that bothers me in the consideration of appropriation bills for both the Army and the Navy. Do you arrive at what the Army needs in the interest of the country by what gentlemen like General Spaatz and General Eisenhower and men of that nature tell you, or do you take what they tell you and fit it to the demands of, let us say, the chairman of the committee, who says, "We can spare only so much next year in the defense of our country, and we are going to take what you say and cut it down to fit that." Tell me how you arrive at these things. There seems to be some misunderstanding about how you arrive at them.

Mr. MAHON. If the gentleman will permit, my idea of proper procedure——

Mr. LYLE. Not "proper procedure"; how did you get at it? I know the gentleman's ideas of what is proper and I think they are right, but how did you get at it?

Mr. MAHON. Of course, there is and has been a great urgency to cut Government spending, and some suggestion had been made that a billion dollars could be cut off the War Department appropriation bill.

Mr. LYLE. Were you trying to fit it to the pattern, were you trying to fit it to the budget set out by Congress, or were you trying to fit it to the needs of defense of this Government in the face of its responsibilities, on the advice of men who know?

Mr. MAHON. I, myself, was trying to fit it to our American responsibility and our commitments of 1947 and 1948 and the years that are to come.

Mr. LYLE. I congratulate the gentleman. I believe that the principle he advocates is sound and is worth fighting for.

I can remember so well in 1944 on the beachhead of Anzio when we did not have enough airplanes, and men had to sit up 24 hours a day with their guns turned up into the air, cocked and ready to shoot because we did not have American planes to fly over and give those boys a moment to get any rest. I can remember too well when enemy air superiority gave us all sorts of bloodshed and white crosses. This Nation owes it to the people who fought and died and to unborn

generations never to get caught like that again.

Mr. MAHON. I thank the gentleman for his fine contribution. I have taken the time of the House to discuss this matter because I feel deeply what I am sure the gentleman from Texas, who served so valiantly during the war, feels even more deeply, that we cannot take the risk entailed in diminishing the strength of our Air Forces in the light of present world conditions.

Under leave granted, I wish to insert the following letter from the Secretary of War, which was addressed to the ranking minority member of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON] in response to our request for information as to the effect of the committee action in reducing funds requested for the Air Forces:

OFFICE OF THE SECRETARY OF WAR,
June 2, 1947.

Hon. CLARENCE CANNON,
House of Representatives.

DEAR MR. CANNON: This is in response to your inquiry as to the effect upon the program of the Army Air Forces of a possible reduction in the estimates of funds for fiscal year 1948, for the procurement of new complete aircraft.

The budget estimate for the Army Air Forces for fiscal year 1948, as presented to the Congress, contains an item of $440,000,000 which includes $400,000,000 for the procurement of complete aircraft and $40,000,000 for maintenance spare parts. This estimate, prepared in September 1946, contemplated the procurement of a total of 932 complete aircraft with related spare engines and spare parts based upon prices as of September 1, 1946. Since September 1, 1946, higher labor and material costs and essential equipment improvements have increased the total costs of aircraft to such an extent that, at current prices, the $400,000,000 contained in the estimate for complete aircraft would now enable the procurement of approximately 749 complete aircraft, a reduction of 183, or 20 percent from that originally contemplated.

A reduction of $40,000,000 in the budget estimate for this item would cause a further reduction in the number of aircraft which could be procured to approximately 561 aircraft or a total reduction of 371 aircraft, or 40 percent from that originally contemplated. This additional reduction of approximately 188 aircraft would eliminate the procurement of approximately 63 bomber and fighter aircraft and all of the scheduled 125 liaison aircraft. The application of the reduction would be made to those aircraft of lowest priority; the nonavailability of which would be least detrimental to the Air Forces.

Having in mind the need for utmost economy consistent with the minimum requirements of the Army Air Forces for our national defense, the estimate as submitted to the Congress did not provide for any training aircraft or other models of aircraft, the procurement of which could be deferred through the use of less modern and older aircraft. The estimate, except for 125 liaison aircraft of new design at a cost of approximately $5,500,000, was almost wholly for the procurement of the most modern bombers, and jet fighters in quantities barely sufficient to sustain a relatively small efficient modern air force. Any dollar reduction would necessarily have to be taken practically entirely in the procurement of the latest models of bomber and fighter aircraft. This would be extremely detrimental to an already impoverished air force, one that is already short of the essential modern equipment required to maintain an air force of the quality and efficiency which is critically essential in the event of an emergency.

Sincerely yours,

ROBERT P. PATTERSON,
Secretary of War.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. TIBBOTT] be permitted to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. TIBBOTT. Mr. Chairman, at the outset I want to pay tribute to the chairman of our subcommittee, the gentleman from Michigan [Mr. ENGEL], who for the past 4 months has worked hard, diligently, and accurately in holding hearings on this appropriation bill. At all times he was fair with and considerate of the witnesses appearing before us. I am greatly indebted to him personally for his many courtesies.

While the committee did not agree on everything, yet it is my opinion that the bill, as a whole, is for the best interest of the country today. I regret that illness prevented our very able colleague the gentleman from Arkansas [Mr. NORRELL] from attending all our meetings.

The fiscal stability is a searching problem facing the American people now.

The huge Federal debt is of great concern to me. I presume it is of great concern to everyone here. As we know when a government cannot make both ends meet, it pays its bills by manufacturing the money needed. There are those who insist that it is all for good economy to place a back-breaking national mortgage on the children of the Nation yet unborn. Those of us who oppose that kind of reasoning are referred to as alarmists, even though we recite the facts and come in with the proof that our staggering national debt and continued large drains on the Federal Treasury mean bankruptcy. Very few individuals want to think that this great Nation of ours is headed for bankruptcy.

We, the representatives of the people, are charged with estimating as accurately as possible the revenue requirements. We are responsible for passing the controlling laws of expenditures. Our estimates of fiscal requirements for a fiscal year are based upon months and months of hearings and study. It is obvious that our estimates cannot be exact. There are too many factors entering into the plans and justifications of the Government departments to assume that our estimates could be exact.

What we think our fiscal requirements should be is one thing. What our judgment is on these requirements is another thing. For my part, and this is particularly true when considering the bill before us, I will follow the latter course.

I have reached this conclusion after sitting for weeks during our subcommittee hearings and helping to write the bill now under discussion. My decision has been reached as a result of careful consideration and deliberation. I propose to go into the estimates as to what is before us in a so-called general manner. I realize it would be irksome, if I were to analyze each item.

At this point I want to make it clear that I have never supported a measure which would weaken our national defense. I will not now become a party directly or indirectly whereby I could be charged with reducing the effects of our national defense. My position is that of helping the interests of the American people. I believe those interests are a demand for a moderate army here and abroad with extinction of waste, inefficiency, and duplication. These factors ought to receive the support of this Congress.

By reading the bill you will observe that nothing has been taken from the Medical Department, from the National Guard, and from the Reserve Corps. I also believe that these divisions deserve the strong support of Congress. Also, nothing has been deducted from research and development.

A reading of the hearings will convince anyone that a little less hedging is in order by the quartermaster service of the Army when testifying before the subcommittee on war appropriations.

The testimony before our committee shows that there has been great waste of food in the Army. This was admitted. Food which was wasted was deposited in the garbage can. The waste occurred here and abroad even while there was a great shortage of food.

On pages 295 and 296 of the hearings there is evidence that the Army is making every possible effort to remedy this situation. Food service schools, under the supervision of trained officers, have been set up, the purpose of which is to eliminate waste. We understand that the large turn-over in personnel has taken from the Army many good cooks and service officers, reasons which are somewhat accountable for the waste of food stuffs. Assurances were given us that trained men on food service would devote 100 percent of their time to work and study of this kind. This kind of training should promote food conservation.

On pages 321 to 325, inclusive, of the hearings there will be found testimony on the purchase of supplies and equipment for handling fuels and lubricants.

It is interesting to observe that 5-gallon drums and blitz cans are the same and not a new type can. There are 2 types of 5-gallon cans, some of which are used as water cans and others for lubricants. It seems that the Army had a surplus of these cans which were declared. After the surplus declaration was made to meet civilian demands the cans were advertised for as low as $1.78 a piece. The original cost of these cans was over $4 a piece.

We understand that the War Assets has 179,000 of these cans which the Army is trying to retrieve.

The testimony reveals that the surplus was declared on determination by a committee formed in the War Department, composed of War Department representatives and advisers who were members of

the Civilian Production Administration and the Office of Production Administration.

The officers of the War Department were ordered to declare the cans in question as surplus under instructions to dispose of a quantity of these items to meet civilian demands. A total of 1,577,856 cans were declared surplus, of which number 168,516 were recovered. This kind of practice clearly shows that those responsible for it have no regard for economy.

The War Department came before us and requested appropriations to purchase 703,000 cans at $4.43 a piece. We could not be sold on their appeal of necessity in this case.

We reduced their over-all estimate for purchase of supplies and equipment for handling fuels and lubricants from seven million to five million.

On pages 326–328, inclusive, of the hearings there will be found testimony dealing with the purchase of fuels and lubricants. Estimated amount for fiscal year 1948 was $35,124,000. The committee reduced this amount by five million.

It seems that several methods are used by the Army in the purchase of gasoline. In the interior zone—for posts, camps, and stations—the Treasury Department procures on sealed bids and open-end contracts. Then each post is given so much money, after which it is paid to a local contractor who hauls the gas. The methods of overseas purchases are to buy the gasoline and oil here and ship overseas; and from the Navy. There is a joint supply system with the Navy in overseas theaters.

Of this item requested by the War Department about 15,000,000 gallons of oil are used annually. The tax on these purchases amounts to about $900,000, which flows from the War Department to the Treasury Department.

CLOTHING AND EQUIPAGE

On pages 292–294 of the hearings inclusive the testimony refers to the strength of Army and industrial mobilization. The 1948 estimated strength of the Army is 1,070,000. That means effectives and ineffectives. Ineffectives are those in hospitals, on terminal leave and so forth.

As to clothing and equipage one of the witnesses, General Middleswart, testified that the Quartermaster Service is going to get together with industry and determine where they will place the contracts. This scheme was used prior to the war when the Army actually placed tentative agreements with specific factories to purchase shoes, or clothing, or whatever else was contemplated in this line. It is their purpose to buy their requirements for the first year for 5,000,000 shoes from these factories and work in a specific manner, and beyond that they will go back into raw materials, and say this shoe program requires so many nails, thread and so forth. In other words, it is their position to work out a complete industrial plan. Better materials and more economy should be in the offing under this plan.

The committee in dealing with the estimated cost of $27,056,561 by the Army for clothing and equipage took into consideration a general increase in price of textiles, and clothing items. We reduced their estimates by $3,383,000.

Pages 361–364, inclusive, of the hearings deal almost exclusively with the proposed removal of research and development of the Quartermaster Service from Philadelphia to Boston. If the plans for a laboratory some 400 miles from the present site at Philadelphia are entertained then the taxpayers have an additional burden to think about. The testimony on the pages to which I have made reference does not in any particular show that it is in the interests of our National Defense and our economy to have the proposed laboratory in the East other than Philadelphia. Materials, equipment, colleges of great learning, and personnel are present in or easily accessible to Philadelphia, all of which are the means whereby the Quartermaster Service can and will make progress in their research and development by remaining where presently situated. The testimony before our committee on this subject clearly shows that a little more candor is the procedure for General Middleswart to follow if and when this subject is again approached and developed.

Taking into consideration all the facts and circumstances surrounding the hearings on the Quartermaster Service phase of appropriations on Military Establishment, it is my judgment that the committee has been careful and fair; careful of protecting our national defense in accord with the evidence presented to us by the mighty fine and conscientious high Army officials that testified before us. I have nothing but the highest praise for their alertness and their willingness to cooperate with us. And fair, with the American people who look to us to represent their interests according to the American way of doing things.

Mr. CASE of South Dakota. Mr. Chairman, I yield 20 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, at the outset may I say to the gentleman from Texas who just questioned Mr. MAHON about the committee activities that there was never any question in the mind of any member of the committee as to the attitude, the honest effort and endeavor, and the undying loyalty of every member of that committee as they pursued this particular problem. The Nation's future was our paramount thought; economy was secondary.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. PLUMLEY. I am getting somewhat sick and tired of the suggestion that somebody told your committee that there must be a certain percentage of cut made. Did you ever hear that?

Mr. SCRIVNER. No; I never heard that from the chairman of the subcommittee or the chairman of the Committee on Appropriations or any other Member of the House. Every man on this committee served diligently and according to the dictates of his conscience. As far as General Richards is concerned, I do not know him as well perhaps as the gentleman from Texas, but I will make this observation that any time you got information out of him you had to drag it out of him. I can show you in the hearings where the committee made requests for various pieces of information, and as far as I can find out, they still are not there. One particular report related to the President's stop-spend order and its effect on the Army. It is still not forthcoming. Perhaps by the time I get to know the general as well as the other gentlemen of the committee I will have as high a regard for him as they have. These hearings have been difficult and tedious. I wish some of those same gentlemen who have talked about the need for funds for the Army had been able to prevail upon the President that their position was right. If you will look over the report, you will find one thing that was cut by the President's freeze order was aviation and research. It seems more than passing strange that when a committee of Congress honestly and conscientiously scrutinizes the entire situation and tries to make some minor saving that a howl goes up to high heaven when we cut a few million dollars, whereas when the President does it there is nothing said, even when his cut is more drastic than the one proposed by the House. Read the hearings and learn what some of these men said when they appeared before us; how the President's cuts affected the plane program.

Where the gentleman from Texas gets this cut from 932 down to 700 planes is something that I cannot find out. I have read every page of the hearings, and I cannot find it.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. MAHON. I got that from a letter from the Secretary of War which I hope to place in my remarks.

Mr. SCRIVNER. I certainly have not seen any such letter from the Secretary of War.

Mr. MAHON. I also get that from the gentleman from Michigan [Mr. ENGEL], chairman of our subcommittee, who, in the full committee, as you may remember, said that the funds requested, even if they were all granted, would probably provide for no more than about 600 airplanes. The gentleman has asked for information. Will the gentleman yield further?

Mr. SCRIVNER. I yield briefly to the gentleman. I was astonished to hear you make that statement because I have never seen the letter from the Secretary of War. If the gentleman has one, I think the other members should also have received a copy. If you look at the hearings on page 654 you will read the testimony of the War Department's own representatives.

I am not an aviation expert. I do not know about the cost of planes. But General Powers, who is supposed to be the authority so far as the Air Corps is concerned, said that $281,000,000 is for the procurement of 932 new airplanes. The total sum of $440,000,000 is not for the

procurement of new plants, and everybody knows that. Not only that, but the newest type which the gentleman mentioned—your jet-propelled planes and supersonics which come as a result of research and development—is not in new procurement at all. They come from research money. And yet it was the taking of $75,000,000 out of research and development, General LeMay said, was the straw that broke the camel's back.

I am concerned about these things too. I have been for more years than I can remember. As a matter of fact, when I came to the House almost half of my adult life had been in or closely related to the military. It was almost a religion with me. It still is. I have advocated the two-ocean Navy, an Air Force second to none, and an Army of a million men, for almost a quarter of a century. It is not just a line with me. I believed it. I have lived it. I have breathed it. My greatest regret was that when this war came, a service-connected disability prevented me from service.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BROOKS. I do not impugn the gentleman's sincerity or honesty or motive or desire to give this Nation what the Nation is entitled to in the way of an Air Force, but as a matter of fact, a reduction of $44,000,000 will give us less than 600 new airplanes. I am sure the gentleman, when he carefully investigates the matter, will find that that is the case.

Mr. SCRIVNER. I appreciate those words of approbation. However, there has been some suggestion that perhaps some other considerations entered into this; but here is what I am trying to get at. You talk about $44,000,000. After all these figures the chairman has given you, go back to what General Powers said in the hearings. He said this: "The $281,000,000 calls for 932 planes."

He did say that maybe this price per pound might be low—and that is the way they figure them—in other words, you build bigger planes and you get a fewer number; you build the smaller planes and you get more in number; but these are his figures. I have not seen anything yet to change the whole picture one single bit. They are his figures. They presented them—and ample time elapsed for them to submit any necessary changes.

Remember, as you sit here discussing this you are trying, as these men tried and we tried, to project yourselves into the future, not only 3 months or 6 months but a year or 2 years or 5 years, and if anyone can tell me what the costs are going to be then, he has certainly got a big job waiting for him, because there are a lot of questions I and many others would like to ask him.

Coming back to the new planes, look on page 13 and see what General Rawlings said about the $30,000,000 reduction in new aircraft production, because of the President's cut. Where the President gets the authority for such action I do not know. I am trying to get an answer to that question, where he can superimpose upon the Army and the Congress his opinions. Where he got his information as to the airplane program, which disagrees with the gentleman from Texas I just do not know. But I cannot help thinking how terrible some people think it is for us to do anything like this but when the President does it, it is perfectly all right. If he can do it I do not know why it is so terrifically outlandish for us to do it ourselves.

There was comment made about there being nothing in the report about aviation and the number of planes. I was not consulted, but right now in the bottom of my heart I think one of the things that causes much trouble is that we Americans like to brag too much. We like to tell what we are going to do and what we have. We would be far better off if we said less about it and then started doing it and let accomplished facts speak for themselves. The question was asked a while ago, What do we know about what is going on behind the iron curtain and how many of their agents are over here? Well, they do not have to have very many. All they need is one or two who can sit down and read the newspapers. They can find out with the greatest ease just exactly what we are doing every day in the year, from the latest bomber down to the Banshee, which is supposed to be the last thing in plane production. When it was presented to us it was absolutely hush hush. You could not talk about this at all. Yet before the hearings are over, before the bill has been passed, you have it on the pages of the newspapers and anybody who can read can find out with the greatest of ease just exactly what we have.

I want to join, too, in the tribute to the ability, the energy, the honesty, the integrity, and the loyalty of the chairman of this committee. That goes for the rest of them. In these few short weeks in which I have worked with this committee, I have come to know and respect and admire every member of the committee.

That includes not only Republicans like HARVE TIBBOTT, CASE, and ENGEL, but Democrats like Judge KERR, MAHON, and NORRELL, who has not been able to be with us as much as we would like to have had him.

The committee instead of being scolded, as it has been, should be commended on having done an exceptionally fine job under exceedingly difficult circumstances. This experience on this committee convinces me that one thing in the reorganization bill has great merit, and I hope we have an opportunity to exercise it before the hearings are over next year; that is, to give each of these committees a staff and corps of capable investigators who can go out and find out things that we of the committee do not have the opportunity to. If you sit there in these committees as we have you see generals in charge of each one of these operations of the War Department flanked and buttressed on each side with innumerable aides and experts ranking from generals down. Whenever any one of them needed any information at all he turned to one side or the other or to the rear and asked Jones, Smith, or Brown what the answer was. We had no one to whom we could turn. The committee needs that kind of help, and certain it is that if all of these hundreds can be provided for the other agencies of the Government, then these committees can be given a few men and it will be money very well spent.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. SPRINGER. I desire to compliment the gentleman for the fine presentation he is making. I recall in particular the statement he just made regarding the publicity which was given in respect to what we are doing, the type of planes we are perfecting, the nature, the amount, and character. Do we get any such information from Russia so that we know just what she is doing at this particular time?

Mr. SCRIVNER. As far as I know we get no information of any kind from Russia that is reliable, or from many other parts of the world. As a matter of fact I will go even further, we are making it even easier than I stated before because the Army periodically gets out these summary sheets so that they do not even have to read the daily papers to know what we are doing in the field of aviation, they can just pick up this outline.

I spoke of the men who appear before our committee. I have known some of these men for many many years, fine gentlemen every one of them. Sometimes I feel just a little sorry for them; I think they would like to have been more helpful, yet they were faced with a limitation. The President—and you will find the letter on page 631—told them in substance that they could do nothing else but support the figures in the President's budget, and he said "only." This is not Webster's definition of "only" but the only definition I know of the word "only" is "nothing else but." That does not say "higher than" or "lower than" but "only those figures." And yet these men with all the help they have are not infallible. No human being is infallible. I want to call your attention to one situation in connection with the budget and the justifications. The work of preparing this budget began last May, June, July, and August, just as they are now working on the 1949 budget; but even so, when this budget came to us the justification for pay and allowances of officers bore the date of January 20, 1947—whether you were in the service in World War I, in peacetime, or in World War II—I do not think you have to have a great deal of explanation to understand just how absurd some of the figures were that were given to this committee. For instance, here is what we find in Pay and Allowances for other than air forces: 4,023 second lieutenants, 6,719 first lieutenants, 21,177 captains, 20,706 majors, 12,637 lieutenant-colonels and 6,000 colonels.

Ask any soldier, ask any man who was in the Navy how ridiculous that distribution is. Of course, they came in and at a later date made a change and said, as my recollection is, that they were going to have 11,000 second lieutenants, 16,000 first lieutenants, and 21,000 captains, that they were going to cut down the majors, the lieutenant-colonels, and the colonels.

Mr. SPRINGER. Of course, that distribution is out of step with their needs.

Mr. SCRIVNER. Yes. Finally they admitted that was out of step and that it was top heavy and undertook to submit the new table.

There were other things. I can understand the difficulty with which they labored and I hope, too, that the House, this committee and those officers can understand some of the difficulties under which we have to labor at times.

Mr. SPRINGER. Another question, and referring back to the investigations that have been made. We have had a large number of people traveling through Europe, especially in Russia. May I ask the gentleman to state if it is not a fact that of all the inquiry that has been made we have been unable to secure any definite or positive information with regard to what Russia is doing with reference to preparation for war?

Mr. SCRIVNER. As far as any inquiry is concerned we know practically nothing. There was one report that during the May Day celebration in Moscow on the 1st of May two or three planes which were possibly B-29's did fly over the parade. They may have been some of the B-29's which were interned by Russia when the crews had to land in Russia.

Inasmuch as General Richards has been mentioned I want to refer to one comment he made, and I think it was properly made. He said that we can always do without our cake. When you analyze this whole bill about all we have done is to take a little bit of cake away from our military forces. Whether or not more appropriation would do more good. I do not know. You have been shown that the President limited the amount that the Army could spend in 1947. He has also limited the amount which can be spent by the Army in 1948. That amount by Presidential order is $6,700,000,000. He says that is all the Army can spend in fiscal 1948. If that is so, it stands to reason we could probably appropriate many, many billions, and still it might not have a very salutary effect as far as the Army's procurement program is concerned, in view of the limit fixed by the President.

We tried as best we could in our limited way to find the facts. Many things, as I say, puzzled us. Remember this budget was in preparation in May, June, July and August of last year. We found, for instance, that as late as February 1946, only 5 or 6 months earlier, the War Department had declared as surplus 1,577,856 gallon blitz cans. You will also see in hearings that the top price received for blitz cans at surplus sale was 55 cents per can.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CASE of South Dakota. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. SCRIVNER. The Army is now asking to buy 703,000 of these cans at $4.40. You will find that on page 324 of the hearings. It gives the whole story. So, as I say, they are prone to err just the same as the rest of us.

One thing that has been mentioned but not thoroughly discussed is the matter of the National Guard. If you read the hearings you will find a statement by Secretary Patterson in which he evaluates the National Guard. You will also find a statement there by General Eisenhower in which he praises the service of the National Guard most highly. But some place between the Secretary and General Eisenhower there seems to come a little barricade so that those good wishes and good feelings do not trickle down. A reading of the hearings will disclose statements made by the representatives of the National Guard from various States relating to the treatment that is now being accorded them as relates to equipment, and particularly as to uniforms. It is a tragic story. There has been complaint that the National Guard has not proceeded as rapidly as possible. Of course not, but as far back as last September the President took away from them $65,000,000 of the $110,000,000 that Congress said they should have to carry on the program.

The Reserve, too, is having some difficulty. There, too, the President took away $30,000,000 from the Reserve activities, and you will see in this bill that this committee—and I feel quite sure the House will go along with us on that whole thing—has given the National Guard and the Reserve the full amount of the suggested appropriations to give these civilian groups a chance to do their stuff.

For years we have talked about the necessity for an Army of a million men. Incidentally, if we had had such an Army in 1917 and in 1939, we might not have been in either one of these two great wars. But, we have talked about it. It probably cannot be a Regular Army of that size, because this is not the type of a Nation that anticipates a Regular Army that large, but we do anticipate that the great bulk, 50 to 60 percent, will be from civilian components with your National Guard as a part of your D-day program, ready to go whenever the emergency arises. They should be and must be prepared, and while we questioned many of the witnesses quite thoroughly as to the prospects for any immediate emergency arising, there seems to be no feeling of fear on the part of any of them that there is anything of that sort in the immediate offing. But, it might develop, and I think the public might as well realize that as the years go by, 2, 3, or 4 years hence, particularly as it relates to air, as more and more of these planes are worn out, the more we must appropriate to keep the air force up and that, I am sure, Congress will do.

I could go on and discuss many of these things, but you will find them all in the hearings. Take, for instance, the type of uniform. Even though $27,000,000 was in the hands of the quartermaster for uniforms for the National Guard, they were issued second-rate uniforms that the men were ashamed to put on and wear home. Any man that has ever been in any kind of military service knows that the first step toward making a good soldier or sailor is pride in himself and pride in his uniform, and when that pride is not there neither is the morale. When that man has to walk home through a back alley because he is ashamed to meet his friends, you are not going to have any morale, and all of your vast recruiting campaigns, spending millions upon millions of dollars, will never develop morale so that you will ever have a reserve force of civilian components that will be worthy of the word.

In these hearings you will find the report of the Judge Advocate General as to the effect of the Tort Claims Act as carried in the reorganization bill. I am not going into it in detail, but by reading that report—and I am sure their statements will be later supplemented—you will find that one of the most advisable things this Congress can do before it adjourns is to repeal that Tort Claims Act and restore the practice we have had in times past of equitably satisfying claims against the Government through your claims committee, and not through the tort actions in the courts.

Mr. Chairman, I have spoken longer than I had intended, and I close with this comment. I have made it in committee and I have made it out of committee. If I felt down in my heart that this reduction of approximately 10 percent in the aviation procurement program—in view of the fact that we have not decreased research and development, which is the building of brand-new and experimental models, and in view of the fact that there is $280,000,000 contract authorization over and above that of last year even with this decrease down to the budget figure of last year—if I thought for just 1 minute that that decrease would endanger the welfare and the future of this Nation in even the slightest degree, I would not hesitate to vote to restore the figure. If the gentleman from Texas has any other figures, even though the figures have not been presented to the committee—and I think, in all fairness, they should have been—I would like to study them. I have an open mind. I am open to conviction, if the gentleman from Texas can convince me this Nation's future is endangered by this reduction.

Mr. KERR. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, may I say in starting that I do not impugn the motives of any member of the committee or, for that matter, Members of Congress at this hour. I have known the members of this subcommittee for many years, and I know them to be good, hard-working, conscientious men, eager and desirous of doing their duty by the country. Anybody who has obtained a copy of these hearings and gone through them in even a cursory manner is bound to realize that this committee spent many painstaking, long, weary hours in attempting to get to the bottom of the needed appropriations. On the contrary, rather than attempt to impugn the motives of anyone who has had anything to do with this bill, I have praise for the committee's work on it in presenting us a bill. But that does not mean, Mr. Chairman, that I am hog-tied to every figure and every appropriation in the bill. On the contrary, the Appropriations Committee has a monopoly of the appropriations in the House. You cannot get an appropriation of any sort unless you go to that committee. In all deference to the members of the committee, and recognizing their ability,

their courage, and their leadership, I still at times differ with them on appropriations and sometimes fundamental figures in a bill. I think today that is the situation with reference to the figures on the Air Force. I am going to use the time allotted to me today in analyzing some of the figures in this bill in special reference to the Air Force.

Mr. Chairman, the comparative statement in the committee report is composed of huge items. It is difficult, to say the least, to get behind these items in an effort to find out just where the reductions in expenditures will cut heavily upon the War Department. It is apparent, however, that the expenditures for last year were $1,199,500,000 as against appropriations in the current bill of $733,332,508. It is apparent that the current appropriations as contained in this bill are $116,000,000 below Budget estimates and far below last year's expenditures. The report does not disclose just how this figure was arrived at; and I have given considerable thought and study in an effort to work out the figures and to apply the cuts where this committee evidently intended that they should be applied.

Mr. Chairman, I want to comment on certain items in this appropriations bill and, for the present at least, I want to confine my remarks to the Army Air Forces. To my mind, the needs of the Air Forces are particularly urgent. It is upon this branch of the service that we must rely for the repulse of a sudden and surprise attack from the enemy, in the event of another war. It is this branch of the service upon which the burden of the first blow will fall; and it is upon this branch of the service we must continue to depend until the country has had the opportunity to mobilize for war. It is therefore particularly important that needed moneys for these purposes shall be given without crippling economies and arbitrary reductions.

The appropriations for civilian personnel of the Air Forces have been drastically cut. This reduction will eliminate 17,573 employees who are now engaged largely in supplying the logistical support essential to air operations. This reduction will have a particularly damaging effect in the continuity of Headquarters, Army Air Forces, where strategical planning, mobilization plans and operational controls are carried on. Failure to replace these cuts will have a marked effect in undermining an already weakened Air Force.

Another item which concerns me very much is the reduction of $10,000,000 for fuel and oil for airplanes. This reduction will result, of course, in less training and less flying in the combat flights and problems. Required flying hours are necessary to keep our Air Forces in readiness as an effective combat force to meet an instant emergency.

The cut in the item for transportation is also very heavy. It will make it necessary to completely eliminate all commercial air lift now being furnished under contract by commercial carriers. The Air Transport Command will not have sufficient strength to supply the total overseas air lift required to maintain occupation garrisons in 1948. It is estimated that 50 percent of the present air lift to the Pacific theater will have to be eliminated, thereby further isolating our already isolated forces from their homeland.

The reduction of $44,000,000 in funds necessary for the purchase of new airplanes is something to consider in the long-range plans of the Air Forces. Initially, the Air Forces estimated that it needed 932 airplanes as the irreducible minimum for the proper maintenance and operation of its 55 manned combat groups. The cost estimates were drawn up last September 1946 and were based upon figures available and considered accurate at that time. By the time the requirements had run the gamut of the Department and the Budget and were submitted to the Appropriations Committee, the costs of building airplanes had risen to the point where funds requested would purchase only 838 airplanes instead of the minimum estimated as needed—932 airplanes. By the time the committee had reported, prices had increased further and the committee had taken $44,000,000 from Budget requirements. This means, therefore, fewer airplanes for the Army Air Forces. It means, in fact, less than 600 new planes and spare parts as against the original estimate of 932 with the $396,000,000 recommended by the Appropriations Committee. This reduction will be further aggravated by the serious situation existing in the airplane industry caused by lack of production orders. It will be further aggravated by the confusion and the lack of war-time efficiency in industry caused by the release of skilled workers and the breaking up of most efficient work teams. The outlook is, therefore, certainly not pleasing from the standpoint of national defense.

One of the other reductions which is most difficult to explain is the cut of $9,500,000 from which it was intended that electronic equipment be purchased. This cut will undoubtedly reduce the scope and delay the completion of proposed radar protective screen for the continental United States. This screen is considered vital for giving adequate warning of the approach of hostile aircraft or guided missiles, and it is deemed highly essential to the security of the entire country. You will recall that the radar screen had not been completed for Hawaii at the time of Pearl Harbor; and it has been warmly debated whether or not there would have been a Pearl Harbor had this work been completed at the time of the dastardly Jap attack. The amount of this appropriation is not large; but its importance to our people could easily be measured in the difference between success and failure, victory and defeat.

Mr. Chairman, the Army Air Forces have a mission which is closely akin to the destiny of this country. I do not think that the President's Advisory Commission on Universal Military Training added one whit when it referred to the mission of the Air Forces as follows:

> A striking air force: Spearhead of our professional armed services, this force would be charged with the crucial mission of defense by attack. Its job would be to stop the enemy's first onslaught and to hit back at him with crushing force. We believe that an aggressor's reluctance to start a war, and his handicap in prosecuting it successfully if he did start, would be in direct proportion to the power and readiness of our mobile striking force. Its personnel would have to be highly trained and its equipment would have to be the most advanced in the world.

The statement of the President's Advisory Commission as given above is entirely in harmony with the estimate which the Air Forces themselves place upon the immediate and primary task of this great organization. According to their own statements, the two immediate tasks are:

(a) To provide a long-range striking force in instant readiness and with the power and capacity to destroy the storehouse of enemy weapons and thereafter to reduce the enemy's industrial capacity and war-making potential.

(b) To provide in peacetime the minimum establishment for prompt and rapid expansion from peace to war.

Mr. Chairman, I agree fully with the estimate which has been made of the mission of our Army Air Forces. I frankly feel the reductions in appropriations made by this bill will impair and hurt the Air Forces to the extent that they cannot fulfill these two primary missions. I frankly feel that these heavy reductions in our Air Forces will reduce them to a state of impotence and inability to measure up to their full usefulness in the face of a sudden and surprise enemy attack. Those who urge these reductions in appropriations of our Air Forces assume a tremendous burden of responsibility should their insistence on these cuts bring about a reduction in the state of efficiency and power of the Air Forces. I certainly hope that this House will pause before it is too late and, in the light of the vital responsibility which falls upon the Army Air Forces in defending this country from sudden attack, restore the funds taken from the bill by these drastic reductions.

In conclusion, Mr. Chairman, I think the reduction of $44,000,000 which reduces the number of new planes to be purchased and the number of parts needed to condition and maintain the airplanes presently in use, is vital. I feel that the time that has been given to this in debate on the floor is justified by the seriousness of the reduction of this appropriation. I hope the House will consider this long and well, and when it comes to a vote, with committee acceptance, we will be able to place back in the bill that item of some $40,000,000, the $9,500,000 for the radar defense of the Nation and the other items mentioned by me.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. KERR. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

RFC WITH AID OF LOCAL BANKS PERFORMING WONDERFUL SERVICE FOR SMALL BUSINESS

Mr. PATMAN. Mr. Chairman, it is important that Members of Congress realize the importance of the activities of the RFC in view of the fact that the Corporation's powers expire June 30 if not extended.

SMALL BUSINESS PRIORTY UNDER SECTION 18 (e) OF THE SURPLUS PROPERTY ACT AS FUNCTIONED BY RECONSTRUCTION FINANCE CORPORATION

Pursuant to Executive order, the Reconstruction Finance Corporation, on January 28, 1946, was made responsible for functioning the priority given small business under section 18 (e) of the Surplus Property Act. From that date until April 30, 1947, the Corporation received 82,131 inquiries for assistance in the acquisition of surplus property which resulted in its purchasing for small business $48,062,838 worth of such property. The Corporation discontinued this function by reason of a ruling by the Comptroller General.

TECHNICAL AND BUSINESS ADVISORY SERVICES AVAILABLE TO SMALL BUSINESS

The Reconstruction Finance Corporation's assistance to small business has not been limited to the making of loans or the securing of surplus property. For the 11-month period ended April 30, 1947, the Corporation received approximately 260,000 requests for assistance from business enterprises, of which 142,000, more than half, did not request loans nor surplus property assistance. Applicants requested the advice and counsel of the Corporation's trained staff in connection with a wide range of problems, including management, engineering, accounting, and financial. Small businesses seldom have among their personnel trained experts covering such a wide variety of problems but which nonetheless are often vital to successful operations. By using its trained personnel, the Corporation is often able to render valuable services to small businesses in the solution of their problems in locating an applicant's difficulties, suggesting various possible solutions, and indicating private sources from which expert technical and consulting assistance can be secured as may be needed for detailed application.

It frequently occurs that, after preliminary discussion, an applicant for a loan becomes convinced that the solution of his problem does not lie in securing a loan in the amount, kind, term, or for the purposes sought.

The following brief histories of actual cases are illustrative of what can be accomplished through these services:

A bank had been approached by a borrower seeking a loan, the proceeds of which were to be used in the construction of an alfalfa dehydration plant. The president of the bank called upon the local RFC office requesting advice and information concerning such a plant. It so happened that the local RFC office had considerable experience in this particular field, and those of the staff familiar with such an operation discussed in detail with the banker the many difficult problems surrounding such a plant, as well as production costs, profit possibilities, and prospects for present and future markets. A few days later, the banker called the local RFC office, expressed his appreciation, and reported that the promoters as well as the bank had abandoned the idea of seeking a loan for such a purpose.

A veteran, while discussing the possibilities of an RFC loan with which to purchase a truck, happened to indicate the trouble he was having in producing magnetic tack hammers at a cost which would permit their sale at a profit. Certain simple changes in design were suggested by an RFC engineer, who also indicated a probable better source of supply of castings necessary for the hammers. The suggestions were carried out with the result that the business was reestablished on a profitable basis.

The principal officer of a research laboratory, a veteran of World War II, called at his local RFC office requesting assistance in connection with certain difficulties he was having in manufacturing a small gas engine for use in flying model airplanes. He reported that his company had suffered a substantial loss resulting primarily from this difficulty. An RFC engineer considered his problem and suggested certain changes in the manufacturing process for one of the parts in the engine and recommended that he secure the services of an experienced designing engineer until the process could be corrected. The RFC engineer's recommendation was followed with the result that the difficulty was eliminated and the company operated profitably.

CASE HISTORIES ILLUSTRATIVE OF RFC LOAN ACTIVITIES IN CONNECTION WITH SMALL BUSINESS—RFC MAKES LOAN AFTER BANK DECLINES

The following is a typical illustration of how a direct loan by the RFC assisted in the creation of a successful small business after credit had been refused by banks: A native of an eastern State desired to establish a wool-combing plant in a Southwestern State. After a thorough survey a location was selected in a small town located in a wool-producing area in that State. The business was established in 1941 through the investment by the owner of a small amount of money in a minimum of necessary equipment. After a few months' operations, it became apparent that two additional pieces of machinery were necessary in order to meet the growing demand for washing, scouring, and combing wool. The owner applied to his bank of account for a loan of $7,500 for that purpose. The bank declined to make the loan. The local office of RFC was then contacted, an application filed, and loan granted. Subsequently additional loans were granted for further plant expansion. Today the plant is enjoying successful operations with a total value of facilities estimated at $400,000 and affords substantial employment to the community in which it is located.

BANK MAKES LOAN AFTER RFC INVESTIGATION INDICATES SOUNDNESS

In mid 1946 an applicant in a Southern State contacted the local RFC office and discussed plans for the organization and installation of a canning plant. Applicant, at RFC examiner's suggestion, discussed the possibilities of securing a loan from his local bank, which declined to make the loan. Further discussions between the applicant, RFC examiner and the local bank were conducted with the result that local financing was arranged without RFC assistance. The plant was opened and operated successfully and is serving an economic need in the small community in which it is located.

BANK PARTICIPATES WITH RFC AFTER FIRST DECLINING LOAN

A manufacturing plant located in a small community in a Southern State, with approximately 250 employees, was unable to meet its weekly pay roll of about $17,000. The day before the pay roll was to have been met the situation was called to the attention of the RFC office serving that territory. Within an hour after notice had reached the office an RFC examiner was on his way to the plant. Banks were contacted, refusing to make the loan for pay-roll purposes but after negotiations running well into the evening the banks made a loan in participation with the RFC and the pay roll was met the next day and the business saved. The loan was subsequently repaid in full.

GI GIRLS START HOSPITAL WITH RFC ASSISTANCE

Early in 1946 two GI girls were referred to the RFC by a bank located in a small town in a Western State. The girls wished a loan for the purpose of purchasing real property for the establishment of a hospital badly needed in that community. The loan was granted and, with the assistance of the RFC staff, property was secured, irregularities in titles were corrected, and the hospital opened and is being operated successfully. It has the complete backing of the community and is the only hospital there.

Mr. KERR. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, I am glad to say that in the time I have served in Congress I have supported all the appropriation measures which have been before the House to strengthen and keep strong our Nation. It pleases me to be able to say that I was not one of those Members who waited until after Pearl Harbor to support the legislation to strengthen and keep strong our country. We have sustained great loss of life and costly delays by not remaining strong at times in the past. Surely we should have learned our lesson in the past and should never again take a chance insofar as the strength of our country is concerned.

I say we should not weaken the influence of our Nation, particularly in a serious time like this, by weakening our Army or our Navy.

Although I recognize there has been some waste, great emphasis should be placed on the representations of those on whose shoulders rests the responsibility of being as sure as we can be that our country's welfare is secure and properly protected.

A few minutes ago I heard my able and distinguished colleague, the gentleman from Texas [Mr. MAHON], a member of the subcommittee which brought in the bill now before the House, discuss the provisions of the bill; I feel he is correct in what he says about the reductions which have been made in the funds of the Army Air Force. It is my purpose to support his amendment to provide additional funds for this division of the War Department.

As a member of the House Interstate and Foreign Commerce Committee, the committee which deals with civil aviation

legislation, I personally feel civil aviation will gain much as a result of any progress and advancements made by our Army Air Force. Once we permit our Army and Navy to become weak we find the task of rebuilding them to be much more difficult. We have experienced this in the past. To be definitely sure that our Army and Navy will be strong tomorrow, we must be sure we have done those things necessary to keep them strong today. I strongly favor keeping both strong today.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. Ross].

Mr. ROSS. Mr. Chairman, the question of adequate national defense is the most important matter that will come before the Congress this session. Events preceding and subsequent to the termination of hostilities of World War II have forcibly projected the problem of adequate national defense and national security into the thinking of every citizen. Adequate national defense is paramount. It is a gigantic problem. It calls for the prompt integration of every factor and every part of our industrial potential. Adequate national defense means not alone the maintenance of sufficient military forces. It means the adoption of a well-defined program for the complete and timely mobilization of our civilian economy in the event of attack. Our war potential is only as strong as the moral fiber of our people and only as potent as our ability to quickly produce the instruments of war.

I was so impressed with the necessity and the urgency of this that on March 17 I introduced H. R. 2589, a bill to establish a Civilian Mobilization Commission. This bill would set up a Commission of 11 members: 7 to be appointed by the President, 1 of whom shall be chairman; 2 by the President pro tempore of the Senate and 2 by the Speaker of the House of Representatives, from the membership of their respective Houses.

Under the provisions of this bill, the Commission would not be a policy-making Commission, but rather a fact-finding Commission. I want to read section 1 of the bill and ask unanimous consent to insert the entire bill at this point, as part of the RECORD. Section 1 is as follows:

SECTION 1. *Be it enacted, etc.*, That (a) in the interest of world peace and the national security it is hereby declared to be the policy of Congress to insure the right of the United States of America to continue their present way of life and to assure their ability to withstand atomic or other form of attack by preparing for ready use and immediate execution a plan or plans for the complete mobilization of the civilian economy and for the complete protection of the agencies of Government.

(b) It is the purpose of this act to effectuate the policies set out in section 1 (a) by providing, among others, for the following major programs relating to complete civilian mobilization of industries, including protection of the civilian population and the agencies of Government:

(1) A program of assisting and fostering a decentralization of essential industries;

(2) A program of assisting and fostering protective plans for essential industries and the agencies of Government;

(3) A program of assisting and fostering a plan for the conversion of civilian industries to war production;

(4) A program of administration which will be consistent with the foregoing policies, and which will enable the Congress to be informed annually as to the appropriate legislation needed to carry into execution any of the foregoing plans or other related plans, none of which shall be put in execution until specifically authorized by law.

All of the leading military authorities recognize and are giving voice to the necessity and urgency of such a program. On May 28, 1947, more than 2 months after introduction of H. R. 2589, Gen. Brehon B. Somervell and Maj. Gen. Leslie R. Groves, addressing the National Industrial Conference Board, came out in favor of a prewar planned program for industrial mobilization in the event of another war.

As reported in the New York Times, General Somervell stated that he was not predicting that war with Russia was inevitable, but was pointing out that it would be folly for us to ignore the fact that the United States would be a rich prize for an ambitious dictator. He said nobody knows whether a third world war would be a Buck Rogers affair using atomic bombs, bacteria rockets, and so forth, but that we would have to realize that dictators are ruthless realists and would have to prepare against the use of such weapons just as we prepared against the use of poison gas in the recent war.

According to the New York Times, General Somervell warned that industrial as well as manpower preparedness had lagged badly since VJ-day. He pointed out that we still lack even paper plans for industrial mobilization. He said:

Industry must be kept from year to year in the same state of semimobilization as our armed forces. In fact, the smaller our Army and Navy become, the greater degree of industrial mobilization we must maintain in time of peace.

To quote the New York Times, General Somervell stated:

The nucleus of civilian agencies to handle labor, civilian defense, civilian production, war materials, facilities, transportation, communication, power, war finance, foreign trade, and other aspects of the war economy must be in operation before the advent of war. The Nation could not afford * * * another long period of bungling and confusion during the next war, such as took place in the last war.

General Groves is quoted as saying that next time there will be no cushion of time, and, therefore, we must consider industrial mobilization a continuing process.

The report of the President's Commission on Universal Military Training, made public on June 1, in its program for a balanced security, stressed the need of a plan for industrial readiness. Point 4 of the program stated, and I quote:

Industrial mobilization: The development of new weapons will be of no value unless our scientific progress is matched by industrial readiness for the problems of war that may come without warning with supersonic speeds. Weapons that were not in being and in the possession of our troops when an aggressor struck would be worthless in inflicting swift retribution upon him or in preventing his approach to our shores. Because of the danger that production centers would be demolished in the first days of war, a start should be made now toward decentralizing the most vital plants and, in some cases, toward building underground or otherwise adequately protected facilities.

Mr. Chairman, during this atomic age, with our country admittedly vulnerable to attack by atomic and projectile bombs and bacteriological vapors, it is absolutely essential that we have on tap for instant use plans for the immediate and total conversion of our civilian economy to a wartime economy. When World War III arrives we will not have time to fumble and bungle our production machine into high gear. We will not have time to experiment with plans for the protection of our civilian population. The need for plans to meet the kind of emergency that may be anticipated in the event of a sudden attack is unquestionable. With all the warning we had of the impending war in 1941, we were not prepared to proceed either defensively or offensively with any semblance of a concerted program. Agencies by the score were created hastily by Executive orders, directives, and so forth, many of them having overlapping or conflicting jurisdiction and duties. This made inevitable a constant reshuffling of agencies and functions, the absorption of some of the agencies by others, and the ultimate liquidation of those which, after considerable delay, were found to be unsuitable or ill-advised. This resulted in the loss of precious time, untold millions of dollars in waste, and inefficiency in our production machine.

In World War II we were fortunate in that we had time. In World War III it is a foregone conclusion that we will not have time. In my bill, H. R. 2589, the Civilian Mobilization Commission will be authorized to conduct continuous studies and assemble pertinent, up-to-date data on the whole question of our national-defense problem as it pertains to the civilian economy. Some phases of our civilian economy and some questions which, to my mind, the Commission will study and make the subject of recommendations to the Congress are:

First. Decentralization or concentration of particular industries in relation to national defense. Example: Whether to provide additional plant facilities or to scatter existing facilities.

Second. The most suitable methods of decentralizing such industries where decentralization is indicated.

Third. Whether particular industries should be sheltered from atomic attack by underground installations or otherwise.

Fourth. Camouflaging of essential industries against aerial observation.

Fifth. Providing for the safety of the agencies and records of the Federal Government in case of atomic attack, including plans for the rapid decentralization or removal of particular agencies of the Government.

Sixth. Means and methods of governing the actions of the civilian population and for providing for their safety.

The creation of the proposed Civilian Mobilization Commission would, as stated by General Somervell, insure efficiency and guard the American free enterprise system against excessive Government controls. H. R. 2589 provides that the plans and programs formulated by the Commission shall be submitted direct to the Congress, so that the needed legislation may be enacted without delay.

There is too much at stake to justify delegation of this problem to some branch or agency of the executive department. If there is to be another war, its outcome may well hinge upon our ability to swing into action at once and to utilize our industrial and economic resources with a minimum of delay. We, as the representatives of the people, have the primary responsibility in this matter. That responsibility must remain here. The commission or body that is entrusted with this vital task should at all times be responsible to the Congress and the Congress should see to it that the job is being done adequately, diligently, and continuously. We cannot risk unpreparedness again.

H. R. 2589

A bill to establish a Civilian Mobilization Commission, and for other purposes

Be it enacted, etc., That (a) in the interest of world peace and the national security it is hereby declared to be the policy of Congress to insure the right of the United States of America to continue their present way of life and to assure their ability to withstand atomic or other form of attack by preparing for ready use and immediate execution a plan or plans for the complete mobilization of the civilian economy and for the complete protection of the agencies of government.

(b) It is the purpose of this act to effectuate the policies set out in section 1 (a) by providing, among others, for the following major programs relating to complete civilian mobilization of industries, including protection of the civilian population and the agencies of government:

(1) A program of assisting and fostering a decentralization of essential industries;

(2) A program of assisting and fostering protective plans for essential industries and the agencies of government;

(3) A program of assisting and fostering a plan for the conversion of civilian industries to war production;

(4) A program of administration which will be consistent with the foregoing policies, and which will enable the Congress to be informed annually as to the appropriate legislation needed to carry into execution any of the foregoing plans or other related plans, none of which shall be put in execution until specifically authorized by law.

SEC. 2. (a) There is hereby created a Civilian Mobilization Commission (hereinafter called the Commission) which shall be composed of 11 members, 7 appointed by the President (one of whom shall be Chairman) with the advice and consent of the Senate, 2 by the President pro tempore of the Senate, and 2 by the Speaker of the House from the membership of their respective Houses.

(b) Of the members of the Commission appointed by the President, two shall be appointed for a term of 2 years, two for a term of 4 years, two for a term of 6 years, and the Chairman for a term of 7 years, and at the expiration of each of said terms, the commissioners then appointed shall be appointed for a term of 7 years. Members appointed by the Speaker of the House and by the President pro tempore of the Senate shall serve until the end of the Congress in which they are appointed.

(c) Each member, except the Chairman and four members who are Members of the Congress, shall receive compensation at the rate of $ per annum; and the Chairman shall receive compensation at the rate of $ per annum.

(d) Any member of the Commission appointed by the President may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(e) Members appointed by the President shall not engage in any other business, vocation, or employment than that of serving as a member of the Commission.

SEC. 3. The principal office of the Commission shall be in the District of Columbia, but the Commission or any duly authorized representative may exercise any or all of its power in any place. The Commission shall hold such meetings and receive such reports as may be necessary to enable it to carry out the provisions of this act.

SEC. 4. The Commission shall have authority to appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation shall be fixed in accordance with the Classification Act of 1923, as amended, except that to the extent the Commission deems such action necessary to the discharge of its responsibility, personnel may be employed and their compensation be fixed without regard to such laws.

SEC. 5. The Commission is hereby authorized to utilize or employ (with the consent of the agency concerned) the services or personnel of any Government department or agencies, or the services or personnel of any State or local government, or voluntary or uncompensated services or personnel.

SEC. 6. The Commission is authorized to make such studies and investigations, obtain such information, and hold such hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this act. For the purpose herein authorized the Commission may subpena a person to appear and testify or to appear and produce documents, or both, may administer such oaths and affirmations, at any designated place. No person shall be excused from complying with any requirements under this subsection because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C. 49; 46), shall apply with respect to any individual who specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

SEC. 7. The Commission is authorized to establish advisory boards to advise and make recommendations with the Commission on legislation, policy, administration, research, and other matters.

SEC. 8. The Commission shall submit to the Congress, in January of each year, a report concerning the activities of the Commission. The Commission shall include in such report, and shall at such other times as it deems desirable submit to the Congress, such recommendations for additional legislation as the Commission deems necessary or desirable.

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this act.

SEC. 10. If any provision of this act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SEC. 11. This act may be cited as the "Civilian Mobilization Act of 1947."

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. ROSS. I yield to the gentleman from Connecticut.

Mr. LODGE. I want to congratulate the gentleman from New York upon his able presentation of this thesis and on the vision that he has shown in the manner in which he has developed his ideas. No more vital problem confronts the Nation, and I know that we must have a readily expansible industry in order to back up our wartime needs. I commend the gentleman for his splendid address.

Mr. ROSS. I want to thank very much the distinguished gentleman from Connecticut for his kind remarks.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ROSS. I yield to the gentleman from New York.

Mr. KEATING. It seems to me the gentleman has presented a very interesting suggestion here which is deserving of grave consideration by the Congress. I commend him very highly on the great study he has given this problem, resulting in this bill, which displays such unusual foresight and preknowledge of what is likely to confront us in the days to come.

Mr. ROSS. I thank the very able and distinguished gentleman from New York for his kind comments.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, I am obliged to the chairman of the subcommittee for giving me this time. I intend to speak on the Labor-Management Relations Act of 1947. On tomorrow when the matter is considered, the time will be short and I, therefore, appreciate so much this opportunity for stating my views on the conference report.

I voted against H. R. 3020, and it is my present view that I must vote against the conference report on the Labor-Management Relations Act of 1947. The subject is, however, bigger than the vote alone; for all of us know that labor-management peace will not be attained by this bill, but will rather depend on what men do under the law when enacted. This is no interim measure, either, for it is, and is well recognized to be, what the majority considers a basic change in domestic policy. Such a basic change, so early in the tenure of a new majority, certainly calls for awareness and analysis. This bill, I believe, creates the wrong pattern for labor-management relations; for, instead of putting them on an economic base, it puts them on a political base. For example, instead of seeking means by which the worker may produce more, through higher efficiency, and therefore earn more real wages, the bill takes a negative approach and is replete with prohibitions, limitations, and restrictions.

I favor labor legislation which would correct manifest abuses first, and inspire

public confidence; then we could consider drastic regulation if events showed it to be necessary. There are three immediate problems requiring legislation: First, avoidance of national paralysis due to strikes resulting from labor-management deadlocks; second, democracy in some labor unions; and, third, jurisdictional and wildcat strikes, and boycotts, not in aid of labor disputes.

The bill tries to do something to cope with these problems—a good deal of it badly—but it also does other things which nullify its effectiveness as a step in a process of the growth of labor-management responsibility, and make the bill a measure of repression.

Title II deals with national emergencies and provides for injunctions against strikes imperiling the national health or safety for a limited time of approximately 80 days and certain other interim proceedings, but that does not relieve us of the fear of national paralysis due to a strike. The provision for an enforced waiting period in such cases may not in itself be objectionable, but it must be joined with the power of seizure by the Government and the right to operate to the minimal extent required for the public health and safety if it is to mean anything to the public. Injunctions will not run trains or keep electricity going. This basic fear of national paralysis due to labor-management strife is at the root of repressive labor legislation, yet the rank and file of labor does not want any such power and would welcome a constructive solution which does not amount, however, to involuntary servitude.

The provisions of the bill which relate to democracy in labor unions are perhaps its best. I have always insisted that when labor unions become great they become public-service organizations and should be subject to the same responsibilities in the public interest. They should give nondiscriminatory service, and at reasonable rates. But this bill, while imposing some measures of union democracy, fails to provide for grievance machinery for union members with respect to their own unions and union leaders; and also strips unions of the ability to defend themselves against labor spies, internal antiunion agitators, and other active wreckers. For example, a labor union under this bill cannot discipline a member except for nonpayment of dues. A member may, therefore, be a labor spy; he may be preaching constantly against the union and trying to break it up from the inside; he may be a saboteur starting wildcat strikes, and yet the union is helpless to get him fired from the union shop. Paradoxically enough, he may be a proven disciple of Communist revolution who aims to overthrow the Government by force, yet unless he is a union officer the union cannot discipline him. Coupled with the provision in the bill imposing financial liability for wildcat strikes which can break a union, the union is at the mercy of such destructive forces.

Under the extremely wide definition of boycotts in the bill, unions cannot protect themselves against strikebreaking within the same industry. The bill provides that workers may not refuse to handle or work on any goods for the purpose of forcing their employer to cease handling the goods of another producer; yet that other producer may be in the same line of business, his employees may be out on strike and he may be using the first establishment to work on his goods as a means of strikebreaking. This provision is not only bad, but summary power is vested in any regional attorney of the NLRB to get an immediate court injunction to restrain any such legitimate refusal to handle "hot goods," and the protection of the Norris-LaGuardia Anti-Injunction Act, for which labor fought for 50 years, is removed in such a case. This is not the kind of boycott which is contrary to the public interest, that other kind results from a misguided labor union's efforts to keep certain goods out of a market because the labor union fears the effect of new inventions or new methods. But while dealing with this legitimate abuse, the bill also has the effect of depriving labor of a right of self-preservation which has never been questioned before.

Supervisors are omitted from any protection under the bill—even when separately organized—though we know from industrial experience that they are in the main workers like all others and very numerous as indicated by the strike of foremen at the Ford Motor Co. Yet under this bill such employees may be at the mercy of labor spies, suffer from employer discrimination and employer coercion of all types—the whole tragic history of the labor movement in its "middle ages" may be repeated as to them, and their efforts to protect their own economic interests be defeated. They have become by this bill the "untouchables" of labor.

We are in grave danger now of going into an era of labor-management relations which will repeat almost exactly the bitter experience of American business with the New Deal. There had been excesses and unusual losses then in the stock market and in securities and real estate, due to inflated and unsound values, just as we found irresponsibility and exactions from the public in some labor-union circles more recently. Some regulation of securities and securities markets and of pyramided utility investments was obviously needed. So today some regulation of labor-management relations is needed. But let us see what happened then and is likely to happen now. In 1933 the New Deal thought it had a mandate to suspect every businessman, and especially every banker, as being crooked until proven innocent, just as we are now asked to suspect every labor union of indulging in tactics jeopardizing the economy and the public interest. And so in 1933, with the same mental attitude, there followed the sweeping regulation of business, banking, finance, and public-utility holding companies incorporated in the regulatory acts administered by the Securities and Exchange Commission. These acts almost froze the velocity of the United States economy for critical years and compelled us to finance with Government money at a time when enormous resources lay sterile in the hands of the public. These sweeping acts regulating business, as we now plan to regulate labor, were largely responsible for forcing the United States economy into a slump and maintaining excessive unemployment from 1937 to 1939 which would have become a major economic disaster if the war in Europe, with its enormous demands on our production, had not broken out in September 1939. Let us not forget that under the Public Utility Holding Company Act, due to its first drastic impact, hundreds of millions of dollars of values in the hands of American investors were lost—in the hands of almost as many millions of investors as the millions of union members we are now affecting—until inflation and the administrative moderation which came from experience restored some of the value. But who benefitted from this come-back—the investors who had sold out at the bottom or who were exchanged out by reorganizations? Of course not. It was largely speculators who bought in at the bottom who reaped the increment.

The mistake of suddenly swinging the pendulum way over in the other direction is being made in this bill, for it is heavily weighted in favor of the employer. For example, to get a union shop under this bill it is not enough that a union be elected by a majority of workers to be their collective-bargining agent, but another election must be held and another majority of all the workers—a tougher provision than for the election of Congressmen where only a plurality of those who vote is required—simultaneously, or very soon thereafter must be obtained in order to win the right to bargain for a union shop, specifically; and after a year, 30 percent of the employees can set in motion yet another election in which a 51 percent vote can rescind the union shop.

Or, to take another example, in the case of a threat of national strike in a critical industry the workers must vote particularly on the "final offer of settlement made by their employer as stated by him," before they may strike—not on the union's demands, or even on the findings of the President's impartial Board of Inquiry, as well, but on the employer's final offer—strangely reminiscent of an un-American one-ticket election.

The middle-of-the-road course to which I have set myself demands not only that I vote against this report, it demands also that I specify what I see to require correction in labor-management relations. This I have tried to do, in the firm conviction that laws are not solutions, and that good policies can create decent solutions in a democracy, despite bad laws.

Mr. KERR. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. REDDEN].

Mr. REDDEN. Mr. Chairman, several days ago news reports were carried in the press to the effect that a mob in Northampton County, N. C., had gone to the jail and forcibly removed a Negro man who was being detained on a charge of assault on a white woman.

The story goes that the Negro escaped from the mob and later surrendered to the Federal Bureau of Investigation who delivered him to State authorities.

Indictments have been issued against those in the mob and they will be tried according to the laws of North Carolina, and I am sure a just decision upon the evidence will be rendered. That is what every true North Carolinian stands for.

In yesterday morning's news reports from that State a story is carried to the effect that another Negro man in the same county has attempted rape of a white girl, a young bride of 2 weeks, and that the community is very much upset over what appears to be a crime wave of rape in that section. The story describes how "upward of a hundred men, many of them armed, fanned out over the countryside after the girl, a recent high-school graduate and a bride of 2 weeks, reported the alleged attack." Two Negroes were taken under custody by the sheriff and promptly carried to an undisclosed jail for safekeeping. It is certainly regrettable that these attacks continue. They fan the flames of mob violence which tends to bring disrepute upon the good name of a great State.

The cry goes out that we need antilynching legislation. Members of the FBI are sent to investigate to determine if any civil rights of the assailant are violated. Peace officers of our State rise up as one in an effort to prevent the mob from executing its unlawful intentions.

It may be well to have some Federal antilynching legislation. If so, I shall certainly favor it, but I think it would also be well to have some Federal antirape legislation. I think also that these organizations and individuals which are so interested in protecting the criminal assailants who undertake to rape the white women of the South, should interest themselves in an organization that will promote good morals and stand for decency and respect. We need organizations and individuals who will not forget that the rights of women have been invaded, that they have been humiliated and embarrassed beyond expression and that a law has been violated in that respect. It seems to be the tendency of some groups to forget that a woman has been assaulted or raped; their whole cry is "Save the criminal from the mob." We need to save the woman from the criminal and a little teaching along that line may help to prevent mob violence.

There has been antilynching legislation offered in this House every session for many years, but I have not heard of anyone offering any law to aid in the prevention of these criminal attacks which are calculated to bring out the mobs. I welcome the day when this legislation comes before the House again, for I expect to attach some amendments that will send the FBI after the criminal in cases of this kind, as well as after the mob, and instead of allowing funds recovered by the estate of the criminal to enrich his next of kin, I expect to offer legislation that will allow the recovery to be paid to the estate of the woman attacked if she does not survive.

We need to let these criminals know, whether they be white or black, that they stand to gain nothing and that they shall be punished to the full extent of a just law, and in that way I believe we may discourage crime.

Mr. KERR. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, this is a bill to permit the Veterans' Administration to allot supplies of the new antituberculosis drug for the treatment of ex-service men and women, with nonservice-connected cases, who are patients in State, county, and municipal hospitals.

Present regulations do not allow the Veterans' Administration to send this expensive drug for treatment of veterans in hospitals which are not under Veterans' Administration jurisdiction. I have received complaints that officials in these outside hospitals are not giving their veteran patients this drug. Whether this policy is dictated by a desire to force them out of these hospitals and into facilities operated by the Veterans' Administration, or for some other obscure reason, I do not know. The fact is, such veterans are entitled to a share of such new treatment, and feel that they are being discriminated against.

The bill I propose will authorize the Veterans' Administration to send such reasonable supplies as are necessary to State, county, and municipal hospitals for the care of veterans who prefer to enter institutions which are near to their homes.

This bill does not interfere in the management or control of the hospitals described.

It merely provides that the Administrator of Veterans' Affairs shall inspect such hospitals at such times as he may consider necessary in order to satisfy himself with the character of care and treatment being rendered to eligible veterans in said hospitals. When the supplies are made available by this legislation, it will be the responsibility of the Veterans' Administration to see that this drug is being administered to those veterans for whom it is recommended by the medical authorities of the nonveteran hospitals.

I am sure that all of us, in our desire to be of service to the sick veteran, will not resort to penny-pinching economies in this matter.

There was a defect in the original legislation which must be corrected.

In doing this, we shall make supplies of streptomycin available to all veterans suffering from tuberculosis, no matter whether they are being treated in facilities operated by the Veterans' Administration or in State, county, or municipal hospitals.

Our veterans are also citizens.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read down to and including line 6, page 1, of the bill.

Mr. ENGEL of Michigan. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. HALLECK, having assumed the Chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, had come to no resolution thereon.

LABOR-MANAGEMENT RELATIONS ACT, 1947

Mr. HARTLEY submitted a conference report and statement on the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1948

Mr. HERTER, from the Committee on Rules, reported the following privileged resolution (H. Res. 230, Rept. No. 511), which was referred to the House calendar and ordered to be printed:

Resolved, That during the consideration of the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, all points of order against title II of said bill or any provisions contained therein are hereby waived.

EXTENSION OF REMARKS

Mr. ENGEL of Michigan asked and was given permission to revise and extend his remarks made in the Committee of the Whole and include certain tables and quotations.

Mr. DIRKSEN (at the request of Mr. CASE of South Dakota) was given permission to extend his remarks in the RECORD and include an analysis of the Wagner-Ellender-Taft bill.

Mr. MILLER of Connecticut asked and was given permission to extend his remarks in the RECORD on the subject of air accidents.

Mr. MAHON asked and was given permission to revise and extend the remarks he made in the Committee of the Whole, and include a letter from the Secretary of War, some excerpts from the hearings, and other matter.

LEASING OF PROPERTY BY VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks and include certain information from the Veterans' Administration.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the gentleman from Indiana [Mr. WILSON] wanted certain information regarding leasing of property by General Bradley, Administrator of Veterans' Affairs, and also certain information was requested by the gentleman from California [Mr. PHILLIPS] regarding leasing of property by the Administrator of Veterans' Affairs.

Earlier in the day when I tried to secure the passage of the bill S. 1135 it was objected to by the gentleman from Indiana [Mr. WILSON], who did not seem to be sure that General Bradley had exhausted all the possibilities of securing federally owned space. I obtained certain information, and I should like to state the Administrator's policy in connection with the acquisition of administrative space for the Veterans' Administration. I am including in my remarks a statement showing the administrative space acquired and in use by the Veterans' Administration as of March 31, 1947:

It is the policy of the Veterans' Administration, before leasing space of any type, to contact the Public Buildings Administration, Post Office, and other Government Departments in an attempt to locate space which may be made available to the Veterans' Administration. More than 4,500,000 square feet of leased space has been obtained through or by the Public Buildings Administration for the Veterans' Administration. Much of this space was vacated by other Government agencies, such as the War Department, the Navy Department, Office of Price Administration, etc. While this statement does not show the quantity, many leases have been obtained by direct transfer from the War, Navy, and other departments, and are included in the figures shown as leased by the Veterans' Administration. It will be noted also, from the attached statement, that there is in use by field offices of the Veterans' Administration over 5,000,000 square feet of Federally owned spaced, much of which was obtained through the Public Buildings Administration and the Post Office Department.

Every effort is made to obtain, from universities, States, and municipalities, space for contact offices and guidance centers, without cost to the Federal Government. Over 274,000 square feet of space has been obtained by that means.

EXHIBIT A.—*Veterans' Administration—Summary of space acquired and rental costs,[1] as of Mar. 31, 1947*

Branch area	Total space acquired (square feet)	Federal (square feet)	Donated (square feet)	VA lease (square feet)	PBA lease (square feet)	Rental		
						VA	PBA	Total
Boston, No. 1	832,901	111,946	6,475	271,993	442,547	$351,287	$138,529	$489,816
New York, No. 2	1,828,623	287,530	22,439	358,894	1,159,760	561,223	115,135	676,358
Philadelphia, No. 3	1,577,792	646,113	25,381	652,167	254,131	536,996	155,439	692,435
Richmond, No. 4	1,118,499	455,678	13,479	360,328	289,014	392,603	77,023	469,626
Atlanta, No. 5	1,285,811	727,575	2,445	365,222	190,569	368,346	210,309	578,655
Columbus, No. 6	1,473,872	394,984	10,581	672,722	395,585	830,345	332,471	1,162,816
Chicago, No. 7	1,644,858	273,344	4,108	686,444	680,962	988,565	135,968	1,124,533
St. Paul, No. 8	1,087,454	824,277	8,065	238,883	16,229	278,354	13,803	292,157
St. Louis, No. 9	876,480	216,786	47,410	315,809	296,475	405,315	181,045	586,360
Dallas, No. 10	1,062,193	378,040	48,907	394,303	240,943	430,721	205,332	636,053
Seattle, No. 11	600,796	73,292	73,552	451,152	2,800	742,838	1,050	743,888
San Francisco, No. 12	1,293,545	414,480	8,469	391,274	479,322	311,604	190,308	501,912
Denver, No. 13	475,674	284,453	3,036	47,831	140,354	54,571	128,037	182,608
Total, branch areas	15,158,498	5,088,498	274,347	5,206,962	4,588,691	6,252,768	[2] 1,884,449	8,137,217
New York branch, central office	690,000				690,000		680,664	680,664
Central office, Washington, D. C.	1,503,326	1,443,758		15,600	43,968	12,000	34,000	46,000
Grand total	17,351,824	6,532,256	274,347	5,222,562	5,322,659	6,264,768	2,599,113	8,863,881

[1] Exclusive of supply depots, domiciliary facilities, and hospitals, except hospital at Saratoga Springs, N. Y., which is leased.

[2] This rental covers 2,145,259 square feet only. Balance is occupied on a nonreimbursable basis.

Prepared by Real Estate Service, Veterans' Administration.

I hope this statement will be satisfactory to the gentleman from Indiana. I feel very sure that all he wanted to do was to make certain that the administrator of veterans' affairs had exhausted every possible means of securing space so that there would be no additional cost.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mrs. ROGERS of Massachusetts. Yes, I am very glad to yield to the gentleman. I know of his interest in the veterans.

Mr. PHILBIN. Does the gentlewoman propose to insert the data which she has just given in the RECORD?

Mrs. ROGERS of Massachusetts. Yes, the table will be included.

Mr. PHILBIN. I am sure that the Members will be very much interested in having this report.

Mrs. ROGERS of Massachusetts. It seems advisable to extend the authority to General Bradley for one to make the 5-year leases because he can do it more economically now than if he waits until the time expires, and that is the necessity for immediate action. If General Bradley is not allowed to renew leases probably he will be obliged to vacate buildings almost at once.

Mr. PHILBIN. That would seem to be very sound practice. I want to thank the gentlewoman very much for preparing this data and submitting it for the benefit of the House.

Mrs. ROGERS of Massachusetts The gentleman has always been helpful in veterans' matters and has been always very cooperative in other matters.

The report of the Committee on Veterans' Affairs to accompany H. R. 3060 is as follows:

EXTENDING FOR 1 YEAR CERTAIN PROVISIONS OF SECTION 100 OF THE SERVICEMEN'S READJUSTMENT ACT OF 1944, AS AMENDED, RELATING TO THE AUTHORITY OF THE ADMINISTRATOR OF VETERANS' AFFAIRS TO ENTER INTO LEASES FOR PERIODS NOT EXCEEDING 5 YEARS

Mrs. ROGERS of Massachusetts, from the Committee on Veterans' Affairs, submitted the following report:

The Committee on Veterans' Affairs, to whom was referred the bill (H. R. 3060) to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years, having considered the same, report favorably thereon, without amendment, and recommend that the bill do pass.

EXPLANATION OF THE BILL

The bill was recommended by the Administrator of Veterans' Affairs in a letter addressed to the Speaker of the House of Representatives, dated April 9, 1947, and was approved by the Bureau of the Budget.

The purpose of the bill is to authorize the Administrator of Veterans' Affairs until June 30, 1948, to enter into leases for periods of not to exceed 5 years. In making such leases the Administrator is exempted from the provisions of the Economy Act of 1932, as amended (47 Stat. 412, as amended by 47 Stat. 1517). This exemption will permit making a lease where the first year's rental exceeds 15 percent of the fair market value of the premises and will allow alterations in excess of 25 percent of the first year's rental.

Today's real-estate market is such that it is nearly impossible to determine the exact fair market value of any property from day to day, and the present scarcity of materials and labor plus increased cost of both in today's market require the exemption of the 250 percent limitation.

Two other statutes are included in the exemption for technical reasons. Section 3679 of the Revised Statutes prohibits the expenditure in any one fiscal year in excess of the amount appropriated for that year, and also prohibits the making of a contract for future payments in excess of the amount of appropriations. Section 3732 of the Revised Statutes prohibits entering into any contract unless there is an appropriation adequate to its fulfillment. Since the leases will be for periods of 5 years, it is probable that the sums needed will be appropriated annually for each year of the lease rather than for the entire period. It is necessary to exempt these two provisions in order to make a lease entered into under the authority of this bill binding upon the Government where the period is more than 1 year. The Veterans' Administration, under its decentralization program, has established 1,468 branch, regional, subregional, contact, and guidance offices which are quartered in 1,685 separate buildings occupying approximately 13,500,000 square feet of office space as compared with an anticipated 15,000,000 square feet of office space. It would have been impossible to acquire much of this space under the conditions existing in the real-estate market of the country during the fiscal year 1947 had it not been for the authority contained in Public Law 424 of the Seventy-ninth Congress, which was favorably reported by this committee, giving this authority to the Administrator up to and including June 30, 1947.

During the coming fiscal year it is the intent of the Administrator of Veterans' Affairs to consolidate many of these offices under one roof, and to carry out this program of consolidation successfully it will be necessary to extend this law for one more year.

It has been the policy of the Administrator of Veterans' Affairs to exercise the leasing authority granted him only in cases in which it has been determined that the exercise of such authority was necessary in the public interest. It is believed this policy will remain in effect if the authority of the Administrator of Veterans' Affairs to negotiate such leases is continued for the fiscal year 1948. Without such authority it doubtless would have been necessary in many cases either to accept undesirable space or to resort to condemnation or purchase to acquire suitable space.

The committee feels that failure to continue the provisions of Public Law 424, Seventy-ninth Congress, for another year would seriously hamper the activities of the Veterans' Administration, particularly those relating to the installation of out-patient treatment clinics. It would probably result in an increase in the expenditure of public funds.

The report of the Administrator of Veterans' Affairs recommending the bill follows:

VETERANS' ADMINISTRATION,
Washington, D. C., April 9, 1947.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker of the House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: There is transmitted herewith draft of a bill to amend section 100 of the Servicemen's Readjustment Act of 1944, as amended, with the request that the same be introduced and considered for enactment.

The purpose of the proposed bill is to extend for 1 year the provisions of the second paragraph of section 100 of the act, as added by Public Law 424, Seventy-ninth Congress, approved June 22, 1946, which authorizes the Administrator of Veterans' Affairs to enter into 5-year leases, notwithstanding the fact that appropriations are not presently available for the entire period and further to permit such leases to be made free from the restrictions of the so-called Economy Act of 1932 (47 Stat. 412) approved June 30, 1932, as amended (47 Stat. 1517), prohibiting entering into any lease where the annual rental rate, in cases of rentals above $2,000 per annum, exceeds 15 percent of the fair market value of the premises at date of the lease, or where the amount of alterations, repairs, and improvements to be made at Government expense exceeds 25 percent of the first year's rental. These provisions of section 100, supra, expire June 30, 1947.

No substantial change in the rental market is presently anticipated and the Veterans' Administration will have the same difficulty in securing rental space during the fiscal year 1948 as required by special authorizations contained in the act of June 22, 1946.

The Veterans' Administration, under its decentralization program, has established 1,468 branch, regional, subregional, contact, and guidance offices. These field offices are quartered in 1,685 separate buildings and occupy approximately 13,500,000 square feet of office space as compared with an anticipated maximum requirement of approximately 15,000,000 square feet of space. The Administrator of Veterans' Affairs would have been unable to acquire much of this space under the conditions which existed in the real-estate markets of this country during the fiscal year 1947 had it not been for the authority contained in section 100, supra.

During the coming fiscal year, in the interest of improved service for veterans and maximum economy of operation, many of these offices will be consolidated under one roof. The number that will be consolidated cannot be estimated with any degree of accuracy, but such consolidations will be made wherever practical. However, if the Administrator of Veterans' Affairs is to successfully carry out this program of consolidation, it will be necessary for him to continue to exercise his present authority under section 100, supra.

The policy of the Administrator of Veterans' Affairs during the fiscal year 1947 has been to exercise the leasing authority in question only in those instances in which it has been determined that the exercise of such authority was necessary in the public interest. This policy will remain in effect if the authority of the Administrator of Veterans' Affairs to negotiate such leases is continued for the fiscal year 1948. In this connection, it should be noted that to date but approximately 50 leases have been entered into for a period exceeding 1 year. Without such authority, it doubtless would have been necessary in many cases either to accept undesirable space or to resort to condemnation or purchase to acquire suitable space.

Failure to continue the provisions of the second paragraph of section 100, supra, would seriously hamper the activities of the Veterans' Administration, particularly those relating to the installation of out-patient treatment clinics. It would also probably result in an increase in the expenditure of public funds.

The conclusions stated in the preceding paragraph are based upon the following considerations. The Veterans' Administration is now excepted by the provisions of section 100, supra, from the restrictions imposed by the terms of the act of June 30, 1932, as amended, supra, which limit expenditures for alterations, improvements, and repairs of leased space to 25 percent of the first year's rental. This restriction under present market conditions would make it difficult to obtain space at a reasonable price, since in the experience of the Veterans' Administration, cheaper space costing, for example, 50 cents per square foot per annum would generally require a greater expenditure for alterations than higher-priced space costing perhaps $3 per square foot per annum. Notwithstanding this fact, however, under the restrictions of the act of June 30, 1932, as amended, the Veterans' Administration could spend 75 cents per square foot for alterations on the more expensive space whereas on the cheaper space it could spend for alterations but 12½ cents per square foot. Consequently, when space is required for a long-term use, it would in many cases result in a substantial saving to the Government to acquire cheaper space and put it into condition for use. An estimate of gross savings which might be realized by the Government in this manner cannot be definitely determined but undoubtedly it would approximate many thousands of dollars. Further, in connection with the installation of medical clinics in leased premises, the Veterans' Administration is unable, because of the peculiar and extensive character of the alterations required, to make the necessary alterations for as little as 25 percent of the annual rental.

For the foregoing reasons, it is respectfully requested that the proposed legislation be introduced and given early consideration for enactment.

Advice has been received from the Bureau of the Budget that there would be no objection by that office to the submission of the proposed legislation to the Congress.

Sincerely yours,

OMAR N. BRADLEY,
General, United States Army, Administrator.

RAMSEYER RULE

In accordance with the provisions of clause 2a, rule XIII, House of Representatives, the changes made in existing law by the bill are shown as follows (existing law proposed to be omitted is in black brackets; new matter is in italics; existing law in which no changes are proposed is shown in roman):

Section 100 of the Servicemen's Readjustment Act of 1944, as amended:

SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled to priority equal to the highest granted any department or agency of the Government in personnel, service, space, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities. The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and out-patient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes.

Until [June 30, 1947] *June 30, 1948*, the Administrator is authorized to enter into leases or renewals of leases of property for any of the purposes specified in this section for periods not exceeding five years. The provisions of the Act of June 30, 1932 (47 Stat. 412), as amended by section 15 of the Act of March 3, 1933 (47 Stat. 1517; 40 U. S. C. 278a), the provisions of section 3679 of the Revised Statutes, as amended by the Act of March 3, 1905 (33 Stat. 1257), and the Act of February 27, 1906 (34 Stat. 48; 31 U. S. C. 665); and the provisions of section 3732 of the Revised Statutes (41 U. S. C. 11) shall not apply to any lease entered into by the Administrator under the authority of this section. Nothing in this section shall be construed to diminish, or in any way limit any rights, power, or authority granted to the Administrator under any other law.

CONFERENCE REPORT ON LABOR BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore (Mr. MICHENER). Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask for this time in order to announce that the conference report on the labor bill which we propose to call up tomorrow will be called after the final action on the pending War Department appropriation bill if it is disposed of before 3 o'clock. If, however, that bill is not disposed of by 3 o'clock we will have the committee rise in order to act on the conference report on the labor bill.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RAYBURN. Is the gentleman still of the opinion that he could not give us more time than that? I thank the gentleman for his courtesy in giving us 3 more hours, but, frankly, I still do not think the Members are going to have time to read and digest this conference report in such a short time because they will only be able to get it in the morning.

Mr. HALLECK. I appreciate the gentleman's attitude, but as matters now stand I find it necessary to proceed with the program as I have outlined it.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HOFFMAN. I was one of the conferees. The writing of the final bill shifted so rapidly over there that even I was not able to keep track of it. When will we get this report? Is it available now or is it just being printed now?

Mr. HALLECK. The report which has been filed will be in the RECORD in the morning. The bill as agreed upon was available to the extent of a few copies over the week-end and every Member had delivered to his office this morning a copy of this bill as agreed upon by the conferees, so they have had that in their possession available for study today.

Mr. HOFFMAN. I would say to the gentleman I had a copy of that yesterday and I read it very carefully; that is, the proposed bill. But I was greatly interested in reading this conference report to see if I could find something in the report that would justify supporting the bill.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, this morning I obtained unanimous consent to extend my remarks in the RECORD and to include an address delivered by

Bishop Charles B. Galloway of my State on the life and character of Jefferson Davis. I find that it exceeds the amount allowed, but I ask unanimous consent that it may be included regardless of the cost.

The SPEAKER pro tempore (Mr. HALLECK). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KELLEY for 7 weeks, on account of appointment as substitute delegate and adviser to International Labor Organization Conference, Geneva, Switzerland.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 117. Joint resolution providing for acceptance by the United States of America of the Constitution of the International Labor Organization Instrument of Amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. CASE of South Dakota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 51 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 4, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

731. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of a motor launch to the Junior Militia, Inc., of the State of Maryland; to the Committee on Armed Services.

732. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill to authorize the Secretary of Commerce to reimburse employees of the Department for expense of entertainment of representatives of other countries, and for other purposes; to the Committee on Interstate and Foreign Commerce.

733. A letter from the Acting Secretary of Commerce, recommending an amendment to section 17 (c) of the Federal Airport Act, Public Law 377, Seventy-ninth Congress; to the Committee on Interstate and Foreign Commerce.

734. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill to amend the act of September 7, 1916, to authorize certain expenditures from the employees' compensation fund, and for other purposes; to the Committee on the Judiciary.

735. A letter from the Secretary of State, transmitting a draft of a proposed joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

736. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

737. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated June 17, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on and a preliminary examination and survey of Polecat Creek, Creek County, Okla., requested by a resolution of the Committee on Flood Control, House of Representatives, adopted on July 23, 1941, and also authorized by the Flood Control Act approved on August 18, 1941 (H. Doc. No. 290); to the Committee on Public Works and ordered to be printed, with three illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WELCH: Committee on Public Lands. H. R. 2167. A bill to authorize the inclusion within the Angostura water conservation and utilization project of certain lands owned by the United States; with amendments (Rept. No. 503). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 2721. A bill to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes," as amended by the act approved August 14, 1946; without amendment (Rept. No. 504). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRADLEY: Committee on Merchant Marine and Fisheries. H. R. 3333. A bill to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum purposes; with amendments (Rept. No. 505). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARTLEY: Committee on Education and Labor. Report pursuant to House Resolution 111, resolution authorizing the Committee on Education and Labor to conduct studies and investigations relating to matters within its jurisdiction (Rept. No. 506). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHAFER: Committee on Armed Services. H. R. 3049. A bill to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities; with an amendment (Rept. No. 507). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 3055. A bill to permit the Secretary of the Navy and the Secretary of War to supply utilities and related services to welfare activities, and persons whose businesses or residences are in the immediate vicinity of naval or military activities and require utilities or related services not otherwise obtainable locally, and for other purposes; with an amendment (Rept. No. 508). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Forces. H. R. 3191. A bill to amend Public Law 301, Seventy-ninth Congress, approved February 18, 1946, so as to extend the benefits of the Missing Persons Act, approved March 7, 1942 (56 Stat. 143), as amended, to certain members of the organized military forces of the Government of the Commonwealth of the Philippines; without amendment (Rept. No. 509). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 230. Resolution waiving points of order against title II of H. R. 3678, a bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 511). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEATING:

H. R. 3700. A bill to provide for and fix the fees payable to the Patent Office and to amend sections 4884, 4931, and 4934 of the Revised Statutes, and for other purposes; to the Committee on the Judiciary.

By Mr. WELCH:

H. R. 3701. A bill to repeal that portion of section 203 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended, as designates the land herein described as available land within the meaning of that act, and to restore the land to its previous status under the control of the Territory of Hawaii; to the Committee on Public Lands.

By Mr. LANDIS:

H. R. 3702. A bill to authorize the Secretary of the Interior to promulgate safety regulations to be observed in the operation of coal mines; to the Committee on Education and Labor.

By Mr. BARRETT:

H. R. 3703. A bill to authorize transfer of surplus real property to the jurisdiction of the Department of the Interior for consolidation of Federal holdings within areas administered by the National Park Service; to the Committee on Public Lands.

By Mr. GEARHART:

H. R. 3704. A bill to exclude vendors of newspapers from certain provisions of the Social Security Act and the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. MATHEWS:

H. R. 3705. A bill to provide a presumptive period of 2 years for certain diseases for World War II veterans; to the Committee on Veterans' Affairs.

By Mr. HOFFMAN:

H. R. 3706. A bill to amend section 6 of the Reorganization Act of 1945; to the Committee on Expenditures in the Executive Departments.

By Mr. MARCANTONIO:

H. R. 3707. A bill to extend for 1 year the time within which application may be made for benefits under the Armed Forces Leave Act of 1946; to the Committee on Armed Services.

By Mr. HAGEN:

H. R. 3708. A bill to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm-loan associations; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 3709. A bill to permit the Veterans' Administration to assist States, counties, and municipalities in the treatment of veterans suffering from tuberculosis; to the Committee on Veterans' Affairs.

By Mr. BATTLE:

H. R. 3710. A bill to make the educational benefits of the Servicemen's Readjustment Act of 1944 available to the children of persons who died in active service or who died as a result of wounds received in World War II; to the Committee on Veterans' Affairs.

By Mr. MILLER of Connecticut:

H. R. 3711. A bill to provide Federal aid to the States for the construction of armories and similar training facilities for the National Guard and Naval Militia; to the Committee on Armed Services.

By Mr. HOFFMAN:
H. Con. Res. 51. Concurrent resolution against adoption of Reorganization Plan No. 3 of May 27, 1947; to the Committee on Expenditures in the Executive Departments.
By Mr. AUCHINCLOSS:
H. Res. 228. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 195; to the Committee on House Administration.
By Mr. GILLIE:
H. Res. 229. Resolution providing for an investigation with respect to the background and qualifications of persons considered for appointment as Superintendent of Police of the District of Columbia; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:
H. R. 3712. A bill for the relief of Frank Loiacomo; to the Committee on the Judiciary.
By Mr. DAVIS of Georgia:
H. R. 3713. A bill for the relief of Mrs. Judge E. Estes; to the Committee on the Judiciary.
By Mr. THOMASON:
H. R. 3714. A bill for the relief of James Fred Girdley; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

596. By Mr. BRADLEY: Petition of R. H. Simmons and 24 others, of the Eighteenth Congressional District of California, urging favorable consideration and passage of H. R. 969, which would increase the pensions of the Spanish-American War veterans and their widows by 20 percent; to the Committee on Veterans' Affairs.

597. By Mr. CASE of South Dakota: Petition of Charles R. Horton, Sr., Quinn, S. Dak., and 26 others, all members of Eastern Pennington County Cooperative Grazing District, asking that certain recommendations attached hereto be considered before any action is taken on H. R. 1692, which proposes disposition of submarginal lands acquired under the Bankhead-Jones Act; to the Committee on Agriculture.

598. By the SPEAKER: Petition of Francis Jean Reuter, petitioning consideration of his resolution with reference to civil-service status; to the Committee on Post Office and Civil Service.

599. Also, petition of the membership of the Tampa Townsend Club, No. 19, Tampa, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

600. Also, petition of the membership of the Tampa Townsend Club, No. 35, Tampa, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

601. Also, petition of the membership of the Tampa Townsend Club, No. 15, Tampa, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

602. Also, petition of the membership of the Tampa Townsend Club, No. 8, Tampa, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 4, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Lord our God, as we seek Thy guidance this day, we do not ask to see the distant scene, knowing that we can take only one step at a time. Make that first step plain to us, that we may see where our duty lies, but give us a push, that we may start in the right direction.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the legislative proceedings of Tuesday, June 3, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 135) to legalize the admission into the United States of Frank Schindler.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 617. An act for the relief of James Harry Martin;

H. R. 631. An act for the relief of the Allied Aviation Corp.;

H. R. 637. An act for the relief of Marvin Pettus;

H. R. 837. An act for the relief of the estate of Abram Banta Bogert;

H. R. 987. An act for the relief of Lorenzo H. Froman;

H. R. 993. An act for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb;

H. R. 1144. An act for the relief of Samuel W. Davis, Jr., Mrs. Samuel W. Davis, Jr., and Betty Jane Davis;

H. R. 1152. An act for the relief of Mrs. Inga Patterson, widow of F. X. Patterson;

H. R. 1497. An act for the relief of the estate of George W. Coombs;

H. R. 1531. An act for the relief of William P. Gillingham;

H. R. 1658. An act for the relief of Norman Thoreson;

H. R. 1742. An act for the relief of Mary Lomas;

H. R. 1799. An act for the relief of Eva L. Dudley, Grace M. Collins, and Guy B. Slater;

H. R. 1851. An act for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove;

H. R. 2302. An act for the relief of New Jersey, Indiana & Illinois Railroad;

H. R. 3170. An act for the relief of R. W. Wood;

H. R. 3387. An act for the relief of Bruce Bros. Grain Co.; and

H. J. Res. 96. Joint resolution authorizing the President to issue posthumously to the late Roy Stanley Geiger, lieutenant general, United States Marine Corps, a commission as general, United States Marine Corps, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 565. An act to amend section 3539 of the Revised Statutes relating to taking trial pieces of coins;

S. 566. An act to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins;

S. 583. An act to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating holdings therein, and for other purposes;

S. 993. An act to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes;

S. 1022. An act to authorize an adequate White House Police force;

S. 1073. An act to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served; and

H. R. 1. An act to reduce individual income-tax payments.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing sundry nominations in the Army, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

CONSULAR CONVENTION WITH THE REPUBLIC OF THE PHILIPPINES—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDENT pro tempore. The Chair lays before the Senate Executive Q, Eightieth Congress, first session, a consular convention between the United States and the Republic of the Philippines, signed at Manila on March 14, 1947. Without objection, the injunction of secrecy will be removed from the convention, and it will be referred to the Committee on Foreign Relations and printed in the RECORD. The Chair hears no objection.

The convention is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the consular convention between the United States of America and the Republic of the Philippines, signed at Manila on March 14, 1947.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 4, 1947.*

(Enclosures: 1. Report of the Secretary of State. 2. Consular Convention between the United States and the Republic of the Philippines, signed March 14, 1947.)

DEPARTMENT OF STATE,
Washington, June 2, 1947.

The PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a consular convention between the United States of America and the Republic of the Philippines, signed at Manila on March 14, 1947.

The convention establishes the rights, privileges, immunities, and exemptions of consular officers of the United States in the Philippines and of consular officers of the Philippines in the United States.

Article II of the treaty of general relations between the United States of America and the Republic of the Philippines, signed at Manila on July 4, 1946, contains provisions relating to consular representation as follows:

"The consular representatives of each country, duly provided with exequatur, will be permitted to reside in the territories of the other in the places wherein consular representatives are by local laws permitted to reside; they shall enjoy the honorary privileges and the immunities accorded to such officers by general international usage; and they shall not be treated in a manner less favorable than similar officers of any other foreign country."

By an exchange of notes dated July 10 and 12, 1946, between the Philippine Secretary of Foreign Affairs and the American Ambassador in Manila, the two Governments confirmed that they would observe the provisions of article II of the treaty of general relations "pending final ratification thereof." The treaty of general relations entered into force on October 22, 1946, upon the exchange of instruments of ratification thereof.

The consular convention signed on March 14, 1947, contains provisions, comprehensive in scope, similar in substance to provisions in consular conventions or to consular provisions in treaties of friendship, commerce, and consular rights in force between the United States and many foreign countries. For example, the provisions in articles I, II, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, and XVI of this convention correspond, respectively, to the provisions in articles I, II, III (par. 1), IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, and XIV of the most recently concluded consular convention between the United States and a foreign country, namely, the consular convention with Mexico, signed on August 12, 1942, which entered into force on June 1, 1943 (57 Stat., pt. 2, 800). Article III of the convention with the Republic of the Philippines corresponds to provisions in numerous existing treaties or conventions of the United States; for example, the second paragraph of article VI of the consular convention of April 22, 1926, with Cuba (44 Stat. 2471), the second and third paragraphs of article XXI of the treaty of friendship, commerce, and consular rights of February 13, 1934, with Finland (49 Stat. 2659), and the third and fourth paragraphs of article III of the consular convention of October 7, 1938, with Liberia (54 Stat. 1751). Article XV has no exact counterpart in existing treaties or conventions of the United States, but is consistent with the principles and purposes of standard consular provisions and its effect is simply to express an understanding which, for all practical purposes, would be given effect in any event.

Among the principal exemptions to be accorded under the convention to consular officers of each country in the other country, and to certain other persons, are the exemptions provided in article IV with respect to taxes levied on their persons or property and on salaries, allowances, fees, or wages received for consular services, and the exemptions provided in article V with respect to duties on the importation of baggage and other personal property.

It is provided in article XVI that the convention shall take effect upon the exchange of ratifications, shall continue in force for the term of 10 years, and shall continue in effect after that period subject to the right of either party to give 6 months' notice to the other party of an intention to terminate the convention.

Respectfully submitted.

G. C. MARSHALL.

CONSULAR CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES

The President of the United States of America, and the President of the Philippines, being desirous of defining the rights, privileges, exemptions and immunities of consular officers of each country in the territories of the other country, have decided to conclude a convention for that purpose and have appointed as their plenipotentiaries:

The President of the United States of America:

His Excellency Paul V. McNutt, Ambassador of the United States of America, and

The President of the Philippines:

His Excellency Elpidio Quirino, Vice President and concurrently Secretary of Foreign Affairs of the Republic of the Philippines.

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed on the following Articles:

ARTICLE I

1. The Government of each High Contracting Party shall, in respect of any consular officer duly commissioned by it to exercise consular functions in the territories of the other High Contracting Party, give written notice to the Government of such other High Contracting Party of the appointment of such consular officer and shall request that recognition be accorded to such consular officer. The Government of each High Contracting Party shall furnish free of charge the necessary exequatur of any consular officer of the other High Contracting Party who presents a regular commission signed by the Chief Executive of the appointing country and under its great seal, and shall issue to a subordinate or substitute consular officer who is duly appointed by an accepted superior consular officer or by any other competent officer of his Government, such documents as according to the laws of the respective High Contracting Parties shall be requisite for the exercise by the appointee of the consular function; provided in either case that the person applying for an exequatur or other document is found acceptable.

2. Consular officers of each High Contracting Party shall, after entering upon their duties, enjoy reciprocally in the territories of the other High Contracting Party rights, privileges, exemptions and immunities no less favorable in any respect than the rights, privileges, exemptions, and immunities which are enjoyed by consular officers of the same grade of any third country and in conformity with modern international usage. As official agents, such officers shall be entitled to the high consideration of all officials, national, state, provincial or municipal, with whom they have official intercourse in the territories of the High Contracting Party which receives them. It is understood that the term "consular officers", as used in the present Convention, includes consuls general, consuls and vice consuls who are not honorary.

3. Upon the death, incapacity, or absence of a consular officer having no subordinate consular officer at his post, any secretary, chancellor or assistant, whose official character as an employee in the consulate may previously have been made known to the Government of the High Contracting Party in whose territories the consular function was exercised, may temporarily exercise the consular functions of the deceased or incapacitated or absent consular officer; and while so acting shall enjoy all the rights, privileges, exemptions and immunities that were granted to the consular officer.

4. A consular officer or a diplomatic officer of either High Contracting Party, a national of the country by which he is appointed and duly commissioned or accredited, may, in the territories of the other High Contracting Party, have the rank also of a diplomatic officer or consular officer, as the case may be, it being understood that permission for him to exercise such dual functions shall have been duly granted by the Government of the High Contracting Party in the territories of which he exercises his functions.

ARTICLE II

1. Consular officers, nationals of the High Contracting Party by which they are appointed, and not engaged in any private occupations for gain within the territories of the country in which they exercise their functions, shall be exempt from arrest in such territories except when charged with the commission of an offense designated by local legislation as a crime other than a misdemeanor and subjecting the individual guilty thereof to punishment by imprisonment. Such officers shall be exempt from military billetings, and from service of any military or naval, administrative or police character whatsoever, and the exemptions provided for by this sentence shall apply equally to employees in a consulate who are nationals of the High Contracting Party by which they are employed, and not engaged in any private occupation for gain.

2. In criminal cases the attendance at court by a consular officer as witness may be demanded by the plaintiff, the defense or the court. The demand shall be made with all possible respect for the consular dignity and the duties of the office, and when so made there shall be compliance on the part of the consular officer.

3. In civil cases, consular officers shall be subject to the jurisdiction of the courts in the territories of the High Contracting Party which receives them. When the testimony of a consular officer who is a national of the High Contracting Party which appoints him and who is not engaged in any private occupation for gain is taken in civil cases, it shall be taken orally or in writing at his residence or office and with due regard for his convenience. The officer should, however, voluntarily give his testimony at court whenever it is possible to do so without serious interference with his official duties.

4. Consular officers and employees in a consulate shall not be required to testify in criminal or civil cases, regarding acts performed by them in their official capacity.

ARTICLE III

1. The Government of each High Contracting Party shall have the right to acquire and hold, lease and occupy land and buildings required for diplomatic or consular purposes in the territories of the other High Contracting Party, and shall have the right to erect buildings on land which is held by or on behalf of such Government in the territories of the other High Contracting Party for diplomatic or consular purposes, subject to local building regulations.

2. No tax of any kind, national, state, provincial or municipal, shall be levied in the territories of either High Contracting Party on the Government of the other High Contracting Party, or on any officer or employee of such other High Contracting Party, in respect of land or buildings acquired, leased, or occupied by such other High Contracting Party and used exclusively for the conduct of official business, except assessments levied

for services or local public improvements by which the premises are benefited, provided the right of each High Contracting Party to tax the owner of property leased to the other High Contracting Party is not hereby abridged.

ARTICLE IV

Consular officers and employees in a consulate, nationals of the High Contracting Party by which they are appointed or employed, and not engaged in any private occupation for gain within the territories in which they exercise their functions, shall be exempt from all taxes, national, state, provincial and municipal, levied on their persons or property, except taxes levied on account of the possession or ownership of immovable property situated within the territories in which they exercise their functions or taxes levied on account of income derived from property of any kind situated within such territories. Consular officers and employees in a consulate, nationals of the High Contracting Party by which they are appointed or employed, shall be exempt from the payment of all taxes, national, state, provincial and municipal, on the salaries, allowances, fees or wages received by them in compensation for consular services.

ARTICLE V

1. All furniture, equipment and supplies intended for official use in the consular offices and official consular residences of either High Contracting Party in the territories of the other High Contracting Party shall be permitted entry into such territories free of all duty.

2. Consular officers of either High Contracting Party and members of their families and suites, including employees in a consulate and their families, shall be exempt from the payment of any duty in respect of the entry into the territories of the other High Contracting Party of their baggage and all other personal property, whether preceding or accompanying them to a consular post, either upon first arrival or upon subsequent arrivals, or imported at any time while assigned to or employed at such post.

3. It is understood, however,

(a) that the exemptions provided in paragraph 2 of this Article shall not be extended to consular officers and members of their suites, including employees in a consulate, who are not nationals of the High Contracting Party by which they are appointed or employed, or who are engaged in any private occupation for gain within the territories of the other High Contracting Party;

(b) that in the case of each consignment of articles imported for the personal use of consular officers or members of their families or suites, including employees in a consulate and their families, at any time during their official residence within the territories in which they exercise their functions, a request for entry free of duty shall be made through diplomatic channels; and

(c) that nothing herein shall be construed to permit the entry into the territory of either High Contracting Party of any article the importation of which is specifically prohibited by law.

ARTICLE VI

1. Consular officers of either High Contracting Party may place over the outer door of their respective offices the arms of their country with an appropriate inscription designating the nature of the office, and they may place the coat of arms and fly the flag of their country on automobiles employed by them in the exercise of their consular functions. Such officers may also fly the flag of their country on their offices, including those situated in the capitals of the respective countries. They may likewise fly such flag over any boat, vessel, or aircraft employed in the exercise of their consular functions.

2. The quarters where consular business is conducted, all consular correspondence in transit under official seal, and all papers, records, and correspondence comprising the consular archives shall at all times be inviolable and under no pretext shall any authorities of any character of the country in which such quarters or archives are located invade such premises or make any examination or seizure of papers or other property in such quarters or of such archives. When the consular officers are engaged in business within the territories in which they exercise their functions, the consular files and documents shall be kept in a place entirely separate from the place where private or business papers are kept. Consular offices shall not be used as places of asylum. No consular officer shall be required to produce official archives in court or to testify as to their contents.

ARTICLE VII

1. Consular officers of either High Contracting Party shall have the right, within their respective consular districts, to apply to or address the authorities, national, state, provincial, or municipal, for the purpose of protecting the nationals of the High Contracting Party by which they were appointed in the enjoyment of rights accruing by treaty or otherwise. Complaint may be made for the infraction of those rights. Failure upon the part of the proper authorities to grant redress or to accord protection shall justify interposition through the diplomatic channel, and in the absence of a diplomatic representative, a consul general or the consular officer stationed at the capital shall have the right to apply directly to the Government of the country.

2. Consular officers of either High Contracting Party shall, within their respective districts, have the right to interview, to communicate with, and to advise nationals of their country; to inquire into any incidents which have occurred affecting the interest of such nationals; and to assist such nationals in proceedings before or relations with authorities in the territories of the other High Contracting Party. Consular officers of either High Contracting Party shall be informed immediately whenever nationals of their country are under detention or arrest or in prison or are awaiting trial in their consular districts and they shall, upon notification to the appropriate authorities, be permitted without delay to visit and communicate with any such national.

3. Nationals of either High Contracting Party in the territories of the other High Contracting Party shall have the right at all times to communicate with the consular officers of their country. Communications to their consular officers from nationals of either High Contracting Party who are under detention or arrest or in prison or are awaiting trial in the territories of the other High Contracting Party shall be forwarded without delay to such consular officers by the local authorities.

ARTICLE VIII

1. Consular officers in pursuance of the laws of their respective countries shall have the right, within their respective consular districts:

(a) To take and attest the oaths, affirmations or depositions of any occupant of a vessel of their country, or of any national of their country, or of any person having permanent residence within the territories of their country:

(b) To authenticate signatures;

(c) To draw up, attest, certify and authenticate unilateral acts, translations, deeds, testamentary dispositions and contracts of the nationals of the High Contracting Party by which the consular officers are appointed; and

(d) To draw up, attest, certify, and authenticate unilateral acts, deeds, contracts, testamentary dispositions and written instruments of any kind, which are intended to have application, execution and legal effect principally in the territories of the High Contracting Party by which the consular officers are appointed.

2. Instruments and documents thus executed and copies and translations thereof, when duly authenticated by the consular officer, under his official seal, shall be received as evidence in the territories of either High Contracting Party as original documents or authenticated copies, as the case may be, and shall have the same force and effect as if drawn by or executed before a notary or other public officer duly authorized in the territories of the High Contracting Party by which the consular officer was appointed; provided, always, that such documents shall have been drawn and executed in conformity with the laws and regulations of the country where they are designed to take effect.

ARTICLE IX

1. In case of the death of a national of either High Contracting Party in the territories of the other High Contracting Party, without having in the locality of his decease any known heirs or testamentary executors by him appointed, the competent local authorities shall at once inform the nearest consular officer of the High Contracting Party of which the deceased was a national of the fact of his death, in order that necessary information may be forwarded to the persons concerned.

2. In case of the death of a national of either High Contracting Party in the territories of the other High Contracting Party, without will or testament whereby he has appointed a testamentary executor, the consular officer of the High Contracting Party of which the deceased was a national and within whose district the deceased made his home at the time of death, shall, so far as the laws of the country permit and pending the appointment of an administrator and until letters of administration have been granted, be deemed qualified to take charge of the property left by the decedent for the preservation and protection of such property. Such consular officer shall have the right to be appointed as administrator within the discretion of a court or other agency controlling the administration of estates, provided the laws governing administration of the estate so permit.

3. Whenever a consular officer accepts the office of administrator of the estate of a deceased countryman, he subjects himself in that capacity to the jurisdiction of the court or other agency making the appointment for all necessary purposes to the same extent as if he were a national of the High Contracting Party by which he has been received.

ARTICLE X

1. A consular officer of either High Contracting Party shall within his district have the right to appear personally or by authorized representative in all matters concerning the administration and distribution of the estate of a deceased person under the jurisdiction of the local authorities, for all such heirs or legatees in the estate, either minors or adults, as may be nonresidents of the country and nationals of the High Contracting Party by which the consular officer was appointed, unless such heirs or legatees have appeared, either in person or by duly authorized representatives.

2. A consular officer of either High Contracting Party shall have the right, on behalf of the nonresident nationals of the High Contracting Party by which he was appointed, to collect and receipt for their distributive shares derived from estates in process of probate or accruing under the provisions of workmen's compensation laws or other like statutes, for transmission through channels prescribed by his Government to the proper distributees, provided that the court or other agency making distribution through him may require him to furnish reasonable evidence

of the remission of the funds to the distributees, it being understood that his responsibility with respect to remission of such funds shall cease when such evidence has been furnished by him to and accepted by such court or other agency.

ARTICLE XI

1. A consular officer of either High Contracting Party shall have exclusive jurisdiction over controversies arising out of the internal order of private vessels of his country and shall alone exercise jurisdiction in situations, wherever arising, between officers and crews, pertaining to the enforcement of discipline on board, provided the vessel and the persons charged with wrong-doing shall have entered the territorial waters or territories within his consular district. Consular officers shall also have jurisdiction over issues concerning the adjustment of wages of the crews and the execution of contracts relating to their wages or conditions of employment, provided the local laws so permit.

2. When acts committed on board private vessels of the country by which the consular officer has been appointed and within the territories or the territorial waters of the High Contracting Party by which he has been received, constitute crimes according to the laws of the receiving country, subjecting the persons guilty thereof to punishment by a sentence of death or of imprisonment for a period of at least one year, the consular officer shall not exercise jurisdiction except in so far as he is permitted to do so by the laws of the receiving country.

3. A consular officer shall have the right freely to invoke the assistance of the local police authorities in all matters pertaining to the maintenance of internal order on board vessels of his country within the territories or the territorial waters of the country by which he has been received, and upon such request the requisite assistance shall be given promptly.

4. A consular officer shall have the right to appear with the officers and crews of vessels of his country before the judicial authorities of the country by which he has been received for the purpose of observing proceedings or of rendering assistance as an interpreter or agent.

ARTICLE XII

1. A consular officer of either High Contracting Party shall have the right to inspect within the ports of the other High Contracting Party within his consular district, the private vessels of any flag destined to and about to clear for the ports of his country, for the sole purpose of observing the sanitary conditions and measures taken on board such vessels, in order that he may be enabled thereby to execute intelligently bills of health and other documents required by the laws of his country, and to inform his Government concerning the extent to which its sanitary regulations have been observed at ports of departure by vessels destined to its ports, with a view to facilitating entry of such vessels.

2. In exercising the right conferred upon them by this Article, consular officers shall act with all possible dispatch and without unnecessary delay.

ARTICLE XIII

1. All proceedings relative to the salvage of vessels of either High Contracting Party wrecked upon the coasts of the other High Contracting Party shall be directed by the consular officer of the country to which the vessel belongs and within whose district the wreck may have occurred, or by some other person authorized for such purpose by the law of such country and whose identity and authority shall be made known to the local authorities by the consular officer.

2. The local authorities of the country where the wreck has occurred shall immediately inform the consular officer, or such other authorized person, of the occurrence. Pending the arrival of the consular officer or such other authorized person, the local authorities shall take all necessary measures for the protection of persons and the preservation of the wrecked property. The local authorities shall intervene only to maintain order, to protect the interests of the salvors, if the salvors do not belong to the crew of the wrecked vessel, and to ensure the execution of the arrangements which shall be made for the entry and exportation of the salvaged merchandise and equipment. It is understood that such merchandise and equipment shall not be subjected to any customs or customhouse charges unless intended for consumption in the country where the wreck has occurred.

3. When the wreck occurs within a port, there shall be observed also those arrangement which may be ordered by the local authorities with a view to avoiding any damage that might otherwise be caused thereby to the port and to other ships.

4. The intervention of the local authorities shall occasion no expense of any kind to the owners or operators of the wrecked vessels, except such expenses as may be caused by the operations of salvage and the preservation of the merchandise and equipment saved, together with expenses that would be incurred under similar circumstances by vessels of the country.

ARTICLE XIV

Honorary consuls or vice consuls of either High Contracting Party, as the case may be, shall enjoy those rights, privileges, exemptions and immunities provided for in Article I, paragraph 1, Article II, paragraph 1, Articles VI, VII, VIII, IX, X, XI, XII, XIII, and XIV of the present Convention, for which they have received authority in conformity with the laws of the High Contracting Party by which they are appointed; and they shall enjoy in any case all the rights, privileges, exemptions and immunities enjoyed by honorary consular officers of the same rank of any third country.

ARTICLE XV

A consular officer shall cease to discharge his functions (1) by virtue of an official communication from the Government of the High Contracting Party by which appointed addressed to the Government of the High Contracting Party by which he has been received advising that his functions have ceased, or (2) by virtue of a request from the Government of the High Contracting Party by which appointed that an exequatur be issued to a successor, or (3) by withdrawal of the exequatur granted him by the Government of the High Contracting Party in whose territory he has been discharging his duties.

ARTICLE XVI

1. The present Convention shall be ratified and the ratification thereof shall be exchanged at Manila. The Convention shall take effect in all its provisions immediately upon the exchange of ratifications and shall continue in force for the term of ten years.

2. If, six months before the expiration of the aforesaid period of ten years, the Government of neither High Contracting Party shall have given notice to the Government of the other High Contracting Party of an intention to terminate the Convention upon the expiration of the aforesaid period of ten years, the Convention shall continue in effect after the aforesaid period and until six months from the date on which the Government of either High Contracting Party shall have notified to the Government of the other High Contracting Party an intention to terminate the Convention.

In faith whereof the above named plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done in duplicate at Manila, this fourteenth day of March in the year of our Lord one thousand nine hundred and forty-seven and of the Independence of the Republic of the Philippines the first.

For the Government of the United States of America:

[SEAL] PAUL V. McNUTT.

For the Government of the Republic of the Philippines:

[SEAL] E. QUIRINO.

TRANSACTION OF LEGISLATIVE BUSINESS

By unanimous consent, as in legislative session, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

TRANSFER BY NAVY DEPARTMENT OF CERTAIN VESSELS TO CITY OF JACKSONVILLE, FLA.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the city of Jacksonville, Fla., had requested the Navy Department to transfer an aircraft rescue boat and a personnel boat for use in the training and recreation of boys of that city; to the Committee on Armed Services.

DONATIONS BY NAVY DEPARTMENT TO MUNICIPALITIES AND AN AMERICAN LEGION POST

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, a list of municipalities and an American Legion post which have requested donations from the Navy Department; to the Committee on Armed Services.

DAMAGES FOR ILLEGAL USE OF GOVERNMENT-OWNED LANDS OR RESOURCES

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to prescribe the measure of damages on account of trespass upon, unlawful use of, and unlawful enclosure of lands or resources owned or controlled by the United States (with an accompanying paper); to the Committee on Public Lands.

PROPOSED AMENDMENT OF FEDERAL AIRPORT ACT

A letter from the Acting Secretary of Commerce, recommending a proposed amendment to section 17 (c) of the Federal Airport Act, Public Law 377, Seventy-ninth Congress, relating to limitation on submission of claims; to the Committee on Interstate and Foreign Commerce.

PERSONNEL REQUIREMENTS

A letter from the Acting Chairman of the National Mediation Board, transmitting an estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board, for the quarter beginning July 1, 1947 (with accompanying papers); to the Committee on Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

Petitions of sundry citizens of Palm Beach and West Palm Beach, and members of the

Tampa Townsend Club, No. 35, all in the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

The petition of A. Goad, of Carroll County, Va., praying for the enactment of legislation to continue the Agricultural Adjustment Administration; to the Committee on Appropriations.

A telegram in the nature of a petition from the New Jersey League of Women Shoppers, Newark, N. J., signed by Mae K. Rubin, president, praying for the enactment of the so-called Murray-Wagner bill, being the bill S. 528, to continue rent control until June 30, 1948; ordered to lie on the table.

By Mr. BROOKS:

A joint resolution of the Legislature of the State of Illinois; to the Committee on Finance:

"Senate Joint Resolution 16

"Whereas there was imposed by the Revenue Act of 1932, enacted by the Seventy-second Congress, a tax of 1 cent upon every gallon of gasoline sold in the United States; and

"Whereas this excise, although originally imposed upon the people of the United States as a measure to endure only for the period of the depression, has not only been continued until the present day but was actually increased by 50 percent in 1941; and

"Whereas both the economic depression, which was cited as justification for the original levy, and the war emergency under pressure of which the tax was increased, have, for all practical purposes, ceased to exist; and

"Whereas it is an accepted principle of political economy that funds obtained from taxation of gasoline and lubricating oils are to be used only for improvement of roads and motoring conditions; and

"Whereas the receipts from this tax are not allocated to a special fund, appropriation from which is restricted to the purposes mentioned above; and

"Whereas by its action the Federal Government has tapped a source of revenue which has always been regarded as a State prerogative and has usurped powers which the Constitution reserves to the States and the people: Therefore be it

"*Resolved by the Senate of the Sixty-fifth General Assembly of the State of Illinois (the house of representatives concurring herein)*, That we hereby petition and memorialize the Eightieth Congress of the United States to repeal immediately those provisions of the Revenue Act of 1932, as amended, which impose a tax upon the production and distribution of gasoline; and be it further

"*Resolved*, That copies of this resolution be prepared by the secretary of state and forwarded to every Member of Congress from the State of Illinois.

"Adopted by the senate March 12, 1947.

"Concurred in by the house of representatives May 22, 1947."

By Mr. PEPPER:

A memorial of the Legislature of the State of Florida; to the Committee on Public Lands:

"Senate Memorial 1

"Memorial to petition the President and the Congress of the United States to take appropriate measures to assist in the restoration and preservation of the city of St. Augustine, Fla., and other historic missions, forts, and landmarks of the State of Florida

"Whereas the city of St. Augustine was founded in the year 1565 and is the oldest city in the United States; and

"Whereas as the oldest city in the United States it is of vital importance as a national historic shrine; and

"Whereas the State of Florida contains many other forts, missions, and other places of great historic interest which should be restored and preserved; and

"Whereas by appropriate action, the President and the Congress of the United States have aided and assisted in the restoration and preservation of historic missions, forts, and landmarks throughout the United States of America: Now, therefore, be it

"*Resolved by the Legislature of the State of Florida:*

"(1) That the President and the Congress of the United States are hereby petitioned to adopt and carry out appropriate measures to aid and assist in the restoration and preservation of the historic city of St. Augustine, Fla., and to aid and assist in the restoration and preservation of other historic missions, forts, and landmarks throughout the State of Florida.

"(2) The President and the Congress of the United States are hereby petitioned to cause to be minted a memorial half-dollar coin with appropriate design to commemorate the program of the restoration and preservation of the city of St. Augustine, Fla., and other historic missions, forts, and landmarks of the State of Florida.

"(3) That copies of this memorial be transmitted to the President of the United States, to the Speaker of the House of Representatives, and President of the Senate in Congress and to each of Florida's representatives in both the House and Senate in Congress.

"(4) That a copy of this memorial be spread upon the journal of both the Senate and House of Representatives of the State of Florida and sufficient copies thereof be furnished to the press.

"Became a law without the Governor's approval.

"Filed in office of secretary of state, May 26, 1947."

PROHIBITION AGAINST LIQUOR ADVERTISING

Mr. CAPPER. Mr. President, I ask unanimous consent to present for reference to the Senate Committee on Interstate and Foreign Commerce, a petition signed by 1,445 residents of Nashville, Tenn., praying for the enactment of my anti-liquor-advertising bill, S. 265.

This is indicative of the whole-hearted response coming from all sections of the country urging adoption of the measure.

Mr. President, I ask unanimous consent that the petition, without signatures attached, be printed in the RECORD.

There being no objection, the petition was received, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, without the signatures attached, as follows:

To our Senators and Representatives in Congress:

We respectfully request that you use your influence and vote for the passage of S. 265, a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio. The most pernicious effect of this advertising is the constant invitation and enticement to drink. The American people spent $7,770,000,000 for alcoholic beverages in 1946 as compared with $3,700,000,000 in 1942. During the same period there was a corresponding increase each year in crime. There is every reason why this expenditure should not be increased, but decreased.

RECOGNITION OF GOD AS FOUNTAIN OF RIGHTS AND LIBERTIES—RESOLUTION OF GENERAL ASSEMBLY OF PRESBYTERIAN CHURCH

Mr. BROOKS. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a most significant resolution which was unanimously adopted by the One Hundred and Fifty-ninth General Assembly of the Presbyterian Church. The resolution was presented by Mr. Chauncey McCormick, of Chicago, who was a commissioner to this significant assembly. I commend its reading to the Members of Congress.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The One Hundred and Fifty-ninth General Assembly of the Presbyterian Church in the United States of America in session at Grand Rapids, Mich., recalls with pride and gratitude the fact that the Reverend John Witherspoon of our church was the only ordained minister who signed the Declaration of Independence wherein we recognized the Creator as the source of our inalienable rights and the Author of our liberties.

It also recalls that the same John Witherspoon assembled the supreme ruling body of our Presbyterian Church in Philadelphia in 1787 in coincidence with the meeting there of the national convention held in Independence Hall under the Presidency of George Washington for the purpose of writing the Constitution of the United States.

Many Presbyterians, including John Witherspoon, were members of this national convention and with their influence, our National Government was founded which later adopted as the motto on its coinage "In God We Trust."

In violation of tradition and of our customs as a God-fearing people, our Government caused to be called together an international congress to meet in San Francisco in 1945, without making reference to the Deity, and furthermore our Government, as host to that congress, failed to recognize God in any manner.

Now, therefore, this assembly respectfully requests our Government constantly to be mindful of its avowed faith in Almighty God as the fountainhead of our rights and liberties, and on every public occasion to give due and proper recognition of this faith.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

H. R. 360. A bill for the relief of the legal guardian of Francis Eugene Hardin, a minor; without amendment (Rept. No. 236).

By Mr. ECTON, from the Committee on Public Lands:

S. 484. A bill to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain land; without amendment (Rept. No. 237).

CLAIM OF J. B. McCRARY CO., INC.—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. WILEY, from the Committee on the Judiciary, reported an original resolution (S. Res. 122), which was ordered to be placed on the calendar, as follows:

Resolved, That the bill (S. 708) entitled "A bill for the relief of the J. B. McCrary Co., Inc.," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims pursuant to section 151 of the Judicial Code, as amended; and the said court shall proceed expeditiously with the same in accordance with the provisions of such section and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform Congress of the nature and character of the demand, as a claim, legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 4, 1947, he presented to the President of the United States the following enrolled bills:

S. 565. An act to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins;

S. 566. An act to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins;

S. 583. An act to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating holdings therein and for other purposes;

S. 993. An act to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes;

S. 1022. An act to authorize an adequate White House Police force; and

S. 1073. An act to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McMAHON (by request):

S. 1376. A bill for the relief of Juan Roura and Teresa Roura; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 1377. A bill for the relief of Manfred J. Kress; to the Committee on the Judiciary.

By Mr. MYERS:

S. 1378. A bill for the relief of Giovanni Battista Mondillo; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 1379. A bill for the relief of the city of Hartford, Conn.; to the Committee on the Judiciary.

S. 1380. A bill to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof; to the Committee on Interstate and Foreign Commerce.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, as indicated:

H. R. 617. An act for the relief of James Harry Martin;

H. R. 631. An act for the relief of the Allied Aviation Corp.

H. R. 637. An act for the relief of Marvin Pettus;

H. R. 837. An act for the relief of the estate of Abram Banta Bogert;

H. R. 987. An act for the relief of Lorenzo H. Froman;

H. R. 993. An act for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb;

H. R. 1144. An act for the relief of Samuel W. Davis, Jr.; Mrs. Samuel W. Davis, Jr.; and Betty Jane Davis;

H. R. 1152. An act for the relief of Mrs. Inga Patterson, widow of F. X. Patterson;

H. R. 1497. An act for the relief of the estate of George W. Coombs;

H. R. 1531. An act for the relief of William P. Gillingham;

H. R. 1658. An act for the relief of Norman Thoreson;

H. R. 1742. An act for the relief of Mary Lomas;

H. R. 1799. An act for the relief of Eva L. Dudley, Grace M. Collins, and Guy B. Slater;

H. R. 1851. An act for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove;

H. R. 2302. An act for the relief of New Jersey, Indiana & Illinois Railroad;

H. R. 3170. An act for the relief of R. W. Wood; and

H. R. 3387. An act for the relief of Bruce Bros. Grain Co.; to the Committee on the Judiciary.

H. J. Res. 96. Joint resolution authorizing the President to issue posthumously to the late Roy Stanley Geiger, lieutenant general, United States Marine Corps, a commission as general, United States Marine Corps, and for other purposes; to the Committee on Armed Services.

REPORT OF ADVISORY COMMISSION ON UNIVERSAL TRAINING

The PRESIDENT pro tempore laid before the Senate the following communication from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Armed Services:

THE WHITE HOUSE,
Washington, June 4, 1947.

Hon. ARTHUR H. VANDENBERG,
President of the Senate pro tempore,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: On October 23, 1945, I recommended to the Congress the enactment of a system of universal training. From the extensive discussion which followed, it was obvious that there was great disparity of viewpoint on the subject.

In an effort to clarify the situation, I appointed, on November 20, 1946, an Advisory Commission on Universal Training. I asked the Commission to determine whether the security of this Nation and the preservation of world peace required the establishment of a system of universal training. I asked further, that if such a system were deemed necessary, how it should be carried out to give this country the largest measure of protection, make maximum allowance for the spiritual, mental, and physical development of the young men in training, and keep costs at the lowest level consistent with attainment of its security goal.

The Commission has made an exhaustive investigation and has submitted an excellent report. It is significant to note that the members of the Commission, consisting of outstanding Americans in various fields of endeavor, unanimously recommend the adoption of universal training.

Copies of the report of the Commission are transmitted herewith for the information of the Congress and I urge that the Congress give early consideration to the subject of universal training which is, in the words of the Commission, "an essential element in an integrated program of national security designed to protect the United States against possible aggression, to perpetuate the freedoms for which millions shed their blood, and to hasten the advent of universal disarmament and peace through the United Nations."

Very sincerely yours,

HARRY S. TRUMAN.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. WHERRY. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Appropriations dealing with the Interior Department appropriation bill may be permitted to hold hearings while the Senate is in session today, and during the remainder of the week while the Senate is in session.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the Surplus Property Subcommittee of the Committee on Expenditures in the Executive Departments be authorized to hold a meeting while the Senate is in session today.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. MORSE. Mr. President, I ask unanimous consent that the Veterans' Affairs Subcommittee of the Committee on Labor and Public Welfare be authorized to hold a meeting at 2 o'clock today.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. FERGUSON. Mr. President, I ask unanimous consent that tomorrow and Friday the subcommittee of the Committee on the Judiciary investigating the Attorney General's office in connection with the primary election of a Representative in Kansas City, Mo., may sit while the Senate is in session.

The PRESIDENT pro tempore. Without objection, the order is made.

TREATY OF PEACE WITH ITALY

The Senate, as in Committee of the Whole, resumed the consideration of Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas [Mr. FULBRIGHT] to postpone until January 25, 1948, the further consideration of the pending treaty of peace with Italy.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo
Bushfield	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stewart
Chavez	Lodge	Taft
Connally	Lucas	Taylor
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thye
Downey	McClellan	Tobey
Dworshak	McFarland	Tydings
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
George	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Wilson
Hatch	Murray	Young

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] is absent on official business.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Washington [Mr. MAGNUSON], the Senator from South

Carolina [Mr. MAYBANK], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the thirtieth session of the International Labor Conference to be held at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

NOMINATION OF MEMBER OF SECURITIES AND EXCHANGE COMMISSION

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. TOBEY. Mr. President, on May 27 the Senate Committee on Banking and Currency considered the nomination by the President of Mr. Edmond M. Hanrahan, of New York, to succeed himself as a member of the Securities and Exchange Commission. His term expires tomorrow. Due to the legislative situation in the Senate, the Executive Calendar has not been called for some days, and in view of the proximity of the date of expiration, and of the unanimous approval of the gentleman from New York to succeed himself as a member of the Securities and Exchange Commission, I ask unanimous consent, as in executive session, that the Senate may confirm the nomination of Mr. Hanrahan to be a member of the Securities and Exchange Commission, and that the President may be notified of such confirmation.

Mr. WHERRY. Mr. President, reserving the right to object, I should like to propound a parliamentary inquiry. If unanimous consent is granted for the purpose requested by the Senator from New Hampshire, does that open up the Executive Calendar for consideration of every nomination on the calendar?

The PRESIDENT pro tempore. In the opinion of the Chair, it is within the authority and jurisdiction of the Senate by unanimous consent to make any order it pleases in respect to restrictions. However, it is the Chair's understanding that that is a subject of controversy, and the Chair can give the Senator no assurances as to what the Senate's ultimate decision will be.

Mr. GEORGE. Mr. President, I merely rise to propound a parliamentary inquiry. Is not the Senate in executive session?

The PRESIDENT pro tempore. The Senate is in executive session under a unanimous consent agreement for the limited purpose, according to the RECORD, of considering the four pending treaties.

Mr. GEORGE. And for no other purpose?

The PRESIDENT pro tempore. And for no other purpose.

Mr. GEORGE. Then, Mr. President, I shall have to object, I will say to my distinguished friend from New Hampshire, because I do not think that is the way to do business. I am perfectly willing to enter into a gentleman's agreement that I will not bring up anything else on the Executive Calendar now or at any other time, but I shall have to object to the confirmation of the nomination if we are under a limited agreement.

The PRESIDENT pro tempore. Objection is heard to the request.

Mr. WHERRY. Mr. President, before the objection is entered I should like to say to the distinguished Senator from Georgia that I have no objection in any way whatsoever to bringing up for consideration the nomination in question.

Mr. GEORGE. I have none.

Mr. WHERRY. But in view of the colloquies in connection with parliamentary inquiries heretofore made, it is my understanding that the majority leader feels that the Senate is in executive session for the specific purpose of acting upon the Italian peace treaty. I do not want to become involved in any controversy respecting the matter. I should like the RECORD to show that I have no objection whatever to the request of the Senator from New Hampshire, except that I do not want to violate the specific agreement under which the majority leader feels the Senate is now operating.

Mr. TOBEY. Mr. President, I simply wish to add, before the matter is concluded, that my only thought in making the request—and there is nothing personal in the request whatever—was that, in view of the fact that the term of the incumbent, who was reappointed by the President as a member of the Securities and Exchange Commission, expires tomorrow, it is a matter of some urgency that the Senate act upon the nomination. I felt that it was advisable that the nomination be confirmed before Mr. Hanrahan's term expires. Only divine power knows how long the Senate will continue to consider the pending matter—it will be at least until tomorrow—and I made the request so that action might be taken before the expiration of the term. Of course, I understand and concede the right of any Senator to object to the request. I pay my tribute to the Senator from Georgia and take my seat.

Mr. GEORGE. I will say to the Senator from New Hampshire that I have no objection whatever to the confirmation of the nomination, but I think there could be no worse practice than for any party in power so to control the executive sessions as to limit consideration only to those things that a majority of the Senate wish to have them limited to at a particular time.

The PRESIDENT pro tempore. If the able Senator from Georgia is addressing that observation to the ruling of the Chair, the Chair would like to call the attention of the Senator to the fact that it is not the majority party which made the order, but that it was the unanimous consent of the entire Senate that made the order.

Mr. GEORGE. That is the reason why I am compelled to object, Mr. President. I am perfectly willing to move that the Senate proceed to the consideration of this particular nomination, if the Senator from New Hampshire should desire me to make such a motion.

Mr. TOBEY. I would appreciate the Senator doing so.

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of this particular nomination.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Does that displace the pending business?

Mr. GEORGE. No.

Mr. WHERRY. That is, the consideration of the peace treaty in executive session?

Mr. GEORGE. No; it does not displace it nor alter its status.

The PRESIDENT pro tempore. The Chair would say that without unanimous consent along the line just indicated, in the Chair's opinion the proposed action would displace the unfinished business, and would not be in order under the existing unanimous-consent agreement.

Mr. GEORGE. Very well. Then I withdraw the motion.

TREATY OF PEACE WITH ITALY

The Senate, as in Committee of the Whole, resumed the consideration of Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947.

Mr. EASTLAND. Mr. President, later in the day I shall speak in support of the Fulbright motion. At the request of the Senator from Arkansas I expect to call that motion up for a vote tomorrow, the Senator from Arkansas being absent on official business.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. WHERRY. On that point, if the debate on the Italian peace treaty comes to a conclusion prior to the hour of 2 o'clock tomorrow, will it be in order to vote on the motion of the Senator from Arkansas prior to that hour, or is it the understanding of the Senator from Mississippi that the motion will not be brought up until the peace treaty and any motions, amendments, or reservations thereto, shall be voted on at 2 o'clock tomorrow afternoon?

The PRESIDENT pro tempore. In the opinion of the Chair, the unanimous-consent agreement requires that at 2 o'clock tomorrow, without further debate, the Senate shall proceed to vote upon any motion, amendment, or reservation that may be pending at that time with respect to the treaties. In the Chair's opinion that does not preclude the Senate voting on any motions, amendments, or reservations prior to 2 o'clock tomorrow, and in the Chair's opinion, whenever the debate is exhausted on the pending motion, the motion will be put to the Senate for a vote.

Mr. EASTLAND. Mr. President, I desire to align myself with the senior Senator from Michigan [Mr. VANDENBERG] when he takes the position that the Hungarian coup by Russia should be referred to the United Nations organization. We have read in the public press in the past few days how a Communist coup inspired, directed, and imposed by the Russian Army has taken over the Hungarian Government and made that country another Russian satellite.

The Hungarian Government was a legal government, elected by the qualified voters of Hungary in a fairly conducted election. This government expressed the will of the Hungarian people. In the past few days, the Russians have forced the resignation of the Hungarian premier, the reorganization of the government along Communist lines, and the adoption of policies which are not created by the desires and the express will of the Hungarian people, acting through their duly constituted authorities. Mr. President, the Hungarian people are opposed to communism, and are opposed to the establishment in Hungary of a Communist police state. Communism is imposed on them against their will. In fact, the new Premier of Hungary was placed in office by the Russian military commander.

I have noted in the public press statements given anonymously by officials of the State Department to the effect that the United States will send a strong note of protest to the Soviet Government, and that this, with the suspension of credits, was the only action this country would take in the premises.

Mr. President, in an occurrence such as this, if our action is merely to send a note of protest, this is appeasement. In fact, this is the action which the Soviet Government hopes and expects that we will take. To merely send a note of protest is weak and futile. Let me repeat, it in itself is appeasement. It is plain that Russia, weak as she is as a result of the war, would not force her course of aggression, and would not attempt to impose her will upon other peoples, if she were not confident that her acts of aggression would be protested, appeased, and then condoned by the United States.

I submit that since 1945 that has largely been the foreign policy of this country—to protest, appease, and then to condone acts of aggression by a tyrant greater than Adolf Hitler. In the present Hungarian incident we are merely acting as Russia hopes and desires. This has been the history so far; and it appears that when the test comes, we have not changed our policies of weakness and vacillation.

Mr. President, we have a United Nations organization especially designed to handle situations such as these. It is the proper forum. Chapter I, article 1, paragraph 2, of the Charter of the United Nations provides:

> To develop friendly relations among nations based on respect of the principles of equal rights and self-determination of peoples and to take other appropriate measures to strengthen universal peace.

Article II, paragraph 4, of the same chapter provides:

> All members shall refrain in their international relations from the threat of the use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

Mr. President, we certainly have in the Hungarian instance a violation of the principles of equal rights and self-determination of peoples. Hungary is slated to be a Russian vassal, and she is deprived of her independence. The Charter of the United Nations provides, in chapter 6, article 34:

> The Security Council may investigate any dispute or any situation which might lead to international friction or give rise to a dispute in order to determine whether the continuance of the dispute or situation is likely to endanger the maintenance of international peace and security.

It is plain, Mr. President, that the United States, in conjunction with Great Britain, if the British desire, but without Britain if Britain will not act, should refer this matter to the Security Council of the United Nations for investigation and appropriate action. In addition, the Soviet Union has violated the Yalta agreement, which provides as follows:

> To foster the conditions in which the liberated peoples may exercise these rights, the three Governments will jointly assist the people in any European liberated state or former Axis satellite state in Europe where, in their judgment, conditions require (a) to establish conditions of internal peace; (b) to carry out emergency measures for the relief of distressed peoples; (c) to form interim governmental authorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishment through free elections of governments responsive to the will of the people—

I emphasize that language—

> pledged to the earliest possible establishment through free elections of governments responsive to the will of the people—

I continue—

> and (d) to facilitate where necessary the holdings of such election.

Free elections were held in Hungary in 1945, and a government responsive to the will of the people was set up as a result of these elections. Now Russia has deposed this government, which is merely aggression against the independence of Hungary. It is the same kind of aggression which Hitler practiced against Czechoslovakia and other countries. As a result of the Russian violation of the Yalta agreement, there is a dispute between Russia on one hand and the United States and Great Britain on the other hand. This is such a dispute as will endanger international peace and security. It is a dispute over which the U. N. has jurisdiction. I insert that, unless we are again in fact condoning Russian aggression, this question must be referred to the U. N. That is the proper forum.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. WHERRY. Is it the Senator's judgment that this question should be referred to the United Nations with the idea that the Italian peace treaty be held in abeyance until we see what the decision is to be?

Mr. EASTLAND. I am coming to that. I think the Italian peace treaty should be held in abeyance; but whether it is held in abeyance or not, I think the Hungarian question should be referred to the Security Council for investigation and appropriate action. I believe that unless that is done the United Nations is dead.

Mr. WHERRY. The reason I submitted the question was that I wanted to get the judgment of the Senator as to the ratification of the Italian peace treaty. In other words, what has happened in Hungary might happen in Italy, might it not?

Mr. EASTLAND. I think it will happen in Italy unless Italy is occupied by this country until the Italian economy is rehabilitated and the people of Italy placed on such an economic footing that they can resist communism. That is just what we are doing in Germany.

Mr. WHERRY. In view of that statement, will the Senator yield further?

Mr. EASTLAND. Yes; I yield.

Mr. WHERRY. What is the opinion of the Senator as to the amount of force needed to occupy Italy until the desired result is accomplished?

Mr. EASTLAND. A token force.

Mr. WHERRY. How many do we have there now? Does the Senator know?

Mr. EASTLAND. I have no idea.

Mr. WHERRY. I think it was stated yesterday on the floor that there are approximately 25,000 troops there.

Mr. EASTLAND. There is going to be no communistic aggression against the American flag so long as the flag flies on the Italian Peninsula.

Mr. WHERRY. Does the Senator feel that the presence of our troops there will help to stabilize the economy of Italy, even though a peace treaty be not signed?

Mr. EASTLAND. I do not think the fact of the troops being there would help the economy of Italy.

Mr. WHERRY. I mean, the political and social situation.

Mr. EASTLAND. Yes; it would stabilize the political and social situation. It has stabilized the political situation, and it will prevent a communistic dictatorship in Italy.

Mr. WHERRY. The point which I should like again to stress and ask the Senator's judgment about is this: The plea for immediate ratification is that it will permit Italy to start out with a government which will enable Italy to function, and that that is the quickest and surest way to stop the infiltration of communism.

Mr. EASTLAND. We can build up the Italian economy without that. In fact, the safe thing to do is to remain there while we build it up. We intend to build up the German economy before there is a peace treaty. We intend to build it up while our Army is still there.

Mr. WHERRY. Will the Senator yield further?

Mr. EASTLAND. Yes.

Mr. WHERRY. If we do not continue to build the Italian economy, whether or not we ratify this peace treaty, is it the Senator's opinion that unless we keep a token force in Italy we will jeopardize the effect of the money we have appropriated?

Mr. EASTLAND. I think so; and it will cause Communist control of the Mediterranean.

Mr. KEM. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield to the Senator from Missouri.

Mr. KEM. Does the Senator from Mississippi feel that we should suggest that the Hungarian question be referred to the United Nations when our proposed intervention in Greece and Turkey was not so referred?

Mr. EASTLAND. The Greek-Turkish program was not an invasion of Greek sovereignty or of Turkish sovereignty. They are still sovereign states. The Hungarian incident is destructive of the freedom of the Hungarian people. The Hungarian people must be protected. The Hungarian people must be given justice. The organized might of civilization must be brought to bear to preserve the peace and protect the liberty of the Hungarian people.

It matters not, Mr. President, that Hungary is taken over by the Soviet Union's forcing the selection of puppet officials in the Government. This is still aggression. It is aggression that endangers the peace, and the United States Government, Mr. President, should immediately turn this matter over to the U. N.

We have just passed through the greatest war in history. We watched Hitler's aggressions against small countries. We realized then that aggression such as this finally light the flames of war throughout the whole world. We realized then, Mr. President, that aggression should be stopped when it began. We realized then that these acts of aggression lead to world war. Time and time again when the United Nations organization was being created at San Francisco, and during the debate which preceded its ratification in the United States Senate, I heard the leaders of our Government state that aggression must be stopped when it began. I agree that this is essential. We are obligated to take our stand behind the U. N. in this matter. If the United Nations organization is to function to prevent aggression and preserve the peace, if it is worth anything, then it must act to save Hungary in this case. I know Russia has the veto, but if Russia should veto action by the Security Council, it would be up to that organization to take whatever steps it is deemed wise to protect its dignity and the purposes of its creation. The civilized world cannot permit any nation to use the veto or remain in the U. N. as a shield to prevent action to stop aggression and to prevent action to protect the integrity of legal governments and the liberty of free peoples. The civilized world cannot permit any nation bent upon aggression and conquest to use the U. N. to stop action by peace-loving peoples to prevent war and maintain the peace. The integrity of the organization is at stake. Peace-loving nations must have a showdown with Russia within the United Nations organization. If Russia desires to get out, well and good. Her departure would not weaken the organization. It would strengthen it, because the nations who desire peace could then act in concert to protect the peace, free from delaying tactics and free from disintegrating influences. Mr. President, without the Soviet Union the United Nations organization would be much stronger and more effective than it is today. Without the Soviet Union it would be a world military alliance of free peoples against all aggression. If the organization cannot take an effective stand and prevent aggression, then its claims to promote the peace are fraudulent.

If Russia is not proceeded against, if the U. N. does not take action to protect the sovereignty and independence of Hungary, then the organization is dead. It has been destroyed by the Soviet Union. I can see no purpose in appropriating more moneys for its maintenance. If it is futile and ineffective, if it does not possess the power to prevent aggression and to maintain peace, then it is a fraud and we should no longer hold it out as an organization to preserve the peace and thereby create false hopes among the peoples of the world.

The question is asked as to what else the United States can do. Mr. President, the Senate of the United States has now under debate for ratification a treaty of peace with Italy, by virtue of which Russia is given $100,000,000 reparations out of current Italian production. In addition, Tito is given some of the territory and much of the scant Italian natural resources. In fact, by virtue of this treaty Yugoslavia gets 90 percent of Italy's hard coal and 65 percent of all her coal, including lignite.

Mr. President, at this time, in the face of the Hungarian aggression, in the face of the Communist threat to world peace, it would certainly be a humiliating act for the Senate to ratify the Italian Treaty. Why should we fatten aggressors? Why should we make them strong and better able to wage war? Most people realize, Mr. President, that if Communist aggression continues then war between Russia and the United States is inevitable. There must be a show-down, and that show-down should be in the United Nations. In the present state of world affairs, I think the Senate of the United States would be derelict in its duty if it strengthened the resources of Communist governments or if it ratifies the Italian Treaty in advance of a general European settlement.

We have just made effective the Truman doctrine and advanced $300,000,000 to Greece to protect herself because of the acts of aggression against her by Tito. These aggressions are all part and parcel of a common pattern of conquest. Why should we give the resources of Italy to strengthen the hands of Tito? Why should we give the resources of Italy to strengthen the hands of world communism? In the light of the Hungarian aggression, in the light of Tito's act of aggression against Greece, we are certainly not protecting the welfare of the United States by ratifying the Italian Treaty in advance of a general European and Asiatic settlement for peace.

Mr. President, the United Nations must mean something or nothing. There is no middle ground. It can either stop aggression and be a great factor for peace, or it can fold against the impact of an aggressor nation and accomplish nothing. The value of the United Nations is determined entirely by the integrity, the sincerity, the will, and the determination for peace and order of the great nations who compose the Security Council. The time has come for the United States to take a decisive stand against Russian aggression. The method of action is outlined in the charter of the United Nations organization. We must initiate the action, even if it means the ejection of Russia from the organization. This is the road to peace. Any other course is Russian world control or war.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOLCOTT, Mr. GAMBLE, Mr. KUNKEL, Mr. TALLE, Mr. SPENCE, Mr. BROWN of Georgia, and Mr. PATMAN were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also anounced that the Speaker had affixed his signature to the enrolled bill (S. 135) to legalize the admission into the United States of Frank Schindler, and it was signed by the President pro tempore.

TREATY OF PEACE WITH ITALY

The Senate, as in Committee of the Whole, resumed the consideration of Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947.

Mr. VANDENBERG. Mr. President, the following message was received 3 months ago from the Italian Constituent Assembly under date of March 2, 1947. It was presented to the Senate Foreign Relations Committee at the time. It does not appear to be in the printed committee record. It expressly asserts the opposition of the Constituent Assembly of Italy to the terms of the pending treaty. It was given to the press when originally received. I ask that the message be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

By a solemn deliberation, the Italian Constituent Assembly, elected by the vote of the Italian Nation restored to liberty and democracy by the heroism of the Allied peoples and by the sacrifices of her own sons, has entrusted to me the mandate to address an appeal to the representatives of the American people.

The Italian people who were compelled to war against their will, have given to the victory against fascism a contribution in men and belief the extent of which is openly and unanimously recognized. They claim today the right to be enabled—in the framework of a just peace—to repair their ruins, reconstruct their lives, and cooperate to world progress.

The Italian people ask that they may not be prevented by a treaty—some clauses of which are harsh beyond justice—to work out such rebirth which would be impossible if their dignity as a sovereign state and their national integrity were not respected.

They ask therefore that arbitrary territorial mutilations, humiliations to their army, aviation, and navy—which proved heroic in the struggle for the common victory—and unbearable economic and financial burdens, be avoided.

The ancient blood ties, the manifestations of sympathy always shown toward Italy and those given lately to the Italian Prime Minister make the Italian Constituent Assembly feel certain that the American people, champions of justice and freedom among nations, who entered the war for the triumph of these principles, will heed its appeal and stand at Italy's side so that she may, within the framework of the United Nations and by means of peaceful agreements among the countries concerned, succeed in obtaining the revision of the peace terms.

TERRACINI,
President of the Constituent Assembly.

Mr. BARKLEY. Mr. President, I wish to address myself briefly to the motion offered by the Senator from Arkansas [Mr. FULBRIGHT] to postpone further consideration of the pending treaties until next January; and also, while opposing that motion, I wish to express my views in regard to the pending treaties, as well.

Mr. President, I would not deign to attempt to add anything to the very able speech delivered yesterday by the chairman of the Foreign Relations Committee [Mr. VANDENBERG], and his analysis of the situation surrounding the consideration of these treaties. It is a hard matter to enter into a treaty between two nations, where controversies have arisen and may become chronic; but it is infinitely more difficult to negotiate and to formulate treaties among 21 nations or among all the nations of the world. I recall, as a young man, that at the end of the Russo-Japanese War the peace conference met in Portsmouth, N. H., upon the invitation of President Theodore Roosevelt. That was a conference between two nations, Russia and Japan. The negotiation of that treaty, with respect to which it was a common expression at the time that Japan won the war, while Russia won the peace, required many weeks, if not months. At the end of our war with Spain, weeks upon weeks were required to negotiate a treaty with the Spanish Government. But the problems which faced those conferences were infinitesimal by comparison with the problems which face all the nations at the end of this great war.

At the end of World War I, although there were no more nations, numerically, involved in the Peace Conference at Versailles than were involved in the Peace Conference at Paris and all the negotiations preliminary and incident thereto, nevertheless the negotiations at Versailles required the constant attendance of the representatives of the various governments involved, from December 1918 to the middle of the summer of 1919.

So, Mr. President, it is a difficult thing, with all the cross currents of opinion and desire and ambition, for 21 nations to get together and try to adjust the issues growing out of a great war in which all of them have been engaged on either one side or the other.

The three chief nations involved in the recent war to defend democracy against Hitler and all that he stood for—the United States, Great Britain, and Russia—agreed long before the war was terminated that none of them would enter into a separate treaty with any of the Axis nations. That obligation is as binding now as it was at the time when it was made. There has been no circumstance or change or condition which either literally or morally would justify our engaging in a separate negotiation with Italy, as has been suggested by some of those who oppose the ratification of the pending treaty, or with Rumania or with Bulgaria or with Hungary. So if we have any regard for our plighted word as a nation in the midst of war, we cannot now undertake to negotiate separate treaties with the nations involved against us in the great war out of which in a sense we have emerged, but which in many respects is still in existence.

So, Mr. President, in reply to those who urge that we reject this treaty, and then negotiate another one with Italy or with any of the other countries involved, I say that it would be a direct violation of our word, of our agreement, in the midst of war that neither we nor any of our allies would enter into a separate treaty with Germany or Italy or any other Axis power, Italy at that time being associated with Germany in the war against us.

Mr. President, the history of these negotiations convinces me that not only is this treaty the best one that could have been obtained under the circumstances, but that no other treaty could be obtained in the future, under the conditions which then would prevail, which would be so favorable as the one we are now considering. After the agreement was made by these great powers not to enter into separate treaties, and after we had invaded Italy, Italy surrendered, and became in a sense an associate of the Allied Powers against Germany. I am convinced, and have been all along, that the Italian people really never desired to engage in war against the Allied Nations. I have read an account of a visitor in Milan, in the very midst of the war, finding all over that great city signs written on the sides of buildings—"Vive la France."

So, when the time came for negotiations, when it became apparent that negotiations must be entered into in the near future, representatives of Russia, the United Kingdom, and the United States met in Potsdam. They agreed to set up a Council of Foreign Ministers which should enter into the preliminary negotiations respecting treaties with the satellite nations first, before negotiations for treaties with Germany and Japan, our chief enemies, were begun.

That agreement was made in July 1945, nearly two years ago, and pursuant to the agreement the Council of Foreign Ministers was created.

Following that, in September, the Council of Foreign Ministers met; they met again in December, and met from time to time thereafter, undertaking to work out the details of a preliminary treaty, to fashion in a way the groundwork of peace in all the nations outside Germany and Japan, and especially the outside nations in Europe. When I say "outside," I mean nations independent of Germany and Austria, the latter having been included as a part of Germany by the invasion of Hitler. The Council of Foreign Ministers and the governments which they represented believed that before a treaty could be made with Germany and with Austria the groundwork of adjustment and settlement in the rest of Europe should be undertaken, that the underbrush should be cleared out of forests before an attempt could be made to negotiate treaties with Germany and Austria.

The chairman of the Committee on Foreign Relations, the Senator from Michigan [Mr. VANDENBERG], the distinguished President pro tempore of the Senate, is more familiar with all that than I am, and it is unnecessary to reiterate it. But I want the Senate to keep in mind the series of steps which were taken in the beginning, and all through the negotiations, which resulted in the pending treaty being brought to our doors for action.

First the Council of Foreign Ministers was set up, and they met, in pursuance of their organization, to begin to negotiate the treaties. Up to that time the Council was made up of the Foreign Ministers of the United States, Great Britain, Russia, and France.

When the negotiations had proceeded to a certain stage our Secretary of State, former Senator Byrnes, and our delegation, consisting in part of the Senator from Michigan [Mr. VANDENBERG], and the Senator from Texas [Mr. CONNALLY], insisted that, inasmuch as all of Europe was involved in the settlement between the Allied nations and Italy, Rumania, Bulgaria, Hungary, and Finland—although we were not at war with Finland, and were not a party to the treaty with Finland—that inasmuch as these nations were interested and involved in the peace settlement, all of them should be called together for a general peace conference, not a world peace conference, but a general peace conference involving the welfare of Europe.

There was opposition to that suggestion for a long time, but finally it was agreed to. As a consequence of that agreement the 21 nations which signed the pending treaty met in conference. They considered every step taken by the Council of Foreign Ministers. They weighed every provision in the tentative arrangements which had been made. They took into consideration all the interest expressed by every nation involved, and out of their deliberations they made 53 recommendations, in which they united, to the Council of Foreign Ministers, who were to meet again to work out finally the terms of the treaty.

Of the 53 recommendations made by the 21 nations in this general peace conference, 47 were adopted by the Council of Foreign Ministers when they met later, and the other 5 recommendations, as I now recall, were considered and modified, so that it can be said that, on the whole, the recommendations of the 21 nations which met in Paris at the insistence of the delegation for the United States were accepted and adopted by the Council of Foreign Ministers, and are

incorporated in the treaty which is now before us for consideration.

In the conference of 21 nations Italy was given every effort to make her claims known. Bulgaria was heard, Rumania was heard, Hungary was heard, Finland was heard, and out of that general peace conference came the treaty which we are now asked to postpone until next January, and which we are asked to reject, notwithstanding the fact that it was signed by all the nations involved, including the nations most affected by the terms of the four treaties to be voted on tomorrow.

Mr. President, it has been well said that no treaty ever satisfied every country that may have been a party to it, any more than the verdict of any jury that ever tried a case in court satisfied both sides. It is impossible to obtain unanimity among a number of nations with respect to the claims of any one nation. There had to be compromises, there had to be yieldings, there had to be adjustments. No nation had its own way among the 21. No nation could have its own way among the 21. We ourselves could not have our own way, Russia could not, Bulgaria could not, Italy could not, Great Britain could not, France could not. But it is my considered judgment, Mr. President, that if we reject these treaties, there will never be another opportunity for the same identical nations to meet together to write another peace treaty that will deal as fairly with the nations involved as the one which we are now considering; and it might well be that no such conference would again be held. It was upon our initiation and our demand, Mr. President, that the 21 nations met. All the 21 nations signed the treaty; and if, after having insisted upon the 21 nations meeting with ourselves, who made the demand, we reject the very treaty that came out of that conference, what attention would the other nations pay to us again if we invited them to hold another conference to write another treaty dealing with the same countries? If, Mr. President, after having initiated the demand, which was unanimously made by our delegation, and, after it had been agreed to, upon our initiation and our demand, we should reject this treaty and then undertake to call another conference for the same purpose, the nations of the world would laugh in our faces. They would have a right to laugh in our faces. They would have a right to say, "Of what use is it for the United States to invite another conference to write another treaty? You have rejected the one that we wrote in response to your invitation."

So, Mr. President, it seems to me incredible that the Senate should reject these treaties. I believe it is not only in the interest of the peace in Europe that they should be ratified, but it is in the interest of the peace of the world that they should be ratified—with all their inequities, whatever they may be, with whatever dissatisfaction there may be in regard to the terms of the treaties with respect to any of the countries involved.

The Senator from Michigan yesterday very forcefully referred to the fact that when the representatives of the Allied Nations met, there were demands made upon Italy by the various nations for reparations in the sum, I believe, of $20,000,000,000. The treaty carries reparations to all the nations, from Italy, of $360,000,000. If we should reject this treaty and the matter should go again before a conference, in view of the uncertainty, in view of our own vacillation, in view of the lack of dependence upon us to go through with our own contract, I should like to ask our friends who are requesting us on behalf of Italy to reject this treaty, What assurance would there be that the demand for reparations could again be shaved down to $360,000,000?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator.

Mr. JOHNSON of Colorado. I have not made up my mind as yet as to how I am going to vote on the final question of the ratification or rejection of the treaty. I have not made up my mind as yet on the Fulbright motion to postpone action. The point that is bothering me is the talk that is heard about the likelihood of a separate treaty with Germany and Austria. If we are to make a separate treaty—and the chairman of the Foreign Relations Committee yesterday did not rule out that possibility—if we are to make a separate treaty, then why should we not make a separate treaty with Italy? The advocates of the Italian treaty say very frankly that the terms do not entirely meet with their approval. Of course, that is understandable, but if we are to make separate treaties with anyone, why should we not make a separate treaty with Italy, and why should we not postpone action until we find out whether or not it is going to be necessary to make the separate treaties which have been proposed, and which the chairman of the Foreign Relations Committee yesterday, as I say, did not rule on as a possibility?

Mr. BARKLEY. I might say to my friend from Colorado, that I do not think the time has arrived when anybody can say that it will ever be necessary to make separate treaties with Germany or Japan.

Mr. JOHNSON of Colorado. No; but so long as there is such a possibility——

Mr. BARKLEY. Oh, well, I might say in that connection, one can always presuppose a possibility and imagine a situation that may never develop; but the foreign ministers are to meet again in September to try to write a treaty with Austria and with Germany, and they are to meet again in November, in order to do that. So that while there has been no final progress made in negotiating a treaty with Germany and with Austria, and we have not even started negotiations on a treaty with Japan, yet the fact that the foreign ministers are still meeting, that they cleared away a lot of underbrush in the conference in Moscow, although failing to reach a final agreement—the fact that they are meeting in September and again in November, and, no doubt, will meet again in an effort to bring about a treaty with Germany and Austria that would be agreeable to all the nations that will participate in drafting it, it seems to me premature, so far as I am personally concerned, to talk seriously about having to negotiate a separate treaty with Germany. Of course, it is possible—and I think the chairman of the committee had it in mind—that if the time should come when a reasonable and a just treaty, based upon the principles for which we stand, could not ever be negotiated with Russia, we might be forced, not as a nation by ourselves but in association with other Allied nations, to undertake the negotiation of a treaty with Germany, and maybe with Japan; but that time has not yet been reached, and certainly it will not be facilitated in any way by postponing the consideration of the Italian treaty, in my humble judgment.

Mr. JOHNSON of Colorado. No; but the point I am trying to make is that should that situation arise, and we should make a separate treaty with Germany and with Austria, then I contend we ought to make the same kind of treaty with Italy at that very same moment.

Mr. BARKLEY. Even if we were ever forced to the point where we had to make a separate treaty with each one of these countries, assuming that we could not ever get together on all of them, it would not necessarily follow that it would be the same treaty with each country. They must be dealt with according to the conditions.

Mr. JOHNSON of Colorado. I understand; but I am trying to arrive at a solution of my own problem.

Mr. BARKLEY. I appreciate that.

Mr. JOHNSON of Colorado. And I am trying to have the Senator from Kentucky help me.

Mr. BARKLEY. I hope I may.

Mr. JOHNSON of Colorado. But, as I feel now, I should like to vote for the Italian treaty, if I were convinced we were not going to have a separate treaty with Germany and Austria.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Kentucky yield to the senior Senator from Michigan?

Mr. BARKLEY. I shall yield in a moment. I certainly am not convinced, by anything that has been said by anybody, that we cannot ultimately arrive at a general agreement with Russia and all the other nations involved, with respect to Germany and Austria; and I am not willing yet to forego that possibility. I am not willing to say that by postponing consideration of the Italian treaty, or by rejecting it, we make it any easier, but, on the contrary, I think we make it more difficult to arrive at a general agreement with respect to Germany and Austria. That is my own feeling about it. I may not be able to convince the Senator from Colorado on that matter, and I appreciate the sincerity of his inquiry in regard to it.

I now yield to the Senator from Michigan.

Mr. VANDENBERG. I should like to answer the able Senator from Colorado with respect to the very great difference between the situations which would be involved in Germany and Austria, on the one hand, and in Italy and other satellite

countries, on the other; and I understand that is the basis of his question.

Mr. JOHNSON of Colorado. That is correct.

Mr. VANDENBERG. The question is, Why, if you do it in one instance, could you not do it in the other?

Mr. JOHNSON of Colorado. Yes. Why could we not follow a consistent policy, and why would we not be in an advantageous position, so far as Italy is concerned? I realize, as I know the Senator does, that whenever we commence to make separate peace treaties we are lining up folks in our sphere of influence. That is what it amounts to.

Mr. VANDENBERG. If the Senator from Kentucky will permit me——

Mr. BARKLEY. I yield.

Mr. VANDENBERG. I should like to show the Senator very specifically why there is a profound difference, which could not possibly be reconciled. In the first place, the Senator from Kentucky is totally correct, in that the discussion of separate treaties with Austria and Germany is still an entirely remote contingency, which is contemplated only as the last and unavoidable resort, and, as the Senator from Kentucky indicated, is not in present contemplation. But if a separate peace were made in the German and Austrian situation in respect to any plans that have even been remotely discussed, I call the attention of the Senator from Colorado to the fact that it would involve the American zone, the French zone, and the British zone, in all probability, in Germany as an entity by itself; areas in which we assume that like-minded people would be in control of the entire situation, and there would be no fundamental clash.

Now I call the Senator's attention to what a totally different situation is involved if the Allied Nations try to make separate peace treaties with Italy. There would be undefined boundaries that must be liquidated; there would be the undefined status of Trieste which must be liquidated. How can we write a separate treaty with Italy and say, "The boundary is here," if Russia then says, "No, the boundary is here"? How can we write a separate treaty of peace with Italy and say, "Trieste shall be thus and so," if Russia says, "No, Trieste must be thus and so"? If we are going to write a separate treaty of peace in respect to those areas where the fundamental status of things has not been established and can only be established in one of two ways, either by multilateral agreement or by force, then it is necessary to choose between the two. But, I submit to the Senator, that is an utterly different contemplation from the one involved in the consolidation of the American, the British and the French zones in Germany and Austria.

Mr. JOHNSON of Colorado. If the Senator from Kentucky will permit——

Mr. BARKLEY. I yield.

Mr. JOHNSON of Colorado. I should like to know how that differs from the Austrian and German situations? Are the boundaries all prescribed?

Mr. VANDENBERG. Yes.

Mr. JOHNSON of Colorado. Are all these questions determined?

Mr. VANDENBERG. These zones are all very definitely bounded by mutual consent.

Mr. JOHNSON of Colorado. Oh, the zones.

Mr. VANDENBERG. There is no mutual consent, of course, to a separation of Germany for the purpose of a divided future, but the point I am making to the Senator is that at that point these basic physical facts are not in controversy, and it is purely a metaphysical question regarding what we do within these fixed limitations, whereas when we come to Italy, when we come to Yugoslavia, we enter a totally unliquidated situation which can only be settled on a fundamental question, for instance, like a boundary line, in one of two ways, either by multilateral agreement, or by sending armies in and fighting it out.

Mr. BARKLEY. In other words, the agreement must be made among all the nations where the boundaries are involved.

Mr. VANDENBERG. Certainly.

Mr. BARKLEY. And those countries have all agreed to the boundaries.

Mr. VANDENBERG. Yes.

Mr. BARKLEY. Or we would have to enter into a separate treaty with Italy in which we would say, "You shall have Trieste, or you shall have these other strips, just between the two of us," and if Russia or Yugoslavia does not agree to that, and they are not parties to the treaty, then they would either have to yield to an outside treaty as to which they were not parties, or there would be fighting on the border to determine who should be in control.

Mr. VANDENBERG. Yes; certainly.

Mr. BARKLEY. But here we have a treaty adjusting the boundaries between Italy and Yugoslavia, and between Italy and France in which there is involved a little strip of territory on the border of France and Italy which has been a bone of contention for a long time, and restoring the Dodecanese Islands to Greece. These adjustments have been agreed upon; and while the settlement with respect to Trieste does not satisfy everybody, it was the only one that could have been made in order to get a treaty at all. We would not agree that Trieste should go to Yugoslavia, Russia would not agree that it should go to Italy, and therefore finally the French delegation, I believe, made the proposal that it be internationalized, and that it be governed as a free city under the jurisdiction of the United Nations.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CONNALLY. I may suggest to the Senator that while the French nominally offered the resolution respecting Trieste, the solution respecting Trieste originated in the American delegation.

Mr. BARKLEY. I appreciate that fact. The Senator from Texas, of course, knows what happened in the secret councils there, but the motion was made——

Mr. CONNALLY. By France.

Mr. BARKLEY. By France, and in a sense France received credit for it so far as publicity was concerned, and no one wants to take it away from her.

Mr. CONNALLY. Not at all.

Mr. BARKLEY. No one wants to take away from her the credit for moving that Trieste be internationalized. Certainly the fate of Trieste could not be determined by Italy and the United States alone, or by Russia and Italy alone. It could not be determined without consulting Yugoslavia. The only way Yugoslavia can have a voice is to sign a treaty, which they have done, and that is now before us. So I do not see how we can enter into a separate treaty with Italy, even if we could do it morally, without violating our obligations to the other nations. I do not see how we could enter into a separate treaty with Italy which would in any way involve territory claimed by Yugoslavia and Greece.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. JOHNSON of Colorado. I do not see how it differs in that respect from the problem of a separate peace with Austria. The point I am trying to make is that if we are going to indulge in separate peace treaties with other nations we ought to reserve our peace treaty with Italy until such time as those treaties are determined. Of course, if the Senator can give assurances that what we have spoken of is merely a rumor, that it does not go to the realm of a possibility, that is a different matter entirely.

Mr. BARKLEY. Of course, frankness compels me to say that I cannot give any assurance along that line.

Mr. JOHNSON of Colorado. I do not ask the Senator to do so.

Mr. BARKLEY. The talk of a separate peace has arisen because of widespread impatience with Russia and her method of negotiation, because she has obstructed here and there, objected here and there, and has exercised the veto here and there. Growing out of that impatience a great many people are saying, and have said, "Very well, if Russia does not want to enter in and agree to a reasonable treaty we will all get together and negotiate one without her." I do not know whether that will ever occur. Personally I hope and I believe that it will be possible ultimately to enter into a treaty which all nations will be able to sign. The problem now between Austria and Russia and all the Allied nations is no more difficult than appeared at the beginning of the negotiations with respect to the treaty we now have before the Senate. I ask the Senator from Michigan and the Senator from Texas if that is an accurate statement.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. I think it is a totally accurate statement.

I should like to make one more comment to the Senator from Colorado, because I know he is honestly seeking light on the question he submitted. I think we should not confuse ourselves by using the phrase "separate peace" in connection with the present discussion regarding Austria and Germany. I think what is being considered as an alternative program at the moment, so far as Austria and Germany are concerned, should not be described as a separate peace at all.

It should be described as the successful culmination of our plan to unify the French and the British and the American zones as one reciprocal unit of economic life, as required by the Potsdam Agreement. That is the unification which is discussed at the moment as a separate action, rather than what the Senator might broadly have in mind when he uses the phrase "separate peace," and as I indicated before, when the Senator was good enough to yield to me, I think the phrase "separate peace" in respect to Germany and Austria is very intangible, and is in no sense involved in any considerations which are now being given any attention whatever. I think it is the separate unification which undoubtedly the Senator has in mind, and, of course, he would recognize a total difference between that and a separate peace with Italy.

Mr. BARKLEY. I think that the separate unification in Germany has already progressed to the extent that the British and American zones have in a measure, if not totally, been unified for economic purposes. I do not think that as yet the French zone has quite come into that unification.

Mr. VANDENBERG. That is correct.

Mr. BARKLEY. So the sort of unification, the sort of action which the Senator from Michigan has discussed and described, and which is in contemplation, has already progressed to a certain extent between Great Britain and the United States, and we hope between Great Britain, the United States, and France. We naturally hope that Russia will also enter the sphere of that four-cornered unification, which was the agreement at Potsdam, as I recall it.

Mr. VANDENBERG. The Senator is correct.

Mr. BARKLEY. Although the Russians have not yet done so, it is not beyond hope that they will.

Mr. VANDENBERG. The Senator is entirely correct. The invitation is always open.

Mr. BARKLEY. I wish to call attention to the testimony of former Secretary Byrnes and the present Secretary of State, General Marshall, with respect to the effect of a postponement of these treaties. Before doing so, I desire to refer to the reasons for ratification stated by the committee in its report. They seem to me to be very cogent and entitled to earnest consideration. The reasons given by the committee for the ratification of these treaties are as follows:

1. The treaties appear to be the best that could be secured under the circumstances.

That is, under the circumstances which existed in connection with these negotiations. I do not believe that any of us can have any doubt about that, because if we entertain any doubt about it, in a sense we impugn the efforts of our own delegation, upon whose insistence, as I have already said, and as the Senator from Michigan so eloquently said yesterday, a treaty more favorable to Italy was consummated than could have been possible without the insistence of the delegation from the United States. So I think the treaty is as favorable as could have been obtained under circumstances which are now in the past.

2. There seems to be little reason to believe that better terms could be secured with respect to any of the treaties if attempts were made to reopen negotiations now or at any later date.

That applies to the conditions which may prevail in the future. If the Italian treaty is the best that could have been obtained under the circumstances which existed in 1946, how can any of us indulge the hope that under future conditions a renegotiation would result in a treaty any more favorable than that which we have before us today?

3. The uncertainty that would come from our refusal to ratify would only add to the many difficulties and the unsettled conditions already existing in Europe.

Can anyone doubt that? How could our refusal to ratify these treaties, our repudiation of the President of the United States, the Secretary of State, and the American delegation, possibly contribute to any settlement of the affairs of Europe, or the negotiation of better treaties?

4. If the treaties are suspended or rejected, it would seriously endanger the prospects for completing a satisfactory treaty with Austria and Germany.

Secretary Marshall stated, in effect, that if we were to reject these treaties now, after this long and laborious effort to write them, after they have been signed by all the nations involved, it would well-nigh be futile to have another meeting of the Big Four in September or November to try to write a treaty for Austria and Germany. That is not an exaggerated statement. That statement is supported by the testimony of former Secretary Byrnes, as a result of his experiences in the long negotiations which took place beginning in September 1945 and terminating in December 1946, resulting in these treaties being submitted to us on the 10th of February.

When the Conference meets again I can very well imagine the scorn with which Mr. Molotov will point to the American delegation if the treaties are not ratified. I can well imagine the scorn with which he will say, "What use is it to write a treaty which is signed by all the nations involved, and what hope is there that the Senate of the United States will approve it?" What hope would there be that the Senate would approve such a treaty if, in spite of the recommendation of the President and the Secretary of State, in spite of our nonpartisan, able, patriotic, and unselfish delegation which helped to write these treaties, we should reject them? I concede, as the Senator from Michigan did yesterday, that the Senate has a perfect right to reject them. Every Senator has a perfect right to vote against ratification.

Reading further from the reasons stated in the report of the committee:

5. Since the United States took the leadership in framing the treaties other nations would have reason to question our integrity and to criticize our unwillingness to go through with our commitments if we failed to ratify.

Can anyone doubt the truthfulness of that statement?

6. Bilateral negotiations between the United States and the ex-satellite states would fail to bring about the results that either the United States or these other nations desire.

In view of the history of these negotiations, there can be no question whatever about that.

7. The many advantages that would come from putting an end to the state of war that exists, such as the removal of occupation troops, the termination of the armistice regimes in the ex-satellite states, the resumption of normal peacetime relations, and the later admission of these states into the United Nations, should far outweigh any advantages that might result from our failure to ratify.

These nations are not eligible to membership in the United Nations until the treaties have been ratified. Our armies are in their territory. Russian and British Armies are in their territory. Ninety days after these treaties go into effect those armies are to be withdrawn. That includes the Russian Army in Bulgaria, except to the extent necessary to keep up the line of communications between her army in Poland and her army in Russia. Can anyone doubt that the admission of these nations into the United Nations, where they would be accepted as honorable members to take their share of the responsibility for world peace, would be a very composing, a very settling, and a very advantageous situation in Europe? These nations are in the very heart of Europe. They touch the border of the Mediterranean Sea. Can anyone doubt that if these nations, upon ratification of these treaties and with withdrawal of alien soldiers from other countries, were to enter the United Nations organization, such action would have a salutary effect upon the peace of Europe?

The last reason given by the committee is as follows:

Approval of the treaties would constitute an important step forward in the development of the total peace settlement which is so necessary if a regime of law, order, and stability is to prevail in the world.

During the month of April I happened to be in Egypt, Turkey, Greece, and Italy. One of the questions which confronted me everywhere was, Will the United States ratify these treaties? If not, what will be the result of their refusal?

Even nations which are not parties to the treaties, which are not directly affected by their terms, but are directly and indirectly affected by the conditions of peace which exist in the Mediterranean and throughout southern Europe, are interested and concerned about our action with respect to these treaties. I would not assume that in a brief visit to Italy I could obtain a very comprehensive picture of the feeling of the Italian people, but from what observations I was able to make and the inquiries I was able to make, I discovered very definitely that although the Italian people would have preferred a more favorable treaty, they prefer this treaty to chaos and no treaty at all.

We talk about communism. There are now two and a quarter million Communists in Italy. Notwithstanding that fact, the new Italian Government has organized a cabinet without a Communist in it.

But suppose we reject this treaty; suppose that, as a result, chaos and disorder ensue in Italy. That is the very atmosphere in which communism moves in; it takes advantage of any disorder, any want, any despair that may exist among the people. I understand that in Greece there is a total of only approximately 15 percent of Communists among the Greek people. But suppose we give evidence of our lack of responsibility by a rejection of the treaties. In spite of our assistance to Greece, if we reject these treaties, and uncertainty, chaos, and fear shall prevail in the Mediterranean Basin, how much stronger would the Communists become in Greece if they moved in as the result of our unwillingness to accept a responsible treaty negotiated and signed by the Government of the United States?

While we are talking about the communistic situation and its threat, we might as well be frank. We all know that our conception of communism is that it is based on hunger, want, distrust, the despair of the people that their economic situation may not be maintained by the government in power.

Two or three weeks ago Premier Ramadier of France called for a vote of confidence. He received a vote of more than 2 to 1; whereupon he reorganized his cabinet without any Communists, notwithstanding the fact that he had had 5 of them prior to the vote of confidence. In my judgment, Mr. Ramadier is stronger today than he was before he took that action.

Mr. de Gasperi has reorganized the Italian Cabinet without a Communist. How long would that Government stand if we failed to ratify the treaty and chaos should come to Italy? If they are compelled indefinitely to bear the burden of maintaining foreign troops upon their soil, and if the Communists by any chance should gain control of the Italian Government, how long are we assured that the French would be free from the menace and the danger? The situation in Europe might be multiplied by the number of European nations, and the same condition would prevail.

The things that Europe needs to stabilize her economy and her democracy are peace and an understanding of what they can rely upon in the future. What Europe needs beyond all other things are order and confidence, not despair, lack of confidence, and chaos. The rejection of these treaties will bring despair; it will bring uncertainty; it will multiply chaos; it will multiply the dangers that beset Europe and the entire world from the menace of which we hear so much, and which I in no degree discount, because I think it is a menace.

So, Mr. President, it seems to me that we cannot repudiate these treaties without repudiating the Government of the United States. We cannot repudiate these treaties without repudiating the State Department, the Secretary of State now in office, and his able and distinguished predecessor, former Senator Byrnes. We cannot repudiate these treaties without repudiating our own delegation at the peace conference, including the able Senator from Michigan [Mr. VANDENBERG] and the able Senator from Texas [Mr. CONNALLY]. I rejoice at the outstanding service rendered by both those Senators in a spirit of nonpartisanship, in a spirit of cooperation, and the service rendered by their associates, including Mr. John Foster Dulles, who was an adviser there and later at Moscow.

I myself appreciate greatly the fact that the President sent these two colleagues of ours to the conference in order that they might be in a position to give the Senate the value of their experience, their observation, and their intimate knowledge of what went on in the writing of these treaties. To reject these treaties would be a repudiation not only of our President, our State Department, and our delegation, including our own Senators, but it would be a repudiation of our own allies who joined with us in undertaking to make these treaties. Such a repudiation, Mr. President, would create an impression that I do not want the American Government to give to the nations of the world.

Therefore, I shall vote with great satisfaction, I will say, for these treaties. I shall vote for them because I think they are in the interest of peace and economic stability, in the interest of the fundamental democracy for which our Nation has always stood. I shall vote for them because I believe that, as was testified to by the Senator from Michigan, including the statement of a distinguished Italian journalist, the Italian people want this treaty and the Italian Government wants it; and I think they are better able to speak for the people of Italy than anyone here or anywhere else in the United States, without regard to national origin.

Mr. President, feeling that way about it, I am opposed, of course, to the motion to postpone action. To postpone action on these treaties would give evidence of our vacillation, of our own lack of conviction, of our own lack of determination. It would indicate that we would be willing to suspend these treaties until January, while the world moved in chaos, uncertainty, distrust, and doubt. Are we willing to do that? If we postpone action on these treaties until January, in my judgment there will be no progress made in September, November, or December in the writing of a German treaty or an Austrian treaty.

So I am opposed to the motion. I hope it will be defeated. I hope that when we vote tomorrow at 2 o'clock all these treaties, regardless of any circumstances extraneous or internal, will be ratified by such an overwhelming majority of more than two-thirds that we can give hope to the world that we will ratify a treaty made under circumstances as favorable as can possibly be hoped for, and that we stand ready to honor our obligations and our commitments to our allies and to all the world in the treaty-making which lies before us, in the hope that ultimately all the nations of the earth may become members of the United Nations and that it may be possible to use that organization as the instrument of settlement and adjustment all over the world, so that the fear of another war may be dissipated and proved groundless.

EXTENSION OF CIVIL-SERVICE-RETIREMENT PRIVILEGES

Mr. JOHNSTON of South Carolina. Mr. President, as I listened the other day to the remarks of the junior Senator from Delaware [Mr. WILLIAMS] on the pending civil-service retirement bill, Senate bill 637, I heard a number of statements made at that time which should be answered in the name of accuracy, and particularly because of the fact that the Senator from Delaware appeared to be attacking the motives of the Committee on Civil Service, of which I have the privilege of being a member.

I want to be numbered among those who believe that old age is deserving of a better reward than the fiery furnace of Nazi internment camps in order to save food and the expense of feeding such persons. Nor do I believe in returning to the good old days before this Nation had a social-security system which would enable us to remove from the active rolls of employment those persons who might still be semi-independent economically through a return upon the investment from their wages while still in active service. The Eskimo has been described as having a direct approach in ridding himself of aged relatives by casting them out into the bleak northland to shift for themselves or to die. We, with our higher civilization, have found more decent methods of dealing with such problems.

In 1920 the Congress of the United States had come to realize that there were many indigent persons on the Government's civilian employment rolls, some of whom were well past the age of 90, who were far more expensive to maintain in the so-called active status than if they were given, in common decency, some form of annuity.

So the Congress passed the original Civil Service Retirement Act. It was necessary at that time to recognize the services of persons who would be eligible under that act, whose service had been performed prior to enactment of the Retirement Act. Thus, full credit for service was given to those who then automatically become eligible. They were retired as a straight business proposition, and perhaps in some measure as a humane and economic step.

In 1920, no statistics were available to show the prospective cost of a retirement system. Until sufficient time had elapsed to enable the experts to give fair estimates of such cost, an arbitrary rate of 2.5 percent was arrived at by the Congress as the rate for the premium to be deducted from the salaries of all persons covered by the act.

At the time when Congress passed the act, many persons believed the act would cost the Government at least as much as it would cost the employees, and that the cost to the Government would be immediate in order to get the system established. Thus, the Government, at least impliedly, assumed the responsibility for the difference between the 2.5 percent and the total actual cost of the system.

Mr. President, I am giving these basic statements for the information of those who have become Members of the Senate in recent years and who have not had an opportunity to learn the purposes and the origin of the Civil Service Retirement Act.

It was not until 1926 that Congress reduced the basis of liability of the Government to the fund from approximately ⅜ to ⅛ of the cost, by increasing the amount of contributions or premiums deducted from salaries from 2.5 percent to 3.5 percent. There, again, there was an implied, assumed responsibility on the part of the Government for the difference between the 3.5 percent and the actual cost.

As early as 1929, the Bureau of Labor Statistics of the Department of Labor in Bulletin No. 477, entitled "Public Service Retirement System," made the following statement:

> Whether the Government will follow this tendency to increase the share of the employees and eventually to relieve itself of all liability by placing the fund on a self-supporting basis or whether it will contribute something as its share to the benefit it receives under the act is for the future action of Congress to decide.

The Congress did not quibble over whether all the beneficiaries or even a large portion of them or even a fraction were Democratic or Republican. In the eyes of the Congress they were human beings, fit for better fate than to be sent to the soap factory to render what little fat may have remained in their bodies.

In 1920, those who were automatically eligible for retirement received what actually constituted a pension, since it was not contributory and the Government charged the overhead to good administration and actual cost of operations. Since that time, the system has been known rightfully as the retirement system. It is contributory both on the part of the employee and the Government; and while we still have actuaries periodically making reports on the condition of the retirement fund and what is actuarily sound and what is not, it is evident that even from the inception of the act itself, in 1920, there was no intention to have an actuarial system.

As the years passed and as the Government became more in arrears in contributing its part to the fund, the deductions from employees' salaries have become such that to date all benefits have not equaled the amount contributed to the fund by the employees themselves.

It has been on a trial-and-error basis that the deduction rate has been adjusted from the original 1920 act, as one benefit or another has been added and as the cost of meeting such benefits has been apparent. Thus it was that there was an increase in payroll deductions from the original 2.5 percent to 3.5 percent, in 1926. At the expiration of the next 16 years, in 1942, Congress increased the deduction rate on the part of the employees to the present 5 percent.

The subject of widows' and dependents' benefits for Government employees is nothing new. Years before the enactment of the social-security system and the railroad retirement system, there was discussion of the need for making provision for dependents under the civil-service retirement system. It was recognized by students of retirement matters, who summed up their statement in the same Bulletin 477 I have mentioned previously, that "on the whole, the tendency among the newer systems is to include more benefits than are found in the early systems and especially to make provisions for dependents. The return of contributions, commonly with interest, and sometimes with compound interest, is frequent among the newer systems."

Since that time, in 1929 the Congress has placed a restriction upon the return of contributions in the form of refunds by stipulating that only employees who have served less than 5 years may receive such refunds. So we see that the system is both compulsory and restrictive. With rare exceptions, noted in Executive orders, all persons not holding temporary jobs are automatically under the retirement system. Although these Government employees pay 5 percent, and although it is now proposed that they shall pay 6 percent, yet they receive fewer benefits than do persons who are under the social-security system, and who pay only 1 percent.

It is worthy of comment at this point, Mr. President, that whenever the Congress hears a discussion of the Foreign Service retirement system, which has many features not now granted to persons under the civil-service retirement system, we find no resistance to effecting reforms. The benefits in the Foreign Service can be listed as:

First. Widows' benefits with respect to an employee dying in service.

Second. Retirement of an annuitant at age 50, after 20 years of service.

Third. A more generous retirement formula.

Fourth. A more liberal retirement for disability.

In the case of the Foreign Service retirement system, though officers and employees pay only 5 percent, I have not heard the Senator from Delaware complain about that. I can only assume he finds New Dealers only in other branches which are under the Civil Service Retirement Act.

The Senate has passed without a dissenting vote S. 715, to liberalize retirement for special agents in the Federal Bureau of Investigation. The House committee has followed suit, and has reported the bill unanimously. Certain increased costs are involved. Yet I did not hear the junior Senator from Delaware complain about that bill, which provides no increase in employee contribution.

The Congress has approved these provisions without quibbling. The Congress has been generous with military pensions and has not quibbled. The Congress has set up the machinery for features under the Railroad Retirement System and under the Social Security System which are not now being enjoyed by the Federal employee himself. Yet, when we bring up the general subject of civil-service retirement, and attempt to do something to liberalize the sections of the Retirement Act, we are promptly confronted by the opposition of some who apparently are poorly informed as to the origin, the purpose, the development, and the general over-all growth of the civil-service retirement system.

Mr. President, I now start my references to the statements made by the junior Senator from Delaware, and proceed to discuss what he had to say:

First. The Senator says the civil-service retirement fund "is not and was never intended to be classified as a welfare fund." Such vague language is not easily understood. But I assume the Senator is saying it is necessary to assume that old-age and survivorship provisions have no relation to welfare—apparently the welfare of the individual or the welfare of the Government's business.

Mr. WILLIAMS. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Delaware.

Mr. WILLIAMS. Am I correct in understanding the Senator from South Carolina to say that he interprets the civil-service retirement fund as a welfare fund?

Mr. JOHNSTON of South Carolina. It is a welfare fund, and also is a fund into which the employees have paid in order that they may have some income to take care of them after they become old.

Mr. WILLIAMS. In the eyes of the Senator, in which field does it act?

Mr. JOHNSTON of South Carolina. I think it acts in both fields.

Mr. WILLIAMS. Then, the Senator thinks it is a welfare fund?

Mr. JOHNSTON of South Carolina. Certainly it is a welfare fund, in that it promotes the welfare of the general public, and keeps them from having to contribute to the support of some aged persons when they become too old to work.

Mr. WILLIAMS. My interpretation of a welfare fund is that it is something given to assist a person in his old age, but when we speak of a civil-service retirement fund, or any other retirement fund, whether it is in the Government or in private industry, we refer to a fund which the employees themselves have built up. It is theirs, the fund is built up by their contributions, and when they retire, in my opinion they are receiving only those benefits which they themselves have built up and paid for. There is a distinct difference between a welfare fund and a retirement fund, in my opinion.

Mr. JOHNSTON of South Carolina. I think it is both an insurance fund and a welfare fund, and I shall explain that.

First. The Senator has said that "the primary purpose of this retirement fund when established by Congress was to act as an insurance fund." He still makes that statement, here in the Senate.

Mr. President, I wonder if any Senator would even try to state the difference between an "insurance fund" and a "welfare fund," since we have been told that the retirement fund was never intended to be called "welfare fund," and at the same time are told that Congress was establishing an "insurance fund." Such confused thinking contributes nothing toward clarification of the purposes of the Civil Service Retirement System.

Second. The Senator says the Civil Service Retirement Fund has been built

up over the "past several years until today it has an evaluation in excess of $2,000,000,000." The Senator's figures are inaccurate by at least one-half billion dollars. The fund actually has $2,500,000,000 in it.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. Will the Senator from South Carolina tell me which is the greater, $2,500,000,000 or $2,000,000,000?

Mr. JOHNSTON of South Carolina. Two billion five hundred million dollars is the greater, of course, but the fund has been built up because money has not been taken out of it.

Mr. WILLIAMS. I think my statement was that it was in excess of $2,000,000,000.

Mr. JOHNSTON of South Carolina. The Senator's statement was "in excess of $2,000,000,000." That is all right, so far as the statement is concerned, but it is shown that there is in the fund at the present time approximately $2,500,000,000.

Third. The Senator states that the civil-service fund "belongs to the Federal employees and should not be considered as the property of the Federal Government, and as Members of the Congress we have no moral right to pass legislation appropriating any of the accumulated moneys of this trust fund to any other purpose than that for which it was originally established." I am forced to assume the Senator is saying that if we pass Senate bill 637 we would be guilty of misappropriation, that at least we would be exercising some immoral right.

Mr. President, the representatives of employees in the United States Government are fully on record as giving wholehearted support to the idea of establishing widows' and dependents' benefits, even now, at long last. I submit that the Members of Congress are not immoral in trying to add to the benefit of Government employees, while at the same time those employees are paying for such increased benefits. I find nothing immoral or unmoral in any of this.

Fourth. The Senator talks of legislation and Presidential directives which blanketed Government employees into the classified service, and he refers to them as "The New Deal employees who have previously never made any contributions toward the building up of this fund." The same can be said of those in the early 1920's who had paid nothing toward the building up of the fund, even before the days of the New Deal, in the days when one's political faith was not impugned as something abhorrent in the nostrils of good citizens.

Mr. WILLIAMS. Does the Senator from South Carolina dispute the statement I made in reference to that matter?

Mr. JOHNSTON of South Carolina. I dispute the Senator when he says New Deal employees were blanketed in. The civil-service employees are supposed to be employed on their civil-service records.

Mr. WILLIAMS. What classification was given the million employees who were blanketed in?

Mr. JOHNSTON of South Carolina. Government employees, Democrats and Republicans.

Mr. WILLIAMS. There are some Republicans among them, too.

Mr. JOHNSTON of South Carolina. And perhaps some of other party affiliations.

As a matter of fact, none of the so-called New Dealers got anything free. Each was required to pay into the retirement fund an amount equal to the deduction which would have prevailed during the time he was not under the retirement system, if he desired to have such service counted as total Government service for purposes of computing retirement benefits. The junior Senator from Delaware was not in Washington at that time, as was true as to myself and some others, but the facts are the same, even though he was not here to know what the actual transaction really was.

Fifth. The Senator is attacking actions of a majority of the Congress which were taken prior to his tenure in the Senate. He questions the right of Congress to blanket in these additional employees without, at the same time, appropriating to the general retirement fund a sum of money sufficient to take care of the obligations being imposed upon the fund. It is difficult for me to reconcile such views as the Senator has set forth when we realize that in industry many employers established retirement systems, yet required no contributions of employees at all, after they have come under the system, though previously they might not have been under it but actually were employed.

The Senator appears not to realize the Government is already $360,000,000 in arrears in its contributions issued to the fund, if we assume the fair arrangement is that the Government should contribute in proportion to the employee. Still, employees do not grumble. Nor are they fearful that the good faith of the United States is not as solid today as it was in 1920 when the fund was established. A good part of what we do is based on faith; even in the commercial world credit goes far toward instilling confidence. Our main concern is whether the money will be available at the time the obligation is to be met, not whether there shall be large reserves of idle capital stock piled against some imaginary date or emergency.

Sixth. Again the Senator states that in 1942 when the last major provision of the Retirement Act was enacted that the report of the House committee on hearings held in connection with the impending bill was "not an actuarial report but it was accepted by the Members of the Congress and that proof that this—$14,000,000 as the estimated cost—figure was misleading is contained in the Budget report of the General Accounting Office which shows that the Government contributions to the fund in 1941 were $91,559,110, whereas 3 years later, in 1944, this figure had increased to $175,993,037, or an additional cost to the Government of over $80,000,000 more than the 1941 figure."

The comment on this statement, Mr. President, is simply that it is a fact that as of June 30, 1940, 18 months prior to enactment of the January 24, 1942, legislation, there were only 675,000 persons under the Retirement Act. By 1944, a scant 2 years after the act was approved, there were 3,000,000 under the act.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. Can the Senator from South Carolina tell me how the other two and a half million of the 3,000,000 came under the act?

Mr. JOHNSTON of South Carolina. What does the Senator mean by that?

Mr. WILLIAMS. The Senator said that in 1940 some 600,000-odd employees were under the retirement act. I think that was the figure quoted, was it not?

Mr. JOHNSTON of South Carolina. That was in 1940.

Mr. WILLIAMS. And then there was an increase of around 2,000,000 during the next 2 years?

Mr. JOHNSTON of South Carolina. That is true.

Mr. WILLIAMS. How did those employees get into the civil service?

Mr. JOHNSTON of South Carolina. They got into the civil service, some under civil-service examinations; some were blanketed in under an Executive order. All of that was done because we were in a war, and it was necessary to employ people immediately in order to carry on the war and win the war as soon as possible. If that is wrong, I will take the blame, although I was not here at that time.

Mr. WILLIAMS. I did not say it was wrong. I merely wanted to bring out the point that between one and a half million and two million employees were blanketed into the civil-service system during that period.

Mr. JOHNSTON of South Carolina. Some of them were blanketed into the civil service, not all of them. Many were already on the civil-service list and were called into service. As the Senator knows, a group appeared at our last meeting that were blanketed in, but they were on the waiting list.

At the same time the total coverage was extended there was an increase of 1½ percent, from 3.5 percent to 5 percent, of contributions on the part of employees. I am not certain why the Senator from Delaware stresses his statement that there was no actuarial report. The fact is that this is not an actuarial system and never has been, yet the retirement fund continues to meet all obligations, even in the face of the increase from 675,000 to 3,000,000 persons so covered.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. Is it not a fact that the Civil Service Commission carry on their pay roll a board of actuaries?

Mr. JOHNSTON of South Carolina. Certainly. They carry not merely one actuary but perhaps several.

Mr. WILLIAMS. And it would have been possible to have had a report from that board of actuaries as to the cost?

Mr. JOHNSTON of South Carolina. So far as the actuarial cost is concerned, the

Senator will have that. I want to inform him that that is being made up now, and that it will contain a report on the pending bill, showing that it will not cost the Government a single cent more than it is costing at the present time. That information is now being prepared in connection with the pending bill, since the Senator wants it, although this is not an actuarial system.

Mr. WILLIAMS. If they are now preparing an actuarial report—and since it has been stated in the committee that it would take 4 months for a board of actuaries to make a reasonable estimate on the cost of the bill, and the chairman thought we did not have time to wait for it—I should like to ask the Senator from South Carolina how he knows in advance that the board of actuaries are going to submit to the Senate a report showing that there will be no additional cost under the pending bill when the board of actuaries have not yet made the report?

Mr. JOHNSTON of South Carolina. The Senator from Delaware and the other members of the Committee on Civil Service have heard the actuaries talk on this particular bill before the committee, and every time they have made a statement it has been to the effect that there would be practically no additional cost to the Government if the pending bill should be passed. Is that not true?

Mr. WILLIAMS. No, sir; it is not true. It has been contradicted. We have had reports to that effect, and we have had reports that there will be an additional cost, as has been pointed out in the report.

Mr. JOHNSTON of South Carolina. Where is it pointed out in the report? We have the report.

Mr. WILLIAMS. It is not in the report as submitted to the Senate. That was the charge I made on the floor of the Senate last Thursday. The report found on the desks of Senators did not contain a complete report of all hearings that were held before the Civil Service Committee on the pending bill. There were many reports submitted and many statements made before the committee, that are not included in the report on the desks of Senators.

Mr. JOHNSTON of South Carolina. But the Senator will acknowledge that the actuaries testified there would be no additional cost—at least some of them so advised us?

Mr. WILLIAMS. Some of them did; yes.

Mr. JOHNSTON of South Carolina. They certainly so advised us.

Mr. WILLIAMS. But the Senator will certainly admit that there have been actuaries before the committee who said the costs would be increased?

Mr. JOHNSTON of South Carolina. They have said there would be practically no increased cost; that if there should be any increased cost, it would not be over two or three million dollars annually; which is nothing; very, very little.

Mr. WILLIAMS. What I do not understand is how the Senator from South Carolina knows what the report will be, before the actuaries submit it.

Mr. JOHNSTON of South Carolina. I am going by what they told us in the committee at various times in discussing the matter. In other words, the committee has a number of actuaries who are preparing a report for presentation to the Senate which will show that there will be no cost to the Government under the bill. I have no actuaries, I am sorry to say, because the Republicans have them all. The Republicans appointed all the various experts working for the committee, and we Democrats appointed none. But those who reported to the committee, the Republicans' own men, will tell the committee that there will be no cost involved.

Mr. WILLIAMS. I should like to read a part of the letter from the actuary of the Senate Civil Service Committee, dated April 30. It is in the RECORD. It is signed by Mr. J. D. Phenix, the actuary and statistician for the Senate Civil Service Committee. The letter is dated April 30, five days later than the report of the Civil Service Committee, which was sent out to the Members of the Senate, which stated that there would be no extra cost involved. He says in his letter:

> No reliable estimates of costs can be made until the following data are available.

Mr. JOHNSTON of South Carolina. Read on further.

Mr. WILLIAMS. First, he would have to know the "number of covered employees who will normally be employed by the Government after the effects of the war have disappeared"——

Mr. JOHNSTON of South Carolina. Just a minute. The more employees we get rid of the less the bill will cost.

Mr. WILLIAMS. That is correct. But it is necessary to know the number who are to be gotten rid of.

Mr. JOHNSTON of South Carolina. It is necessary to know how many are going to be fired; that is true.

Mr. WILLIAMS. Again he would have to know with respect to—

> (a) Age, sex, salary, length of service.

Mr. JOHNSTON of South Carolina. They have the age of every employee, the sex, the salary, and length of service.

Mr. WILLIAMS. Yes; but he said it would take 4 months to prepare the report, and yet apparently the Senator knows that when the report is made it will disclose that the bill will cost nothing.

Mr. JOHNSTON of South Carolina. Go ahead.

Mr. WILLIAMS. He would have to know:

> (b) In the case of married males, age of wife, and age of each child under 18.

We have not received that information yet.

Mr. JOHNSTON of South Carolina. We have been given the estimate made by an employee of the committee.

Mr. WILLIAMS. Yes; and one of those estimates that was filed showed a cost of $20,000,000 for 1950. Is that not true? I had printed in the RECORD the chart from which the Senator is reading. I filed a chart showing that in 1950 the cost would be between twenty million and twenty-two million dollars, I forget the exact figure. The Senator has the figure. That estimate was prepared by the actuary and statistician of the Civil Service Commission, Mr. Irons.

Mr. JOHNSTON of South Carolina. How much more are the employees to pay into the fund on their salaries? It is 1 percent, is it not?

Mr. WILLIAMS. For the year in question they would pay in $44,000,000, but that was deducted from the cost, and there would be $20,000,000 or $22,000,000 more required for the year 1950. That estimate was filed with the committee and was not included in the report made by the committee. I ask the Senator from South Carolina, why was not that estimate included in the report of the committee when it reported the bill to the Senate? Why was that particular item left out?

Mr. JOHNSTON of South Carolina. The Senator will have to ask someone else. I was not one of those who had control of the committee. The Republicans were in control.

Mr. WILLIAMS. No, the Republicans did not have control, because six Democrats and six Republicans voted to report the bill. I voted against it.

Mr. JOHNSTON of South Carolina. The vote on the bill was what?

Mr. WILLIAMS. I say the members of the committee were divided six Republicans to six Democrats.

Mr. JOHNSTON of South Carolina. What was the vote on reporting the bill?

Mr. WILLIAMS. All the Republicans but one plus the Democrats voted to report the bill.

Mr. JOHNSTON of South Carolina. Who was that one?

Mr. WILLIAMS. I was the one.

Mr. JOHNSTON of South Carolina. That is what I thought.

Mr. WILLIAMS. But the Senator said the Republicans voted to report the bill from the committee.

Mr. JOHNSTON of South Carolina. Members of both parties voted to report the bill. But so far as the report itself is concerned, it was prepared by the staff which the Republicans had appointed. Is that not true? Did not the staff appointed by the Republicans prepare the report?

Mr. WILLIAMS. Did the Senator from South Carolina vote for the employment of the staff?

Mr. JOHNSTON of South Carolina. I voted to report the bill.

Mr. WILLIAMS. I mean when the staff was chosen in the beginning, did the Senator vote for the employment of that staff?

Mr. JOHNSTON of South Carolina. My vote for the employment of an accountant or other experts did not count, and the Senator knows that. The Senator from Delaware might just as well acknowledge that fact. There is no use getting off into party politics.

Mr. WILLIAMS. I am not getting off into party politics.

Mr. JOHNSTON of South Carolina. The Republicans appointed all the members of the committee staff. Since the Senator has mentioned that situation, why does not the committee report the postmasters whose nominations are now in the committee? The committee will not report any of them. Tell me, a Democrat, why not?

Mr. WILLIAMS. So far as I know, Mr. President, if the Senator will yield——

Mr. JOHNSTON of South Carolina. The Senator knows that to be a fact.

The PRESIDING OFFICER. Does the Senator from South Carolina yield further to the Senator from Delaware?

Mr. JOHNSTON of South Carolina. Let me go a step further. Does the Senator know of a single complaint filed in the committee against any of the nominees for postmasters?

Mr. WILLIAMS. Mr. President, will the Senator yield so I may answer that question?

Mr. JOHNSTON of South Carolina. Yes.

Mr. WILLIAMS. So far as I know the question of reporting the postmaster nominations has never been brought up in the Civil Service Committee at any of its meetings. I do not think the Senator from South Carolina has ever made a motion to the effect that the committee report the nominations of postmasters. Has the Senator done so?

Mr. JOHNSTON of South Carolina. What good would it do? The Senator knows exactly the condition in the committee. Why quibble over that situation? We could never get a sufficient number of votes in the committee to have the committee report the nominations. We cannot even have a record made of the executive sessions. Let us face the fact.

Mr. WILLIAMS. We are really getting away from the point at issue.

Mr. JOHNSTON of South Carolina. I want to pin the Senator down. If I should move that the nominees for postmasterships in my State be reported, would the Senator vote with me?

Mr. WILLIAMS. I do not know who the nominees in the Senator's State are.

Mr. JOHNSTON of South Carolina. Nothing has been filed against them. No complaint has been made respecting any of them.

Mr. WILLIAMS. I can say that there are only two nominations for postmasterships in the State of Delaware before the committee, pending, and I recommend the confirmation of both of them. They are both Democrats. I say that—if it will be of any comfort to the Senator from South Carolina. But I think it is unfair for the Senator from South Caroline to say that the Civil Service Committee will not report the nominations for postmasters until he has at least made an effort in the committee to have them reported. Then if his motion is rejected he has a perfect right to come on the floor of the Senate and make complaint. But so far he has made no effort at all to bring up the name of any postmaster nominated from South Carolina.

Mr. JOHNSTON of South Carolina. That question has not been brought up. We have not voted on it.

Mr. WILLIAMS. That is correct.

Mr. JOHNSTON of South Carolina. But certainly every member of the committee knows how every other member stands, and every member knows that if a Democratic member were to move that any of the nominations be reported, it would result in nothing but taking up the time of the committee.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. Yes.

Mr. WILLIAMS. I should like to suggest that perhaps the Senator from South Carolina is going on the same assumption when he speaks about postmasters that he is when he says that he has a board of actuaries working on the cost of the Senate bill and that he knows it is not going to cost the Government anything, and that a report to that effect will be prepared. I think he is jumping at a conclusion before he has read the text of what he is working on.

Mr. JOHNSTON of South Carolina. I am glad to hear the remark made by the Senator from Delaware. I believe I have obtained all the information possible to obtain from him. From what he has stated I am led to believe that probably if we move to have the nominations reported he will vote with us. I understand from what he said that he wants the nominations from his State reported.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. LUCAS. I am extremely happy to hear what the distinguished Senator from Delaware has said about the two postmasters in his State. That gives me considerable hope that he will support the position of the Democratic members of the Civil Service Committee. I would suggest to the Senator that at the next meeting of the committee, if the motion has not been made to report the nominations, that such a motion be made, and that a roll-call vote be taken upon the motion. I was under the impression when I made a statement a few days ago, based on a statement made by the Senator from South Carolina, that a vote had been taken in the committee respecting postmasters. But apparently, from what I have now heard, that has not been done.

Mr. JOHNSTON of South Carolina. If the Senator from Illinois will recall, when that discussion was had, I said I thought the subject had been taken up, but I was not present at the meeting. A vote was not had. The subject was only discussed in committee. A roll-call vote was not had in committee. I did not ask that the nomination of any individual postmaster be reported.

Mr. LUCAS. Can the Senator give me any assurance that at the next meeting of the Civil Service Committee such a motion will be made?

Mr. JOHNSTON of South Carolina. So far as I am concerned, I am ready to make a motion that the nominations of my "boys" in South Carolina be reported.

Mr. LUCAS. Only the Senator's "boys"?

Mr. JOHNSTON of South Carolina. I shall take care of them. I am in favor of all the nominations against which there are no complaints pending being reported. Even those who have complaints against them should have a hearing.

Mr. LUCAS. I again want to compliment the Senator from Delaware on the position he takes with respect to the postmasters from his State. He says there are two nominations of Democrats for postmasters in his State, and he favors confirmation of both. I assume that is because he has made some investigation and knows that they are good men. He probably knows them personally, and they are perhaps No. 1 on the list, and have proper civil-service status. The Senator's stand is very encouraging to us. I think he has taken a very statesmanlike position in the statement he has made, and I want to congratulate him upon it.

Mr. WILLIAMS. Mr. President, will the Senator yield for one comment?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Delaware.

Mr. WILLIAMS. When I stated they were both Democrats, I might have been inaccurate. I assumed that they were both Democrats. I cannot say that I have checked their political standing. I do know that I have checked the character of both men, and so far as I am concerned they are approved. It was merely an assumption on my part when I stated that they were Democrats. I might have been mistaken, but I do not think I was.

Mr. JOHNSTON of South Carolina. I can almost swear that those in South Carolina are Democrats. I do not believe that we could find any Republicans down there to fill the offices. I will say to the Senator from Delaware that when the nominations from his State are taken up, I will vote for them if they meet with his approval. That is the only question. I am not going to enter into his State and try to interfere with the affairs of that State. I leave other people's business alone so far as other States are concerned; and I want South Carolina let alone. That has been my politics all the time. When an attempt is made to interfere with South Carolina, I will complain loudly.

Once more the Senator makes the statement that "the obligations of the Retirement Act were further increased during the past 2 years when the salaries of the Government employees were raised an average of approximately 30 percent over the period." But, the Senator continued by saying there would be an increase in annuities of those employees who were retired after having served during the 5-year war period, approximately 30 percent or in the same proportion as their salaries were increased. Salaries were not increased 30 percent during the war years. In July 1945, there was one increase and in July 1946, there was another increase. There was provision for payment for overtime which overtime was abolished shortly after July 1, 1945. Such overtime payments were not subject to the retirement deductions because they were not considered basic pay. The 1945 and 1946 basic salary increases will not be fully reflected in the form of increased annuities until later than the middle of 1951, or 5 years after July 1, 1946. This is because of the fact that one may select the highest five consecutive years as the basis for computation of his annuity, and such 5 years will not have elapsed until June 30, 1951. The Senator seems to believe that establishment of the highest five consecutive years as a basis for

computation is something brand new and that it was inserted in some sort of surreptitious manner in the Retirement Act revisions of 1942. Such, of course, is not the case. The highest-5-year rule was instituted in the act of 1930, 12 years previous to passage of the act of January 24, 1942.

When the Senator from Delaware makes the statement that there was an increase in the Government contributions from $175,000,000 in 1944 to $246,000,000 in 1946, the answer plainly is that the coverage was, as I have stated, from 675,000 in 1940 to 3,000,000 in 1944. Numbers of persons covered by the act necessarily determine the number of dollars spent to put such coverage into effect. The cost will be greater if we have a larger number of employees and they remain in service.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. Perhaps I was mistaken in the assumption I made as to the increased cost, but if I was wrong, I should like to ask the Senator from South Carolina this question: I notice from the annual budget proposed for 1948 that the Civil Service Commission has estimated the requirements at $20,000,000 more than was appropriated in 1946. Yet a law was enacted last year providing that on July 1 of this year the number of Federal employees should be reduced to one and a half million, or half the figure which the Senator has just quoted, during a period in which there were appropriations of $246,000,000. The Senator has made a very good explanation as to why the appropriations should increase as the number of employees increased. I can understand that. However, I wish he would explain to me, if that was the reason for the increase, if it was due solely to the fact that the number of employees increased, why the Budget Bureau has not made a proposal to reduce the contributions now that we are going back to a level of one and a half million. Why should we be expected to appropriate more than $123,000,000 for next year if we are going back to the figure of one and a half million employees, half the previous figure?

Mr. JOHNSTON of South Carolina. Naturally the cost will be greater if there are more employees, if they remain in service.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. When the Budget Bureau made its estimate that an additional $20,000,000 would be required during the next fiscal year over what was appropriated for this year, was it on the assumption that the number of Federal employees would be greater than it was last year?

Mr. JOHNSTON of South Carolina. The Senator knows that a great many persons will leave the employment of the Federal Government. It will require millions of dollars to pay them, but that will mean a saving to the Civil Service fund in the long run, because if they have not been in the service 5 years, we shall have to pay them their money in cash, with 4 percent interest. Such payments in the aggregate will amount to a huge sum, but they will be off the pay rolls, and in the future we shall not have to pay them when they become 55, 60, or whatever the retirement age is.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. Is it not a fact that when the Senator, as a member of the majority which reported the bill favorably to the Senate, stated that the system could operate with no additional contributions above the appropriations which had been contributed to the fund, he was taking into consideration at that time that the number of Federal employees would be reduced to one and a half million?

Mr. JOHNSTON of South Carolina. I have never believed that the number could be reduced to that extent. In the discussions in the committee, as the Senator will recall, practically every member of the committee reached the same conclusion. Is not that true?

Mr. WILLIAMS. In all the estimates that were made in the committee we used the assumption that we would be operating at a level of one and a half million employees. Is not that correct?

Mr. JOHNSTON of South Carolina. I have never believed that; and I do not believe that many Senators who really think the matter through are of that opinion.

Mr. WILLIAMS. I do not care what the Senator believes. The estimates were all made on that assumption, were they not?

Mr. JOHNSTON of South Carolina. They were made on the assumption that there would be a considerable decrease in the number of Federal employees.

Mr. WILLIAMS. On the assumption that the number would be decreased to one and a half million.

Mr. JOHNSTON of South Carolina. At the present time it would cost the fund a great deal of money, but eventually it would cost less as they leave the service.

Mr. WILLIAMS. I believe Mr. Irons made the statement in the committee—and we all agreed to it—that the estimate was based on the assumption of one and a half million employees, or one-half the figure of 3,000,000. The chart which I submitted for the record shows that the estimate of cost was based on that assumption.

Mr. JOHNSTON of South Carolina. I am not able to dispute that statement.

Mr. WILLIAMS. The point I wish to bring out is this: What the committee proposes to do is to maintain appropriations approximately at the $250,000,000 level for the next 30 years, whereas by the Senator's own argument we had a reasonable right to expect that the appropriations would drop to $100,000,000 or $150,000,000 as the number of employees was reduced. When it is said that the program would cost nothing additional, it is assumed that there could be shouldered on the taxpayers for the next 30 years appropriations of approximately $250,000,000 a year, or $100,000,000 more than we had a right to expect, which would total $3,000,000,000 for the next 30 years to pay for this bill. Does the Senator dispute that statement?

Mr. JOHNSTON of South Carolina. I am not here to dispute the Senator's statements. The Senator may give his facts and I shall give mine.

The Senator said that the increased number of persons "does not take into consideration any of the retirement funds which have been set up under some Government agencies in recent years, and which are being operated entirely independent of the present civil-service retirement system."

Just what the connection is between that statement and Senate bill 637 is entirely vague. The Tennessee Valley Authority does operate a separate retirement system. At the same time the TVA operates a separate employment system, independent of the Classification Act, the classified service, and the civil-service rules and regulations in general, as well as the civil-service retirement system. This, again, was done by act of Congress, and it goes back many years before the Senator from Delaware arrived in Washington.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I will admit to the Senator from South Carolina that many of the statements which I have made on the floor have been regarding matters and things that happened before I came here. Perhaps that is the reason I came here—to investigate some of those actions.

I will admit, further, that when I made reference to the retirement fund of the Tennessee Valley Authority perhaps it did not have anything to do with the civil-service retirement fund. I was merely pointing out the fact that we do have several retirement funds operating in the Government. I think the Senator will admit that when I referred to those other funds, even though it was a little off course, it was more germane to the subject than is the discussion we have just had regarding appointments of postmasters in South Carolina.

Mr. JOHNSTON of South Carolina. I think the Senator is correct when he says he was off the course.

Next, the Senator from Delaware speaks the fact that on the Senate Calendar there is a bill—S. 637—"which has been reported favorably by a substantial majority of the committee."

The fact is that it was not only a substantial majority but actually by a vote of 8 to 1, and that vote was taken only after extensive hearings and many hours of public and executive meetings.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I think the Senator will find that it was really a vote of 12 to 1.

Mr. JOHNSTON of South Carolina. They have a way of counting votes afterward. I am counting only the ones who were actually present at the time. That being so, I grant that if it was a vote of 12 to 1 it is so much the better. I will agree to the Senator's statement, but, if my memory serves me correctly, there were only nine present at the time.

Mr. WILLIAMS. If I am not mistaken, they voted 2 days later on that.

Mr. JOHNSTON of South Carolina. They had one of the "sub rosa" votes and let them all vote. But I am speaking of the situation in the committee at the time.

Tenth. The Senator next says that the report on the bill sets forth that—

> The ultimate cost to the Government when the system reaches maturity, approximately 30 years hence, may be four or five million dollars per year. No immediate increase in appropriations is required.

That report was composed only after the committee had given a great deal of thought to the purposes of the bill and the costs involved. The statements in that report are concurred in by the Civil Service Commission in the form of a letter from the Acting President of the Commission, who says:

> It is our judgment that the liberalized benefits are balanced by modifications elsewhere in the bill, plus, of course, the increased contributions of 1 percent to be made by the Federal employees.

That is where the money is coming from—1 percent from the employees.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I want to thank the Senator from South Carolina for quoting from that report, because a few minutes ago he did not know anything about it; he said that it was a Republican report.

Mr. JOHNSTON of South Carolina. I did not say that. I said that the report was compiled by the staff of the committee.

Mr. WILLIAMS. That is correct; but the fact that the Senator is quoting from it indicates that he accepts it as having some authority.

Mr. JOHNSTON of South Carolina. I will never deny it; and I hope the Senator will not deny it when some other statements are sent in within a few days as to the cost of the bill. The Senator will find, I think, that the cost will be practically nothing.

Mr. President, the statement which I read a few moments ago was made by Mr. Arthur S. Flemming, then acting president of the Civil Service Commission, on May 9, 1947, after the bill had cleared the committee and had gone to the Senate Calendar. The Senator from Delaware will recall that there was a meeting held in his office with the Chief of the Retirement Division of the Civil Service Commission, Mr. Warren B. Irons, who made a statement to the effect that contributions from employees, in addition to the savings effected through economies in administration and otherwise, would approximate any additional cost under Senate bill 637.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I dispute that statement. Mr. Irons did not make such a statement as that in my office. In fact, I have several signed statements which the stenographer took down in the minutes. They are here, and I think if the Senator looks them over he will not find any such statement.

Mr. JOHNSTON of South Carolina. The Senator said that previously, and the Senator said that he has heard no one testify that the 1-percent contribution by employees would cover the cost of those items contained in Senate bill 637. If the Senator will contact Mr. Irons, he will find that he made the statement which I have just made. I would remind the Senator that at a meeting presided over by the Senator from Vermont [Mr. FLANDERS], which was an executive meeting, the statement was made by Mr. Irons to that effect, and no one took issue with him. Whether the Senator attended that meeting I cannot say, because it was an executive meeting and no record was made of the transaction. The Senator appeared to be saying last Thursday that the committee was "spreading the idea all over the country that Government employees would gain benefits under the act," and at the same time "the situation is being misrepresented to either the Members of Congress and the taxpayers or to the employees themselves."

No one, so far as I know, is misrepresenting anything at the present time. I would not have taken any part in any such misrepresentation. I understand the purposes of Senate bill 637, and I believe that practically all my colleagues understand them. The innuendo that anyone inside or outside the committee is trying to misrepresent the purposes or effects of Senate bill 637 I think is not saying exactly what is true. Further, any such statements, implied or expressed, are unfounded.

Eleventh. The Senator makes capital of the statement that a chart which he inserted in the RECORD during the course of his remarks a few days ago had been filed with the committee itself during the hearings but was not printed in the record of the committee hearings. The fact is that the chart was submitted after the hearings had concluded, and only informal sessions were held after the hearings. While the table was not presented at a hearing, the purport of the table was discussed informally and the figures were revised downward. Even on the basis of the chart which the Senator included in his remarks, there is shown only an increased cost to the Government of $11,000,000 for a 32-year period beginning in 1948, the effective year of the proposed act, or at the rate of approximately one-half million dollars a year to institute these social benefits for Government employees.

Thus we find that the cost is very small, even if we take the cost figures to be found in the table which was discussed before the committee.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. The Senator from South Carolina has mentioned that the chart was not filed with the committee. I wish to call his attention to one fact which may refresh his memory: Mr. Irons brought this chart before the committee at one session of the committee, and the Senator from Vermont [Mr. FLANDERS], I believe it was, raised a question as to the figures for the three additional years of 1948, 1949, and 1950, as to which the statistics were not shown on that chart. At the next meeting the chart was brought back, and at that time the figures for all three of those years were included in the chart. It was filed with the committee, not in an executive session, but during a regular session, and it was not included in the printed hearings. Furthermore, the chart does not show that it would cost any such small amount as the Senator from South Carolina has just mentioned.

Mr. JOHNSTON of South Carolina. As I remember, this point was brought up in the committee. We had various and sundry hearings on the bill, and at the time when the Senator from Delaware brought it up, as I remember, the committee was not having any particular hearings at that time. No witness was testifying, as I recall. Is not that true?

Mr. WILLIAMS. Mr. President, at the time when I brought that into the hearings, Mr. Irons was the witness who was answering questions.

Mr. JOHNSTON of South Carolina. At that time, as I recall, we were discussing the general phases and features of the bill, and this matter came up for discussion at that time. Of course my memory could be wrong and the memory of the Senator from Delaware could be correct. I am not quibbling over whether it was done at that time or at some other time, for that makes no difference.

The junior Senator from Delaware has taken the chairman of the Committee on Civil Service to task by claiming that elimination of the tontine or service charge on individual accounts in the retirement fund would cause a loss of $18,000,000 to the fund. It is apparent that the Senator has not read the entire statement of the Civil Service Commission on this point. Mr. Arthur S. Flemming, the Acting President of the Commission, says:

> This charge of $1 per month levied against each Federal employee has been an administrative problem ever since its inception. It is unfair in that the $1 per month is charged against the account of the low-salaried employee as well as the high-salaried employee. When full account is taken of the administrative handling charges, there is actually little net gain in income to the fund. The administration of the act by the agencies and the Commission will be greatly simplified by the elimination of the tontine.

Mr. WILLIAMS. Mr. President, if the Senator will further yield, let me say that if he will read my statement, I think he will find that I did not make any charge that the dollar-a-month charge represents any additional cost. I merely said that I did not understand what it would do, and I said that perhaps the chairman of the committee or some other member of the committee could explain

it. Perhaps the reason that I did not know at that time was because the quotation from the testimony of Mr. Flemming, which the Senator from South Carolina has just read, must have been made at some of the hearings which were not printed and available to Senators, and perhaps I was not present at the time.

Mr. JOHNSTON of South Carolina. I think the Senator will find that statement in the testimony given by Mr. Flemming at the hearings. That is where I obtained it.

Incidentally, let me ask where the Senator from Delaware obtained the information regarding the $18,000,000 cost to the fund. I never have been able to ascertain just what the cost would be, because the administrative costs are so great.

Mr. WILLIAMS. I can explain where I got the figure of $18,000,000. If a million and a half employees are on the pay roll and if they pay a dollar a month, I think the total will amount to $18,000,000. Is not that correct?

Mr. JOHNSTON of South Carolina. In other words, the Senator from Delaware figures the total cost in terms of what would be contributed, without regard to the cost of operation or the cost of handling the funds or writing letters, and so forth.

Mr. President, there are a dozen or more retirement systems operated by the Federal Government. Yet only those administered by the Civil Service Commission carry the $1 a month tontine charge. Of the thousands of plans operated throughout the country in private industry, none, so far as I have been able to learn, make such charge against the credits of persons whose beneficiaries would derive payments under their systems.

The junior Senator from Delaware makes the claim that—

> If this bill passes, it will mean that in order for Congress to reduce the Government pay roll by 1,000,000 employees and assuming that only half of these employees qualify with over 5 years of service, the total cost of this proposed bonus bill would exceed $2,000,000,000.

It is difficult to understand how the Senator arrives at the cost in respect to 1,000,000 employees with over 5 years of service, who, he says, "fought the battle of Washington." The Senator is making a long assumption in believing, first, that 1,000,000 employees will be separated, and, second, that the 1,000,000 would or could have more than 5 years of service. They could not have that much service, in all probability.

Mr. WILLIAMS. Mr. President, if the Senator will further yield, let me ask him how many of them could have 5 years of service.

Mr. JOHNSTON of South Carolina. I think the only person who could answer that question would be someone who has access to all the records relative to civil-service employees. I do not know, and I do not think the Senator from Delaware knows.

Mr. WILLIAMS. How would the Senator from South Carolina suggest that we go about ascertaining that? Would he suggest that we take a particular Government agency as an example and examine the individual records of its employees? Or how would the Senator from South Carolina suggest that we proceed in obtaining an estimate of that sort?

Mr. JOHNSTON of South Carolina. It is almost impossible to predicate the figures for all governmental agencies on the figures in the case of only one governmental agency. We could not proceed in that way. The agencies came into existence at various times, and some of them required more help along the line.

Mr. WILLIAMS. I should like to say that I took one particular agency and went down the line for that agency employee by employee, and obtained the figures for that agency in that way. I do not claim that it is a representative agency, but I would suggest that the Senator from South Carolina make a similar study in regard to another agency and examine the figures for it. If he does that, perhaps we shall be able to agree upon some figure. But I do not think the Senator from South Carolina should criticize my figures unless he has figures to the contrary.

Mr. JOHNSTON of South Carolina. Mr. President, it is impossible to say that the figures for one governmental agency will be indicative of those for all agencies. Such figures would be nowhere near accurate—simply to take the figures for one agency and multiply them by the total number of agencies. I think the Civil Service Commission probably could come the nearest to telling what would have to be paid year by year for the retirement system, and I believe it could do much better than I could.

Mr. WILLIAMS. In the case of the particular agency with respect to which I made an examination, I should like to repeat my report regarding it. That particular agency had 494 employees. Two and one-half percent of those employees—or 11, to be exact—resigned. Four hundred and eight-three accepted their dismissal notice. In addition, 170 of them had service between 5 and 10 years, and as to them I took 7 years as an average. Seventy-one of them had service between 10 and 14 years, and as to them I took 12 years as an average. Twenty-four of them had service between 15 and 30 years, and as to them I took 20 years as an average.

Thus, the total cost of liquidating that agency, insofar as those employees are concerned, would be as follows: All 494 of them would receive $983,500, in addition to getting back all the money they paid into the fund.

The Senator from South Carolina says he will stand by the committee's report, which says the bill will cost nothing. He also has a report in the process of preparation, and it is understood that it will be ready in a few days, for it is being worked on diligently at the present time in an effort to ascertain the answer. But the answer will be that it will cost nothing.

I should like to have the Senator from South Carolina explain just one thing to me: Where is the $983,500 for this one small agency of 494 employees coming from if it is not coming out of the Civil Service Retirement fund? If Congress is not going to appropriate the money, where is the money to come from?

Mr. JOHNSTON of South Carolina. How does the Senator know the figure he gave is the correct amount?

Mr. WILLIAMS. I figured it out.

Mr. JOHNSTON of South Carolina. The Senator figured it out? I wish he would figure out just how much it will cost for the next 25 years. He certainly would be paid well for the information.

Mr. WILLIAMS. Perhaps the Senator believes the figures are wrong. I placed them in the RECORD and I told the name of the agency from which they came and so far the facts have not been disputed. I did not include in the RECORD the names of the employees, because I did not think it would be fair. I do not blame any of the employees for taking what is coming to them if we enact the law, and therefore I would not like to put their names into the RECORD. I will give the name of every man in the agency to the Senator from South Carolina, if he cares to look the list over, and I would appreciate it very much if he then would come to the floor of the Senate and tell me wherein I am wrong.

Mr. JOHNSTON of South Carolina. Mr. President, there is the further fact that many such persons, even if the Senator's figures were correct, would have to wait 35 or 40 years in order to receive full benefit.

Lastly, the amounts which would be expended would be distibuted over three quarters of a century. Further, it is a fair assumption that many of these persons would be dead before arriving at age 62.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. The Senator from South Carolina is perfectly correct when he says that many of these employees would be dead, and never receive the benefit. But this estimate is based on the averages as used by the Civil Service Commission itself. In other words, they figure that on the average 100 employees, or a thousand, whatever figure they use, at the age of 62, would have 13 years coming to them for retirement privileges. It is true that one man will receive 15 or 20 years' benefits, another none. But the figure I gave was the average used by the Civil Service Commission. These figures have been looked over by the Commission, and they themselves do not contradict them.

Mr. JOHNSTON of South Carolina. The Senator from Delaware made the statement that the cost of Senate bill 637 would be $105,000,000. Is that correct?

Mr. WILLIAMS. I think the cost I arrived at was around $75,000,000 in 1980. I included in the RECORD a report that was put before the House committee, and their actuarial statement was that the cost would be $105,000,000. I put that in the RECORD.

Mr. JOHNSTON of South Carolina. When he was discussing the matter last Thursday the Senator from Delaware made the statement that the cost of S. 637 would be $105,000,000 dollars. Unfortunately, he does not seem to have read the entire letter of the Civil Service

Commission of May 21, signed by Mr. Harry B. Mitchell, President, wherein Mr. Mitchell calls attention to the fact that the Commission staff is presently engaged in examining the assumptions used by the Board of Actuaries in reaching its original conclusion on costs. The Commission says:

We are examining particularly the cost charged to benefits to widows and children which is reflected on page 8 as being 1.94 percent of payroll. This examination should be completed within a few days and the Commission will inform you (Chairman LANGER) if, as a result of that examination, there should be any reduction in this quoted cost.

Just what those reestimates of cost will be I cannot say now, but at the proper time they will be presented before the Senate for its consideration.

Mr. President, I have here a statement of just how the actuaries estimate costs, which reads as follows:

HOW THE ACTUARIES ESTIMATE COST

The estimate of cost made by the actuaries of the civil-service retirement fund is based upon the assumption that the Fund is operated on an actuarially solvent basis. This means that there is money enough in the fund at all times to discharge all existing obligations in the event that the retirement system is abolished. This reserve would pay retirement benefits to all employees as long as they live and there would be a sufficient amount in the fund to operate the fund and to liquidate it at the expiration date of the last claim. Obviously, such a huge reserve is not necessary in a Government fund. If anything should happen to the financial stability of the Government, there would be no retirement benefits.

And there would not be very much for us here in America to live for.

In estimating cost the Board of Actuaries estimate normal costs and deficiency costs. Normal costs have nothing to do with expenditures. The actuaries do not attempt to estimate expenditures. What they call normal cost is the amount of future benefits earned by all individuals under the fund in any one year. Deficiency cost represents all the benefits due to the employees for previous service rendered prior to the enactment of the act.

In no other Government operation does the Government attempt to build up such an enormous reserve. In no other Government operation does the Government attempt to set up reserves to pay benefits for 70 or 75 years in the future. This is exactly what is attempted with relation to the retirement fund.

Mr. President, if we will study the entire civil-service and the retirement system as it applies to all civil-service employees, we will see that the Government has not at any time kept in reserve a sufficient amount actually to meet all the contingencies set out in what I have just read. But the Government does undertake to help out with the payment of benefits under the retirement system.

To begin with, it was estimated that the Government would pay the whole cost. Later the employees' contribution was increased from 2½ percent to 3½ percent, then later to 5 percent.

Now, to take care of the additional costs, the bill calls for an increase of from 5 percent to 6 percent. That alone will take care of the benefits which are allowed under the bill, according to my estimate.

Mr. WILLIAMS. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. The Senator referred to his information. Where did the Senator get the information?

Mr. JOHNSTON of South Carolina. I got my information from talking to those who are supposed to know what they are talking about, the Civil Service Commission and the actuaries.

Mr. WILLIAMS. Did the Senator get his information from the Board of Actuaries who are now working on the bill?

Mr. JOHNSTON of South Carolina. For the Senator's information, I do not know who the actuaries are he has working on the bill.

Mr. WILLIAMS. But the Senator does know what their answers will be?

Mr. JOHNSTON of South Carolina. All I know is what I learned in the committee, that they are working on it.

Mr. WILLIAMS. And the report to the committee is supposed to be that the bill will cost nothing?

Mr. JOHNSTON of South Carolina. I am also taking the advice of the one who says it will cost nothing. I do not know about that. I do not pretend to know. I am being guided solely by what I have been informed by the Civil Service Commission and the actuary of our committee.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Does the Senator from South Carolina yield to the Senator from Delaware?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. The actuary of the committee, of whom the Senator is speaking, is the same actuary who told me, on April 30, that no reliable estimate of the cost could be made until he had obtained certain information.

Mr. JOHNSTON of South Carolina. Does the Senator say that the actuary did not make that statement to him?

Mr. WILLIAMS. No; I am speaking about Mr. Phenix. Is the Senator referring to Mr. Phenix, the actuary of the Senate Civil Service Committee, who is helping prepare the report, according to which the retirement bill will cost nothing? Is that the man to whom the Senator refers?

Mr. JOHNSTON of South Carolina. As I said, I do not know who is preparing the report at the present time, but he helped prepare the report that was sent out.

Mr. WILLIAMS. If the Senator will yield further, I thought I heard him say he was talking with the actuary of the Senate Civil Service Committee.

Mr. JOHNSTON of South Carolina. That is true. Now, is the Senator speaking of the report that was made?

Mr. WILLIAMS. No; I am speaking of the report that is yet to come.

Mr. JOHNSTON of South Carolina. I do not know who is going to make that. I do not know exactly who will make that report. It will, however, come through the committee.

Mr. WILLIAMS. I see. The Senator simply knows the answer?

Mr. JOHNSTON of South Carolina. No, I am not saying that; I do not know the answer. But the information I have is to the effect that the report will show that the pending bill will not entail any additional cost to the Government.

Mr. WILLIAMS. I should like to observe that, as a member of the Senate Civil Service Committee, so far as I know, there is no actuary of the committee working on it, unless somebody has someone working on the side, preparing a report.

Mr. JOHNSTON of South Carolina. We had men who are supposed to know the actuarial tables, who were working for us when we were considering the bill, during the past 5 months. Is not that true?

Mr. WILLIAMS. That part is true. We were supposed to have men working on it, and those men made a report to the committee. Their report was that the bill would cost something. But that report was omitted, and it has been ignored. I am speaking of the report which is to come from an unknown board of actuaries—a report about which the answer is known, 2 weeks before the report will actually be issued.

Mr. JOHNSTON of South Carolina. Is the Senator speaking of a time before the bill was finally amended? If the Senator will recall, the actuaries said before we revised the bill, that it would involve additional costs. The revision saved millions of dollars. After the revision, did the Senator hear any man, who could speak from the standpoint of an actuary, say that the pending bill would involve additional cost?

Mr. WILLIAMS. I did hear somebody say so, after the bill was amended. Perhaps the Senator from South Carolina is speaking of some amendment which I have forgotten.

Will he tell me what particular amendment was made to the bill, after the report was made, which lowered the cost $20,000,000.

Mr. JOHNSTON of South Carolina. There was no report after that, but I am speaking of a time toward the end, when we were working on it, when we made several amendments that were suggested, as the Senator knows.

Mr. WILLIAMS. That is correct.

Mr. JOHNSTON of South Carolina. We made several amendments that, as the Senator knows, were suggested by the actuaries, that they said would result in a saving of millions of dollars.

Mr. WILLIAMS. Will the Senator from South Carolina tell me of some of those amendments which would save money and which were adopted after the report was made? I cannot remember any amendments which were going to save $20,000,000. Perhaps I am wrong. Will the Senator tell me of some such amendment which was adopted?

Mr. JOHNSTON of South Carolina. Several amendments were submitted to us. I do not recall all the amendments submitted, but we had amendments before us, and the bill was revised.

Mr. WILLIAMS. Mr. President, it seems to me this is another assumption. This is an unknown amendment.

Mr. JOHNSTON of South Carolina. No.

Mr. WILLIAMS. I should like to know which amendment it was.

Mr. JOHNSTON of South Carolina. The bill was practically rewritten; is not that true?

Mr. WILLIAMS. Mr. President, we worked on this bill, I think, 4 months, did we not?

Mr. JOHNSTON of South Carolina. We have been working about 4 months on this bill. That is correct.

Mr. WILLIAMS. We had, I would roughly guess, from 20 to 25 sessions. Would I be far wrong in making that statement?

Mr. JOHNSTON of South Carolina. I think it was somewhere in that neighborhood. I was not present every day. I did not count the sessions.

Mr. WILLIAMS. Only five of the committee meetings were reported. I am trying to recall the amendment. I should like the Senator from South Carolina to correct me if I am wrong. I cannot remember any amendment being adopted which would save $20,000,000.

Mr. JOHNSTON of South Carolina. Is the Senator criticizing anybody?

Mr. WILLIAMS. No; I am merely trying to have a correct understanding.

Mr. JOHNSTON of South Carolina. Whose fault was it that all the meetings were not reported?

Mr. WILLIAMS. I do not know. The majority made the report. Thus far I have not been able to find any member of the committee who knows anything about the report of the committee being written, and yet it is on the desks of Senators, and it only covers 5 days, when it was admitted by the Senator from South Carolina just now that the committee had from 20 to 25 sessions.

Mr. JOHNSTON of South Carolina. We considered the report, as well as I remember, on three different days. Was not the Senator present on either one of those days? On one occasion we took up the matter of the report, and discussed it; the next day we sat and discussed it further, and we held it over. They were going to work on it a little further, and the report was to be made.

Mr. WILLIAMS. The only observation I made on the report in the committee when it was being prepared was that it was a majority report, and, since I voted against the report, it was none of my business what was in the report. It was the report of the majority which was to be filed.

Mr. JOHNSTON of South Carolina. So the Senator was present, then, when the report concerning the pending bill was considered? Did the Senator vote for the report?

Mr. WILLIAMS. No, sir. I did not vote for the report. I was not present when it was voted to report the bill.

Mr. JOHNSTON of South Carolina. The Senator was absent, then?

Mr. WILLIAMS. Had I been there, I should not have opposed the report being filed, because that was the action of the majority. I made my report, and I tried to defend on the floor the figures I presented. I do not claim that I am infallible, and if some amendment was adopted during a session from which I was absent, I am willing to correct my statement so far as that is concerned. But I wish the Senator from South Carolina, who remembers so much of what happened after the figure of $20,000,000 was placed before the committee, in connection with the cost in 1950, would tell me what amendment was adopted, either in my presence, when I was asleep, or when I was absent, which would reduce the cost.

Mr. JOHNSTON of South Carolina. Was the Senator present when the committee voted to make the changes—that is, to make the reduction?

Was not the Senator told that, if employees were given more time in which to withdraw from the fund, it would involve millions of dollars of additional cost?

Mr. WILLIAMS. Mr. President, I was present when a great deal was said with respect to the bill. I still do not recall any amendment that would change the cost represented by the bill, to the extent that the Senator from South Carolina has mentioned. I should like to be corrected by having the Senator name the amendment. I wish he would name some amendment.

Mr. JOHNSTON of South Carolina. The Senator remembers that we went all through the bill, and that certain things would effect a saving, and certain things would add to the cost, all the way through the bill. Does not the Senator remember that?

Mr. WILLIAMS. Mr. President, that is a little too general. I wish the Senator would tell me what the certain thing is that effected a saving in the figures stated by me. I stated what I thought it would cost. I wish the Senator would name for me just one amendment which would make such a reduction.

Mr. JOHNSTON of South Carolina. Would it not save money to force employees who had served not more than 5 years to receive their money in cash? Would not that represent a saving to the fund of millions of dollars? Such a provision was added. Is that not so?

Mr. WILLIAMS. Mr. President, will the Senator from South Carolina repeat the question?

Mr. JOHNSTON of South Carolina. Would it not save money to force a person who did not have more than 5 years employment in the service to take a money payment?

Mr. WILLIAMS. Mr. President, will the Senator from South Carolina answer a question, first? What does the employee who now has less than 5 years' service receive?

Mr. JOHNSTON of South Carolina. He receives back the money he paid in, plus 4 percent.

Mr. WILLIAMS. Mr. President, will the Senator from South Carolina tell me what the employee will receive under the pending bill?

Mr. JOHNSTON of South Carolina. He would receive the same amount, but there was discussion as to whether or not that would be carried forward, with the right given the employee to stay in the fund, and then, upon reaching the age of 62, come in under the amendment.

Mr. WILLIAMS. Then the Senator will admit that the status of the employee who has less than 5 years' service was not changed, will he not?

Mr. JOHNSTON of South Carolina. There is no change, so far as the law is concerned.

Mr. WILLIAMS. Then that would not account for any part of the $20,000,000 of which the Senator is speaking?

Mr. JOHNSTON of South Carolina. Let me explain to the Senator from Delaware that we were discussing in committee, not the items that would cost less than the present law, but less than the bill that was introduced. We were trying to cut back the bill that was introduced so that it would not cost the Government any more money.

Mr. WILLIAMS. An employee, as I understand, under the present civil-service system, who has less than 5 years of service, is eligible for a refund of all his money, plus interest. Under Senate bill 637, an employee who has less than 5 years' service receives exactly the same consideration, and it makes no difference whatever in the cost under the bill. If I am wrong about that, I wish the Senator would correct me.

Mr. JOHNSTON of South Carolina. That is true, under the present law, and it is true under the pending bill.

Mr. WILLIAMS. Therefore, Mr. President, when we made those changes, we made absolutely no change in the cost at all.

Mr. JOHNSTON of South Carolina. That is true.

Mr. WILLIAMS. And we are still $20,000,000 out of line in our figures.

Mr. JOHNSTON of South Carolina. I do not see that we are out of line by $20,000,000. That is what I am told; I am stating only what the actuaries who studied the pending bill have said.

Mr. WILLIAMS. If I may, I shall hand to the Senator the report of which I am speaking.

Mr. JOHNSTON of South Carolina. Two actuaries may appear before the committee when it is considering a retirement system; and one will tell the committee that probably the system will cost so much, and the other will say it will cost some other amount. Finally, if they get together and try to iron out the differences and resolve the matter they will come pretty close together. That is what has happened in this instance as I understand from our study of the bill.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I should like to suggest at this time that we are $105,000,000 apart based on actuarial statements. The actuarial statement on an identical House bill gives the cost of the bill as $105,000,000. Is that correct?

Mr. JOHNSTON of South Carolina. The bill that was originally introduced in the House and the bill originally introduced in the Senate are entirely different from the bill reported by the Senate Civil Service Committee.

Mr. WILLIAMS. Mr. President, that is what I am trying to ascertain, namely, the difference in the cost of the various bills. If I am wrong about the matter, I wish someone would tell me what

the difference is. What is the difference between the bill reported by the Senate committee and the House bill, which would account for the discrepancy of $105,000,000?

Mr. JOHNSTON of South Carolina. I think if the Senator will read the report he will find the information. The committee staff has made a report, and they know far more about that matter than I do.

Mr. WILLIAMS. I should like to observe that I have read the report. I have read all the reports. In fact, I have been reading quite a little on this matter, and I still say that I cannot see any difference between the Senate bill now before the Senate and the bill which was before the House, which would account for the difference in the cost between the two. If I am wrong in that respect I wish some member of the committee who knows more about the matter than I do would tell me wherein I am wrong. The report on the bill before the Senate says there will be no additional cost to the Government. Yet a report on the identical bill in the House says the cost will be $105,000,000. One hundred and five million dollars may not mean much money in Washington, but it does mean a great deal of money in the places where the money comes from. I should like to know what the difference is between the two bills.

Mr. JOHNSTON of South Carolina. Is the bill which was in the House identical with the Senate bill, as amended, and now before the Senate? I do not think they are the same. They could not be.

Mr. WILLIAMS. I thought I had a copy of the House bill, but I do not. I have had both bills in the office and studied them, and so far as I have the ability to grasp, there is no difference in them which would account for the difference in the cost as stated. Perhaps the Senator from South Carolina can tell me wherein there is a difference between them.

Mr. JOHNSTON of South Carolina. I have not read the House bill. Therefore, I cannot tell the Senator what is in the House bill. The Senate bill is here before us, and the Senator can read it.

Mr. WILLIAMS. That is the point I want to bring out. The Senator from South Carolina is discussing a House bill which he has never read. He is quoting from an actuarial statement which is coming to the floor of the Senate sometime within the next few weeks. It has never been published, and yet he knows the answer.

Mr. JOHNSTON of South Carolina. I beg to differ with the Senator. I have not read the House bill. I do not know what is in it. I do not know what it looks like. I do not know whether it is similar to the Senate bill. I was asking the Senator from Delaware whether the two bills are alike.

Mr. WILLIAMS. I have already said that they are the same.

Mr. JOHNSTON of South Carolina. The Senator has read them both?

Mr. WILLIAMS. I have read them both, and I think I have a copy of them somewhere here.

Mr. JOHNSTON of South Carolina. I am speaking of the bill which was reported by the Senate committee, not the bill introduced in the Senate.

Mr. WILLIAMS. Mr. President, I have read both bills. I would not say they are exactly the same, word for word, but in my opinion there will be found to be very little difference, if any, in the cost of the bills as reported. They are framed along similar lines. If I am wrong in that statement, I wish the Senator from South Carolina would correct me. There may be the change of a comma somewhere, but the meaning and the provisions of the House bill are substantially the same as the bill before the Senate.

Mr. JOHNSTON of South Carolina. I have not read the House bill. The only bill I have read is the Senate bill. I do not know what is in the House bill. But I make the statement I am making on the basis of what was brought out before the committee. I have just now received the information that the House bill was not reported by the House committee. The Civil Service Committee reported the Senate bill. A bill was introduced in the House, but it has not been reported. Is that not true?

Mr. WILLIAMS. If the Senator will wait a minute, I shall endeavor to obtain the information. I cannot answer at the moment. I was not quite prepared for this discussion today, and when it arose I did not think I should be obliged also to prepare the other side of the question presented by the Senator from South Carolina. The Senator from South Carolina is speaking of the House bill, a bill which he has never read.

Mr. JOHNSTON of South Carolina. I said all the time I did not know what the House bill was. I have not read it. I do not know what is in it.

Mr. WILLIAMS. I believe the Senator said he did not know anything about the House bill, but that it was different from the Senate bill. Although he has not read the House bill he says the bills are different. I think he should secure a copy of the House bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. TYDINGS. If it is in order, I move that both the Senate and the House bill be stricken out of the four treaties now pending before the Senate.

Mr. JOHNSTON of South Carolina. The only thing that would then be before the Senate would be the Senate bill as reported by the committee.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. If the Senator from Maryland will withdraw his motion, I will say that I have the actuarial report in my hand dealing with the House bill. I wish to read the part of it which I placed in the RECORD on last Thursday.

Mr. JOHNSTON of South Carolina. Will the Senator suffer an interruption? I have the floor.

Mr. WILLIAMS. Yes; the Senator has the floor.

Mr. JOHNSTON of South Carolina. I think there is a little confusion with respect to what has occurred in the two Houses. A bill was introduced in the House, but was not reported by the House committee. The bill that was introduced in the Senate was probably similar to the House bill. Hearings have been had in the Senate committee on the Senate bill. It was remodeled, revamped, as every member of the committee knows, and in that form was reported. That being true, the cost of the Senate bill would be different from the cost of the bill as it was originally introduced in the Senate, and I believe every member of the committee, except the Senator from Delaware, will agree that we have revamped the bill, and that the cost under the bill as it is now before us will be millions of dollars less than the cost of the original Senate bill. I believe that is a fair statement to make.

Mr. WILLIAMS. If the Senator from South Carolina keeps on in that vein, perhaps it will be disclosed that a refund will be obtained under the bill as it is now before us. First a bill was introduced in the House, the cost of which to the Government would be $105,000,000. Then it got down to the point where the Senate Civil Service Committee said it would not cost the Government anything; now the Senator from South Carolina has got down to the further point where it will cost even less.

I should like to read a quotation that was contained in the actuarial report on the House bill that is now before the House. It is a part of the statement which shows the cost of $105,000,000 under the bill.

> The comparative costs given above indicate that the adoption of S. 637—

This is the Senate bill, not the House bill—

> The comparative costs given above indicate that the adoption of S. 637 (Calendar No. 144) will increase the cost of the civil service retirement and disability fund to the Government by the difference between 10.82 percent of pay roll and 8.68 percent, or 2.14 percent of pay roll, or $105,324,269 per annum on the basis of the pay roll as of June 30, 1946.

In this actuarial report there is not even a mention made of the House bill. The Senate bill, S. 637, is being discussed. The report does not discuss the Senate bill (S. 637) as we worked on it in the committee. It discusses the bill that was on the calendar, Calendar Na. 144. The bill after it was reported and placed on the calendar would still cost $105,000,000.

We have another actuarial report coming in, which, as we have been told, will show the cost as being zero. The question has been raised as to the bill before us dealing with the retirement fund. I believe if the Senator will think back he will find that at no time have I criticized this bill from the beginning, in that it would grant to permanent employees some benefits in connection with the retirement fund. I think they are deserving of some consideration, especially the older employees who are now off the pay roll, trying to live on a dollar which is devalued today, while they paid into the fund a good 100 percent dollar years ago to build up the fund. I think there is an adjustment due. But, on the other hand, in this bill, in order to make those corrections,

in order to give the employees of the Government, survivorships, the one thing they want most, I cannot see any reason why we should declare a bonus to those who, as I once said, fought the battle of Washington.

The employees who came here knew that the jobs would not be permanent. I do not see why it is necessary, in order to give some of the permanent employees benefits to which they are entitled, to pass a bill which would grant benefits to someone who is about to be discharged. I should like to have the Senator from South Carolina or some other Senator explain the reason for the bill. In liquidating a certain agency it would cost $5,000 more, in some cases, to dismiss an employee than it would cost if he were to resign. Take the Solid Fuels Administration, a typical agency. It has 494 employees. I do not blame the employees for not resigning, if the bill stands a chance of being passed. In that event they could get nearly $1,000,000 more by not resigning. I should like to know why such a provision was placed in the bill which would give an employee dismissed from the service from $3,000 to $5,000 more than he would get if he were to resign, and more than another employee with the same length of service would get if he were to resign.

Take the case of the OPA, which we are closing in June. If one of its employees sees an opportunity to get a job today in private industry and resigns, and another employee who has had the same length of service remains until June 30 and is dismissed, he will get from $3,000 to $5,000 more than the man who resigned. I want to know why such a provision was placed in the bill, if it is not a bonus bill, if we are not trying to cover up a bonus for wartime employees.

Mr. JOHNSTON of South Carolina. This bill does not change the law so far as concerns Government employees who entered the service during the past 5 years. It does not change their status one iota. We continually hear that statement. I should like to have the Senator explain just how the bill would change their status.

Mr. WILLIAMS. Under the law as it now stands, a Government employee with 5 years of service, after he leaves the service, is not entitled to receive the deductions made from his salary during the time he was in the service. Such deductions are retained in the fund. He cannot withdraw them. When he reaches a certain age—62, 65, or whatever the retirement age is—he is entitled to an annuity based upon the contributions which he has made. I am not objecting to that. However, under the terms of this bill, if that employee is dismissed from the service he gets all his money back, and still gets an annuity. Where is the money coming from? It does not cost the Congress anything. Where is it coming from if we are not planning to rob the retirement fund?

Mr. JOHNSTON of South Carolina. So far as that is concerned, 1 percent additional would be paid into the fund. The view of the committee was that an employee who is discharged ought to be in a different status from an employee who resigns from the Government service, after working for a short while, and takes a job in private industry. He should not be permitted to reach back to the Government and say, "I want you to pay my retirement also."

Mr. WILLIAMS. Does the Senator believe that a 1 percent additional contribution would pay the additional cost?

Mr. JOHNSTON of South Carolina. That is the statement which I have made all along. That is what the committee thought. No one knows exactly, but it is believed that a 1-percent additional contribution would approximately cover the additional cost.

Mr. LUCAS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. JOHNSTON of South Carolina. I have concluded.

Mr. WILLIAMS. Mr. President, I should like to make an additional observation. Apparently we are now getting a different understanding of the bill. Evidently it is the plan of the sponsors of the bill to levy an additional tax of 1 percent on the pay roll of all employees for generations to come in order to pension employees who are now leaving the service. In the case of the agency which I mentioned, that would represent a sum of $983,000 additional. On the average, $1,991.05 would be paid to every employee on the pay roll, out of the 1 percent. I wonder how other Government employees, such as postal clerks, who are permanent employees, will feel when they are asked to pay an additional 1 percent for the next 30 or 40 years. How are they going to feel when we use that additional 1 percent to pay those who are now leaving the service? Is that the plan?

Mr. JOHNSTON of South Carolina. Every time we have blanketed employees under civil-service retirement, certain employees have obtained benefits without paying for them. However, the additional benefits provided by the bill will be available to those who are already retired on annuities. If that is wrong, that is what the committee reported.

Mr. WILLIAMS. Mr. President, if we continue to debate the bill, perhaps we shall reach complete agreement. We have already agreed that certain employees were blanketed in. We have agreed that it was not fair to blanket them in; and we now agree that under this bill it is proposed to levy an additional tax of 1 percent on the pay roll to partially care for the cost of this bonus bill. On this basis we shall never be able to liquidate Government agencies until we discharge every employee.

Information with respect to the agency to which I have referred was placed in the RECORD last Thursday. The Senator from South Carolina could very easily have checked it. The headquarters of the agency is in Washington. The agency had 494 employees, and only 11 of them resigned. Those 11 employees might have been in a bracket which would receive certain benefits. The chances are that they were in the service for less than 5 years, so it would not make any material difference whether they remained in the service or not.

If we are to pay a premium of between $3,000 and $5,000 in the case of employees who are dismissed, the only way to get them off the pay roll is to dismiss them. The average payment to the individual employee in the case of the particular agency to which I have referred would be $1,991.05. Using this as a rule, it would cost nearly $2,000,000,000 to remove 1,000,000 employees from the Federal pay roll. That statement has not been contradicted. The agency to which I refer is an average agency since it was formed in the early war years.

I dislike to think that the sponsors of this bill would report a bill in the name of retirement, and encourage the retired employees who now need protection to think that they are going to receive benefits, and encourage other Federal employees to believe that they are to receive certain benefits, when it is all done for the purpose of giving temporary employees a bonus of $2,000,000,000.

CALL OF THE ROLL

Mr. BRIDGES obtained the floor.

Mr. WHITE. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. BRIDGES. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo
Bushfield	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stewart
Chavez	Lodge	Taft
Connally	Lucas	Taylor
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thye
Downey	McClellan	Tobey
Dworshak	McFarland	Tydings
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
George	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Wilson
Hatch	Murray	Young

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

ORGANIZED ACTIVITY AGAINST PENDING LABOR LEGISLATION

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to the Senator from California.

Mr. KNOWLAND. Mr. President, we have all received quite a number of communications relative to the labor bill which is now pending before the Congress and which very soon will go to the President of the United States for his approval. I have a letter in my hand which I think was not meant to get into my hands, but I think it is of interest to the Senate and I desire to read it into the RECORD at this time. It is addressed "To All A. F. of L. Unions and Councils,"

and dated May 16, 1947. It reads as follows:

Within the next few days a joint conference of the United States Senate and Congress will draft an antilabor bill, based upon the Taft and Hartley legislation. This bill undoubtedly will be adopted by both Houses. We have every reason to believe President Truman will veto the bill; however, from present indications, the Congress will pass the bill over the President's veto by an overwhelming majority.

In the Senate we are informed that the A. F. of L. needs the support of 7 more Senators to block the passage of the bill over a veto. Senator KNOWLAND is one of the Senators needed. It is essential that a sufficient number of telegrams, letters, and telephone calls be made to Senator KNOWLAND in an attempt to influence him to refuse to override the veto. Thousands of letters from business men are arriving daily, requesting the adoption of this antilabor legislation. However, communications and contacts from members are very light. The united A. F. or L. is, therefore, requesting each union to have each officer, executive board member, and business agent take it upon himself to get 5 persons to wire, write or telephone Senator KNOWLAND within the next week, requesting him to vote against passage over a veto.

In Los Angeles County, A. F. of L. unions have over 5,000 members who are officers in the above capacities. If each of these officers got 5 persons to respond, Senator KNOWLAND will have received word from at least 25,000 citizens. If each officer leaves it to the others, Senator KNOWLAND will receive no correspondence. This is a program that must be carried out. It is a last-ditch attempt to avoid sabotage of the free trade-union movement. Please act immediately.

We will appreciate copies of letters or telegrams sent, or a reply from each officer when he has accomplished the above outlined task.

Sincerely and fraternally,

W. J. BASSETT,
Executive Secretary.

Address Senator KNOWLAND, Senate Office Building, room 355, Washington, D. C. Telephone, Washington, D. C., National 3120, extension 183.

Mr. President, the sequel to that form of pressure activity is a letter which I received from a member of one of the unions in southern California. For obvious reasons, I am not going to read the name of the gentleman who sent me the letter, but he has signed his letter, and it is in his own handwriting. The letter is addressed to Senator WILLIAM F. KNOWLAND, Washington, D. C., and it is dated May 26. It reads as follows:

DEAR SENATOR KNOWLAND: This is to inform you that a form letter which I wrote you today from Hollywood is a form letter written by myself and hundreds of others under duress whereby we were threatened that unless we would write this letter, local No. 468, of which Joe Singleton is office manager, would not issue work orders to those who would not conform.

Thank you, sincerely.

And then the name is signed.

He adds a postscript, as follows:

P. S.—Let's stop this dictatorship, and keep our United States a good place to be able to work and make a decent living.

Then, Mr. President, a day later I received the following communication:

DEAR SENATOR: I am enclosing a circular put out by the Newspaper Guild of Los Angeles which may be of interest to you. Several of my friends, who are members of the guild, have told me that they are in favor of the Taft-Hartley bill, but don't dare write you for fear of reprisals. After having witnessed some of the "legal" union activity around here recently, I can see their point of view.

I feel sure that you are doing all that you can to solve this problem in an adequate and rational manner. When good Americans do not dare to freely express their political convictions, then the situation certainly calls for remedial action.

Mr. President, at this point in the RECORD, I ask unanimous consent to have printed the letter going from the Los Angeles Newspaper Guild to its members.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOW THE TAFT-HARTLEY LABOR BILL WOULD AFFECT THE GUILD

Make illegal "coercing" anyone to join. This "coercion" could be interpreted so drastically as to prevent all organizing.

Bans the closed shop, seriously curtails the union shop (we call it the guild shop).

Would prohibit all supervisory employees from belonging to guild. This would include any employee who supervises the work of one or more people. It might affect hundreds in LANG.

Would wreck the NLRB by emasculating the Board's powers, dividing its responsibility.

Would prohibit industry-wide bargaining. While this seems harmless as far as the guild is concerned, the provisions in this are so embracing as to forbid the American Newspaper Guild from even giving the Los Angeles local wage information at it applies to other bargaining on papers throughout the country.

Obviously these, and other restrictions of the bill would at once endanger the wages and working conditions of all guildsmen. For some guildsmen it would bring an end to membership, hence an end to guild job protection, severance-pay rights, etc.

What to do:

Write at once to President Truman asking him to veto the bill.

Write at once to Senator WILLIAM KNOWLAND and Senator SHERIDAN DOWNEY to sustain Truman's veto—if he vetoes the bill.

Do it now.

It's costing money to fight this labor bill. A collection will be made next week at LANG plants. If guildsmen will contribute 50 cents, thus spreading the cost pretty thin for a vitally needed job, we will meet our quota. Issued by LANG political action department.

THE STEEL INQUIRY

Mr. WHERRY. Mr. President, I hold in my hand an editorial entitled "Get the Full Facts on Steel Racket," published in the Philadelphia Inquirer for May 25, 1947. The editorial commends in the most flattering and, I would say, the highest terms the work of the Senate subcommittee which is now and for nearly a month has been investigating the situation in the steel industry. I refer to the subcommittee composed of the Senator from Pennsylvania [Mr. MARTIN], the Senator from Washington [Mr. CAIN], the Senator from New York [Mr. IVES], the Senator from Florida [Mr. HOLLAND], and the Senator from Louisiana [Mr. ELLENDER]. I ask unanimous consent that the editorial be printed in full at this point in the RECORD, as a part of my remarks. I think it will be of interest to all Members of the Senate as showing the work the subcommittee is doing and as indicating how this particular newspaper, which I believe is representative of many other newspapers, feels about the work of this subcommittee of the Small Business Committee, which is doing such an admirable job in inquiring about the situation relative to steel.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GET THE FULL FACTS ON STEEL RACKET

Shaping up as one of the most gigantic rackets yet uncovered in this country is the so-called gray market in steel now the subject of investigation by a United States Senate subcommittee headed by Senator EDWARD MARTIN, of Pennsylvania.

Mr. MARTIN is not the kind who starts something without carrying it to completion, and we may be sure that his committee will not end its inquiry until every pertinent fact has been produced.

These are big-money operations, under-the-counter deals with fantastic profits involved. Senator MARTIN's group is evidently on the trail of something that will make the racketeering of the prohibition era seem small-time. With only a few days' testimony and with many witnesses still to be called and masses of evidence to be presented, the record is already replete with charges of price rigging carried to extravagant heights, of thousands of dollars paid out for undelivered products, of intimidation and threats.

Starting point of the whole gray market enterprise, of course, is the continued scarcity in sheet steel, a basic product in industry. There has not been sufficient steel to supply industry's needs. The result has been stiff competition to obtain as much of the available steel as possible, with price no object.

We have seen the same thing happening in the case of other scarce commodities in the war and postwar years. Whenever anything is in short supply, whether it be automobiles, nylon stockings, washing machines, or building materials, there is always someone who manages to obtain the wanted products and someone else who is eager to buy them at exorbitant prices.

The ordinary consumer, naturally, is victimized by such operations. If he is unwilling to compete on a straight price basis, he simply does not obtain the goods.

We have had an unsavory example of this kind of business recently in the sale of new automobiles at from $500 to $1,000 above the manufacturers' retail price.

The racket in steel which Senator MARTIN's committee is exposing is on the same order as these other operations, except that more money is evidently involved and even shadier deals are indicated.

Sheet steel ordinary sells at around $80 a ton. When it is realized that prices up to $240 a ton have been quoted on the gray market, the enormous profits open to those who can obtain any substantial amount of the product are evident.

A Pittsburgh steel broker, E. A. Kerschbaumer, has told the Martin subcommittee that he lost $63,000 in an attempt to work out a steel deal that was not consummated. In the course of the transactions, he testified, "a couple of gunmen" appeared in his hotel room and threatened him.

The broker, according to his testimony, had ample credit for his middleman operations and customers ready to pay high prices for steel. He stated that a Detroit man offered him 300,000 tons of steel at $147 a ton.

His counsel testified that Kerschbaumer had been told by a New York lawyer that he could have 148,000 tons of steel if he would pay an "override" of $62.50 a ton over and above the market price.

These allegations will, of course, be investigated by the Senate group, along with other details of this widespread price kiting. Only the surface has been scratched thus far. The

subcommittee should be given every facility and assistance necessary for an exhaustive investigation.

Steel is big business. Everything affecting it affects American industry and American living. Racketeering in steel is a blow at American production. Senator MARTIN and his fellow investigators are performing a tremendous service in relentlessly exposing these shady operations.

TREATY OF PEACE WITH ITALY

The Senate, as in Committee of the Whole, resumed the consideration of Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947.

Mr. BRIDGES. Mr. President, twice in three decades it is given to us to try to rebuild a war-torn world, upon which mankind has visited ruthless destruction, unprecedented displacement of populations, and catastrophic confusion. Never have the wellsprings of hatred been more deeply drained, nor the dregs of despair more bitterly tasted. We live amidst world doubt, world confusion, and world revolution, in which hunger, want, and suffering stalk this unhappy globe. Doubt assails countless millions on every hand, and they look to us as almost the only source of hope for a brighter, peaceful world.

We are learning now that peace depends largely upon what efforts we devote to it. To have peace, we must build for peace and must encourage others to share the construction. Otherwise, we cannot escape a third World War, with havoc and destruction of incomprehensible magnitude. Indeed, it is not impossible that civilization as we now know it might be ended. It is with these sobering thoughts that I believe we should approach the question of ratification of the Italian Treaty of Peace.

Recently, in increasing strength and number, thoughtful citizens have come to criticize this Italian Peace Treaty in the severest terms. One columnist has said:

> I would be against the Italian treaty, even if there were a democratic and humane regime in Yugoslavia, because the treaty is unjust, stupid, cruel, dangerous, and in violation of our solemn promises.

Another has remarked that the treaty is "unjust, iniquitous, and vengeful." These are only two samples of a host of accusers who hold that the treaty is not only a violation of American ideals, promises, and democratic aims, but a serious threat to our political and social institutions and to our economic and international aims. They fear that by subscribing to the terms proposed, we shall make it easy for communism and Russia to seize control of Italy, while we are simultaneously opposing them elsewhere. They point out that the economic provisions contradict American interests, and are a sure guaranty that Italy will not recover, and, consequently, that Europe and the world will also fail to recover.

The treaty which we are now called upon to ratify can be, and has been construed, and correctly so—as a violation of our promises. Time and time again, Franklin D. Roosevelt and Winston Churchill, war leaders of two of the great Allied nations, promised the Italians just terms if they would turn out Mussolini and his brood. On June 4, 1944, after the fall of Rome, President Roosevelt said:

> The Italians, too, foreswearing a partnership in the Axis which they have never desired, have sent their troops to join us in our battles against the German trespassers on their soil.

In the following October he said:

> To the people of Italy we have pledged our help, and we will keep the faith.

Mr. President, how does this treaty propose to keep the faith? Does it keep the faith by stripping Italy of naval units we gave her reason to believe she could retain, and turning them over to Russia? Does it keep the faith by reducing Italy to a third-rate power? Does it keep the faith by placing Italy under the domination of a ruthless Yugoslavia? Surely, if it was wrong for a dictatorial totalitarian Italy to rule the Yugoslav part of the Adriatic, it is no less wrong for a dictatorial totalitarian Yugoslavia to rule the Italian part of the same sea. The treaty further strips Italy of land which we ourselves agreed she had a right to hold after the First World War. It is hard to visualize a treaty more severe than that which is before us.

I ask, Mr. President, is this the way the United States now would keep the faith? Does our word mean one thing when we are in battle, and another when we have won? One of the distinctions between our country and totalitarian states has been that man can rely on the American word. I, for one United States Senator, am proud of that distinction. One of the distinctions of which I am proud is the keeping of the faith, and I do not want to see it violated by the ratification of the pending Italian treaty.

This treaty runs counter to some of the basic principles for which we fought in both World Wars. It violates the Atlantic Charter; it strengthens totalitarianism; and it would leave Italy wide open to a totalitarianism as obnoxious as that which we fought from 1942 to 1945. Where is self-determination in Tenda-Briga, or freedom in Venezia Giulia, or freedom from want and fear for the 180,000 Italians in Yugoslavia? This treaty would fasten these unhappy conditions on the world.

Still another reason why the treaty should not be ratified is that its economic provisions run counter to world interests and will prevent economic recovery. While the United States and Great Britain, because of the economic weakness of Italy, agreed to forego their reparations, Russia and her satellite states insisted upon maintaining their reparation claims. Over and above what has been taken from Italy, she is now to be forced to pay $360,000,000—$125,000,000 to Yugoslavia, $100,000,000 to Russia, $5,000,000 to Albania; that is a total of $210,000,000 to Russia and her satellites, and, in addition, $25,000,000 to Ethiopia and $105,000,000 to Greece. Of course, Russia is taking out her share in productive guaranties, but it all amounts to the same thing—Italy must pay. But the most fantastic part of the business is that the original claims for damages against Italy ran back to September 1939, long before she entered the war. In short, in the space of 7 years Italy is to pay $360,000,000, which she does not have. These shall consist of money payments, a share of the Italian factory and tool equipment, current industrial production, and capital goods and services, all of which Italy needs if she is to recover economically.

Mr. President, permit me to remind you that at the time of the signing of the treaty Premier de Gasperi obtained a credit of $100,000,000 from the United States. This Italy needed to keep going. Now, in the truncated condition which this treaty proposes to impose upon her, it is unreasonable to expect that Italy can live a self-supporting existence. The drastic economic penalties of the treaty will force her into economic dependence upon other countries.

Can there be any question which way she would turn for economic help and who would be asked to foot the bill? There is only one major creditor state in the world. There is only one country with substantial supplies of money. That is our country, the United States of America. Britain cannot help, nor can France, nor Russia, nor any other country. Every major power, with the exception of ourselves, is asking for funds. So Italy, poor Italy, harassed by high food prices, beset by economic unrest, and seething with political difficulties, must look to the United States for help. Thus, if we ratify the treaty and then help Italy, in the interest of world recovery, the United States will pour in dollars at one end of the Italian funnel, while Russia and her satellites will drain off those dollars in the form of reparations at the other end. In any case, the American taxpayer will foot the bill.

Any money the United States may lend should be with at least a reasonable chance that the recipient shall benefit by it. But this treaty could in effect make the United States pay Russia and Yugoslavia indirect tribute in the form of Italian reparations.

But these are not the only economic provisions which are unsound. Take, for instance, the areas ceded to France. They may possess some strategic value for France, but Sumner Welles, a former acting Secretary of State, has said their cession "violates every principle upon which a durable peace should be founded." They are purely Italian, and they include some of the finest hydroelectric producing sections in all of Europe—the Mount Cenis plateau, the districts of Tenda and Briga, and the village of Olivetta de San Michele in the lower Roya Valley. In Tenda and Briga, France acquires control of power plants which will sell electricity to Italians across the border on Italian soil. Not only is Italy to be continued in a condition in which she lacks raw materials, but her white coal, which she built before the war upon Italian soil, with Italian money, is to be taken from her, and the control of the areas in which it is located is to be placed in the hands of an alien power. Not only will this

mean the loss of electrical power, but if any of the dams should break, they will do so on the French side, while the area inundated will be Italian.

These illustrations will show why I believe that the treaty is unsound economically, and therefore almost bound to lead to a disaster in which it is doubtful we could escape being involved. Perhaps Italy could overcome one economic restriction or difficulty, but there can be little question that the total economic blow delivered by the treaty would have such a damaging effect that the United States eventually would have to come to the financial aid of the Italian people. Without attempting levity, may I point out that this is hardly the type of commitment which an economy-minded Congress should undertake.

Still another fundamental weakness of the treaty is that it creates unnecessary danger spots. Three in particular are bound to plague the world in the future: Trieste, Tripolitania, and Cyrenaica. I am reluctant to take up your time with a discussion of all of these. Let one, the worst one, Trieste, suffice. We propose to become a party to the internationalization of that city. Nowhere in connection with this proposal does one hear of what happened to Danzig, or to the Kiel Canal, or to Memel, or to Catalonia, or to the Danube, or to the Rhine, or to the Oder, to mention only a few of the unsuccessful experiences with international government and control. Rarely does internationalization succeed.

But we need not look to these earlier experiences with internationalization to know that the treaty arrangement for Trieste will fail. It has already failed. The struggle has already begun; in fact, it is in full swing now, and it is a losing fight by the Italians to retain the control of the city; and a gradual acquisition of control by the Yugoslavs, supported by Russia, seems unavoidable. Slowly, but surely, Italy, where the idea of unredeemed lands began, is losing Trieste. Can anyone doubt what Italy will do some years hence, if the opportunity presents itself? And, by the way, what are the Yugoslavs doing about the ports which they acquired from Italy—Fiume, or Zara, for example? It is my understanding that Trieste is rapidly becoming the sole center of the Yugoslav Adriatic trade. Can anyone question the economic significance of the creation of this new irridenta?

We should not underestimate the significance of this fact, because the port of Trieste is the natural outlet of trade for all of Central Europe. Fifty-eight percent of Austria-Hungary's trade went through that port prior to 1914, and only 16 percent of its trade was carried on along the eastern borders. Time will not permit a detailed examination or discussion of the railway lines and traffic routes to the Adriatic ports. But Trieste has great natural transportation advantages. Suffice it to say that the treaty arrangement with regard to Trieste makes no contribution to world peace, but promises, rather, to create a festering sore in southern Europe. Most impartial people, who know the area, would join Sumner Welles in saying:

> Trieste is, indisputedly—from every standpoint of right, of justice, and of principle—an Italian city. If the plan for the creation of a Free Territory of Trieste is carried out, it means protracted Italian resentment and unrest, long years of persistent propaganda and of bitter friction between Italians and Yugoslavs, and ever-increasing Soviet pressure within the area placed under international control. The experience of the past 27 years has shown conclusively that such schemes as this do not make for peace, but only make for future trouble. By this so-called compromise Mr. Molotov has secured precisely what he started out to get. Such a peace treaty will neither bring stability to Italy nor peace to Europe.

Let us look at still another difficulty. The treaty is inconsistent with the measures we have recently taken to try to stop the spread of communism. We are bolstering the Greek and Turkish Governments with military and financial aid. But this treaty would tear down one of the strongest bulwarks against communism and Soviet influence in Europe. Even in her present despondency Italy fights communism. Even the helplessness of Francesco Nitti, when it was a question of forming a new Cabinet, did not bring communism to Italy. Togliatti rants, and the Communists play their obstructionist games, but thus far they have failed.

And now we propose to make Italy a vassal of Soviet Russia and her satellites, with a reparations burden of $360,000,000, and the pledging of her industrial capacity to the extent of $100,000,000. And there stands Yugoslavia raised to the rank of at least a second rate power with Red support, with an army of 750,000 men, equipped in part with UNRRA funds, of which the taxpayers of this country paid a substantial part. Yugoslavia is to be the master of the Adriatic—Yugoslavia, the dictator-ruled country, with which we have had more than one diplomatic difficulty. I agree with Dorothy Thompson when she says:

> Why must we aid and defend Greece against the same regime to which we open Italy? Is it because the Government of Greece is more democratic than that of today's Italy? If we approve this treaty, there will not long be a government either democratic or friendly to us in Italy. The harsh terms of the Italian treaty is no way to stop communism.

I say we should at least try to be consistent.

The most comprehensive, powerful, and pressing reason for not ratifying the treaty is that it plays directly into the hands of Soviet Russia. The Italian treaty in the broadest sense does not dispose of troublesome European questions. Its implications are extensive. Whether we like it or not, the United States is now one of the principals in the most momentous struggle of all time. Let there be no mistake about its nature. The intentions of Russia in that struggle have been frequently made abundantly clear. Nowhere have they been made clearer than in the thinly veiled terms delivered by Andrei Gromyko before the American-Russian Institute in New York City on May 19. Here are a few of Gromyko's words:

> Who knows, the time may come when the country [the United States], at present occupying a more favorable position in this respect than other nations, will find itself in the same, or maybe even in a less favorable, position in comparison with other states in the field of the development and perfection of certain dangerous kinds of weapons, if such weapons are not prohibited.
>
> The tendency to secure this monopoly for one country inevitably causes rivalry among nations in this field.

Gromyko was speaking of the atomic bomb. He voiced what the Russians have always asked for ever since 1917, the elimination of armaments. But can anyone be blamed for skepticism about this repeated Russian thesis, this political window dressing, when one recalls how it was used at Geneva before the Second World War, with a full knowledge it could not be respected, or if one recalls the Russian aggressive acts against the Baltic States?

Is there anyone so naive that he cannot read the message in Gromyko's fateful words? It is Russia's attitude that an armament race is on between the United States and the U. S. S. R., in which Russia is being assisted by thousands of German scientists and technicians who have been lured or forced to work in Russia on atomic and scientific weapons. Gromyko hints that Russia is about to catch up with us, and perhaps pass us, in that race. We can honestly and sincerely deny that we are engaged in such a race, but we would be blind indeed were we deliberately to weaken our position abroad. Yet the Italian treaty would do just that. The treaty promises to keep Italy in subservience, in a constant condition of turmoil, until the Russian-dominated Communists under Togliatti gain control of the land.

It took the bloodiest and most devastating war in all history to show that Hitler and Mussolini were not bluffing. We cannot afford to beguile ourselves with the thought that Russia's totalitarian leaders are now bluffing. To do so is to invite another, and perhaps an irretrievable, Pearl Harbor.

One more reason why the treaty should not be ratified, is that it will create a disturbed condition in the Mediterranean, and thus leave the door wide open to conflict in the future. Setting aside for the moment the difficult problem of Palestine, the disturbed conditions in Lebanon and Syria, and the inability of Egypt and Britain to come to terms over the Sudan, we are faced today with Britain withdrawing her troops from the eastern Mediterranean and the Near East, and basing them in Africa. The reason, we are told, is that Britain wishes to reach an understanding over that section of the world with Soviet Russia, which she apparently cannot achieve as long as her troops remain. Does this not show how disturbed and how fluid are the conditions in that troubled sea?

We need a strong and democratic Italy for a stable Mediterranean. Britain now confesses that she is overextend-

ed in relation to her power. The weakness of France, beset by domestic and colonial troubles, and the weakness of Italy, make Britain today the only important power in the Mediterranean Sea. But how tenuous is her power? Her control is beset by Franco's Spain, the Arab nationalists, the Palestine question, the constant threat of Russia, the limitation of British funds, to mention only a few.

These are only a few of the objections to ratification of the treaty at this time. There are many others, such as the unfortunate transfer to Yugoslavia of the ownership of the water supply of Italian Gorizia and its vicinity; the weakening of Italian military and naval power to the point where Italy becomes an invitation to aggression; the changed frontier at Mount Tabor and Little St. Bernard Pass; the flat contradiction between the fine spirit of the preamble and the cynicism of the instrument as a whole as reflected in its despoiling clauses. These objections do not conclude the list but they will help to show how unsound the treaty is.

There has been some talk about the need for speed so that Italy may recover. But how can any country recover under such terms? I am sure that no harm will be done by delay; certainly no more than is caused by delay on the main treaty, the one with Germany, which has not yet been framed, or on the one with Austria, against which Russia has set herself. I would rather have no treaty at all than an unjust, short-sighted instrument, which places my country's welfare in the hands of a totalitarian power, which has shown itself callous of human life, blind to freedom, and intolerantly self-seeking. I am convinced that the Italian Treaty is an invitation to war.

Permit me to impose upon the Senate's patience to present one further sobering thought. To the centuries of strife and struggle on the continent of Europe have now been added the destruction and inhuman persecution of the last three decades. Whole peoples have been uprooted by the millions and transported from place to place. Families have been divided and warring forces have destroyed people before the very eyes of their loved ones. The horrors of the concentration camps, the shifting of displaced people, the killing of hostages in ideological frenzies, have added their bit to the storm of sadism and human torture which has seen no equal in the annals of history. And after this, how can long-standing differences of language, religion, and race among these people fail to color and prejudice their views of one another? It is for us who are more fortunately placed to view world affairs impartially and fairly. Our land is intact. God has been kind to us. Without deliberately planning it we have become the most powerful, the most wealthy state in the world. It is true that gives us no special claim to dictate our views and wishes. But equally true it is that we are the hope of millions in the world. We are the only power which can honestly command the confidence of the world for impartiality and fair dealing. In direct proportion to the way in which we command that confidence we shall grow and be great at home and in the world. Our action upon the Italian peace treaty will be a major test of that confidence.

Mr. WHERRY. Mr. President, before addressing myself to the very great questions which arise in my mind in connection with the Italian peace treaty which is now pending I desire to recall briefly two of the statements made on the Senate floor yesterday by the distinguished chairman of the Foreign Relations Committee, the Senator from Michigan [Mr. VANDENBERG]. At the outset of his speech the Senator from Michigan stated very fairly that in the negotiation of international treaties the Executive responsibility is only a primary one, and that the final responsibility lies with the Senate.

I subscribe in toto to that statement. In answer to some remarks which have been made to the effect that we should ratify the treaty because commitments have been made, I should like to say to the Senate that no valid commitment is made in the treaty or in any of its provisions until the Senate of the United States ratifies it. That is a constitutional requirement. When the treaty is ratified, then we have made commitments. It is the function of the Executive, of course, to negotiate treaties. That is his prerogative. It is the duty of the Executive to negotiate treaties and submit them to the Senate for ratification, but certainly no one should stand on the floor of the Senate and say that because this person or that person has agreed to the provisions of the pending treaty, whether that person be in the executive department or in the United Nations organization, such person has done anything more than an administrative act. It is my position that commitments made by the Executive do not become valid until the Senate of the United States by a two-thirds vote ratifies the provisions of the treaty. At least that is the way I feel about the matter.

In the concluding moments of his able address, and it was an able address, the senior Senator from Michigan again spoke with fairness and with accuracy when he stated that the votes to be cast on this treaty should be predicated upon each Senator's complete and total right of independent judgment. I appreciate his making that statement, because it is in that sense, and in that spirit, that I approach the decision I am to make on my responsibility with respect to ratification of the treaty. Certainly Senators owe it not only to their States but to the people of the United States of America to use their own independent judgment. So with the admonition and advice and judgment of the distinguished Senator from Michigan I again totally agree. I also agree with the distinguished Senator from Texas [Mr. CONNALLY] who time and again on the Senate floor in respect to ratification of treaties has also made similar remarks, with which I agree.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CONNALLY. I heartily agree with the Senator as to the functions of the Senate. I heartily agree with his statement that every Senator ought to vote his own honest convictions upon treaties, and upon everything else, for that matter.

Mr. WHERRY. I thank the distinguished Senator for his remarks.

Mr. President, yesterday we heard the very forceful and lucid report of the distinguished Senator from Michigan urging ratification of the admittedly unsatisfactory European peace treaties now pending before this body. We shall soon be asked to vote on those treaties and to declare the will of the American people with respect to peace settlements, determining the future of nearly 100,000,000 people involved in the treaties with Italy, Hungary, Rumania, and Bulgaria.

I feel that the able chairman of the Foreign Relations Committee is correct in saying that of all these settlements, the Italian Treaty is clearly the issue. I agree; not so much, as he stated, because scores of Americans have voiced their disagreement with the proposed Italian Treaty, but more because, as I see it, Italy is the only one of the former satellite nations in strategic Europe with respect to which we can still entertain great hopes for maintaining a friendly nation looking westward, not eastward.

Barring catastrophic events, we are forced to realize that the other nations whose treaties we are now considering are today all Russian satellites. All of the distinguished gentlemen who represented the United States at the various peace conferences, here and abroad, frankly admit that the controversial Italian Treaty is a child born of compromise. In studying the treaty with a nation so important to our vital interests in the Mediterranean, it becomes regretfully manifest that the final compromises conceded far more to Soviet Foreign Minister Molotov than to our former Secretary of State, Mr. Byrnes.

To forget that Italy was an enemy state is just as foolish as to forget that the Italian people threw out their Fascist rulers and voluntarily joined us in an uphill battle toward a common victory. But the greatest folly of all would be to blind ourselves to the crucial fact that a free Italian people is necessary to our own security. Small nations such as Italy must, in today's unsettled world, seek shelter under the protection of their strong friends. That is what is happening in Europe. The present De Gasperi government is friendly toward us; but how long that government can last is doubtful if we complacently ratify this harsh and outmoded treaty favoring Russia at Italy's expense.

The distinguished Senator from Michigan urges us to ratify this treaty because "a bird in the hand is worth two in the bush"; but I ask those who may consider ratifying the Italian Treaty as a fulfillment of our best interests. In whose hands does ratification place this precious bird? In our hands? In the hands of the world's peace-loving nations? In the hands of the Italian people?—or, on the basis of the valuable

concessions to Russia, in the hands of the Russians?

Mr. President, the record of the hearings before the Foreign Relations Committee reveals that of all the outside witnesses—and when I say "outside witnesses" I mean witnesses other than those from the State Department or other Government agencies, who, of course, testified for the treaty—only one favored it. This testimony favoring ratification came from a spokesman for an Italian Communist organization in New York which publishes a pro-communist newspaper. The War Department, on complaint from Representative DONDERO, of Michigan, recently cancelled its advertising contract with this newspaper, L'Unita Del Popolo, because it was alleged to be conducted along Communist Party lines. At this point I should like to read into the RECORD a letter signed by Robert P. Patterson, Secretary of War, relative to this particular newspaper, the representative of which was the only outside witness who testified in behalf of ratification of the treaty. The letter reads as follows:

APRIL 7, 1947.

Hon. GEORGE A. DONDERO,
House of Representatives,
Washington, D. C.

DEAR MR. DONDERO: A few days ago you directed attention to the fact that the War Department was running recruiting advertisements in the L'Unita Del Popolo, a newspaper in New York City alleged to be conducted along Communist Party lines.

I find that your information was correct. The advertisements were placed in this paper without knowledge of its character.

Action has been taken to eliminate this newspaper from further advertisement in the program for Army recruits. Meanwhile, an inquiry is being conducted to see whether there are other newspapers in the same category in which advertising for the War Department is being placed.

Thanking you for your cooperation, I am,
Sincerely yours,

ROBERT P. PATTERSON,
Secretary of War.

In addition, I have before me a copy of the newspaper published in Rome by the Italian Communist leader, Palmiro Togliatti. He exhorts his Marxist colleagues, in large headlines on page 1, "Urge your Senator to ratify the treaty." The words are in Italian. I suppose they could not be printed in the RECORD; but I want Senators to know that I have a copy of the newspaper before me. The article has been translated for me by an Italian. The words "Urge your Senator to ratify the treaty" are enclosed in a circle.

It cannot be made plainer to any of us that communism in Italy has much to gain by our ratification of the treaty. Such action on our part will strike down the newly born democracy in the Italy of today.

In weighing our decision on the crucial question of the Italian treaty, I view it as our obligation to the American people to act in accordance with our best interests abroad. I view this question especially in the light of the recent Communist usurpation of government in Hungary. It is vital, as the distinguished Senator from Michigan pointed out, to ask ourselves, If a similar theft of government should occur in strategic Italy within the next few months, what would happen to our $400,000,000 program to aid Greece and Turkey and stop the growth of communism in the Mediterranean area? As my distinguished colleague from Michigan has put it, "We alone shall bear the responsibility."

Within the scope of American interests in the Mediterranean, let us briefly review the outstanding injustices of the Italian treaty as presented to us. Compelling the Italian people to pay out $365,000,000 in reparations while we at the other end, through gifts and loans, will be required to give them millions in rehabilitation credits, simply does not make sense to me. For at least indirectly we will be underwriting Italian reparations. I can draw no other conclusion.

Certainly we know by this time that Russia alone will effectively set the full cost of reparations the Italian people will have to pay. Under the terms of the pending treaty, Russia supplies raw materials to Italy for processing. These materials are charged at a certain price. The finished product which Italy delivers to Soviet Government monopoly is likewise charged at a certain price. The difference between the cost to Italy of the raw material and the credit to Italy of the finished product goes to liquidate the reparations penalties.

In theory that should work out fairly enough; the distinguished Senator from Michigan feels that it should; but the pretense that the prices either for raw materials or finished products will be fairly agreed upon by Italy and the Soviet Union is merely self-delusion. The whole record of Russia in Europe and in Asia since VJ-day is testimony to the contrary.

I contend that our proper objective should be to restore American trade with a democratic Italy, which will help Italy to help herself, and not to underwrite an extension of Soviet slave economy, by turning over Italian production of manufactured goods to Russian satellites for the next decade.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. WHERRY. I am happy to yield to the Senator from Mississippi.

Mr. EASTLAND. When the Senator speaks of the raw materials which Italy is to receive from Russia and process, under the reparations clauses, does he not have in mind that that will tie the Italian economy to Russia and make her subservient to Russia?

Mr. WHERRY. I cannot see any other answer. The only thing we have been told is that it does not amount to anything. It is only $15,000,000 a year for approximately 7 years. If we consider the record of Russia, as indicated in the statement just made, all the evidence is to the contrary. I want to tell the Senate that while an appeal to the four Ambassadors is provided, yet if Russia uses her veto power our reliance on such an appeal will amount to nothing. If we sign this treaty we shall have absolutely mortgaged the labor of Italy and have mortgaged sufficient coal and power to cover the stipulated amount of reparations. It is my opinion that there will be priorities and that Russia will insist upon delivery regardless of what Italy can produce for herself or for export abroad to help rehabilitate her own economy. Show me a record that is different since VJ-day, so far as Russia is concerned. Show me a record which can be interpreted any differently. I cannot find one. I am not making that statement with any ulterior motive or with any animosity toward Russia. I suppose Russia feels that Italy owes her reparations.

When I was in Europe last summer and inquired about food, which the Russians said they would not divert to the Army, I was told, "Of course, we keep the supply of food produced in this territory. Why should we not do so?" They feel they have a right to do so, because the enemy countries invaded Russia and pursued a "scorched-earth" policy. But I think that Italy is in a different category, because she abandoned the war against us and fought with us on representations made that she would be treated fairly if she helped us prosecute the war.

Mr. EASTLAND. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. EASTLAND. The argument is made that the ratification of this treaty will speed the rehabilitation of Italy. I think the Senator will agree that the ratification will retard the rehabilitation of Italy, for the reason that the treaty gives her hydroelectric production to Yugoslavia and turns over her coal resources to Yugoslavia.

The figures from the State Department indicate that Italy produces 1,370,000 metric tons of coal annually, 90 percent of it which is given by the treaty to the bandit, Tito. Italy imports normally 13,000,000 tons of coal. Of that there comes from Germany 7,600,000 tons. Germany cannot, of course, ship coal to Italy today because coal is not being produced in the Ruhr. Great Britain normally ships to Italy 2,200,000 tons of coal. Every one knows there is a coal shortage in England and she cannot supply coal at this time. From Poland, Italy receives normally 1,500,000 tons of coal and from other countries 1,600,000 tons. If we ratify the treaty Italy's coal production and hydroelectric power production will go to Yugoslavia and she cannot receive from other countries the coal supplies which she has historically received. That being true, the ratification of the treaty, taking those resources from her, will postpone her economic rehabilitation and, further, lay her open to Communist infiltration.

Mr. WHERRY. I thank the distinguished Senator from Mississippi for his observation. I would go even further than the Senator from Mississippi has gone, and say that it is very doubtful that Italy can buy enough raw materials, in view of the reparations demands, to produce the products she needs to export in order to rehabilitate her own economy. I think the outlook would be very discouraging. Russia has priority and a mortgage. We might as well make up our minds now that it is not only a question of fuel; Italy will have to have food. Where will Italy get the food, and what can she pay for it? If we ratify the treaty the United States, through its generosity, will have to supply the food that will help

labor to produce the materials to be sent to Russia as reparations. It seems to me, that would discourage the rehabilitation of the economy of the Italian people.

Mr. EASTLAND. Mr. President, will the Senator yield further?

Mr. WHERRY. Yes. I shall be glad to yield.

Mr. EASTLAND. I think this treaty is a great victory for Russian foreign policy, and as a result within two or three years, at the longest, there will be a communistic government in Italy.

Mr. WHERRY. I thank the Senator for his contribution to the discussion.

Mr. President, the State Department's announced objective—and it should certainly be considered and respected—is to restore peaceful conditions in Italy. With that we all can agree. Why? So that trade can be resumed between the United States and Italy for mutual benefit. As a part of this process further aid to Italy is right now being discussed—I refer to the so-called Lombardo Mission to Washington—so that foods may be produced in greater quantity there, raising the Italian standard of living and promoting a greater exchange of products. In the American view—the historic American view—this is one step toward a full and democratic life. It is one of the material bases of such a life. But this treaty does not promote such an objective. On the contrary, it very plainly condemns the economy of Italy to an indeterminate and undeterminable sentence. There is no safeguard in this treaty to prevent Russia from flooding the factories and workshops of Italy with raw materials, priced very high by Russia—or Russia's henchman, Tito—to be processed and shipped back at very low prices for the finished goods to Russia or to Yugoslavia.

Furthermore, under this treaty Russia can demand priorities for processing any raw materials it wants. The fact that Italy can appeal these demands to the four Ambassadors is relatively unimportant. No long-term private contracts would be safe under this arrangement from Soviet interference and uncertainty, and, therefore, they could not be made. That is the answer I have to that.

It is plain folly to overlook or to be silent about—as some persons are on this subject—the fact that we are dealing in this matter with a power whose basic intention is to destroy our system of business, that is, our system of production and exchange of goods, by bankrupting Italy. Under the power given through this treaty to sell high and buy low, the Soviet Government and its satellites can accomplish their purpose legally, with our consent, our assistance, and at great cost to the American people—if we ratify this document. I can reach no other conclusion.

Much stress has been laid by the proponents of ratification on the alleged fact that ratification of the treaty is necessary if we are to raise the morale of the Italian people. With that position I agree. Greater industrial production in Italy is suggested as a means of freeing the Italians from fear of want. That is absolutely necessary if their morale is to be built up; and it seems to me that the only chance they have of increasing their industrial production is by purchasing raw materials from the United States and fabricating them and then exporting them and obtaining the proceeds for use in supplying their own needs, and thus rehabilitating themselves. Certainly that cannot be done when there are no surpluses for the Italian people, over and above the goods required to pay reparations to Soviet Russia and its satellites.

Mr. THYE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. WHERRY. I am glad to yield.

Mr. THYE. Will the Senator from Nebraska state what he would like to propose, instead of the pending treaty?

Mr. WHERRY. I should like to see the situation remain in status quo until we are able to determine whether we can iron out a treaty with Germany and with Austria, as the Senator from Michigan suggested, and until we see how affairs proceed in Hungary during the next several months.

Mr. THYE. But has not the Foreign Relations Committee already given a great deal of study and thought and time to this subject?

Mr. WHERRY. Certainly.

Mr. THYE. What accomplishments can we hope for by requiring the committee to continue its study for the next several months?

Mr. WHERRY. Let me say that I am not for a moment challenging what the Foreign Relations Committee has done or suggesting that it has not worked diligently and hard. Certainly anyone who heard the Senator from Michigan [Mr. VANDENBERG] state yesterday that he sat across the table from Mr. Molotov for 213 days and that this treaty was the best he could get, must admire the work the Senator from Michigan has done and is doing, and I am not questioning or challenging it in any way.

Mr. THYE. I listened to the address which was made yesterday by the Senator from Michigan, and it is with that address in mind that I am now asking the Senator from Nebraska what we could hope to accomplish if we had the study of this problem continued for another month or 2 months or 3 months. Unless the Senator from Nebraska has some concrete suggestion to submit, I feel that I am at a loss as to what to do other than to follow the recommendations of the chairman of the Foreign Relations Committee.

Mr. WHERRY. Mr. President, if the Senator from Minnesota will bear with me until I complete my statement, I think I shall answer his questions.

Obviously, the Senate must now decide whether to ratify the treaty or not to ratify it. If the Senate ratifies the treaty and if the treaty subsequently does not bring about the peace we seek to have established in Italy, obviously it would have been better for us not to have ratified the treaty at all.

Insofar as alternatives are concerned, let me say that I am not a member of the Foreign Relations Committee, and I have not suggested any alternatives to ratification of the treaty. However, I know that if Communist infiltration into Italy proceeds, as it seems to me it will under the terms of this treaty, the situation will be no better, insofar as confusion is concerned, 6 months from now, than it will be if we do not ratify the treaty at all.

Let me say that an alternative to ratifying the treaty is the making of a separate peace. That would be difficult to do, of course, inasmuch as Russia is one of the four leading powers involved. But if we tell Russia what we are going to do and what we are not going to do with the same force that the distinguished Senator from Michigan used when he sat across the table from Molotov for 213 days, we might obtain a better settlement from Russia, now that our policy has changed insofar as appeasement is concerned, as compared with what I think our policy was when this treaty was written.

There is another alternative. I am not suggesting that it is the answer, for I am no superman. My job and the job of the Senator from Minnesota is either to vote to ratify the treaty upon its own terms or to vote not to ratify it. If in the opinion of the Senator from Minnesota, ratification of the treaty as it now stands is the proper procedure, certainly he should vote for ratification. I imagine there will be an overwhelmingly large vote in favor of ratification of the treaty. But as a humble Member of this body, it is my duty to evaluate the terms and provisions of the treaty; and if I conclude that in the end the treaty will not accomplish the purposes we seek to have accomplished, then certainly it is my duty now to state how I feel about the treaty and its provisions. I believe that is the first responsibility I have.

Mr. President, personally I am not much alarmed over the possibility that if we do not ratify the treaty, the situation in Italy will become much more out of hand than it is and has been in the absence of a treaty. If we consider and study the reports which have been and still are coming from Italy, it seems to me there can be no doubt that there is confusion there and that the Communists have gone in. But I believe that if this treaty is ratified, the Communists will infiltrate there more than they have already done. If that happens and if, as a result, Italy has a Communist government, the result will be to place Italy much more definitely behind an iron curtain than she would have been if we had proceeded in some other way.

So, as I said a moment ago, I am not suggesting alternatives, and I do not know what is best to be done; but I wish to be sure that if I vote to ratify this treaty, I shall know that ratification of the treaty is the best we can do at the present time. I am raising these points and these questions because I believe it is my duty to do so.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BALDWIN. Is it a fact that the present status of Italy is that of a belligerent proceeding under armistice terms?

Mr. WHERRY. I think that is approximately correct. Probably I would not

interpret the situation in the same way that someone else does, but I think what the Senator has stated is approximately correct—in short, that Italy is now in the situation of a cobelligerent.

Mr. BALDWIN. If that be true, then, if this peace treaty is signed, Italy will attain the status of an independent, free nation, will she not?

Mr. WHERRY. Why does Italy have to attain that status now? If she does not want it, why should we force it upon her?

Mr. BALDWIN. I do not know that she does not want it.

Mr. WHERRY. I do not, either; I wish someone would tell us; but, of course, Italy has to sign the treaty, if it is ratified.

Mr. BALDWIN. Would not her status as a free and independent nation admitted to the United Nations be better for her than her present status as a belligerent living under mere armistice terms?

Mr. WHERRY. That argument has been made before, but in my speech I have several paragraphs about it, and when I reach them I think they will at least elucidate on that point.

Mr. BALDWIN. I did not understand that the Senator was going to cover that point. I shall be glad to subside and wait to hear what he has to say about it.

Mr. WHERRY. Mr. President, I realize that in speaking here as one of a very few Senators who apparently are not in total accord with the provisions of the treaty, I am very much in the minority. I realize, too, that the smart thing for a lawyer to do is to say, "Well, what would you do?" Certainly if there is an alternative, we should present it and consider it. I think that is good policy and good procedure and good floor work. I think we should be able to respond to the suggestion that we present an alternative. As I have said, I do not have a panacea for all the ills of Italy; but I am sure that so far as Italy and the infiltration of Communists into Italy are concerned, the situation will not be improved by our ratification of the treaty, rather than by our refusal to ratify it.

Mr. BRIDGES. Mr. President, if the Senator from Nebraska will yield to me, let me say to him that he should not feel badly about being in a small minority. If he is correct—and I think he is—he should not feel concerned about being in the minority. Let me recall to his mind that 10 or 11 years ago when the administration was trying to force through the Neutrality Act, only six Members of the Senate opposed it. At that time the administration said the Neutrality Act had to be passed and that peace could be legislated, and all the influence of Mr. Roosevelt was exerted, and all the administration forces and many of the Republican Members of the Senate were joined in urging the enactment of that measure. I said it was wrong, and subsequently it was proved to be wrong. I was one of a small minority—a minority of only six Members of the Senate. The only other member of that group who still is a Member of this body—I refer to the group of six Members of the Senate who voted against passage of the Neutrality Act—is the Senator from Massachusetts [Mr. LODGE]. He joined me and four other Senators in opposing the Neutrality Act. We did so because we were sure it was wrong for us to vote for it.

Moreover, let me say that I was one of a very small minority of the Members of the Senate who opposed the sending of scrap iron and steel and war supplies to Japan. In taking that position I was condemned and abused by various persons in the United States, and also I was criticized by various Members of the Senate; but, Mr. President, it has been proved that I was right, even though I was only one of a small minority of Senators who took that position.

So I say to the Senator from Nebraska that if he is right he should not feel badly if he is one of a small group today. If a thing is bad we should not compromise about it. It is not possible to compromise with the devil or with evil. If a thing is wrong we should oppose it; and I say that the Italian treaty is wrong.

Mr. WHERRY. Mr. President, I certainly thank the distinguished Senator from New Hampshire. I have known him for many years. On the basis of my experience in public life, I say to the Senate that the Senator from New Hampshire is a man of courage. The observations he has just made not only reassure me, but make me feel that possibly the time will come when it will be found that I was right in opposing ratification of the treaty.

Mr. President, if I may be forgiven a personal observation, let me say that I remember a very long and lonesome afternoon I had a few years ago when the question before the Senate was the confirmation of the nomination of Dean Acheson to be Under Secretary of State. When the debate was concluded, after 2 days, I found myself voting alone against his confirmation. So I know what it is to belong to a very small minority group. I wish to say to the Members of the Senate that the fact that he signed the international air agreements in Chicago, and they had to be repudiated by the United States Senate, convinces me that my opposition to him, as indicated by the vote I cast against him that afternoon, is nearer right today than it ever was before.

Mr. EASTLAND. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. EASTLAND. Why is it not proper to go ahead and rehabilitate Italian industry, get Italy into a position where she can stand on her own feet, where she can resist with her own resources Communist infiltration, and then sign a peace treaty and turn her loose?

Mr. WHERRY. That is one of the solutions I mentioned in my address.

Mr. EASTLAND. I think it is a proper solution.

Mr. WHERRY. I agree with the distinguished Senator. Senators must make up their minds that, just so surely as the sun rises, if we sign this peace treaty, the Italians will have to have money from the United States of America. Senators may as well make up their minds that, if they make appropriations, they will be used for supplying the materials that will go into factories mortgaged to Russia, where goods will be manufactured which will be sent to Russia as reparations. Why not give Russia the money in the first place? If, for instance, we want to give aid to Greece, which is necessary in order to restore her economy, why extend the aid by the indirect method of giving to Italy hundreds of millions of dollars, and then have it relayed to Greece? If we want to be sure that Greece will get it, we had better give them the relief in the first place.

Mr. EASTLAND. The Senator says that we must lend money to Italy to rehabilitate Italian industry.

Mr. WHERRY. I do not think there is any question about it.

Mr. EASTLAND. The Italian textile industry has been rehabilitated by the United States without the outlay of money simply by the shipment of raw material there. The Italians fabricate it and pay us. That process has resulted in a great market for the products of this country. It has rehabilitated the greatest industry in the Italian economy, and has not cost the United States a penny. I do not see that it is necessary to have a great outlay of money to rehabilitate the Italian economy.

Mr. WHERRY. One point I wanted to raise was that we had done much for Italy through feeding her people. Seventy-three percent of the money that went through the UNRRA organization came from the taxpayers of the United States, and Italy received a great deal of the assistance.

Mr. DWORSHAK. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. DWORSHAK. The Senator from Nebraska has been making a most comprehensive and profound statement on the subject before the Senate. I desire to commend him for his diligence, and the thoroughness with which he has approached the entire issue. I should like to ask him whether he has analyzed the question so as to state in what manner the Truman doctrine may be applied to Italy if the pending treaty shall be ratified. Has the Senator given that matter any consideration or thought?

Mr. WHERRY. I should like to say to the distinguished Senator from Idaho that I have not, but if he cares to have me make an observation, I shall be glad to do so. Perhaps he would like to make a statement first.

Mr. DWORSHAK. No; I am very sincere in making the inquiry, because I was not one of those who supported the proposal to fortify Turkey and Greece in order that they might resist Communist aggression, and I am wondering whether it is consistent to weaken a nation such as Italy in order to apply the reverse logic, so that she may be made less immune, and weakened, and rendered less able to resist the same aggression of the communistic forces of Europe.

Mr. WHERRY. I thank the Senator for his observation. I would answer in this way: If we ratify this treaty, and the United States moves out of Italy, as will be the case, I am convinced that, as Hungary went behind the iron curtain, the same thing will happen to Italy. Certainly we jeopardize the $300,000,000

investment in Greece and the investment we are making in Turkey, because the Tito government will move into Italy. There is nothing to stop his soldiers moving in there. Under one provision of the treaty they can enter Italy and hunt down fugitives. The first thing we know there will be a wholesale infiltration, and I shall call attention later to the remarks of Tito as they appeared in the press of yesterday or the day before.

It is my belief that this treaty will place Italy behind the iron curtain; and if it does, we will be outflanked, so far as Greece and Turkey are concerned, and we will have lost one of the best military advantages we possibly could have if we maintained our position in Italy.

The only alternative is to give Italy a democratic government, to finance Italy, as we will have to do, and see that Italy remains a democratic country that is favorable to the United States, and not thrown behind the iron curtain and made a satellite of Russia. In that respect the two policies of Truman are in direct contradiction. We are doing the opposite in Italy to what we are attempting to do in Greece and Turkey.

Mr. BROOKS. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Illinois.

Mr. BROOKS. Does not the Senator feel that, while we are being told by those framing the present foreign policy that we have to send not only money but military missions into Greece and Turkey, it is absolute folly to weaken the military strength of Italy by a treaty and then have to send money to Italy to feed the Italians, and have money go to Russia in the form of materials produced by the labor of Italy?

Mr. WHERRY. The Senator from Illinois has answered the question raised by the Senator from Idaho very forcefully and more ably than I could have answered it. It is the complete answer to the observation of the distinguished Senator from Idaho.

Mr. EASTLAND. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. EASTLAND. Does the Senator think that we should pull out of Italy while conditions there are chaotic, while the people are starving, while they are undernourished, while the factories are shut down, and while the Communist movement is on?

Mr. WHERRY. My answer is that we cannot afford to pull out of Italy and leave ourselves exposed in Greece and Turkey, if we expect to follow the Truman doctrine so far as stopping communism is concerned. If it is right to follow it in one country it is right to do so in others. I say to the distinguished Senator from Minnesota that it is only my opinion, but I have reached the opinion conscientiously, based upon my convictions and on what I can read and learn, that if we ratify this treaty there will be wholesale infiltration into Italy, and if there is, Italy will be placed behind the iron curtain, and if that comes about, we will be outflanked in Greece and Turkey, and our investment to stop communism will be of no avail. That is my position. The distinguished Senator from Illinois has given the answer more ably than I could have given it.

Mr. BALDWIN. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. BALDWIN. I am very much interested in the statement the Senator has just made, but I am wondering what there is in Italy now to stop the infiltration to which he refers.

Mr. WHERRY. The American Army is in Italy to the extent of about 25,000 men, and so long as we have even a token force there, that will accomplish the purpose. Of course, even 25,000 men could not stop an invasion. We might just as well have 5,000 as 25,000. My theory is that so long as we are advancing money to Turkey and Greece, we had better protect the flank in Italy. If we are going into Greece and Turkey with military missions, we might as well do the same thing in Italy. Let us be consistent in this policy.

Mr. BALDWIN. As I understand the Greco-Turkish situation, what is happening there is that our military mission is helping them with their own armed forces. If Italy had a status as a free and independent nation, and we were extending the Truman doctrine to Italy, we would not be using our troops, but following the same policy.

Mr. WHERRY. With Italy permitted to have only 200,000 soldiers and 25,000 seamen guarding the whole seacoast, how will that avail against Tito, who has an army of 800,000? If we pull out of Italy, the Communists will move in.

Mr. BALDWIN. What would we pull out?

Mr. WHERRY. The prestige of the United States of America is what we would pull out. The point I make is that it seems to me to be senseless to advance loans to Greece and Turkey and then pull out of Italy. It may be said the advances to Greece and Turkey are for rehabilitation, for training personnel, and so on, but I have been told by a high military authority that the money that was advanced to Turkey was to get air bases in Turkey. How are those bases to be protected? If we propose to protect them, how are we going to do it if we lose Italy? If it is right to do that, in Turkey, why do we not do it in Italy? If it is not right, why do we not walk out of all foreign countries? I do not see any difference. I think there should be a consistent policy.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. THYE. I may say to the Senator from Nebraska that, as I tried to follow the explanation of the treaty with Italy as it was given to us yesterday by the chairman of the Committee on Foreign Relations, as I have followed the remarks by the Senator from Nebraska, and as I have tried to visualize the entire question, it seems to me that the troops that are stationed in Italy today are not going to keep out the communistic philosophy. The communistic philosophy is something that cannot be seen; it cannot be touched; it merely exists.

Mr. WHERRY. How is it to be kept out of Greece?

Mr. THYE. The atmosphere that may prevail in Italy will permit the entrance of the Communist, or he will remain outside, depending entirely upon the philosophy of the people. But it will be necessary sometime to begin the negotiation of a treaty. Does the Senator question the judgment of the Secretary of State, General Marshall?

Mr. WHERRY. Certainly.

Mr. THYE. The Senator does question it?

Mr. WHERRY. Certainly. I am questioning the whole peace treaty.

Mr. THYE. I will say to the Senator that I personally do not at all question the judgment of Secretary Marshall. I do not question his recommendation.

Mr. WHERRY. The Senator is perfectly within his rights. The Senator has a perfect right to back up General Marshall. He has a perfect right to back up the Committee on Foreign Relations. The Senator has a perfect right to vote in any way he pleases. I am basing my judgment on what I believe to be right. I think the treaty is not, as it purports to be, a peace treaty. I think that if it is signed and ratified Italy will go behind the iron curtain. That is my judgment. I realize, of course, that the distinguished Senator from Minnesota has a perfect right to set up the judgment of Secretary Marshall over my judgment. If the Senator wants to follow Secretary Marshall he should vote for ratification of the peace treaty. But that does not alter in the least degree my opinion of what this ratification means to the Italian people and what it means to the security of the United States of America, if we want to hold the most strategic place on the Mediterranean—which is Italy. Certainly it does not alter my answer. When the question is asked, "How are we going to prevent the Communists from taking over Greece with the investment we have made?" I repeat, how are we going to do that? Is it through having made them a loan of $300,000,000? Is it supposed that, because of that fact, Greece will not allow a Communist to enter its borders? We shall wait and see. That is what was expected to be the situation in Hungary. What has happened in Hungary is exactly what is likely to happen in Italy.

Mr. EASTLAND. Has General Marshall said that Italy would not admit Communists if this treaty were approved?

Mr. WHERRY. I do not think so. I thought the senior Senator from Michigan said on the floor of the Senate yesterday that he would not predict what might happen in foreign relations for a period of even 5 minutes. I agree with him. It is very difficult to know what will happen.

Mr. EASTLAND. The point of the controversy is that so long as the status quo is maintained, Italy is not going to become communistic.

Mr. WHERRY. That is correct.

Mr. EASTLAND. Then why take the chance?

Mr. WHERRY. That is a proper question. I think Italy is better off in the status quo than she would be if the treaty were ratified today. I think there will be nothing lost, so far as the infiltration of communism is concerned, by

waiting until January to see what kind of peace treaty can be written in agreement with Russia.

Furthermore, I may say that the treaty has not been ratified thus far by any country, with the exception of Great Britain. Great Britain has ratified it, and is the only country that has ratified it. Someone will say, "Let us take the lead." That is fine; that is a great thing; but the other countries have not ratified it.

I am told the Italian people do not want this treaty and that, instead of raising their morale, it will lower their morale, if the treaty is ratified. Of course, I cannot bring the authority into the Senate Chamber, but I think probably it is just as good an authority as the newspaperman who was quoted yesterday, who represents the ANSA, from Italy, whose position is comparable to that of an agent of the UP, at Rome. Certainly we cannot rely entirely on the testimony of one man as to what the entire people of Italy think about the ratification of the peace treaty.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BALDWIN. I should like to make one point clear. I think it is the earnest and most sincere desire of every Member of the Senate to do the best thing that can be done for Italy. There are throughout the United States hundreds of thousands, yes, millions of people of Italian origin, who are among our best citizens. They are hard-working. They are industrious. They are practical. They are among our very best people. What bothers me, and the question that it seems to me we must answer, is this: Is the status of Italy, as at present, a better status to permit the regeneration of Italy as a nation than her status would be under a treaty of peace which would make her a free and independent nation, and admit her to the United Nations and to the family of nations? I think that is the question.

Mr. WHERRY. That argument was made yesterday by the distinguished Senator from Michigan. I think there is a great deal of merit in it. If I were making up a balance sheet, that is one of the things that I would consider as an asset, with respect to the signing of the treaty at this time. I think possibly it is an asset. But I will say to the distinguished Senator from Connecticut that with respect to foreign relations, I should like always to follow the judgment of the chairman of the Foreign Relations Committee, who has given so much thought and attention to the subject, and, if I gathered correctly the remarks of the distinguished Senator from Michigan, this treaty is not a satisfactory treaty, and it is hard to determine whether or not it is the best treaty that can be made at this time. I do not know; it is my personal opinion that Italy will not be any worse off in 6 months. Of course, any Senator has a perfect right to say that she will be, and that in 6 months the confusion will be such that it would be impossible to get a treaty. I think that is what the senior Senator from Michigan said; but in my opinion Italy will not be any worse off in 6 months, under the status quo, than she is today, with a token force within her borders which she knows will remain until a satisfactory treaty is signed.

Mr. BALDWIN. What bothers me is, how long that period would be?

Mr. WHERRY. The other signatories have not yet signed the treaty, have they? And then, too, Italy will have to sign it.

Mr. BALDWIN. Someone must make a start.

Mr. WHERRY. The ratification has been started.

Mr. BALDWIN. Does the Senator think that, if we delay the matter, other nations—France, for example—will come forward and sign the treaty?

Mr. WHERRY. I do not know. The Senator can answer that question as well as I can.

Mr. BALDWIN. Does the Senator believe that our help to Italy can be any more effective, if she continues her status as a belligerent?

Mr. WHERRY. Yes; I think that if we continue Italy's status quo, communism will not be so likely to infiltrate the country as it will if the treaty is ratified. I have said that before.

Mr. BALDWIN. Then the Senator maintains that we must keep an army of occupation in Italy indefinitely?

Mr. WHERRY. How many soldiers are in Italy now?

Mr. BALDWIN. The Senator said 25,000, and he also said that was an insufficient number.

Mr. WHERRY. The Senator from Connecticut will certainly agree with me, will he not?

Mr. BALDWIN. Yes.

Mr. WHERRY. I think all we have in Italy is the prestige of the United States. I think a token force of 5,000 would accomplish just as much as an army of 25,000.

Mr. BALDWIN. Is it not a wise policy to help the Italians to help themselves?

Mr. WHERRY. That is what I am trying to do.

Mr. BALDWIN. Is not that better than trying to do everything for them?

Mr. WHERRY. I am not trying to help put them behind an iron curtain, with a mortgage on their labor, a mortgage on their electric power, and a mortgage on their coal, because of reparations which they must pay for years and years to come.

Mr. BALDWIN. Does the Senator feel that our assistance is going to be any less, if Italy gains the status of a free and independent Nation again, than it is now? Is it not true that if Italy is admitted to the United Nations as a free and independent nation, even under this treaty she will have not only our support but the backing of those friendly to us in the United Nations as well?

Mr. WHERRY. Mr. President, I have answered that question three or four times. The Senator from Connecticut has asked it three or four times, and I agree with him in that respect. If I were going to prepare an inventory I would say that if that were the one thing upon which the decision hinged it would have considerable weight, I do not think there is any question about that. I have answered that question three or four times for the Senator.

There is another fear which I have not heard mentioned. That is the fear of armed invasion and of a civil war inspired and sustained from outside the frontier. We have not heard anything said about that. Yesterday we were told that the treaty does not leave Italy virtually helpless. That statement of mine may not be entirely correct, and I do not want to misquote anyone. But the sense of what was said was that Italy would not be virtually helpless if the treaty were entered into. On that point, however, I should like to say that I beg to differ, and to differ very sharply. I believe it does leave Italy virtually helpless. Throughout the whole Italian Peninsula and the islands of Sicily and Sardinia, the Italian Government is to be permitted only a little over 200,000 men in its land forces. For an immense stretch of seacoast it is to have some 25,000 men in its naval force. These are to be the sole protection against the 600,000 men—and I have been told the number is as high as 800,000—of Tito's standing army. Yesterday, we were told that it is necessary to have the frontiers fixed before any reconstruction of European—specifically Italian—economy can begin. But does this treaty fix any borders? It defines them, yes. But it guarantees them only in the sense that Poland's borders were guaranteed by the Atlantic Charter and Covenant of the League of Nations. It deprives Italy of any force to resist aggression, an aggression that was plainly hinted only yesterday by Tito, who told Bulgarian newsmen that Yugoslavia had suffered injustice in Venezia Giulia. Here are his words reported in the New York Times:

> Trieste has simply been carved out of a whole healthy body * * * We shall have to submit to decisions because we are a member of the United Nations, but that does not mean acceding to such a decision forever.

Those were the words of Tito reported only yesterday.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CONNALLY. I should like to suggest to the Senator that during the Peace Conference held in Paris, Yugoslavia, through Marshal Tito's representatives there, very bitterly resented what we had agreed upon as to Trieste, and the Yugoslav representatives made a public statement to the effect that they would not sign the treaty. I happened to be on the committee when the statement was made. I made some remark in reply to the Yugoslavs, and told them, "All right, you do not need to sign it. We will get along without that." Subsequently they changed their minds and did sign the treaty. So that Yugloslavia is a party to the treaty, and if she violates it she will incur the penalties and sanctions of the other nations, for Italy will become a member of the United Nations and, of course, she will have recourse in the United Nations against any invasion or aggression.

Mr. WHERRY. Yes. Yet Marshal Tito only yesterday was quoted as having made the statement:

We shall have to submit to decisions because we are a member of the United Nations.

As the Senator from Texas has just stated:

But that does not mean acceding to such a decision forever.

What does that statement mean?

Mr. CONNALLY. We will have to meet that situation when it comes.

Mr. WHERRY. Certainly. It is my opinion that Tito intends now to infiltrate into Italy.

Mr. CONNALLY. We cannot control that situation at this moment. We will have to meet it when it comes but for the present there is no threat.

Mr. WHERRY. It is my opinion that if we sign the treaty and pull out of Italy, then that threat is there. I have tried to make it very clear that in my humble judgment, the threat will then be there. As I stated yesterday, I did not have the privilege of talking to Molotov personally.

Mr. CONNALLY. I am not trying to argue with the Senator.

Mr. WHERRY. I appreciate the Senator's statement.

Mr. CONNALLY. I want the Senator to have the facts.

Mr. WHERRY. I thank the Senator.

The way is open by this treaty for Tito to take an easy path toward revising the decision. The vital Julian passes, which were the ancient bastions of Roman civilization north of the Adriatic Sea, are transferred by this treaty to Tito's Yugoslavia—that is, to the new federation "of free Balkan peoples in a strong monolithic entity," which Tito said yesterday, "is indispensable."

Loss of this vital land defense affects more than Italy. It affects the security of all western Europe, and by that the peace and security of the western world. On that point I can use my own judgment, because I have been to Europe twice recently, and I spent a month last November looking into the situation with which we are now dealing. I think the Senators who have been over there recently and have made observations will agree with me.

Let us not forget that long ago, Lenin, the spiritual master of Stalin, of Tito, of Togliatti—of all those who are vowed to destroy our way of life—declared: "Sooner or later capitalism will commit suicide for profit." By any sane yardstick it is hardly less than suicidal, it seems to me, for us to throw away one of our last defenses in Europe. That is the point we have been arguing this afternoon. As I said, Senators do not have to accept my interpretation, but that is the way I feel about the matter.

How do the territorial clauses slicing up Italy support United States interests? Take Triete, and the Venezia Giulia area, which incidentally is the source for one-third of Italy's coal.

Yugoslav Dictator Tito has just rejected General Marshall's third demand to cease further looting of Italian property in the Trieste, Venezia Giulia, and Istrian zones. Tito's army is now cutting up the former Italian luxury liner *Rex* and shipping the valuable scrap back to Yugoslavia. In flagrant disregard of our strong protests, Tito has failed to return other Italian vessels pirated in the Adriatic. And, parenthetically, let us not forget that we, in turn, are furnishing Italy with ships which we recognize are needed to restore her economy. Liberty ships are going to Italy to restore her economy.

In view of Tito's rejection of a thrice-repeated American demand to stop stealing Italian property from under the noses of American occupation troops, how can we expect Tito to restrain himself in the future?

If, as many Italians feel, Tito decides, should the Italian Treaty be ratified and our troops withdrawn, to move into the free zone of Trieste, will the United Nations then be ready to take practical action against the aggressor? If they are, and they can do it, all well and good. Then the question which has been asked so many times will be answered: Could the Italian Army, drastically limited by this treaty, stop Tito? Senators can use their own judgment as to that. Are we willing to stop him? Does it serve our interests and our policy to help rehabilitate Italy? If it does, why give away Italian territory where so much of Italy's shipbuilding and other industries, its electric power, its coal, and other resources are found?

It has been said that failure to ratify the treaty will hinder the free flow of goods to and from Italy on a normal parity basis because she is still technically at war. That argument has been made here this afternoon. Thus, it is argued we cannot legally enter into a commercial agreement for broader mutual exchange.

Those who have read the hearings before the Foreign Relations Committee know that ratification is not the only—or indeed the most intelligent—road to restoration of normal relations between the United States and Italy. A suggestion made in testimony by former Assistant Secretary of State Adolph Berle recalled the American precedent following World War I when the state of war between the United States and Germany was ended by a joint resolution of Congress.

Under this precedent, the way is clear to postpone final action until after Congress reconvenes in January of 1948, while terminating our present outmoded state of war with Italy. I think the problem could be dealt with in that way, and then Italy would be in the condition the Senator from Connecticut thinks desirable, with the exception that the treaty would not be ratified, but by joint resolution what is necessary could be accomplished.

For the life of me, however, I cannot help but feel that the so-called technical state of war with Italy is just so much diplomatic doubletalk, in view of the fact that we recognized her co-belligerency some three years ago and shortly thereafter exchanged ambassadors.

Fear has been expressed that such action as I have indicated would be regarded as unilateral action on our part in violation of the United Nations agreement. It has been suggested that Communist propaganda would tear to shreds any further concept of American democratic good faith in foreign agreements.

The facts are that the Italian Peace Treaty itself violates every single clause of the Atlantic Charter, which is the essence of the United Nations declaration; and that declaration has been repeatedly cited by the proponents of ratification. Yet I think it is really the best argument against ratification.

As for the question of American good faith, the people of Italy and of the world know that the United States Senate must pass upon all treaties to which our country adheres, even though some Americans seem to overlook that fact. There can be no breach of faith until after a treaty has been ratified by the Senate, so the allegations seem to me to be inconsistent with our known constitutional procedures.

My final point, and one which I hope will be a revelation to those who have repeatedly stated that the Italian people themselves actually want ratification, concerns a major consideration in our ultimate decision.

Again quoting the distinguished Senator from Michigan [Mr. VANDENBERG], yesterday he read from a letter addressed to him by Francesco Gasperini, bureau chief in the United States of the Italian semiofficial news agency ANSA. In that letter it was stated that "the Italian people need ratification badly."

I should like to quote a paragraph from the letter which was inserted in the RECORD by the distinguished Senator from Michigan. I am quoting the words of the writer of the letter. As I understand his official position, he is the representative of ANSA, which is a news agency similar to the United Press, the International News Service, or the Associated Press. He recently came to New York as the agent of ANSA in this country and no doubt has a considerable concept of what the Italian people feel and believe. I quote his statement:

I am not authorized to speak in the name of the Italian people—

I do not mean to intimate that the Senator from Michigan stated that he was. In fact, he stated to the contrary, that he was not entitled to speak for the Italian people, and that he offered the letter only as the personal observation of this individual. However, the letter implies that the Italian people want ratification.

I am not authorized to speak in the name of the Italian people, but I know for sure that I am interpreting the feeling of all, or almost all, Italians who have our country's destiny at heart, and I know how the overwhelming majority of the members of our Government and of the Constituent Assembly feel in this matter.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. VANDENBERG. Three months ago—I think it was on March 2—the Committee on Foreign Relations received a communication from the Constituent

Assembly after Italy had signed the treaty, in which it bitterly criticized the terms of the treaty. It certainly could not be said to be asking for its ratification. The communication ended with a general plea for American support in the postwar reconstruction era. I was under the impression that that letter was in the committee records, but the committee records do not go back that far. I am giving the Senator this information because otherwise I feel that an erroneous interpretation may be drawn from the incident.

Mr. WHERRY. I will say to the distinguished Senator that that subject is a part of my prepared speech. I was about to ask the Senator with respect to the memorandum which came from the Constituent Assembly.

Mr. VANDENBERG. The statement was given out at the time it was received. It was presented to the committee. When the Senator from Mississippi [Mr. EASTLAND] asked me to locate it earlier today, I was unable to do so. Later I placed it in the RECORD, and it is available.

Mr. WHERRY. I thank the distinguished Senator. The remarks which I am about to make have to do with that subject. I have been given a copy of the original letter sent to the President pro tempore of the Senate. I could not find it in the RECORD. I called the Senator from Mississippi [Mr. EASTLAND] and everyone else I could think of because I thought that information ought to be included in the RECORD. I thought there might be some reason for the statement, and I was about to ask the distinguished Senator if he had received such a memorandum from the Constituent Assembly, and if that would not be conclusive evidence as to how the Italian people feel about ratification of the treaty.

Mr. VANDENBERG. Mr. President, may I comment further?

Mr. WHERRY. I yield.

Mr. VANDENBERG. I think that is evidence of the official attitude. I think the official attitude obviously must be that attitude. I would differentiate between the official attitude and the unofficial attitude, although anyone's guess is justified on either side of the question.

Mr. WHERRY. I thank the Senator for his observation. If he does not mind, I wish he would remain in the Chamber because I shall deal with that subject in the final part of my remarks. I should like to clear up that question for the RECORD.

Getting back to the letter which came from the newsman in New York, it was placed in the RECORD. It was referred to with great force and eloquence by the distinguished minority leader [Mr. BARKLEY]. I do not wish to misquote him or be guilty of an excessive statement, but from what the distinguished minority leader said, I would interpret his remarks as saying, in effect, "Here is a letter from a man from Italy. He knows how the Italian people feel about this question." I respectfully invite the attention of Senators to the words of the distinguished Senator from Michigan, who stated that this man did not represent the Italian Government, but that he was only the representative of a news agency. His statement reflected only his personal observation. Of course, on that basis, we appraise it for what it is worth. However, in view of the very forceful statement of the minority leader, I wish to stamp indelibly on the minds of Senators the fact that this man does not represent the Italian people. He has no official mandate.

Mr. VANDENBERG. The Senator from Michigan made no pretense to the contrary.

Mr. WHERRY. I am not saying so. But the statement of the minority leader was very forceful. I would not want anyone who had not read the letter or the explanation to infer from the remarks of the minority leader that this man was an official representing the people of Italy. I think that point ought to be emphasized. It is already so stated in the RECORD, and I very much appreciate the fair attitude of the distinguished Senator from Michigan when he offered the letter for the RECORD.

Mr. President, I have before me a document which I believe is far more expressive of the will of the Italian people with respect to the treaty before us than is the statement of any self-appointed spokesman, no matter who he is. I refer to a communication sent last March, as the distinguished Senator from Michigan has already said, by the Italian Constituent Assembly to the United States Senate—in other words, from an elected legislative body in Italy to its counterpart in the United States.

I do not believe that this document has ever been made public. I understand that some comment was made in the press with respect to it; but so far as any release by the Foreign Relations Committee is concerned, it was not made public until this afternoon.

Mr. VANDENBERG. It was made available to the press on the day it was presented to the committee.

Mr. WHERRY. I am glad to have that information, because I understood that there had been some comment in the press to the effect that the document itself had not been released or that its provisions had not been called to the attention of Members of the Senate. However, I am glad to accept the statement of the Senator from Michigan relative to its publication.

It is signed by the Honorable Terracini, President of the Italian Constituent Assembly, and addressed to the President of the United States Senate. Though Terracini is a Communist, and therefore in favor of ratification, he was forced by majority vote to dispatch the communication, pleading, in the name of the elected representatives of the Italian people, that this treaty be rejected.

Here is a Communist in a legislative body—the head of it—forced to sign this memorandum which I am now giving to the Senate of the United States, having a copy of it in my possession. It reads as follows:

> The Italian Constituent Assembly, elected by the votes of a nation which has been restored to liberty and democracy by the heroism of the Allies and by the sacrifices of its own sons, has solemnly charged me with the duty of appealing to the representatives of the American people.
>
> The Italian people who, in the final victory against fascism made a contribution of men and faith recognized by the whole world, asks that the peace be framed justly so that we may repair our ruins, reconstruct our national life, and take part freely in the progress of the world. The Italian people asks that the harsh injustice found in many clauses of the treaty be not allowed to hinder us in our regeneration—a regeneration which will be made impossible if our freedom and our integrity as a nation are not respected. It asks that the arbitrary mutilation of our territory be annulled, together with the humiliating terms regarding our army, air force, and navy, which shared heroically in the final struggle for the common victory. It asks also, that the insupportable economic and financial penalties (reparations) be lightened.
>
> The ties of blood which bind the United States and Italy, and the continuing proofs of sympathy given to Italy throughout the years by the people of the United States, as well as those recently shown the Head of our Government, assures the Italian Constituent Assembly that the American people—champions of justice and liberty among nations who fought for the triumph of those principles—will listen sympathetically to this appeal, and will do its utmost, in keeping with the principles laid down by the United Nations and by peaceful agreements between interested nations, to bring about a revision of the conditions of the peace.
>
> TERRACINI,
> *President of the Italian Constituent Assembly.*

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BALDWIN. The Senator just mentioned revision of the conditions of the treaty?

Mr. WHERRY. Yes.

Mr. BALDWIN. As I understand the United Nations Charter, if Italy were admitted as a nation to the United Nations organization, under the charter she could make application for revision of some of these conditions?

Mr. WHERRY. I think the Senator is correct. But does the Senator think that that will be done if we sign this treaty?

Mr. BALDWIN. I do not think it can be done unless the treaty is signed.

Mr. WHERRY. The time to revise the terms of the treaty is before it is signed. It is like making any other kind of a contract. Here is a statement from the head of the Italian Constituent Assembly, a legislative assembly comparable to the Congress of the United States, asking us to revise the terms of the treaty before we sign it. The treaty has only one signatory now, and that is Great Britain. If we want to keep faith with the people of Italy, who do not want the treaty ratified until the revisions are made, the time to make them is before we put our name on the dotted line.

Mr. BALDWIN. I want to assure the Senator that I am just as sincere in my desire and purpose to do the best thing for the Italian people as is the Senator from Nebraska, or anyone else

Mr. WHERRY. Oh, of course, I understand that.

Mr. BALDWIN. I think the Senator will concede that.

Mr. WHERRY. I would like to have the RECORD show that I know of no one who is more sincere in his work than is the distinguished Senator from Connecticut.

The time to make a revision of a contract or any other document is before the names are signed to the dotted line. Once our name is placed there it will be terrifically difficult to revise it.

Mr. BALDWIN. I am wondering what would be the machinery for revising it now, other than a repudiation of the treaty and going all over it again. I do not understand the argument of the Senator. I am trying to find light on the subject to help me to determine how I shall cast my vote tomorrow. I am wondering if Italy's position as a member of the United Nations would not better enable her to reestablish herself and have revisions made in the treaty than if we were to throw the treaty to one side. I say to the Senator that I do not like it; I wish we could have done better for Italy. But if we throw the treaty to one side and trust to a complete series of renegotiations——

Mr. WHERRY. I think it would require renegotiation if we revise the treaty; I think there is no doubt about that. If the Senator feels that it would be better to go the other way, to sign the treaty and then revise it, that is one way to go, and we have a perfect right to do it. But my opinion is that we had better revise it now if we ever expect to have it revised, because once the United States places its name on the dotted line I think it will be very doubtful that we can get any revision otherwise. That is merely my opinion.

Mr. BALDWIN. I asked the question of the Senator because I know he has made a very earnest and very deep study of the whole question. The answer to my question would be that if Italy were a member of the United Nations she could take that course?

Mr. WHERRY. That is my interpretation; and I think the Senator from Michigan would agree with me in that statement.

Mr. VANDENBERG. Pardon me. I did not hear the colloquy.

Mr. WHERRY. The procedure would be available, and the treaty could be revised.

Mr. BALDWIN. If the Senator will yield further, I want to say to him that he has been very generous in allowing all these interruptions.

Mr. WHERRY. My patience does not compare with that of the distinguished Senator from Michigan. I realize that yesterday and many times in the past he has labored and sweated—if the Senate does not mind that word—when he gets up and I ask him questions. There is no Member of the Senate who admires him more than do I; I should like to follow him on questions of foreign policy, because he is a student of the subject. In this instance I have done my level best to do so, as I have on other occasions. Possibly I take things too seriously; I have been told that I do; but I want the Senator to know that I have been utterly sincere in my conclusions, with what knowledge I have, and I want to be just as patient as the distinguished Senator from Michigan has been, and even more so, because I realize that some of the questions I have asked have been very elementary, and I suppose he feels that all of us should know the elementary things. Yet there are many complications involved and there has been much said that was unsatisfactory.

I have been over there, as I have stated. I went over there for another reason. I paid my own expenses. I do not want to emphasize that fact, but I went over because I was interested in food and in the rehabilitation not only of Italy but of Germany and Austria. I spent considerable time in Europe. No one has the answers to all the questions involved. I certainly agree with the distinguished Senator from Michigan that it is very difficult to get the answers. As I understand, he takes the position, as does the Senator from Connecticut [Mr. BALDWIN] that this is the best treaty we can get at this time and that we had better take it and meet the other hurdles as we come to them. As I said on the floor of the Senate this afternoon, that is the way in which the great majority will see this peace treaty. But, personally, I should like to support the motion of the distinguished Senator from Arkansas. I should like to see his motion agreed to. I do not want to be placed in the position that because I support the motion I am trying to destroy the treaty. I have the feeling that if we wait we shall get a better treaty than we have at this time; and I do not think we would jeopardize the position of the Italian people any more than it has been jeopardized. I may be absolutely wrong in that position, but that is my judgment. I have done the best I could with the light I have had.

The other way is to go ahead and vote for the treaty on the theory that it is the best that we can get. Certainly the work which was done in scaling down reparations was an admirable job done by the men who sat there and dealt with Mr. Molotov.

In that connection I want to pay tribute to the senior Senator from Michigan [Mr. VANDENBERG] and the senior Senator from Texas [Mr. CONNALLY] and all those associated with them. I suspect they did a better job than could any like number of persons have done in the same situation. But even though they have done the best they could, somehow I have the feeling in my heart—and I cannot get it out—that we should not ratify the treaty at this time. I should like to have action on it postponed until we see if things will not work out for a better treaty for Italy so that she will not take the chance of being placed behind the iron curtain and lose the things she fought for when she became our ally in the war.

I hope that I shall not be misunderstood. I am just as sincere about the matter as anyone could be. I deeply appreciate the statement of the senior Senator from Michigan that it is an individual matter. Certainly there is no politics connected with it. We have a bipartisan foreign policy.

I voted for the United Nations largely upon the representations and statements made by the Senator from Michigan and the Senator from Texas, and no one has been more anxious to see it succeed than have I. I did not vote in the first instance for UNRRA, because I felt that we should distribute our food direct to the people in Europe. After the organization was once set up I voted for the appropriations every time the question arose. I thought it was a mistake, and certainly over the years it has proved to be a mistake, because all of us agree that the way to feed them is to feed them directly through their own governmental agencies. But in the main I have supported it.

I wish the Senate to know that it takes a great deal of courage to stand on this floor and in any way take a position opposite to that which is taken by the distinguished Senator from Michigan. For that reason, Mr. President, it seems to me that a Senator who is in the minority should be given due credit for having the courage to take the position I have taken, even though his judgment may not be the judgment of other Senators who, being in the majority, will vote for ratification of the treaty.

Mr. President, I should like to say something off the record, but that cannot be done in the Senate, so I shall proceed along another line.

Mr. BALDWIN. Mr. President, I should like to say that I do not think anyone questions the courage or sincerity of the Senator from Nebraska. I think that statement should appear in the RECORD.

Mr. WHERRY. I thank the Senator.

Mr. President, I interrupted my remarks in reference to the memorandum to which I have called attention. It bears a signature which is comparable to that of the President of the United States. Mr. President, if a point is made—and it was made—as to how the people of Italy feel about this matter, I think that memorandum, which comes from an important governmental body in Italy, more truly reflects the feelings of the Italian people than do the personal observations of a newspaperman or the statements contained in a news article coming from Italy. That is my opinion. I think we should pay attention to the sentiments and views expressed in that memorandum, because I think it is clear that those persons are pleading with the United States Senate to understand their viewpoint, and I think it is clear that they are pleading with the Senate not to ratify this treaty.

In conclusion, Mr. President, let me state that the following sentiment was reiterated by Italy's present Foreign Minister, Count Carlo Sforza, only last month when he declared for the public record:

> Never in act, word, or written document has the Italian Government sought to say or to imply that it favored ratification of the onerous peace treaty.

He is the Foreign Minister of Italy. We are speaking of evidence now. On the one hand, we have a letter from a newspaperman who says the people of Italy want the treaty to be ratified, and that newspaperman is a Communist; that is what is said about him, and I think I can prove that, if proof is desired. On the other side of the ledger, we have the expressed sentiment of the legislative body of Italy which is comparable to the Senate of the United States, and it is pleading with Members of the United States Senate not to ratify the treaty.

Let me read again to the Senate the sentiment of the Italian Foreign Minister:

> Never in act, word, or written document has the Italian Government sought to say or to imply that it favored ratification of the onerous peace treaty.

Furthermore, he warned the Italian people against the illusion that Italy's eventual membership in the United Nations could change the hardships resulting from this treaty.

It is admitted even by those favoring ratification that efforts to revise the treaty through the United Nations or otherwise could be started immediately the treaty is ratified. To this I say: Why do we have to make a patient sick in order to cure him? And can we cure him? It is a fact that once these treaties are ratified, none of them can be peacefully revised without the full consent of all the signatories, and that would be a terrific job.

Mr. President, I think there should be no further doubt in the mind of any Senator as to the real sentiment of the Italian people regarding this treaty.

There should be very little doubt, it seems to me, as to how the true interests of the Government and people of the United States can best be served in the matter at hand.

Mr. President, once again I wish to say, in concluding my remarks, that I have spoken independently as a Senator, and that I have done so, as set forth by the distinguished Senator from Michigan, in accordance with what I believe to be my duty; and I have arrived at these conclusions individually because I feel that a postponement of this treaty for the period which has been suggested would provide the very solution for which the Italian people are pleading tonight. I think that to do so would place the American people in a better position in the Mediterranean area insofar as concerns the carrying out of the Truman philosophy and program in Italy, as well as in Greece, Turkey, and elsewhere.

Mr. CONNALLY. Mr. President, I wish to suggest that as soon as I can obtain recognition tomorrow, I expect to address the Senate on the pending question.

Mr. VANDENBERG. Mr. President, I am very happy that the able Senator from Texas has given that notice. Let me say that in the unanimous-consent agreement, there is nothing which would require a division of the time tomorrow during the further consideration of the treaty. It seems to me there should be at least a voluntary effort to divide the time tomorrow as evenly as possible. So I say to Senators that so far as the President pro tempore of the Senate is concerned, he will undertake voluntarily to divide the time tomorrow, before 2 o'clock, between the proponents and the opponents.

Mr. WHERRY. Mr. President, I thank the distinguished Senator from Michigan for that announcement, because several Senators have stated to me that they would like to have time tomorrow to speak on the treaty, and I knew that the unanimous-consent agreement did not provide for a division of the time.

Will the Senator from Michigan allot the time for both sides?

Mr. VANDENBERG. Yes; I shall undertake to do so for both sides.

Mr. WHERRY. I assure the Senator that we have the utmost confidence in him and we shall be glad to have him divide and allot the time for both sides.

Mr. VANDENBERG. I thank the Senator.

RECESS

Mr. WHERRY. Mr. President, if there is nothing further to come before the Senate at this time, I move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 5 o'clock and 57 minutes p. m.) the Senate, as in executive session, took a recess until tomorrow, Thursday, June 5, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 4 (legislative day of April 21), 1947:

DIPLOMATIC AND FOREIGN SERVICE

Hugh S. Cumming, Jr., of Virginia, for appointment as a Foreign Service officer of class 1 and a secretary in the diplomatic service of the United States of America.

A. Cyril Crilley, of Maryland, for appointment as a Foreign Service officer of class 2 and a secretary in the diplomatic service of the United States of America.

Carlile Bolton-Smith, of Tennessee, for appointment as a Foreign Service officer of class 3, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons, for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Clyde L. Clark, of Indiana.

Charles K. Ludewig, of the District of Columbia.

Charles Philip Clock, of California, for appointment as a Foreign Service officer of class 5, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert G. Braden, of California.
William C. Canup, of Michigan.
Harold E. Engle, of Kansas.
Richard A. Ericson, Jr., of Minnesota.
Philip E. Haring, of Pennsylvania.
Edward C. Ingraham, Jr., of New York.
Richard G. Johnson, of New York.
David S. McMorris, of Alabama.

COLLECTOR OF INTERNAL REVENUE

F. Clyde Keefe, of New Hampshire, as collector of internal revenue for the district of New Hampshire, in place of Peter M. Gagne, deceased.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be junior assistant nurse officers (equivalent to the Army rank of second lieutenant), effective date of oath of office:

Dorothy A. Turner	Carlotta A. Ballantyne
Joan M. Norkunas	
Augusta M. Christopher	Leona R. Cubinsky
	Winifred Woods
Anna B. Barnes	Margaret M. Sweeney
Alice I. Shedd	Elaine Felt
Essie E. Lee	Patricia H. Parnell
Joyce B. Rieling	Josefina Sanchez
Virginia L. Roberts	Ann M. Zidzik
Evelyn J. Guess	Ruth I. Webb
Nelle F. McCarthy	Alice M. Driscoll
Pauline M. Gronas	Elsie M. Pinkham
Catherine J. Lyons	Barbara A. Emerson
Ardyth M. Buchanan	
Dolores T. Stang	

To be assistant nurse officers (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Mary V. Ward	Maryrose Johnston
Ruth A. Johnson	Gertrude I. Miller
Winifred M. Mendez	M. Elizabeth McBride
Arne L. Bulkeley	Sally Wladis
Jeannette Bedwell	Marie F. Hanzel
M. Lois McMinn	Eleanor E. Wagner
Emijean Snedegar	Flora Jacobs
Sylvia Simon	Ina L. Ridlehoover
Stella M. Williams	Adele L. Henderson
Olive J. Faulkner	Marion C. Burns
Philomene E. Lenz	Helen E. Enright
Mabel Pelikow	Henrietta Smellow
Jean C. Feely	Mathilde A. Haga
H. Jean McIver	Gertrude L. Anderson
Helen Gertz	Latis M. Campbell
Lucille E. Corcoran	Henrietta Rust
Dorothy G. Erickson	Myra I. Johnson
M. Estelle Hunt	Irma C. Thomsen
Mary E. McGovern	Irma M. Lamberti
Mildred T. Bogle	

To be senior assistant nurse officers (equivalent to the Army rank of captain), effective date of oath of office:

Elisabeth H. Boeker	Alice M. Fay
L. Margaret McLaughlin	Catherine L. Mahoney
	Margaret E. Willhoit
Edna A. Clark	Opal B. Stine
Miriam K. Christoph	Genevieve S. Jones
Ella Mae Hott	Daphine D. Doster
Alice E. Keefe	Frances S. Buck
Margaret Denham	Anna M. Matter
Eleanor J. Gochanour	Josephine I. O'Connor

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE MAJOR GENERALS

Lt. Gen. Alvan Cullom Gillem, Jr. (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. Wilhelm Delp Styer, United States Army, retired April 30, 1947.

Lt. Gen. Wade Hampton Haislip (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. Clarence Self Ridley, United States Army, who retires June 30, 1947.

Lt. Gen. Walton Harris Walker (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. James Eugene Chaney, United States Army, who retires July 31, 1947.

Lt. Gen. Hoyt Sanford Vandenberg (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. Jonathan Mayhew Wainwright, who retires August 31, 1947.

Lt. Gen. George Edward Stratemeyer (brigadier general, U. S. Army), Army of the United States, vice Maj. Gen. Ira Clarence Eaker, United States Army, who retires August 31, 1947.

TO BE BRIGADIER GENERALS

Maj. Gen. Joseph May Swing (colonel, Field Artillery), Army of the United States, vice Brig. Gen. Alvan Cullom Gillem, Jr., United States Army, nominated for appointment as major general.

Maj. Gen. Edward Hale Brooks (colonel, Field Artillery), Army of the United States, vice Brig. Gen. Wade Hampton Haislip, United States Army, nominated for appointment as major general.

Maj. Gen. Wilton Burton Persons (colonel, Signal Corps), Army of the United States, vice Brig. Gen. Walton Harris Walker, United States Army, nominated for appointment as major general.

Maj. Gen. Clements McMullen (lieutenant colonel, Air Corps), Army of the United States, vice Brig. Gen. Hoyt Sanford Vandenberg, United States Army, nominated for appointment as major general.

Maj. Gen. Howard Arnold Craig (lieutenant colonel, Air Corps), Army of the United States, vice Brig. Gen. George Edward Stratemeyer, United States Army, nominated for appointment as major general.

IN THE NAVY

The following-named (Naval ROTC) to be ensigns in the Navy from the 6th day of June 1947:

Bernard N. Bloom

Billy A. Dodge

The following-named (Naval ROTC) to be ensigns in the Navy from the 6th day of June 1947, in lieu of assistant civil engineers in the Navy with the rank of ensign, as previously nominated and confirmed:

Maurice A. Person

Donald R. Williams

The following-named (Naval ROTC) to be ensigns in the Navy from the 6th day of June 1947, in lieu of ensigns in the Navy as previously nominated and confirmed, to correct spelling of name:

Charles R. Hannum

Donald J. Weintraut

George T. Younggren

Joseph W. Neudecker, Jr. (Naval ROTC) to be an assistant civil engineer in the Navy with the rank of ensign, from the 6th day of June 1947, in lieu of an ensign in the Navy as previously nominated and confirmed.

Francis Roche (civilian college graduate) to be an assistant paymaster in the Navy with the rank of ensign.

WITHDRAWALS

Executive nominations withdrawn from the Senate June 4 (legislative day of April 21), 1947:

IN THE ARMY

TO BE MAJOR GENERALS

Lt. Gen. Alvan Cullom Gillem, Jr. (brigadier general, United States Army), Army of the United States, vice Maj. Gen. Wilhelm Delp Styer, United States Army, retired, April 30, 1947.

Lt. Gen. Wade Hampton Haislip (brigadier general, United States Army), Army of the United States, vice Maj. Gen. Clarence Self Ridley, United States Army, who retires June 30, 1947.

Lt. Gen. Walton Harris Walker (brigadier general, United States Army), Army of the United States, vice Maj. Gen. Ira Clarence Eaker, United States Army, who retires July 31, 1947.

Lt. Gen. Hoyt Sanford Vandenberg (brigadier general, United States Army), Army of the United States, vice Maj. Gen. James Eugene Chaney, United States Army, who retires July 31, 1947.

Lt. Gen. George Edward Stratemeyer (brigadier general, United States Army), Army of the United States, vice Maj. Gen. Jonathan Mayhew Wainwright, who retires August 31, 1947.

TO BE BRIGADIER GENERALS

Maj. Gen. Joseph May Swing (colonel, Field Artillery), Army of the United States, vice Brig. Gen. Alvan Cullom Gillem, Jr., United States Army, nominated for appointment as major general.

Maj. Gen. Edward Hale Brooks (colonel, Field Artillery), Army of the United States, vice Brig. Gen. Wade Hampton Haislip, United States Army, nominated for appointment as major general.

Maj. Gen. Wilton Burton Persons (colonel, Signal Corps), Army of the United States, vice Brig. Gen. Walton Harris Walker, United States Army, nominated for appointment as major general.

Maj. Gen. Clements McMullen (lieutenant colonel, Air Corps), Army of the United States, vice Brig. Gen. Hoyt Sanford Vandenberg, United States Army, nominated for appointment as major general.

Maj. Gen. Howard Arnold Craig (lieutenant colonel, Air Corps), Army of the United States, vice Brig. Gen. George Edward Stratemeyer, United States Army, nominated for appointment as major general.

NOTE.—These nominations are withdrawn due to the change in the effective date of retirement of General Eaker from July 31, 1947, to August 31, 1947. For reasons stated above these names are being resubmitted in a revised nomination.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 4, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, our Heavenly Father, the morning light has broken and Thy mercy has embraced us; surely Thy goodness endures forever. We praise Thee that Thou dost make known Thy loving kindness; while all earthly things are transient, we are grateful for the blossoming in the wilderness, untouched and unsmitten. The richest treasures of life are invisible and known only to the human heart, whose gifts cannot be weighed, measured, or counted.

In our contention against evil, O Lord, quicken every laggard step, every faltering heart and hesitant mind, and give triumph to courage and the sense of justice born of goodness. Cleanse our minds and purge our lips from all irreverent and evil speaking, and may we be as prophets rising above confusion, pointing the way that was hallowed by our fathers, who served and died to keep men free. O direct us until our consciences accept the holiness of Thy law and we become united with the purpose of Thy holy will.

Through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) entitled "An act to reduce individual income-tax payments."

THE SUGAR SITUATION

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, I have been looking into the sugar situation a little, and I find there is an immense amount of sugar in the warehouses and in the refineries, in many instances more than they are able to take care of. I also find that the sugar situation is much better than it was last year, that they are expecting a considerable increase in imports from Cuba and other countries in the next few months. Taking these facts into consideration, I take this time to suggest to the Department of Agriculture and to those who have charge of allocation and distribution of sugar that they look into this matter and allow an extra 10 or 15 pounds per capita to the home canners, to take effect not later than July 1, and not wait until it is too late. With the sugar situation as it now stands, I urge the Department of Agriculture to take early action to provide for this extra canning sugar. In order that we may preserve and keep from waste millions of pounds of food, I think something ought to be done by the Department of Agriculture for the home canners of the country and to save all food available rather than to allow it to go to waste.

The SPEAKER. The time of the gentleman from Illinois has expired.

GREECE AND TURKEY

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, during the debate on the late lamented Greek-Turk aid bill there were many of us who contended that matter should have been referred to the United Nations for action. Much to my surprise, today I find that one of the distinguished delegates to United Nations, Mr. VANDENBERG, rose in great wrath and denounced the action of the Communists in Hungary in taking over that Government. In the Greek-Turkish matter Mr. VANDENBERG said the United Nations was not equipped to act. But yesterday that distinguished gentleman said that the United Nations can and may be called upon. Mr. Speaker, what kind of consistency is this? Mr. VANDENBERG has jumped from the frying pan into the fire. If this is what is called a bipartisan foreign policy, I want none of it.

I am seeking light because I want to know if the United Nations should act for Hungary why is it not good also for the United Nations to act in Greece and Turkey?

I would like an answer to that question.

DEATH OF THE OPA

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, it is with deep regret that I arise to announce that a significant event of great importance took place last Saturday, May 31—an event that received but little recognition and no comment. That was the official death of the OPA.

During its lifetime the OPA commanded great attention and played an important part in the economic structure of America.

It has gone to its reward, along with the NRA, the OWI, and the Office of Culture and Information. They, too, enjoyed great prestige during their short but exciting existence.

The OPA will always be something to be remembered but not talked about, and its passing can be properly recorded under the head of public improvements. Farewell.

[From the Bristol (Pa.) Courier of June 2, 1947]

DEATH OF THE OPA

Officially, Saturday marked the death of OPA—Office of Price Administration—which was by all odds the most controversial and least satisfactory of the many agencies created for the war.

The OPA was in constant hot water, during and after the war emergency, both because it came closely in contact with the private lives of American citizens and because so much of its activities failed to get the expected results.

In looking back at the OPA, future generations will want to ask many questions. This is especially true if the present drift toward a Third World War continues. Then the problem will rise, inevitably, whether to re-create OPA or try something different.

In evaluating OPA let's go back to first principles. The question often is heard, "Was there really need for price controls and rationing, or were they simply used as excuses for putting political favorites on the pay roll?"

The answer to that question is not simple. If it must be answered "yes" or "no," then "yes" has to be the reply, but for very definite reasons, which OPA itself seems never to have understood.

Rationing was necessary, in some form or other, for two reasons: First, to assure fair distribution of scarce items; second, as an evidence of good faith to our foreign allies, who were "up against it" for lack of many items abundant here and dependent upon our supplies for their survival.

Pearl Harbor cut the "rubber life line" of the United States. It also disrupted the Nation's sugar supply. Need for rapid production of arms and ammunition gobbled up our stocks of many other commodities—tin, copper, etc.

Price control, under the circumstances, was almost inescapable. Had Uncle Sam and private purchasers gone into price competition with each other for these items, "profiteers" would have tried to corner the market, and there would have been turmoil and extravagant waste.

The second basic question which had to be answered when rationing and price control were decided to be necessary was how these regulations were to be administered. There was a definite choice in the matter. During the First World War this was done by about 90 percent voluntary effort, and public morale was built up to make the rules largely self-enforcing. This was one way to do the job.

The other way was to copy the European invention of the past two generations—what is called bureaucracy. That meant the creation of a vast Federal agency which would have, in effect, the power to make its own rules (legislative authority); the power to enforce its rules (executive authority); and the power to determine whether its employees or the unhappy civilians who complained were in the right (judicial authority).

Widespread as bureaucracy has become in the Federal Government, it is and always will be contrary to the intention of the Constitution and therefore repugnant to the American sense of how the country ought to be run.

First announcements of OPA, back in the defense period, were carefully worded to give two impressions, both of which presently developed to be fraudulent. One was that the voluntary phase of enforcement would be emphasized. The other was that the power back of the controls would be not new powers in the hands of Uncle Sam but the so-called police power of the States, once assumed to be their most important sovereign right under the Constitution.

States organized the OPA. Local boards were created which, at the start-off, had wide discretion to meet unusual problems.

Presently, however, the whole structure was taken over out of Washington. Directives of such complexity that no two attorneys could agree on their meaning were dumped on the local boards. Those were the days of the famous order that no more female steers should be slaughtered for beef. A host of bright young college graduates, still damp behind the ears, and most of them with conspicuous political contacts in the New Deal, moved in. They had a field day. No one knew what they were trying to do—not even themselves. If something worked out a way they disliked, they simply passed a new rule—retroactively, in many cases.

State cooperation in the program was blasted by the creation of districts—Pennsylvania, for example, was suddenly being run out of New York, along with New Jersey, Delaware, Maryland, and the District of Columbia. Those in charge knew less than nothing about the internal problems in this State. For a time there was uncertainty in the chain of command. Some Washington instructions said the States were still in charge, with the New York office purely advisory in capacity; others that the New York office was in the saddle. There was confusion about the status of the Third Corps Army Area, which had different geographic boundaries, and some authority over many of the questions.

The real troubles of OPA dated from this take-over, which had all the earmarks of a political coup by the New Deal bureaucrats at Washington. Local board members resigned singly and en masse. Voluntary help—school staffs, unpaid recruits from patriotic organizations, etc.—were presently displaced for a gigantic paid staff hired by some mysterious hocus-pocus which, however it worked, never drew any protests from Democratic campaign committees.

Scandals, charges of favoritism, and hints of corrupt practices began at once. Industrial concerns soon found it expedient to employ Washington representatives. Building materials were much too scarce for the ordinary person to build a home or enlarge his building, yet available for those with the right contacts to build racing tracks, new taprooms, and the like.

Those who at the top took over the voluntary system of price controls and rationing were mainly disciples of socialism and the new order. Presently it developed that the controls were to be used in an effort to put across a social revolution along communistic lines.

Price controls were used not to prevent outright profiteering, as at first intended, but to redistribute wealth—just as Marx and Lenin and Stalin preached. Presently any profit was being construed as mischievous, and prices were held down to prevent them.

Thereby arose another great stumbling block on which OPA tripped. It presently became obvious that the things which OPA concentrated on became scarcer and scarcer, while other articles, which OPA had overlooked, continued available at prices which, considering the rise in all costs, were not exorbitant.

The shortages in sugar, gasoline, and rubber—three of the most disturbing scarcities—might have been relieved within a year to a year and a half, under efficient management. They continued throughout the war, and were worse after a couple of years of OPA than when OPA was created.

OPA went into politics, trying to keep Congress from clamping down on its abuses. Impressive publicity staffs were hired, radio orators were put to work, there were tie-ins with liberal groups of all kinds, including the bosses of the CIO and PAC. For months the country seethed with the OPA issue. Congress and the people were determined to do away with it at the first opportunity; the OPA itself preached, over and again, the idea of how much it would like to be made a permanent part of our Government.

About a year ago, the OPA fight broke wide open. The CIO chiefs talked President Truman into vetoing a compromise bill decontrolling OPA over a period of months. After several weeks in which there was no OPA, a new OPA bill was passed. This the President hailed as about what he wanted, and he signed it; but it was so hopelessly muddled, both in the law itself and its enforcement, that shortly before the November election President Truman, in desperation, wiped the bulk of the controls out of existence.

Since then OPA has operated on borrowed time. Its once gigantic staff has largely been reabsorbed in congenial jobs in other, less controversial Federal bureaus. Its few remaining powers have been parcelled out elsewhere.

Saturday, officially, it came to an end.

And with its passage dies the bureau which made the most serious and hardest fight yet attempted to throw the American free economy into a collectivist dictatorship.

Its epitaph can be short and sweet: "Good riddance."

EXTENSION OF REMARKS

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in the RECORD and include an address by Mr. HERTER, of Massachusetts.

Mr. LATHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD in two instances.

THE STRANGE WAYS OF THE WAR ASSETS ADMINISTRATION

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, a manufacturer from the district I represent wrote me as follows on May 26 with regard to sales methods of War Assets Administration:

When our representative was down in Philadelphia a few days ago for the opening of bids, they were offering for sale buckles and slides. One bidder interested only in the buckles offered $2.85; another bidder offered $1.90 for the buckles and slides.

Inasmuch as the $2.85 bid was not in accordance with the proposal, it was thrown out and the award made to the $1.90 bidder;

however, the higher bidder protested with the result that all bids were canceled and a new invitation resulted in the lot being sold—that is, both buckles and slides—at $2 per thousand.

Apparently, Mr. Speaker, we hope for too much when we hope for horse sense on the part of the bureaucrats charged with the administration of our governmental functions.

The same constituent has drawn my attention to the fact that the Louisville, Ky., office of War Assets Administration advertised a sale to open on May 23, 1947, of an item of hardware at the very moment when the Army Quartermaster Depot at Philadelphia was receiving bids on a lot of 1,000,000 of an identical article.

Alas, the poor taxpayer.

AMENDING VETERANS' PREFERENCE ACT OF 1944

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 231, Rept. No. 512), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1389) to amend the Veterans' Preference Act of 1944. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. HORAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a statement I made before the Committee on Public Works this morning.

The SPEAKER. Without objection, the extension may be made.

There was no objection.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD in two instances, to include in one an editorial appearing in the New Orleans States, and in the other an address by Mr. Salon B. Turman.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the board of directors of the National Oil Marketers Association.

MILITARY POSTS

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, any effort to take strength from or lower the efficiency of the War Department at the present time would be the most serious mistake that this Congress could make. I believe every effort should be made to make the Army a more formidable group than it is at the present moment. This can be done and at the same time a greater degree of efficiency can be achieved by the suggestion that I am about to make.

Let the War Department immediately abolish the hundreds of obsolete military posts and Coast Artillery installations that no longer serve any useful purpose. Let the entire Army in the United States be placed in five or six now available gigantic cantonments where they could be grouped and trained as brigades and divisions. Under this plan Quartermaster Corps, Field Artillery, Infantry, Engineers, Signal Corps, and other branches which comprise the modern Army could train and work together. This is not possible now. In some cases battalions of the same regiment are separated by as much as 200 miles and never receive an opportunity to work and drill with the other groups comprising their outfit. It would prepare officers of the upper level for the task of handling large numbers of men. It would make possible the everyday study of tactical problems, and it would above all develop a feeling of strength and a far better esprit de corps than exists today. At the same time that a finer training was being given to our Army, the taxpayers would be saved hundreds of millions of dollars a year because of the concentration of these forces and the abandonment of useless posts.

INDIA'S FREEDOM

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, fast and furious history is being made in India. Great Britain has offered a solution to the political difficulties of India and has suggested the division of India into two countries, Pakistan and Hindustan, the latter to comprise most of the 310,000,000 Hindus and the former to comprise of approximately 90,000,000 or less Moslems. It is interesting to note, and very creditable also, that the Indian leaders have accepted the solution, that Britain will get out and transfer power to the Indians this summer. Leaders Nehru for the Hindus and Singh for the Sikhs and Jinnah for the Moslems have all shown great statesmanship in the acceptance of this latest British proposal. It should prevent much shedding of blood. We are vastly interested in the 400,000,000 Indians. There are great possibilities of enhanced trade between the United States and India, and it points up the need for the setting up of a commission to consummate eventually a treaty of peace, commerce, and navigation with either one India or two Indias. We have sent an Ambassador to India, which indicates our vast interest in this great domain, and if there are to be two countries, we may have to send another Ambassador. But, in any event, we should focus our attention to a great degree upon India, because we are losing much if we do not do so.

We can gain, India can gain from a better mutual understanding—both can gain culturally, spiritually, commercially, and economically.

Too little, unfortunately, is known by each of the other. Most Americans still think of India as a land of minarets and performers of the rope trick. Indians in the main look upon Americans as rough cowboys and bathing beauties.

Although I deem Pakistan a mistake, yes, and a rank appeasement of Jinnah; if that is what India wants, let her have it. In my humble opinion Pakistan and Hindustan will only deepen the cleavage between Hindus and Moslems. Pakistan would roughly comprise the Provinces of Bengal and Assam in the northeast and Punjab Sind, Baluchistan, and North-West Frontier—all in the northwest. Thus Pakistan would be like two arms without a body. It could not exist as a nation. Then again the Hindus and Sikhs are demanding and will get a further partition in these Provinces, especially Bengal and Punjab. Thus Pakistan will be a truncated Pakistan. But if that is the way to peace, so be it. India, all of it, has our blessings.

EXTENSION OF REMARKS

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD in two instances, and include in one three resolutions from his district supporting the Wagner-Ellender-Taft bill, and in the other a letter from the Cambridge Committee for a Living Wage.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in the RECORD and include an article by George Sokolsky appearing in today's Times-Herald in connection with the proposed increase in the postal rates.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. REES asked and was given permission to extend his remarks in the RECORD and include a newspaper statement.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in two instances and in one to include a magazine article.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. RANKIN. Mr. Speaker, on yesterday afternoon I was granted permission to extend my remarks in the RECORD and include certain extraneous matter. I stated that it exceeded the two pages of the RECORD permitted, but was granted permission to insert it regardless of that fact. However, the Public Printer informs me that I have to submit the amount, which is $449.67. I ask unanimous consent that this article may be

printed regardless of the fact that it exceeds the limit.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

TERMINAL-LEAVE PAYMENTS

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, I hold in my hand today an armed forces leave bond which was issued to me as an enlisted man of the armed forces after the late war, the same as was issued to other enlisted personnel of the armed forces. Many of you have probably never seen one of these bonds but it is, as so stated on the back, nonnegotiable and nonassignable except to the Administrator of Veterans' Affairs to be used in payment of premiums, loans, and interest on national service life insurance.

I wish to compliment this House on passing a bill last year to make these bonds payable in cash, and am sorry the other body did not see fit to concur.

Many of our soldiers are now going through a period of readjustment. They are in school, or making an attempt to get started in business or to establish a home. It is very important at this time that they have the use and benefit of these bonds because they feel, and I feel, that the bonds will be needed more right now than 5 years from now, and those who wish to save the bonds will be permitted to do so but the average American GI feels that this whole matter of terminal leave pay was a discrimination against him and a violation of the principles for which he fought. They were led to believe that they were fighting for democracy, for equal rights for all people, and against discrimination in any form.

These GI's feel that it is the duty of this Congress to make these bonds negotiable in order that if they so desired they may obtain cash which they can use to make payments on furniture in their homes, on their homes, or to be used in furthering their education or getting started on some farm. I believe that the GI's of America have a just cause to carry before this Congress and I think these bonds should be made negotiable now. Therefore, I advocate the passage during this session of the Congress of the Rogers bill, H. R. 3521.

SPECIAL ORDER GRANTED

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TWO GREAT VICTORIES FOR CHRISTIAN NATIONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I did not quite understand the hysterical references of the gentleman from New York [Mr. CELLER] to what is taking place in India; but I do know that two things took place in the world on yesterday that are most encouraging to the Christian nations of the earth, and most discouraging to the communistic elements throughout the world.

One of them was the announcement by President Truman of the settling of our alleged differences with Argentina, that great South American country, with which we have been at odds because of certain Communist elements trying to stir up trouble for us in South America. In announcing that settlement President Truman issued the following statement:

The Argentine Ambassador, who has just returned from Argentina, reviewed with the President and the Secretary of State the steps which his Government has taken and is continuing to take in fulfillment of its commitments undertaken in the Final Act of the Inter-American Conference on Problems of War and Peace. He expressed the view of his Government that no obstacle remained to discussions looking toward the treaty of mutual assistance contemplated by the Act of Chapultepec. The President indicated his willingness to renew the consultations with the Governments of the other American republics initiated by the United States memorandum of April 1, 1946, on this subject.

Another one was the settling of the differences between the British Empire and the various factions in India, a solution which seems to be satisfactory to them all, and which will be most distasteful to the Communists who are trying to use India to stir up trouble for Great Britain.

At this point I am inserting the statement of Prime Minister Clement R. Attlee announcing the settlement. It reads as follows:

LONDON, June 3.—The text of Prime Minister Clement R. Attlee's statement on the British plan for Indian self-rule:

"I desire to make an important statement on Indian policy. A similar statement is being made at the same time in the House of Lords and by the Viceroy in New Delhi. The statement, in the form of a white paper, will be available this afternoon.

"I am glad to inform the House that the plan contained in the announcement which I am about to make, including the offer of dominion status to one or two successor authorities, has been favorably received by all three parties represented at the conferences held by the Viceroy with Indian leaders during the past 2 days.

"Before making the statement I would like to express the gratitude and appreciation of the British Government of the great services which the Viceroy has rendered.

"1. On February 20, 1947, His Majesty's Government announced their intention of transferring power in British India to Indian hands by June 1948. His Majesty's Government had hoped that it would be possible for the major parties to cooperate in the working out of the cabinet mission's plan of May 16, 1946, and evolve for India a constitution acceptable to all concerned. This hope has not been fulfilled."

MOSLEMS HOLD ALOOF

"2. The majority of the representatives of the provinces of Madras, Bombay, United Provinces, Bihar, Central Provinces, and Berar, Assam, Orissa, and the North-West Frontier Province, and the representatives of Delhi, Ajmer-Merwara and Coorg have already made progress in the task of evolving a new constitution. On the other hand, the Moslem League Party, including in it a majority of representatives of Bengal, the Punjab, and Sind, as also the representative of British Baluchistan, has decided not to participate in the constituent assembly.

"3. It has always been the desire of His Majesty's Government that power should be transferred in accordance with the wishes of the Indian people themselves. This task would have been greatly facilitated if there had been agreement among the Indian political parties. In the absence of such an agreement, the task of devising a method by which the wishes of the Indian people can be ascertained has devolved on His Majesty's Government. After full consultation with political leaders in India, His Majesty's Government have decided to adopt for this purpose the plan set out below.

"His Majesty's Government wish to make it clear that they have no intention of attempting to frame any ultimate constitution for India; this is a matter for the Indians themselves. Nor is there anything in this plan to preclude negotiations between communities for a united India.

"4. It is not the intention of His Majesty's Government to interrupt the work of the existing constituent assembly. Now that provision is made for certain provinces specified below, His Majesty's Government trust that as a consequence of this announcement the Moslem League representatives of those provinces, a majority of whose representatives are already participating in it, will now take their due share in its labors."

BEST PRACTICAL METHOD

"At the same time it is clear that any constitution framed by this assembly cannot apply to those parts of the country which are unwilling to accept it. His Majesty's Government are satisfied that the procedure outlined below embodies the best practical method of ascertaining the wishes of the people of such areas on the issue whether their constitution is to be framed:

"(a) In the existing constituent assembly; or

"(b) In a new and separate constituent assembly consisting of the representatives of those areas which decide not to participate in the existing constituent assembly.

"When this has been done it will be possible to determine authority or authorities to whom power should be transferred.

"5. The Provincial Legislative Assemblies of Bengal and the Punjab (excluding the European members) will therefore each be asked to meet in two parts, one representing the Moslem majority districts and the other the rest of the Province. For the purpose of determining the population of districts the 1941 census figures will be taken as authoritative. The Moslem majority districts in these two Provinces are set out in the appendix to this announcement."

WILL VOTE ON PARTITION

"6. The members of the two parts of each legislative assembly, sitting separately, will be empowered to vote whether or not the Province should be partitioned. If a simple majority of either part decides in favor of partition, division will take place and arrangements will be made accordingly.

"7. Before the question as to the partition is decided, it is desirable that the representatives of each part should know in advance which constituent assembly the Province as a whole would join in the event of the two parts subsequently deciding to remain united.

"Therefore, if any member of either legislative assembly so demands, there shall be held a meeting of all members of the legislative assembly (other than Europeans) at which a decision will be taken on the issue as to which constituent assembly the Province as a whole would join if it were decided by the two parts to remain united.

"8. In the event of partition being decided upon, each part of the legislative assembly will, on behalf of the areas they represent, decide which of the alternatives in paragraph 4 above to adopt."

TO SIT IN TWO PARTS

"9. For the immediate purpose of deciding on the issue of partition, the members of the Legislative Assemblies of Bengal and the Punjab will sit in two parts according to Moslem majority districts (as laid down in the appendix) and non-Moslem majority districts. This is only a preliminary step of a purely temporary nature, as it is evident that for the purposes of final partition of these provinces a detailed investigation of boundary questions will be needed; and, as soon as a decision involving partition has been taken for either province, a boundary commission will be set up by the Governor-General, the membership and terms of reference of which will be settled in consultation with those concerned. It will be instructed to demarcate the boundaries of the two parts of the Punjab on the basis of ascertaining the contiguous majority areas of Moslems and non-Moslems. It will also be instructed to take into account other factors. Similar instructions will be given to the Bengal boundary commission. Until the report of a boundary commission has been put into effect, the Provincial boundaries indicated in the appendix will be used.

"10. The Legislative Assembly of Sind (excluding the European members) will at a special meeting also take its own decision on the alternatives in paragraph 4 above."

EXCEPTIONAL POSITION

"11. The position of the North-West Frontier Province is exceptional. Two of the three representatives of this province are already participating in the existing Constituent Assembly. But it is clear, in view of its geographical situation, and other considerations, that if the whole or any part of the Punjab decides not to join the existing constituent assembly, it will be necessary to give the North-West Frontier Province an opportunity to reconsider its position. Accordingly, in such an event, a referendum will be made to the electors of the present Legislative Assembly in the North-West Frontier Province to choose which of the alternatives mentioned in paragraph 4 above they wish to adopt. The referendum will be held under the aegis of the Governor-General and in consultation with the Provincial Government.

"12. British Baluchistan has elected a member but has not taken its seat in the existing constituent assembly. In view of its geographical situation, this province will also be given an opportunity to reconsider its position and to choose which of the alternatives in paragraph 4 above to adopt. His Excellency the Governor General is examining how this can most appropriately be done."

REFERENDUM ON SYLHET

"13. Though Assam is predominantly a non-Moslem province, the District of Sylhet, which is contiguous to Bengal, is predominately Moslem. There has been a demand that, in the event of the partition of Bengal, Sylhet should be amalgamated with the Moslem part of Bengal. Accordingly, if it is decided that Bengal should be partitioned, a referendum will be held in Sylhet District, under the aegis of the governor general and in consultation with the Assam Provincial Government, to decide whether the District of Sylhet should continue to form part of the Assam Province or should be amalgamated with the new province of Eastern Bengal, if that province agrees. If the referendum results in favor of amalgamation with Eastern Bengal, a boundary commission with terms of reference similar to those for the Punjab and Bengal will be set up to demarcate the Moslem majority areas of Sylhet District and contiguous Moslem majority areas of adjoining districts, which will then be transferred to Eastern Bengal. The rest of the Assam Province will, in any case, continue to participate in the proceedings of the existing constituent assembly."

FRESH ELECTIONS REQUIRED

"14. If it is decided that Bengal and the Punjab should be partitioned, it will be necessary to hold fresh elections to choose their representatives on the scale of one for every million of population according to the principle contained in the Cabinet mission's plan of May 16, 1946. Similar elections will also have to be held for Sylhet in the event of its being decided that this District should form part of East Bengal. The number of representatives to which each area would be entitled is as follows:

Province	General	Moslems	Sikhs	Total
Sylhet District	1	2	0	3
West Bengal	15	4	0	19
East Bengal	12	29	0	41
West Punjab	3	12	2	17
East Punjab	6	4	2	12

"15. In accordance with the mandates given to them, the representatives of the various areas will either join the existing constituent assembly or form a new constituent assembly.

"16. Negotiations will have to be initiated as soon as possible on administrative consequences of any partition that may have been decided upon:

"(a) Between the representatives of the respective successor authorities about all subjects now dealt with by the Central Government, including defense, finance, and communications.

"(b) Between different successor authorities and His Majesty's Government on treaties in regard to matters arising out of the transfer of power.

"(c) In the case of Provinces that may be partitioned, as to administration of all Provincial subjects such as the division of assets and liabilities, the police and other services, the high courts, Provincial institutions, etc.

"17. Agreements with tribes of the northwest frontier of India will have to be negotiated by the appropriate successor authority."

STATES POLICY UNCHANGED

"18. His Majesty's Government wish to make it clear that the decisions announced above relate only to British India and that their policy toward the Indian States contained in the Cabinet mission memorandum of May 12, 1946, remains unchanged.

"19. In order that the successor authorities may have time to prepare themselves to take over power, it is important that all of the above processes should be completed as quickly as possible. To avoid delay, the different Provinces or parts of Provinces will proceed independently, as far as practicable within the conditions of this plan, the existing constituent assembly and the new constituent assembly (if formed) will proceed to frame constitutions for their respective territories; they will, of course, be free to frame their own rules.

"20. The major political parties have repeatedly emphasized their desire that there should be the earliest possible transfer of power in India. With this desire His Majesty's Government are in full sympathy, and they are willing to anticipate the date of June 1948, for the handing over of power by the setting up of an independent Indian Government or Governments at an even earlier date. Accordingly, as the most expeditious, and indeed the only practicable way of meeting this desire His Majesty's Government propose to introduce legislation during the current session for the transfer of power this year on a dominion status basis to one or two successor authorities according to the decisions taken as a result of this announcement. This will be without prejudice to the right of Indian constituent assemblies to decide in due course whether or not the part of India in respect to which they have authority will remain within the British Commonwealth.

"21. His Excellency the Governor General will, from time to time, make such further announcements as may be necessary in regard to procedure or any other matters for carrying out the above arrangements."

APPENDIX

Moslem majority districts of Bengal and the Punjab according to the 1941 census:

Bengal, Chittagong Division: Chittagong, Noakhali, Tippera; Dacca Division: Bakarganj, Dacca, Faridpur, Mymensingh; Presidency Division: Jessor, Murshidabad, Nadia; Rajshahi Division: Bogra, Dinajpur, Malda, Pabna, Rajshabi, Rangpur.

Punjab, Lahore Division: Gujranwala, Gurdaspur, Lahore, Sheikhupura, Sialkot; Rawalpindi Division: Attock, Gujrat, Jhelum, Mianwali, Rawalpindi, Shahpur; Multan Division: Dera Ghazi Khan, Jhang, Lyallpur, Montgomery, Multan, Muzaffargarh.

Former Prime Minister Winston Churchill congratulated Mr. Attlee on this agreement.

It seems that the settlement is satisfactory also to the various factions in India as will appear from the following excerpts from radio addresses delivered in New Delhi by their respective leaders. The matter referred to follows:

NEW DELHI, INDIA, June 3.—Following are excerpts from the radio addresses tonight of the Viceroy, Viscount Mountbatten, Pandit Jawaharlal Nehru, representing the Congress party, Mohammed Ali Jinnah, representing the Moslem League, and Sardar Baldev Singh, representing the Sikh community, concerning the British proposals in respect to India.

VISCOUNT MOUNTBATTEN

"With a reasonable measure of good will between the communities a unified India would have been the best solution. It is regrettable that it has been impossible to attain agreement on any plan preserving unity.

"But there can be no question of coercing any large areas in which one community has a majority to live against their will under a government in which another community has the majority—and the only alternative to coercion is partition.

"But when the Moslem League demanded the partition of India, the Congress party used the same arguments for demanding in that event the partition of certain Provinces. To my mind this argument is unassailable. And so I felt it was essential that the people of India themselves should decide this question of partition.

"The procedure for enabling them to decide for themselves whether they want the British to hand over power to one or two governments is set up in the statement which will be read to you.

"The whole plan may not be perfect; but like all plans its success will depend on the spirit of good will with which it is carried out. I have always felt that once it was decided in what way to transfer power, the transfer should take place at the earliest possible moment. But the dilemma was that

if we waited until a constitutional set-up for all India was agreed, we should have to wait a long time, particularly if partition were decided upon.

"The solution to this dilemma which I put forward is that His Majesty's Government should transfer power now to one or two Governments of British India, each having dominion status, as soon as the necessary arrangements can be made. This, I hope, will be within the next few months.

"I am glad to announce that His Majesty's Government have accepted this proposal and are already having legislation prepared for introduction in Parliament this session.

"I wish to emphasize that this legislation will not impose any restriction on the power of India as a whole or of the two new states if there is partition, to decide in the future their relationship to each other and to the other member states of the British Commonwealth.

"Thus the way is now open to an arrangement by which power can be transferred many months earlier than the most optimistic of us thought possible."

PANDIT JAWAHARLAL NEHRU

"I am speaking to you on a historic occasion when a vital change affecting the future of India is before us.

"The British Government's announcement lays down the procedure for self-determination in certain areas of India.

"It envisages on the one hand the possibility of these areas seceding from India and on the other it promises a big advance toward complete independence.

"Such a big change must have the full concurrence of the people before it is effected, for it must always be remembered that the future of India can only be decided by the people of India and not by any outside authority, however friendly.

"We have therefore decided to accept these proposals and to recommend to our larger committees that they do likewise.

"We shall seek to build anew our relations with England on a friendly and cooperative basis, forgetting the past which has lain so heavily upon us.

"It is with no joy in my heart that I commend these proposals, though I have no doubt in my mind that this is the right course.

"For generations we have dreamed and struggled for a free and independent united India.

"The proposal to allow certain parts to secede if they so decide will be painful for any of us to contemplate.

"Nevertheless I am convinced our present decision is right even from the larger viewpoint.

"The united India we labored for was not one of compulsion and coercion, but a free and willing association of free people.

"It may be that in this way we shall reach a united India sooner than otherwise and that she will have a stronger and more secure foundation.

"Let us bury the past insofar as it is bad, and forget all bitterness and recriminations.

"Let there be moderation in speech and writing, let there be strength and perseverance and endurance in the cause we have at heart.

"Let us face the future, not with easy optimism or complacency or weakness, but with confidence and firm faith in India.

"There has been degrading violence in various parts of the country. That must end. We are determined to end it. Political ends are not to be achieved by methods of violence.

"On this eve of great changes in India we have to make a fresh start, with clear vision and a firm mind, with steadfastness and tolerance and with a stout heart."

MOHAMMED ALI JINNAH

"On the whole the reaction of Moslem League circles in Delhi has been hopeful.

"We have examined the British Government's statement cooly, wholly, and dispassionately. We have to take momentous decisions and have very big issues facing us in the solution of this complex political problem of this great subcontinent, inhabited by 400,000,000 people. It is a most onerous and difficult task.

"Therefore we must galvanize and concentrate all our energies to see that the transfer of power is effected in a peaceful and orderly manner.

"It is clear that the plan does not meet in some important respects our point of view, and we cannot say or feel that we are satisfied or that we agree with some of the matters dealt with by the plan.

"It is for us now to consider that the plan as presented to us by the British Government should be accepted by us as a compromise or a settlement.

"On this point I do not wish to prejudge the decision of the council of the All-India Moslem League which has been summoned to meet on Monday, June 9.

"In view of the projected referendum in the North-West Frontier Province, the Provincial Moslem League there has been requested to call off the movement of peaceful civil disobedience which they had perforce to resort to.

"Moslem League leaders and Moslems generally are now called upon to organize our people to face this referendum with hope and courage. We have confidence that the people of the North-West Frontier Province will give their verdict by a solid vote to join the Pakistan Constituent Assembly.

"I feel that the Viceroy has battled against various forces very bravely, and he has left the impression on my mind that he was actuated by a high sense of fairness and impartiality.

"It is up to us now to make his task less difficult and help him as far as it lies in our power in order that he may fulfill his mission of the transfer of power to the peoples of India in a peaceful and orderly manner.

"I appeal to every community in India and especially to the Moslems to maintain peace and harmony.

"We must examine the plan, its letter and spirit, and come to our conclusion. It is for us to consider whether this plan as presented to us by His Majesty's Government will be accepted by us."

SARDAR BALDEV SINGH

"It would be untrue if I were to say that we are altogether happy. Seldom perhaps has a fulfillment like this been reached with so much fear and sorrow.

"Our common quest for freedom need never have divided and torn us asunder one from the other.

"This has actually taken place. The shadow of our differences has thrown its gloom over us. We have let ourselves be rent apart. We witness today, even on the day of our freedom, scenes of mutual conflict and horrors in so many parts of India.

"Neighbor has risen against neighbor; thousands of innocent lives have been lost; men, women, and children are roaming from one place to another homeless and without shelter.

"Untold losses, financial, cultural, and spiritual, have been inflicted in wide areas. We look as if we are a house divided against itself. The day indeed finds us an unhappy people.

"It is not necessary for me today to go into the reason for this affliction. We each have our faults.

"The plan that has now been announced steers a course obviously above the conflicting claims.

"It is not a compromise. I prefer to call it a settlement.

"It does not please everybody, not the Sikh community anyway, but it is certainly something worth while. Let us take it at that.

"We must not forget that we have no authority to let party disputes afflict our people now that we shall be masters in our affairs.

"We have big tasks, big and small, of reconstruction on our hands. Let us remember that it is only when the minds of our leaders are not deflected by internal quarrels that they can effectively handle these tasks for the common good.

"Our people have many needs that have remained unmet for years. Let us settle down to meet these needs and relieve the distress that haunts us.

"Whatever our own preferences, let us guard against a petty outlook and work together to set our country on the way to the greatness that certainly belongs to it.

"I believe with all my heart that the divisions that tend to keep us apart now will not last long. The very blueprint of our plans, so soon as we view it with care, will bind us together. Let us concentrate on common interests.

"During the last few weeks, large contingents of foreign troops have been deployed in various parts of the country to aid the civil government.

"These troops consist of trusted men, and they will give help to those in need and act also as the stern keepers of peace in the troubled areas. I want you to look upon the soldier as your friend.

"You, our soldiers, sailors, and airmen obviously are not uninfluenced by the great events that are taking place in India today. You will undoubtedly not allow yourselves to be needlessly perturbed. Your interests will in no circumstances be allowed to suffer."

Mr. Speaker, these developments seem to mark a turning point in world affairs, which may lead to an era of lasting peace.

To say the least, they constitute a victory for the Christian nations of the earth over the forces of atheistic communism throughout the world.

The SPEAKER. The time of the gentleman from Mississippi has expired.

ELECTION TO COMMITTEE

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 232) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ALVIN F. WEICHEL, of the State of Ohio, be and he is hereby, elected chairman of the standing committee of the House of Representatives on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OLD-AGE ASSISTANCE PAYMENTS

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from the further consideration of the bill (S. 1072) to extend until July 1, 1949, the period during which income from agricultural labor and nursing services may be disregarded by the States in making old-age assistance payments without prejudicing their rights to grants-in-aid under the Social Security Act, and that the bill be referred to the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

AVIATION ACCIDENTS

Mr. ROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, on Monday I charged the Civil Aeronautics Authority with gross carelessness with respect to the United Airlines accident which occurred at LaGuardia Field.

I want to quote from an article by Gill Robb Wilson, aviation writer for the New York Herald Tribune. He says, in part:

The LaGuardia Field disaster is but another illustration of fundamental lack of eternal vigilance in air safety. I attribute that crash to the basic inadequacy of the north-south 3,533 foot runway for operation of very heavy four-engined aircraft.

Considering the load of the DC-4 which came to disaster, and the length of the runway, its use under any except high-velocity south-wind conditions constitutes a borderline operation. The take-off attempted hued too close to the line of the law and was scantily justified by the dictates of practical operating procedures. This does not constitute the kind of rigid vigilance expected from operators and authorities.

How close the use of this runway by four-engine planes is to the border line of safety is attested by the fact that one air line will not permit take-off upon it under any conditions by a DC-4 whose gross weight exceeds 55,000 pounds.

NEGLECT BRINGS GRIMNESS

The whole affair sums up, in the writer's judgment, as another illustration of those historic tolerations which have plagued aviation history. Sometimes it is a short runway, sometimes a hazard like the late gas tank that loomed in the path of aircraft near Chicago, or the tank still tolerated at Detroit, or other compromising conditions at many airports. Always eventually the answer is the same—tragedy.

Aviation is not so grim by far as these compromises make it appear. We make it grim by neglect of fundamentals such as use of a short runway strip by four-engined aircraft at the world's most important terminal.

Mr. Speaker, I contend that a thorough investigation will prove that proper safeguards and precautions were not taken, and that this accident is directly chargeable to the agency which permitted a regulation whereby an employee in the control tower could send a plane of that weight and size out on a runway which was of inadequate length. I understand that a committee of the House of Representatives is going to sit in with the CAB in their investigation.

I strongly want to urge that this committee broaden their investigation to include the entire safety regulation and inspection set-up of the CAA and CAB.

FOREIGN COUNTRIES HAVE PRIORITY OVER AMERICAN VETERANS

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RIZLEY. Mr. Speaker, I doubt very much if you gentleman who voted for the Greek-Turk loan bill realized that by doing so you gave a superior priority over all existing priorities now contained in the Surplus Property Act that we provided for veterans and our own departments of government.

I received today a letter from the general counsel of the War Assets Administration, Col. Larson, advising that both the State Department and the War Assets Administration had so construed the Greek-Turk Act as giving the provisions of that act affecting Surplus War Assets priority over veterans and everyone else in the present Surplus Property Act, for whom we provide priorities. In other words, the State Department and the President by Executive order can requisition surplus property in this country today and supersede priorities of veterans and others and send the property to Turkey or Greece.

OPA SAVED $100,000,000,000 IN COST OF WAR

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the OPA has been mentioned here this morning. I know it was a very unpopular agency with a lot of people but I know that if it had not been for the OPA during the war the cost of the war alone would have been $100,000,000,000 more. In other words, if it had not been for the OPA our war debt today would be at least $360,000,000,000 instead of $260,000,000,000. That is not considering the amount saved by the American people as consumers. It also helped to win the war. Workers will not work for worthless dollars. You have to protect their dollars to keep them working. That is what the OPA did during the war. Although it was regimentation and we did not like it, we submitted to it during the war with the expectation of getting rid of it just as quickly as possible after the war. We removed some controls too soon. We saved through OPA $100,000,000,000 on the national debt. From the time World War II started until it was over the price of steel and many other materials which were the largest factors in war cost did not increase one penny a ton in price. We can easily determine how much was saved on the war cost and the $100,000,000,000 estimate is conservative.

EXTENSION OF REMARKS

Mr. JONES of North Carolina asked and was given permission to revise and extend his remarks in the RECORD and include an editorial.

THE OPA

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, when the gentleman from Texas stands up and makes such blatant assertions as he did a moment ago, he is simply talking about something that he cannot substantiate. Nobody can prove a figure or statement such as he just made. It sounds like Wallace, Bowles, or Mrs. Roosevelt; they were always making similar claims. I want to call to your attention that it is this gang who are hollering and bellyaching about doing away with the OPA and controls who today are offering resistance to every dollar that we are trying to save in this Government. They are a group of habitual, chronic, reckless spenders of public funds. They understand only deficit financing, and always place votes above the public welfare or our security. It does not make any difference what proposition comes along, proposed by the Republican side, to save a dollar, we meet this violent resistance on the other side of the aisle—the same old crowd that is bellyaching because the gravy train is stopping for them. If we would continue to be a great nation, we must remain solvent; and if we would continue to wield influence throughout the world, we must remain strong and united. It is about time that the Democrats of the House and the Democratic organization begin to get down to sound economy and sound practice and stop offering resistance every time we try to save a few dollars. We find the administration working through the Post Office Department, through the United States customs office, and through the Agriculture Department. Every agency of the Federal Government is lobbying, turning on the heat against Republican economy.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. GROSS] has expired.

OLD-AGE RETIREMENTS

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RAMEY. Mr. Speaker, the word "pension" is often misused. A pension is a gratuity. To be the recipient of retirement pay is not to receive a pension. The postal clerk, the Congressman, the judge, or Government worker who pays into a fund out of his earnings is, of course, not the recipient of a gratuity.

However, he has had a job and the opportunity to create a security for a future day in order that he may have maintenance and sustenance.

Two years ago I was one of the 39 who did not support the congressional retirement-pay plan. Not that I believed it was unjust, but it was my conviction that any retirement-pay plan should be extended to all the masses and not just to certain classes.

Let any retirement pay be equal and alike for all. Thus excessive bookkeeping and inspection could be eliminated. Everyone could be taken care of with much less expense than is now encountered under our haphazard old-age retirement system, which fails to cover many of our citizens.

May I suggest to all Members that you assist the Ways and Means Committee in working out this belated legislation and give such assistance as is necessary to

H. R. 16. Should there be suggestions for amendments, let them be submitted to the committee now.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. LODGE asked and was granted permission to extend his remarks in the Appendix of the RECORD and include a speech he recently made.

Mr. JAVITS asked and was granted permission to extend his remarks in the RECORD and include Memorial Day speeches.

Mr. MAHON asked and was granted permission to include certain brief tables and excerpts in the remarks he will make today in Committee of the Whole.

REPEALING CERTAIN PROVISIONS OF PUBLIC LAW 388

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3203, an act relative to maximum rents on housing accommodations, to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, with Senate amendments, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. WOLCOTT, Mr. GAMBLE, Mr. KUNKEL, Mr. TALLE, Mr. SPENCE, Mr. BROWN of Georgia, and Mr. PATMAN.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I may revise and extend the remarks I just made and include a statement issued by the White House yesterday and also statements issued in London and in India on the question involved.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1948

Mr. RICH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 230 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, all points of order against title II of said bill or any provisions contained therein are hereby waived.

Mr. RICH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

I yield myself such time as I may desire.

Mr. Speaker, this resolution waives all points of order against title II of H. R. 3678.

I can say nothing more than that this legislation under title II only takes away from the War Department the sum of $1,100,000,000, which was appropriated during 1946 and prior years. It is money that has not been accounted for in the spending for future Army needs previous to 1947, and there is no reason why, with the great national debt we now have, the Congress should not in every way save every dollar it possibly can. It is within the power of the Congress to take money already appropriated to any department of Government and say to them that no department of the Government may spend money appropriated and not allocated nor unexpended at this or any future time. I feel, therefore, that every Member of the House will concur in the request of the Appropriations Committee to have these funds impounded and retained in the Treasury. It looks as though Congress did not act in accordance to wise and judicial spending of moneys in 1946 and prior years.

Mr. Speaker, I now yield to the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, this rule again waives points of order on legislation on an appropriation bill. The only difference between the usual request of the Appropriations Committee for such a rule is that whereas as a general thing this type of rule waives points of order against legislation increasing appropriations, in this instance the reverse is the case, and the effort is to save money that the War Department could not expend from the 1946 appropriations. The amount they have been unable to get rid of in this instance amounts to $1,100,000,000.

Some will claim that the Republican Party is saving this much money. The facts are, Mr. Speaker, however, that in the last Congress we passed rescission bills amounting to $64,000,000,000. We did not, however, claim any credit for saving that amount of money; we merely provided that that amount of money which had been appropriated but not expended should remain in the United States Treasury.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. CASE of South Dakota. I think the gentleman has the idea correctly—that this is a continuation of the rescission program.

Mr. SABATH. That is correct.

Mr. CASE of South Dakota. These appropriations were not 1946 appropriations but 1946 and prior years; and as part of the recapture of money which had been appropriated for the prosecution of the war, which money, it developed, was no longer needed. Much of this is represented by money which had been made available to various theater commanders all over the world and the reports have come back to the central part of the War Department that they no longer need the money.

Mr. SABATH. That is correct; it is money that the War Department could not spend.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question.

Mr. MAHON. Is it not true that the rescission here provided for, which we all favor, is in no way comparable to the $33,000,000,000 rescission made in War Department funds last year?

Mr. SABATH. It was $64,000,000,000, in all, from the War Department, Navy, and Maritime Commission—from every agency which had received emergency war appropriations.

Mr. MAHON. Is it not true that those rescissions are not comparable by reason of the fact that those funds rescinded last year represented live money which could be expended for any obligation of the War Department or for any program of the War Department for which the money had been appropriated, and that money would remain live money until the end of the fiscal year; that is, June 30, 1947; whereas this rescission today is for money that was previously appropriated in 1946 and prior years and cannot now be used for regular obligations of the War Department as would have been the case of the billions rescinded last year?

Mr. SABATH. The gentleman is correct.

Mr. MAHON. I should like to say to the gentleman, in order to keep the record straight, neither side of the aisle claims this is a saving. If the gentleman will read the report and read the remarks made on the bill, he will find nobody claims this is a saving. The reduction in this bill is under the budget by $475,000,000. I thank the gentleman for yielding.

Mr. SABATH. I thank the gentleman for his explanation.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Georgia.

Mr. COX. I think the gentleman is correct in the statement he has thus far made. Nobody is seeking to claim any political advantage as a result of the action that may be taken on this bill. The gentleman should take care to make clear that this bill takes from the War Department not a dime it needs for the carrying on of any program that it has set up or may set up.

Mr. SABATH. Again I thank the gentleman for his explanation. I am fully aware of the fact that the report does not claim any credit, but knowing the gentlemen on my left, my friends, the Republicans, I know they will claim that they are saving millions and billions of dollars, and I want to make it clear that that money has not been expended and that the War Department cannot expend it. This merely provides that it shall remain in the Treasury and cannot be spent for something that is not necessary.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. RICH. The fact of the matter is that the lavish spending that we had previous to 1946 and for a number of years thereto that got us into this great debt we are in now and which we are trying to pay off means that we do not want to leave any money in the hands of any department of Government that is not absolutely necessary for that department. It is only good sound business to retain it in the Treasury in order that some day we may be able to balance the budget and pay off this huge debt.

WE MUST AVOID WAR

Mr. SABATH. I am indeed immensely pleased that I can agree with the gentleman from time to time. I agree with him now that we should endeavor to bring about a reduction in our tremendous debt which was brought about by the terrible war. I hope every effort will be made on the part of each Member of this House and every citizen in the United States to avoid another war, although there are many who through their talk and actions are trying to force upon this Nation another war, so costly not only in money but in human lives. The money we will be able to repay, especially if you gentlemen will not reduce the taxes, and will use that money that you are trying to give to the big taxpayers toward repaying and reducing the public debt. The lives we can never repay, nor can we make up for the world-wide misery and destruction.

That is the reason I opposed the tax bill. That is the reason I feel it was unfair and unjustifiable to reduce the taxes to the big profiteers and the people that have made millions of dollars out of the war, and otherwise, due in part to legislation that they forced through the Congress. So, I feel it would be in the interest of the Nation that the surplus should be utilized, not to reduce the taxes on the wealthy, but to reduce the great debt that we incurred due to the war.

WHO WON THE WAR?

I am beginning to wonder whether we actually won this war we fought mainly for the eradication of fascism and nazism. Today they are rebuilding their war plants in Germany, and reestablishing their powerful cartels, the leaders of which were instrumental in encouraging and helping to finance Hitler and Mussolini and their armies.

Evidence is now coming to light every day showing that, notwithstanding our efforts to denazify Germany, she is rebuilding her steel plants and her vast chemical industries; and many of these plants, I understand, are being rebuilt with money advanced by Great Britain, no doubt out of the $3,250,000,000 we loaned to Great Britain.

I fear there is no one here on this floor who will live long enough to see that debt repaid.

I feel that when the time comes for payment even of the small interest we will again be called Shylocks as we were after the First World War.

GLAD TO GET OUR CLUTCHES ON THAT BILLION

I am not going to detain you very long, but I am mighty pleased to support this rule and the provision of the bill to put our clutches on that $1,100,000,000 so the War Department cannot spend it. I feel that if the committee had had all the facts, instead of $1,100,000,000 we could have rescinded perhaps between three and four billion dollars. There is a lot of money that has not been as yet used, but all the ingenuity of the gentlemen in the War Department that do the buying and spending and contracting will be devoted to devising ways to expend all of the money which they secured from Congress through the liberal Committee on Appropriations. It has been my experience that in the months of May and June these gentlemen in the War Department, yes, and the Navy Department, and other departments, worry themselves sick when they see that there is an unexpended balance, and their desire is to spend that unexpended balance which has been placed to their credit. So, I hope the Committee on Appropriations will continue to bring in rescission bills, and I assure them that I, for one, shall gladly support any rule waiving points of order that will save the Treasury and save the American taxpayer additional burdens.

Feeling that most of you gentlemen are ready to proceed with the consideration of the bill, I shall not detain you any longer.

Mr. RICH. Mr. Speaker, I have no request for time.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, as has been pointed out, there is nothing controversial about this rule. I think we all favor this $1,100,000,000 rescission. I do think that there are some legislative provisions, at least one, in the bill that probably is not sound. That is in regard to a revolving fund which will be established in the Ordnance Department by a legislative provision in the bill which will more or less cause Congress to lose control of those funds because they will be subject to expenditure through the revolving fund rather than by direct appropriations by Congress. I realize that this rescission matter is somewhat complicated and that probably most Members are not greatly concerned about it, especially since no money is being saved by this procedure. Ordinarily we would not bring in a rescission bill in a case like this. The money involved has never been taken out of the Treasury. It is there now, and we just provide that it shall remain there.

The money provided in most of the appropriation bills is not totally expended by the end of the fiscal year. If that money is not expended by the end of the fiscal year and not obligated, it goes back into the Treasury and it is not necessary for Congress to pass a rescission bill. So while this is in order it is not necessary.

I have been interested in this fact, that in prior years the War Department at the end of the fiscal year has had more money percentagewise that was covered back into the Treasury without a rescission bill than is being covered back into the Treasury by this rescission. In other words, this rescission of $1,100,000,000 provides a six-tenths of 1 percent rescission of the amount available during the year, whereas in 1939 the amount of money in the War Department that reverted to the Treasury at the end of the fiscal year without any rescission on the part of Congress was 1½ percent, approximately twice as much. In 1 year, 1935, the amount of money that reverted to the Treasury, that was never expended or obligated, was 2.2 percent. Yet this procedure today is justified because such a large amount of money is involved, even though percentagewise it is not comparable to the amount of money that in some prior years has reverted to the Treasury at the end of the fiscal year without any action by Congress in rescinding the funds.

I shall place at this point in my remarks the tables prepared by the War Department in connection with the figures I have recited.

Military Establishment appropriations proportions for fiscal years 1925, 1927, 1931, 1933, 1935, 1936, 1937, and 1939 which reverted to the Treasury compared with proposed reversions, as of June 30, 1947, of appropriations for fiscal years 1942 through 1946

Fiscal year—	Appropriation	Amount carried to surplus fund [1]		Percent, column 4÷column 2
		As of—	Amount	
(1)	(2)	(3)	(4)	
1925	$263,965,386	June 30, 1927	$2,314,501	0.9
1927	272,404,899	June 30, 1929	2,423,099	.9
1931	346,979,179	June 30, 1933	2,566,840	.7
1933	304,961,492	June 30, 1935	3,019,704	1.0
1935	280,862,094	June 30, 1937	6,284,518	2.2
1936	355,538,204	June 30, 1938	2,095,913	.6
1937	388,244,859	June 30, 1939	4,360,287	1.1
1939	531,001,997	June 30, 1941	7,732,271	1.5
1942–46	[2] 180,903,973,618	June 30, 1948	[3] 1,100,000,000	.6

[1] Sec. 713, ch. 11, title 31, U. S. C.: "After the 1st day of July, in each year, the Secretary of the Treasury shall cause all unexpended balances of appropriations which shall have remained upon the books of the Treasury for two fiscal years to be carried to the surplus fund and covered into the Treasury: *Provided*, That this provision shall not apply to permanent specific appropriations, appropriations for rivers and harbors, lighthouses, or public buildings, or the pay of the Navy and Marine Corps; but the appropriations named in this proviso shall continue available until otherwise ordered by Congress."

[2] Excludes $33,345,182,833 rescinded by the First, Second, and Third Rescission Acts.

[3] As proposed by the House Appropriations Committee.

Source: Combined statement of receipts, expenditures, and balances of the U. S. Government for the fiscal years ending June 30, 1927, 1929, 1933, 1935, 1937, 1938, 1939, and 1941; appropriation acts, fiscal years 1942–46 for appropriations, 1942–46.

Mr. RICH. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, since everybody says that they are in favor of this rule it might seem a little useless to take any further time on it. However, it seems to me there is a little unnecessary concern on the part of my friends on the other side of the aisle about having this rescission title in the bill and the Republicans taking any

credit, for fear that it might be regarded as adding to the Republican credit for economy.

There is a sound reason for having this rescission in the bill. Many of these appropriations were made during the days when there was a 10-percent transferability clause. While these funds normally would be expended for the various titles under which they are indicated here, under the 10-percent transferability clause which was in effect in the appropriation bills for the years for which many of these appropriations were made, it would be possible without this rescission, if the War Department wanted to do so, to transfer 10 percent of these various items into a given fund and there to expend it for a purpose not within the definite intent of the Congress. Therefore, there is a very sound reason for making this rescission. Whether or not it adds to anybody's economy credit or whether or not it effectively reduces the amount that may be available for expenditure by the War Department, let all that go by the board, there is a sound reason for rescissions being in the appropriation bill.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Illinois.

Mr. OWENS. Is there any question but that the low amount that is being cut from the budget can be accounted for only because of the fact that you are turning back $1,100,000,000?

Mr. CASE of South Dakota. No; I would not say that is exactly the situation, although if this $1,100,000,000 were to continue to be available for expenditure, it would not be necessary to appropriate so much new money. I would be glad to discuss that when we come to that part of the bill.

There is one further thing I should like to say, which is, that this money actually is not in the Treasury. The money has been set up on the books for the War Department. We need this action to put it back into the Treasury, if the transfer clause is to be counteracted while the money remains available for obligation or expenditure.

Mr. RICH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1948

Mr. ENGEL of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3678, with Mr. MICHENER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read the first 6 lines of the bill. The Clerk will read.

The Clerk read as follows:

Pay of the Army: For pay and allowances of the Army of the United States, including pay of Reserve officers and officers of the National Guard of the United States ordered to active duty under the provisions of section 37a and the fourth paragraph of section 38 of the National Defense Act, as amended; pay of civilian employees at military headquarters; allowances for quarters for enlisted men on duty where public quarters are not available; interest on soldiers' deposits; payment of life insurance premiums authorized by law; payment of exchange fees and exchange losses incurred by disbursing officers or their agents; repayment of amounts determined by the Secretary of War, or officers designated by him, to have been erroneously collected from military and civilian personnel in and under the Military Establishment and losses in the accounts of Army disbursing officers in accordance with the acts of December 13, 1944 (31 U. S. C. 95a) and December 23, 1944 (50 U. S. C. 1705–1707); $2,348,438,179, which shall also be available to pay mustering-out payments, as authorized by the "Mustering-Out Payment Act of 1944", as amended (38 U. S. C. 691–691g), to persons who were or may be denied such payments because they were discharged from the Army to enter the United States Military Academy or the United States Naval Academy and subsequently were discharged from either Academy because of physical disability: *Provided*, That the appropriations contained in this act shall not be available for increased pay for making aerial flights by nonflying officers at a rate in excess of $720 per annum, which shall be the legal maximum rate as to such officers, and such nonflying officers should be entitled to such rate of increase by performing three or more flights within each 90-day period, pursuant to orders of competent authority, without regard to the duration of such flight or flights: *Provided further*, That, during the continuance of the present war and for 6 months after the termination thereof, a flying officer as defined under existing law shall include flight surgeons, and commissioned officers or warrant officers while undergoing flying training: *Provided further*, That section 212 of the act of June 30, 1932 (5 U. S. C. 59a), shall not apply to retired military personnel on duty at the United States Soldiers' Home: *Provided further*, That during the fiscal year ending June 30, 1948, no officer of the Army shall be entitled to receive an addition to his pay in consequence of the provisions of the act approved May 11, 1908 (10 U. S. C. 803): *Provided further*, That provisions of law prohibiting the payment of any person not a citizen of the United States shall not apply to military and civilian personnel in and under the Military Establishment: *Provided further*, That without deposit to the credit of the Treasurer of the United States and withdrawal on money requisitions, receipts of public moneys from sales or other sources by officers of the Army on disbursing duty and charged in their official accounts, except receipts to be credited to river and harbor and flood-control appropriations, may be used by them as required for current expenditures, all necessary bookkeeping adjustments of appropriations, funds, and accounts to be made in the settlement of their disbursing accounts: *Provided further*, That no collection or reclamation shall be made by the United States on account of any money paid to assignees, transferees, or allottees, or to others for them, under assignments, transfers, or allotments of pay and allowances made under authority of law where liability might exist with respect to such assignments, transfers, or allotments, or the use of such moneys, because of the death of the assignor, transferor, or allotter.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 5, line 1, strike out "$2,348,438,179" and insert "$2,223,438,179."

Mr. DIRKSEN. Mr. Chairman, I had originally contemplated offering or at least suggesting for discussion an amendment to the pending bill that might very conceivably reduce it by $250,000,000. That amendment was designed to offset the military aid that has been provided under Senate bill 938, better known as the Greek-Turkish loan bill. The theory, after all, is that when you extend aid of that kind you are extending defense aid even as we did under the act of 1941. When you export your weapons and munitions and instrumentalities of war, it is a fair assumption that you can modify your own security establishment proportionately.

I appreciate, however, in offering an amendment of that kind it would be necessary to set it up in a lump sum and, if it were in order, to permit that modification to be made at the discretion of the Secretary of War. Of course, if you repose that sort of discretion in the directing head of the War Department, he would have great latitude and flexibility of judgment as to where the cut might be made. It is very conceivable indeed rather than cut the establishment and its manpower that a very generous proportion of that sort of cut might be applied to research activities of the Department.

So, while I had some convictions on the matter I relented in the attitude because I felt perhaps we were in a position now where the establishment could be cut and at the same time not be impaired in its effectiveness for all purposes.

As you know from the conferences we had with the War Department from time to time over a period of years it was assumed that we would have an establishment of 1,070,000 officers and enlisted personnel as of July 1, 1947, and that there would be 146,000 officers, including 13,500 warrant officers. I think generally the Congress is familiar with the fact that there has been some difficulty in recruiting that manpower. It is agreed that recruitments are not up to expectations. The amendment that is before you now to strike out of this paragraph $125,000,000 would be set up so as to envision a diminution in the officer and enlisted strength of the Army on the ground, which I think is a tenable and sustainable ground, that the men cannot be obtained. That is admitted. Then why should funds be appropriated for manpower which does not and will not exist. That is the rub of this proposal and the hearings will bear out the soundness of this proposal. That $125,000,000 would be composed of three items. First, $93,000,000 which envi-

sions a reduction of 30,000 enlisted men at the rate of $3,100 per man. Already the officer complement has been reduced by 20,000. If you add another 5,000 at the rate of $5,500 per officer, that would be $27,500,000. The third item could be taken out of the flying pay. You are familiar with the fact that only recently General Spaatz has indicated that flying hours would be increased from 48 to 100. That, of course, means that there are a great many who would not be able to qualify. So the complement there that seeks to make itself eligible for flying pay would be reduced. That item of flying pay could be reduced also, making a total of, roughly, $125,000,000.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. How much did the gentleman propose to reduce the enlisted personnel?

Mr. DIRKSEN. Thirty thousand. That is at an estimated figure of $3,100 per individual.

Mr. CASE of South Dakota. Then the gentleman would reduce the enlisted men 30,000 and the officer personnel 5,000?

Mr. DIRKSEN. Yes, and make a cut of $5,000,000 in flying pay. It may figure out a little more than that, but it has been reduced to a round figure.

Mr. CASE of South Dakota. The gentleman is aware of the fact that there is a 20,000 reduction already effective in the reduction of officers?

Mr. DIRKSEN. I appreciate that, but the increased reduction in enlisted personnel would make possible a further reduction in the officer complement.

Mr. CASE of South Dakota. Of course, the reduction which the gentleman suggests is on the ratio of one to six, which would be a much heavier reduction in proportion than the existing rate.

Mr. DIRKSEN. I am not insensible to that fact, but I think the reduction can properly be absorbed by the War Department.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the amendment.

I do believe that it is within the province of Congress to determine the size of the Army, either by direct legislation or by reduction in appropriations, but this would really be cutting in the dark. The average figures of $5,500 per officer and $3,100 for enlisted men are approximately correct except that these figures include food and clothing, medical care, and maintenance of quarters as well as pay and allowances. Yet, the gentleman's amendment proposes to take the entire reduction for a cut of 30,000 men from the funds provided for pay and allowances.

If the House wants to cut the strength of the Army by reducing the money on an average per man basis, the amendment should be drawn to take out a proportionate amount from all of the items included in the average cost figure, rather than taking it all from the pay funds. In other years, it might not have mattered so much, because the bills used to carry a transfer clause which permitted shifting of funds within the War Department to increase a given fund up to 10 percent. This bill, under the leadership of the chairman, the gentleman from Michigan, does not contain a transfer clause.

Again, if the Congress wants to reduce the Army by cutting its strength overseas, maybe that is a question that should be considered. The gentleman from Illinois has not put his amendment on that ground, however.

Obviously, he is inviting a heavier reduction in officer personnel than the committee has reported. There are three reasons why the officer personnel is higher today in proportion to enlisted strength than it was before the war. I should say there are four explanations, one being the carry-over from the war itself, when we had a higher proportion than peacetime for obvious reasons. To the extent that is true, the officer strength should be reduced, and the committee has proposed to do that in the bill now before you. But there are three sound reasons why the officer strength today is heavier in the Army than it was before the war.

The first reason is that the air force today constitutes a larger proportion of the over-all Army than before the war. In 1941 the air forces were about one-fifteenth to one-seventeenth of the total army strength. Today the air forces are one-third of the total army strength. Anybody who knows anything at all about the Army knows that it is necessary to have a higher proportion of commissioned officers in the air forces to operate the airplanes than in the old infantry army, let us say. So that is one sound reason. You have an air force today one-third of the total Army, as compared with one-fifteenth or more before the war.

The second reason is that you have the problem of occupation. The director of occupation cannot be accomplished by immature boys who, in their own home towns, would not be entrusted with municipal administrative and judicial jobs because of lack of experience or maturity, even in the United States. So you have to have a higher percentage of officers to administer occupation in foreign countries than you would have in the normal peacetime army occupying an ordinary peacetime military post.

The third reason is that you are carrying out a research and development program and the most important parts of that research and development program are being carried on by officer personnel, by commissioned officers. If you are going to get the greatest value for the dollars you expend on research and development you need a greater complement of officers to direct and handle that work.

So the proposal here to reduce the officer strength in the proportion of one to six, in my judgment would be proposing an unwarranted reduction in officer strength. It is not popular, perhaps, to say "Let us maintain the officer strength of the Army," but to those who are familiar with the details of our national defense program it does make sound sense to maintain a proper proportion of officers in your Air Force and in your occupation force and in your research and development program.

If the gentleman based his savings on a general reduction of the total size of the Army we could have a debate upon that issue, but it strikes me that this approach overlooks the reduction in total strength already made. Bear in mind that when the committee reported the bill reducing the officer strength by approximately 20,000—17,500 in the commissioned officers and 2,500 approximately in the warrant officers—we did not put back in the bill the money for the enlisted men. So already the bill is about 20,000 less in the over-all strength of the Army.

If the gentleman's amendment carries it would mean 30,000 in addition. The issue is before the committee. You can do what you want about it, but it would, if the gentleman's amendment were adopted and carried out as he explained its intent, accomplish an improper reduction in the officer strength.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. DIRKSEN. The gentleman from South Dakota suggests perhaps a different approach; in other words, in your aggregate.

This is a general cut of $125,000,000, and I take it from the gentleman's discussion that there can be a reduction in enlisted men, but his particular opposition lies to the fact that——

Mr. CASE of South Dakota. That the gentleman was suggesting a disproportionate cut in officers and that you propose to take the entire cost for 30,000 officers and men out of the pay funds, overlooking the fact that the average cost figure includes subsistence, clothing, medical care and maintenance of quarters as well as pay and allowances.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the gentleman from South Dakota may have two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. At all events, I will say that the amendment deals only with money here and would be in the nature of a recommendation. It perhaps needs some refining somewhere else. So it is not a hard and fast understanding that it would have to be 5,000 officers. I think very well under the circumstances and under the statement the gentleman makes that the amendment might very well go through and that they make their own refinement as between enlisted men and officer strength.

Mr. CASE of South Dakota. If we were going to debate a reduction of the Army issue, it seems to me we ought to

debate it upon the issue of the job the Army has to do.

As a matter of fact, the Army today is overmanned for its presently authorized pay strength. The fears the gentleman expressed about being able to raise the authorized number of men to fill the requirements of the personnel of the Army are groundless. The Army today must shrink its personnel to get within the figures the committee has provided.

As I said yesterday during general debate, I think we should turn over more of the occupation job to the native populations of those countries we are occupying. I think we should do that as a matter of reducing costs, and I think we should do that partly to put those countries on their own feet and build them up so as to get them off of the economy of the United States.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. DIRKSEN. I agree with that observation. The only way it can be brought about is for Congress to make some kind of reduction. Then the responsibility more and more will have to be reposed in the native populations. This is an effective way to do it.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. O'HARA. We have heard a great deal about the officer personnel of the Army in the field and in the occupied areas, but we have not heard anything as to how many officers there are in the Pentagon Building. Can the gentleman give us information on that subject?

Mr. CASE of South Dakota. I do not know how many officers are over in the Pentagon Building. The bill does propose a reduction of 20,000 officers.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to compliment the gentleman from South Dakota for his remarks. Throughout the hearings on this bill we proceeded on the theory that we were appropriating money for an Army of 1,070,000 officers and enlisted men. That has been the basis upon which we have proceeded, and I think the chairman of the committee will join me in saying that we have mutually felt we could not now go below the 1,070,000 men.

Mr. Chairman, it would be unwise for the United States of America under world conditions as they are, with our commitments as they are, to begin a policy which would mean the disintegration of our Army. There are many standing armies in the world in excess of ours; at least, there are some. To go below 1,070,000 men it seems to me would be most dangerous at this time. When this occupation job gets under better control, when peace treaties are signed, we probably will not want an Army of the present size, but certainly an Army as now constituted is not out of proportion at this time. This being the authorized Army, if action is going to be taken to reduce it, I should like for the gentleman from New York [Mr. ANDREWS] and his Committee on Armed Forces to hold exhaustive hearings and present the matter to the Congress. Then if the Congress is willing to make that reduction, it is a different story. Personally, I would not be willing to do it, and I am not willing now for this committee to usurp the authority of the Committee on the Armed Services to strike out the present authorized 1,070,000-man Army.

As the gentleman from South Dakota [Mr. CASE] so well pointed out, a very large percentage of the Army is the Air Force. We all know the heavy percentage of officers required in the Air Force. When we cut the officer personnel in the bill I thought we cut it a little too deep. In cutting that officer personnel I did not think we had ample justification for the depth of the cut made. But be that as it may, no funds are in the bill to make up the deficit in our armed forces created by the 20,000 reduction in officers which the bill effects. In other words money is not provided for the pay of 20,000 additional enlisted men needed to keep the Army up to the 1,070,000 strength. I would not for a moment dare to take the responsibility and the chance of flying in the face of all military authority who tell us that the very minimum required at the present time is 1,070,000 men as now authorized.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I remember the hearings that we had with officials of the War Department last year and the year before. As will be remembered, they contrived a figure of 1,070,000 even at that time. It occurs to me there is no magic in that figure of 1,070,000. Yet for nearly 18 months we have been sort of going through with that figure, nursing it as a sort of target, but there is no magic in it. It can be raised and it can be lowered without impairing the efficacy of the Army.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. First, that figure of 1,070,000 has already had a couple of whacks taken in it. When the figure of 1,070,000 was adopted that was for active personnel. Those who were on an inactive status, those who were in hospitals, those who were on hospital leave or terminal leave were not included. However, the 1,070,000 today includes those who are on terminal leave as well as those on active duty. In addition to that, as I have already pointed out, the reduction of 20,000 officers accomplishes a reduction of enlisted personnel, because when we took off the officer money we did not put back the money for the enlisted personnel. So that there have been two whacks taken in that 1,070,000.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have the greatest admiration for the gentleman from Illinois and his keen insight and his desire for economy. I, too, have a desire for economy, but I feel that the committee, in making the cut that they did in the pay for officers, cut just about as deep as we can cut at the present time, and we are fairly certain that the cut is sufficient to take off some of the overload in rank in the higher brackets.

If you turn to page 1582 of the hearings you will find what had been originally proposed, namely, 4,023 second lieutenants as compared to 20,000 majors, and I can assure you that if the cut we have made does not have the desired effect, there will be some further surgery next year when the Army appropriations come up.

I can understand the position many of these men take, and I know the way they feel. I could not help but think about it the other day as I read a news story which related that a West Point class of 1940, or possibly 1941, was going to have a reunion. It named seven, eight, or possibly nine of the officers coming back, youngsters just out of the Point, you might say, and of the seven or nine, my recollection is that two were full colonels, four were lieutenant colonels and one was a major. We know that normally it takes 15 to 17 years before an officer reaches the rank of colonel. Many of these higher ranks can well be reduced to what would normally be their level. Maybe this cut will hasten the reduction to somewhere near peacetime normalcy. So, in all deference to the suggestion which has been made by the gentleman from Illinois, I feel that we cannot go further than we now have gone in the proposed cuts in the pay for the Army.

The picture is not as dark as some have painted it; the emergencies are not as dire as some have suggested, but neither are they as bright as some of the most optimistic would have us believe. We are going through a period of transition in which our Army is to play a very important part. We hope that within the very near future many of our troops can be returned to this country and taken off occupation duty in Germany, Korea, and Japan. When the return of those troops can be made, of course, there can be a further reduction in the cost of the Army, in the number of men necessary, and in the number of officers as well. Then with time to study it thoroughly, as I said just a few moments ago, this committee will look things over next year with a very critical eye with the hope that we may further pare this appropriation.

Mr. ANDREWS of New York. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in view of the importance of this amendment and its relationship to the Committee on Armed Services, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS of New York. Mr. Chairman, may I say in the first place that the gentleman from Michigan [Mr. ENGEL], the chairman of the subcommittee in charge of this bill, has during the past 2 months revealed a very fine spirit of cooperation with the members

of the Committee on Armed Services through his contact with me as chairman of that committee.

The subject matter of the amendment offered by the gentleman from Illinois leads me to make a few remarks on the floor this morning. I should like the members of this committee and, in fact, the entire House, to know that for a period of 2½ months, starting on March 17, the leading subcommittee of the Committee on Armed Services, that on personnel, the chairman of which is the gentleman from Missouri [Mr. SHORT], has been considering the entire question of personnel of the Army Ground, the Army Air, the Navy, and the Marine Corps, both in enlisted strength and officer strength, from all points of view, that of the high-ranking officers, from the generals up, and from the generals down.

The number of generals in the Pentagon was referred to, and that leads me to say that we have examined the billets for star rank in all the services in minute detail, in cooperation with all four sections of the armed services, the Marines, the Navy, the Air Corps, and the Army.

It is a little early to make such a statement, but in view of the amendment offered by the gentleman from Illinois I am going to say this. That subcommittee of 12 men, consisting of men who came from both the Military and Naval Affairs Committees, including the senior members of those committees, have reached unanimous agreement on the so-called promotion bill for the Army and the Navy, the vital part of which is the number of officers and the billets in these services for the future.

In a large number of conferences the officers of the Army, the Navy, the Marine Corps, and the Air Corps have revealed a very fine spirit of cooperation looking to the reduction of high rank and the number of officers in high-rank positions in the future.

I do not suppose anybody who has not been in the service or who has not been in contact intimately with these departments, but knows of them only through the newspapers, can have any possible conception of what it means to reduce down in the services and, from an Army point of view, to realize the great responsibility resting on that service for the occupation in Europe and in Japan, and with the proposed setting up of the Air Corps as a separate organization, assuming the passage of the merger.

I say this subcommittee has given very considered opinion to all the billets for all the high officers, and I think it will be borne out by my friend the gentleman from Texas [Mr. KILDAY], who is here, that we have been amazed at the willingness of the services to cooperate in the very direction which the gentleman's amendment purports to go without knowing the facts. You cannot possibly effect a great reduction in the rank beyond the present situation until July 1, 1948. We are in an occupation period that must of necessity last another year. I do not believe the average person here has any conception of the pipe line that must be kept going and of the numbers of men in training to feed up to MacArthur and the American forces in Europe, with the 1-year enlistment period still running, with no selective service, and voluntary enlistments having dropped to an average of about 20,000 a month.

You will be perfectly amazed when we bring the promotion bill for the Army and the Navy on the floor of this House at what we have been able to effect in a permanent reduction in rank, in the ceiling on those positions, and in the number of generals. You will find that the number of generals in the Army ground forces will be not to exceed 210, the number of generals in the Air Corps will be way below that, and the number of starred admirals from the top down in the Navy will be in proportion to those in the Army.

I feel that we have been highly successful in reaching these decisions with the members of the War Department, the Navy Department, and the various other branches, the Air Corps, and the Marine Corps.

This bill has been cut. I have great faith in the gentleman from Michigan. He is certainly minded to economy.

I think the gentleman from Michigan knows probably as much of the general picture concerning officer strength and enlisted strength of the Army, insofar as it is reflected in dollars and cents, as do we on the Committee on Armed Services. When it comes to billets and the idea that you can arbitrarily say that we are going to cut out that many more officers as represented by the amendment of the gentleman from Illinois, I say "No." The very fact that he offers an amendment, it seems to me, is a great contradiction of his usual habit of offering amendments based upon facts. This is the first time, I believe, that the gentleman from Illinois [Mr. DIRKSEN] has seen fit to offer an amendment the result and operation of which he does not know. I am very glad at this time to yield to the gentleman from Texas [Mr. KILDAY], one of the most active members of the Committee on Armed Services.

Mr. KILDAY. Mr. Chairman, I agree thoroughly with what the gentleman from New York has said with reference to this proposed reduction, primarily as it relates to the pay of the Army. In the Subcommittee on Personnel of the Armed Services Committee we are working on a promotion bill and we are working on it without any idea of partisanship. I think that is one of the nicest things about my service in the House—having been a member of the old Committee on Military Affairs for 8 years and now a member of the Committee on Armed Services since the reorganization of the committees of Congress.

In each we have approached national defense matters with no partisanship, rarely, if ever, dividing along party lines.

The gentleman from New York, the chairman of the Committee on Armed Services, stated what we hoped to do with reference to the flag rank or the so-called brass hats. You will be amazed when you see the extent to which we have cut. But when you consider the action taken in the departments you will find that at the termination of the war the Army had 1,500 generals of one-, two-, three-, four-, and five-star rank. Voluntarily, by their own action, they have reduced that to 500 generals. There seems to be a feeling throughout the country that the lower ranks have been cut but the general officers have not been cut. They have gone down through the administrative action of the department itself about two-thirds and we propose to reduce that figure by about half in the permanent establishment.

I feel very strongly that a nation that has just authorized $400,000,000 to assure the countries of Greece and Turkey that they can stand up against a powerful nation because a still more powerful nation will sustain them, cannot afford to make the cut as contemplated by the amendment of the gentleman from Illinois. What will be their reaction when they find a cut in the pay of the Army? And, more important, what will be the reaction of that great nation which they fear when, in the face of legislation which we have previously passed, we now take the position that we will not supply enough money to sustain a minimum army?

I understand from the press that the gentleman from Illinois has stated that the proposed reduction has some connection with deducting the support that was going to Greece and Turkey from Army funds. To my mind, that is a fallacy. We are sending food, equipment, and what not to them, but I am sure it was agreed on the floor that it was not contemplated that a large expeditionary force is to be sent. Therefore, reducing the appropriation for pay of the Army can have no connection with the aid we have voted for Greece and Turkey. The amendment should be defeated.

Mr. KEATING. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the gentleman from Illinois [Mr. DIRKSEN] is so extremely convincing and we all have such a high regard for his great ability and his unquestioned sincerity that it is with considerable hesitation that I rise to oppose the amendment which he has offered.

I also realize that this opposition is not voiced in a popular cause. The Army and Navy have no votes back home. Their budgets traditionally have been soft spots where money could be saved, appropriations denied, and the taxpayers relieved of expense without endangering one's position with his constituency in any way.

I should not wish to be misunderstood. I do not ascribe to our distinguished colleague, the gentleman from Illinois [Mr. DIRKSEN], anything but the highest motives in proposing this amendment. His views are admittedly to be given great weight. It seems to me, however, that the subcommittee which has studied this subject so carefully and has presented us with hearings embracing 1,642 pages of printed record has had an unparalleled opportunity to arrive at a conclusion regarding this matter which strikes a proper balance between much-needed economy and adequacy in our national defense. I hope they have not gone too far in the cuts they have recommended. I have no reason to feel that they have.

On the other hand, entertaining a serious suspicion, as I do, that further reductions may jeopardize our national security in this hour so perilous and critical in our Nation's history, I find myself unable to support additional reductions with no more convincing evidence than has been presented here.

A question has been raised about the disproportionate ratio of officers to enlisted men provided in this bill. It is noteworthy that the subcommittee in the cuts it has already made has left the enlisted men at full strength, while eliminating 20,100 officers and warrant officers. The amendment now suggested would reduce officer personnel another 5,000 and enlisted strength 30,000.

It must be recognized that occupation duties which our forces are now faced with probably do require a higher percentage of officer personnel than is required for combat duty or a normal peacetime Army. I happen to have served during the war in a theater where logistics was the principal problem. We had to have a higher percentage of officer personnel than is normally required because the problems, like those of occupation, were of unusual complexity.

Then, too, in the field of research, in the push-button developments which we now hear so much about—perhaps too much, I might say—undoubtedly an extraordinarily large number of the personnel must be officer-trained. The same is, perhaps, true in the Air Forces. In other words, we must not gear our thinking and planning to the days of the musket and the Minié ball.

The statutory strength of the Army, as of July 1, 1947, is to be 1,070,000. This budget is based upon that number for the coming fiscal year. A reduction of some $106,000,000 has already been made by the subcommittee. It is, in my judgment, a false and dangerous economy to attempt to reduce this particular item further. At the very least, and even if this number of personnel should not be necessary—a result which I would be the first to welcome with enthusiasm—the inclusion in the budget of provision for the number of military personnel fixed by statute can do no harm, because if the statutory strength is not maintained, the men will not be paid and the money will not be spent. The committee has very wisely refrained from including in this bill any provision permitting the transfer of funds appropriated for one purpose to some entirely different purpose, as we witnessed last year when the Executive reached into the funds appropriated for research, impounding $75,000,000 and transferring it to some other purpose, thereby, as General LeMay testified, seriously delaying their program.

This is one place where, so far as I am concerned, my preference is to err, if at all, on the side of safety and security.

There is another point about this provision for the pay of the armed services. To adopt this amendment is to legislate by this appropriation bill a reduction in the authorized size of the Army established by Public Law 473 in the Seventy-ninth Congress, and to do so, I might say, upon inadequate evidence. I much prefer to make provision for an adequate professional force than to impress into service those who do not choose the Army as a career. It is possible that both may be necessary. We shall soon have to face that problem in a bill for some form of compulsory universal training. On that issue, I have not yet studied the evidence to be prepared to take a final position. What I do say, however, at this time, is that we should not by this amendment provide for a reduction in the authorized strength of the Army and next week, or next month, or next year turn around and require our youth to serve by compulsion when we, at that same time, deny the funds to provide pay for those who would serve voluntarily.

Therefore, Mr. Chairman, in the absence of compelling evidence that the Army strength as now fixed is extravagant or wasteful, and in the light of the representations made to us both by the members of this subcommittee on War Department appropriations and also by my distinguished colleague from New York [Mr. ANDREWS], the chairman of the Committee on Armed Services, all of whom have given to this matter the benefit of their diligent study and wealth of experience, I feel compelled to join with them in opposing this amendment and cannot, in good conscience, give it the support of my vote. I hope it will be defeated.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEATING] has expired.

Mr. TABER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am taking the floor in order that if possible we may get a little clearer picture of this situation. I am going to direct some questions to the chairman of the subcommittee.

It appears on page 31 of the hearings that there will be 360,000 men discharged during the fiscal year 1948. We are advised by the gentleman from New York [Mr. ANDREWS], that enlistments are presently running at the rate of 20,000 a month. In other words, if they continue on that basis, we would be 120,000 short of having the 1,070,000 men in the Army at the end of the fiscal year 1948. I am wondering what the gentleman from Michigan could tell us about that.

Mr. ENGEL of Michigan. Mr. Chairman, it is my conviction that those figures are conservative. The enlistments will be higher for the Air Corps, but I am convinced that there will be a deficit of approximately 50,000 to 75,000 enlisted men in the Army during the fiscal year ending June 30, 1948, if we go into the year with 1,070,000.

Mr. TABER. Does that mean we will be short all the way through the year by an average of somewhere around 50,000?

Mr. ENGEL of Michigan. That is my judgment. When War Department representatives appeared before the Military Affairs Committee and asked authorization for an army of 1,070,000 men they placed a table in the record showing what they expected to have—and that was in April 1946. That table shows—and you will find it at page 162 of the hearings of July 1, 1946—Brigadier General Textor testifying. It shows that on July 1, 1947, the requirements and availabilities are as follows: Volunteer Army, enlisted men, 719,000; all officers, 100,000. A total of 819,000 officers and enlisted men. Inducted into the service, they figured 200,000. This makes the total available 1,019,000, or a deficit of 51,000 to make up the 1,070,000 officers and men. That is from the hearings of April a year ago, and those are accurate.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DIRKSEN. That, of course, simply gives point to the observation I made in the first instance, that we can save conservatively 30,000 a year.

Mr. TABER. What bothers me, frankly, is this: If we are going to be 50,000 short all the way through the year of our goal of 1,070,000, what sense is there in appropriating money for more than we will have? That is the question that is bothering me, and that is what caused me to take the floor. I looked at these hearings and I looked at the picture and then wondered what point that could be in appropriating money for men we would not have. If that be the case we ought to take action.

Mr. DIRKSEN. And that is the point of my argument.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman's figuring would be entirely correct, of course, if we started the year with 1,070,000 men and we had 360,000 discharges and were recruiting only 240,000, but the facts are we are starting off the year with 1,020,000, or 1,145,000 as the figure that is used for the strength of the Army, the average pay strength within the year; and it will depend upon the rate at which discharges come about as to how far down they go. We have to take our January 1 figure, the mid-year period, and assume a level.

Mr. TABER. If we lose 10,000 a month and you had 1,140,000, you would drop down to 1,020,000 at the end of the year and the average strength would be below the figure provided for in the bill, as I understand.

Mr. CASE of South Dakota. The chairman, of course, must not overlook the fact that the figures already reduce the pay money by 20,000.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. TABER. I wonder if the gentleman from Michigan feels that the average strength of the Army will be down 50,000 from the 1,070,000?

Mr. ENGEL of Michigan. I personally feel that it will be. The figures the gentleman from New York gave us are high. I do not think we are going to have that much of a deficit but I feel they are going to have a 50,000 deficit.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ANDREWS of New York. I want to make it perfectly clear that the figure attributed to me was one that I took out of my head from memory. As I recall, it was the month of February in which the reenlistments ran about 20,000. I have not followed the reenlistment program as I should have, but there is nothing secure about the reenlistment program.

Mr. TABER. There is nothing secure about anything in connection with voluntary enlistments in an army, of course. It is a matter of guess. If it is true that they are going to be 50,000 short, on the average, of the number in the Army there is no question but what we should not provide more funds than there are folks in the Army.

Mr. ANDREWS of New York. Just as a general picture, and without knowing what goes on behind the offering of amendments, I would like to know if the Appropriations Committee can give me any idea how much they are providing for officers and men in the business of effecting the return to this country of 300,000 bodies from overseas.

Mr. TABER. I understood that that was a private operation separate from the War Department operation.

Mr. ENGEL of Michigan. That appropriation comes in the civil functions part of the War Department, and not in the military activities.

Mr. TABER. There is not a substantial number of soldiers found in that item. It is a contract job with morticians, as I understand it. I know we had that up in the deficiency committee and there were $93,000,000 in there for that job and that was a high figure. It rather appears from what the gentleman from Michigan has told us that there will be a 50,000 shortage in the number of men averaged throughout the year. If that is the picture, cutting out the pay for 30,000 would be a perfectly proper operation.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. KILDAY. It is true that if there is a deficiency the money will not be spent?

Mr. TABER. That is true. On the other hand, it is not up to us to provide more funds than can reasonably, under normal conditions, be used by any governmental institution.

Mr. KILDAY. The gentleman feels it would not affect the efforts of men who in good faith attempted to induce young men to go into the service when he knows that so far as action taken by the Congress is concerned the contract he is making will not be carried out?

Mr. TABER. Oh, there is no such thing as that involved at all because there are 360,000 enlistments expiring and they are running along at a rate of reenlistment that will not permit them to hold the strength up to the amount of money that would still be left in this bill after deducting the item that the gentleman from Illinois has suggested would still be enough to take care of all that they would have.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not claim to have any unusual knowledge on this subject, although I am, with certain other Members of this House, a member of the Joint Committee on Atomic Energy and am consequently especially interested in the position of the national defense of our country. I have to say that this war is not over yet. The peace treaties have not been signed and whether they are signed or not we still have a long way to go to insure peace in the world. The United Nations organization is not perfected, as we all know.

While it is quite possible that the armed services may average 30,000 persons less during the period of the fiscal year 1948 than is said to be required for the proper defense attitude of our country, I would hate to think that the number that could be actually engaged up to the number stated to be required, 1,070,000, could not be engaged by virtue of the fact that no appropriation was made for them. It would seem to me much more wise on the part of the United States in its position in international affairs today to have the authorization there and to increase the recruiting program, insofar as possible to step up the recruiting, so that the number 1,070,000 shall not be gone below. I think that is the important aspect from which to view this situation, rather than from whether or not they may not have as many men as they need to have in the Army, and therefore reduce the appropriations. There may not be as many men in the Army as there should be, but if not, for God's sake let us go out and get them, recruit them into the service, and let the Army maintain its required strength. I think that is the important viewpoint to take.

Mr. SHORT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, it is not necessary, I think, for me to state to the Members of this body my position on economy. I can cut and slash and wield the broadax at times. I think the first line of defense of any country is really its financial solvency, and that sound economy is just as important as an army, a navy, and an air force. But in this very sad and sick world, with all the troubles and the uncertainties that hang over us, we certainly should move with great caution in cutting appropriations for the Army and the Navy.

Personally I think we cut too much out of the Navy bill, and instead of offering amendments to cut further into this Army appropriation, I would almost be in favor of voting to restore the cuts that have already been made. For many weeks we have held long and exhaustive hearings before Subcommittee No. 1 on personnel of the Armed Services Committee of the House, and Members on both sides of this aisle who are members of the committee know the difficult task that confronted us in cutting down rank and the number of officers. We have done a pretty good job and will have a report, I hope, within the next fortnight to give to the Members of this body.

I trust that this House today will not pass this amendment. I had hoped that my good friend from Illinois [Mr. DIRKSEN], with whom I agree about 95 percent of the time, would not offer this amendment. I told him so the other day as we lunched together. It is just utter foolishness for us to continue to bleed this country white and give hundreds of millions of dollars to foreign countries and then refuse to take care of our own defenses here at home. It is all right to trust God, but we had better keep our powder dry; speak softly, but carry a big stick. I will admit the only nation that is a great enigma and a big question mark so far as the future of the United Nations is concerned, or world peace, is difficult to understand. I do not claim to understand the Russians. I think they possess many admirable qualities, and certainly I want to get along with them, because I can imagine no greater tragedy than armed conflict between the two mightiest nations on this earth today. I think I know them well enough after having traveled through all European Russia back in 1931 that the only language they understand is the language of force. I know that, having lived under the heel of tyranny and the yoke of oppression for centuries, that they respect strength and they have only contempt for weakness.

Let us not weaken our defenses here at home until the United Nations organization becomes firmly established and until we can set up an international police force to carry out its decisions. I hope this Committee will vote down the amendment offered by my good friend from Illinois [Mr. DIRKSEN].

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. There is one point that should be kept in mind in connection with this bill. For the first time in many years this bill does not carry a transfer clause for the funds of the Army. In other words, when money is appropriated for pay of the Army it can be used only for that purpose, so that if we should not have the full strength as it averages up through the year the money cannot be spent for some other purpose. But if you do not provide the money you cannot recruit to the strength allowed.

Mr. SHORT. I am very glad the gentleman brought out that point. He is eminently correct. Let us not fiddle here and play with the safety and security of this great Nation in this hour of peril. We must remain strong on land, sea, and in the air. We do not want to lose the fruits of victory after so great a price.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was rejected.

The Clerk read as follows:

For expenses necessary for the transportation of Army supplies, equipment, funds of the Army, including packing, crating, and unpacking; maintenance and operation of transportation facilities and installations, including the purchase, construction, alteration, operation, lease, repair, development, and maintenance of and research in transportation equipment, including boats, vessels, motor-propelled passenger-carrying vehicles and railroad equipment; personal services in the District of Columbia; procurement of

supplies and equipment; printing and binding; communication service; maps; wharfage, tolls, ferriage, drayage and cartage; premiums and indemnification for risks insured pursuant to the act of April 11, 1942 (46 U. S. C. 1128–1128g); conducting instruction in Army transportation activities; transportation on Army vessels of privately owned automobiles of Army personnel upon change of station; $347,577,227: *Provided*, That during the fiscal year 1948 the cost of transportation from point of origin to the first point of storage or consumption of supplies, equipment, and material in connection with the manufacturing and purchasing activities of the Quartermaster Corps may be charged to the appropriations from which such supplies, equipment, and material are procured: *Provided further*, That vessels under the jurisdiction of the Maritime Commission, the War Department, or the Navy Department, may be transferred or otherwise made available without reimbursement to any of such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

Mr. BRADLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in connection with the Army Transport Service covered by the paragraph just read, I believe the House should be informed of these circumstances:

On page 82 of the June issue of News Week there appears an article under the heading of "School ships" in which it is stated that—

> The Division of International Exchange of Persons of the State Department's Office of International Information and Cultural Affairs has secured the use of two Army transports—the *Marine Jumper* and the *Marine Tiger*—for the exchange of summer students between this country and Europe. Each ship, of 900-passenger capacity, will make four round trips.

As a matter of fairness to the Army Transport Service I wish to inform the House that this article is misleading in that the ships concerned are not in any way under the jurisdiction of the Army Transport Service, but, rather, are operating under private management. The term "Army transports," as used, is apparently intended only to mean that these vessels were used as such during the recent conflict, and should not be confused with the vessels of the present Army Transportation Service.

Also, I may say here that at the time the House had before it legislation which would authorize waivers of certain safety requirements for vessels being used by the Army, in the transportation of passengers, I stated that it had been brought out in the hearings that efforts might be made to persuade the Army to use some of the C–4's, then under consideration, for the transportation of displaced persons from Europe to South America and that I felt the War Department should not utilize vessels upon which waivers had been requested for the transportation of great numbers of people of all ages and sexes on long voyages to different parts of the world. I further stated that if there were a need for such transportation, and if the War Department felt itself to be the proper agency to provide it, I believed the Secretary of War should make request to the Congress for specific authority in the premises, rather than going into the passenger-carrying business with ships which do not comply with our minimum safety standards and for which we were authorizing waivers only to permit the accomplishment of the necessary business of the War Department.

I am now informed that the War Department is operating two of these C–4's between Europe and South America, carrying displaced persons, and that it is expected that a third ship will soon be put on the same run. Waivers on these ships are effective only until December 31, 1947, so at that time they must be withdrawn from this service unless further legislation is enacted, or the vessels transferred into the category of public vessels of the United States.

I am further informed that the War Department is being fully reimbursed for the expenses incurred in this transportation project.

In my opinion, the use of the ships for the purpose indicated is inadvisable in that, in the event of a marine disaster in which heavy loss of life should be incurred, the ultimate responsibility for allowing these ships to operate rests directly upon this Congress, which has countenanced their operation in violation of the normal safety requirements of our current laws. Such a disaster would reflect most unfavorably upon the merchant marine of the United States.

I trust that the War Department will not find it necessary to extend this service further and that it will discontinue the use of these ships, on which waivers of safety requirements have been granted, for the transportation of women and children on long voyages at the earliest practicable moment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> For creating, maintaining, and operating at established aviation and related schools courses of instruction for military personnel, including payment of tuition, cost of equipment and supplies necessary for instruction, and expenses of special lectures, purchase of tools, equipment, materials, machines, textbooks, scientific and professional papers, instruments, and materials for theoretical and practical instruction; for maintenance, repair, storage, and operation of airships, war balloons, and other aerial machines, and including instruments, materials, gas plants, hangars, and repair shops, and appliances of every sort and description necessary for the operation, construction, or equipment of all types of aircraft, and all necessary spare parts and equipment connected therewith and the establishment of landing and take-off runways; for purchase of supplies and procurement of services for securing, developing, printing, and reproducing photographs and motion pictures in connection with aerial photography, including aerial mapping and charting; improvement, equipment, maintenance, and operation of plants for testing and experimental work, and procuring and introducing water, electric light and power, gas, and sewerage, including maintenance, operation, and repair of such utilities at such plants; for the procurement of helium gas; for travel of military and civilian personnel in connection with the administration of this appropriation, including travel by air or rail required in connection with the transportation of new aircraft from factory to first destination; salaries and wages of civilian employees; transportation of materials in connection with consolidation of Air Corps activities; experimental investigations and purchase and development of new types of aircraft, accessories thereto, and aviation engines, including plans, drawings, and specifications thereof; purchase, manufacture, and construction of aircraft, and instruments and appliances, including radio, radar, and electronic equipment, necessary for the operation, construction, or equipment of aircraft, and spare parts and equipment connected therewith; air crew and aircraft rescue and fire fighting equipment, including trucks and boats; marking of military airways where the purchase of land is not involved; purchase, manufacture, and issue of special clothing, wearing apparel, and similar equipment for aviation purposes; expenses connected with the sale or disposal of surplus or obsolete aeronautical equipment, and the rental of buildings and other facilities for the handling or storage of such equipment; services of not more than four consulting engineers at experimental stations of the Air Corps as the Secretary of War may deem necessary, at rates of pay to be fixed by him not to exceed $50 a day for not exceeding 40 days each and necessary traveling expenses; purchase of special apparatus and appliances, repairs, and replacements of same used in connection with special scientific medical and meteorological research in the Air Corps; maintenance and operation of Air Corps printing plants outside of the District of Columbia authorized in accordance with law; special furniture, supplies and equipment for offices, shops, and laboratories; special services, including the salvaging of wrecked aircraft; payment of claims resulting from the operation of aircraft, under the provisions of the act of July 3, 1943 (31 U. S. C. 223b), as amended, and the Federal Tort Claims Act of August 2, 1946 (Public Law 601); $733,332,508: *Provided*, That in addition to said appropriation the Secretary may, prior to July 1, 1948, enter into contracts for procurement and construction of aircraft and equipment, spare parts and accessories, to an amount not in excess of $280,000,000.

Mr. MAHON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. MAHON: On page 25, line 22, strike out "$733,332,508" and insert in lieu thereof "$773,332,508."

Mr. MAHON. Mr. Chairman, there is nothing complicated or difficult about the amendment which is now before you. It is simply a question of whether or not the Congress is going to give to the Air Forces for the airplane-procurement program the amount of money approved by the Budget, requested by the President, and plead for before our committee by General Spaatz, Chief of the Army Air Forces. It is a clear-cut issue. It only involves $40,000,000. This bill provides savings below the budget estimate of $475,000,000. This will not make an appreciable reduction in the savings. It will reduce the saving by only $40,000,000. There will then remain a $435,000,000 saving.

While this amendment involves only a few millions of dollars, I think it is perhaps one of the most significant matters that will be presented to the Congress during this session. I think it may be that the vote on this amendment may be one of the most important votes in this House within a decade. Why would I make that statement? I make that statement because of this fact: If we are willing now to begin a course which leads inevitably to a loss of supremacy in the air; if we begin that course today, we will have taken the first step toward the

disintegration of the Air Forces, toward the loss of our power in the air, and in the world; toward national peril, fear, and insecurity. If we cut the funds for the airplane-procurement program for the Air Forces below the sum requested by the President; if we take this step today, mark you well in succeeding years this vote may possibly be referred to as the beginning of that period of our post-war history that led to World War No. III. We must not go in that direction.

The readers of history can look back and see that following World War I we began to impoverish our Air Forces, impoverish our Army and Navy. We know that one of the major reasons why war struck us in the 1940's was that we had impoverished ourselves and did not have the respect of those nations which only understood the language of force.

Of course, I agree with the chairman of the Committee on Armed Forces when he says in effect, "Let us not reduce the authorized strength of the Army for the present; it is dangerous business." By the same token, it is dangerous business to reduce the power of the Air Forces. We are dealing with countries that understand most of all and best of all the language of force.

When General Marshall has sat at the conference table in Moscow and elsewhere, those who sat across the table from him looked beyond him to the power of the Nation which he represented. If they look beyond General Marshall at the conference tables in the future and think or say, "Why, General, you do not represent a proud Nation that had the world's greatest Army and Air Forces and the greatest Navy—the military might that won World War II. You represent a Nation that in a military sense is in a period of disintegration and we do not take you too seriously."

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. CHELF. Is it not true that we are today about a third-rate nation insofar as the Air Forces are concerned?

Mr. MAHON. I will not have the time to discuss the details of that question. There are some who question the supremacy of our Air Forces. I do know that the Air Forces came before us and asked for money for 932 planes. Later they advised that the funds they requested would provide only 749 planes. The action of the committee in reducing the request for planes by the sum of $40,000,000 has cut it further. The $40,000,000 cut represents a loss of 188 combat aircraft. So out of the money in this bill we could construct but 561 planes. Think of it. A great Nation like ours and a meager aircraft program like that. Think of how big we talk and how little will become the stick which we carry, if we start today a course which will lead to the disintegration of our Air Forces. We must not start that downward course.

We project our interests over into the Mediterranean Sea and Congress votes $400,000,000 for Greece and Turkey. I am only asking that you restore 10 percent of $400,000,000, the sum $40,000,000 for our own United States Army Air Forces.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Yes; I am only asking that we restore to this bill $40,000,000, which would be merely 10 percent of the Greek-Turkish loan. If we are going to talk with power and persuasion in the councils of the world, let us talk in that language knowing that we possess the power to back up the firm language which we speak.

There are those who will say, "But the Air Forces have more than $400,000,000." Certainly. They will have in excess of $1,000,000,000 for the airplane-production program for last year, this year, and next year. The planes that are provided for in this bill will not come off the assembly lines for about 2 or 3 years.

As I pointed out to the House yesterday, we must keep up our plane-procurement program, this program of manufacturing military aircraft at a reasonably steady flow, if we are to do other than invite disaster to the military aviation industry of this country.

There is some confusion in the House of Representatives at the moment and there may be some who do not hear my voice. What we say is perhaps not important, but what we do on this matter today will be heard around the world. Other nations are watching America, and they will quickly become aware of whether we are willing to stand by our Air Forces or whether we begin today to chop away at the foundations of the greatest air force in the world.

If other nations observe that Congress a few months after the end of World War II denies the plea of the Air Forces and the President for 742 planes, the number requested this year, they will have cause to feel that America is on the road to military weakness. Other nations may well feel that the likelihood of World War III is increased and that freedom-loving people are approaching a time of peril and fear. Such a downward course of action shall not be taken with my vote.

The number of planes provided for in this bill is fewer than the number of planes provided for in the Navy bill. We provided 575 planes for a much smaller force in the Navy, but this bill provides only 561 planes for the Army. I say to you that the number of planes provided in both these bills is inadequate. Instead of weakening our Air Forces we ought to be increasing their power.

The statement made by the able gentleman from South Dakota yesterday should not go unnoticed by those who are thinking seriously on this amendment which may mark the turning point in the Congress on the question of national defense. The gentleman, as will be shown by the RECORD, said yesterday:

> As the gentleman knows, because he was in the committee, I was not enthusiastic about this particular reduction at this time.

If the gentlemen who have studied this legislation, as the gentleman from South Dakota has, have some misgivings about it, I assure you that there is ample reason why all Members should have some misgiving about taking the responsibility of reducing the airplane-procurement program by 20 percent in numbers below that requested by the Air Forces and the Bureau of the Budget. It is a step that America cannot afford to take in this critical hour in our history. I trust that Members on both sides of the aisle will forget any partisanship. It will be all right to be conscious of economy, because $40,000,000 spent here and the policy established here may eventually contribute to the saving of billions of dollars, because it will indicate the trend of America in the field of national defense in the years that are to come. But if we take this first step toward becoming a second-rate power today it will be a very sad day in our history and in the history of the world. We must not take it, and I hope the House will approve my amendment.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. ENGEL of Michigan. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. MAHON].

Mr. Chairman, it is passingly strange to me that it makes a difference as to who does the cutting. I was very much interested in the statement of my very dear friend and colleague, also coworker, the gentleman from Texas [Mr. MAHON], who has just addressed you so eloquently. However, I want to call your attention to the fact that the President of the United States transferred $30,000,000 in airplane money to pay of the Army out of the 1947 Appropriations Committee bill. I did not hear anyone, not even the gentleman from Texas, say one word in protest. The $401,000,000 which the committee gave to the Air Forces for the present fiscal year was cut down to $371,000,000.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Texas.

Mr. MAHON. I am advised by General Rawlings, budget officer of the Air Forces, that recent savings which have been effected will mean that the Air Forces will not lose any money in the amount approved by the Congress for the airplane procurement program for the fiscal year 1947. The action of the President, of course, in recommending certain savings, was later approved by the Congress.

Mr. ENGEL of Michigan. That is not the testimony before the committee.

The President cut $75,000,000 from the budget on research and development. Let us see what Gen. Curtis E. LeMay, former commander of the Twentieth Air Force, said. He said when that $75,000,000 cut came, and which the President made, it was the straw that broke the camel's back.

Did I hear a protest from the gentleman from Texas? Did I hear any squawks? I did not even hear a squeak or a squeaklet. He took $135,000,000, Mr. Chairman, from the Air Forces that we had given them and transferred it over to pay of the Army. I did not hear

any squawk or a squeak or squeaklet, not even from the gentleman from Texas, my very dear and good friend. So it makes a difference, Mr. Chairman, as to who does the cutting.

Let us see what we have. I was told by the War Department that we are going to have 632 planes out of the 1948 funds as reduced. The gentleman from Texas says 580. He spoke about Navy planes. The question is not the number of planes. You can cut that down to 500 or 400 if you consider nothing but fighters, not heavy bombers. It is a question of amount of money.

Mr. Chairman, when you talk about airplanes for the Navy, you are talking about carrier planes. You are not talking about the B–36's which cost millions of dollars.

The 1948 Air Forces budget provides for $440,000,000 for airplanes, spare engines, and spare parts as against $371,000,000 the President left them after cutting off $30,000,000. Your committee reduced this amount to $396,000,000 or $25,000,000 more than they had left after the President's cut. We gave them $145,000,000 for research and development, all in 1948.

The Air Forces, Mr. Chairman, will have for 1948 $3,372,330,000 in all, or 56 percent of the total appropriated and contract authorization budgets of the Army.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. Pay comes out of finance of the Army. Rations, clothing, and subsistence comes out of the Quartermaster. Various other items come from other services. But, the total for the Air Forces for 1948 is $3,752,000,000, 56 percent of the total Army budget. Let us see what they have in planes. They have 30,566 complete aircraft, 60,000 motors and spare parts, the inventory price of which is over $7,000,000,000. If these are not the latest wartime planes, Mr. Chairman, it is because the Army gave too many away. They have a backlog of 1945 production money amounting to $342,000,000 with 733 planes to be delivered. They have $288,000,000 of 1946 production money and $371,000,000 of 1947 production money. If this bill is passed as reported, they will have $396,000,000 for the fiscal year 1948, or $25,000,000 more than they had left in 1947 after the President took $30,000,000 from them. All for the latest and most modern planes. For heaven's sake, what do they want? I am getting tired of having the Executive, Mr. Chairman, cut airplanes, research, and the Army funds with nobody saying a word—but when the Congress tries to make a cut, immediately a cry goes to high heaven that we are wrecking the Air Forces. Did I hear any of my Democratic brethren object? When the Secretary of War, Mr. Chairman, cut the Air Forces from 401,000 to 375,000—and that is his testimony—did I hear any squawk or squeak or squeaklet from anybody? Not one word was said; ot one solitary word.

Mr. Chairman, I want to express my profound gratitude to the Democratic members of the committee, including the gentleman from Texas [Mr. MAHON]. I want to express my profound gratitude to the other gentleman, particularly to the gentleman from North Carolina, Judge KERR, and say that this is not a political question. The decision on this question was not made on a political basis. We were practically evenly divided insofar as party was concerned. I ask the committee to stand by this bill as it is. The committee worked hard on it. When you talk in terms of percentages as to the amount of the cut, it is a mighty small cut for them to take, Mr. Chairman. I believe in an air force. I know the Air Forces. I know them from A to Z. I have worked on that ever since 1937. I want a good national defense, Mr. Chairman. I went through the dark days of Dunkirk when we gave everything we had to England; we had to. We did not have enough powder to wad a shotgun to carry on an offensive for 1 day on one front, and I sat there sweating blood. I want an adequate national defense, and I believe we can have an adequate national defense, under this bill as it is. I have been criticized because the cut was not enough; because the Navy had an 11 percent cut and this is 8.3.

Mr. Chairman, we took every item separately and voted on it. No one considered what the Navy did. That had nothing to do with it, Mr. Chairman.

Mr. Chairman, I ask that this House stand by the committee.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. The question was asked by the gentleman from Texas as to whether our Air Forces were not a third-rate air force in the world. I would like to ask approximately the same question of the chairman of the committee. How does our air force compare with the air force of Russia and the air force of Great Britain?

Mr. ENGEL of Michigan. As far as Great Britain is concerned, we have a complete interchange of scientific knowledge and have had all during the war, so we are on a par with research and development. I know that we have more planes than they have. I do not know what the production is.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. As I said on the floor of the House yesterday, if someone, I do not care who he is or where he is, can tell me how we can get information or tell us a system or method of getting information as to what Russia is doing behind her iron curtain, he will make a great contribution toward the national defense of this Nation. No one knows what Russia has.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Kentucky.

Mr. CHELF. Why should we take any chances? If we do not know what Russia has, why should we take any chances by cutting our Air Forces? That is all the more reason we should be careful about it.

Mr. ENGEL of Michigan. The same argument the gentleman makes would have us have an Air Forces production program of $3,000,000,000. I know Russia does not have what we have.

Mr. CHELF. How does the gentleman know that she does not have?

Mr. ENGEL of Michigan. Because she did not have it during the war.

Mr. CHELF. The gentleman cannot be too sure of it. They are manufacturing day and night over there.

Mr. ENGEL of Michigan. We know that Russia at the conclusion of the war had an ineffective air force, because of what happened? If it had not been for our Air Forces at the end of the war they would have had a terrible time. The hearings before our committee showed time and again that it was our Air Forces that destroyed the material behind the German lines. If conditions in the air force in Russia are known to the gentleman, I would like to know where he gets his information. There is not any information on Russia. We are trying to find out now what her air force is.

Mr. CHELF. I repeat that we should not take a chance.

Mr. KILDAY. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. Mr. Chairman, it may be true that the budget officer of the War Department is in the gallery, but I think it is quite apparent that the manicured and tailored gentlemen who were here last week speaking as farmers are not here today. I think you will also be aware of the fact that the polyglot, nondescript CIO's who have prowled our halls and our private offices are not here today. We come now to a question which concerns the well-being of our Nation and that alone. The way you decide on the question involved here will be dictated by the voice of conscience and patriotic devotion to your country without regard to the pressure groups that might come forward. This is a matter between you and your conscience.

I have been amazed today at the manner in which history repeats itself. I remember so well back in 1939 when the Committee on Military Affairs brought out a bill authorizing 5,500 airplanes for the entire Army, training planes, bombers, fighter planes, and what not, and we wrangled here for days and days and in conference for weeks about whether it should be 3,400 or 5,500. On that occasion I saw some of my very dear friends on this side of the aisle go off supporting

3,400 airplanes. They went off on that point following gentlemen who spoke here and who got very red in the face, who knew what the condition was in Europe better than the administration or the State Department or the War Department.

One of those gentleman said that he had better information from the inside of Germany than the Government of the United States had and there would be no war in Europe, and yet it was a matter of only weeks before the war which he denied would take place was very much in existence.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. TABER. Does the gentleman understand that at that time none of these 5,500 planes were built and that the proposition to cut the 1,900 planes was accompanied by a proposal to add $10,000,000 for a research fund which was beaten by many of you people voting against it and as a result the flying program was delayed almost a year?

Mr. KILDAY. Let me give you the facts. The gentleman is entirely in error. The point was that under the training program there would not be air crews sufficient to man the 5,500 airplanes, but there would be air crews sufficient, and many of you recall it, to man 3,400 of them, and the 2,100 were to be in reserve and held as auxiliaries. That was the issue that we fought out at that time. I cannot yield further to the gentleman.

Mr. TABER. There were no designs ready to build the planes and none of those were built.

Mr. KILDAY. When you argue that, you kill the opposition to this amendment. I want you to know that not one airplane, the designs for which went on the drawing boards after Pearl Harbor ever took part in the last world war. Understand that. I will say it again. Not one airplane the designs for which went on the drawing boards after Pearl Harbor ever participated in the last war. The point is that you must first have your experimentation and development. Then you must develop your industry, so that they will have experience in quantity production. Then you have to get young men to fly these jet-propelled planes and should we ever get to atomic-energy-propelled planes the men must be trained as well for that. You must develop your industry and personnel as well as have your scientific research and development.

But I said a while ago about how some of my very good friends here went off following the 3,400 plane idea on the assurance of men whose faces were very, very red and whose tempers rose quite high. I was with them in Namur, Belgium, in 1944. We stood there listening to one of those tremendous bomber raids that passed over from England on its way into Germany in those final attacks that knocked Germany out of the war. Raids consisting of about 1,000 bombers and escort planes bringing the total number to more than 3,400 planes. I thought I detected upon their faces a rather sheepish look. I do not believe that those friends of mine are going to go off again today on a thing of the same character backed by the same type of argument.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KILDAY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. The figures that the War Department submitted through the Bureau of the Budget contemplated 932 aircraft for a 400,000-man air force. I should say on the face of it that that would be a minimum. But by the time the bill reached here the number of planes that amount of money would have bought, because of the increase in price, had been reduced to 749 planes. The bill proposes to give the Army Air Forces, which is stabilized at 400,000 men, 561 airplanes. Are you going to be able to vote to cut the production of airplanes in this great Nation which has said that we are going to stop communism at the borders of the countries into which communism is trying to intrude itself? Are you going to say to the people whom you expect to stand up against communism, against Russia, if you please, that this great powerful Nation, is going to cut the production of airplanes? Are we going to say to the Russian Bear that we are now producing planes at the tremendous rate of 561 a year, including fighters, bombers, and what not.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. MITCHELL. You mention the figure 500 planes.

Mr. KILDAY. I said 561.

Mr. MITCHELL. Why do you not say whether they are fighters or whether they are $5,000,000 bombers?

Mr. KILDAY. I will ask that you tell me that. I yield to the gentleman to tell me that.

Mr. MITCHELL. I am asking you to tell me.

Mr. KILDAY. Yes, of course, you do not know; yet, you are going to vote to cut it down to 561 airplanes, even though they be puddle-jumpers. You do not know and you are willing to vote to cut it down.

Mr. MITCHELL. I know they are not puddle-jumpers. I know that you are trying to confuse the issue.

Mr. KILDAY. I leave that to the gentlemen who have served with me longer and who know my reputation for confusing the issue. But I do submit that the powerful United States is going to be held up to the world now as the protector of small nations against communism, as the great Nation which produced 561 airplanes, bombers, if you please, or 561 fighters.

I would not vote to appropriate money for the large-scale production of even B–29's. Whether some of you think otherwise or not, I still think it is the best heavy bomber in the world. I would not vote for a dollar for the production of P–51's or P–47's, but I do know our jet-propelled planes did not get into the last war because we did not get started on their production and their use in time. I know that atomic energy may be or may not be susceptible of such use, but I see where Willi Messerschmidt said we had approached him, as the greatest aeronautical engineer of Germany, to come here and work on atomic-propelled airplanes. I do not know whether his statement is true or whether he is coming or not. If he does not do it, somebody ought to. All I know is that my own country cannot afford in these crucial hours to say that 561 airplanes is the maximum production we are going to have during the ensuing year. I hope the amendment is adopted.

The CHAIRMAN. The time of the gentleman from Texas [Mr. KILDAY] has again expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think we ought to consider some aspects of the aircraft industry itself and to realize a few of the basic facts.

In the first place, the air-frame industry is divided into two general parts. There is, first, that section which produces a very large number of small-type aircraft, generally for personal use. That includes the airplanes such as the Piper Cub and all the rest of those planes which are relatively quite small. The balance of the air-frame industry is the part that produces the metal aircraft, built for special performance, whether it be of the fighter type or the bomber type, the cargo- or passenger-carrying transport type. There are also the instrument, accessory, and radio manufacturers, without whose efforts toward production, the entire industry must fail.

The engine industry is similarly divided into two sections: First, that section which produces the small-type engines for the planes first mentioned; and, secondly, that section which produces the large-type engines for the military and transport types.

In the engine industry we have two principal reciprocating engine companies, Pratt & Whitney and Wright. Engaged in the manufacture of jet aircraft engines, we have the General Electric Co. and the Westinghouse Co. I understand that Pratt & Whitney is soon to engage in jet-engine manufacture also under British license.

In the jet field it is acknowledged by all concerned that the British are about 2 years ahead of the United States in the design and manufacture of the jet-type engines. That was testified to before our committee in its consideration of our air-navigational problems, and we are very well aware of it. We are also well aware of another thing, namely, that the British have sold 100 of their best and most modern-type engines to the Soviet Government. It is also well known that several hundred of the very finest scientists and engineers who worked for the Nazi Government have been taken inside Russia, and many of them are now working on the improvement of the jet engine.

As I said, many of the former German scientists are now working for the Soviet Government in the improvement

of that engine, which is already 2 years ahead of ours. We have had to even go so far as to take a license from the British for the manufacture of their advanced jet-type engines. The Pratt & Whitney Co., I understand, is now taking over that license to manufacture the British jet engines.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. ENGEL of Michigan. If this bill passes, the Air Forces will have available for research and development with 1948 and prior year funds $553,000,000 to take care of exactly what the gentleman is speaking about. There was not one dollar for research and development, there was not one employee—and they have 7,000 employees in research and development—that was cut out of the Air Forces.

Mr. HINSHAW. I appreciate very much the gentleman's statement. It is no doubt correct, and I think the amount of funds requested of and allowed by the committee are quite appropriate under the circumstances. I have no argument to make on that score.

I want to recall a time when a number of us were here, the years 1939 and 1940. We came here one morning and found that the United States had on hand and on order a certain amount of military equipment. About 95 percent of it was on order and 5 percent on hand. The Members who were here then will remember that we had on hand something like 1,952 military aircraft. Of that 1,952 military aircraft that were on hand in our Air Forces, exactly 52 of them—the then model of the B–17—were fit for combat duty. We started this last war with 52 then modern aircraft, although we had some 1,900 obsolete aircraft on hand. I think no one will disagree with that statement.

I do not care how many planes we have on hand that were left over from this last World War, there is hardly one of them that is fit to serve in any national defense effort that we may have to exert in the near future. We have a few jets, some P–80's that happen to be made in my own part of the United States, that are now being used for test and training purposes by the Army, but beyond the P–80 there is the P–82, the P–83, and the P–84. When it comes to bombers the B–29 is now a medium-type bomber that is no longer the largest type. There is the B–35, the B–36, the B–45, the B–46, the B–47, and the B–48, which have jet-type propulsion motors.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Some time ago it was the privilege of my committee to visit the installation at Muroc Dry Lake where tests are made on modern type aircraft. We saw the B–46 that was undergoing tests in 1947. It is a prototype aircraft. It is not yet in production; as a matter of fact all of the tests on it are not completed. But, remember, that is a class of aircraft we need to have in production. We also saw the B–35 and the B–36 and other aircraft that were there. Those are going to be the aircraft of the near future. In that case we should have no further use for the types we used in the past World War. They are obsolete. I do not care how many of them we might have in storage, they are not going to be of much use to us except on a temporary basis in any emergency of the immediate future. We might just as well give them to China or Siam or any other nation that wants to train its fliers to operate them. The safety of the United States will largely depend on keeping up the production facilities for the modern type of aircraft. The modern aircraft-production industry cannot be turned off and on like a spigot; it needs 5 years to develop an airplane. When you shut down the aircraft industry it will take 2 years to get it going again. And I tell you this right here and now, there is no nation who might feel like becoming an aggressor in this world who does not know that if it is going to be successful it is going to have to attack the United States first this time, not last; and I think that it is up to the United States for the protection of the peace of the world to maintain its aircraft industry and its production at the highest possible peacetime rate.

I appreciate the necessity for research and development; it is absolutely necessary, but you must keep your production lines going, you have got to keep them going or your trained and skilled personnel in that industry are going to drift away from it and the industry itself will then bog down. To keep this industry up to a point sufficient to support the needs of national defense requires that they build 3,600 planes a year for the armed services. You have now got it cut down to about 1,200. Remember that in the event of a national emergency you cannot turn the aircraft industry on and off like a spigot and have them begin at once to turn out jet-type aircraft; it is an industry that has to be kept going at an operating level all the time. If you think otherwise you are crazy, and I do not mind telling you so.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. RIVERS. Does the gentleman believe this bill is adequate to keep the industry going in performing condition?

Mr. HINSHAW. That I do not believe. I will just say this, that the President cut funds from the appropriation made last year for the production of airplanes and transferred the funds to other uses.

I do not know why my side of the committee did not protest against that cut as well as the other side. I think both sides should have protested it and hollered to high heaven about those transfers that were made by the President.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I would suggest that the gentleman read the hearings and he will find that some Members on his side of the aisle have several pages in the record calling attention to what that cut was and what it did.

Mr. HINSHAW. I appreciate that. I have not had the time to read 1,600 pages as carefully as I should. I have only been able to glance through them, but I appreciate the viewpoint because it is correct, as the gentleman has stated it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WORLEY. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I thought that the Congress of the United States had at last learned what we should have learned after the First World War and certainly what we should have learned from our experience before and during World War II, that is the near-fatal philosophy of too little too late. It seems to me that we are repeating today, or at least this is one of the first steps in repeating, that same dangerous philosophy of not having enough when we need it.

A good bit of discussion has been had about the relative strength of our own Air Forces compared with those of other countries of the world. I do not know how absolutely accurate the statement is I am going to read to the Committee, but it was carried in the Washington Post on or about April 10, 1947, as a news item. It is reported by the United Press, which is a reliable news-gathering association, and it reads as follows:

SOVIET PLANE OUTPUT SET AT 100,000

Russia will produce 100,000 military and civilian planes this year and is fast overcoming American air dominance, Collier's magazine reported last night.

Soviet figures disclosed in the article exceed America's wartime best and virtually triple this country's 1946 output.

Reporting "Soviet leaders are staking everything on air preparations," the article said Russia has shifted emphasis from fighters to bombers.

The 100,000 figure compares with 36,204 planes produced here in 1946. In 1944, America, fully mobilized, produced 96,369 military planes.

The article reported the Red civil air fleet has become a "Kremlin pet," under Air Marshal Fedor Astakhov. Air lines in satellite countries have Russian financial, equipment, and technical aid, with the surviving personnel of the old German air lines, Deutsche Lufthansa, now working for Russia, it said. They work with a "bottomless purse."

The satellites, it said, obtain air agreements with America, paving the way for Russian-dominated air lines to fly here without permitting our lines to enter Russia.

I hope the Committee will pay particular attention to the concluding paragraph:

The Red air force was said to have 10 airborne divisions and plans for 35. The United States has one.

We cannot make a mistake, Mr. Chairman, today, in supporting the amendment offered by the gentleman from Texas, but I am firmly convinced that we will make a serious mistake if we reject this restitution of the aircraft for which the War Department is pleading.

Mr. RIVERS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Armed Services Committee, I, like you, feel my responsibility in the passage of this bill and its over-all effect on us now and in the future. I want you to know that the source of my information is the source where the Committee on Appropriations gets theirs. We had the same access to records as did the Committee on Appropriations, and surely we have the same responsibility as any committee or any Member of Congress. At the same time, I fully realize that our sincerity and our patriotism are no better than yours.

The passage of this bill today will determine what we will have by way of air strength and by way of an Army, so far as that is concerned, in the future. We know from experts that today we are No. 3 with an air force, and in a little while we are going to vote for "uniexpansion," not "unification." We will have a separate air force, I hope, and we will not be content to have a third-rate air force. Your vote today will determine where you are going tomorrow. If you are satisfied with a third-rate air force, vote to dismantle it. We did a pretty good job sinking the Navy the other day. For God's sake, do not shoot down all of our airplanes by your vote today.

Remember this, that you have to have an air force in this country that can strike a long ways off immediately. It has always got to be in readiness. As the distinguished gentleman from Texas told you with a master's voice, not one airplane that was designed after Pearl Harbor ever got in the air. The B–29's never got to Europe; the few we had went to the Pacific. It takes about 5 years to get an airplane in the air, and those now on the drawing boards, the prototype airplanes, will never satisfy the needs.

My good friend from North Carolina, the Honorable CARL DURHAM, when he came back from Europe recently, told us an alarming story regarding a great airplane installation, a missile factory, 32 miles underground. That airplane factory was tunnelled by the resourceful Germans 32 miles underground, rock-ribbed and secure. Every inch of that V–2 factory fell into the hands of the Russians, with the know-how that goes with it, and it is loaded to the gills with machinery that came from Milwaukee. Those Russians have the know-how on guided missiles, they have the know-how on jet-propelled airplanes. I know, if you can believe anything the people in the Air Forces tell you, that we are behind on the jet airplane. These are straws in the wind. We are paying those fellows and they had better be telling the truth. I for one prefer to believe them.

We hear a lot about the GI's who served in this war and served gloriously. Many of them flew, like my good friend from Mississippi. I hope some of them will get up here and tell us.

I am not satisfied with this bill. I believe it is bad. I do not care what you say about the interchange of scientific development, I know that those who are in charge of scientific development out there at Wright Field in Ohio are not satisfied.

I do not care what President Truman did by way of his rescission of $500,000,000. That is his responsibility, but I tell you today it is my responsibility, today it is mine, and I propose to vote against dismantling our Air Forces. I am not satisfied with this bill. I believe we need more money. On any occasion where I can vote to give them more, I propose to do it. I do not think 561 airplanes are enough. I do not think a willingness to give them more is enough. The thing to do is to give it to them, because when they strike they are going to strike hard and fast. Let us have an airplane ready to strike a lot further away than anybody has had an airplane or guided missile go. If you do that, your responsibility will have been discharged and discharged well. The question is, where do you want to stand? As far as I am concerned, I want to stand where I know that my responsibiilty has been carried out. I tell you, in the next war, he who comes out second will not come out at all.

Mr. JOHNSON of California. Mr. Chairman, I move to strike out the last 7 words.

Mr. Chairman, the trouble with frittering away the money we must have for airplanes to be adequately prepared, is that you will never know your folly until long after we have left this House. I saw a little air force in the First World War, which I thought would be the pattern for what would be future warfare if we ever had another war. I came out of the first war firmly convinced that the world's great nations would never engage in a folly like war again during my lifetime. I lived to see the day when the American Air Force became the spearhead of our entire defense system. It is the planes that will turn the victory, as numerous speakers have mentioned here today. It takes a long time to build an airplane. The B–29 got out of the blueprint stage in 1935 but they were not on the front until 1944. The unborn planes and plans that were in our laboratories and factories at the end of this war are the ones that are going to come out in the near future.

One point I want to make to you today is that I am convinced to the point of an obsession, that measured by the present destructive capacity of the human race and the armies and navies today the world cannot stand another war. You and I know the world is still governed by force. The big men of the large nations will listen to the representative of a nation that has force behind it, stark, brute, military and industrial force. When our Secretary of State talks, his words are exactly as convincing or exactly as weak as we are strong or we are weak in a military way. We must take advice from the men who have the trusteeship of our national defense, whose duty it is to provide the protection of our national life against any aggression by any power or combination of powers.

The Air Forces asked for a force of 400,000 men, which was concurred in by the Chief of Staff and the Secretary of War. The request was cut down to 375,000. The same group also asked for over 900 airplanes, and a system of production where we would have continuous production lines that would have no interruption. When you fritter those requests down to five-hundred-plus planes you are liable to destroy that continuous flow of production that is essential in modern warfare and thus lose our industrial potential, as to airplanes, so essential in this air age.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Texas.

Mr. KILDAY. May I ask my friend if he would not agree that when word goes out over the world that our Army people, that is, the administration dealing with those foreign nations, ask for 932 airplanes and wind up with 561, that constitutes repudiation by the Congress of the United States of the people who are trying to be stern with the aggressors of Europe?

Mr. JOHNSON of California. I do not know that it constitutes a repudiation but it is notice to the world that we are disintegrating to a certain extent and that we are not going to back up our strong words with a strong military and production force.

Another point I would like to make to you is that our best gamble for peace and our best gamble to restore peace to a world which is in chaos and trouble and turmoil is for America to remain strong. All the people who have studied international problems tell us that if America remains strong we have the potentiality of leading this troubled world into an era of peace. If we disintegrate we are laying the groundwork for the war that our sons and grandsons may have to fight 20 or 30 or 35 years from today.

As I say, the key to the whole American defense system is the Air Force of the United States. It was the power that brought about victory by mass raids and mass destruction of the production and communications system of Germany, Italy, and Japan. We must be ready in the future. In the future we will not have time to get ready as we did in the last two wars. The troubles of the world will be in our lap at once. There will be no declaration of war. There will be no warning of war until flying over our great American industrial centers we see the guided missiles and the great airplanes that will lay us low with one single blast before we can get ready to defend our country, if we are foolish and weak enough not to be on the alert, ready to defend or strike when the storm breaks.

That is why I am so anxious to see you restore this forty or fifty million dollars. It may be a mere drop in the bucket considering the benefits that we will reap, but it is the amount that we need to keep the Air Force at a strength which the experts on the subject of our national defense, the Air Force officers and Air Force men, tell us is absolutely essential for our national security.

Mr. Chairman, I hope this amendment will be adopted.

Mr. BROOKS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment to restore to the bill the $40,000,000 for airplanes which was taken out of it.

Mr. Chairman, for fully two decades we have fought this same fight—the fight to attempt to depreciate the value of aircraft. Consciously or unconsciously, it has a good deal to do with this particular appropriation today.

I served on the old Committee on Military Affairs, and I am now serving on the Committee on Armed Services of the House. I saw this selfsame fight carried on from the time of the organization of our Air Forces and from the fight of Billy Mitchell to obtain a place in the sun for the Air Forces. The fight has gone on. Back in the thirties we saw the fight in the Congress and in the Committee on Military Affairs to hold down the size of the Air Forces and the number of airplanes.

My good friend and colleague from the State of Texas [Mr. KILDAY] has referred you to the bill which was passed in 1939 authorizing the purchase of 6,000 airplanes as the sum total of airplanes for the Army Air Forces. I recall very vividly the fight which was made then in the Committee on Military Affairs and the fight that was made on this floor. As it has been said, the fight was to reduce that 6,000 airplanes down to 3,500 airplanes. When that effort became a failure, a fight was made to reduce the number from 6,000 down to 5,500, and for a time the bill contained an amendment reducing the sum total of the air strength to 5,500. Then someone presented an amendment which was placed in the bill for a time to stagger the purchase of these airplanes over a period of 5 years so that we would not get our air force loaded down with what they said was the huge number of 5,500 airplanes. All of that time over there in the skies of Europe dark clouds were working up and anyone with any foresight at all could see a war in the offing. Here on the floor of the House in Washington we were fighting over an amendment as to whether or not we would authorize the purchase of 5,500 airplanes at one time or whether we would stagger the purchase of them over a period of 5 years, one-fifth each year.

This fight still goes on. I think unconsciously sometimes and consciously at other times, those who oppose increasing the strength of the air force are doing so to the serious detriment of the safety of our country. The men who today recommend to the Congress the purchase of 932 airplanes are to a large extent the same men who handled our air forces in Europe and in the Pacific during the war. We had confidence in those men as our leaders at that time. They did a magnificent job in Europe. They did a grand job in the Pacific. They were backed up by skilled, trained airmen, and they did the job that was necessary to win. They tell us today that we need 932 airplanes. The sole question before this Congress is, Shall we get 932 airplanes or shall we again depreciate the value of the air service and reduce that number to some 580? That is the question that the Congress has the responsibility for answering today. In the light of history and in the light of the fight that has gone on in the past, we should give the air forces what it says is needed as the irreducible minimum for our air strength.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BROOKS] has expired.

Mr. FISHER. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I asked for this time in order to read a paragraph from a letter which I received last February from a very eminent authority on the subject of national defense in this country. It was learned last February that Lt. Gen. Ira C. Eaker planned to retire on the 15th of June. In response to an expression of regret, he wrote me a letter, one paragraph of which I think it would be interesting for everyone to hear and one which I think every American should read and remember.

As I stated a moment ago, this letter is from General Eaker, who commanded the American Air Forces in the ETO during the war and who is recognized as one of the most brilliant strategists to come out of this war and one of our most distinguished soldiers. I would like to have this expression of General Eaker considered by the House in connection with the pending amendment and this appropriation bill. Of course, it does not refer to any appropriation bill in particular, but it does refer in general to the vital defense and the future security of this country.

I have been a fairly close student for many years of history in the making. This interest and knowledge of the subject were greatly heightened during the years I was abroad in the Second World War. As a result of my analysis of the situation, I am as certain as I am of anything that rough weather lies ahead for our country. I think this may not be entirely because of the antagonism of any foreign power. I believe the lack of interest and concern on the part of our citizens will be a more immediate cause of our undoing. What I see happening today is a clear carbon copy of what happened in the years from 1919 to 1939. I think the result will be the same with this difference. In the First and Second World Wars we were given 2 years or more to gear from a very depreciated peacetime military strength to a tremendous potential for all-out war. Our industrial capacity and our manpower were undisturbed by foreign weapons during that period. The enemy had no weapon which could reach our industrial areas and attack our manpower while we got ready. The next time this fortunate circumstance will not apply. There will be a weapon in the hands of the enemy, the long-range bomber and the long-range guided missile, with which he can attack our industrial cities and depreciate our manpower while we are struggling back from a low level to the height of our potential.

Any aggressor of the future will have learned from the last two world wars that he must attack the United States first and prevent its manpower and weapon-making capacity from building to full scale if he is to win. Therefore, it is inevitable that any war of the future will be heralded by initial attacks by long-range weapons on the factories and cities of the United States. We will never have 2 to 3 years in the future to get ready; we will be cut down before we have that opportunity.

Mr. Chairman, this letter comes from a man who was quoted in the press a few months ago as saying that a second-best air force in modern warfare is of the same value as a second-best poker hand.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield.

Mr. THOMASON. I wish to join my colleague in paying deserved tribute to a great American and a great Texan. The gentleman and I both know the stock from which General Eaker comes. His parents live in the gentleman's district and the general's brother, Claude Eaker, lives in my district at Fort Stockton and we have known the family for many years. I recall that as a young rancher, which General Eaker was before World War I, he enlisted as a private in the armed services in my home city of El Paso, at Fort Bliss. From then until today his rise has been steady and deserved. I regard him as one of the greatest officers who has come out of two world wars, and whether he is in the Army or out of it, he is a great citizen and a great American. He carries with him in his retirement the affection of the people of his native State of Texas and the admiration and gratitude of all the patriotic and peace-loving people of our great Nation.

Mr. FISHER. I thank the gentleman for his contribution. General Eaker, as we all know, has served 30 years quite brilliantly, and in the Air Corps he certainly contributed tremendously to the winning of the war and to the security of this Nation. His views on this subject are worthy of consideration and study by the American people, and will be widely respected now and in the future by all thinking people who are devoted to the future of our country.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ENGEL of Michigan. Mr. Chairman, in order to see if we can arrive at an agreement to limit debate on this amendment I ask unanimous consent that all debate on this amendment and all amendments thereto close in 1 hour, the last 10 minutes to be reserved to the committee.

Mr. MAHON. Mr. Speaker, reserving the right to object, how much time will that give the Members wishing to be heard on the amendment?

Mr. ENGEL of Michigan. I have allowed 5 minutes to each Member indicating a desire to be heard.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. DIRKSEN asked and was given permission to revise and extend his remarks.

LABOR-MANAGEMENT RELATIONS ACT, 1947

Mr. HARTLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes; and I ask unanimous consent that the statement of the managers be read in lieu of the full report.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. HOFFMAN. Mr. Speaker, I object.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The comittee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SHORT TITLE AND DECLARATION OF POLICY

"SECTION 1. (a) This Act may be cited as the 'Labor Management Relations Act, 1947'.

"(b) Industrial strife which interferes with the normal flow of commerce and with the full production of articles and commodities for commerce, can be avoided or substantially minimized if employers, employees, and labor organizations each recognize under law one another's legitimate rights in their relations with each other, and above all recognize under law that neither party has any right in its relations with any other to engage in acts or practices which jeopardize the public health, safety, or interest.

"It is the purpose and policy of this Act, in order to promote the full flow of commerce, to prescribe the legitimate rights of both employees and employers in their relations affecting commerce, to provide orderly and peaceful procedures for preventing the interference by either with the legitimate rights of the other, to protect the rights of individual employees in their relations with labor organizations whose activities affect commerce, to define and proscribe practices on the part of labor and management which affect commerce and are inimical to the general welfare, and to protect the rights of the public in connection with labor disputes affecting commerce.

"TITLE I—AMENDMENT OF NATIONAL LABOR RELATIONS ACT

"SEC. 101. The National Labor Relations Act is hereby amended to read as follows:

"'FINDINGS AND POLICIES

"'SECTION 1. The denial by some employers of the right of employees to organize and the refusal by some employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.

"'The inequality of bargaining power between employees who do not possess full freedom of association or actual liberty of contract, and employers who are organized in the corporate or other forms of ownership association substantially burdens and affects the flow of commerce, and tends to aggravate recurrent business depressions, by depressing wage rates and the purchasing power of wage earners in industry and by preventing the stabilization of competitive wage rates and working conditions within and between industries.

"'Experience has proved that protection by law of the right of employees to organize and bargain collectively safeguards commerce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest, by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees.

"'Experience has further demonstrated that certain practices by some labor organizations, their officers, and members have the intent or the necessary effect of burdening or obstructing commerce by preventing the free flow of goods in such commerce through strikes and other forms of industrial unrest or through concerted activities which impair the interest of the public in the free flow of such commerce. The elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed.

"'It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

"'DEFINITIONS

"'SEC. 2. When used in this Act—

"'(1) The term "person" includes one or more individuals, labor organizations, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

"'(2) The term "employer" includes any person acting as an agent of an employer, directly or indirectly, but shall not include the United States or any wholly owned Government corporation, or any Federal Reserve Bank, or any State or political subdivision thereof, or any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

"'(3) The term "employee" shall include any employee, and shall not be limited to the employees of a particular employer, unless the Act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse, or any individual having the status of an independent contractor, or any individual employed as a supervisor, or any individual employed by an employer subject to the Railway Labor Act, as amended from time to time, or by any other person who is not an employer as herein defined.

"'(4) The term "representatives" includes any individual or labor organization.

"'(5) The term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

"'(6) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

"'(7) The term "affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.

"'(8) The term "unfair labor practice" means any unfair labor practice listed in section 8.

"'(9) The term "labor dispute" includes any controversy concerning terms, tenure or conditions of employment, or concerning the associaton or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee.

"'(10) The term "National Labor Relations Board" means the National Labor Relations Board provided for in section 3 of this Act.

"'(11) The term "supervisor" means any individual having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

"'(12) The term "professional employee" means—

"'(a) any employee engaged in work (i) predominantly intellectual and varied in

character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or

"'(b) any employee, who (i) has completed the courses of specialized intellectual instruction and study described in clause (iv) of paragraph (a), and (ii) is performing related work under the supervision of a professional person to qualify himself to become a professional employee as defined in paragraph (a).

"'(13) In determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

"'NATIONAL LABOR RELATIONS BOARD

"'SEC. 3. (a) The National Labor Relations Board (hereinafter called the "Board") created by this Act prior to its amendment by the Labor Management Relations Act, 1947, is hereby continued as an agency of the United States, except that the Board shall consist of five instead of three members, appointed by the President by and with the advice and consent of the Senate. Of the two additional members so provided for, one shall be appointed for a term of five years and the other for a term of two years. Their successors, and the successors of the other members, shall be appointed for terms of five years each, excepting that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

"'(b) The Board is authorized to delegate to any group of three or more members any or all of the powers which it may itself exercise. A vacancy in the Board shall not impair the right of the remaining members to exercise all of the powers of the Board, and three members of the Board shall, at all times, constitute a quorum of the Board, except that two members shall constitute a quorum of any group designated pursuant to the first sentence hereof. The Board shall have an official seal which shall be judicially noticed.

"'(c) The Board shall at the close of each fiscal year make a report in writing to Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board, and an account of all moneys it has disbursed.

"'(d) There shall be a General Counsel of the Board who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of four years. The General Counsel of the Board shall exercise general supervision over all attorneys employed by the Board (other than trial examiners and legal assistants to Board members) and over the officers and employees in the regional offices. He shall have final authority, on behalf of the Board, in respect of the investigation of charges and issuance of complaints under section 10 and in respect of the prosecution of such complaints before the Board, and shall have such other duties as the Board may prescribe or as may be provided by law.

"'SEC. 4. (a) Each member of the Board and the General Counsel of the Board shall receive a salary of $12,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board shall appoint an executive secretary, and such attorneys, examiners, and regional directors, and such other employees as it may from time to time find necessary for the proper performance of its duties. The Board may not employ any attorneys for the purpose of reviewing transcripts of hearings or preparing drafts of opinions except that any attorney employed for assignment as a legal assistant to any Board member may for such Board member review such transcripts and prepare such drafts. No trial examiner's report shall be reviewed, either before or after its publication, by any person other than a member of the Board or his legal assistant, and no trial examiner shall advise or consult with the Board with respect to exceptions taken to his findings, rulings, or recommendations. The Board may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court. Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation, or for economic analysis.

"'(b) All of the expenses of the Board, including all necessary traveling and subsistence expenses outside the District of Columbia incurred by the members or employees of the Board under its orders, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Board or by any individual it designates for that purpose.

"'SEC. 5. The principal office of the Board shall be in the District of Columbia, but it may meet and exercise any or all of its powers at any other place. The Board may, by one or more of its members or by such agents or agencies as it may designate, prosecute any inquiry necessary to its functions in any part of the United States. A member who participates in such an inquiry shall not be disqualified from subsequently participating in a decision of the Board in the same case.

"'SEC. 6. The Board shall have authority from time to time to make, amend, and rescind, in the manner prescribed by the Administrative Procedure Act, such rules and regulations as may be necessary to carry out the provisions of this Act.

"'RIGHTS OF EMPLOYEES

'SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8 (a) (3).

"'UNFAIR LABOR PRACTICES

"'SEC. 8. (a) It shall be an unfair labor practice for an employer—

"'(1) to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7;

"'(2) to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided,* That subject to rules and regulations made and published by the Board pursuant to section 6, an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay;

"'(3) by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided,* That nothing in this Act, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in section 8 (a) of this Act as an unfair labor practice) to require as a condition of employment membership therein on or after the thirtieth day following the beginning of such employment or the effective date of such agreement, whichever is the later, (i) if such labor organization is the representative of the employees as provided in section 9 (a), in the appropriate collective-bargaining unit covered by such agreement when made; and (ii) if, following the most recent election held as provided in section 9 (e) the Board shall have certified that at least a majority of the employees eligible to vote in such election have voted to authorize such labor organization to make such an agreement: *Provided further,* That no employer shall justify any discrimination against an employee for nonmembership in a labor organization (A) if he has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members, or (B) if he has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership;

"'(4) to discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this Act;

"'(5) to refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9 (a).

"'(b) It shall be an unfair labor practice for a labor organization or its agents—

"'(1) to restrain or coerce (A) employees in the exercise of the rights guaranteed in section 7: *Provided,* That this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein; or (B) an employer in the selection of his representatives for the purposes of collective bargaining or the adjustment of grievances;

"'(2) to cause or attempt to cause an employer to discriminate against an employee in violation of subsection (a) (3) or to discriminate against an employee with respect to whom membership in such organization has been denied or terminated on some ground other than his failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership;

"'(3) to refuse to bargain collectively with an employer, provided it is the representative of his employees subject to the provisions of section 9 (a);

"'(4) to engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal in the course of their employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services, where an object thereof is: (A) forcing or requiring any employer or self-employed person to join any labor or employer organization or any employer or other person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person; (B) forcing or requiring any other employer to recognize

or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9; (C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9; (D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided*, That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this Act;

"'(5) to require of employees covered by an agreement authorized under subsection (a) (3) the payment, as a condition precedent to becoming a member of such organization, of a fee in an amount which the Board finds excessive or discriminatory under all the circumstances. In making such a finding, the Board shall consider, among other relevant factors, the practices and customs of labor organizations in the particular industry, and the wages currently paid to the employees affected; and

"'(6) to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed.

"(c) The expressing of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit.

"'(d) For the purposes of this section, to bargain collectively is the performance of the mutual obligation of the employer and the representative of the employees to meet at reasonable times and confer in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or any question arising thereunder, and the execution of a written contract incorporating any agreement reached if requested by either party, but such obligation does not compel either party to agree to a proposal or require the making of a concession: *Provided*, That where there is in effect a collective-bargaining contract covering employees in an industry affecting commerce, the duty to bargain collectively shall also mean that no party to such contract shall terminate or modify such contract, unless the party desiring such termination or modification—

"'(1) serves a written notice upon the other party to the contract of the proposed termination or modification sixty days prior to the expiration date thereof, or in the event such contract contains no expiration date, sixty days prior to the time it is proposed to make such termination or modification;

"'(2) offers to meet and confer with the other party for the purpose of negotiating a new contract or a contract containing the proposed modifications;

"'(3) notifies the Federal Mediation and Conciliation Service within thirty days after such notice of the existence of a dispute, and simultaneously therewith notifies any State or Territorial agency established to mediate and conciliate disputes within the State or Territory where the dispute occurred, provided no agreement has been reached by that time; and

"'(4) continues in full force and effect, without resorting to strike or lock-out, all the terms and conditions of the existing contract for a period of sixty days after such notice is given or until the expiration date of such contract, whichever occurs later:

The duties imposed upon employers, employees, and labor organizations by paragraphs (2), (3), and (4) shall become inapplicable upon an intervening certification of the Board, under which the labor organization or individual, which is a party to the contract, has been superseded as or ceased to be the representative of the employees subject to the provisions of section 9 (a), and the duties so imposed shall not be construed as requiring either party to discuss or agree to any modification of the terms and conditions contained in a contract for a fixed period, if such modification is to become effective before such terms and conditions can be reopened under the provisions of the contract. Any employee who engages in a strike within the sixty-day period specified in this subsection shall lose his status as an employee of the employer engaged in the particular labor dispute, for the purposes of sections 8, 9, and 10 of this Act, as amended, but such loss of status for such employee shall terminate if and when he is reemployed by such employer.

"'REPRESENTATIVES AND ELECTIONS

"'SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or a group of employees shall have the right at any time to present grievances to their employer and to have such grievances adjusted, without the intervention of the bargaining representative, as long as the adjustment is not inconsistent with the terms of a collective-bargaining contract or agreement then in effect: *Provided further*, That the bargaining representative has been given opportunity to be present at such adjustment.

"'(b) The Board shall decide in each case whether, in order to assure to employees the fullest freedom in exercising the rights guaranteed by this Act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof: *Provided*, That the Board shall not (1) decide that any unit is appropriate for such purposes if such unit includes both professional employees and employees who are not professional employees unless a majority of such professional employees vote for inclusion in such unit; or (2) decide that any craft unit is inappropriate for such purposes on the ground that a different unit has been established by a prior Board determination, unless a majority of the employees in the proposed craft unit vote against separate representation or (3) decide that any unit is appropriate for such purposes if it includes, together with other employees, any individual employed as a guard to enforce against employees and other persons rules to protect property of the employer or to protect the safety of persons on the employer's premises; but no labor organization shall be certified as the representative of employees in a bargaining unit of guards if such organization admits to membership, or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards.

"'(c) (1) Whenever a petition shall have been filed, in accordance with such regulations as may be prescribed by the Board—

"'(A) by an employee or group of employers or any individual or labor organization acting in their behalf alleging that a substantial number of employees (i) wish to be represented for collective bargaining and that their employer declines to recognize their representative as the representative defined in section 9 (a), or (ii) assert that the individual or labor organization, which has been certified or is being currently recognized by their employer as the bargaining representative, is no longer a representative as defined in section 9 (a); or

"'(B) by an employer, alleging that one or more individuals or labor organizations have presented to him a claim to be recognized as the representative defined in section 9 (a);

the Board shall investigate such petition and if it has reasonable cause to believe that a question of representation affecting commerce exists shall provide for an appropriate hearing upon due notice. Such hearing may be conducted by an officer or employee of the regional office, who shall not make any recommendations with respect thereto. If the Board finds upon the record of such hearing that such a question of representation exists, it shall direct an election by secret ballot and shall certify the results thereof.

"'(2) In determining whether or not a question of representation affecting commerce exists, the same regulations and rules of decision shall apply irrespective of the identity of the persons filing the petition or the kind of relief sought and in no case shall the Board deny a labor organization a place on the ballot by reason of an order with respect to such labor organization or its predecessor not issued in conformity with section 10 (c).

"'(3) No election shall be directed in any bargaining unit or any subdivision within which, in the preceding twelve-month period, a valid election shall have been held. Employees on strike who are not entitled to reinstatement shall not be eligible to vote. In any election where none of the choices on the ballot receives a majority, a run-off shall be conducted, the ballot providing for a selection between the two choices receiving the largest and second largest number of valid votes cast in the election.

"'(4) Nothing in this section shall be construed to prohibit the waiving of hearings by stipulation for the purpose of a consent election in conformity with regulations and rules of decision of the Board.

"'(5) In determining whether a unit is appropriate for the purposes specified in subsection (b) the extent to which the employees have organized shall not be controlling.

"'(d) Whenever an order of the Board made pursuant to section 10 (c) is based in whole or in part upon facts certified following an investigation pursuant to subsection (c) of this section, and there is a petition for the enforcement or review of such order, such certification and the record of such investigation shall be included in the transcript of the entire record required to be filed under section 10 (e) or 10 (f), and thereupon the decree of the court enforcing, modifying, or setting aside in whole or in part the order of the Board shall be made and entered upon the pleadings, testimony, and proceedings set forth in such transcript.

"'(e) (1) Upon the filing with the Board by a labor organization, which is the representative of employees as provided in section 9 (a), of a petition alleging that 30 per centum or more of the employees within a unit claimed to be appropriate for such purposes desire to authorize such labor organization to make an agreement with the employer of such employees requiring membership in such labor organization as a condition of employment in such unit, upon an appropriate showing thereof the Board shall, if no question of representation exists, take a

secret ballot of such employees, and shall certify the results thereof to such labor organization and to the employer.

"'(2) Upon the filing with the Board, by 30 per centum or more of the employees in a bargaining unit covered by an agreement between their employer and a labor organization made pursuant to section 8 (a) (3) (ii), of a petition alleging they desire that such authority be rescinded, the Board shall take a secret ballot of the employees in such unit, and shall certify the results thereof to such labor organization and to the employer.

"'(3) No election shall be conducted pursuant to this subsection in any bargaining unit or any subdivision within which, in the preceding twelve-month period, a valid election shall have been held.

"'(f) No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, no petition under section 9 (e) (1) shall be entertained, and no complaint shall be issued pursuant to a charge made by a labor organization under subsection (b) of section 10, unless such labor organization and any national or international labor organization of which such labor organization is an affiliate or constituent unit (A) shall have prior thereto filed with the Secretary of Labor copies of its constitution and bylaws and a report, in such form as the Secretary may prescribe, showing—

"'(1) the name of such labor organization and the address of its principal place of business;

"'(2) the names, titles, and compensation and allowances of its three principal officers and of any of its other officers or agents whose aggregate compensation and allowances for the preceding year exceeded $5,000, and the amount of the compensation and allowances paid to each such officer or agent during such year;

"'(3) the manner in which the officers and agents referred to in clause (2) were elected, appointed, or otherwise selected;

"'(4) the initiation fee or fees which new members are required to pay on becoming members of such labor organization;

"'(5) the regular dues or fees which members are required to pay in order to remain members in good standing of such labor organization;

"'(6) a detailed statement of, or reference to provisions of its constitution and bylaws showing the procedure followed with respect to, (a) qualification for or restrictions on membership, (b) election of officers and stewards, (c) calling of regular and special meetings, (d) levying of assessments, (e) imposition of fines, (f) authorization for bargaining demands, (g) ratification of contract terms, (h) authorization for strikes, (i) authorization for disbursement of union funds, (j) audit of union financial transactions, (k) participation in insurance or other benefit plans, and (l) expulsion of members and the grounds therefor;

and (B) can show that prior thereto it has—

"'(1) filed with the Secretary of Labor, in such form as the Secretary may prescribe, a report showing all of (a) its receipts of any kind and the sources of such receipts, (b) its total assets and liabilities as of the end of its last fiscal year, (c) the disbursements made by it during such fiscal year, including the purposes for which made; and

"'(2) furnished to all of the members of such labor organizations copies of the financial report required by paragraph (1) hereof to be filed with the Secretary of Labor.

"'(g) It shall be the obligation of all labor organizations to file annually with the Secretary of Labor, in such form as the Secretary of Labor may prescribe, reports bringing up to date the information required to be supplied in the initial filing by subsection (f) (A) of this section, and to file with the Secretary of Labor and furnish to its members annually financial reports in the form and manner prescribed in subsection (f) (B). No labor organization shall be eligible for certification under this section as the representative of any employees, no petition under section 9 (e) (1) shall be entertained, and no complaint shall issue under section 10 with respect to a charge filed by a labor organization unless it can show that it and any national or international labor organization of which it is an affiliate or constituent unit has complied with its obligation under this subsection.

"'(h) No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, no petition under section 9 (e) (1) shall be entertained, and no complaint shall be issued pursuant to a charge made by a labor organization under subsection (b) of section 10, unless there is on file with the Board an affidavit executed contemporaneously or within the preceding twelve-month period by each officer of such labor organization and the officers of any national or international labor organization of which it is an affiliate or constituent unit that he is not a member of the Communist Party or affiliated with such party, and that he does not believe in, and is not a member of or supports any organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods. The provisions of section 35 A of the Criminal Code shall be applicable in respect to such affidavits.

"'PREVENTION OF UNFAIR LABOR PRACTICES

"'SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise: *Provided*, That the Board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith.

"'(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Board, or any agent or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than 5 days after the serving of said complaint: *Provided*, That no complaint shall issue based upon any unfair labor practice occurring more than 6 months prior to the filing of the charge with the Board and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the armed forces, in which event the 6-month period shall be computed from the day of his discharge. Any such complaint may be amended by the member, agent, or agency conducting the hearing or the Board in its discretion at any time prior to the issuance of an order based thereon. The person so complained of shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the place and time fixed in the complaint. In the discretion of the member, agent, or agency conducting the hearing or the Board, any other person may be allowed to intervene in the said proceeding and to present testimony. Any such proceeding shall, so far as practicable, be conducted in accordance with the rules of evidence applicable in the district courts of the United States under the rules of civil procedure for the district courts of the United States, adopted by the Supreme Court of the United States pursuant to the act of June 19, 1934 (U. S. C., title 28, secs. 723–B, 723–C).

"'(c) The testimony taken by such member, agent, or agency or the Board shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board upon notice may take further testimony or hear argument. If upon the preponderance of the testimony taken the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action including reinstatement of employees with or without back pay, as will effectuate the policies of this act: *Provided*, That where an order directs reinstatement of an employee, back pay may be required of the employer or labor organization, as the case may be, responsible for the discrimination suffered by him: *And provided further*, That in determining whether a complaint shall issue alleging a violation of section 8 (a) (1) or section 8 (a) (2), and in deciding such cases, the same regulations and rules of decision shall apply irrespective of whether or not the labor organization affected is affiliated with a labor organization national or international in scope. Such order may further require such person to make reports from time to time showing the extent to which it has complied with the order. If upon the preponderance of the testimony taken the Board shall not be of the opinion that the person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint. No order of the Board shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any back pay, if such individual was suspended or discharged for cause. In case the evidence is presented before a member of the Board, or before an examiner or examiners thereof, such member, or such examiner or examiners, as the case may be, shall issue and cause to be served on the parties to the proceeding a proposed report, together with a recommended order, which shall be filed with the Board, and if no exceptions are filed within 20 days after service thereof upon such parties, or within such further period as the Board may authorize, such recommended order shall become the order of the Board and become effective as therein prescribed.

"'(d) Until a transcript of the record in a case shall have been filed in a court, as hereinafter provided, the Board may at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it.

"'(e) The Board shall have power to petition any circuit court of appeals of the United States (including the United States Court of Appeals for the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the District Court of the United States for the District of Columbia), within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in

the court a transcript of the entire record in the proceedings, including the pleadings and testimony upon which such order was entered and the findings and order of the Board. Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its member, agent, or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, its member, agent, or agency, the court may order such additional evidence to be taken before the Board, its members, agent, or agency, and to be made a part of the transcript. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

"'(f) Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in the United States Court of Appeals for the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Board, including the pleading and testimony upon which the order complained of was entered, and the findings and order of the Board. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Board under subsection (e), and shall have the same exclusive jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified or setting aside in whole or in part the order of the Board; the findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall in like manner be conclusive.

"'(g) The commencement of proceedings under subsection (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

"'(h) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part an order on the Board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (U. S. C., Supp. VII, title 29, secs. 101–115).

"'(i) Petitions filed under this Act shall be heard expeditiously, and if possible within ten days after they have been docketed.

"'(j) The Board shall have power, upon issuance of a complaint as provided in subsection (b) charging that any person has engaged in or is engaging in an unfair labor practice, to petition any district court of the United States (including the District Court of the United States for the District of Columbia), within any district wherein the unfair labor practice in question is alleged to have occurred or wherein such person resides or transacts business, for appropriate temporary relief or restraining order. Upon the filing of any such petition the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper.

"'(k) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4) (D) of section 8 (b), the Board is empowered and directed to hear and determine the dispute out of which such unfair labor practice shall have arisen, unless, within ten days after notice that such charge has been filed, the parties to such dispute submit to the Board satisfactory evidence that they have adjusted, or agreed upon methods for the voluntary adjustment of, the dispute. Upon compliance by the parties to the dispute with the decision of the Board or upon such voluntary adjustment of the dispute, such charge shall be dismissed.

"'(l) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4) (A), (B), or (C) of section 8 (b), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred. If, after such investigation, the officer or regional attorney to whom the matter may be referred has reasonable cause to believe such charge is true and that a complaint should issue, he shall, on behalf of the Board, petition any district court of the United States (including the District Court of the United States for the District of Columbia) within any district where the unfair labor practice in question has occurred, is alleged to have occurred, or wherein such person resides or transacts business, for appropriate injunctive relief pending the final adjudication of the Board with respect to such matter. Upon the filing of any such petition the district court shall have jurisdiction to grant such injunctive relief or temporary restraining order as it deems just and proper, notwithstanding any other provision of law: *Provided further*, That no temporary restraining order shall be issued without notice unless a petition alleged that substantial and irreparable injury to the charging party will be unavoidable and such temporary restraining order shall be effective for no longer than five days and will become void at the expiration of such period. Upon filing of any such petition the courts shall cause notice thereof to be served upon any person involved in the charge and such person, including the charging party, shall be given an opportunity to appear by counsel and present any relevant testimony: *Provided further*, That for the purposes of this subsection district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, or (2) in any district in which its duly authorized officers or agents are engaged in promoting or protecting the interests of employee members. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit. In situations where such relief is appropriate the procedure specified herein shall apply to charges with respect to section 8 (b) (4) (D).

"'INVESTIGATORY POWERS

"'SEC. 11. For the purpose of all hearings and investigations, which, in the opinion of the Board, are necessary and proper for the exercise of the powers vested in it by section 9 and section 10—

"'(1) The Board, or its duly authorized agents or agencies, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question. The Board, or any member thereof, shall upon application of any party to such proceedings, forthwith issue to such party, subpenas requiring the attendance and testimony of witnesses or the production of any evidence in such proceeding or investigation requested in such application. Within five days after the service of a subpena on any person requiring the production of any evidence in his possession or under his control, such person may petition the Board to revoke, and the Board shall revoke, such subpena if in its opinion that evidence whose production is required does not relate to any matter under investigation, or any matter in question in such proceedings, or if in its opinion such subpena does not describe with sufficient particularity the evidence whose production is required. Any member of the Board, or any agent or agency designated by the Board for such purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing.

"'(2) In case of contumacy or refusal to obey a subpena issued to any person, any district court of the United States or the United States courts of any Territory or possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Board shall have jurisdiction to issue to such person an order requiring such person to appear before the Board, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

"'(3) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Board, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to

testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"'(4) Complaints, orders, and other process and papers of the Board, its member, agent, or agency, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post office receipt or telegram receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Board, its member, agent, or agency, shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"'(5) All process of any court to which application may be made under this Act may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

"'(6) The several departments and agencies of the Government, when directed by the President, shall furnish the Board, upon its request, all records, papers, and information in their possession relating to any matter before the Board.

"'SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to this Act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both.

"'LIMITATIONS

"'SEC. 13. Nothing in this Act, except as specifically provided for herein, shall be construed so as either to interfere with or impede or diminish in any way the right to strike, or to affect the limitations or qualifications on that right.

"'SEC. 14. (a) Nothing herein shall prohibit any individual employed as a supervisor from becoming or remaining a member of a labor organization, but no employer subject to this Act shall be compelled to deem individuals defined herein as supervisors as employees for the purpose of any law, either national or local, relating to collective bargaining.

"'(b) Nothing in this Act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

"'SEC. 15. Wherever the application of the provisions of section 272 of chapter 10 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and Acts amendatory thereof and supplementary thereto (U. S. C., title 10, sec. 672), conflicts with the application of the provisions of this Act, this Act shall prevail: *Provided*, That in any situation where the provisions of this Act cannot be validly enforced, the provisions of such other Acts shall remain in full force and effect.

"'SEC. 16. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"'SEC. 17. This Act may be cited as the "National Labor Relations Act".'

"EFFECTIVE DATE OF CERTAIN CHANGES

"SEC. 102. No provision of this title shall be deemed to make an unfair labor practice any act which was performed prior to the date of the enactment of this Act which did not constitute an unfair labor practice prior thereto, and the provisions of sections 8 (a) (3) and section 8 (b) (2) of the National Labor Relations Act as amended by this title shall not make an unfair labor practice the performance of any obligation under a collective-bargaining agreement entered into prior to the date of the enactment of this Act, or (in the case of an agreement for a period of not more than one year) entered into or after such date of enactment, but prior to the effective date of this title, if the performance of such obligation would not have constituted an unfair labor practice under section 8 (3) of the National Labor Relations Act prior to the effective date of this title, unless such agreement was renewed or extended subsequent thereto.

"SEC. 103. No provisions of this title shall affect any certification of representatives or any determination as to the appropriate collective-bargaining unit, which was made under section 9 of the National Labor Relations Act prior to the effective date of this title until one year after the date of such certification or if, in respect of any such certification, a collective-bargaining contract was entered into prior to the effective date of this title, until the end of the contract period or until one year after such date, whichever first occurs.

"SEC. 104. The amendments made by this title shall take effect sixty days after the date of the enactment of this Act, except that the authority of the President to appoint certain officers conferred upon him by section 3 of the National Labor Relations Act as amended by this title may be exercised forthwith.

"TITLE II—CONCILIATION OF LABOR DISPUTES IN INDUSTRIES AFFECTING COMMERCE; NATIONAL EMERGENCIES

"SEC. 201. That it is the policy of the United States that—

"(a) sound and stable industrial peace and the advancement of the general welfare, health, and safety of the Nation and of the best interests of employers and employees can most satisfactorily be secured by the settlement of issues between employers and employees through the processes of conference and collective bargaining between employers and the representatives of their employees;

"(b) the settlement of issues between employers and employees through collective bargaining may be advanced by making available full and adequate governmental facilities for conciliation, mediation, and voluntary arbitration to aid and encourage employers and the representatives of their employees to reach and maintain agreements concerning rates of pay, hours, and working conditions, and to make all reasonable efforts to settle their differences by mutual agreement reached through conferences and collective bargaining or by such methods as may be provided for in any applicable agreement for the settlement of disputes; and

"(c) certain controversies which arise between parties to collective-bargaining agreements may be avoided or minimized by making available full and adequate governmental facilities for furnishing assistance to employers and the representatives of their employees in formulating for inclusion within such agreements provision for adequate notice of any proposed changes in the terms of such agreements, for the final adjustment of grievances or questions regarding the application or interpretation of such agreements, and other provisions designed to prevent the subsequent arising of such controversies.

"SEC. 202. (a) There is hereby created an independent agency to be known as the Federal Mediation and Conciliation Service (herein referred to as the "Service", except that for sixty days after the date of the enactment of this Act such term shall refer to the Conciliation Service of the Department of Labor). The Service shall be under the direction of a Federal Mediation and Conciliation Director (hereinafter referred to as the "Director"), who shall be appointed by the President by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of $12,000 per annum. The Director shall not engage in any other business, vocation, or employment.

"(b) The Director is authorized, subject to the civil-service laws, to appoint such clerical and other personnel as may be necessary for the execution of the functions of the Service, and shall fix their compensation in accordance with the Classification Act of 1923, as amended, and may, without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such conciliators and mediators as may be necessary to carry out the functions of the Service. The Director is authorized to make such expenditures for supplies, facilities, and services as he deems necessary. Such expenditures shall be allowed and paid upon presentation of itemized vouchers therefor approved by the Director or by any employee designated by him for that purpose.

"(c) The principal office of the Service shall be in the District of Columbia, but the Director may establish regional offices convenient to localities in which labor controversies are likely to arise. The Director may by order, subject to revocation at any time, delegate any authority and discretion conferred upon him by this Act to any regional director, or other officer or employee of the Service. The Director may establish suitable procedures for cooperation with State and local mediation agencies. The Director shall make an annual report in writing to Congress at the end of the fiscal year.

"(d) All mediation and conciliation functions of the Secretary of Labor or the United States Conciliation Service under section 8 of the Act entitled 'An Act to create a Department of Labor', approved March 4, 1913 (U. S. C., title 29, sec. 51), and all functions of the United States Conciliation Service under any other law are hereby transferred to the Federal Mediation and Conciliation Service, together with the personnel and records of the United States Conciliation Service. Such transfer shall take effect upon the sixtieth day after the date of enactment of this Act. Such transfer shall not affect any proceedings pending before the United States Conciliation Service or any certification, order, rule, or regulation theretofore made by it or by the Secretary of Labor. The Director and the Service shall not be subject in any way to the jurisdiction or authority of the Secretary of Labor or any official or division of the Department of Labor.

"FUNCTIONS OF THE SERVICE

"SEC. 203. (a) It shall be the duty of the Service, in order to prevent or minimize interruptions of the free flow of commerce growing out of labor disputes, to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation.

"(b) The Service may proffer its services in any labor dispute in any industry affecting commerce, either upon its own motion or upon the request of one or more of the parties to the dispute, whenever in its judgment such dispute threatens to cause a substantial interruption of commerce. The Director and the Service are directed to avoid attempting to mediate disputes which would have only a minor effect on interstate commerce if State or other conciliation services are available to the parties. Whenever the Service does proffer its services in any dispute, it shall be the duty of the Service promptly to put itself in communication with the parties and to use its best efforts, by mediation and conciliation, to bring them to agreement.

"(c) If the Director is not able to bring the parties to agreement by conciliation within a reasonable time, he shall seek to induce the parties voluntarily to seek other means of settling the dispute without resort to strike, lock-out, or other coercion, including submission to the employees in the bargaining unit of the employer's last offer of settlement for approval or rejection in a secret ballot. The failure or refusal of either party to agree to any procedure suggested by the Director shall not be deemed a violation of any duty or obligation imposed by this Act.

"(d) Final adjustment by a method agreed upon by the parties is hereby declared to be the desirable method for settlement of grievance disputes arising over the application or interpretation of an existing collective-bargaining agreement. The Service is directed to make its conciliation and mediation services available in the settlement of such grievance disputes only as a last resort and in exceptional cases.

"SEC. 204. (a) In order to prevent or minimize interruptions of the free flow of commerce growing out of labor disputes, employers and employees and their representatives, in any industry affecting commerce, shall—

"(1) exert every reasonable effort to make and maintain agreements concerning rates of pay, hours, and working conditions, including provision for adequate notice of any proposed change in the terms of such agreements;

"(2) whenever a dispute arises over the terms or application of a collective-bargaining agreement and a conference is requested by a party or prospective party thereto, arrange promptly for such a conference to be held and endeavor in such conference to settle such dispute expeditiously; and

"(3) in case such dispute is not settled by conference, participate fully and promptly in such meetings as may be undertaken by the Service under this Act for the purpose of aiding in a settlement of the dispute.

"SEC. 205. (a) There is hereby created a National Labor-Management Panel which shall be composed of twelve members appointed by the President, six of whom shall be selected from among persons outstanding in the field of management and six of whom shall be selected from among persons outstanding in the field of labor. Each member shall hold office for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and the terms of office of the members first taking office shall expire, as designated by the President at the time of appointment, four at the end of the first year, four at the end of the second year, and four at the end of the third year after the date of appointment. Members of the panel, when serving on business of the panel, shall be paid compensation at the rate of $25 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence.

"(b) It shall be the duty of the panel, at the request of the Director, to advise in the avoidance of industrial controversies and the manner in which mediation and voluntary adjustment shall be administered, particularly with reference to controversies affecting the general welfare of the country.

"NATIONAL EMERGENCIES

"SEC. 206. Whenever in the opinion of the President of the United States, a threatened or actual strike or lock-out affecting an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for commerce, will, if permitted to occur or to continue, imperil the national health or safety, he may appoint a board of inquiry to inquire into the issues involved in the dispute and to make a written report to him within such time as he shall prescribe. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position but shall not contain any recommendations. The President shall file a copy of such report with the Service and shall make its contents available to the public.

"SEC. 207. (a) A board of inquiry shall be composed of a chairman and such other members as the President shall determine, and shall have power to sit and act in any place within the United States and to conduct such hearings either in public or in private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute.

"(b) Members of a board of inquiry shall receive compensation at the rate of $50 for each day actually spent by them in the work of the board, together with necessary travel and subsistence expenses.

"(c) For the purpose of any hearing or inquiry conducted by any board appointed under this title, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C. 19, title 15, secs. 49 and 50, as amended), are hereby made applicable to the powers and duties of such board.

"SEC. 208. (a) Upon receiving a report from a board of inquiry the President may direct the Attorney General to petition any district court of the United States having jurisdiction of the parties to enjoin such strike or lock-out or the continuing thereof, and if the court finds that such threatened or actual strike or lock-out—

"(i) affects an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for commerce; and

"(ii) if permitted to occur or to continue, will imperil the national health or safety, it shall have jurisdiction to enjoin any such strike or lock-out, or the continuing thereof, and to make such other orders as may be appropriate.

"(b) In any case, the provisions of the Act of March 23, 1932, entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes,' shall not be applicable.

"(c) The order or orders of the court shall be subject to review by the appropriate circuit court of appeals and by the Supreme Court upon writ of certiorari or certification provided in sections 239 and 240 of the Judical Code, as amended (U. S. C., title 29, secs. 346 and 347).

"SEC. 209 (a) Whenever a district court has issued an order under section 208 enjoining acts or practices which imperil or threaten to imperil the national health or safety, it shall be the duty of the parties to the labor dispute giving rise to such order to make every effort to adjust and settle their differences, with the assistance of the Service created by this Act. Neither party shall be under any duty to accept, in whole or in part, any proposal of settlement made by the Service.

"(b) Upon the issuance of such order, the President shall reconvene the board of inquiry which has previously reported with respect to the dispute. At the end of a sixty-day period (unless the dispute has been settled by that time), the board of inquiry shall report to the President the current position of the parties and the efforts which have been made for settlement, and shall include a statement by each party of its position and a statement of the employer's last offer of settlement. The President shall make such report available to the public. The National Labor Relations Board within the succeeding fifteen days, shall take a secret ballot of the employees of each employer involved in the dispute on the question of whether they wish to accept the final offer of settlement made by their employer as stated by him and shall certify the results thereof to the Attorney General within five days thereafter.

"SEC. 210. Upon the certification of the results of such ballot or upon a settlement being reached, whichever happens sooner, the Attorney General shall move the court to discharge the injunction, which motion shall then be granted and the injunction discharged. When such motion is granted, the President shall submit to the Congress a full and comprehensive report of the proceedings, including the findings of the board of inquiry and the ballot taken by the National Labor Relations Board, together with such recommendations as he may see fit to make for consideration and appropriate action.

"COMPILATION OF COLLECTIVE-BARGAINING AGREEMENTS, ETC.

"SEC. 211. (a) For the guidance and information of interested representatives of employers, employees, and the general public, the Bureau of Labor Statistics of the Department of Labor shall maintain a file of copies of all available collective bargaining agreements and other available agreements and actions thereunder settling or adjusting labor disputes. Such file shall be open to inspection under appropriate conditions prescribed by the Secretary of Labor, except that no specific information submitted in confidence shall be disclosed.

"(b) The Bureau of Labor Statistics in the Department of Labor is authorized to furnish upon request of the Service, or employers, employees, or their representatives, all available data and factual information which may aid in the settlement of any labor dispute, except that no specific information submitted in confidence shall be disclosed.

"EXEMPTION OF RAILWAY LABOR ACT

"SEC. 212. The provisions of this title shall not be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act, as amended from time to time.

"TITLE III

"SUITS BY AND AGAINST LABOR ORGANIZATIONS

"SEC. 301 (a) Suits for violation of contracts between an employer and a labor organization representing employees in an industry affecting commerce as defined in this Act, or between any such labor organizations, may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy or without regard to the citizenship of the parties.

"(b) Any labor organization which represents employees in an industry affecting commerce as defined in this Act and any employer whose activities affect commerce as defined in this Act shall be bound by the acts of its agents. Any such labor organization may sue or be sued as an entity and in behalf of the employees whom it represents in the courts of the United States. Any money judgment against a labor organization in a district court of the United States shall be enforceable only against the organization as an entity and against its assets, and shall not be enforceable against any individual member or his assets.

"(c) For the purposes of actions and proceedings by or against labor organizations in the district courts of the United States, district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, or (2) in any district in which

its duly authorized officers or agents are engaged in representing or acting for employee members.

"(d) The service of summons, subpena, or other legal process of any court of the United States upon an officer or agent of a labor organization, in his capacity as such, shall constitute service upon the labor organization.

"(e) For the purposes of this section, in determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

"RESTRICTIONS ON PAYMENTS TO EMPLOYEE REPRESENTATIVES

"SEC. 302. (a) It shall be unlawful for any employer to pay or deliver, or to agree to pay or deliver, any money or other thing of value to any representative of any of his employees who are employed in an industry affecting commerce.

"(b) It shall be unlawful for any representative of any employees who are employed in an industry affecting commerce to receive or accept, or to agree to receive or accept, from the employer of such employees any money or other thing of value.

"(c) The provisions of this section shall not be applicable (1) with respect to any money or other thing of value payable by an employer to any representative who is an employee or former employee of such employer, as compensation for, or by reason of, his services as an employee of such employer; (2) with respect to the payment or delivery of any money or other thing of value in satisfaction of a judgment of any court of a decision or award of an arbitrator or impartial chairman or in compromise, adjustment, settlement or release of any claim, complaint, grievance, or dispute in the absence of fraud or duress; (3) with respect to the sale or purchase of an article or commodity at the prevailing market price in the regular course of business; (4) with respect to money deducted from the wages of employees in payment of membership dues in a labor organization: *Provided*, That the employer has received from each employee, on whose account such deductions are made, a written assignment which shall not be irrevocable for a period of more than one year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner; or (5) with respect to money or other thing of value paid to a trust fund established by such representative, for the sole and exclusive benefit of the employees of such employer, and their families and dependents (or of such employees, families, and dependents jointly with the employees of other employers making similar payments, and their families and dependents): *Provided*, That (A) such payments are held in trust for the purpose of paying, either from principal or income or both, for the benefit of employees, their families and dependents, for medical or hospital care, pensions on retirement or death of employees, compensation for injuries or illness resulting from occupational activity or insurance to provide any of the foregoing, or unemployment benefits or life insurance, disability and sickness insurance, or accident insurance; (B) the detailed basis on which such payments are to be made is specified in a written agreement with the employer, and employees and employers are equally represented in the administration of such fund, together with such neutral persons as the representatives of the employers and the representatives of the employees may agree upon and in the event the employer and employee groups deadlock on the administration of such fund and there are no neutral persons empowered to break such deadlock, such agreement provides that the two groups shall agree on an impartial umpire to decide such dispute, or in event of their failure to agree within a reasonable length of time, an impartial umpire to decide such dispute shall, on petition of either group, be appointed by the district court of the United States for the district where the trust fund has its principal office, and shall also contain provisions for an annual audit of the trust fund, a statement of the results of which shall be available for inspection by interested persons at the principal office of the trust fund and at such other places as may be designated in such written agreement; and (C) such payments as are intended to be used for the purpose of providing pensions or annuities for employees are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than paying such pensions or annuities.

"(d) Any person who willfully violates any of the provisions of this section shall, upon conviction thereof, be guilty of a misdemeanor and be subject to a fine of not more than $10,000 or to imprisonment for not more than one year, or both.

"(e) The district courts of the United States and the United States courts of the Territories and possessions shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, as amended (U. S. C., title 28, sec. 381), to restrain violations of this section, without regard to the provisions of sections 6 and 20 of such Act of October 15, 1914, as amended (U. S. C., title 15, sec. 17, and title 29, sec. 52), and the provisions of the Act entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes', approved March 23, 1932 (U. S. C., title 29, secs. 101–115).

"(f) This section shall not apply to any contract in force on the date of enactment of this Act, until the expiration of such contract, or until July 1, 1948, whichever first occurs.

"(g) Compliance with the restrictions contained in subsection (c) (5) (B) upon contributions to trust funds, otherwise lawful, shall not be applicable to contributions to such trust funds established by collective agreement prior to January 1, 1946, nor shall subsection (c) (5) (A) be construed as prohibiting contributions to such trust funds if prior to January 1, 1947, such funds contained provisions for pooled vacation benefits.

"BOYCOTTS AND OTHER UNLAWFUL COMBINATIONS

"SEC. 303. (a) It shall be unlawful, for the purposes of this section only, in an industry or activity affecting commerce, for any labor organization to engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal in the course of their employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services, where an object thereof is—

"(1) forcing or requiring any employer or self-employed person to join any labor or employer organization or any employer or other person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person;

"(2) forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9 of the National Labor Relations Act;

"(3) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9 of the National Labor Relations Act;

"(4) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class unless such employer is failing to conform to an order or certification of the National Labor Relations Board determining the bargaining representative for employees performing such work. Nothing contained in this subsection shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under the National Labor Relations Act.

"(b) Whoever shall be injured in his business or property by reason of any violation of subsection (a) may sue therefor in any district court of the United States subject to the limitations and provisions of section 301 hereof without respect to the amount in controversy, or in any other court having jurisdiction of the parties, and shall recover the damages by him sustained and the cost of the suit.

"RESTRICTIONS ON POLITICAL CONTRIBUTIONS

"SEC. 304. Section 313 of the Federal Corrupt Practices Act, 1925 (U. S. C., 1940 edition, title 2, sec. 251; Supp. V, title 50, App., sec. 1509), as amended, is amended to read as follows:

"'SEC. 313. It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other persons to accept or receive any contribution prohibited by this section. Every corporation or labor organization which makes any contribution or expenditure in violation of this section shall be fined not more than $5,000; and every officer or director of any corporation, or officer of any labor organization, who consents to any contribution or expenditure by the corporation or labor organization, as the case may be, in violation of this section shall be fined not more than $1,000 or imprisoned for not more than one year, or both. For the purposes of this section "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.'

"STRIKES BY GOVERNMENT EMPLOYEES

"SEC. 305. It shall be unlawful for any individual employed by the United States or any agency thereof including wholly owned Government corporations to participate in any strike. Any individual employed by the United States or by any such agency who strikes shall be discharged immediately from his employment, and shall forfeit his civil service status, if any, and shall not be eligible for reemployment for three years by the United States or any such agency.

"TITLE IV

"CREATION OF JOINT COMMITTEE TO STUDY AND REPORT ON BASIC PROBLEMS AFFECTING FRIENDLY LABOR RELATIONS AND PRODUCTIVITY

"SEC. 401. There is hereby established a joint congressional committee to be known as the Joint Committee on Labor-Management Relations (hereafter referred to as the committee), and to be composed of seven Members of the Senate Committee on Labor and Public Welfare, to be appointed by the President pro tempore of the Senate, and seven Members of the House of Representatives Committee on Education and Labor, to be appointed by the Speaker of the House of Representatives. A vacancy in membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall select a chairman and a vice chairman from among its members.

"SEC. 402. The committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation of the entire field of labor-management relations, including but not limited to—

"(1) the means by which permanent friendly cooperation between employers and employees and stability of labor relations may be secured throughout the United States;

"(2) the means by which the individual employee may achieve a greater productivity and higher wages, including plans for guaranteed annual wages, incentive profit-sharing and bonus systems;

"(3) the internal organization and administration of labor unions, with special attention to the impact on individuals of collective agreements requiring membership in unions as a condition of employment;

"(4) the labor relations policies and practices of employers and associations of employers;

"(5) the desirability of welfare funds for the benefit of employees and their relation to the social-security system;

"(6) the methods and procedures for best carrying out the collective-bargaining processes, with special attention to the effects of industry-wide or regional bargaining upon the national economy;

"(7) the administration and operation of existing Federal laws relating to labor relations; and

"(8) such other problems and subjects in the field of labor-management relations as the committee deems appropriate.

"SEC. 403. The committee shall report to the Senate and the House of Representatives not later than March 15, 1948, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable, and shall make its final report not later than January 2, 1949.

"SEC. 404. The committee shall have the power, without regard to the civil-service laws and the Classification Act of 1923, as amended, to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, including consultants who shall receive compensation at a rate not to exceed $35 for each day actually spent by them in the work of the committee, together with their necessary travel and subsistence expenses. The committee is further authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government and may request the governments of the several States, representatives of business, industry, finance, and labor, and such other persons, agencies, organizations, and instrumentalities as it deems appropriate to attend its hearings and to give and present information, advice, and recommendations.

"SEC. 405. The committee, or any subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer oaths; to take such testimony; to have such printing and binding done; and to make such expenditures within the amount appropriated therefor; as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per one hundred words. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them.

"SEC. 406. The members of the committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the committee, other than expenses in connection with meetings of the committee held in the District of Columbia during such times as the Congress is in session.

"SEC. 407. There is hereby authorized to be appropriated the sum of $150,000, or so much thereof as may be necessary, to carry out the provisions of this title, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

"TITLE V

"DEFINITIONS

"SEC. 501. When used in this Act—

"(1) The term "industry affecting commerce" means any industry or activity in commerce or in which a labor dispute would burden or obstruct commerce or tend to burden or obstruct commerce or the free flow of commerce.

"(2) The term 'strike' includes any strike or other concerted stoppage of work by employees (including a stoppage by reason of the expiration of a collective-bargaining agreement) and any concerted slow-down or other concerted interruption of operations by employees.

"(3) The terms 'commerce', 'labor disputes', 'employer', 'employee', 'labor organization', 'representative', 'person', and 'supervisor' shall have the same meaning as when used in the National Labor Relations Act as amended by this Act.

"SAVING PROVISION

"SEC. 502. Nothing in this Act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this Act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent; nor shall the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at the place of employment of such employee or employees be deemed a strike under this Act.

"SEPARABILITY

"SEC. 503. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

FRED A. HARTLEY, JR.,
GERALD W. LANDIS,
GRAHAM A. BARDEN,
Managers on the Part of the House.

ROBERT A. TAFT,
ALLEN J. ELLENDER,
IRVING M. IVES,
JOSEPH H. BALL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

SHORT TITLE

The House bill provided that it was to be cited as the "Labor-Management Relations Act, 1947." The Senate amendment (section 504) provided that it was to be cited as the "Federal Labor Relations Act of 1947." The conference agreement adopts the short title of the House bill.

DECLARATION OF POLICY

The House bill (section 1 (b)) contained an over-all declaration of policy covering all of the various matters dealt with in the bill. There was no corresponding over-all declaration of policy in the Senate amendment. The conference agreement contains the declaration of policy of the House bill, with one omission. One of the policies declared in the House bill was to encourage the peaceful settlement of labor disputes affecting commerce by giving the employees themselves a direct voice in the bargaining arrangements with their employers. Since under the conference agreement the provisions relating to a secret ballot on the employer's last offer of settlement (as will be hereafter explained) are not made mandatory, this particular item has been omitted from the over-all declaration of policy in the conference agreement.

TITLE I—AMENDMENT OF NATIONAL LABOR RELATIONS ACT

Both the House bill and the Senate amendment in title I amended the National Labor Relations Act in numerous respects.

In amending section 1 of the National Labor Relations Act (the policy thereof) the House bill omitted from the present law all of the so-called findings of fact some of which have been so severely criticized as being inaccurate and entirely one-sided. The Senate amendment rewrote the findings and policies contained in section 1 of the National Labor Relations Act so that those findings will not hereafter constitute an indictment of all employers. At the same time the Senate amendment inserted in the findings of fact a paragraph to the effect that experience has demonstrated that certain practices by some labor organizations have the effect of burdening commerce through strikes and other forms of industrial unrest or through concerted activities which impair the interest of the public in the free flow of commerce. The Senate amendment further declared the elimination of such practices to be a necessary condition to the assurance of the rights herein guaranteed. Thus under the Senate amendment the findings and policies of the amended National Labor Relations Act are to be "two-sided". The conference agreement adopts the provisions of the Senate amendment in this respect.

DEFINITIONS

Section 2 of the National Labor Relations Act contains definitions of the terms used therein. Both the House bill and the Senate amendment amended section 2.

(1) Person: In defining the term person, the House bill added labor organizations to the definition contained in existing law in order that there might be no question but

that labor organizations were to be considered as persons within the meaning of the new, amended Act. The Senate amendment also added labor organizations to the definition of person, but included in addition thereto their officers and employees or members. Since officers, employees and members of labor organizations are individuals, and the term person already is defined to include individuals, the conference committee deemed it unnecessary to include officers, employees and members of labor organizations in specific terms, and thus the conference agreement adopts the definition of person contained in the House bill.

(2) Employer: In defining the term employer, the House bill changed the definition of existing law in the following respects:

(A) Under existing law employer is defined to include any person acting in the interest of an employer. The House bill changed this so as to include as an employer only persons acting as agents of an employer. This was done for the reason that the Board has on numerous occasions held an employer responsible for the acts of subordinate employees and others although not acting within the scope of any authority from the employer, real or apparent.

(B) The House bill excluded from the definition of employer instrumentalities of the United States.

(C) The House bill also excluded from the definition of employer all religious, charitable, scientific, and educational organizations not organized or operated for profit.

The Senate amendment changed the definition of employer contained in existing law in but two respects:

(A) The Senate amendment excluded from the definition of employer nonprofit corporations and associations operating hospitals.

(B) The Senate amendment also provided that for the purposes of section 9 (b) of the Labor Act (the section authorizing the Board to determine the appropriate collective bargaining unit) the term employer was not to include a group of employers unless they had voluntarily associated themselves together for the purposes of collective bargaining.

The conference agreement follows the provisions of the House bill in the matter of agents of an employer, and follows the Senate amendment in the matter of exclusion of nonprofit corporations and associations operating hospitals. The other nonprofit organizations excluded under the House bill are not specifically excluded in the conference agreement, for only in exceptional circumstances and in connection with purely commercial activities of such organizations have any of the activities of such organizations or of their employees been considered as affecting commerce so as to bring them within the scope of the National Labor Relations Act. In the case of instrumentalities of the United States, the conference agreement limits the exclusion to wholly owned Government corporations and to Federal reserve banks, the latter for the reason that such banks, by their issuance of currency and their acting as fiscal agents of the Treasury, perform a vital governmental function. The treatment in the Senate amendment of the term employer for the purposes of section 9 (b) is omitted from the conference agreement, since it merely restates the existing practice of the Board in the fixing of bargaining units containing employees of more than one employer, and it is not thought that the Board will or ought to change its practice in this respect.

(3) Employee: The House bill changed the definition of employee contained in the existing law in several respects:

(A) Under the existing definition of employee the Board has treated employees striking or wages, hours or working conditions differently from employees striking because of an alleged unfair labor practice on the part of the employer. In the former case the Board has said that the individual striker retains his status as an employee under the Act only until he is replaced, whereas in the latter case the Board has said that the individual striker retains his status as an employee so long as the labor dispute is "current". This Board practice has had the effect of treating more favorably employees striking to remedy practices for which the National Labor Relations Act itself provides a peaceful administrative remedy, than employees who are striking merely to better their terms of employment. The House bill in the definition of employee provided in specific terms that these two classes of striking employees should be treated in the same fashion, i. e., they were to retain their employee status until replaced.

(B) The House bill excluded supervisors from the definition of employee.

(C) The House bill also excluded from the definition of employee any individual engaged in "agricultural labor", as that term is defined for the purposes of the Social Security Act taxes.

(D) The House bill excluded from the definition of employee individuals having the status of independent contractors. Although independent contractors can in no sense be considered to be employees, the Supreme Court in *N. L. R. B. v. Hearst Publications, Inc.* (1944), 322 U. S. 111, held that the ordinary tests of the law of agency could be ignored by the Board in determining whether or not particular occupational groups were "employees" within the meaning of the Labor Act. Consequently it refused to consider the question of whether certain categories of persons whom the Board had deemed to be "employees" were not in fact and in law really independent contractors.

(E) The House bill contained a clarifying provision to the effect that no individual was to be considered an employee for the purposes of the act unless he was employed by an employer as defined in the act.

In defining employee, the Senate amendment followed the provisions of existing law with three exceptions:

(A) The Senate amendment excluded supervisors from the definition of employee.

(B) The Senate amendment excluded "individuals employed in agriculture" as distinguished from the existing exemption of individuals employed as "agricultural laborers."

(C) The Senate amendment excluded individuals employed by any person subject to the Railway Labor Act (one of the categories of persons not treated as employers for the purposes of the act).

The conference agreement in general follows the provisions of the Senate amendment, with the following exceptions:

(A) Since the matter of the "agricultural" exemption has for the past two years been dealt with in the Appropriation Act for the National Labor Relations Board, the conference agreement does not disturb existing law in this respect.

(B) The conference agreement follows the provisions of the House bill in excluding from the definition of employee all individuals employed by persons who do not come within the definition of employers, not limiting this exclusion, as did the Senate amendment, to employees of persons subject to the Railway Labor Act.

(C) The conference agreement does not contain the specific provisions of the House bill dealing with the status of "unfair labor practice" strikers. Since the different treatment of unfair labor practice strikers and economic strikers is simply a practice of the Board which the Board can change within the framework of the existing law, it was thought by the House managers that the Board should be given an opportunity to change this practice itself rather than needlessly complicating the definition of the term employee.

In the *National Silver Company case* (71 N. L. R. B. 87) (1946), at least one member of the Board thought that the Board's policy should be to so use its powers as to encourage employees and their organizations to use the peaceful procedures under the Act instead of resorting to the strike weapon. Such a policy would seem to be more in accord with the stated purpose of the Act.

(D) The conference agreement follows the House bill in the matter of persons having the status of independent contractors.

(4) The terms "representative," "labor organization," "commerce," "affecting commerce," and "unfair labor practice" were the same in both the House bill and the Senate amendment. The conference agreement does not make any change in these definitions.

(5) The House bill omitted the definition which is contained in existing law of the term "labor dispute" since a definition of that term was not considered necessary under the structure of the House bill. The Senate amendment contained the definition contained in the existing law. The conference agreement follows the provision of the Senate amendment in this respect.

(6) The definitions in the House bill and in the Senate amendment relating to the Board and the administration of the Act are hereafter discussed in connection with the explanation of the conference agreement dealing with section 3 of the National Labor Relations Act.

(7) The House bill contained a definition of the term "bargain collectively" for the purposes of the duties imposed on both parties in the amended section 8 of the Labor Act to bargain collectively with the other. By reason of a number of decisions of the Board which in effect required an employer to make or offer concessions to show that he was bargaining in good faith, the House definition proposed an objective test for determining what constituted bargaining collectively. It required first that the parties follow the procedure specified in an agreement between the parties if such an agreement was in effect, and if no such agreement was in effect, discussion between the parties at a stated number of meetings of the various proposals and counterproposals. If agreement was reached the agreement was to be put in writing. Neither party was to be required to reach an agreement, accept any proposal or counterproposal or submit counterproposals.

In addition, neither party was to be required, under his duty to bargain collectively, to discuss any matter other than those (which were set out in detail in the House bill) which the House considered to be within the proper scope of compulsory bargaining.

As part of the procedure of collective bargaining, the House bill required that the employees themselves, in a secret ballot, vote on the question of whether to reject the employer's last offer of settlement, and made it a violation of the duty to bargain to call a strike or lockout unless upon such ballot a majority of the employees eligible to vote were in favor of such rejection.

The Senate amendment did not, in the definition section, contain any definition of collective bargaining, but did contain (section 8 (d)) a provision stating what collective bargaining was to consist of for the purposes of section 8. It was stated as the performance of the mutual obligation of the parties to meet at reasonable times and confer in good faith with respect to wages, hours and other terms and conditions of employment, or with respect to the negotiation of an agreement, or with respect to any question arising thereunder; and the execution of a written contract incorporating any agreement reached if desired by either party. This mutual obligation was not to compel either party to agree to a proposal or require the making of any concession. Hence, the Senate amendment, while it did not prescribe a purely objective test of what constituted

collective bargaining, as did the House bill, had to a very substantial extent the same effect as the House bill in this regard, since it rejected, as a factor in determining good faith, the test of making a concession and thus prevented the Board from determining the merits of the positions of the parties.

The Senate amendment also required, as part of the bargaining procedure, that no party to any collective bargaining contract should terminate or modify the contract unless the party desiring such termination or modification (A) served a written sixty-day notice of the proposed termination or modification on the other party, (B) offered to meet and confer with the other party with respect thereto, (C) notified the Federal Mediation and Conciliation Service (a new independent agency later discussed) within thirty days after such notice of the existence of the dispute, if agreement had not been reached by that time, and (D) continued in full force and effect, without strike or lockout, all the terms and conditions of the existing contract for a period of sixty days after the notice of desired termination or modification was given or until the expiration date of the contract, whichever occurred later.

An employee who engaged in a strike within the 60-day period just described lost his status as an employee of the particular employer for the purposes of sections 8, 9, and 10 of the act.

The conference agreement, like the Senate amendment, does not contain a definition as such of collective bargaining, but does, in section 8 (d) of the amended Labor Act, contain provisions similar to those of the Senate amendment, with certain clarifying changes. One of the important changes is the inclusion of a provision indicating that the duty to bargain is not to be construed as requiring either party to discuss or agree to any modification of the terms and conditions contained in a contract for a fixed period, if such modification is to become effective before such terms and conditions can be reopened under the provisions of the contract. In addition the conference agreement omits from the Senate amendment words that were contained therein which might have been construed to require compulsory settlement of grievance disputes and other disputes over the interpretation or application of the contract.

(8) Supervisors: As heretofore stated, both the House bill and the Senate amendment excluded supervisors from the individuals who are to be considered employees for the purposes of the act. The House bill defined as supervisors, however, certain categories of employees who were not treated as supervisors under the Senate amendment. These were generally (A) certain personnel who fix the amount of wages earned by other employees, such as inspectors, checkers, weighmasters, and time-study personnel, (B) labor relations personnel, police, and claims personnel, and (C) confidential employees. The Senate amendment confined the definition of supervisor to individuals generally regarded as foremen and persons of like or higher rank.

The conference agreement, in the definition of supervisor, limits such term to those individuals treated as supervisors under the Senate amendment. In the case of persons working in the labor relations personnel and employment departments, it was not thought necessary to make specific provision, as was done in the House bill, since the Board has treated, and presumably will continue to treat, such persons as outside the scope of the Act. This is the prevailing Board practice with respect to such people as confidential secretaries as well, and it was not the intention of the conferees to alter this practice in any respect. The conference agreement does not treat time-study personnel or guards as supervisors, as did the House bill. Since, however, time-study employees may qualify as professional personnel, the special provisions of the Senate amendment (hereafter discussed) applicable with respect to professional employees will cover many in this category. In the case of guards, the conference agreement does not permit the certification of a labor organization as the bargaining representative of guards if it admits to membership, or is affiliated with any organization that admits to membership, employees other than guards. The provision dealing with the certification of bargaining units for guards is dealt with in section 9 (b) of the conference agreement, and the individuals who are to be considered as guards therein set forth.

(9) The House bill did not contain any definition of the term "professional employee," but section 9 (f) (2) thereof gave professional personnel and other distinguishable groups of employees an opportunity to exclude themselves from larger bargaining units in which it was proposed that they be included. The Senate amendment accorded a similar treatment to professional employees and defined that term. This definition in general covers such persons as legal, engineering, scientific, and medical personnel together with their junior professional assistants. The conference agreement contains the same definition of professional employee as that contained in the Senate amendment, and accords to this category the same treatment which was provided for them in section 9 (f) (3) of the House bill.

(10) Since the terms "sympathy strike," "illegal boycott," "jurisdictional strike," "monopolistic strike," and "featherbedding practice" do not appear as such in the conference agreement, the definitions of them are omitted and the treatment of the matters covered thereby are discussed in connection with the appropriate sections of the conference agreement.

(11) As heretofore stated, the conference agreement does not contain any definition of "agricultural laborer," "agriculture" or "agricultural labor." This matter has previously been discussed in connection with the definition of "employee" in the House bill, the Senate amendment, and the conference agreement.

(12) The conference agreement contains in the definition section a rule to be applied for the purpose of determining when a person is acting as an "agent" of another person so as to make such other person responsible for his acts. A provision having the same effect was contained in section 12 of the House bill, under which the Norris-LaGuardia Act was made inapplicable in connection with certain activities dealt with in that section. One of the provisions of that Act which was thus made inapplicable was section 6 thereof which provides that no employer or labor organization participating or interested in a labor dispute shall be held responsible for the "unlawful" acts of its agents except upon clear proof of actual authorization of the particular acts performed, or subsequent ratification thereof after knowledge. Hence, under the conference agreement, as under the House bill, both employers and labor organizations will be responsible for the acts of their agents in accordance with the ordinary common law rules of agency (and only ordinary evidence will be required to establish the agent's authority).

ADMINISTRATION

The House bill (sections 3, 4, and 102) abolished the existing National Labor Relations Board, created a new board of three members, not more than two of whom were to be members of the same political party, and limited the new board to the performance of the quasi-judicial functions under the Act. The investigating and prosecuting functions under the Act were to be performed by an Administrator, a new independent office which was created by section 4 of the House bill. The Senate amendment (section 3 of the amended Labor Act) retained the existing board but increased its membership to seven and provided that the Board could assign its duties to groups of not less than three members each. The conference agreement (section 3 (a)) retains the existing Board but increases its membership to five. Of the two additional members, who are to be appointed by the President by and with the advice and consent of the Senate, one is to be appointed for a term of two years and one for a term of five years. The conference agreement does not make provision for an independent agency to exercise the investigating and prosecuting functions under the Act, but does provide that there shall be a General Counsel of the Board, who is to be appointed by the President by and with the advice and consent of the Senate, for a term of four years. The General Counsel is to have general supervision and direction of all attorneys employed by the Board (excluding the trial examiners and the legal assistants to the individual members of the Board), and of all the officers and employees in the Board's regional offices, and is to have the final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect of the investigation of charges and the issuance of complaints of unfair labor practices, and in respect of the prosecution of such complaints before the Board. He is to have, in addition, such other duties as the Board may prescribe or as may be provided by law. By this provision responsibility for what takes place in the Board's regional offices is centralized in one individual who is ultimately responsible to the President and Congress.

The House bill, in the section providing for the Administrator, provided that the regional directors and the chief regional attorneys were to be appointed by the President with the advice and consent of the Senate. It was believed that better administration will result in having responsibility lodged in one person rather than having it diffused through numerous regional directors and regional attorneys, and the conference agreement omits this provision.

Section 4 of the conference agreement provides that each member of the Board and the General Counsel of the Board shall receive a salary at the rate of $12,000 per annum. This section also provides that the Board may not employ any attorneys for the purpose of reviewing transcripts of hearings or preparing drafts of opinions, with the exception that any attorney employed for assignment as a legal assistant to any Board member may, for such member, review transcripts and prepare such drafts. There was a provision in the House bill and also in the Senate amendment having the same effect. This section of the conference agreement also provides that no trial examiner's report can be reviewed either before or after its publication by any person other than a member of the Board or his legal assistant, and in addition trial examiners are prohibited from advising or consulting with the Board with respect to exceptions taken to their findings, rulings, or recommendations. A similar provision was contained in the Senate amendment, but there was no such provision in the House bill. The combination of the provisions dealing with the authority of the General Counsel, the provision abolishing the Board's review division, and the provisions relating to the trial examiners and their reports effectively limits the Board to the performance of quasi-judicial functions.

Section 5 of the conference agreement is the same as section 5 of the existing National Labor Relations Act and also section 5 of the amended Labor Act in the Senate amendment. Section 5 of the amended Labor Act in the House bill had the same effect insofar as the Board was concerned, but its provisions were also applicable to the Administrator which, as heretofore stated, is not provided for in the conference agreement.

Section 6 of the conference agreement gives the Board general power to prescribe regulations necessary to carry out the provisions of the Act. There was a similar provision in section 6 of the amended Labor Act in the House bill and also in the Senate amendment. The only change in this section from existing law is the insertion of the words "in the manner prescribed by the Administrative Procedure Act". This insertion appeared in the House bill but not in the Senate amendment. It is made to assure that the subsequent amendment of the National Labor Relations Act without changing this section will not supersede the general rules prescribed in the Administrative Procedure Act which are now applicable to the Board's powers to promulgate regulations.

RIGHTS OF EMPLOYEES

Both the House bill and the Senate amendment in amending the National Labor Relations Act preserved the right under section 7 of that Act of employees to self-organization, to form, join, or assist any labor organization, and to bargain collectively through representatives of their own choosing and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. The House bill, however, made two changes in that section of the Act. First, it was stated specifically that the rights set forth were not to be considered as including the right to commit or participate in unfair labor practices, unlawful concerted activities, or violations of collective bargaining contracts. Second, it was specifically set forth that employees were also to have the right to refrain from self-organization, etc., if they chose to do so.

The first change in section 7 of the Act made by the House bill was inserted by reason of early decisions of the Board to the effect that the language of section 7 protected concerted activities regardless of their nature or objectives. An outstanding decision of this sort was the one involving a "sit down" strike wherein the Board ordered the reinstatement of employees who engaged in this unlawful activity. Later the Board ordered the reinstatement of certain employees whose concerted activities constituted mutiny. In both of the above instances, however, the decision of the Board was reversed by the Supreme Court. More recently, a decision of the Board ordering the reinstatement of individuals who had engaged in mass picketing was reversed by the Circuit Court of Appeals (*Indiana Desk Co.* v. *N. L. R. B.* (149 Fed. (2d) 987) (1944)).

Thus the courts have firmly established the rule that under the existing provisions of section 7 of the National Labor Relations Act, employees are not given any right to engage in unlawful or other improper conduct. In its most recent decisions the Board has been consistently applying the principles established by the courts. For example, in the *American News Company Case* (55 N. L. R. B. 1302) (1944) the Board held that employees had no right which was protected under the Act to strike to compel an employer to violate the wage stabilization laws. Again, in the *Scullin Steel Case* (65 N. L. R. B. 1294) and in the *Dyson Case* (decided February 7, 1947), the Board held that strikes in violation of collective bargaining contracts were not concerted activities protected by the Act, and refused to reinstate employees discharged for engaging in such activities. In the second Thompson Products case (decided February 21, 1947), the Board held that strikes to compel the employer to violate the Act and rulings of the Board thereunder were not concerted activities protected by the provisions of section 7. The reasoning of these recent decisions appears to have had the effect of overruling such decisions of the Board as that in *Matter of Berkshire Knitting Mills* (46 N. L. R. B. 955 (1943)), wherein the Board attempted to distinguish between what it considered as major crimes and minor crimes for the purpose of determining what employees were entitled to reinstatement.

By reason of the foregoing, it was believed that the specific provisions in the House bill excepting unfair labor practices, unlawful concerted activities, and violation of collective bargaining agreements from the protection of section 7 were unnecessary. Moreover, there was real concern that the inclusion of such a provision might have a limiting effect and make improper conduct not specifically mentioned subject to the protection of the Act.

In addition, other provisions of the conference agreement deal with this particular problem in general terms. For example, in the declaration of policy to the amended National Labor Relations Act adopted by the conference committee, it is stated in the new paragraph dealing with improper practices of labor organizations, their officers, and members, that the "elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed." This in and of itself demonstrates a clear intention that these undesirable concerted activities are not to have any protection under the Act, and to the extent that the Board in the past has accorded protection to such activities, the conference agreement makes such protection no longer possible. Furthermore, in section 10 (c) of the amended Act as proposed in the conference agreement, it is specifically provided that no order of the Board shall require the reinstatement of any individual or the payment to him of any back pay if such individual was suspended or discharged for cause, and this, of course, applies with equal force whether or not the acts constituting the cause for discharge were committed in connection with a concerted activity. Again, inasmuch as section 10 (b) of the Act as proposed to be amended by the conference agreement requiries that the rules of evidence applicable in the district courts shall, so far as practicable, be followed and applied by the Board, proof of acts of unlawful conduct cannot hereafter be limited to proof of confession or conviction thereof.

The second change made by the House bill in section 7 of the Act (which is carried into the conference agreement) also has an important bearing on the kinds of concerted activities which are protected by section 7. That provision, as heretofore stated, provides that employees are also to have the right to refrain from joining in concerted activities with their fellow employees if they choose to do so. Taken in conjunction with the provisions of section 8 (b) (1) of the conference agreement (which will be hereafter discussed) wherein it is made an unfair labor practice for a labor organization or its agents to restrain or coerce employees in the exercise of rights guaranteed in section 7, it is apparent that many forms and varieties of concerted activities which the Board, particularly in its early days, regarded as protected by the Act will no longer be treated as having that protection, since obviously persons who engage in or support unfair labor practices will not enjoy immunity under the Act.

UNFAIR LABOR PRACTICES

Both the House bill and the Senate amendment amended section 8 of the National Labor Relations Act by adding thereto unfair labor practices on the part of labor organizations. The practices which under existing law are treated as unfair labor practices on the part of the employer were changed in only two respects by the House bill and in only one respect by the Senate amendment, as will hereafter appear.

Neither the House bill nor the Senate amendment changed the first unfair labor practice on the part of an employer, namely, interfering with, restraining, or coercing employees in the exercise of their rights guaranteed in section 7. What these rights are has already been discussed. The conference agreement contains the provisions of the House bill and the Senate amendment in this respect.

The House bill amended section 8 (2) of the present National Labor Relations Act—the provision making it an unfair labor practice for an employer to dominate the formation or administration of labor organizations for the purpose of according some protection to labor organizations which were not affiliated with one of the national or international labor organizations. This provision of the House bill had the effect of permitting an employer to do the same kind of things for independent unions which the Board has permitted him to do for the affiliated union. The Senate amendment did not change the words of section 8 (2) in existing law.

There were contained, however, in both the House bill and the Senate amendment—in the amendments to sections 9 and 10 of the Labor Act—provisions requiring the Board to treat independent unions in the same manner in which it treats unions which are affiliated with or constitute units of labor organizations national or international in scope. These provisions acted as a limitation on the power of the Board in holding activities to be unfair labor practices under section 8 (a) (2) of the House bill and the Senate amendment. The Board has, for example, in the case of affiliated unions permitted employers to provide bulletin boards in their plants for the union's use, to give union officials preferred treatment in laying off workers and calling them back, and to allow shop stewards without losing pay to confer not only with the employer but with the employees as well, and to transact other union business in the plant. The Board has not permitted the employer to do the same things for non-affiliated unions, and it was the purpose of the House provision to provide for equality of treatment in this respect.

Since this matter is adequately dealt with in the provisions in sections 9 and 10, the conference agreement omits the provisions of the House bill which amended section 8 (2) of the existing law, and adopts the provisions of the Senate amendment.

Both the House bill and the Senate amendment, in rewriting the present provisions of section 8 (3) of the Act, abolished the closed shop. The union shop and maintenance of membership, however, were permitted both under the House bill (section 8 (d) (4)) and under the Senate amendment (proviso to section 8 (a) (3)). The House bill and the Senate amendment differed in the required procedures for securing the union shop or maintenance of membership. These differences will be hereafter discussed. The conference agreement adopts the language of the Senate amendment in section 8 (a) (3) of the Labor Act with one clarifying omission. Under the provisions of the conference agreement an employer is permitted to enter into an agreement with a labor organization (not established, maintained, or assisted by any action defined as an unfair labor practice) whereby the employer agrees that he will employ only employees who on and after thirty days from the date of their employment (or from the date of the agreement, if that is later) are members of the labor organization concerned. This permission, however, is granted only if, upon the most recent election held under later provisions of the conference agreement (section 9 (e)) a majority of the employees in the bargaining unit in question eligible to vote have authorized the union to make such an agreement.

As a protection to the individual worker against arbitrary action by the union, it is further provided that an employer is not justified in discriminating against an employee with respect to whom the employer has reason to believe membership in the union was not available on the same terms

as those generally applicable to other mmm bers, or with respect to whom the employer has reason to believe membership was denied or terminated for reasons other than failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership. In determining whether membership was available on the same terms as those generally applicable to other members, it must be borne in mind that in some unions the dues and initiation fees of persons who became members many years ago may have been more or less than those currently in effect, or the terms or conditions of membership may have been different. The conference agreement hence does not contemplate availability of membership on the same terms as those applicable to all of the members, nor does it disturb arrangements in the nature of those approved by the Board in *Larus & Brother Co.* (62 N. L. R. B. 1075 (1945)).

Neither the House bill nor the Senate amendment changed the wording of the provisions of section 8 (4) of the existing Act, and the conference agreement in section 8 (a) (4) follows the provisions of existing law. The same is true in the case of section 8 (5) of existing law which makes it an unfair labor practice for an employer to refuse to bargain collectively with the representative of his employees, subject to the provisions of section 9 (a).

The Senate amendment contained a provision which does not appear in section 8 of existing law. This provision would have made it an unfair labor practice to violate the terms of a collective bargaining agreement or an agreement to submit a labor dispute to arbitration. The conference agreement omits this provision of the Senate amendment. Once parties have made a collective bargaining contract the enforcement of that contract should be left to the usual processes of the law and not to the National Labor Relations Board.

UNFAIR LABOR PRACTICES OF LABOR ORGANIZATIONS

Both the House bill and the Senate amendment defined, in a new section 8 (b) of the National Labor Relations Act, unfair labor practices on the part of labor organizations and their agents. The House bill also made the unfair labor practices described unfair labor practices on the part of employees.

Under the House bill the following unfair labor practices were set forth:

(1) Intimidating practices to interfere with the exercise by employees of rights guaranteed in section 7 or to compel or seek to compel any individual to be a member of a labor organization.

(2) To refuse to bargain collectively with the employer.

(3) To call or participate in any strike or other concerted interference with an employer's operations, an object of which was to compel the employer to accede to the inclusion in a collective bargaining agreement of matters which under the House bill were not treated as within the proper scope of compulsory bargaining.

Under the new section 8 (b) of the Senate amendment, the following unfair labor practices on the part of labor organizations and their agents were defined:

(1) To restrain or coerce employees in the exercise of rights guaranteed in section 7, or to restrain or coerce an employer in the selection of his representatives for collective bargaining or the adjustment of grievances. This provision of the Senate amendment in its general terms covered all of the activities which were prescribed in section 12 (a) (1) of the House bill as unlawful concerted activities and some of the activities which were proscribed in the other paragraphs of section 12 (a). While these restraining and coercive activities did not have the same treatment under the Senate amendment as under the corresponding provisions of the House bill, participation in them, as explained in the discussion of section 7, is not a protected activity under the Act. Under the House bill, these activities could be enjoined upon suit by a private employer, specific provision was made for suits for damages on the part of any person injured thereby, and employees participating therein were subject to deprivation of their rights under the Act. The conference agreement, while adopting section 8 (b) (1) of the Senate amendment, does not by specific terms contain any of these sanctions, but an employee who is discharged for participating in them will not, as explained in the discussion of section 7, be entitled to reinstatement. Furthermore, since in section 302 (b), unions are made suable, unions that engage in these practices to the injury of another may subject themselves to liability under ordinary principles of law. Then too, under the provisions of section 10 (k) of the conference agreement the Board can seek a temporary injunction enjoining these practices pending its decision on the merits.

In applying section 8 (1) of the existing law, the Board has not held to be unfair labor practices acts which constituted "interference" that did not also constitute restraint or coercion. Section 8 (1) of the present law is written in broad terms, and only by long continued administrative practice has its scope been adequately and properly defined. Concern has heretofore been expressed as to whether such practice would carry over into a corresponding provision of the new section 8 (b) (1), and presumably because of this concern the words "interference with" were omitted from the proposed new section. Omission of these words from the proposed new section was not, however, intended to broaden the scope of section 8 (a) (1) as heretofore defined by the long continued practice of the Board.

(2) To discriminate against an employee to whom membership in a labor organization has been denied or terminated on some ground other than non-payment of dues or initiation fees. The purpose of this provision of the Senate amendment was obvious.

(3) To refuse to bargain collectively with an employer, provided the labor organization is the representative of his employees subject to section 9 (a). This provision of the Senate amendment imposed upon labor organizations the same duty to bargain which under section 8 (a) (5) of the Senate amendment was imposed upon employers. What bargaining consists of has already been discussed supra.

(4) To engage in, or induce or encourage the employees of any employer to engage in, a strike or a concerted refusal to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities, or to perform any services in the course of their employment, if the purpose thereof was to force the doing of certain things. The proscribed purposes or objectives were described in clauses (A), (B), (C), and (D) of this provision of the Senate amendment.

Under clause (A) strikes or boycotts, or attempts to induce or encourage such action, were made unfair labor practices if the purpose was to force an employer or other person to cease using, selling, handling, transporting, or otherwise dealing in the products of another, or to cease doing business with any other person. Thus it was made an unfair labor practice for a union to engage in a strike against employer A for the purpose of forcing that employer to cease doing business with employer B. Similarly it would not be lawful for a union to boycott employer A because employer A uses or otherwise deals in the goods of, or does business with, employer B.

Clause (B) of this provision of the Senate amendment covered strikes and boycotts conducted for the purpose of forcing another employer to recognize or bargain with a labor organization that has not been certified as the exclusive representative. It is to be observed that the primary strike for recognition (without a Board certification) was not prohibited. Moreover, strikes and boycotts for recognition were not prohibited if the union had been certified as the exclusive representative.

Strikes and boycotts having as their purpose forcing any employer to disregard his obligation to recognize and bargain with a certified union and in lieu thereof to bargain with or recognize another union were made unfair labor practices under clause (C).

Clause (D) covered strikes or boycotts having as their purpose forcing an employer to assign work tasks to members of one union when he has assigned them to members of another union. If the employer against whom the strike or boycott was directed was failing to conform to a determination of the Board fixing the representation of employees performing the work tasks, then the strike or boycott was not an unfair labor practice.

The matters covered by section 8 (b) (4) in the Senate amendment were dealt with in section 12 of the House bill and in the definitions of illegal boycott and jurisdictional strike.

The conference agreement adopts the provisions of the Senate amendment with clarifying changes, and with one addition to the category of unlawful objectives. Under the conference agreement a strike or boycott to force an employer or self-employed person to become a member of a labor organization will be treated in the same manner as other boycotts.

(5) To violate the terms of a collective bargaining agreement to submit a labor dispute to arbitration.

From the above description of the House bill and the Senate amendment dealing with unfair labor practices on the part of labor organizations and their agents, it is apparent the Senate amendment was broader in its scope than the corresponding provisions of the House bill. The conference agreement adopts the provisions of the Senate amendment with the following changes therein:

(1) Section 8 (b) (2) is expanded so as to prohibit all attempts by a labor organization or its agents to cause an employer to discriminate against an employee in violation of section 8 (a) (3). The latter section, as heretofore explained, prohibits an employer from discriminating against an employee by reason of his membership or non-membership in a labor organization, except to the extent that he obligates himself to do so under the terms of a permitted union shop or maintenance of membership contract. This provision contained in the conference agreement would, for example, prevent a labor organization from seeking to compel an employer to hire only union foremen or to discharge foremen who were not members of the union, and in this respect it covers matters which, among others, were dealt with under section 12 of the House bill.

(2) A provision which was contained in the Senate amendment in section 8 (b) (2), designed to prevent an employer from discriminating against an employee covered by a union shop agreement who had been expelled from the union for activities in behalf of another representative, is omitted as unnecessary since there is nothing in the conference agreement which permits an employer to discriminate against an employee who has been expelled for this reason.

(3) Section 8 (b) (4) of the conference agreement has been expanded to cover a matter which was covered by section 12 of the House bill, namely, concerted activity by a union or its agents to compel an employer or self-employed person to become a member.

(4) Two additional unfair labor practices are added which were not contained in the Senate amendment but were contained in the

House bill. The first would make it an unfair labor practice for a labor organization or its agents having in effect a permitted union shop or maintenance of membership agreement to require the payment of an initiation fee in an amount which the Board finds excessive or discriminatory under all the circumstances. A similar provision, though broader in its scope, was contained in section 8 (c) (2) of the amended Labor Act in the House bill. It is also made an unfair labor practice for a labor organization or its agents to cause or attempt to cause an employer to pay any money or thing of value, in the nature of an exaction, for services which are not performed or not to be performed. This provision derives from the provisions of the House bill relating to "featherbedding" practices.

(5) Both the House bill and the Senate amendment contained provisions designed to protect the right of both employers and labor organizations to free speech. The conference agreement adopts the provisions of the House bill in this respect with one change derived from the Senate amendment. It is provided that expressing any views, argument, or opinion or the dissemination thereof, whether in written, printed, graphic or visual form, is not to constitute or be evidence of an unfair labor practice if such expression contains no threat of force or reprisal or promise of benefit. The practice which the Board has had in the past of using speeches and publications of employers concerning labor organizations and collective bargaining arrangements as evidence, no matter how irrelevant or immaterial, that some later act of the employer had an illegal purpose gave rise to the necessity for this change in the law. The purpose is to protect the right of free speech when what the employer says or writes is not of a threatening nature or does not promise a prohibited favorable discrimination.

(6) Section 8 (d) (2) of the amended Labor Act in the House bill contains a provision which is found in section 8 (2) of the existing law and in section 8 (a) (2) of the Senate amendment and the conference agreement. This provides that an employer is not to be prohibited from permitting employees to confer with him during working hours without loss of time or pay. This contemplates payments not only to individual employees but also to employees acting in a representative capacity in conferring with the employer.

Section 8 (d) (3) of the amended Labor Act in the House bill provided that nothing in the act was to be construed as prohibiting an employer from forming or maintaining a committee of employees and discussing with it matters of mutual interest, if the employees did not have a bargaining representative. This provision is omitted from the conference agreement since the act by its own terms permits individual employees and groups of employees to meet with the employer and section 9 (a) of the conference agreement permits employers to answer their grievances.

Section 8 (c) of the House bill contained detailed provisions dealing with the relations of labor organizations with their members. One of the more important provisions of this section—that limiting the initiation fees which a labor organization may impose where a permitted union shop or maintenance of membership agreement is in effect—is included in the conference agreement (section 8 (b) (5)) and has already been discussed. The other parts of this subsection are omitted from the conference agreement as unfair labor practices, but section 9 (f) (6) of the conference agreement requires labor organizations to make periodic reports with respect to many of these matters as a condition of certification and other benefits under the Act.

Section 8 (d) of the conference agreement (stating what constitutes collective bargaining) has been discussed supra in connection with the treatment of the definition of collective bargaining which was contained in the House bill.

REPRESENTATIVES AND ELECTIONS

Except in one respect, neither the House bill nor the Senate amendment made any change in the provisions of section 9 (a) of the existing Act (excluding minor textual changes). That section of existing law provides that representatives designated or selected for the purpose of collective bargaining by a majority of the employees in a unit appropriate for that purpose are to be the exclusive representatives of all of the employees in such unit for collective bargaining. The existing law further provides that an individual employee or group of employees will have the right at any time to present grievances to their employer. But as pointed out in the committee report on the bill in the House, this provision has not been construed by the Board as authorizing the employer to settle grievances thus presented.

Both the House bill and the Senate amendment amended section 9 (a) of the existing law to specifically authorize employers to settle grievances presented by individual employees or groups of employees, so long as the settlement is not inconsistent with any collective bargaining contract in effect. The Senate amendment contained a further proviso, however, to the effect that the bargaining representative be given opportunity to be present at the adjustment of such grievances.

The conference agreement follows the provisions of the Senate amendment.

Section 9 (b) of the existing law—under which the Board is given power to decide the unit which is appropriate for the purpose of collective bargaining—was amended both by the House bill and the Senate amendment. In the Senate amendment the limitations which were described on the Board's powers in establishing such units were contained in a proviso to section 9 (b), while in the House bill the applicable limitations were contained in section 9 (f).

Under section 9 (f) of the House bill the powers of the Board were circumscribed as follows:

(1) With certain exceptions, the Board was prevented from certifying as the representative of employees of one employer a representative that had been certified as the representative of employees of a competing employer. It was this provision of the House bill which, among others, dealt with the question of industry-wide bargaining. It is omitted from the conference agreement.

(2) Under section 9 (f) (2) in the House bill provision was made, upon application of any interested person, for a separate ballot for any craft, department, trade, calling, profession, or other distinguishable group, and the Board was directed to exclude any such group from the bargaining unit proposed to be established if less than a majority of the employees in it who cast ballots voted for the representative certified by the Board for the rest of the unit. The Board has heretofore, under the so-called "Globe doctrine" (3 N. L. R. B. 294 (1937)) provided for separate ballots for crafts and it sometimes applies the same principle to groups other than crafts. It also regularly excludes from larger units groups and individuals whose circumstances differ materially from those of the more numerous members of the unit. The provisions of section 9 (f) (2) of the House bill were designed to establish this principle in the law itself and broaden its application so as to give to groups of employees having common characteristics and interests different from those of the more numerous members of a proposed unit a greater freedom of choice in selecting their representatives than has heretofore been permitted.

The conference agreement, in section 9 (c) (2), covers in specific terms the matter of crafts and professional employees. In the case of the former the conference agreement provides that the Board cannot decide that a craft unit is inappropriate for collective bargaining on the ground that a different unit has been established by a prior Board determination, unless a majority of the employees in the proposed craft unit vote against separate representation. In the case of the latter the Board cannot include both professional employees and employees who are not professional employees in the same unit unless a majority of the professional employees vote for inclusion therein.

Neither the omission from the conference agreement of section 9 (f) (2) of the House bill, nor the particular limitations on the power of the Board under section 9 (b) of the conference agreement, are intended to indicate that only in the specified cases should the Board establish separate units or exclude employees from units for which it certifies representatives. It must be emphasized that one of the principal purposes of the National Labor Relations Act is to give employees full freedom to choose or not to choose representatives for collective bargaining. As has already been pointed out in the discussion of section 7, the conference agreement guarantees in express terms the right of employees to refrain from collective bargaining or concerted activities if they choose to do so. This additional guaranty—recognizing and protecting, as it does, the rights and interests of individuals and minorities—will, it is believed, through wise administration result in a substantially larger measure of protection of those rights when bargaining units are being established than has heretofore been the practice.

The conference agreement, in section 9 (b), contains one further provision covering a particular classification of employees who were dealt with in the House bill in the definition of supervisor. Under that definition individuals employed for police duties came within the definition of supervisor. The conference agreement represents a compromise on this matter. It provides that the Board cannot decide that any unit is appropriate for collective bargaining if it includes, together with other employees, any individual employed as a guard to enforce against employees and other persons rules to protect property belonging to the employer or for which he is responsible, or to protect the safety of persons on the employer's premises. It is further provided that no labor organization can be certified as the representative of employees in a bargaining unit of guards if such organization admits to membership, or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards.

(3) Under section 9 (f) (3) in the House bill, it was provided that in determining whether a unit is appropriate for collective bargaining, the extent to which employees had organized should not be controlling. There was no comparable provision in the Senate amendment. The conference agreement, in section 9 (c), contains this provision of the House bill.

(4) Under the House bill, in section 9 (f) (4), it was provided that the Board was to apply the same regulations and rules of decision, in determining whether a question of representation affecting commerce exists, regardless of the identity of the person or persons filing the application or the kind of relief sought. It was further provided that employees were not to be denied the right to designate or select a representative of their own choosing by reason of an order of the Board with respect to such representative or its predecessor that would not have issued in similar circumstances with respect to a labor organization national or international in scope, or affiliated with such an organization. The Senate amendment, in section 9 (c) (2), contained a provision having the same pur-

pose. Both the House provision and the Senate provision were directed to the practice of the Board in denying employees the right to vote for independent labor organizations in respect of which orders had been issued by the Board under section 8 (1) or 8 (2) finding employer domination where under similar circumstances it did not apply the same rule to unions affiliated with one of the national labor organizations. Under the House bill and the Senate amendment, the Board was directed to apply the same rules to both. The conference agreement, in section 9 (c) (2), contains a provision having the same purpose and effect.

(5) The House bill, in section 9 (f) (5), provided a new rule for run-off elections. A run-off was not permitted unless within sixty days following the first election a representative receiving votes in the first election furnished to the Board satisfactory evidence that it represented more than 50 per centum of the employees in the bargaining unit in question. The run-off was to be between such representative and no representative. The Senate amendment, in section 9 (c) (3), directed that where a run-off election was conducted, the ballot should provide for a selection between the two choices receiving the largest and second largest number of valid votes cast in the previous election. The conference agreement adopts the provisions of the Senate amendment.

(6) Under the House bill, in section 9 (f) (6) no labor organization could be certified if one or more of its national or international officers, or one or more of the officers of the organization designated on the ballot, was or ever had been a member of the Communist Party or by reason of active and consistent promotion or support of the policies of the Communist Party could reasonably be regarded as being a member of or affiliated with such party, or believed in or was or ever had been a member of or supported any organization that believed in or taught the overthrow of the United States Government by force or by any illegal or unconstitutional methods. The Senate amendment, in section 9 (h), contained a similar provision, differing from the House bill only in not imposing the requirement that an officer "never has been" one of the described individuals. The conference agreement, in section 9 (h), contains a provision directed to this problem covered by both the House bill and the Senate amendment, and provides that no investigation shall be made by the Board of any question affecting commerce concerning the representation of employees raised by a labor organization under section 9 (c), no union shop or maintenance of membership agreement petition can be entertained under section 9 (e) (1) (hereafter discussed), and no complaint can be issued pursuant to a charge made by a labor organization under section 10 (b), unless there is on file with the Board an affidavit executed contemporaneously or within the preceding 12-month period by each officer of the labor organization in question and the officers of any national or international labor organization of which it is an affiliated or constituent unit, that he is not a member of the Communist Party or affiliated with such party, and that he does not believe in, and is not a member of or support any organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods. The provisions of section 35 A of the Criminal Code (prescribing penalties for false statements made to induce official action) are to be applicable in respect to such affidavits, and if an officer of a labor organization files a false affidavit with the Board, he will be subject to the penalties prescribed in section 35 A of the Criminal Code.

The "ever has been" test that was included in the House bill is omitted from the conference agreement as unnecessary, since the Supreme Court has held that if an individual has been proved to be a member of the Communist Party at some time in the past, the presumption is that he is still a member in the absence of proof to the contrary.

(7) Under the House bill, in section 9 (f) (7), it was provided that no election could be directed in any bargaining unit or any subdivision thereof within which, in the preceding 12-month period, a valid election had been held, except upon a petition by employees requesting a "de-certification" of a representative. The Senate amendment, in section 9 (c) (3), contained a similar provision without the exception. The conference agreement adopts the provisions of the Senate amendment. The Senate amendment also contained a provision that employees on strike who were not entitled to reinstatement should not be permitted to vote unless the strike involved an unfair labor practice on the part of the employer. This provision is also included in section 9 (c) of the conference agreement with the "unless" clause omitted. The inclusion of such clause would have had the effect of precluding the Board from changing its present practice with respect to the treatment of "unfair labor practice" strikers as distinguished from that accorded to "economic" strikers.

(8) Under the House bill, in section 9 (f) (8), it was provided that if a new representative were chosen while a collective bargaining agreement was in effect with another representative, certification of the new representative should not become effective unless such new representative become a party to such contract and agreed to be bound by its terms for the remainder of the contract period. Since the inclusion of such a provision might give rise to an inference that the practice of the Board with respect to conducting representation elections while collective bargaining contracts are in effect should not be continued, it is omitted from the conference agreement.

Both the House bill and the Senate amendment in section 9 (c) of the amended Labor Act provided that petitions under section 9 could be filed by employees or labor organizations wishing an election to designate a representative, by employees or labor organizations wishing to provide for the "de-certification" of an existing representative, and by an employer to whom a representative has presented a claim requesting recognition as the representative for collective bargaining. Investigations of such petitions under the House bill were conducted by the Administrator provided in the House bill. Under the Senate amendment investigations were conducted by the Board. Both under the House bill and the Senate amendment if there was reasonable cause to believe that a question of representation affecting commerce existed a hearing was to be held. Under the Senate amendment it was provided that such hearing could be conducted by an officer or employee in the regional office who, when he reported to the Board with respect thereto, was prohibited from making any recommendations. Both the House bill and the Senate amendment provided that if the Board found upon the hearing that a question of representation existed a secret ballot should be held and the results thereof certified.

The conference agreement, in section 9 (c), follows the provisions of the Senate amendment, most of which, as indicated, were also contained in the House bill. The remaining portions of section 9 (c) of the conference agreement have already been discussed in connection with the treatment of the provisions which were contained in section 9 (f) of the House bill.

Section 9 (d) in the conference agreement, except for clerical changes, is the same as section 9 (e) in the House bill, section 9 (d) in the Senate amendment, and section 9 (d) of existing law.

Section 9 (g) in the House bill provided for the so-called union-shop election. This provision, together with the provisions of section 8 (d) (4) in the House bill, provided a somewhat different procedure for authorization of union shop and maintenance of membership contracts than did the Senate amendment. Under the House bill the employer had to agree to a union shop or maintenance of membership provision in the contract before an election with respect thereto could be held. An election under section 9 (g) was for the purpose of authorizing such provision to be carried into effect. The petition for the election was required to be filed under oath and had to state that the agreement of the employer was not secured, either directly or indirectly, by means of a strike or a threat thereof. The provisions of the agreement providing for a union shop could be carried out only if upon a secret ballot taken a majority of all of the employees in the bargaining unit in question voted in favor thereof, and the election was effective only for the period of the contract in which the union shop agreement was included, or for 2 years if the contract was for a longer period. Under the Senate amendment (section 9 (e)) the union shop election was to be held for the purpose of authorizing the labor organization to make a union shop or maintenance of membership agreement with the employer and did not have the effect of preventing strikes to secure such an agreement. Like the House bill, the agreement was exempted from the general prohibitions of section 8 (a) (3) (prohibiting discrimination by reason of membership or nonmembership in labor organizations) only if a majority of the employees eligible to vote had authorized the labor organization in question to make such an agreement. Under the Senate amendment, once this authorization had been given, it continued in effect until, upon a secret ballot conducted as a result of the filing of a deauthorization petition, a majority of the employees eligible to vote had not voted in favor of the authorization. As in the case of the representation elections, the Senate amendment in section 9 (e) provided that no election in respect of the union shop could be conducted in any bargaining unit or any subdivision thereof within which, in the preceding 12-month period, a valid election had been held.

The conference agreement (section 9 (e)) follows the pattern of the Senate amendment with two clarifying changes. The conference agreement requires that the petition for the election (which includes a deauthorization petition) must be filed by or on behalf of not less than 30 percent of the employees in the bargaining unit. The conference agreement further provides that the Board can order an election under these provisions only if no question of representation exists. The particular problem dealt with in this latter clarification was provided for in the House bill by the requirement that only certified bargaining agents could make union-shop agreements and petition for elections to authorize their execution.

Section 9 (f) of the Senate amendment required labor organizations to file certain information and financial reports with the Secretary of Labor in order to be eligible for certification or have charges processed in their behalf. It was further provided that copies of the financial report be furnished to all members of the labor organization. Provision was made that such information be kept current by annual reports.

The House bill (section 303) also contained a provision requiring reports by labor organizations, but did not make the filing of such reports a condition of certification or other benefits.

The conference agreement (section 9 (f) and (g)) adopts the provisions of the Senate amendment with three changes therein.

First, the filing of the information and reports is made a condition of eligibility for requesting a union shop election, in addition to eligibility for filing petitions for representation and eligibility for making charges. Second, it is provided that not only the particular labor organization invoking the processes of the Act, but also any national or international labor organization of which it is an affiliate or constituent unit, must file the required information and reports. Third, there are added to the matters with respect to which information must be filed, detailed statements of, or reference to the provisions of the organization's constitution and by-laws showing the procedure followed with respect to, most of the matters which were covered in section 8 (c) in the House bill (the section dealing with the relations between labor organizations and their members).

PREVENTION OF UNFAIR LABOR PRACTICES

Both the House bill and the Senate amendment in section 10 provided, as does section 10 of the present Act, for the prevention of unfair labor practices. The House bill, by reason in part of division of functions between the Board and the Administrator provided for therein, completely recast the procedure in section 10. It also made a number of other important changes, as did the Senate amendment. The treatment under the conference agreement of the provisions in the House bill relating to the Administrator have already been discussed. The other matters dealt with in section 10 of the House bill and the Senate amendment are treated as follows:

(1) The House bill omitted from section 10 (a) of the existing law the language providing that the Board's power to deal with unfair labor practices should not be affected by other means of adjustment or prevention, but it retained the language of the present Act which makes the Board's jurisdiction exclusive. The Senate amendment, because of its provisions authorizing temporary injunctions enjoining alleged unfair labor practices and because of its provisions making unions suable, omitted the language giving the Board exclusive jurisdiction of unfair labor practices, but retained that which provides that the Board's power shall not be affected by other means of adjustment or prevention. The conference agreement adopts the provisions of the Senate amendment. By retaining the language which provides the Board's powers under section 10 shall not be affected by other means of adjustment, the conference agreement makes clear that, when two remedies exist, one before the Board and one before the courts, the remedy before the Board shall be in addition to, and not in lieu of, other remedies.

(2) The Senate amendment contained a proviso at the end of section 10 (a) authorizing the Board to cede jurisdiction over any cases in any industry to State and Territorial agencies, subject to two conditions: (a) that it can cede jurisdiction in cases arising in mining, manufacturing, communications and transportation only when the employer's operations are predominantly local in character, and (b) that it may cede jurisdiction only if the applicable provisions of the State or Territorial statute and the rules of decision thereunder are consistent with the corresponding provisions of the National Act, as intepreted and applied by the Board and by the courts. The House bill contained no provision corresponding with the proviso of section 10 (a) of the Senate amendment. The conference agreement adopts this proviso.

(3) Section 10 (b) of the amended Act under the House bill contemplated that, in unfair practice cases, the Administrator would investigate charges, issue complaints and prosecute cases. The Senate amendment did not contain comparable provisions. As previously noted, the conference agreement contemplates that these duties will be performed under the exclusive and independent direction of the General Counsel of the Board, an official appointed by the President by and with the advice and consent of the Senate.

(4) The House bill provided that a person complained of in an unfair labor practice case would have twenty days to answer the complaint and required the Board to give not less than fifteen days' notice of hearings. The Senate amendment made no change in existing law in these respects. The conference agreement contains the provisions of the Senate amendment and of existing law in these respects.

(5) The House bill provided, in section 10 (b), that no complaint should issue stating a charge of an unfair labor practice that occurred more than six months before the charge was filed, or based on a charge that was filed more than six months before the complaint issued. The Senate amendment also provided that no complaint should issue based upon any unfair labor practice occurring more than six months before the filing of the charge and the service of a copy of the charge upon the person against whom the charge was made, except in cases of veterans, who received special treatment.

The provision of the House bill that required that the complaint issue within six months after the filing of the charge was designed to forestall the accumulation of back pay claims by reason of delay in prosecuting cases. Heretofore this delay has been confined chiefly to one regional office of the Board, and the Board, itself, has had the practice in the past of mitigating such claims when it was responsible for delay. Since it is anticipated that the increased membership of the Board and other changes in the administrative provisions of the Act will expedite the Board's business, the conference agreement omits the provision of the House bill respecting the time within which a complaint must issue after a charge is filed, and retains the language of the Senate amendment that requires that charges be filed, and notice thereof be given, within six months after the acts complained of have taken place.

(6) The House bill provided, in section 10 (b), that proceedings before the Board should be conducted, so far as practicable, in accordance with the rules of evidence applicable in the district courts of the United States under the rules of civil procedure. The Senate amendment retained the language of the present Act, which provides that the rules of evidence prevailing in the courts shall not be controlling. The reason for this provision in the House bill was explained in full in the Committee Report on the bill. If the Board is required, so far as practicable, to act only on legal evidence, the substitution, for example, of assumed "expertness" for evidence will no longer be possible. The conference agreement in section 10 (c) contains this provision of the House bill.

(7) In section 10 (c), the House bill provided that the Board should base its decisions upon the "weight of the evidence." The Senate amendment retained the present language of the Act, permitting the Board to rest its orders upon "all the testimony taken". The conference agreement provides that the Board shall act only on the "preponderance" of the testimony—that is to say, on the weight of the credible evidence. Making the "preponderance" test a statutory requirement will, it is believed, have important effects. For example, evidence could not be considered as meeting the "preponderance" test merely by the drawing of "expert" inferences therefrom, where it would not meet that test otherwise. Again, the Board's decisions should show on their face that the statutory requirement has been met—they should indicate an actual weighing of the evidence, setting forth the reasons for believing this evidence and disbelieving that, for according greater weight to this testimony than to that, for drawing this inference rather than that. Immeasurably increased respect for decisions of the Board should result from this provision.

(8) In section 10 (c), both the House bill and the Senate amendment incorporated language with respect to the Board's remedial orders in cases of unfair labor practices by labor organizations. The House bill provided that, in addition to ordering respondents to cease and desist from unfair practices, the Board could order employers to take affirmative action to effectuate the purposes of the Act, including reinstatement with back pay for employees (a provision appearing in the present Act), and could also order representatives and employees to take affirmative action, and deprive them of rights under the Act for not more than one year. The Senate amendment did not contain the provision specifically authorizing the Board to deprive representatives and employees who engage in unfair practices of rights under the Act, but did contain a provision authorizing the Board to require a labor organization to pay back pay to employees when the labor organization was responsible for the discrimination suffered by the employees.

The House bill, by implication, limited the Board in its choice of remedial orders in cases of unfair labor practices by representatives not involving back pay, by specifying but one type of order that the Board might issue. The conference agreement therefore omits this provision of the House bill. As previously stated, employees are subject to the prohibitions of section 8 (b) only when they acts as agents of representatives, but in these and other cases, when they are disciplined or discharged for engaging in or supporting unfair practices, they do not have immunity under section 7. The language in the Senate amendment without which the Board could not require unions to pay back pay when they induce an employer to discriminate against an employee is included in the conference agreement.

(9) To prevent discrimination by the Board to the disadvantage of independent unions and representation plans, the House bill and the Senate amendment both included in section 10 (c) of the amended Act, in substantially similar terms, a provision to the effect that no order of the Board should require or forbid any action by an employer with respect to any labor organization that in similar circumstances would not be required or forbidden with respect to a labor organization national or international in scope, or affiliated with such an organization. In the past, the Board has made findings of violation of section 8 (2) in cases involving independent unions, committees and representation plans upon much weaker evidence than it has required in cases involving affiliated unions, and it has ordered employers to take far more drastic action with respect to independent organizations than with respect to affiliated organizations. The conference agreement adopts the language of the Senate amendment, which requires equal treatment for both affiliated and non-affiliated organizations. The language of the Senate amendment and the conference agreement in this respect is directed at orders under section 8 (a) (1) and 8 (a) (2). This specification is not intended to imply that independent and affiliated unions can or should be treated differently under other provisions. Rather, the language covers specific abuse which has come to the attention of Congress. It does not invite others.

(10) The House bill also included, in section 10 (c) of the amended Act, a provision forbidding the Board to order reinstatement or back pay for any employee who had been suspended or discharged, unless the weight of the evidence showed that the employee was not suspended or discharged for cause. The Senate amendment contained no cor-

responding provision. The conference agreement omits the "weight of evidence" language, since the Board, under the general provisions of section 10, must act on a preponderance of evidence, and simply provides that no order of the Board shall require reinstatement or back pay for any individual who was suspended or discharged for cause. Thus employees who are discharged or suspended for interfering with other employees at work, whether or not in order to transact union business, or for engaging in activities, whether or not union activities, contrary to shop rules, or for Communist activities, or for other cause (See *Wyman-Gordon* v. *N. L. R. B.* (153 Fed. (2d) 480)) will not be entitled to reinstatement. The effect of this provision is also discussed in connection with the discussion of section 7.

(11) The House bill provided that in proceedings under section 10, a proposed report and recommended order would be filed by the person conducting the hearing on behalf of the Board, and that the recommended order would become final if not excepted to within 20 days. The Senate amendment did not contain any comparable provision. The conference agreement adopts the language in section 10 (c) in the House bill in this respect.

(12) Section 10 (d) in the House bill and in the Senate amendment contained the language of the present section 10 (d) of the Act, concerning modification and setting aside by the Board of its findings and orders. The conference agreement includes this language without change.

(13) Section 10 (e) in the House bill provided that the Administrator would apply to the courts for orders enforcing the Board's orders, and then only in cases where the person against whom the order was directed failed to comply with it or thereafter violated it. The Senate amendment followed the present language of the Act, which permits the Board to petition for enforcement, but does not require it to do so. The conference agreement adopts the language of the Senate amendment.

(14) Under the language of section 10 (e) of the present Act, findings of the Board, upon court review of Board orders, are conclusive "if supported by evidence". By reason of this language, the courts have, as one has put it, in effect "abdicated" to the Board (*N. L. R. B.* v. *Standard Oil Company*, 138 Fed. (2d) 885 (1943)). See also: *Wilson & Co.* v. *N. L. R. B.* (126 Fed. (2d) 114 (1942)); *N. L. R. B.* v. *Columbia Products Corp.* (141 Fed. (2d) 687 (1944)); *N. L. R. B.* v. *Union Pacific Stages, Inc.* (99 Fed. (2d) 153). In many instances deference on the part of the courts to specialized knowledge that is supposed to inhere in administrative agencies has led the courts to acquiesce in decisions of the Board, even when the findings concerned mixed issues of law and of fact (*N. L. R. B.* v. *Hearst Publications, Inc.* (322 U. S. 111; *N. L. R. B.* v. *Packard Motor Co.*, decided March 10, 1947)), or when they rested only on inferences that were not, in turn, supported by facts in the record (*Republic Aviation* v. *N. L. R. B.* (324 U. S. 793); *La Tourneau Company* v. *N. L. R. B.* (324 U. S. 793)).

As previously stated in the discussion of amendments to section 9 (b) and section 9 (c), by reason of the new language concerning the rules of evidence and the preponderance of the evidence, presumed expertness on the part of the Board in its field can no longer be a factor in the Board's decisions. While the Administrative Procedure Act is generally regarded as having intended to require the courts to examine decisions of administrative agencies far more critically than has been their practice in the past, by reason of a conflict of opinion as to whether it actually does so, a conflict that the courts have not resolved, there was included, both in the House bill and the Senate amendment, language making it clear that the Act gives to the courts a real power of review.

The House bill, in section 10 (e), provided that the Board's findings of fact should be conclusive unless it appeared to the reviewing court (1) that the findings were against the manifest weight of the evidence, or (2) that they were not supported by substantial evidence.

The Senate amendment provided that the Board's findings with respect to questions of fact should be conclusive if supported by substantial evidence on the record considered as a whole. The provisions of section 10 (b) of the conference agreement insure the Board's receiving only legal evidence, and section 10 (c) insures its deciding in accordance with the preponderance of the evidence. These two statutory requirements in and of themselves give rise to questions of law which the courts will hereafter be called upon to determine—whether the requirements have been met. This, in conjunction with the language of the Senate amendment with respect to the Board's findings of fact—language which the conference agreement adopts—will very materially broaden the scope of the courts' reviewing power. This is not to say that the courts will be required to decide any case de novo, themselves weighing the evidence, but they will be under a duty to see that the Board observes the provisions of the earlier sections, that it does not infer facts that are not supported by evidence or that are not consistent with evidence in the record, and that it does not concentrate on one element of proof to the exclusion of others without adequate explanation of its reasons for disregarding or discrediting the evidence that is in conflict with its findings. The language also precludes the substitution of expertness for evidence in making decisions. It is believed that the provisions of the conference agreement relating to the court's reviewing power will be adequate to preclude such decisions as those in *N. L. R. B.* v. *Nevada Consol. Copper Corp.* (316 U. S. 105), and in the *Wilson, Columbia Products, Union Pacific States, Hearst, Republic Aviation*, and *Le Tourneau*, etc., cases, supra, without unduly burdening the courts. The conference agreement therefore carries the language of the Senate amendment into section 10 (e) of the amended Act.

(15) The House bill in section 10 (f) of the amended Labor Act made it possible for employees and labor organizations, as well as employers, to obtain court review of certifications by the Board of exclusive bargaining representatives, and enabled employers to obtain such review without going through an unfair practice case under section 8 (5). The Senate amendment did not contain any corresponding provision. The conference agreement omits this provision of the House bill.

(16) The conference agreement makes the same change in section 10 (f) concerning the conclusiveness of the Board's findings as is made in section 10 (e).

(17) Sections 10 (g), (h), and (i) of the present Act, concerning the effect upon the Board's orders of enforcement and review proceedings, making inapplicable the provisions of the Norris-LaGuardia Act in proceedings before the courts, were unchanged either by the House bill or by the Senate amendment, and are carried into the conference agreement.

(18) The Senate amendment, in a new section 10 (j), gave to the Board general power, upon issuing a complaint alleging an unfair labor practice, to petition the appropriate district court for temporary relief or restraining order, and gave the courts jurisdiction to grant such relief or restraining order. The House bill contained no comparable provision. The conference agreement adopts this provision of the Senate amendment.

(19) The Senate amendment also contained a new section 10 (k), which had no counterpart in the House bill. This section would empower and direct the Board to hear and determine disputes between unions giving rise to unfair labor practices under section 8 (b) (4) (D) (jurisdictional strikes). The conference agreement contains this provision of the Senate amendment, amended to omit the authority to appoint an arbitrator. If the employer's employees select as their bargaining agent the organization that the Board determines has jurisdiction, and if the Board certifies that union, the employer will, of course, be under the statutory duty to bargain with it.

(20) Section 10 (l) of the Senate amendment directed the Board to investigate forthwith any charge of unfair labor practice within the meaning of paragraph (4) (A), (B), or (C) of section 8 (b) of the conference agreement, which deals with certain boycotts and with certain strikes to force recognition of uncertified labor organizations and which has been discussed in connection with that section of the conference agreement. It directed the representative of the Board who makes the investigation, if he found that a complaint should issue, to petition the appropriate district court of the United States for injunctive relief pending the final adjudication of the Board with respect to such matter, and gave the courts jurisdiction to enjoin the practices complained of. The Senate amendment provided that a similar procedure, when appropriate, should apply to charges under section 8 (b) (4) (D) of the conference agreement. As stated above, the House bill, in section 12, provided for injunctions at the request of private persons, rather than by the Board, in cases like these. The conference agreement adopts the procedure of the Senate amendment. The power of the Board under this provision will not affect the availability to private persons of any other remedies they might have in respect of such activities.

INVESTIGATORY POWERS

Section 11 of the existing National Labor Relations Act contains provisions authorizing the Board to conduct hearings and investigations and to subpoena witnesses. Also, it provides for enforcement of subpoenas and provides for the manner in which complaints, orders and other processes of the Board shall be served.

The Senate amendment, in section 11, made no change in the provisions of existing law. The House bill, in section 11, made several changes in addition to those made necessary by the division of functions under the House bill between the Board on the one hand and the Administrator on the other. First, the subpoena power in connection with investigations was limited to investigations under section 9. Second, it was required that upon application of any party, subpoenas be issued to him as a matter of course, and a procedure was established whereby a person subpoenaed could move to quash the subpoena if the evidence covered thereby did not relate to any matter under investigation or in question or if it did not describe with sufficient particularity the evidence whose production was required. Third, a provision in existing law under which the several Departments and agencies of the Government are required to furnish to the Board, when directed by the President, records, papers, and information in their possession relating to any matter before the Board was omitted.

The conference agreement follows the provisions of existing law and the Senate amendment with the addition thereto of provisions requiring the issuance of subpoenas as a matter of course on the request of any party, as was provided in the House bill.

The Senate amendment did not make any change in section 12 of the existing National Labor Relations Act making it unlawful to impede any member of the Board or any of

its agents in the performance of their duties under the Act. This provision of existing law was omitted from the House bill. The conference agreement contains this provision of existing law.

UNLAWFUL CONCERTED ACTIVITIES

The House bill, in a new section 12 of the National Labor Relations Act, set forth certain activities which were treated as unlawful. Persons engaging in them were made subject to civil suit for damages on the part of persons injured thereby. It was provided that the Norris-LaGuardia Act should be inapplicable in respect of any action or proceeding involving any such activity, and any person who was found to have engaged in any such activity was to be subject to deprivation of rights under the Act to the same extent as a person under the House bill found to have engaged in an unfair labor practice under section 8 (b) or 8 (c)

The activities which were treated as unlawful under this section were:

(1) By use of force or violence or threats thereof, preventing or attempting to prevent individuals from quitting or continuing their employment or from accepting or refusing employment; or by the use of force, violence, physical obstruction, or threats thereof, preventing or attempting to prevent any individual from entering or leaving an employer's premises; or picketing an employer's premises in numbers or in a manner otherwise than should be reasonably necessary to give notice of the existence of a labor dispute; or picketing or besetting the home of any individual in connection with a labor dispute.

(2) Picketing an employer's premises where the employer was not involved in a labor dispute with his employees.

(3) Authorizing, participating in, or assisting any sympathy strike, jurisdictional strike, monopolistic strike, sit-down strike, or illegal boycott, or any strike to compel an employer to accede to featherbedding practices, or any strike having as an objective compelling an employer to recognize for collective bargaining an uncertified representative or having as an objective the remedying of practices for which an administrative remedy was provided by the Act, or having as an objective compelling an employer to violate any law.

(4) Any conspiracy or common arrangements between competing employers to fix or agree to terms or propose terms of employment where the employees of such competing employers were not permitted under the bill to designate a common representative.

Many of the matters covered in section 12 of the House bill are also covered in the conference agreement in different form, as has been pointed out above in the discussion of section 7 and section 8 (b) (1) of the conference agreement. Under existing principles of law developed by the courts and recently applied by the Board, employees who engage in violence, mass picketing, unfair labor practices, contract violations, or other improper conduct, or who force the employer to violate the law, do not have any immunity under the Act and are subject to discharge without right of reinstatement. The right of the employer to discharge an employee for any such reason is protected in specific terms in section 10 (c). Furthermore, under section 10 (k) of the conference agreement, the Board is given authority to apply to the district courts for temporary injunctions restraining alleged unfair labor practices temporarily pending the decision of the Board on the merits.

The provisions of section 12 treating "monopolistic strikes" as an unlawful concerted activity involved the matter of industry-wide bargaining, and this subject matter has been omitted from the conference agreement.

LIMITATIONS

Section 13 of the existing National Labor Relations Act provides that nothing in the Act is to be construed so as to either interfere with or impede or diminish in any way the right to strike. Under the House bill, in section 12 (e), a provision was included to the effect that except as specifically provided in section 12 nothing in the Act should be so construed. Under the Senate amendment, in section 13, section 13 of the existing law was rewritten so as to provide that except as specifically provided for in the Act, nothing was to be construed so as either to interfere with or impede or diminish in any way the right to strike. The Senate amendment also added one other important provision to this section, providing that nothing in the Act was to affect the limitations or qualifications on the right to strike, thus recognizing that the right to strike is not an unlimited and unqualified right. The conference agreement adopts the provisions of the Senate amendment.

Section 14 of the Senate amendment contained a provision to the effect that nothing in the Act was to be construed so as to prohibit supervisors from becoming or remaining members of labor organizations, but that employers should not be compelled to consider individuals defined as supervisors as employees for the purposes of any law, either national or local, relating to collective bargaining. There was nothing in the Senate amendment which would have the effect of prohibiting supervisors from becoming members of a labor organization, and the first part of this provision was included presumably out of an abundance of caution. The House bill had a similar policy on the power of State agencies, as was explained in the House Committee report in the discussion of section 10 (a). The conference agreement adopts the provisions of the Senate amendment.

Under the House bill there was included a new section 13 of the National Labor Relations Act to assure that nothing in the Act was to be construed as authorizing any closed shop, union shop, maintenance of membership, or other form of compulsory unionism agreement in any State where the execution of such agreement would be contrary to State law. Many States have enacted laws or adopted constitutional provisions to make all forms of compulsory unionism in those States illegal. It was never the intention of the National Labor Relations Act, as is disclosed by the legislative history of that Act, to preempt the field in this regard so as to deprive the States of their powers to prevent compulsory unionism. Neither the so-called "closed shop" proviso in section 8 (3) of the existing Act nor the union shop and maintenance of membership proviso in section 8 (a) (3) of the conference agreement could be said to authorize arrangements of this sort in States where such arrangements were contrary to the State policy. To make certain that there should be no question about this, section 13 was included in the House bill. The conference agreement, in section 14 (b), contains a provision having the same effect.

Under the Senate amendment section 15 of the existing law, which relates to the relationship between the National Labor Relations Act and the reorganization provisions of the Bankruptcy Act, was rewritten to bring it up to date, the Bankruptcy Act having been amended in material respects since the original enactment of the National Labor Relations Act. This provision was not contained in the House bill. The conference agreement adopts the provisions of the Senate amendment.

Sections 14 and 15 of the House bill on the one hand and sections 16 and 17 of the Senate amendment on the other were the same as sections 16 and 17 of the existing law. These provisions are included in the conference agreement as sections 16 and 17.

EFFECTIVE DATE

Section 102 of the House bill contained provisions designed to facilitate the change-over from the old act to the amended act. This section of the House bill also abolished the existing National Labor Relations Board, but the treatment of this provision in the House bill by the conference agreement has already been discussed.

The amended act was not to take effect until 30 days after the date upon which a majority of the members of the proposed new Board qualified and took office, or 90 days after the date of the bill's enactment, whichever occurred first. After the effective date proceedings under the old act were to continue under the amended act only if they could have been maintained if initiated under the amended act, and a similar policy was described with respect to proceedings to enforce orders of the old Board.

Provision was also made for the effect of the amended act upon existing "closed shop" and other compulsory unionism agreements, and for the effect of the amended Act upon existing certifications. These matters are discussed below in connection with the discussion of sections 102 and 103 of the Senate amendment.

The Senate amendment did not contain any postponed effective date—that is to say, the amended act was to become effective upon the bill's enactment. Section 102 of the Senate amendment provided that the amended act was not to be construed as making an unfair labor practice any act performed prior to the date of the bill's enactment which did not constitute an unfair labor practice prior thereto. It further provided that the new section 8 (a) (3) (containing the union shop proviso in place of the "closed shop" proviso of existing law) should not make an unfair labor practice the performance of any obligation entered into prior to the date of the bill's enactment unless the agreement was renewed or extended subsequent thereto.

Section 103 of the Senate amendment provided that the amended act should not affect any certification of representatives or determination as to appropriate collective bargaining units made under existing law until one year after the date of certification or (if in respect of the certification a collective bargaining contract was entered into prior to the bill's enactment) until the end of the contract period or until one year after the date of enactment, whichever first occurred.

The conference agreement, in section 104, provides that the amendments made to the National Labor Relations Act shall take effect 60 days after the date of the bill's enactment, but authority is given to the President to appoint the two additional members of the Board and to appoint the General Counsel of the Board within this 60-day period.

Section 102 of the conference agreement provides that the amended act shall not be deemed to make an unfair labor practice any act which was performed prior to the date of the bill's enactment which did not constitute an unfair labor practice prior thereto. In the case of sections 8 (a) (3) and 8 (b) (2) of the amended act, it is specifically provided that the performance of any obligation under a collective bargaining agreement entered into prior to the date of the bill's enactment, or (in case of an agreement for a period of not more than one year) entered into on or after such date of enactment but prior to the effective date, shall not constitute an unfair labor practice unless the agreement was renewed or extended subsequent thereto.

Section 103 of the conference agreement, relating to the effect of the amendments upon existing certifications, is the same (with clarifying changes) as section 103 of the Senate amendment.

TITLE II—CONCILIATION OF LABOR DISPUTES IN INDUSTRIES AFFECTING COMMERCE; NATIONAL EMERGENCIES

Title II of both the House bill and the Senate amendment contained provisions cre-

ating a new independent conciliation service, and also provisions for the treatment of strikes affecting the national health or safety. Under the House bill the new service was to be known as the Office of Conciliation. Under the Senate amendment it was to be known as the Federal Mediation Service. Both bills provided for a Director to be the head of the new service, to be appointed by the President by and with the advice and consent of the Senate, and to receive compensation at the rate of $12,000 per annum. Both the House bill and the Senate amendment transferred all of the existing functions of the United States Conciliation Service in the Department of Labor to the new independent agency created.

Since the conference agreement in general follows the provisions of the Senate amendment with respect to this service, the Senate amendment in this regard will be described, with changes therefrom made by the conference agreement noted. Section 201 of the Senate amendment contained a statement of policy which also appears unchanged in the conference agreement.

Section 202 of the Senate amendment created an independent agency to be known as the Federal Mediation Service and to be operated by a single official, called the Director, to be appointed by the President with the advice and consent of the Senate. The functions of the existing Conciliation Service were transferred to the Director, the transfer to take effect upon the sixtieth day after the date of the bill's enactment. The only change made by the conference agreement in this section of the Senate amendment is in the name of the new service. Under the conference agreement the new service is to be known as the Federal Mediation and Conciliation Service.

Section 203 of the Senate amendment described the functions of the new service and emphasized the duty of the Service to interfere only where a dispute threatened to cause a substantial interruption of interstate commerce. It provided that if the parties could not be brought to direct settlement by conciliation or mediation the Service was authorized to seek to induce the parties to submit the dispute to voluntary arbitration. Provision was made for the payment by the United States of not to exceed $500 as a contribution to the cost of an arbitration proceeding. The conference agreement, in section 203, does not mention arbitration as such but provides that if the parties cannot be brought to settlement by conciliation and mediation the Service shall seek to induce them voluntarily to seek other means of settling the dispute without resort to strike, lockout, or other coercion. The failure or refusal of either party to agree to any procedure suggested by the Director is not to be deemed a violation of any duty or obligation imposed, and the conference agreement omits the provision contained in the Senate amendment relating to the contribution by the United States to defray the costs of arbitration proceedings.

One important duty of the Director which was not included in the Senate amendment is included in the conference agreement and is derived from the provisions of the House bill providing for a secret ballot by employees upon their employer's last offer of settlement before resorting to strike. Under the conference agreement it is the duty of the Director, if he is not able to bring the parties to agreement by conciliation within a reasonable time, to seek to induce them to seek other means of settling the dispute, including submission to the employees in the bargaining unit of the employer's last offer of settlement for refusal or for approval or rejection in a secret ballot. While the vote on the employer's last offer by secret ballot is not compulsory as it was in the House bill, it is expected that this procedure will be extensively used and that it will have the effect of preventing many strikes which might otherwise take place.

Section 204 of the Senate amendment stated that it should be the duty of employers and employees, and their representatives, to exert every reasonable effort to settle their differences by collective bargaining, and if this should fail, to utilize the assistance of the Mediation Service. This provision is also included in section 204 of the conference agreement but there has been omitted therefrom language which appeared in the Senate amendment which indicated that the parties were under a duty to submit grievance disputes to arbitration.

Section 205 of the Senate amendment created an advisory committee for the new Service composed of management and labor representatives. This group was called "The National Labor-Management Panel". The panel was to be composed of 12 members, all appointed by the President, and it was made their duty, at the request of the Director, to advise in the avoidance of industrial controversies in the manner in which mediation and voluntary arbitration should be administered. Section 205 of the conference agreement follows the provisions of the Senate amendment, except that specific reference to "voluntary arbitration" is omitted.

NATIONAL EMERGENCIES

Sections 203 to 206, inclusive, of the House bill gave the President, through the district courts of the United States, power to deal with strikes that resulted in or imminently threatened to result in the cessation or substantial curtailment of interstate or foreign commerce in essential public services. Provision was made for mediation of the dispute after the injunction had issued, and for a secret ballot of the employees on their employer's last offer of settlement if mediation did not result in an agreement. If the employer's last offer was rejected by the employees, provision was made for the convening by the Chief Justice of the United States Court of Appeals for the District of Columbia of a special advisory settlement board to investigate the dispute and to make recommendations for its settlement. Another secret ballot by the employees was provided on the question whether they desired to accept the recommended settlement. At the conclusion of the proceedings provided for the Attorney General was directed to move the court to discharge the injunction and the injunction was to be discharged. These provisions were not to apply to any person or dispute subject to the Railway Labor Act.

Sections 206 to 210, inclusive, of the Senate amendment contained provisions dealing with this same problem. The Senate amendment was limited in its application to threatened or actual strikes or lockouts affecting an entire industry engaged in trade, commerce, transportation, transmission, or communications among the several States, and the power to invoke these emergency provisions was lodged in the Attorney General rather than in the President. The conference agreement in general follows the provisions of the Senate amendment, with changes therein which will be hereafter noted.

Section 206 of the Senate amendment authorized the Attorney General, whenever he deemed that a threatened or actual strike or lockout affecting an entire industry would imperil the national health or safety, to appoint a board of inquiry to inquire into the issues involved in the dispute. The board of inquiry was directed to investigate the matter and make a report to the Attorney General. The report was to include a statement of facts and a statement of the respective positions of the parties, but was not to contain any recommendations. Under section 206 of the conference agreement the authority is lodged in the President rather than in the Attorney General, and the report which the board of inquiry is to make is to include each party's statement of his own position. Like the provisions of the Senate amendment, the report of the board of inquiry cannot contain any recommendations. Furthermore, under the conference agreement the authority of this section may be invoked not alone when an entire industry is involved but where a substantial part of an entire industry is involved.

Section 207 of the Senate amendment provided for the composition of the board of inquiry, their compensation, and their powers to compel testimony. This section appears unchanged as section 207 of the conference agreement.

Section 208 of the Senate amendment authorized the Attorney General upon receiving the report of the Board of inquiry to apply to the appropriate district court for an injunction enjoining the strike or lockout, and the court was authorized to issue the injunction if it found that the strike or lockout affected the entire industry and would imperil the national health or safety. The Norris-LaGuardia Act was made inapplicable. Section 208 of the conference agreement follows the provisions of the Senate amendment except that, as heretofore stated, the authority is lodged in the President rather than in the Attorney General, and the injunction can issue if the strike or lockout affects an entire industry or a substantial part thereof.

Section 209 of the Senate amendment provided that after the district court had issued an injunction, it should be the duty of the parties to make every effort to adjust and settle their differences with the assistance of the new Federal Mediation Service. Neither party was to be under any duty to accept, either in whole or in part, and proposal of settlement made by the Service. Furthermore, after an injunction had issued, the Attorney General was directed to reconvene the board of inquiry. At the end of a sixty-day period (unless the dispute had been settled in the meantime) the board of inquiry was directed to report to the President the current position of the parties and the efforts which had been made for settlement. Such report was to be made public. Within the succeeding 15 days a secret ballot was to be taken of the employees of each employer involved in the dispute on the question of whether they desired to accept the final offer of settlement made by their employer. The conference agreement, in section 209, follows the provisions of the Senate amendment, with the authority lodged in the President rather than the Attorney General, and with the requirement that the board of inquiry include in its report a statement by each party of his own position. It is provided in the conference agreement that the employees vote on the employer's offer as stated by him.

Section 210 of the Senate amendment provided that upon certification of the results of the balloting under section 209 the injunction was to be discharged, and a full and comprehensive report of the whole matter was to be made to Congress. This provision is also included in the conference agreement, with only textual changes to conform this section to the policy of lodging the authority in the President rather than the Attorney General.

Section 211 of the Senate amendment contained a provision requiring the Bureau of Labor Statistics to maintain a file containing copies of collective agreements and arbitration awards which would be made available to the public unless involving information received in confidence. There was no comparable provision in the House bill. The conference agreement contains the provisions of the Senate amendment with minor clarifying changes.

Section 212 of the Senate amendment contained a provision stating that title II was

not to be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act. As previously noted, a similar provision, more restricted in scope, was contained in section 205 of the House bill. The conference agreement adopts the provision of the Senate amendment.

TITLE III

Section 301 of the House bill contained a provision amending the Clayton Act so as to withdraw the exemption of labor organizations under the Anti-Trust laws when such organizations engaged in combinations or conspiracies in restraint of commerce where one of the purposes or a necessary effect of the combination or conspiracy was to join or combine with any person to fix prices, allocate costs, restrict production, distribution, or competition, or impose restrictions or conditions, upon the purchase, sale, or use of any product, material, machine or equipment, or to engage in any unlawful concerted activity (as defined in section 12 of the National Labor Relations Act under the House bill). Since the matters dealt with in this section have to a large measure been effectuated through the use of boycotts, and since the conference agreement contains effective provisions directly dealing with boycotts themselves, this provision is omitted from the conference agreement.

SUITS BY AND AGAINST LABOR ORGANIZATIONS

Section 302 of the House bill and section 301 of the Senate amendment contained provisions relating to suits by and against labor organizations in the courts of the United States. The conference agreement follows in general the provisions of the House bill with changes therein hereafter noted.

Section 302 (a) of the House bill provided that any action for or proceeding involving a violation of a contract between an employer and a labor organization might be brought by either party in any district court of the United States having jurisdiction of the parties, without regard to the amount in controversy, if such contract affected commerce, or the court otherwise had jurisdiction. Under the Senate amendment the jurisdictional test was whether the employer was in an industry affecting commerce or whether the labor organization represented employees in such an industry. This test contained in the Senate amendment is also contained in the conference agreement, rather than the test in the House bill which required that the "contract affect commerce."

Section 302 (b) of the House bill provided that any labor organization whose activities affected commerce should be bound by the acts of its agents and might sue or be sued as an entity in the courts of the United States. Any money judgment in such a suit was to be enforceable only against the organization as an entity and against its assets and not against any individual member or his assets. The conference agreement follows these provisions of the House bill except that this subsection is made applicable to labor organizations which represent employees in an industry affecting commerce and to employers whose activities affect commerce, as later defined. It is further provided that both the employer and the labor organization are to be bound by the acts of their agents. This subsection and the succeeding subsections of section 301 of the conference agreement (as was the case in the House bill and also in the Senate amendment) are general in their application, as distinguished from subsection (a).

Section 302 (c) of the House bill contained provisions describing the value of suits to which labor organizations were parties and section 302 (d) provided for the manner of service of process upon labor organizations. These provisions of the House bill appear unchanged as section 301 (c) and (d) of the conference agreement.

Section 302 (e) of the House bill made the Norris-LaGuardia Act inapplicable in actions and proceedings involving violations of agreements between an employer and a labor organization. Only part of this provision is included in the conference agreement. Section 6 of the Norris-LaGuardia Act provides that no employer or labor organization participating or interested in a labor dispute shall be held responsible for the unlawful acts of their agents except upon clear proof of actual authorization of such acts, or ratification of such acts after actual knowledge thereof. This provision in the Norris-LaGuardia Act was made inapplicable under the House bill. Section 301 (e) of the conference agreement provides that for the purposes of section 301 in determining whether any person is acting as an agent of another so as to make such other person responsible for his actions, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

RESTRICTIONS ON PAYMENTS TO EMPLOYEE REPRESENTATIVES

Section 302 of the Senate amendment contained a provision making it unlawful for any employer to pay any money or thing of value to any representative of his employees employed in an industry affecting commerce, or for any such representative to accept from the employer any money or other thing of value, with certain specified exceptions. The two most important exceptions are (1) those relating to payments to a representative of money deducted from the wages of employees in payment of membership dues in a labor organization if the employer has received from each employee on whose account the deductions are made a written assignment not irrevocable for a period of more than one year or beyond the termination date of the applicable collective agreement, and (2) money paid to a trust fund established by the representative for the sole and exclusive benefit of the employees of such employer and their families and dependents (or of such employees, families, and dependents jointly with the employees of other employers making similar payments, and their families and dependents). Such a trust fund had to meet certain requirements. Among these requirements were that the fund be held for the purpose of paying for medical or hospital care, pensions on retirement or death, compensation for injuries or illness resulting from occupational activity, or insurance to provide any of the foregoing, or life insurance, disability and sickness insurance, or accident insurance. Furthermore, the detailed basis on which the payments were to be made had to be specified in a written agreement with the employer and the employees and employers had to be equally represented in the administration of the fund. Provision was made for the breaking of deadlocks on the administration of the fund, and the agreement covering the fund had to contain provisions for annual audit, and a statement of the results of the audit were to be made available for inspection by interested persons.

Violations of this section of the Senate amendment were made punishable by a fine of not more than $10,000 or by imprisonment for not more than one year, or both.

Saving provisions were included to protect existing contracts between employers and employees.

The conference agreement adopts the provisions of the Senate amendment with minor clarifying changes.

BOYCOTTS AND OTHER UNLAWFUL COMBINATIONS

Section 303 of the Senate amendment contained a provision the effect of which was to give persons injured by boycotts and jurisdictional disputes described in the new section 8 (b) (4) of the National Labor Relations Act a right to sue the labor organization responsible therefor in any district court of the United States (subject to the limitations and provisions of the section dealing with suits by and against labor organizations) to recover damages sustained by him together with the costs of the suit. A comparable provision was contained in the House bill in the new section 12 of the National Labor Relations Act dealing with unlawful concerted activities. The conference agreement adopts the provisions of the Senate amendment with clarifying changes.

RESTRICTIONS ON POLITICAL CONTRIBUTIONS

Section 304 of the House bill contained a provision placing on a permanent basis the provisions which were contained in the War Labor disputes Act whereby labor organizations were prohibited from making political contributions to the same extent as corporations. In addition, this section extended the prohibition, both in the case of corporations and labor organizations, to include expenditures as well as contributions. Moreover, expenditures and contributions in connection with primary elections and political conventions were made unlawful to the same extent as those made in connection with the elections themselves. There was no comparable provision in the Senate amendment. The conference agreement adopts the provisions of the House bill, with one change. Under the conference agreement expenditures and contributions in connection with primary elections, political conventions, and caucuses are made unlawful to the same extent as those made in connection with the elections themselves. As a clarifying change the definition of a labor organization has been set forth in full rather than incorporating the provision of the National Labor Relations Act.

STRIKES BY GOVERNMENT EMPLOYEES

Section 207 of the House bill made it unlawful for any employee of the United States to strike against the Government. Violations of this section were to be punishable by immediate discharge, forfeiture of all rights of reemployment, forfeiture of civil service status, and forfeiture of all benefits which the individual had acquired by virtue of his Government employment. The conference agreement, in section 305, makes it unlawful for any individual employed by the United States or any agency thereof (including wholly owned Government corporations) to participate in any strike against the Government. Violations are to be punishable by immediate discharge and forfeiture of civil service status, if any, and the individual is not to be eligible for employment by the United States for three years.

TITLE IV—CREATION OF JOINT COMMITTEE TO STUDY AND REPORT ON BASIC PROBLEMS AFFECTING FRIENDLY LABOR RELATIONS AND PRODUCTIVITY

Title IV of the Senate amendment created a joint Congressional committee consisting of seven members of the Senate Committee on Labor and Public Welfare to be appointed by the President pro tempore of the Senate, and seven members of the House of Representatives Committee on Education and Labor to be appointed by the Speaker. The committee was directed to conduct a survey of the entire field of labor-management relations with particular emphasis upon particular described subjects. The committee was to make a report not later than February 15, 1948, containing the results of the studies together with its recommendations as to necessary legislation and such other recommendations as it might deem advisable. Authority was granted to hire technical and clerical personnel and to request details of personnel from Federal and State agencies. The committee was granted subpoena power and authority to conduct hearings whether or not Congress was in session. An appropriation of $150,000 was authorized to enable the committee to perform its functions.

Title IV of the conference agreement adopts the above provisions of the Senate amendment with one change. The committee is directed to make its final report not later than January 2, 1949.

TITLE V

Section 501 of the Senate amendment contained definitions of terms used in titles II, III, and IV It should be noted that none of the terms defined, however, have any application to the amendment to section 313 of the Federal Corrupt Practices Act since section 313 of the Corrupt Practices Act is not a part of "this Act"

Section 502 of the Senate amendment contained a provision that nothing was to be construed to require an individual employee to render labor or service without his consent, or to make the quitting of his labor by an individual employee an illegal act. It was further provided that the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at their place of employment should not be deemed a strike under the Act.

Section 503 of the Senate amendment contained the usual separability provision.

Sections 501, 502, and 503 of the Senate amendment are contained in the conference agreement with the same section numbers.

FRED A. HARTLEY, Jr.,
GERALD W. LANDIS,
GRAHAM A. BARDEN,
Managers on the Part of the House.

Mr. HOFFMAN (interrupting reading of conference report). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, I have a point of order to make against the report, and I want to be recognized for that at the proper time.

The SPEAKER. The gentleman will make it after the report has been read.

The Clerk continued reading the conference report.

Mr. HARTLEY (interrupting reading of conference report). Mr. Speaker, I ask unanimous consent that further reading of the report be dispensed with and that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, I have no objection to dispensing with the reading of the report, but I do not want to consent to the reading of the statement because if I did I would waive my point of order.

The SPEAKER. The gentleman's rights will be fully protected.

Mr. MARCANTONIO. Mr. Speaker, not having had access to this report until this morning, I think the House should hear it. Therefore I am constrained to object.

The Clerk continued the reading of the conference report.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the further reading of the report be dispensed with.

Mr. MARCANTONIO. I am constrained to object, Mr. Speaker.

The Clerk concluded the reading of the conference report.

The SPEAKER. The question is on the adoption of the conference report.

Mr. HOFFMAN. Mr. Speaker, I make a point of order against the conference report.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, the report is not in order for the following reasons:

Only those matters which were in disagreement between the two Houses were before the conferees and the conferees have changed the text heretofore agreed to by both Houses; and

The report inserts additional matter which, even though germane, the conferees had no authority to insert.

In H. R. 3020—print of April 18, page 33—and in H. R. 3020—in the Senate of the United States, May 13 print, page 33—the language reads as follows:

SEC. 9 (f) (6). No labor organization shall be certified as the representative of the employees if one or more of its national or international officers, or one or more of the officers of the organization designated on the ballot taken under subsection (d), is or ever has been a member of the Communist Party or by reason of active and consistent promotion or support of the policies, teachings, and doctrines of the Communist Party can reasonably be regarded as being a member of or affiliated with such party, or believes in, or is or ever has been a member of or supports any organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods.

In the bill as it passed the Senate, section 9 (h) of H. R. 3020, Senate print of May 13, the language, page 93, is as follows:

SEC. 9 (h). No labor organization shall be certified as the representative of the employees if one or more of its national or international officers, or one or more of the officers of the organization designated on the ballot taken under subsection (c), is a member of the Communist Party or by reason of active and consistent promotion or support of the policies and doctrines of the Communist Party can reasonably be regarded as being a member of or affiliated with such party, or believes in, or is a member of or supports any organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods.

It will be noted that the only difference between the language in the House and the Senate bills is that in the Senate version there is omitted after the word "is", in line 7, and the word "is", in line 11, the words "or ever has been", which are contained in the House bill; and that, in the Senate bill, the word "teachings", which is in the House bill, has been omitted after the word "policies" at the end of line 8 of paragraph (h).

This section, which is section 9, entitled "Representatives and Elections", deals with the designation of certification of representatives for collective bargaining.

Section 9 (a) of H. R. 3020, conference committee print, May 30, beginning page 22, deals with the same general subject, "Representatives and Elections." It contains no provision whatever similar to the above-quoted provisions from the Senate and House bills dealing with the subject of certification as representatives of the employees and calls for no certificate similar to that described in the provisions of either bill, but it adds an entirely new requirement—section 9 (h), page 30, conference print—which denies an investigation of a complaint unless there is on file with the Board an affidavit stating certain facts.

The language of this section is as follows—page 30:

SEC. 9 (h). No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, no petition under section 9 (e) (1) shall be entertained, and no cofnplaint shall be issued pursuant to a charge made by a labor organization under subsection (b) of section 10, unless there is on file with the Board an affidavit executed contemporaneously or within the preceding 12-month period by each officer of such labor organization and the officers of any national or international labor organization of which it is an affiliate or constituent unit that he is not a member of the Communist Party or affiliated with such party, and that he does not believe in, and is not a member of, or supports any organization that believes in or teaches the overthrow of the United States Government by force or by any illegal or unconstitutional methods. The provisions of section 35 A of the Criminal Code shall be applicable in respect to such affidavits.

The language of the Senate and the House bills dealing with the certification of a labor organization as a representative of the employees being practically identical, the conferees had no authority to impose a similar requirement as a condition precedent to an investigation by the Board.

The Senate and the House bills dealt with the certification of a union as a representative for the purpose of collective bargaining, while the conference report deals with an entirely different subject, that is, an investigation of a complaint and the authority to entertain a complaint.

The power conferred upon the Board to investigate complaints is contained in section 10 of H. R. 3020—Senate print of May 13, page 36 and subsequent pages.

The same power is conferred upon the Board by section 10 (b) of the Senate bill—page 94 of the May 13 print.

But neither section 10 of the House bill nor section 10 of the Senate bill, nor any other section of either bill, contains any limitation upon the investigatory power of the Board which requires the filing of the affidavit called for by section 9 (h) of the conference report.

The conferees have no authority to add this new additional restriction upon the powers of the Board, neither Senate nor House having imposed any such restriction upon the Board's power to investigate complaints as to unfair labor practice.

If it be argued that the provisions of the two bills with reference to the certification of a labor organization as the collective bargaining representative are not technically identical, it is still true that this second objection is good for the reason that the conferees have added new matter to the bill, which was never given consideration by either House, as a restriction upon the power of the Board to make investigations of unfair labor complaints and to issue complaints.

While it is true that—in the conference report—section 9 (h) is carried under the subtitle of "Representatives and Elections," the paragraph itself and

the language in it contain these additional requirements, and I quote beginning in line 6, page 30:

> No petition under section 9 (e) (1) (and this is a petition for a closed shop—page 26) shall be entertained, and no complaint shall be issued pursuant to a charge made by a labor organization under subsection (b) of section 10, unless there is on file with the Board an affidavit—

Setting forth certain facts.

Now, subsection (b) of section 10 is under the subtitle "Prevention of Unfair Labor Practices," and the procedure found in section (b) of section 10 has to do solely with charges of unfair labor practice.

There is in neither Senate—section 10, page 94, H. R. 3020, Senate print of May 13—nor House bill—section 10, page 36, H. R. 3020, May 13 print—any language limiting the power of the Board to either entertain a charge or issue a complaint similar to the limitation contained in section 9 (h).

It necessarily follows that, if the conferees were conferring on the House and Senate bills, they exceeded their power in adding this restriction to the power of the Board when neither House considered, debated or passed upon that restriction.

If the Speaker holds that the conferees were not considering the House bill—had under consideration only the Senate bill—then under the rules of the House I concede the conferees had authority to write a new bill.

The SPEAKER. Does anyone desire to rise in opposition to the point of order?

Mr. MICHENER. Mr. Speaker, I rise in opposition to the point of order.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield to make one more statement?

Mr. MICHENER. Certainly, I yield to the gentleman from Michigan.

Mr. HOFFMAN. I want to add that this point of order is made not only in good faith but also for the purpose of bringing to the attention of the Members of the House, if the ruling is adverse, that they are not considering the Hartley bill which was adopted by the House by a vote of 308 to 107 but they are considering an entirely new bill that was written in conference by seven men—three from the House and four from the other body.

Mr. MICHENER. Mr. Speaker, in the case before us the House passed the Hartley bill, H. R. 3020. The Senate amended the Hartley bill by striking out everything after the enacting clause and inserting a new bill which was in fact a substitute for the House bill. The House bill was generally referred to as the Hartley bill and the Senate substitute as the Taft bill. The Senate sent the amended Hartley bill back to the House and requested the concurrence of the House in the Senate amendment. The House refused to agree to the Senate amendment, and the Hartley bill, as amended by the Senate, went to conference. The conferees accepted neither the House bill nor the Senate substitute, but in fact wrote a new bill, which is embodied in the conference report against which the gentleman from Michigan [Mr. HOFFMAN] has made a point of order.

My colleague from Michigan insists that the conferees have exceeded their authority; that they had no power to write a new bill, and that in addition they have inserted language not found in either the House bill or the Senate bill.

I am sure the Speaker realizes that my colleague from Michigan has not raised a new question and that there are numerous precedents and rulings made by Speakers down through the years covering this very point. The House was not advised that this point of order was to be made, and I have had no opportunity to make a careful research of the precedents. I do hold in my hand, however, Cannon's Procedure in the House of Representatives where the authorities and precedents are collated. I shall not read the long list of precedents but call the Speaker's attention to the last paragraph on page 128 of Cannon's Procedure which reads as follows:

> Where one House strikes out of the bill of the other, all after the enacting clause and inserts a new text, conferees may discard language occurring both in the bill and the substitute (VIII, 3266), and exercise a wide discretion in the incorporation of germane (VII, 3263-3265) amendments and may even report a new bill germane to the subject (V, 6421, 6423, 6424; VIII, 3248).

Mr. Speaker, it is clear that the conferees had a perfect right to write a new bill, which in reality is a substitute for the House bill and the Senate substitute. The only limitation under the above decision placed upon the conferees is that they may not insert any material in the conference report or the conference bill which is not germane to the subject. A reading of the conference report is conclusive proof that nothing has been injected in the conference report that is not germane to the subject covered in the Hartley bill and in the Taft substitute. If this conclusion is correct, and I believe it is, then the Speaker, following precedent, must overrule the point of order.

Mr. HALLECK. Mr. Speaker, in opposition to the point of order raised by the gentleman from Michigan [Mr. HOFFMAN] I would like to point out that in the Hartley bill, H. R. 3020, as adopted by the House of Representatives there was a provision seeking to deal with the matter of Communist-dominated unions. There was a similar provision in the Senate bill, that is, similar in that it went to the same objective. However, even the language in those two provisions was not identical. If my memory serves me correctly, the Senate provision did not have what has come to be known as the Bell amendment offered by the gentleman from Missouri, so there clearly was a difference in the language of those two particular sections as well, of course, as there is complete difference, as the gentleman from Michigan [Mr. MICHENER] has so ably pointed out, in that the Senate struck out all after the enacting clause and substituted entirely new language.

So, I insist, Mr. Speaker, that the language as written in the conference report deals with the identically same subject matter. It seeks to deal with the matter of Communist domination and leadership in unions. Hence it is germane. There is no new matter added. There is no question involved as to taking out any language that was identical in both bills because, as I have pointed out, and as the gentleman from Michigan has pointed out, the language is not identical.

The SPEAKER. Does the gentleman from Michigan [Mr. HOFFMAN] desire to be heard further?

Mr. HOFFMAN. Mr. Speaker, I raise no question about the germaneness of the language put in by the conferees; that was not my point. The point was that they had added additional language to the bill which was in neither bill. But if, as I stated before, the conferees were considering and the House is now considering an entirely new bill written by the conferees, then I concede my point is not well taken. My purpose was to make it clear to the House and to the country that we are not passing the House bill. We will be voting upon something entirely different.

The SPEAKER. This is not a new point of order. It has been many times presented to the House and there are many decisions relative to what the gentleman from Michigan contends. The decisions on this question date back practically more than 100 years, and precedents have been established on several similar points of order. When either branch of Congress strikes out all after the enacting clause of a bill of the other there is unusually wide latitude permitted for the conferees to work on to secure a meeting of the minds between the two bodies. There is no question in the mind of the Chair but what there is no new matter worked here. It is all contained in one or the other of the two bills which were sent to conference.

In that connection the Chair wishes to read a previous decision which was made by the distinguished gentleman from Texas [Mr. RAYBURN], former Speaker of the House, on March 27, 1945, when the mobilization of civilian manpower bill conference report was under consideration. The gentleman from Texas [Mr. RAYBURN] at that time when a similar point of order was raised stated:

> This is an old question. The Chair recalls that this question was originally passed upon by Mr. Speaker Henry Clay on the 23d of June 1812. It was passed upon, and the Chair has before him the specific question, by Mr. Speaker Colfax on March 3, 1865, in which Mr. Speaker Colfax held:
>
> "Where one House strikes out all of the bill of the other after the enacting clause and inserts a new text, and the differences over this substitute are referred to conference, the managers have a wide range of discretion in incorporating germane matters and may even report a new bill on the subject."
>
> Mr. Speaker Clark on June 12, 1917, held:
>
> "Where one House has amended the bill of the other House by striking out all after the enacting clause and substituting a new text, the conferees have the entire subject before them and may report any germane bill."
>
> The Chair might state that that decision was followed by Mr. Speaker Gillett in the early 1920's and by Mr. Speaker Longworth between 1925 and 1931.

The Chair is convinced the conferees have followed well-established precedents and therefore overrules the point of order.

Mr. HARTLEY. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I do not believe that any committee of this House has had a more difficult job and a more difficult problem facing it than the House Committee on Education and Labor. It has been made difficult because I believe there have been more misstatements and more exaggerations stated in connection with the bill as it originally passed the House and as it has finally been agreed upon in conference than any bill that ever went through this body in the 19 years I have been a Member. Those of us who really want to see a bill enacted into law have been criticized very severely on both sides. We have been criticized by those who do not want any bill at all. They have called the bill drastic, and they have called it antilabor and have called its sponsors labor baiters. They have charged that it is going to wreck the labor movement. On the other hand there are those who either want no bill at all or who would really cripple the labor movement, who attack it on the other side. So I say to the Members of the House, I believe those of us who have made concessions and who have gotten a bill before you today that can be enacted into law have rendered a service to the Nation, we have rendered a service to labor, and we have rendered a service to the general public as well.

Entirely too much emphasis has been placed on the so-called concessions that the House conferees made during the conference. I will be very frank and say that I agreed to some of these concessions very reluctantly. I would much rather have seen the House bill as it originally passed enacted into law, but I want to see a bill that can be enacted into law passed by this Congress.

Just what really basic concessions did the House conferees make? We conceded on the ban in our bill in industry-wide bargaining. We conceded on the ban in our bill on welfare funds. We conceded on the question of injunctions to be obtained by private employers and on the provisions making labor organizations subject to the antitrust laws.

I call your attention to what is left in this bill, because I think you are going to find there is more in this bill than may meet the eye and may have been heretofore presented to you. This bill still exempts supervisors from the act. It prohibits the closed shop. The House conferees were able to obtain Senate agreement to our policy finding. This bill, contrary to reports that have gone out—and the Senate conferees agreed with us on this—does prohibit mass picketing and the use of violence in the conduct of a strike. On that provision we accepted the Senate language, which does restrict intimidation and coercion. This bill bans jurisdictional strikes and boycotts. It provides free speech for all. It amends the National Labor Relations Act, and those amendments to the act will become effective 60 days hence. This bill also, contrary to some reports that have gone out, does ban featherbedding. The bill also provides a section dealing with strikes which imperil the national health and safety.

May I say in passing if you want to meet John L. Lewis face to face and anyone else who is going to try and tie up our entire economy, and if you want to prevent a serious attack upon our economy, then you are going to do it by endorsing that provision in this bill.

This section provides: That the President shall, whenever he considers that the national health and safety is imperiled by a strike in a Nation-wide industry or substantial part thereof, first appoint a board of inquiry which shall obtain the facts and shall report to him within a reasonable time as specified by the President. When that board of inquiry makes its report, then the Attorney General is authorized to seek an injunction. And if the court also finds that the national health and safety is imperiled, the injunction is issued. Thereupon, there is provided a 60-day period of conciliation.

Once again the board of inquiry makes its report to the President and the public, too, will know the issues involved. Then, there will be a vote by the employees on the last offer of the employers or individual employer.

This bill also prohibits strikes against the Government.

The bill furthermore prohibits political contributions or expenditures by both employers and labor organizations.

The bill creates a Federal mediation and conciliation service separated from the Labor Department.

The bill further prohibits labor organizations from invoking the processes of the act unless all of the officers file affidavits with the board that they are not members of the Communist Party or other subversive organizations.

The present law relating to unfair labor practices by employers remains as is.

This bill also sets up a joint congressional committee for further study of the labor situation. Some of these issues still will have to be determined and perhaps given further study or more adequate study, and if we find that sort of a situation we can then come back to the Congress with additional legislation.

This bill also prohibits excessive or discriminatory initiation fees by labor organizations.

Once again the bill permits a check-off only if the individual concerned authorizes it, and that is revocable in 1 year.

This bill once again protects the validity of State laws on labor. Here is how we do it. This bill provides for an addition to the present board of two members. In other words, it creates a board of five members.

It abolishes the review section of the present National Labor Relations Board which has always caused so much trouble where the local examiners went in and helped influence the final decision of the Board.

It creates a general counsel who shall be independent of the Board and on all complaints by employees the counsel shall be the investigator and prosecutor, and the Board itself will be merely a quasi-judicial board passing on the case as presented by the counsel.

In addition to that, the bill requires that the rules of evidence shall apply as far as local examinations are concerned. The bill says that the Board itself shall move only on a preponderance of the evidence and also materially broadens the scope of the judicial review.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. HARTLEY I yield.

Mr. OWENS. I believe that one of the most important portions of this bill is the division of powers; that is, the division of the functions, the investigation, the prosecution, the complaints, and the judicial end. The gentleman mentioned that the general counsel would be absolutely independent.

In the language on page 12 of the bill, page 24, page 30, page 31, page 32, and other parts, it constantly refers to the Board.

The SPEAKER. The time of the gentleman from New Jersey [Mr. HARTLEY] has expired.

Mr. HARTLEY. Mr. Speaker, I yield myself three additional minutes.

Mr. OWENS. It is my understanding that the conference is saying to the House at this time that those different sections, where they mention the Board, mean that it is the general counsel who shall have the power to proceed with the investigation, with the complaint, and shall have complete power over the attorneys who are prosecuting; that the Board shall not control him or have the right of review in any way. Is that correct?

Mr. HARTLEY. The gentleman's opinion is absolutely correct. The reference to the Board was necessary because, in order to have this man independent of the Board, we had to use the term "Board." Otherwise we would have had to set up a completely independent agency. The gentleman's understanding is correct. He acts on behalf of the Board but completely independent of the Board.

Mr. MACKINNON. But while he is completely independent of the Board, he is authorized, insofar as his duties are concerned, to act in the name of the Board?

Mr. HARTLEY. Yes; in the name of the Board.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HARTLEY. I yield.

Mr. KERSTEN of Wisconsin. I wish to compliment the gentleman on the very fine exposition he is making of the conference report. I would like to ask the gentleman about that portion which pertains to the validity of State laws. Wisconsin and other States have their own labor relations laws. We are very anxious that disputes be settled at the State level insofar as it is possible. Can the gentleman give us assurance on that proposition, so that it is a matter of record, that that is the sense of the language and of the report?

Mr. HARTLEY. That is the sense of the language of the bill and of the report. That is my interpretation of the bill, that this will not interfere with the State of Wisconsin in the administration of its own laws. In other words,

this will not interfere with the validity of the laws within that State.

Mr. KERSTEN of Wisconsin. And it will permit as many of these disputes to be settled at the State level as possible?

Mr. HARTLEY. Exactly.

Now, I would like to say in connection with the so-called concessions, that the greatest concession that was obtained by either body was obtained by the House when the House Labor Committee insisted upon an omnibus bill. I say to you in all sincerity if we had not insisted on an omnibus bill in the first instance I do not believe we would have 10 percent of this legislation ever enacted into law. If we had adopted a piecemeal approach that was proposed in the other body very little would have been enacted into law.

I also want to make it perfectly clear that there was no concession made except upon the assurance that it would provide us votes in another body to be certain that the legislation would be enacted into law.

There is an error of transposition in the statement of the House managers on the bill. On page 44 of the report containing the statement of managers, the sentence appearing at the end of paragraph (1)—the paragraph discussing section 8 (b) (2) of the conference agreement—was meant to appear at the end of paragraph (3), in the discussion of section 8 (b) (4).

This is a change in the trend of the last 25 years or so, in labor legislation, but let me remind you of this: This bill was written primarily to put labor and management on an equal basis, but above the rights of labor and above the rights of management, we were thinking in terms of what is best for the general public. We tried to protect the interests of the general public and I think we have done it. It is a moderate bill. It is fair to both labor and management, but, above all, it protects the public interest. I hope the conference report is adopted by a vote of at least 3 to 1.

The SPEAKER. The time of the gentleman from New Jersey [Mr. HARTLEY] has again expired.

Mr. HARTLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. LESINSKI].

Mr. LESINSKI. Mr. Speaker, in my 15 years of service in the House I have never been burdened with a more solemn or difficult task than is mine today.

It is difficult because I know full well that the outcome is already determined. I harbor no hope that what I or others say or do here today will alter the final vote. It is a greater tragedy because of this knowledge. Today minds are no longer receptive to argument nor open to suasion. I am fully aware of a determination on the part of a majority of this Chamber to adopt without full consideration the conference report before us. This knowledge only makes my responsibility the greater and the inevitable outcome the more distressing.

I have said this is a solemn occasion. It is solemn to me, and my heart is heavy with contemplation of what our action today will mean to America's future and to the welfare of our Nation. Indeed, I could not contemplate it without abandoning hope of our future if it were not for my limitless faith in the peoples of the United States who will not tolerate for long a legislative grant of special privilege. I cannot let the occasion pass without a word on what we are about to do.

The first indications of recession are already abroad, but a majority of this Congress appear to be blissfully unaware of the danger signals. Instead of caution and attention to a program that will prevent another economic collapse and improve the well-being of our people, we are unhappily prepared to strike another body blow at the workingman, who is the sole hope of stability and prosperity. Rather than sincere efforts to expand and increase the welfare and purchasing power of the great mass of wage earners, we are invited instead to further weaken their strength, to enervate their organizations, and to suppress their legitimate rights.

The majority party never seems to learn the lessons of history. After the First World War, industry, with the cooperation of the Congress, virtually destroyed the American labor movement. Oh, it was all accomplished in the interest of business revival and a return to normalcy. But what did that concept of normalcy mean to the man who works with his hands and by the sweat of his brow? It only meant that his rights were denied him, that his wages were decreased, that his purchasing power was absorbed by entrenched and more powerful interests, and that he was denied any assistance from his Government. To America it meant that the forces of economic collapse were rampant in the hands of a privileged few who gained special advantage from others' misfortune.

We all know what a debacle followed. Are we today willingly to undertake another step along the same road? Have we learned nothing from past experience?

In sharp contrast is our experience since 1933. Beginning in 1933, a balanced program of recovery was initiated. Neither industry nor labor received special advantage. The result was an economic team that revived America and thus the world. Labor was accorded protection against infringement of its natural rights and provided an atmosphere within which to achieve its legitimate aspirations. Wages were increased, purchasing power expanded, industrial activity increased to meet the new demands, and the resulting prosperity was the envy of the world and a challenge to history. The momentum attained inspired the cooperative efforts of World War II—and need I remind this Congress of the miracles we then accomplished?

Striking, in its similarity, is the experience of Europe and the Orient. In Russia labor was controlled. In Italy labor was suppressed. In Germany and Japan labor was placed in a strait-jacket. The inevitable result of such blind, unreasoned disregard of moral rights and government irresponsibility led directly to dictatorship. No other result was possible. A natural right cannot long be suppressed without the aid of force for it lies deep within the very soul of man and is as powerful and real as life itself. The only real, lasting guaranty of democracy is the common man. Deny him and you reject democracy.

We must choose here—today—are we willing to suppress his rights and, if so, will we be willing at a later date to tolerate the conflicts that will result or in the alternate to provide the force that will be necessary to keep him suppressed?

I say this in all sincerity. We are not here treating an ordinary matter. We are today concerned with a fundamental, natural, human right—that depends neither on the Constitution nor action of the Congress. It exists because man exists.

We have been told that we must limit this right; that we must guard against the power of labor; that labor has gone too far; that because labor has exercised its rights and organized for common purposes that its collective strength is a danger that must be suppressed. But in dealing with the natural rights of a group of persons acting in concert, you are no less dealing with the human rights of each individual. We cannot escape the responsibility—nor in good conscience can we be blind to the inevitable results.

Why am I so serious and why do I seem so melancholy today? Mr. Speaker, if this body were fully aware of the provisions of this bill and determined to proceed irrespective of its implications and inevitable catastrophic results, I would be far less concerned because at least our action would then be based on knowledge and thus the results intended. But unfortunately, that is not the fact.

The matter before us is no ordinary piece of legislation. It is one of the most adroit and plausible and seemingly rational proposals presented to the Congress in my experience. But in it danger lies, not only in its potential effects, but in its subtlety. The Congress is being misled. Too few in this Chamber have analyzed this measure, and its implications to America, to act rationally. The "cloven hoof" is concealed in a stylish shoe.

Its proponents prate against power—but here license the powerful to oppress the workingman.

They speak out against concentration of Government authority—but here create an agency with more power over labor and management than ever before in history.

They condemn bureaucracy—but here impose administrative requirements on an agency of Government that will require that its staff be expanded threefold, and at least two new agencies be created.

They argue their love of labor—but here place their stamp of approval on company unions and Government injunctions.

They abhor Government interference—but here impose the most unconscionable restriction on labor organizations and require detailed reports submitted by no comparable activity.

They are for God and country—but here tamper with natural rights which

are beyond our ken, and contribute to a reversal of economic prosperity by depriving workers of their strength.

Oh, and that is not all—but it is too late.

It will be too late today to avoid the prearranged results to follow. But the hope of America is in tomorrow, and this evil thing will, mark my words, shortly be undone.

Mr. HARTLEY. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Speaker, I am disappointed in the conference labor bill. In my opinion, the House bill embraced the provisions desired by the great bulk of the American people. But, since all legislation is a product of compromise and since the conference bill is preferable to no bill at all, I support and urge its approval by the Members of this House.

Mr. HARTLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, the conference report on H. R. 3020, known as the Hartley-Taft bill, cannot be intelligently discussed in the short time allotted. Columns of misleading propaganda have been given the public, by certain newspapers and commentators, that the conference committee bill is a much milder bill than the labor legislation passed by the House over a month ago. This propaganda is misleading and issued in order to confuse the Members of Congress and the public. The American people have been led to believe that employers generally are in favor of the Hartley-Taft labor bill. The vast majority of industrial management, if they were thoroughly familiar with the provisions which are so cleverly set up in the conference report of H. R. 3020, would be opposed to this legislation. In the past few weeks I have spoken to gatherings on this legislation in New Jersey, Pennsylvania, and the Calumet region in Indiana. I have had employers come to me after the meetings and express concern and apprehension over its passage. They possess this attitude in spite of the fact that 90 percent of the misleading propaganda on this bill has been intensely and unfairly antilabor. I might call the Members' attention to one major industry whose management cooperated and faithfully bargained collectively with the union representing their employees. I refer specifically to the steel industry in the Calumet region of Indiana. I have on this table protest petitions containing over 20,000 signatures from the Calumet region (Lake County, Indana) against this Hartley-Taft bill. These signatures are from workers, businessmen, farmers, veterans, and so forth. After World War I, this great industrial area was plagued with strikes and lock-outs, involving terrific property damage and loss of life. Members can recollect more recently when 19 industrial workers were shot down in the South Chicago strike riot on Memorial Day 1937. This was before the Wagner Act. In spite of the unreasonable rise in the cost of living and the reduction of take-home pay since VJ-day, industrial unrest in the Calumet region has been at a minimum and strikes have been practically negligible. The propaganda used by the sponsors of this legislation to mislead the American public has been a systematic magnifying of a few unfortunate labor-management strikes and disputes which have occurred throughout the country. Nothing has been said about the tens of thousands of labor disputes which have been equitably and justly settled under the existing National Labor Relations Act.

I know that a great number of Members on this floor have not digested and thoroughly analyzed the 73 pages in this conference report. I will refer to but a few provisions in the limited time allotted.

Section 8 (a) (3) pretends to permit union security such as maintenance, union shop, and so forth, but it provides that the union must secure an affirmative vote of a majority, not only of those who participate in the vote but of all the employees in the entire unit (including those who failed to turn out to vote). Imagine the difficulty involved in a provision like this where twenty or thirty thousand men work in one separate plant, like an automobile factory or a steel mill. Other provisions in this section practically nullify union security.

It also provides under section 9 (e) (2) that after the union has cleared all the impeding hurdles involving elections, contracts, and so forth, in the above section, that after 1 year, a minority group of 30 percent of the employees can secure a new ballot to take away the right to union security.

It also provides that even though a majority or unanimous vote may have authorized the collective-bargaining representative to negotiate a check-off, the collective representation must be broken down into individual assignments.

The bill in section 2 and in section 10 retains some of the language of the present Wagner Act, recognizing that public policy requires collective bargaining, but in a comprehensive reading of the collective-bargaining sections, one can easily see that an obstinate, unfair, and uncooperative employer can practically nullify collective bargaining under the provisions of this legislation.

Under section 9 (f) (g), even if the employees succeed in organizing themselves, the bill discovers new ways of preventing them from achieving collective-bargaining rights. Another of the unfair and hidden impediments to good faith collective bargaining is the following: An unfair employer could evade any obligation to bargain with a union representing any or all of his employees if he can show that among all the members of the international union throughout the country, there may have been one union member who did not receive the required financial report. As a matter of fact, under the bill, the employer would not even have the burden of proving this because the burden is on the union to show that it has furnished to all of the members such a report.

Further, under section 9 (h), once an officer of either the local or national union anywhere in the country would neglect or fail to file an affidavit that he or she at one time was a member or affiliated with the Communist Party, then all collective bargaining with all locals of that national union throughout the country may break down. Thousands of innocent union members would suffer by reason of the refusal or neglect of an individual union officer in some remote part of the United States to file the required affidavit.

Section 8 (b) (4) of the bill seriously restricts the right of employees to strike or boycott for the purpose of protecting their own organizations and their wage-and-hour standards against the destructive competition of nonunion labor. This section is not limited to the prevention of those jurisdictional strikes and secondary boycotts which President Truman recommended should be banned, but prohibits forms of peaceful economic action by unions which are recognized by courts as legitimate and justified. Another restriction on labor is found in section 8 (d) where, for violation of the 60-day cooling off requirement, the employer may be found by the National Labor Relations Board to have refused to bargain and thereupon be ordered by the Board to bargain; but—employees who strike within the 60-day period will be guilty of an unfair labor practice and in addition, lose their status as employees, and may thereafter be discriminatorily discharged even though an unfair employer might have deliberately provoked the strike for the purpose of ridding himself of union labor.

Section 9 (c) (2) welcomes back to the industrial scene the insidious company dominated union.

Section 10 (j) (1) brings back once more the hated Government injunction from which labor thought the Norris-LaGuardia Act had forever freed it.

Other sections of the bill are equally unsound. Section 3 (d) places sole authority over the investigating and prosecuting functions of the Board in its general counsel, calls for the centralization of excessive power in one individual and, in effect, makes the Board itself subject to him.

Section 8 (b) (2) makes it an unfair labor practice for a union to cause an employer to discharge a nonunion employee under the union-shop contract where the employee has been denied membership or has been expelled from the union for some reason other than his failure to pay dues or initiation fees.

Section 8 (c) goes far beyond the mere protection of the constitutional right of free speech and prescribes that statements which contain no threat of reprisals, force, or promise of benefit may not even be considered as evidence of an unfair labor practice. In no other field of law are a man's statements excluded as evidence of an illegal intention.

Section 9 (c) (3) denies the right to vote in a representation election to employees then on strike because of an economic dispute. This provision is particularly vicious because it enables an employer, by a petition for an election filed by either himself or a minority of his employees, to secure the rejection of an established bargaining agent at the

very time that the public interest makes it particularly urgent that collective bargaining continue.

The whole bill is administratively unworkable. Numerous new functions are added to those which the National Labor Relations Board already finds itself handicapped in performing because of lack of funds. For example, the Board must resolve jurisdictional disputes, secure injunctions, and police the internal affairs of unions. It must make such determinations as the reasonableness of union initiation fees and what constitutes feather-bedding, with vague standards or none at all to guide it. Its work is needlessly increased by the prohibition of such useful and time-proven devices as prehearing elections and consent-card checks, and it is hamstrung in conducting its hearings by the requirement that it do so in accordance with strict rules of evidence—a requirement made of no other governmental administrative tribunal working in a specialized field.

I have pointed out only a few of the objections, as I see them, to the bill in its present form. It is clear that such a bill is not intended to encourage but rather is intended to discourage self-organization by employees and collective bargaining with their employers. The bill will not decrease but will produce and prolong strife and conflict in labor-management relations; it will not promote but will defeat the objectives which we are now striving so mightily to achieve, a high standard of living, full production and full employment in a peaceful world.

During the month-long open hearings of the House Committee on Education and Labor, remarks were made by some of the majority members of the committee that the American people gave the Eightieth Congress a mandate to pass strict regulatory laws involving union labor.

At no time during the campaign last fall did I read or hear, either on the radio or the public platform, any responsible Republican leader or candidate publicly tell the American people that the Republican Party would sponsor legislation similar to the Taft-Hartley bill, if they secured control of the Eightieth Congress. In fact the reverse was the assurance that the Grand Old Party gave to the voters during the last two campaigns.

I will now read part of the Republican platform of 1944:

> The Republican Party is the historical champion of free labor. Under Republican administrations, American manufacturing developed and American workers attained the most progressive standards of living of any workers in the world. Now the Nation owes these workers a debt of gratitude for their magnificent productive effort in support of the war.
>
> The Republican Party accepts the purposes of the National Labor Relations Act.

Governor Thomas Dewey, the present titular head of the Republican Party, in a speech at Seattle, stated, and I quote:

> The National Labor Relations Act is a good and necessary law. It acknowledges the trend of our times and will continue to be the law of the land.

On January 8, 1947, just 4 months ago, Governor Dewey set forth the labor policy of his administration in the following words:

> The labor policy of the State rests on a maximum of voluntary mediation and a minimum of government compulsion. This policy has promoted free collective bargaining. It has been widely successful in preventing strikes and violence. We propose to continue this policy.

The Republican Party should have informed the American wage earners last fall of the true mandate which they intended to carry out if they secured control of the Eightieth Congress.

The Eightieth Congress should have followed President Truman's recommendation of January 6, 1947, in his state of the Union message when he said:

> We must not, under the stress of emotion, endanger our American freedom by taking ill-considered action which will lead to results not anticipated or desired.

The President further said:

> We should enact legislation to correct certain abuses and to provide additional Government assistance in bargaining, but we should also concern ourselves with the basic cause of labor-management difficulties.

The President urged creation of a temporary joint commission to inquire into the entire field of labor-management relations composed of 12 Members of Congress, chosen by Congress and 8 members representing the public, management, and labor appointed by the President. He suggested that this commission investigate and make recommendations to the Congress.

Had this Congress followed President Truman's recommendation constructive labor-management legislation might have been presented to the Congress.

Mr. HARTLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. LANDIS], a member of the committee.

Mr. LANDIS. Mr. Speaker, Congress has a responsibility to enact labor legislation that will be constructive and give first consideration to the welfare of the Nation. I realize we cannot solve all labor-management problems by legislation, but we can stop the Red labor leaders and labor racketeering.

Labor leaders do not want any labor legislation. They want the house of labor to solve these problems. But the American public has waited patiently for them to act. Industrial unrest proves that our present labor laws are thoroughly inadequate of attaining industrial peace. And Congress intends to do something about it in terms of what is best for all of the people.

The proposals in the conference report are not harsh or punitive. Labor still has the right to strike, and the rank and file of labor will have the right to take a greater part in their problems with the right of the secret ballot. Labor will still have the right to bargain with management on the local plant level, region, or on an industry-wide basis. Labor will still have the right to the voluntary check-off and the right to bargain collectively on wages, hours, safety measures, and better working conditions. Craft unions will get more protection under the globe doctrine which is written in the bill.

This conference report will take care of labor abuses without destroying labor's rights. It completely outlaws jurisdictional strikes, wildcat strikes, and secondary boycotts. However, these are labor evils and abuses and not labor rights.

In order to stop the strikes which threaten the health and welfare of the Nation we have set up a plan, in many ways, like the Railway Labor Act. It is a plan to bring the two sides together without harming labor, management, or the public.

We added the following sections to the Senate bill: Barring political contributions and expenditures by labor unions, as well as by employees, separation of functions, rules of evidence, bar strikes against the Government, make it a violation of the law for a union to try to compel an employer to pay its members for services not performed, initiation fees of unions are to be controlled by the NLRB, plant guards can organize in a separate organization, and the rank and file of labor will be permitted to take a secret ballot on the last offer, and most of the bill of rights.

The NLRB will be expanded to five members and take on judicial functions. The general counsel of the NLRB will become the key labor-enforcement officer of the Government. He will head the staff in the regional offices. He will have the final authority over whether complaints of unfair-labor practices shall be filed against employers or unions. The general counsel is to be selected by the President and confirmed by the Senate.

These proposals are not perfect but they will go a long way toward reducing future strikes. Legislation is not the complete answer to our problems in labor relations. Much will depend upon the administration of labor laws.

The Senate and House conferees were anxious to get a bill which would correct labor abuses—and yet give the President sound reason for approval.

There has been some misinformation on some of the penalties on most important things, and I should like to give you the penalties in this bill. First is the secondary boycott. The penalty for a secondary boycott is first, mandatory injunction by the regional office of the Board; second, suit for damages; and third, the employee discharged therefor not entitled to reinstatement.

Second, jurisdictional strikes; the penalties for jurisdictional strikes are, first, discretionary injunction by the regional office of the Board, second, suit for damages, and third, employee discharged therefor not entitled to reinstatement.

Third, on violence, mass picketing, and other intimidation and coercion, the penalties are, first discretionary injunction by the Board, second, possible suit for damages; third, cease-and-desist order of the Board; and fourth, employee discharged therefor not entitled to reinstatement.

The closed shop is prohibited and the union shop is permitted if a majority of the employees vote for it. There must

be over 50 percent of the vote of the entire membership of the employees in order to get the right to bargain collectively for the union shop.

Of course, the employees do have a right to bargain collectively and have the right to strike for a union shop and not a closed shop. The closed shop is outlawed.

Mr. HARTLEY. Mr. Speaker, I yield such time as he may require to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, when I voted against the passage of the House omnibus labor bill on April 17 I told the House I favored most of the bill's provisions but I could not go along with the ban on industry-wide bargaining and the provision for the use of private injunctions. These have been eliminated in conference and I shall support the measure now before us.

I do not endorse every section of this bill, but I do believe that it will make for greater equality between labor and management in industrial relations and that its necessary provisions now outweigh those of doubtful value.

Mr. HARTLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to print at this point in the RECORD a speech by the gentleman from Pennsylvania [Mr. KELLEY], who is attending the labor convention in Switzerland.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. KELLEY. Mr. Speaker, this labor conference bill should be vetoed, if it is accepted by the Congress. I have already asked the President to do so, pointing out two pertinent facts: First, that the bill will not promote labor-management peace but will make for discontent and unhappiness among our working people and, second, that communism thrives on such discontent and this bill will contribute to its spread.

The working people of this country have never had a great deal of security. They have never been able to look forward to old age without apprehension. This Congress has done nothing to promote their security. On the contrary, all legislation passed by the Eightieth Congress affecting the working people has been injurious or nonbeneficial to them. How can they be contented when they know this? Yet the greatest bulwark against communism is a happy and contented people.

Labor organizations have given their members some measure of security. That is one reason that millions of workingmen and women flock to join unions. They were not compelled or under pressure to do so, notwithstanding the arguments produced by the proponents of the bill that they were forced to join. Only through unions have the masses of the people been able to safeguard themselves against overwhelming insecurity. When I speak of insecurity, I mean as concerns jobs and opportunities to earn a better living. Our workers have been maliciously fired by companies without reason. In times of depression millions have been laid off, and then the argument that in America a man can work at a job of his own choosing does not hold, for he is forced to work at whatever he can get—or starve. There is no alternative.

Moreover, this bill was based on false premises, or at least on undetermined facts, as the one previously mentioned that men were forced to join unions. Was this conclusion ever thoroughly investigated by the committee through witnesses from the rank and file? It was not. Again, there was the statement that the rank-and-file members of unions were generally dissatisfied with union leaders. Was this charge investigated by the committee from witnesses of the rank and file? It was not. These are two of the premises given to the public which were never verified. The authors of the bill must be doubtful about its effectiveness and the results, for they have provided for the establishment of a commission to make a thorough study of labor-management relations. In so doing they have put the cart before the horse. Yet in January in his message to the Congress the President proposed such a commission, resolutions were introduced for the purpose, of one of which I had the honor to be the author, but they were never considered. This was the sound and logical approach to this problem, yet it was passed over and the legislation before us was prepared without proper study and investigation and based on false premises.

Mr. HARTLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KLEIN] a member of the committee.

Mr. KLEIN. Mr. Speaker, I know that much cannot be added at this late date to what has already been said in the hearings and debate, on the bill and during today's debate on the conference report.

But I am very much concerned at the idea that is going out to the country that the Congress of the United States is being run by big business, by groups such as the National Association of Manufacturers, the Chamber of Commerce, and other spokesmen for big business.

We pass a tax bill which in my opinion and in the opinion of many, many people favors the rich and discriminates against the poor. Now, we are passing a bill which penalizes the laboring people of this country, the ordinary, and to use a much abused term, the common people of the country, who make up the backbone of this Nation. They are being penalized now because of a few excesses of some labor leaders in the past. Both of these actions would seem to strengthen in the people's minds the theory that the Congress is more interested in helping big business, and the wealthly people of the country, than it is in looking to the welfare of the great mass of wage-earners and lower-income groups.

Much has been said about the mandate of November 5, 1946. I want to remind you gentleman on the left, the Republicans, that a minority of the people voted in that election. It never was the peoples' mandate to pass such restrictive measures. If you are so much concerned about mandates, I think if you pass this bill you will rue the mandate that you will get in November 1948, because you will then find that many of you will not be back here the following session. The voters back home will certainly let you know they oppose this type of legislation.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. KLEIN. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Mr. Speaker, at long last the labor baiters and labor haters are having a field day, the day you had hoped for for 10 long years. Today, because of the sins of a few labor leaders you are punishing the whole labor movement. Already you have forgotten the great war record of labor without which it would have been impossible to win the war. You intend to punish men and women whose only sin is that they are striving for equality in labor relations, the only power that the workers have. You have voted to give the rich men 33⅓ percent reduction in taxes in what you term the interests of equality, but you have knocked out price control and you are responsible for the highest food prices in my memory. You have broken down nearly all Government restrictions and are now preparing to do so with regard to rent in order to make the rich richer, and you are now attempting to make the poor subservient. But you cannot do it. No law that is unfair and discriminates against the individual will ever succeed in free America. You cannot by law destroy the God-given right of man. The "noble experiment" was tried and when it had succeeded in organizing gangsters instead of outlawing liquor, it was repealed. Much that is in this bill you will bitterly regret.

For the last 14 years your Labor Committee and a Democratic Congress protected labor, with the result that when our country needed labor to supply the necessities of war, production was speeded up until this country became the wonder and the envy of the world. None profited more than the National Association of Manufacturers. That group of "little men" who wrote this bill for their own profit and found a subservient Republican committee ready and anxious to do their bidding——

The SPEAKER. The time of the gentleman from New York [Mr. KLEIN] has expired.

Mr. HARTLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, in all the years it has been my privilege to associate with the Members of this House, never once has a word of criticism of any individual Member crossed my lips. That record will remain unsullied. But the statements which have been made with reference to this bill and to those who wrote it and to those who will vote for it are so filled with arrant nonsense and misinformation that I cannot at this moment refrain from criticizing, not the individuals but the statements that have been made and the conclusions expressed.

The mayor of the city of New York produces a great show in protest against this bill, on the theory that it is anti-labor. That is a show, but it produces no facts, gives no reasons to justify the charges made. Just a farce—a Punch-and-Judy show.

We have been told time and time again that it was involuntary servitude that would be imposed if this bill were adopted. I notice the Member from New Jersey shakes her head in the affirmative.

Mrs. NORTON. That is right.

Mr. HOFFMAN. You are right in this, that upon the free American whose right to work, who must work if he would live and eat, upon him there are restrictions. Under this bill he can be forced, coerced, if you prefer, by violence driven into the union shop, made to pay for the privilege of exercising his right to work. In that way it is involuntary servitude. Not upon the union man but on the 52,000,000 workers who do not belong to, who do not wish to join, unions.

People who criticize this bill, as far as I know them personally, never had, never will have a callus on their hands. Their calluses are elsewhere.

Let me make one of those Drew Pearson statements. Tonight, and when this bill is signed by the President, you will find Lee Pressman, counsel for the CIO, and Joe Padway, counsel for the A. F. of L., holding a champagne and a campaign dinner in celebration of their great victory because, in my humble opinion, it gives to racketeers, extortionists, and ambitious political leaders in the unions additional power which they should not have.

This House was asked to write a bill which would guarantee to the American citizen the right to work without paying tribute to anyone, which would protect employees, unions, and the public. The House came very near writing such a bill. It wrote a good bill. A very good bill– fair, just, and an almost adequate bill. Then, as so often happens, it went to the other body, and there in conference seven men wrote a new bill. I say, by way of compliment to our chairman, he did a good job in that he came back with a bill which carried the House No. 3020. None of the House conferees lost their pants. I want to add, complimenting the gentleman from Indiana [Mr. LANDIS], he did a good job for the United Mine Workers, of which he is an honored member. John L. Lewis, head of that union, should in justice give the gentleman at least a certificate of appreciation, for the gentleman from Indiana brought the bacon home to John in the form of industry-wide bargaining. Now you say, What am I going to do with all that in my mind? I will tell you what I am going to do. I do not like the bill. I had hoped to live long enough—though some folks hoped I would die sooner—to walk out of that door knowing that the Congress, the Senate as well as the House, had passed a bill which would protect the public health, welfare, and safety. This bill does not adequately do that.

For more than 10 long years I have fought on the floor of this House and elsewhere for a bill which would protect the constitutional and the God-given right of a man to work—for a bill which would prevent, under the guise of unionism the necessity of paying tribute before a man was permitted to work at the job which he had, with which he was satisfied. This bill does not give that protection.

For 10 years and longer I have fought to prevent employers who have a monopoly of production along certain lines and labor leaders who have a dictatorship over workers getting together and grinding as it were, between the upper and lower millstones the men and women who must work if they would eat. This bill does not do that. On the contrary, it makes it easier for the ambitious labor leader and the greedy employer to conspire together and exploit the worker. And that today is being done. When you in the smaller cities see your industries losing to the competition of the huge corporations in the cities you will realize what I mean.

The bill contains no adequate provisions which either prevent or punish the participants in sympathy, secondary, or jurisdictional strikes and boycotts.

The bill rewards, gives additional help to, and increases by $2,000 a year, the compensation of the Board members. A Board which admittedly is biased, prejudiced, and unfair. Paying an employee more money and giving him more help has always, in every man's language, been considered an approval of his work. The Board should have been fired, a new Board chosen.

It was my thought, my hope, and my prayer that a Republican Congress would do a thorough job. The House tried. Politicians had their way. Perhaps in '48 a people's Congress will do the job. I am still hoping I will live long enough to see that day and be back here, not home, when the job is done.

This bill is the best we can get at the moment. Perhaps a few strikes in essential industries, the collection of a few more millions of dollars from the public by extortionists in unions, will give us proper legislation in '49. I have had so many things rammed down my throat during the last 13 years that I may not choke to death if I have to swallow this one. There are a few good things in it. At least it breaks the ice. Its adoption will prove that the Wagner Act can be amended. Hence because of that—and because such an overwhelming majority of my colleagues will support the bill I am led to doubt the wisdom of my own judgment—will yield to the pressure of their combined convictions and with misgivings that the bill is worse than the present law, vote for the measure. When, however, folks talk about this bill restricting labor, do not make any mistake. If the Member from New Jersey—I do not know how to say it——

Mrs. NORTON. Do not.

Mr. HOFFMAN. "Do not say it." If the Member from New Jersey believed as I believe, which she thanks God she does not, she would say that this was the gift of the Congress to the unions and the union leaders.

The redeeming feature is that its passage will prove that the NLRA can be amended and in another 2 years even the other body may "get religion."

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. HARTLEY. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Speaker——

Mr. SABATH. Mr. Speaker, will the gentleman yield for a consent request?

Mr BARDEN. Cannot the gentleman wait? Yes; I yield.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

"THE SHEEP ARE HAPPIER BY THEMSELVES THAN UNDER THE CARE OF WOLVES"

Mr. SABATH. Mr. Speaker, it is indeed amazing to me to listen to gentlemen who, day in and day out, have attacked and villified organized labor and its leaders, and who have endeavored in every way to destroy labor unions which have done so much for working people and for the country, now come before us and say that this legislation is in the interest of labor, and for the protection of labor, and for the good of labor.

I am reminded immediately of the observation of Thomas Jefferson, the great democrat, whether you spell it with a capital or with a small d, the great statesman: "The sheep," Jefferson wrote, "are happier of themselves than under the care of wolves."

SO THE WOLVES WILL PROTECT LABOR

Are these gentlemen, then, the wolves who will protect labor, but perhaps at a rather high cost of mortality in union ranks?

Is it not ridiculous that they should suddenly protest a touching and protective solicitude for the welfare of the American workingman? It is rank hypocrisy, and fools no one.

Are not the same forces behind this destructive and revolutionary bill which for many years have expended furious energy and huge sums of money in undermining the force of labor—the Chamber of Commerce, the National Association of Manufacturers, and their lesser but even more virulent satellites? You know they are. They wrote this bill; they devised the strategy; they are jamming it through.

INDUSTRIAL PEACE REIGNS TODAY

Are they urging and forcing through this legislation because of any sympathy they have for the rights and aims of the common people, of working people?

Do they actually believe for one moment that the American people will accept their fantastic statements that this bill is the product of a benevolent and protective industry burning with desire to help and feed the people?

Today we have 58,000,000 people at work. Every able-bodied man or woman who desires work is employed. If ever there was peace between industry and labor, it is today. Strikes and disputes of all kinds are at a minimum. Enlightened management is satisfied. Our present laws are functioning well, to help

labor stand up to its more powerful partner in production, but not to coerce.

WHY EMASCULATE LABOR RELATIONS ACT?

Why, then, this indecent rush to pass this bill which emasculates the Wagner Labor Relations Act, which saps the strength from the Norris-LaGuardia Act, which makes political activity by unions a crime? The Wagner Act was passed by a Democratic Congress under the greatest of all Democratic administrations. It was aimed at remedying many flagrant abuses. It has helped to stabilize the relations between management and labor. It has equalized, to some extent, the disparity in strength between the workers and the employers.

Have not manufacturers and businessmen made more money and become more prosperous under this law than ever before? Did not labor show greater patriotism during World War II than the greedy profiteers who are forcing this legislation upon the country?

NOT TO PROTECT LABOR BUT TO DESTROY IT

To say that this legislation is to protect labor is nonsense. It is, on the other hand, intended to destroy it.

We could have brought in reasonable legislation to remedy any real abuses that have developed. We could have established, as the President recommended, a joint commission to study and examine the entire subject of labor-management relations. This bill, should it ever become law—which, God forbid—would create a labor chaos. It solves no problems; it creates new ones.

HELPED PASS FAVORABLE LEGISLATION

I am deeply gratified that it has been my fortunate lot to aid in the preparation and passage of legislation genuinely helpful to labor and to the country. I am very proud of that. But I should deplore this bill ever becoming law. In the interest of justice and fair play, I am certain that the President will veto this bill, and thus encourage continuation of the present industrial peace and our high standards of prosperity and our unprecedented production.

If you Republicans think that the interests who are forcing you to adopt this legislation will help to reelect you, I tell you now you are badly fooled. They cannot do it, no matter how much money they may expend. All their money cannot buy the American people.

You fooled them in 1946. You cannot fool them in 1948. You promised that with a Republican Congress and abolition of OPA prices would come down. That promise has not been realized. Prices are higher than ever.

A reactionary coalition is in control now; but some day, I hope, there will be a coalition in the interest of the people which will follow the Jeffersonian doctrine, "Equal rights to all, special privileges to none."

CONFEREES REWROTE BILL

I regret that time and space do not permit the full impact of this bill, and of the dangerous changes made by the conferees in rewriting the bill, to be explained line by line. Few indeed who will soon vote on this fateful measure understand its full meaning.

I am inserting here a brief résumé of the principal changes made by the Hartley-Taft bill from existing law; but this brief memo can only hint at the way in which the whole structure of union-management relations is gutted; at the inconsistencies, the inadequacies, and the discriminations presented here:

MAIN CHANGES FROM EXISTING LAW IN TAFT-HARTLEY CONFERENCE BILL H. R. 3020

A. AMENDMENT TO WAGNER ACT

1. Supervisory employees

Places supervisory employees outside the act.

2. Closed shop and union shop; voting

Outlaws closed shop agreements by making it an unfair labor practice to carry them into effect.

Permits union shop agreements only where supported by a vote of a majority of employees eligible to vote. No employee is eligible to vote if he is on strike for straight economic reasons and has been replaced.

3. Discharge of employees for other reasons than nonpayment of dues

Whenever the employer has reason to believe that the union is unfair to an employee who offers to pay dues, he must retain the employee even in spite of a union shop contract or be guilty of an unfair labor practice. At the same time the union cannot cause his discharge from the union and employment on any grounds except nonpayment of dues.

4. Restraint or coercion by labor unions

The conference bill makes it an unfair labor practice for labor unions to restrain or coerce employees in the exercise of their rights.

5. Prohibition of certain legitimate activities

Under section 8 (b) (4) of amendments to the Wagner Act, unions are in effect prevented from refusing to handle goods even if the object is to organize competing plants, to protect fair union labor standards, or to quell an attack which threatens the organization's existence. This is done by failing to distinguish between inexcusable boycotts and legitimate economic action. These activities would also be made subject to employer damage suits in the Federal courts and to court injunctions required to be sought by the Board.

6. Featherbedding practices

Under section 8 (b) (6) of the amendments, featherbedding practices are prohibited as unfair.

7. Strikes at the end of existing agreements in violation of 60-day notice provision

If an employee strikes in violation of a required 60-day notice provision regarding renewal of existing agreements (sec. 8 (d)) he could forever be barred from employment by the employer.

8. Company unions

By section 9 (c) (2) of the amendments the Board must put company dominated unions on the ballot for an election side by side with the bona fide union even if the former has been ordered disestablished the day before.

B. CONCILIATION AND MEDIATION

1. Abolishes Conciliation Service in Department of Labor and sets up an independent agency for this purpose.

2. Directs Federal injunctions against strikes constituting national emergencies.

C. SUITS BY AND AGAINST UNIONS

1. Waives present jurisdictional requirements in Federal courts of diversity of citizenship and amount in controversy where suit involves breach of collective agreement.

D. POLITICAL ACTIVITIES

The measure provides that unions and corporations cannot spend any money in any way to help defeat a candidate for elective Federal office.

OF THE PEOPLE, BY MANAGEMENT, FOR MANAGEMENT

This bill represents a flagrant example of invisible government showing through the curtains.

In every section there is some slight jerkiness as, with pious mouthings about "labor's bill of rights," logic and coherence have been openly and savagely sacrificed to give some undue and unfair advantage to management—to the vested interests—over human beings.

Court rules of evidence are imposed on the Board, although there is no reason or excuse for doing so except to make the Board's functioning more cumbersome, more inefficient, and less impartial and realistic.

In regard to protection of their own rights, supervisory employees are ruled to be a part of management and thrust outside the benefits of the act; but when it comes to inexcusable departure from the principles of agency law, supervisory employees are ruled to be labor.

The prohibition against political expenditures reduces mass organization through the natural voice of organized labor to impotency.

Another clause requires the Board—and ultimately, no doubt, many an appellate court—to rule, not on the facts, but on a state of mind. The American principle of majority rule is violated repeatedly.

I could go on, Mr. Speaker, indefinitely; but limitations of time and space forbid. I can only say that the American people will remember this affront to justice and fair play.

Mr. BARDEN. Mr. Speaker, 5 minutes, or twice 5 minutes, is absolutely inadequate to discuss a bill of this importance. I have been interested in listening, though, to some of the caustic comments by another Member.

During my service in this House I have found this body to be changeable; that is, in personnel, from one Congress to another; but I have found it to be a very fine and honorable group of people who are here in the interest of the American people. There is not a man in this body but who knows the labor group in America, that is the men who toil for a living, are composed of the fine, sturdy Americans, almost the backbone of this Nation. That group includes farmers; it includes mechanics, shop workers, office and railroad employees, and other people who keep the wheels of industry turning.

When this bill went through this House, out of the 435 Members, 107 voted against it; and the proportion was about the same in the Senate. I simply want to say this: Before I would stand in this well and dub three-quarters of my colleagues in this House "labor baiters" and "labor haters," as has been done, or before I would pay that price to return to this Chamber, I would walk out never to return.

There is room for fair play in America, enough fair play for every American.

We believe in equal rights to all and special privileges to none. That is the philosophy of this bill. It is a fair, honest, sincere approach to the solution of a problem that has been affecting every American for the last several years.

Many of the problems causing this legislation could have very easily been settled by the leaders of the great labor organizations had they chosen to do it; but, no, they went so far that the tolerance of the American people was virtually exhausted and the people called for some remedial measures that would set things aright. The channels of commerce were being clogged.

The cost of living was going up. Production was going down and down. Those who have observed the trends know the only way to stop the rising cost of living was and is full production. Therefore we set about to do something.

This has been a troublesome piece of legislation. There are one or two things in the bill that I think are probably inadequately dealt with. I am the type of American who believes when a national emergency is declared by the President in which he says the health, welfare, and safety of America is at stake and imperiled, whether caused by a group from without or within this Nation, every good American should turn to and help relieve that situation and remove that hazard from the heads of the American people. We dealt with that subject very lightly and I do not think adequately. It will require the cooperation and leadership of the heads of the union and labor movements of this country with the Government of the United States in order to avoid the necessity for additional legislation along this line.

We have provided in this bill for some established rules of procedure in evidence and that they should be patterned insofar as practicable after the District courts And in some cases a review by the courts. Is this to be construed as an unfriendly act toward anyone? Why certainly not from the beginning of courts. They have been the haven of refuge for the oppressed or those who have been wronged. Labor, management, and the public are entitled to this protection.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. HARTLEY. Mr. Speaker, I yield the gentleman one additional minute. I regret I cannot give him more, but the time has all been taken.

Mr. BARDEN. I thank the gentleman. I was so much in hopes that maybe I would get as much time as some of the members of the committee who did not have to work on the conference committee. It looks like poor compensation for working and taking all the cussing that I took on the conference committee.

Mr. Speaker, I want to say in all sincerity the conference report is not everything that was in the House bill, it is not everything that we thought should be in the bill, but every provision of it is fair. With all of this talk I want somebody here to take some of the provisions they say are unfair and analyze them. They are talking in generalities. This is a good bill. I think it will solve the problem. I want to say that if the good men in labor do not set about and help remove some of the existing evils they will bring the house down on themselves. It is their responsibility to help the good labor people of this country and I hope that will be done. This bill is not antilabor, anticapital, or antipublic. It is good, sound Americanism, embodying rules of justice and fair play.

The SPEAKER. The time of the gentleman from North Carolina has again expired.

Mr. HARTLEY. Mr. Speaker, I yield 5 minutes to the distinguished minority leader, the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I quite agree with the gentleman from North Carolina in one statement he made, and that is if some leaders in the labor movement do not be a little more watchful, they may bring down wrath upon the heads of people who do not deserve it. I would like to vote for some curative measures with reference to labor and management conduct and conditions. I wanted to have time enough to study this bill a bit. I wanted to see the conference report, and what the managers on the part of the House and the Senate did, long enough before this bill came in here that I could determine for myself what was in this bill. I got the statement of the managers on the part of the House at 20 minutes to 12 this morning. I should have had a day and a night to look into this thing. Of course, everybody knows that nobody on God's earth can explain the provisions of this bill in 10 minutes or 20 minutes or an hour. Now, I know that the gentleman from Indiana [Mr. HALLECK] is going to get up and say how swiftly in the past we have acted on bills and on conference reports, but those were times of great emergency, where 24 hours meant a great deal. I would like to understand this bill.

In trying to understand this bill, it reminds me of a cowboy from my State who was a Member of Congress at one time and who interrupted one of his colleagues to ask a question. And the gentleman was very meticulous in explaining it, and he said, "Now, is that clear to the gentleman?" And my old friend, Oscar Callaway, said, "Yes; just as clear as mud." That is about as clear as this thing is. In the minds of a lot of people in the United States this is going to be a cure-all for all labor troubles when it is passed. It is going to stop all strikes of every kind and character, and if this bill goes to the White House and the President signs it, and there is any labor trouble in the United States after that, some people will say that all labor troubles have not been smoothed out because the President of the United States would not enforce the law. If he should veto this bill and it should pass over his veto, then they will say, "Of course, he is not going to enforce this law, because he was opposed to it." Suppose he vetoes it and his veto is sustained, then all the trouble and difficulties in labor relations will be laid upon his doorstep.

I do not think this bill, as far as I have been able to look into it, is a fair bill, and I am not going to vote for it for that reason.

In closing I want to read to you the thing that they are giving to the men and women who work in this country:

SEC. 502. Nothing in this act shall be construed to require an individual employee to render labor or service without his consent—

That is a great concession—

nor shall anything in this act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent; nor shall the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at the place of employment of such employee or employees be deemed a strike under this act.

Many people may declare many places in the United States unsafe for people to work in.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. HARTLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Speaker, the Congress started out with the commendable objective of equalizing the bargaining position of labor and management and eliminating the abuses of power that have been manifest in some of these relationships. This bill, however, goes far beyond that aim. It is an intricate web of obtuse and often ambiguous legal phraseology. It is likely to produce an administrative nightmare. The clauses relating to elections alone will produce endless confusion and delay in fixing bargaining units and rights.

The pious declarations of adherence to the principle of collective bargaining cannot cover the fact that this bill would make possible widespread frontal attacks upon collective bargaining and upon the right of labor, heretofore recognized, to organize, select representatives of their own choosing, and bargain collectively for legitimate ends. The bill is drawn in such a way as to permit unfair labor practices. It is a breeder of class hatred and a stimulus to class warfare. It will generate dissension and resentment, not only against free enterprise but against the Government.

In the hands of other than the most skillful administrators, its injunctive provisions might well constitute oppression of our working classes and violate their constitutional right not to be compelled to work against their will. It establishes a pattern of regimentation at a time when the country is anxious to escape from the effects of regimentation. If special laws, like this one, can be enacted and enforced drastically regulating the entire field of labor organization and collective bargaining, it is very certain that this measure will be used in the future as a precedent for similar regimentation of industry. We should recognize that this kind of regimentation is pleasing to communistic and Fascist groups. It is just what they want to help weaken our free capitalistic institutions. The bill is bound to fertilize the ground for dangerous social agitation and unrest, of which, Lord knows, we have already had enough. It is regrettable that the Congress has not been able to check antisocial practices that have grown up

in labor-management relations without seeking to put a halter around the necks of all our laboring classes, who must be the solid bulwark against subversion in the days and years to come, if this Nation is to preserve its major democratic features.

This bill is retaliatory, punitive, and discriminatory insofar as it covers honest, well-meaning patriotic working people and legitimate fair dealing and responsible leaders, as well as those who have not fully or fairly discharged their responsibilities to their own group and to the public. In seeking to curb the abuses of a minority, we would foist and fasten onerous, repressive controls upon the majority, and this is contrary to the spirit and nature of our free system. During the war we had the spectacle of a similar law passed to discipline and regulate labor being used to oust a prominent businessman from his own office. This measure will undoubtedly bring similar results, because such is the logical outgrowth of arbitrary class legislation.

The world and the country are presently in a most ominous situation. Abroad there is indescribable chaos and the threat of another steadily expanding totalitarian tyranny. Already the war drums are beating. At home we are beset by unhappy, but quite general, perplexity and uncertainty concerning the future of our industry, business, and political and economic status. Our problems never were more serious and compelling than they are today. This is the time for us to present a united front to the world and not the time for frictions, divisions, and suspicions among our own people.

I am not questioning the motives of the proponents of this bill because I believe them to be sincerely actuated by a desire to adjust and straighten out certain obvious maladjustments that confront us. But I certainly question the wisdom at this time, or in fact at any time, of omnibus legislation like this which drives a wedge between labor and management and which gives very many working men and women of the Nation a distinct feeling and conviction that management and government are combining to destroy their organizations, break down their rights of representation, recognition, and collective bargaining and subject them to the same kind of a commissar-guided totalitarian regimentation that exists in Russia where workers and businessmen alike are merely pawns of the economic super state.

I know that this legislation will pass this House, but I deplore the fact that the Congress is resorting to such an unprecedented weapon against our laboring people especially at this critical juncture in the affairs of the country and the world. It augurs no good either for future industrial relations or for the social and economic stability of the country. To my mind it is a retrogressive step, entirely unwise and ill-considered in the circumstances, which merely require a revision of the Wagner Act equalizing the bargaining positions of the parties, laws checking jurisdictional strikes, coercion, and certain types of boycotts, and measures protecting the country against major strikes in important public-service industries.

Again let me say, I deplore this type of labor measure and am very sorry that it has to come before the Congress at this time and especially sorry that it should be passed. Of course, while I desire to vote for certain corrective legislation, I cannot in conscience give this bill my support because I feel so deeply and so keenly that it will redound against the welfare of our country. I am therefore constrained to vote against this bill.

Mr. ROONEY. Mr. Speaker, we have before us this afternoon by far the most important piece of legislation to come before the Eightieth Congress. There is but one single hour's time for discussion of its details, and that time is limited to members of the committee. I am unalterably opposed to the so-called Hartley-Taft bill and shall vote against adoption of this conference report. As I said in this House on April 16, when we originally voted on this bill, by its terms it seeks to turn back the economic clock for the laboring man of America by at least 40 or 50 years. It has, therefore, been conclusively shown that this punitive legislation is the brain child of the National Association of Manufacturers and big business of this country. Every move so far made by the majority party during this Congress—and they are the sponsors of this Hartley-Taft bill—has been to make the rich richer and the poor poorer. I would be unfaithful to the trust reposed in me by the citizens of my congressional district, practically all of whom earn their bread by the sweat of their brow, if I were to support this vicious antilabor bill. I shall again vote against it.

Mr. HARTLEY. Mr. Speaker, I yield the balance of the time to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am glad to see the very able minority leader of the House come to the defense of the Republican Congress. We have been criticized for not acting with sufficient speed on this and some other measures. Now the country will understand that, for the minority leader at least, we are moving a little too expeditiously.

I did not make the rules that provide the time within which conference reports may be called up after they are filed. Those rules are of long standing. They were here long before I came to Congress. The fact of the matter is that at the suggestion of the minority leader the final bill agreed upon in conference was in the hands of every Member yesterday morning. I personally arranged for each Member to have a copy delivered at his office. I do not know when the minority leader saw the conference report, but the conference report, with the statement on the part of the managers, was printed in the CONGRESSIONAL RECORD that was delivered to my house before breakfast this morning. That any one has not had ample opportunity to examine the bill and conference report is not persuasive. As a matter of fact, along with my many duties, I read today the conference report completely through. Not only that, I kind of checked along with some of the conferees, and I knew from day to day pretty well what was going into this bill. And I have no doubt that many other Members could have done the same thing.

Let us just take a look at this. The people, Democrats and Republicans alike, now demand of the Congress of the United States that we enact some sane, fair, decent, reasonable—and, yes, courageous—legislation dealing with the problems of labor-management relations. That is exactly what we have done here.

On April 17, 1947, more than 6 weeks ago, in the well of this House, I said to you:

> Here and now is the time to say to the American people that, as Members of Congress, we have the courage, we have fortitude, we have the good judgment, and the common sense, to undertake the writing of legislation dealing with these very troublesome problems—

Meaning the problems that have arisen under the National Labor Relations Act during the past 12 years.

On that same day, this House, with a unanimity that is rare when important legislation is concerned, voted, 308 to 107, in favor of H. R. 3020, which undertook, first, to bring industrial peace to the troubled field of labor relations; second, to eliminate unlawful practices that, when engaged in under the guise of collective bargaining, our laws protect; and third, to establish the interest of our people as a whole as being paramount to that of any group, whether of employers or of employees.

Some called that bill drastic. Others said it was a slave-labor bill, but they never state, nor can they, on what clauses in the bill they base such assertions. The fact is that none of those epithets, which are indeed poor substitutes for reasoned judgment and argument, is true in any regard. There was not a line in the House bill that by the furthest stretch of the imagination could be construed as compelling anyone in any job to work 1 hour or any part of an hour against his will, or that deprived him of his pay for services performed. The bill preserved, in language almost identical with the present act, the rights of employees and of unions against employers who, by unfair methods, sought to interfere with the workers' rights or undermine their union.

This bill preserves the guarantee of the Wagner Act giving to labor the right to organize and to bargain collectively.

Speaking of so-called slave labor laws, the only one that I ever saw proposed was that proposed by President Truman, when he asked the Congress to draft into the Army the railroad workers of the country who were then on strike.

The bill we passed did forbid, and provide remedies for, activities and practices by labor, as well as activities and practices of management, that almost everyone condemns. Among these were boycotts, jurisdictional strikes, violence in strikes, strikes in violation of contracts, strikes to compel employers to break the law, coercion of employees by unions. It imposed upon compulsory unionism restrictions far less stringent than those in the Railway Labor Act,

under which the railroad brotherhoods have flourished for years. It preserved the constitutional guaranty of free speech. It provided for separating the functions of the Labor Board, required the Board to decide cases before it according to the facts, and gave to the courts real power to review the Board's decisions. And it put the public interest in maintaining output so essential to our national well-being above the selfish interests of employers or of employees.

These clauses, I am glad to say, still are in the conference report. In form, many of them differ from the form in which they appeared in the House bill. But they are in the report now before the House, and in effective form.

Now these are not provisions that destroy unions. Those who say they will destroy unions say, in effect, that unions, in order to exist, must be free to coerce workers, to engage in violence, to break their contracts and to break the law, even the very law that protects them. I say this is not true. The great trade-union movement, which protects so many of our people and which has contributed so greatly to raising their standard of living, can and will thrive under the bill now before us. That is my conviction.

No one in this House expected our bill to come back from conference intact. In addressing the House just before it passed H. R. 3020, I said that the passage of the bill was just "the initial step in a legislative process," and that the bill would go through many more steps before it was finally enacted into law. The bill has gone through those steps. We now have received the conference report and the statement of the House managers. The result is a fair compromise, evolved in the American legislative tradition. It is representative government in action in which the views of people who differ must be harmonized.

The report is, even to those who wished for a more far-reaching result, more than a good start; and, by providing for further study by a joint commission of Congress of problems arising in the labor relations field, it makes certain that problems that it does not deal with will not be forgotten.

I recall that the minority leader, in closing the debate on the Hartley bill when it was before us, expressed the hope that a bill would come out of conference that he could support. This conference report is a fair bill, and until today I had hoped that he would join not only with the overwhelming majority of the Members of the House but with the clear majority of his colleagues on his own side of the aisle in making this bill law. I am disappointed to find that he will not support it.

One further thing: Last November after the election the President said these words:

> The people have elected a Republican majority to the Senate and to the House of Representatives. Under our Constitution, the Congress is the lawmaking body. The people have chosen to entrust the controlling voice in this branch of our Government to the Republican Party. I accept this verdict in the spirit in which all good citizens accept the result of any fair election.

Now, there has been a great deal of talk about a veto of this bill. If the House had passed this bill by the votes of one party, there might be some justification for this kind of talk. The President might then feel that the majority party had ridden roughshod over the minority. But the majority that passed this bill was a bipartisan majority. More Democrats voted for it than voted against it.

In these circumstances, where the majorities of both parties have voted for a more far-reaching bill than the one we have before us now, and where they have done so in response to the insistent demand of the overwhelming majority of our citizens, and where the welfare of our country requires such a law as we now propose, I say to you that talk of a veto reflects upon the good faith of the President in pledging his cooperation with Congress, as the law-making body, last fall.

I, for one, do not think that reflection is justified or is fair to the President. I do not think the President will veto this bill. But, veto or no veto, I say to you that this House must and will keep faith with the American people. This bill will become law.

The SPEAKER. The time of the gentleman from Indiana has expired. All time has expired.

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. LESINSKI. Mr. Speaker, I offer a motion to recommit the conference report.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LESINSKI. I am opposed to the bill, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. LESINSKI moves to recommit the conference report to the committee of conference.

Mr. HARTLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. LESINSKI. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The Chair will count. [After counting.] Forty-five Members are in favor of ordering the yeas and nays. There are 351 Members present, not a sufficient number.

The yeas and nays were refused.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. LESINSKI) there were—ayes 55, noes 246.

So the motion was rejected.

The SPEAKER. The question is on agreeing to the conference report.

Mr. HARTLEY. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 320, nays 79, not voting 30, as follows:

[Roll No. 70]

YEAS—320

Abernethy	Engle, Calif.	McMillen, Ill.
Albert	Evins	MacKinnon
Allen, Calif.	Fallon	Macy
Allen, Ill.	Fellows	Mahon
Allen, La.	Fenton	Maloney
Almond	Fernandez	Manasco
Andersen, H. Carl	Fisher	Martin, Iowa
	Fletcher	Mason
Anderson, Calif.	Folger	Mathews
Andresen, August H.	Foote	Meade, Ky.
	Fulton	Meade, Md.
Andrews, Ala.	Gamble	Merrow
Andrews, N. Y.	Gary	Meyer
Arends	Gathings	Michener
Arnold	Gavin	Miller, Conn.
Auchincloss	Gearhart	Miller, Md.
Bakewell	Gillette	Miller, Nebr.
Banta	Gillie	Mills
Barden	Goff	Mitchell
Barrett	Goodwin	Monroney
Bates, Mass.	Gore	Morton
Battle	Gossett	Muhlenberg
Beall	Graham	Mundt
Beckworth	Grant, Ind.	Murray, Tenn.
Bender	Gregory	Murray, Wis.
Bennett, Mich.	Griffiths	Nixon
Bennett, Mo.	Gross	Nodar
Blackney	Gwinn N. Y.	Norblad
Boggs, Del.	Gwynne, Iowa	Norrell
Boggs, La.	Hagen	O'Hara
Bolton	Hale	O'Konski
Bonner	Hall, Edwin Arthur	Owens
Boykin		Pace
Bradley	Hall, Leonard W.	Passman
Bramblett		Patman
Brooks	Halleck	Patterson
Brown, Ga.	Hand	Peden
Brown, Ohio	Hardy	Phillips, Calif.
Bryson	Harris	Pickett
Buck	Harrison	Ploeser
Buffett	Hartley	Plumley
Bulwinkle	Hays	Poage
Burke	Hébert	Potts
Burleson	Herter	Poulson
Busbey	Heselton	Preston
Byrnes, Wis.	Hill	Price, Fla
Camp	Hinshaw	Priest
Canfield	Hobbs	Rains
Carson	Hoeven	Ramey
Case, N. J.	Hoffman	Rankin
Case, S. Dak.	Hope	Redden
Chadwick	Horan	Reed, Ill.
Chapman	Howell	Reed, N. Y.
Chelf	Jackson, Calif.	Rees
Chenoweth	Jarman	Reeves
Chiperfield	Jenison	Rich
Church	Jenkins, Ohio	Richards
Clark	Jenkins, Pa.	Riehlman
Clason	Jennings	Rivers
Clevenger	Jensen	Rizley
Clippinger	Johnson, Calif.	Robertson
Coffin	Johnson, Ill.	Robsion
Cole, Kans.	Johnson, Ind.	Rockwell
Cole, Mo.	Johnson, Tex.	Rogers, Fla.
Cole, N. Y.	Jones, Ala.	Rogers, Mass.
Colmer	Jones, N. C.	Rohrbough
Cooley	Jones, Ohio	Ross
Cooper	Jonkman	Russell
Corbett	Judd	Sadlak
Cotton	Kean	St. George
Coudert	Kearney	Sanborn
Courtney	Kearns	Sarbacher
Cox	Keating	Sasscer
Cravens	Keefe	Schwabe, Mo.
Crawford	Kerr	Schwabe, Okla.
Crow	Kersten, Wis.	Scoblick
Cunningham	Kilburn	Scott, Hardie
Curtis	Kilday	Scott, Hugh D., Jr.
Dague	Kunkel	
Davis, Ga.	Landis	Scrivner
Davis, Tenn.	Larcade	Seely-Brown
Davis, Wis.	Latham	Shafer
Dawson, Utah	Lea	Short
Deane	LeCompte	Simpson, Ill.
Devitt	LeFevre	Simpson, Pa.
D'Ewart	Lewis	Smathers
Dirksen	Lodge	Smith, Maine
Dolliver	Love	Smith, Va.
Domengeaux	Lucas	Smith, Wis.
Dondero	Lusk	Snyder
Dorn	Lyle	Springer
Doughton	McConnell	Stanley
Drewry	McCowen	Stefan
Durham	McDonough	Stevenson
Eaton	McDowell	Stigler
Ellis	McGarvey	Stockman
Ellsworth	McGregor	Stratton
Elsaesser	McMahon	Sundstrom
Engel, Mich.	McMillan, S. C.	Taber

Talle	Vinson	Wilson, Tex.
Taylor	Vorys	Winstead
Teague	Vursell	Wolcott
Thomas, N. J.	Weichel	Wolverton
Thomason	West	Woodruff
Tibbott	Wheeler	Worley
Towe	Whitten	Youngblood
Trimble	Whittington	Zimmerman
Twyman	Williams	
Vail	Wilson, Ind.	

NAYS—79

Angell	Gorski	Mansfield, Mont.
Bates, Ky.	Harless, Ariz.	Marcantonio
Bishop	Hart	Miller, Calif.
Blatnik	Havenner	Morgan
Bloom	Hedrick	Morris
Brehm	Heffernan	Murdock
Brophy	Holifield	Norton
Buchanan	Huber	O'Brien
Buckley	Hull	O'Toole
Butler	Jackson, Wash.	Philbin
Byrne, N. Y.	Javits	Phillips, Tenn.
Cannon	Johnson, Okla.	Price, Ill.
Carroll	Jones, Wash.	Rabin
Celler	Karsten, Mo.	Rayburn
Clements	Kee	Rayfiel
Combs	Kefauver	Rooney
Crosser	Kennedy	Sabath
Dawson, Ill.	Keogh	Sadowski
Delaney	King	Sheppard
Dingell	Kirwan	Somers
Donohue	Klein	Spence
Douglas	Lane	Thomas, Tex.
Eberharter	Lanham	Tollefson
Feighan	Lemke	Walter
Fogarty	Lesinski	Welch
Forand	Lynch	
Gordon	Madden	

NOT VOTING—30

Bell	Harness, Ind.	Pfeifer
Bland	Hendricks	Powell
Elliott	Hess	Riley
Elston	Holmes	Sikes
Flannagan	Kelley	Smith, Kans.
Fuller	Knutson	Smith, Ohio
Gallagher	McCormack	Van Zandt
Gifford	Mansfield, Tex.	Wadsworth
Granger	Morrison	Wigglesworth
Grant, Ala.	Peterson	Wood

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Holmes for, with Mr. Pfeifer against.
Mr. Wood for, with Mr. Granger against.
Mr. Sikes for, with Mr. Kelley against.
Mr. Bell for, with Mr. Flannagan against.
Mr. Van Zandt for, with Mr. Powell against.
Mr. Riley for, with Mr. McCormack against.

General pairs until further notice:

Mr. Knutson with Mr. Bland.
Mr. Wigglesworth with Mr. Peterson.
Mr. Harness of Indiana with Mr. Morrison.
Mr. Wadsworth with Mr. Elliott.
Mr. Smith of Kansas with Mr. Grant of Alabama.
Mr. Hess with Mr. Mansfield of Texas.
Mr. Elston with Mr. Hendricks.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE COMMITTEE ON WOOL BILL

The SPEAKER. The Chair lays before the House the following communication, which the Clerk will report.

The Clerk read as follows:

JUNE 4, 1947.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives.

MY DEAR MR. SPEAKER: This is to advise that it will be necessary for me to resign from the conference committee on the wool bill. I am leaving the city today for a few days' rest upon doctor's orders.

Sincerely yours,

JOHN W. FLANNAGAN.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Missouri [Mr. ZIMMERMAN] to serve on the conference committee on the wool bill, and the Senate will be notified accordingly.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to revise and extend his remarks in the RECORD in three instances and to include three resolutions.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a newspaper article.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include two newspaper editorials.

EVANS FORDYCE CARLSON

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, in Arlington Cemetery today the body of Brig. Gen. Evans F. Carlson will be buried with the military honors that befit one of the foremost heroes of World War II.

Every American knows his story. They know of his courage and of his ability to lead and inspire men. They will long remember Evans Carlson, the man who organized, trained, and led Carlson's Raiders, a military unit unique in modern American history.

Evans Carlson, professional soldier that he was, threw away the book in forming his Raiders. He had a name for his system. It was Gung Ho—work together—a name he had picked up in China where as a Marine intelligence officer he soldiered with the famous Eighth Route Army.

Actually Gung Ho was an ideal old as mankind's struggle for liberty against tyranny and aggression. Carlson's Yankee forebears had it at Concord when they took up muskets to fight for liberty in the American Revolution. It was present, too, in the underground movements of Europe wherever people united democratically to rid their native lands of Fascist aggressors.

ABOLISHED CASTE SYSTEM

There was no caste system in Carlson's Raiders. What was good enough for the lowest Raider private was good enough for the officers who led them.

Evans Carlson believed that men who knew what they were fighting for and why were better soldiers, so he mixed 50-mile forced marches with political indoctrination. He encouraged his men to ask questions. He and his officers gave straight answers. When the Raiders went on a military operation they knew what they were doing and why. Carlson's Raiders were the most feared as well as the best informed fighting organization in the Pacific.

The Raiders proved the effectiveness of Carlson's training technique in their first military action. They kept on proving it right up to the time that the high command broke them up and scattered the battalion's officers and men through the Marine Corps.

They proved it on Makin Island when a handful of raiders wiped out an enemy garrison many times their number. They proved it again on Guadalcanal when Evans Carlson led his men through steaming, fever-ridden jungles, wiping out enemy forces in guerrilla action and finally relieving sorely pressed American troops at Henderson Field.

The three Navy Crosses and the many other military honors he won on the field of battle speak for Evans Carlson, the soldier.

CITIZEN AND SOLDIER

It is Evans Carlson, the citizen, a courageous fighter in and out of uniform for the rights and dignity of man, that I wish to eulogize today.

Evans Carlson, professional soldier, veteran of both World Wars, a by-the-book marine who soldiered in Nicaragua and China, never forgot that he was first and always a citizen. Never did he regard war as an end in itself.

Twice in his lifetime he felt it necessary to lay aside his uniform, and, as an American citizen, go forth and speak out for ideas he believed worth fighting for. The son of a New England clergyman, Evans Carlson was always a deeply religious man.

As a Marine officer he saw native people of Nicaragua fight well and effectively against overwhelming odds for the right to manage the affairs of their own country. Later in China he observed at first hand the heroic struggles of the common people of that nation against aggression. What he saw in China impressed him immensely. So much in fact that he felt it necessary to resign his commission and return to America in a vain effort to rouse his countrymen by speeches and articles to the danger of our short-sighted policies in the Orient—policies that permitted us to ship scrap iron and petroleum to Japan while we wept inky tears over the rape of Nanking.

HE DIED FIGHTING

When he donned his uniform for World War II, Evans Carlson was convinced that he was fighting in the final world conflict.

Wounds, fever, and the tremendous mental and physical strain of nearly 4 years of war that carried him into the thick of battle on Makin, Guadalcanal, Tarawa, Kwajalein, and Saipan hastened Carlson's death. Even his courageous Yankee heart could not withstand such strain.

Yet, as death neared, he had the will and the desire to speak out as a citizen-soldier on issues he believed important to his country's and to all men's welfare. He spoke out strongly against American interference in China and opposed any American policy of dictating in the internal affairs of other nations. He believed, most devoutly, that there should be no barriers between peoples of good faith.

Evans Carlson was a soldier's soldier. He was and always will be an American's American.

EXTENSION OF REMARKS

Mr. POULSON asked and was given permission to revise and extend his remarks.

TREASURY AND POST OFFICE APPROPRIATIONS, 1948

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2436) making appropriations for the Treasury and Post Office Departments for the fiscal year 1948, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANFIELD, DIRKSEN, GRIFFITHS, ROBERTSON, GARY, BATES of Kentucky, and WHITTEN.

AMENDING THE NATIONAL LABOR RELATIONS ACT

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 52.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 3020) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes, the Clerk of the House is authorized and directed to make the following correction: In the matter in parentheses in the section designated as "Sec. 15" in title I, change the figure "10" to "11."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LODGE, for June 5 and 6, on account of official business.

To Mr. DEVITT, for June 9 to 11, inclusive, on account of official business.

To Mr. SMITH of Ohio (at the request of Mr. MCGREGOR), for 10 days, on account of illness.

HENRY CHUDEJ

The SPEAKER. The Chair lays before the House the following request, which the Clerk will report.

The Clerk read as follows:

Mr. KILDAY requests, pursuant to rule XXXVIII, leave to withdraw from the files of the House papers in the case of H. R. 4526, for the relief of Henry Chudej, individually, and as guardian of Jeanette Jurecek, a minor, Seventy-ninth Congress, no adverse report having been filed thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1. An act to reduce individual income-tax payments.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 135. An act to legalize the admission into the United States of Frank Schindler;

S. 565. An act to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins;

S. 566. An act to amend sections 3533 and 3566 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins; and

S. 583. An act to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating buildings therein, and for other purposes.

S. 993. An act to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes;

S. 1022. An act to authorize an adequate White House police force; and

S. 1073. An act to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 1. An act to reduce individual income tax payments.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.) the House adjourned until tomorrow, Thursday, June 5, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

738. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to prescribe the measure of damage on account of trespass upon, unlawful use of, and unlawful enclosure of lands or resources owned or controlled by the United States; to the Committee on the Judiciary.

739. A letter from the Acting Chairman, National Mediation Board, transmitting quarterly estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board, for the quarter beginning July 1, 1947; to the Committee on Post Office and Civil Service.

740. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $500,000 for the Federal Security Agency (H. Doc. No. 291); to the Committee on Appropriations and ordered to be printed.

741. A letter from the Acting Secretary of the Navy, transmitting a report of proposed transfer of Navy equipment to various municipalities and to an American Legion post; to the Committee on Armed Services.

742. A letter from the Secretary of State, transmitting a draft of a proposed joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

743. A letter from the Acting Secretary of the Interior, transmitting pursuant to section 16 of the organic act of the Virgin Islands of the United States, approved June 22, 1936, one copy each of various legislation passed by the Municipal Council of St. Thomas and St. John; to the Committee on Public Lands.

744. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of equipment to the City Commission of the City of Jacksonville, Fla.; to the Committee on Armed Services.

745. A communication from the President of the United States, transmitting a report of the Advisory Commission on Universal Training; to the Committee on Armed Services.

746. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill to redefine the units and establish the standards of electrical and photometric measurements; to the Committee on Interstate and Foreign Commerce.

747. A letter from the Comptroller General of the United States, transmitting report on audit of Federal Prison Industries, Inc., for the fiscal year ended June 30, 1946 (H. Doc. No. 292); to the Committee on Expenditures in the Executive Department and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 231. Resolution providing for the consideration of H. R. 1389, a bill to amend the Veterans' Preference Act of 1944; without amendment (Rept. No. 512). Referred to the House Calendar.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 3394. A bill to amend the act entitled "An act to provide for the evacuation and return of the remains of certain persons who died and are buried outside the continental limits of the United States," approved May 16, 1946, in order to provide for the shipment of the remains of World War II dead to the homeland of the deceased or of next of kin, to provide for the disposition of group and mass burials, to provide for the burial of unknown American World War II dead in United States military cemeteries to be established overseas, to authorize the Secretary of War to acquire land overseas and to establish United States military cemeteries thereon, and for other purposes; without amendment (Rept. No. 513). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. House Joint Resolution 210. Joint resolution to extend the time for the release free of estate and gift tax, of certain powers, and for other purposes; without amendment (Rept. No. 514). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 210. A bill to establish rearing ponds and a fish hatchery

at or near Rogers City, Mich.; without amendment (Rept. No. 515). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 214. A bill to establish rearing ponds and a fish hatchery at or near St. Ignace, Mich.; without amendment (Rept. No. 516). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 215. A bill to establish rearing bonds and a fish hatchery at or near Charlevoix, Mich.; without amendment (Rept. No. 517). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 216. A bill to establish rearing ponds and a fish hatchery; without amendment (Rept. No. 518). Referred to the Committee of the Whole House on the State of the Union.

Mr. REID of New York: Committee on Ways and Means. H. R. 3602. A bill to exempt from admissions tax general admissions to agricultural fairs; without amendment (Rept. No. 519). Referred to the Committee of the Whole House on the State of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committe on Agriculture was discharged from the consideration of the bill (S. 1072) to extend until July 1, 1949, the period during which income from agricultural labor and nursing services may be disregarded by the States in making old-age assistance payments without prejudicing their rights to grants-in-aid under the Social Security Act, and the same was referred to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNES of Wisconsin:

H. R. 3715. A bill to amend the Federal Power Act so as to provide that the accounts of a licensee or public utility need not be changed when kept in accordance with the laws and requirements of a State, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of California:

H. R. 3716. A bill to provide a method of paying unsettled, uninsured claims for damages sustained as a result of the explosions at Port Chicago, Calif., on July 17, 1944, in the amounts recommended by the Secretary of the Navy; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 3717. A bill conferring jurisdiction upon the Indian Claims Commission to hear and determine the claims of the Wisconsin Band of Pottawatomie Indians; to the Committee on Public Lands.

By Mr. JACKSON of Washington:

H. R. 3718. A bill to amend section 23 of the Internal Revenue Code to permit deductions from gross income by corporations that turn over their facilities for a period of time to veterans' organizations; to the Committee on Ways and Means.

By Mr. PHILLIPS of Tennessee (by request):

H. R. 3719. A bill to amend the National Service Life Insurance Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. PLOESER:

H. R. 3720. A bill to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. FULTON:

H. R. 3721. A bill to provide that beneficiaries of national service life insurance maturing prior to August 1, 1946, may elect to receive the proceeds of such insurance in a lump sum; to the Committee on Veterans' Affairs.

H. R. 3722. A bill to authorize payment of certain personal property claims of military personnel and civilian employees of the War Department or of the Army, or of the Navy Department or of the Navy, in the case of death, to their survivors; to the Committee on the Judiciary.

By Mr. CURTIS:

H. Res. 233. Resolution for the relief of Pearl Cox; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 3723. A bill for the relief of Elbert and Myrtle Eastman; to the Committee on the Judiciary

By Mr. FULLER:

H. R. 3724. A bill for the relief of Joseph Gleason; to the Committee on the Judiciary.

By Mr. GORSKI:

H. R. 3725. A bill for the relief of Harry Tansey; to the Committee on the Judiciary.

By Mr. JONKMAN:

H. R. 3726. A bill for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; to the Committee on Foreign Affairs.

By Mr. MILLER of California:

H. R. 3727. A bill for the relief of Mrs. Marion T. Schwartz; to the Committee on the Judiciary.

By Mr. OWENS:

H. R. 3728. A bill for the relief of Tomasz Kijowski; to the Committee on the Judiciary.

By Mr. THOMAS of Texas:

H. R. 3729. A bill for the relief of S. C. Gerard; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

603. By Mr. HULL: Petition of the Legislature of Wisconsin, requesting the Congress to pass, at the earliest possible moment, S. 126 or H. R. 1180 or any similar bill relating to the coinage of 50-cent pieces in commemoration of the Wisconsin centennial celebration; to the Committee on Banking and Currency.

604. By the SPEAKER: Petition of members of the State Council of Virginia, Daughters of America, petitioning consideration of their resolution with reference to favoring further immigration restrictions; to the Committee on the Judiciary.

605. Also, petition of the membership of the Tallahassee Townsend Club, No. 1, Tallahassee, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

606. Also, petition of H. C. Curtis, West Palm Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

THURSDAY, JUNE 5, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Heavenly Father, if it be Thy will that America should assume world leadership, as history demands and the hopes of so many nations desire, make us good enough to undertake it.

We consider our resources in money and in men, yet forget the spiritual resources without which we dare not and cannot lead the world.

Forgive us all for our indifference to the means of grace Thou hast appointed. Thy Word, the best seller of all books, remains among us the great unread, the great unbelieved, the great ignored.

Turn our thoughts again to that Book which alone reveals what man is to believe concerning God and what duty God requires of man.

Thus informed, thus directed, we shall understand the spiritual laws by which alone peace can be secured, and learn what is the righteousness that alone exalteth a nation.

For the sake of the world's peace and our own salvation, we pray in the name of Christ Thy revelation. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Wednesday, June 4, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, notified the Senate that Mr. ZIMMERMAN had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes, vice Mr. FLANNAGAN, excused.

The message announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2436) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANFIELD, Mr. DIRKSEN, Mr. GRIFFITHS, Mr. ROBERTSON, Mr. GARY, Mr. BATES of Kentucky, and Mr. WHITTEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes.

The message further announced that the House had agreed to the following concurrent resolution (H. Con. Res. 52), in which it requested the concurrence of the Senate:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 3020) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes, the Clerk of the House is authorized and directed to make the following correction: In the matter in parentheses in the section designated as "SEC. 15" in title I, change the figure "10" to "11."

Passed the House of Representatives June 4, 1947.

TREATY OF PEACE WITH ITALY

The Senate, as in Committee of the Whole, resumed the consideration of Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947.

The PRESIDENT pro tempore. The parliamentary situation is as follows: The Senate is proceeding under a unanimous-consent order that at the hour of 2 o'clock p. m. the Senate, without further debate, shall proceed to vote upon any motion, amendment, or reservation that may be pending, or that may be made or proposed with respect to the treaties with Italy, Rumania, Bulgaria, and Hungary, and upon the question of ratification of the said treaties in the order named.

There is nothing in the unanimous-consent agreement which divides the time between now and 2 o'clock. The Chair suggested at the conclusion of the session yesterday that, as a matter of fair play, he would like very much to undertake unofficially to divide the time equally this afternoon until 2 o'clock between the proponents and the opponents; and, unless there is objection, the Chair will undertake to pursue that course. The Chair hears no objection.

Mr. GEORGE. Mr. President, I ask unanimous consent to insert in the RECORD an article by Walter Lippmann which appears in the press of today. I have taken it from the Washington Post. The article is entitled "A Plea for Prudence," and it bears directly upon the question which is now before the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PLEA FOR PRUDENCE

(By Walter Lippmann)

The situation in Italy and in central Europe has taken a decided turn for the worse just as the Senate is dealing with ratification of the satellite treaties. Yet it seems to me that what has happened is, if we examine it, a reason, though it runs counter to our feelings, for prompt ratification (which is what Secretary Marshall and Senator VANDENBERG want) rather than for delay.

The new situation is marked by two connected events—one of them in Budapest and one in Rome. In Hungary and in Italy there have been until recently, and, indeed, since the armistice, coalition governments. Now there is in Hungary a government which the Communists dominate. In Italy there is now a government in which the Communists and Socialists are not included, against which they are in open opposition and perhaps in actual rebellion.

What makes the situation so dangerously difficult is that the Communist-Socialist opposition to the present Italian Government draws its main strength from the industrial areas of northern Italy, which are separated only by an imaginary line from Yugoslavia and Hungary. The stage is, therefore, set, the lines of communication have been opened, for Soviet support of an Italian revolutionary opposition to the De Gasperi government in Rome.

Moreover the political restraint upon the Italian opposition has been reduced, by the fact that the De Gasperi government does not represent the legally elected majority in the legislature.

It follows that the frontier between Italy and the Soviet orbit has now become more important than it was when Mr. Byrnes was negotiating the Italian treaty. The basic issue is, however, no longer what it was; that is to say, where the frontier should be drawn and who should have Trieste and Istria. The question now is whether any international frontier can be established and maintained which will separate the revolutionary opposition in northern Italy from its allies in Yugoslavia, Hungary, and the Soviet Union.

The ratification of the treaty will establish an international frontier which is legally binding upon all the United Nations. The violations of that frontier would then be a question for the United Nations. If, however, the treaty is not ratified, the dividing line will be merely the present armistice line which is held by British and American troops. For this reason it seems to me that we have the greatest interest in a prompt ratification of the Italian treaty, and of the others which are grouped with it. For this will broaden the responsibility for the maintenance of law and order to include all the United Nations. Delay, on the other hand, which in present conditions may be tantamount to rejecting the treaty, would put upon us, with such help as the British could give, the sole responsibility for maintaining the territorial integrity, and maybe even the independence, of Italy.

That would, I believe, multiply the risks and greatly increase the burden which we have assumed. No doubt we shall have to supply the economic support for Italian relief and recovery. But what we must seek to avoid is finding ourselves in a position where an Italian Government, opposed by great masses of Italians, is sponsored and supported by the United States alone.

That would be ruinous to the Italian Government, since it would be pictured as a minority government and a puppet of the United States. The State Department has already laid itself open to that line of attack, which the Soviets will surely pursue, by its effusive and clumsily timed endorsement of the new De Gasperi government.

Europe cannot be saved from Soviet domination or from economic collapse and anarchy by a series of unilateral American interventions. The supreme problem which confronts Secretary Marshall is to extricate the United States from the consequences and the commitments of a spasmodic unilateralism and to get it replaced by a European policy—which we can promote, induce, and support but cannot initiate and impose—of reconstruction and unification and stabilization.

We are in grave danger not of withdrawing into isolation as in 1919 but of advancing into isolated interventions all over the globe. We are not strong enough or wise enough to do that successfully, and we shall squander our influence, our power, and our resources if we attempt it.

Thus we should not have a United States-Italian policy, as we now seem to have, but only an Allied policy in which Great Britain and France, at the minimum, have an equal moral and political responsibility. For to have an American-Italian policy is not a true policy of international cooperation but in the literal and worst meaning of the word an "entangling alliance."

We are too far out front in too many places. We are taking on ourselves too many problems. We are making too many quick decisions. We are accepting too many moral commitments. We are striking too many attitudes.

For our own good and for the sake of peace most of these things should be shared in the process of decision, shared as to political responsibility, with other governments. For otherwise we may find that Uncle Sam is the head of the parade and that everybody is out of step but uncle.

Mr. McMAHON. Mr. President——

The PRESIDENT pro tempore. The Senator from Connecticut is recognized. How much times does the Senator desire?

Mr. McMAHON. I will not need more than 7 minutes.

The PRESIDENT pro tempore. The Chair unofficially recognizes the Senator from Connecticut for 7 minutes.

Mr. McMAHON. Mr. President, I shall vote to support the motion to delay ratification of the Italian Peace Treaty until January. This treaty is labeled as a treaty of peace with Italy. We must eventually have a formal peace treaty, I suppose, but we really need no treaty to put us at peace with the vast majority of the Italian people. It is true that under the domination of a despotic and totalitarian regime Italy went to war against us, but it is likewise true that when she could loose her chains and bonds she joined as a valiant ally in aiding us to a victory in arms. And the victory which she helped to bring was shared by the sons and daughters of Americans of Italian blood who served by the hundreds of thousands in our own armed forces. To one who will but come with me and gaze upon the honor rolls of my State I will show score after score of names indicating their Italian blood—and many of them, Mr. President, are written in gold. The people of my State know that John Basilone, of New Jersey, dead, and Henry Mucci, of my State, alive, typified the courage and loyalty and bravery that was unsurpassed by that of any others of our American soldiery.

This treaty is at the perimeter of our peace problem. I believe that its ratification or nonratification will have little effect on the permanent peace of the world. Whether we ratify the treaty or whether we do not, we are going to have to see to it that Italy does not fall into the hands of a Communist conspiracy such as has overtaken Hungary. If we should permit Italy to become a Com-

munist satellite it would be only a matter of weeks before France would fall into Moscow's orbit, and if that happened, the Soviets would have accomplished that which Hitler set out to accomplish, and which we spent 300,000 lives and $300,000,000,000 to stop.

Mr. President, we engaged in the last war because we were attacked and because we realized that Hitler astride Eurasia meant eventual and perhaps successful marshalling of superior resources and manpower to accomplish our defeat and obliteration. We can no more permit that to happen under Mr. Stalin than under Mr. Hitler.

There are two prime problems which must be successfully solved if we are to avoid a third and last world war. These two problems involve the effective control of atomic energy, and the reconstitution of Europe as a going concern. I have spoken much about the effective control of atomic energy, because I am convinced that the ultimate test of Russia's intentions toward the rest of mankind lies in her attitude on this subject. Unhappily and tragically our offer to share mankind's potentially greatest material achievement has been not only turned aside, but almost finally turned down. I say again that if we cannot solve this problem within the United Nations we will have to solve it nevertheless, and it is high time that we begin to formulate an alternative policy. Some 3 weeks ago I suggested what the alternatives were from which we must choose. I shall not longer pursue this matter now, for I intend to discuss it here at length in the next few weeks.

Suffice it to say that the United Nations will suffer a grievous and perhaps fatal blow on the day the curtain is rung down on a failure of the atomic energy discussion in the United Nations just so surely as Japan's unmolested invasion of Manchuria in 1931 heralded the beginning of the end of the League of Nations.

Mr. President, Europe disaffected, disunited, starving, and hopeless, will fall into the eager and more than willing hands of Moscow.

We must realize that we must prevent it, and to happily prevent it, we need a concord with Russia on Germany. The late conference at Moscow was a complete failure, and there is certainly little ground now for hoping that we will be more successful in the next Foreign Ministers' Conference in London in September.

Mr. President, it seems to me that it would be good judgment for us to delay at this critical juncture the ratification of the Italian treaty and the three treaties which are to follow it.

Conditions today in Italy are little short of desperate. We have been talking for 9 months about giving the Italian people aid so that they can sustain a democratic way of life. Unless we hurry up and give it to them, it may be too late.

The Communist Party of Italy is today, according to information which I believe to be reliable, equipped with tanks and machine guns—especially in the North. It is exceedingly well-financed by the loot which it took from Mussolini's crowd, and which it stole in Istria and Trieste. I am frankly fearful that if we withdraw our troops now, we will lay the country open to Hungary's fate.

Events in the next few weeks may disclose which way the cards will fall in Italy. Certainly a withdrawal now will not lend encouragement to those in Italy who are combating with might and main the Communist forces.

We have gone to the aid of Greece and Turkey, Mr. President, because we did not wish them to be engulfed. We are obligated to withdraw from Italy 90 days after ratifying this treaty, which may permit Italy to suffer the same fate.

Russia has advanced into Hungary. We enter upon a retreat in Italy. That retreat may well signal the taking of Italy, too.

Would it not be the better wisdom to delay until we ascertain the prospects of a German treaty this fall?

After all, Russia has yet to ratify these treaties, and now that she has taken Hungary, she ma not ratify the Hungarian treaty.

Any worth-while plan for the convalescence of Europe must include Italy. If we cannot plan for that convalescence with Russia next September, we must plan it without her. The ratification of this treaty cannot help in that convalescence—in fact, it may hinder it.

Yet, Mr. President, if the motion to delay shall be defeated, I shall vote reluctantly to ratify the treaty. I refuse at this juncture of world affairs to repudiate the signatures of our plenipotentiaries, because I know that such a repudiation would be heralded and trumpeted by the Soviets from one end of the world to the other. Insidious comparisons would be drawn between now and 1920. The peoples of Europe would be told that we were again going to withdraw, and they might lose heart and thereby lose all.

I believe that our action might give the Soviets the excuse to withdraw from our atomic energy negotiations and from any and all attempt to settle the German problem. The Italian treaty is not a good treaty, but we are told—and I believe it—that it is the best we could get. As the lesser of two evils, I shall vote to ratify the treaty, but I am firmly of the opinion that we should delay action on it for a few more months.

Mr. WATKINS. Mr. President——

The PRESIDENT pro tempore. The Senator from Utah is recognized for 10 minutes.

Mr. WATKINS. Mr. President, in the 10 minutes allotted me, I desire to make some observations on the pending peace treaties and to state some of the reasons why I feel impelled to vote against their ratification.

VOTED FOR LOAN

I voted for the Greek-Turkish loan because I believed at long last the United States had decided to stop its policy of appeasement of Communist Russia and to stand firmly on the principles of the Atlantic Charter, which had been so cynically disregarded by the Allies, ourselves included, from the day they were enunciated to the day the President made his speech on the Greek-Turkish loan.

Belated as that decision was, I felt that we could hold our heads up again as the champion of the rights of peoples of the world to live their own lives free from fear of an aggressor and under a government of their own chossing.

REASONS FOR SUPPORT

In my speech made April 22, supporting the Greek-Turkish loan, I made the following declaration:

Mr. President, I am voting for this bill with the belief and the hope that this is only the first step; that we shall now come back to the first principles as set forth in the Atlantic Charter not only in Greece and Turkey but in China; that we will reverse the action we took in that nation recently when we decided not to take sides as between the Nationalists and the Communists, but decided to get out; that we will redeem our promise made to the Koreans that they shall have their independence; that we shall refuse to make any more agreements with Russia until she gives some evidence that she is willing to honor and respect the agreements she has already made from the days of the Atlantic Charter down to the present time; that as a logical outgrowth of that stand we shall not ratify the treaty with Italy which renders Italy defenseless for a long time to come against a constant threat of the Communist Tito and his government which is a satellite of Russia; that with respect to Germany we make no further agreements of any kind with Russia respecting that nation until such time as Russia honors her past agreements; that we lay all of the facts on the table before the United Nations.

Let us also declare it as our policy that we expect to honor all our agreements and expect other nations to do likewise; that we shall be glad to help Russia attain any of her legitimate ambitions and her necessities by peaceful means. In fact, let us declare to her that as we are a Christian Nation, we shall be willing to abide by the doctrine of the Christ, known as the Golden Rule.

By taking this stand, Mr. President, I sincerely believe we can stop the present ideological war and prevent a shooting war of World War III. Halfway measures, in my opinion, will not do. We must go the full distance. This is a case which requires the boldest of action. By any other method I believe we court disaster, and I say this notwithstanding the fact that we have the atom bomb.

POSITION STILL THE SAME

Mr. President, after reading the record of the hearing before the Foreign Relations Committee of this body, after careful appraisal of the present situation, and in the light of today's events in Hungary, I see no reason for changing from the position I took at that time. In fact, the debates I have listened to in this Chamber on these treaties, and the recent events in Europe have convinced me that the stand I took was not only right then but it is right now.

MUST STAND FIRM

For instance, Mr. President, I firmly believe that if we had served notice on Russia months ago that we would stand for no more aggression, and said it in such a way that Russia would have no doubt that we meant it, the taking over of the Government of Hungary by the Communists would not have happened.

In connection with this subject, there appeared in yesterday's Washington Star an article written by Constantine Brown, a well-known student of foreign affairs. I shall not read the article now, but I ask unanimous consent to have it

printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIA'S COUP IN HUNGARY HELD PROOF SHE CAN'T BE STOPPED WITH SHOESTRING

(By Constantine Brown)

The ineffectiveness of the American Government's efforts to forestall successful completion of Russia's coup against the Hungarians is driving home in Washington the fact that it is impossible to fight communism on a world-wide scale on a shoestring.

Reviewing the events by which Russia has dragged the Magyar Republic behind the "iron curtain," it will readily be seen that no strong American policy was ever applied to the situation in a way which would give Russia to understand that no further expansion of her sphere in Europe would be tolerated.

Communist intentions became quite clear last winter, when the first steps toward conversion of Hungary into a Moscow puppet were taken. At the time Hungary was in a sort of no man's land. She could have been diverted into either camp. She had a predominantly conservative government, made up for the most part of members of the Smallholders' Party, but including some Communists in key positions where they could defy the majority elements in the government. A Communist was mistakenly permitted to head a military-police department of the War Ministry and with this authority the coup began in January.

First event was the rounding up of a large number of politicians, army officers, and other officials on the charge that they were involved in a plot to restore the regime of Admiral Horthy, Hungary's Nazi-serving prewar regent, when Russian troops left the country in accordance with the Hungarian peace treaty. Although the fictitious character of this plot was readily apparent, 13 persons were tried on the charge and several were sentenced to death.

CREDIT WASN'T IMPRESSIVE

The American Government was not swift to act on the warning signals, and when it did act, limited itself to granting Hungary a credit of $15,000,000 for the purchase of American surplus supplies in Europe. Premier Ferenc Nagy, now deposed by the Russians because he refused to make himself their puppet, was hardly impressed with such a paltry sum as evidence of the United States intention to stand firmly against the further advance of communism in Russia. Nor could the mass of Hungarians be expected to be impressed.

When, on March 12, President Truman announced his doctrine of American resistance to the spread of communism, it provided for aid only to Greece and Turkey. Nothing was said or done to forestall what was apparent months ago, namely, that Russia intended to secure Hungary behind the "iron curtain" before the peace treaty became effective.

Perhaps it was felt in Washington that with Russian troops occupying all of Hungary and Communists holding key positions in the Government—despite their numerical inferiority both in parliament and the cabinet—the country was already written off to Russia. Perhaps it was felt that it would take actual armed combat to dislodge the Soviet masters from Budapest. Whatever the reasoning, Hungary was permitted to fall completely into Russian hands with little more than a gesture of opposition from the United States.

TROOPS MAY BE ASKED TO STAY

Moreover, the peace treaty is, in effect, already nullified by Russia's act in forcing out Premier Nagy and other Smallholder Party officials, for a pro-Russian government in Budapest now can request Russia to keep her troops in the country beyond the 90-day limit set for evacuation of the Soviet armed forces. If Russian troops remain, the United States will have no legal leg to stand on in protesting.

Russia appears still able to move unhindered from conquest to conquest. She has now established her lasting dominance over the first large non-Slavic nation in Europe. All her other puppets—except tiny Albania—are either Slav nations or so heavily infiltrated with Slavs—such as Bulgaria—that they may be regarded as Slavic. The eastern zone of Germany has, of course, only a small minority of full-blooded Slavs, and it is hoped that Germany eventually will be recreated. Thus, the Hungarian victory represents the spread of Slavic communism to the non-Slavic western-oriented region of Europe.

Italy and France hang in the balance, with Communists excluded from both Governments and their reaction still awaited. If American policy proves as ineffective in those two cases as in the case of Hungary, we will have real cause to worry.

VOTE AGAINST RATIFICATION

Mr. WATKINS. Mr. President, I shall vote against the ratification of these treaties with the greatest reluctance. I have great respect for the judgment of Secretary Marshall and the distinguished chairman of the Foreign Relations Committee and for other members of that committee, but I cannot close my eyes to the fact that the policies of the administration with respect to the prevention of recent aggression in the world are not succeeding. To me this is crystal clear and needs no demonstration. It is true beyond all argument. Hungary is only the latest example. France and Italy are on the verge of falling into the Communist orbit, and the Hungarian episode may be repeated in those countries before parties to the treaties have time to ratify them.

REASONS FOR VOTE

In conclusion, Mr. President, I summarize some of the reasons, among many others which might be urged, why I shall vote against ratification:

First. The treaties are premature. The European situation is so complex and confused that it is practically impossible to do justice and adhere to reason in a piecemeal fashion. What will be done in the German and Austrian Peace Treaties will have a profound effect on all the Axis satellites as well as the Allied countries. The significance of the deliberations and negotiations respecting treaties with Germany and Austria will overshadow all that is done now. Postponement of action on the treaties now being considered will strengthen our hand in these later negotiations. The events in Hungary are strong and urgent reasons why the peace with Italy and the satellite countries should not be ratified at this time.

VIOLATES ATLANTIC CHARTER

Second. The Italian treaty violates every principle of the Atlantic Charter. The fact that all the representatives of the Allied Nations had a hand in drafting the treaty does not give it any special virtue. The action only reveals how far the Allied Nations have departed from the high ideals with which they are supposed to have fought the war.

INCONSISTENT WITH AID PROGRAM

Third. The Italian treaty is totally inconsistent with the announced purpose of the United States in extending aid to Greece and Turkey when in furtherance thereof we send $400,000,000 to aid those countries in strengthening their economic and military forces to prevent Communist aggression from within and without. In the Italian treaty we render Italy helpless to repel outside aggression, and saddle her with economic servitude. It is doubtful that the military forces we have allowed her are sufficient even to maintain order in case of a Communist uprising. The very terms of the treaty requiring the leveling of fortifications, the limit on modern weapons, and the size of the forces allowed, are ample proof that this is true.

Figuratively speaking, we expect Italy to defend herself with bows and arrows against rockets and atomic bombs and weapons undreamed of which the cunning of man will yet invent.

DENIES SELF-PRESERVATION

Mr. President, the first right of every human being born into this world is the right of self-preservation. Who gave the prerogative to the Allies to deprive the Italian people of this God-given right?

ITALIANS IN DESPERATE SITUATION

That liberty-loving Italians face a desperate situation, with Tito and Stalin glaring at them across an undefended border only a few short miles away, should be apparent to Americans, but it seems to make very little impression here. We say, "Let them rely on the United Nations," an organization we know, to our regret, is now totally impotent.

It might help us to recall that in order to defend ourselves against the only potential enemy in sight—an enemy separated from us by two oceans and some 3,000 miles away from the heart of our homeland—we are asked to appropriate over $11,000,000,000, and a commission of able men are urging us to adopt a universal military training program to cost $1,750,000,000 annually. Who is that potential enemy may I ask? It is the same one that faces undefended Italy.

Mr. President, I feel impelled to say that we shall live to regret a ratification of these treaties.

The PRESIDENT pro tempore. The Senator from Rhode Island [Mr. McGRATH] is recognized for 2 minutes.

Mr. McGRATH. Mr. President, I have given the matter of the Italian Peace Treaty most serious and earnest consideration, and have concluded that ratification is in the best interests of both the United States and Italy. There are, of course, many things contained in the treaty which are repugnant to our sense of justice, but I am satisfied that without this peace treaty Italy will drift aimlessly for years to come.

I have listened to the arguments on both sides and believe that ratification of the treaty will open the door to a quick admission of Italy to the United Nations. Once within the United Nations, and with our help, she will be able to aid herself far more than we could hope to aid

her while she remains outside. There is the further consideration that the admission of Italy will add one more strong voice on the side of the democracies in that Council. We should not pass up any opportunity to strengthen the voice of democratic peoples in the United Nations.

In addition to the foregoing, I have not been able in this instance to justify the substitution of my personal judgment for the advice of every expert in the field of international relations, upon whom our country is dependent in these crucial days.

The PRESIDENT pro tempore. The Senator from New Jersey [Mr. SMITH] is recognized for 12 minutes.

Mr. SMITH. Mr. President, it is my purpose to vote for the ratification of the pending treaties, and in making this brief statement with regard to the Italian treaty I am including the other treaties as well. It is my considered judgment that this question is a larger one than can be taken into our comprehension by merely a brief debate here on the Senate floor. I have been very much impressed by the arguments of those opposing the treaty, but I think we have not yet had adequate comprehension of the over-all picture.

Mr. President, after World War I it was a deep conviction of mine that the troubles that would bring about World War II would come from the area of the Balkan States, the area from the Baltic Sea to the Mediterranean, down through that section of states which are involved in these treaties. It is because I feel that conditions in that area are of vital importance and that the once enemy nations who are parties to these treaties need adjustment and settlement of their difficulties and problems as promptly as possible, and because I want to see those areas brought immediately under the jurisdiction of the United Nations, with United Nations responsibility, that I believe ratification of the treaties is imperative.

Mr. President, I speak as one who comes from a State which has a very large Italian-American population. I think there are in excess of 150,000 Italian-Americans among my constituents, many of whom are close friends of mine, many of whom are opposed to the ratification of the treaty, but for the good of the Italian people themselves, for the good of the future of Italy, for the good of the future of Europe, for the whole United Nations cause, I feel that the ratification of these treaties is imperative.

Mr. President, at the hearings before the committee, when Secretary Byrnes was with us, I asked him a question which sums up so much the feeling I have with regard to the perspective of this proposition, that I am going to read my question to Mr. Byrnes and Mr. Byrnes' answer. I said to Mr. Byrnes:

> Mr. Secretary, from my study of the Balkan situation over the years I have come to the conclusion that we all have, that many of our world wars have been originated in those areas. That has been due, as I see it, to two things. One is the denial of basic human rights and fundamental freedoms in those competing countries, to the arbitrary types of dictatorships we have seen there, and that sort of difficulty.
>
> I was interested to see in your report, on page 6, this expression: "Other benefits granted to the people of the ex-enemy states assure"—and I emphasize the word "assure"—"the maintenance of their basic human rights and fundamental freedoms. These clauses constitute an international obligation, and assure other states the right to see to it that they are maintained."
>
> I think that is so profoundly important in the light of the area with which we are dealing that I would be interested in just a little further elaboration from you as to just how that assurance is to be brought about.
>
> Mr. BYRNES. It has the same assurance that every other provision in these treaties has. You will recall that we placed great importance upon it, and as far back as Yalta we undertook to have the three powers agree as to these freedoms. This is different. The ex-enemy state itself has solemnly obligated itself in this agreement to assure the fundamental freedoms. It is endorsed by the United Nations signing these treaties. It is the strongest assurance that I can think of.
>
> Senator SMITH. I am entirely in accord with it. I am glad to hear your emphasis upon the importance of that feature, because there we are going to have our future trouble if we have any, from the disaffections among those people themselves.
>
> Mr. BYRNES. I agree.

I mention that because there are two ways to look at this problem. We can leave the situation as it is, in its present chaotic condition, or we can have these treaties, which were so carefully prepared, ratified, and made a part of the whole international structure, and especially the United Nations picture.

I invite the attention of the Senate to the fact that we are not dealing with a treaty between the United States and Italy. I was very much impressed by the argument of the Senator from Nebraska [Mr. WHERRY] yesterday, but I felt that he was arguing as though the treaty were something which the United States alone could consider and modify. As pointed out by the Senator from Michigan [Mr. VANDENBERG] when he opened the debate on this question, these treaties were prepared by representatives of a group of countries which, if the treaties are ratified, will be bound by their terms whether they actually carry out those terms or not. We are making a big advance by having commitments from countries affected in these areas, by the fact that the Danube, for example, is made an avenue of free passage, and that there are no restrictions on the free use of the Danube; and by the fact that the countries affected are parties to the treaties and to the guaranty of the freedoms to which I have referred.

One party to the various treaties is the group known as the Allied and Associated Powers, consisting of the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, China, France, Australia, Belgium, the Byelorussian Soviet Socialist Republic, Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, the Netherlands, New Zealand, Poland, the Ukrainian Soviet Socialist Republic, the Union of South Africa, and the People's Federal Republic of Yugoslavia. The other party is Italy, in the particular treaty before us, and Bulgaria, Hungary, and Rumania, in the respective treaties relating to those countries.

In the treaties themselves it is provided that they shall go into effect when the four great powers—Russia, the United States, Great Britain, and France—shall have ratified them, and they shall be binding upon the other countries when ratified by them, respectively. The thing we should bear in mind is that this is a successful attempt, after weeks and months of negotiations, to obtain an agreement among the group of important countries controlling and affecting the entire Danubian area, the area of danger so far as future wars are concerned, to certain fundamental principles and freedoms which are laid down in the treaties in identical terms.

The clause I am about to read appears in all the treaties. We can laugh it off if we will; but for the first time in history countries whose representatives have at least initialed the treaties, and which will undoubtedly ratify them if we do so, have agreed to these principles. Article 15 of the Italian treaty—and the identical provision is carried in the Hungarian, Bulgarian, and Rumanian treaties—reads as follows:

> Italy shall take all measures necessary to secure to all persons under Italian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, or political opinion and of public meeting.

Those fundamental guaranties have been arrived at by this group working arduously—by our own representatives, the Senator from Michigan [Mr. VANDENBERG] and the Senator from Texas [Mr. CONNALLY], working with former Secretary Byrnes during many months of negotiations. Progress has been made toward bringing this whole area into the picture of United Nations responsibility.

If we, who have been the initiators of this plan, do not support it and set the example by ratification, if the United States does not take the lead in an aggressive and positive way, recognizing that this is another step forward in the direction of international collaboration for the preservation of the peace, naturally the other nations will not ratify the treaties, and the condition of chaos will continue, as is evidenced by what has happened in Hungary.

Mr. President, I take issue with those who say that more trouble will come to Italy by the ratification of the treaty than otherwise. The only hope I see for Italy is to be made an independent state, a state which can be recognized and brought into the United Nations organization, a state which will ultimately become a part of the Federation of Western Democratic Europe in the only kind of an association which can prevent the chaos and economic collapse now threatening in Europe.

The United States is expected to take a position of aggressive leadership in support of our continuing policy of aiding the United Nations in its program to bring those countries together, to bring order out of chaos, and to promote economic recovery.

Mr. President, I shall support ratification of the treaties because I feel that we have a great responsibility to take a

position of leadership and to point the way to the other nations of the world.

Mr. MALONE. Mr. President, the pending Italian treaty, including the provision for the payment by Italy of $360,000,000 to four foreign nations as reparations, definitely sets a 7-year slave-labor policy for the Italian Nation, and I shall show that it could cost this Government $1,000,000,000 during that period to support the 198,000 Italian laborers who could be required in discharging Italy's obligations. In addition, the necessary processing of raw materials to fulfill the obligations undertaken through the approval of this treaty could well require more than 18,000 highly paid Russian foremen to supervise the 7 years' work, and their salaries could be deducted from the increased value of the manufactured products. Thus, the amount of required work to discharge the reparations obligations could well be greatly increased.

Mr. President, this was the way the pyramids were built. In my humble opinion, the United States of America cannot afford to be a party to such an agreement. Certainly the slave-labor provisions of this treaty have little resemblance to the ringing slogans "making the world safe for democracy" and "the four freedoms" coined for World Wars I and II.

Mr. President, let me show how much this treaty could cost the Italian Nation in slave labor and the United States in money.

The latest wage statistics for Italy are for December 1946. At that time the skilled industrial worker in the northern Italian industrial area was paid 595 lire per day. This daily wage consisted of four special payments added together, some of which were borne by the Government rather than by the private employer. The four special payments were as follows:

	Lire
Daily base wage	232
Special cost-of-living allowance	185
Special allowance	60
Family allowance	118
Total	595

This daily wage of 595 lire is the wage of an employee having four dependents—a wife and three children.

The official lira rate of exchange is 225 lire to the dollar. The free rate of exchange is between 500 and 600 lire to the dollar. At the official rate of exchange of 225 lire to the dollar the Italian skilled laborer is being paid the equivalent of $2.65 per day. At the free rate of exchange of 550 lire to the dollar Italian skilled labor is being paid the equivalent of $1.08 per day. Italian skilled labor without dependents, however, receives only 477 lire per day, which is the equivalent of 87 cents per day. For general purposes of calculation, it can be assumed that the average Italian skilled laborer today receives the equivalent of $1 per day at the free rate of exchange.

AMOUNT OF ITALIAN LABOR REQUIRED AS REPARATIONS IN PEACE TREATY

Article 74 of the pending treaty provides that Italy shall pay the Soviet Union and the states of Albania, Ethiopia, Greece, and Yugoslavia a total of $360,000,000 in reparations during a period of 7 years. These reparations are to be paid out of Italy's current production through the countries concerned furnishing the raw materials and Italian wage earners furnishing labor valued at $360,000,000 without pay or subsistence of any kind.

The amount of labor required to pay off these reparations at $1 per day would amount to 360,000,000 man-days of labor. On the basis of a 5-day week, or 260 working days per year, it would take 1,385,000 Italian laborers, working a full year to pay off the $360,000,000 of reparations. Or, if paid off during a 7-year period, it would require 198,000 Italian skilled laborers, working full time for 7 years, to pay off the reparations due.

Since the product of 7 years for the 198,000 Italian skilled laborers would be turned over to the 5 countries mentioned for purposes of reparations, it would be necessary for someone to finance the economic support for 7 years of this body of laborers.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WHERRY. The Senator's statement is on the assumption that the complete reparation bill will be paid in 7 years at the rate of $15,000,000 per year. Let me ask the distinguished Senator a question. In addition to what he said with reference to the number of laborers necessary to be employed to pay off the reparations, there is always the question of the valuation of the raw materials which are being shipped in and of the fabricated materials which are being shipped out. Is not that correct?

Mr. MALONE. That is correct.

Mr. WHERRY. There is a strong possibility under such circumstances that it would be not 7 years but 14 years before the reparations were paid. Is not that correct

Mr. MALONE. Yes. I thank the able Senator from Nebraska. As I pointed out, it would require, in order to supervise the work, probably 14,000 Russian skilled laborers or foremen and their salaries could be fixed at any amount. I see nothing in the treaty to prevent that being done, and that could be added to the amount which I have mentioned. Furthermore, $360,000,000 amounts to nearly $50,000,000 a year instead of $15,000,000.

Mr. WHERRY. If the Senator will yield further, what was the Senator's estimate as to the food which would be required to feed those laborers?

Mr. MALONE. It could cost almost a billion dollars for the 7-year period for someone to board and clothe and take care of 198,000 Italian laborers for the 7 years.

Mr. WHERRY. Where does the Senator think the source of that food will be found?

Mr. MALONE. There is only one source of money in the world today. Since the war we have paid out approximately $17,000,000,000 to countries throughout the world, including countries which it was said were about to go communistic. There is only one source of money, and that is Uncle Sam.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. BRIDGES. The Senator has stated the number of Russians who will be forced upon Italy in order to supervise the work. Does the Senator think that Russia would send over naive, innocent Russian people to do this work, or does he think they might conceivably be members of the Communist Party, specially trained agents, to further disrupt and communize Italy?

Mr. MALONE. I thank the able Senator from New Hampshire.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. EASTLAND. I submit that Russia would not do a thing like that. Of course Russia would not send Communist agents to Italy; of course she would not try to communize anyone.

Mr. MALONE. I thank the able Senator from Mississippi. A little further along I shall show that the treaty provides that the military forces of Britain and of the United States are to be withdrawn from Italy within 90 days after the treaty is ratified, but it does not specify that Russian troops cannot be utilized to supervise construction. Therefore, not only will there be the number of foremen I have stated, who would be required to supervise the work and who no doubt would follow the policy of the Soviet Union, as indicated by the able Senator from New Hampshire, but there could be Russian troops there during the entire period. That is the way countries are falling into communism all over Europe.

Mr. EASTLAND. I think the distinguished Senator from Nevada is exactly right and I think the distinguished Senator from New Hampshire is exactly right. I believe that is what will happen. The argument has been made that Italy would be better off if troops were withdrawn and she became a member of the United Nations and that it would be to the advantage of the United States to have another friendly vote in the United Nations organization. But I submit, Mr. President, that within a period of 2 to 5 years we shall find a Communist vote for Italy in the United Nations organization if she is admitted, because—and there can be no mistake about it—the ratification of this treaty and the withdrawal of our soldiers will certainly throw Italy into the arms of communism.

Mr. BRIDGES. Will the Senator yield further?

Mr. MALONE. I yield.

Mr. BRIDGES. I think that what the Senator from Mississippi has said is absolutely true, that the ratification of the treaty means the driving of Italy into the arms of the Communists; and when a Senator stands on the floor and says that we should provide the leadership and lead the way, I say we are leading Italy completely into the arms of communism all along the line. It is asinine to say that Italy's admission into membership in the United Nations organization would give us another friendly vote in the United Nations. How can her vote be friendly when, as a result of our action, we make Italy communistic? Of

course, the vote of Italy then will be sympathetic to Russia and to the Russian satellites.

Mr. EASTLAND. Mr. President, will the Senator yield further?

Mr. MALONE. I yield.

Mr. EASTLAND. There would be the same kind of vote as that now cast by Yugoslavia and Poland.

The argument has been made that the Italian people favor this treaty. I was amazed yesterday to hear the distinguished minority leader, the senior Senator from Kentucky [Mr. BARKLEY], make the statement, and reiterate time and again, that the Italian people want this treaty ratified. Mr. Constantine Brown, a noted columnist, is an authority on foreign policy. He has recently returned from Italy. I should like to read to the Senator his statement regarding the views of the Italian Government on this question. I read from his article which appeared in the Washington Star on May 11 of this year:

The Italian Government accepted the treaty under duress. The Italian people do not like it at all. When Premier Alcide de Gasperi returned to Rome from America last February he conferred immediately with the newly arrived American Ambassador in Rome, James Clement Dunn, and told him he could not sign the treaty—

Note that, Mr. President. He could not sign the treaty—

because it would leave Italy helpless both economically and physically.

Listen to what happened:

Mr. de Gasperi changed his views within 24 hours, however, after he had a long conversation with the British Ambassador in Rome and with Palmiro Togliatti, chief of the Italian Communists, and then a member of the Italian Cabinet.

The Premier later explained to close friends that he was compelled to change his mind because the British diplomat had warned him that failure to sign the treaty not only would keep Italy out of the United Nations—

Think of that, Mr. President—if the Italian Premier did not sign the treaty, Italy would be kept out of the United Nations—

but also would make it impossible for her to obtain loans and assistance from the western Allies. Mr. Togliatti is said to have threatened a general strike and other forms of disturbance if the treaty were not signed.

Just think of that, Mr. President. The head of the Communist Party in Italy, the representative of Stalin in Italy, threatened to call a general strike and to engage in other forms of resistance unless Italy signed this treaty. And then some Senators are naive enough to say that Communist pressure is not behind the move for ratification of the treaty, and that ratification of this treaty would not promote world communism.

I read further from the article:

Premier de Gasperi yielded to the British and Communist pressure and since then he has taken the official position that he would like to see the treaty ratified and out of the way. In private, however, the Italian Premier is as much opposed to the treaty as he was on his return from America.

Mr. MALONE. I thank the able Senator from Mississippi.

Mr. President, to return to the question of the able Senator from New Hampshire [Mr. BRIDGES], let me say that during the course of my remarks I shall show that Italy is being driven into the hands of the Soviet Union because the Italians can obtain raw materials only from Russia, and the Russians are allowed to keep their supervisors in the form of an army in Italy and are also allowed to supervise the work the Italians do on the raw materials sent into Italy by Russia.

As to the British influence, which I shall outline later on in my remarks, I merely say at this point that not only is there no provision to prevent Britain from dumping her manufactured goods into Italy, but there is a provision to prevent Italy from setting up any barrier against manufactured goods from Britain. Therefore it is in the interest of the British Government to have this treaty approved, so that the British may have an additional dumping ground for their manufactured products.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. BRIDGES. Some very amazing statements have been made on this floor by Senators who favor ratification of this treaty. In order to be consistent, a Senator who is in favor of ratification of this treaty with Italy, which will force Italy into the arms of the Communists, should ask us to repeal the action taken in giving aid to Greece and Turkey. I was one of the Senators who favored giving aid to Greece and Turkey; I was in favor of doing that then, and I am in favor of it now. I am consistent; I am against communism all along the line, both yesterday and today; I am opposed to patting Communists on the back.

Mr. President, we in this country must come to the time when men will stand up and be counted and not attempt to carry water on both shoulders. Certainly that time is coming.

I predict that within the period of 1 year I shall be able to stand on the floor of the Senate and quote from the speeches of various Senators who now favor the ratification of this treaty, and shall be able to show that the statements they made in favor of it were ridiculous. Mr. President, the events which will occur during the next 12 months will prove that to be so.

Mr. MALONE. Mr. President, this treaty is in contrast to our avowed purpose of sending the $400,000,000 to Greece and Turkey. I voted against doing that simply because I saw no comprehensive international plan which had been prepared and geared to our international economy, not because I was opposed to having a little money go to Greece. My position was and is that in distributing our money drop by drop all over Europe, without having any well-formulated plan, we simply waste the money, and next year the same countries will be as bad off as they are this year. But, Mr. President, taking the announced objective as a serious one, the avowed purpose of the President was to stop Russian communism at the border of Greece, was it not?

Mr. BRIDGES. That is correct.

Mr. MALONE. Then, to the contrary, the treaty now before us has the avowed purpose of turning the Italian industrial machinery and a part of the Italian productive capacity over to Russia and one of her satellites for 7 years. Such a purpose is in direct contrast to the purpose of the Greek-Turkish loan.

Mr. BRIDGES. That is correct.

Mr. EASTLAND. Mr. President, will the Senator further yield to me?

Mr. MALONE. I yield.

Mr. EASTLAND. It is stated that Secretary Marshall is in favor of the speedy ratification of this treaty, for the assigned reason that it would be futile to negotiate further with Russia if we do not approve the present treaty recommendations of the executive branch of our Government. Let me say that I can readily understand that viewpoint; but I think that by now we should certainly be convinced that Russia is not going to agree to anything, and that further conferences with Russia are futile. Whether we like it or not—and God knows I do not like it—the world in the future will be two worlds, a democratic world and a Communist world. We must draw the line, we must take a stand against communism. We must prevent the spread of communism. It is certainly important that we do so. The whole theory of the Greek-Turkish loan was to preserve the Mediterranean Sea for the western powers; and thus it is important that Italy, which controls the Mediterranean Sea, not fall within the Russian orbit.

Mr. President, the way to prevent Italy from falling within the Russian orbit is for us to maintain an army in Italy, to maintain the American flag there, until the Italian economy is sufficiently rejuvenated and until Italy is put on her feet economically to the point where she can weather the Communist storm and can resist Communist efforts. But I think Secretary Marshall is doing a futile thing when he thinks and hopes that we are going to do business with Russia. Of course, we can get promises; but a promise from Stalin or a promise from Molotov or a promise from Tito, as history already shows, is absolutely worthless.

Mr. MALONE. I agree with the able Senator from Mississippi that if we are going to give aid to Greece and Turkey and are going to send men there to help train their armies and to assist them economically, then if any nations are to maintain any supervisors or military forces in Italy, we should be among those nations.

I wish to say, in passing, that today everyone in the world knows—certainly the school children know—that there are not 5 great powers or 4 great powers or 55 great powers in the world, but there are only 2—the United States and Russia. Whenever one of those great powers—whether it be the United States or Russia—does not want a certain thing to be done, that thing will not be done in this world.

Everyone must know by now that England is making separate trade treaties with other nations. She has just completed a separate trade treaty with Russia, by means of which Russia will

furnish raw materials and England will act as the manufacturing center and will be able to furnish Russia with many munitions of war, including jet airplanes and other things. Mr. President, in a case in which our interests apparently are at stake, to say that we should not make a separate treaty with Italy or with any other country, in my judgment, simply does not make sense.

Let me now return to the discussion of the cost of supporting the 198,000 Italians during the time that the reparations provisions of the treaty are being fulfilled by them. The latest cost-of-living data for Italy shows that in December 1946 the cost for a typical family was $60, of which 80 percent went for food. This $60-per-month cost-of-living figure was derived by applying the average dollar lira exchange rate applicable to export trade at that time, amounting to about 375 lira per dollar. This would amount to $11,880,000 per month, or $142,560,000 per year. For the full 7-year period the total dollar cost would amount to $997,920,000, or approximately $1,000,000,000.

Mr. President, we have already expended, the record shows, more than three-quarters of a billion dollars since July 1, 1945, and about one hundred and twenty-six million of this amount since the beginning of this year. The breakdown of appropriations for that purpose shows the United States agencies administering such relief.

Mr. President, I submit the break-down for the RECORD, to have it printed at this point in my remarks, and I ask unanimous consent for that purpose.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

United States aid to Italy by various Government agencies since July 1, 1945

A. PERIOD JULY 1, 1945–DEC. 31, 1946

UNRRA (United States portion), Italy	$265,401,792
Italian eastern Mediterranean islands	1,347,709
Lend-lease fiscal operations (relief supplies distributed by Army)	111,979,781
Office of Foreign Liquidation Commissioner (property credits)	160,000,000
Maritime Commission (property credits)	20,437,660
War Department:	
Italy (relief ended June 30, 1946)	86,010,404
Venezia Giulia, until June 30, 1946	6,291,286
Venezia Giulia, second half year 1946	3,866,837
Udine, until June 30, 1946	4,466,774
Udine, second half year 1946	3,018,958
Total	662,821,201

B. PERIOD JAN. 1, 1947, ONWARD

Export-Import Bank	$105,000,000
Maritime Commission	16,787,441
War Department relief, first quarter 1947:	
Venezia Giulia	882,856
Udine	2,722,842
Total	125,393,139
Grand total	788,214,340

Mr. MALONE. Mr. President, the table shows that UNRRA has given, from July 1, 1945, to December 31, 1946, more than $265,000,000. It shows that for lend-lease and relief supplies during that period we sent more than $111,000,000 to Italy. It shows that the War Department spent about $105,000,000. The total was $662,821,000.

For the period following January 1, 1947, the Export-Import Bank furnished $105,000,000; the Maritime Commission more than $16,000,000; the War Department, again, more than $3,500,000.

These figures do not include American Red Cross, private relief, or the portion to be expended from the special relief fund of $350,000,000 to six countries, one of which is Italy.

In analyzing practically all the treaties, gifts, and so-called loans and other dealings with foreign nations that have come before this Senate during the last 5 months, there has been no semblance of a coherent American international plan geared in any way to our national economy. The only conclusion possible is that we are following someone else's plan, and the strong suspicion is that we are actually following blindly the 50-year-old British imperial trade program, which has long been designed, through manipulations of the currency of the world through the sterling bloc, Empire preferential rates, and other devices, to benefit the British Empire.

It is well known that Italy, as well as Greece, is under the domination of the British. It is high time that we prepare a plan of our own to build up these nations and make them self-supporting, and not subject them to slave labor for the benefit of nations pointed out through Presidential messages as our potential enemies.

The consequences of that slave-labor plan proposed for Italy through this treaty could throw that country back hundreds of years and make it impossible for this Nation, or any other, to put her on a self-supporting basis within any reasonable time.

As a matter of fact, with $100,000,000 for the Soviet Union, and for Yugoslavia $125,000,000, the total is $225,000,000 for the Soviet Union and her satellite nations.

The only coal normally available in Europe for export is in Germany and in England. But Germany, since the end of the war, has not been able to produce enough coal for her own industries, and today is turning out only approximately 50 percent of her prewar production, and we have shipped coal direct to England from the time the war ended. Therefore, the main source of coal for Italy and other nations to be used for industrial production is from the United States. Therefore, the cost of the coal would again be added to the American cost.

The record shows that the index of Italy's industrial production follows the chart of the available coal and power supply.

As this point, Mr. President, I ask unanimous consent to insert in the RECORD a State Department report comparing the index of Italian industrial production to her fuel supply during a large part of 1946.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

From January to September 1946, production showed a gradual and steady improvement. The index of industrial production rose from 27 in January to 65 in September, which was the highest peak reached during the year. However, during the last quarter of 1946 a marked decline brought the index to the low level of 52 in December. No data are as yet available for January and February 1947, but it is certain this trend has continued.

This deterioration is due primarily to the lack of coal and of electric power. It is known that during 1946 UNRRA provided 4,500,000 tons of coal, while total imports of coal from all sources were 5,500,000 as against a prewar average of about 12,000,000. In January only 359,000 tons arrived, just enough to cover railroad needs and the needs of some very important industries. According to recent estimates February coal arrivals amounted to 622,000 tons. Stocks of coal declined from 300,000 tons on December 31 to 230,000 tons in January. The situation as regards coal supplies is expected to improve in March. The shortage of coal has been aggravated by the shortage of electric power, especially in the north where industry is concentrated. During January and February, electric power was available to industry only for 2 days a week. In some cases factories were closed for periods of from 8 to 10 days.

The shortage of the two most important sources of power has resulted in a decline in production, in growing unemployment and labor unrest and may have been responsible in part for the recent price increases, illustrating the degree to which the recovery of the Italian economy depends upon a regular supply of coal and electric power.

Mr. BRIDGES. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from New Hampshire.

Mr. BRIDGES. I listened to the remarks of the distinguished minority leader, the Senator from Kentucky [Mr. BARKLEY], yesterday, when he said that we must keep the faith, or words to that effect, in the ratification of the pending treaty. The Senator from Kentucky, the distinguished minority leader, was the majority leader of the Senate during the administration of the War President, Franklin D. Roosevelt. I wonder whether the Senator from Nevada thinks that the treaty which is before us for ratification, containing the terms he has so ably outlined, is in line with what President Roosevelt, Franklin D. Roosevelt, the then majority leader's great leader in this country, said. On June 4, 1944, after the fall of Rome, President Roosevelt declared:

The Italians, too, forswearing a partnership in the Axis which they have never desired, have sent their troops to join us in our battles against the German trespassers on their soil.

In October he said:

To the people of Italy we have pledged our help, and we will keep the faith.

That is what Franklin D. Roosevelt said. I wonder whether some of those on the other side of the aisle, the Democratic Members of the Senate, when they come to vote on the ratification of the treaty, are going to stand behind Franklin D.

Roosevelt, who told the people of Italy that we would keep the faith.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BRIDGES. I have not the floor.

Mr. MALONE. I yield to the Senator from Maryland.

Mr. TYDINGS. It is not necessary to have the Democrats behind Franklin D. Roosevelt. If the Senator from New Hampshire and other Republicans are going to stand behind him, he will be well taken care of.

Mr. MALONE. On June 5, 1944, President Roosevelt did assert the right of a free Italy opposed to fascism to enter the community of nations on equal terms.

Mr. BRIDGES. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from New Hampshire.

Mr. BRIDGES. I shall be much interested in noting how Senators on the other side of the aisle, these Democrats, back up what their great war President said at that time. I was not always in agreement with Franklin D. Roosevelt, I opposed him many times, but I think it is the duty of the party on the other side to back up their war President in the statement he made:

> To the people of Italy we have pledged our help, and we will keep the faith.

Senators cannot dodge those words. Any Senator on the other side of the aisle who votes for the ratification of the treaty is repudiating the words and the pledge of their great war President, Franklin D. Roosevelt.

Mr. TYDINGS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

Mr. TYDINGS. Being what might be termed an anti-New Deal Democrat, it is a rather unusual event in my life to find my friend, the able Senator from New Hampshire, a New Deal Republican.

Mr. MALONE. In answer to the able Senator from Maryland I may say that pretty nearly anyone has to be right part of the time.

Mr. TYDINGS. When is the Senator going to start?

Mr. MALONE. It is also of interest, in reference to this treaty, to realize that we have broken our word to the Italians, who were assured by both Churchill and Roosevelt that they would not be subject to any of these humiliations.

Within the past few days the Communists have taken over control of the Government of Hungary, and the news dispatches this morning indicate that we are practically in an undeclared war with Russia over control of Hungary. Why, then, should we pay the Russians reparations anywhere at any time, and to any country, either directly or indirectly, where we ourselves have no opportunity to profit by such transaction, while opposing them in other sectors?

As a matter of fact, within the last few weeks England has closed a trade treaty with the Russians, and such treaties are in progress with other nations, and probably to a much greater extent than the news dispatches indicate. Under the Russia-England trade treaty Russia is to furnish England the raw materials, and England will be their source of manufactured goods. This will undoubtedly mean many articles furnished Russia that she could use in war with us, such as jet planes and other munitions, and including industrial and other equipment, while we are financing England directly and Russia indirectly in the furtherance of such treaties.

We are at this time shipping power machinery and oil-refinery equipment with which they can manufacture high-octane gas and other munitions. We are today repeating the mistakes and blunders made in 1939 and 1940, when we continued the shipments of scrap iron and oil, and then sent the boys out in the Pacific Ocean to catch that scrap iron with their bare hands coming back out of Japanese guns. It is time we made up our minds.

One of the major weaknesses of the Italian Treaty is that it leaves all questions unsettled, including primarily the matter of the economic rehabilitation of Italy.

The growth of communism in Italy is largely the result of the growth of economic chaos. The Italian economy cannot exist unless it is integrated with the economies of Europe. This applies particularly to Italian industry, where the coal supply is short, and where no iron or other fundamental requirements are available. The treaty leaves Italy shut off from Europe and places it foremost among those nations compelled to blackmail the United States with the threat of ultimate communism unless we provide the funds required to keep the nation going.

Under section 4, article 23, Italy renounces all right and title to Italian territorial possessions in Africa. These have been taken over by the British, and are in fact, though not in name, British possessions. The same applies to article 33, section 7, where Italy agrees to recognize and respect the sovereignty and independence of Ethiopia. Under this euphemism the British have grabbed Ethiopia and are treating it as a conquered territory, and the Ethiopian King as a quisling prince, who has no choice but to accept the situation. The Italian Army is drilled by British officers.

British cartel interests own the oil and other native resources of the country, and the entire area is being treated under a barrage of British advisers and experts as an area to be exploited for British benefit.

The curious provisions in reference to reparations raise the great question as to whether a general understanding on the economic level does not exist between the Soviet Union and Great Britain growing out of the recent economic trade agreements that have been negotiated between the Russians and their satellite, Poland, and Great Britain. By these trade agreements Russia exchanges raw materials for machinery and other finished products, and under any circumstances this is calculated to make the Russians strong at the moment when we are accusing them of being aggressive. It is to be noted for example that under reparations the Russians are granted a share of the Italian factory and tool equipment designed for the manufacture of war material.

I do not understand the logic which grants the Russians Italian factory equipment designed for the manufacture of war material. The Russians did not fight in Italy, and have no proper claim there, certainly not a claim to instruments of war. The granting to the Russians of reparations in the amount of $100,000,000 while at the same time granting the United States nothing is not only ridiculous but unworkable. It means that our present policy of putting economic pressure on Russia and her satellites is being in this instance reversed, since in actual practice this is exactly the reverse policy.

Moreover, the material comes from the Italian industrial establishment and presumably will include the tools, dies, and even machinery of that industrial establishment itself.

Provision 3 states that "The quantities and types of goods to be delivered shall be the subject of agreements between the Governments of the Soviet Union and of Italy" and that this should be handled in such a way as to avoid interference with the economic reconstruction of Italy; and the Russians can be selective in their demands on the Italian economy and are thus in a position to put intense pressure on the Italian Government for political ends, if they so desire, simply by a threat of wrecking essential industries unless other unwritten demands are acceded to.

The statement that this will be done so as not to place additional liabilities on other allied or associated powers is a joker. There is no way in the world for any part of this to be done without placing an additional burden upon the United States of America, which has already undertaken the support of the world.

Italy is not self-supporting but is in chaos, and this treaty furthers the chaos. Moreover, since the United States has participated in a huge loan to Italy this year, we are in the neat position of underwriting these reparations to be furnished to the Soviet Government, including the war material already referred to.

It is also of interest in reference to this treaty to realize that we have broken our word to the Italians, who were assured by both Churchill and Roosevelt that they would not be subject to any of these humiliations and punitive actions. On the liberation of Rome, June 5, 1944, Roosevelt asserted the right of a free Italy opposed to fascism to enter the community of nations on equal terms.

This treaty will make a powder keg of Italy ready to blow up with the rest of Europe. What we require, as has been asserted many times by our leaders and slogan-makers, is a well organized, democratic Europe. It is bad enough to break our word to Italy, but to then finance it all verges on lunacy and is simply unbelievable.

Paragraph 2 under section D of part 8 also makes the provision that the foregoing undertakings by Italy shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Italy before the war. This means that if some favored-nation treaty existed discriminatory to the balance of the United Nations obviously the United States will not be the beneficiary; and my belief is again that the beneficiary is Great Britain; in short, that Great Britain will hold a privileged position there.

This would appear to play directly into the hands of Great Britain, which is in a position to exploit Italy to the limit as a dumping ground for its own manufactured goods and is required to do nothing in return.

There are many British troops in Italy, both in and out of uniform. The exact number I am unable to obtain, but they are there and Great Britain is also entrenched in economic position and is backing the forces of the old aristocracy, including the cartelist forces which have always been and are still inimical to the best interests of the United States and its purposes.

The British troops must be removed, under the treaty, within 90 days, but there is no provision for removing Russian troops. They may remain indefinitely. This is one way in which communism is spread—through Russian armies of occupation. The ceding of Italy's natural resources, principally coal and hydroelectric power, mainly to Yugoslavia, plus the fact that under the reparation clause Italy is now required to seek raw materials from Russia, tie the Italian economy tightly to that of Russia and Yugoslavia, making her helplessly subservient to Russia.

I am unable to bring myself to believe that the chairman and other members of the Foreign Relations Committee understand the full import of this treaty. I refuse to believe that they would approve the document if they fully understood that the treaty gives to Yugoslavia, a puppet nation of the Soviet Union, all but one of Italy's already small supply of coal mines. These are located in Venezia Giulia and make up a part of what is known as the Istrian Peninsula.

I cannot believe that they understand and realize the full effect of giving to France and Yugoslavia practically all of the hydroelectric power of the Italian nation.

I cannot believe that the committee fully understands the implication of throwing the Italian nation further into the hands of the Soviet Union through the slave-labor provision and further destroying their individual economy while the almost unprecedented growth of communism in Italy, reaching more than 200,000 members in the last several months, has been due almost entirely to the already existing economic chaos.

The treaty is full of "sleepers." The implications are almost impossible of interpretation. For example, under part 8, article 82, section B, it is stated:

> Italy shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for the territory of any other of the United Nations or of any other foreign country.

Italy is today one of the worst hotbeds of communism in western Europe. It does not make sense to make a "Stop Russia" loan of $400,000,000 to Greece and Turkey and then support reparations to Russia through a semicommunistic nation such as Italy, supported by the United States Treasury. News dispatches only yesterday carried the story that communism in Italy has grown from a small underground force at war's end into a well-organized membership of over 2,000,000.

It is a foregone conclusion that Italy as a nation cannot support the 198,000 workers for 7 years, to pay the reparations, to process raw materials to the amount of $360,000,000 for the Soviet Union, Albania, Ethiopia, Greece, and Yugoslavia.

The record shows that the United States in various forms has put out approximately $17,000,000,000 in support of the nations of the world since the war ended. It is obvious that no other nation could support the workers of Italy unless we first financed them. Therefore, the conclusion is inescapable that the United States of America must, and will, feed and clothe the 198,000 workers for the 7 years necessary to pay the reparations, and our computations show that with the present rate of exchange and the subsistence wages paid in Italy it will cost approximately $1,000,000,000 during that time to do the job, which will in no way assist the Italian Nation to become self-supporting.

The conclusion we must reach, after reviewing the actions of our Government over a period of 5 months, is that we have no coherent plan for rehabilitation of Europe, Asia, or any other area, since we send $400,000,000 into Greece and Turkey to stop the Russians and then sign a treaty that forces us to spend one-quarter of a billion dollars in support of labor in the production necessary to pay the Russian part of the reparations. There are many other examples of this aimless policy, and it simply does not make sense.

It is my opinion that the proposed treaty should either be defeated by the Senate of the United States or sent back to the Foreign Relations Committee for further study and reconsideration of its terms.

The PRESIDENT pro tempore. Under the indefinite division of time, the time of the opponents is exhausted. The Senator from Texas [Mr. CONNALLY] is recognized for the remainder of the time of the proponents.

Mr. HAWKES. Mr. President, will the Senator from Texas yield for a moment?

Mr. CONNALLY. I yield.

Mr. HAWKES. I know that the Senator wants the time that is left, but I merely wanted to ask unanimous consent to have printed in the RECORD a statement which I intended to make on the subject of the treaties, but which the time remaining does not permit me to make. I therefore ask unanimous consent that my statement may be printed in the RECORD before the vote.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. HAWKES. Mr. President, in connection with my vote on the pending treaties with Italy, Rumania, Bulgaria, and Hungary, I have been strongly opposed to some of the conditions of these treaties on the ground that no treaty will actually lead to peace, if it imposes upon any people hardships which destroy their initiative and hope for the future.

It is said that "Hope crushed to earth will rise again," but hope crushed to earth too many times finally, in desperation, seeks any course regardless of the consequences.

What we are seeking is peace, and it is unfortunate that all our partners, in making the peace, cannot or will not recognize that the way to stop future wars is by supervision, inspection, and control, which will prevent any nation from again preparing for war without the knowledge of the world.

The way to stop wars is not to crush the hopes and spirit of great masses of people who had little or nothing to do with the making of war in the past.

I would like the people of the United States to know that the burdens upon Senators, under existing conditions, are so great that no Member of the Senate has the time to study carefully and know the necessary things about all the subjects which come before the Senate for action.

The complex problems before the Senate make it necessary for each of us, in some cases, to rely upon the knowledge and recommendations which come from those in authority in our Government, and those particularly charged in the Senate with the study of a given subject.

I find myself today in just that position regarding these treaties. I know something about them—possibly as much as some others in the Senate know—but very certainly less than others in the Senate know because of their long application to the subject.

This means to me that I must take into consideration the recommendations of the President of the United States, the recommendations of the Secretary of State, Gen. George Marshall, and the unanimous recommendation of the Senate Foreign Relations Committee.

It means that I must accept, in good faith, their recommendations that this is the only way to start toward a solution of the problem of peace and reconstruction in Italy and these other countries.

Even these authorities say it is not what they would like, but it is the best solution under all the conditions. In other words, it is the better of two courses, neither of which is completely satisfactory to the United States.

The chairman of the Senate Foreign Relations Committee expresses on behalf of the United States great friendship for the Italian people and the hope that when peace is established, a way may be found for them to rebuild themselves and revitalize their nation and become a member of the United Nations.

I have known the Italian people intimately and know a little about their trials and tribulations over the past 25 years. I have known from my visits to Italy that the people rejoiced in Mussolini at first. Then, after a few years, they began to wonder about him and finally found themselves powerless to shake him off, until he had led them into war, suffering, and misery, and finally was exterminated by the results which he created.

In the end, I shall probably vote for the confirmation of these treaties. But I must say I am voting with serious misgivings be-

cause of the changed conditions that have come about in Hungary, and because of my conversations with some very intelligent Americans connected with our Government who have been traveling through the satellite countries of Europe.

Before I close, I want to say that nothing but justice, righteousness, and fearlessness will ever serve as a foundation for continued peace.

No organization in the world—not even the United Nations, which has the support of the great majority of the right thinking nations of the world—can possibly be successful if it permits any member to continue daily to flout the principles and objectives of that organization without calling that nation to account.

No man and no nation can stay in an organization with a partner whose hands are dripping with blood without being condemned by right-thinking people for staying in the organization with such company.

I know people say, "What would you do? Must we not be patient and try to bring all the nations into consonance and unity?" My reply to that is that patience is a great virtue, unless it is carried to excess, in which event it becomes a sign of weakness and imbecility.

There is something more important in front of us than to be improperly patient or to indulge in appeasement beyond a certain point.

We have a responsibility to the hundreds of thousands of our dead and wounded, and that is to keep faith with the objective we told them they were fighting to accomplish. We must keep faith with it on time—before it is too late.

If I vote for these treaties in the end, I shall do it in the hope that not only the United States of America but every other country in the world which believes in justice and a live-and-let-live policy, will watch the events which come from the making of these treaties, so that wherever and whenever we find it necessary and possible to change the terms, so as to accomplish the great objective of peace based on a live-and-let-live policy, we will take the initiative in rectifying any wrongs coming from these treaties which we have made based on knowledge now dimly seen through clouded glasses.

So that there may be no misunderstanding of my position, I shall vote for the motion offered by the junior Senator from Arkansas [Mr. FULBRIGHT] to postpone action on these treaties until January 25, 1948.

I shall so vote because of the conditions which have occurred within recent days in Hungary which have been set before the Senate so far as they are now known, but not with the degree of clarity which I think the representatives of the people of the United States should have on the subject before they take this action.

The very fact that the representative of the Hungarian Government in the United States has refused to return to his homeland, that he does not recognize the newly created Hungarian Government which has been established by means of intimidation, threats, duress and underground work, and that he has requested sanctuary here should cause every American to pause and think.

If the motion to postpone action is defeated, I shall then vote for the treaties as recommended to us by the President of the United, the Secretary of State, the Senate Foreign Relations Committee in its unanimous action, and important representatives of the Italian people themselves.

Mr. JOHNSON of Colorado. I suggest the absence of a quorum.

The PRESIDENT pro tempore. Does the Senator from Texas yield for that purpose?

Mr. CONNALLY. I yield.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Myers
Baldwin	Hickenlooper	O'Conor
Ball	Hill	O'Daniel
Barkley	Hoey	O'Mahoney
Brewster	Holland	Pepper
Bricker	Ives	Reed
Bridges	Jenner	Revercomb
Brooks	Johnson, Colo.	Robertson, Va.
Buck	Johnston, S. C.	Robertson Wyo.
Bushfield	Kem	Russell
Byrd	Kilgore	Saltonstall
Cain	Knowland	Smith
Capehart	Langer	Sparkman
Capper	Lodge	Stewart
Chavez	Lucas	Taft
Connally	McCarran	Taylor
Cooper	McCarthy	Thomas, Okla.
Cordon	McClellan	Thye
Downey	McFarland	Tobey
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young
Hawkes	Murray	

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] is absent on official business.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

Mr. LUCAS. I announced that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the thirtieth session of the International Labor Conference to be held at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. CONNALLY. Mr. President, the question before the Senate is the ratification or the rejection of the Italian and satellite-nation treaties. The matter has aroused considerable debate and much keen interest. A great dramatist in one of his plays had one of his leading characters say, "To be, or not to be; that is the question." That is the question before us today—whether the pending treaties shall or shall not be ratified.

Mr. President, the Italian treaty was arrived at, as has already been mentioned in the debate, after many weeks of the most toilsome labor on the part of the delegates of the United States and the delegates of other countries, particularly at the Conference of the Four Foreign Ministers. Of course that is not a commanding reason why we should ratify the treaty. As was suggested yesterday by the distinguished Senator from Nebraska [Mr. WHERRY], we have the power, as well as the right, if we should see fit, wholly to reject the treaty. Every Senator's vote is his own. However, the facts which I mention are worthy of consideration. The Foreign Ministers' Council and the representatives of the other Allied Nations which formulated the peace treaty are all much more familiar with the terms of the treaty than any Member of the United States Senate could possibly be; and I say that without derogation of the knowledge and information of the Senate. They are not only acquainted with the particular terms of the treaty, but they are acquainted with the processes through which the treaty was arrived at. They know the counterplay, as it were, over the terms of the treaty. In my judgment these facts should be quite persuasive with Members of the United States Senate.

The treaty was rendered necessary by the fact that Italy was an enemy state during the great war which happily has come to an end. It was a question of either having a treaty with Italy or not having a treaty. We were not the only parties to the treaty. The other nations represented in the Council of Foreign Ministers, as well as the 21 nations which were allied with us during the war, had a voice in writing the treaty, and have an interest in its terms and provisions.

Mr. President, it was largely on the insistence of the United States that the treaty, after it was tentatively agreed upon by the Council of Foreign Ministers, was submitted to the representatives of 21 nations associated with us in the war on the opposite side from Italy. That peace conference, as we call it, voted to support the treaty. Of the 21 nations involved, 20 of them, besides Italy, signed the treaty. Italy's signature has already been attached to the treaty. She has not ratified it, but she has signed the treaty, along with 20 other nations which were involved in the war.

What does the treaty do? As has been stated, the treaty provides for reparations to the extent of a total of $360,000,000. But, as has already been pointed out in this debate, through the efforts of the United States, Great Britain, and others, the mountainous demands of certain nations for reparations were radically scaled. They were cut to the quick, and the total reparations are now only $360,000,000. There is complaint as to the amount of reparations. I feel that it would be impossible in another peace conference to reduce the reparations below the figure contained in the treaty.

There is complaint about the boundaries set forth in the treaty. Other than the African colonies, very little territory was taken from Italy by this treaty. A small strip of territory on the border line, in which there is some power development, was taken from Italy and given to France.

What were the motives for such action? Why was the territory taken from Italy? It was because that particular area was a strategic area which Italy had employed to attack France. Senators will remember the classic words of President Roosevelt when he said that Italy had stabbed France in the back. That is why the territory was awarded to France. It was to take away the strategic advantage which the territory gave to Italy in attacking France.

As to the electric power in that area, it is provided by the treaty that Italy shall obtain large amounts of electric power, with the single proviso that she shall pay for it at the same rate paid by

French people in the territory ceded to France. So there is no great hardship involved in that connection. The electric power was awarded to Italy so that she could maintain her electric railways; and the Conference was careful to protect the interests of Italy with regard to that cession of territory.

The other cessions of territory were in the Istrian Peninsula, including the territory surrounding Trieste. Trieste is one of the most interesting incidents in connection with the treaty. It will be remembered that prior to World War I all the Istrian Peninsula, including Trieste, belonged not to Italy, but to Austria. It has been revealed in recent years that the promise of the then Allies to award Trieste and the Istrian Peninsula to Italy if she sided with the Allies in that war was redeemed, and the peace treaty gave the territory to Italy.

Mr. President, the fate of Trieste was one of the most important issues before the Peace Conference and the Conference of Foreign Ministers. There was more heat generated around this question, and there was more danger of the Conference breaking up over the single question of Trieste than with respect to any other individual question. While France got the credit publicly for having initiated the resolution internationalizing Trieste, I think I can say without any fear of denial that the United States delegation initiated and generated the proposal to internationalize Trieste.

Yugoslavia was determined to secure it if she could. She had the support of Russia, and from time to time the sympathy, at least, of some of the other powers. Italy was just as anxious to retain it. She regards Trieste as extremely important because it is a shipbuilding center, and because of its commercial advantages. Railways leading into the eastern part of central Europe, to Czechoslovakia, Hungary, and other places, go through Trieste. The Italians wished to retain Trieste, and they cannot be blamed.

It was finally determined by the Conference that the territory of Trieste itself should be internationalized. It is provided in the treaty that its Governor shall be appointed by the Security Council of the United Nations. It is provided that it shall have a system of laws and regulations. Every safeguard that we could devise was imposed in order to secure the peace and integrity of Trieste from molestation by Yugoslavia and Italy alike.

The plan may not work 100 percent. There may be difficulties because of the ambitions and the rapacity of Yugoslavia, and because of the desire of Italy to retain Trieste. We cannot look into the future and discern all the troubles that may lurk along the pathway of international life. However, we thought the solution we arrived at was the best one that could be devised in a very troublesome and explosive situation.

Trieste is to have its own government, its own police, its own courts, and its own Governor—all the insignia of a free democratic organization. Through its connection with the United Nations, and the appointment of the Governor by the United Nations, there is always the safeguard that the United Nations will have its eye upon Trieste, in order that it may come into being and be constituted and organized according to the plans provided in the treaty.

Mr. President, as I have already suggested, when the Foreign Ministers tentatively agreed upon the Italian treaty it was submitted to the representatives of 21 nations which were allied with us during World War II. It received the stamp of approval of 20 of those nations, Norway alone not having voted for it. It is a question of either taking this treaty or taking the other alternative. What is the other alternative that many Senators have suggested on the floor? It is to reject it and have no treaty. How will that course possibly serve the interests of Italy? It will result, according to my view, if we should foolishly adopt that course, in utter chaos, in complete confusion. It will lay Italy open to the infiltration of communism and all the political difficulties and troubles which will arise in the present disturbed condition of affairs in Italy. It is not simply a treaty between the United States and Italy; it is a treaty between Italy and all the nations which I have mentioned. It is provided, however, that whenever the four powers, Russia, Great Britain, France, and the United States, ratify the treaty it goes into force and effect. So that that must be borne in mind.

Mr. President, how could we abstain from ratifying it and not have a treaty with Italy when the other powers probably will ratify it and claim that it ought to be operative? What will happen to Italy? So far as we are concerned, if we do not ratify the treaty, Italy will continue under the terms of the military armistice—terms which she would be glad to see set aside. What else? To ratify the treaty will be to recognize the integrity and the dignity of Italy as a government. It will bring her, if she so desires, into the United Nations as a member of that organization. If we reject the treaty she cannot become a member of the United Nations.

Mr. President, she certainly would have a better forum, a more tender hearing, a greater sympathy, as a member of the United Nations than she would have as an isolated country with whom no treaty settling the peace had been negotiated, thus leaving her disturbed and torn by factions and by political controversies.

Mr. President, a great many Senators forget, it seems to me, that, after all, our own experience in the United States demonstrates the difficulties that arise in not having an adequate governmental structure. Senators will remember that under the Articles of Confederation for approximately 8 long years the Government of the United States, such as it was, suffered all kinds of difficulties because it did not have an adequate structure. Italy would not even have that much of a structure if we should not ratify this treaty. She would probably have bitter controversies between groups of Communists and the present Government of Italy.

Something has been said regarding the fact that in the latest reorganization of Mr. de Gasperi's government there are no Communists. That is correct. They do not hold cabinet positions. But there are Communists in Italy, millions of them, with strong political influence and support. If we do not ratify the treaty we will leave Italy open to their attack without the feeling that she has the support of the United States. She knows that she has our sympathy. We have already handed out to Italy several hundred million dollars to relieve distress, hunger, and want and we would probably be expected to be sympathetic with her growth, her strength, and her rehabilitation as a free democratic government, capable of charting her own course, capable of working out her own destiny under the protecting shield of the United Nations as well as of the United States, instead of being left in an isolated and dangerous position without the ratification of this treaty.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. JOHNSON of Colorado. I think Italy regards the United States as one of her best friends and, I think, rightfully, because I am sure we are a friend of the Italian people. But the question I want to ask the Senator is this: Would the United States, in her dealings with Italy, have greater freedom of action if the treaty were agreed to than she would have if the treaty were rejected?

Mr. CONNALLY. I thank the Senator. That is a most pertinent question. I shall answer it in the affirmative, for the reason that if the treaty is ratified and Italy assumes full control of her governmental process, if the armies of occupation are withdrawn from Italy and she becomes a member of the United Nations organization, we would have the utmost freedom in dealing with her upon all proper measures. On the other hand, if the treaty be not ratified and she remains subject to the terms of the military armistice, our freedom to deal with her would be seriously impaired. She would not have the power until it was approved by the occupying authorities.

In this connection I want to say that the Senator from Nevada [Mr. MALONE] in the course of his remarks asserted that under this treaty the Allied Nations would have to take their armies out of Italy, but that Russia's Army would remain and would not be required to withdraw. As a matter of fact, there are no Russian armies in Italy; and this treaty specifically provides that 90 days after the ratification of the treaty all foreign armies must be withdrawn, except as to one or two countries who claim they have to have troops to maintain their lines of communication. So all foreign armies would be withdrawn. They would be withdrawn from Trieste; they would be withdrawn from Italy and the other countries coming under the terms of these treaties.

No, Mr. President, I shall say to the able and distinguished Senator from Colorado that Italy's position would be immeasurably enhanced by taking off the shackles of the military armistice and leaving her to assume her functions as a free and independent state.

Mr. HAWKES. Mr. President, will the Senator yield for a moment?

Mr. CONNALLY. I yield.

Mr. HAWKES. Is it reasonable for me to assume that we look upon this treaty of peace which the Senator is discussing as we look upon all other treaties of peace? There is never anything positive and definite that remains forever?

Mr. CONNALLY. That is correct.

Mr. HAWKES. In other words, the Senator's statement means to me—and I must take at full value his statement and the statements of the other Members who have devoted their time and attention to this great question—the Senator's statement means, to me, that if, as we go on, we find that certain things, such as rights, liberties, and opportunities for the Italian people are destroyed, we as the great United States will try to do what is fair and equitable in bringing about an adjustment. Is that correct?

Mr. CONNALLY. I thank the eminent Senator from New Jersey. That is entirely correct. As I suggested to the Senator from Colorado [Mr. JOHNSON] a moment ago, the United States is now and has been in the past a devoted friend of Italy, and it was with tears in our eyes and despair in our hearts that we witnessed Italy taking up arms against the United States and the other Allies. We have been generous with her. We allowed her to withdraw, as it were, from the ranks of our enemies, and to join the Allies in the later stages of the war. I shall discuss that point in a little while.

Mr. President, the confusion, chaos, uncertainty, and political controversies without the forms of law, which will take place in Italy if this treaty is not ratified, will afford the most fertile soil for the generation and growth and development of communism and all other fatuous "isms" of that nature. If we do not ratify this treaty, we shall in fact be inviting Communist infiltration from Yugoslavia and from the extensive and critical territory which stretches eastward into the Balkans and thence into Soviet Russia.

Mr. President, we do not want that to happen. Let us give Italy the strength which will come from her association as a free nation with other free nations. Of course, we cannot write these treaties entirely as we would like to have them, for we are only one nation, and the other nations that were represented at the Conference bitterly contended against the positions our representatives took there and against the final results achieved by these treaties. But after weeks and months of negotiation, we were able to soften their demands to the extent of obtaining their consent to the provisions now contained in this treaty.

Mr. President, no enemy that loses in a war is ever satisfied with the following treaty of peace. As the son of a Confederate soldier, I have never been satisfied with the treaty of peace that was given to the South after the War Between the States; but we had to take it, and we did take it. We took it without any UNRRA; we took it without any relief bill; we took it without having any missions sent to us, except a few missions by persons who were disturbers in our area. We did all those things. We did not like it, but we had to take it.

So it is that Italy has no right to write a treaty of peace with herself, and we have no right to write it upon our own initiative. Mr. President, the wisdom and the patriotism of 20 nations that were associated with us in the recent war have gone into the writing of this treaty. In that war, Italy was on the side of the enemy. Now 20 of the 21 nations who opposed Italy and the other enemies in that war have approved this treaty and have attached their signatures to it.

As I said a moment ago, Mr. President, Italy will not be a member of the United Nations if we reject this treaty. But if we approve this treaty and if Italy steps into the full dignity of her place as a free democratic nation, she then will be eligible to apply for membership in the United Nations. As a member of the United Nations, she will attain a greater dignity and a greater influence and greater sympathy with the other members of the United Nations who will aid her in meeting the problems which will face her in the years to come.

It is said that we simply should not have a treaty with Italy at this time, and that in order to shut out communism from Italy we must give Italy a new government, a strong government, and must build up Italy and keep out the Communists Mr. President, to do that in the absence of the ratification of this treaty would require the force of arms; it would really require war. Yet some persons say we must do that. How are we to do it? It will not be done by the delivery of speeches in the Congress or by placing in the CONGRESSIONAL RECORD insertions which Members of Congress will mail out to their constituents. No, Mr. President; to do what those persons propose would require military force; military force would be required to impose upon Italy and upon those who might violate her integrity the things that some Members of the Senate are urging and saying that the United States must do. They say the United States is the most powerful of the group of nations, and that it is the duty of the United States to do all these things.

Mr. President, I can easily visualize what would transpire if Italy were left in a state of chaos and confusion, and if we then undertook by force of arms to regulate her internal affairs, to determine the character of her government, and to determine who would cross her borders and enter her territory. Yesterday one Member of the Senate advocated that we should leave our army indefinitely in Italy. I assume he meant that we should leave our army there permanently. We could not do that. Italy would rather be a free nation with a free government, rather than to have an army of occupation in her land, even if the army were the army of her friends. After all, occupation armies are not very long the friends of the countries they occupy. It seems to me that Senators who take that position forget that Italy was our enemy in the war. Of course Italy was our enemy. We remember how she conquered Albania, after first bombarding that country. Yet because Albania is to be given $5,000,000 of reparations, complaints are made. During the war Italy invaded Greece, and did so without provocation. We remember how the gallant Greeks stood on the borders of their land and fought for their soil and their homes, and we remember how we applauded the gallantry of the Greeks as they resisted the invasion of their country by Italy. Yet today complaints are made about the size of these reparations. One hundred and five million dollars of these reparations are to go to Greece, to repair in a small way the ravages and destruction and loss of human life occasioned by the actions of Italy.

Some persons say, "Oh, that was because of Mussolini." They say that the Italians are not to blame for what Mussolini did. But, Mr. President, the armies that did that were composed of Italians, and the navies that did that were composed of Italians. The Italian people must, in good conscience, be responsible for what was done under the leadership of Mussolini, because they supported him. So long as he was victorious, they supported him and backed him. It was only when they were beaten to their knees that they agreed to join the Allies.

I say that as a friend of Italy. I know a great many persons of Italian descent who are in the United States. As a rule, they are industrious, frugal citizens. I have no hostility to Italy. But I am speaking for the United States of America. I am not here as an advocate of any group of persons of foreign descent, when the interests of that group conflict with the interests of my country.

Mr. President, it is said that what Italy did in the recent war was the fault of Mussolini. We cannot punish Mussolini; we cannot obtain any reparations from Mussolini. His pockets carry no more gold. We cannot confine him to a dungeon; he is already in the dungeon of death. We cannot follow him up and put him on a desert island and intern him there. No, Mr. President; Mussolini has gone out upon that long and tragic road that leads to No Man's Land. We cannot punish Mussolini. But the people of Italy must take whatever punishment the treaty metes out, because they supported Mussolini. It was their country and their armies and their resources and their other contributions that caused the Italian attacks upon the Allies in that struggle.

What Mussolini did in Ethiopia was a symbol and a pattern of what he would have done all over the earth if he had had his way; yet the armies he led in Ethiopia were composed of Italians.

Someone has suggested that we must not ratify this treaty, but must write a separate peace treaty with Italy. If we were to do that, we would be breaking our solemn promise in connection with the United Nations declaration. A copy of that promise is available on my desk at this time. Before the United Nations was created, we and the other nations signatory to the United Nations agreed that none of the signatories would conclude a separate treaty of peace. We are bound not to do so. We should not do so,

anyway, for such a separate treaty would not be effective. It would not be effective to have a single treaty between the United States and Italy, when the other nations would be just as free to impose their will upon Italy and to impose upon her enormous and burdensome provisions in other treaties which they might agree to conclude.

The PRESIDENT pro tempore. The Senator from Texas has 1 minute remaining.

Mr. CONNALLY. I thank the Chair. Mr. President, to reject this treaty will make it more difficult to negotiate treaties of peace with Austria and with Germany. The actions we take in that connection will affect the peace of the entire world and the economy of Europe for a generation. I do not wish to see Germany destroyed, even though she has been our enemy. I wish to see the desire to conquer the world eradicated from the hearts of the Germans. But Germany is too great a nation, too marvelous in her economic development, to be destroyed. Nevertheless, that is what will be done in the absence of the ratification of these treaties.

Russia has already gathered the richest part of Germany under her dominion. Now she is propagating in Germany her political ideas of communism. We must negotiate and ratify satisfactory treaties of peace with Germany and with Austria. The rejection of this treaty now would have a most deterrent and dangerous effect upon the accomplishment of that primary and most important objective.

Mr. President, we must ratify this treaty.

The PRESIDENT pro tempore. The time of the Senator from Texas has expired.

Mr. BALDWIN subsequently said: Mr. President, I ask unanimous consent to have inserted in the RECORD a statement which I had prepared for delivery, but for which I could not obtain time on the floor prior to the vote on the motion of the Senator from Arkansas [Mr. FULBRIGHT].

I request that the remarks I had prepared be printed in the RECORD as a statement before the vote.

The PRESIDENT pro tempore. Without objection, the statement will be printed in the RECORD immediately before the vote.

The statement prepared by Mr. BALDWIN is as follows:

Mr. BALDWIN. Much of the discussion concerning the ratification of this treaty has been devoted to the terms of the treaty. It has been claimed that they are too harsh. It is generally conceded that our negotiators have done the very best that could be done under the circumstances. Our negotiators worked hard and long and ably to make the terms as favorable to Italy as could be obtained. They have done this out of a feeling of friendship for the people of Italy over many years. But there has been another issue here that has been even more vigorously debated. That is the effect the ratification of this treaty and the withdrawal of our troops of occupation would have upon the spread of communism. It is claimed that the withdrawal of our troops under the treaty would mean the withdrawal of our prestige in favor of free institutions of government in Italy. This claim raises a very important matter of foreign policy. In order to prevent the spread of the threat of communism are we to maintain a line of military protectorates, including Italy, or are we to count upon the people in Italy to establish their government as a free government, helping her, whenever and however she needs help, to maintain those free institutions? This involves a vitally important decision in foreign policy. And that important decision, in these uncertain days, needs more time for decision than we have given it here. The vote here will establish a very definite line in our foreign policy. It will determine our policy of defense against the spread of communism. I do not believe that the people of this country understand this. If the vote to delay be defeated, then I shall vote to support the treaty, believing that if there is to be no further time for discussion we must ratify the treaty by the largest majority possible and thus indicate that we have firmly established our course. Presently, for the reasons stated, I shall support the motion of the Senator from Arkansas to postpone action of the Senate until January 25, 1948.

The PRESIDENT pro tempore. All time has expired under the unanimous-consent agreement.

The question is on agreeing to the motion of the Senator from Arkansas [Mr. FULBRIGHT] to postpone until January 25, 1948, the further consideration of the pending treaty of peace with Italy.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Myers
Baldwin	Hickenlooper	O'Conor
Ball	Hill	O'Daniel
Barkley	Hoey	O'Mahoney
Brewster	Holland	Pepper
Bricker	Ives	Reed
Bridges	Jenner	Revercomb
Brooks	Johnson, Colo.	Robertson, Va.
Buck	Johnston, S. C.	Robertson, Wyo.
Bushfield	Kem	Russell
Byrd	Kilgore	Saltonstall
Cain	Knowland	Smith
Capehart	Langer	Sparkman
Capper	Lodge	Stewart
Chavez	Lucas	Taft
Connally	McCarran	Taylor
Cooper	McCarthy	Thomas, Okla.
Cordon	McClellan	Thye
Downey	McFarland	Tobey
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young
Hawkes	Murray	

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Arkansas [Mr. FULBRIGHT] to postpone until January 25, 1948, the further consideration of the pending treaty of peace with Italy.

Mr. BRIDGES. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the senior Senator from Missouri [Mr. DONNELL] and will vote. I vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Arkansas [Mr. FULBRIGHT]. The Senator from Nebraska, if present and voting, would vote "nay," and the Senator from Arkansas, if present and voting, would vote "yea."

The Senator from Missouri [Mr. DONNELL], who is absent by leave of the Senate, is paired with the Senator from New York [Mr. WAGNER].

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT], who is absent by leave of the Senate, is paired on this vote with the Senator from Nebraska [Mr. BUTLER]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from Nebraska would vote "nay."

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Missouri [Mr. DONNELL] has previously been announced by the Senator from Kansas.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is attending the International Labor Conference at Geneva, Switzerland, and is absent by leave of the Senate. If present he would vote "nay."

The result was announced—yeas 22, nays 67, as follows:

YEAS—22

Baldwin	Langer	Revercomb
Bridges	McCarran	Russell
Brooks	McCarthy	Stewart
Dworshak	McKellar	Tobey
Eastland	McMahon	Watkins
Hawkes	Malone	Wherry
Ives	Murray	
Kem	O'Daniel	

NAYS—67

Aiken	Hatch	O'Conor
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Pepper
Brewster	Hill	Reed
Bricker	Hoey	Robertson, Va.
Buck	Holland	Robertson, Wyo.
Bushfield	Jenner	Saltonstall
Byrd	Johnson, Colo.	Smith
Cain	Johnston, S. C.	Sparkman
Capehart	Kilgore	Taft
Capper	Knowland	Taylor
Chavez	Lodge	Thomas, Okla.
Connally	Lucas	Thye
Cooper	McClellan	Tydings
Cordon	McFarland	Umstead
Downey	McGrath	Vandenberg
Ecton	Magnuson	White
Ellender	Martin	Wiley
Ferguson	Maybank	Williams
Flanders	Millikin	Wilson
George	Moore	Young
Green	Morse	
Gurney	Myers	

NOT VOTING—6

Butler	Fulbright	Thomas, Utah
Donnell	Overton	Wagner

So Mr. FULBRIGHT's motion was rejected.

Mr. WHERRY subsequently said: Mr. President, I ask unanimous consent that I may have inserted in the RECORD a statement dealing with the Italian treaty only. I should like to have it appear before the vote was taken on the ratification of the Italian peace treaty.

The PRESIDENT pro tempore. Without objection——

Mr. CONNALLY. Mr. President, reserving the right to object, I assume that what the Senator from Nebraska asked to have appear in the RECORD is a statement, and not a speech.

The PRESIDENT pro tempore. That is the basis on which the request was made.

Mr. CONNALLY. I have no objection.

Mr. WHERRY. I may say to the distinguished Senator from Texas that I asked unanimous consent for insertion of a statement in the RECORD.

Mr. CONNALLY. I do not object, so long as it appears that it is a statement, but I would object if it appears that it was a speech which was not actually made on the floor.

The PRESIDENT pro tempore. Without objection, the request is granted.

The statement submitted by Mr. WHERRY is as follows:

I am in receipt of a telegram from Mr. Generoso Pope, publisher of the leading Italian-American daily in the United States, Il Progresso Italo-Americano, making a last appeal to the Senate to postpone action on the Italian treaty until at least the next session of Congress. Mr. Pope has been one of the leaders in the Italo-American people's expression protesting any ratification now of the Italian treaty. I feel that to Mr. Pope, as to the other citizens of the United States, we owe a vote of thanks for making known the various aspects of the Italian treaty for our consideration and ask that his telegram be inserted in the RECORD.

This is the text of a telegram sent yesterday to every member of the United States Senate:

"In behalf of the Columbus Citizens Committee, representing more than 600,000 Americans of Italian and other origins, and in the name of Il Progresso, the first and greatest Italian language daily in the United States, I strongly urge you to vote to delay ratification of the proposed treaty with Italy.

"I am convinced that such delay is vital to America's national security, particularly in view of the mortal blow just struck against democracy in Hungary.

"In this appeal we are at one with the American Federation of Labor, whose convention unanimously condemned this Italian treaty as utterly unjust and as disastrous to the development of Italy into a healthy democracy which could take her rightful place in the community of free and prosperous nations.

"The Italian people have at their very first opportunity fought on our side and, despite terrible difficulties, have made enormous progress in rebuilding their democratic institutions. Senate ratification would open the doors wide for Communists and other totalitarian forces to create chaos and promote civil war and dictatorship.

"Such a fatal defeat of democracy in Italy would more than undo any good resulting from the application of the Truman doctrine in Greece and Turkey. Already armed Communist bands are timing their march with American troops leaving Italy in the event of Senate ratification.

"In line with the repeated pledges by our Government for a just peace with cobelligerent Italy and in the interest of world peace as well as America's own welfare and international moral prestige, I reiterate my appeal of March 26, that you refer the projected Italian treaty to the State Department for renegotiation and revision on the basis of the Atlantic Charter.

"Respectfully yours,

"GENEROSO POPE."

The PRESIDENT pro tempore. The treaty is still before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDENT pro tempore. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive F, Eightieth Congress, first session, the treaty of peace with Italy which was signed at Paris on February 10, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the resolution of ratification.

Mr. TYDINGS and Mr. LANGER asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WHERRY. Mr. President, I announce that the Senator from Nebraska [Mr. BUTLER] is absent on official business. If present and voting, he would vote "yea." I also announce that the Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

Mr. HILL. I announce that the Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland, and the Senator from New York [Mr. WAGNER], who is necessarily absent, are paired on this vote with the Senator from Arkansas [Mr. FULBRIGHT], who is absent by leave of the Senate. If present and voting, the Senator from Utah and the Senator from New York would vote "yea," and the Senator from Arkansas would vote "nay."

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The result was announced—yeas 79, nays 10, as follows:

YEAS—79

Aiken	Hickenlooper	O'Conor
Baldwin	Hill	O'Mahoney
Ball	Hoey	Pepper
Barkley	Holland	Reed
Brewster	Ives	Revercomb
Bricker	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Lodge	Stewart
Chavez	Lucas	Taft
Connally	McCarthy	Taylor
Cooper	McClellan	Thomas, Okla.
Cordon	McFarland	Thye
Downey	McGrath	Tobey
Ecton	McKellar	Tydings
Ellender	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Martin	White
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young
Hawkes	Murray	
Hayden	Myers	

NAYS—10

Bridges	Langer	Watkins
Brooks	McCarran	Wherry
Dworshak	Malone	
Eastland	O'Daniel	

NOT VOTING—6

Butler	Fulbright	Thomas, Utah
Donnell	Overton	Wagner

The PRESIDENT pro tempore. Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified.

TREATY OF PEACE WITH RUMANIA

The Senate, as in Committee of the Whole, proceeded to consider Executive G, Eightieth Congress, first session, the treaty of peace with Rumania, signed at Paris on February 10, 1947, which was read the second time, as follows:

TREATY OF PEACE WITH ROUMANIA

The Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Australia, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, India, New Zealand, the Ukrainian Soviet Socialist Republic, and the Union of South Africa, as the States which are at war with Roumania and actively waged war against the European enemy states with substantial military forces, hereinafter referred to as "the Allied and Associated Powers", of the one part, and Roumania, of the other part;

Whereas Roumania, having become an ally of Hitlerite Germany and having participated on her side in the war against the Union of Soviet Socialist Republics, the United Kingdom, the United States of America, and other United Nations, bears her share of responsibility for this war;

Whereas, however, Roumania, on August 24, 1944, entirely ceased military operations against the Union of Soviet Socialist Republics, withdrew from the war against the United Nations, broke off relations with Germany and her satellites and having concluded on September 12, 1944, an Armistice with the Governments of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America, acting in the interests of all the United Nations, took an active part in the war against Germany; and

Whereas the Allied and Associated Powers and Roumania are desirous of concluding a treaty of peace, which, conforming to the principles of justice, will settle questions still outstanding as a result of the events hereinbefore recited and form the basis of friendly relations between them, thereby enabling the Allied and Associated Powers to support Roumania's application to become a member of the United Nations and also to adhere to any Convention concluded under the auspices of the United Nations;

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

PART I. FRONTIERS

Article 1

The frontiers of Roumania, shown on the map annexed to the present Treaty (Annex I), shall be those which existed on January 1, 1941, with the exception of the Roumanian-Hungarian frontier, which is defined in Article 2 of the present Treaty.

The Soviet-Roumanian frontier is thus fixed in accordance with the Soviet-Roumanian Agreement of June 28, 1940, and the Soviet-Czechoslovak Agreement of June 29, 1945.

Article 2

The decisions of the Vienna Award of August 30, 1940, are declared null and void. The frontier between Roumania and Hungary as it existed on January 1, 1938, is hereby restored.

PART II. POLITICAL CLAUSES

Section I

Article 3

1. Roumania shall take all measures necessary to secure to all persons under Roumanian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

2. Roumania further undertakes that the laws in force in Roumania shall not, either in their content or in their application, discriminate or entail any discrimination between persons of Roumanian nationality on the ground of their race, sex, language or religion, whether in reference to their persons, property, business, professional or financial interests, status, political or civil rights or any other matter.

Article 4

Roumania, which in accordance with the Armistice Agreement has taken measures to set free, irrespective of citizenship and nationality, all persons held in confinement on account of their activities in favour of, or because of their sympathies with, the United Nations or because of their racial origin, and to repeal discriminatory legislation and restrictions imposed thereunder, shall complete these measures and shall in future not take any measures or enact any laws which would be incompatible with the purposes set forth in this Article.

Article 5

Roumania, which in accordance with the Armistice Agreement has taken measures for dissolving all organizations of a Fascist type on Roumanian territory, whether political, military or para-military, as well as other organizations conducting propaganda hostile to the Soviet Union or to any of the other United Nations, shall not permit in future the existence and activities of organizations of that nature which have as their aim denial to the people of their democratic rights.

Article 6

1. Roumania shall take all necessary steps to ensure the apprehension and surrender for trial of:

(a) Persons accused of having committed, ordered or abetted war crimes and crimes against peace or humanity;

(b) Nationals of any Allied or Associated Power accused of having violated their national law by treason or collaboration with the enemy during the war.

2. At the request of the United Nations Government concerned, Roumania shall likewise make available as witnesses persons within its jurisdiction, whose evidence is required for the trial of the persons referred to in paragraph 1 of this Article.

3. Any disagreement concerning the application of the provisions of paragraphs 1 and 2 of this Article shall be referred by any of the Governments concerned to the Heads of the Diplomatic Missions in Bucharest of the Soviet Union, the United Kingdom and the United States of America, who will reach agreement with regard to the difficulty.

Section II

Article 7

Roumania undertakes to recognize the full force of the Treaties of Peace with Italy, Bulgaria, Hungary and Finland and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect to Austria, Germany and Japan for the restoration of peace.

Article 8

The state of war between Roumania and Hungary shall terminate upon the coming into force both of the present Treaty of Peace and the Treaty of Peace between the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Australia, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, India, New Zealand, the Ukrainian Soviet Socialist Republic, the Union of South Africa and the People's Federal Republic of Yugoslavia, of the one part, and Hungary of the other part.

Article 9

Roumania undertakes to accept any arrangements which have been or may be agreed for the liquidation of the League of Nations and the Permanent Court of International Justice.

Article 10

1. Each Allied or Associated Power will notify Roumania, within a period of six months from the coming into force of the present Treaty, which of its pre-war bilateral treaties with Roumania it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

3. All such treaties not so notified shall be regarded as abrogated.

PART III. MILITARY, NAVAL AND AIR CLAUSES

Section I

Article 11

The maintenance of land, sea and air armaments and fortifications shall be closely restricted to meeting tasks of an internal character and local defense of frontiers. In accordance with the foregoing, Roumania is authorised to have armed forces consisting of not more than:

(a) A land army, including frontier troops, with a total strength of 120,000 personnel;

(b) Anti-aircraft artillery with a strength of 5,000 personnel;

(c) A navy with a personnel strength of 5,000 and a total tonnage of 15,000 tons;

(d) An air force, including any naval air arm, of 150 aircraft, including reserves, of which not more than 100 may be combat types of aircraft, with a total personnel strength of 8,000. Roumania shall not possess or acquire any aircraft designed primarily as bombers with internal bomb-carrying facilities.

These strengths shall in each case include combat, service and overhead personnel.

Article 12

The personnel of the Roumanian Army, Navy and Air Force in excess of the respective strengths permitted under Article 11 shall be disbanded within 6 months from the coming into force of the present Treaty.

Article 13

Personnel not included in the Roumanian Army, Navy or Air Force shall not receive any form of military training, naval training or military air training as defined in Annex II.

Article 14

Roumania shall not possess, construct or experiment with any atomic weapon, any self-propelled or guided missiles or apparatus connected with their discharge (other than torpedoes and torpedo-launching gear comprising the normal armament of naval vessels permitted by the present Treaty), sea mines or torpedoes of noncontact types actuated by influence mechanisms, torpedoes capable of being manned, submarines or other submersible craft, motor torpedo boats, or specialised types of assault craft.

Article 15

Roumania shall not retain, produce or otherwise acquire, or maintain facilities for the manufacture of, war material in excess of that required for the maintenance of the armed forces permitted under Article 11 of the present Treaty.

Article 16

1. Excess war material of Allied origin shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions given by that Power. Excess Roumanian war material shall be placed at the disposal of the Governments of the Soviet Union, the United Kingdom and the United States of America. Roumania shall renounce all rights to this material.

2. War material of German origin or design in excess of that required for the armed forces permitted under the present Treaty shall be placed at the disposal of the Three Governments. Roumania shall not acquire or manufacture any war material of German origin or design, or employ or train any technicians, including military and civil aviation personnel, who are or have been nationals of Germany.

3. Excess war material mentioned in paragraphs 1 and 2 of this Article shall be handed over or destroyed within one year from the coming into force of the present Treaty.

4. A definition and list of war material for the purposes of the present Treaty are contained in Annex III.

Article 17

Roumania shall cooperate fully with the Allied and Associated Powers with a view to ensuring that Germany may not be able to take steps outside German territory towards rearmament.

Article 18

Roumania shall not acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

Article 19

Each of the military, naval and air clauses of the present Treaty shall remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Roumania or, after Roumania becomes a member of the United Nations, by agreement between the Security Council and Roumania.

Section II

Article 20

1. Roumanian prisoners of war shall be repatriated as soon as possible, in accordance with arrangements agreed upon by the individual Powers detaining them and Roumania.

2. All costs, including maintenance costs, incurred in moving Roumanian prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Roumanian territory, shall be borne by the Roumanian Government.

PART IV. WITHDRAWAL OF ALLIED FORCES

Article 21

1. Upon the coming into force of the present Treaty, all Allied Forces shall, within a period of 90 days, be withdrawn from Roumania, subject to the right of the Soviet Union to keep on Roumanian territory such armed forces as it may need for the maintenance of the lines of communication of the Soviet Army with the Soviet zone of occupation in Austria.

2. All unused Roumanian currency and all Roumanian goods in possession of the Allied forces in Roumania, acquired pursuant to Article 10 of the Armistice Agreement, shall be returned to the Roumanian Government within the same period of 90 days.

3. Roumania shall, however, make available such maintenance and facilities as may specifically be required for the maintenance of the lines of communication with the Soviet zone of occupation in Austria, for which due compensation will be made to the Roumanian Government.

PART V. REPARATION AND RESTITUTION

Article 22

1. Losses caused to the Soviet Union by military operations and by the occupation by Roumania of Soviet territory shall be made good by Roumania to the Soviet Union, but, taking into consideration that Roumania has not only withdrawn from the war against the United Nations, but has declared and, in fact, waged war against Germany, it is agreed that compensation for the above losses will be made by Roumania not in full but only in part, namely in the amount of $300,000,000 payable over eight years from September 12, 1944, in commodities (oil products, grain, timber, seagoing and river craft, sundry machinery and other commodities).

2. The basis of calculation for the settlement provided in this Article will be the United States dollar at its gold parity on the day of the signing of the Armistice Agreement, i. e. $35 for one ounce of gold.

Article 23

1. Roumania accepts the principles of the United Nations Declaration of January 5, 1943, and shall return property removed from the territory of any of the United Nations.

2. The obligation to make restitution applies to all identifiable property at present in Roumania which was removed by force or duress by any of the Axis Powers from the territory of any of the United Nations, irrespective of any subsequent transactions by which the present holder of any such property has secured possession.

3. The Government entitled to restitution and the Roumanian Government may conclude agreements which will replace the provisions of the present Article.

4. The Roumanian Government shall return the property referred to in this Article in good order and, in this connection, shall bear all costs in Roumania relating to labour, materials and transport.

5. The Roumanian Government shall cooperate with the United Nations in, and shall provide at its own expense all necessary facilities for, the search for and restitution of property liable to restitution under this Article.

6. The Roumanian Government shall take the necessary measures to effect the return of property covered by this Article held in any third country by persons subject to Roumanian jurisdiction.

7. Claims for the restitution of property shall be presented to the Roumanian Government by the Government of the country from whose territory the property was removed, it being understood that rolling stock shall be regarded as having been removed from the territory to which it originally belonged. The period during which such claims may be presented shall be six months from the coming into force of the present Treaty.

8. The burden of identifying the property and of proving ownership shall rest on the claimant Government, and the burden of proving that the property was not removed by force or duress shall rest on the Roumanian Government.

PART VI. ECONOMIC CLAUSES

Article 24

1. In so far as Roumania has not already done so, Roumania shall restore all legal rights and interests in Roumania of the United Nations and their nationals as they existed on September 1, 1939, and shall return all property in Roumania, including ships, of the United Nations and their nationals as it now exists.

If necessary, the Roumanian Government shall revoke legislation enacted since September 1, 1939, in so far as it discriminates against the rights of United Nations nationals.

2. The Roumanian Government undertakes that all property, rights and interests passing under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war and without the imposition of any charges by the Roumanian Government in connection with their return. The Roumanian Government shall nullify all measures, including seizures, sequestration or control, taken by it against United Nations property between September 1, 1939, and the coming into force of the present Treaty. In cases where the property has not been returned within six months from the coming into force of the present Treaty, application shall be made to the Roumanian authorities not later than twelve months from the coming into force of the Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Roumanian Government shall invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force or duress exerted by Axis Governments or their agencies during the war.

4. (a) The Roumanian Government shall be responsible for the restoration to complete good order of the property returned to United Nations nationals under paragraph 1 of this Article. In cases where property cannot be returned or where, as a result of the war, a United Nations national has suffered a loss by reason of injury or damage to property in Roumania, he shall receive from the Roumanian Government compensation in lei to the extent of two-thirds of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered. In no event shall United Nations nationals receive less favourable treatment with respect to compensation than that accorded to Roumanian nationals.

(b) United Nations nationals who hold, directly or indirectly, ownership interests in corporations or associations which are not United Nations nationals within the meaning of paragraph 9 (a) of this Article, but which have suffered a loss by reason of injury or damage to property in Roumania, shall receive compensation in accordance with subparagraph (a) above. This compensation shall be calculated on the basis of the total loss or damage suffered by the corporation or association and shall bear the same proportion to such loss or damage as the beneficial interests of such nationals in the corporation or association bear to the total capital thereof.

(c) Compensation shall be paid free of any levies, taxes or other charges. It shall be freely usable in Roumania but shall be subject to the foreign exchange control regulations which may be in force in Roumania from time to time.

(d) The Roumanian Government shall accord to United Nations nationals the same treatment in the allocation of materials for the repair or rehabilitation of their property in Roumania and in the allocation of foreign exchange for the importation of such materials as applies to Roumanian nationals.

(e) The Roumanian Government shall grant United Nations nationals an indemnity in lei at the same rate as provided in subparagraph (a) above to compensate them for the loss or damage due to special measures applied to their property during the war, and which were not applicable to Roumanian property. This sub-paragraph does not apply to a loss of profit.

5. The provisions of paragraph 4 of this Article shall not apply to Roumania in so far as the action which may give rise to a claim for damage to property in Northern Transylvania belonging to the United Nations or their nationals took place during the period when this territory was not subject to Roumanian authority.

6. All reasonable expenses incurred in Roumania in establishing claims, including the assessment of loss or damage, shall be borne by the Roumanian Government.

7. United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts imposed on their capital assets in Roumania by the Roumanian Government or any Roumanian authority between the date of the Armistice and the coming into force of the present Treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces or of reparation payable to any of the United Nations. Any sums which have been so paid shall be refunded.

8. The owner of the property concerned and the Roumanian Government may agree upon arrangements in lieu of the provisions of this Article.

9. As used in this Article:

(a) "United Nations nationals" means individuals who are nationals of any of the United Nations, or corporations or associations organised under the laws of any of the United Nations, at the coming into force of the present Treaty, provided that the said individuals, corporations or associations also had this status at the date of the Armistice with Roumania.

The term "United Nations nationals" also includes all individuals, corporations or associations which, under the laws in force in Roumania during the war, have been treated as enemy;

(b) "Owner" means the United Nations national, as defined in sub-paragraph (a) above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nations national as defined in subparagraph (a). If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law;

(c) "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights or interests of any kind in property. Without prejudice to the generality of the foregoing provisions, the property of the United Nations and their nationals includes all seagoing and river vessels, together with their gear and equipment, which were either owned by United Nations or their nationals, or registered in the territory of one of the United Nations, or sailed under the flag of one of the United Nations and which, after September 1, 1939, while in Roumanian waters, or after they had been forcibly brought into Roumanian waters, either were placed under the control of the Roumanian authorities as enemy property or ceased to be at the free disposal in Roumania of the United Nations or their nationals, as a result of measures of control taken by the Roumanian authorities in relation to the existence of a state of war between members of the United Nations and Germany.

Article 25

1. Roumania undertakes that in all cases where the property, legal rights or interests in Roumania of persons under Roumanian jurisdiction have, since September 1, 1939, been the subject of measures of sequestration, confiscation or control on account of the racial origin or religion of such persons, the said property, legal rights and interests shall be restored together with their accessories or, if restoration is impossible, that fair compensation shall be made therefor.

2. All property, rights and interests in Roumania of persons, organisations or communities which, individually or as members of groups, were the object of racial, religious or other Fascist measures of persecution, and remaining heirless or unclaimed for six months after the coming into force of the present Treaty, shall be transferred by the Roumanian Government to organisations in

Roumania representative of such persons, organisations or communities. The property transferred shall be used by such organisations for purposes of relief and rehabilitation of surviving members of such groups, organisations and communities in Roumania. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights and interests required to be restored under paragraph 1 of this Article.

Article 26

Roumania recognizes that the Soviet Union is entitled to all German assets in Roumania transferred to the Soviet Union by the Control Council for Germany and undertakes to take all necessary measures to facilitate such transfers.

Article 27

1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which at the coming into force of the present Treaty are within its territory and belong to Roumania or to Roumanian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Roumania or Roumanian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Roumanian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Roumanian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Roumanian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Roumanian Government undertakes to compensate Roumanian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial property to the Roumanian Government or Roumanian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial property in the territory of that Allied or Associated Power, acquired prior to the coming into force of the present Treaty by the Government or nationals of Roumania, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. The property covered by paragraph 1 of this Article shall be deemed to include Roumanian property which has been subject to control by reason of a state of war existing between Roumania and the Allied or Associated Power having jurisdiction over the property, but shall not include:

(a) Property of the Roumanian Government used for consular or diplomatic purposes;

(b) Property belonging to religious bodies or private charitable institutions and used for religious or charitable purposes;

(c) Property of natural persons who are Roumanian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Roumanian property which at any time during the war was subjected to measures not generally applicable to the property of Roumanian nationals resident in the same territory;

(d) Property rights arising since the resumption of trade and financial relations between the Allied and Associated Powers and Roumania, or arising out of transactions between the Government and any Allied or Associated Power and Roumania since September 12, 1944;

(e) Literary and artistic property rights.

Article 28

1. From the coming into force of the present Treaty, property in Germany of Roumania and of Roumanian nationals shall no longer be treated as enemy property and all restrictions based on such treatment shall be removed.

2. Identifiable property of Roumania and of Roumanian nationals removed by force or duress from Roumanian territory to Germany by German forces or authorities after September 12, 1944, shall be eligible for restitution.

3. The restoration and restitution of Roumanian property in Germany shall be effected in accordance with measures which will be determined by the Powers in occupation of Germany.

4. Without prejudice to these and to any other dispositions in favour of Roumania and Roumanian nationals by the Powers occupying Germany, Roumania waives on its own behalf and on behalf of Roumanian nationals all claims against Germany and German nationals outstanding on May 8, 1945, except those arising out of contracts and other obligations entered into, and rights acquired, before September 1, 1939. This waiver shall be deemed to include debts, all inter-governmental claims in respect of arrangements entered into in the course of the war and all claims for loss or damage arising during the war.

Article 29

1. The existence of the state of war shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts which existed, and rights which were acquired, before the existence of the state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Roumania to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Roumania.

2. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of pre-war contracts concluded either by the Government or nationals of Roumania.

Article 30

1. Roumania waives all claims of any description against the Allied and Associated Powers on behalf of the Roumanian Government or Roumanian nationals arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, whether or not the Allied or Associated Power was at war with Roumania at the time, including the following:

(a) Claims for losses or damages sustained as a consequence of acts of forces or authorities of Allied or Associated Powers;

(b) Claims arising from the presence, operations or actions of forces or authorities of Allied or Associated Powers in Roumanian territory;

(c) Claims with respect to the decrees or orders of Prize Courts of Allied or Associated Powers, Roumania agreeing to accept as valid and binding all decrees and orders of such Prize Courts on or after September 1, 1939, concerning Roumanian ships or Roumanian goods or the payment of costs;

(d) Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which will be henceforward extinguished, whoever may be the parties in interest. The Roumanian Government agrees to make equitable compensation in lei to persons who furnished supplies or services on requisition to the forces of Allied or Associated Powers in Roumanian territory and in satisfaction of noncombat damage claims against the forces of Allied or Associated Powers arising in Roumanian territory.

3. Roumania likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Roumanian Government or Roumanian nationals against any of the United Nations whose diplomatic relations with Roumania were broken off during the war and which took action in cooperation with the Allied and Associated Powers.

4. The Roumanian Government shall assume full responsibility for all Allied military currency issued in Roumania by the Allied military authorities, including all such currency in circulation at the coming into force of the present Treaty.

5. The waiver of claims by Roumania under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied and Associated Powers with respect to Roumanian ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

Article 31

1. Pending the conclusion of commercial treaties or agreements between individual United Nations and Roumania, the Roumanian Government shall, during a period of eighteen months from the coming into force of the present Treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Roumania:

(a) In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favoured-nation treatment;

(b) In all other respects, Roumania shall make no arbitrary discrimination against goods originating or destined for any territory of any of the United Nations as compared with like goods originating in or destined for territory of any other of the United Nations or of any other foreign country;

(c) United Nations nationals, including juridical persons, shall be granted national and most-favoured-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Roumania. These provisions shall not apply to commercial aviation;

(d) Roumania shall grant no exclusive or discriminatory right to any country with regard to the operation of commercial aircraft in international traffic, shall afford all the United Nations equality of opportunity in obtaining international commercial aviation rights in Roumanian territory, including the right to land for refueling and repair, and, with regard to the operation of commercial aircraft in international traffic, shall grant on a reciprocal and non-discriminatory basis to all United Nations the right to fly over Roumanian territory without landing. These provisions shall not affect the interests of the national defence of Roumania.

2. The foregoing undertakings by Roumania shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Roumania before the war, and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that State.

Article 32

1. Any disputes which may arise in connection with Articles 23 and 24 and Annexes IV, V and VI, part B of the present Treaty shall be referred to a Conciliation Commission composed of an equal number of repre-

sentatives of the United Nations Government concerned and of the Roumanian Government. If agreement has not been reached within three months of the dispute having been referred to the Conciliation Commission, either Government may require the addition of a third member to the Commission, and failing agreement between the two Governments on the selection of this member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission and shall be accepted by the parties as definitive and binding.

Article 33

Any disputes which may arise in connection with the prices paid by the Roumanian Government for goods delivered by this Government on account of reparation and acquired from nationals of an Allied or Associated Power or companies owned by them shall be settled, without prejudice to the execution of the obligations of Roumania with regard to reparation, by means of diplomatic negotiations between the Government of the country concerned and the Roumanian Government. Should the direct diplomatic negotiations between the parties concerned not result in a solution of the dispute within two months, such dispute shall be referred to the Heads of the Diplomatic Missions in Bucharest of the Soviet Union, the United Kingdom and the United States of America for settlement. In case the Heads of Mission fail to reach agreement within two months, either party may request the Secretary-General of the United Nations to appoint an arbitrator whose decision shall be binding on the parties to the dispute.

Article 34

Articles 23, 24, 31 and Annex VI of the present Treaty shall apply to the Allied and Associated Powers and France and to those of the United Nations whose diplomatic relations with Roumania have been broken off during the war.

Article 35

The provisions of Annexes IV, V and VI shall, as in the case of the other Annexes, have force and effect as integral parts of the present Treaty.

PART VII. CLAUSE RELATING TO THE DANUBE

Article 36

Navigation on the Danube shall be free and open for the nationals, vessels of commerce, and goods of all States, on a footing of equality in regard to port and navigation charges and conditions for merchant shipping. The foregoing shall not apply to traffic between ports of the same State.

PART VIII. FINAL CLAUSES

Article 37

1. For a period not to exceed eighteen months from the coming into force of the present Treaty, the Heads of the Diplomatic Missions in Bucharest of the Soviet Union, the United Kingdom and the United States of America, acting in concert, will represent the Allied and Associated Powers in dealing with the Roumanian Government in all matters concerning the execution and interpretation of the present Treaty.

2. The Three Heads of Mission will give the Roumanian Government such guidance, technical advice and clarification as may be necessary to ensure the rapid and efficient execution of the present Treaty both in letter and in spirit.

3. The Roumanian Government shall afford the said Three Heads of Mission all necessary information and any assistance which they may require in the fulfilment of the tasks devolving on them under the present Treaty.

Article 38

1. Except where another procedure is specifically provided under any Article of the present Treaty, any dispute concerning the interpretation or execution of the Treaty, which is not settled by direct diplomatic negotiations, shall be referred to the Three Heads of Mission acting under Article 37, except that in this case the Heads of Mission will not be restricted by the time limit provided in that Article. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

Article 39

1. Any member of the United Nations, not a signatory to the present Treaty, which is at war with Roumania, may accede to the Treaty and upon accession shall be deemed to be an Associated Power for the purposes of the Treaty.

2. Instruments of accession shall be deposited with the Government of the Union of Soviet Socialist Republics and shall take effect upon deposit.

Article 40

The present Treaty, of which the Russian and English texts are authentic, shall be ratified by the Allied and Associated Powers. It shall also be ratified by Roumania. It shall come into force immediately upon the deposit of ratifications by the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. The instruments of ratification shall, in the shortest time possible, be deposited with the Government of the Union of Soviet Socialist Republics.

With respect to each Allied or Associated Power whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty shall be deposited in the archives of the Government of the Union of Soviet Socialist Republics, which shall furnish certified copies to each of the signatory States.

LIST OF ANNEXES

ANNEX I

(See Article 1)

Map of the Roumanian frontiers

ANNEX II

(See Article 13)

Definition of military, military air and naval training

1. Military training is defined as: the study of and practice in the use of war material specially designed or adapted for army purposes, and training devices relative thereto; the study and carrying out of all drill or movements which teach or practice evolutions performed by fighting forces in battle; and the organised study of tactics, strategy and staff work.

2. Military air training is defined as: the study of and practice in the use of war material specially designed or adapted for air force purposes, and training devices relative thereto; the study and practice of all specialised evolutions, including formation flying, performed by aircraft in the accomplishment of an air force mission; and the organised study of air tactics, strategy and staff work.

3. Naval training is defined as: the study, administration or practice in the use of warships or naval establishments as well as the study or employment of all apparatus and training devices relative thereto, which are used in the prosecution of naval warfare, except for those which are also normally used for civilian purposes; also the teaching practice or organised study of naval tactics, strategy and staff work including the execution of all operations and manoeuvres not required in the peaceful employment of ships.

ANNEX III

(See Article 16)

Definition and list of war material

The term "war material" as used in the present Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below.

The Allied and Associated Powers reserve the right to amend the list periodically by modification or addition in the light of subsequent scientific development.

Category I.

1. Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use.

2. Machine guns, military automatic or autoloading rifles, and machine pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine gun mounts.

3. Guns, howitzers, mortars, cannon special to aircraft; breechless or recoil-less guns and flamethrowers; barrels and other spare parts not readily adaptable for civilian use; carriages and mountings for the foregoing.

4. Rocket projectors; launching and control mechanisms for self-propelling and guided missiles; mountings for same.

5. Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in subparagraphs 1–4 above and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.

6. Grenades, bombs, torpedoes, mines, depth charges and incendiary materials or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.

7. Bayonets.

Category II.

1. Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.

2. Mechanical and self-propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in sub-paragraph 1 above.

3. Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

Category III.

1. Aiming and computing devices, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters; equipment for the calibration of guns and fire control instruments.

2. Assault bridging, assault boats and storm boats.

3. Deceptive warfare, dazzle and decoy devices.

4. Personal war equipment of a specialised nature not readily adaptable to civilian use.

Category IV.

1. Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material,

machines and installations not used in peace time on ships other than warships.

2. Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instrument or device whether manned or unmanned, guided or uncontrolled.

3. Submersible or semi-submersible ships, craft, weapons, devices or apparatus of any kind, including specially designed harbour defence booms, except as required by salvage, rescue or other civilian uses, as well as all equipment, accessories, spare parts, experimental or training aids, instruments or installations as may be specially designed for the construction, testing, maintenance or housing of the same.

Category V.

1. Aircraft, assembled or unassembled, both heavier and lighter than air, which are designed or adapted for aerial combat by the use of machine guns, rocket projectors or artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of their design or construction are prepared for, any of the appliances referred to in subparagraph 2 below.

2. Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release mechanisms; gun turrets and blisters.

3. Equipment specially designed for and used solely by airborne troops.

4. Catapults or launching apparatus for ship-borne, land- or sea-based aircraft; apparatus for launching aircraft weapons.

5. Barrage balloons.

Category VI.

Asphyxiating, lethal, toxic or incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

Category VII.

Propellants, explosives, pyrotechnics or liquefied gases destined for the propulsion, explosion, charging or filing of, or for use in connection with, the war material in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

Category VIII.

Factory and tool equipment specially designed for the production and maintenance of the material enumerated above and not technically convertible to civilian use.

ANNEX IV

Special provisions relating to certain kinds of property

A. Industrial, Literary and Artistic Property

1. (a) A period of one year from the coming into force of the present Treaty shall be accorded to the Allied and Associated Powers and their nationals without extension fees or other penalty of any sort in order to enable them to accomplish all necessary acts for the obtaining or preserving in Roumania of rights in industrial, literary and artistic property which were not capable of accomplishment owing to the existence of a state of war.

(b) Allied and Associated Powers or their nationals who had duly applied in the territory of any Allied or Associated Power for a patent or registration of a utility model not earlier than twelve months before the outbreak of the war with Roumania or during the war, or for the registration of an industrial design or model or trade mark not earlier than six months before the outbreak of the war with Roumania or during the war, shall be entitled within twelve months after the coming into force of the present Treaty to apply for corresponding rights in Roumania, with a right of priority based upon the previous filing of the application in the territory of that Allied or Associated Power.

(c) Each of the Allied and Associated Powers and its nationals shall be accorded a period of one year from the coming into force of the present Treaty during which they may institute proceedings in Roumania against those natural or juridical persons who are alleged illegally to have infringed their rights in industrial, literary or artistic property between the date of the outbreak of the war and the coming into force of the Treaty.

2. A period from the outbreak of the war until a date eighteen months after the coming into force of the present Treaty shall be excluded in determining the time within which a patent must be worked or a design or trade mark used.

3. The period from the outbreak of the war until the coming into force of the present Treaty shall be excluded from the normal term of rights in industrial, literary and artistic property which were in force in Roumania at the outbreak of the war or which are recognized or established under part A of this Annex and belong to any of the Allied and Associated Powers or their nationals. Consequently, the normal duration of such rights shall be deemed to be automatically extended in Roumania for a further term corresponding to the period so excluded.

4. The foregoing provisions concerning the rights in Roumania of the Allied and Associated Powers and their nationals shall apply equally to the rights in the territories of the Allied and Associated Powers of Roumania and its nationals. Nothing, however, in these provisions shall entitle Roumania or its nationals to more favourable treatment in the territory of any of the Allied and Associated Powers than is accorded by such Power in like cases to other United Nations or their nationals, nor shall Roumania be thereby required to accord to any of the Allied and Associated Powers or its nationals more favourable treatment than Roumania or its nationals receive in the territory of such Power in regard to the matters dealt with in the foregoing provisions.

5. Third parties in the territories of any of the Allied and Associated Powers or Roumania who, before the coming into force of the present Treaty, had bona fide acquired industrial, literary or artistic property rights conflicting with rights restored under part A of this Annex or with rights obtained with the priority provided thereunder, or had bona fide manufactured, published, reproduced, used or sold the subject matter of such rights, shall be permitted, without any liability for infringement, to continue to exercise such rights and to continue or to resume such manufacture, publication, reproduction, use or sale which had been bona fide acquired or commenced. In Roumania, such permission shall take the form of a nonexclusive licence granted on terms and conditions to be mutually agreed by the parties thereto or, in default of agreement, to be fixed by the Conciliation Commission established under Article 32 of the present Treaty. In the territories of each of the Allied and Associated Powers, however, bona fide third parties shall receive such protection as is accorded under similar circumstances to bona fide third parties whose rights are in conflict with those of the nationals of other Allied and Associated Powers.

6. Nothing in part A of this Annex shall be construed to entitle Roumania or its nationals to any patent or utility model rights in the territory of any of the Allied and Associated Powers with respect to inventions, relating to any article listed by name in Annex III of the present Treaty, made, or upon which applications were filed, by Roumania, or any of its nationals, in Roumania or in the territory of any other of the Axis Powers, or in any territory occupied by the Axis forces, during the time when such territory was under the control of the forces or authorities of the Axis Powers.

7. Roumania shall likewise extend the benefits of the foregoing provisions of this Annex to France, and to other United Nations which are not Allied or Associated Powers, whose diplomatic relations with Roumania have been broken off during the war and which undertake to extend to Roumania the benefits accorded to Roumania under the said provisions.

8. Nothing in part A of this Annex shall be understood to conflict with Articles 24, 27, and 29 of the present Treaty.

B. Insurance

1. No obstacles, other than any applicable to insurers generally, shall be placed in the way of the resumption by insurers who are United Nations nationals of their former portfolios of business.

2. Should an insurer, who is a national of any of the United Nations, wish to resume his professional activities in Roumania, and should the value of the guarantee deposits or reserves required to be held as a condition of carrying on business in Roumania be found to have decreased as a result of the loss or depreciation of the securities which constituted such deposits or reserves, the Roumanian Government undertakes to accept, for a period of eighteen months, such securities as still remain as fulfilling any legal requirements in respect of deposits and reserves.

ANNEX V

Contracts, prescription and negotiable instruments

A. Contracts

1. Any contract which required for its execution intercourse between any of the parties thereto having become enemies as defined in part D of this Annex, shall, subject to the exceptions set out in paragraphs 2 and 3 below, be deemed to have been dissolved as from the time when any of the parties thereto became enemies. Such dissolution, however, is without prejudice to the provisions of Article 29 of the present Treaty, nor shall it relieve any party to the contract from the obligation to repay amounts received as advances or as payments on account and in respect of which such party has not rendered performance in return.

2. Notwithstanding the provisions of paragraph 1 above, there shall be excepted from dissolution and, without prejudice to the rights contained in Article 27 of the present Treaty, there shall remain in force such parts of any contract as are severable and did not require for their execution intercourse between any of the parties thereto, having become enemies as defined in part D of this Annex. Where the provisions of any contract are not so severable, the contract shall be deemed to have been dissolved in its entirety. The foregoing shall be subject to the application of domestic laws, orders or regulations made by any of the Allied and Associated Powers having jurisdiction over the contract or over any of the parties thereto and shall be subject to the terms of the contract.

3. Nothing in part A of this Annex shall be deemed to invalidate transactions lawfully carried out in accordance with a contract between enemies if they have been carried out with the authorization of the Government of one of the Allied and Associated Powers.

4. Notwithstanding the foregoing provisions, contracts of insurance and re-insurance shall be subject to separate agreements between the Government of the Allied or Associated Power concerned and the Government of Roumania.

B. Periods of Prescription

1. All periods of prescription or limitation of right of action or of the right to take conservatory measures in respect of relations affecting persons or property, involving United Nations nationals and Roumanian

nationals who, by reason of the state of war, were unable to take judicial action or to comply with the formalities necessary to safeguard their rights, irrespective of whether these periods commenced before or after the outbreak of war, shall be regarded as having been suspended, for the duration of the war, in Roumanian territory on the one hand, and on the other hand in the territory of those United Nations which grant to Roumania, on a reciprocal basis, the benefit of the provisions of this paragraph. These periods shall begin to run again on the coming into force of the present Treaty. The provisions of this paragraph shall be applicable in regard to the periods fixed for the presentation of interest or dividend coupons or for the presentation for payment of securities drawn for repayment or repayable on any other ground.

2. Where, on account of failure to perform any act or to comply with any formality during the war, measures of execution have been taken in Roumanian territory to the prejudice of a national of one of the United Nations, the Roumanian Government shall restore the rights which have been detrimentally affected. If such restoration is impossible or would be inequitable, the Roumanian Government shall provide that the United Nations national shall be afforded such relief as may be just and equitable in the circumstances.

C. Negotiable Instruments

1. As between enemies, no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment, or to give notice of non-acceptance or non-payment to drawers or endorsers, or to protest the instrument, nor by reason of failure to complete any formality during the war.

2. Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or endorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment, or protest may be made.

3. If a person has, either before or during the war, incurred obligations under a negotiable instrument in consequence of an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of these obligations, notwithstanding the outbreak of war.

D. Special Provisions

1. For the purposes of this Annex, natural or juridical persons shall be regarded as enemies from the date when trading between them shall have become unlawful under laws, orders or regulations to which such persons or the contracts were subject.

2. Having regard to the legal system of the United States of America, the provisions of this Annex shall not apply as between the United States of America and Roumania.

ANNEX VI

Prize courts and judgments

A. Prize Courts

Each of the Allied and Associated Powers reserves the right to examine, according to a procedure to be established by it, all decisions and orders of the Roumanian Prize Courts in cases involving ownership rights of its nationals, and to recommend to the Roumanian Government that revision shall be undertaken of such of those decisions or orders as may not be in conformity with international law.

The Roumanian Government undertakes to supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued, and to accept all recommendations made as a result of the examination of the said cases, and to give effect to such recommendations.

B. Judgments

The Roumanian Government shall take the necessary measures to enable nationals of any of the United Nations at any time within one year from the coming into force of the present Treaty to submit to the appropriate Roumanian authorities for review any judgment given by a Roumanian court between June 22, 1941, and the coming into force of the present Treaty in any proceeding in which the United Nations national was unable to make adequate presentation of his case either as plaintiff or defendant. The Roumanian Government shall provide that, where the United Nations national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances. The term "United Nations nationals" includes corporations or associations organized or constituted under the laws of any of the United Nations.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in the city of Paris in the Russian, English, French and Roumanian languages this tenth day of February, One Thousand Nine Hundred Forty-Seven.

Here follow the signatures of the Plenipotentiaries of: Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Australia, Byelorussian Soviet Socialist Republic, Canada, Czechosovakia, India, New Zealand, Ukranian Soviet Socialist Republic, Union of South Africa, Roumania.

The PRESIDENT pro tempore. The treaty is open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDENT pro tempore. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive G, Eightieth Congress, first session, the treaty of peace with Rumania which was signed at Paris on February 10, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified.

TREATY OF PEACE WITH BULGARIA

The Senate, as in Committee of the Whole, proceeded to consider Executive H (80th Cong., 1st sess.), the treaty of peace with Bulgaria, signed at Paris on February 10, 1947, which was read the second time, as follows:

TREATY OF PEACE WITH BULGARIA

The Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Australia, the Byelorussian Soviet Socialist Republic, Czechoslovakia, Greece, India, New Zealand, the Ukrainian Soviet Socialist Republic, the Union of South Africa and the People's Federal Republic of Yugoslavia, as the States which are at war with Bulgaria and actively waged war against the European enemy states with substantial military forces, hereinafter referred to as "the Allied and Associated Powers", of the one part,

and Bulgaria, of the other part;

Whereas Bulgaria, having become an ally of Hitlerite Germany and having participated on her side in the war against the Union of Soviet Socialist Republics, the United Kingdom, the United States of America and other United Nations, bears her share of responsibility for this war;

Whereas, however, Bulgaria, having ceased military operations against the United Nations, broke off relations with Germany, and, having concluded on October 28, 1944, an Armistice with the Governments of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America, acting on behalf of all the United Nations at war with Bulgaria, took an active part in the war against Germany; and

Whereas the Allied and Associated Powers and Bulgaria are desirous of concluding a treaty of peace, which, conforming to the principles of justice, will settle questions still outstanding as a result of the events hereinbefore recited and form the basis of friendly relations between them, thereby enabling the Allied and Associated Powers to support Bulgaria's application to become a member of the United Nations and also to adhere to any Convention concluded under the auspices of the United Nations;

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

PART I. FRONTIERS OF BULGARIA

Article 1

The frontiers of Bulgaria, as shown on the map annexed to the present Treaty (Annex I), shall be those which existed on January 1, 1941.

PART II. POLITICAL CLAUSES

Section I

Article 2

Bulgaria shall take all measures necessary to secure to all persons under Bulgarian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

Article 3

Bulgaria, which in accordance with the Armistice Agreement has taken measures to set free, irrespective of citizenship and nationality, all persons held in confinement on account of their activities in favour of, or because of their sympathies with, the United Nations or because of their racial origin, and to repeal discriminatory legislation and restrictions imposed thereunder, shall complete these measures and shall in future not take any measures or enact any laws which would be incompatible with the purposes set forth in this Article.

Article 4

Bulgaria, which in accordance with the Armistice Agreement has taken measures for dissolving all organisations of a Fascist type on Bulgarian territory, whether political, military or para-military, as well as other organisations conducting propaganda hostile to the United Nations, shall not permit in future the existence and activities of organisations of that nature which have as their aim denial to the people of their democratic rights.

Article 5

1. Bulgaria shall take all necessary steps to ensure the apprehension and surrender for trial of:

(a) Persons accused of having committed, ordered or abetted war crimes and crimes against peace or humanity;

(b) Nationals of any Allied or Associated Power accused of having violated their national law by treason or collaboration with the enemy during the war.

2. At the request of the United Nations Government concerned, Bulgaria shall likewise make available as witnesses persons within its jurisdiction, whose evidence is required for the trial of the persons referred to in paragraph 1 of this Article.

3. Any disagreement concerning the application of the provisions of paragraphs 1 and 2 of this Article shall be referred by any of the Governments concerned to the Heads of the Diplomatic Missions in Sofia of the Soviet Union, the United Kingdom and the United States of America, who will reach agreement with regard to the difficulty.

Section II

Article 6

Bulgaria undertakes to recognize the full force of the Treaties of Peace with Italy, Roumania, Hungary and Finland and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect of Austria, Germany and Japan for the restoration of peace.

Article 7

Bulgaria undertakes to accept any arrangements which have been or may be agreed for the liquidation of the League of Nations and the Permanent Court of International Justice.

Article 8

1. Each Allied or Associated Power will notify Bulgaria, within a period of six months from the coming into force of the present Treaty, which of its pre-war bilateral treaties with Bulgaria it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

3. All such treaties not so notified shall be regarded as abrogated.

PART III. MILITARY, NAVAL AND AIR CLAUSES

Section I

Article 9

The maintenance of land, sea and air armaments and fortifications shall be closely restricted to meeting tasks of an internal character and local defence of frontiers. In accordance with the foregoing, Bulgaria is authorised to have armed forces consisting of not more than:

(a) A land army, including frontier troops, with a total strength of 55,000 personnel;

(b) Anti-aircraft artillery with a strength of 1,800 personnel;

(c) A navy with a personnel strength of 3,500 and a total tonnage of 7,250 tons;

(d) An air force, including any naval air arm, of 90 aircraft, including reserves, of which not more than 70 may be combat types of aircraft, with a total personnel strength of 5,200. Bulgaria shall not possess or acquire any aircraft designed primarily as bombers with internal bomb-carrying facilities.

These strengths shall in each case include combat, service and overhead personnel.

Article 10

The personnel of the Bulgarian Army, Navy and Air Force in excess of the respective strengths permitted under Article 9 shall be disbanded within six months from the coming into force of the present Treaty.

Article 11

Personnel not included in the Bulgarian Army, Navy or Air Force shall not receive any form of military training, naval training or military air training as defined in Annex II.

Article 12

1. The following construction to the north of the Greco-Bulgarian frontier is prohibited: permanent fortifications where weapons capable of firing into Greek territory can be emplaced; permanent military installations capable of being used to conduct or direct fire into Greek territory; and permanent supply and storage facilities emplaced solely for the use of the said fortifications and installations.

2. This prohibition does not include other types of non-permanent fortifications or surface accommodations and installations which are designed to meet only requirements of an internal character and of local defence of the frontiers.

Article 13

Bulgaria shall not possess, construct or experiment with any atomic weapon, any self-propelled or guided missiles or apparatus connected with their discharge (other than torpedoes and torpedo-launching gear comprising the normal armament of naval vessels permitted by the present Treaty), sea mines or torpedoes of non-contact types actuated by influence mechanisms, torpedoes capable of being manned, submarines or other submersible craft, motor torpedo boats, or specialised types of assault craft.

Article 14

Bulgaria shall not retain, produce or otherwise acquire, or maintain facilities for the manufacture of, war material in excess of that required for the maintenance of the armed forces permitted under Article 9 of the present Treaty.

Article 15

1. Excess war material of Allied origin shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions given by that Power. Excess Bulgarian war material shall be placed at the disposal of the Governments of the Soviet Union, the United Kingdom and the United States of America. Bulgaria shall renounce all rights to this material.

2. War material of German origin or design in excess of that required for the armed forces permitted under the present Treaty shall be placed at the disposal of the Three Governments. Bulgaria shall not acquire or manufacture any war material of German origin or design, or employ or train any technicians, including military and civil aviation personnel, who are or have been nationals of Germany.

3. Excess war material mentioned in paragraphs 1 and 2 of this Article shall be handed over or destroyed within one year from the coming into force of the present Treaty.

4. A definition and list of war material for the purposes of the present Treaty are contained in Annex III.

Article 16

Bulgaria shall co-operate fully with the Allied and Associated Powers with a view to ensuring that Germany may not be able to take steps outside German territory towards rearmament.

Article 17

Bulgaria shall not acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

Article 18

Each of the military, naval and air clauses of the present Treaty shall remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Bulgaria or, after Bulgaria becomes a member of the United Nations, by agreement between the Security Council and Bulgaria.

Section II

Article 19

1. Bulgarian prisoners of war shall be repatriated as soon as possible, in accordance with arrangements agreed upon by the individual Powers detaining them and Bulgaria.

2. All costs, including maintenance costs, incurred in moving Bulgarian prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Bulgarian territory, shall be borne by the Bulgarian Government.

PART IV. WITHDRAWAL OF ALLIED FORCES

Article 20

1. All armed forces of the Allied and Associated Powers shall be withdrawn from Bulgaria as soon as possible and in any case not later than 90 days from the coming into force of the present Treaty.

2. All unused Bulgarian currency and all Bulgarian goods in possession of the Allied forces in Bulgaria, acquired pursuant to Article 15 of the Armistice Agreement, shall be returned to the Bulgarian Government within the same period of 90 days.

3. Bulgaria shall, however, provide, during the period between the coming into force of the present Treaty and the final withdrawal of Allied forces, all such supplies and facilities as may be specifically required for the forces of the Allied and Associated Powers which are being withdrawn, and due compensation shall be paid to the Bulgarian Government for such supplies and facilities.

PART V. REPARATION AND RESTITUTION

Article 21

1. Losses caused to Yugoslavia and Greece by military operations and by the occupation by Bulgaria of the territory of those States shall be made good by Bulgaria to Yugoslavia and Greece, but, taking into consideration that Bulgaria has not only withdrawn from the war against the United Nations, but has declared and, in fact, waged war against Germany, the Parties agree that compensation for the above losses will be made by Bulgaria not in full but only in part, namely in the amount of $70,000,000 payable in kind from the products of manufacturing and extractive industries and agriculture over eight years beginning from the coming into force of the present Treaty. The sum to be paid to Greece shall amount to $45,000,000 and the sum to be paid to Yugoslavia shall amount to $25,000,000.

2. The quantities and categories of goods to be delivered shall be determined by agreements to be concluded by the Governments of Greece and Yugoslavia with the Government of Bulgaria. These agreements shall be communicated to the Heads of the Diplomatic Mission in Sofia of the Soviet Union, the United Kingdom and the United States of America.

3. The basis of calculation for the settlement provided in this Article will be the United States dollar at its gold parity on July 1, 1946, i. e. $35 for one ounce of gold.

4. The basis of valuation of goods delivered under this Article shall be the 1938 international market prices in United States dollars, with an increase of fifteen per cent. for industrial products and ten per cent. for other products. The cost of transport to the Greek or Yugoslav frontier shall be chargeable to the Bulgarian Government.

Article 22

1. Bulgaria accepts the principles of the United Nations Declaration of January 5, 1943, and shall return, in the shortest possible time, property removed from the territory of any of the United Nations.

2. The obligation to make restitution applies to all identifiable property at present in Bulgaria which was removed by force or

duress by any of the Axis Powers from the territory of any of the United Nations, irrespective of any subsequent transactions by which the present holder of any such property has secured possession.

3. If, in particular cases, it is impossible for Bulgaria to make restitution of objects of artistic, historic or archaeological value, belonging to the cultural heritage of the United Nation from whose territory such objects were removed by force or duress by Bulgarian forces, authorities or nationals, Bulgaria shall transfer to the United Nation concerned objects of the same kind as, and of approximately equivalent value to, the objects removed, in so far as such objects are obtainable in Bulgaria.

4. The Bulgarian Government shall return the property referred to in this Article in good order and, in this connection, shall bear all costs in Bulgaria relating to labour, materials and transport.

5. The Bulgarian Government shall cooperate with the United Nations in, and shall provide at its own expense all necessary facilities for, the search for and restitution of property liable to restitution under this Article.

6. The Bulgarian Government shall take the necessary measures to effect the return of property covered by this Article held in any third country by persons subject to Bulgarian jurisdiction.

7. Claims for the restitution of property shall be presented to the Bulgarian Government by the Government of the country from whose territory the property was removed, it being understood that rolling stock shall be regarded as having been removed from the territory to which it originally belonged. The period during which such claims may be presented shall be six months from the coming into force of the present Treaty.

8. The burden of identifying the property and of proving ownership shall rest on the claimant Government, and the burden of proving that the property was not removed by force or duress shall rest on the Bulgarian Government.

PART VI. ECONOMIC CLAUSES

Article 23

1. In so far as Bulgaria has not already done so, Bulgaria shall restore all legal rights and interests in Bulgaria of the United Nations and their nationals as they existed on April 24, 1941, and shall return all property in Bulgaria of the United Nations and their nationals as it now exists.

2. The Bulgarian Government undertakes that all property, rights and interests passing under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war and without the imposition of any charges by the Bulgarian Government in connection with their return. The Bulgarian Government shall nullify all measures, including seizures, sequestration or control, taken by it against United Nations property between April 24, 1941, and the coming into force of the present Treaty. In cases where the property has not been returned within six months from the coming into force of the present Treaty, application shall be made to the Bulgarian authorities not later than twelve months from the coming into force of the Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Bulgarian Government shall invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force or duress exerted by Axis Governments or their agencies during the war.

4. (a) The Bulgarian Government shall be responsible for the restoration to complete good order of the property returned to United Nations nationals under paragraph 1 of this Article. In cases where property cannot be returned or where, as a result of the war, a United Nations national has suffered a loss by reason of injury or damage to property in Bulgaria, he shall receive from the Bulgarian Government compensation in levas to the extent of two-thirds of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered. In no event shall United Nations nationals receive less favourable treatment with respect to compensation than that accorded to Bulgarian nationals.

(b) United Nations nationals who hold, directly or indirectly, ownership interests in corporations or associations which are not United Nations nationals within the meaning of paragraph 8 (a) of this Article, but which have suffered a loss by reason of injury or damage to property in Bulgaria, shall receive compensation in accordance with sub-paragraph (a) above. This compensation shall be calculated on the basis of the total loss or damage suffered by the corporation or association and shall bear the same proportion to such loss or damage as the beneficial interests of such nationals in the corporation or association bear to the total capital thereof.

(c) Compensation shall be paid free of any levies, taxes or other charges. It shall be freely usable in Bulgaria but shall be subject to the foreign exchange control regulations which may be in force in Bulgaria from time to time.

(d) The Bulgarian Government shall accord to United Nations nationals the same treatment in the allocation of materials for the repair or rehabilitation of their property in Bulgaria and in the allocation of foreign exchange for the importation of such materials as applies to Bulgarian nationals.

(e) The Bulgarian Government shall grant United Nations nationals an indemnity in levas at the same rate as provided in sub-paragraph (a) above to compensate them for the loss or damage due to special measures applied to their property during the war, and which were not applicable to Bulgarian property. This sub-paragraph does not apply to a loss of profit.

5. All reasonable expenses incurred in Bulgaria in establishing claims, including the assessment of loss or damage, shall be borne by the Bulgarian Government.

6. United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts imposed on their capital assets in Bulgaria by the Bulgarian Government or any Bulgarian authority between the date of the Armistice and the coming into force of the present Treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces or of reparation payable to any of the United Nations. Any sums which have been so paid shall be refunded.

7. The owner of the property concerned and the Bulgarian Government may agree upon arrangements in lieu of the provisions of this Article.

8. As used in this Article:

(a) "United Nations nationals" means individuals who are nationals of any of the United Nations, or corporations or associations organised under the laws of any of the United Nations, at the coming into force of the present Treaty, provided that the said individuals, corporations or associations also had this status at the date of the Armistice with Bulgaria.

The term "United Nations nationals" also includes all individuals, corporations or associations which, under the laws in force in Bulgaria during the war, have been treated as enemy;

(b) "Owner" means the United Nations national, as defined in subparagraph (a) above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nations national as defined in sub-paragraph (a). If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law;

(c) "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights or interests of any kind in property.

Article 24

Bulgaria recognizes that the Soviet Union is entitled to all German assets in Bulgaria transferred to the Soviet Union by the Control Council for Germany and undertakes to take all necessary measures to facilitate such transfers.

Article 25

1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which at the coming into force of the present Treaty are within its territory and belong to Bulgaria or to Bulgarian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Bulgaria or Bulgarian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Bulgarian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Bulgarian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Bulgarian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Bulgarian Government undertakes to compensate Bulgarian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial property to the Bulgarian Government or Bulgarian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial property in the territory of that Allied or Associated Power, acquired prior to the coming into force of the present Treaty by the Government or nationals of Bulgaria, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. The property covered by paragraph 1 of this Article shall be deemed to include Bulgarian property which has been subject to control by reason of a state of war existing between Bulgaria and the Allied or Associated Power having jurisdiction over the property, but shall not include:

(a) Property of the Bulgarian Government used for consular or diplomatic purposes;

(b) Property belonging to religious bodies or private charitable institutions and used for religious or charitable purposes;

(c) Property of natural persons who are Bulgarian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Bulgarian property which at any time during the war was subjected to measures not generally applicable to the property of Bulgarian nationals resident in the same territory;

(d) Property rights arising since the resumption of trade and financial relations between the Allied and Associated Powers and Bulgaria, or arising out of transactions between the Government of any Allied or

Associated Power and Bulgaria since October 28, 1944;

(e) Literary and artistic property rights.

Article 26

1. From the coming into force of the present Treaty, property in Germany of Bulgaria and of Bulgarian nationals shall no longer be treated as enemy property and all restrictions based on such treatment shall be removed.

2. Identifiable property of Bulgaria and of Bulgarian nationals removed by force or duress from Bulgarian territory to Germany by German forces or authorities after October 28, 1944, shall be eligible for restitution.

3. The restoration and restitution of Bulgarian property in Germany shall be effected in accordance with measures which will be determined by the Powers in occupation of Germany.

4. Without prejudice to these and to any other dispositions in favour of Bulgaria and Bulgarian nationals by the Powers occupying Germany, Bulgaria waives on its own behalf and on behalf of Bulgarian nationals all claims against Germany and German nationals outstanding on May 8, 1945, except those arising out of contracts and other obligations entered into, and rights acquired, before September 1, 1939. This waiver shall be deemed to include debts, all intergovernmental claims in respect of arrangements entered into in the course of the war and all claims for loss or damage arising during the war.

Article 27

1. The existence of the state of war shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts which existed, and rights which were acquired, before the existence of the state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Bulgaria to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Bulgaria.

2. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of pre-war contracts concluded either by the Government or nationals of Bulgaria.

Article 28

1. Bulgaria waives all claims of any description against the Allied and Associated Powers on behalf of the Bulgarian Government or Bulgarian nationals arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, whether or not the Allied or Associated Power was at war with Bulgaria at the time, including the following:

(a) Claims for losses or damages sustained as a consequence of acts of forces or authorities of Allied or Associated Powers;

(b) Claims arising from the presence, operations or actions of forces or authorities of Allied or Associated Powers in Bulgarian territory;

(c) Claims with respect to the decrees or orders of Prize Courts of Allied or Associated Powers, Bulgaria agreeing to accept as valid and binding all decrees and orders of such Prize Courts on or after September 1, 1939, concerning Bulgarian ships or Bulgarian goods or the payment of costs;

(d) Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which will be henceforward extinguished, whoever may be the parties in interest. The Bulgarian Government agrees to make equitable compensation in levas to persons who furnished supplies or services on requisition to the forces of Allied or Associated Powers in Bulgarian territory and in satisfaction of noncombat damage claims against the forces of Allied or Associated Powers arising in Bulgarian territory.

3. Bulgaria likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Bulgarian Government or Bulgarian nationals against any of the United Nations whose diplomatic relations with Bulgaria were broken off during the war and which took action in cooperation with the Allied and Associated Powers.

4. The waiver of claims by Bulgaria under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied and Associated Powers with respect to Bulgarian ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

Article 29

1. Pending the conclusion of commercial treaties or agreements between individual United Nations and Bulgaria, the Bulgarian Government shall, during a period of eighteen months from the coming into force of the present Treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Bulgaria:

(a) In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favoured-nation treatment;

(b) In all other respects, Bulgaria shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for territory of any other of the United Nations or of any other foreign country;

(c) United Nations nationals, including juridical persons, shall be granted national and most-favoured-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Bulgaria. These provisions shall not apply to commercial aviation;

(d) Bulgaria shall grant no exclusive or discriminatory right to any country with regard to the operation of commercial aircraft in international traffic, shall afford all the United Nations equality of opportunity in obtaining international commercial aviation rights in Bulgarian territory, including the right to land for refueling and repair, and, with regard to the operation of commercial aircraft in international traffic, shall grant on a reciprocal and non-discriminatory basis to all United Nations the right to fly over Bulgarian territory without landing. These provisions shall not affect the interests of the national defence of Bulgaria.

2. The foregoing undertakings by Bulgaria shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Bulgaria before the war, and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that State.

Article 30

Bulgaria shall facilitate as far as possible railway traffic in transit through its territory at reasonable rates and shall negotiate with neighboring States all reciprocal agreements necessary for this purpose.

Article 31

1. Any disputes which may arise in connection with Articles 22 and 23 and Annexes IV, V and VI of the present Treaty shall be referred to a Conciliation Commission composed of an equal number of representatives of the United Nations Government concerned and of the Bulgarian Government. If agreement has not been reached within three months of the dispute having been referred to the Conciliation Commission, either Government may require the addition of a third member to the Commission, and failing agreement between the two Governments on the selection of this member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission and shall be accepted by the parties as definitive and binding.

Article 32

Articles 22, 23, 29 and Annex VI of the present Treaty shall apply to the Allied and Associated Powers and France and to those of the United Nations whose diplomatic relations with Bulgaria have been broken off during the war.

Article 33

The provisions of Annexes IV, V, and VI shall, as in the case of the other Annexes, have force and effect as integral parts of the present Treaty.

PART VII. CLAUSE RELATING TO THE DANUBE

Article 34

Navigation on the Danube shall be free and open for the nationals, vessels of commerce, and goods of all States, on a footing of equality in regard to port and navigation charges and conditions for merchant shipping. The foregoing shall not apply to traffic between ports of the same State.

PART VIII. FINAL CLAUSES

Article 35

1. For a period not to exceed eighteen months from the coming into force of the present Treaty, the Heads of the Diplomatic Missions in Sofia of the Soviet Union, the United Kingdom and the United States of America, acting in concert, will represent the Allied and Associated Powers in dealing with the Bulgarian Government in all matters concerning the execution and interpretation of the present Treaty.

2. The Three Heads of Mission will give the Bulgarian Government such guidance, technical advice and clarification as may be necessary to ensure the rapid and efficient execution of the present Treaty both in letter and in spirit.

3. The Bulgarian Government shall afford the said Three Heads of Mission all necessary information and any assistance which they may require in the fulfilment of the tasks devolving on them under the present Treaty.

Article 36

1. Except where another procedure is specifically provided under any Article of the present Treaty, any dispute concerning the interpretation or execution of the Treaty, which is not settled by direct diplomatic negotiations, shall be referred to the Three Heads of Mission acting under Article 35, except that in this case the Heads of Mission will not be restricted by the time limit provided in that Article. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision

of the Commission, and shall be accepted by the parties as definitive and binding.

Article 37

1. Any member of the United Nations, not a signatory to the present Treaty, which is at war with Bulgaria, may accede to the Treaty and upon accession shall be deemed to be an Associated Power for the purposes of the Treaty.

2. Instruments of accession shall be deposited with the Government of the Union of Soviet Socialist Republics and shall take effect upon deposit.

Article 38

The present Treaty, of which the Russian and English texts are authentic, shall be ratified by the Allied and Associated Powers. It shall also be ratified by Bulgaria. It shall come into force immediately upon the deposit of ratifications by the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. The instruments of ratification shall, in the shortest time possible, be deposited with the Government of the Union of Soviet Socialist Republics.

With respect to each Allied or Associated Power whose instrument of ratfication is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty shall be deposited in the archives of the Government of the Union of Soviet Socialist Republics, which shall furnish certified copies to each of the signatory States.

LIST OF ANNEXES

ANNEX I

(See Article 1)

Map of the Bulgarian frontiers

ANNEX II

(See Article 11)

Definition of military, military air and naval training

1. Military training is defined as: the study of and practice in the use of war material specially designed or adapted for army purposes, and training devices relative thereto; the study and carrying out of all drill or movements which teach or practice evolutions performed by fighting forces in battle; and the organised study of tactics, strategy and staff work.

2. Military air training is defined as: the study of and practice in the use of war material specially designed or adapted for air force purposes, and training devices relative thereto; the study and practice of all specialised evolutions, including formation flying, performed by aircraft in the accomplishment of an air force mission; and the organised study of air tactics, strategy and staff work.

3. Naval training is defined as: the study, administration or practice in the use of warships or naval establishments as well as the study or employment of all apparatus and training devices relative thereto, which are used in the prosecution of naval warfare, except for those which are also normally used for civilian purposes; also the teaching, practice or organised study of naval tactics, strategy and staff work including the execution of all operations and manoeuvres not required in the peaceful employment of ships.

ANNEX III

(See Article 15)

Definition and list of war material

The term "war material" as used in the present Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below.

The Allied and Associated Powers reserve the right to amend the list periodically by modification or addition in the light of subsequent scientific development.

Category I.

1. Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use.

2. Machine guns, military automatic or autoloading rifles, and machine pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine gun mounts.

3. Guns, howitzers, mortars, cannon special to aircraft; breechless or recoil-less guns and flamethrowers; barrels and other spare parts not readily adaptable for civilian use; carriages and mountings for the foregoing.

4. Rocket projectors; launching and control mechanisms for self-propelling and guided missiles; mountings for same.

5. Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in sub-paragraphs 1–4 above and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.

6. Grenades, bombs, torpedoes, mines, depth charges and incendiary material or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.

7. Bayonets.

Category II.

1. Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.

2. Mechanical and self-propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in sub-paragraph 1 above.

3. Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

Category III.

1. Aiming and computing devices, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters; equipment for the calibration of guns and fire control instruments.

2. Assault bridging, assault boats and storm boats.

3. Deceptive warfare, dazzle and decoy devices.

4. Personal war equipment of a specialised nature not readily adaptable to civilian use.

Category IV.

1. Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material, machines and installations not used in peacetime on ships other than warships.

2. Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instrument or device whether manned or unmanned, guided or uncontrolled.

3. Submersible or semi-submersible ships, craft, weapons, devices or apparatus of any kind, including specially designed harbour defence booms, except as required by salvage, rescue or other civilian uses, as well as all equipment, accessories, spare parts, experimental or training aids, instruments or installations as may be specially designed for the construction, testing, maintenance or housing of the same.

Category V.

1. Aircraft, assembled or unassembled, both heavier and lighter than air, which are designed or adapted for aerial combat by the use of machine guns, rocket projectors or artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of their design or construction are prepared for, any of the appliances referred to in sub-paragraph 2 below.

2. Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release machanisms; gun turrets and blisters.

3. Equipment specially designed for and used solely by airborne troops.

4. Catapults or launching apparatus for ship-borne, land- or sea-based aircraft; apparatus for launching aircraft weapons.

5. Barrage balloons.

Category VI.

Asphyxiating, lethal, toxic or incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

Category VII.

Propellants, explosives, pyrotechnics or liquefied gases destined for the propulsion, explosion, charging or filling of, or for use in connection with, the war material in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

Category VIII.

Factory and tool equipment specially designed for the production and maintenance of the material enumerated above and not technically convertible to civilian use.

ANNEX IV

Industrial, literary and artistic property

1. (a) A period of one year from the coming into force of the present Treaty shall be accorded to the Allied and Associated Powers and their nationals without extension fees or other penalty of any sort in order to enable them to accomplish all necessary acts for the obtaining or preserving in Bulgaria of rights in industrial, literary and artistic property which were not capable of accomplishment owing to the existence of a state of war.

(b) Allied and Associated Powers or their nationals who had duly applied in the territory of any Allied or Associated Power for a patent or registration of a utility model not earlier than twelve months before the outbreak of the war with Bulgaria or during the war, or for the registration of an industrial design or model or trade mark not earlier than six months before the outbreak of the war with Bulgaria or during the war, shall be entitled within twelve months after the coming into force of the present Treaty to apply for corresponding rights in Bulgaria, with a right of priority based upon the previous filing of the application in the territory of that Allied or Associated Power.

(c) Each of the Allied and Associated Powers and its nationals shall be accorded a period of one year from the coming into force of the present Treaty during which they may institute proceedings in Bulgaria against those natural or juridical persons who are alleged illegally to have infringed their rights in industrial, literary, or artistic property between the date of the outbreak of the war and the coming into force of the Treaty.

2. A period from the outbreak of the war until a date eighteen months after the coming into force of the present Treaty shall be excluded in determining the time within which a patent must be worked or a design or trade mark used.

3. The period from the outbreak of the war until the coming into force of the present Treaty shall be excluded from the normal term of rights in industrial, literary and artisic property which were in force in Bulgaria at the outbreak of the war or whch are recognized or established under this Annex and belong to any of the Allied and Associated Powers or their nationals. Consequently, the normal duration of such rights shall be deemed to be automatically extended in Bulgaria for a further term corresponding to the period so excluded.

4. The foregoing provisions concerning the rights in Bulgaria of the Allied and Associated Powers and ther nationals shall apply equally to the rights in the territories of the

Allied and Associated Powers of Bulgaria and its nationals. Nothing, however, in these provisions shall entitle Bulgaria or its nationals to more favorable treatment in the territory of any of the Allied and Associated Powers than is accorded by such Power in like cases to other United Nations or their nationals, nor shall Bulgaria be thereby required to accord to any of the Allied and Associated Powers or its nationals more favorable treatment than Bulgaria or its nationals receive in the territory of such Power in regard to the matters dealt with in the foregoing provisions.

5. Third parties in the territories of any of the Allied and Associated Powers or Bulgaria who, before the coming into force of the present Treaty, had bona fide acquired industrial, literary or artistic property rights conflicting with rights restored under this Annex or with rights obtained with the priority provided thereunder or had bona fide manufactured, published, reproduced, used or sold the subject matter of such rights, shall be permitted, without any liability for infringement, to continue to exercise such rights and to continue or to resume such manufacture, publication, reproduction, use or sale which had been bona fide acquired or commenced. In Bulgaria, such permission shall take the form of a non-exclusive licence granted on terms and conditions to be mutually agreed by the parties thereto or, in default of agreement, to be fixed by the Conciliation Commission established under Article 31 of the present Treaty. In the territories of each of the Allied and Associated Powers, however, bona fide third parties shall receive such protection as is accorded under similar circumstances to bona fide third parties whose rights are in conflict with those of the nationals of other Allied and Associated Powers.

6. Nothing in this Annex shall be construed to entitle Bulgaria or its nationals to any patent or utility model rights in the territory of any of the Allied and Associated Powers with respect to inventions, relating to any article listed by name in Annex III of the present Treaty, made, or upon which applications were filed, by Bulgaria, or any of its nationals, in Bulgaria or in the territory of any other of the Axis Powers, or in any territory occupied by the Axis forces, during the time when such territory was under the control of the forces or authorities of the Axis Powers.

7. Bulgaria shall likewise extend the benefits of the foregoing provisions of this Annex to France, and to other United Nations which are not Allied or Associated Powers, whose diplomatic relations with Bulgaria have been broken off during the war and which undertake to extend to Bulgaria the benefits accorded to Bulgaria under the said provisions.

8. Nothing in this Annex shall be understood to conflict with Articles 23, 25 and 27 of the present Treaty.

ANNEX V

Contracts, prescription and negotiable instruments

A. Contracts

1. Any contract which required for its execution intercourse between any of the parties thereto having become enemies as defined in part D of this Annex, shall, subject to the exceptions set out in paragraphs 2 and 3 below, be deemed to have been dissolved as from the time when any of the parties thereto became enemies. Such dissolution, however, is without prejudice to the provisions of Article 27 of the present Treaty, nor shall it relieve any party to the contract from the obligation to repay amounts received as advances or as payments on account and in respect of which such party has not rendered performance in return.

2. Notwithstanding the provisions of paragraph 1 above, there shall be excepted from dissolution and, without prejudice to the rights contained in Article 25 of the present Treaty, there shall remain in force such parts of any contract as are severable and did not require for their execution intercourse between any of the parties thereto, having become enemies as defined in part D of this Annex. Where the provisions of any contract are not so severable, the contract shall be deemed to have been dissolved in its entirety. The foregoing shall be subject to the application of domestic laws, orders or regulations made by any of the Allied and Associated Powers having jurisdiction over the contract or over any of the parties thereto and shall be subject to the terms of the contract.

3. Nothing in part A of this Annex shall be deemed to invalidate transactions lawfully carried out in accordance with a contract between enemies if they have been carried out with the authorization of the Government of one of the Allied and Associated Powers.

4. Notwithstanding the foregoing provisions, contracts of insurance and re-insurance shall be subject to separate agreements between the Government of the Allied or Associated Power concerned and the Government of Bulgaria.

B. Periods of Prescription

1. All periods of prescription or limitation of right of action or of the right to take conservatory measures in respect of relations affecting persons or property, involving United Nations nationals and Bulgarian nationals who, by reason of the state of war, were unable to take judicial action or to comply with the formalities necessary to safeguard their rights, irrespective of whether these periods commenced before or after the outbreak of war, shall be regarded as having been suspended, for the duration of the war, in Bulgarian territory on the one hand, and on the other hand in the territory of those United Nations which grant to Bulgaria, on a reciprocal basis, the benefit of the provisions of this paragraph. These periods shall begin to run again on the coming into force of the present treaty. The provisions of this paragraph shall be applicable in regard to the periods fixed for the presentation of interest or dividend coupons or for the presentation for payment of securities drawn for repayment or repayable on any other ground.

2. Where, on account of failure to perform any act or to comply with any formality during the war, measures of execution have been taken in Bulgarian territory to the prejudice of a national of one of the United Nations, the Bulgarian Government shall restore the rights which have been detrimentally affected. If such restoration is impossible or would be inequitable, the Bulgarian Government shall provide that the United Nations national shall be afforded such relief as may be just and equitable in the circumstances.

C. Negotiable Instruments

1. As between enemies, no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment, or to give notice of non-acceptance or non-payment to drawers or endorsers, or to protest the instrument, nor by reason of failure to complete any formality during the war.

2. Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or endorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment, or protest may be made.

3. If a person has, either before or during the war, incurred obligations under a negotiable instrument in consequence of an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of these obligations, notwithstanding the outbreak of war.

D. Special Provisions

1. For the purposes of this Annex, natural or juridical persons shall be regarded as enemies from the date when trading between them shall have become unlawful under laws, orders or regulations to which such persons or the contracts were subject.

2. Having regard to the legal system of the United States of America, the provisions of this Annex shall not apply as between the United States of America and Bulgaria.

ANNEX VI

Judgments

The Bulgarian Government shall take the necessary measures to enable nationals of any of the United Nations at any time within one year from the coming into force of the present Treaty to submit to the appropriate Bulgarian authorities for review any judgment given by a Bulgarian court between April 24, 1941, and the coming into force of the present Treaty in any proceeding in which the United Nations national was unable to make adequate presentation of his case either as plaintiff or defendant. The Bulgarian Government shall provide that, where the United Nations national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances. The term "United Nations nationals" includes corporations or associations organised or constituted under the laws of any of the United Nations.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in the city of Paris in the Russian, English, French and Bulgarian languages this tenth day of February, One Thousand Nine Hundred Forty-Seven.

Here follow the signatures of the Plenipotentiaries of: Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Australia, Byelorussian Soviet Socialist Republic, Czechoslovakia, Greece, India, New Zealand, Ukrainian Soviet Socialist Republic, Union of South Africa, People's Federal Republic of Yugoslavia, Bulgaria.

The PRESIDENT pro tempore. The treaty is open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDENT pro tempore. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive H, Eightieth Congress, first session, the Treaty of Peace with Bulgaria, which was signed at Paris on February 10, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to and the treaty is ratified.

TREATY OF PEACE WITH HUNGARY

The Senate, as in Committee of the Whole, proceeded to consider Executive I (80th Cong., 1st sess.), the Treaty of Peace With Hungary, signed at Paris on February 10, 1947, which was read the second time, as follows:

TREATY OF PEACE WITH HUNGARY

The Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Australia, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, India, New Zealand, the Ukrainian Soviet Socialist Republic, the Union of South Africa, and the People's Federal Republic of Yugoslavia, as the States which are at war with Hungary and actively waged war against the European enemy States with substantial military forces, hereinafter referred to as "the Allied and Associated Powers", of the one part, and Hungary, of the other part;

Whereas Hungary, having become an ally of Hitlerite Germany and having participated on her side in the war against the Union of Soviet Socialist Republics, the United Kingdom, the United States of America and other United Nations, bears her share of responsibility for this war;

Whereas, however, Hungary on December 28, 1944, broke off relations with Germany, declared war on Germany and on January 20, 1945, concluded an Armistice with the Governments of the Union of Soviet Socialist Republics, the United Kingdom, and the United States of America, acting on behalf of all the United Nations which were at war with Hungary; and

Whereas the Allied and Associated Powers and Hungary are desirous of concluding a treaty of peace, which, conforming to the principles of justice, will settle questions still outstanding as a result of the events hereinbefore recited and form the basis of friendly relations between them, thereby enabling the Allied and Associated Powers to support Hungary's application to become a member of the United Nations and also to adhere to any Convention concluded under the auspices of the United Nations;

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

PART I. FRONTIERS OF HUNGARY

Article 1

1. The frontiers of Hungary with Austria and with Yugoslavia shall remain those which existed on January 1, 1938.

2. The decisions of the Vienna Award of August 30, 1940, are declared null and void. The frontier between Hungary and Roumania as it existed on January 1, 1938, is hereby restored.

3. The frontier between Hungary and the Union of Soviet Socialist Republics, from the point common to the frontier of those two States and Roumania to the point common to the frontier of those two States and Czechoslovakia, is fixed along the former frontier between Hungary and Czechoslovakia as it existed on January 1, 1938.

4. (a) The decisions of the Vienna Award of November 2, 1938, are declared null and void.

(b) The frontier between Hungary and Czechoslovakia from the point common to the frontier of those two States and Austria to the point common to those two States and the Union of Soviet Socialist Republics is hereby restored as it existed on January 1, 1938, with the exception of the change resulting from the stipulations of the following sub-paragraph.

(c) Hungary shall cede to Czechoslovakia the villages of Horvathjarfalu, Oroszvar and Dunacsun, together with their cadastral territory as indicated on Map No. IA annexed to the present Treaty. Accordingly, the Czechoslovak frontier on this sector shall be fixed as follows: from the point common to the frontiers of Austria, Hungary and Czechoslovakia, as they existed on January 1, 1938, the present Hungarian-Austrian frontier shall become the frontier between Austria and Czechoslovakia as far as a point roughly 500 meters south of hill 134 (3.5 kilometers northwest of the church of Rajka), this point now becoming common to the frontiers of the three named States; thence the new frontier between Czechoslovakia and Hungary shall go eastwards along the northern cadastral boundary of the village of Rajka to the right bank of the Danube at a point approximately 2 kilometers north of hill 128 (3.5 kilometers east of the church of Rajka), where the new frontier will, in the principal channel of navigation of the Danube, join the Czechoslovak-Hungarian frontier as it existed on January 1, 1938; the dam and spillway within the village limits of Rajka will remain on Hungarian territory.

(d) The exact line of the new frontier between Hungary and Czechoslovakia laid down in the preceding sub-paragraph shall be determined on the spot by a boundary Commission composed of the representatives of the two Governments concerned. The Commission shall complete its work within two months from the coming into force of the present Treaty.

(e) In the event of a bilateral agreement not being concluded between Hungary and Czechoslovakia concerning the transfer to Hungary of the population of the ceded area, Czechoslovakia guarantees them full human and civic rights. All the guarantees and prerogatives stipulated in the Czechoslovak-Hungarian Agreement of February 27, 1946, on the exchange of populations will be applicable to those who voluntarily leave the area ceded to Czechoslovakia.

5. The frontiers described above are shown on Maps I and IA in Annex I of the present Treaty.

PART II. POLITICAL CLAUSES

Section I

Article 2

1. Hungary shall take all measures necessary to secure to all persons under Hungarian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

2. Hungary further undertakes that the laws in force in Hungary shall not, either in their content or in their application, discriminate or entail any discrimination between persons of Hungarian nationality on the ground of their race, sex, language or religion, whether in reference to their persons, property, business, professional or financial interests, status, political or civil rights or any other matter.

Article 3

Hungary, which in accordance with the Armistice Agreement has taken measures to set free, irrespective of citizenship and nationality, all persons held in confinement on account of their activities in favour of, or because of their sympathies with, the United Nations or because of their racial origin, and to repeal discriminatory legislation and restrictions imposed thereunder, shall complete these measures and shall in future not take any measures or enact any laws which would be incompatible with the purposes set forth in this Article.

Article 4

Hungary, which in accordance with the Armistice Agreement has taken measures for dissolving all organisations of a Fascist type on Hungarian territory, whether political, military or para-military, as well as other organisations conducting propaganda, including revisionist propaganda, hostile to the United Nations, shall not permit in future the existence and activities of organizations of that nature which have as their aim denial to the people of their democratic rights.

Article 5

1. Hungary shall enter into negotiations with Czechoslovakia in order to solve the problem of those inhabitants of Magyar ethnic origin, residing in Czechoslovakia, who will not be settled in Hungary in accordance with the provisions of the Agreement of February 27, 1946, on exchange of populations.

2. Should no agreement be reached within a period of six months from the coming into force of the present Treaty, Czechoslovakia shall have the right to bring this question before the Council of Foreign Ministers and to request the assistance of the Council in effecting a final solution.

Article 6

1. Hungary shall take all necessary steps to ensure the apprehension and surrender for trial of:

(a) Persons accused of having committed, ordered or abetted war crimes and crimes against peace or humanity;

(b) Nationals of any Allied or Associated Power accused of having violated their national law by treason or collaboration with the enemy during the war.

2. At the request of the United Nations Government concerned, Hungary shall likewise make available as witnesses persons within its jurisdiction, whose vidence is required for the trial of the persons referred to in paragraph 1 of this Article.

3. Any disagreement concerning the application of the provisions of paragraphs 1 and 2 of this Article shall be referred by any of the Governments concerned to the Heads of the Diplomatic Missions in Budapest of the Soviet Union, the United Kingdom and the United States of America, who will reach agreement with regard to the difficulty.

Section II

Article 7

Hungary undertakes to recognise the full force of the Treaties of Peace with Italy, Roumania, Bulgaria and Finland and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect of Austria, Germany and Japan for the restoration of peace.

Article 8

The state of war between Hungary and Roumania shall terminate upon the coming into force both of the present Treaty of Peace and the Treaty of Peace between the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Australia, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, India, New Zealand, the Ukrainian Soviet Socialist Republic and the Union of South Africa, of the one part, and Roumania of the other part.

Article 9

Hungary undertakes to accept any arrangements which have been or may be agreed for the liquidation of the League of Nations and the Permanent Court of International Justice.

Article 10

1. Each Allied or Associated Power will notify Hungary, within a period of six months from the coming into force of the present Treaty, which of its pre-war bilateral treaties with Hungary it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

3. All such treaties not so notified shall be regarded as abrogated.

Article 11

1. Hungary shall hand over to Yugoslavia and to Czechoslovakia, within a period of not more than eighteen months from the coming into force of the present Treaty, objects of the following categories constituting the cultural heritage of Yugoslavia and Czechoslovakia which originated in those territories and which, after 1848, came into the possession of the Hungarian State or of Hungarian public institutions as a consequence of Hungarian domination over those territories prior to 1919:

(a) Historical archives which came into being as integral wholes in Yugoslav or Czechoslovak territories;

(b) Libraries, historical documents, antiquities and other cultural objects which belonged to the institutions on Yugoslav or Czechoslovak territories or to historical personalities of the Yugoslav and Czechoslovak peoples;

(c) Original artistic, literary and scientific objects which are the work of Yugoslav or Czechoslovak artists, writers and scientists.

2. Objects acquired by purchase, gift or legacy and original works of Hungarians are excluded from the provisions of paragraph 1.

3. Hungary shall also hand over to Yugoslavia the archives of the Illyrian Deputation, the Illyrian Commission and Illyrian Chancellery, which relate to the 18th century.

4. The Hungarian Government shall, on the coming into force of the present Treaty, give the authorized representatives of Yugoslavia and Czechoslovakia all necessary assistance in finding these objects and making them available for examination. Thereafter, but no later than one year from the coming into force of the present Treaty, the Yugoslav and Czechoslovak Governments shall hand the Hungarian Government a list of the objects claimed under this Article. Should the Hungarian Government, within three months of the receipt of the list, raise objection to the inclusion therein of any objects, and should no agreement be reached between the Governments concerned within a further month, the dispute shall be settled in accordance with the provisions of Article 40 of the present Treaty.

PART III. MILITARY AND AIR CLAUSES

Section I

Article 12

The maintenance of land and air armaments and fortifications shall be closely restricted to meeting tasks of an internal character and local defense of frontiers. In accordance with the foregoing, Hungary is authorised to have armed forces consisting of not more than:

(a) A land army, including frontier troops, anti-aircraft and river flotilla personnel, with a total strength of 65,000 personnel;

(b) An air force of 90 aircraft, including reserves, of which not more than 70 may be combat types of aircraft, with a total personnel strength of 5,000. Hungary shall not possess or acquire any aircraft designed primarily as bombers with internal bomb-carrying facilities.

These strengths shall in each case include combat, service and overhead personnel.

Article 13

The personnel of the Hungarian Army and Air Force in excess of the respective strengths permitted under Article 12 shall be disbanded within six months from the coming into force of the present Treaty.

Article 14

Personnel not included in the Hungarian Army or Air Force shall not receive any form of military training or military air training as defined in Annex II.

Article 15

Hungary shall not possess, construct or experiment with any atomic weapon, any self-propelled or guided missiles or apparatus connected with their discharge (other than torpedoes and torpedo launching gear comprising the normal armament of naval vessels permitted by the present Treaty), sea mines or torpedoes of non-contact types actuated by influence mechanisms, torpedoes capable of being manned, submarines or other submersible craft, motor torpedo boats, or specialised types of assault craft.

Article 16

Hungary shall not retain, produce or otherwise acquire, or maintain facilities for the manufacture of, war material in excess of that required for the maintenance of the armed forces permitted under Article 12 of the present Treaty.

Article 17

1. Excess war material of Allied origin shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions given by that Power. Excess Hungarian war material shall be placed at the disposal of the Governments of the Soviet Union, the United Kingdom and the United States of America. Hungary shall renounce all rights to this material.

2. War material of German origin or design in excess of that required for the armed forces permitted under the present Treaty shall be placed at the disposal of the Three Governments. Hungary shall not acquire or manufacture any war material of German origin or design, or employ or train any technicians, including military and civil aviation personnel, who are or have been nationals of Germany.

3. Excess war material mentioned in paragraphs 1 and 2 of this Article shall be handed over or destroyed within one year from the coming into force of the present Treaty.

4. A definition and list of war material for the purposes of the present Treaty are contained in Annex III.

Article 18

Hungary shall co-operate fully with the Allied and Associated Powers with a view to ensuring that Germany may not be able to take steps outside German territory towards rearmament.

Article 19

Hungary shall not acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

Article 20

Each of the military and air clauses of the present Treaty shall remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Hungary or, after Hungary becomes a member of the United Nations, by agreement between the Security Council and Hungary.

Section II

Article 21

1. Hungarian prisoners of war shall be repatriated as soon as possible, in accordance with arrangements agreed upon by the individual Powers detaining them and Hungary.

2. All costs, including maintenance costs, incurred in moving Hungarian prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Hungarian territory, shall be borne by the Hungarian Government.

PART IV. WITHDRAWAL OF ALLIED FORCES

Article 22

1. Upon the coming into force of the present Treaty, all Allied forces shall, within a period of 90 days, be withdrawn from Hungary, subject to the right of the Soviet Union to keep on Hungarian territory such armed forces as it may need for the maintenance of the lines of communication of the Soviet Army with the Soviet zone of occupation in Austria.

2. All unused Hungarian currency and all Hungarian goods in possession of the Allied forces in Hungary, acquired pursuant to Article 11 of the Armistice Agreement, shall be returned to the Hungarian Government within the same period of 90 days.

3. Hungary shall, however, make available such maintenance and facilities as may specifically be required for the maintenance of the lines of communication with the Soviet zone of occupation in Austria, for which due compensation will be made to the Hungarian Government.

PART V. REPARATION AND RESTITUTION

Article 23

1. Losses caused to the Soviet Union, Czechoslovakia and Yugoslavia by military operations and by the occupation by Hungary of the territories of these States shall be made good by Hungary to the Soviet Union, Czechoslovakia and Yugoslavia, but, taking into consideration that Hungary has not only withdrawn from the war against the United Nations, but has also declared war on Germany, the Parties agree that compensation for the above losses will be made by Hungary not in full but only in part, namely in the amount of $300,000,000 payable over eight years from January 20, 1945, in commodities (machine equipment, river craft, grain and other commodities), the sum to be paid to the Soviet Union to amount to $200,000,000, and the sum to be paid to Czechoslovakia and Yugoslavia to amount to $100,000,000.

2. The basis of calculation for the settlement provided in this Article will be the United States dollar at its gold parity on the day of the signing of the Armistice Agreement, i. e. $35 for one ounce of gold.

Article 24

1. Hungary accepts the principles of the United Nations Declaration of January 5, 1943, and shall return, in the shortest possible time, property removed from the territory of any of the United Nations.

2. The obligation to make restitution applies to all identifiable property at present in Hungary which was removed by force or duress by any of the Axis Powers from the territory of any of the United Nations, irrespective of any subsequent transactions by which the present holder of any such property has secured possession.

3. If, in particular cases, it is impossible for Hungary to make restitution of objects of artistic, historic or archaeological value, belonging to the cultural heritage of the United Nation from whose territory such objects were removed by force or duress by Hungarian forces, authorities or nationals, Hungary shall transfer to the United Nation concerned objects of the same kind as, and of approximately equivalent value to, the objects removed, in so far as such objects are obtainable in Hungary.

4. The Hungarian Government shall return the property referred to in this Article in good order and, in this connection, shall bear all costs in Hungary relating to labour, materials and transport.

5. The Hungarian Government shall cooperate with the United Nations in, and shall provide at its own expense all necessary facilities for, the search for and restitution of property liable to restitution under this Article.

6. The Hungarian Government shall take the necessary measures to effect the return of property covered by this Article held in any third country by persons subject to Hungarian jurisdiction.

7. Claims for the restitution of property shall be presented to the Hungarian Government by the Government of the country from whose territory the property was removed, it being understood that rolling stock shall be regarded as having been removed from the territory to which it originally belonged. The period during which such claims

may be presented shall be six months from the coming into force of the present Treaty.

8. The burden of identifying the property and of proving ownership shall rest on the claimant Government, and the burden of proving that the property was not removed by force or duress shall rest on the Hungarian Government.

Article 25

The annulment of the Vienna Award of November 2, 1938, as provided in Article I, paragraph 4, of the present Treaty, shall entail the annulment of the agreements, as well as the legal consequences ensuing therefrom, relating to matters of finance and public and private insurance, concluded between or on behalf of the two States concerned or between Czechoslovak and Hungarian juridical persons on the basis of the Vienna Award and in respect of the material handed over in accordance with the Protocol of May 22, 1940. This annulment shall not apply in any way to relations between physical persons. The details of the above-mentioned settlement shall be arranged by bilateral agreements between the Governments concerned, within a period of six months from the coming into force of the present Treaty.

PART VI. ECONOMIC CLAUSES

Article 26

1. In so far as Hungary has not already done so, Hungary shall restore all legal rights and interests in Hungary of the United Nations and their nationals as they existed on September 1, 1939, and shall return all property in Hungary of the United Nations and their nationals as it now exists.

2. The Hungarian Government undertakes that all property, rights and interests passing under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war and without the imposition of any charges by the Hungarian Government in connection with their return. The Hungarian Government shall nullify all measures, including seizures, sequestration or control, taken by it against United Nations property between September 1, 1939, and the coming into force of the present Treaty. In cases where the property has not been returned within six months from the coming into force of the present Treaty, application shall be made to the Hungarian authorities not later than twelve months from the coming into force of the Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Hungarian Government shall invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force or duress exerted by Axis Governments or their agencies during the war.

In the case of Czechoslovak nations, this paragraph shall also include transfers after November 2, 1938, which resulted from force or duress or from measures taken under discriminatory internal legislation by the Hungarian Government or its agencies in Czechoslovak territory annexed by Hungary.

4. (a) The Hungarian Government shall be responsible for the restoration to complete good order of the property returned to United Nations nationals under paragraph 1 of this Article. In cases where property cannot be returned or where, as a result of the war, a United Nations national has suffered a loss by reason of injury or damage to property in Hungary, he shall receive from the Hungarian Government compensation in Hungarian currency to the extent of two-thirds of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered. In no event shall United Nations nationals receive less favourable treatment with respect to compensation than that accorded to Hungarian nationals.

(b) United Nations nationals who hold, directly or indirectly, ownership interests in corporations or associations which are not United Nations nationals within the meaning of paragraph 9 (a) of this Article, but which have suffered a loss by reason of injury or damage to property in Hungary, shall receive compensation in accordance with sub-paragraph (a) above. This compensation shall be calculated on the basis of the total loss or damage suffered by the corporation or association and shall bear the same proportion to such loss or damages as the beneficial interests of such nationals in the corporation or association bear to the total capital thereof.

(c) Compensation shall be paid free of any levies, taxes or other charges. It shall be freely usable in Hungary but shall be subject to the foreign exchange control regulations which may be in force in Hungary from time to time.

(d) The Hungarian Government shall accord to United Nations nationals the same treatment in the allocation of materials for the repair or rehabilitation of their property in Hungary and in the allocation of foreign exchange for the importation of such materials as applies to Hungarian nationals.

(e) The Hungarian Government shall grant United Nations nationals an indemnity in Hungarian currency at the same rate as provided in sub-paragraph (a) above to compensate them for the loss or damage due to special measures applied to their property during the war, and which were not applicable to Hungarian property. This sub-paragraph does not apply to a loss of profit.

5. The provisions of paragraph 4 of this Article shall apply to Hungary in so far as the action which may give rise to a claim for damage to property in Northern Transylvania belonging to the United Nations or their nationals took place during the period when this territory was subject to Hungarian authority.

6. All reasonable expenses incurred in Hungary in establishing claims, including the assessment of loss or damage, shall be borne by the Hungarian Government.

7. United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts imposed on their capital assets in Hungary by the Hungarian Government or any Hungarian authority between the date of the Armistice and the coming into force of the present Treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces or of reparation payable to any of the United Nations. Any sums which have been so paid shall be refunded.

8. The owner of the property concerned and the Hungarian Government may agree upon arrangements in lieu of the provisions of this Article.

9. As used in this Article:

(a) "United Nations nationals" means individuals who are nationals of any of the United Nations, or corporations or associations organised under the laws of any of the United Nations, at the coming into force of the present Treaty, provided that the said individuals, corporations or associations also had this status at the date of the Armistice with Hungary.

The term "United Nations nationals" also includes all individuals, corporations or associations which, under the laws in force in Hungary during the war, have been treated as enemy;

(b) "Owner" means the United Nation, or the United Nations national as defined in sub-paragraph (a) above, entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nation, or a United Nations national as defined in sub-paragraph (a). If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law;

(c) "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights or interests of any kind in property.

10. The Hungarian Government recognizes that the Brioni Agreement of August 10, 1942, is null and void. It undertakes to participate with the other signatories of the Rome Agreement of May 29, 1923, in any negotiations having the purpose of introducing into its provisions the modifications necessary to ensure the equitable settlement of the annuities which it provides.

Article 27

1. Hungary undertakes that in all cases where the property, legal rights or interests in Hungary of persons under Hungarian jurisdiction have, since September 1, 1939, been the subject of measures of sequestration, confiscation or control on account of the racial origin or religion of such persons, the said property, legal rights and interests shall be restored together with their accessories or, if restoration is impossible, that fair compensation shall be made therefor.

2. All property, rights and interests in Hungary of persons, organisations or communities which, individually or as members of groups, were the object of racial, religious or other Fascist measures of persecution, and remaining heirless or unclaimed for six months after the coming into force of the present Treaty, shall be transferred by the Hungarian Government to organisations in Hungary representative of such persons, organisations or communities. The property transferred shall be used by such organisations for purposes of relief and rehabilitation of surviving members of such groups, organisations and communities in Hungary. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights and interests required to be restored under paragraph 1 of this Article.

Article 28

Hungary recognizes that the Soviet Union is entitled to all German assets in Hungary transferred to the Soviet Union by the Control Council for Germany and undertakes to take all necessary measures to facilitate such transfers.

Article 29

1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which at the coming into force of the present Treaty are within its territory and belong to Hungary or to Hungarian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Hungary or Hungarian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Hungarian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Hungarian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Hungarian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Hungarian Government undertakes to compensate Hungarian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial property to the Hungarian Government or Hungarian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial property in the territory of that Allied or Associated Power, acquired prior to the coming into force of the present Treaty by the Government or nationals of Hungary, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. The property covered by paragraph 1 of this Article shall be deemed to include Hungarian property which has been subject to control by reason of a state of war existing between Hungary and the Allied or Associated Power having jurisdiction over the property, but shall not include:

(a) Property of the Hungarian Government used for consular or diplomatic purposes;

(b) Property belonging to religious bodies or private charitable institutions and used for religious or charitable purposes;

(c) Property of natural persons who are Hungarian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Hungarian property which at any time during the war was subjected to measures not generally applicable to the property of Hungarian nationals resident in the same territory;

(d) Property rights arising since the resumption of trade and financial relations between the Allied and Associated Powers and Hungary, or arising out of transactions between the Government of any Allied or Associated Power and Hungary since January 20, 1945;

(e) Literary and artistic property rights.

Article 30

1. From the coming into force of the present Treaty, property in Germany of Hungary and of Hungarian nationals shall no longer be treated as enemy property and all restrictions based on such treatment shall be removed.

2. Identifiable property of Hungary and of Hungarian nationals removed by force or duress from Hungarian territory to Germany by German forces or authorities after January 20, 1945, shall be eligible for restitution.

3. The restoration and restitution of Hungarian property in Germany shall be effected in accordance with measures which will be determined by the Powers in occupation of Germany.

4. Without prejudice to these and to any other dispositions in favour of Hungary and Hungarian nationals by the Powers occupying Germany, Hungary waives on its own behalf and on behalf of Hungarian nationals all claims against Germany and German nationals outstanding on May 8, 1945, except those arising out of contracts and other obligations entered into, and rights acquired, before September 1, 1939. This waiver shall be deemed to include debts, all inter-governmental claims in respect of arrangements entered into in the course of the war and all claims for loss or damage arising during the war.

Article 31

1. The existence of the state of war shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts which existed, and rights which were acquired, before the existence of the state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Hungary to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Hungary.

2. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of pre-war contracts concluded either by the Government or nationals of Hungary.

Article 32

1. Hungary waives all claims of any description against the Allied and Associated Powers on behalf of the Hungarian Government or Hungarian nationals arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, whether or not the Allied or Associated Power was at war with Hungary at the time, including the following:

(a) Claims for losses or damages sustained as a consequence of acts of forces or authorities of Allied or Associated Powers;

(b) Claims arising from the presence, operations or actions of forces or authorities of Allied or Associated Powers in Hungarian territory;

(c) Claims with respect to the decrees or orders of Prize Courts of Allied or Associated Powers, Hungary agreeing to accept as valid and binding all decrees and orders of such Prize Courts on or after September 1, 1939, concerning Hungarian ships or Hungarian goods or the payment of costs;

(d) Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which will be henceforward extinguished, whoever may be the parties in interest. The Hungarian Government agrees to make equitable compensation in Hungarian currency to persons who furnished supplies or services on requisition to the forces of Allied or Associated Powers in Hungarian territory and in satisfaction of non-combat damage claims against the forces of Allied or Associated Powers arising in Hungarian territory.

3. Hungary likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Hungarian Government or Hungarian nationals against any of the United Nations whose diplomatic relations with Hungary were broken off during the war and which took action in co-operation with the Allied and Associated Powers.

4. The Hungarian Government shall assume full responsibility for all Allied military currency issued in Hungary by the Allied military authorities, including all such currency in circulation at the coming into force of the present Treaty.

5. The waiver of claims by Hungary under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied and Associated Powers with respect to Hungarian ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

Article 33

1. Pending the conclusion of commercial treaties or agreements between individual United Nations and Hungary, the Hungarian Government shall, during a period of eighteen months from the coming into force of the present Treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Hungary:

(a) In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favoured-nation treatment;

(b) In all other respects, Hungary shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for territory of any other of the United Nations or of any other foreign country;

(c) United Nations nationals, including juridical persons, shall be granted national and most-favoured-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Hungary. These provisions shall not apply to commercial aviation;

(d) Hungary shall grant no exclusive or discriminatory right to any country with regard to the operation of commercial aircraft in international traffic, shall afford all the United Nations equality of opportunity in obtaining international commercial aviation rights in Hungarian territory, including the right to land for refueling and repair, and, with regard to the operation of commercial aircraft in international traffic, shall grant on a reciprocal and non-discriminatory basis to all United Nations the right to fly over Hungarian territory without landing. These provisions shall not affect the interests of the national defence of Hungary.

2. The foregoing undertakings by Hungary shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Hungary before the war, and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that State.

Article 34

Hungary shall facilitate as far as possible railway traffic in transit through its territory at reasonable rates and shall negotiate with neighbouring States all reciprocal agreements necessary for this purpose.

Article 35

1. Any disputes which may arise in connection with Articles 24, 25 and 26 and Annexes IV, V and VI of the present Treaty shall be referred to a Conciliation Commission composed of an equal number of representatives of the United Nations Government concerned and of the Hungarian Government. If agreement has not been reached within three months of the dispute having been referred to the Conciliation Commission, either Government may require the addition of a third member to the Commission, and failing agreement between the two Governments on the selection of this member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission and shall be accepted by the parties as definitive and binding.

Article 36

Articles 24, 26, 33 and Annex VI of the present Treaty shall apply to the Allied and Associated Powers and France and to those of the United Nations whose diplomatic relations with Hungary have been broken off during the war.

Article 37

The provisions of Annexes IV, V and VI shall, as in the case of the other Annexes, have force and effect as integral parts of the present Treaty.

PART VII. CLAUSE RELATING TO THE DANUBE

Article 38

Navigation on the Danube shall be free and open for the nationals, vessels of commerce, and goods of all States, on a footing of equality in regard to port and navigation charges and conditions for merchant shipping. The foregoing shall not apply to traffic between ports of the same State.

PART VIII. FINAL CLAUSES

Article 39

1. For a period not to exceed eighteen months from the coming into force of the present Treaty, the Heads of the Diplomatic Missions in Budapest of the Soviet Union, the United Kingdom and the United States of America, acting in concert, will represent the Allied and Associated Powers in dealing with the Hungarian Government in all matters concerning the execution and interpretation of the present Treaty.

2. The Three Heads of Mission will give the Hungarian Government such guidance, technical advice and clarification as may be necessary to ensure the rapid and efficient execution of the present Treaty both in letter and in spirit.

3. The Hungarian Government shall afford the said Three Heads of Mission all necessary information and any assistance which they may require in the fulfilment of the tasks devolving on them under the present Treaty.

Article 40

1. Except where another procedure is specifically provided under any Article of the present Treaty, any dispute concerning the interpretation or execution of the Treaty, which is not settled by direct diplomatic negotiations, shall be referred to the Three Heads of Mission acting under Article 39, except that in this case the Heads of Mission will not be restricted by the time limit provided in that Article. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

Article 41

1. Any member of the United Nations, not a signatory to the present Treaty, which is at war with Hungary, may accede to the Treaty and upon accession shall be deemed to be an Associated Power for the purposes of the Treaty.

2. Instruments of accession shall be deposited with the Government of the Union of Soviet Socialist Republics and shall take effect upon deposit.

Article 42

The present Treaty, of which the Russian and English texts are authentic, shall be ratified by the Allied and Associated Powers. It shall also be ratified by Hungary. It shall come into force immediately upon the deposit of ratifications by the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. The instruments of ratification shall, in the shortest time possible, be deposited with the Government of the Union of Soviet Socialist Republics.

With respect to each Allied or Associated Power whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty shall be deposited in the archives of the Government of the Union of Soviet Socialist Republics, which shall furnish certified copies to each of the signatory States.

LIST OF ANNEXES

ANNEX I

(See Article 1)

Maps

I. Hungarian Frontiers.

IA. Rectification of the Hungarian-Czechoslovak Frontier.

ANNEX II

(See Article 14)

Definition of military and military air training

1. Military training is defined as: the study of and practice in the use of war material specifically designed or adapted for army purposes, and training devices relative thereto; the study and carrying out of all drill or movements which teach or practice evolutions performed by fighting forces in battle; and the organised study of tactics, strategy and staff work.

2. Military air training is defined as: the study of and practice in the use of war material specially designed or adapted for air force purposes, and training devices relative thereto; the study and practice of all specialised evolutions, including formation flying, performed by aircraft in the accomplishment of an air force mission; and the organised study of air tactics, strategy and staff work.

ANNEX III

(See Article 17)

Definition and list of war material

The term "war material" as used in the present Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below.

The Allied and Associated Powers reserve the right to amend the list periodically by modification or addition in the light of subsequent scientific development.

Category I.

1. Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use.

2. Machine guns, military automatic or autoloading rifles, and machine pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine gun mounts.

3. Guns, howitzers, mortars, cannon special to aircraft; breechless or recoil-less guns and flamethrowers; barrels and other spare parts not readily adaptable for civilian use; carriages and mountings for the foregoing.

4. Rocket projectors; launching and control mechanisms for self-propelling and guided missiles; mountings for same.

5. Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in sub-paragraphs 1–4 above and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.

6. Grenades, bombs, torpedoes, mines, depth charges and incendiary materials or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.

7. Bayonets.

Category II.

1. Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.

2. Mechanical and self-propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in sub-paragraph 1 above.

3. Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

Category III.

1. Aiming and computing devices, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters; equipment for the calibration of guns and fire control instruments.

2. Assault bridging, assault boats and storm boats.

3. Deceptive warfare, dazzle and decoy devices.

4. Personal war equipment of a specialised nature not readily adaptable to civilian use.

Category IV.

1. Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material, machines and installations not used in peace time on ships other than warships.

2. Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instrument or device whether manned or unmanned, guided or uncontrolled.

3. Submersible or semi-submersible ships, craft, weapons, devices or apparatus of any kind, including specially designed harbour defence booms, except as required by salvage, rescue or other civilian uses, as well as all equipment, accessories, spare parts, experimental or training aids, instruments or installations as may be specially designed for the construction, testing, maintenance or housing of the same.

Category V.

1. Aircraft, assembled or unassembled, both heavier and lighter than air, which are designed or adapted for aerial combat by the use of machine guns, rocket projectors or artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of their design or construction are prepared for, any of the appliances referred to in sub-paragraph 2 below.

2. Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release mechanisms; gun turrets and blisters.

3. Equipment specially designed for and used solely by airborne troops.

4. Catapults or launching apparatus for ship-borne, land- or sea-based aircraft; apparatus for launching aircraft weapons.

5. Barrage balloons.

Category VI.

Asphyxiating, lethal, toxic or incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

Category VII.

Propellants, explosives, pyrotechnics or liquefied gases destined for the propulsion, explosion, charging or filling of, or for use in connection with, the war material in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

Category VIII.

Factory and tool equipment specially designed for the production and maintenance of the material enumerated above and not technically convertible to civilian use.

ANNEX IV

Special provisions relating to certain kinds of property

A. Industrial, Literary and Artistic Property

1. (*a*) A period of one year from the coming into force of the present Treaty shall be accorded to the Allied and Associated Powers and their nationals without extension fees or other penalty of any sort in order to enable them to accomplish all necessary acts for the obtaining or preserving in Hungary of rights in industrial, literary and artistic

property which were not capable of accomplishment owing to the existence of a state of war.

(b) Allied and Associated Powers or their nationals who had duly applied in the territory of any Allied or Associated Power for a patent or registration of a utility model not earlier than twelve months before the outbreak of the war with Hungary or during the war, or for the registration of an industrial design or model or trade mark not earlier than six months before the outbreak of the war with Hungary or during the war, shall be entitled within twelve months after the coming into force of the present Treaty to apply for corresponding rights in Hungary, with a right of priority based upon the previous filing of the application in the territory of that Allied or Associated Power.

(c) Each of the Allied and Associated Powers and its nationals shall be accorded a period of one year from the coming into force of the present Treaty during which they may institute proceedings in Hungary against those natural or juridical persons who are alleged illegally to have infringed their rights in industrial, literary or artistic property between the date of the outbreak of the war and the coming into force of the Treaty.

2. A period from the outbreak of the war until a date eighteen months after the coming into force of the present Treaty shall be excluded in determining the time within which a patent must be worked or a design or trade mark used.

3. The period from the outbreak of the war until the coming into force of the present Treaty shall be excluded from the normal term of rights in industrial, literary and artistic property which were in force in Hungary at the outbreak of the war or which are recognized or established under part A of this Annex and belong to any of the Allied and Associated Powers or their nationals. Consequently, the normal duration of such rights shall be deemed to be automatically extended in Hungary for a further term corresponding to the period so excluded.

4. The foregoing provisions concerning the rights in Hungary of the Allied and Associated Powers and their nationals shall apply equally to the rights in the territories of the Allied and Associated Powers of Hungary and its nationals. Nothing, however, in these provisions shall entitle Hungary or its nationals to more favourable treatment in the territory of any of the Allied and Associated Powers than is accorded by such Power in like cases to other United Nations or their nationals, nor shall Hungary be thereby required to accord to any of the Allied and Associated Powers or its nationals more favourable treatment than Hungary or its nationals receive in the territory of such Power in regard to the matters dealt with in the foregoing provisions.

5. Third parties in the territories of any of the Allied and Associated Powers or Hungary who, before the coming into force of the present Treaty, had bona fide acquired industrial, literary or artistic property rights conflicting with rights restored under part A of this Annex or with rights obtained with the priority provided thereunder, or had bona fide manufactured, published, reproduced, used or sold the subject matter of such rights, shall be permitted, without any liability for infringement, to continue to exercise such rights and to continue or to resume such manufacture, publication, reproduction, use or sale which had been bona fide acquired or commenced. In Hungary, such permission shall take the form of a non-exclusive license granted on terms and conditions to be mutually agreed by the parties thereto or, in default of agreement, to be fixed by the Conciliation Commission established under Article 35 of the present Treaty. In the territories of each of the Allied and Associated Powers, however, bona fide third parties shall receive such protection as is accorded under similar circumstances to bona fide third parties whose rights are in conflict with those of the nationals of other Allied and Associated Powers.

6. Nothing in part A of this Annex shall be construed to entitle Hungary or its nationals to any patent or utility model rights in the territory of any of the Allied and Associated Powers with respect to inventions, relating to any article listed by name in Annex III of the present Treaty, made, or upon which applications were filed, by Hungary, or any of its nationals, in Hungary or in the territory of any other of the Axis Powers, or in any territory occupied by the Axis forces, during the time when such territory was under the control of the forces or authorities of the Axis Powers.

7. Hungary shall likewise extend the benefits of the foregoing provisions of this Annex to France, and to other United Nations which are not Allied or Associated Powers, whose diplomatic relations with Hungary have been broken off during the war and which undertake to extend to Hungary the benefits accorded to Hungary under the said provisions.

8. Nothing in part A of this Annex shall be understood to conflict with Articles 26, 29 and 31 of the present Treaty.

B. Insurance

1. No obstacles, other than any applicable to insurers generally, shall be placed in the way of the resumption by insurers who are United Nations nationals of their former portfolios of business.

2. Should an insurer, who is a national of any of the United Nations, wish to resume his professional activities in Hungary, and should the value of the guarantee deposits or reserves required to be held as a condition of carrying on business in Hungary be found to have decreased as a result of the loss or depreciation of the securities which constituted such deposits or reserves, the Hungarian Government undertakes to accept, for a period of eighteen months, such securities as still remain as fulfilling any legal requirements in respect of deposits and reserves.

ANNEX V

Contracts, prescription and negotiable instruments

A. Contracts

1. Any contract which required for its execution intercourse between any of the parties thereto having become enemies as defined in part D of this Annex, shall, subject to the exceptions set out in paragraphs 2 and 3 below, be deemed to have been dissolved as from the time when any of the parties thereto became enemies. Such dissolution, however, is without prejudice to the provisions of Article 31 of the present Treaty, nor shall it relieve any party to the contract from the obligation to repay amounts received as advances or as payments on account and in respect of which such party has not rendered performance in return.

2. Notwithstanding the provisions of paragraph 1 above, there shall be excepted from dissolution and, without prejudice to the rights contained in Article 29 of the present Treaty, there shall remain in force such parts of any contract as are severable and did not require for their execution intercourse between any of the parties thereto, having become enemies as defined in part D of this Annex. Where the provisions of any contract are not so severable, the contract shall be deemed to have been dissolved in its entirety. The foregoing shall be subject to the application of domestic laws, orders or regulations made by any of the Allied and Associated Powers having jurisdiction over the contract or over any of the parties thereto and shall be subject to the terms of the contract.

3. Nothing in part A of this Annex shall be deemed to invalidate transactions lawfully carried out in accordance with a contract between enemies if they have been carried out with the authorization of the Government of one of the Allied and Associated Powers.

4. Notwithstanding the foregoing provisions, contracts of insurance and re-insurance shall be subject to separate agreements between the Government of the Allied or Associated Power concerned and the Government of Hungary.

B. Periods of Prescription

1. All periods of prescription or limitation of right of action or of the right to take conservatory measures in respect of relations affecting persons or property, involving United Nations nationals and Hungarian nationals who, by reason of the state of war, were unable to take judicial action or to comply with the formalities necessary to safeguard their rights, irrespective of whether these periods commenced before or after the outbreak of war, shall be regarded as having been suspended, for the duration of the war, in Hungarian territory on the one hand, and on the other hand in the territory of those United Nations which grant to Hungary, on a reciprocal basis, the benefit of the provisions of this paragraph. These periods shall begin to run again on the coming into force of the present Treaty. The provisions of this paragraph shall be applicable in regard to the periods fixed for the presentation of interest or dividend coupons or for the presentation for payment of securities drawn for repayment or repayable on any other ground.

2. Where, on account of failure to perform any act or to comply with any formality during the war, measures of execution have been taken in Hungarian territory to the prejudice of a national of one of the United Nations, the Hungarian Government shall restore the rights which have been detrimentally affected. If such restoration is impossible or would be inequitable, the Hungarian Government shall provide that the United Nations national shall be afforded such relief as may be just and equitable in the circumstances.

C. Negotiable Instruments

1. As between enemies, no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment, or to give notice of non-acceptance or non-payment to drawers or endorsers, or to protest the instrument, nor by reason of failure to complete any formality during the war.

2. Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or endorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment, or protest may be made.

3. If a person has, either before or during the war, incurred obligations under a negotiable instrument in consequence of an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of these obligations, notwithstanding the outbreak of war.

D. Special Provisions

1. For the purposes of this Annex, natural or juridical persons shall be regarded as enemies from the date when trading between them shall have become unlawful under

laws, orders or regulations to which such persons or the contracts were subject.

2. Having regard to the legal system of the United States of America, the provisions of this Annex shall not apply as between the United States of America and Hungary.

ANNEX VI

Judgments

The Hungarian Government shall take the necessary measures to enable nationals of any of the United Nations at any time within one year from the coming into force of the present Treaty to submit to the appropriate Hungarian authorities for review any judgment given by a Hungarian court between April 10, 1941, and the coming into force of the present Treaty in any proceeding in which the United Nations national was unable to make adequate presentation of his case either as plaintiff or defendant. The Hungarian Government shall provide that, where the United Nations national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances. The term "United Nations nationals" includes corporations or associations organised or constituted under the laws of any of the United Nations.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in the city of Paris in the Russian, English, French and Hungarian languages this tenth day of February, One Thousand Nine Hundred Forty-Seven.

Here follow the signatures of the Plenipotentiaries of: Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Australia, Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, India, New Zealand, Ukrainian Soviet Socialist Republic, Union of South Africa, People's Federal Republic of Yugoslavia, Hungary.

The PRESIDENT pro tempore. The treaty is open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDENT pro tempore. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive I, Eightieth Congress, first session, the treaty of peace with Hungary, which was signed at Paris on February 10, 1947.

The PRESIDENT pro tempore. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified.

TRANSACTION OF LEGISLATIVE BUSINESS

The Senate resumed consideration of legislative business.

CONFEREE ON RENT-CONTROL BILL

Mr. BARKLEY. Mr. President, the Senator from Arkansas [Mr. FULBRIGHT] has notified me, through his office, that he cannot serve as a conferee on the rent-control bill, and therefore requests that he be excused. In view of that fact, I ask the Chair to appoint the Senator from Alabama [Mr. SPARKMAN] in his place.

The PRESIDENT pro tempore. Without objection, the order is made.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

MATERIALS, SUPPLIES, AND EQUIPMENT FOR PUBLIC INTERNATIONAL ORGANIZATIONS

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize any agency of the United States Government to furnish or to procure and furnish materials, supplies and equipment to public international organizations (with an accompanying paper); to the Committee on Foreign Relations.

MEMBERSHIP AND PARTICIPATION BY UNITED STATES IN SOUTH PACIFIC COMMISSION

A letter from the Secretary of State, transmitting a draft of proposed legislation providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor (with accompanying papers); to the Committee on Foreign Relations.

LAWS ENACTED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Public Lands.

STANDARD OF ELECTRICAL AND PHOTOMETRIC MEASUREMENTS

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to redefine the units and establish the standards of electrical and photometric measurements (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AUDIT REPORT OF FEDERAL PRISON INDUSTRIES, INC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Federal Prison Industries, Inc., for the fiscal year ended June 30, 1946 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIAL

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A telegram in the nature of a petition from the Novick Transfer Co., New York, N. Y., praying for the enactment of the so-called Taft-Hartley labor relations bill; ordered to lie on the table.

A telegram in the nature of a petition from Toni Miller, secretary of the Alpine Brotherhood, of New York, N. Y., praying that the people of South Tyrol be heard before ratification of the Italian peace treaty by the Senate; ordered to lie on the table.

By Mr. GEORGE:

A resolution adopted by the board of directors of the Georgia Forestry Association, protesting against Senate Resolution No. 20 of the General Assembly of the State of Georgia, favoring the enactment of legislation providing for cooperative agreement contracts between the State of Georgia and the Federal Government for the management and control of certain Federal forests in Georgia; to the Committee on Public Lands.

LABOR RELATIONS—MEMORIALS

Mr. CAIN. Mr. President, I have received a letter from Lewis G. Hines, national legislative representative, American Federation of Labor, Washington, D. C., transmitting a letter from E. M. Weston, president, Washington State Federation of Labor, and memorials of members of the Washington State Federation of Labor. I ask unanimous consent to present the letters together with the memorials, for appropriate reference, and request that the letters and one of the memorials, without the signatures attached, be printed in the RECORD.

There being no objection, the letters and memorials were received, ordered to lie on the table, and to be printed in the RECORD without the signatures attached, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., June 5, 1947.

Hon. HARRY P. CAIN,
United States Senate,
Washington, D. C.

DEAR SENATOR: We are in receipt of the attached petitions which contain 3,000 names. These are in addition to the 32,000 already presented on behalf of the Washington State Federation of Labor, and represent the sentiment of a total of 35,000 members of the American Federation of Labor in protest against the Taft-Hartley bill.

It is the desire of the Washington State Federation of Labor that these petitions be presented on the floor of the Senate on behalf of our members in the State of Washington.

Sincerely,

LEWIS G. HINES,
National Legislative Representative.

WASHINGTON STATE
FEDERATION OF LABOR,
Seattle, Wash., June 2, 1947.

WILLIAM GREEN,
President, American Federation of Labor,
Washington, D. C.

DEAR BROTHER GREEN: Suplementing my letters of recent date, I am enclosing an additional 3,000 names of workers protesting the passage of Taft-Hartley labor bills.

Fraternally,

E. M. WESTON,
President.

We, the undersigned members of organizations affiliated with the American Federation of Labor in the State of Washington, employed at trades and for firms designated below, wish to continue to work under union-shop agreements between our respective unions and employers. For this reason we are unalterably opposed to the Hartley-Taft labor bills.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GURNEY, from the Committee on Armed Services:

S. 758. A bill to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security; with amendments (Rept. No. 239).

By Mr. AIKEN, from the Committee on Expenditures in the Executive Departments:

S. 544. A bill to further amend section 3 of the Subsistence Expense Act of 1926, as

amended; with amendments (Rept. No. 240); and

S. 1316. A bill to establish a procedure for facilitating the payment of certain Government checks, and for other purposes; with amendments (Rept. No. 241).

REPORT ON INVESTIGATION OF MINE EXPLOSION AT CENTRALIA, ILL. (S. REPT. NO. 238)

Mr. CORDON. Mr. President, from the Committee on Public Lands, I ask unanimous consent to submit a report, pursuant to Senate Resolution 98, to investigate the explosion at Centralia coal mine No. 5, Wamac, Ill., on March 25, 1947, agreed to on March 26, 1947, and I request that it be printed. I shall discuss the contents of the report at a later date.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

REORGANIZATION PLAN NO. 1 OF 1947

Mr. AIKEN. Mr. President, from the Committee on Expenditures in the Executive Departments, I ask unanimous consent to submit an unofficial report of that committee relating to Reorganization Plan No. 1 of 1947, and request that it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

While not required to do so, this committee is reporting unofficially favorably on Reorganization Plan No. 1 of 1947, in order that the record may be clear and that the Senate may take cognizance of the inspection of the plan by the committee as required by law. The committee finds nothing in the Reorganization Plan which would be objectionable.

We feel that it is unnecessary to again outline the details of the plan since these are completely set forth in the letter of the President dated May 1, 1947, as shown in Document No. 230 of the House of Representatives.

The committee makes the following comment and recommendation to the President in carrying out the plan:

1. A simplification of nomenclature being very desirable in the executive branch, the committee recommends that the agricultural research functions, included in Reorganization Plan No. 1 of 1947, be consolidated in a Bureau of Research in the Department of Agriculture, and it further recommends that each subordinate group within that Bureau be named a Division, for example, the Division of Agriculture and Industrial Chemistry, the Division of Animal Industry, the Division of Dairy Industry, the Division of Entomology and Plant Quarantine, the Division of Human Nutrition and Home Economics, the Division of Plant Industry, Soils, and Agricultural Engineering, and the Division of Experiment Stations.

This recommendation is in line with others of a similar nature, wherein this committee will lend its influence toward making nomenclature and structure within the executive branch simpler and more regular.

2. While there is now no objection to the transfer of the Federal credit union functions to the Federal Deposit Insurance Corporation, the committee feels that this is not a proper function to be continued by the latter agency. However, we should prefer to change its location at a later time when the Federal Deposit Insurance Corporation itself would be transferred to a more appropriate location within the executive branch.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 5, 1947, he presented to the President of the United States the enrolled bill (S. 135) to legalize the admission into the United States of Frank Schindler.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THYE:

S. 1381. A bill to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm-loan associations; to the Committee on Civil Service.

S. 1382. A bill for the relief of the estate of John Deiman; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 1383. A bill for the relief of Mrs. Eugene Brodbeck; and

S. 1384. A bill to amend the Motor Vehicle Theft Act so as to include thereunder motor vehicles and aircraft which have been embezzled; to the Committee on the Judiciary.

By Mr. MURRAY

S. 1385. A bill authorizing the issuance of a patent in fee to George Peters; to the Committee on Public Lands.

By Mr. MURRAY (for himself, Mr. YOUNG, and Mr. ECTON):

S. 1386. A bill authorizing modifications in the repayment contracts with the Lower Yellowstone Irrigation District No. 1 and the Lower Yellowstone Irrigation District No. 2; to the Committee on Public Lands.

By Mr. TYDINGS:

S. 1387. A bill to incorporate National Service Star Legion; to the Committee on the Judiciary.

By Mr. McCARTHY (for himself and Mr. JOHNSON of Colorado):

S. 1388. A bill to protect consumers, retailers, distributors, manufacturers, dealers, and producers from misnaming, misbranding, improper identification, and deceptive or misleading advertising of fur products and articles made in part or in whole from fur, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(Mr. MORSE introduced Senate bill 1389, to provide for the licensing of marine radiotelegraph operators, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

(Mr. MORSE (for himself and Mr. THOMAS of Utah) introduced Senate bill 1390, to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto by providing for cooperative extension work between colleges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

(Mr. MORSE (for himself, Mr. IVES, Mr. JENNER, Mr. BALL, Mr. THOMAS of Utah, Mr. PEPPER, and Mr. HILL) introduced Senate bill 1391, to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

(Mr. MORSE (for himself, Mr. IVES, Mr. JENNER, Mr. THOMAS of Utah, Mr. PEPPER, and Mr. HILL) introduced the following bills, which were referred to the Committee on Labor and Public Welfare, and appear under separate headings:

S. 1392. A bill to prescribe certain dates for the purpose of determining eligibility of veterans for vocational rehabilitation, and for education, training, guaranty of loans, and readjustment allowances under the Servicemen's Readjustment Act of 1944, as amended;

S. 1393. A bill to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended; and

S. 1394. A bill to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes.)

By Mr. HATCH:

S. 1395. A bill for the relief of Jose Maria Gerardo de Amusategui and Ramon de Amusategui; to the Committee on the Judiciary.

By Mr. CAIN:

S. 1396. A bill to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska; to the Committee on Interstate and Foreign Commerce.

(Mr. WILEY introduced Senate Joint Resolution 123, declaring that in interpreting certain acts of Congress, joint resolutions and proclamations World War II, the limited emergency and the unlimited emergency shall be construed as terminated and peace established, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

LICENSING OF MARINE RADIOTELEGRAPH OPERATORS

Mr. MORSE. Mr. President, before I discuss the pending conference report on the labor bill, I wish to make a few brief remarks on some other proposed legislation I shall introduce at this time.

Earlier in the session I introduced Senate bill 75, a bill to provide for the licensing of radiotelegraph operators. The bill was modified somewhat, and I think beneficially modified, in the House of Representatives, by Mr. Bradley, of Michigan, and I ask unanimous consent now to introduce, as a substitute for my bill, which is S. 75, a companion bill, H. R. 1036.

There being no objection, the bill (S. 1389) to provide for the licensing of marine radiotelegraph operators, and for other purposes, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

LABOR EXTENSION SERVICE IN LABOR DEPARTMENT

Mr. MORSE. Mr. President, I also ask leave to introduce, for the senior Senator from Utah [Mr. THOMAS] and for myself, for appropriate reference a bill which seeks to create a Labor Extension Service in the Department of Labor.

I wish to say that at the request of the senior Senator from Utah, who has just left for Geneva, Switzerland, on official business, I ask permission to have the bill introduced for the two of us, and printed in the RECORD, and also ask to have inserted in the RECORD the remarks the Senator from Utah would have made had it been possible for him to be here today.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the statement of the Senator from Utah [Mr. THOMAS], together with the bill, will be printed in the RECORD.

There being no objection, the bill (S. 1390), to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto by providing for cooperative extension work between colleges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor, introduced by Mr. MORSE (for himself and Mr. THOMAS of Utah), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in order to broaden and further develop the cooperative extension system as established by the act of May 8, 1914, and acts supplemental thereto, and to aid in diffusing useful and practical information among the wage earners of the United States and increase the resources and facilities available to them, there shall be established in cooperation with colleges receiving the benefits of the acts of July 2, 1862, August 30, 1890, and the aforementioned act and other colleges, universities, and research agencies as designated in the several States a labor extension service in the Department of Labor, administered by the Secretary of Labor.

It is declared to be the policy of the Congress that the purposes of this program shall be to enable the Secretary of Labor, in accordance with his duty to promote the welfare of wage earners, through a program for the dissemination of useful knowledge to provide a means by which the Nation may conserve the creative capacities of workers who, together with farmers, comprise the Nation's basic productive asset.

SEC. 2. (a) There shall be established in the Department of Labor a Labor Extension Service. The program of the Labor Extension Service shall include the following:

(1) Promotion of the welfare of wage earners and thereby the industries of which they are a part by developing and making available information useful to wage earners and their bona fide labor organizations in presenting factually and effectively their contribution to production as a basis for compensation and by making available information on the best practices in writing collective bargaining agreements and in carrying out collective bargaining activities and practices;

(2) Making available information and research facilities concerning principles required to assure production, including standards of quality and quantity in an economy of maximum employment;

(3) Making available information concerning living and working conditions;

(4) Making available information on labor law and legislation and its administration;

(5) Promoting through dissemination of knowledge constructive relations between workers and management which will contribute to the advancement of the public interest and of the national welfare and security;

(6) Making available information promoting the understanding and appreciation of democratic procedures in their historical perspective and continuing development.

(b) The Labor Extension Service shall utilize appropriate facilities within the States in carrying out the purposes of this act in accordance with State plans approved by the Secretary of Labor after consultation with the National Labor Extension Council, provided for in section 4 of this act.

SEC. 3. (a) There is hereby created within the Department of Labor under the direction and supervision of the Secretary of Labor, a Labor Extension Division. The Division shall be headed by a director to be known as the Director of the Labor Extension Division, who shall be appointed by the President with the advice and consent of the Senate and shall receive a compensation at the rate of $10,000 a year. The Director may, subject to the civil-service laws, appoint such employees as he deems necessary to carry out his functions and duties under this act and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Director may utilize such regional, local, or other agencies, and such voluntary and uncompensated services, as may from time to time be needed. The Director shall have authority, with the approval of the Secretary of Labor to issue such rules and regulations as are necessary to carry out the purposes of this act.

(b) The Secretary of Labor shall formulate general policies for the administration of this act after consultation with the Director. The Secretary shall consult the National Labor Extension Council, hereinafter provided for, prior to the approval of general policies and rules and regulations governing the administration of this act.

SEC. 4 (a) There is hereby established a National Labor Extension Council (hereinafter referred to as the "Council") to advise the Secretary of Labor and the Director in formulating general policies governing the administration of the provisions of this act.

(b) The Council shall consist of 15 members chosen by the Secretary of Labor of whom a majority shall be chosen from a panel submitted by bona fide labor organizations national in scope. The remaining membership of the Council shall include representatives of cooperating institutions designated as such by the States, of research agencies operating in the field of social science, and of workers' education organizations, and one person principally engaged in the field of adult education. For purposes of initial appointments to the Council pursuant to this section, cooperating institutions shall include institutions planning labor extension services. Five members shall be appointed for a term of 1 year, five members for a term of 2 years, and five members for a term of 3 years; and thereafter, each appointment shall be for a term of 3 years. The Council shall meet at the request of the Secretary of Labor, but in any case not less frequently than twice each year, and whenever at least one-third of the members request a meeting. The members of the Council shall receive compensation while attending meetings and performing work of the Council at such rate, not exceeding $25 a day, as may be fixed by the Secretary of Labor, and shall receive necessary travel and other expenses incurred in connection with the work of the Council. Such compensation and expenses shall be paid in accordance with regulations prescribed by the Secretary of Labor.

The Secretary of Labor shall provide such data and information, clerical assistance, and other services and facilities as may be necessary for the Council.

SEC. 5. In order for any State to qualify for funds appropriated under this act the Governor of such State, after receiving requests for services from bona-fide labor organizations State-wide in scope, shall appoint a State Labor Extension Board (hereinafter referred to as the "State Board") of at least 9 and not more than 15 persons of whom a majority shall be chosen from a panel submitted by bona-fide labor organizations State-wide in scope. The remaining members shall include the head of the State agency charged with primary responsibility in labor matters, one or more representatives of cooperating institutions participating in the program, one person principally engaged in the field of adult education, and, where feasible, a person representing organizations in the field of workers' education.

SEC. 6. (a) A plan for participating in the program authorized by this act must, when submitted—

(1) summarize the services requested in line with the purposes of this act including evidence of the requests from bona-fide labor organizations which have formed committees for the purpose of requesting such services of cooperating institutions;

(2) provide that institutions within the State may apply for allocation of funds and designation by the State board as cooperating institutions under this act;

(3) contain a general statement of the purposes, procedures, and methods to guide institutions using the funds granted under the authority of this act;

(4) provide that these cooperating institutions shall establish conveniently located labor extension centers;

(5) provide evidence that funds requested for services under this act will be expended, without discrimination on the basis of race, creed, color, sex, or national origin, for labor extension services for wage earners;

(6) provide that at least 25 percent of each allotment of Federal funds under this act shall be matched by any or all of the following ways: State appropriation, college or university appropriation, contributions, fees or grants in kind by individuals or groups benefiting or interested in the program;

(7) contain a complete budget in such detail as may be required by the Secretary of Labor covering the entire period for which funds are being sought;

(8) provide a schedule of times and places where activities will be carried out under the program of this act;

(9) provide such methods of administration as are necessary for the proper and efficient operation of the plan, including the establishment of a full-time office which shall be responsible for the administration of plans in the State;

(10) provide that the State board shall make such reports in such form and contain such information as the Secretary of Labor may from time to time require, and give the Secretary of Labor, upon demand, access to the records on which such reports are based;

(11) contain such other provisions as the Secretary of Labor finds necessary to effectuate the purposes of this act.

(b) The Secretary of Labor shall approve any plan which complies with the provisions of subsection (a) of this section.

SEC. 7. (a) For the purpose of providing for the development of the Labor Extension Service and for its administration within the Department of Labor, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1948, the sum of $_____; for the fiscal year ending June 30, 1949, the sum of $_____; for the fiscal year ending June 30, 1950, and annually thereafter, the sum of $_____. In each year, not more than $_____ of the appropriation shall be available for administrative expenses of the Department of Labor in administering this act.

(b) The Secretary of Labor shall determine, in accordance with the provisions of this act, the amount to be allotted within each State for carrying on a labor extension program in such State for each fiscal year. Out of the sums appropriated pursuant to this section for each fiscal year the Secretary shall make allotments to each State totaling not more than such part as he finds that the number of wage earners in such State bore to the total number of wage earners in the United States in the last calendar year for which the Bureau of the

Census has available statistics. The Secretary of Labor shall certify the amount, so determined for each cooperating institution, to the Secretary of the Treasury. The Secretary of the Treasury through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office shall pay to each such cooperating institution such amounts as shall be certified from time to time by the Secretary of Labor upon receipt of such certification, but provided such payments shall not exceed in the aggregate the annual allotment which has been certified to the Secretary of the Treasury by the Secretary of Labor for such State.

(c) Amounts paid to any State under this section shall be expended solely in accordance with plans which meet the requirements of section 6 of this act and which have been approved by the Secretary of Labor in accordance with such section.

SEC. 8. (a) Each State board shall be required to make to the Secretary of Labor, on or before the 1st day of October in each year, a report for the previous fiscal year ending June 30, containing such information as may be required by the Secretary of Labor.

(b) The amount of any allotment to a State under section 7 for any fiscal year remaining unexpended or unpaid to such State at the end of such fiscal year shall be available for expenditure or for payment to such State until the end of the second succeeding fiscal year. No payment to a State shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

SEC 9. The Secretary of Labor shall make an annual report to the Congress on or before the 1st day of December of the conduct, results, receipts, and expenditures of the labor extension work carried on in all of the States receiving the benefits of this act, including a full statement of any proceedings conducted pursuant to section 10 of this act, and, where a determination has been made that a State has failed to comply with the provisions of its plan, a statement of any action taken by such State to come into compliance.

SEC. 10. In the case of any plan which has been approved, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State board which submitted the plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by this act to be included in the plan, he shall notify such State that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

SEC. 11. Definitions:

For the purpose of this act—

(a) "Wage earners" include wage and salary earners.

(b) "State" means any State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

(c) "Cooperating institution" means any college or institution in any State receiving the benefits of the act of July 2, 1862, and August 30, 1890, and acts supplemental thereto, and any other public or private nonprofit college, university, or research agency in any State, certified as eligible by the State Board.

(d) "Bona fide labor organization" means any voluntary organization of employees, not company dominated, formed for the purpose of advancing the interests of its members with respect to wages, hours, and conditions of employment.

SEC. 12. If any provision of this act or its application thereof to any institution, or circumstances, is held to be invalid, the remainder of the act, and the application of such provisions to other institutions, or circumstances, shall not be affected thereby.

SEC. 13. This act may be cited as the "Labor Extension Act of 1947."

The statement of Mr. THOMAS of Utah was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THOMAS OF UTAH

Mr. President, I have today joined with the junior Senator from Oregon [Mr. MORSE] in introducing a bill to establish a Labor Extension Service in the Department of Labor. Under the bill assistance would be given to wage and salary earners and institutions of higher learning in furnishing instruction and educational materials for labor-extension classes in ways, places, and times suited to the expressed needs and desires of workers themselves. It would give to more than 42,000,000 wage and salary earners services similar to those now offered some 6,000,000 farm families through the Agricultural Extension Service in the Department of Agriculture.

Mr. President, this bill has the wholehearted support of the American Federation of Labor, the Congress of Industrial Organizations, rail labor, the National Federation of Telephone Workers, and of leaders in labor extension work.

Throughout this session we have heard that labor has refused to come forward with a constructive proposal for the improvement of industrial relations. Well, here is a constructive proposal, endorsed by all of labor. Labor is united in asking us to enact this legislation.

This bill is not spectacular. It is not advertised as an overnight cure for inflamed industrial relations, nor for all the many human, mechanical, economic, and other problems that arise daily in relations between employers and employees. But it is a gradual, sure, and lasting remedy.

In supporting this bill, and in asking the Congress to consider it at this time, labor is challenging all of us on a very vital point. We have been saying for months that we are for peaceful industrial relations. We have debated, amended, and passed a bill which, its proponents insist, will promote industrial peace and do so without sacrificing the interest or welfare of employees.

Labor has objected, saying that the proposed cure is worse than the disease. It has been stated, and I am inclined to agree, that the underlying cause of troubled industrial relations today is a distribution of income that is economically unhealthy and certain to result in a drying up of the consumer market for our potentially abundant farm and factory production. We who hold this view contend that the so-called labor bill ignores this cause. Instead of treating the cause, it attempts to deal with symptons of our economic sickness. At a time when labor is a principal victim of expanding profits and shrinking real wages and buying power, the labor bill proposes to discipline labor as the principal culprit.

At this moment, when the Congress is about to send to the President a bill purporting to promote industrial justice and peace and to do so over labor's unanimous protests, all of organized labor challenges us to consider a bill which, its proponents contend, will really promote healthy and peaceful industrial relations.

How?

Not by prohibitions, nor injunctions, nor by rules and regulations, but by equipping wage earners with a better and more up-to-date knowledge of the world, the Nation, the State, and the community in which they work and live, with a better knowledge of the economic facts about their own industry and plant and their relation to other industries, plants, and to the entire economy of the Nation.

Let me read from section 2 of the bill, wherein the scope of the extension classes and services are set forth:

"SEC. 2. (a) There shall be established in the Department of Labor a Labor Extension Service. The program of the Labor Extension Service shall include the following:

"(1) promotion of the welfare of wage earners and thereby the industries of which they are a part by developing and making available information useful to wage earners and their bona fide labor organizations in presenting factually and effectively their contribution to production as a basis for compensation and by making available information on the best practices in writing collective-bargaining agreements and in carrying out collective-bargaining activities and practices;

"(2) making available information and research facilities concerning principles required to assure production, including standards of quality and quantity in an economy of maximum employment;

"(3) making available information concerning living and working conditions;

"(4) making available information on labor law and legislation and its administration;

"(5) promoting through dissemination of knowledge constructive relations between workers and management which will contribute to the advancement of the public interest and of the national welfare and security; and

"(6) making available information promoting the understanding and appreciation of democratic procedures in their historical perspective and continuing development."

Equipped with this knowledge, and with training in its use, labor can negotiate more effectively and more reasonably with employers and better meet its citizenship obligations.

Here, Mr. President, are labor and experienced workers in labor-extension work knocking at the door, asking us to implement the principles and methods of peaceful, reasonable, and equitable industrial relations to which we have all given such eloquent lip service in the debates of the past 4 months.

I think the Congress should accept this challenge. I propose to urge that consideration be given this bill at the very earliest possible date after we return from the summer recess. I wish that hearings might be had and action taken before we adjourn.

So long as we do not move to accept the challenge to aid labor—as farmers have long been aided—in the use of facts and reason while at the same time we move with awful force to regulate labor with all the vast power of the state, so long do we run the risk of suggesting to labor that its remedy and relief are to be found, if at all, not at the bargaining table, but on the battle lines of desperate industrial warfare such as we witnessed in the twenties and the early thirties. This, I am sure, is not a suggestion we would wish to make to the working men and women of the Nation.

Mr. President, the hunger and thirst for knowledge back of this bill, the reaching out for more facts and training in their use, are not new. Nor is the demand for extension classes for employed persons an overnight development. It should always be remembered that we have free education in this Nation today because labor asked for it and insisted upon it. Over long, hard years, labor disposed of the old argument that education, to be valued and assimilated, should be paid for by the parents of the children.

For more than a quarter of a century, intelligent leaders in labor and in extension work have seen that education of the child is not enough, that education should continue through adult life and that, in the case of workers, it should be related to the individual's living and working conditions

and should deal with his rights and duties and responsibilities both as a worker and as a citizen in a democracy. This is the more true for workers because of the fact that, through stern economic necessity, most of them have had to leave school early to begin earning a living.

Today, more than 50 universities and colleges throughout the Nation have established labor extension services. I am informed that the expressed and demonstrated need far outruns the resources of unions and of institutions of higher learning. This presents the Congress, it seems to me, with a priceless opportunity to bring aid to an educational process that can serve both the cause of industrial peace and the national welfare. As has been said, we are all in a race between education and catastrophe. New knowledge new facts, new techniques, new decisions flood in on us so fast as to exceed our ability to understand, evaluate, and act intelligently. Education is the only road to wisdom for an individual, a group, or a nation. It is a slow road, but a sure one, to fair dealing between man and man, between employers and employees, between and among nations.

Labor is willing and eager to travel that road.

The longest journey, said the Chinese sage, begins with the first step. I have hope that, at a not distant date, this bill will receive the sympathetic and friendly consideration of the Senate Labor and Public Welfare Committee and be reported favorably to the floor for consideration and final vote.

AUTOMOBILES FOR CERTAIN VETERANS

Mr. MORSE. Mr. President, I wish now to make a few brief remarks in connection with certain veterans' legislation which I am now introducing in behalf of a majority of the subcommittee of the Committee on Labor and Public Welfare dealing with veterans' affairs, of which committee it is my privilege to serve as chairman.

Our committee met yesterday afternoon for the last of a series of meetings, following public hearings on legislation which is pending before the Senate in the form of several bills dealing with such questions as the raising of the ceilings for the on-the-job training program, raising the subsistence allowances for veterans attending college, the granting of automobiles to amputees and similarly disabled, and the fixing of some termination date on which benefits under the GI bill of rights as to new recruits will no longer vest.

The committee decided that it was almost impossible to reconcile the many differences existing between and among the several bills we had before us. We felt that no one bill was acceptable, and hence we have decided to submit a series of committee bills, so that the full committee, when it meets on Thursday next week, can have a set of clean bills to consider, based upon the action taken by our subcommittee yesterday afternoon.

With a very brief word of explanation in regard to each of these bills, Mr. President, I am going to offer them at this time.

The first bill is a bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans and for other purposes. I submit the bill in behalf of myself, the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Minnesota [Mr. BALL], the Senator from Utah [Mr. THOMAS], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. HILL].

Briefly, it provides that an automobile allowance of $1,600 will be granted to those veterans who have lost the use of one or both legs or one or both arms, or have lost their sight, subject to certain conditions set out in the bill. It is to be a 3-year program, rather than the present program, which will come to an end on June 30 of this year. It is to allow a veteran to pay, in addition to the $1,600, an additional amount, to come out of his own pocket, if he wishes to purchase a car the sale price of which is in excess of $1,600.

The testimony in our public hearings indicated that that would be desirable, because it was testified that in the cases of certain types of disabilities certain higher-priced cars which have special accessories or mechanical devices upon them are more suitable for disabled veterans who are suffering from certain injuries.

Therefore, Mr. President, I ask unanimous consent to introduce the bill, with this explanatory remark, and I ask to have the bill printed in the RECORD and appropriately referred.

There being no objection, the bill (S. 1391) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, introduced by Mr. MORSE (for himself, Mr. IVES, Mr. JENNER, Mr. BALL, Mr. THOMAS of Utah, Mr. PEPPER, and Mr. HILL), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, subject to the conditions hereinafter set forth, the Administrator of Veterans' Affairs is authorized and directed to provide or assist in providing an automobile or other conveyance, by paying on the purchase price of such automobile or other conveyance not to exceed $1,600, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran of World War II who is entitled to compensation under the laws administered by the Veterans' Administration for any of the following:

(a) Loss or permanent loss of use of one or both feet;

(b) Loss or permanent loss of use of one or both hands;

(c) Permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20° in the better eye.

SEC. 2. The benefits of section 1 shall be granted under the following conditions:

(a) That under such regulations as the Administrator may prescribe the furnishing of such automobile or other conveyance, or the assisting therein, shall be accomplished by the Administrator paying the total purchase price, if not in excess of $1,600, or the amount of $1,600, if the total purchase price is in excess of $1,600, to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran: *Provided*, That no veteran shall be given an automobile or other conveyance, under the provisions of section 1 (a) and (b) of this act, until it is established to the satisfaction of the Administrator that such veteran will be able to operate such automobile or other conveyance in a manner consistent with his own safety and the safety of others and will be licensed to operate such automobile or other conveyance by the State of his residence or other proper licensing authority.

(b) The United States shall not be liable for the repair, maintenance, or replacement of any automobile or other conveyance provided under the provisions of the first section of this act and shall not be liable to any person by reason of any damage caused by the use of such automobile or other conveyance.

(c) No veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this act; and no veteran who has received or may receive an automobile or other conveyance under the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, shall be entitled to receive an automobile or other conveyance under the provisions of this act.

(d) The benefits provided in this act shall not be available to any veteran who has not made application for such benefits to the Administrator within 3 years after the effective date of this act, or within 3 years after the date of the veteran's discharge from the armed forces if the veteran shall not be discharged until on or after said effective date.

ELIGIBILITY OF VETERANS FOR VOCATIONAL REHABILITATION, ETC.

Mr. MORSE. The next bill I introduce on behalf of myself, the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Utah [Mr. THOMAS], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. HILL], is one to prescribe certain dates for the purpose of determining the eligibility of veterans for vocational rehabilitation, and for education, training, guaranty of loans, and readjustment allowances under the Servicemen's Readjustment Act of 1944, as amended, to take the place of a bill we had before our committee, Senate bill 977.

I wish to make as clear as I can, Mr. President, the objective of the bill, because at least one press story I have read today missed entirely the purpose of the bill.

I wish to make clear that what we want to do in the bill is to fix a terminal date so that new recruits who are being enlisted in the armed services will not have the benefits of the GI bill of rights. It does not provide, and there is no intention on the part of the subcommittee to so provide, that as of a certain date existing rights under the GI bill of rights now accruing to veterans will come to an end. The newspaper stories to that effect are very much in error.

What is happening is that the Army and the Navy, in their enlistment and recruiting programs, are pointing out that new recruits, those who enlist now, will have the advantages of the GI bill of rights if they enlist prior to the time Congress takes any such action as we

propose in this bill, or prior to the time of a declaration of the end of the war.

It is the opinion of the subcommittee, at least the majority of us that are proposing this bill, that that issue must be faced. We feel that it is unreasonable and that it is not fair, so far as wartime veterans are concerned, to permit new recruits and enlistees to enjoy all the benefits that Congress originally intended for those men that served their country in time of war, and who ran the risks of war service. I want to say, Mr. President, that we are introducing it now so that we can have a clean bill, a bill to which the Secretary of War and the Secretary of the Navy can reply, and a bill which our committee can consider next week. A hearing has been set on Monday of next week at 2 o'clock, at which time we shall give the Secretary of War and the Secretary of the Navy an opportunity to express their views on the bill which I now introduce. I ask unanimous consent that it be received.

There being no objection, the bill (S. 1392) to prescribe certain dates for the purpose of determining eligibility of veterans for vocational rehabilitation, and for education, training, guaranty of loans, and readjustment allowances under the Servicemen's Readjustment Act of 1944, as amended, introduced by Mr. MORSE (for himself, Mr. IVES, Mr. JENNER, Mr. THOMAS of Utah, Mr. PEPPER, and Mr. HILL), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

COMPENSATION FOR TRAINING ON THE JOB FOR VETERANS

Mr. MORSE. I now introduce, Mr. President, a bill, in behalf of myself, the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Utah [Mr. THOMAS], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. HILL], dealing with the question of ceilings for the on-the-job training program.

The ceilings, as the President knows, are $175 for single veterans, $200 for married veterans; but there is a great deal of misunderstanding and misinterpretation as to the operation of those ceilings. What the present on-the-job training program provides is that if a veteran, holding a job, being a single veteran, does not earn more than $175, he will be allowed by the Veterans Administration a subsistence allowance of $65, provided that the $65, with his actual wage, is not in excess of $175. To the extent that it is in excess of $175, that amount will be subtracted from the $65 allowance. Of course, if he earns as much as $175 and is a single veteran, he would not get any subsistence allowance. Likewise, the same formula applies to married veterans, except that, under the present program, married veterans are allowed a $90 subsistence, if they do not earn a total of more than $200.

Now, Mr. President, we had a variety of bills on this issue pending before us, and I want to be very frank about the action of the committee yesterday. We had proposals that the ceilings should be lifted entirely, that the subsistence should be allowed irrespective of how much money the veteran earned. It should be made clear that the ceilings were put on in the first instance by the Seventy-ninth Congress, after the Director of the Veterans' Administration, General Bradley, pointed out to us certain abuses that were developing in regard to the on-the-job-training program. There were instances, for example, in which vice presidents of banks were training to become presidents of banks, and still collecting the $65 subsistence allowance. Vice presidents of corporations were training to become presidents of corporations and at the same time collecting subsistence allowance.

Of course, the real spirit and intent of Congress, when the program was first set up, was to be of aid and assistance to veterans in readjusting themselves to peacetime economic life, but not to give them a law which would allow them to indulge in the type of abusive practices pointed out by General Bradley. So it was our opinion that we could not approve the legislation proposed, which sought to lift the ceilings entirely, because, if we did so, we would simply reinstitute the abuses which gave rise to restrictive legislation, in the first place. Then there were a variety of proposals in other bills on this subject as to the amounts the ceilings should be increased. When I said, Mr. President, that I wanted to be perfectly frank about it, I meant this: We were of the opinion that, in fixing the ceiling amounts they would have to be compromised amounts—because all legislation of such controversial nature as this is bound to end up in a compromise proposal. We took the position the compromise had to be a compromise which we were satisfied in the first instance we could pass through the Congress. It does not do any good to sit down and, on paper, make proposals that some may think may please certain veterans' organizations, if we know down in our own hearts that those proposals have no chance of being passed by the Congress. In fact, I think that to follow that strategy involves a form of political hypocrisy to which we on my subcommittee simply will not be parties.

We intend to propose only that legislation which we think is fair and reasonable and equitable, and which has a good chance of being passed through the Congress. I want to say now to the veterans' organizations of the country, that by taking that stand we are most fair to them and we would be very unfair to them if we followed any other approach, such as was proposed in certain of the legislation, to the effect that we either take the ceilings off entirely, or put exceedingly high ceilings in the legislation. Such legislation could not pass, and it should not pass, on its merits.

Hence, Mr. President, I offer you now a bill which proposes to lift the ceilings for single veterans in the on-the-job training program to $200, and for married veterans, to $250. We think it is an equitable and a fair and a reasonable compromise of this controversial issue. We shall recommend it next week to the full committee. I introduce the bill at this time.

There being no objection, the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended, introduced by Mr. MORSE (for himself, Mr. IVES, Mr. JENNER, Mr. THOMAS of Utah, Mr. PEPPER, and Mr. HILL), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

INCREASE SUBSISTENCE ALLOWANCE TO VETERANS TAKING COLLEGE COURSES

Mr. MORSE. Mr. President, the last bill that I introduced on behalf of myself, the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Utah [Mr. THOMAS], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. HILL] is a bill which goes to the problem of the subsistence allowance for veterans attending college or school.

As the President knows, the present allowance is $65 for single veterans and $90 for married veterans. In our hearings it became clear to us, on the basis of the evidence presented, that some adjustment ought to be made. However, I do want to say, Mr. President, that when we meet next week in full committee the first issue that we must decide as a full committee is going to be whether there should be any change or not in the subsistence allowances; and then the second issue, whether the change that we suggest is a reasonable and equitable change.

Speaking for myself, I think the evidence is perfectly clear in the RECORD that some upward adjustment is justified and needed. I say that, Mr. President, because the evidence is clear that a great many veterans are dropping out of school for lack of finances, that many of them have used up their savings and their bonds, that many of them, the records show, have borrowed considerable amounts of money to stay in school. Hence we think some adjustment upward should be made. But here again I think it is only fair to make as crystal clear as we can to the veterans of the country that it never was the intention of the Congress when it passed the GI bill of rights to provide for full college expenses. The bill is perfectly clear in its terms that it was to give aid and assistance to veterans going to college. Of course, if Congress wants to change that underlying principle of the GI bill of rights, that involves an entirely different issue. But our subcommittee felt, Mr. President, that we were bound to accept the underlying principle of the GI bill of rights on this point, namely, that aid and assistance should be allowed veterans, but that full college expenses should not be allowed. Well, how much of an increase should be allowed? There again let me be very frank. It was a matter of compromising differences in points of view. We came out with figures which I think we can clearly substantiate on the basis of the record. Some of the proposals would go higher, some would go lower. I think our agreed-upon amounts represent a fair compromise.

The bill proposes, Mr. President, that as to single veterans we will increase the allowance from $65 to $75; for married veterans we will increase the al-

lowance from $90 to $105 when the married couple does not have children or other dependents, but in case of children or other dependents the increase shall be to $120.

I think I should add that the bill is not applicable to those veterans who are participating in the on-the-job training program. Their subsistence allowance will remain at $65 for single veterans and at $90 for married veterans, for reasons which I will advance in greater detail if and when the full committee reports the bill to the floor of the Senate.

Mr. President, I ask unanimous consent to introduce the bill for appropriate reference, and request to have it published in the RECORD.

There being no objection, the bill (S. 1394) to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes, introduced by Mr. MORSE (for himself, Mr. IVES, Mr. JENNER, Mr. THOMAS of Utah, Mr. PEPPER, and Mr. HILL), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That so much of paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended, as precedes the proviso, is hereby amended to read as follows:

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year: Except, that while enrolled in and pursuing a course of full-time institutional training under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month if he has one dependent, or $120 per month if he has more than one dependent, including regular holidays and leave not exceeding thirty days in a calendar year. Such person attending a course on a part-time basis and such person receiving compensation for productive labor whether performed as part of his apprentice or other training on the job at institutions, business or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances as may be determined by the Administrator."

SEC. 2. So much of paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, as precedes the first proviso, is hereby amended to read as follows:

"3. While pursuing training prescribed herein, and for 2 months after his employability is determined, each veteran pursuing a course under this part, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, of $90 per month, if he has a dependent or dependents: Except, That each veteran pursuing a full-time institutional course under this part shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month, if he has one dependent, or $120 per month, if he has more than one dependent."

SEC. 3. This act shall take effect on the first day of the second calendar month next succeeding its enactment.

TERMINATION OF WAR CONTROLS

Mr. WILEY. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution declaring that in interpreting certain acts of Congress, joint resolutions, and proclamations, World War II, the limited emergency and the unlimited emergency shall be construed as terminated and peace established.

On January 8, 1947, I submitted Senate Resolution 35, which directed each standing committee of the Senate to make a full and complete study of all existing temporary and permanent emergency and wartime legislation which falls within its jurisdiction and to transmit its recommendations to the Committee on the Judiciary for review and correlation.

The joint resolution, which I have just introduced, is the result of the recommendations and review which have thus far been made. There are approximately 550 war and emergency statutes. Of this number approximately one-half have specific termination dates without reference to the war or emergency proclamations, and will not be affected by the joint resolution. Of the remaining number approximately 66 basic provisions are, under the terms of the joint resolution, retained in full force and effect. The balance of these statutes will, under the terms of the joint resolution, be terminated insofar as they depend upon the existence of a state of war or the proclamations of the President declaring the existence of emergencies. May I emphasize that the provisions of this joint resolution are tentative and subject to such changes as may be proper in view of further facts which may be developed in the hearings.

Attention is especially directed to the fact that the question of extending the Export Control Act and title III of the Second War Powers Act, both of which expire on June 30, is currently under study by subcommittees of the Committee on the Judiciary.

There being no objection, the joint resolution (S. J. Res. 123) declaring that in interpreting certain acts of Congress, joint resolutions, and proclamations, World War II, the limited emergency and the unlimited emergency shall be construed as terminated and peace established, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. WILEY. Mr. President, I wish to announce that beginning on Tuesday, June 10, 1947, at 10 a. m. a subcommittee of the Judiciary Committee will hold public hearings in connection with Senate Joint Resolution 123, which declares that in interpreting certain acts of Congress, joint resolutions, and proclamations, World War II, the limited emergency and the unlimited emergency shall be construed as terminated and peace established.

ACCEPTANCE OF THE STATUE OF WILLIAM E. BORAH

Mr. DWORSHAK. I ask unanimous consent to submit a concurrent resolution, and I request its immediate consideration.

There being no objection, the concurrent resolution (S. Con. Res. 17) was considered, and unanimously agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the statue of the late William E. Borah, presented by the State of Idaho, now in the Capitol Building, is accepted in the name of the United States, and that the thanks of Congress be tendered to the State for the contribution of the statue of one of its most eminent citizens, illustrious for his historic renown and distinguished civic services.

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Idaho.

UNVEILING OF STATUE OF WILLIAM E. BORAH—ORDER FOR RECESS TOMORROW

Mr. DWORSHAK. Mr. President, tomorrow afternoon appropriate exercises will be held in connection with the unveiling of a statue of Hon. William E. Borah, to be placed in Statuary Hall. The senior Senator from Michigan [Mr. VANDENBERG] will deliver the principal address in honor of one of the most distinguished Senators who ever sat in this body.

I should like to invite the Members of the Senate to attend the exercises, and therefore I ask unanimous consent that the Senate stand in recess at 2:15 o'clock p. m. tomorrow, June 6, for 1 hour, or subject to the call of the Chair.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Idaho that the Senate stand in recess tomorrow afternoon for the period of 1 hour, beginning at 2:15 o'clock p. m.? The Chair hears no objection, and the order is made.

NECESSITY OF TAX REDUCTION

Mr. WILEY. Mr. President, I have today released a public statement on behalf of enactment into law of the tax reduction bill. I ask that my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

PARTISAN POLITICS MUST NOT BE ALLOWED TO KILL TAX CUT BILL

If the tax bill is vetoed it will be because of partisan party politics, and the American people will neither forget nor forgive that fact.

In the light of all the following truths, no other conclusion can be drawn.

The facts clearly indicate that adequate funds will be available in 1948 to balance the budget, cut taxes approximately $4,000,000,000, as is proposed in the revenue bill now at the White House, and to pay several billion dollars on the national debt.

EFFECT OF BUDGET CUT

One reason that the money will be available for the tax reduction and payment on the debt is the fact that Congress has made deep slashes in the padded and bloated $37,500,000,000 budget proposed by Mr. Truman.

The Chief Executive unwisely opposed these reductions in expenditures, just as he has unwisely opposed the reductions in taxes.

Administration economists are predicting a business recession in the near future, but are ignoring the fact that a tax cut would do more probably than any other one thing to forestall any projected slump.

MEANING TO WISCONSIN

A tax cut would increase purchasing power. In my State of Wisconsin that means increasing consumption basically for the 1,151,324

taxpayers who make under $5,000 per year and for the 22,083 folks who make between $5,000 and $10,000 per year. A tax cut would restore business confidence and it would stimulate business expansion.

In view of the data given him by his economic advisers, Mr. Truman no longer can believe that a tax cut would be inflationary, for his experts are telling him that the threat in the months ahead is deflation.

Therefore, the reports that the President is still insistent on vetoing the tax bill do not make sense any more than they make for justice.

1947 BUDGET SURPLUS

Before it became evident that there would be a surplus this year and next year also, the administration might have had some grounds for its opposition to a tax cut.

If so, these grounds have been removed long ago. Not long ago the President admitted an error of $3,500,000,000 in his estimates of Treasury receipts and expenditures on January 1, 1947.

There is likely to be a Treasury surplus of, at the minimum, $2,000,000,000 and even as much as between three and four billion dollars on June 30, 1947, instead of the $1,250,000,000 estimated not long ago by Mr. Truman.

Even were we to allow for a recession in the present rate of business activity, receipts of the Government during the next fiscal year probably will be around $41,000,000,000. Taking into account the slashes which Congress will make and has already made in Mr. Truman's budget, there is plenty of room for a tax cut of around $4,000,000,000, leaving several billion to take care of contingencies and the debt.

MENACE OF HIGH TAXES

There is no question that existing tax rates are so high that they constitute a threat to free enterprise.

With taxes at such high levels, the risks are too great for businessmen to take chances in developing new enterprises that will increase employment. If the businessmen gain, the Treasury will take most of the money. If they lose, it is their hard luck.

The taxes bear heavily upon the low income taxpayers. Approximately 45,000,000 persons are paying Federal income taxes, including 1,183,854 persons in the Badger State. A single person who receives only $1,000 a year must pay $95 in taxes. With the cost of living what it is, Federal income taxes are a real hardship on those in the low income brackets. Under the pending tax bill, the taxes in the lower brackets would by cut 30 percent.

PARTISAN POLITICS IN OPPOSING TAX CUT

It is time for the administration to stop playing politics with taxes. It is time for it to practice economy and to give the people the tax relief they want and should have.

The administration cannot get away with the pretense that the tax cut should be withheld until next year when Mr. Truman plans to run again for the Presidency.

Taxes should be cut this year and next year, too.

Let me repeat: If the tax bill is vetoed, it will be because of partisan party politics, and the American people will neither forget nor forgive that fact.

LABOR LEGISLATION—ADDRESS BY SENATOR WAGNER

[Mr. McGRATH asked and obtained leave to have printed in the RECORD an address on labor legislation, prepared by Senator WAGNER, and delivered in his behalf at an American Federation of Labor rally in Madison Square Garden, New York, June 4, 1947, which appears in the Appendix.]

OCCUPATION TROOPS IN GERMANY—REPORT BY COL. JULIUS KLEIN

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a report on the status of our occupation troops in Germany, prepared by Col. Julius Klein, which appears in the Appendix.]

THE CLOSED SHOP—ANALYSIS OF SECTION 8 OF H. R. 3020

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an analysis of section 8 of House bill 3020, as passed by the Senate, relative to the so-called closed-shop, which appears in the Appendix.]

LEAVES OF ABSENCE

Mr. HATCH. Mr. President, for several days I have had engagements in New Mexico which I have postponed because of the imminence of votes. The weekend is approaching, and it is necessary for me to leave this afternoon to keep those engagements, which I believe to be important. I understand that it is not likely that a vote will be reached this afternoon on the pending conference report. Therefore it is very likely that I shall not be present when the vote comes. I desire to announce now that if present I would vote for the conference report. I shall try to arrange a pair.

In the light of these circumstances, I ask unanimous consent to absent myself from sessions of the Senate until next week.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. MARTIN. Mr. President, I ask unanimous consent to be absent from the Senate Friday and Monday.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. TOBEY. Mr. President, I ask unanimous consent to be absent from the Senate tomorrow on account of illness in my family.

The PRESIDENT pro tempore. Without objection, the order is made.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1135) to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years.

LABOR-MANAGEMENT RELATIONS—CONFERENCE REPORT

Mr. TAFT. Mr. President, I submit the conference report on House bill 3020, the Labor-Management Relations Act, 1947.

Mr. President, I ask unanimous consent for the present consideration of the conference report.

The PRESIDENT pro tempore. Does the Senator wish to have the report printed in the RECORD without reading?

Mr. TAFT. I do not think it is necessary to print the entire report in the RECORD. It has been printed in the House proceedings.

The PRESIDENT pro tempore. The report will be printed with a cross-reference.

(For conference report see House proceedings, pp. 6361–6381, CONGRESSIONAL RECORD, June 3, 1947.)

Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

CONSIDERATION OF CERTAIN NOMINATIONS OF GRADUATING MIDSHIPMEN

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. GURNEY. Mr. President, about 2 weeks ago the Senate confirmed the nominations of most of the graduating midshipmen. Due to the fact that for physical reasons the names of 26 midshipmen were not included in the larger list, there are 26 who cannot graduate with the class on Saturday next if the Senate does not confirm their nominations today. I therefore ask unanimous consent, as in executive session, that the 26 nominations of midshipmen appearing on Executive Nomination Slip No. 272 be confirmed at this time.

Mr. GEORGE. Mr. President, I shall be obliged to object unless the Senator will ask that the Senate proceed to the consideration of executive business, in which event I shall have no objection whatever.

Mr. GURNEY. I did not quite catch the Senator's point.

Mr. GEORGE. I shall be obliged to object to a qualified request of this character. However, I shall have no objection if the Senator will simply move to proceed to the consideration of executive business. I have no doubt that the Senate will immediately return to the consideration of legislative business.

Mr. GURNEY. That is the only reason why I am asking that the Senate go into executive session. It is for the purpose of confirming the nominations of 26 midshipmen who otherwise will not graduate with the regular class Saturday of this week.

The PRESIDENT pro tempore. The Senator cannot move that the Senate go into exceutive session for a limited purpose.

Mr. GURNEY. I move that, as in executive session, these nominations be considered and confirmed.

The PRESIDENT pro tempore. The Senator cannot make such a motion. He can only ask unanimous consent for a limited executive session.

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of executive business.

Mr. TAFT. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard to the request of the Senator from Georgia. Objection is also heard to the request of the Senator from South Dakota.

Mr. GURNEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. GURNEY. How can the Senator from South Dakota have these nominations of midshipmen confirmed?

The PRESIDENT pro tempore. The Senator from South Dakota can have the nominations of midshipmen confirmed if he can inveigle the Senator from Georgia into permitting him to ask unanimous consent, successfully, to go into executive session for a limited purpose; but he cannot do it, so there is no chance.

Mr. GURNEY. Mr. President, will the Senator from Ohio further yield?

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. O'MAHONEY. I ask the Presiding Officer whether it would not be perfectly proper for the Senator from South Dakota to move that the Senate proceed to the consideration of executive business, whereupon, if such motion were made and a majority of the Senate desired to confirm the nominations of midshipmen, they could be confirmed.

The PRESIDENT pro tempore. The Senator is partially correct. The answer to his parliamentary inquiry is that the Senator move to proceed to the consideration of executive business. Such a motion may be agreed to. If and when the Senate gets into executive session, it will have to proceed according to the rules of procedure; and the first question before the Senate will be the consideration of 50 or more motions to discharge the Committee on Civil Service from the consideration of certain postmaster confirmations.

Mr. GURNEY. Mr. President, will the Senator from Ohio further yield for a brief statement?

Mr. TAFT. I yield for that purpose.

Mr. GURNEY. Mr. President, I do not believe that the Senate wishes to go on record as having failed to allow the 26 midshipmen to graduate with their class at Annapolis this week. I do not know from what States they come—probably from 26 States. Therefore I respectfully ask Senators not to object to a unanimous-consent agreement for this particular purpose. I therefore renew my unanimous-consent request, and ask that the Senate go into executive session for this purpose.

The PRESIDENT pro tempore. Is the Senator's request simply that the Senate go into executive session, or go into executive session for the purpose of confirming these nominations?

Mr. GURNEY. For the purpose of confirming these nominations.

The PRESIDENT pro tempore. The Senator from South Dakota asks unanimous consent that the Senate go into executive session for the purpose of considering the nominations of certain midshipmen. Is there objection to the request of the Senator from South Dakota?

Mr. GEORGE. Mr. President, I am obliged to object to the request. I have no objection to the Senate going into executive session, and so far as I am concerned I shall press nothing else.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. I ask the Chair whether it would be in order for the Senator from South Dakota to move that the Senate go into executive session without restriction. If that motion were agreed to, would it then be in order, in executive session, for the Senator to ask unanimous consent that the nominations of midshipmen be considered first?

The PRESIDENT pro tempore. It would.

Mr. BARKLEY. Following which it would be in order to move that the Senate resume the consideration of legislative business.

The PRESIDENT pro tempore. The Senator is correct.

Is there objection to the request of the Senator from South Dakota?

Mr. TAFT. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. TAFT. Mr. President, I object because I do not wish to precipitate any debate before the consideration of the conference report on the labor bill. If the Senator can devise some arrangement by which there will be no debate, I shall be glad to yield the floor. However, the business before the Senate is the consideration of the conference report on the labor bill, and I do not wish to take a chance of having debate on a great many other subjects before we proceed to consideration of the conference report.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. GEORGE. Let me say to the Senator from Ohio that I have not the slightest idea that any debate will ensue. However, I believe that the Senator from New Hampshire [Mr. TOBEY] should have the right to present a nomination which he presented yesterday, and which was not acted upon because of this same situation.

I have no objection to the Senate proceeding to the consideration of executive business by unanimous consent, and will have no objection to a request then for the consideration of only these matters. I shall not object to dispensing with the formal executive procedure in order that we may return immediately to the consideration of legislative business.

Mr. TAFT. However, any Senator could object to the second unanimous-consent request.

Mr. GEORGE. That is true. I can speak only for myself.

Mr. TAFT. That is the problem which I face.

The PRESIDENT pro tempore. The Chair suggests at this point that if the picture painted by the Senator from Georgia should not develop any Senator could move to resume the consideration of legislative business.

Mr. GEORGE. That is quite true. The majority can return to the consideration of legislative business.

The PRESIDENT pro tempore. The majority would be completely in control of the situation.

EXECUTIVE SESSION

Mr. GURNEY. Mr. President, with the permission of the Senator from Ohio [Mr. TAFT], if he will further yield, I now renew my request that the Senate proceed to the consideration of executive business.

The PRESIDENT pro tempore. The Senator from South Dakota asks unanimous consent that the Senate proceed to the consideration of executive business. Is there objection?

There being no objection, the Senate proceeded to the consideration of executive business.

NOMINATIONS OF CERTAIN MIDSHIPMEN

The PRESIDENT pro tempore. The Senator from South Dakota asks unanimous consent that the nominations of a certain group of midshipmen be considered. Is there objection? The Chair hears none. Without objection, the nominations are confirmed; and, without objection, the President will be notified forthwith.

NOMINATION OF MEMBER OF SECURITIES AND EXCHANGE COMMISSION

Mr. TOBEY. Mr. President, adverting to the comments of the distinguished Senator from Georgia [Mr. GEORGE], it may be recalled that yesterday I tried to bring up the nomination of Edmond M. Hanrahan to be a member of the Securities and Exchange Commission. I would not think of doing so at this time except that the situation is urgent. Mr. Hanrahan was nominated by the President to be a member of the Securities and Exchange Commission for the term expiring June 5, 1952, to succeed himself. The Commission is holding important hearings. The nominee is awaiting word of the confirmation of his nomination. I do not believe there is the slightest objection to it. I therefore ask unanimous consent that his nomination be confirmed, and that the President be notified.

The PRESIDENT pro tempore. The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of Edmond M. Hanrahan to be a member of the Securities and Exchange Commission.

The PRESIDENT pro tempore. The Senator from New Hampshire [Mr. TOBEY] asks unanimous consent for the consideration of the nomination of Mr. Hanrahan. Is there objection? The Chair hears none. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. MILLIKIN, from the Committee on Finance:

George J. Schoeneman, of Newport, R. I., to be Commissioner of Internal Revenue, in place of Joseph D. Nunan, Jr., resigned; and

Thomas M. Robinson, of Montana, to be collector of internal revenue for the district of Montana, in place of Lewis Penwell.

LEGISLATIVE SESSION

Mr. GEORGE. Mr. President, I now ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

LABOR-MANAGEMENT RELATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes.

Mr. TAFT. Mr. President, the conference report on the labor bill is on the desks of all Senators. It has been submitted by the House conferees to their body and printed as a House report. The Senate and House bills followed in some ways the same general division of the matters which were considered in the Senate. However, they were basically so different in many respects that I suppose there may have been a hundred possible differences to be considered, and they were considered for nearly 2 weeks with the House conferees. I think that as a general proposition I can say that the Senate conferees did not yield on any matter which was the subject of controversy in the Senate; certainly not on any important matter. The bill represents substantially the Senate bill. Concessions as to language were made here and there. We made concessions on some matters which were not perhaps dealt with in the Senate bill at all. The only major additions to the bill, as I see them, deal with matters which the Senate has approved in other measures. I refer particularly to the section having to do with the Corrupt Practices Act, which limits contributions by labor organizations for political purposes.

As to the prohibition of political contributions by labor unions, it should be remembered that after the expiration of the Smith-Connally Act, on June 30, the current prohibition of political contributions by labor unions will cease to be a part of the Federal law unless new legislation is enacted. The Senate passed the Smith-Connally Act and approved it, with that provision in it, by a 2-to-1 vote. That provision was not in the Senate bill and was not considered by the Senate.

In the second place, there is a prohibition of strikes by Government employees which was not in the Senate bill or discussed in the Senate.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. Has the Senator concluded his discussion on the conference report relating to the prohibition of political activities?

Mr. TAFT. Yes.

Mr. PEPPER. I have noted that the Senator did not refer to the action which I understand the conference committee took prohibiting expenditures by labor organizations and, of course, expenditures by corporations, for political purposes. The way the provision now reads, as related to labor organizations, as I see on page 67 of the report, it is unlawful for any labor organization to make expenditures and contributions in connection with primary elections and political conventions. Under the conference agreements expenditures and contributions in connection with primary elections, political conventions, and caucuses are made unlawful to the same extent as those made in connection with the elections themselves.

I wish to ask the Senator, if I may, this question: Would the newspaper called Labor, which is published by the Railway Labor Executives, be permitted to put out a special edition of the paper, for example, in support of President Truman, if he should be the Democratic candidate for the Presidency next year, and in opposition to the Senator from Ohio, if he should be the Republican nominee for the Presidency, stating that President Truman was a friend of labor and that the Senator from Ohio was not friendly to labor? Would that be called a political expenditure on the part of the labor organization?

Mr. TAFT. If it were supported by union funds contributed by union members as union dues it would be a violation of the law, yes. It is exactly as if a railroad itself, using its stockholders' funds, published such an advertisement in the newspaper supporting one candidate as against another. If the paper called Labor is operated independently, if it derives its money from its subscribers, then of course there would be no violation. The prohibition is against a labor organization using its funds either as a contribution to a political campaign or as a direct expenditure of funds on its own behalf.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. TAFT. I yield further to the Senator.

Mr. PEPPER. Has the committee given consideration to whether or not that kind of a prohibition would be a denial of the freedom of the press to a newspaper which might happen to be owned by a labor organization?

Mr. TAFT. It is not a denial of the freedom of the press. It applies only if the labor organization operates the paper and uses union dues for that purpose. We have long prohibited corporations from contributing money to political campaigns. The conference report simply writes into the corporation provision a similar provision affecting labor organizations. As I said, we have long prohibited corporations from contributing money for political purposes, and it was always supposed that the law prevented a corporation from operating newspapers for that purpose or advertising in newspapers for that purpose, until labor organizations were included in the Smith-Connally Act, and then it was said that the law prohibited contributions, but that political advertisements and political pamphlets could be published by the union or corporation itself.

So what we are proposing to do is to subject labor organizations to exactly the same prohibition to which corporations have been subjected, and, so far as I know, including the things which I think the original law covered but regarding which doubt was raised by labor organizations.

Mr. PEPPER. Mr. President, will the Senator yield further.

Mr. TAFT. I yield.

Mr. PEPPER. Does the Senator from Ohio mean to tell the Senate that a corporation owning a newspaper cannot have a free editorial policy to oppose candidates and to oppose political parties according to its own judgment.

Mr. TAFT. Not if it used its corporate funds for that purpose, instead of running a newspaper as a business. If it did it would be prosecuted immediately under the Federal law.

Mr. PEPPER. Does the Senator know how a newspaper published by a corporation can get any money to provide editorials for the paper if it does not get it from the corporate treasury?

Mr. TAFT. They get their money from advertising. They are business concerns operating newspapers. So far as I know no one has ever thought that a corporation could publish a pamphlet for one candidate as against another without violating the Corrupt Practices Act. No one has ever considered that could be done. They could not publish a special newspaper for that purpose under the previous law, because the previous law prohibited any contribution, direct or indirect, in connection with any election at which a man was a candidate for public office. We have not changed the law in that respect. We only make it clear that an expenditure for that purpose is the same as an indirect contribution, which, in my opinion, has always been unlawful.

Mr. PEPPER. I wonder if the Senator, upon reflection, really means that the newspapers of this country which are owned by corporations cannot publish an extra paper if they want to oppose some candidate or cannot put out a whole special edition giving their view about a political party or a political candidate. That is one of the civil rights in this country. Does not the Senator know that it would be unconstitutional to try to deprive a corporation owning a newspaper of the right of freedom of the press. If that be the correct premise—and I think it cannot be denied that it is—is not the Senator denying to the labor organization which may happen to own a newspaper the right to the same freedom of the press to support or oppose candidates and political parties which other newspapers enjoy? Yet the Senator from Ohio says that the newspaper Labor, published by the 21 railway labor executives, would not be permitted to publish a statement saying that it supported President Truman and op-

posed Candidate Taft, or vice versa. I say that would be a deprivation of the freedom of the press.

Mr. TAFT. No; I said that union funds could not be used for that purpose. They could conduct a newspaper if they wanted to, just as a corporation can conduct a newspaper. But why should a labor organization be able to publish pamphlets or special newspapers against one candidate or in favor of another candidate, using funds which that organization collected from the union members?

That is what happened in the State of Ohio. The PAC is a separate organization which raises its own funds for political purposes, and does so perfectly properly. The Smith-Connally Act prohibited the making of contributions by unions to the PAC, yet those unions took the position that they could use their funds for the publication of pamphlets for or against candidates throughout that election, and they evaded the entire law by saying that was not a contribution—not even an indirect contribution—to the candidate who received the benefit of that procedure. That is what this provision of the House bill is intended to reach, if it be agreed to.

Mr. PEPPER. Mr. President, I call the attention of the Senator from Ohio to the following practice of the railway labor executives in the past: If a certain candidate was unfriendly to the interests of labor, they would publish a special edition of their paper and would put that special edition into circulation in the area where that candidate was running for office, and would place it in the hands of labor-union members and also in the hands of the public generally.

Mr. TAFT. That is exactly what they should not be allowed to do.

Mr. PEPPER. Very well; I want it definitely understood that the Senator from Ohio intends to outlaw that privilege on the part of labor. Now that I have that clear——

Mr. TAFT. It is perfectly clear. It is perfectly clear that union funds are not to be used to interfere in political campaigns and with political candidates, either in favor of one candidate or against another candidate. That same prohibition extends against the railroads for which the union members work. For years the railroads have been prohibited from doing anything of that kind, and this provision would simply extend to labor unions the prohibition which has been applied against corporations for a long time.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. WILEY in the chair). Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. TAFT. I yield.

Mr. BARKLEY. Suppose the particular publication referred to by the Senator from Florida is published and paid for by subscriptions paid to the publication by the membership of that railway labor organization?

Mr. TAFT. That will be perfectly lawful. That is the way it should be done.

Mr. BARKLEY. And suppose it is not paid for by union funds collected from the various labor unions?

Mr. TAFT. That will be perfectly proper.

Mr. BARKLEY. Would that still be prohibited?

Mr. TAFT. No; it would not be.

Mr. BARKLEY. The Senator has referred to the law which now prohibits corporations from making contributions to political campaigns.

Mr. TAFT. That is not the way the law is now.

Mr. BARKLEY. The Senator from Ohio referred to the law prohibiting the making of direct or indirect contributions by corporations as a justification for making the same provision in the case of labor unions. Let us consider the publication of a corporation which, day after day, takes a position against one candidate and in favor of another candidate, and does so in its editorials. The editorials occupy space in that newspaper or publication, and the space costs a certain amount of money. Is that a direct or an indirect contribution to a campaign; and if it is neither, what is it?

Mr. TAFT. I would say that is the operation of the newspaper itself.

Mr. BARKLEY. That is true; it is the operation of the newspaper. But I gathered the impression that in referring to the present law prohibiting the making of contributions, directly or indirectly by corporations, the Senator inferred that if a corporation publishes a newspaper—as most of them do—and uses the editorials in that publication in advocacy of or opposition to any candidate, at least that is a direct contribution to the campaign. It could not be anything else.

Mr. TAFT. I do not think it is either a direct or an indirect contribution. I do not think it is an expenditure of the sort prohibited, because it seems to me it is simply the ordinary operation of the particular corporation's business.

Mr. BARKLEY. None of us have ever assumed that the Corrupt Practices Act prevented a newspaper from writing editorials for or against any candidate.

Mr. TAFT. That is correct.

Mr. BARKLEY. Yet the Senator from Ohio is saying that law is applicable to corporations, and is saying that that is a basis for doing the same thing with respect to labor organizations which may publish newspapers.

Mr. TAFT. It never has been applied to newspapers. I say that under the Smith-Connally Act I do not think a labor organization itself should be permitted to use union funds to make such a contribution. I do not think that would be permitted under the provision to which we are now referring. I think it was clearly unlawful under the Smith-Connally Act.

As a matter of fact, the investigating committee of which the Senator from Rhode Island [Mr. GREEN] was chairman, requested the Attorney General to bring suit to determine the meaning of these words. I think the committee took the position that such a direct expenditure by a labor union was illegal under the Smith-Connally Act, and directed the Attorney General to bring suit to determine that question. But the Attorney General always avoided bringing such a suit, and failed to do so.

In my opinion, the word "contribution" covers the direct expenditure of money for the same political purpose. But in order to make that matter perfectly clear, the House inserted the word "expenditure" in this measure.

Mr. BALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BALL. Two years ago, I was a member of the committee which was headed by the Senator from Rhode Island [Mr. GREEN], as I recall. We ran into expenses on the part of corporations, as well as unions, in cases in which by making direct expenditures, as well as contributions, they certainly violated the spirit and intent of the Corrupt Practices Act. I know of one newspaper in my section of the country which makes a practice of printing hundreds of thousands of special reprints and sending them into various States, to influence the elections. I think that is prohibited, just as the practice of the labor paper to which the Senator from Florida has referred—the sending of a special edition of 200,000 or more copies into a State—would also be prohibited.

Mr. TAFT. I would say the word "expenditure' does not mean the sale of newspaper for money for their worth. If they are sold to subscribers and if the newspaper is supported by subscriptions, then I would not say that constituted such an expenditure. But if the newspapers were given away—even an ordinary newspaper—I think that would violate the Corrupt Practices Act. That act would be violated, it seems to me, if such a newspaper were given away as a political document in favor of a certain candidate. I think that would have been so under the present law, and I think we make it more clearly so, perhaps, by this measure.

Mr. BARKLEY. Mr. President, let me ask the Senator this question: Let us suppose a labor organization publishes a newspaper for the information and benefit of its members, and let us suppose that it is published regularly, whether daily or weekly or monthly, and is paid for from a fund created by the payment of dues into the organization it represents. Let us assume that the newspaper is not sold on the streets, and let us assume further that a certain subscription by the month or by the year is not charged for the newspaper. Does the Senator from Ohio advise us that under this measure such a newspaper could not take an editorial position with respect to any candidate for public office, without violating this measure?

Mr. TAFT. If it is supported by union funds, I do not think it could. If the newspaper is prepared and distributed and circulated by means of the expenditure of union funds, then how could a line be drawn between that and political literature or pamphlets or publications of that nature? It is perfectly easy for a labor union to publish lawfully a bona fide newspaper and to charge subscriptions for that newspaper, either by itself or as a corporation.

Mr. BARKLEY. So if there is a labor organization which is publishing a newspaper—not as a political newspaper, but for the benefit of its members—and if

the expenses of that publication and distribution are paid from the funds raised by means of the payment of dues, and if all members of the union understand that a certain portion of their dues goes to the publication of that newspaper, then in order for that newspaper to take any position with respect to any candidate, it would have to charge a subscription by the month or by the year, in order that it might express its views in that respect; is that so?

Mr. TAFT. I am inclined to think so, just as a corporation gets out regular house organs to its members, and if that corporation interferes in a political election through one of those house organs it violates the Corrupt Practices Act. In my opinion, that has been unlawful for years, so far as that is concerned. No corporation in this country would dare to do it under the Corrupt Practices Act which has been in force for many years.

Mr. BALL. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Minnesota.

Mr. BALL. In the case of most union papers, as I understand, the subscriptions from the union members are collected along with the dues, but they are an earmarked portion of the dues which the union collects and remits to the paper in the form of subscriptions. I take it that would be in a different category from the case where the union makes a blanket subscription and an appropriation out of union dues.

Mr. TAFT. I think if the paper is, so to speak, a going concern, it can take whatever position it wants to.

Mr. PEPPER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. Suppose there were a case where a number of corporations associated themselves together into an organization we will call the National Manufacturers Association, and suppose the funds of that organization are altogether contributed by corporate memberships. Is that organization, under this section, forbidden to publish any pamphlet, or send any telegrams, or make any telephone calls, or incur any expenditures, in respect to any political election of any party, or any candidate, or any caucus, or any convention?

Mr. TAFT. I think it would be. It would be a general conspiracy, I think, and would be a clear violation by all the corporations which contributed the money. Such an association could receive money by direct contributions from individual members, just as the CIO-PAC can properly operate as a political organization, raising its funds from individual members. In the same way the National Manufacturers Association could do the same thing. But no corporation could contribute to the National Manufacturers Association, and no labor union could contribute to the PAC.

Mr. PEPPER. The Senator is using the word "contribute." My reason for emphasizing this matter is that the conference committee has added two very important and I think very significant words. The old law, the Smith-Connally law, which has been reenacted, prohibited only contributions, but the proposed law prohibits a contribution "or expenditure" without any definition of "expenditure". That means a dollar, or 50 cents, or $500 or $1,000.

Will the distinguished Senator from Ohio yield for another question?

Mr. TAFT. I yield.

Mr. PEPPER. Suppose a labor union felt that a candidate for office was unfair to labor, and that labor union wished to put out a pamphlet to advise its members about the labor record of the candidate. I ask the Senator from Ohio whether that would be forbidden as an expenditure by a labor organization in respect to a candidate or an election, under the proposed act?

Mr. TAFT. Yes, I think it would be.

Mr. PEPPER. So a workingman's organization would be deprived of the power even of advising its membership of the antilabor record of a man who might be a candidate for public office?

Mr. TAFT. Correct. Let me read the Senator the act which has been in force right along:

> It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution in connection with any election to any political officer, or for any corporation whatever, or any labor organization to make a contribution in connection with any election—
>
> To make a contribution in connection with any election—
>
> at which Presidential and Vice Presidential electors or a Senator or Representative in Congress * * * are to be voted for.

That is the existing law.

Mr. PEPPER. It did not include the word "expenditure."

Mr. TAFT. No, it did not include the word "expenditure"; but what would the law mean if a corporation or a labor organization were prohibited from contributing to candidate X, but in spite of that, could issue its own papers, could print its own pamphlets, and issue them in behalf of candidate X?

Mr. PEPPER. The Senator is overlooking the distinction that exists in every corrupt practice act I know anything about. When in our several States we run for the office of Senator we are limited in the amount of contributions we personally make, or are responsible for, but if I have a friend in the southern part of the State who wants to put out some pamphlets for me, and distribute them over the community, he has a perfect right to do so.

Mr. TAFT. If the Senator had had a friend who was a corporation and had done that, the corporation officials would have been in jail long ago.

Mr. PEPPER. Yes; but if one of the corporations owns a newspaper, directly or indirectly, that is just what they are doing all the time.

Mr. TAFT. They have been able to sell legitimate newspapers and distribute them without question. They do not distribute corporation funds for that purpose.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. In the interest of clarification, because I am assuming the Senator understands his own bill——

Mr. TAFT. It is a House bill.

Mr. BARKLEY. And the Senator always gives me a frank answer—inasmuch as the National Association of Manufacturers has been mentioned, and the United States Chamber of Commerce, and, I might add, the Automobile Chamber of Commerce, I submit that the National Association of Manufacturers does not manufacture anything, the United States Chamber of Commerce does not sell anything, and the Automobile Chamber of Commerce does not manufacture or sell anything. All their funds are contributed by individual members, by way of corporations, who belong either to the National Association of Manufacturers, the United States Chamber of Commerce, or the Automobile Chamber of Commerce. They do not contribute their funds to these organizations primarily for political purposes. But suppose the National Association of Manufacturers, out of the funds contributed to it, bought a page in a newspaper, and advertised for or against some candidate, or the United States Chamber of Commerce did the same thing, or the Automobile Chamber of Commerce did the same. Would they be prohibited, under the present law, or under the conference bill, out of funds contributed by corporations into the general fund of the association, from buying newspaper space to advocate or oppose a candidate for public office, directly or indirectly; and when I say "indirectly," I mean use the space in order to advocate certain things advocated by some candidates or opposed by other candidates, without mentioning the names of the candidates.

Mr. TAFT. Of course, if the Chamber of Commerce were a corporation, as I think it is, it would be clearly illegal. In any event, so long as the money comes from corporations, and with their knowledge, I think it would be clearly illegal anyway, and they would be participating as corporations in spending for political purposes.

Mr. BARKLEY. I understand these organizations have a regular schedule of dues which are paid into the general fund by constituent members. They are not collected for political purposes, but I recall that last summer there were widespread advertisements in the newspapers of the United States, consisting of whole pages, under the names of some of these organizations. I do not know to what extent they affected anyone's vote, but they definitely had an indirect effect, and I have no doubt that they cost hundreds of thousands of dollars. Was that a violation of the law?

Mr. TAFT. The question there would be whether or not it was in connection with a Federal election.

Mr. BARKLEY. Those advertisements were very skillfully drawn, and they had no specific reference to anyone's candidacy.

Mr. TAFT. The language of the law is: "for any corporation or any labor organization to make a contribution or expenditure in connection with any election at which Presidential candidates are

to be voted for." The question would be whether it was in connection with such an election.

As to the association itself, it seems to me the conditions are exactly parallel, both as to corporations and labor organizations. Such an association receiving corporation funds and using them in an election would violate the law, in my opinion, exactly as the PAC, if it got its fund from labor unions, would violate the law. If the labor people should desire to set up a political organization and obtain direct contributions for it, there would be nothing unlawful in that. If the National Association of Manufacturers, we will say, wanted to obtain individual contributions for a series of advertisements, and if it, itself, were not a corporation, then, just as in the case of PAC, it could take an active part in a political campaign. But the prohibition is against a labor organization or a corporation participating in an election either by a contribution to somebody else or by direct expenditure of its own funds. That has been understood to be the law of corporations for many years, and until labor organizations were placed under the terms of the Smith-Connally Act, no one supposed that corporations could make direct expenditures without it being considered a contribution. But after the labor organizations were included, that question was raised. In order that it might be finally resolved in this bill, we made it perfectly clear that it covers either a contribution to somebody else or an expenditure of one's own funds for the same purpose, in connection with an election.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. I wanted to be sure I understood the Senator about the association. If the members of a trade association are all corporations, although they make no contributions to anyone's campaign fund, would the association be able to use its funds for any political expenditure?

Mr. TAFT. In my opinion, they would be participating in the expenditure by those corporations of funds for political purposes and would violate the law.

Mr. PEPPER. Will the Senator allow one other question?

Mr. TAFT. I yield.

Mr. PEPPER. Does what the Senator has said in the past also apply to a radio speech? If a national labor union, for example, should believe that it was in the public interest to elect the Democratic Party instead of the Republican Party, or vice versa, would it be forbidden by this proposed act to pay for any radio time, for anybody to make a speech that would express to the people the point of view of that organization?

Mr. TAFT. If it contributed its own funds to get somebody to make the speech, I would say they would violate the law.

Mr. PEPPER. If they paid for the radio time?

Mr. TAFT. If they are simply giving the time, I would say not; I would say that is in the course of their regular business.

Mr. PEPPER. What I mean is this: I was not assuming that the radio station was owned by the labor organization. Suppose that in the 1948 campaign, Mr. William Green, as president of the American Federation of Labor, should believe it to be in the interest of his membership to go on the radio and support one party or the other in the national election, and should use American Federation of Labor funds to pay for the radio time. Would that be an expenditure which is forbidden to a labor organization under the statute?

Mr. TAFT. Yes.

Mr. PEPPER. He would be denied the right to do that?

Mr. BARKLEY. Mr. President, may I ask the Senator one other question?

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. Suppose a certain corporation, for instance, the corporation that makes Bayer aspirin, or Jergens lotion, or any other well-advertised product, employs a commentator to talk about various things, winding up with an advertisement of the product, and suppose that the radio commentator from day to day takes advantage of his employment or his sponsorship to make comments which are calculated to influence the opinions of men or women as to political candidates. Would the corporation sponsoring the particular commentator be violating the law?

Mr. TAFT. I should have to know the exact facts. If, for instance, apart from commentators and the radio, and taking the case of a paid advertisement, suppose a corporation advertises its products, and that every day for 2 weeks before the election it advertises a candidate. I should say that would be a violation of the law. I would say the same thing probably would be true of a radio broadcast of that kind, under certain circumstances, but I think I should like to know the exact facts before expressing an opinion.

Mr. BARKLEY. In the case of a commentator who is paid to advertise a certain product, and who in the course of his 15 minutes on the radio may also seek to influence votes, the sponsor may say, either before or after the broadcast, that he is not responsible for what the commentary says; yet he is paying the commentator for his broadcast. Would that still be a violation of law, although the sponsor might excuse himself or attempt to excuse himself by saying he was not responsible for the opinions expressed by the commentator?

Mr. TAFT. I think there are all degrees. It would be for a court to decide. I think as a matter of fact, if that had happened under the old law, there would have been the same question.

I want to make the point that we are not raising any new questions here. Those same questions could have been raised with respect to corporations during the past 25 years. It is a question of fact: Was the corporation using its money to influence a political election?

Mr. BARKLEY. We are rewriting, or substantially rewriting, the National Labor Relations Act and also the Corrupt Practices Act. Nobody can tell how things are going to be interpreted in the future.

Mr. TAFT. I may say that the amendment is in exactly the same words which were recommended by the Ellender committee, which investigated expenditures by Senators in the last election. That committee, Republicans and Democrats, in connection with the bill which was introduced by the Senator from Louisiana [Mr. ELLENDER], used exactly the same words that are found in the amendment; so that this is nothing new. A debate similar to this took place on the Smith-Connally Act. In this instance the words of the Smith-Connally Act have been somewhat changed in effect so as to plug up a loophole which obviously developed, and which, if the courts had permitted advantage to be taken of it, as a matter of fact, would absolutely have destroyed the prohibition against political advertising by corporations. If "contribution" does not mean "expenditure," then a candidate for office could have his corporation friends publish an advertisement for him in the newspapers every day for a month before election. I do not think the law contemplated such a thing, but it was claimed that it did, at least when it applied to labor organizations. So, all we are doing here is plugging up the hole which developed, following the recommendation by our own Elections Committee, in the Ellender bill.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Washington.

Mr. MAGNUSON. As I understand, the wording as it applies to labor unions and corporations is now the same. Is that correct?

Mr. TAFT. Exactly; yes.

Mr. MAGNUSON. But the conference committee have added to both the word "expenditure"?

Mr. TAFT. The Senator is correct.

Mr. MAGNUSON. In order to determine the meaning of that, let us assume a concrete example. The International Brotherhood of Teamsters have a newspaper, which they have published for many years. It has a circulation of probably 200,000. It is distributed to members. On the newstand, no price appears on it. No advertisements are accepted. Under this prohibition, would they be prohibited in the future from mentioning in their editorial columns, for their regular circulation, without adding anything additional, the support of a certain candidate or a certain political party?

Mr. TAFT. We discussed that. We discussed the question of whether or not that newspaper was supported in effect by contributions of corporations or labor organizations, or was paid for by the people who received it. If the latter, I do not think it was an expenditure of union funds or contributions, but if the union simply takes the union funds and publishes a newspaper and uses it as a

political organ in an effort to elect or to defeat one man that is prohibited.

Mr. MAGNUSON. As a practical matter what happens in these cases I will say to the Senator from Ohio, is much like what happens when one joins a lodge. The lodge dues include for the most part subscriptions to a lodge paper. The same is true with many labor groups. They publish so-called labor organs, and a part of a member's dues goes to subscribe for the labor organ. If such an organ were not published the member's dues would be correspondingly less. The amount which would otherwise go to pay for a subscription to the organ would be subtracted. But now unions collect the subscription along with the dues.

Mr. TAFT. The case is the same as the case of a corporation house organ. A corporation house organ is published and sent out to employees, sometimes many thousands of them. A corporation which used such a house organ to try to elect or defeat a political candidate would certainly be violating the law, in my opinion. Such a law has been in existence for 25 years. What we are now doing is to write into the law the same prohibition with respect to labor organizations as now exists with respect to corporations.

Mr. MAGNUSON. Teamsters' unions publish newspapers dealing with matters in which such unions are interested. The same is true of many other unions. If the pending measure becomes a law, from now on such unions will be prohibited from advocating in their newspapers the support of any political candidates.

Mr. TAFT. That is correct, unless they sell the papers they publish to their members, if the members desire to buy them. In such a case there would be no expenditure for such a purpose of union funds.

Mr. MAGNUSON. Let us consider the teamsters. Suppose they have a weekly radio program, as, indeed, they have had for a long time back. Or let us say the AFL has such a radio program. Let us assume I am running for office and they ask me to be a guest on their program. Suppose I talk on the subject of labor and do not advocate my own candidacy. Nevertheless I am on that program. My name is being advertised and I am being heard by many thousands of people. Would that be an unlawful contribution to my candidacy?

Mr. TAFT. If a labor organization is using the funds provided by its members through payment of union dues to put speakers on the radio for Mr. X against Mr. Y, that should be a violation of the law.

Mr. MAGNUSON. They are not paying me anything. They have asked me to be a guest.

Mr. TAFT. I understand, but they are paying for the time on the air. Of course, in each case there is a question of fact to be decided. I cannot answer various hypotheses without knowing all the circumstances. But in each case the question is whether or not a union or a corporation is making a contribution or expenditure of funds to elect A as against B. Labor unions are supposed to keep out of politics in the same way that corporations are supposed to keep out of politics.

Mr. MAGNUSON. Let us take the reverse situation. Suppose the General Electric Co. asked me to be its guest on its Sunday afternoon hour to talk about electrical matters. I am running for office at the time. I am introduced on their program.

Mr. TAFT. Oh, the Senator is running for office at the time?

Mr. MAGNUSON. Yes.

Mr. TAFT. Oh, I do not think that would be a contribution.

Mr. MAGNUSON. It would not be.

Mr. TAFT. There are many useful things done which do not represent contributions. Many Senators like to obtain publicity, and all sorts of indirect aids are given which cannot properly be said to be political contributions or expenditures. In each case the question of fact must be decided.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator does not mean to say, does he, that anything that would contribute to the election of the Senator from Washington to the Senate would not be a valuable contribution.

Mr. TAFT. It would be a contribution to the Senate, but perhaps not to the Senator from Washington.

Mr. MAGNUSON. Mr. President, if the Senator will yield, let me ask him another question. All the funds of labor unions come from dues paid by their members. All the activities of the unions are based upon expenditure of funds provided by dues. That money is in the union's treasury. If the pending bill should become law it would mean that all labor organs which are now in existence would, from now on, be prohibited from participating in a campaign, favoring a candidate, mentioning his name, or endorsing him for public office?

Mr. TAFT. No; I do not think it means that. The union can issue a newspaper, and can charge the members for the newspaper, that is, the members who buy copies of the newspaper, and the union can put such matters in the newspaper if it wants to. The union can separate the payment of dues from the payment for a newspaper if its members are willing to do so, that is, if the members are willing to subscribe to that kind of a newspaper. I presume the members would be willing to do so. A union can publish such a newspaper, or unions can do as was done last year, organize something like the PAC, a political organization, and receive direct contributions, just so long as members of the union know what they are contributing to, and the dues which they pay into the union treasury are not used for such purpose.

Mr. MAGNUSON. I think all union members know that a part of their dues in these cases go for the publication of some labor organ.

Mr. TAFT. Yes. How fair is it? We will assume that 60 percent of a union's employees are for a Republican candidate and 40 percent are for a Democratic candidate. Does the Senator think the union members should be forced to contribute, without being asked to do so specifically, and without having a right to withdraw their payments, to the election of someone whom they do not favor? Assume the paper favors a Democratic candidate whom they oppose or a Republican candidate whom they oppose. Why should they be forced to contribute money for the election of someone to whose election they are opposed? If they are asked to contribute directly to the support of a newspaper or to the support of a labor political organization, they know what their money is to be used for and presumably approve it. From such contribution the organization can spend all the money it wants to with respect to such matters. But the prohibition is against labor unions using their members' dues for political purposes, which is exactly the same as the prohibition against a corporation using its stockholders' money for political purposes, and perhaps in violation of the wishes of many of its stockholders.

Mr. MAGNUSON. I do not question why they should do this or should not do that. I am trying to find out what practical effect the provision may have on existing labor organizations. Let me ask the Senator from Ohio a further question. Would the provision in any way deny the right of a religious organization to publish pamphlets in behalf of a candidate because, let us say, the organization supported him on moral grounds?

Mr. TAFT. If the organization is a corporation, I assume it could not do so directly. If the organization publishes religious papers that it can sell, that is all right; but the organization cannot take the church members' money and use it for the purpose of trying to elect a candidate or defeat a candidate, and they should not do so.

Mr. MAGNUSON. Would the Anti-Saloon League, for example, be prohibited from issuing pamphlets against a political candidate?

Mr. TAFT. As I understand, the league would probably receive contributions from individuals, and it would be like the PAC or any other organization which was organized for political purposes.

Mr. MAGNUSON. The Anti-Saloon League could use the dues paid by its membership to publish a pamphlet in behalf of a certain political candidate?

Mr. TAFT. Mr. President, I must know the circumstances before I can pass upon the question. Different circumstances may arise in different cases. Any unincorporated organization can collect money from individuals for almost any purpose, and if the individuals who pay the money agree, the money can be used for purposes designated by the organization. There is no prohibition against using such money for political purposes.

Mr. MAGNUSON. My point is that all other organizations except corporations and labor unions can use the dues of their membership to publish any sort of pamphlet or publication on behalf of a candidate for public office.

Mr. TAFT. What kind of an organization does the Senator mean? Is it incorporated? Where does it obtain its money? All sorts of questions arise in

every case, and I cannot answer without knowing the circumstances.

Mr. MAGNUSON. I said any organization but corporations and labor unions can do such things, but they are prohibited to those two organizations.

Mr. TAFT. Yes, that is correct, and if any abuses arise with respect to other organizations we can extend the provision of law to the other groups.

Mr. MURRAY and Mr. GREEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. TAFT. Mr. President, I do not yield further at this time.

The next provision which the conferees took from the House was the prohibition of strikes by Government employees. That was in the House bill and was not in the Senate bill. However, the Senate has repeatedly in a long series of appropriation bills enacted prohibitions against Government employees striking. They will be found in nearly every appropriation bill which was passed last year. The Senate has approved such prohibitions in each case. In that respect we have made it a permanent part of the law instead of having it tacked onto appropriation bills, so we do not feel that to be any departure from the action and approval of the Senate itself.

There is one further provision which may possibly be of interest, which was not in the Senate bill. The House had rather elaborate provisions prohibiting so-called feather-bedding practices and making them unlawful labor practices. The Senate conferees, while not approving of feather-bedding practices, felt that it was impracticable to give to a board or a court the power to say that so many men are all right, and so many men are too many. It would require a practical application of the law by the courts in hundreds of different industries, and a determination of facts which it seemed to me would be almost impossible. So we declined to adopt the provisions which are now in the Petrillo Act. After all, that statute applies to only one industry. Those provisions are now the subject of court procedure. Their constitutionality has been questioned. We thought that probably we had better wait and see what happened, in any event, even though we are in favor of prohibiting all feather-bedding practices. However, we did accept one provision which makes it an unlawful-labor practice for a union to accept money for people who do not work. That seemed to be a fairly clear case, easy to determine, and we accepted that additional unfair labor practice on the part of unions, which was not in the Senate bill.

Mr. President, I ask that there be printed in the RECORD at this point as a part of my remarks a summary in detail of the principal differences between the conference agreement and the bill which the Senate passed.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SHORT TITLE

The House bill provided that it was to be cited as the "Labor-Management Relations Act, 1947." The Senate amendment (sec. 504) provided that it was to be cited as the "Federal Labor Relations Act of 1947." The conference agreement adopts the title of the House bill.

DECLARATION OF POLICY

The House bill (sec. 1 (b)) contained an over-all declaration of policy covering all of the various matters dealt with in the bill. There was no corresponding over-all declaration of policy of the Senate amendment. The conference agreement contains the declaration of policy of the House bill, with one omission. One of the policies declared in the House bill was to encourage the peaceful settlement of labor disputes affecting commerce by giving the employees themselves a direct voice in the bargaining arrangements with their employers. Since under the conference agreement the provisions relating to a secret ballot on the employer's last offer of settlement (as will be hereafter explained) are not made mandatory, this particular item has been omitted from the over-all declaration of policy in the conference agreement.

TITLE I—AMENDMENT OF NATIONAL LABOR RELATIONS ACT

Both the House bill and the Senate amendment in Title I amended the National Labor Relations Act in numerous respects.

In amendment section 1 of the National Labor Relations Act (the policy thereof) the House bill omitted from the present law all of the so-called findings of fact which had been so severely criticized as being entirely one-sided. The Senate reenacted the findings and policies contained in section 1 of the National Labor Relations Act with a slight amendment so that the findings will not hereafter constitute an indictment of all employers. At the same time the Senate amendment inserted in the findings of fact a paragraph to the effect that experience has demonstrated that certain practices by labor organizations have the effect of burdening commerce through strikes and other forms of industrial unrest or through concerted activities which impair the interest of the public in the free flow of commerce. The Senate amendment further declared the elimination of such practices to be a necessary condition to the assurance of the rights herein guaranteed. Thus under the Senate amendment the findings and policies of the amended National Labor Relations Act are to be "two-sided." The conference agreement adopts the provisions of the Senate amendment in this respect.

DEFINITIONS

Section 2 of the National Labor Relations Act contains definitions of the terms used therein. Both the House bill and the Senate amendment amended section 2.

(1) Person: In defining the term person, the House bill added labor organizations to the definition contained in existing law in order that there might be no question but that labor organizations were to be considered as persons within the meaning of the new amended act. The Senate amendment also added labor organizations to the definition of person, but included in addition thereto their officers and employees or members. Since officers, employees, and members of labor organizations are individuals, and the term "person" already is defined to include individuals, the conference committee deemed it unnecessary to include officers, employees, and members of labor organizations in specific terms, and thus the conference agreement adopts the definition of person contained in the House bill.

(2) Employer: In defining the term "employer" the House bill changed the definition of existing law in the following respects:

(A) Under existing law, "employer" is defined to include any person acting in the interest of an employer. The House bill changed this so as to include as an employer only persons acting as agents of an employer.

(B) The House bill excluded from the definition of employer instrumentalities of the United States.

(C) The House bill also excluded from the definition of employer all religious, charitable, scientific, and educational organizations not organized or operated for profit.

The Senate amendment changed the definition of "employer" contained in existing law in but two respects:

(A) The Senate amendment excluded from the definition of employer nonprofit corporations and associations operating hospitals.

(B) The Senate amendment also provided that for the purposes of section 9 (b) of the Labor Act (the section authorizing the Board to determine the appropriate collective bargaining unit) the term "employer" was not to include a group of employers unless they had voluntarily associated themselves together for the purposes of collective bargaining.

The conference agreement follows the provisions of the House bill in the matter of agency of an employer, and follows the Senate amendment in the matter of exclusion of nonprofit corporations and associations operating hospitals. The other nonprofit organizations excluded under the House bill are not excluded in the conference agreement. Only under exceptional circumstances and in connection with purely commercial activities have such organizations or their employees been considered as affecting commerce so as to bring them within the scope of the National Labor Relations Act. In the case of instrumentalities of the United States, the conference agreement limits the exclusion to wholly owned Government corporations and to Federal Reserve banks, the latter for the reason that such banks, by their issuance of currency and acting as fiscal agents of the Treasury, perform a vital governmental function. The treatment in the Senate amendment of the term "employer" for the purposes of section 9 (b) is omitted from the conference agreement.

(3) Employees: Although the House bill changed the definition of "employees", the definition adopted in the conference report follows the language of the Senate amendment except in two minor respects. The subsection of the Senate bill has amended the language of the Wagner Act relating to the exemption for "agricultural laborers" to read "persons employed in agriculture" and the bill had later contained a definition of the term "agriculture" which was precisely the same as the definition in the Fair Labor Standards Act. The House bill, however, had defined this exception in much broader terms by incorporating in the bill certain language in the Internal Revenue Code which would have exempted employees engaging in the packing and processing of agricultural products prior to their delivery to a terminal market. The conferees ultimately decided not to have any definition of agriculture in either bill. Thus subsection (3) in this respect now is identical with the language in the present Wagner Act. The conferees also adopted language in the House bill excluding from the definition of "employee" individuals having status of independent contractors. While the Board itself has never claimed that independent contractors were employees, the Supreme Court has (*The Hearst Publications, Inc.*, 322 U. S. 111) held that the ordinary tests of the law of agency could be disregarded by the Board in determining if petty occupational groups were "employees" within the meaning of the Labor Relations Act. The Court consequently refused to consider the question whether certain categories of persons whom the Board had deemed to be "employees" might not, as a matter of law, have been independent contractors. The legal effect of the amendment therefore is merely to make it clear that the question

whether or not a person is an employee is always a question of law, since the term is not meant to embrace persons outside that category under the general principles of the law of agency.

(8) Supervisors: Both the House bill and the Senate amendment excluded supervisors from the individuals deemed to be employees for the purposes of the act. There was a sharp divergence between the House and Senate, however, with respect to the occupational groups which fell within this definition. The Senate amendment, which the conference ultimately adopted, is limited to bona fide supervisors. The House, had included numerous other classes. There were generally (A) certain personnel who fix the amount of wages earned by other employees, such as inspectors, checkers, weighmasters, and time-study personnel (B) labor relations personnel, police, and claims personnel, and (C) confidential employees. The Senate amendment confined the definition of supervisor to individuals generally regarded as foremen and employees of like or higher rank.

In the case of persons working in labor relations personnel and employment divisions, it was not thought necessary to make specific provision, as was done in the House bill, since the Board had treated, and presumably will continue to treat, such persons as outside the scope of the act. This is the prevailing Board practice with respect to confidential secretaries as well, and it was not the intention of the conferees to alter this practice in any respect. The conference agreement does not treat time-study personnel or guards as supervisors, as did the House bill. Since, however, most time-study employees are professional personnel, the special provisions of the Senate amendment applicable with respect to professional employees will cover this category. In the case of guards, the conference agreement does not permit the certification of a labor organization as the bargaining representative of guards if it admits to membership, or is affiliated with any organization that admits to membership, employees other than guards. The provision dealing with the certification of bargaining units for guards is dealt with in section 9 (b) of the conference agreement, and the individuals who are to be considered as guards are described.

(9) Professional employees: The House bill did not contain any definition of the term "professional employees," although section 9 (f) (3) thereof recognized the principle embodied in section 9 (b) of the Senate amendment by permitting professional personnel to have voting units of their own in representation cases. The House agreed to the Senate language defining the term "professional employees."

(10) Agent: In the definition section of the conference agreement there is set forth a rule to be applied for the purpose of determining when a person is acting as an agent of another person, so as to make such other person responsible for his acts. A provision having the same effect was contained in section 12 of the House bill, under which the Norris-LaGuardia Act was made inapplicable in connection with certain activities dealt with in that section. Section 6 of the Norris-LaGuardia Act provides that no employer or labor organization participating or interested in a labor dispute shall be held responsible for the unlawful acts of its agents except upon clear proof of actual authorization of the particular acts performed, or subsequent ratification thereof after knowledge. (Cf. *United Brotherhood of Carpenters* v. *United States* (— U. S. —; March 10, 1947)). Under the conference agreement, as under the House bill, both employers and labor organizations will be responsible for the acts of their agents in accordance with the common law rules of agency and the ordinary evidence required to establish such relationship.

National Labor Relations Board

One of the major problems with which the conferees were faced with was the reconciliation of the provisions of the House bill and the Senate amendments with respect to the reorganization of the National Labor Relations Board. Under the Senate amendment the present Board members were to be retained in office but four additional members were to be added, thus increasing the Board to seven. The House bill abolished the present Board, created a new Board of three members and limited the duties of the members to quasi-judicial functions. The House bill also created a new independent agency under an administrator to be appointed by the President (subject to Senate confirmation) to perform the investigating and prosecuting functions.

The conference agreement (section 3 (a)) retains the existing Board and increases its membership to five rather than seven. Further, it recognizes the principle of separating judicial and prosecuting functions without going to the extent of establishing a completely independent agency. It accomplishes separation of functions within the framework of the existing agency by establishing a new statutory office, that is, a general counsel of the Board to be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years. The general counsel is to have general supervision and direction of all attorneys employed by the Board (excluding the trial examiners and the legal assistants to the individual members of the Board), and of all the officers and employees in the Board's regional office. He is also to have the final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect to the investigation of charges and the issuance of complaints of unfair labor practices and in the prosecution of such complaints before the Board. He is to have, in addition, such other duties as the Board may prescribe or as may be provided by law. By this provision, responsibility for what takes place in the Board's regional offices is centralized in one individual who is ultimately responsible to the President and Congress. The conferees rejected a provision in the House bill which required the regional directors and the regional attorneys to be appointed by the President, with the advice and consent of the Senate, in the belief that better administration will result in having responsibility lodged in one person who is responsible to the President and Congress rather than being diffused to numerous regional officials.

Section 4 of the conference agreement is substantially the language of the corresponding section in the Senate amendment. It provides that each member of the Board and general counsel shall receive a salary at the rate of $12,000 a year. It also contains a provision contained in both bills forbidding a Board to employ attorneys for the purpose of reviewing transcripts of hearings or reviewing drafts of hearings but permitting Board members to have legal assistants to assist them in such work. The House conferees agreed to include in the conference agreement that portion of the Senate amendment which provides that no trial examiner's report can be reviewed either before or after publication by any person other than a member of the Board or his legal assistant. It also forbids trial examiners to advise or consult with the Board with respect to exceptions taken to their findings, rulings, and recommendations. The combination of the provisions dealing with the authority of the general counsel, the abolition of the review division, and the limitation of duties of the trial examiners effectively limits the Board members to the performance of quasi-judicial functions.

Section 5 of the conference bill remains as in the present act.

Section 6 of the conference bill gives the Board general power to prescribe regulations necessary to carry out the provisions of the act. There was a similar provision in section 6 of the amended Labor Act in the House bill and also in the Senate amendment. The only change in this section from existing law is the insertion of the words "in the manner prescribed by the Administrative Procedure Act." This insertion appeared in the House bill, but not in the Senate amendment. It is made to assure that the subsequent amendment with the change of the National Labor Relations Act will not supersede the general rules prescribed in the Administrative Procedure Act which are now applicable to the Board's powers to promulgate regulations.

In section 7 of the conference bill there has been eliminated the first of the proposed changes contained in the House bill—that is, the language specifically excluding from the protection of section 7 unfair labor practices, unlawful concerted activities, and breaches of collective-bargaining agreements. The rejection of this clause by the conferees does not mean that concerted activities which are made unfair labor practices are lawful by reason of breaches of law, breaches of contract, or that their objectives should be deemed "protected activities" under the act. In the early period of the Board there had been decisions to the effect that the language of section 7 protected concerted activities, regardless of their nature or objectives. An outstanding decision of this sort was one involving a sit-down strike wherein the Board ordered the reinstatement of employees engaged in the unlawful activity. In another case the Board ordered certain seamen to be reinstated, although their concerted activities amounted to mutiny under another statute. In both of these instances, however, the decision of the Board was reversed by the Supreme Court (*Fansteel Metallurgical Corp.* v. *NLRB*, 306 U. S. 240; *Southern Steamship Co.* v. *NLRB*, 316 U. S. 31). The Supreme Court has also interpreted the statute as not conferring protection upon employees who strike in breach of contract (*NLRB* v. *Sands Manufacturing Co.*, 306 U. S. 332).

Both the House bill and the Senate amendment preserved the right under section 7 of employees to self-organization to form, join, or assist any labor organization, and to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. The House bill specifically set forth that employees were also to have the right to refrain from self-organization, etc., if they chose to do so.

In its most recent decisions the Board has been consistently applying the principles established by the Supreme Court. For example, in the *American News Company* case (55 NLRB 1302 (1944)), the Board held that employees had no right protected under the act to strike to compel an employer to violate the wage-stabilization laws. Again, in the Scullin Steel case and in the Dyson case (decided February 7, 1947), the Board held that strikes in violation of collective-bargaining contracts were not concerted activities protected by the act, and refused to reinstate employees discharged for engaging in such activities. In the second *Thompson Products* case (decided February 21, 1947), the Board held that strikes to compel the employer to violate the act and rulings of the Board thereunder were not concerted activities protected by the provisions of section 7. These recent decisions have had the effect of overruling the decision of the Board in *Matter of Berkshire Knitting Mills* (46 NLRB 955 (1943)), wherein the Board attempted to distinguish between what it considered as major crimes and minor crimes for the purpose of determining what employees were entitled to reinstatment.

By reason of the foregoing, it was believed that the specific provisions in the House bill excepting unfair labor practices, unlawful concerted activities, and violation of collective-bargaining agreements from the protection of section 7h were unnecessary. Moreover, there was a fear that the inclusion of such a provision might have a limited effect and make unlawful activities other than those specifically mentioned subject to the protection of the act. Other provisions of the conference agreement deal with this particular problem in general terms. For example, in the declaration of policy to the new National Labor Relations Act adopted by the conference committee, it is stated with reference to undesirable practices of labor organizations, their officers, and members, that the "elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed." This demonstrates a clear intention that these undesirable concerted activities are not to have any protection under the act, and to the extent that the Board in the past has accorded protection to such activities, the conference agreement makes such protection no longer possible. Furthermore, in section 10 (c), as proposed in the conference agreement, it is specifically provided that no order of the Board shall require the reinstatment of any individual or the payment to him of any back pay if such individual was suspended or discharged for cause.

The second change made by the House bill in section 7 of the act (which is carried into the conference agreement) also has an important bearing on the kinds of concerted activities which are protected by section 7. That provision, as heretofore stated, provides that employees are also to have the right to refrain from concerted activities and collective bargaining if they choose to do so. Taken in conjunction with the provisions of section 8 (b) (1) of the conference agreement wherein it is made an unfair labor practice for a labor organization or its agents to restrain or coerce employees in the exercise of rights guaranteed in section 7, many forms and varieties of concerted activities which the Board, particularly in the early days, regarded as protected by the act, will no longer be treated as having that protection.

Section 8 (a). This subsection contains the five unfair labor practices by employers. The language of the conference agreement is identical with the corresponding provisions in the Senate amendment since the Senate conference refused to yield to the House with respect to the provisions contained in the House bill amending the provisions in subsection 8 (2) relating to company-dominated unions and subsection 8 (5) relating to collective bargaining. This means that the five unfair labor practices contained in the present National Labor Relations Act remain unchanged except for the additional restrictions imposed upon agreements requiring union membership as condition of employment in the proviso to section 8 (a) (3).

When the bill passed the Senate it also contained a sixth paragraph in this subsection which made it an unfair labor practice for an employer to violate the terms of a collective-bargaining agreement or the terms of an agreement to submit a labor dispute to arbitration. The House conferees objected to this provision on the ground that it would have the effect of making the terms of every collective agreement subject to interpretation and determination by the Board, rather than by the courts. The Senate conferees ultimately agreed to its elimination as well as the deletion of a similar provision contained in subsection 8 (b) (5) of the Senate amendment which made it an unfair labor practice for a labor organization to violate the terms of collective-bargaining agreements. The provisions of the Senate amendment which conferred a right of action for damages upon a party aggrieved by breach of a collective-bargaining contract, however, were retained in the conference agreement (section 301). If both provisions had remained, there would have been a probable conflict of remedies and decisions.

Section 8 (b) contains the provisions of the conferees' agreement with respect to unfair labor practices by labor organizations or their agents. Paragraphs 1 (a) and 1 (b) relating to acts of restraint or coercion by labor organizations are identical with the paragraph dealing with the subject in the Senate amendment.

Paragraph (2), which makes it an unfair labor practice for a labor organization to cause or attempt to cause an employer to discriminate against employees, departs from the text of the corresponding paragraph in the Senate amendment in two respects. The original Senate language used the words "to persuade or attempt to persuade." The House conferees objected on the ground that it seemed inconsistent with the provisions guaranteeing all parties freedom of expression. The conferees clarified this language so that it reads "to cause or attempt to cause." The House managers also directed the attention of the Senate conferees to the fact that while the Senate bill forbade unions to discriminate against employees with respect of whom membership in a labor organization had been denied on some ground other than failure to pay dues and initiation fees it did not expressly forbid a union to attempt to bring about the discharge of an employee who is not covered by a valid compulsory membership agreement. Of course a discharge under such circumstances has been repeatedly held to be a violation of subsection 8 (3) of the present act by the Board, and since it was not the intent of the Senate to make unlawful coercion by a labor organization against employees covered by compulsory membership agreements and yet to tolerate attempts at discrimination against employee not so covered, the conferees agreed to the adoption of the phrase "in violation of subsection 8 (3)."

Subsection 8 (b) (3) is the same as 8 (a) (3) of the Senate amendment.

Subsection 8 (b) (4) relating to various kinds of boycotts and jurisdictional strikes is substantially the same as the corresponding language in the Senate amendment except that a strike or boycott to compel an employer or a self-employed person to join a labor or employer organization is also proscribed by this section. In the House bill such activities as well as a number of other kinds of concerted action, were made unlawful and excepted from the provisions of the Norris-LaGuardia Act. This meant that a private employer could secure direct injunctive relief against labor organizations or their agents engaging in such activities without complying with the provisions of that act. At the insistence of the Senate conferees the House managers agreed to eliminate these provisions from the conference report.

Subsection 8 (b) (5) relating to excessive initiation fees was not contained in the Senate amendment. In the House bill union initiation fees were among 10 provisions providing for certain rights and immunities of members of labor organizations against arbitrary action by the officers of a union to which they belonged. This was the so-called bill of rights subsection in the House bill. The Senate conferees refused to agree to the inclusion of this subsection in the conference agreement since they felt that it was unwise to authorize an agency of the Government to undertake such elaborate policing of the internal affairs of unions as this section contemplated without further study of the structure of unions. In the opinion of the Senate conferees the language which protected an employee from losing his job if a union expelled him for some reason other than nonpayment of dues and initiation fees, uniformly required of all members, was considered sufficient protection. In acceding to the wishes of the Senate conferees in this respect the House group did point out, however, that subsections 3 (a) (3) and 8 (b) (2) of the Senate amendment did not sufficiently deal with the situation in which unions wishing to continue a monopoly of certain trades might pass a resolution requiring all new members to pay exhorbitant initiation fees and thereby frustrate the intent of the Senate bill. The House bill limited initiation fees to $25 per member except where a greater amount was permitted by the Board. The Senate conferees were of the opinion that it was not practical to set a definite amount by law but were willing to accept the principle that where employment was conditioned upon membership in a labor organization exorbitant initiation fees should not be charged.

Consequently the conference agreement contains a new provision (subsec. 8 (b) (5)) making it an unfair labor practice to charge fees which the Labor Board finds excessive or discriminatory to employees covered by compulsory membership agreements. It also provides that in making such findings the Board shall have regard to the practices and customs of unions in particular industries and the pay received by the employees of whom the initiation fee is required.

Section 8 (b) (6) of the conference agreement covers a matter with which the House bill dealt extensively under the topic of featherbedding practices. There was no corresponding provision in the Senate amendment. The provisions in the House bill made unlawful and enjoinable any strike to compel an employer to accede to featherbedding practices. Among the activities defined as a featherbedding practice by the House bill were: (a) Agreeing to employ persons in excess of the number reasonably required, (b) paying money in lieu of employing such an excess number of persons, (c) paying more than once for services performed, (d) paying money for services not performed, and (e) paying a tax for the privilege of using certain articles or operating certain machines or agreeing to restrictions upon their use. While the Senate conferees were in sympathy with the objectives of this portion of the House bill, it seemed to them that it was almost impossible for courts to determine the exact number of men required in hundreds of industries and all kinds of functions. The provisions in the Lea Act from which the House language was taken are now awaiting determination by the Supreme Court, partly because of the problem arising from the term "in excess of the number of employees reasonably required." Therefore, the conferees were of the opinion that general legislation on the subject of featherbedding was not warranted at least until the joint study committee proposed by this bill could give full consideration to the matter. Since the matter of exacting money for services not to be performed borders definitely on extortion, the conferees agreed to the insertion of a paragraph (sec. 8 (b) (6)) which makes it an unfair labor practice to cause or attempt to cause employers to pay money under such circumstances.

Subsection (c) relating to the right of employers, employees, and labor organizations to express opinions and views freely conforms substantially with the language of subsection 8 (d) (1) of the House bill and is a substitute for section 8 (c) of the Senate amendment. The House conferees were of the opinion that the phrase "under all the circumstances" in the Senate amendment was ambiguous and might be susceptible of being construed as approving certain Board decisions which have attempted to circumscribe the right of free speech where there were also findings of unfair labor practices. Since this was certainly contrary to the intent of the Senate, as the accompanying report of the committee

with respect to this subsection indicates, the Senate conferees acceded to the wish of the House group that the intent of this section be clarified.

Since the adoption of the conference agreement some inquiries have been received as to whether or not the guarantee of freedom of expression contained in this section is limited to expressions "which are not printed, graphic. * * *." These words are not words of limitation but were added in the House bill so as to make it clear that freedom of expression was not confined to oral utterances. The language of the report of the House committee makes it clear, moreover, that what the sponsors of the House bill had in mind were primarily oral utterances. There has also been some question raised with respect to the phrase "constitute or be evidence of an unfair labor practice." The purpose of this language is to make it clear that the Board is not to use any utterances containing threats or promises of benefit as either an unfair practice standing alone or as making some act which would otherwise not be an unfair labor practice, an unfair labor practice. It should be noted that this subsection is limited to "views, argument, or opinions" and does not cover instructions, directions, or other statements which might be deemed admissions under ordinary rules of evidence. In other words this section does not make incompetent, evidence which would ordinarily be deemed relevant and admissible in courts of law.

Section 8 (d) defines the term "to bargain collectively" and is substantially the same definition which appeared in the corresponding section of the Senate amendment. There is clarifying language providing that the 60 days' notice provisions should not be construed as requiring either party to discuss or agree to any modification of terms or conditions contained in a contract during the life of the contract and that the requirement of notice ceases to be applicable when the bargaining representative has lost its majority status. In adopting the language of the Senate bill, the conferees rejected a definition of collective bargaining which was contained in the House bill which required among other things the taking of a strike ballot in every strike.

Representatives and elections: Section 9 (a) relating to the definition of the exclusive representative and the rights of individual employees to present grievances is identical with section 9 (a) of the Senate amendment.

Section 9 (b) is also the same as section 9 (b) of the Senate amendment with the exception of an addition of a third clause relating to plant guards. As has been previously stated, the Senate rejected a provision in the House bill which would have excluded plant guards as employees protected by the act. The conferees on both sides, however, have been impressed with the reasoning of the Circuit Court of Appeals for the sixth circuit in the Jones and Laughlin case in which an order of the Board certifying as a bargaining representative of guards, the same union representing the production employees was set aside. Although this case was recently reversed by the Supreme Court on the ground that the Board had it within its power to make such a holding, four of the Justices agreed with the Circuit Court of Appeals holding that this was an abuse of the discretion permitted to the Board under the act. One of the members of the Board has also expressed this view in a number of dissenting opinions. Under the language of clause (3), guards still retain their rights as employees under the National Labor Relations Act, but the Board is instructed not to place them in the same bargaining unit with other employees, or to certify as bargaining representatives for the guards a union which admits other employees to membership or is affiliated directly or indirectly with labor organizations admitting employees other than guards to membership.

Subsection 9 (c) (1). The conference agreement is identical with corresponding section in the Senate amendment.

Subsection 9 (c) (2) of the conference agreement also follows the Senate amendment except in one minor respect, the provision which prevents the Board from denying a labor organization a place on the ballot by reason of an order not issued in conformity with section 10 (c). In the opinion of the Senate conferees the language of the Senate amendment which prevents the Board from continuing the present disparity of treatment with respect to independent unions was sufficient to accomplish the result now expressly spelled out by the conference agreement. Since the House conferees expressed some doubt on this question, however, the Senate conferees agreed to the insertion of this language.

Subsection 9 (c) (3) relating to the 12-month rule and run-offs in elections follows the language of the Senate amendment. With respect to the rights of strikers to vote, the Senate language read: "employees on strike who are not entitled to reinstatement shall not be eligible to vote unless such strike involves an unfair labor practice on the part of the employees." This clause provoked some controversy in conference as the House bill provided that unfair labor practice strikers would cease to be employees under the Wagner Act. The Senate refused to agree to the House method of dealing with unfair labor practice strikers. The decisions of the Board which treat unfair labor practice strikers and economic strikers differently does not rest on anything in the act but is simply a matter of determination by the Board. The effect of the Senate language, however, would have been to have written this policy into the statute. Since it was not the intent of the Senate conferees to approve the practice, they agreed to omit this clause. Thus the matter still rests within the discretion of the Board.

Subsection 9 (c) (4) relating to consent elections was in the Senate amendment but the House insisted upon the deletion of language which would have authorized prehearing elections.

Subsection 9 (c) (5) adopts the House amendment written to discourage the Board from finding a bargaining unit to be appropriate even though such unit was only a fragment of what would ordinarily be deemed appropriate, simply on the extent of organization theory.

Subsection 9 (d) of the conference agreement conforms to the Senate amendment. The House bill contained a provision which would have permitted judicial review of certifications even before the entry of an unfair labor practice order. In receding on their insistence on this portion, the House yielded to the view of the Senate conferees that such provision would permit dilatory tactics in representation proceedings.

Subsection 9 (e) (1), (2), and (3) relating to the elections necessary to authorize a union to bargain for a compulsory-membership agreement are substantially the same as the corresponding subsection in the Senate amendment except that the rule with respect to the appropriate showing has been changed from "a substantial number" to 30 percent, the figure contemplated by both bills. The House conferees receded from insisting upon a provision which would have required the secret ballot authorizing a union-shop contract to be taken only after the employer and labor organization had agreed upon a compulsory-membership contract.

Subsection 9 (f) and subsection 9 (g) requiring labor organizations as a condition precedent to being recognized as representatives under section 9 or being permitted to file charges under section 10 must file certain information with the Secretary of Labor and furnish certain financial reports to their members, differs from the corresponding subsections in the Senate amendment only with respect to paragraph (f) (6). This paragraph was adopted at the insistence of the House conferees after they had receded from their position of having the bill of rights section included. It requires that the information which the unions are to file shall also detail the provisions followed with respect to certain union matters affecting the rights of individual members.

Subsection 9 (h) of the conference agreement embodies the principle of an amendment adopted when the bill was being considered on the floor of the Senate which would have prevented a labor organization from being eligible for certification if any of its local, national, or international officers were members or affiliates of the Communist Party or believed in or supported organizations advocating the overthrow of the United States Government by force or any other illegal or unconstitutional method. There was a similar provision in the House bill, although the language was somewhat different. In reconciling the two provisions the conferees took into account the fact that representation proceedings might be indefinitely delayed if the Board was required to investigate the character of all the local and national officers as well as the character of the officers of the parent body or federation. The conference agreement provides that no certification shall be made or any complaint issued unless the labor organization in question submits affidavits executed by each of its officers and officers of its national or international body, to the effect that they are not members or affiliates of the Communist Party or any other proscribed organization. The penal provisions of section 35 (a) of the Criminal Code (U. S. C., title 18, sec. 80) are made applicable to the execution of such affidavits. This section of the code was amended by Congress so that it applies generally to representations made to induce action by an agency of the Government as well as the filing of false or fraudulent claims. Violations of this section are punishable by fines not in excess of $10,000 or prison sentences not in excess of 10 years.

Prevention of unfair labor practices: The existing law provides that the rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before the Board, and in reviewing orders of the Board, the courts are bound by its findings as to the facts if supported by evidence. The House bill adopted a weight of evidence test in court review and provided that Board proceedings, so far as practicable, be conducted in accordance with the rules of evidence applicable in United States district courts. The Senate bill left unchanged the existing law with respect to the conduct of Board hearings, but gave additional authority to the courts in review of Board cases by providing that the Board findings must be supported by substantial evidence on the record considered as a whole to be conclusive. Widespread abuse of its latitude in admitting evidence was prevalent in the early history of the Board. It is the current practice of the Board in its hearings generally to follow the rules of evidence prevailing in the courts. Therefore, the Senate conferees were agreeable to the adoption of the House language with respect to the conduct of Board proceedings but insisted that the Senate rule on court review be accepted as the conference agreement.

The conference agreement adopted from the House bill a procedural provision providing that trial examiner's findings and recommended orders automatically become the orders of the Board within 20 days in the absence of exceptions being taken by any party. This device, in many cases, will expe-

dite final determinations and reduce the work load of Board members and their legal assistants.

In all other respects, section 10, the enforcement section of the act, remains as in the Senate bill.

Investigatory powers: Section 11 authorizes the Board to conduct hearings and investigations and to subpena witnesses. This section was not changed in the Senate amendment and was modified by the conferees in only one respect. The Board is required upon application of any party to issue a subpena as a matter of course. A procedure is established whereby the person subpenaed may move to quash the subpena if the evidence requested thereby does not relate to any matter under investigation or does not describe with sufficient particularity the evidence required.

Section 12 of the conference agreement remains as in the Senate amendment and in the present act.

Limitations: Section 13 of the conference agreement remains as in the Senate amendment.

A new subsection has been added to section 14 to make it perfectly clear that nothing in the act is to be construed as authorizing compulsory union membership agreements, in States where the execution or enforcement of such agreements would be contrary to State law. Many States have enacted laws or adopted constitutional provisions to make all forms of compulsory unionism in such States illegal. As stated in the report accompanying the Senate committee bill, it was not the intent to deprive the States of such power. The conferees, therefore, had no objection to the adoption of the House provision to that effect.

Sections 15, 16, and 17 of the conference agreement remain as in the Senate amendment and none change existing law.

Effective dates: The Senate bill did not contain any postponed effective date. Realizing that the additional duties given to the Board as well as the numerous procedural changes required would necessitate the formulation of new rules and regulations and possible training of new personnel, the effective date of amendments to the National Labor Relations Act was made 60 days after enactment in section 104. In order that the additional Board members and the general counsel might immediately be appointed to share in formulating new rules and regulations, such authority may be exercised forthwith.

Consideration was given to excepting the provisions for compulsory union membership agreements from the postponed effective date. Here again, however, the Board would be ill prepared to process the many petitions for the vote required by section 9 (e). The conference agreement, therefore, provides that compulsory unionism agreements entered into during the 60-day period between enactment and effective dates may not be valid for longer than 1 year. In all other respects, sections 103 and 104 remain as in the Senate amendment.

TITLE II—CONCILIATION OF LABOR DISPUTES IN INDUSTRIES AFFECTING COMMERCE; NATIONAL EMERGENCIES

Title II of both the Senate and House bills contained provisions creating a new independent conciliation service, and provisions for the treatment of strikes affecting the national health or safety. Both provided for a Director appointed by the President, by and with the advice and consent of the Senate, to head the new service. The conference agreement, with few exceptions, follows the Senate amendment.

Under the House bill the new service was to be known as the Office of Conciliation, while the Senate called it the Federal Mediation Service. Under the conference agreement it is to be known as the Federal Mediation and Conciliation Service. The policy statement remains as in the Senate bill.

Section 203 of the Senate amendment provided that if the parties could not be brought to direct settlement by conciliation or mediation the Service was authorized to seek to induce the parties to submit the dispute to voluntary arbitration, with the United States contributing not to exceed $500 to the costs of arbitration. The conference agreement does not mention arbitration as such, but provides that if the parties cannot be brought to settlement by conciliation and mediation the Service shall seek to induce them voluntarily to seek other means of settlement without resort to strike or lock-out. The provision relating to Government contribution to the cost of arbitration has been omitted. In seeking to induce the parties to seek other means of settling the dispute, the Director has a duty to attempt to secure submission to the employees of the employer's last offer of settlement for refusal or rejection in a secret ballot. Such vote is not compulsory because the Senate conferees refused to accept the House provisions for mandatory strike votes in all cases.

The only change in section 204 of the Senate bill, stating the duties of the parties to a labor dispute, is the deletion of the language which indicated a duty to submit grievance disputes to arbitration.

Section 205, creating an advisory committee for the Service, remains as in the Senate amendment.

National emergencies: Sections 206 to 210 of the Senate bill, dealing with the problem of strikes imperiling the national health or safety, have not been substantially changed. The authority to appoint the board of inquiry and to determine subsequent action has been lodged in the President rather than the Attorney General, and the reports which the board of inquiry is to make are to include each party's statement of its position.

Section 210, giving to the Bureau of Labor Statistics the duty of collecting and maintaining a file of collective-bargaining agreements, remains as in the Senate amendment.

TITLE III—SUITS BY AND AGAINST LABOR ORGANIZATIONS

Section 301 differs from the Senate bill in two respects. Subsection (a) provides that suits for violation of contracts between labor organizations, as well as between a labor organization and an employer, may be brought in the Federal courts. Subsection (b) now provides that both employers and unions shall be bound by the acts of their agents and, as in the amendment to the National Labor Relations Act, the requirement that the agents' acts be actually authorized or subsequently ratified is not controlling.

Restrictions on payments to employee representatives: Employer contributions to union welfare funds were prohibited by the House bill. The Senate amendment restricting the operation and purposes of such funds was adopted by the conferees with some clarifying changes. A new provision has been added requiring that payments for the purpose of providing pensions or annuities must be paid into a separate trust set up for that exclusive purpose. The provision making joint control of the trust has been made inapplicable to funds established prior to January 1, 1946, and contributions to trust funds providing for pooled vacation benefits prior to January 1, 1947, are not prohibited.

Boycotts and other unlawful combinations: Section 303, relating to various kinds of boycotts and jurisdictional strikes, is substantially the same as the corresponding language in the Senate amendment, except that a strike or boycott to compel an employer or a self-employed person to join a labor or employer organization is also proscribed by this section.

Restrictions on political contributions: The House bill contained a provision making permanent the provisions which were contained in the War Labor Disputes Act whereby labor organizations were prohibited from making political contributions to the same extent as corporations. In addition, this section extended the prohibition, both in the case of corporations and labor organizations, to include expenditures as well as contributions. Moreover, expenditures and contributions in connection with primary elections and political conventions were made unlawful to the same extent as those made in connection with the elections themselves. There was no comparable provision in the Senate amendment. The conference agreement in section 304 adopts the provisions of the House bill, with one change. Under the conference agreement, expenditures and contributions in connection with primary elections, political conventions, and caucuses are made unlawful to the same extent as those made in connection with the elections themselves. As a clarifying change, the definition of a labor organization has been set forth in full rather than incorporating the provision of the National Labor Relations Act.

Strikes by Government employees: The House bill made it unlawful for any employee of the United States to strike against the Government. Violations of this section were to be punishable by immediate discharge, forfeiture of all rights of reemployment, forfeiture of civil-service status, and forfeiture of all benefits which the individual had acquired by virtue of his Government employment. The conference agreement, in section 305, makes it unlawful for any individual employed by the United States or any agency thereof (including wholly owned Government corporations) to participate in any strike. Violations are to be punishable by immediate discharge and forfeiture of civil-service status, if any, and the individual is not to be eligible for employment by the United States for 3 years.

TITLE IV—CREATION OF JOINT COMMITTEE TO STUDY AND REPORT ON BASIC PROBLEMS AFFECTING FRIENDLY LABOR RELATIONS AND PRODUCTIVITY

Title IV of the conference agreement adopts the provisions of the Senate amendment, with one change. The committee is directed to make its final report not later than January 2, 1949.

TITLE V

Sections 501, 502, and 503 of the Senate amendment are contained in the conference agreement with the same section numbers.

Mr. TAFT. Mr. President, there are many minor provisions. We accepted the House provision with respect to freedom of speech. I think that is a provision which meets with general approval. Even Mr. William Green, president of the American Federation of Labor, was in favor of a free-speech provision for employers. We accepted the House provision, which was perhaps a little stronger than the Senate provision, but not substantially different in principle.

We accepted a provision regarding plant guards. We had exempted foremen in the Senate bill, but we had not exempted plant guards. The House bill exempted plant guards, and also time-study employees and personnel forces. We did not accept any of those provisions, except that as to plant guards we provided that they could have the protection of the Wagner Act only if they had a union separate and apart from the union of the general employees.

The conferees rejected the broad prohibition of all kinds of strikes. They

rejected the repeal of the Norris-LaGuardia Act. The provisions regarding injunctions are exactly those which were in the Senate bill, and were approved by the Senate. The only strikes which are declared to be illegal are secondary boycotts and jurisdictional strikes. In such cases the injunction can be obtained only through the National Labor Relations Board. In that respect the House accepted entirely the provisions of the Senate bill.

Mr. President, I shall be glad to answer any specific questions. I do not believe that I need to go through the entire bill at this time.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Does the provision to which the Senator just referred include language about exactions in connection with featherbedding?

Mr. TAFT. Yes.

Mr. PEPPER. The Senator was speaking about subparagraph (6) of section 8, on page 8.

Mr. TAFT. That is correct. It makes it an unfair labor practice "to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed."

Mr. PEPPER. The definition of "exact" in Webster's New International Dictionary, second edition, unabridged, is as follows:

> To demand or require authoritatively or peremptorily; to enforce the payment of or a yielding of; to compel to yield or furnish; hence to wrest, as a fee or reward when none is due.

Would it be an unfair labor practice for a group of women working in a textile mill to insist upon the employer giving them a rest period of 15 minutes each morning, and to be paid for that work period when they were not actually working?

Mr. TAFT. No; I do not think that is in the nature of an exaction.

Mr. PEPPER. Suppose they said they were going to strike if they did not get the rest period, and they therefore forced the employer to give it to them as a condition of continuing to work.

Mr. TAFT. They are paid for the work they do.

Mr. PEPPER. But they are paid for the 15 minutes when they are resting and not working.

Mr. TAFT. In my opinion that would not be a violation of this section.

Mr. PEPPER. There are contracts in force between a great many unions and employers under which, if a worker reports for work in the morning at the appointed time and finds that he is not going to be required to work that day, the employer must pay him for the day's work. Would insistence by a labor union upon payment of a day's pay to a worker who reported for work in the morning, when the employer gave him no work to do when he got there, be considered an exaction?

Mr. TAFT. No; I do not think that is in the nature of an exaction. He is paid for coming to work at the request of the employer. It is not in the nature of an exaction.

Mr. PEPPER. What I wanted to emphasize to the able Senator is that the language in the conference report is so broad that it would clearly include such a situation, because it is provided that it shall be an unfair labor practice to "cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed."

It seems to me that the language is broad enough to cover both the cases which I have mentioned, because they involve a demand that payment be made for time when actually no work was performed.

Mr. TAFT. I am sorry to disagree with the Senator, but it seems to me that it is perfectly clear what is intended. It is intended to make it an unfair labor practice for a man to say, "You must have 10 musicians, and if you insist that there is room for only 6, you must pay for the other 4 anyway." That is in the nature of an exaction from the employer for services which he does not want, does not need, and is not even willing to accept.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. PEPPER. In the paragraph immediately following the paragraph which we have been discussing, subparagraph (c) on page 8, the following language appears:

> (c) The expressing of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this act, if such expression contains no threat of reprisal or force or promise of benefit.

Under that provision, if an employer were to say on Monday, "I hate labor unions, and I think they are a menace to this country", and if he fired a man on Thursday and the question was whether that man was fired for cause or fired because he was agitating for a union in the plant, would the statement made on Monday, in which the man said, "I think labor unions are a menace to this country" be admissible in evidence as bearing on the question of the reason for the discharge?

Mr. TAFT. All these questions involve a consideration of the surrounding circumstances. It would depend upon the facts. Under the facts generally stated by the Senator, I think that statement would not be evidence of any threat. There would have to be some other circumstances to tie in with the act of the employer. If the act of discharging is illegal and an unfair labor practice, consideration of such a statement would be proper. But it would not be proper to consider as evidence in such a case a speech which in itself contained no threat express or implied. That is the effect of the House language which we accepted.

Mr. PEPPER. If the Senator will permit, that is the point I want to emphasize——

Mr. TAFT. That is the effect of the House language.

Mr. PEPPER. That under the criminal law at the present time any statement a man may make prior to a given act which the court may try to evaluate may be admitted in evidence as having some relationship to his intentions. But the conference report deliberately excludes statements of that sort, unless the statement contains an actual threat, thereby depriving the Board of the full evidence in the case.

Mr. TAFT. So long as the Board has a statement of that kind the employer's mouth is practically shut. In case he makes a speech later on and is charged with some unfair or unlawful labor practice, and that can be considered in evidence, it means that he cannot afford to speak at all. Without that provision there is not freedom of speech. I say that is one thing that a man ought to have. He ought to have freedom of speech, and it seems to me we should put in the word "evidence."

Mr. President, I shall be glad to answer any questions as to any other changes in the bill. I think I might make the general statement that as to every controversial subject which was discussed by the Senate or which was in controversy in the Senate the conferees stood by the Senate versions, and those versions were accepted by the House conferees.

The other matters are matters of collateral interest and were not discussed, or were matters on which the Senate had not expressed itself.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Washington.

Mr. MAGNUSON. How much new matter was put into the bill in conference?

Mr. TAFT. I think I referred to the only two new matters; that is, striking by Government employees, and the one which we have just been discussing.

Mr. MAGNUSON. Those are the two important ones?

Mr. TAFT. Yes. There were three things which might be said to be new matters.

Mr. BALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BALL. I think the question of State contracts was one; that is, making union contracts a condition of employment. I think that is new. There was a compromise in the House on language spelling it out.

Mr. TAFT. The Senate committee report stated on its face that State laws would still remain in effect. All we have done is to write in expressly what our committee report said.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Idaho.

Mr. TAYLOR. I should like to ask the Senator from Ohio a question. In two sessions of the Congress I have introduced a bill providing for the printing of the voting records of Senators and making them available to the people on the payment of their actual cost. The bill has gotten no place. It has not been reported. We are not going to permit a labor union to print the voting records

of Senators. How are people to find out how we voted?

Mr. TAFT. Surely the Senator has something besides labor organizations in the State of Idaho. He must have other friends. Any individual friends of the Senator can publish the same thing. The question merely is whether in political campaigns we are going to permit labor unions or corporations to use funds which they have accumulated for some other purpose to elect or to defeat a presidential candidate.

Mr. BALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BALL. I do not think there is a single thing in the bill which prohibits any union or corporation or anyone else from printing any public official's voting record. That is not a campaign for or against a candidate. It is simply the printing of public information.

Mr. TAFT. I was thinking of the way most of the labor organizations are on record. They do not, as a rule, merely print facts.

Mr. BALL. The Senator was thinking of the PAC?

Mr. TAFT. Yes.

Mr. TAYLOR. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. TAYLOR. I should like to return to the question, because I think it is important. Take the matter of a radio program sponsored by either a union or a corporation. I think the AFL or the CIO, one or the other, has a news commentator who comments on the news. Could he comment on political candidates favorably or unfavorably?

Mr. TAFT. If the General Motors Corp. had a man speaking on the radio every week to advocate the election of a Republican or a Democratic Presidential candidate, the corporation ought to be punished, and it would be punished under the law. Labor organizations should be subject to the same rule.

Mr. TAYLOR. That is altogether different. It is a more subtle thing. When a commentator is broadcasting the news every day he can do a lot more good or harm to a man by coloring his broadcast and presenting it in the guise of a news commentary than he could openly.

Mr. TAFT. The Senator is right. It is a question of fact which would have to be raised in every case. Is it a contribution to a candidate or is it not? Possibly a knock is a boost sometimes. That argument might well be made by a person who was taking part in an election.

Mr. TAYLOR. I should be happy to have him mention my name at any time, in any capacity, good or bad. There will be some very fine definitions required. I am afraid we shall wind up with our radio commentators absolutely hamstrung if they are sponsored by anyone.

Mr. MAGNUSON and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER (Mr. WILEY in the chair). Does the Senator yield; and if so, to whom?

Mr. TAFT. I yield first to the Senator from Washington.

Mr. MAGNUSON. I understood, when I asked the Senator whether or not there was any new matter placed in the bill in conference, that there were three points. Do I correctly understand that those were in the House bill?

Mr. TAFT. Yes.

Mr. MAGNUSON. There was no absolutely new matter? What may be new to the Senate bill was in the House bill, is that correct?

Mr. TAFT. Yes. There is nothing new. We changed the provision regarding Communist officers. The Senate adopted an amendment which provided that no union could be certified if any of its officers were Communists. That seemed to us impracticable. With the agreement of all the conferees we provided that the union must file an affidavit that none of its officers are Communists, or whatever the language may be. Otherwise, the way it was passed by the Senate, the whole certification might be tied up for months while determination was made as to whether a man was a Communist. Today it is provided that officers shall file statements to the effect that they are not Communists. If a man who files such a statement tells an untruth he is subject to the same statute under which Marzani was convicted last week. That seemed a fair modification to make, although it was not in the House bill. But there is no provision as to that subject that was not in one bill or the other.

Mr. MAGNUSON. The Senator's contention is that whatever is in the conference report was either in the House bill or the Senate bill?

Mr. TAFT. Yes.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from West Virginia.

Mr. KILGORE. Getting back to the subject of radio broadcasting about which we have been talking, I note that the bill uses the words "employer associations," "corporations," and "national banks." I am wondering if an association such as the National Manufacturers' Association, the National Coal Association, or the Association of American Railroads, could sponsor radio broadcasts or advertise in a political way on behalf of a political program. All advertising of that nature is not necessarily for a candidate. It may be for the platform of a party, or something of that nature.

Mr. TAFT. The question is, again, a question of fact. We have had a law against contributions by corporations for years.

Mr. KILGORE. I realize that.

Mr. TAFT. The question as to whether it is in connection with an election I suppose depends on how close it is to the election; how closely it is tied in with something which is a direct issue of the election. It is a question of fact in each case. We did not change the law in that respect.

Mr. KILGORE. I fear I did not make my question clear. Organizations such as, let us say, the National Coal Association, the National Association of Manufacturers, and other similar organizations are not corporations. It is true that they have both individual and corporate members.

Mr. TAFT. When that question was asked here before, I answered it by saying that if an association of manufacturers accepts contributions from corporations and others that violate the laws by making contributions for political purposes, I think it will be an accessory with those corporations and will be liable under the act. I stated that before as my opinion.

Mr. KILGORE. I know the Senator from Ohio did. But suppose the association makes annual assessments on each member, be he either an individual or a corporation, and sponsors a radio program of the sort we are discussing.

Mr. TAFT. I still think that would be the use of funds for political purposes; that would be contributing and assisting in that general result.

Mr. KILGORE. Of course, that was the opinion of the committee.

Mr. TAFT. Yes; and it is my opinion. The same thing is true, let us say, of the PAC, if the PAC collects funds from labor unions, rather than from individuals.

Mr. KILGORE. Yes.

Mr. TAFT. The PAC has ordinarily collected its funds from individuals.

Mr. KILGORE. Yes.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. I wish to ask the Senator from Ohio whether he agrees with the Senator from Minnesota [Mr. BALL], who just expressed the opinion that if a labor organization used its funds to disseminate the voting record of a candidate for office, during the time of the campaign, that would not be unlawful. Does the Senator from Ohio agree with the Senator from Minnesota that that would not be unlawful, because it would not be an expenditure in connection with an election in which certain candidates or political parties are involved?

Mr. TAFT. I think it would depend upon all the circumstances in the case. If it was merely a bare statement of actual facts and simply direct quotations of what the man had said in the course of certain speeches on certain subjects, and was not colored in any way, I would rather agree with the Senator from Minnesota. But I think it would depend, in each case, on the character of the publication.

Mr. PEPPER. Of course, the language is "in connection with." The provision does not contain any statement as to whether the statement is colored or not. The words simply are "any expenditure in connection with an election." I do not see how the Senator could say that the publication of a voting record, in the midst of a campaign, was not an expenditure in the midst of an election.

Mr. TAFT. That is not a very practical question, because no one would do just that. Either it is an argument for him or against him, or it is not.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MURRAY. I should like to inquire what would be the situation in a case in which an industrial organization has a chain of newspapers which obviously are operated for political purposes,

and which have a deficit at the end of each year, which is made up by the corporation, the newspapers being used for purposes of advancing the political interests of the corporation, influencing elections, and advocating the election of certain favored candidates. What would be the situation in such a case, under this provision of the bill we have been considering?

Mr. TAFT. I think that corporation had better be careful. It is a more difficult case to prove, as the Senator realizes, because the contribution is indirect. But if I were an attorney for such a corporation, I would advise that corporation to be very careful, and that it might very easily be found to be violating the law.

Mr. MURRAY. Of course these corporations are very well versed in the legalities, and generally they organize such newspapers as separate independent corporations. So it is very difficult to discover just who is operating them, what their expenditures are and where their financial support comes from.

For instance, I made inquiry from the Securities and Exchange Commission in an attempt to discover the status of a great string of newspapers in my State. I wished to learn where the money comes from for their operation and how it is expended and who pays the deficiency. But I could not get any information from that source. It will be very difficult to discover what the real situation is in such cases.

Yet great corporations can operate in that manner, whereas a labor union publishing a newspaper, will not under this bill be able to carry any information to its members in connection with the elections, either by printing the records of the candidates or advocating the election of certain candidates.

Mr. TAFT. Those are questions which may be difficult of proof, just as it may be difficult to prove who may be paying the deficits of the Daily Worker. Those things are always defects in any law. But I think if they were actually pinned down and proved, they probably would be found to be violations of the law. That would be my impression.

Mr. MURRAY. But of course it is obvious that the unions would be at a great disadvantage under this bill, because these large corporations can control all the weekly newspapers throughout a State, by placing lucrative advertisements with them. That is a practice in Montana and many other States. The corporations can give contracts for advertising purposes to all the weekly newspapers, and thus can have their support in the elections and in the campaigns involving economic issues. Under this provision, the unions will be entirely confined to publishing newspapers that do not carry any information or propaganda advancing their interests.

Mr. TAFT. Probably the Senator from Montana saw that the American Federation of Labor has announced the spending of $1,500,000. So it is not wholly without funds to advertise in opposition to the measure which is now before the Senate.

So apparently large sums of money are available on both sides.

The PRESIDING OFFICER. The question is on agreeing to the conference report on House bill 3020.

Mr. MORSE obtained the floor.

Mr. MAGNUSON. Mr. President, if the Senator from Oregon will yield to me, I should like to make a brief statement on the point which has just been under discussion. Much has been said to the effect that the purpose of this measure is to equalize the opportunities of corporations and labor unions. The provision we now are considering makes the situation entirely unequal, as the Senator from Montana has pointed out. As he has stated, a string of newspapers is operated in his State, and most of them operate at a deficit. In many cases the deficit is made up by a large corporation that is up to its ears in politics all the time. Those newspapers can be published for 365 days a year and can be absolutely under the direct control of that large corporation, and can make deprecatory statements about the candidates for public office, and can do so as much as they wish to do, whereas the union, which obtains its funds only from dues paid by the union members, will not be able to engage in such activities. Of course, the union could obtain voluntary contributions for that purpose, but it is very difficult to operate a newspaper day in and day out on the basis of voluntary contributions. So in such a case the unions will be penalized, and so will similar organizations which collect their money from dues. A labor organization presumably is a collection of individuals for nonprofit purposes, whereas a corporation is set up for profit, and we have always considered the two to be different.

Let us consider the National Grange, for instance. I do not think it should be denied this privilege. It obtains its funds by means of the collection of dues. The National Grange or the national cooperatives or any other national organizations which obtain their funds by means of the payment of dues will be able to use those dues to put out all the political propaganda they wish to put out, whereas a labor union, which also is a collection of individuals, presumably for nonprofit purposes, will not be able to do so.

Thus we see that in this case the pendulum has swung too far the other way. I do not deny that in some cases it is necessary to equalize the two relative positions, but surely this proposal is a blow against the right of labor-union members to express their will through their own voluntary organization. It will be practically impossible for labor-union members to do so, whereas the corporations will be able to do so by various means, and they have done so in times past.

If this measure becomes law, it will mean that the voices of corporations in politics in the United States will be far stronger than the voices of labor unions. In itself, that is sufficient basis for a veto of this measure.

Mr. MORSE. I thank the Senator from Washington [Mr. MAGNUSON] for his excellent contribution to this debate. I agree with him completely. I can well imagine why the politicians who are so strong for this bill want to prevent labor unions from participating in political campaigns. However, such attempts to weaken the political strength of labor will only serve to make the workers of this country more convinced than ever that they must take a very active part in politics if they are to protect their rights and freedoms.

Mr. PEPPER. Mr. President, if the Senator will yield to me for a moment, let me say that the provisions of this measure overlook the essential differences between corporations and labor unions. A corporation is a person, but is not a citizen, under the laws of the United States. A corporation is entitled to the protection of its property, but it cannot vote, because it is not a citizen, in the sense that a person is a citizen. A labor union is not a corporation, it is simply an unincorporated association of people. In legal character, it is no different from a lodge, or a church, or the WCTU, or any other organization of human beings who get together to further their common good. Therefore, when labor unions are working together, through their own instrumentalities, they are simply working for the furtherance of the welfare of citizens of this country; and citizens were not created to make money. That is the reason why corporations are created.

I should just like to have leave to quote, as I quoted once before, what the late Chief Justice Taft said about labor unions:

> Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was, nevertheless, unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body in order by this inconvenience to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth. The right to combine for such a lawful purpose has in many years not been denied by any court.

Mr. President, this prohibition, therefore, is denying to citizens of this Nation the right of free press, the right of free speech, the right of disseminating information of public value. It is a chain upon the citizens' activity, and we well know that these labor organizations are composed of working people. They do not have people who are their members who can contribute hundreds of thousands or millions of dollars to political campaigns. They have to do it collectively. So they are denied the privilege of collective expression in political campaigns and are being discriminated against in favor of the corporations of the country.

Mr. MORSE. The Senator from Florida [Mr. PEPPER] is right in what he says. This bill is a device for making unions so weak that they cannot carry on effective collective bargaining.

Mr. President, I wish to now set forth my major reasons for opposing the conference report. I shall prefer, in the interest of both time and continuity of my remarks, that I not be interrupted until I have finished my major discussion, and then I shall be glad to answer questions on my remarks.

There has been considerable talk, Mr. President, on the floor and in the cloakrooms about pressure that has been put on Members of the Senate to vote for or against the labor bill pending before the Senate. Of course, that is no new experience for any of us. Let me say that the pressure does not come from only one side on this matter. I can well testify to that, because I have been in the position where I have been receiving it from both labor and employer groups.

From the very beginning of this historic debate on labor legislation, as the President knows, I have held to the point of view that some major legislation should be passed by the present session of Congress. I think I have made a substantial contribution to this problem of labor legislation in the form of the legislation I introduced, particularly in respect to basic amendments of the Wagner Act. I am not going to go into the points I have raised in a series of speeches which I have heretofore given on the floor of the Senate during the present session setting forth my views as to the type of labor legislation that should be passed and the form in which it should be passed. I will simply mention here that if anyone wants a rather full view of my position on labor legislation, he must refer to my many speeches on the subject. Suffice for this speech I shall just refer to my other speeches by way of incorporating them in this speech by reference. When I proposed some of my labor bills I was bitterly criticized by some labor elements in this country, and I am still criticized by them. However, I think they well know that their criticism does not bother me a bit. They are welcome to keep right on criticizing me, as can any other group in the country, because I intend, so long as I am in the Senate, to propose those things which I think are sound and stand for those things, irrespective of the source of any criticism that may be heaped on my shoulders in regard to my proposals for legislation on any subject that I think is sound legislation. I say again to labor this afternoon that I think it of great importance to the public welfare as well as to the long time interest of American labor and industry and consumers generally, that the Wagner Act should be modified in those respects which I have heretofore proposed in the legislation which I have offered in this body.

I have been criticized also, Mr. President, by employer groups because they thought my legislation did not go far enough. In view of the fact that I found myself being criticized both by labor and by industry, I felt that maybe perchance I might be right, I might be taking the position that the Senate itself ought to take—a pretty sound middle-of-the-road course that would represent constructive, progressive advancement in the field of labor legislation.

But I was a little surprised at the type of communications I received. Mr. President, I was as much surprised as the Senator from California was surprised at the type of communications he read into the RECORD yesterday afternoon, showing certain techniques, as he pointed out, that labor was seeking to bring to bear upon him for a vote against the conference report and a vote in support of a veto, should a veto be handed down by the President. I, too, was a little surprised at what I received, Mr. President. I do not know of labor using exactly the type of pressure on me which the Senator from California [Mr. KNOWLAND] referred to in his remarks yesterday, but it is probably because of my innocence as to the source of some of the pressure. But I do want to say that I was a little bit surprised at the type of pressure the United States Chamber of Commerce has been using on me. I have a very good sense of humor about it, too. If I were a wealthy man and politically ambitious, I should like to contribute to the United States Chamber of Commerce at least some expense money in support of the type of pressure that has flowed from some of their activities. During the last couple of weeks they have had out in my State, Mr. President, a very jovial and, I believe, a very able and very nice fellow, who has been making the rounds of the chambers of commerce of my State and putting the so-called "political heat" on me. The newspaper accounts of his speeches are very interesting. Of course, I do not want to bind him by what the newspapers say, but these reports have come now from so many sources over so many days that I think the presumption is that he has been saying something about to the effect of what I shall now read. I read from the Capital Journal, of the capital city of my State, the issue of May 21, an interesting little story with the headline "Pressure on Senator MORSE for labor bill vote urged":

> Members of the chamber of commerce who listened Tuesday afternoon to a talk by Jacob D. Allen, national affairs adviser for the Chamber of Commerce of the United States, were advised to exert some pressure on Senator WAYNE MORSE in an effort to get him to bow to the majority relative to labor bills that have passed both Houses of Congress and are now in conference.
>
> Allen had much to say in praise of MORSE—

I am afraid though, from the reports I have received from friends, that it was faint praise, Mr. President—

> but described him as crosswise in bed with the majority of his own party and even with half his colleagues in the Democratic Party.
>
> "He should," he said, "follow the example of IVES and others who fought the legislation shoulder to shoulder with him, and now bow to the majority."
>
> Allen said that in a recent talk with Senator TAFT, the Republican leader told him that "should the President veto the labor bill the matter of politics would become an essential element, and many Democrats might change their votes to sustain his veto.
>
> "TAFT felt that if MORSE were to reverse his stand it would break the backbone of the PEPPERS in Congress."

This Mr. Allen, as spokesman for the United States Chamber of Commerce, made similar statements over my State for several days. In my home town he suggested to the chamber of commerce that they send up a prayer that I see the light and vote for this labor bill. I was reverently moved when I heard that the United States Chamber of Commerce was praying for my political well-being. I know they are after my political scalp. It will be a good fight. However, Mr. Allen's prayerful interest in me at least succeeded in stirring up a great many telegrams which were sent to me urging that I vote for this labor bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TAFT. Does this article purport to quote me to that effect?

Mr. MORSE. Oh, yes; it is in quotation marks.

Mr. TAFT. I enter my denial now, for the sake of the record.

Mr. MORSE. The Senator from Ohio does not need to enter his denial. In fact, I was just waiting for the Senator to make a comment, because I want the record to be made perfectly clear that although the Senator from Ohio and I have our differences over the merits of issues, we do not have any differences when it comes to personal dealings with each other. I want to say to the Senator from Ohio that I have always received from him the finest of personal and professional dealing, and he does not have to tell me that he was misquoted in this newspaper account of what the United States Chamber of Commerce spokesman is reported to have said. But I want to make the quotation a matter of record, because it is the type of thing that I am subjected to, and it is the type of thing that the Senator from Ohio is subjected to from other sources. However, it is that type of representation which has stirred up the many critical telegrams which I have received from businessmen in my State as this United States Chamber of Commerce spokesman has traveled up and down my State criticizing me and praying for me at the same time.

I think that one of the regrettable things about this whole program of political pressure which has faced the Congress so far as the adoption of labor legislation is concerned is that battle lines of propaganda have been drawn from the very beginning of our debate on labor legislation.

On the one hand we find great groups representing employers, such as the United States Chamber of Commerce and the National Association of Manufacturers and other employer associations, propagandizing the people of the country for months with regard to labor legislation, to such an extent that in my judgment they have really whipped up an emotional state of mind on the part of millions of our people. Our people are now talking in terms of emotional sanctions. It is a hysterical response. They are asking for drastic, punitive action, and when they are asked whether or not they know anything about the details of the legislation for which they ask us to vote, they confess that they do not, but state that there must be something done.

These great antilabor employer associations and organizations say certain

false things in advertisements in our newspapers, and the people come to believe them because they do not read any denials of them. That is an interesting technique. It is a Fascist technique and a Communist technique. Repeat misrepresentations often enough and people will accept them as true.

Mr. BALL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BALL. Has the Senator read some of the full-page and half-page advertisements of labor organizations such as the AFL?

Mr. MORSE. Yes. If the Senator will be patient for a few minutes, I will take them apart, too.

Mr. BALL. They bear very little relation to the facts, as I have read them.

Mr. MORSE. The Senator is right when he says some of the union ads have not presented all of the facts. I am trying to balance the scales in this criticism of mine. Of course the millions of dollars spent by employers to spread falsehood and propaganda is what has poisoned public opinion.

The advertisements which have been published by employer representatives involve the Communist and Fascist technique—statements of half truths. It is the technique of omitting relevant facts which ought to be placed in the advertisements in order to give a true picture of the problem which is being discussed.

As the Senator from Minnesota has so correctly pointed out, when we pick up the advertisements of the labor organizations and read their propaganda, we frequently find more propaganda which falls into the same errors which characterize the type of propaganda and the techniques used by the United States Chamber of Commerce and the National Association of Manufacturers.

As I see it, these two great economic forces, management and labor, have girded themselves for battle. We have an economic war ahead of us. We are to have a test of economic strength.

One of the reasons why I oppose this bill is that, in my judgment, an attempt is being made so to change the law that it will not carry out the principles of equality in collective bargaining for which I have pleaded in this session of Congress. One of the objections I shall make is that I believe that the bill will not result in a fair equalizing of the rights of labor and management. Management under this bill will be given such an advantage over labor that it can prevent effective collective bargaining by unions. I want to see those rights equalized. I am such a firm believer in government by law rather than by men that I do not want to see legislation enacted which in many cases will force a test of defiance of law because enforcement of it would result in great injustices. When a large body of people believe that a law is unjust, they are going to exert the basic, fundamental right which exists in a free society to oppose the administration of such a law.

That will not produce labor harmony. I do not condone such noncompliance with law but I cannot ignore the fact that human beings will resist the enforcement of unjust laws.

Mr. President, I believe that all of us, on both sides of this issue, must rise above political pressure and propaganda, and make it very clear to management and labor that our duty in the Congress of the United States is to vote on the merits of these questions as we see them, and that we have no intention of yielding to political pressure. I am sure that such is the attitude of my opponents on this question, and I know that it is my attitude and that of my associates on the side opposed to the conference report.

Let me cite a typical telegram urging me to yield to the majority on this issue. I have received many from businessmen in Oregon. This one is more kind than most of the others. Nevertheless it shows the effect of the type of propaganda which I have been discussing. It is a telegram from a very dear friend, one of the outstanding industrialists in my State. He is very much disturbed because I am going to vote against the conference report, and because I am going to vote to sustain a veto if a veto is handed down. Senators can see what is bothering him when he writes as follows:

I hope, WAYNE, that you will be able to vote favorably upon the conference-reported labor bill. I recognize with you the weak spots in this legislation, and I too am sorry that your arguments before the Senate were not fully supported. However, I am convinced after checking with many people in various fields, including farmers, laboring men, and employers in Oregon, that the people of your State want this legislation passed, rather than lose corrective legislation at this immediate session. I hope you will recognize what I am sure is the desire of your constituents in this matter. Regards.

There is not a more sincere or finer employer in the State of Oregon than is the sender of that telegram. I think I know what has happened. It has happened to hundreds of my friends within the employing class in my State. They have the notion that unless we pass this legislation we shall not have any legislation at all in this session of Congress. But I say, Mr. President, that such need not be true. We can vote down this conference report, or, if it is agreed to, we can vote to sustain a veto if a veto is handed down; and there is still ample time by August 1 to pass fair and constructive legislation. So I do not accept the premise that it is this bill or not any. There is another premise which I do not accept, and that is that it is my obligation or my responsibility to sit here and vote in accordance with what I think a majority of my constituents want at this time. I just do not accept that principle of representation in the Senate of the United States.

Therefore I replied to the sender of that telegram as follows:

Thank you for your wire. Deeply regret that I cannot vote for conference report bill. I am satisfied that it is unsound legislation in its present form. However, if I knew that every person in the State of Oregon wanted the bill passed, I would still vote against it because my obligation in this job is to vote for what I consider to be sound legislation in the public interest and not for legislation which a temporary majority may think it wants when you and I know that a majority of the people of Oregon have not analyzed the weaknesses and limitations of this legislation. I can assure you that it is not an easy decision for me to make because I agree with you that undoubtedly a majority of my constituents think they want this legislation. However, what they really want is legislation which will check the major labor abuses and bring about a maximum degree of industrial peace. Unfortunately this legislation will not accomplish those objectives and hence I cannot and will not vote for it.

Regards.

Mr. President, it is not at all pleasant, it is not at all politically comfortable, to find oneself in a position in which he is satisfied that the majority of the people of his State have been so propagandized with regard to a piece of bad legislation that they really believe it is the piece of legislation that should be passed.

On the other hand, as I read the constitutional debates on the basis of which this Government came into being it was not contemplated that under a representative form of government a man in the Senate of the United States should vote in accordance with the dictates of a majority as determined by a Gallup poll or some other method of determining a temporary majority opinion. Rather, the basic theory of representative government requires a Senator to assume the solemn obligation, intended by the founding fathers, and vote for legislation which he believes to be in the public interest, even though he knows that as of that moment a majority of his constituents would vote contrary to his judgment. Then it is his obligation of political leadership to stand up and tell his constituents why he took the action which he did. If his reasons are not satisfactory to them then it is their opportunity and privilege to remove him from his seat at the next election. I think the people of my State want me to represent them by exercising an honest independence of judgment on the merits of issues as I find them back here. They want me to weigh the views of those constituents who write and wire to me, but cast my votes free of political pressures and unmoved by threats of loss of political support if I do not do the bidding of some pressure groups.

It is only on the basis of that principle of representative government, Mr. President, may I say from this platform today to the people of my State, that I desire to remain in the Senate of the United States. It was on the basis of that principle that I ran for this office and the people of Oregon elected me on the basis of that abstract principle. I believe they will keep me here to apply it. If we cannot exercise that type of independence of judgment in representing the people of our States, then I want to say that I do not desire to serve in the Senate of the United States if I have to serve subject to yielding to the type of pressures that management and labor groups are seeking to bring to bear upon the Members of the Senate for votes on this labor bill. I have a hunch, Mr. President, that after the present wave of emotion passes and after the people of my State come to see in actual operation the effects of such legislation as is now being proposed, if it is placed on the

statute books, a large majority of them will come to thank me for exercising the independence of judgment which I intend to exercise in casting my vote against this bill.

I shall vote against the bill that has been reported by the conference committee because, after careful study, I am completely convinced that the amendments added in conference make it an impracticable and unadministrable law. Virtually every amendment which has been made threatens the legitimate rights of the American workingman; the net effect is to discourage and stifle collective bargaining and to impede, if not make impossible, effective enforcement of the National Labor Relations Act.

I supported the Senate committee bill, which was a fair, reasonable, constructive, and enforceable bill, and I opposed the amendments that were made on the floor of the Senate because they seemed to me to strike serious blows at the rights of labor and to impair the efficient administration of the law. The amendments which have been made in conference not only infinitely aggravate and multiply every serious vice of the Senate amendments but they add such restrictive and administratively unfeasible provisions of their own that even if I believed the bill we passed was sound and helpful, I would be compelled to vote against the conference bill, because of the inevitably disastrous effects I am sure it will have on industrial peace in this country. I say with every emphasis at my command that this bill will be causative, not preventive, of labor difficulties.

Before discussing the reasons why I believe this will be its consequence, I must say that it is difficult for me to understand how anyone who has studied this conference committee bill and understands labor relations at the plant level can contend that the essential principles of the Senate bill have in no way been impaired. It is true, of course, that certain glaring but much discussed injustices were not added to the bill. But I am unable to believe, as we are told, that merely minor changes were made in conference; that no important matter of principle was sacrified or surrendered; and that the essence of the Senate bill has been retained except for chipping here, some patching there.

Many of the changes made by the confereees may be termed procedural, rather than substantive. But as I have frequently stated, it is virtually impossible to separate procedure from substance, especially in the field of labor relations.

I want to repeat that now, because it is so basic to the protection of our rights.

The so-called procedural changes that have been made have a total effect more harmful to sound labor relations than would have been the effect of several of the substantive proposals rejected on the floor of the Senate and by the conferees. Hence it is necessary to consider the technical procedural amendments made to the Wagner Act in order to make a proper appraisal of the conference bill.

I pause at that point to reemphasize it, Mr. President. I say, again, that we cannot separate procedural rights from substantive rights. Let me control the procedure of an agency, a tribunal, or a body, and I will control the substantive rights administered by that body.

The bill has been loaded with provisions which make it a Pandora's box of vexatious litigation that can and will harass and weaken unions. Under the bill as amended, every organizational drive by unions, every effort to achieve collective bargaining, and every strike could be met and defeated by destructive lawsuits in the courts, and hundreds of unfair labor practice charges by malcontent employees before the Board. I cannot emphasize too strongly that any legislation that invites and encourages litigation over labor relations is not going to solve our problems of labor unrest or be conducive to harmonious relations between employers and employees. This bill is full of mischievous provisions of that kind, all of them added or their effects aggravated in conference.

Take, for example, in this connection, the so-called minor changes to be found in the definition of the term "agent," set forth in section 2 (13) of the conference committee bill, and in the amendment to section 7, dealing with the rights of employees. On their face they do seem innocuous and uninjurious to legitimate rights of labor. The amendment contained in section 2 (13) provides that in determining whether a person is acting as an agent of another person for purposes of responsibility under the statute, the question of whether the specific acts performed were actually authorized or subsequently ratified should not be controlling. The amendment to section 7 provides, innocently enough, that the employees shall also have the right to refrain from joining a union or from engaging in concerted activities for collective bargaining.

These amendments would, however, have tremendously serious consequences. They must be read in connection, particularly, with sections 8 (b) (1) and 303 (b) of the bill, which provide, respectively, that it shall be an unfair labor practice for a labor organization or its agents to restrain or coerce employees in the exercise of the rights guaranteed in section 7, and that anyone injured by certain strikes or boycotts may sue the union in Federal court without regard to the amount in controversy.

I have always thought that these provisions, even as they appeared in the bill we passed last month, so plausibly worded and giving the impression that those who oppose them are in favor of coercion or improper strikes and boycotts, were a great trap for labor unions, because they gave antiunion employers, of whom we still have many, very effective devices to weaken unions, to slow up organizational work, and to delay certifications by endless litigation. The amendments made to the bill in conference, however, multiply this danger many times. They constitute open invitations to every employer to litigate out of existence every union treasury.

Under the amended definition of the term "agent," a labor organization might be subject to civil suits and unfair labor practice charges because of the misconduct of any steward or organizer in the plant, even though the union had not authorized or ratified the acts in question. The whole body of law built up around the Norris-LaGuardia Act to protect unions against such destructive lawsuits would be threatened. Because of the terrific abuses to which unscrupulous employers and courts, unfriendly to unions, subjected the rights of labor by virtue of such lawsuits, the Norris-LaGuardia Act specifically provides in section 6 that labor unions, their officers and members shall not be liable for the unlawful acts of individual officers, members, or agents, except upon "clear proof" of actual participation, or upon a showing of actual authorization or ratification of such acts after actual knowledge. This provision of the law, sponsored and passed by a Republican administration, is now drastically limited by this "minor" amendment.

Mr. President, let me say that one has only to refer to the La Follette investigation to recognize the techniques that antilabor employers will use in order to accomplish what I think will develop again under this act.

Apparently the purpose of the new definition of the term "agent" is to overrule the recent decision of the Supreme Court in *United Brotherhood of Carpenters and Joiners of America* v. *U. S.* (decided March 10, 1947). Regardless of whether we agree with the Court's decision in that case, it seems to me that the new definition represents a completely disingenuous approach to the problem. In my opinion, a forthright approach would be to suggest a direct amendment to section 6 of the Norris-LaGuardia Act, frankly designed to remove whatever unjustified immunity labor unions are thought to enjoy under the present law. Instead, we are asked to amend the Norris-LaGuardia Act by indirection, while at the same time we are assured that that statute is in no way affected.

Moreover, it is still my view, after further careful study, that under the amendment making certain strikes and boycotts "unlawful," we have returned to individual employers the right to secure an injunction. I am convinced that my legal conclusion is sound that this amendment, to that extent, also sets aside the Norris-LaGuardia Act.

Let me say that one thing certainly is perfectly clear: Before we can get very far in the administration of this measure, if it becomes law, a whole series of United States Supreme Court decisions will be required to interpret and iron out the ambiguities which in my judgment run throughout the measure. It is evident that by this bill it is proposed that we put on the statute books legislation which will harass unions and union activities in the United States for months and possibly years by way of costly litigation.

By specifically providing in section 7 that employees have the right to refrain from collective bargaining, the conferees have still further multiplied and encouraged the number of situations in which unfair labor practice suits can be brought against unions to stifle organization. In the first place, the provision

is specious. There is no necessity for such a provision, because employees are always free to vote against collective bargaining, and any strong-arm tactics are already subject to local criminal penalties. It was only when employees desired to join a union that they were met by discharges, espionage, and blacklists, and that national protection was needed. Again, Mr. President, I refer the Senate to the La Follette investigation report. This bill is an open invitation to union-hating employers to return to their vicious union-busting practices. By inserting this needless provision, however, we make it possible for every organizational campaign by a union to be met by employer-inspired charges by individual employees that the right of each to refrain from collective bargaining has been violated by some enthusiastic employee or other union member soliciting memberships for the union. The Board would be swamped with petty litigation, and the Federal Government would be involved in a huge police-court business, often instigated by employers who desired to harass and stymie legitimate union objectives. If we thought that under the Senate bill there might be opportunity for false charges and a multiplicity of dilatory and destructive suits agains unions, what shall we say of these provisions which make such suits a virtual certainty?

The tendency of this bill to invite and encourage destructive and delaying lawsuits and litigation in labor relations, instead of collective bargaining, is also shown by the amendment inserted in section 8 (b) (4), making it an unfair labor practice and subject to civil damage suits to engage in strikes and boycotts which have "as an object" certain undesirable ends, such as assignment of particular work tasks. The Senate bill provided that strikes "for such purposes" were unfair labor practices, and I agree, as my own bill makes clear, that such strikes are wholly indefensible and should be stopped.

But the effect of the amendment is to resurrect, with a vengeance, one of the unhappiest chapters in American industrial life. I refer to the days when courts were quick to enter injunctions restricting every form of employee self-help because one objective, at least, of some leaders or participants was improper. Now employers will be encouraged to enter damaging lawsuits against every kind of action by labor unions based on the same grounds. Whether these suits have merit or not, they will inevitably weaken the union's treasury, divert its energies and resources, and delay organizational work and collective bargaining.

We talk so much, Mr. President, about the right to strike. I suppose it could be said, for purposes of emphasis, that the right to strike is, after all, no better than the status of the union treasury. I say that because after all laborers strike to win a strike, and they cannot win a strike with an empty treasury.

Because I believe the bill as it is proposed will open wide the doors of opportunity to employers to bring a multiplicity of suits for the antilabor purpose of emptying the treasuries of unions by the cost of litigation, I wish to say that the bill will prove to be administratively unworkable. Unions will soon learn that they must boycott the Board and resort to direct economic action against antilabor employers. Dig in, tighten your belts, and fight will become the battle cry of the economic war caused by this bill.

Finally, I think the proclivities of this bill for endless, frustrating, litigation are clearly shown by the amendments made to the registration requirements of the Senate bill. I believe that unions should be required to make public their financial statements and I have supported legislation to that effect. The Senate bill contained what I thought were quite comprehensive and more than adequate requirements in this connection. The conference committee amendments (sec. 9 (f) (6)) now add no less than 12 further separate categories of information as to which detailed statements or references to constitutional provisions and by-laws must be filed. No Board proceeding can possibly be wholly immune from attack for failure to disclose some one of the many details required. Employers will be quick to make such allegations because full compliance is made a condition precedent to the Board's jurisdiction for all purposes.

If the conference committee's bill contained no other amendments than these, which throw almost every aspect of labor relations into the courts or litigation before the Board at the whim of any anti-union employer or malcontent employee, it would be so severely damaged and modified as no longer to merit, in my opinion, the support of any one of us who desires to legislate soundly and fairly in this difficult field.

Another serious objection I have to the amendments in the conference bill is the fact that they will hopelessly confuse and enormously multiply the difficulties of administration of the act. The amendment to section 7, protecting the right to "refrain" from collective bargaining, is an example of this mischief also. This is particularly apparent, it seems to me, in connection with section 9 (b) dealing with appropriate units.

Under this latter section the Board is required to decide in each case what unit is appropriate in order to assure to employees the fullest freedom in exercising the rights guaranteed in the act. By amending section 7 so as to recite a right both to engage or refrain from engaging in concerted activities, we give the Board a hopeless task. Shall it find the appropriate unit to be one that will achieve most effective and sound collective bargaining, or shall it find the appropriate unit to be the group which will best assure the equal right of the employees to refrain from and reject collective bargaining? I am confident that the conference committee contemplated that the unit should effectuate, not defeat, collective bargaining, and certainly that is in the best public interest. But the amendment unnecessarily obscures this intention and will inevitably cause confusion and difficulty.

In this connection we must examine, too, the provisions of the bill requiring the Board to determine:

First. What are reasonable union initiation fees, having regard to the practices and customs of trade unions in the particular industry and to current wage scales, and

Second. What are proper work-task allocations as between unions involved in jurisdictional strikes.

The Board must perform both of these tasks without the assistance of economic analysts, for under section 4 (a) of the bill it is forbidden to hire such employees. This is much like requiring the Veterans' Administration to provide hospital and medical care for veterans but forbidding them to employ doctors and nurses.

I am especially disturbed about the amendment made in conference which requires the Board itself, rather than an arbitrator, to decide these jurisdictional disputes. I think the provision is completely unworkable. Under this provision the Board will have to hear and decide the merits of the disputes in the motion-picture industry and the controversy of over 50 years' standing between the teamsters and brewery workers unions, to mention only a few.

The provision in the Senate bill authorizing the Board to appoint an arbitrator to settle jurisdictional disputes over work assignments was taken from the bill I introduced, S. 858. One of the major reasons for suggesting that an arbitrator, rather than the Board itself, handle these problems was that time is of the essence and the regular procedure of the Board is not an effective remedy for these cases. I certainly agree that jurisdictional disputes must be settled, but I am satisfied that the procedure now set up in the bill is not an effective solution.

I am so convinced of that, Mr. President, that I wish to dwell on the point a moment longer. I say that neither the Board as a board nor a court as a court is the appropriate body which should have the task of determining the merits of a jurisdictional dispute. It is a problem which lends itself best for solution to arbitration. It certainly is true, I am perfectly willing to confess it, Mr. President, that I propose in my bill, and I now defend, a procedure which in the last analysis says to labor, "If you cannot settle a jurisdictional dispute between the two unions involved without strike action then you must submit that issue to compulsory arbitration."

I believe the arbitration process, the fact-finding process of arbitration, the economic approach of arbitration to this problem of the jurisdictional disputes which is basically economic in most instances, can best be determined by the administrative law approach through arbitration.

It also has the advantage of being a very quick way of settling these disputes. I do not have to tell the Presiding Officer that time is of the essence in the settling of labor disputes. The longer time is allowed to elapse, the more tempers and discontent are stirred up, resulting in discouragement on the part of workers and determination to resort to economic action. The procedure for settling jurisdictional disputes provided by this conference report bill will result in such delays and conflict that it will prove to

be unworkable. It will not lead to quick decisions in settlement of these disputes. Without a procedure that assures quick decisions little or no progress will be made in protecting employers from great losses caused by jurisdictional disputes.

It is the decision that counts. A decision that can be arrived at quickly. As I said at greater length than I shall now, in a speech discussing labor legislation in this session of Congress, let me repeat, Mr. President, if the labor unions knew that if, in the case of a jurisdictional dispute, they did not settle the dispute expeditiously and quickly between themselves, an arbitrator would be appointed whose decision would be binding and final and enforceable in the courts, as I have provided in my bill, we would find very few jurisdictional disputes arising. Of that I am absolutely convinced. I am convinced that, given an effective remedy for the settlement of jurisdictional disputes through arbitration, the labor unions would proceed to develop their own procedures to settle their jurisdictional disputes, short of economic action. But under the conference report bill the cases are to be heard by the Board, and I see nothing in such a procedure but delay and more delay, bogging down and more bogging down, and finally a break-down of the entire procedure.

So, Mr. President, expressing one man's opinion, I say categorically, that in my opinion time will prove, if the bill becomes the law, that it just will not work as a successful procedure for the settlement of jurisdictional disputes.

I deeply regret that at least we do not have in the bill an effective remedy and procedure for settling jurisdictional disputes by means of arbitration.

One of the most objectionable and destructive provisions in the bill is the free-speech amendment made in conference. The Senate bill would have insured both to employers and labor organizations full freedom to express their views on labor matters, but at the same time would have protected employees against a course of conduct by an employer which, although it included statements, was in fact coercive and intimidatory. Under the conference version, however, it is provided in substance that views, arguments, or opinions of the employer may not even be used as evidence of motive, intention, or design, in connection with any unfair labor practices under the act, unless the expressions themselves contain threats of force or economic reprisal, or promises of benefit.

As it was brought out earlier in the debate this afternoon, I believe by the Senator from Florida [Mr. PEPPER], this is an astounding proposition. Even in the criminal law, views, arguments, and opinions are received as competent evidence of motive. Under this amendment, however, the Board and the courts must close their eyes to the plain implications of speech; and they must disregard clear and probative evidence of motive, or prejudice, or bias. If an employee were discharged for union activities, for example, the Board could not use as evidence of the employer's purpose, any expressions which were not in themselves coercive, no matter how revealing they might be of the employer's true reasons for the discharge. Under this provision, too, an employer could urge his employees to form a union, could suggest a constitution and by-laws, could recommend an attorney, and could propose who the leaders of the organization should be, and he, nevertheless, would be immune from charges of unfair labor practices for forming and instigating what clearly would be a company union in every sense. This is so because, by the clear language of section 8 (c) of the bill, the employer's views or arguments shall not be evidence of an unfair labor practice.

I think we would be far more honest and candid with American labor, and fairer to it, too, if we repealed the act instead of adopting an amendment such as this.

A third respect in which the committee amendments are objectionable to me is the many ways in which they directly destroy or weaken the provisions of the National Labor Relations Act.

For example, an amendment added to section 10 (c) provides that the Board may not order reinstatement or back pay to any individual discharged for cause. Since the Board already can order reinstatement and back pay only to employees discriminatorily discharged, the obvious purpose of the amendment is to permit employers to escape liability for having discharged an employee for his union activities merely if grounds existed which would justify the employee's discharge. There is no reason why, if the proof shows that an employee has actually been discharged because of his legitimate union activities, the employer should be allowed to escape the consequences by showing circumstances or conduct which justified discharge, but which the employer was perfectly willing to tolerate until the employee became active in the union.

We are dealing here, Mr. President, with human beings. We are dealing here with workers who, if an employer wants to check them very, very carefully, day in and day out, week in and week out, over the months, can usually find that at least most of them commit some transgression under the employment rules, on the basis of which an antiunion employer could allege that the discharge was for cause. Under this amendment, Mr. President, when A, an employee who has been guilty of such transgressions but has not been discharged by the employer or, for that matter, has not even had the transgressions called to his attention by the employer, joins a union or becomes active in organizing a union, and the employer hears of that, the employer can immediately discharge him, and then justify his conduct on the ground that, "Well, after all, this employee did violate certain working rules, and the discharge was for that purpose, rather than for the fact that he had participated in union activities." I say, Mr. President, these matters ought to be determined from the standpoint of the realities of labor relations as they exist on the plant level. If the Board, on the basis of a full hearing and a complete record, is satisfied from that record that the underlying cause of the discharge was the employee's union activity and not his so-called transgressions of the employment rules, he should be entitled to reinstatement. Under this amendment, that well-established policy of the Board will be changed; and, once again, the act will be found to be playing into the hands of those employers who want to prevent effective unionization of their plants.

I think it is not an exaggeration to say that, for all practical purposes, this and the "free-speech" amendments leave workers only an illusory protection against discharge for union activities. With the enactment of this bill, every employee will engage in union activities at the risk of his job, for an employer can always find some reason for justifying the discharge, and it will be virtually impossible in any case to establish a violation of the law because statements which in any other proceeding would be perfectly competent evidence are now inadmissible.

Another amendment, which to my mind seriously and directly weakens the protections of the National Labor Relations Act, is the change made in the definition of the term "employer" in section 2 (2). The amendment omits from the concept of employer for purposes of the act, persons "acting in the interest of the employer", and substitutes persons acting as "an agent of an employer," directly or indirectly. The Board and the courts have always held under the present act, that the misconduct of supervisors, foremen, and other employees to whom the management has given managerial responsibilities was chargeable to the employer even though the supervisors were acting beyond the scope of their authority and were not agents of the employer, directly or indirectly, in connection with their activities. After much litigation, this doctrine is now firmly established in the law of labor relations by several decisions of the Supreme Court.

This rule is absolutely essential in labor relations if employees are to enjoy true freedom to organize, because to them the employer is not some corporation or directors or officials—frequently miles removed from the scene of operations. To them the employer is the foreman or supervisor who is the boss. The Board is confronted with this problem of responsibility daily in many cases. Under the amendment, the now well-settled rule is put in question once more. It is once more apparently open to every corporate employer to contend that it is not answerable to the Board for the discriminatory discharge of workers, the establishment of company unions, labor espionage, and other flagrant unfair-labor practices, because the supervisors who committed such acts were not its agents, directly or indirectly, for that purpose. A settled and fertile field is reopened to litigation, employees' rights are hampered, and administration of the statute become immeasurably more difficult. That is another reason, Mr. President, why I say that I think the bill will prove to be administratively unworkable.

Other miscalled minor amendments directly attack and defeat collective bargaining because they place very important restrictions upon the election and collective-bargaining procedures of the act and the Board. I shall not catalog my objections in detail, but the highlights are enough, I believe, to show how destructive the bill really is and how sadly mistaken are those who tell us it works no substantial revisions from the bill the Senate approved.

The amendments require the Board to abandon the highly useful, time saving, and economical device of the prehearing election. The procedure of holding an immediate election, before hearing, in simple representation cases that present no substantial issues, avoids the necessity for many hearings altogether, and often makes collective bargaining possible without delay.

I stressed this point, Mr. President, in our committee hearings when we provided in the Senate bill for the prehearing election. I pointed out in the hearings that there are a great many employers who do not like to ask or join in asking for an election, because in some way, somehow, they have the feeling that if they do they are implying at least to their workers that they want them to organize a union. But those same employers do not particularly object to a prehearing election and then, if the workers have a clear majority, they are perfectly willing to recognize the union and bargain with it collectively.

There has been a great saving of time and, incidentally, a great saving of money for all concerned by these prehearing elections. I think it is most unfortunate, Mr. President, that the provision for prehearing elections has been stricken from the conference report. I think that is a step backward. I think that is another hindrance to collective bargaining. I think it provides another positive delay of early certification. It is going again to impede effective organizational drives on the part of a union. It plays into the hands of employers who wish to resort to dilatory tactics. If the union's claim to majority representation is disclosed by the election to be unsupported, the employer is promptly relieved of any uncertainty by the immediate dismissal of the petition without the delay, expense, and harassment of a hearing. Under the conference amendment, however, the election will always have to be delayed until after the hearing the Board action, sometimes many months later, even though there is no reason why an immediate election cannot be held, except refusal of a recalcitrant employer or union desiring delay to consent.

Under the conference amendment, also, it will hereafter be difficult and perhaps impossible for unions to organize highly integrated enterprises like insurance and public utility companies, which necessarily maintain separate and widely dispersed small operational units. This flows from the conference provision, inserted as section 9 (c) (5) of the bill, to the effect that in determining the appropriate bargaining unit, the extent to which the employees have organized shall not be controlling. In the insurance business and similar far-flung industries organization can proceed only piecemeal by small segments or units. To deny collective bargaining in areas in which organization has been achieved is to deny it entirely. In passing, I invite attention to the fact that this provision is in marked contrast to other provisions which plainly require the Board to find small units appropriate, as in the case of guards, craftsmen, and professional employees.

Collective-bargaining procedures are also unwisely and seriously hampered by the conference bill amendment to the definition of the duty to bargain collectively. Under the amendment, there is specifically excluded any requirement that the parties even discuss the modification of terms and provisions of a contract if the proposed modifications are to become effective before the contract period expires. Anyone familiar with the realities of labor relations knows that collective bargaining does not end with the consummation of a contract. It is not going to help peaceful relations between management and labor in this country if, once a contract is made, the employer or the union may thereafter refuse even to discuss modification of its terms, no matter how unfair or onerous they may have become, because of circumstances that were not foreseen when the contract was signed. A refusal to discuss changes in contracts in such circumstances will be just as apt to cause strikes and lock-outs and bad labor relations, as is a refusal to bargain about working conditions in the first place.

My position on this point, Mr. President, does not mean that I believe that when a union signs a contract it should not live up to the sanctity of its signature on the contract. It does not mean that at all. But here again we are dealing with a problem which is charged with human factors. A contract has been signed, and I take the position this afternoon, as I have taken the position in many cases, that the union, once it signs a contract has no right to strike during the life of the contract if the strike is to force a change in the terms of the contract. That does not mean, however, that the signing of the contract relieves the employer of any and all obligation to discuss any possible modifications of the contract, depending upon the development of unforeseen conditions or misunderstandings as to the meaning of the contract that may have existed at the time the contract was signed. I will come back to that point in just a moment. On the matter of my views as to the importance of a union's signature on the contract I could cite a great many cases, but I will cite only one at this time. I want to cite certain language in a decision which I wrote when I was a member of the War Labor Board in the case of the United States Steel Corp., in which I said for the Board:

> The Board is firmly of the conviction that the integrity of collective-bargaining contracts must be preserved, and the obligations created thereunder must be adhered to by the parties and enforced by the Board in any case which comes before it for decision. Labor as well as management has everything to lose and nothing to gain from violations of collective-bargaining contracts. The entire system of collective bargaining which has been built up in America at such a rapid rate during the past few years, is entirely dependent upon the good faith of the parties in performing their contractual obligations.

I never recognized in the many decisions I have written, Mr. President, the right of any union or employer to violate a contract once they have signed a contract. But I have taken the position that when questions and disputes arise as to what the contract means, or as to whether or not there was any meeting of the minds when the contract was signed, or as to whether or not the development of unforeseen conditions justify a request on the part of either the employer or the union—and I have applied the rule to both sides—for some rectification in the contract in accordance with the grievance procedure or arbitration procedure of the contract, that those questions ought to be considered by the parties in further collective bargaining.

I submit that under this conference report that is not going to be allowed. The parties will be bound by the contract, without an opportunity for further collective bargaining in regard to it. Such an ironclad rule will cause trouble and add to the unworkability of this bill.

I am further disappointed in the conference report bill in that it has digressed from a very vital provision which we had in the Senate bill, a provision which members of the committee know I argued for at some length. It was in and out of the bill, but finally we got it back into the bill. It offered an alternative procedure for the handling of violations of contracts, either on the part of the union or on the part of the employer, by making such violations unfair labor practices. I was willing to go along with the court action proposal, the so-called suit procedure, as an alternative if conditions became so bad in the relationships between an employer and a union that the employer felt that he could not settle the differences by collective bargaining or by the administrative law procedure of the National Labor Relations Board, through bringing a charge of an unfair labor practice. But I felt that we ought to have both the unfair labor practice procedure and the court suit procedure as alternative procedures.

Mr. President, I believe that the point which I am now making is of vital importance to American employers. I think they ought to have a procedure under which they can go before the Board and point out the violation of a contract, or the refusal of a union to live up to the sanctity of its signature, and have the matter handled through an administrative law process, as an unfair labor practice. We must keep in mind the great difference between the administrative law approach to labor relations problems and the common law court approach. It is surprising how many of these cases wash themselves out, as we say, long before a final decision by an administrative law tribunal. Once the parties are there and have sat down and talked to the administrative law tribunal across the conference or council table, they often see the silliness of their position. They

often ask for a recess or temporary postponement until they can go into a conference room and come to a gentleman's understanding for ironing out their difficulties by way of a compromise.

That is a vital procedure which we ought to make available to the parties. I do not like to see substituted for it the procedure of a common-law court approach, because it is going to break down in practice. It will not work. We shall not find employers and unions able to get along very well with each other after one of them has lost a court action in a common-law court, any more than plaintiffs and defendants in other civil actions have very much love for each other after the judge has ruled in favor of either the plaintiff or the defendant. So on this point I think we are making a grievous mistake if we do not make perfectly certain and clear that the employers can approach the question of violations of contracts by unions through the unfair labor practice approach rather than through court action.

To repeat, Mr. President, it is not going to help peaceful relations between management and labor if once a contract is made the employer or the union may thereafter refuse even to discuss the modification of its terms, no matter how unfair or onerous they may have become because of circumstances which were not foreseen when the contract was signed.

My next objection relates to the so-called anti-Communist provisions of the bill.

I must repeat at this point that I am thoroughly convinced that the way the bill handles the problem of communism in labor unions is ineffective and self-defeating. We all know that Communists feed their propaganda and thrive on strikes and industrial warfare. Under the terms of the bill, however, every local union will be denied all access to the peaceful machinery of the act if it has as an officer, or if its parent body has as an officer, a Communist or Communist sympathizer in fact or alleged. We do not help the patriotic membership of unions by requiring them to strike in order to protect the economic rights and benefits which other workers enjoy; and this provision does nothing to help them to purge their unions of Communist leadership. We merely play into the hands of the Communists in these organizations. They will capitalize, by way of their misleading and false propaganda, upon stirred-up tempers and emotions. They will capitalize on delays which I think will become characteristic of the administration of the act.

They will be successful in many instances in getting the workers so aroused because of the unfair operation of the act that they will "pull the plug" so to speak, or "hit the bricks" by way of economic action.

That is not the way to handle communism in American labor unions. A much better way, it seems to me, is to give full protection to legitimate rights of American labor unions, to make clear to them that we are going to hold them responsible for such conditions as I sought to check in Senate bill 858 and the provisions of title I of the Senate bill, but that we are going to give them a continued opportunity to organize and bargain collectively in the interest of their legitimate rights. I fear that the provisions of the bill greatly hamper and injure those rights.

Finally, the bill as it has been amended in conference carries, in my judgment, the very serious vice that it unfairly discriminates against the Board, among all Government agencies, with respect to certain requirements. When we were considering this legislation in the Senate committee and on the floor of the Senate we rejected proposals to single out the board for special treatment. We agreed, I thought, that the procedures prescribed by the recently enacted Administrative Procedure Act, which laid down a code for all agencies, including the Board, should be left intact, at least until they were tried out and found wanting in the special instance of the Board.

It was for these reasons, for example, that we rejected proposals to split the Board into two agencies, or to grant the courts a broader scope of review of Board findings than they had with respect to other agencies. Many amendments adopted in conference, however, completely depart from this sound principle. Without any basis whatever in the record for doing so, they apply and require special procedures as to the Board, different from those required of other agencies under the Administrative Procedure Act.

For example, a separation of functions is now required in the case of the Board which is not required of other agencies. I have dwelt upon this question at some length in a previous complete statement of my views which I made on the floor of the Senate several weeks ago, and I shall not repeat it now, except to refer to it for future reference.

I believe that the provisions of the amended bill, insofar as they create a statutory office of General Counsel, who is to be appointed by the President for a fixed term of years, and confer upon him final authority in respect to investigation and prosecution of charges and issuance of complaints, in effect establish a separation of functions which does not differ in any substantial measure from the kind of separation which we opposed when it appeared in Senate bill 360, the Ball bill. I think it contains all the vices of dispersed authority for administration that impelled the majority of the Attorney General's Committee on Administrative Procedure, the sponsors of the Administrative Procedure Act, and both Houses of Congress, to reject it last year.

Mr. President, it is a tremendous power that has been given to the General Counsel. On page 37 of the conference report we find this language:

> The General Counsel is to have general supervision and direction of all attorneys employed by the Board (excluding the trial examiners and the legal assistants to the individual members of the Board), and of all the officers and employees in the Board's regional offices, and is to have the final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect of the investigation of charges and the issuance of complaints of unfair labor practices, and in respect of the prosecution of such complaints before the Board.

Mr. President, I simply shall never vote to vest in any single individual any such sweeping power over the handling of labor relations cases in this country. I do not know where that superman is to be found. I do not know whom we can appoint or to whom we should entrust the power to determine whether a complaint of an unfair labor practice shall be issued. He becomes really the Board. As I said in the beginning, let me control the procedure of a body and I will control the substantive rights administered by that body. This person would control the procedural rights of every employer and every labor union in the country. Also, when it comes to the question of issuing complaints it can be done independently of the Board. The Board members would sit there and twiddle their thumbs and could not do anything about it, because we, the Congress, propose to vest in the general counsel that power. But not with my vote.

The Procedures Act prescribes an adequate separation of functions for all agencies like the Board, and the Board complies with it. I see absolutely no reason for requiring a more drastic separation than is required of the Interstate Commerce Commission, the Federal Trade Commission, or the Securities and Exchange Commission, for example.

We are bringing out a hybrid here, Mr. President, when we pass this monstrosity. I do not know whether it is an administrative agency, a court, or what it is, but it certainly stands as a bird of its own color so far as the Administrative Procedure Act is concerned. It is neither fish nor fowl. I see no reason why an exception should be made to the Administrative Procedure Act in this connection. I see no reason why the rules and regulations laid down in the Seventy-ninth Congress, when we passed the Administrative Procedure Act, should not likewise apply to the National Labor Relations Board. I fought for that viewpoint and was successful in my position in the Senate committee; but now we are confronted with a conference report in which a vital change has been made in this regard. In my judgment, it is a fatal change.

The conference bill also singles out the Board, among the agencies, for special treatment as to subpenas, the rules of evidence, and the promulgation of decisions. The Administrative Procedure Act lays down rules applicable to all agencies uniformly, with respect to these matters. No arguments were advanced during the hearings with respect to the inadequacy of these procedures and I am aware of none. In conference, however, it was agreed that the Board should be bound, so far as practicable, by the conventional rules of evidence prevailing in the courts. This is contrary to the uniform and established rule set forth in the Administrative Procedure Act and embodied in the statutes and rules of other agencies, like the Federal Trade Commission, and including the present

National Labor Relations Act. Virtually all students of the subject, so far as I know, agree that there is no reason for applying conventional, technical rules of evidence in administrative proceedings.

I repeat. I may be wrong; it may be possible to find some authority that advocates it, but I want to say, Mr. President, as one who has taught in this field for many years, that I know of no outstanding American authority in the field of administrative law who advocates that the technical rules of evidence should apply in administrative-law procedure. One of the primary functions of an administrative-law approach to these problems is the desirability of informality, the desirability of speed, the desirability of inaugurating legal short cuts, the desirability of getting quickly into the essence of a case, without being too greatly encumbered by legal technicalities and the rules of evidence. Administrative law procedure does not endanger the legal rights of litigants. It leaves to the courts, as we did in the Senate bill, the power to review, on the basis of substantial evidence applied to the total record, the question as to whether or not justice was done in the case.

As to subpenas, too, under this bill the Board alone, of all agencies, is required to issue all subpenas forthwith upon the mere request of any party and without any showing of materiality or relevancy. We must watch out for "fishing expeditions," Mr. President, in the matter of subpenas. We must guard against subpena abuses. It is perfectly proper and desirable, may I say, that the rule of relevancy and materiality be applied. But as I read the conference report bill, subpenas must now be issued forthwith, so far as the National Labor Relations Board is concerned, and no requirement of materiality or relevancy is to be laid down.

Under the Administrative Procedure Act, all other agencies may protect their subpena process from abuse by insisting upon a simple statement of relevancy. Not so the Board; although here, again, so far as I know, we have heard no complaint whatever that the Administrative Procedure Act's uniform requirements were inadequate or that the Board does not comply with them.

The Administrative Procedure Act also contains details of value as to the form of decision and the decision-making process. I know of no complaint that they are inadequate for any reason. Particularly I know of no complaint that they are inadequate with respect to the Board. Nevertheless the conference bill prescribes special treatment for the Board in this respect also. It provides, in substance, that if no exceptions are filed within 20 days after service of the trial examiner's proposed report and recommended order, "such recommended order shall become the order of the Board and become effective as therein prescribed." This means that, in effect, the doctrine of exhaustion of remedies is suspended in the single instance of the National Labor Relations Board. A dissatisfied litigant before the Board is permitted to side-step the Board and to resort directly to the courts. He need not raise by exceptions to the Board matters as to which he objected and lost before the trial examiner. Instead, he may compel the Board to defend a decision it has not made, or be reversed as to rulings which, if error had been called to the Board's attention by appropriate appeal, the Board might have itself corrected.

So, Mr. President, it is only a matter of fair dealing that the Board ought to be allowed that protection. A board frequently, on the basis of notice of appeal by a party litigant, corrects its record, reverses itself, or orders a new hearing. I do not think that parties litigant in Board cases should be allowed to sidestep the Board, which this amendment permits, and to go directly into the courts without first giving the Board an opportunity to perfect its own decision or to reverse itself.

I think there is no more effective way of justifying the suspicions sometimes voiced against the Republican majority, that it is antilabor, and of discrediting this legislation and the Board in the eyes of fair-minded people, than by discriminatory legislation such as these provisions constitute. I say that we cannot afford to single out in these unjustifiable ways and remove from the general law and scheme of procedures applicable to all other agencies, the one agency which deals with and is intended to protect the basic rights of labor to self-organization and collective bargaining.

While I am on this phase of the subject, I think I should add that we expose ourselves to the same charge of bias and discrimination against labor, by our treatment in the conference amendments of the question of the union shop and State regulation of labor relations. Thus, we lay down in the bill a very full and complete national policy as to closed- and union-shop agreements. At the same time, the bill provides in section 13 (b), however, that the national policy may be entirely disregarded and superseded by the States if they desire to impose a more restrictive policy on the same subject matter. A more pointed instance of antilabor bias could hardly be envisaged than this alleged minor change in the bill.

Mr. President, we are dealing under a national policy with interstate commerce. The jurisdiction of the National Labor Relations Board is limited to interstate commerce cases and issues. But this amendment proposes that we except from the national policy, as it relates to interstate commerce, national jurisdiction over these matters as they involve the closed shops and union shops, in the case of any State which passes an anti-closed shop or antiunion shop bill. The bill provides in effect that we allow to employers in those States a State policy over interstate commerce contrary to a national policy that we would apply through the National Labor Relations Board in all other States which do not enact such State legislation.

Mr. President, if anyone knows of a better example of unfair discrimination than that, I should like to hear about it. I say that when it comes to interstate-commerce policies, they should be uniform throughout the Nation, and we should not have a national policy in regard to closed shops and union shops in States X, Y, and Z, but then permit of a policy quite contrary to that policy under State laws in States A, B, and C. Many employers will not like that, either, Mr. President, because that has some interesting competitive implications connected with it, too. It will be rather interesting, if this measure becomes law, to hear from some employers who, when bound by the national policy, will come forward with allegations, and, I think, in due course of time will prove, that such discriminatory practices result in some unfair competitive factors for them in their competition with competitors in other States who are able to function under a different policy.

I say that because if we give that right to the States that are enacting legislation, much of which, according to my view, is highly antilabor and unfair to the legitimate rights of labor, we shall find the economic status of labor in those States gradually beaten down. The results of such discriminatory policies will affect wage scales and will play into the hands of employers who want cheaper and cheaper labor. Unorganized labor means cheap labor. It means low wages. Weak unions mean the same. Then State antilabor laws will return labor to the status of a commodity. Soon employers who are bound by the national policy as applied by the National Labor Relations Board will find themselves at a competitive disadvantage with employers operating in antilabor States which give to their employees the competitive advantage of antiunion-shop legislation with its resulting low wages and cheap labor. Such a situation will result in nothing else but strife, friction, and increased labor trouble.

So, Mr. President, on this point I say that the editorial entitled "Right to Work," appearing in today's Washington Post, very aptly illustrates the point that the public is not aware of the real provisions of this bill. The editorial reads in part as follows:

> It is true that the closed shop, as it has been known in the past, would be outlawed as an instrument of inexcusable monopoly. More significant, however, is the fact that something better would be put in its place. Workers could have a union shop at any time simply by getting 30 percent of their number to sign a petition requesting an election on the subject and then commanding a majority of the votes at the election. Certainly that involves no hardship.

The writer of the editorial then says, in all of his innocence:

> On the contrary, it gives the rank and file of workingmen a chance to make their own choice instead of having a union shop thrust upon them.

Mr. President, the plain implication is that the bill guarantees workers a union shop if a majority so vote. Nothing is said, however, about the provision of the bill to which I have just referred, which completely outlaws any form of the union shop in those States that have enacted laws abolishing or making illegal all forms of union security. More than a dozen States have such laws on their books at the present time. I repeat, therefore, Mr. President, that it is completely misleading to imply, as does the

Post editorial, in common with others, that under the conference report workers can have the union shop if they so desire.

Furthermore, Mr. President, the union shop will only be the subject of collective bargaining. The workers will not receive it as a matter of automatic right. They may have to strike for it, in cases in which the employer refuses to give it to them.

Mr. President, this conference report is a far cry even from the Senate bill. It is unfair, it is destructive of legitimate labor rights, and administratively it is unworkable. I think it will cause, rather than prevent, labor disputes. It must, and I believe it will, be opposed by the working people of America. I think it makes a disastrous contribution to the Nation's economic health and well-being.

In closing, Mr. President, I wish to comment very briefly on two additional points. I, too, deeply regret that those who wrote the conference report saw fit to change the Senate bill which provided for a board of seven members, rather than a board of three members. The conference report now proposes the creation of a board of five members. That will create more delay. In the committee I fought for, and was successful in, having the board enlarged to seven members, because with the additional jurisdiction and duties and functions which have been added to the National Labor Relations Board by this measure, a much larger board than five is needed. In fact, I think even seven members might be considered insufficient; but at least a seven-man board would permit the Board to function as is provided for in my section of the bill on a departmentalized basis of three members per department, leaving one member of the Board—probably in most instances the chairman—free to carry on much of the administrative work of the Board. But with a five-man board, there cannot be two departments, composed of three members each, sitting at one and the same time over the weeks that I think they ought to sit if they are going to keep the Board's docket reasonably up to date.

So I think it is very important that we have a seven-man board, rather than a five-man board, because I wish to see two departments, composed of three men each, sitting day after day and week after week in the hearings held by the board, in order to keep the board up to date in respect to its docket. Here is another change which plays into the hands of delay and enhances the unworkability of the bill.

Mr. President, I close with a quotation from a War Labor Board decision which was written by the distinguished president of the University of North Carolina, Dr. Frank Graham, who was one of the public members of the Board. I think his decision is a great piece of writing in its literary sense, and I think it is an even greater piece of writing from the standpoint of the great truths which are expressed in it concerning the importance of maintaining employer-employee relations on a stable basis if democracy itself is to survive in the United States.

So I close with this quotation, Mr. President, in support of my feeling that we are now being asked to vote for a piece of legislation which I think will be most destructive for many years to come, if it becomes law, of stable labor relations in the United States. I think this piece of legislation will have sweeping economic, social, and political consequences in the United States during the next decade. I think this piece of legislation leaves to free workers in the United States no other course than to dig in along a united front for as long as is necessary in a united effort to see to it that the wrongs done by this legislation are eradicated as rapidly as possible by wiping the legislation off the statute books as soon as a new Congress can be elected to do that job. That may take several years, but sooner or later this fight must be won at the ballot box.

Mr. President, I think we can well ponder what Frank Graham said in the Little Steel case, when he paid his great tribute to corporations, unions, churches, and parliamentary bodies in these words:

> High on Hitler's list of the institutions of democracy early marked for the destruction necessary to clear the way for the rise of the Nazi dictatorship were and are the church, the parliament, the corporation, and the labor union. These four institutions are the focal motive force of the four main chapters in the rise of human freedom. The freedom of human beings to organize in autonomous groups has been won through long struggles in the fields of religion, politics, business, and labor.
>
> The power of the great Roman Empire struck down the unrecognized and despised organizations of early Christians, but the little congregations of lowly believers became the Church Universal, which transformed the sackable city of Rome into the unsackable City of God, transmitted the ancient learning, resynthesized Western culture, built the cathedrals, founded the universities, and despite all its faults and failures, with its Hebraic-Christian conception of the brothers of men and the sons of God, has been for the longest period the most beneficent organization in history. The church, in its turn of predominance, tried to block the rise to absolute power of the new autonomous nations within the ecclesiastical dominion. Then the new absolute national monarchies, having become entrenched in independent power, sought to check the rise to increasing power of the autonomous organization of the people's representatives in Parliament. Yet Parliament won its struggle for collective bargaining with the King, and their written agreement became the English Bill of Rights, which, since 1689, has been the charter of constitutional government for all nations which have followed the traditions of the English-speaking peoples.
>
> It is historically logical that the democratic idea of autonomous organization, which achieved victories in the fields of religion and politics, should become an issue in the fields of commerce and industry. The commercial and industrial revolutions created successively the commercial and industrial middle classes, which, through autonomous corporations, soon established their dominant positions in modern society. The corporations helped to overthrow feudal serfdom and gathered the savings of people anywhere in the service of people everywhere. The English Parliament having become a stronghold of the commercial and industrial leaders, and an instrument of corporate power, prohibited workingmen from organizing in behalf of better conditions of life and labor. The struggle of industrial workers to organize and win the reluctant recognition of legislative bodies, the courts, and the corporations is the latest chapter in the democratic struggle of human beings for autonomous organization around a great human need. The movement of working people against heavy odds to win a simple share in the control of their own lives is one of the great human movements of the last hundred years and is at the center of the struggle for freedom and democracy in our time.
>
> The freedom and independence of the labor union is of the essence of historic Americanism. The little band of religious Pilgrims who, in seeking the right to organize for the worship of God without the consent of king or bishop, after many vicissitudes in a foreign land and across uncharted seas still clinging to their principles of piety and autonomous religious organization, fetched up on the wintry shores of Massachusetts where their spiritual heroism made Plymouth Rock one of the foundation stones of self-government in America. One year before the Pilgrims reached American shores, Sir Edwin Sandys led a movement in the London company to recognize the self-organization of the settlers in Virginia. The less farsighted businessmen said it would ruin the business enterprise to give these workingmen the right to share in the regulation of their conditions of life and labor. But the intelligent idealism of Sir Edwin Sandys prevailed over the fears of the more practical-minded businessmen. Thus was born the first representative assembly in the New World. The democratic idea of autonomous political organization, later federated in the American Union, whose American standard was first raised on the banks of the James River in old Virginia, still flies its flag high in all the western world. The freedom and security of the right of all human beings to organize in churches, legislatures, corporations, and labor unions is part of the basic meaning of our American freedom and is at the heart of what the war is all about. Hitler is out to destroy the freedom of America and the free basic institutions of democracy everywhere. The struggle over the freedom and security of the union is, therefore, one of the latest episodes in the American chapter of the rise of democracy in the modern world, and is at the very center of the global struggle between the United Nations and the Axis Powers.

I close, Mr. President, by saying that it is my honest and sincere judgment that the enactment of the conference report bill will do great injury to the right of American workingmen to organize and bargain collectively effectively. The right to organize, unless the procedural guarantees are present that make it possible for the organization to consummate in effective action, is, of course, only an empty right.

Thus I shall vote against the conference report, and I shall vote to sustain a veto, if a veto shall be handed down on the bill because I believe that by so doing I am voting for the long-time best economic interests not only of workers, but of employers, businessmen, farmers, consumers, Americans all.

The PRESIDING OFFICER (Mr. LODGE in the chair). The question is on agreeing to the conference report on H. R. 3020.

RECESS

Mr. WHITE. Mr. President, I understand that earlier in the afternoon the Senate ordered a recess for an hour tomorrow afternoon. In view of that shortening of tomorrow's workday, I now move that the Senate recess until 11 o'clock in the forenoon of tomorrow.

The motion was agreed to; and (at 6 o'clock and 9 minutes p. m.) the Senate

took a recess until tomorrow, Friday, June 6, 1947, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 5 (legislative day of April 21), 1947:

UNITED STATES MARSHAL

Henry Otis Camp, of Georgia, to be United States marshal for the northern district of Georgia, vice Charles H. Cox, deceased.

IN THE MARINE CORPS

The below-named citizens to be second lieutenants in the Marine Corps, in accordance with the provisions of Public Law 729, from the 6th day of June 1947:

John W. Drury, a citizen of Connecticut.
George C. Fox, a citizen of North Carolina.
Jack E. Harlan, a citizen of California.
John D. Krohn, a citizen of New Jersey.
Eugene R. Puckett, a citizen of Washington, D. C.

POSTMASTERS

The following-named persons to be postmasters:

ALASKA

Ronald L. Gillis, Candle, Alaska. Office became Presidential, July 1, 1946.

ARKANSAS

Dudley C. Humphry, Jr., Delight, Ark., in place of E. K. Jordan, resigned.

CALIFORNIA

Bertha V. Linhares, Alamo, Calif., in place of Harriett Hunt, resigned.
Raymond P. Melger, Hollydale, Calif., in place of R. N. Swanson, transferred.
Carol E. Howard, Kings Beach, Calif. Reestablished May 15, 1945.
Eric A. Jewell, Kingsburg, Calif., in place of M. E. Goble, resigned.
Dixie E. Shaw, Niland, Calif., in place of S. E. Henking, resigned.
Laura G. Mallary, Orinda, Calif. Established November 15, 1945.
Genevieve DuBois, Selby, Calif., in place of Josephine Zucca, resigned.
Eddie D. Robertson, Sierra Madre, Calif., in place of R. O. Caukin, resigned.
LaVerna N. Strawbridge, Westminster, Calif., in place of M. M. Sitzer, resigned.
Dennis T. Pelton, Woodlake, Calif., in place of E. I. Day, resigned.
Rudolf H. Kaisrlik, Yermo, Calif., in place of R. L. Sweet, resigned.

CONNECTICUT

Herbert W. Coleman, Cheshire, Conn., in place of J. L. Bradley, deceased.
Edward J. Dillon, Hartford, Conn., in place of W. J. Rankin, deceased.
Henry B. MacQuarrie, Southport, Conn., in place of E. A. Measom, resigned.

GEORGIA

James M. Lindsey, Jr., Danburg, Ga., in place of M. M. Blackmon, transferred.
James J. Matthews, Sr., Summerville, Ga., in place of F. F. Chapman, removed.

GUAM

Thomas R. Santos, Guam, Guam, in place of J. H. Underwood, retired.

HAWAII

Fred S. Abe, Hawaii National Park, Hawaii, in place of Nick Lycurgus, resigned.

ILLINOIS

Albert J. Buehler, Chestnut, Ill., in place of L. C. Rentschler, resigned.

INDIANA

Mary G. Rothrock, Brooklyn, Ind., in place of Joshua Rothrock, deceased.
Robert L. Nelson, Kennard, Ind., in place of M. M. Newby, resigned.

KANSAS

Margaret Lucile Foley, Wathena, Kans., in place of M. J. Meidinger, resigned.

KENTUCKY

Raymond N. Tackett, Virgie, Ky., in place of Conley Johnson, deceased.

LOUISIANA

Willie L. Hazlip, Water Proof, La., in place of N. H. Rogillio, retired.

MAINE

Chandler S. Bunker, Franklin, Maine, in place of J. M. Bunker, transferred.

MASSACHUSETTS

Martha L. O'Toole, South Barre, Mass., in place of W. F. O'Toole, deceased.

MINNESOTA

Alfred A. Nelson, Perham, Minn., in place of J. C. Grimm, deceased.

MISSISSIPPI

Alice C. Hamilton, Tutwiler, Miss., in place of S. D. Hamilton, deceased.

NEW MEXICO

Antonio D. Baca, Las Vegas, N. Mex., in place of F. J. Wesner, retired.

NEW YORK

Alfred L. Coons, Elizaville, N. Y. Office became Presidential July 1, 1944.
Elizabeth C. FitzPatrick, Hamilton, N. Y., in place of M. F. Dixon, deceased.
Herbert S. Putney, Millwood, N. Y. Office became Presidential July 1, 1945.
Arthur S. Muller, Water Mill, N. Y., in place of J. J. Collins, resigned.

NORTH CAROLINA

Joseph B. Stephenson, Seaboard, N. C., in place of M. W. Maddrey, resigned.

NORTH DAKOTA

Naom F. Goldesberry, Osnabrock, N. Dak., in place of E. J. Moen, deceased.

OHIO

Robert N. Stroup, Spencer, Ohio, in place of G. N. Stroup, resigned.

OREGON

LeNore G. Narkaus, Helix, Oreg., in place of R. E. Tozier, retired.
Max W. Sprague, Joseph, Oreg., in place of L. G. Allen, resigned.
Helen H. Reed, Lapine, Oreg., in place of W. F. Petersen, transferred.

SOUTH CAROLINA

Willie LeRoy Miles, Coward, S. C., in place of F. M. Lynch, retired.

TENNESSEE

Alva A. Duffield, Brentwood, Tenn., in place of M. J. Redmon, resigned.
Omar L. Hardison, Columbia, Tenn., in place of J. M. Dedman, retired.
Charles H. Winfrey, Concord, Tenn., in place of R. L. Woods, transferred.

TEXAS

James B. Scales, Bridge City, Tex. Office made Presidential January 1, 1947.

WASHINGTON

James C. Banta, Millwood, Wash., in place of A. H. Byram, resigned.

WEST VIRGINIA

Helen Belotsky, Grant Town, W. Va., in place of S. M. Krevosky, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 5 (legislative day of April 21), 1947:

SECURITIES AND EXCHANGE COMMISSION

Edmond M. Hanrahan to be a member of the Securities and Exchange Commission for the term expiring June 5, 1952.

IN THE NAVY

APPOINTMENTS IN THE NAVY

To be assistant paymasters in the Navy with the rank of ensign from the 6th day of June 1947

Joseph H. Clasgens II	James A. Ostiller
James R. Duquette	John S. Park
Raymond DeL. Lochner	John K. Ryder
	Charles R. Skord
James D. McNeil	

To be assistant civil engineers in the Navy with the rank of ensign from the 6th day of June 1947

Bradley L. Baker	Charles C. Heid, Jr.
Charles W. Butler	Eugene M. Portner
Robert D. Darragh, Jr.	William F. Reed, Jr.
Elliot A. Dewey	William D. Wilson
James I. Gibson	

Archie E. Floyd to be an assistant civil engineer in the Navy with the rank of ensign from the 6th day of June 1947.

Charles J. Stanbach to be an ensign in the Navy from the 6th day of June 1947.

To be assistant paymasters in the Navy with the rank of ensign

Robert F. Dennie, Jr.	Joseph C. Ryan, Jr.
Julian P. Hurtubise	Frank A. Saksa

Norman J. Magneson to be an assistant civil engineer in the Navy with the rank of ensign.

Frank W. Galbraith to be an assistant civil engineer in the Navy with the rank of lieutenant (junior grade).

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 5, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou all-wise God, infinite in truth and love, Thou knowest our frame and rememberest that we are dust. Out of the holy silence where Thou dwellest, we hear Thy voice and we are sheltered in the folds of Thy fatherly care; glory be unto Thy holy name.

We pray Thee to lift the curtain from our nearest duty and allow nothing to enfeeble our spirit or retard our effort to seek the light and follow its gleam. So fashion our daily demeanor that we shall be most helpful examples to our fellow men, and that they shall be made solemnly aware of their obligation to our country. O make us upright in all our dealings that we may bear no marring defects of character. Do Thou inspire us with a life animated by the kindly thought of all men, and sometime, somewhere, someway, they will rise up and call our name blessed.

In our Saviour's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Govern-

ment," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of Justice.
4. Department of the Navy.
5. Department of the Treasury.
6. Post Office Department.
7. Federal Security Agency.
8. Reconstruction Finance Corporation.

EXTENSION OF REMARKS

Mr. CURTIS asked and was granted permission to extend his remarks in the RECORD and include a resolution.

EXEMPTION FROM ADMISSIONS TAX OF GENERAL ADMISSIONS TO AGRICULTURAL FAIRS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3602) to exempt from admissions tax general admissions to agricultural fairs.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

Mr. COOPER. Mr. Speaker, reserving the right to object, and it is not my intention to do so, I employ this method of securing recognition simply to state that this bill was unanimously reported favorably by the Committee on Ways and Means. It has for its purpose the exemption from the admissions tax on the outside admissions to agricultural fairs. We strongly favor its enactment.

Mr. RICH. Mr. Speaker, reserving the right to object, this is for educational purposes as far as agriculture is concerned, is it not?

Mr. REED of New York. Absolutely. There are 2,200 county fairs in the United States. I know of no institution that is more educational as far as the farmer is concerned than the county fairs. The farmers come there with their families, the 4–H Clubs, the Future Farmers of America. They bring their livestock and poultry and things pertaining to the farm.

The Grange brings in its exhibits. They are shown in the floral hall. They charge no admission at all, but the exhibitors with their families are obliged to pay at the outer gate for the privilege of coming in and taking charge of their own exhibits.

Mr. RICH. Suppose someone wanted to put on a movie show for the entertainment of the people, would admission charges to the movie be exempt?

Mr. REED of New York. It does not exempt any of the inside entertainments or concessions. This applies only to the general admission at the gate.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SCRIVNER. Does this also include exemption for admission to State fairs as well as county fairs?

Mr. REED of New York. It does.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subchapter A of chapter 10 of the Internal Revenue Code (tax on admissions and dues) is amended by adding at the end thereof a new section to read as follows:

"SEC. 1705. Exemption of Agricultural Fairs.

"Notwithstanding the provisions of section 541 (b) of the Revenue Act of 1941 (terminating certain exemptions from admissions tax) or any other provision of law, no tax shall be levied under this subchapter in respect of any admissions to agricultural fairs if no part of the net earnings thereof inures to the benefit of any stockholders or members of the association conducting the same, and if the proceeds therefrom are used exclusively for the improvement, maintenance, and operation of such agricultural fairs or for the purpose of education and promotion in the interests of agriculture, horticulture, domestic science, the Future Farmers of America, and 4–H Club activities."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POWERS OF APPOINTMENT, CERTAIN DISCRETIONARY TRUSTS, AND DISCHARGE OF INDEBTEDNESS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 210, to extend the time for the release, free of estate and gift tax, of certain powers, and for other purposes, and for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Resolved, etc., That section 403 (d) (3) of the Revenue Act of 1942 (relating to the release of certain powers of appointment) is hereby amended by striking out "July 1, 1947" wherever it appears and inserting in lieu thereof "July 1, 1948"; and section 452 (c) of the Revenue Act of 1942 is hereby amended to read as follows:

"(c) Release before July 1, 1948:

"(1) A release of a power to appoint before July 1, 1948, shall not be deemed a transfer of property by the individual possessing such power.

"(2) This subsection shall apply to all calendar years prior to 1948 and to that part of the calendar year 1948 prior to July 1, 1948."

SEC. 2. (a) Section 1000 (e) of the Internal Revenue Code (relating to certain discretionary trusts) is hereby amended by striking out "prior to January 1, 1945," and inserting in lieu thereof "on or before December 31, 1947 (or on a later date in any case where it is shown to the satisfaction of the Commissioner, in accordance with regulations prescribed by him with the approval of the Secretary, that failure to relinquish prior to such later date was for reasonable cause)."

(b) If any amount paid prior to the date of the enactment of this joint resolution constitutes an overpayment of gift tax solely by reason of the amendment made by this section, no interest shall be allowed or paid with respect to the amount of such overpayment.

SEC. 3. The last sentence of section 22 (b) (9) and the last sentence of section 22 (b) (10) of the Internal Revenue Code (relating to exclusion of income from discharge of indebtedness) are hereby amended by striking out "1947" and inserting in lieu thereof "1949."

Mr. REED of New York. Mr. Speaker, this joint resolution extends to July 1, 1948, the period for releasing certain powers of appointment without incurring liability for estate or gift taxes.

The Revenue Act of 1942 made a number of significant changes in the law dealing with powers of appointment which affected holders of preexisting powers, among which there were many fiduciaries.

To determine whether these powers, even though not exercised, were subject to the estate or gift tax, required a thorough investigation of many trust instruments and wills and involved complicated questions of interpretation of State and local law.

In order to enable holders of these powers to adjust their affairs in the light of new legislation, Congress provided in the Revenue Act of 1942 that such powers could be released prior to January 1, 1945, if the power was created on or before October 21, 1942. Subsequent amendments have extended this date to July 1, 1947. It is now proposed to extend the time to July 1, 1948, so that the matter may be considered in connection with the general revenue bill, to be taken up next year.

The distinction usually made between a general and a special power lies in the circumstances that, under the former, the donee may appoint to anyone, including his own estate or his creditors, thus having the full dominion over the property as if he owned it; whereas, under the latter, the donee may appoint only amongst a restricted or designated class of persons other than himself.

This bill, House Joint Resolution 210, extends the applicable period of paragraphs (9) and (10) of section 22 (b) of the Internal Revenue Code for 2 years, that is, to the end of the calendar year 1947.

Those provisions enable corporations to exclude from their gross income amounts attributable to the discharge of indebtedness at less than face value.

Paragraph (9) of the section applies to corporations generally; paragraph (10), to railroad corporations in receivership or reorganization proceedings.

For corporations generally—those covered by section 22 (b) (9)—the exclusion is elective and is conditioned upon the taxpayers' consent to a corresponding reduction in the basis of property held by it at any time during the taxable year in which the discharge occurred. The reduction is made under regulations conforming with the general standards laid down in section 113 (b) (3) of the Internal Revenue Code. The application of paragraph (9) is limited to secured indebtedness, either of the taxpayer corporation or of another corporation if the taxpayer is liable for it.

For railroad corporations in receivership or reorganization proceedings, the provisions of paragraph (10) apply. These provisions differ somewhat from those of paragraph (9). In the first place, paragraph (10) applies to any indebtedness, whether or not evidenced by

a security. Secondly, the exclusion of income realized from a modification in or cancellation of indebtedness, is not left to the election of the taxpayer. Finally, there is no provision for a compensating reduction in the basis of property held by the railroad corporation whose indebtedness is modified or canceled. In lieu of such a provision, section 112 (b) (9) prohibits the recognition of loss on the transfer of property to a railroad corporation in a receivership or reorganization proceeding, and section 113 (a) (20) provides that property so transferred shall have the same basis in the hands of the acquiring corporation as in the hands of the corporation whose property was so acquired.

The history of section 22 (b) (9) and (10) is interesting. Both paragraphs have their origin in paragraph (9), which was added to the code by the Revenue Act of 1939. The purpose of this addition, as stated in the committee report, was to enable debt-ridden railroads—though there was no express limitation to railroads—to repurchase their own bonds at a discount without subjecting themselves to a prohibitive tax penalty. The privilege, however, was expressly restricted to corporations in an unsound financial condition when the debt was discharged. The amendment was applicable to taxable years beginning after December 31, 1938, but not to any discharge of indebtedness occurring before the date of the enactment of the Revenue Act of 1939—June 29, 1939—or in a taxable year beginning in 1943 or later.

The Revenue Act of 1942 eliminated the unsatisfactory requirement of unsound financial condition and added the new paragraph (10) for the special coverage of railroad corporations in reorganization or receivership proceedings.

Section 22 (b) (9), as amended, was made applicable only to taxable years begining in 1942, 1943, 1944, or 1945. The new section 22 (b) (10) was made applicable to taxable years beginning in 1940 or later.

Neither paragraph (9) nor (10), however, applied to any discharge of indebtedness occurring in a taxable year beginning after December 31, 1945.

The present bill will extend for a further period of 2 years these desirable provisions of internal revenue law.

The SPEAKER. The question is on the passage of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GOFF asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by the Under Secretary of War at an Idaho commencement.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD the last broadcast by our late colleague Fred Bradley, of Michigan, on the Panama Canal; and also to insert in the Appendix of the RECORD an editorial from the Long Beach Press-Telegram of May 22, 1947.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CANNON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter on soil conservation.

Mr. LARCADE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. LYNCH asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include an editorial and a letter.

BROOKLYN SUNDAY SCHOOL UNION

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, comparative peace is the world order of the day—but a holy peace pervades the Borough of Brooklyn in New York.

For there, today, we celebrate the one hundred and eighteenth anniversary of the founding of the Brooklyn Sunday School Union, marked by the annual anniversary-day parade. In the lines of march, all over the borough, will be upward of 150,000 men, women, and children of all Protestant denominations, proudly and publicly professing their faith in God. They will be reviewed by the Governor of the State of New York, the mayor of the city of New York, the president of the Borough of Brooklyn, and national dignitaries of church and state.

The event is uniquely Brooklyn and has no counterpart anywhere in the world—beautiful floats depict holy scenes; colorful banners convey messages of good will and of peace—and patriotic Americans show their devotion to God. All of Brooklyn joins in this holiday of holiness—inspired by the zeal of their neighbors. Were the world in Brooklyn today, a comparative peace would become absolute and permanent. The lights would shine brightly and forever.

LABOR LEGISLATION

Mr. COMBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Speaker, labor legislation passed by the House yesterday contains no provision to enable the President to deal with shut-downs in the coal mining industry, no provision empowering him to deal with John L. Lewis, and serves only to cripple little local unions by so weakening their control over selection and discipline of their membership as to make them the easy victims of Communist infiltration.

As soon as the American people and Members of Congress have had a chance to study and understand the conference labor bill voted yesterday, it will become abundantly clear that Congress has completely failed to give the American people the sound labor legislation they desire for curbing Nation-crippling strikes.

The bill purports to deal with national emergencies which threaten the national health and safety, but a John L. Lewis coal mine walk-out which might put the Nation in dire peril, is not one of the emergencies dealt with. Let us examine that part of the bill which ostensibly deals with emergency strikes:

Would the bill empower the President properly to deal with a shutting down of the coal mines in the manner that has occurred several times recently?

The answer, definitely, is "No." There is not a single provision, not even a word in the bill which, even by implication, would empower the President to deal with such a situation. Just what does the bill authorize the President to do in the case of national emergency?

Section 26, page 54, line 16 provides:

> Whenever, in the opinion of the President of the United States, a threatened or actual strike or lock-out affecting an entire industry, or a substantial part thereof • • • will, if permitted to occur or to continue, will imperil the national health or safety—

And so forth—

> he may appoint a board of inquiry—

And proceed by injunction, and so forth, under the machinery specified.

Now, this empowers the President to deal with industry-wide strikes, actual or threatened. What is a strike? The bill does not define the term. But, since the proceedings authorized are applicable only to unions and their agents, it may be assumed that the strike the President is authorized to deal with is one which either is authorized by the union or its officials acting for it, or which is ratified and officially sanctioned by the union or its agents.

Now, how do the coal-mining stoppages occur? It is very simple. There is no strike vote by the membership, and no order to strike need be given by President John L. Lewis or anyone else. The contract simply expires, usually in the dead of winter when coal is desperately needed. The coal miners say "We work only under contract. No contract, no work." They simply stay at home or go on a vacation. They do not picket the mines and although it is obviously a concerted action, each miner acts as an individual.

And, if such a work stoppage could be called a "strike" within the meaning of the bill, whom would the President proceed against? Whom could the court enjoin? From what would the court enjoin the person or persons proceeded against?

The President and the courts could not proceed against the mine officials since they will have neither authorized nor directed the work stoppage; in fact, the stoppage might not be complete, but only a slow-down by mass absenteeism. It would be found, also, that the mine

union officials had no legal authority to order the miners to go back to work. How, then, could they be held liable for failing to do what they had no legal right or obligation to do, or to desist as officials from doing something they had not done? Could the 500,000 members be enjoined? Of course not. Neither the President nor the courts could proceed against individual miners. In the first place, the bill authorizes no such procedure. Furthermore, no such thing could be validly authorized for the simple reason that so long as we have a Constitution and a bill of rights left in this country, the citizen cannot be compelled to work for a private employer against his will.

It should be noted that the President was enabled to deal with the recent coal strike by proceeding against the mine union president and the mine union only because the mines were in the hands of the Goverment under seizure, and he acted under the Smith-Connally Act and for the enforcement of an agreement between the Government and the union. So, the President not only had the broad powers of emergency law, but also what was held to be a contract with the union against such stoppages.

The pending bill offers absolutely nothing to empower the President to deal with a peacetime situation arising under private control in a coal-mine industry where the technique has been developed of "no contract, no work." Thus, what is in some respects the most menacing and dangerous of all possible industry-wide shut-downs is left a clear road for full operation. Strikes called by vote of the membership, as in the case of a great public utility, and which endanger the public health and safety, could be dealt with under terms of the bill. The coal miners' "no contract, no work" shutting down of the mines would find the President powerless to do anything about it.

The Smith-Connally Act under which the President acted in dealing with Lewis will expire June 30. Lewis has made no contract with the mine owners and the press reports "no progress toward a contract." Apparently he is getting ready for another "no contract, no work" shutdown whenever he deems the time most appropriate to suit his purposes. Thus, John L. Lewis, who has repeatedly all but brought this Nation to its knees in the dead of winter—John L. Lewis, who has repeatedly defied his Government—John L. Lewis, who has denounced the courts of his country, will, under this bill, be perfectly free to go his merry way. Our President, as far as anything in this bill is concerned, will be utterly helpless to deal with him. Yes, the bill curbs jurisdictional strikes, secondary boycotts, and other practices of little unions. But there are no jurisdictional strikes, no boycotts in the mine unions. It is all one show run by one man who, as far as this bill is concerned, will be free to do as he pleases.

Thus, this Republican-controlled Congress, resting under the solemn obligation to give the American people a sound and workable law to curb such practices, has denied the hopes of the people and failed even to protect them from the most menacing of all strikes and the most powerful and ruthless of all labor leaders.

No wonder John L. Lewis has been strangely silent while other labor leaders denounced the bill. It could not better serve his purposes if he had written it himself.

AMERICAN LEGION SPEAKS ON IMMIGRATION—ADDRESS OF NATIONAL COMMANDER

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a letter from the Director of the national legislative committee of the American Legion, a resolution by the American Legion, and also an address by the commander of the American Legion before the Daughters of the American Revolution on the subject of immigration.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, there is an effort being made under the guise of serving displaced persons, to tear down our immigration laws and to flood this country with aliens, many of whom will bring with them communism, atheism, anarchy, and infidelity.

When former Ambassador Bullitt was testifying before the Committee on Un-American Activities he said that 60 percent of the Communists in this country are immigrants.

Mr. Speaker, the Communists are dedicated to the overthrow of this Government, they are dedicated to the destruction of the American way of life, they are dedicated to the destruction of Christianity throughout the world.

It is the greatest menace civilization has faced in 2,000 years.

I join with the American Legion, I join with the Daughters of the American Revolution, who have been attacked by honest Harold Ickes for standing up for their country—I join with them in opposition to legislation that would tear down the bars of immigration to the enemies that are coming here to stir up trouble from one end of this country to the other.

Mr. Speaker, as a part of my remarks I include the following:

THE AMERICAN LEGION,
Washington, D. C., May 28, 1947.

Hon. JOHN E. RANKIN,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Hearings on the Stratton bill, H. R. 2910, which proposes changes in our present immigration laws "to permit displaced persons in Germany, Austria, and Italy, including relatives of citizens or members of our armed forces to be admitted to the United States" will commence before the House Judiciary Committee on June 4.

Enclosed find two resolutions adopted by the American Legion dealing with this subject. The American Legion is opposed to any such changes in our immigration laws, and I quote you a resolution adopted at our Chicago 1945 national convention, as follows:

"Resolved, That article 75 of the Geneva Convention which calls for the return of prisoners of war to their own countries be strictly enforced and that no exceptions be made by permitting them to remain in the United States or otherwise facilitating their readmission.

"Postwar immigration will receive the very earnest attention of the Congress during the current session. In fact, a special subcommittee of the Congress has been engaged since early summer in a survey not only on the broad subject of immigration but also on deportation and naturalization legislation. Already available reports of their meetings indicate a coalition of various types of organizations and minority groups whose particular functions appear to be the alleviation of the conditions of alleged oppressed persons and groups, and of assisting the aliens within the deportable classes to avoid deportation, and in aiding and abetting the naturalization of aliens generally. Their primary interest is the aliens rather than the general welfare of their country."

Attached also find a copy of the speech made by National Commander Paul H. Griffith before the DAR May 22, 1947.

I am sending this material to you in order that you might have at hand the position of the American Legion on this very vital subject.

Sincerely yours,

JOHN THOMAS TAYLOR,
Director, National Legislative Committee.

RESOLUTION 270

(Chicago national convention, September 18–20, 1944, p. 65, Americanism committee)

PROHIBIT IMMIGRATION TILL ALL VETERANS OBTAIN EMPLOYMENT

Whereas the American Legion is strongly committed to the principles that American citizens should at all times be afforded the opportunity for immediate gainful employment: Now, therefore, be it

Resolved, That to this end we advocate and strongly urge:

1. That any foreign-born resident who avoided the obligations of military service or who hereafter fail to make application for first papers within 3 years from the date of his entry into this country shall be automatically subject to deportation.

2. That all immigration be barred from the United States from the date of cessation of hostilities of the present war until such time as—

(a) Unemployment in this country shall be dropped to less than 1,000,000.

(b) All veterans shall have been afforded the opportunity of gainful employment.

(c) All so-called members of imported foreign labor battalions, refugees, war prisoners, and/or those who have been given temporary sanctuary, employment, or haven during the present state of war shall have been returned to the lands of their origin, which the Legion believes should be accomplished without delay; and be it further

Resolved, That the American Legion, however, does not favor the barring of foreign-born wives, husbands, and children of American members of the armed forces and of the war establishment who may prefer to reside and work in this country.

RESOLUTION 705

(San Francisco national convention, September 30–October 4, 1946, p. 113, Americanism committee)

RESTRICT ALL QUOTA IMMIGRATION

Whereas our country is faced with a most critical housing shortage and hundreds of thousands of our war veterans are unable to secure homes, and the fact that serious unemployment is possible in the not distant future: Therefore be it

Resolved by the American Legion in annual national convention assembled in San Francisco, Calif., September 30 to October 4, 1946, That it requests the President of the United

States to suspend by Executive order and/or the Congress of the United States by appropriate legislation to restrict all quota immigration on the basis of the National Origins Act as well as displaced refugee immigration until January 1, 1948.

ADDRESS OF NATIONAL COMMANDER PAUL H. GRIFFITH, OF THE AMERICAN LEGION, BEFORE THE FIFTY-SIXTH CONGRESS OF THE DAR IN WASHINGTON, D. C., MAY 22, 1947

As national commander of the American Legion, the world's largest veteran's organization, I am happy to bring greetings to this DAR Congress from more than 3,500,000 defenders of America in two world wars.

The American Legion and the DAR have a powerful bond in common. They are both 100-percent American organizations. Love of country is our common business. The perils of our Nation are our common concern.

Between two such thoroughly patriotic groups utmost frankness is always in order in a common approach to any pressing national problem. We have such a problem before us here today in immigration. We have never pulled our punches in the past in facing important issues. We will not pull any punches today.

I am not going to discuss immigration in an academic manner here today. I am going to attack it as a growing menace to America.

Immigration in 1947 has run amuck.

It has become a lawless torrent that is undermining the very foundations of our American way of life.

It is robbing the returned veteran of his opportunities.

It is building up a fifth column in this country that may well be the margin by which we may meet with disaster in the next war.

Let's get down to some grim facts. Let's look at the realities of our immigration problem today and close our ears to the sob stuff with which we are being beguiled.

Legal immigrants are entering this country at a rate of 154,000 a year. That amounts to about 425 foreigners a day admitted lawfully.

But for every legal immigrant for whom Richard opens the door to America, there are at least 10 illegal immigrants—black-market immigrants—if you please. They belong to the sneak-into-America 1947 world club.

Every day thousands of foreigners run our borders or skip our laws in illegal entries into the United States. Nobody knows what the actual score is. Whatever it is, it is fantastic.

The present immigration flow—a trickle of legal entries and a flood of illegal ones—has made the United States a laughing stock of the world. The greatest international sport today is running the American immigration laws under false colors. It's a game in which the foreigners can't lose because the umpires are asleep, the fans are too busy filling themselves with peanuts and soda pop, and the players make their own rules.

The skullduggery that is going on under our existing immigration laws is simply beyond belief.

Seamen, many of them that only in name, are jumping ships in American ports.

Foreigners arriving in transit on the way to other lands make it a permanent "sit" in the good old United States of America.

Aliens dropping in on visitors' visas manage to get lost in our wide open spaces.

Overseas students come here to study and make it life jobs.

Outlanders from the four corners of the earth run our borders daily along the Canadian and Mexican boundaries and over the Caribbean waters, making a mockery of our meager patrols.

All these foreigners are thumbing their noses at our laws. They know that Americans always have been indulgent and generous and easy marks for heart appeals. So every foreigner who violates our immigration laws figures he has an ace in the hole.

That ace is the reluctance of the American people generally to separate families.

If and when, as occasionally happens, a foreigner who has entered this country illegally or overstayed his leave or "crooked" his way into America in some way or other, is apprehended, that alien's first move is to get married—if he isn't already. Then his case immediately becomes a "hardship case." That means it would involve a hardship on members of his family to separate the family group. Special interest groups and misguided organizations and individuals will set up a clamor for fair treatment of such hardship cases, meaning by that the legalization of the status of such foreigners.

Let us put this typical 1947 illegal immigrant under a magnifying glass. He is a black-market immigrant—a law violator. He cannot hope to become a citizen of the United States unless he adds perjury to his immigration law breaking, for he dares never to tell the truth about how he got into the country. He is thus foreordained to being a noncitizen and a nonvoter unless he practices more fraud. At the best he is thus not a likely good citizenship asset.

This immigrant—let's not fool ourselves—did not break our laws, practice deceit and fraud on our authorities and cover himself with lies just to enter America to help make it a better country. No. He sneaked into America for what he could get out of it, for what he could despoil it of—not only in material assets but in its spiritual wealth as well. For he didn't come here as a candidate for conversion to Americanism. He came here, the odds are, as a missionary and evangelist of foreign philosophies of life and government.

It is a far cry from the present type of immigrants to the sturdy stock who came here as pioneers. These earlier immigrants were men and women who came here openly and lawfully, to become citizens, to accept our ideal, and to help build this Nation with hard work and thrift. We proudly declare these were our ancestors. They were an asset in the wresting of an empire out of a wilderness.

Today the wilderness is conquered. The empire has been built. It needs believers in it who will maintain it, preserve it, strengthen it, and defend it.

The illegal immigration flow, the black-market immigrants, is a Godsend to communism in the United States. With thousands of foreigners illegally leaping our immigration barriers every day with the greatest of ease, imagine how many Communists, Bolshevists, unrepentant Nazis and Fascists, and peddlers of other foreigns isms, are infiltrating into the American scene.

Gerhart Eisler, alias Hans Berger, the No. 1 Communist in the United States today, whom the Government is now trying to punish and deport for breaking our laws and practicing fraud upon us, is a product of the present immigration flow, legal and illegal.

We have in this country today still at large a band of Communist atomic spies whose names were disclosed to our Government by Prime Minister Mackenzie King, of Canada, more than 20 months ago. These Red secret agents have not been arrested, have not been tried, and for all I know have not even been hampered in their plotting against the security and welfare of this Nation, although their identities now have been known to Government officials since September 1945. To what group do these enemy operators in the United States look to for aid and support? The answer is obvious—to our enormous black-market immigrant group.

The American people have been led to believe that our present quota immigration laws are selective. Nothing could be further from the truth. The fact is that while we specify the country of origin from which immigrants may come to the United States, we do little or nothing to certify that those who do come are capable and desirous of embracing our American way of life.

This condition bids fair to become America's Trojan horse of the twentieth century. If allowed to persist, it will destroy the very base of our living standards.

To avert this catastrophe, the American Legion believes that our immigration laws should be selective in fact as well as in name. We call for selection not only by nation but by person, so that only those who measure up to America's freedoms and responsibilities will sift through to America's shores.

I have shown you the moral and the political reasons why the American Legion in the interest of future good citizenship is demanding drastic tightening of our immigration laws.

There are impelling economic reasons also why immigration should be suspended immediately for at least a year. These reasons involve a national obligation to America's veterans.

The American Legion does not want the doors opened wider because it believes that the rights of American—first of all veterans—come first and come ahead of any claims of foreigners.

Department of Labor figures showed 2,330,000 Americans were out of work and looking for jobs on March 31 this year. Of these, 850,000 were veterans.

There are today possibly as many as 3,500,000 of our people who are half-housed, ill-housed, or actually unhoused. Again the veteran is in the unfortunate majority. Every large newspaper in the United States is carrying daily agony columns of veterans seeking any kind of a shelter.

Our industry has not yet hit its reconversion stride. Consumer goods remain scarce and inferior and some still are rationed. Inflation is here, with a vicious cycle of rising prices and costs making shortages more acute.

Our economic experts predict that the unemployment situation is going to be worse before it gets better. Our housing experts say it will be years before the shortage of homes is remedied.

Immigration means competition for American veterans and other citizens for jobs, housing, and consumer goods.

Every foreigner in the United States, whether here legally or illegally, is a veteran's immediate rival for a job, for an apartment, for a house, for a suit of clothes, for a hard-to-get new automobile.

The foreigner's presence in the American labor market, his bid for housing, and his use of consumer goods represent a discrimination against the veteran who needs a job, a home, a car, and a suit because he gave them all up to fight for America. The veterans now should have first priority on these necessities of personal reconversion. To give these "musts" to an alien is a slap in the face for the veteran who believed enough in America to risk his life in her defense and is entitled to first consideration.

And mark this well: If economic conditions grow bad, it will be the veteran that will be the stabilizing influence for law and order and it will be the black-market immigrant who will be the nucleus for disorder and violence.

For those who argue that immigrants would be an asset now to our economy, the American Legion says that if they are valuable workers and producers, as claimed, then no country needs them as much as their own. Half of Europe is in ruins. Skilled workers and men with trained minds are sorely needed for the reconstruction of war-devastated nations.

Likewise, if these potential immigrants are anti-Communists, as claimed on their behalf, they can render freedom the greatest service by remaining to combat the spread of communism in their own countries. The

young veterans of America already have contributed immeasurably to the overthrow of tyranny throughout the world. It is up to the people freed from the yokes of nazism and fascism to do their part now in defending freedom against other slavish "isms."

There was a time when immigration was a source of national strength for America. That was in the days of free land and of expanding frontiers. Those conditions no longer exist. Today we are trying to readjust to normalcy from the greatest war in all history which took 15,000,000 of our young men and women away from their homes and pursuits and put them into uniforms.

Under these present conditions the need for the run of the mill immigrant has vanished. We don't need the help of foreigners on our farms, in our factories and in our offices when our own veterans and our own war workers can fill every job available.

At the same time the type of immigrants flowing into this country—both legally and illegally—is the lowest in all our history. We are getting the cast-offs of all Europe.

Furthermore, immigration has become a racket of specific racial, religious, or economic groups. They are perverting immigration to increase their own strength and thus pushing back the time when all arrivals in this country will have become assimilated.

The American Legion contends therefore that immigration no longer provides benefits for our Nation at this time—only liabilities. That is why present immigration is a growing menace to America. It conflicts with one paramount objective all loyal Americans have—keeping America always American. The present type of immigrant is poor material for good Americanism. He is poor material for assimilation.

Let's get wise and smart. It pays to start charity and fairness at home. Let's be the Richards to open the door of American opportunities first to American veterans and American war workers.

When we have properly taken care of our own, then we can and we should help the strangers at our door.

INCREASED RENT IN GOVERNMENT HOUSING PROJECTS

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, I have been informed by several people that there are approximately 3,000 families living in a dozen different Government housing projects who face increases in their rent of from $1 to $15 a month. These housing projects were occupied by war workers and all during the period of the war when the occupants were making high wages, working overtime, and receiving bonuses their rents were held down.

Many of these projects are now occupied in part by returned war veterans who are working no more than 40 hours a week. I am at a loss to understand why at this time these rents should be raised so substantially when the same rents were kept down during the war under a law that provided for reasonable economic rents as of that time.

I protest the announced increases and urge that the OPA Rent Control Division resurvey the situation in order to determine a fair rent in these projects. I understand the same situation will develop in other parts of the country. What can we say to landlords who have been unable to obtain relief when at the same time the Federal Government is ordering rent increases?

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD on the Taft-Hartley bill and to include quotations from the majority leader on the same subject, and to include also an editorial from the New York Times.

Mr. ROSS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Star which points up the necessity of our Government doing something now about the mobilization of industry and the protection of agencies of Government in the event of an atomic attack.

AIRPLANE APPROPRIATION

Mr. ENGEL of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. Mr. Speaker, I wish to correct a statement I made on yesterday. In my original remarks on Tuesday I made the statement that the total amount of money for airplanes in the bill was $440,000,000, and I assumed that that included $280,000,000 for contract authorizations. I was told just before I took the floor yesterday that I was in error about that; that the $280,000,000 was not included in the $440,000,000, and it was pointed out that the bill provided that in addition to the appropriation the Secretary could under contract authorizations have $280,000,000, and I so stated on the floor of the House. After going back to my seat and looking the matter over, I found I was right in the first place; that the party who informed me was wrong, and that the schedule called for $440,000,000 for airplanes including the $280,000,000 contract authorization. Now, that does not change the number of planes. The number of planes that are to be produced or will be produced is the same number that we discussed on the floor yesterday, and I wanted to correct the RECORD. I corrected it last night regarding that statement, but my first statement made on Tuesday was correct.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask for this minute to ask the gentleman from Michigan a question. When he refers to the number of airplanes that are included in the amount, what is the number?

Mr. ENGEL of Michigan. I was told that the number of planes was 632 at the present prices, and something like seven-hundred-and-some-odd at the original prices. The question of the number of planes will vary with the type of planes they are going to produce. The War Department is undoubtedly, and properly so, going to take what money we give them to produce heavier bombers and heavier planes, which take a longer time to produce. General Rawlings told me that it would make 632 planes. Now, they may have changed that to 590 planes by increasing the number of heavier planes they are going to build and decreasing the number of fighter planes and make more planes out of the fund.

EXTENSION OF REMARKS

Mr. VAIL asked and was given permission to extend his remarks in the RECORD and include an article entitled "Russia Grabs Our Inventions," by J. Parnell Thomas, appearing in the June issue of the American magazine.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include an article by Thomas L. Stokes.

LABOR BILL

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Speaker, the radio and press carried the statement this morning that the Democrats on the Labor Committee were going down to the White House today to ask President Truman to veto the Hartley-Taft bill, which was passed by the House on yesterday. It so happens that I have been a member of the Committee on Labor for many years. If some two or three Democratic members of the committee want to request the President to veto the bill, it is perfectly within their rights to do so: but I certainly do not think it is a correct statement for either the press or radio to make regardless of the source of their information when they say the Democrats of the committee are going to the President. I have discussed this matter with other Democrats on the committee. They do not propose to join in any such movement, and certainly I do not propose to make any such request of the President. On yesterday the House passed the labor bill by a vote of 320 to 79, a little over 4 to 1. Not only did an overwhelming majority of Republicans vote for the bill but an overwhelming majority of the Democrats, as well, voted for the bill, the Democratic vote being 66 Democrats against and 105 Democrats for the bill. So I think it would be much more accurate to state that a majority of the Democrats in the House hope the President will sign the bill immediately. So far as I am personally concerned, I sincerely hope he will approve the bill.

DISPLACED PERSONS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the gentleman from Mississippi has spoken with his usual lack of information and has stated that the refugees seeking entrance into this country are in the main Communists. He probably has failed to read the exact facts. If he had, he would find that there were 800,000 of those persons, 500,000 of whom are Catholics, 200,000 are Jews, and 100,000 Protestants. They are Balts, Poles, and Slavs. These Slavs, for example, are fleeing from the Tito regime. If they would return, they would be purged.

The Jews refuse to be repatriated. They want no part of the communism that permeates Russia, Poland, Rumania, and Hungary, whence they came. The gentleman from Mississippi speaks with no authority, with no possession of the true facts, and wildly flings his accusations.

Likewise, the Poles are fleeing from the Communist-controlled domain, and the Latvians, Lithuanians, and Esthonians are likewise opposed to communism. He should know that our immigration laws screen immigrants and exclude all Communists and Nihilists and the other categories he mentioned.

Further, you do not find the Communist Party or any Communists advocating the entrance of these displaced persons or refugees into this country. You do not find anybody in the Communist Party advocating the entrance of these people because they know they are opposed to communism.

Refugees, particularly refugee scientists who came to the United States, have enriched this country. They worked on nuclear fission, on aerodynamics, on meteorology, on ballistics and on engineering devices; their researches were immediately and eagerly demanded because of their practical and terrible applicability to the course of the war.

The full story of the role that refugee scientists played in the prosecution of the war has not yet been revealed. Of course, the gentleman from Mississippi closes his eyes to these facts. For example, Dr. Ernst Bari, who had been chief chemist for Austria-Hungary in World War I, came as a refugee to the United States in 1933 and turned his world-renowned skill in chemistry and explosives against the Axis nations. He was a member of the United States Explosives Advisory Committee and cooperated with the United States Chemical Warfare Service and the Navy Ordnance Department. A number of refugee scientists worked in atomic energy: Hans Bethe, Enrico Fermi, Albert Einstein—who suggested the war Manhattan project to Roosevelt—James Franck, and many others.

The names of at least nine refugee scientists have appeared in connection with the development in this country of the atomic bomb, and others may become public as more of the details of the project become common property.

The tremendously practical contributions made by the refugee scientists to their new homeland during time of war will certainly have their counterpart in the peacetime world. They have proved themselves beyond any doubt loyal and patriotic members of American society, ready to share with their new compatriots their intellectual gifts and achievements. Of course, facts of this character mean nothing to the gentleman from Mississippi.

Many more of these scientists are in the DP camps. They would be immeasurably valuable to us if we could bring them to the United States.

Of the six men who participated in the historic flag raising of Iwo Jima, three were of foreign origin. Sergeant Hansen of Somerville, Mass., of Scandinavian origin; Private Gagnon, marine, from Manchester, N. H., of French-Canadian origin; Sergeant Strank from Johnstown, Pa., of Carpatho-Russian origin, coming from Czechoslovakia. A fourth member participant was Private Hayes, who is a full-blooded Pima Indian from Arizona. Hansen and Strank were killed in action. Of course, the gentleman from Mississippi cares naught for these facts concerning refugees and aliens.

AIRPLANE PROCUREMENT

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, the gentleman from California [Mr. HINSHAW] requested information as to how many airplanes this bill would provide. If the Members of the House will turn to the RECORD of June 3 and read the letter of the Secretary of War, which appears on page 6442 and the succeeding page, they will find that this bill provides, as now written, for 561 airplanes. As the gentleman from Michigan has pointed out, the number of airplanes would vary with the type, but that is the number that would be constructed out of these funds which the Secretary of War says are so inadequate under the circumstances.

Mr. ENGEL of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. ENGEL of Michigan. Can the gentleman tell the committee how many planes were cut out when the President reduced the 1947 appropriation bill $30,000,000? That will give us an idea of what this cut will do.

Mr. MAHON. I can tell the gentleman that not one single plane was cut out. We appropriated $400,000,000 last year and $30,000,000 was held in reserve or transferred, but that money now is available for airplane procurement. So that clears that.

Mr. ENGEL of Michigan. That $30,000,000 was transferred to the pay of the Army.

Mr. MAHON. The Army did transfer some funds to the pay of the Army, but in the light of recent developments it will not reduce the procurement program for fiscal 1947, as had been originally thought. Budget officers of the War Department are my authority for this statement.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances, in one to give additional wool facts, and in the other to include the law in connection with the little and the big bureaucrats that tell the Congress how to run their business.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LEASING OF PROPERTY BY VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1135) to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, is that the House bill?

Mrs. ROGERS of Massachusetts. It is similar to the House bill which was reported out unanimously, I may say to the gentleman from Mississippi. It is the bill the gentleman from Indiana asked that I not take up for 24 hours in order that he might secure from me and the Veterans' Administration certain information as to how General Bradley secured his leases.

Mr. RANKIN. It is the same bill.

Mrs. ROGERS of Massachusetts. Time is very important, because the present act expires the end of the month.

I talked to the gentleman from Indiana who said this was satisfactory and also I obtained the information for the gentleman from California [Mr. PHILLIPS], who is a distinguished member of the appropriations subcommittee that handles veterans' appropriations. The information was inserted in the CONGRESSIONAL RECORD of June 3 if anyone wishes it for his files.

Mr. WILSON of Indiana. Mr. Speaker, reserving the right to object, my purpose the other day in objecting was that I felt this to be a very important matter involving a considerable amount of money. Upon investigation since, I found that it involved an expenditure of more than $8,000,000 which I felt should not come before the House by unanimous consent.

Furthermore, I did not know, and neither did the author of the bill who was calling it up, where these buildings were, what they were to be used for, how much space was involved, or any of the con-

ditions under which we were contracting for that space. We had just had before our subcommittee on public buildings and grounds people from the War Department who told us there were 28,000 square feet of vacant space in the Pentagon Building not being used for anything. Yet, they, the War Department, are using space in 17 other Government buildings in which the taxpayers were being forced to make large outlays of funds for that space. We also found that in the Pentagon they had entered into an agreement with private enterprise for the use of 37,000 square feet of space which was not for war purposes but which space was used for Woodward & Lothrop's, the Walgren Drug Co., and so forth, and in this agreement the War Department Concessions Division had received more than a million dollars, which money was not going back to the Federal Treasury but was going to subsidize the cafeteria of the employees in the Pentagon. They said they did not have permission to rent this space to these private concerns but they could enter into an agreement and take part of the profit. That does not make sense to me. I wondered if the Veterans' Administration was following a similar procedure and if we did not have buildings in Washington or agencies leasing enough space to private enterprise to perhaps pay the total cost of the food of the employees.

The testimony states that these employees of the Pentagon are making an average salary of $2,900 a year, but cannot afford to pay the full price of their lunch and that they must have this subsidy on their food or the War Department cannot get people to go there to work, and that 40 hours a week was too much time to work. Nonsense.

We were told it was necessary to bring concessions out there in the way of a department store and a book store and a jewelry store and all similar things so that people could shop during their off hours. You see they did not have time, working 40 hours a week, to go up town and do their shopping. Therefore, we had to bring these concessions there in order to get the employees. Now, we have this U. S. and Us columnist, the man with the bleeding heart, telling us that the Government employees do not want to leave Washington, and we are going to have to raise money here in Congress to get them out of Washington. The War Department and the Government could not get them to come here and work without subsidies, yet the columnist says that we cannot get them out of Washington or get them to leave unless we raise money to pay their expenses home.

Mr. Speaker, I just wanted to get a few of these matters straightened out. I feel that this problem of building space and the use of that space should be under one committee, so that one committee can know exactly what is going on, because in this report that the gentlewoman from Massachusetts [Mrs. ROGERS] gives us shows where General Bradley has gone to the Public Buildings Administration, which is under the jurisdiction of the Committee on Public Buildings and Grounds and has gotten space from them. Now, why cannot one committee handle this space problem and thereby save the taxpayers of this country millions of dollars?

Mr. Speaker, I withdraw my reservation of objection.

Mr. RANKIN. Reserving the right to object, this is identical with the House bill?

Mrs. ROGERS of Massachusetts. It is identical with the House bill. I asked to take from the Speaker's table the Senate bill in order to expedite the matter. General Bradley would have to vacate some of the buildings at once if it were not passed within a day or two.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the second paragraph of section 100 of the Servicemen's Readjustment Act of 1944, as amended (38 U. S. C. 693), is hereby amended by deleting "June 30, 1947" and inserting in lieu thereof the following: "June 30, 1948."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. The Chair is compelled to state that the time for 1-minute speeches has passed. We have already considered legislation.

Mr. RICH. I simply wanted to try to save the Treasury of the United States, but it will be gone too, some day. So we will just postpone it.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ten Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 71]

Bell	Granger	Mitchell
Bland	Gwinn, N. Y.	Monroney
Bloom	Hale	Morrison
Bradley	Harness, Ind.	Murray, Wis.
Buckley	Hartley	Owens
Carson	Hébert	Peterson
Clark	Hendricks	Pfeifer
Clippinger	Hess	Phillips, Calif.
Combs	Hobbs	Plumley
Davis, Tenn.	Holmes	Powell
Dawson, Ill.	Kee	Rayfiel
Dingell	Kefauver	Riley
Domengeaux	Kelley	Sadowski
Douglas	Kilburn	Scott, Hugh D., Jr.
Elsaesser	Kilday	Shafer
Elston	Knutson	Short
Fiannagan	Latham	Smith, Kans.
Fuller	Lodge	Smith, Ohio
Gallagher	McCormack	Smith, Va.
Gamble	Macy	Stockman
Gavin	Mansfield, Tex.	Van Zandt
Gifford	Meade, Ky.	Wadsworth
Gorski	Meade, Md.	
Gossett	Miller, Md.	

The SPEAKER. On this roll call, 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1948

Mr. ENGEL of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3678, with Mr. MICHENER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday there was an amendment pending. The time had been fixed at 1 hour, the last 10 minutes of which by unanimous consent was granted to the committee. Accordingly, other Members will be recognized for 4 minutes. The list of gentlemen standing at the time seeking recognition is as follows: Mr. BROOKS of Alabama, Mr. MILLER of Connecticut, Mr. DURHAM of North Carolina, Mr. SASSCER of Maryland, Mr. HARRIS of Arkansas, Mr. FISHER of Texas, Mr. WINSTEAD of Mississippi, Mr. ALLEN of Louisiana, Mr. LARCADE of Louisiana, Mr. RANKIN of Mississippi, Mr. WILLIAMS of Mississippi, Mr. SMATHERS of Florida, Mr. GOFF of Idaho, and Mr. CASE of South Dakota, representing the committee.

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent that the pending amendment be read again for the information of the committee.

The Clerk again read the amendment.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Did not the gentleman from Louisiana [Mr. BROOKS] speak on the pending amendment yesterday?

The CHAIRMAN. The gentleman from Louisiana spoke, if the Chairman remembers correctly, but no Member spoke after the time was fixed. The Clerk took the names of all those standing who desired to speak on the pending amendment.

Mr. CASE of South Dakota. Mr. Chairman, under the rules of the House and the Committee, may a Member speak more than once on the same amendment? I raise the point, Mr. Chairman, because it occurs to me that in view of the fact that other Members would be restricted to 4 minutes if the gentleman from Louisiana [Mr. BROOKS] has already spoken, and if he were not eligible for recognition, it would make it possible for the others to be recognized for 5 minutes.

The CHAIRMAN. Of course, the Chair has no discretion in the matter but is bound by the rules. Under the rules

of the House, the gentleman may speak on a pro forma amendment.

Mr. MAHON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAHON. At the time the 1 hour was agreed upon yesterday, the gentleman from Michigan [Mr. ENGEL] made the request, and I reserved the right to object to indicate my desire to speak on the amendment, as I was standing at that time. I had offered the amendment and had spoken on it, but it was my understanding there would be 10 minutes for the committee to close debate on the amendment and that 5 minutes would be allotted to the gentleman from Texas and 5 minutes to the gentleman from Michigan. I realize that both of us had already spoken on the amendment, but I had hoped to be able to carry out my understanding.

The CHAIRMAN. The gentleman from Michigan [Mr. ENGEL] does not appear on the list. The name of the gentleman from South Dakota [Mr. CASE] does appear; he is to represent the committee, to use the 10 minutes reserved for the committee.

Mr. MAHON. All the 10 minutes would go to the other side of the aisle?

The CHAIRMAN. For the defense of the bill. Therefore, when time is reserved for the committee in opposition to an amendment offered by others, even though they be members of the committee, the majority of the committee closes the debate.

Mr. MAHON. I was on my feet at the time, as would be indicated by the fact that I reserved the right to object, and therefore should be counted among those standing.

Mr. ENGEL of Michigan. Mr. Chairman, the gentleman from Michigan intended that the 10 minutes should be used to close the debate in order to answer the arguments. If the Chair will examine the list, he will find that practically every one of the Members who indicated they wanted to speak will speak for the amendment. The gentleman from Michigan had in mind that the committee ought to have 10 minutes to answer the arguments in favor of the amendment.

Mr. MAHON. Mr. Chairman, since I was on my feet and reserving the right to object, I would like to know if my name is now on the list.

The CHAIRMAN. The gentleman's name is not on the list, and the fact that a Member is on his feet reserving the right to object does not imply, under the rules of the House, that he is seeking recognition to speak.

Mr. MAHON. That is correct, but I had been on my feet before I spoke on the reservation to object. Now, since some of the Members will not use their time, would it not be proper to place my name on the list?

Mr. BROOKS. Mr. Chairman, I am on the list, I understand. I spoke yesterday and I do not care to utilize that time now. I would be very happy if my colleague from Texas [Mr. MAHON] would be given that time.

The CHAIRMAN. Without objection, that will be done.

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, it should be pointed out, in justice to the others, that practically all the speeches were made on this amendment yesterday in behalf of the amendment. The gentleman from Texas [Mr. MAHON] had five additional minutes yesterday. The gentleman consumed 10 minutes on his amendment.

The CHAIRMAN. We want everything to be fair and just. The House is now in Committee. The action taken was in the Committee and was not taken in the House. It was done by unanimous consent. Therefore that which was done yesterday in the committee can be changed by unanimous consent. The only way, in the opinion of the Chair, that the gentleman from Texas [Mr. MAHON] will be permitted to speak is by unanimous consent that he be given 5 minutes, or whatever time is requested. That would be by unanimous consent.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that I may have 5 minutes on the bill, the time assigned to the gentleman from Louisiana [Mr. BROOKS], if that is agreeable.

Mr. GOFF. Mr. Chairman, reserving the right to object, does that mean that the 5 minutes is to come out of the time of the other speakers?

Mr. MAHON. No, Mr. Chairman; I would not want to take it out of anybody else's time.

Mr. BROOKS. Mr. Chairman, if there is going to be any doubt about it, I want to claim my time and I expect to yield to the gentleman from Texas when I do claim it.

The CHAIRMAN. Does the gentleman contemplate holding the floor during that time?

Mr. BROOKS. Yes.

The CHAIRMAN. Unless the gentleman holds the floor, under a strict interpretation of the rules he cannot yield his time. He must retain the floor, but he may yield for an observation or a question.

Mr. MAHON. Mr. Chairman, I renew my request.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that he be permitted to proceed for 5 minutes in addition to the time fixed yesterday.

Mr. MAHON. No, Mr. Chairman; I do not think it necessary to be in addition to the hour, because there are others who are willing to give me their time. The gentleman from Louisiana [Mr. BROOKS] has said he would be glad to have his name taken from the list.

The CHAIRMAN. Then the gentleman from Louisiana [Mr. BROOKS] asks unanimous consent that he may withdraw from the list and that the name of the gentleman from Texas [Mr. MAHON] may be substituted in his stead.

Mr. BROOKS. That is correct, Mr. Chairman.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

The Chair recognizes the gentleman from Texas [Mr. MAHON], who takes the place of the gentleman from Louisiana [Mr. BROOKS] on the list.

Mr. MAHON. Mr. Chairman, may I not speak later rather than at this time? May I not speak nearer the conclusion of the debate and let someone else's name be called now?

The CHAIRMAN. The Chair wants to be as accommodating at possible. Inasmuch as the Chair has announced the order in which Members will be called, if the others consent this may be done.

Mr. RANKIN. Mr. Chairman, since the gentleman from Texas represents our side, I ask unanimous consent that his name be placed next to the last man on the other side.

Mr. HOFFMAN. Mr. Chairman, I object and demand the regular order.

The CHAIRMAN. The regular order is demanded. The regular order is that the gentleman from Texas [Mr. MAHON] is recognized for 4 minutes.

Mr. MAHON. Mr. Chairman, I had hoped to speak a little later in this debate. The situation is now becoming more clarified. I would like to say I cannot yield to Members for a few minutes. If you will get a report on the bill and turn to page 8 it will be helpful.

I want it clearly understood that I am offering an amendment to restore $40,000,000 to the bill to buy airplanes, the amount requested by the President, the Bureau of the Budget, and urged upon the committee by General Spaatz, chief of the Air Forces. That is the amendment I offered in the Appropriations Committee last and on the floor of the House of Representatives yesterday.

The gentleman from Michigan, our chairman, has in the 1-minute period today explained to the committee the $280,000,000 mistake which was made in his explanation of the bill yesterday. It was urged yesterday that there was $280,000,000 in the pending bill for airplanes that the gentleman now says—and we all agree—is not actually in the bill for airplanes. So it would seem that in view of that misapprehension and misunderstanding all the Members should now be perfectly willing to support my amendment for the $40,000,000 to provide 188 additional planes, the number requested by the Air Forces.

You will see from page 8 of the report that it is indicated that in this bill there is $396,000,000 of new cash money for the purchase of planes and in addition a contract authorization to the extent of $280,000,000, making a total of $640,000,000 to buy planes, as indicated by the gentleman from Michigan yesterday, which he now assures the House is in error by $280,000,000.

The only cash money in this bill to buy new planes is $80,000,000. There is an additional sum of $36,000,000 for spare parts for existing aircraft and $280,000,000 for contract authorizations. This seems to be a very modest sum in the light of the situation confronting our Nation. There can be no doubt about that fact.

When the bill was first marked up no cut was made in aircraft procurement at all, but after it was marked up the committee was reassembled and the cut was

made. The cut was made over my protest. It was not a partisan matter. It was just a matter of various Members having different ideas. So the airplane item was cut by $40,000,000.

When the report went to the full committee there was not a line in the report explaining that the airplane procurement item was being cut. I pointed out this mistake and upon my urgent request a report was written in regard to the reduction, a report which I had no part in writing. It is on page 8 of the report. It represents, unfortunately, a $280,000,000 overstatement of the amount of money in the bill for the aircraft program.

The report also has other mistakes which I will not point out. On page 9, for instance, they quote General Rawlings. General Rawlings did not make the statement attributed to him there, as you can see by looking at the hearings, page 616. However, that error is not significant as the statement was made by another officer.

Something was said to the effect that the President last year reduced plane production. The Congress did transfer some funds from the Air Corps to pay of the Army. The Congress did that on the recommendation of the President and it did cut research and development some and at one time it appeared that $30,000,000 would be cut out of the aircraft procurement program, but the budget officer of the Air Forces tells me that indications are that the procurement program will not sustain that $30,000,000 cut.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. ENGEL of Michigan. On page 613, General Rawlings testified as follows:

> We took a reduction of $30,000,000 in our money for new aircraft.

That is on page 613.

Mr. MAHON. That is right; he took it, but since that time he has received it back.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, I am very much interested in this amendment. I read the hearings very thoroughly prior to the debate yesterday and checked them over again last night. It seems quite clear that this $40,000,000 would have a very advantageous effect not only on the Air Corps but on the airplane industry. I am, frankly, worried at the rapidity and speed with which our aircraft industry has just about folded up.

About a week ago I spoke to the president of the Pratt-Whitney engine division and was shocked to learn that they have had to lay off more than 60 percent of their engineers and some of their research men because they simply have not the money to meet the pay roll. Forty million dollars, in comparison to the amount called for in this bill, is a relatively small sum of money, but it may mean a lot to the airplane industry.

It is unfortunate that the debate which took place here in 1939 has been brought into this discussion. I was one of those who voted for the 5,500 planes already referred to, but I confess now I was in error and that the Committee in its recommendation of 3,400 planes was correct, as none of those planes were built with the funds that were provided at that time. We were not prepared to build modern planes. We did not have the plans for modern planes in 1939. But the situation is different today. The industry is ready to go ahead. We have got away beyond the blueprint stage and every dollar of the $40,000,000 asked for in this amendment will go for the purchase of new, tactical planes.

Mr. Chairman, it is unfortunate, too, that partisanship has entered into this discussion both on the floor and off the floor. Yesterday when the Committee rose at 3 o'clock to take up the conference report on the labor bill, a number of Members left the floor and I heard an unfortunate remark made in the presence of several Members of this House. It was said that it was too bad the Committee rose when it did, because "We," meaning those who are on the Democratic side, "had the Republicans on the run." This remark was not made by the gentleman from Texas [Mr. MCMAHON]. I do not care who is on the run myself and I do not care how anybody else votes on this measure. I have made up my mind how I am going to vote on it, but I think it is unfortunate that statements of that kind are made, namely, that one party has the other party on the run. I am willing to discuss politics at the proper time and play my part in that discussion, but when it comes to the future of our Air Corps and our aircraft industry there is no place for political advantage or disadvantage.

Reference was made yesterday to certain Members of Congress being on an airport in Belgium and having red faces when they saw the American bombers going over Germany. I do not think there were any red faces there. Certainly, the proponents of the 5,500 airplanes who discussed the matter in 1939 are not going to come into the House today and say they knew what was going to happen. The record is too plain that those matters that were proposed to Congress in 1939 to strengthen our Army and Navy, to pass lend-lease and repeal the arms embargo were not advanced as war measures or measures in preparation for war. I well remember the gentleman from New York [Mr. BLOOM], standing here on this floor and opening the debate on that bill by saying, "This is not a war measure; this is a peace measure." We were told all through the debates of 1939 and 1940 that the steps we were being asked to take then were not getting ready for war, but were steps to keep us out of war. So, I say it is unfortunate for us to go back to those days when we were considering measures vital to our own national defense.

Mr. Chairman, I urge that we lean toward the side of safety and give the Air Corps this additional $40,000,000 that they say they need.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, in connection with the recently submitted report of the Appropriations Committee on the War Department bill, I feel that it is timely to point out to the members the ever increasingly important role of the Air Force in the national security plans of this Nation.

I do not imply nor state that the distinguished members of the committee did not give the most careful considerations to all of the factors. I do state that before this bill is passed by the House we must examine carefully the fundamental requirements of the armed forces.

I do not propose at this time to enter into a detailed discussion of the dollars and cents items in the bill. Instead I would like to say that I have great confidence in the commanding general of the Army Air Forces and I feel that before the House makes serious cuts in the Air Force recommendations, the most serious consideration of the implications of such a step is in order.

It is a military certainty that the first blows in any future conflict will be struck through the air. It behooves us then to insure that we have given appropriate consideration to all aspects of this air problem. Unless this body gives the most thoughtful consideration to this subject, we cannot intelligently rely upon the officers of the service to carry out their function of national security. Many boards and civilian committees qualified and unprejudiced have given emphasis to the seriousness of this problem and to the great importance of maintaining a suitable and adequate Army Air Force.

President Roosevelt appointed a civilian survey committee headed by Mr. Franklin D'Olier, of New York, who concluded after months of research in both theaters of war that the fundamental problem was an air problem.

Mr. D'Olier assembled a large group of civilian advisers. Even before the war ended they were preparing the background for their studies, both in Europe and in the Far East. The D'Olier committee, in their final report, found that air power was the decisive factor in the struggle against the Nazis, and this committee, in its final report on the war with Japan, pointed out that the collapse of the Japanese Empire was hastened by air power to such an extent that invasion of Honshu was not necessary.

Also, I should like to call to the attention of the members the report of the Presidential advisory commission, headed by Dr. Karl T. Compton. This commission, which has just submitted its report to the President, stated that one of the first requirements of national defense is—

> A striking air force, spearhead of our professional armed services; this force would be charged with the crucial mission of "defense by attack." Its job would be to stop the

enemy's first onslaught and to hit back at him with crushing force. We believe that an aggressor's reluctance to start a war, and his handicap in prosecuting it successfully if he did start, would be in direct proportion to the power and readiness of our mobile striking force. Its personnel would have to be highly trained and its equipment would have to be the most advanced in the world.

We cannot take too lightly the fact that for the second time in a brief period a completely unprejudiced board of civilians has pointed to the air as our unguarded frontier and has counseled this country to maintain as a primary weapon an air force in being.

It is hoped that many Members of the House can find the time to read the report of the Presidential advisory commission headed by Dr. Compton. The few sentences I have quoted comprise only the high lights in highly digested form of one aspect of the study of this distinguished group. Civilians who prepared this report comprise an unbiased body. Their findings should not go unheeded. It is the responsibility of the membership of the House to insure the existence of an adequate air force and of a healthy supporting industry.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Chairman, I yield to no one in a desire to cut out useless spending. Over a long legislative service I have seen, both in State legislatures and here, cycles first of heedless spending and then of heedless retrenchment. Every speaker on recent appropriation bills, whether for restoration of the particular cut or against it, emphasizes the fact that we need an Army, Navy, and Air Force, a Coast Guard and merchant marine. Then, if we pause, we realize that a person with a knowledge of ordinary fourth-grade arithmetic knows we cannot have these essentials of defense without proper expenditure.

Let us not cripple these vital arms of our Government, when it is agreed by all, and pointed out in able speeches here yesterday, that they are important to the future security of this Nation and the peace of the world. We cannot have them without sane expenditure of public money. Therefore, I trust that the Mahon amendment will be adopted.

To show the danger of hysteria, we have heard speeches coming from the majority members of the Committee on Appropriations that in their retrenchment the armed forces are not to be hurt, but when the armed forces appropriation bills come out of committee we see the Navy, the Marine Corps, the Army, the Air Force, and the Coast Guard crippled. On this Army appropriation bill we hear speeches to the effect that this drastic cut in Air funds will not hurt the Air Force. In this hysterical approach the committee and the House are assuming that there is $280,000,000 more appropriated for the Air Force than there actually is. On page 8 of the report there is listed $396,000,000 of new funds in this bill and $280,000,000 of contract authority. Everyone in the House yesterday assumed from the report and speeches that there was, therefore, $676,000,000 of new funds and contract authorization. Upon investigation I find that a colossal mistake of $280,000,000 has been made, and that actually, instead of there being $396,000,000 of new funds in the bill and $280,000,000 of contract authorization, the $280,000,000 is included in the $396,000,000, leaving $80,000,000 cash and some $36,000,000 for parts, and so forth, for existing aircraft, and ending up with the House about to vote on the erroneous theory that they are authorizing $280,000,000 more than they actually are.

I call upon the gentleman from Michigan, the chairman of the subcommittee, in his closing 10 minutes to state whether or not the statement I have just made is correct, or whether or not there is an arithmetical error of $280,000,000 in the calculation.

Let me cite just one little example—which may be somewhat trivial so far as the over-all picture is concerned—how money may be lost instead of saved by false retrenchment. Right now, due to the drastic cuts in our War Department, a policy has been inaugurated in the military camps to replace civilian trained firemen with military personnel. The directive says that it is not the policy of the Government to use military personnel except as a necessary augmentation of the civilian personnel. But when the civilian personnel is laid off, then the next step is the necessary placing of the military personnel needed elsewhere to do that work. Accordingly, today in our Army camps civilian firemen are being laid off and soldiers are being trained for 30 days to take the place of the civilian firemen. Master sergeants are to become chiefs of fire departments. Anyone who is at all familiar with fire fighting knows that a trained fireman is an artisan with years of training and experience, as is evidenced by the civil-service requirements for these civilian positions. He is a trained man just as much as a lawyer, a plumber, a doctor, or any other artisan. Most of these men now protecting Government property in the camps are former volunteer firemen with years of experience, many ex-GI's who are well trained and competent.

I know one large Army camp covering seven States in that particular area where the number of companies have been cut exactly in half, and where these experienced civilian firemen are being laid off to be replaced by some 400 who will have had only 30 days' training.

I am not going to make this as a prediction because I am too apprehensive about it. I merely express the fear that although we may be saving a few hundred thousand dollars in the salaries of these civilian firemen, when you consider that the structure of property is the same as it was during the war and the fire risk is even greater because of the fact that in some instances training barracks are being converted into four-unit apartments, a fire may well break out and the loss of Government property will many, many, many times exceed the pittance in savings that will take place by the differential in pay between the Army personnel and the civilians. The Army personnel will be there today and gone somewhere else tomorrow. They did not enlist in the Army to become firemen. I understand many of them do not like the duty. The civilian fireman stays on the job. I hope sufficient funds will be appropriated to maintain the functioning of these civilian fire fighters. I hope the War Department will discontinue the policy of manning these fire departments by military personnel rather than civilian personnel.

In addition to the false economy of the move to replace these civilians with Army personnel, there is the incident hardship to the firemen who were trained for this work, in which employment opportunities are limited.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. SASSCER] has expired.

The Chair recognizes the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I think the Committee is going to consider this important amendment on the basis of what we feel is needed for our airplane-procurement program.

Personally, I feel that the amendment offered by the gentleman from Texas [Mr. MAHON] is highly desirable and necessary, and I hope that it prevails.

Mr. Chairman, I join with the gentleman from Connecticut [Mr. MILLER], who just preceded me a moment ago, concerning the implications of partisan politics in a matter of this kind. I know we are all deeply interested in our program for economy. I, as other Members of the House, am very much in accord with the desire to economize, and in our zeal to economize we want to do the very best that we can, both Democrats and Republicans. I think this is a matter that we should consider certainly not on a partisan basis but on the basis of what is needed by our Army Air Forces in maintaining and adequately equipping our air force.

Therefore, I want to mention to you just two or three things which I hope you will consider. It has not been my privilege to serve on either the Committee on Military Affairs or on the Appropriations Subcommittee having jurisdiction of War Department appropriations. It has been my privilege, however, to serve on the Committee on Interstate and Foreign Commerce, which committee has devoted many months of study to the subject of aviation.

You have heard that the War Department originally thought it would be necessary to have approximately 1,800 planes in their procurement program for 1948. But in considering the over-all program and what they would be able to do they submitted a request in September of 1946 for 932 planes. That does not necessarily mean a great deal so far as the number of planes is concerned, but in that request they asked for 16,000,000 pounds of air-frame weight. That is the thing that counts. You might have

several hundred small planes or you might have 1,600, but how much airplane do you have is the thing that counts. We are all familiar with the fact that the President appointed an Air Coordinating Committee during the war and it did a marvelous job. This House unanimously approved a bill this last week establishing the Committee on a permanent basis. That Committee recommended the minimum production of airplanes for 1948 should be 3,200, or 34,000,000 pounds of air-frame weight. If this reduction prevails and the reduction of our Navy procurement program prevails this minimum request will be more than 50 percent reduced. Think of it. Reducing our air force procurement program by more than 50 percent of what is determined to be a safe minimum by those responsible for our national defense.

We cannot afford to curtail this program to such a dangerous level. If we do we are endangering our further security.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HARRIS] has expired.

The Chair recognizes the gentleman from Texas [Mr. FISHER] for 4 minutes.

Mr. FISHER. Mr. Chairman, I rise in support of the pending amendment offered by the gentleman from Texas [Mr. MAHON] to restore $40,000,000 for the support of the Air Corps and the building of additional planes to contribute to the future security of this country.

There is some confusion about this bill as to just how crippling the cut of $40,000,000 may be, as far as the procurement of airplanes during the next fiscal year is concerned. I am wondering if the chairman of the Committee on Armed Services, the gentleman from New York [Mr. ANDREWS] could enlighten us further with respect to the need and importance of the pending amendment.

Mr. ANDREWS of New York. Without yielding the floor, if the gentleman will yield me sufficient time to make a short statement——

Mr. FISHER. I yield to the gentleman from New York.

Mr. ANDREWS of New York. Mr. Chairman, I desire to make a bluntly factual statement to corroborate the figures given to the members of the committee by the gentleman from Texas [Mr. MAHON]. He is entirely correct.

The War Department estimate submitted included a request for $440,000,000 for 932 planes and spare parts, considered the minimum to maintain a 55-group Air Force partially equipped with modern equipment. If this rate of replacement is continued for the next few years, it would result in the Air Force only having 28 groups equipped with modern fighting equipment. Cost estimates for 932 planes were based on September 1946 cost. Later increases in cost since that time have reduced the program to 749 planes; the reduction will eliminate 188 additional airplanes and will reduce the total program to 561 planes. The restoration of $40,000,000 will allow for the production of 749 planes.

The report on page 8 is erroneous in several respects on total procurement. New funds in this bill are tabulated at $396,000,000. There is the item of contract authority in the bill of $280,000,000. The fact is that new funds in the bill are only $116,000,000, $36,000,000 of which is for spare parts. They are out of the way in the amount of $280,000,000. The members of the subcommittee on both sides of the aisle know that to be a fact, and the committee on this side of the aisle should accept the amendment.

Mr. FISHER. I thank the gentleman for his statement, and I am sure he has made a most convincing revelation of the vital importance of this particular amendment now pending. The gentleman has given facts that should remove any doubt as to the importance of restoring the cut.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield.

Mr. HINSHAW. The gentleman pointed out there were 1,700 aircraft required by the Army. The Bureau of the Budget allowed 932. The result of the action of the committee cuts it down to 561, which is less than one-third of the number which is required by the Army Air Forces to keep up their flying groups. It seems to me that the importance of this is in the number of aircraft and not in the number of dollars involved, because we must have aircraft for the national defense.

Mr. FISHER. I thank the gentleman for his very pertinent observation. This is no time to speculate. In this time of uncertainty America must remain strong. We cannot afford to take chances. We must remain strong not only from the standpoint of meeting our commitments abroad and providing for our national security, but in order to add strength and prestige to our emissaries at the peace conferences.

The CHAIRMAN. The time of the gentleman from Texas [Mr. FISHER] has expired.

The Chair recognizes the gentleman from Mississippi [Mr. WINSTEAD] for 4 minutes.

Mr. WINSTEAD. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, I cannot understand some of the statements that have been made during the discussion of this bill. I wish to commend the committee on the fact that they did not cut the funds at least for scientific research and development; but I cannot understand how Members of this House could support appropriations, as they recently did, for distribution throughout the world, supported by strong statements as to how we expect to stop the spread of communism, and then at this early hour vote to reduce the Air Force of this country. We know that our greatest weapon is the atomic bomb. We likewise know that our only means of applying it to the enemy is through air power. Certainly our greatest and most important defense is the Air Force of this country.

As the gentleman from Texas [Mr. KILDAY], the gentleman from California, [Mr. HINSHAW], and many others pointed out, it takes time to produce airplanes. Mr. HINSHAW stated yesterday that in 1939 and 1940 America had, out of approximately 2,000 planes, only 52 that were fit for combat duty. Had the Congress not been so economy-minded in those days and maintained an adequate Air Force millions of dollars would have been saved, many American lives spared and probably the tragic fate of Pearl Harbor eliminated. As the gentleman from North Carolina [Mr. DURHAM], stated, the information given our committee some few weeks ago revealed that there are only two airplane factories today operating at a profit. As was pointed out yesterday, not a single plane the design of which was drawn since the time of Pearl Harbor got into action during the war. We did not use a single jet-propelled plane during the war, but we are beginning to make some progress along that line now.

To me it is utter nonsense that the Congress of the United States should be swayed by the argument that since the President of the United States cut so much last year this Congress should further reduce these funds. In passing I want to say that he did, in my opinion, cut too severely the research and development program, but he did not cut the funds for acquisition of airplanes. Yet some argue that this Congress must go him one better, even to the extent of crippling the Air Force. Such argument is utter nonsense.

Another thing, the committee has cut the entire armed services program approximately 8 percent, yet at the same time they have cut the Air Forces approximately 10 percent. I am willing to help the Appropriations Committee and the Committee on Armed Services eliminate waste and extravagance in the armed services, but $40,000,000 is only 10 percent of the Greek-Turkish loan. It is but little more than 10 percent of the recent general European relief bill. I did not vote for the British loan, I did not vote for the last appropriation for UNRRA, I did not vote for the $350,000,000 relief bill. I have about as conservative a voting record in this Congress as can be found. But let me say here and now that I have not forgotten so soon that we pledged the people of this country that when this war was over we would never again permit ourselves to be caught unprepared to meet any emergency.

Yes, through scientific research and development we produce new weapons and I believe the time will come when we will not need so many airplanes, but until that time does come there is only one source of adequate defense, only one medium with which to carry the battle to the enemy should it be necessary, and that is through the air. The Chairman of this Committee asked yesterday, "Who knows what Russia is doing?" When no one knows what Russia is doing, and until such time as we do know, no reduction in appropriation for air power can be justified.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The Chair recognizes the gentleman from Louisiana [Mr. ALLEN] for 4 minutes.

Mr. ALLEN of Louisiana. Mr. Chairman, in view of the very frank and honest statement made by the chairman of the Armed Services Committee of the House a few minutes ago, I hope that the gentleman from Michigan, chairman of the subcommittee, will not even take the floor and oppose this increase now because I think the case has been made out so clearly that there ought to be complete unanimity in this House for the appropriation.

Failure to adopt the Mahon amendment to increase this appropriation by $40,000,000 for the Air Force would be a step backward. Those of us who have been Members of this House for some time have seen some very important votes here, some strategic votes, and in my opinion, we are approaching a vote like that at this time. Instead of raising the appropriation by $40,000,000, in view of the admission that has been made on the floor here that an error has been made, we ought to vote a greater raise than $40,000,000. Congress has voted to send money and help to Europe and to other parts of the world, and certainly no one should deny necessary funds for our own national defense.

We are approaching, perhaps, the most critical time in world affairs, certainly a time when aggression is rampant, certainly a time when a great nation of this world is on the march. A few days ago we saw how this nation, Russia, swallowed up another nation overnight when only 17 percent of the voters in that small nation agreed to the philosophies of the nation doing the swallowing. Yet we have seen that happen. Mr. Chairman, we are facing a sad spectacle in this House when instead of preparing this Nation, instead of facing the issue squarely and getting this Nation ready for any eventuality, we are cutting down an important arm of our national defense. It is not good sense, it is not good judgment, it is not good business, it is not good legislative procedure; and I appeal to the Members on both sides, not as a political proposition, but as a question of paramount national defense. We want and fervently pray for peace, but we cannot let down our guard at a time like this. I ascribe to the gentlemen on both sides of the aisle the highest of patriotic motives and I call upon the gentlemen on both sides today to exemplify that high patriotic motive that I know dwells in the hearts of all of us, and to do the thing that we ought to do; that is, increase this appropriation by $40,000,000.

Mr. Chairman, when this bill goes to the other body I hope that body will rectify some of the errors that admittedly have been made. I am astonished that a great mistake has been made by the committee in computing the funds for national defense, as appears from what we have heard this evening, and my only regret is that the gentleman from Texas [Mr. MAHON] who offered his amendment to increase the appropriation by $40,000,000 for airplanes did not make his motion for a much larger sum than that. By all means the amendment ought to prevail, and then when this bill gets to the Senate that body will have before it all the information which was revealed here after this motion was offered, and will have an opportunity to go into the question at greater length; and I hope will see fit to sustain not only this amendment to increase the appropriation by this sum, but to increase it to whatever sum may be shown needed. Mr. Chairman, I do not want to see the request for planes cut by a single plane. I want the Air Force to have every plane it thinks necessary, and I stand ready to so vote. But the only thing we have before us now is this particular amendment and it is unthinkable that this House should vote it down.

After the First World War our national defense was starved. Are we to start down that dangerous road again? Not by my vote. The world situation now is too explosive to play with. The very psychology of reducing an appropriation for our Air Force now is bad, very bad. Defeat this amendment and the Russian radio will announce with glee that the American Congress has refused this fund for planes. No, Mr. Chairman, it is imperative that we pass this amendment today. We must back up our Air Force and our armed services generally.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The Chair recognizes the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. MAHON].

Mr. Chairman, when I was first a candidate as a Member of the House of Representatives I promised my constituents if I was elected that, if I could prevent it by my vote, this country would never again be caught in the defenseless position in which we have been found in the last two World Wars, and that it was my opinion that we should acquire or control all of the islands and bases wherever necessary to build an impregnable ring of steel around our country; maintain an up-to-date, modern, and strong Air Force, a strong Navy and Army, and a trained Reserve as it was my opinion that if we had such a strong Military Establishment we would never be attacked again or drawn into another World War. On this promise and platform I was elected, and in two succeeding elections I have reiterated that pledge and, since by my election I feel that my constituents in my district approve of that position, I propose to do all in my power to carry out this promise.

Mr. Chairman, while I appreciate the fact that we should make every effort to reduce the cost of government in order to make it possible to reduce taxes, I do not think that we should weaken our military departments under any circumstances. As a matter of fact, I feel that in the long run it would be economical, and I therefore will support and vote for the pending amendment.

Mr. Chairman, only this week the report of President Truman's Advisory Commission on Universal Military Training made it clear in regard to the danger which confronts this country at this time and sounded a grave warning when they said:

> The Commission recommends the adoption of universal military training because we are convinced that weakness on our part not only involves our country in grave risks but also weakens the United Nations, on which rests our hopes for lasting peace. A weak and irresolute America is an invitation to failure. A strong and resolute America is the best guaranty for our safety and for the success of the United Nations.

This Commission, Mr. Chairman, is composed of outstanding Americans and they have made a full study and careful investigation of the situation as it affects our country in the world, and in justice to our country we can do naught but heed the warning of these distinguished citizens.

Experience developed during the last war has proven without doubt that our Air Force was largely responsible for our winning the war in both theaters of operations, and with the discovery of the atomic bomb we should, and we must, be prepared to defend our country, and it is a known fact that a strong air force with long range is the most effective weapon to combat the machines of destruction which we all know exist, even today. In the list of recommendations for our proper defense the advisory committee of the President made this recommendation with respect to our Air Force:

> 5. A striking air force: Spearhead of our professional armed services, this force would be charged with the crucial mission of "defense by attack." Its job would be to stop the enemy's first onslaught and to hit back at him with crushing force. We believe that an aggressor's reluctance to start a war, and his handicap in prosecuting it successfully if he did start, would be in direct proportion to the power and readiness of our mobile striking force. Its personnel would have to be highly trained and its equipment would have to be the most advanced in the world.
>
> 6. Long-range operations of great destructive power and control of strategic bases might be decisive elements in determining the outcome of a war. Since we could not under our Constitution, and would not under our conception of international morality, launch a surprise attack against any country without an open declaration of war, the enemy would have the advantage of surprise. Replacements would have to be available speedily in large numbers. Maintenance of planes, mechanized equipment, and the host of highly technical weapons and devices developed by science increases the need for specialists, supply troops, and unbreakable supply lines.

Mr. Chairman, only a few days ago an editorial appeared in the Washington News discussing a preview of atom war; and, in outlining the means to combat such a war, I desire to quote what was said in regard to air power as follows:

> Swift, powerful retaliation for an atom attack can be delivered only if we have big, highly trained, and properly equipped striking forces ready to go.
>
> We can't improvise B–36's, for example, or the expert crews to fly them with atom-bomb loads to far-away objectives.

Mr. Chairman, I sincerely hope that the Committee will vote for the amend-

ment by the gentleman from Texas [Mr. MAHON] to increase the appropriation for our Air Forces in order that the increased number of planes the amount will produce can be obtained to at least give that branch of the service some semblance of strength for the protection of our country.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, it is not my purpose to quarrel with the majority members of the committee. I agree with the gentleman from Connecticut [Mr. MILLER] that this is not a partisan issue. The talk about having each other on the run is nonsense. If we act now as the authorities did in the twenties when Gen. Billy Mitchell was crucified for trying to build up an air force, some foreign power may have us all on the run, within the next few years.

This is a matter of defense of the entire country.

I cannot forget that years ago Gen. Billy Mitchell, one of the great men of this Nation, was court-martialed and turned out in disgrace for trying to build an air force. The result was the Pearl Harbor disaster. I remember fighting along with Frank Reid, one of the most patriotic men who ever served in this House, a Republican from Illinois, in defense of General Mitchell. I saw his program destroyed by the brass hats and the politicians of that day, with the disastrous result that we have gone through a war of the most devastating proportions, which might have been avoided if Billy Mitchell's program had been carried out.

In 1937 I was sent to Hawaii to investigate the question of statehood. I found, and I said then, that Hawaii was inadequately defended from the standpoint of an air force. The man in charge of the air force stated to me at that time that he never was so glad to hear anything said in his whole life. He said I was absolutely right. Yet, they dickered along and left Hawaii in that defenseless position until Pearl Harbor came and our Navy was destroyed by a gang of savage Japs coming 5,000 miles and administering the greatest humiliation this country has ever known.

We are faced with the greatest crisis in world history; we need not "kid" ourselves. Communism is making war on the United States. If you do not believe that, just come down and hear some of the testimony taken before the Committee on Un-American Activities by witnesses who know. If you do not believe that communism is planning war on the United States, just come over and hear some of the testimony given by men who know what is going on behind the iron curtain.

I say that we should have the strongest air force on earth. We should keep the atomic bomb, and I am in favor of turning it back to the military authorities, keeping a supply of bombs on hand, keeping planes equipped to distribute them and aviators trained to operate them, keep our Air Force ahead of any other air force on earth, because you are dealing with a savage force that does not recognize anything on earth but force, or power.

So long as a few diplomats in frock coats and black ties and white shirts give way before Molotov, Gromyko, and Stalin and the rest of them, America will continue to be the object of attack, and we will continue to inspire the contempt of those very forces that we are going to have to stop by force that they will understand, and that is the Air Corps and probably the atomic bomb.

I am not quarreling with the Chairman of the Committee the gentleman from Michigan [Mr. ENGEL], and I am not making this a partisan issue. God knows it was not a partisan issue when my distinguished colleague the gentleman from Connecticut [Mr. MILLER] and my distinguished colleague the gentleman from Mississippi [Mr. WILLIAMS] gave their limbs in the service of the Air Corps of this Nation. This is a national issue that affects the whole country. We cannot afford to back down and let our Air Force be weakened at this hour when it means more, probably, than all the other armed forces combined.

I trust that the amendment offered by the gentleman from Texas [Mr. MAHON] will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, it is with a mixed feeling of pride and disappointment that I stand here and advocate the increase in funds for the Air Corps, with which I served. I take pride in the fact that I was a member of the United States Army Air Force during the war, and I take pride in the wonderful work that our Air Force did in bringing that war to a favorable conclusion. But it is with a feeling of disappointment that I find it necessary for me to stand here and defend that Air Force which 3 years ago was our first line of defense against the most powerful and destructive military machine in the history of civilization.

I think it is generally conceded by all of the military heads as well as civilian authorities that our Air Force constitutes our first line of defense as well as our main striking force, and that statement will hold true for the future as well as now. When a bill is brought out that will allow the whole United States Army Air Force to build only 561 planes, I think it is time for somebody to get up here and say something about it, because if you remember, just 3 years ago 561 planes did not even constitute one raiding complement. We were sending thousands of planes on one single raid over Germany and thousands of planes in one single raid over Japan. No, I think instead of increasing this appropriation by $40,000,000 we ought to increase it by $320,000,000. I think every dollar invested in the United States Army Air Force and the Navy Air Force is an investment in America's future, an investment in America's security. I for one am willing to give General Spaatz what he asked for, because he is an authority on the subject, and knows our needs. General Eaker is also an authority on the subject. They were pioneers in the field of aviation. They know the military needs of the United States, and yet they came in with a very modest request for 749 airplanes, and we have cut them down to 561. I want to see this Congress replace that $40,000,000, with which to build those other 188 planes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In all seriousness, may I submit this question to the gentleman: General Spaatz has called for enough money to provide some 720 planes. Is that the proposition?

Mr. WILLIAMS. As I understand from the committee, President Truman's request, based on General Spaatz' testimony, was for 749 airplanes.

Mr. CRAWFORD. In the event of serious difficulty, what would 720 planes do?

Mr. WILLIAMS. Seven hundred and forty planes can carry a lot of atomic bombs. They can carry 740.

Mr. CRAWFORD. But will they suffice? That is the question. Will it take 740 planes or 4,000 or 90,000 planes? What is our program?

Mr. WILLIAMS. If it takes 90,000 planes, I am in favor of giving them 90,000 planes.

Mr. CRAWFORD. Why does the military hesitate to come here and ask for what common sense says they need, instead of only 720 planes, if that is the figure?

Mr. WILLIAMS. The military knows how this Congress is disposed.

Mr. CRAWFORD. It is not a question of how this Congress is disposed.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from New York.

Mr. ANDREWS of New York. The fact is that General Spaatz originally asked for 1,700 planes.

Mr. CRAWFORD. That is what I wanted to bring out.

Mr. ANDREWS of New York. It was cut to 943, and without this amendment it goes to 561.

Mr. WILLIAMS. I thank the gentleman.

Four years ago I was given an airplane to fly overseas that was the fastest and the latest thing out, a Martin B–26, built up here in Baltimore. That plane had a cruising speed of 200 miles an hour, and it was absolutely the fastest thing anybody had ever heard of in those days in the way of bombers. Today that plane is not only obsolete, it is ancient and they do not even use them any more. They have destroyed the few they had left. By the same token, the B–17 is not only obsolete, it is ancient. They are destroying them as fast as they can and replacing them with B–29's and B–36's. Even the B–29 is obsolete. It is being replaced by the B–36. I believe that we ought to go ahead and give these funds to the Army Air Force so that they can keep a first-rate Air Corps in existence to ward

off the attacks of an enemy until we can develop and produce airplanes that we need to defend ourselves adequately.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. Chairman, I subscribe to the statements made by my colleague from Mississippi. There is much that I do not know about air power. I was not in the Air Forces. There is a lot I do not know about jet propulsion and the technicialities of the procurement of aircraft. But every one of us knows, certainly, that air power today is our first line of defense. We all know that if we are to protect ourselves we must maintain that defense.

It has been intimated and alleged, as a matter of fact, during the debate that it would be a mistake to vote for this $40,000,000 for the Army Air Forces. I think it would be better to say that two mistakes could very easily be made this afternoon. The first mistake, we will say, would be to vote for the $40,000,000 for the Army Air Forces, and if in 2, 3, or 4 or 5 years it proved unnecessary we will have wasted $40,000,000. On the other hand, the second mistake could be if we failed to vote for this $40,000,000 amendment this afternoon. We might stop and contemplate for just a moment the mistake that we would then make. If we were attacked, and we had no adequate air force we would do well to think of the devastation and destruction that would result to our country. We might well think of the American lives which would be lost. Certainly, we cannot add up in dollars and cents the incalculable loss that would result to America in lives and property damage.

So it is true that we can make a mistake—we can easily make a tremendous mistake here this afternoon. Being patriots and people who want to protect this country and who are concerned about its welfare and survival, then certainly all doubts should be resolved in favor of defending our country and protecting it in any eventuality. A mistake of $40,000,000 would appear inconsequential and of no concern whatever in the event that we might be attacked and our security was at stake. We would rue the day we made the mistake of saving $40,000,000, but lost our country.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield to the gentleman from Texas.

Mr. MAHON. There has been some discussion about the cutback which the President made which was later enacted into law by a transfer of the Air Corps funds to pay of the Army. It is true that the President cut down by $75,000,000 the research and development program and we are going along on that level during the next year because we could not keep up at the high level upon which we had been operating during the war. It is true that at one time it appeared that $30,000,000 which were available for plane production out of 1947 funds could not be used by reason of the action of the Congress and the President. But I am told by the budget officer of the Air Forces that now through savings effected otherwise they will be able to use all the money which they heretofore requested of Congress for the aviation program in 1947. And be that as it may, does not the gentleman think if a mistake was made in reductions last year it does not make any sense to aggravate the mistake by making a greater one this afternoon?

Mr. SMATHERS. I certainly subscribe to the remarks made by the gentleman.

Mr. MAHON. Does not the gentleman realize as a man who has served in the armed forces that research and development often takes 4 or 5 years to produce results? Research and development that is carried on this year is not going to do any good next year or perhaps in 2 years from now but eventually it will. So anything that may have been cut out of research and development last year will not affect planes provided for in this appropriation bill.

Mr. SMATHERS. Absolutely. I thank the gentleman for his remarks.

Mr. MAHON. I would like the gentleman to understand and the Members of the House to understand that any mistake made in this bill has been made in good faith, and all Members on both sides of aisle so far as I know are doing their best to serve the country. There is a difference of opinion, of course, and I agree with the gentleman that $40,000,000 is not enough to restore to this bill for airplane purchases. If I had thought I could raise it to $100,000,000, I would have offered such an amendment.

Mr. SMATHERS. I thank the gentleman.

Mr. MAHON. But in line with the budget estimate and the request of the War Department and with the hope of getting favorable action, I have offered the amendment for $40,000,000 which I, myself, think is inadequate.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. GOFF].

Mr. GOFF. Mr. Chairman, I agree with my distinguished friend, the gentleman from Connecticut [Mr. MILLER] that it is unfortunate that an attempt to enter into partisan politics has been made in this discussion. I am happy to say that today we have seen little evidence of what took place yesterday.

I think in considering this amendment we ought to try to determine who our potential enemies may be and against whom we are likely to use any armed force that we build up. I think most of us will agree that the only potential enemy we have right now is the country of Russia. In considering Russia we ought to also decide what type of military force would be effective against such an enemy. When I say this I do not want anyone to think that I believe war with Russia is inevitable. If war comes it will be only because we are first attacked. We cannot hope to cope with Russia on the basis of land armies. Hitler tried 220 divisions of the best ground forces that up to that time had ever existed and they were defeated. Napoleon tried the same thing with the Grand Army. We are not going to fight Russia with our ground forces and we are not going to fight Russia with our Navy. Our Navy can blockade Russia all it wants to, but the Soviet Union is a self-sufficient country that our Navy cannot be effective against.

I invite attention to the fact that times have changed since the airplane came. The north polar barrier does not mean anything any more. Across the top of the world it is only a matter of 5,000 miles from Europe and Asia into any of our major cities in the United States. If we are going to stop an attacking force, that force is going to come from the air. Our Army and Navy is not going to defend this country in case of any attack that can be seen now. That is why it is so vital that we maintain the most effective air force in the world.

I have stood for economy. I think the beatings of the breast and the tears on the part of some of the Members on the other side who have fought every effort to cut down excess Government personnel comes with poor grace now. If we were not paying out so much in salaries for excess Federal employees we would not be worrying about funds to meet vital expenditures such as this. This is not an amendment to restore personnel. It is to buy a war machine. I would be opposed to it if it were merely to increase personnel. The only criticism I have of the Appropriations Committee is that in general it has not made its cuts deep enough so far. I shall vote for the increase in funds provided for in this amendment, and I serve notice on the Appropriations Committee that I shall propose amendments to cut enough more out of funds for the bureaus that are still to be considered so that we will not have to decrease the over-all savings to be made in the President's budget. I am going to vote for this amendment and I hope every other ex-service man here will support it.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. GOFF. I yield.

Mr. COX. I wish to applaud the gentleman's statement to the effect that this is not a party question. I am confident that our friends on the right are not disposed to make any party question out of it, nor am I even willing to suspect they, under any circumstances, would cripple the armed forces of this country. The weight of the argument thus far, in my judgment, has been on the side of the proponents of this amendment and I can think of no finer thing that could be done than for the committee handling the bill to accept the amendment and for the committee to adopt it by a unanimous vote.

The CHAIRMAN. The time of the gentleman from Idaho [Mr. GOFF] has expired.

Pursuant to the unanimous-consent agreement, the last 10 minutes of the 1 hour which closes the debate on this amendment is allotted to the committee. The Chair recognizes the gentleman

from South Dakota [Mr. CASE] in behalf of the committee.

Mr. CASE of South Dakota. Mr. Chairman, if ever a person were in a peculiar position, I am in it now. I see a smile on the face of the gentleman from Texas. As he has pointed out, when the bill was originally marked up tentatively, this cut was not in the bill. In a review meeting before we sent the bill to the printer the cut was made. There were some other problems involved. As has already been indicated here on the floor as a means of getting agreement on the bill and protecting what I considered to be proper action on the bill in some other respects, I did not finally hold out against the cut of this—not $40,000,000 but $44,000,000. I said that if a majority wanted to go ahead, if the cut was restored in the other body and it came to conference, they would probably find me voting to concur in the restoration. I see the gentleman from Texas nods his head.

I want to say this, however, and I think in all fairness to the position of the committee, that while we agree in sentiment with many of the speeches that have been made here, many of the speeches were made in obvious unawareness of the facts involved. It seems to me that before the record is closed about the situation with regard to the Air Forces that it should be set forth a little more in detail.

The question is not whether we are going to have only 561 airplanes, 789 airplanes, 838 airplanes, or 961 or whatever the proposed funds will buy. You already have an air force on hand and in being. It is a good air force and it is getting better. It has shaken off the early demobilization relapse.

Under the original estimate for the Army it was planned to have 401,000 men in the Air Forces. As the result of agreement among the Army heads, with which the committee had nothing to do, the Air Forces were reallotted 375,000 as total strength in the 1,070,000-man Army. Who made the decision, I do not know, but it was a War Department decision and, after all, that means one-third of all the Army is in the Air Forces. That is a far cry, a great advance, from the days of Billy Mitchell and even from 1941, when, if I remember correctly, the Air Corps was about one-fifteenth of total Army strength.

We had on hand as of the 1st of January 1947 planes of the Air Forces good for 5 years' service, 30,566; and 60,000-plus spare engines and parts to go along with them. Over 30,000 planes good for 5 years for 375,000 officers and men—1 plane for every 12 men. And we have other planes coming up. I have put the figures on the blackboard here. From 1945 funds there was $343,000,000-plus for the procurement of 733 planes. Those are to be turned out by the aircraft industry, presumably before the end of 1947, and definitely before June 30, 1948.

From 1946 funds the Air Forces had $288,000,000 on order, funds appropriated and obligated to provide another 635 planes.

Out of 1947 funds they have $416,000,000-plus for the construction of another 681 planes.

I am as concerned as others who have spoken about keeping the aircraft industry in the country in a position where it can have a fairly steady flow of production and keep in position to turn out the planes we need. I called attention the other day during the first speech by the gentleman from Texas to the fact that an interested committee had suggested that there ought to be at least 3,000 planes produced for military purposes a year. Let us look over the present situation. When you add 733 and 635 and 681 together you will see that the Army has provided a pretty sizable backlog for keeping the industry on a sound basis. At least the situation was such that last fall the President and the Budget Bureau thought they could take away $30,000,000 of the money we had appropriated for airplane procurement in 1947 funds.

We come now to this proposition: This year the budget request which came to us called for $400,000,000 for the procurement of planes of which $280,000,000 was to be in the form of contract authorization, as has been brought out during the debate. In addition to that, $40,000,000 was requested for spare engines and parts and another $40,000,000 for radio and radar. When the 10-percent cut was suggested in the subcommittee, it applied not only to the $400,000,000, but also to the $40,000,000; so there was an actual cut in the bill of $44,000,000. I am trying to be perfectly frank with the Committee of the Whole House. This amendment, if it were to restore all of the cut that was made, should restore $44,000,000 instead of $40,000,000.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. Not for a moment. I have two or three things I want to be sure to mention during my time.

Last year after the Congress had appropriated money for the procurement of planes and for research and development, the President came along and impounded $135,000,000 that Congress had appropriated for the Air Forces. It was proposed to use this money for other purposes, principally for pay of personnel, by transferring it from the Air Forces to other accounts.

There is no question about that. The record is clear. You will find it on pages 612 and following of the hearings. It is detailed there in question and answer form through interrogations addressed by members of the committee to General Rawlings, General LeMay, and General Spaatz.

I took the matter up on page 612. In reply to a question by me, General Spaatz said:

That $135,000,000 would take $75,000,000 from research and development definitely. General Rawlings can give you the breakdown.

General RAWLINGS. For research and development $75,000,000 was cut out, and in our opinion that has delayed the program probably a year or a year and a half. Do you agree with that, General LeMay?

General LEMAY. Yes, sir.

Going, on General Rawlings said:

We took a reduction of $30,000,000 in our money for new aircraft. I will give you some of the other lesser items.

Then he went on to detail the balance of the $135,000,000.

As a result of our discussion there, some of us were quite disturbed over the fact that the President, through the Budget Bureau, cut back this $135,000,000, particularly the $75,000,000 on research and particularly the $30,000,000 for procurement of new planes. So we started asking if that money were not used for pay of the Army and to take care of the pay increases for civilian personnel, would they be able to spend that money on the purposes for which it was appropriated. I want to read the answer to that question. On page 614 you will find this question and answer:

Mr. CASE. You are saying that if Congress should refuse to transfer this money and let it be available for expenditure, you would not be able to spend it for that purpose?

General RAWLINGS. I would say that is correct, sir. We could not economically obligate this money for research and development in the time remaining available in the fiscal year.

Then we asked with regard to the procurement of planes. At first they were uncertain because of the problem of working out definite contract details before the end of the fiscal year. General Eaker, however, answered that question affirmatively, and you will find it on page 711:

Mr. CASE. * * * It is still impossible to purchase or to make definitive contracts for the purchase of complete aircraft within this next year?

General EAKER. No, sir; it is not. It would be possible to make procurement of some of those airplanes that were cut. This was discussed earlier in the record.

On that record which the committee by interrogation brought out, the War Department has now put back this $30,000,000 for procurement of airplanes that the gentleman from Texas has called attention to. If this committee has not done any other thing, you should give it credit for having gotten that $30,000,000 back in the 1947 funds for the procurement of aircraft. That money was lost for airplane procurement until we indicated by our questioning that we thought it should be used for that purpose for which it had been appropriated.

We also put the bee on the situation so far as research and development is concerned. I want to call your attention to the testimony on that when we were talking with General LeMay. General LeMay is the man who is now in charge of the research and development program for the Army Air Forces. He was the commander of the strategic air force of B–29's in the Pacific.

On page 616 you will find this statement by General LeMay:

When the $75,000,000 cut came it was the straw that broke the camel's back. It meant a cut of from 20 to 30 percent. So the people

who had been working on the program to get the money obligated had to stop that, because we did not want to let any contracts that were not necessary in the revised program.

And General Spaatz answered an inquiry in this fashion. I read from page 615 of the hearings:

When this money was taken away in January it was necessary to reprogram the entire research and development program for 1947. The return of a substantial amount of money at this time would mean that we would have to reprogram again in order to have an integrated over-all program. Wherefore we do not believe it possible to intelligently obligate the $75,000,000 for research and development before the end of the current fiscal year.

It was explained that research expenditures have to be programed in advance to be handled efficiently. Then the chairman, the gentleman from Michigan [Mr. ENGEL], asked if we were now being asked to appropriate money for fiscal 1948 for the purpose for which the money transferred had been appropriated last year for fiscal 1947.

General Spaatz replied—and the record is on page 615:

The answer to that, Mr. Chairman, is that the research and development is at a certain level and what we have lost is time. We are not trying to make up that loss in the 1948 appropriations. But we have taken the loss in time, so instead of the 5-year research and development program that would be finished in 1952, that project will now end in 1953 or 1954.

I hope that the Members of the House who have been properly so interested in this matter will read the entire testimony of the officers on the Air Force items. You will make your speeches with the same fervor but with more information. You will not be charging the committee with failing to protest the cutback on the airplane program. You will find that if there had been a slow-down in procurement of $30,000,000 worth of airplanes, it was not the fault of the committee or of Congress.

If there has been any slow-up in the aircraft program of the Nation it has been as a result of the cut-back in the research and development program instituted by the President through the Bureau of the Budget last year. If there is a delay of a year or a year and a half in the development and procurement of the proper type of plane, the responsibility rests with the cut in the money that the Congress appropriated last year.

And if some members of the committee said, "Let us not buy these aircraft too rapidly," it was because they thought that with the research and development program delayed a year to a year and a half we might wait a little bit and get the benefit of some of this research and development incorporated in the planes when we got them. They were honest and sincere in their attitude and any suggestion to the contrary is utterly unwarranted. It would be as unfair and illogical to charge the President with a lack of concern for the welfare of the Nation's Air Forces because of the cutbacks and transfers he proposed through the Budget Bureau last year. Obviously, he or they thought the airplane industry had its hands full and wanted to save the cash position of the Treasury a bit. And so did the members of the committee who looked at the planes on order and on hand and the delay in the research and development program.

Now, then, as far as I am concerned, I am of the same opinion that I was, and I say to the committee that if this money is restored, I would be happy to go along with that decision.

Mr. SCRIVNER. Mr Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Kansas.

Mr. SCRIVNER The gentleman has done a splendid job in giving us the picture of the airplane program. In view of the statements made clarifying this situation, and in view of the statement made by the chairman this morning, it is clear that some of us were laboring under a misapprehension. As I told the gentleman from Texas in my remarks, if he could show me where I was in error, my mind was open, and I could change it in conformity with that showing. Now, in view of that showing, as far as I am concerned, I can go along with the rest of the gentlemen and concur in the restoration of the $40,000,000 cut.

Mr. CASE of South Dakota. As I said, I have no objection to the amendment, and I hope that the chairman of the committee will feel likewise.

The CHAIRMAN. The time of the gentleman from South Dakota has expired. All time has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I ask unanimous consent to address the House for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL of Michigan. Mr. Chairman, I want to make this statement clear. On Tuesday, when I spoke, I said that there was $440,000,000 in this bill for planes, including $280,000,000 contract authorization. I was afterward told I was wrong—that the $280,000,000 contract authorization in the bill was in addition to the $440,000,000 for new planes. The committee report so reads. I did not write that part of the report. It was written after the bill had been passed by the full Appropriations Committee. After talking to some of my colleagues, I made the statement on the floor of the House yesterday that the $280,000,000 was not included in the $440,000,000, and took the same position the report did. Later I went over my files and learned that the statement I made on Tuesday was right—that the $440,000,000 allowed for planes did include the $280,000,000 contract authorization. I corrected the statement I made in the House yesterday in revising my remarks. I also called the attention of the House this morning to the correction. The gentleman from Texas [Mr. MAHON] was correct in the position he took, and still takes. I have no objection to the amendment going into the bill and accept it.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Texas.

Mr. MAHON. I want to say, Mr. Chairman, that the statement made by the gentleman from Michigan is exactly in accord with the facts as I understand them. The gentleman is correct and he has been completely fair about the whole matter.

I want to express my appreciation to the gentleman from Michigan [Mr. ENGEL], my chairman, for the many courtesies extended to me throughout the bill. He deserves the thanks of the Congress for his untiring and able efforts to work out a satisfactory bill. I also thank the gentleman for accepting the amendment which I offered to the bill providing the additional funds for planes.

Mr. ENGEL of Michigan. Does the gentleman recall that the airplane portion of the committee report was written after the original report had been acted upon by the full committee?

Mr. MAHON. Yes; that is right, and there was some confusion, and much haste was required in drafting the supplementary language as to the Air Forces. Moreover, the gentleman from Michigan has been confronted with a stream of witnesses who have been appearing before his committee on another bill now pending, the civil-functions bill.

Mr. ENGEL of Michigan. I thank the gentleman from Texas for his kind remarks. I also wish to thank him for the splendid cooperation and support he has given me as chairman throughout the long and tedious hearings. He has been and is a most valuable member of my subcommittee.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was agreed to.

The Clerk read as follows:

Engineer Service: For the design, development, procurement, manufacture, maintenance, alteration, repair, installation, storage, and issue of engineer equipment, instruments, appliances, supplies, materials, tools and machinery required in the equipment and training of troops and in military operations, including military surveys; operation and maintenance of the Engineer School, including compensation of civilian lecturers, and purchase and binding of scientific and professional books, pamphlets, papers, and periodicals; procurement, preparation, and reproduction of maps and similar data for military purposes; expenses incident to the Engineer Service in military and training operations, including military surveys, and including research and development of improved methods in such operations, rental of storehouses and grounds, and repair and alteration of buildings, including heat, light, power, water, and communication service, not otherwise provided for and expenses of railroad construction, including purchase or lease of equipment and materials, and the acquisition of lands, rights-of-way thereon, and other interests therein and temporary use thereof; $114,512,405.

Mr. MUHLENBERG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MUHLENBERG: On page 28, line 16, after the semicolon, strike out "$114,512,405" and insert "$123,398,249."

Mr. MUHLENBERG. Mr. Chairman, I have two other amendments, both of which will affect the following paragraphs. I ask unanimous consent that they may be read for information at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. MUHLENBERG: On page 29, line 16, after the comma, strike out "$184,702,101" and insert "$200,000,000."

On page 30, line 6, after the comma, strike out "$299,214,506" and insert "$323,398,249."

Mr. MUHLENBERG. Mr. Chairman, I ask unanimous consent that the three amendments be considered together.

Mr. CASE of South Dakota. Reserving the right to object, Mr. Chairman, we do not know what the amendments propose to do or what the funds sought to be added are for, so I shall have to object.

Mr. MUHLENBERG. Mr. Chairman, I invite the attention of the House to the committee report, where on page 14, under "Engineer Service," in the middle of the page there is a subtabulation covering the Caribbean Defense Command, Pacific area, European theater of operations, and so forth, involving a total of something over $8,000,000 of reductions. I believe it is very necessary indeed that this amount of $8,885,854 be restored for the committee is suggesting a cut of 50 percent under estimates of the theater commanders themselves—men who should know for they are on the ground.

The proposed reduction of $3,000,000 in the Caribbean Defense Command will curtail the Central America map program by 40 percent because material and equipment cannot be purchased. It will reduce maintenance operations on all installations within the command by 30 percent and will cut the comprehensive program to rehabilitate deteriorated housing built prior to the war to this extent.

A reduction of $5,000,000 in the Pacific area will eliminate 60 percent of the materials available for the mapping program of Japan and other areas in the Far East and will reduce in a like amount materials and supplies which may be purchased locally for the operation of engineer depots and shops. It will reduce funds available for continuation of rents and leases in the Philippines and Ryukyus Islands by 40 percent. Cost of termination of these leases will be indeterminate at this time and little money may be saved.

In the Pacific command—principally Hawaii, Gilbert, Marshall, and Fiji Islands—52 percent of materials and supplies for operation and maintenance of active installations cannot be purchased with the funds so restricted, and the operation of utilities in the Hawaiian area will also be curtailed at least 20 percent.

Maintenance and operation of Air Force facilities will be reduced directly in proportion to the 50 percent reduction in funds for local procurement, as well as funds for utilities services—light, water, power and equipment repairs, and so forth.

A reduction of $148,484 in the European theater of operations will result in a reduction of 11 percent of the materials and supplies that may be purchased locally for the operation of engineer depots and shops and will to a like extent reduce the activity of personnel performing engineer surveys, studies, and research in the occupied area of Europe. It will further reduce the materials and supplies which can be procured in the nonoccupied countries for maintenance and operations of facilities employed in the occupation and for much-needed rehabilitation of destroyed German property which may be put into service by United States forces.

A reduction of $237,360 in funds for the Atlantic bases will result in the curtailment of maintenance activities and the operation of post utilities by 35 percent throughout the area. A large portion of the funds remaining available following this reduction must be spent in Iceland because it is imperative that United States installations in that country be maintained at an extremely high standard in order to insure a satisfactory reaction by the Government of Iceland and a continuation of our short-term agreement. I sincerely believe these funds should be restored and ask passage of the amendment.

Mr. ENGEL of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the total cut in this part of the appropriation is $21,487,000, including $6,822,000 for civilian personnel. A number of these cuts were agreed to by the Army engineers budget officer. Out of $8,000,000 for mapping for the engineers, we only cut off $140,000, according to our figures. The total cut is between 7 percent and 8 percent on this item.

I ask that the House stand with the committee on that cut.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MUHLENBERG].

The amendment was rejected.

The Clerk read as follows:

Barracks and quarters, Army: For expenses necessary for the maintenance, installation, repair, operation, protection, and rental of buildings, structures, grounds, utilities, flying fields, fortifications, and appurtenances thereto, or other facilities required for military use, including the procurement of supplies, equipment, fuel, printing, binding, communication services, at the seat of government and elsewhere; manufacture, procurement, purchase, storage, issue, and transportation (including research, planning, design, development, inspection, tests, and the handling) of water, gas, electricity, fuel, tools, machinery, and equipment; construction of additions and extensions to and alterations, improvements, and rehabilitations of existing facilities; the furnishing of heat and light for buildings erected at private cost, in the operation of the act approved May 31, 1902 (10 U. S. C. 1346), and buildings on military reservations, authorized by War Department regulations to be used for a similar purpose; expenses, including relocation costs and rental of buildings and offices, for other Government agencies, not otherwise provided for, necessitated by their vacation of Government-owned or other property for Army use; and expenses of packing and crating and unpacking and uncrating of equipment, material, supplies, baggage, and goods not otherwise provided for, $184,702,101: *Provided*, That the amounts to be assessed and collected from nonmilitary interests on the Fort Monroe Military Reservation, Va., for expenditure in the maintenance, repair, and operation of wharves, roads, sewerage systems, and other utilities at said reservation shall be fixed by the Secretary of War during the fiscal year ending June 30, 1948, in proportion to the service rendered to such nonmilitary interests: *Provided further*, That no part of the funds herein appropriated shall be available for construction of a permanent nature of an additional building or an extension or addition to an existing building, the cost of which in any case exceeds $20,000: *Provided further*, That the monthly rental rate to be paid out of this appropriation for stabling any animal shall not exceed $15;

Mr. MUHLENBERG. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MUHLENBERG: On page 29, line 16, after the comma, strike out the sum "$184,702,101" and insert "$200,000,000."

Mr. MUHLENBERG. Mr. Chairman, in connection with my second amendment covering a partial restoration of funds under "Barracks and quarters" cut by the committee, I invite attention to the fact that the chairman of the committee has just said that none of the reductions mentioned before were approved by the engineer budget officer. I should like to call your attention to the fact that practically all the items that are reduced are cut so much that the engineer service cannot, in my opinion, handle the work satisfactorily or economically or to the best interests of taxpayers or troops.

Certain items cannot be cut. Thus, all savings must come out of a few items. Fuel handling is a standard amount and cannot be cut. The total cost remains at $22,500,000.

Leased facilities remain at $21,000,000, whether the total is cut or not.

Seacoast defense remains at $250,000.

Care of inactive camps will have to be cut to $8,788,520, which is only 50 percent of the normal amount.

Utilities in a sum of $40,650,000 cannot be cut, either.

Fire protection will have to be cut to $19,000,000. That is a tremendous cut over and above what it should be. It plainly increases the risk in inactive camps.

The maintenance item cannot be cut below $33,000,000. It leaves an amount of $28,543,000 for maintenance and repair of all buildings and facilities in all other installations in the Army.

I believe that the logical thing to do, if we are ever to maintain our installations sensibly and on a minimum basis,

is to increase this by the lump sum that I have asked for, which is a compromise between the amount asked for by the engineers and the too low amount allowed by the committee. It is true that by your vote on the last amendment you have cut the overseas work by the Corps of Engineers by something over $8,000,000. I ask now that you at least give the engineers a reasonable sum to work with on the domestic installations which house and care for our Army.

I yield back the remainder of my time.

Mr. ENGEL of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this cut amounts to $44,297,000, of which $24,297,000 is for civilian personnel and $20,000,000 is from other items. The engineers have in this budget over $14,000,000 for administration overhead charges, they have added to the cost; as high as 14.75 percent for overhead. We did not take shop repair into consideration. We did feel the overhead was high and I think the reduction made is absolutely fair. We ask the House to stand by the committee.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. MUHLENBERG. Approximately half of what you call overhead is shop expense.

Mr. ENGEL of Michigan. No; I beg your pardon. Shop expense is a separate item of overhead. The $14,000,000 is purely administrative overhead. I can show the gentleman right here. Here is an item, barracks and quarters, building roads; 14.39 percent added for administrative overhead. Over here they have shop expense overhead separate, in addition to 14¾ percent for administrative overhead; the total overhead, exclusive of shop expense, is between fourteen and fifteen million dollars.

Mr. MUHLENBERG. I am afraid the gentleman is a little bit confused.

Mr. ENGEL of Michigan. I am not. There is no question about it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word. I only want a minute on this item.

In the middle of the State of California is a place known as Muroc Dry Lake. It is a flat, dry lake bed 3½ miles wide and 13½ miles long. An airplane can land on any part of it. When the Army Air Forces receive a prototype airplane they take it out to this place to test in flight, because if anything goes wrong, the plane can be landed anywhere on the lake bed and the plane itself is saved. No runways are required. It is a very convenient place for testing purposes and it has saved many millions of dollars' worth of airplanes from destruction, because they could land and roll as far as necessary before coming to a stop.

The buildings on this place built by the Army Air Forces were built for 5 years' life. They were built there early in the war period. The 5 years are up and the buildings are almost down. They are about to fall apart. My committee went out there recently to look at the new types of jet aircraft. We found that the buildings were practically falling apart. They were built of tar paper and boards, and the tar paper was peeling off and the boards were rotting. The temperature at this place runs up as high as 110 or 120 degrees in the summertime. You might be able to get boys to stay out there during the wartime when the importance of war was in their minds, but in peacetime it is pretty hard to get them to live in that atmosphere and in those temperatures. In the winter it is cold.

I should like to know from the committee whether or not they have considered this particular place and the importance of doing something about its permanence.

Mr. ENGEL of Michigan. Muroc Lake?

Mr. HINSHAW. Yes.

Mr. ENGEL of Michigan. There are some 1,300 installations, Mr. Chairman, of various types in the United States, permanent installations. They are trying to reduce the number. I know the project of which the gentleman speaks. I personally think it is a worthy project; but as far as the committee's going to the War Department and telling them to continue one installation and discontinue another, that is beyond the province of the committee.

Mr. HINSHAW. I do not expect that. I only wanted to know whether there was any discussion with the War Department concerning the desirability of putting some reasonably permanent living quarters in that area for the men who work there.

Mr. ENGEL of Michigan. The Muroc Lake site was bought a number of years ago when Mr. Dockweiler, of California, was a member of the subcommittee. I recall it perfectly. It is a wonderful place for experimental purposes, particularly with guided missiles and long-range guns, and I think it should be developed. It is my judgment that it should be developed, and I believe it is likewise the judgment of the committee.

Mr. HINSHAW. I appreciate the gentleman's explanation.

The CHAIRMAN. The time of the gentleman from California has expired.

The question is on the amendment.

The amendment was rejected.

Mr. MUHLENBERG. Mr. Chairman, I ask unanimous consent to withdraw my third amendment, which really only changes the titles.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

For manufacture, procurement, storage, and issue, including research, planning, design, development, inspection, test, alteration, maintenance, repair, and handling of ordnance material, together with the machinery, supplies, and services necessary thereto; supplies and services in connection with the general work of the Ordnance Department, comprising police and office duties, rents, tolls, fuel, light, water, advertising, stationery, typewriting and computing machines, including their exchange, and furniture, tools, and instruments of service; instruction, training, and other incidental expenses of the ordnance service; purchase and hire of passenger motor vehicles; ammunition for military salutes at Government establishments and institutions to which the issues of arms for salutes are authorized; services, material, tools, and appliances for operation of the testing machines and chemical laboratory in connection therewith; publications for libraries of the Ordnance Department, including the Ordnance Office: *Provided*, That not more than $25,000,000 of the amounts received by the War Department during the fiscal year 1948 as proceeds from the sale of scrap or salvage material shall be available for expenses of transportation, demilitarization, and other preparation for sale or salvage of military supplies, equipment, and matériel: *Provided further*, That a report of receipts and disbursements under this limitations shall be made quarterly to the Appropriation Committees of the Congress; $244,381,771.

Mr. DEVITT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for the purposes of asking a question, I would like to invite the attention of the chairman of the subcommittee and the Members of the House to the operations of the Twin Cities Arsenal, at St. Paul, Minn.

For the last 8 months this plant has been exclusively engaged in the demilitarization or break-down of .30- and .50-caliber cartridges and the segregation and salvage of critical materials, such as brass, copper, lead, and other miscellaneous metals. The operation has been very successful; in fact, it is unique in our military history because it is a profit-making venture. The plant has shown a net profit to the Government of $155,000 in this short period of time. To my knowledge no other venture in history under the auspices of the Military Establishment has resulted in bringing money into the Federal Treasury. Normally, moneys for military purposes follow a single outward track. It is interesting to note that a ton of packed ammunition will yield approximately the following quantities and materials:

Nine hundred and seventy-eight pounds of brass.

Thirty-four pounds of heavy scrap steel.

Two hundred pounds of wood.

Two hundred and thirty-five pounds of unusable powder.

Two hundred and three pounds of lead.

Sixty pounds of light steel scrap.

Two hundred and ninety pounds of miscellaneous paper and textiles.

At present prices these scrap materials will yield approximately $158 a ton. The salvage operation costs approximately $50 per ton. This leaves a net profit to the Government of more than $100 a ton. And what a boon this much-needed scrap is to American industry. The War Department contemplated the closing of this very profitable and worth-while venture because, it was said, there was no appropriation to continue its operation, and Federal manpower-ceiling laws prohibited the manning of the plant under present ceilings.

Through the farsighted understanding and appreciation of the gentleman from Michigan, Chairman ENGEL, of the Appropriations Subcommittee, both of these

objections have been met. The bill under consideration, on page 31, without appropriating new moneys, establishes a fund for the deposit of the profits of this operation and from which the expenses may be paid. The net profit goes into the Treasury. Section 16, on page 57 of the bill, specifically exempts the manpower-ceiling provisions of the law with reference to operations of this kind.

The action of the subcommittee therefore provides for the continued operation of this plant with its unique and successful system of salvaging ammunition at a profit during the fiscal year 1948.

I have asked for this time in order to commend the gentlman from Michigan, Chairman ENGEL, and his subcommittee for their action in this regard, and to ask the chairman if I have not correctly stated the facts and the intent of the Appropriations Committee.

Mr. ENGEL of Michigan. The gentleman has.

Mr. DEVITT. I thank the gentleman.

Mr. ENGEL of Michigan. The Ordnance Department alone has 100,000 tons of steel scrap that they can obtain through demilitarizing ammunition and equipment. They also have 50,000 tons of nonferrous metals, zinc, brass, and copper scrap. I have estimated that that 150,000 tons of scrap which we can obtain is worth from twenty to twenty-five million dollars. Scrap is a very critical item and commands a very high price. That is only one department. There is a section in the bill permitting the Army to demilitarize this old ammunition, break down this scrap and sell it while the prices are high, get rid of it and save storage. It is for that purpose a provision was put into the bill. It is legislation, but it was placed into the bill with the consent of the chairman of the Committee on Military Affairs. This work is very much worth while from both the financial point of view and from the point of view of getting this scrap back into industry where it is so badly needed.

Mr. DEVITT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Clerk read as follows:

NATIONAL GUARD

For expenses necessary for equipping, maintaining, operating, and training the National Guard, including expenses of camps, airfields, storage facilities and alterations and additions to present structures either on Government-owned or State-owned land, construction and maintenance of buildings, structures, rifle ranges, and facilities, the hire (at a rate not exceeding $1 per diem) of passenger automobiles, and the modification, repair, maintenance and operation of airplanes; transportation of things; personal services at the seat of government or elsewhere (including services of personnel of the National Guard employed as civilians, without regard to their military rank) necessary for the care, maintenance, modification and repair of materials and equipment, for Federal property and custodial accounting work, and for administrative and such other duties as may be required; medical and hospital treatment of members of the National Guard who suffer injury or contract disease in line of duty and other expenses connected therewith as authorized by the act of June 15, 1936 (10 U. S. C. 455); pay at a rate not less than $2,400 per annum and travel of property and disbursing officers for the United States; attendance of National Guard personnel at military service schools and expenses of enlisted men of the Regular Army on duty with the National Guard, including allowances for quarters and subsistence; drill pay of the National Guard; travel of personnel of the Regular Army detailed to or on duty with the National Guard, including mileage, transportation of dependents, and transportation, packing, crating and unpacking of household goods and effects; procurement and issue to the National Guard of the several States, Territories, and the District of Columbia of military equipment and supplies, as provided by law, including motor-propelled vehicles and airplanes, and repair and modification of such equipment and supplies; $110,000,000: *Provided*, That the Secretary of War is hereby authorized to issue to the National Guard without charge against this appropriation except for actual expenses incident to such issue, supplies and equipment from surplus or excess supplies or equipment purchased for the Army: *Provided further*, That the number of caretakers authorized to be employed for any one unit, pool, or heavier-than-air squadron under the provisions of section 90 of the National Defense Act of June 3, 1916, as amended, may be such as is deemed necessary by the Secretary of War: *Provided further*, That not to exceed $25,500 of this appropriation shall be available for the settlement of claims (not exceeding $500 in any one case) for damages to or loss of private property incident to the operation of camps of instruction, either during the stay of National Guard units in such camps or while en route thereto or therefrom.

Mr. KEARNEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a veteran and a member of the New York National Guard for many years, I am in wholehearted support of this provision of the bill pertaining to the support of the National Guard of the United States.

First, let me extend my own thanks and those of thousands of guardsmen throughout our country who are vitally interested in our citizen soldiery to the members of the committee having charge of this bill for their painstaking efforts and their many weeks of patient and sympathetic understanding in arriving at a figure which would adequately care for the necessary expenses in equipping, maintaining, operating, and training these patriotic men of the guard who devote many hours weekly in the service of their State and Nation and to be frank, let us say, receive little thanks for their efforts—from some quarters.

I believe in the National Guard—the guard of the past and the guard of the future. If the guard can receive the cooperation from the War Department that under the law it is supposed to receive—I know that it can be all that it is intended to be—a force of some 600,000 men trained to the limit and ready to take its place as combat troops, if the need should ever again rise.

The amount sought in this section is not too high and in view of the testimony given before the committee by those individuals of the guard, I see no obstacle in the path of its adoption.

Too much credit cannot be given to the committee by the president of the National Guard Association of the United States, Maj. Gen. Ellard Walsh, of Minnesota, and Maj. Gen. Milton A. Reckord, of Maryland, both the adjutant generals of their respective States. Both of these gentlemen with distinguished war and peace records have devoted many years of their lives in order to properly present to the Congress and the people of our country the necessity for a well-trained and equipped National Guard.

The story of the guard and its service to our country is an old one and a historic one. During every war our country has been engaged in, the volunteer citizen regiments and divisions of the guard have won for themselves an enviable place in the military achievements of our Nation's armed forces. The Revolution, the War Between the States, the Spanish-American War, World War I, and World War II saw troops from every State of our country on the fighting front and proved again and again the worth and value of the National Guard.

Given the required and necessary amount of cooperation from the War Department, the necessary and worth-while equipment, competent instructors and adequate field training, it will again become a tower of strength to our country and ready and able to take its place on the fighting front, if ever again called upon.

The Clerk read as follows:

No part of the appropriations made in this act shall be available for pay, allowances, or traveling or other expenses of any officer or enlisted man of the National Guard who may be drawing a pension, disability allowance, disability compensation, or retired pay (where retirement has been made on account of physical disability or age) from the Government of the United States: *Provided*, That nothing herein shall be construed as barring the continuance of adjutants general in a federally recognized status without pay under this act.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to pay tribute to one of the outstanding men who served during the recent war. On yesterday the gentleman from Texas paid a high tribute to a general, and I want to call attention at this time to a man who I believe has one of the most outstanding records of this entire war. I refer to Maj. Gen. Norman T. Kirk, who retired a few days ago. We are all aware of the job he did. His record speaks for itself. We hate to lose him, but he has retired and I hope he will enjoy his vacation because he deserves it, he has earned it.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Texas.

Mr. THOMASON. I want to join my colleague in paying a just and deserving tribute to Major General Kirk. The gentleman who has the floor, and a number of others in this Congress who composed the House Military Affairs Committee, had much business with General Kirk. He appeared before the committee on many occasions. He is a great officer,

he is a magnificent surgeon, and a fine citizen. I not only join in the commendation that my friend from North Carolina gives to General Kirk but also to make the prediction as to his successor, General Bliss, for many years associated with the Beaumont General Hospital in El Paso, Tex., a man who stands high in his profession, that he will have a very magnificent, efficient administration.

Mr. DURHAM. I thank the gentleman very much.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Clerk read as follows:

SEC. 2. The foregoing appropriations for "Quartermaster Service, Army," "Signal Service of the Army," "Air Corps, Army," "Medical and Hospital Department," "Engineer Service, Army," "Ordnance service and supplies," and "Chemical Service, Army" shall each be available for the pay and allowances, including travel allowances, of such Reserve officers as the President may, with their consent, order to active duty for such periods, not in excess of 2 years, as their service may be required in the procurement or production of equipment therein appropriated for, or on duty pertaining to aviation.

Mr. FORAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND: On page 49 following the period in line 2 insert the following new section:

"SEC. 2-A. No part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch, or other time-measuring device, a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work, nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except as may be otherwise authorized in this act."

Mr. FORAND. Mr. Chairman, I sincerely hope that the Committee will accept this amendment. It is not anything new. It is a provision that has been carried in the appropriation bill for the Navy as well as the appropriation bill for the War Department for 30 years. It is a prohibition against a shop-management practice that is commonly known as the Taylor system. It prohibits the use of stop watches in estimating the time taken by an individual in a given operation. It was tried in some of the private concerns years ago, and management found that it created so much trouble, so much confusion, so much disagreement, in fact, so much opposition by labor that it was abandoned and is now considered an unfair labor practice by many employers as well as by workers.

I am told that neither the War Department nor the Navy Department intend to use such a system on the men; in fact, they do not care to use the other phase of the Taylor system, that of paying a bonus to one of these so-called leaders or pace setters within the shop. The so-called leader is usually the man of greatest ability in the shop. His operations are clocked, and then his production record is considered to be the average. Now, you know and I know that many individual workmen are faster than others, and the faster man, with a smaller amount of effort, can produce more than another man who is not quite so skilled, not quite so facile at adjusting himself to the operation, but yet that slower man might be devoting a great deal more energy in accomplishing his task. This type of operation is bad.

This legislation has been on the books since 1913, and I see no good reason why it should not be continued at this time. For that reason I respectfully ask the committee to accept the amendment.

As part of my remarks and under permission already granted me, I include the following Senate Report No. 930, Sixty-second Congress, second session, which was presented in the Senate by Senator Borah on July 17, 1912, together with the record cards used under the Taylor system.

This sets forth clearly and in detail what this oppressive Taylor system actually is.

SYSTEMS OF SHOP MANAGEMENT

[July 17, 1912.—Ordered to be printed]

Mr. Borah, from the Committee on Education and Labor, submitted the following report [to accompany S. 6172]:

The Committee on Education and Labor, having had under consideration Senate bill 6172, report the same favorably with amendments and recommend its passage.

The amendments are as follows:

Page 1, in line 7, after the word "movements", insert the words "between the starting and completion of any job."

Page 1, in line 8, strike out the comma after the word "employee" and insert a period. Then strike out all after the word "employee" on page 1, line 8, down to and including the word "law", on page 1, line 12, and insert in lieu thereof the following: "No premium or bonus or cash reward shall be paid to any employee, except."

The terms of this bill (S. 6172) and the practices which it is intended to prohibit are directed against the excesses of certain systems of shop management which it is the intention of the War Department and the Navy Department to install in their manufacturing establishments and which we believe to be oppressive to workmen, as they have a tendency to reduce the employee to a mere machine, deprive him of his self-reliance, and in the long run would reduce Government employees to a condition of unresisting vassalage.

There are several systems of shop management now upon the market which have been invented by efficiency engineers. They are severally known as the Taylor system, the Stimpson system, the Emerson system, the Gantt system, etc., all of which have practically the same basic principles of operation but which differ somewhat as to details. When spoken of without reference to any one particular system, their authors prefer to have them be known by the generic term of "scientific management."

Many of those systems have much in them that is commendable and proper, since a large portion of their details consists of a compilation of business methods and shop practice which have proven successful and not harmful to the workman; such as the proper grouping of machines; standardizing tools and equipment and methods of doing work, elimination of waste, modern methods of issuing materials and cost keeping, etc. On the other hand, in the effort to get the utmost amount of work out of the employees, excesses are committed which should be curbed.

The Taylor system of shop management being the system decided upon by the War Department as the one to be used in their manufacturing establishments as well as the one originally intended for use by the Navy Department, and since this is the system against which objection has been raised by the employees, it would serve the purpose of outlining the principles of so-called scientific management to have an outline here given of the workings of this particular system of shop management.

The authority from which this outline is compiled is a treatise, Shop Management, by F. W. Taylor, being a paper read before the American Society of Mechanical Engineers; and the author, for the purpose of making the application of his system clear and specific, has taken the class of work done in a machine shop with which to illustrate.

Under the Taylor system the management of the shop is divided into two departments, known as the planning department and the executive department.

The duties of the planning department, which is supposed to do as much of the brain work of the establishment as it is possible to do there, are as follows:

"The following are the leading functions of the planning department:

"A. The complete analysis of all orders for machines or work taken by the company.

"B. Time study for all work done by hand throughout the works, including that done in setting the work in machines, and all bench work, vise work, and transportation, etc.

"C. Time study for all operations done by the various machines.

"D. The balance of all materials, raw materials, stores, and finished parts, and the balance of the work ahead for each class of machines and workmen.

"E. The analysis of all inquiries for new work received in the sales department and promises for time and delivery.

"F. The cost of all items manufactured, with complete expense analysis and complete monthly comparative cost and expense exhibits.

"G. The pay department.

"H. The menmonic symbol system for identification of parts and for charges.

"I. Information bureau.

"J. Standards.

"K. Maintenance of system and plant and use of the tickler.

"L. Messenger system and post-office delivery.

"M. Employment bureau.

"N. The shop disciplinarian.

"O. A mutual accident-insurance association.

"P. Rush-order department.

"Q. Improvement of system or plant." (Par. 258, p. 1398.)

The duties of the executive department which is managed by a large supervising force, consists of performing the work of the shop according to the directions of the planning department.

One of the leading features of the Taylor system is functional foremanship.

The employees each are under the direction of eight foremen, who have jurisdiction over different parts of their duties, and are as follows:

In the shop they have the gang boss, speed boss, inspector, and repair boss. Their duties

are sufficiently explained by their designation.

In the planning department there are four bosses who have jurisdiction over the men in the shop as to all questions touching their special duties. They are order of work or route clerk, instruction-card man, time and cost clerk, and shop disciplinarian.

All directions to the workmen as to what work to do, what machines to use, and the details as to methods and time allowed for doing work emanate from the planning department in the form of an instruction card covering these details. A sample instruction card is appended hereto:

Transactions American Society of Mechanical Engineers, Vol. XXIV

Fred. W. Taylor.—Form D. 10

6.33-1-24-'84.—3000.

OBSERVATIONS OF HANDWORK ON MACHINE TOOLS

Observer's name _____ Machine, _____ Workman's name, _____

Date, _____ Piece, _____

TABLE OF CUTS MADE AND CUTS THAT SHOULD HAVE BEEN MADE WITH SODA WATER

Tool	1st		2d		3d		4th		5th		6th		7th		8th		9th		10th		11th		12th	
	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been	Was	Should have been
Depth of cut																								
Feed—Number of teeth																								
Belt on cone teps																								
Length of cut																								
Inches cut in																								
Tool—Inches out of post																								
Number of cut																								
Rough edge																								
Time																								

Order _____ Billet number _____ TREATMENT

Weight _____ Carbon _____

Times reset _____ Tensile strength _____

Kind of metal _____ Percent of stretch _____

Heat number _____ Hardness _____

Operations	Remarks	Time should have taken
GETTING JOB READY TO SET		
Learning what is to be done, when work is sketched, laid out		
Taking work, bogie, to machine, hoist, crane. Distance _____ Helpers		
Getting chain on and tightened. Helpers		
Shifting work on floor, with, without hoist. Helpers		
Lifting by hand, hoist, crane, to table, shears, circular _____, vertical _____, horizontal distance _____ Helpers		
Taking off chain. Helpers		
SETTING WORK	Actual time of getting job ready to set	Getting job ready to set should have taken
Considering how to clamp		
Getting out tools. Number		
Shifting table, toolholder, vertically _____, round _____, parallel to _____, at right angles to machine		
Shifting work, getting work on centers, setting work true, with, without hoist. Helpers		
Drawing down _____, bolts _____ set screws on _____, clamps and _____, wooden supports		
Drawing down _____, set screws on _____, stops		
Putting on _____ knee plate, steady rest, spider, universal chuck		
Putting on _____ parallel blocks		
Putting on _____ V blocks		
Putting on _____ piles _____ pieces, small packing		
Putting on _____ false table, face plate		
Putting on, taking off, horizontal side		
Laying out, trying with templet, rod		
Leveling		
Squaring with wooden, try, square, plumb bob		
Fixing soda water		

Operations	Remarks	Time should have taken
SETTING TOOL	Actual time of setting work	Setting work should have taken
Putting on tool post, drill rest, drill chuck, boring bar		
Adjusting feed		
Adjusting speed		
Adjusting crank, table stops		
Adjusting vertical slide, screw cutting gear		
Adjusting frame, poppet, crosshead		
Setting tool fastened by _____ bolts and _____ set screws		
EXTRA HAND WORK	Actual time of setting tool	Setting tool should have taken
Chipping _____ scale		
Chipping _____ center punching		
Hand turning		
Hand feed		
Filing		
Breaking off		
Stamping		
REMOVING WORK, ETC.	Actual time of extra handwork	Extra handwork should have taken
Taking off _____ bolts _____ set screws on _____ clamps and _____ wooden supports.		
Taking off _____ set screws on _____ stops.		
Taking off _____ knee plate, steady rest, spider, universal chuck.		
Taking off _____ parallel blocks		
Taking off _____ V blocks		
Taking off _____ piles _____ pieces small packing.		
Taking _____ false table, face plate		
Taking off tool post, drill rest, drill chuck, boring bar.		
Putting chain on. Helpers		
Moving work to floor with, without, hoist. Helpers		
Taking chain off. Helpers		
Taking out tool fastened by _____ bolts and _____ set screws		
Turning in tools. Number		
Cleaning necessary to job		
	Actual time of removing work, etc.	Removing work, etc., should have taken
Accidental delays		
Care of machine		

In the selection of a working force it is the purpose of this type of management to displace as rapidly as possible the high class of workmen ordinarily employed on such work with common laborers, who are cheaper and are glad to earn a little more than formerly, even though it is not so much as was earned by the mechanic whom they displace. This desired achievement is not always attainable, however, and depends upon the condition of the labor market.

This principle of the elimination of high-priced help also applies to the bosses.

It is also proposed to stimulate the activity of the employees by offering premiums and bonuses ranging from 30 percent to 100 percent more than was formerly earned by the employees in order to induce them to reach the daily task that is set. That is, if a machinist getting $3 per day is displaced by a laborer getting $1.50 per day, the laborer gets from 30 to 100 percent more per day than he formerly received if he succeeds in completing his task.

In setting tasks, the most capable workmen are used. When it is desired to ascertain how long it should take to do a given job, the time-study man takes observations of one of the fastest workmen who has been selected for the purpose, and notes the time it takes by means of a stop watch to do each of the elementary operations of the job. All of these elements or unit times are added,

and the resulting time is supposed to be the standard time for that job.

Thus (par. 101 of Shop Management, p. 1358):

"His first step was to place an intelligent, college-educated man in charge of progress in this line. This man had not before handled this class of labor, although he understood managing workmen. He was not familiar with the methods pursued by the writer, but was soon taught the art of determining how much work a first-class man can do in a day. This was done by timing with a stop watch a first-class man while he was working fast. The best way to do this, in fact, almost the only way in which the timing can be done with certainty, is to divide the man's work into its elements and time each element separately. For example, in the case of a man loading pig iron onto a car, the elements should be: Picking up the pig iron from the ground or pile (time in hundredths of a minute). Walking with it on a level (time per foot walked). Walking with it up an incline to car (time per foot walked). Throwing the pig iron down (time in hundredths of a minute), or laying it on a pile (time in hundredths of a minute). Walking back empty to get a load (time per foot walked)."

The problem of inducing the employees to work at the pace required is solved first by offering a bonus or premium to those who succeed and if this does not get results other more drastic means are used.

It is the business of the shop disciplinarian to see that a system of discipline is in vogue and enforced that is adequate to induce everyone to make sure that his part of the work comes in on schedule time. The system of discipline advocated by Mr. Taylor consists of—

1. Lowering the man's wages.
2. Laying him off for a period of time.
3. Fining him all the way from 1 cent to $60.
4. Discharging him.

It is also regarded as a good plan to continually keep enough men on hand so as to be able to discharge a workman every now and then for failing to continue at the pace required because of its moral effect on the rest of the workmen.

When the system is first installed the high speed cannot immediately be attained. It must be worked up to gradually, and therefore the kind of bonus system used is as drastic as the degree of perfection to which the system has attained will permit.

The gradual acceleration of the speed at which the workmen labor is accomplished by the premium and bonus above referred to, the system of discipline, and by the gradual elimination of the workmen who are unable to keep up to the rising standards of performance.

The system of bonuses now in vogue at the Watertown Arsenal, where the Taylor system has not yet reached an advanced stage, is as follows (see Annual Report of the Chief of Ordnance for fiscal year ending June 30, 1911, p. 17):

"For example, a workman has been doing a piece of work in 190 minutes. After painstaking study of the job and of all the means of saving time, the man is carefully instructed as to these means, and is told that for every minute saved, within, say, 120 minutes, he will be paid for half a minute at his regular rate, in addition to his regular daily pay, and that it is thought that he can do the work in 72 minutes, for which time the increase over his regular pay will amount to 33½ percent."

When the system has reached an advanced stage of perfection, Mr. Taylor advocates the substitution of this kind of bonus plan for another one which is more drastic, wherever possible. This latter is known as the "differential rate," and is illustrated by the following:

If it is discovered that the maximum number of pieces of work which a first-class workman can do in a day is 10, he will receive 35 cents apiece provided he completes all 10 of them. If, however, he should fail to complete the 10 pieces, even if this task is missed by only 10 minutes, he would get only 25 cents apiece for all of them, thus making the workman's wage for the day only $2.50, instead of $3.50, for running behind 10 minutes on his schedule time. This arrangement furnishes him a powerful incentive to work at his utmost.

The Taylor system further insists upon dealing with the workmen individually, and dealing with labor organizations being regarded as inconsistent with the purpose and workings of the system.

To further increase efficiency, the movements of the workmen are closely studied and standardized so as to make every movement on the part of the workman count toward increased production.

In order to further elucidate the basic principles of these systems and to ascertain the motives which have suggested their provisions and the possible extent to which they could be carried out if unrestricted, we give below extracts from the Treatise on Shop Management, by F. W. Taylor, which it appears is regarded as a sort of textbook on the subject, and from which the outline above given was deducted. The substance of this publication, which was written prior to the investigation of these systems by a special committee of the House of Representatives last winter, was defended both in whole and in part by its author at the hearings, no part of it being repudiated. Hence, its aims and purposes shall still be regarded as the essence of scientific management. Quotations are as follows:

UNIT TIME STUDY NECESSARY

"What the writer wishes particularly to emphasize is that this whole system rests upon an accurate and scientific study of unit times, which is by far the most important element in modern management. With it greater and more permanent results can be attained, even under ordinary day work or piecework, than can be reached under any of the more elaborate systems without it." (Par. 133, p. 1364.)

QUICKEST TIME IS STANDARD TIME

"For each job there is the quickest time in which it can be done by a first-class man. This time may be called the quickest time, or the standard time for the job.

"Under all the ordinary systems this quickest time is more or less completely shrouded in mist. In most cases, however, the workman is nearer to it and sees it more clearly than the employer." (Pars. 136–137, p. 1365.)

ORDINARY SYSTEMS NOT FAST ENOUGH

"The injustice of the very foundation of the system is thus forced upon the workman every day of his life, and no man, however kindly disposed he may be toward his employer, can fail to resent this and be seriously influenced by it in his work. These systems are, therefore, of necessity slow and irregular in their operation in reducing costs. They drift gradually toward an increased output, but under them the attainment of the maximum output of a first-class man is almost impossible." (Par. 90, p. 1355.)

STOP-WATCH TIME STUDY USED

"His first step was to place an intelligent, college-educated man in charge of progress in this line. This man had not before handled this class of labor, although he understood managing workmen. He was not familiar with the methods pursued by the writer, but was soon taught the art of determining how much work a first-class man can do in a day. This was done by timing with a stop watch a first-class man while he was working fast. The best way to do this, in fact almost the only way in which the timing can be done with certainty, is to divide the man's work into its elements and time each element separately. For example, in the case of a man loading pig iron onto a car, the elements should be: Picking up the pig iron from the ground or pile (time in hundredths of a minute). Walking with it on a level (time per foot walked). Walking with it up an incline to car (time per foot walked). Throwing the pig down (time in hundredths of a minute), or laying it on a pile (time in hundredths of a minute). Walking back empty to get a load (time per foot walked)." (Par. 101, p. 1358.)

ONLY ONE OUT OF FIVE CAN KEEP UP TO TASK

"When the writer left the steel works, the Bethlehem piece workers were the finest body of picked laborers that he has ever seen together. They were practically all first-class men because in each case the task which they were called upon to perform was such that only a first-class man could do it. The tasks were all purposely made so severe that not more than one out of five laborers (perhaps even a smaller percentage than this) could keep up." (Par. 125, p. 1361.)

ONLY TEMPERATE WORKMEN COULD STAND PACE

"A careful inquiry into the condition of these men when away from work developed the fact that out of the whole gang only two were said to be drinking men. This does not, of course, imply that many of them did not take an occasional drink. The fact is that a steady drinker would find it almost impossible to keep up with the pace which was set, so that they were practically all sober." (Par. 128, p. 1363.)

A LARGE DAILY TASK SET

"Each man in the establishment, high or low, should daily have a clearly defined task laid out before him. This task should not in the least degree be vague nor indefinite, but should be circumscribed carefully and completely, and should not be easy to accomplish." (Par. 149, p. 1368.)

"When an establishment has reached an advanced state of organization, in many cases a fifth element should be added, namely, the task should be made so difficult that it can only be accomplished by a first-class man." (Par. 153, p. 1368.)

LARGE TASK ENFORCED BY OBJECT LESSON OF LAYING OFF WORKMEN

"Where the labor market is large enough to secure, in a reasonable time, enough strictly first-class men, the piecework rates should be fixed on such a basis that only a first-class man working at his best can earn the average amount called for. This figure should be, in the case of first-class men, as stated above, from 30 percent to 100 percent beyond the wages usually paid. The task idea is emphasized with this style of piecework by two things: The high wages and the laying off, after a reasonable trial, of incompetent men; and for the success of the system, the number of men employed on practically the same class of work should be large enough for the workmen quite often to have the object lesson of seeing men laid off for failing to earn high wages and others substituted in their places." (Par. 166, p. 1374.)

THE "DIFFERENTIAL-RATE PIECEWORK" IS MOST FORCEFUL, AND SHOULD BE USED WHERE POSSIBLE

"'The differential-rate piecework' is rather simpler in its application, and is the more forceful of the two. It should be used wherever it is practicable, but in no case until after all the accompanying conditions have been perfected and completely standardized and a thorough time study has been made of all of the elements of the work. This system is particularly useful where the same kind

of work is repeated day after day, and also whenever the maximum possible output is desired, which is almost always the case in the operation of expensive machinery or of a plant occupying valuable ground or a large building. It is more forceful than 'task work with a bonus,' because it not only pulls the man up from the top but pushes him equally hard from the bottom." (Par. 170, p. 1375.)

IN ORDER TO MAINTAIN RAPID PACE, WORKMEN SHOULD BE ABLE FREQUENTLY TO SEE IF THEY ARE FALLING BEHIND

"In fixing the times for the tasks and the piecework rates in jobs of this class the job should be subdivided into a number of divisions, and a separate time and price assigned to each division rather than to assign a single time and price for the whole job. Thus for several reasons, the most important of which is that the average workman, in order to maintain a rapid pace, should be given the opportunity of measuring his performance against the task set him at frequent intervals. Many men are incapable of looking very far ahead, but if they see a definite opportunity of earning so many cents by working hard for so many minutes, they will avail themselves of it." (Par. 189, p. 1380.)

WORKMEN CAN DO TWO OR THREE TIMES AS MUCH WORK AS IN THE PAST

"Second. As a result of this change of feeling such an increase in their determination and physical activity, and such an improvement in the conditions under which the work is done, will result in many cases in their turning out from two to three times as much work as they have done in the past." (Par. 291, p. 1411.)

SOME MEN WILL BE UNABLE TO KEEP UP PACE UNDER SYSTEM; THESE MUST GO

"Second. After the men acquiesce in the new order of things and are willing to do their part toward cheapening production, it will take time for them to change from their old easy-going ways to a higher rate of speed and to learn to stay steadily at their work, think ahead, and make every minute count. A certain percentage of them, with the best of intentions, will fail in this and find that they have no place in the new organization, while still others, and among them some of the best workers, who are, however, either stupid or stubborn, can never be made to see that the new system is as good as the old; and these, too, must drop out." (Par. 293, p. 1412.)

SPEED GRADUALLY ACCELERATED—WORKMEN AT FIRST RESENT INTERFERENCE

"In reaching the final high rate of speed which shall be steadily maintained, the broad fact should be realized that the men must pass through several distinct phases, rising from one plane of efficiency to another until the final level is reached. First they must be taught to work under an improved system of day work. Each man must learn how to give up his own particular way of doing things, adapt his methods to the many new standards, and grow accustomed to receiving and obeying directions covering details large and small which in the past have been left to his individual judgment. At first the workmen can see nothing in all this but red tape and useless and impertinent interference, and time must be allowed them to recover from their irritation, not only at this but at every stage in their upward march." (Par. 295, p. 1413.)

WHAT IS MEANT BY HIGH WAGES

"By high wages he means wages which are high only with relation to the average of the class to which the man belongs and which are paid only to those who do much more or better work than the average of their class. He would not for an instant advocate the use of a high-priced tradesman to do the work which could be done by a trained laborer or a low-priced man." (Par. 37, p. 1347.)

USING HELPERS TO DO MECHANICS' WORK COMMENDED

"As a rule, the fewer the men employed by the contractor and the smaller the variety of the work the greater will be the success under the contract system, the reason for this being that the contractor, under the spur of financial necessity, makes personally so close a study of the quickest time in which the work can be done that soldiering on the part of his men becomes difficult and the best of them teach laborers or low-priced helpers to do the work formerly done by mechanics." (Par. 67, p. 1352.)

"The objections to the contract system are that the machine tools used by the contractor are apt to deteriorate rapidly, his chief interest being to get a large output, whether the tools are properly cared for or not, and that through the ignorance and inexperience of the contractor in handling men. Its employees are frequently unjustly treated." (Par. 68, p. 1352.)

"These disadvantages are, however, more than counterbalanced by the comparative absence of soldiering on the part of the men." (Par. 69, p. 1352.)

FUNCTIONAL FOREMANSHIP RESULTS IN CHEAP WORKMEN, AND MEN DESIRED OF SMALL CALIBER AND ATTAINMENTS

"The full possibilities of functional foremanship, however, will not have been realized until almost all of the machines in the shop are run by men who are of smaller caliber and attainments and who are, therefore, cheaper than those required under the old system. The adoption of standard tools, appliances, and methods throughout the shop, the planning done in the planning room, and the detailed instructions sent them from this department, added to the direct help received from the four executive bosses, permit the use of comparatively cheap men even on complicated work. Of the men in the machine shop of the Bethlehem Steel Co. engaged in running the roughing machines, and who were working under the bonus system when the writer left them, about 95 percent were handy men trained up from laborers. And on the finishing machines, working on bonus, about 25 percent were handy men." (Par. 247, p. 1395.)

DISPLACING SKILLED LABOR WITH UNSKILLED

"It is true, for instance, that the planning room and functional foremanship render it possible for an intelligent laborer or helper in time to do much of the work now done by a machinist. Is not this a good thing for the laborer and helper? He is given a higher class of work, which tends to develop him and gives him better wages. In the sympathy for the machinist the case of the laborer is overlooked." (Par. 319, p. 1421.)

CHANGING FROM ONE BONUS SYSTEM TO ANOTHER AS SYSTEM DEVELOPS

"Mr. Gantt's system is especially useful during the difficult and delicate period of transition from the slow pace of ordinary day work to the high speed which is the leading characteristic of good management. During this period of transition in the past a time was always reached when a sudden long leap was taken from improved day work to some form of piecework, and in making this jump many good men inevitably fell and were lost from the procession. Mr. Gantt's system bridges over this difficult stretch and enables the workman to go smoothly and with gradually accelerated speed from the slower pace of improved day work to the high speed of the new system." (Par. 172, p. 1376.)

"No workman can be expected to do a piece of work the first time as fast as he will later. It should also be recognized that it takes a certain time for men who have worked at the ordinary slow rate of speed to change to high speed. Mr. Gantt's plan can be adapted to meet both of these conditions by allowing the workman to take a longer time to do the job at first and yet earn his bonus, and later compelling him to finish the job in the quickest time in order to get the premium." (Par. 174, p. 1377.)

ALL FOUR SYSTEMS OF PAYING FOR WORK CAN BE USED IN LARGE PLANTS

"It is clear, then, that in carrying out the task idea after the required knowledge has been obtained through a study of 'unit times,' each of the four systems, 'day work,' 'straight piece work,' 'task work with a bonus,' and 'differential piecework,' has its especial field of usefulness, and that in every large establishment doing a variety of work all four of these plans can and should be used at the same time. Three of these systems were in use at the Bethlehem Steel Co. when the writer left there, and the fourth would have soon been started if he had remained." (Par. 177, p. 1378.)

EXAMPLE OF HOW DIFFERENTIAL RATE SYSTEM WORKS

"The first case in which a differential rate was applied during the year 1884 furnishes a good illustration of what can be accomplished by it. A standard steel forging, many thousands of which are used each year, had for several years been turned at the rate of from four to five per day under the ordinary system of piecework, 50 cents per piece being the price for the work. After analyzing the job, and determining the shortest time required to do each of the elementary operations of which it was composed, and then summing up the total, the writer became convinced that it was possible to turn 10 pieces a day. To finish the forgings at this rate, however, the machinists were obliged to work at their maximum pace from morning to night, and the lathes were run as fast as the tools would allow, and under a heavy feed. Ordinary tempered tools 1 inch by 1½ inch, made of carbon tool steel, were used for this work." (Par. 180, p. 1379.)

"It will be appreciated that this was a big day's work, both for men and machines, when it is understood that it involved removing with a single 16-inch lathe having two saddles an average of more than 800 pounds of steel chips in 10 hours. In place of the 50-cent rate that they had been paid before they were given 35 cents per piece when they turned them at the speed of 10 per day, and when they produced less than 10 they received only 25 cents per piece." (Par. 181, p. 1379.)

HOW HIGH TASKS SHOULD BE SET AT THE START

"As the writer has said several times, the difference between the best speed of a first-class man and the actual speed of the average man is very great. One of the most difficult pieces of work which must be faced by the man who is to set the daily tasks is to decide just how hard it is wise for him to make the task. Shall it be fixed for a first-class man; and if not, then at what point between the first class and the average?" (Par. 382, p. 1441.)

"One fact is clear, it should always be well above the performance of the average man, since men will invariably do better if a bonus is offered them than they have done without this incentive." (Par. 383, p. 1441.)

"The writer has in almost all cases solved this part of the problem by fixing a task which required a first-class man to do his best and then offering a good round premium. When this high standard is set, it takes longer to raise the men up to it. But it is surprising, after all, how rapidly they develop." (Par. 384, p. 1441.)

EACH SHOP EXISTS, FIRST, LAST, AND ALL THE TIME, TO PAY DIVIDENDS TO OWNERS

"On the other hand, this policy of promoting men and finding them new positions has its limits. No worse mistake can be made than that of allowing the establishment to

be looked upon as a training school to be used mainly for the education of many of its employees. All employees should bear in mind that each shop exists, first, last, and all the time, for the purpose of paying dividends to its owners. They should have patience and never lose sight of this fact. And no man should expect promotion until after he has trained his successor to take his place." (Par. 312, p. 1419.)

COLLOQUY BETWEEN MR. TAYLOR AND DISSATISFIED CUSTOMER

"Mr. TAYLOR. I think that Mr. Hawkins has also overlooked another important factor, and that is the question of time. If Mr. Hawkins expects large result in 6 months or a year in a very large works, he is looking for the impossible. If he expects to convert union men to a higher rate of production, coupled with high wages, in 6 months or a year, he is expecting next to an impossibility. But if he is patient enough to wait for 2 or 3 years he can go among almost any set of workmen in this country and not find the trouble which he did in Massachusetts.

"Mr. HAWKINS. I have waited 6 years now.

"Mr. TAYLOR. Have you tried the incisive plan of centering on one man instead of going at the whole shooting match at once? I think failure is due to a lack of patient persistence on the part of the employers and then to a lack of centering right onto a single man. No workman can long resist the help and persuasion of five foremen over him. He will either do the work as he is told to or leave."

All of the principal systems of "scientific management" were extensively investigated by a special committee of the House of Representatives last winter. Both the efficiency engineers and the departments concerned were heard at such length as they desired. The Government employees who protested against the introduction of the Taylor system in navy yards and arsenals and workmen who had worked under the system in private employ were also heard at length, and their testimony was uniformly against the system.

Then the committee made its report to the House. Its findings were against the features of the system which were designed to stimulate the workmen to extraordinary exertions. This is shown by the following quotation from Report No. 403 of the committee's report to the House on March 9, 1912:

"In an effort to stimulate the workmen to increased activity various methods are used under different systems, such as discharge, fear of discharge, stop-watch time studies, and bonuses. The fear of discharge exists under any system, and no doubt will continue to exist and to act as a stimulus. The establishment of a premium or bonus presupposes the establishment of a task. The bonus system is based upon the establishment of a task large enough for an ordinary day's work and then giving additional compensation as an inducement to a workman to do more than he would ordinarily do.

The proponents of the Taylor system assert that the workman will be protected against any injustice either in the amount of work required of him or the compensation for that work by a change in the mental attitude brought about by the introduction of the system. A mental attitude which produces a spirit of cooperation between the employer and the employee is much to be desired, but such a spirit is not the result of any particular system of management, but is due almost entirely to the personality of the management and employee and the spirit that prevails in their relations to each other. Your committee is of the opinion that the mere mental attitude of the employer is too variable and unsubstantial a basis upon which to rest the material welfare of the wage worker. Standardizing and systematizing of work can be introduced successfully without any change in mental attitude from that which exists in the ordinary shop, but when it comes to introducing stimulation, a change of mental attitude by which the workman is willing to give a greater amount of energy for the same amount of pay may be very desirable to the employer of labor, but it is not always so desirable to the employee.

"Here is the crux of the difficulty in the introduction of the Taylor or any other system of so-called scientific management. So far as the workmen are concerned, they have not made any serious objections before your committee to standardizing or systematizing of the work, but they have vigorously protested against stimulation on the grounds that it tends to injure their health through overwork, and that while their wages may be temporarily increased, the result is that they are ultimately required to expend the greater amount of energy without receiving any additional pay. In the judgment of your committee, the best and most effective stimulus that can be given to the work in the shop is to secure and hold a fine spirit of cooperation with the management on the part of the workmen. That cannot be secured through timing the operations of the workman with a stop watch when he considers such a procedure an indignity which recognizes him as being in the same class as a beast of burden or a machine, or when he considers such a time study inaccurate, and therefore unjust to him, or when he knows that it is to be used as a basis from which to compute the speed at which he must work and the wages he is to receive, when, in his judgment, the work, speed, and wage rates are being established in order to secure greater profits for the employer at the expense of the workmen."

The employees of the Government, who seem to be unanimous in their opposition to the system, are of the opinion that to carry out a program based upon the principles and methods of the Taylor system above outlined would mean relentless speeding up, destroy harmony among the employees, and would result in various other forms of oppression.

Workmen who have worked under the system in private shops, and who testified before the committee, stated under oath that the system is harsh and oppressive and altogether disagreeable under which to work.

Mr. Taylor does not think that his system is oppressive or relentless, and does not see why workmen should not thrive and be happier under it.

General Crozier, Chief of Ordnance, does not find anything objectionable in the paper, Shop Management, by F. W. Taylor, which has been extensively above quoted. Following is a quotation from a letter of General Crozier to the Secretary of War on the subject, written April 19, 1911, and incorporated in the hearings, page 1162:

"6. Concerning the general protest made by the committee to the effect that the Taylor system is fundamentally based upon overworking and enslaving employees, eliminating the skilled mechanic, and, in general, operating to the disadvantage of employees, I must say that I do not find these features in a perusal of Mr. Taylor's paper. In the absence of experience with his method, as affecting workmen, my knowledge must come mainly from his own statements, and I have interrogated mechanics working under his system and have found them satisfied with it. I find nothing in his description leading to doubt of the statement which he makes in paragraph 21 of his paper: 'This paper is written mainly with the object of advocating high wages and low-labor cost as the foundation of the best management, * * *,' and I give him credit for sincerity in his belief that all employees are better satisfied under his system than under the general system which he wants to replace."

The question to determine is, What is harsh treatment? We submit that certain methods of scientific management are harsh and should not be permitted in Government shops.

The War Department is at present working out the details of the Taylor system at the Watertown Arsenal, Watertown, Mass., so as to make them applicable to the manufacture of ordnance materials, and the testimony at the hearings also shows that the preliminary features of the system are being installed at the Rock Island Arsenal in the machine shop where gun vehicles, limbers, caissons, etc., are manufactured, and that it is the intention of the Ordnance Department to introduce there the other features of the Taylor system as soon as their application has been perfected at the Watertown Arsenal.

Let us turn for a moment to certain recent testimony of the Chief of Ordnance as to the present efficiency of the plant at Rock Island, Ill., and thereby ascertain if the necessity exists for any drastic change of method, or speeding up. On January 13, 1912, General Crozier said before the special committee of the House of Representatives to investigate the Taylor system, etc., as follows (see p. 1118 of hearings):

"We have recently manufactured gun carriages and are doing it still for 3-inch rifles; that is, field guns, at $2,510.60, the exact cost. We purchased those rifle carriages from experienced manufacturers, who had had preceding orders for the same thing, for $3,398.82, an increase of 35.4 percent over our own price. Our carriages were made at the Rock Island Arsenal.

"We have manufactured there, at the same arsenal, caissons, for $1,128.67, and we have purchased the same caissons from private manufacturers who had had previous orders for them, so that they had experience in the manufacture, for $1,744.10, which is 54.6 percent greater than our own price."

On page 1117 of the same hearings General Crozier stated as follows:

"At the Springfield Armory the principal manufacture is small-arms rifles. We make a few other things, but the manufacture is almost entirely of the small-arms rifle. We manufacture that rifle for about $15, and in doing so I take into account what I think should properly be taken into account in the cost; but the Springfield Armory, like the other arsenals, is maintained as an arsenal of storage and issue, as well as a manufacturing place; and, therefore, in computing these costs, I have subtracted from the total expenses of the Springfield Armory those portions which I consider result from its character as an arsenal of issue and storage. Unless somebody goes into the details quite closely, there may be a question as to whether I subtract quite as much as I ought to.

"Therefore, I, last year, for the purpose of satisfying some persons who might have some doubt, made up what I might call an exaggerated cost of the rifles at the Springfield Armory—that is, I took every cent of money that was sent up to the Springfield Armory and charged it to the rifle. Whether it was for the payment of the clerks that were used in the issue of stores, the payment of the storehouse force, whether it was for the payment of the watchmen—they are the guards and custodians of the valuable property we have up there—I charged all the pay of officers and all the pay of everybody concerned to the rifle, and by that means I arrived at a cost of the rifle of $17.64 instead of $15—that is, I found I had to add to the cost as I had reported it about 17 percent. Now, that then became a statement of an exaggerated cost which, whatever the rifle might cost properly, it could not possibly reach. It must have been below $17.65; and if it were possible to obtain the opinion of an expert, I would be glad to ask him if he thought the Springfield rifle could be produced by anybody else anywhere and purchased for $25. My own opinion is that you could not get it as low as $25 from any manufacturer."

The rifles are also made at the Rock Island Arsenal at practically the same figure.

On April 2, 1912, General Crozier stated as follows before a subcommittee of the Appropriation Committee of the House of Representatives relative to the cost of manufacture at the Rock Island Arsenal (see pp. 637–638 of hearings):

"The CHAIRMAN. Do your figures show the comparative cost of manufacture and purchase?

"General CROZIER. Yes.

"The CHAIRMAN. Put them in the record, please.

"General CROZIER. I will mention a few of them for the record. I think I can mention them more summarily, so they can be better comprehended in the record, than if I put in all of these details. I will take the limbers for the 3-inch rifles. The average of three contracts gave a price of $1,518 apiece for those limbers.

"Mr. CANNON. What is a limber?

"General CROZIER. A limber is the forward portion of the wagon which transports the gun, the forward portion of the gun carriage; and the average of five orders for manufacture at the Rock Island Arsenal was $684 apiece. The arsenal cost was less than half the purchase price.

* * * * *

"General CROZIER. Now, for the 3-inch caisson, the average of 5 contracts shows a price of $1,708, and the average of 6 manufacturing orders given to the Rock Island Arsenal is $1,081. The 3-inch gun carriage proper—that is, the vehicle on which the gun rests and from which it is fired—gives as the average price three contracts, $3,268, and the average cost under 5 manufacturing orders at the arsenal was $2,341.

"Mr. CANNON. Does that include overhead charges?

"General CROZIER. Yes, sir."

These figures, representing the cost of manufacture at the Rock Island Arsenal, include all overhead charges, such as pay of officers, interest on investment (which, for the Ordnance Department, is 3 percent), insurance (allowance set aside for fire losses), and depreciation of plant.

It will be observed that the very shop in which ordnance materials are manufactured at less than half of the cost of purchasing from private contractors is the place where it is proposed to install the Taylor system. We submit that the necessity does not exist for the installation of such a system of intensive production, with its accompanying disregard for the welfare of the employee, in a plant where efficiency has already reached an advanced stage.

What has been said of the comparative cost of production at the Rock Island Arsenal and the Springfield Armory is true to a large degree of many other manufacturing plants of the War Department.

The Ordnance Department is to be commended for its ability to manufacture economically, but this much-desired achievement should not be further augmented by the introduction of any system of shop management so apparently unjust to the employees.

If it should appear that other departments of the Government are unable to show as favorable a comparative cost of manufacture as is the case in the War Department, that condition must of necessity be due to other causes, since these plants of the War Department, at the time the costs above referred to were compiled, were operating under the system of management which had been evolved through years of practical experience in the production of ordnance materials, and which is not subject to the criticisms of the Taylor system.

The clerical force necessary for the maintenance of these elaborate systems makes the overhead charges exceedingly great, and it is a question whether the increased productivity of the workmen in the shop, upon whom the heavy burden falls, is sufficient to pay for all this nonproductive labor which has to be added.

On this point the investigating committee of the House says (see Rept. No. 403):

"The Taylor system undertakes to systematize the work first by the establishment of a planning department; second, by detail study of the shop and the elements of a particular piece of work; third, by a routing system; and out of these grow a multitude of other details, such as job cards, routing cards, time study, and many others. So much of this kind of detail work is needed under this system that it appears to your committee that constant care would have to be exercised in order to prevent the overhead charges thus created from using up all of the benefits which might be derived from the proper systematization of the work."

The machine shop of the Midvale Steel Co., at Philadelphia, Pa., where Mr. Taylor perfected his system, has since his advent there, abandoned most of it as an unprofitable method of management. Some of the features of the system which are obnoxious to workmen are still in vogue there, however. One of the strongest competitors of this concern for Government work is the Washington Navy Yard, where the system is not used.

That the navy yard is a strong competitor is shown in the testimony of Capt. E. H. C. Leutze, commandant of the Washington Navy Yard at Washington, D. C., before the Naval Affairs Committee of the House, February 28, 1906, in which he shows that the cost of manufacture at that yard is less in most cases than by contract.

The purpose of this bill (S. 6172) is to prevent the use of the stop watch and the premium and bonus system of compensation, which together form the basic elements that are responsible for the excesses committed; and their use is not necessary to any proper system of efficiency, which is demonstrated by the absence of these elements in other efficient manufacturing plants.

The employees of the Government agree with Mr. Taylor in regarding these two features of the Taylor system as the foundation of the rest. He says, in Shop Management, regarding his bonus system:

"* * * It is to compel the completion of the daily task, then, that two of the other principles are required, namely, 'high pay for success' and 'loss in case of failure.' The advantage of Mr. Gantt's system of 'task work with a bonus' and the writer's 'differential-rate piecework' over the other systems lies in the fact that with each of these the men automatically and daily receive either an extra reward in case of complete success, or a distinct loss in case they fall off even a little." (Par. 161, p. 1372.)

Regarding the importance of the stop-watch "time study," the author says:

"* * * And first among these comes the study of 'unit time.'

"324. This, as already explained, is the most important element of the system advocated by the writer. Without it the definite, clear-cut directions given to the foreman and the assigning of a full, yet just, daily task, with its premium for success, would be impossible; and the arch without the keystone would fall to the ground."

As long as the departments insist upon holding these features in the background, with the understanding that they are to be used at some future time, it will be impossible to secure the cooperation of the employees as to other changes which might be advantageous, due to the suspicion which now exists.

The passage of this bill will allay fear and suspicion, and for that reason will be for the good of the service.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee accepts the position of the War Department in this matter. They favor the deletion of this language as it was carried in the bill last year. I hold in my hand a letter from the Secretary of War, dated April 17, 1947, to the chairman of the committee, in which Mr. Patterson states:

The War Department favors the deletion of entire section 2.

This is the language which the gentleman seeks to include or reinstate in the bill by his amendment. It was section 2 of the bill last year.

The committee is further impelled to this position by testimony before it with reference to the savings that could be accomplished as well as by the letter from Secretary Patterson. This testimony was presented by Commander Harold J. Mock, representing a committee of ex-Army and Navy industrial engineers. The chairman asked Mr. Mock when he was before us:

To what extent is private industry using this time study and the methods you are advocating?

Mr. Mock said:

Here is a survey by Prof. Ralph Barnes, of the University of Iowa; 97 percent of the large cross section of industry he canvassed use such studies.

In further discussion it was suggested by witnesses that the amount of savings might be 10 percent. Mr. Thurston, former TWA engineer who appeared with Mr. Mock, said:

I would say that on $5,000,000,000, for example, they would save half a billion dollars, in pay roll, material, and equipment.

There were other witnesses, all of whom urged that the War Department be freed from the prohibition against time studies. Their testimony appears at pages 1556 to 1573, inclusive, of the printed hearings on the bill.

In view of that record, the committee asks the rejection of the amendment.

Mr. BUCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that this amendment is as absurd as the situation that prevails in some areas of the country today where a bricklayer who could lay 1,100 bricks in a normal day's work and could lay 1,500 bricks if he humped himself a bit is now laying 200 bricks. The fact that he is laying 200 bricks is one of the reasons why the cost of construction has gone up and why houses for veterans are not being built.

The War Department is spending public money. What possible justification can there be for inserting an amendment that prevents increasing the efficiency of Government operation?

Mr. Chairman, I hope this amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

The amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. ENGEL of Michigan. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House

with sundry amendments, with the recommendations that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3678) making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

By unanimous consent, the previous question was ordered.

The SPEAKER. The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FORAND asked and was given permission to revise and extend his remarks and include a copy of the Borah report in the Sixty-second Congress and also include a table.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, there is no Member of the House more economy minded than I am. The fact is the average Member of this body is making a sincere effort to cut down public expenditures.

It is difficult to differentiate between true and false economy. While we simply must eliminate a great many agencies to which we have become accustomed, we certainly cannot impair our armed forces.

Even a wayfaring man knows the reason we are respected today as a Nation is because of our strength.

Providence has been kind to us during the two preceding world Wars. We were given time to get ready. We cannot safely assume that we will be given sufficient time again.

In this atomic age with the terrific speed with which we move we simply must keep abreast, and in fact ahead, of other countries in fighting equipment.

Our Air Forces are properly referred to as our first line of defense. Were we to withhold necessary funds for the maintenance of a strong air force we would be breaking faith with all of those who fought in past wars.

The gentleman from Texas, my colleague, Congressman MAHON, is to be complimented for his zeal in presenting the fight for necessary funds for the air force.

I am happy to have contributed my influence toward providing these much needed funds. Our Republican friends have shown the proper spirit when they acknowledge their mistake in seeking to withhold necessary funds from the Air Force.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE—INVESTIGATION OF CIVIL SERVICE COMMISSION AND POST OFFICE DEPARTMENT

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 176 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, is authorized and directed to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (e) of the Rules of the House of Representatives, and for such purposes the said committee or any subcommittee thereof is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

That the said committee shall report to the House of Representatives during the present Congress the results of their studies and investigations with such recommendations for legislation or otherwise as the committee deems desirable.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 176, which was reported unanimously by the Committee on Rules, authorized the Committee on Post Office and Civil Service, which is headed by the gentleman from Kansas [Mr. REES], to conduct a thorough study and investigation of all matters coming within its jurisdiction relative to the functioning and operation of two very important divisions of the Federal Government. First, the Civil Service Commission, which comes under the jurisdiction of the committee, and second, the Post Office Department.

The committee would have authority to go into any other matter coming under its jurisdiction but it is the intention and purpose of this resolution, and of the committee, to make investigation and study of these two important governmental agencies.

During the war it was necessary for the Civil Service Commission and the Congress to set aside many of the regulations, rules, and restrictions surrounding the selection and appointment of civilian employees of the Federal Government. Now that the war is ended it is believed that by proper study and investigation of the Civil Service Commission and its activities and functions that this committee of the House, headed by the gentleman from Kansas [Mr. REES], can bring about greater efficiency and economy in connection with the employment of Government civilian personnel.

The other investigation which will be conducted by the committee if this resolution is adopted, as I hope and am sure it will be, is of the Post Office Department. The Post Office Department is the Government's greatest single business operation. The Post Office Department is a great service agency of the Government. It has been operating at a heavy loss, with a deficit of somewhere near $300,000,000 for the last year's operation. There has been considerable discussion as to increasing postal rates in order to meet this deficit. In fact, the administration submitted to the Congress suggested legislation for an increase of postal rates to meet the deficit which has been created in the Post Office Department. It seems to me, and I believe it should appeal to the reason and the logic of any individual, that before the Congress of the United States enacts legislation to increase postal rates, and to thus place a further burden upon the people, at the very hour and moment that the President of the United States is calling for a reduction in prices of most goods and commodities, that a thorough investigation should be conducted to ascertain the necessity for such increases. Certainly, first of all, the Congress should investigate and make a thorough survey and a careful study of this gigantic, far-flung agency of the Government, the Post Office Department, in an attempt to determine whether or not there is any waste and extravagance in that agency of Government; to determine whether greater efficiency cannot be obtained, and that, perhaps, by the elimination of waste and extravagance, by gaining greater efficiency, by modernization, if you please, of the operations of the Post Office Department, we may be able to eliminate most or all of the deficit which exists there, and thus make unnecessary any higher burden of postal rates upon the people. If the deficit cannot be entirely eliminated, certainly it would be wise for us to reduce it as much as possible, so that we need not increase postal rates any more than may be absolutely necessary.

Personally, I am confident that this study and this investigation will reveal great opportunities for savings in the operation of the United States Postal Service.

I have high personal regard for the gentleman who serves as the Postmaster General of the United States, but I am not at all certain that he has devoted his entire time to an earnest endeavor to bring about efficiency in the postal serv-

ice or to eliminate waste and extravagance in that agency of the Government. I know the Post Office Department is presumed to be conducted under the merit system, and I think perhaps that is true in some branches and divisions and in some types of work; but certainly if there is any one division or any one branch of the Federal Government in which politics sometimes enters it is in the Post Office Department as now constituted.

I do not want to discuss the Department from a political angle, however, except to say that whenever any agency of the Federal Government shows an operating deficit of approximately $300,000,000, in my opinion it is time for the Congress of the United States, representing the people, to at least take a little "look-see" at the operation of that Department.

I am sure that under the direction of the able gentleman from Kansas any investigation which will be made of the Post Office Department or of the Civil Service Commission will not be a witch hunt, it will not be political—but I do want to remind the Members of the House that it has been many, many, many years since any real study or any real investigation of either department has been undertaken. Certainly, in this modern day and age, new methods can be found—in fact, new methods are available—by which a better postal service can be given to the people at a lower cost than they have enjoyed in the past. So I am hoping that this House will adopt this resolution and that there will be no attempt to enact legislation to increase postal rates until we first know whether or not it is necessary to increase them and, if so, by how much. That to me is just common sense. I do not believe anyone in this body can disagree with that logic.

I believe as a result of these investigations that we as Members of Congress will be meeting our obligation to our constituents because, as I have said before on this floor and elsewhere, the Congress of the United States, as the representatives of the people, have two great responsibilities. The first is to legislate, and the second is to investigate. We owe a responsibility to the people not only to enact laws but to see to it that the laws that we have enacted are administered properly, and that the other branches of the Government are conducting public affairs as we, the people, want them conducted.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. MICHENER. Is there any objection to this? It seems to me that when the question is raised the first agency to come in and welcome the investigation would be the Department itself.

Mr. BROWN of Ohio. I can say to the gentleman that I have had no message from the Postmaster General giving his approval to this resolution. However, I feel, as the gentleman from Michigan expresses himself, that no fair-minded person, including the Postmaster General, can object to this sort of an investigation.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. BENDER. I have been getting a lot of letters recently from back home regarding increased postal rates, on postcards, and so forth. Does this have anything to do with that?

Mr. BROWN of Ohio. I hope it will have a great deal to do with it. I hope that as a result of this investigation and the elimination of waste and extravagance and the greater efficiency which this investigation will bring about, that it will not be necessary to increase the postal rates in any great amount, if at all.

Mr. BENDER. It is a serious mistake for us to increase the rates unless we cut expenses first and find out what the score is in the Post Office Department. The people back home are not interested in increased costs, as far as the Government is concerned. I know how they feel about the possibility of increased postal rates. I hope that this resolution will carry and that it will actually effect the economies necessary so that these rates will not be increased.

Mr. BROWN of Ohio. I agree with the gentleman.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I am very much interested, as is the gentleman from Ohio, in effecting any possible economies in the Post Office Department. I would like to inquire if this investigation will be broad enough so that this committee can also look into the great losses that are being taken, at the direction of Congress. I have in mind the charge made by the gentleman's colleague from Illinois [Mr. MASON] last year, that we were subsidizing the mail order catalog houses to the extent of about a hundred million dollars a year, I believe.

Mr. BROWN of Ohio. Oh, yes, I have heard that charge made a great many times.

Mr. MONRONEY. I wonder if they will look into that?

Mr. BROWN of Ohio. Yes, of course; but in the gentleman's mind it is probably wrong for the Federal Government to furnish any service of any kind that would be of any benefit to any legitimate business or enterprise in the United States. We should do nothing of course, as the gentleman points out, that would help create jobs or that would help industry and commerce in this country.

Mr. MONRONEY. Of course, we have several kinds of industry and commerce. Some of it is little business which definitely is not helped.

Mr. BROWN of Ohio. In the particular bill that has been suggested by the administration, little business would suffer more than anyone else as a result of an increase in the postal rates. It would be little business which would be injured the most by the enactment of the proposed rate-raising legislation.

Mr. MONRONEY. Will the gentleman answer my question; that is, if the committee will look into all of these rates?

Mr. BROWN of Ohio. I cannot guarantee the gentleman what this committee will do, but, knowing the gentleman from Kansas, and the membership of his committee as I do, and knowing that it has able representatives of both parties within that membership, I am certain the committee and its chairman will investigate fully every phase of the problem.

Mr. MONRONEY. The resolution, therefore, is broad enough to permit them to investigate the question I have raised.

Mr. BROWN of Ohio. Certainly, the resolution is broad enough to permit the committee to make a complete and thorough investigation of all phases, and I believe the gentleman from Kansas will agree with me.

Mr. PICKETT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. PICKETT. Does the gentleman from Ohio have knowledge at this time whether the passage of this resolution will result in a request of the Committee on House Administration for funds with which to carry on the investigation, and if so, how much will be requested?

Mr. BROWN of Ohio. I presume that some funds will be necessary. The gentleman from Kansas, who is chairman of the committee which will be in control of the investigation, can answer that question far better than I, and I suggest that the gentleman wait until he takes the floor.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Is this resolution broad enough to permit the investigation of the Department now curtailing mail service and giving as an excuse that it is necessary because of decreased appropriations for the Department?

Mr. BROWN of Ohio. I believe that this committee will have the power under this resolution—in fact, it already has the general power, outside of subpena and other specific requirements—to look into the conduct of the officials in charge of the Post Office Department, and of the Civil Service Commission, however it may affect mail delivery.

Mr. COLE of Missouri. I would like to say to the gentleman that this year particularly I have been confronted with the abandonment of Star Route service in my district, the curtailing of post office service there, such as has never happened before, and the response I get from the Department is that it was because of the decreased appropriations and therefore was made necessary. Of course, the gentleman and I can see through the Postmaster General's strategy in that respect.

Mr. BROWN of Ohio. Perhaps the gentleman will be greatly interested in the adoption of this resolution to find out, through this proper congressional committee, whether or not this curtailment has been necessary, and if not, why it has taken place.

Mr. COLE of Missouri. I will say to the gentleman I am very much in favor of the resolution.

Mr. POTTS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. POTTS. Up in New York City there are 300 veterans on substitute status in the Post Office Department who, for a long time, have been trying to get regular status, and they have been given pretty much the run-around on the theory that funds have been taken from here and put there, and I am just wondering whether under this resolution the committee will be in a position to investigate that condition.

Mr. BROWN of Ohio. I am certain that the committee will be in position to investigate any and all activities of the Post Office Department under this resolution.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I know one post office where veterans have served for a number of months, or a year, on a temporary basis, and they were not notified when the examination for permanent positions was to be held.

Mr. BROWN of Ohio. Whether that would be the fault of the Post Office Department or of the Civil Service Commission, I cannot say, but under either circumstance under this resolution the committee would have the power and the authority to look into the matter and perhaps either straighten it out or bring in legislation that would straighten it out in the future.

Mrs. ROGERS of Massachusetts. That would probably rectify it anyway.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

WE WANT NO WITCH HUNT

Mr. SABATH. Mr. Speaker, I hope the gentleman from Ohio is right when he says that this will not be a witch hunt. To the gentleman who propounded the inquiry as to whether this resolution is broad enough to investigate certain matters, may I say, remembering who propounded the inquiry, that this resolution is indeed broad enough. Under this resolution that committee can do anything and everything they desire. They can investigate anybody and everybody at all times, in the District of Columbia or anywhere and everywhere in the United States. But though they are given such great jurisdiction and power, I hope this committee will not interfere with the investigation or invade the jurisdiction of the committee known as the Committee on Un-American Activities. I hope they will not interfere with them.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a question?

I AM FOR ECONOMY AND EFFICIENCY

Mr. SABATH. I will as soon as I conclude what I have in mind, although the gentleman never shows me the courtesy.

I hope the committee will make a thorough investigation. I am for economy and I am for efficiency. Personally, I believe the Post Office Department and its employees have served the country well and efficiently. For years and years I have heard no complaint as to the efficiency of that Department unless it would be a frivolous complaint for political purposes, as in the present occasion, when someone somewhere might say that one of his constituents did not get his letter on time or did not receive the parcel that was mailed to him.

Mr. MACKINNON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I will yield later. I cannot yield at this point.

Surely, if waste exists, then I hope they investigate and expose it. But I hope they do not come to a fore-ordained conclusion that the deficiency which exists in the Department because of business subsidies on second-class and fourth-class matter, and on third-class matter too, both in direct payment to railroads, steamship companies, and air lines and in low rates on business mail, should be made up by taking out of the salaries and wages of already too low-paid Post Office Department employees. I am of the opinion that money can be saved; and we can reduce the operating deficit in the Department by compelling the beneficiaries of second- and fourth-class service to pay fair compensation. I believe on those two divisions alone we may be able to save from $150,000,000 to $175,000,000 annually and that it will not be necessary for the gentleman to try to reduce the wages of the Post Office employees.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman for a question.

Mr. COLE of Missouri. Would the gentleman want to impose a postal rate on country newspapers within the county of publication? Is that what the gentleman refers to when he refers to second-class mail?

SMALL PAPERS CLOSER TO THE PEOPLE

Mr. SABATH. No, I will be perfectly candid. I think the country newspapers, these small papers, are nearer to the people than some of the big newspapers and especially those magazines consisting of 200 and 300 pages where fully 70 percent of the publication consists of high-priced paid advertising and very little reading matter. Frequently I spend a great deal of time trying to find an article in some of these magazines to enlighten me, but the only thing I can find is advertising, more advertising, and additional advertising. So you do not have to be alarmed. I am always with the people of the country sections.

These little papers, I think, are closer to the public than some of the big newspapers who seem to be speaking for the big interests and advocating their cause in general because of the advertising that comes to those papers from big concerns who spend hundreds of thousands of dollars a year. Naturally, the big newspapers are big business too, and all that advertising does not make them unfriendly to their fellow businessmen. That, I hope, explains my position.

Mr. COLE of Missouri. I take it then the gentleman would be in favor of an increased postal rate for the large newspapers that are making more money now than ever before?

BIG PUBLISHERS ARE PROSPEROUS

Mr. SABATH. I would not single out the big newspapers especially. I am after the magazines, too. I admit that the big newspapers and magazines are making more money, and have made more money, in the last 15 years under Democratic administrations than ever before. We can all remember the time when they had a lean and hungry look, with just a few pages; but now they cannot find enough paper to hold all the profitable advertising they can sell.

But most of all I am after those great big catalogs of the mail-order houses. Although the very largest of them are located in my city, I still think they ought to pay the Government their fair share of what it costs to deliver their catalogs to every nook and corner of these United States, to the cost and detriment of the small storekeepers and the taxpayers.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman for a question.

Mr. HOFFMAN. You were talking about this resolution being so broad.

Mr. SABATH. Yes, sir.

Mr. HOFFMAN. I notice it is very, very narrow. It says here that they shall hold these hearings at such times and places within the United States.

Mr. SABATH. I said within the United States.

Mr. HOFFMAN. Yes; I know; but the other resolutions—for instance, the law on the National Labor Relations Board—say they can go to any Territory. Don't you see? That is much broader than this is.

Mr. SABATH. That is not included in this resolution. Somehow or other they do not seem to plan to go that far.

Mr. HOFFMAN. This is much narrower than the resolution for the National Labor Relations Board.

Mr. SABATH. I am mighty glad to hear the gentleman say it is a very narrow and circumvented resolution, but, of course, I cannot agree with him.

Mr. HOFFMAN. But the question I wanted to ask is if the bill for statehood for Hawaii goes through and Hawaii becomes a State, can they go out there and hold these hearings?

Mr. SABATH. If Hawaii becomes a State, perhaps they would have jurisdiction. There is no doubt about that. But it has not passed the House yet, and I do not know whether it will.

SHOULD NOT CUT DOWN ON RURAL FREE DELIVERY

Mr. Speaker, of course, this is an investigation. I hope the gentleman from Kansas and his committee will not go out and try to save some money on the rural deliveries though. We spend tremendous sums of money for rural free delivery. I hope they will not try to eliminate any service to farm dwellers or cut down the reasonable and fair compensation given to rural carriers.

I am hopeful they will not try to disrupt the efficient service of the Government.

NO GREATER LOYALTY THAN IN POSTAL SERVICE

As to the loyalty, I do not know how many hundred thousand men are employed in that Department, but there is no department anywhere that has shown greater loyalty than those men who have served for years in the Post Office Department. To even insinuate that they are not patriotic and that they do not have the best interests of the country at heart or that they do not serve the Nation well, would be manifestly unfair and unjustifiable. I think we should be proud of the service the Post Office Department has rendered to our country.

Mr. MACKINNON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MACKINNON. Is there any serious doubt in your mind that there has been a deterioration in the quality of the postal service in this country in recent months?

NO DETERIORATION OF MAIL SERVICE

Mr. SABATH. Personally, I do not think there has been any deterioration at all. I think we have as splendid service now as we ever had. Naturally, during the war we suffered. Thousands upon thousands of these men volunteered their services to the country. They have served the country in various important positions as soldiers and sailors, and in operating the wartime Army and Navy postal services, and in countless other ways. Now those men are coming back after 3 or 4 years, and under the law that we passed, they are entitled to be reinstated in their positions. It may require a few weeks for them to acquire again that high efficiency which had been theirs before they resigned their positions to join the Army or the Navy. But I think it is manifestly unfair to try to insinuate or charge that there is inefficiency in that Department.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. COX. My colleague, the gentleman from Illinois, has made a very excellent statement. In view of the fact that there is no opposition to this bill and in view of the expectation that a bill will follow on which there is some division of opinion, does not the gentleman think that we might save a little time and conclude this debate, forego the temptation to make a speech, and vote on the resolution? That observation did not have the purpose of ending the gentleman's statement.

Mr. SABATH. That is very kind. Unless it is necessary to enlighten some of the Republicans, I usually do not take time. Day before yesterday we passed three different resolutions within 15 minutes and I did not take any time at all because I felt it was not necessary. But in view of the statements of the gentleman from Ohio [Mr. BROWN], and the insinuations made against the Department, I felt it was my duty to explain, and I could not refuse to give these gentlemen the information they sought, because I think they are entitled to it. I do not know whether they will get it when this investigation takes place.

Mr. COX. Will the gentleman yield further?

Mr. SABATH. I yield.

Mr. COX. The purpose of my statement was not to conclude the gentleman's speech. I thought the gentleman had finished.

Mr. SABATH. Oh, I know the gentleman is always trying to be helpful. I am grateful to him.

Mr. MACKINNON. Will the gentleman yield, Mr. Speaker?

Mr. SABATH. No, I cannot yield, because you see I have been admonished that I have been taking up too much time now. The gentleman is interested in other legislation which I am very much interested in myself and have been for many weeks. I am glad he is interested in the same legislation which is in the interest of the country. So I am going to conclude, Mr. Speaker, but before I conclude I yield 5 minutes to the gentleman from Texas [Mr. LYLE].

The SPEAKER. The gentleman from Illinois has consumed 16 minutes.

The gentleman from Texas [Mr. LYLE] is recognized for 5 minutes.

Mr. LYLE. Mr. Speaker——

Mr. MACKINNON. Mr. Speaker, will the gentleman yield for a consent request?

Mr. LYLE. I yield.

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include two or three letters.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MACKINNON. Mr. Speaker, to enlighten the gentleman from Illinois, I insert a letter and a telegram from a small nursery and a small newspaper in my district which testify to the serious deterioration in the postal service and the adverse effect this is having on the small businessman:

ALLENORE NURSERY,
Excelsior, Minn., May 5, 1947.

POSTMASTER,
Minneapolis, Minn.

DEAR SIR: Enclosed herewith is a tag from a package of strawberry plants mailed at Minneapolis, Minn., on Sunday, April 27, to Henry Reinking, Oelwein, Iowa. According to his letter attached hereto, these plants were received by him on May 5. It doesn't take much figuring to see that this is ridiculous service on perishable matter.

We have already had a dozen similar complaints in the last 10 days and we usually have only one or two in an entire season. On this particular order referred to above, our loss is $6, and our loss so far on account of this kind of service is $50. We ship between 500 and 1,000 orders a season by parcel post and have been shipping for 15 years, and in our entire experience we have never seen anything as bad as present condition of service. If it were to continue, it would ruin our business.

I have also been in the postal service for nearly 30 years, and it seems plain to me that the present policy of the Department is very much a losing proposition for all concerned.

We wish you wou'd transmit this complaint to the proper officials in the Department.

Yours very truly,

ALLENORE NURSERY,
AL JOHNSON.

Copies to Senator BALL, Senator THYE, Congressman MACKINNON, and Superintendent of Railway Mail, tenth division.

MINNEAPOLIS, MINN., *May 24, 1947.*

GEORGE MACKINNON,
Congressman, Third Minnesota District.

DEAR GEORGE: We have started new publication, North Minneapolis Post, distributed through the post office free. We delivered 4,000 papers at the Minneapolis post office Wednesday night. They had not even been taken off truck Thursday afternoon, on which they were placed late Wednesday. Complaints brought answer, Will take care of it next week. That answer will not bring back advertisements we have lost. Hate to complain, but why should newspapers placed in Robbinsdale post office Thursday night not reach Golden Valley until the next Wednesday morning? Service from the Minneapolis post office the poorest in history.

H. O. SONNESYN,
Editor, Robbinsdale Post.

Mr. LYLE. Mr. Speaker, first let me say that I shall not vote against this resolution. This resolution did not come out of my committee, as a matter of fact, and the first time I ever heard of it was when I saw it posted on the whip's notice for call. Since the Rules Committee has taken up so much of the time discussing this matter, I am quite certain now that it probably originated in the Rules Committee and not in my committee. I wish to say, however, that in my judgment this resolution comes before you with a cloud, for I have read, and read, and read the last few weeks in the newspapers that the Republican high command wanted this resolution so that during the ensuing months they have have some opportunity to find something to use in the next political campaign. I say to you that I do not believe the chairman of my committee wants that, nor do the members of my splendid committee. If that is what the Republican high command wants they are going to be considerably disappointed because I feel that the chairman of my committee is such a man and such a Congressman that any investigation that will be made under this resolution will be in the interest of the people. I would like to say here how much I admire the fairness and ability of the gentleman from Kansas [Mr. REES], the chairman of my committee. It has been a pleasure to serve on the committee with him.

The gentleman from Ohio spoke about postal rates. The entire membership knows that he is opposed to an increase of postal rates. He has always been opposed to it, but the bill that is now pending before the Rules Committee to increase postal rates was introduced by a Republican. As I recall it, every Republican member on the committee voted for it, with perhaps one exception. I believe only two Democrats voted for it. I certainly did not vote for it.

I am opposed to the postal rate increase bill that was voted out. I tried to influence the Republican Members, but I did not have any more success than did apparently the gentleman from Ohio.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. RANKIN. The complaints I have received with reference to the postal service is that the Department has approved extensions of rural routes all over the country and now does not have the funds to put them in operation.

Mr. LYLE. That is exactly the point.

Mr. RANKIN. My contention is that if we are going to take the mail to one man we ought to take it to all. I would much rather see these rural routes extended to every farmhouse, even if we had to raise some of the rates to which the gentleman referred.

Mr. LYLE. That is a fair proposition. The reason I opposed this particular bill was that it was not a well-rounded-out postal increase bill. As a matter of fact the money this committee will spend investigating would probably extend some of those routes and bring service to people in rural areas.

Mr. RANKIN. The gentleman means the investigation made in order by this resolution?

Mr. LYLE. That is right. They could use this money to carry the mails to people who do not now get it.

It ought to be eminently clear to the Members that this postal rate increase bill we are discussing was not an administration bill, was not sponsored by the administration; and as far as I know the administration is not for it.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. COLE of Missouri. Every official of the Post Office Department who came before our committee said, "These are the suggestions of the Post Office Department"; and they asked for a much greater increase in postal rates than the committee reported out, if the gentleman will recall.

Mr. LYLE. I do; but I do not recall it that way, I may say to the gentleman from Missouri; and I am sure we have an honest difference of opinion. As I recall, Mr. LANGER wrote them a letter and asked them about postal increases and they said: "If you want to wipe out this deficit here is the way we recommend that you do it."

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Kansas.

Mr. REES. I want to keep the record straight, if we can.

Mr. LYLE. Yes; we would like to keep it straight.

Mr. REES. The gentleman who now has the floor does not contend that he at all times opposed increases in the postal rates?

Mr. LYLE. Oh, no. I do not now oppose increases in the postal rates.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. LYLE. Mr. Speaker, I would like to bring to this floor a well-balanced postal increase bill that would make the postal system pay its way. The Chairman knows that we could not get such a bill out of the committee.

Mr. REES. That is correct.

Mr. LYLE. What we got was simply what people were not opposed to.

Mr. MANSFIELD of Montana. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Montana.

Mr. MANSFIELD of Montana. Is it not a little bit odd that the House at this time is bringing out a bill to investigate the Post Office Department and at the same time in the other body they are going to bring in a bill asking for $35,000 to investigate postmaster appointments?

The gentleman from Ohio says that this is not politics. If this is not politics I would like to know what it is.

Mr. LYLE. I have not been here as long as a lot of you, I am not as old as a lot of you, and not so wise, but it seems to me when you start to try to change administrations you have a lot of these resolutions in the interest of the people. Of course, they seldom ever affect the people very favorably. I do not think there ought to be any disguise about this thing. If they can find anything wrong in the Civil Service Commission or the Post Office Department or anywhere else, I believe every good Democrat and every good Republican ought to tell the people about it, change it if they can, because though I am a Democrat I love my country just about as much as the Republicans.

Mr. RANKIN. May I say to the gentleman that as I understand it there are certain classes of mail that now operate at a deficit of more than a hundred million dollars a year.

Mr. LYLE. Yes; congressional mail and mail of the Government.

Mr. RANKIN. I am not talking about Government mail. The gentleman knows there are certain classes of mail that are being carried at a loss to the Government of around a hundred million dollars.

Mr. LYLE. Newspapers and magazines?

Mr. RANKIN. Yes.

Mr. LYLE. Oh, yes.

Mr. RANKIN. I would much rather see them pay their way and these rural delivery routes established and extended to every farmhouse.

If I had my way we would have a rural route to every farmhouse and a rural power line to every farm home in America.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman referred a moment ago to the Republican leadership, and possibly to the Republican high command. I do not know whether I fit that qualification or not.

Mr. LYLE. The gentleman is about as high as you can go.

Mr. HALLECK. I would like to say to the gentleman I completely approve of the last statement he made before he yielded to the gentleman from Mississippi, in which he referred to the responsibility upon each one of us, Republicans and Democrats, to do what we can to improve the efficiency of the Post Office Department.

Mr. LYLE. That is correct.

Mr. HALLECK. As far as I am concerned, I am not approaching this in any partisan manner. I am not a member of the committee, but I do know it is estimated there will be a deficit in the Post Office Department of something like $300,000,000. When the President sent up his message on the state of the Union he referred to that prospective deficit and, if I recall correctly, the President said he would ask the Department to make recommendations for a program to meet that deficit. There are various proposals before us looking to raising the rates to meet that deficit. But many people in all sincerity and honesty urge that there could be greater efficiency in the Post Office Department, that certain things could be improved on or changed which would eliminate part of this deficit. As far as I am concerned, I would like to see this committee, if authorized under this resolution to do so, go into the investigation with that primary objective in mind. Certainly, I am sure there would be no disagreement between the gentleman from Texas and me on that score.

Mr. LYLE. I hope not, and I appreciate the gentleman's statement. But I want to answer the gentleman in this way: All of the members of the Committee on Post Office and Civil Service are honorable, able men—all of them. They are extremely able men, but I sincerely doubt that if we investigate all summer and all next year that we could make many intelligent suggestions to men who have spent lifetimes—25, 35, and 45 years—in the Post Office Department, and who are not political appointees. I do not know whether they are Democrats or Republicans. The Post Office Department, in my judgment, is the best operated Department of any in the Government.

Mr. HALLECK. I appreciate what the gentleman has said. However, of course, under the Reorganization Act, it is contemplated that each committee maintain continuing surveillance of the operation of the department under its jurisdiction.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Speaker, the Committee on Post Office and Civil Service, in sponsoring this resolution for an investigation, had in mind nothing political, but they believed that with an organization that had grown to the size of the Post Office Department, as well as the Civil Service Commission and other departments of government, it was time for the Congress to look into the matter from top to bottom in order to determine if a part of this deficit could not be made up by bringing about greater efficiency in this vast public service. I do not know of any big successful business organization in the United States that does not have some top people studying and conducting research constantly in order to bring about greater economy and efficiency in the conduct of that business. I realize that the postal service is headed by able men, mostly career men, and I think generally they are doing a splendid job. But it does seem to me that in an organization as vast as this there ought to be some chairman of the board, some board of directors, and this Congress, apparently, is the only board of directors that would have the power to look into a matter of this kind in an effort to plan and bring about greater economy and efficiency.

We do not plan a political witch hunt investigation, and I would not be a party to it, if it were. The members of my committee have not approached it in this manner.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. TWYMAN].

Mr. TWYMAN. Mr. Speaker, I am sorry that there has been any inference at all that there might be a political motive in connection with this resolution. When we first started to consider the proposal of meeting the deficit, which is estimated at $310,000,000 for this fiscal year and over $400,000,000 for next year, we invited Mr. Hannegan, the Postmaster General, to attend and listen to the hearings. He sent word back each time that he was ill or busily engaged otherwise. We wanted his counsel and advice as to how we could reduce the estimated deficits. When I insisted that the Postmaster General should be present, someone inferred that there might be some political motive in trying to get him to come to the House Post Office and Civil Service Committee.

The term "investigation" is being used in connection with this resolution. It really should be considered as an examination and should be welcomed by the Civil Service Commission and the Post Office Department.

Mr. SABATH. Mr. Speaker, I yield the rest of my time to the gentleman from Texas [Mr. PICKETT].

Mr. PICKETT. Mr. Speaker, I take this time to ask the chairman of the Committee on Post Office and Civil Service, the gentleman from Kansas [Mr. REES], this question: I take it the gentleman whose name is on this resolution has given some thought as to how he expects to proceed when the resolution is adopted giving him power to make the investigation. As a member of the Committee on House Administration, in whose hands it will devolve to pass upon the amount of money to be given to the gentleman's committee if he comes forward and asks funds for that purpose, may I ask him if he has made any analysis of whether he expects to make a request for funds to further the investigation; and if so, how much money he thinks he is going to want?

Mr. REES. May I say to the gentleman it is quite difficult to determine how much money may be required to conduct the investigation we have in mind, but presently we have in mind asking the committee for $25,000. The gentleman may be assured as a member of that committee that at all times we shall be glad to keep the committee advised with respect to the manner in which the funds are expended. After all, we understand it will be within the control of your great committee to determine the amount of money that may be required to carry on this investigation. I say to the gentleman—and I shall say it again if I have any time when the others have spoken—I happen to be chairman of the committee, but I am glad to yield to the other gentlemen who are interested in this problem—that this study is not to be political and it is not to be a witch hunt, as far as the chairman of this committee is concerned. I appreciate the interest of the gentleman in this problem, and I trust we may have his full and complete support in the conduct of this investigation.

Mr. PICKETT. I thank the gentleman, both for his answer to the question and the speech he made in answering it. May I say to the gentleman from Kansas that he is requesting a modest amount, in view of some of the other requests that have come before our committee for investigation at this session. May I say further that if you did decide to enter upon a witch hunt as a result of this resolution—and I deny that there is any implication of that in my remarks—you could not get very far on $25,000.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. ARENDS].

MAKE THE POSTAL SERVICE EFFICIENT

Mr. ARENDS. Mr. Speaker, for more than 14 years, efforts to make the postoffice operations efficient and economical have been relegated to merely secondary consideration.

Now, the Department comes in asking for heavy appropriations while seeking to continue operations under the administrations of a Postmaster General whose position as chairman of the Democratic National Committee demands his first, and almost entire, time, while deputies and subordinate officers are left to operate our national postal service as best they may.

The time has come when there should be a thoroughgoing survey of the postal service. Its methods of accounting and the practice of creating jobs for political henchmen must be cleaned up and the whole operation put on the basis of efficiency first.

The postal service deserves and demands the full attention of the Cabinet officer who heads it; therefore, Mr. Hannegan should either resign his job as chairman of the Democratic National Committee, and devote his full time and attention to the demands of the postal service, or he should resign his place as Postmaster General in the Cabinet of the President, and make way for some individual who at least believes the American people are entitled to the most efficient postal service they can get.

There is no question among those who know but that the postal service has suffered lamentably through the failure of the Postmaster General to regard it as vastly important to the national economy, and the welfare of the country, instead of looking at it purely as a political pie counter to be used for the payment of political debts.

The jobs of Postmaster General and chairman of the Democratic National Committee should be divorced, and divorced now.

We must have a thoroughgoing survey of the Post Office Department and its operations, carefully and impartially carried out.

The American people will approve of such a survey because the postal service is being so badly administered by politicians. It is one of the biggest businesses in America; it is one of the most important businesses in America; it is one of the basic services of America, and deserves to be treated as such and conducted in a manner appropriate to those concepts.

The people of America who use the postal service must realize that they must pay for any inefficiency.

Mr. BROWN of Ohio. Mr. Speaker, I yield the remainder of my time to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Speaker, there seems to be a considerable amount of confusion with respect to this resolution. Part of the time we are discussing the postal bill and the other part we are discussing the resolution under consideration.

May I say again for the record it is not the intent of the chairman of the Committee on Post Office and Civil Service to make a political issue of this matter. It is too important for that. We intend to be fair to all parties concerned. This is not to be a witch hunt. I hope and trust it will be a thorough, fair, and constructive investigation and examination and survey of departments of Government as far as the committee may be able to go with its authority, its time, and the funds that may be allowed.

The jurisdiction of the Post Office and Civil Service Committee extends to matters affecting all of the Government departments on the question of personnel, reduction in force, procedures, loyalty of employees, salaries, and classification, together with the extension of the activities of the postal service. Those are among the things we have in mind. Problems requiring special authorization or authority to investigate, together with the power of subpena and the required funds, are the things that come under the terms of this resolution.

Members of this committee and Members of Congress many times have had questions raised as to whether the civilian employment under civil service is being conducted as provided by law and as provided by the intent of Congress. I refer, among other things, to the question of veterans' preference.

There are two major items that require complete and extensive investigation in order to collect sufficient data upon which concrete recommendations for corrective action may be made.

The first is a detailed investigation into the postal service to determine where economies may be made.

As chairman of the committee, I am convinced economies can be made in the postal service. I also believe it can be made more efficient. I want to agree with a gentleman from Texas, a very able member of our committee, that so far as employees in the postal service are concerned there is no criticism intended whatsoever. Generally speaking, they are industrious, patriotic, and loyal and rank high among the citizens of this country.

The Post Office Department is faced with a deficit of approximately $300,000,000 even with the present emergency rates being retained. The President in his budget message said he requested the Post Office Department to recommend rates that would take care of the entire deficit of $300,000,000.

It is true the Postmaster General was invited to come before our committee. He failed to do so. Later on, I am informed he became ill and was confined to a hospital. In any event the Post Office Department through the First Assistant Postmaster General, and other officials, submitted recommendations to increase postal rates that amounted to $176,000,000 according to their figures. I introduced a bill that included their recommendations.

The First Assistant Postmaster General appeared before our committee together with the other officials of the Post Office Department in support of the recommendations submitted by the Post Office Department.

After conducting hearings covering a period of more than 2 months, and after careful study of the problem, the committee approved a bill, now pending before the Rules Committee that provides for increased rates so as to raise approximately $110,000,000 additional revenue.

Part of the schedules submitted by the Post Office Department were reduced largely because of the pressures that came from various sources. Also because the committee deemed some of the Department's recommendations inequitable. But do not forget this—that any amount that you do not raise under the postal bill, is going to be charged to the taxpayers of this country. I think that ought to be very definitely understood.

With reference to the question of putting off the matter of considering the raising of these rates until an investigation is made, I do not agree with that proposition because with all the economy that may be brought about, and we do hope to bring about a great deal of economy through this investigation, study, and survey, you cannot raise the entire deficit of $300,000,000. Congress must, after all, take some share of the responsibility for the increased postal deficit. Most of this deficit comes about by reason of the increases in salaries approved by this Congress within the last 2 years.

I am convinced, however, the Post Office Department can, and should be, managed in a real businesslike manner, and millions of dollars saved to the taxpayers of this country. I feel a careful study, survey, and investigation will reveal many places where economies can be made, and better service rendered to the public.

Since most of this discussion is with respect to the postal service, I want to call your attention to the fact that 78.11 percent of all Post Office Department expenditures goes for personnel; 70 percent of that personnel is employed in 256 of the 42,000 post offices in this country. It is with respect to these 256 post offices that we are to give most consideration to this phase of the problem.

Mr. Speaker, I regret my time is limited. I did want to discuss this resolution as it relates to other departments of the Government. I wanted to discuss the question of duplication of effort. The need of complete examination and investigation with respect to personnel methods as practiced in some of the departments. The question of utilization of personnel. The problem of loyalty, and how it is administered, as well as many other things that have been called to the attention to the Members of this House from time to time. Above all things we realize we are tackling a big job. We will not work wonders. We do hope to do a piece of constructive work insofar as our resources will permit.

I am sorry time did not permit me to yield to my colleague the gentleman from Texas [Mr. LYLE], one of the hard-working members of my committee.

Mr. Speaker, I do want to say a word on behalf of the membership of the committee of which I have the honor of being chairman. During the hearings on the postal bill, as well as on other bills, we have had the finest cooperation from all members. While we may have differed with respect to our opinions, it has not been on account of partisanship. The other fellow's viewpoint was respected even though it may have been different from our own. I just want it known that a high type of cooperation was shown in consideration of the postal bill.

The SPEAKER. All time has expired.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

INFORMATIONAL SERVICE, STATE DEPARTMENT

Mr. HERTER. Mr. Speaker, I call up the resolution, House Resolution 224, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Commtitee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3342) to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Commjttee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. HERTER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

I now yield myself 5 minutes.

Mr. Speaker, this rule would make in order H. R. 3342, the so-called Mundt bill.

This bill came before the Rules Committee by unanimous vote by both the subcommittee which held hearings on this matter for the Foreign Affairs Committee, and by the whole committee itself. There was not a dissenting vote.

The rule itself provides for 2 hours of debate. It waives points of order on the bill, but it is an open rule in that all amendments may be considered during the 5-minute rule.

Mr. Speaker, the so-called Mundt bill is a highly controversial measure. It is a bill which for the first time gives legislative form to certain activities of the State Department which have been carried out in the past entirely by virtue of appropriations and legislation in appropriation bills. However, this piece of enabling legislation is drawn with a number of safeguards. It has been very carefully drawn. Those safeguards were apparently inserted in the bill to meet some of the very valid objections that have been raised to the carrying out of the informational activities of the State Department. I might mention a few of those as they are of considerable importance in connection with this bill.

In the first place, there has been criticism of the type of personnel which has carried out the State Department's operations. That is very thoroughly safeguarded in this bill by requiring careful scrutiny by the FBI of every new individual, and the certification of every new individual who comes in, and certification within a 6-month period of all those who are already operating in the foreign field or in the domestic field in this informational service.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mrs. ROGERS of Massachusetts. Does it provide that they must be American citizens?

Mr. HERTER. Not entirely. Aliens are allowed only in certain exceptional cases, and I think it is a proper exception. In carrying out broadcasting activities it is not always possible to get an American citizen who can speak a foreign language—and there are some 26 foreign languages covered—without any trace of an accent and in the colloquial speech of the people themselves. It is of the utmost importance when broadcasts are made, that they ring absolutely true in the country in which they are received. The only exception allowed is in those particular cases.

Mrs. ROGERS of Massachusetts. Will they also be examined by the FBI?

Mr. HERTER. They will certainly be examined by the FBI. There is another safeguard in the bill that is of very real importance, and that is, that every one of the separate activities that are provided for in this bill shall receive approval of the Appropriations Committee and that there shall be a separate appropriation for each one. That means,

of course, that the House or the other body can scrutinize very carefully the contemplated activities, and appropriate only such money for each one as they consider appropriate.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield again?

Mr. HERTER. I shall be glad to.

Mrs. ROGERS of Massachusetts. Will they operate under the State Department or as a separate organization?

Mr. HERTER. Under the provisions of this bill they will operate under the State Department; but there is another provision in the bill at the very end, general supervision, which provides that the State Department must operate wherever practicable under private contract. This means that they shall get outside agencies under contract to do this work insofar as possible.

Mrs. ROGERS of Massachusetts. Would it not be very important to have the central intelligence agency look into the broadcasts also and pass upon them?

Mr. HERTER. That is an administrative matter which I assume is being taken care of at the present time. I know that is the way the broadcasts are being dealt with now.

Mrs. ROGERS of Massachusetts. Would not such a provision in the bill strengthen the idea?

Mr. HERTER. That is correct; but I think that is a detail that had better be reserved for the chairman of the subcommittee when he makes his statement.

Mr. Speaker, I have no intention of going into the details of the bill, but I do want to read to the Members of the House a very brief quotation from a Moscow radio broadcast which came to my desk yesterday morning. This was broadcast from Moscow on April 27 in Persian to the Persians and will, I think, give you some idea of the type of propaganda that we are facing in foreign countries all over the world.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. HERTER. Mr. Speaker, I yield myself two additional minutes.

This is what Radio Moscow says:

> History * * * shows missionaries often paved the way for * * * conquerors. At present * * * missionaries are (being) sent * * * to Europe. For instance, a man called John Meloney introduces himself as a representative of American world federalists in Sweden. * * * World federalists (are) carrying out propaganda with a view to suppressing the sovereignty of all countries and to bring them into union with the United States under a federation the central government of which would rest with the United States.
>
> * * * According to Meloney's admission, the majority of supporters of this particular movement are in the United States and * * * much less in other countries. We can see from this admission that American missionaries have no supporters in Europe, and this is not astonishing because few people would consent to sacrifice their national independence to the trans-Atlantic god.

This is the type of propaganda which is being disseminated all over the world. We can ignore it if we like because we feel we are entirely innocent of any such crazy suggestions as appear in this particular broadcast. On the other hand, the rest of the world knows comparatively little about the United States; and in the ideological war that is going on today and that everyone of us must admit is one of the most serious that civilization ever faced, I, for my part, feel that it is proper for the State Department to meet it. Provided its administration is properly safeguarded, as I think is done in this bill, provided it is administered with skill and with intelligence, this activity can be of the utmost help to this country in the very serious situation in which the world finds itself.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

PERMISSION TO COMMITTEE ON DISTRICT OF COLUMBIA TO SIT UNTIL NOON TOMORROW

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that notwithstanding the fact the House meets at 11 o'clock tomorrow, the Committee on the District of Columbia may continue its session until noon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

INFORMATIONAL SERVICE, STATE DEPARTMENT

Mr. SABATH. Mr. Speaker, I yield myself such time as I may use.

The SPEAKER. The gentleman from Illinois is recognized.

NEED PUBLICITY CAMPAIGN OF OUR OWN

Mr. SABATH. Mr. Speaker, I agree with the gentleman from Massachusetts that it is absolutely necessary that we should combat such propaganda and radio broadcasts as he has just read to us. I believe the bill made in order by this rule will do that. At least that is its purpose, as I understand it, and I am pleased to be in position to favor the adoption of the rule as well as the bill.

Mr. Speaker, this bill not only aims at bringing home to the people of the world the advantages of our democratic form of government, but also to engender a better and more friendly relationship with all nations.

TRULY AN ADVERTISING CAMPAIGN

It will also give us an opportunity to display to the world our most up-to-date types of machinery, tools, automobiles, tractors, and other manufactured products. To that extent what is proposed in this bill may be rightly termed an advertising program. And we will all admit that advertising pays. Our wisest business minds have developed great corporations by advertising and publicity to familiarize the people with their products.

It may be true that in the past one or two of the releases or the radio programs of the Department of State fell somewhat short of perfection. I am not, like some of my colleagues on the Republican side of the aisle, an expert in every field. I do know that not even the largest commercial advertisers always hit it right. They even make mistakes. Even the high-salaried publicity staff of the Republican National Committee sometimes makes a mistake.

NO ONE IS PERFECT

As you can see, no man is infallible, and no one is perfect.

We may well look to what other countries are doing in this respect. Due to a world-wide advertising program before the war, Germany excelled our country and every country in its export business and won markets away from all. The British Board of Trade and almost every government except our own carried on a world-wide advertising and promotional campaign for tourists and sales and good will.

Mr. Speaker, this legislation aims for the establishing of constructive and peaceful—not destructive and warlike—American programs and policies. While the wages of American workmen are high in relation to the earnings of workers in foreign countries, we can compete with other countries and even undersell them because of our industrial ingenuity and efficiency and the high production per man in American manufacturing, notwithstanding the false charges made against American workers.

The Army and the Navy, year in and year out, spend not millions but billions in devising and producing new destructive weapons of war, perfecting new defenses, and building up our armed services, all tending to war. The few million dollars to be authorized for appropriation in this bill will be used to promote better understanding and good will between our country and other countries, and will be a constructive step toward peace and friendship.

For 40 years I have sought increases in the appropriations for our State and Commerce Departments to foster friendly political and commercial relations with foreign nations.

FAVORS STUDENT EXCHANGES

Thirty-six years ago I supported the effort of our former Governor of Illinois, the Honorable Frank O. Lowden, who was deprived of the Republican nomination for President by the conniving of the Harding gang to the misfortune of the whole country, in his proposal to exchange our students with those of foreign lands.

We have witnessed the benefits of having foreign students in our schools and universities, and of having our students in other countries. They have each gained a new respect and tolerance for the others' lands, but always the foreign students in America have been our best salesmen abroad.

Having learned about our machinery and our industrial methods, they are "sold" on our ways and on the value and quality of our products, and are eager to sell them to their own countries.

Mr. Speaker, I urge the adoption of the rule which makes this meritorious bill in order for consideration, and I hope the bill will pass the House by an overwhelming majority.

EDITORS' COMMITTEE SUPPORTS PROGRAM

Some time ago, Mr. Speaker, I inserted in the CONGRESSIONAL RECORD the full text of the excellent and exhaustive favorable report made by a special investigating committee of the National Society of Newspaper Editors.

Now I find that some of those investigators were so impressed by what they found during the investigation that they have associated themselves with a new organization of outstanding editors, publicists, and civic leaders to support the American information program. It gives me pleasure to insert here the June 3 letter of the Committee for United States Information Abroad, with offices here in Washington, together with the names shown on the letterhead:

COMMITTEE FOR UNITED STATES INFORMATION ABROAD,
Washington, D. C., June 3, 1947.

The Honorable ADOLPH J. SABATH,
House Office Building, Washington, D. C.

DEAR MR. SABATH: The Committee for United States Information Abroad has been formed by a group of citizens who have learned from personal experience that it is important to explain ourselves to foreign countries. To quote General Eisenhower, in his statement in support of the Mundt bill, we are "constantly struck by the appalling ignorance that exists throughout the world about the United States; things that we take so much for granted that we do not even think about them are completely unknown to much of the world."

We think it is vital to tell the people of the world what the people of the United States are like, how they live, what they think, what they believe. It is vital to share our knowledge with them, and bring theirs to us.

The United States policy of extending aid to free nations makes no sense unless we also export American ideas. We are convinced that if the true purposes of the United States are known and understood around the world that we will have friends around the world. We are also convinced that if we allow any distortion of those purposes and ideals through propaganda around the world, without correction, then the responsibility for that distortion and the danger it represents is partly ours.

The United States Information and Educational Exchange Act of 1947, H. R. 3342, known as the Mundt bill, provides the basis for continuing a constructive program, including the exchange of students, teachers, and technical persons abroad, as well as the Voice of America broadcasts.

We are well aware that there have been criticisms of part of the activities now carried on by the State Department. We think also there may be certain changes needed in the proposed legislation. Such corrections can be made without altering the purpose of the bill. It is most urgent now to take necessary steps to avoid complete disruption of the program.

We, therefore, strongly urge you to support this legislation, as requested by Secretary of State Marshall.

Sincerely yours,

RALPH MCGILL, *Chairman.*

(Chairman Ralph McGill, Thurman L. Barnard, Edward Barrett, Barry Bingham, Julien Bryan, Cass Canfield, William Carr, Arthur H. Compton, Louis G. Cowan, Gardner Cowles, Jonathan Daniels, John S. Dickey, W. L. Dumm, Wilbur Forrest, Reuben Gustavson, Palmer Hoyt, Robert M. Hutchins, Francis A. Jamieson, Charles Johnson, Frederic Marquardt, Philip Reed, Elmo Burns Roper, Jr., Ray Sawyer, George Shuster, Adlai Stevenson, Mrs. Quincy Wright, George Zook.)

HEARST FINANCIAL EDITOR ALSO FAVORS FOREIGN INFORMATION PROGRAM

Then this morning I received from my old friend, Robert P. Vanderpoel, financial editor of the Chicago Herald-American, a copy of his June 2, 1947, column in which he quotes with approval a statement by a highly respected Chicago banker. To save space I am inserting only a condensation of this column, but I hope gentlemen here will read it:

STRONG URGES EXPORTS TO BOLSTER UNITED STATES TRADE

(By Robert P. Vanderpoel)

A. M. Strong, vice president in charge of the foreign department of the American National Bank & Trust Co. of Chicago, and chairman of the World Trade Forum of the Illinois Manufacturers' Association, declares that the export business "is becoming very important, because the domestic demands for our products are beginning to diminish."

* * * * *

The United States now possesses more than 50 percent of the world's industrial capacity, with only 6½ percent of the world's population. * * *

SHORTAGES PERSIST

There is no question about the foreign demand. There might be some argument, however, relative to our own industrial capacity. * * *

Of more fundamental importance is the unbalanced state of trade, which appears to be growing worse rather than better.

The demand for American dollars from almost all parts of the world is terrific and the dollars are not available for purchase of our goods in part because we still place difficulties in the way of merchandise shipped into this country.

The United States is fast becoming a have-not nation as far as precious mineral resources are concerned.

What are we doing about it?

NEED CRACK BUYERS

The sound thing, obviously, would be to send crack American buyers to every corner of the globe to buy these metals. This would give us what we need and give foreign nations some of the dollars they need. (We wouldn't have to provide them in the form of loans and gifts.)

Instead, we continue to prevent the importation of many metals by means of high tariffs and even now a bill is being debated in Congress which would authorize the expenditure of $80,000,000, not to bring in foreign minerals but to further exploit our rapidly diminishing supplies through the granting of subsidies. Clearly this would merely bring us to the poverty stage more quickly.

Meanwhile, dispatches from all parts of the world indicate growing resentment at the unsound economic policies which this country continues to follow.

* * * * *

Every economist in the world knows that we are building unsoundly.

SHOULD READ DUN'S REVIEW ON POTENTIAL RUSSIAN TRADE

In conclusion, Mr. Speaker, I have also just received, and I presume every other Member likewise received, the May issue of Dun's Review, published by Dun & Bradstreet.

I urge everyone here to read in that issue the leading article entitled "Opportunities for Russian Trade Expansion," by E. C. Ropes, showing the wonderful opportunities of doing a profitable business with Russia.

When Representatives who consistently speak for profit-hungry business read this, perhaps they will subside somewhat, discontinue their discord, and urge a more friendly relationship with one of our very best customers.

Mr. Ropes shows that America began trading with Russia in 1780; that the U. S. S. R. established a good credit record during the 1920's on long-term credits extended chiefly by British and German firms; that only the stringency of the world-wide panic marred the credit record, which was rapidly redeemed after the depth of the depression passed; and that since the early 1930's American trade with Russia has rapidly outdistanced every other country and is still growing, with opportunities for a richly profitable export trade with Russia of more than $100,000,000 this year even without extension of dollar credits.

(Mr. SABATH asked and was given permission to revise and extend his remarks and include an excerpt.)

COMMITTEE ON THE JUDICIARY

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that Subcommittee No. 4 of the Committee on the Judiciary be permitted to sit tomorrow until 12 o'clock, notwithstanding the fact that the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HALE, to attend meetings of the governing board of Bowdoin College.

ADJOURNMENT

Mr. STEFAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 17 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, June 6, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

748. A letter from the Acting Attorney General, transmitting a recommendation that the Attorney General be authorized to determine the places where United States marshals maintain their offices; to the Committee on the Judiciary.

749. A letter from the Secretary of State, transmitting a draft of a proposed bill to authorize any agency of the United States Government to furnish or to procure and furnish materials, supplies, and equipment to public international organizations; to the Committee on Foreign Affairs.

750. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1947 in the amount of $65,000 for the legislative branch, House of Representatives (H. Doc. No. 293); to the Committee on Appropriations and ordered to be printed.

751. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1946 in the amount of $1,900, a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $9,000, and a revised estimate of appropriation in the form of an amendment to the budget for the fiscal year 1948 in the amount of $16,500 for the legislative branch, Library of Congress (H. Doc. No. 294); to the Committee on Appropriations and ordered to be printed.

752. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $200,000 for the Federal Works Agency (H. Doc. No. 295); to the Committee on Appropriations and ordered to be printed.

753. A communication from the President of the United States, transmitting deficiency estimates of appropriation in the amount of $183,282.06 and supplemental estimates of appropriation for the fiscal year 1947 in the amount of $12,000; in all, $195,282.06; for the District of Columbia (H. Doc. No. 296); to the Committee on Appropriations and ordered to be printed.

754. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1942 in the amount of $62.50, together with drafts of proposed provisions pertaining to existing appropriations, for the Department of Justice (H. Doc. No. 297); to the Committee on Appropriations and ordered to be printed.

755. A communication from the President of the United States, transmitting a revised estimate of appropriation for the fiscal year 1947 involving a decrease of $400,000 for the Department of Justice (H. Doc. No. 298); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REEVES: Committee on the Judiciary. S. 665. An act to reimburse certain Navy personnel and former Navy personnel for money stolen or obtained through false pretenses from them while they were on duty at the United States naval training station, Farragut, Idaho; without amendment (Rept. No. 537). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. S. 597. An act to provide for the protection of forests against destructive insects and diseases, and for other purposes; without amendment (Rept. No. 538). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRAVENS: Committee on the Judiciary. S. 254. An act for the relief of the legal guardian of Glenna J. Howrey; with an amendment (Rept. No. 520). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 361. An act for the relief of Alva R. Moore; without amendment (Rept. No. 521). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 423. An act for the relief of John B. Barton; without amendment (Rept. No. 522). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. S. 425. An act for the relief of Col. Frank R. Loyd; without amendment (Rept. No. 523). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 620. An act for the relief of Mrs. Ida Elma Franklin; without amendment (Rept. No. 524). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 664. An act for the relief of Mr. and Mrs. Edward H. Isenhart; without amendment (Rept. No. 525). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 431. A bill for the relief of the Columbia Hospital of Richland County, S. C.; without amendment (Rept. No. 526). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 645. A bill for the relief of Ben. W. Colburn; with an amendment (Rept. No. 527). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 988. A bill to confer jurisdiction upon the District Court of the United States for the Western District of Kentucky to hear, determine, and render judgment upon the claims of certain property owners adjacent to Fort Knox, Ky.; without amendment (Rept. No. 528). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1737. A bill for the relief of Owen R. Brewster; without amendment (Rept. No. 529). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1800. A bill for the relief of David Hickey Post, No. 235, of the American Legion; with an amendment (Rept. No. 530). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1930. A bill for the relief of the Growers Fertilizer Co., a Florida corporation; without amendment (Rept. No. 531). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 2056. A bill for the relief of J. C. Bateman; with an amendment (Rept. No. 532). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 2306. A bill for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts; with amendments (Rept. No. 533). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2399. A bill for the relief of Joseph W. Beyer; with an amendment (Rept. No. 534). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2434. A bill for the relief of Ruth A. Hairston; with an amendment (Rept. No. 535). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2607. A bill for the relief of the legal guardian of George Wesley Hobbs, a minor; without amendment (Rept. No. 536). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of Alabama:

H. R. 3730. A bill to amend section 20 (12) of the Interstate Commerce Act with respect to recourse, by an initial or delivering carrier, against the carrier on whose line loss of, or damage or injury to, property is sustained, on account of expense incurred in defending actions at law; to the Committee on Interstate and Foreign Commerce.

By Mr. D'EWART:

H. R. 3731. A bill authorizing modifications in the repayment contracts with the Lower Yellowstone Irrigation District No. 1 and the Lower Yellowstone Irrigation District No. 2; to the Committee on Public Lands.

By Mr. FOGARTY:

H. R. 3732. A bill to provide a Federal old-age pension for the needy aged; to the Committee on Ways and Means.

By Mr. LANHAM:

H. R. 3733. A bill to extend section 205 (e) of the Emergency Price Control Act to authorize refund to manufacturers of certain wearing apparel; to the Committee on Banking and Currency.

By Mr. O'HARA (by request):

H. R. 3734. A bill to protect consumers, retailers, distributors, manufacturers, dealers, and producers from misnaming, misbranding, improper identification, and deceptive or misleading advertising of fur products and articles made in part or in whole from fur, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H. R. 3735. A bill to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes; to the Committee on Armed Services.

By Mr. KEFAUVER:

H. R. 3736. A bill to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended; to the Committee on the Judiciary.

By Mr. BATES of Massachusetts:

H. R. 3737. A bill to provide revenue for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. SIKES:

H. R. 3738. A bill to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945; to the Committee on Banking and Currency.

By Mr. ROHRBOUGH:

H. R. 3739. A bill to authorize the Veterans' Administration to acquire certain land as a site for the proposed Veterans' Administration facility at Clarksburg, W. Va., and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SPRINGER (by request):

H. J. Res. 212. Joint resolution authorizing the President of the United States to proclaim the 1st day of each year as Good Neighbor Day, when American citizens will focus their attention upon setting an example of friendly consideration for others through practice of the Golden Rule; a fitting occasion to establish a high standard of personal conduct for all the days to follow and point the way, year by year, to a century of peace from each Good Neighbor Day; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 3740. A bill for the relief of Andrew Osiecimski Czapski; to the Committee on the Judiciary.

By Mr. FOOTE:

H. R. 3741. A bill for the relief of Harry Evans, the Hull Brewing Co., and the Security Insurance Co.; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 3742. A bill for the relief of Robert Wilhem Gerling; to the Committee on the Judiciary.

By Mr. LANHAM:

H. R. 3743. A bill for the relief of the Riegel Textile Corp.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

607. Mr. McGREGOR presented a petition from the Muskingum Protective Association

asking the United States Corps of Engineers to maintain a level of 5 feet below the crest of June 19, 1946, at Dresden, Ohio, to guarantee all possible protection from excess run-off or floods covering residents of the Muskingum watershed counties of Ohio, which was referred to the Committee on Public Works.

SENATE

FRIDAY, JUNE 6, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God, our Heavenly Father, restore our faith in the ultimate triumph of Thy plan for the world Thou hast made. In spite of present difficulties, our disappointments and our fears, reassure us that Thou art still in control. When we become frustrated and give up, remind us that Thou art still holding things together, waiting and working and watching. When we make mistakes, help us to remember that Thou dost not give up on us. Forbid it, Lord, that we should give up on Thee and forget that all things work together for good to them that love Thee.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Thursday, June 5, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following act and joint resolution:

On June 4, 1947:

S. J. Res. 107. Joint resolution limiting the application of provisions of Federal law to counsel employed under Senate Resolution 46.

On June 5, 1947:

S. 565. An act to amend section 3539 of the Revised Statutes relating to taking trial pieces of coins.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3602. An act to exempt from admissions tax general admissions to agricultural fairs;

H. R. 3678. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; and

H. J. Res. 210. Joint resolution to extend the time for the release, free of estate and gift tax, of certain powers, and for other purposes.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 17) accepting the statue of the late William E. Borah and tendering the thanks of Congress to the State of Idaho for such contribution.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1135) to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years, and it was signed by the President pro tempore.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF STATE (S. Doc. No. 60)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State amounting to $161,645, fiscal year 1948, in the form of an amendment to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. AIKEN, from the Committee on Expenditures in the Executive Departments:

S. 140. A bill to create an executive department of the Government to be known as the Department of Health, Education, and Security; with an amendment (Rept. No. 242).

NOMENCLATURE IN THE EXECUTIVE BRANCH—REPORT OF A COMMITTEE (S. REPT. NO. 243)

Mr. AIKEN. Mr. President, from the Committee on Expenditures in the Executive Departments, I ask unanimous consent to submit a report of that committee relating to nomenclature in the executive branch and request that it be printed and printed in the RECORD.

There being no objection, the report was received, ordered to be printed, and to be printed in the RECORD, as follows:

INTRODUCTION

Recent studies of Government structure by this committee, especially those conducted in connection with a chart recently published depicting the organization of Federal executive departments and agencies, shows a startling heterogeneity. The organization chart shows 2,370 principal parts, of which 79 are bureaus, 83 are sections, 128 are services, 119 are branches, 549 are offices, and 628 are divisions. There are 16 other names for principal parts used from 3 to 57 times in the executive branch. There are 458 names which are too diversified to classify.

We realize full well that a name is not going to make a unit of the Government operate more or less efficiently. However, the confusion of names makes it difficult for everyone concerned with government to know precisely what is meant when a certain title or term is used. A division in one department may be a relatively small and unimportant organization, whereas in another it may be very important. All division chiefs do not receive the same salaries nor have comparable responsibilities. The same comment applies to the majority of other organization units.

The committee feels very strongly that this confusion in nomenclature should be eliminated and that this action would have several advantages.

THE PLAN

The committee makes the following recommendations:

1. That the following nomenclature and organizational structure be used in all Government departments: Department, bureau, division, branch, section, unit.

2. That all new organizations created within the executive branch be placed within the framework of existing departments.

3. That all Members of Congress having occasion to prepare legislation which will create new organizations in the departments or which will rename or reorganize existing ones use the above nomenclature and organization structure.

BENEFITS

1. Such a standard basis would assist all persons having contact with the Government in knowing at what level they were dealing, i. e., they would know that a bureau is always the principal component of a department, and that a division is always the principal component of a bureau. It would also make it possible to determine accurately at what level in the organization it would be necessary to deal in order to have policy decisions made.

2. This action would assist the Civil Service Commission in its classification system and eliminate some of the seemingly endless confusion caused by a multiplicity of titles and the sometimes unwarranted assumption of authority by a person whose title is good but whose position is actually weak.

3. The committee plans to do all in its power, not only to regularize the naming of newly created units, but also to change nomenclature within established departments and agencies. This program of itself will necessarily result in a closer scrutiny of the organization of the executive branch and should force a good many useless units out of existence.

COMMENTS

There are a great variety of names of organization units from which selection could be made. However, we believe that those which are listed herein have the most significance and the most universal acceptance. It is doubtful whether any department would ever have use for more than five suborganizations in descending order of importance. There is no doubt that much opposition will be forthcoming from old, well-established units which have great pride in their present designations. However, this must be disregarded for the common good. It may also be pointed out that some confusion will at first result from a changing of names, but it cannot be avoided and it is believed that it will straighten out in a short time.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 6, 1947, he presented

to the President of the United States the enrolled bill (S. 1135) to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON:

S. 1397. A bill for the relief of Carl O. Young, Clifford L. Godfrey, and R. A. Horn; to the Committee on the Judiciary.

S. 1398. A bill to authorize the construction of the Klickitat Unit of the Wapato project, Yakima Indian Reservation, Wash., and for other purposes; to the Committee on Public Lands.

By Mr. ECTON:

S. 1399. A bill to amend the Veterans' Preference Act of 1944; to the Committee on Civil Service.

By Mr. AIKEN (for himself, Mr. TOBEY, Mr. IVES, and Mr. COOPER):

S. 1400. A bill to amend the Fair Labor Standards Act of 1938 so as to establish a minimum wage of 65 cents an hour; to the Committee on Labor and Public Welfare.

By Mr. MOORE:

S. 1401. A bill to extend the period for providing assistance for certain war-incurred school enrollments; to the Committee on Labor and Public Welfare.

By Mr. McGRATH:

S. 1402. A bill to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; to the Committee on the District of Columbia.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 3602. An act to exempt from admissions tax general admissions to agricultural fairs; and

H. J. Res. 210. Joint resolution to extend the time for the release, free of estate and gift tax, of certain powers, and for other purposes; to the Committee on Finance.

H. R. 3678. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

RECORD OF THE EIGHTIETH CONGRESS TO DATE—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Congress' Inspiring Record," to be broadcast by radio on June 6, 1947, which appears in the Appendix.]

IN DEFENSE OF JURIES—EDITORIAL FROM THE CHARLESTON NEWS AND COURIER

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "In Defense of Juries," from the Charleston (S. C.) News and Courier, which appears in the Appendix.]

DEATH OF WHITE YOUTH IN EFFORT TO RESCUE NEGRO—ARTICLE FROM RALEIGH NEWS AND OBSERVER

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled "White Youth Dies in Trying Rescue," from the Raleigh News and Observer, which appears in the Appendix.]

STATEMENT BY SENATOR HILL ON THE NATIONAL SOIL FERTILITY POLICY BILL

[Mr. HILL asked and obtained leave to have printed in the RECORD a statement on the national soil fertility policy bill, made by him before the Senate Committee on Agriculture and Forestry, Monday, May 26, 1947, which appears in the Appendix.]

ADDRESS BY HON. DOUGLAS W. McGREGOR

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Douglas W. McGregor, the assistant to the attorney general of the United States, at Houston, Tex., on Maritime Day, May 22, 1947, which appears in the Appendix.]

PRINTING OF PROCEEDINGS IN CONNECTION WITH UNVEILING OF STATUE OF WILLIAM E. BORAH

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD the transcript of proceedings in connection with the unveiling of the statue of William E. Borah, in the rotunda of the Capitol, Friday, June 6, 1947, which appears in the Appendix.]

LABOR-MANAGEMENT RELATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. MURRAY. Mr. President, I desire to express my opposition to the conference report on the so-called Taft-Hartley bill, which is now the pending question before the Senate.

During the debate which preceded the adoption in the Senate of S. 1126, known as the Taft-Ball-Smith bill, which is the foundation of this legislation, I and many of my colleagues whose views coincide with mine expressed our opposition to this proposal at great length. We condemned this proposed legislation because of its extreme punitive, repressive, and generally antilabor character. We pointed out that it was, by its expressed provisions and by all its implications, designed and intended to convert the Wagner Labor Relations Act into an instrumentality to harass and weaken labor unions, to upset the Norris-LaGuardia Act, and generally to utilize the Government of the United States and its courts to break down the strength, security, and usefulness of labor unions in America.

While this legislation was under debate, I joined with a group of Senators, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from West Virginia [Mr. KILGORE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Washington [Mr. MAGNUSON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Idaho [Mr. TAYLOR], the Senator from Rhode Island [Mr. McGRATH], and the Senator from Florida [Mr. PEPPER], in proposing an amendment in the nature of a substitute, which was designed to remedy all the actual evils to be found in the field of labor relations without undertaking to emasculate any of the sound labor laws which with great care had been built up in this country over the years. The measure which we proposed would provide additional facilities for the mediation of labor disputes affecting commerce and equalize legal responsibilities of labor organizations and employers. It incorporated the complete program laid down by President Truman in his State of the Union message to remedy all actual abuses which were found to exist, without producing chaotic conditions in the field of labor relations.

During the debate we pointed out that, at a time when the United States should be giving the world an example of freedom and democracy in action as an alternative to communism and totalitarianism, the harsh measure which the Senator from Ohio [Mr. TAFT] and his cosponsors were seeking to enact would be used by sinister forces at home and abroad to justify slanderous attacks upon American democratic institutions and our treatment of workers. I think we successfully demonstrated that the passage of such punitive legislation would be used to justify charges that, in a world which had been torn asunder by war, with starvation and economic and political unrest spreading over the earth, and with people everywhere yearning for peace and freedom, America, the only stabilizing force left in the world, was breaking up into warring camps of workers and employers. We made clear our view that, in such a crucial period, this legislation would undermine our bipartisan foreign policy and alienate the sympathy of millions of workers throughout the world for American institutions.

In its domestic aspects we voiced our fear that this bill, as did the British Trade Union Disputes Act of 1926, would drive trade unionists and workers to more radical and extreme leadership and policies. We reiterated our conviction that this vindictive, antilabor legislation settled no problems, provided no answers, and would lead our country up a blind alley of litigation, uncertainty, domestic strife, and reaction. We showed that, by weakening the purchasing power and economic position of the great mass of consumers, it would hurry us along the road to a dangerous depression.

Mr. President, during that debate we further pointed out how the bill, before it went to conference, weakened the rights guaranteed by, and effective administration of, the Wagner Act; how it

would make a delusion of the Norris-LaGuardia Act; the respects in which it would frustrate the work of the Department of Labor; and how it would strike at collective bargaining on such vital issues as the closed shop, the union shop, health and welfare funds, and the check-off. We showed that the detailed and burdensome reports which unions would be required to file with the Department of Labor were so overwhelming that compliance was impossible of achievement, and that the penalty for noncompliance—denial of access to the National Labor Relations Board—was merely another way of demanding that unions resort to strikes rather than the orderly processes of law. We have wondered that rational men could not foresee the inevitable result of this legislation—weak and irresponsible unions with no powers of discipline over their members, legalisms and red tape frustrating the efforts of the Government to solve serious problems, uncertainty in the front office and the plant, inevitable bitterness between workers and employers, lower pay rolls and less production from embittered and disillusioned workers. For a few months, perhaps, higher profits as industry takes advantage of its reasserted dominance—and then, a crash.

In the meantime, the Senate has heard from the American people. From certain sections of big business and monopoly comes a guarded approval, tinged with doubts concerning our economic future and the utility of this legislation. From the union halls—A. F. of L., CIO, Railway Brotherhoods, and independents—comes a united protest as the repressive hand of law is laid upon settled rights and liberties won for labor after long years of destructive warfare and chaos in labor relations. This is America speaking — American workers and their families denouncing this shameful effort to make the great mass of American people second-class citizens and placing the privileged few in the saddle so that they may dictate the future of our economic and political system. This was tried in the 1920's and failed. It will fail again.

This bill, Mr. President, constitutes a declaration that the National Association of Manufacturers is to be the unquestioned spokesman of our economic system; that labor is to be put in its place, stripped of many of its essential rights, and so battered and weakened as to be ineffective hereafter at the bargaining table. I wonder if this can be done in free America. Perhaps not. The workers are aroused. Mass meetings are being called, parades are to be held in the big industrial centers, and bitter imprecations are being hurled at the Congress. Every Senator here is aware of these facts. And now a real choice must be made.

A chill apprehension has spread over the country, as we recall recent European history. In Italy, in Germany, and elsewhere, antilabor legislation was the prelude to fascism. Inevitably labor will seek to elude the chains fashioned for it. This means conflict and chaos between labor and management as long as this effort to gain dominant power continues.

In view of the widespread confusion which we face in the world and the economic and political unrest already developing at home, one would have supposed that the Congress would have sought to work out a bill which would correct all recognized evils in the relations of labor and management and lead to the development of a spirit of cooperation, harmony, and high production. I regret that the contrary has occurred. Already groaning under a burden of repressive provisions, a long list of restraints was added to the Taft-Hartley bill in conference. Let us examine these changes since the bill was passed in the Senate.

WEAKENING OF THE NATIONAL LABOR RELATIONS ACT

The conferees amended section 2 (2) to change the definition of employer, which now includes "anyone acting in the interest of an employer" to read: "acting as an agent of an employer." This change may well be interpreted to mean that an employer is now responsible for the acts of his foremen or superintendents only when he specifically authorizes their antilabor activity. This is contrary to well-settled law. Obviously, such specific authority is difficult or impossible of proof. This technicality will provide a ready defense for employers in a variety of circumstances. As Mr. Justice Douglas pointed out in *International Association of Machinists* v. *N. L. R. B.* (311 U. S. 72, at p. 80) for a unanimous Supreme Court:

> The employer, however, may be held to have assisted the formation of a union even though the acts of the so-called agents were not expressly authorized or might not be attributable to him on a strict application of the rules of respondeat superior. We are dealing here * * * with a clear legislative policy to free the collective-bargaining process from all taint of an employer's compulsion, domination, or influence.

By section 4 (d) the conferees provide that the Board shall have a general counsel, to be appointed by the President and confirmed by the Senate, who is not only to supervise the legal work of the Board, but all employees in regional offices as well, in addition to supervising all investigations and issuance of complaints.

The effect of this provision is to set up a labor czar within the National Labor Relations Board. A single individual will exercise not only complete power over all the Board's legal work, properly defined, but over most of its administrative work as well. One person will determine when complaints shall issue in all cases, how investigation shall be conducted, how cases shall be tried, which cases shall be enforced. Much of this action will not be subject to appeal, either to the Board or the courts. Any discipline of this individual is precluded by making him a Presidential appointee, subject to Senate confirmation, removable only for clear malfeasance in office. No real power is vested in the Board in order that their collective common sense may be brought to bear on these serious problems. The whole purpose of the administrative process, that uniform policies may prevail at all levels of work, is thereby frustrated.

Such unity of command is particularly important where, as in this bill, so many new and varied tasks are entrusted to an administrative agency. Coordination in policy is essential in order that rules and regulations, prosecutions, and decisions maintain some consistency. If the public, businessmen, and trade-unions are to operate their affairs, they have the right to know what the law means in the eyes of its administrators. This proposal vests unwieldy and dictatorial power in a single individual.

Section 7 of the act is amended to give employees "the right to refrain from any or all of such activities"—meaning joining a union and bargaining collectively. Since they have that right now, nothing is accomplished by the change. Who is it that desires that workers refrain from union activities? You and I know—their employers. Yet the Senate is now asked solemnly to undertake to guarantee a right which employers have effectively policed.

We have heard much—far more than the facts warrant—about union irresponsibility. Yet the conferees have adopted provisions which effectively deny unions any chance to attain responsibility. Under section 8 (b) (2) a union may not demand the discharge of, and under section 8 (a) (3) an employer may not discharge, an employee for nonmembership in a union unless such nonmembership arises from a failure to pay dues. If a union member leads a wildcat strike, is a Communist, or a labor spy, or steals the union's funds, he may not be discharged upon demand of the union. Is this a means to industrial harmony, to require men to continue working with persons whom they justifiably spurn?

In my judgment, one of the fatal steps taken by the conferees was to adopt the House provision respecting freedom of speech. We noted in our minority report on Senate bill 1126 that the definition of free speech adopted by the Senate was sound and workable. But now the conferees have adopted a provision which states that the "expressing of any views shall not constitute or be evidence of an unfair labor practice under any of the provisions of this act" unless it contains a threat or promise of benefit. If what an employer or a trade unionist says may not be used in evidence, how is any case under this bill ever to be proved? Through careless draftsmanship, such statements are apparently incompetent as evidence only if in written, printed, graphic, or visual form, though I assume that oral statements are also to be excluded. This provision is like saying that because one has the right to express hostility to another, such a statement is not admissible in a murder trial. No comparable rule, I am certain, has ever been adopted for any type of proceedings.

The conferees, by changing the language of section 9 (c) (4), have prohibited the Board from holding pre-hearing elections, and conducting consent cross-checks of pay rolls against union cards;

both of them useful and appropriate devices in cases presenting no substantial issues. By the adoption of section 9 (c) (5), they have precluded unions from starting collective bargaining until an entire business is organized, which is, as in the case of Nation-wide insurance companies, frequently impossible.

I have already criticized those provisions of the bill which require unions to file burdensome and extensive reports with the Secretary of Labor as a condition to invoking the services of the National Labor Relations Board. Now the conferees have added a new provision, which demands, in addition, under section 9 (f) (6), a detailed description of the procedures followed by unions at every step of their activity.

These requirements are so burdensome that it would be an incompetent employer's attorney indeed who could not find some failure to comply with them. The result is that we shut off, on demand of any party, access to the machinery of the Labor Board. Whom does that benefit? Do we prefer that men strike rather than vote? The bill imposes such restrictions on access to the Board's machinery that its use by unions must shortly cease, and it is notable that employers need not file any data with the Secretary of Labor—or anyone else—to obtain an injunction or file a charge.

Another respect in which the conferees have worsened the measure by making resort to the peaceful processes of the Government difficult is found in the provisions of section 9 (h) dealing with the Communist issue. I am convinced that these provisions will strengthen communism within the labor movement rather than weakening it. Here, again, if a labor organization has a Communist officer the right of the union to seek the processes of the Board is gone; it must be emphasized that the right is removed not alone from the Communists within the union but from all the union members—whether they are anti-Communist, non-Communist, or Communist. Those persons who have worked most stanchly to rid the labor movement of communism thereby suffer greatly for their Americanism. The real sufferers will be those who have been fighting communism in trade unions, for as a result of Communist insistence on retaining their positions, the unions to which they belong are denied the peaceful processes of the Government.

Section 11 of the bill makes mandatory the issuance of subpoenas by the Board upon the request of any party, except that the person subpoenaed may within 5 days ask that the subpoena be revoked. Here, again, I insist that in their zeal to hamper trade unions and the National Labor Relations Board, the conferees have done the citizen a disservice. Instead of requiring that such applications be screened to determine whether the material sought is relevant and accurately described before issuance of the subpoena, the citizen is now required to put himself to the trouble of answering any and every useless demand which may be made on him, after service of the subpoena. This is another of those joker provisions which employers, like other citizens, will regret if this bill ever becomes law.

Section 209 (b) requires that the Board take a ballot within 15 days after a board of inquiry has reported in a strike affecting the national health or safety on the question whether the employees wish to accept the final offer of settlement made by their employer as stated by him. In short, on the issue whether there is to be a strike, the employer is given by the conferees an absolute and unlimited discretion to frame the question as he wishes. Any Senator who had the power to frame the form of the questions on which we vote would be an extremely important individual; every person who is familiar with public surveys knows that the form of the question determines the answer. But here, with no penalty for falsification or error, the employer may frame the question as he wishes; neither the employees nor the union nor the Government is even consulted on what will often be the critical issue.

The processes of the Board are further weakened by the conferees by the addition of a new provision in section 10 (b) requiring that hearings before the Board shall be conducted, so far as practicable, in accordance with the rules of evidence used in the district courts, which replaces a provision presently in the act that "rules of evidence should not be controlling." The provision contained in the National Labor Relations Act is not unique; we have adopted it as a matter of course in setting up every administrative agency. And there is a reason for this. In the district courts most cases are heard before juries, and there are many rules of evidence which are designed solely to keep improper influences from the jury. On the other hand, in hearings before professional and trained judges or examiners, such rules are invariably dispensed with. Only in the case of the National Labor Relations Board is it proposed to depart from the well-settled rules governing administrative bodies, though nothing has been developed to warrant such discrimination.

All of these provisions have been added by the conferees; they are in addition to those other hampering restrictions placed on the Board by the original bill, every one of which the conferees retained. Those provisions included the unjustifiable 6-month statute of limitations, the abolition of the review section, a new and discriminatory standard of judicial review, the favoring of company unions, hampering restrictions upon election procedures, the exclusion of supervisors from all benefits under the act, and many others which have already been brought to the attention of the Senate.

Can anyone boasting allegiance to the principles of liberty and freedom survey the littered wreckage of the Wagner Act, which remains as a memorial to a gallant effort to bring democracy to our working people, and take pride in such vandalism?

I turn now to the impact of the conferees' efforts upon the rights and functions of trade unions.

WEAKENING OF TRADE-UNIONS AND INTERFERENCE IN THEIR AFFAIRS

Under section 8 (3) of this bill, the conferees have eliminated the possibility of union responsibility. One cannot, of course, quarrel with the purpose of subsection (A) of the proviso which is, in substance, to forbid an employer or a union to discriminate against an employee because of his race or color, or national origin by providing that, to justify a discharge, it must be shown that membership in the union was available to the employee on the same terms and conditions generally applicable to other members. But this provision takes an enormous forward step in the direction of regulating the employment practices of industry, and the exclusion practices of unions, without any adequate study having been given the matter. It is unhappily true that in certain sections of our country, race prejudices are strong and deep. With time and education they will, I am sure, disappear; and there are encouraging signs looking in that direction. But, despite my conviction that the sooner we can eliminate race and religious prejudice the better, I hesitate to approve so vital a step at this time as making the Federal Government the overseer of employer and union practices in all the States.

Under section 8 (b) (2) it is made an unfair labor practice for a union to cause or attempt to cause an employer to discharge an employee for the same reasons; these problems are delicate and sensitive, and I feel confident that such blunderbuss treatment is not the proper answer. The junior Senator from New York [Mr. IVES] has himself stated publicly on many occasions that he feels that persuasion and education are better remedies in this field than legal sanctions.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. IVES. I wish merely to remark that before the debate is completed I shall have more to say on this subject than I have already said.

Mr. MURRAY. I thank the Senator. I am sure that whatever he has to say will be very helpful in the consideration of this problem.

Subsection (B) of the proviso is clearly unwise; its force has been strengthened by the elimination of subsection (C), which was contained in the bill as it passed the Senate. Under subsection (C) formerly in the bill, dual union activity was confined to the period at the close of the contract period; it is now protected at all times. Subsection (B) now forbids an employer to discharge an employee who has been dropped from the union for any reason other than his failure to pay dues, and such an individual is, of course, entitled to back pay and reinstatement if the section is violated.

Let us consider what this means. Suppose that the Communists in the labor movement again decide, as they did in the early thirties, to set up a new and independent set of trade unions. If, for doing, so, they were discharged from a responsible union, the employer would

not be allowed to discharge them, and under section 8 (b) (2) it would be n unfair labor practice for a union to seek their discharge. Or consider the case of an employee who had consistently led wildcat strikes or engaged in other conduct disruptive of trade-union discipline; the employer may not discharge him; the union may not seek his discharge. A labor spy, an agent provocateur, a criminal or habitual drunkard are all protected under this provision. Employers pay a heavy price for the resulting internal disruption of the union, for they must also retain these persons on their pay rolls.

But if these intrusions into the legitimate affairs of employers and trade unions are unwarranted, consider the restrictions on trade unions under section 8 (b) (4) which make it an unfair labor practice to engage in a strike or boycott where an object is to engage in certain specified conduct to which I shall come in a moment. Let me direct attention to that little word "an." For many generations the courts have followed what is known as the primary objectives test; even prior to the passage of the Norris-LaGuardia Act the courts had developed a doctrine that they would look to the primary objective of the strike rather than to all its objectives. Manifestly, different strikers have differing motives; any strike may have several different objects. Those limitations, imposed by the Supreme Court in the early part of the century when it was considered by many to be hostile to the purposes of trade unions, is by that single word repealed. We are no longer to look to the primary motive; it is enough if it can be proved that any striker has an improper motive, or that an extremely minor and subsidiary issue in the strike was improper. Under section 303 (a) of the bill the same language is used and unions are therefore liable for damages as well as being guilty of unfair labor practices in such circumstances.

The improper objects, which we have previously criticized in our discussion of S. 1126, include engaging in any secondary boycott. I am certain that many Senators recall, as I do, the protests which greeted the decision of the Supreme Court in the Bedford Cut Stone case during the First World War, in which the Supreme Court convicted under the antitrust acts some stone masons in San Francisco who had refused to set stone quarried by underpaid nonunion labor in Indiana. Among other factors, that decision was responsible for the passage of the Norris-LaGuardia Act; it was universally denounced as governmental interference in a perfectly legitimate trade-union practice to raise the living standards of the people. Now it is to become illegal. Can anyone suppose that memories are so short, or that public opinion has so radically changed, that the first decisions under this provision will not provoke a wave of protest?

The conferees have hampered and restricted the normal activities of trade unions by creating two new unfair-labor practices, not in the bill as passed by the Senate, which are of great importance. A new section 8 (b) (5) forbids unions to charge fees for membership in an amount which the Board finds excessive or discriminatory under all the circumstances. This is a wide open door to governmental regulation of all union affairs. In determining what is excessive or discriminatory, it is obvious that among other factors the Board must consider the needs of the union for funds. If the Board happens to disagree with the terms of a union pension fund, or feels that any union officer is receiving too high a salary, or finds that mileage rates allowed are too high—in short, if it is in disagreement with any union expenditure, it must find that the fee is excessive or discriminatory. The Board is thereby made, in effect, the Budget Bureau for the trade-union movement. Such governmental power to direct how, when, and for what, labor unions shall spend their funds is exactly what made the Nazi labor front a going organization.

The other new unfair labor practice is that with respect to so-called featherbedding. Under a new section 8 (6) it is an unfair labor practice to force or require an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed. Let me observe at the outset that what is featherbedding to an employer is invariably something else to the workers. Most frequently such provisions are designed to protect the safety of the workers; many of the contract terms covering railway workers which are claimed to be featherbedding actually had their origin, and continue to have a justification, in safeguarding the life and health of the workers. Full-crew provisions, automatic-coupler requirements, required signal and watchman protections, are examples.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. McGRATH. I note that the Senator is referring to the railway industry. It is my understanding that railway unions are exempt from the provisions of this statute. Am I correct in that understanding?

Mr. MURRAY. I am not certain that they are.

Mr. McGRATH. As I recall, the original act, the National Labor Relations Act, with which we were dealing in considering the pending measure, provided that the railroad unions would be exempt from its provisions.

Mr. MURRAY. They may be exempt under its provisions, but I am using some activities in the railroad industry to illustrate so-called featherbedding.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from New York.

Mr. IVES. The answer to the question raised by the Senator from Rhode Island is "Yes."

Mr. MURRAY. That railroad labor unions are completely eliminated from the provisions of the law?

Mr. IVES. The Railway Labor Act is outside the purview of this bill.

Mr. MURRAY. Yes, I understand that was the effect of the bill as it passed the Senate.

Mr. McGRATH. Mr. President, will the Senator yield further?

Mr. MURRAY. I yield.

Mr. McGRATH. It is my understanding that that was understood when the matter was originally before us. The thought occurred to me, in listening to the discussion by the very eminent Senator from Montana, that by the incorporation of these restrictive provisions with respect to other types of labor we are making rather an unfair distinction between American labor unions. The railroads and railroad systems can do certain things that other employees are prohibited by Federal law from doing. I am wondering if someone can enlighten us on the justification for that sort of distinction.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. IVES. I think the Senator from Rhode Island will find that there is nothing unfair in what is being eliminated by that process. There is nothing unfair in the procedure being followed for the elimination of abuses.

Mr. McGRATH. But may I ask the Senator from New York this question: If we do not eliminate such practices with respect to railway workers—in other words, railway workers may engage in these very practices without being in violation of Federal law—is it not unfair to provide that employees in other industries will be in violation of the law if they engage in such practices?

Mr. IVES. Mr. President, will the Senator yield further?

Mr. MURRAY. I yield.

Mr. IVES. I am not upholding in any way, shape, or manner any practice which is contrary to the ideas set forth in this bill or contrary to the principles being laid down, but I am saying that the matters to which the Senator from Montana has referred are not covered by this bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. TAFT. I want to point out that railway labor has never been covered by the Wagner Act; it has always been covered by the Railway Labor Act, which provides a somewhat different procedure. We saw no reason to change that situation, because there were no abuses which had arisen in connection with the operation of the Railway Labor Act. In general, we confined our amendments to the bill to acts which, from evidence before the committee, were specifically shown to be abuses.

Mr. MURRAY. I am referring to the so-called feather-bedding activities in the railroad industry as illustrations of matters that may be insisted upon by workers as a matter of safety for the protection of their health and life. I am merely using them as illustrations of so-called "feather bedding" which can be justified.

In the mining industry the stationing of men to handle ventilation equipment or to conduct inspections are demanded by the men for their protection. More often, perhaps, these union requirements are directed at the speed-up; there is a limit to physical endurance and many

employers have in the past, and would be willing again, to work their men beyond that point did not provisions in the contracts protect them. Speed-up in the automobile industry which existed prior to organization was the main grievance of the workers. Frequently unions impose these conditions for the economic security of their members. Where employment is sporadic and highly skilled the maintenance of the industry itself may demand that men be paid for services not to be performed. We do not cut off the pay of our generals in time of peace; we do not pay a lighthousekeeper only when he is trimming the lamps; we do not pay a watchman only while engaged in the business of catching criminals. This provision is merely a demand that the risks of job insecurity, intermittent employment, and slack be borne by the workers entirely and not by industry. It is of a piece with that industrial practice which in times of depression lays off the men in the shop without even reducing the salary of the vice president.

A new provision added by the conferees seems designed to weaken materially the unions' power to bargain collectively. Section 8 (a) (5) has been amended to provide that the duty to bargain collectively shall not be construed as requiring either party "to discuss or agree to any modification of the terms and conditions contained in a contract for a fixed period." Collective bargaining is a continuing process; it is not achieved once the contract has been signed, for serious questions arise, and always will arise, concerning the meaning and application of the contract. We do not conclude a problem by legislating about it; the statute must still be applied, interpreted, and enforced. If, in practice, a provision in a statute proves unwise, we do not preclude persons from discussing with us changes. So in industrial life, obviously one would not require an employer to agree to change an agreement upon demand, but what harm can it do to discuss the matter? Here, again, the conferees have lightly reversed a well-settled rule, frequently passed on by the courts after careful study, for no explainable reason.

With no instructions from either House, as is true of most of the changes I am discussing, the conferees have adopted a new rule with respect to plant guards in section 9 (b), denying them rights under present legislation. This is merely a petulant gesture at the Supreme Court which decided, while the conferees were in session, that plant guards were employees and entitled to the benefits of national labor legislation. I have here no time to discuss the merits of this issue, which are fully set forth in the opinions of the Supreme Court; but since there was no demand for such provisions at the time this bill was voted on by the Senate, it has no justification other than a wish to belittle a tribunal which is a coordinate branch of this Government and, as such, is entitled to the respect of the Congress.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. TAFT. By the provision of the House bill plant guards were completely excluded from the Wagner Act. We compromised with the House by providing that they should have the protection of the Wagner Act, but in a separate unit from the workers in the plants. That is certainly a change—although a minor one, nevertheless a reasonable one—and certainly it is a compromise with the extreme position taken by the House.

Mr. MURRAY. Yes; it is a change, but it is not a change that is necessary for any reason that I know of. It was simply put in arbitrarily.

Mr. TAFT. Let me call the Senator's attention to the further fact that the Supreme Court's opinion to which the Senator has referred was only a 5-to-4 opinion, and the dissenting opinion was about as good as the majority opinion.

Mr. MURRAY. Mr. President, I have already adverted to the burdensome registration requirements which unions are compelled to comply with as a condition precedent to seeking the dubious privilege of resort to the machinery of the National Labor Relations Act, as amended. I invite the Members of the Senate to read those provisions, contained in section 9 (f) and (g) and to ask themselves the candid question whether any union could successfully comply with those requirements—which I have not even the time to read—under the close scrutiny of all employers' attorneys. These requirements have been made far more rigorous by the conferees' addition of subsection (6), which requires regular reports, kept up to date, concerning qualifications for membership, elections of officers and stewards, calling of regular and special meetings, levying of assessments, imposition of fines, authorizations for bargaining demands, ratification of contracts, authorization for strikes, authorization for disbursement of funds, audits of financial transactions, participation in insurance plans, and expulsion of members and the grounds therefor. Since no organization could conceivably be current with respect to such a mass of detailed requirements, it is evident that no union will be able to resort to governmental machinery. It is ironic that the proponents of this measure think that they hurt unions by encouraging them not to use governmental processes. The people who are hurt are employers and the public who pay the price of the resulting strikes.

Finally the right of men not to be discharged for their union activities is impaired by the work of the conferees. In section 10 (c) they added a new provision which states that the Board shall not order the reinstatement of, or direct back pay for, any individual discharged for cause. Surely the Senate knows that employers who wish to discharge workers for their union activities do not, except in the rarest cases, announce the real reasons for the discharge. It is the almost invariable practice to await a pretext—some violation of rules, some error in judgment, some casual misstep of the union leader—and then discharge him for that. There is "cause" in such a discharge, even though, if these slips are committed by nonunion men, discharge never occurs. So the conferees, having weakened every other provision of the National Labor Relations Act, have now put a knife through its heart, for the right not to be fired for union activities is the real heart of the act.

Mr. President, this bill does nothing to get at the causes of strikes. A strike is a symptom of an industrial malady. An industry like coal mining, which suffers eight major strikes in 5 years, is a sick industry, whatever one may think of the miners' union or its leader. Men who are satisfied, receiving fair wages, working under tolerable conditions, and living in decent houses cannot be driven off the job. Men who are frustrated, underpaid, worried about their families and their futures will strike under good union leadership, bad union leadership, or no union leadership. I know there is a prevalent illusion that union leaders cause strikes, though the votes under the Smith-Connally Act demonstrated once and for all that the vast majority of strikes are overwhelmingly supported by workers, the fantasy persists that they can be prevented by taking action against union leaders. What this Congress should study is the rank-and-file workers, not the superficialities of the labor scene. Mr. Henry Ford II was recently amazed to find that a poll among his workers showed a vast majority dissatisfied with their jobs despite the improvement in working conditions brought about by trade unionism. Now, Mr. Ford is prepared to go to work to find out why the men are dissatisfied and to do something about it—an intelligent course of action which could be commended to this Congress.

Mr. President, what do Senators really know of the conditions of life of the coal miners? Why do the miners follow John Lewis so solidly? The answer does not lie in saying that Mr. Lewis is a bad man. It lies deep in the dangers of the mines, in the squalor of waterless hovels, in an absence of recreation, in a feeling of insincerity in an industry which is chaotic, unstable, and declining. If we study those problems, we may find some answers. We shall not find them in an eternal denunciation of trade-union leaders.

The causes of industrial strife during the past year and a half are clear. The Bureau of Labor Statistics reveals that 85 percent of the time lost through strikes in 1946 was due to inadequate wages. Reconversion, rising prices, the dislocations of the war, and the repeal of price controls piled upon workers burdens which they could not carry. The proponents of this bill, so concerned about this loss of working time, are utterly heedless of the millions of man-days of lost work that will result from the unemployment which this bill must engender.

Mr. President, I could continue at some length to emphasize the punitive provisions of this bill; but I realize it would serve no purpose except to make a record here of the shabby business we have been transacting in this body for the future study and consideration of the people. I am sure, however, that what has already

been said by me and will be said by others here is a sufficient indictment of this reactionary-led, labor-hating Eightieth Congress of the United States. I will therefore now undertake to draw my remarks to a close.

CONCLUSION

It is with real disappointment and forebodings of the future that I survey the work of this Congress on labor problems. It was announced at the outset that we were to be fair. How fair is this bill? To begin with, it has given workers and trade-unions no new right or privilege; to the contrary it has removed most of those which they enjoyed. It has taken from employers no right which they had; to the contrary it has strengthened their hand at every step in the industrial process, from the time a group of workers first contemplate organization through every subsequent effort to improve their conditions. It limits the access of the unions to governmental machinery by trade-unions in manifold ways. No limitation whatsoever is placed on employer access to the chances which this bill gives them to cripple unions. We must concede the fact; this bill is only in the interest of employers, and fairness played no part in its drafting or passage.

It was announced that we were to equalize the law. How far does this bill achieve that purpose? Most of those provisions directed to trade-unions go to their very right to do business at all; unless they comply with all these new requirements they may not even conduct their affairs. There is nowhere in the bill a single line which goes to the employer's right to do business. The bill could have attained equality only by saying that employers who failed to live up to the requirements of Federal legislation should cease to do business; something, of course, not contemplated by anyone.

Not all businessmen welcome this legislation; considerable numbers of them look with apprehension to what it may mean in the future. One, among many evidences of that growing point of view, is found in a recent article by C. F. Hughes, economist of the New York Times, in which he stated:

> Some of the national legislation that many industrialists thought would solve most of their problems is now close at hand. The labor bills are in conference. The portal-pay bill was signed last week. The juggernaut of economy is riding roughshod over essential services of the Government.
>
> Despite the signs that normalcy is back in the saddle, there is a strange lack of enthusiasm among businessmen for the achievements that they called for and sponsored. The plain fact seems to be that they are weighing the legislative program in the balance of what help it is likely to yield in staving off or moderating the recession which some trade experts admit has already started.
>
> On this important score the business verdict veers to the theory that the legislation doesn't weigh much and may, in fact, weigh the wrong way on the scales.
>
> Outside of the die-hards in industry, there is small relish on the part of management for another round of labor bickering and confusion as business affairs in general move into the critical recession stage. There will be enough to attend to on the competitive front, it is pointed out, without having to struggle with basic changes in the labor set-up.

The same writer, in another issue of the New York Times, said:

> To the eyes of some business observers last week the situation began to look like a combination of 1920 and 1937. President Truman repeated his indictment of high prices and later made it clear that he would stop at "moral suasion." This seemed to bring in the 1937 element.
>
> It will be recalled that when prices were on the rise in that year there was some moral suasion from the White House also. Moreover, General Johnson's NRA had persuaded industry that here was a perfect scheme of life. As long as the labor provision of the NRA Act was accepted, producers could get together pretty well on prices and there would be no "chiseling."
>
> This assurance of price protection was equivalent to the assurance that has prevailed since VJ-day that huge, unfilled markets and tremendous war savings would take care of any industrial and trade emergency. But in 1937 stocks accumulated under the NRA dispensation and finally there was the collapse, and demand diminished. Production did a nose-dive. Prices sagged but not as drastically as in 1920.
>
> How the combination of 1920 and 1937 will make out is anyone's guess in the opinion of the observers who make the comparison thus outlined. They are quite sure, however, that the stakes involved are far greater than in either of the previous years by reason of the fact that the free enterprise system here is engaged in a final struggle against the rival systems of totalitarianism and socialism. The stalling tactics of Russia at the Moscow Conference which has ended without results are attributed with good reason to a Soviet desire to await what happens here.
>
> What our critics see at present is that business which got into the "doghouse" in 1932 and then retrieved itself so nicely by its war record, is now in imminent danger of being banished again. Business itself can raise the cry against labor and the farmers and the Government but it still cannot erase those profit statements.
>
> Last week, however, the labor-management agreements came through which for a time appeared doubtful. The steel settlement was followed by the automobile pact which will set the pattern for the industry. Thus labor peace seems assured in the basic industries in spite of pending legislation in Congress that stirs up furious union resentment.

Mr. President, we have heard ad nauseam the claim of union monopoly. Let us think of our own communities. In our communities are the mechanics in the shops, the truck drivers, the carpenters, the steel workers, monopolists? Let us take off the false lenses which the sponsors of this legislation have placed before our eyes, and what do we see? Normal American citizens, the mass of our people, having a rough time getting along because prices are going up faster than wages. If we look on the other side of town, what do we see? The wealthy, getting higher dividends and profits and salaries than they have ever known in our history, preening themselves that when this bill passes they are going to get even with labor. What does that mean? What it has always meant; that these same individuals cannot tolerate any force—whether governmental, labor, or otherwise—to restrain in the slightest degree their desire for wealth. The twentieth century still has its Bourbons as did the eighteenth, and its Tories as did the nineteenth. Look candidly and honestly and tell me where in the labor-union movement monopoly can be seen.

A recent cartoon flatteringly showed me trying to prevent the pendulum from swinging back. In a sense it was accurate, for I deeply feel that the reaction of the Congress is begetting counteraction among the people which, instead of leaving us a united people, heedless of class distinctions, will make us a nation of divided and warring camps. That has been the course of other countries; it has begotten only war, dictatorship, poverty, and a demoralization of everything that constitutes civilized life. And the only alternative is self-restraint on all sides; the real medium for attaining it is genuine collective bargaining between strong unions and healthy business. This is the real middle-of-the-road course for which I stand. It outlaws even the thought of pendulums or a contest for position between management and labor. It says, as Chief Justice Taft said years ago, that "unions arose out of the necessities of the situation." It welcomes them as a check on unlimited industrial power and a vehicle for the attainment of a genuine democratic participation by workers in those matters which most vitally concern them—their jobs and their pay.

I take pride in the little that we have been able to do to stem this tide. Happily, there is in this great land of ours a solid tradition of real fairness; not that kind of fairness which seeks to apply the Marquis of Queensbury rules when a thug is beating up a defenseless passer-by, but a genuine concern that all shall share in the wealth which we have all created. Caught unawares, deluded by the most expensive propaganda campaign which has ever attended a legislative battle, their voice is for the moment still and small. But it is being aroused; it will be constantly goaded by the evident unfairness which will attend this legislation, if enacted. Its voice has been heard before, loud and clear, and already its distant rumble sounds through the din so artificially created by the forces behind this bill.

Let me, in conclusion, read from the social reconstruction program of the National Catholic War Council, which appeared as long ago as 1919, and which remains true today:

> The capitalist must likewise get a new viewpoint. He needs to learn the long-forgotten truth that wealth is stewardship, that profit-making is not the basic justification of business enterprise, and that there are such things as fair profits, fair interest, and fair prices. Above and before all, he must cultivate and strengthen within his mind the truth which many of his class have begun to grasp for the first time during the present war, namely, that the laborer is a human being, not merely an instrument of production, and that the laborer's right to a decent livelihood is the first moral charge upon industry. The employer has a right to get a reasonable livelihood out of his business, but he has no right to interest on his investment until his employees have obtained at least living wages. This is the human and Christian, in contrast to the purely commercial and pagan ethics of industry.

That the Eightieth Congress may not go down in infamy among our people, I beg of the Senate to take the decent, the Christian, the human, the honest course, and reject this measure.

Mr. MURRAY subsequently said: Mr. President, at the time I addressed the Senate earlier in the day, I had intended to offer for the RECORD an analysis of title I of H. R. 3020. I now ask that the analysis may be printed in connection with my remarks, at the end of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF TITLE I OF H. R. 3020, TAFT-HARTLEY BILL

SHORT TITLE AND DECLARATION OF POLICY

Section 1 of the bill sets forth a new declaration of policy. This provision was inserted by the conference committee. The section declares that industrial strife can be avoided if employers, employees, and unions recognize one another's legitimate rights and that neither party has any right to engage in acts or practices which jeopardize the public health, safety, or interest.

The purpose of the bill is declared to be to define the legitimate rights of employees and employers, to provide peaceful procedures to prevent interference with these rights, to protect the rights of individual employees in their relations with unions, to define and prescribe labor and management practices which are inimical to the general welfare, and to protect the rights of the public in connection with labor disputes.

Title I. Amendments of National Labor Relations Act

Section 101 of the bill rewrites the National Labor Relations Act.

Section 1 amends the findings and policies contained in section 1 of the National Labor Relations Act by:

1. Stating that the denial by some employers of the right of employees to organize and the refusal of some employers to accept the procedure of collective bargaining leads to strikes, etc. The act does not now contain the word "some."

2. Adding a new paragraph which say in effect that certain practices of some labor organizations, their officers, and members also obstruct commerce by leading to strikes and unrest.

Section 2 amends section 2 of the National Labor Relations Act in the following respects:

1. Person: The meaning of the term has been enlarged to include specifically labor organizations in addition to partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers, now encompassed in the National Labor Relations Act.

2. Employer: The bill amends section 2 (2) of the National Labor Relations Act to exclude from the coverage of the act wholly-owned Government corporations, Federal Reserve banks, and any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual.

The bill also changes the definition of employer (which now includes any person acting as an agent of an employer directly or indirectly) to read "any person acting as an agent of an employer directly or indirectly." This amendment was inserted in the Senate bill by the conference committee.

The apparent intention of this redefinition is to change the rule, adopted by the Supreme Court in *International Association of Machinists* v. *N. L. R. B.* (311 U. S. 72), that an employer is responsible for the actions of his supervisory employees, even though he might not be under the strict common-law rules of agency. This change may make necessary proof that an employer had specifically authorized his supervisory employees to engage in unfair labor practices—matters which are easily concealed. In modern industrial enterprises supervisory employees, such as foremen and superintendents, are management to the workers under them and employers should be held responsible for their actions.

In gaging the approach governing the amendments to the Wagner Act proposed in this bill it is significant to note that the proposed restriction of management responsibility for the acts of supervisory employees is inconsistent with the principle underlying the exclusion in section 2 (3) of supervisory employees from the provisions of the bill. This exclusion is based on the premise that supervisory employees are a part of management and that this relationship is incompatible with the protection by the act of their efforts to organize. Thus, on the one hand, supervisors are too close to management to warrant their protection by the act and, on the other hand, not close enough to make management responsible for their acts except on the basis of the strict common-law rules of agency.

The imposition of the strict common-law rule of agency may also affect the Board's power to proceed against so-called citizen committees and vigilante groups which in the past have often aided and abetted employers in their antiunion campaigns. Under the present act, the Board has the necessary power to proceed against such parties as persons "acting in the interest of an employer directly or indirectly." This power obviously should be preserved. The proposed redefinition of the term "employer" may render the Board helpless to deal with such groups.

3. Employees: This definition follows that contained in the Wagner Act except that the following categories are specifically excluded: Supervisors, independent contractors, individuals employed by an employer subject to the Railway Labor Act, and any individual employed "by any other person who is not an employer" as defined in the bill. The term supervisor is defined in section 2 (11) of the bill.

Comment: Section 14 (a) of the bill recognizes a supervisor's right to join and remain a member of a labor organization. This right is meaningless without the legal sanctions necessary to give vitality and substance to it. Under this bill the Board would be powerless either to hold an election to determine the supervisor's choice of bargaining representatives, if any, or to protect them against dismissal because they have exercised their natural right to join a labor organization.

As the Secretary of Labor has pointed out, supervisory employees should not be allowed to be in the same union as rank-and-file employees, but they should have the right to form unions not affiliated with or controlled by unions of production workers and this right should be protected by the NLRA. Within the limits of these views, supervisory employees should have the same right to be protected in their efforts to organize in the interest of their own wages and hours and working conditions as other employees. Their loyalties to their employer in the effective accomplishment of their duties are no more inconsistent with their interest in the conditions of their employment than is true in the case of any other employees.

The bill ignores the fact that unionization of foremen is an accomplished fact in many industries, and that removal of the act's protection from foremen does not destroy their right to join labor organizations. Instead, the result, as their history under the act has shown, is to force these employees to resort to self-help and illegal strikes, for they will have no recourse to the act's processes.

4. Professional employee: The bill amends the Wagner Act by the addition of a definition of the term "professional employee." The significance of this definition is that the bill provides in section 9 for separate voting of such employees in Board elections.

5. Agent: Section 2 (13) of the bill amends the Wagner Act to provide that in determining the agency "the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling." This provision was added by the conference committee.

Section 3 amends section 3 of the National Labor Relations Act in the following respects:

Section 3 (a): This section amends the act by increasing the number of members on the Board from 3 to 5.

Section 3 (b): This subsection authorizes the Board to sit in panels of three or more members, any panel of which may possess any or all of the powers which the Board itself may exercise.

Comments: The real need sought to be met by the amendment increasing the Board membership to 5 is the handling of a large volume of cases and a consequent backlog of over 5,000 cases. This problem can best be solved by providing adequate appropriations to permit employment of a staff adequate to meet the situation rather than by enlarging the Board to an extent which may make it unwieldy and which may interfere with efficient administration.

Section 3 (d): This section amends the NLRA to provide for the appointment of the Board's general counsel by and with the advice and consent of the Senate for a term of 4 years. The general counsel is to exercise supervision over all attorneys, other than trial examiners and legal assistants to the Board members, and over the officers and employees in the regional offices. He is to have final authority, on behalf of the Board, in the investigation and prosecution of all unfair labor practice cases.

Comment: This provision was inserted by the conference committee. The effect of the proposed change in the status of the Board's general counsel is to place enormous power in the hands of a single individual, making him virtually a "labor czar." This power would include the right to decide what unfair labor practice cases shall come before the Board and the courts for decision. Through this power, the general counsel, to a considerable degree, would be able to control the policy for the enforcement of the act.

Aside from the serious objection that the proposed change places too much power in the hands of a single individual, there is the further objection that differences of views as to policy between the Board and its General Counsel may reach a point where effective enforcement of the act would be impeded. Control over all phases of the administration of the act now possessed by the Boards permits a coordination that makes for effective enforcement. At the same time the internal separation of the judicial from the prosecuting function which now exists in the Board and which is required by the Administrative Procedure Act assures that impartiality of judgment so necessary to the proper performance of the Board's functions. Thus, on the one hand, there is no good reason which warrants the proposed change. On the other hand, the amendment possesses all the disadvantages of the proposal that there be a complete separation of functions previously rejected by the Senate.

The concentration of power which would result from the enactment of this provision is all the more serious in view of the many

new functions contemplated in the bill. To place this increased responsibility upon a single individual is clearly unwise from the point of view of the public interest involved.

Section 4 would amend section 4 of the NLRA in the following respects:

Section 4 (a) (review section): The bill would amend section 4 (a) of the N. L. R. A. to prohibit the Board from employing attorneys for the purpose of reviewing transcripts of hearings and preparing drafts of opinions "except that any attorney employed for assignment as a legal assistant to any Board member may for such Board member review such transcripts and prepare such drafts."

Comment: The effect of this amendment is to abolish the Review Section, which now operates as a pool of attorneys to assist the Board in reviewing transcripts and drafting opinions. The proposal is based upon the erroneous assumption that there is existing abuse in the present structure. The facts do not warrant this assumption.

Moreover, the proposal would not obviate the need for attorneys to perform the duties now performed by the Review Section. It would actually require the establishment of five small review sections, with consequent duplication of work at a great expenditure of time and of money. Instead of a single Board there would be five "little boards" operating as autonomous units. The change proposed is contrary to the practice employed in other administrative agencies and permitted by the Administrative Procedure Act.

Section 4 (a) (trial examiners and economic analysis): The bill would further amend section 4 (a) to prohibit any consultation between the Board and a trial examiner with respect to his findings and to prohibit the review of a trial examiner's report either before or after its publication by any person other than a Board member or his legal assistant.

Finally, the bill amends section 4 (a) to prohibit the Board from appointing individuals for the purpose of economic analysis.

Comment: The Board since 1940, at which time it abolished its Division of Economic Research, has not employed individuals to engage in general economic research. The Board at the present time employs a limited number of industrial analysts who are occupied chiefly with the analysis of employment records and pay rolls, the computation of back pay and deductible net earnings, and the performance of other similar work.

Under this bill, however, the need for persons to do economic analysis will be increased rather than diminished, particularly with respect to the new functions of determining such difficult matters as jurisdictional disputes, feather bedding practices, boycotts, and the excessiveness of union fees. Much background material will be needed to fix appropriate policies. The assembling and study of this material can best be performed by economists. The restriction imposed by section 4 (a) can thus only impair the Board's ability to discharge the new duties imposed by the bill.

Section 7: The bill was modified by the conference committee to amend section 7 of the National Labor Relations Act by adding to the present guaranty of the right of employees to engage in concerted activities the right "to refrain from any and all such activity except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8 (a) (3)."

Comment: The right of employees to refrain from concerted activity is, of course, implicit in the present act. The addition of this provision is thus entirely unnecessary and can only lead to a serious increase in litigation and controversy. Indeed, when considered in connection with section 8 (b), particularly section 8 (b) (1), the proposal can only serve to deprive workers of their right to join together for collective bargaining purposes under the guise of protecting their right to refrain from so doing. The effect of these provisions when viewed together is to discourage rather than encourage collective bargaining.

Section 8 amends section 8 of the National Labor Relations Act in a number of important respects.

Employer Unfair Labor Practices

Section 8 (a) (3). The bill in section 8 (a) (3) amends section 8 (3) of the Wagner Act to outlaw all closed-shop agreements and to permit union-shop agreements under the following conditions:

(1) If the labor organization is a majority representative; and

(2) If the Board certifies, after a vote, that at least a majority of the employees eligible to vote have voted to authorize the union to make such an agreement.

The bill further provides that an employer may not justify discrimination against an employee for nonmembership in a union—

(1) if the employer has reason to believe that membership was not available to him on the same terms and conditions generally applicable to other members; or

(2) if he has reason to believe that the employee lost his membership for reasons other than the failure to tender periodic dues or initiation fees.

Comment: The provisions of section 8 (a) (3) should be read together with section 8 (b) (2) and section 9 (e). Section 8 (b) (2) makes it an unfair labor practice for a union to cause or attempt to cause an employer to discriminate against an employee who has been denied or deprived of union membership on grounds other than failure to pay periodic dues and initiation fees. Section 9 (e) provides for elections to authorize the execution of union-security provisions upon petition of 30 percent or more of the employees in the unit. Section 9 (e) further provides for elections to rescind such authority. Taken together, the provisions would have undesirable consequences as follows:

1. As of April 1946, 30 percent of the workers covered by collective-bargaining contracts were covered by contracts which included closed-shop agreements. These agreements would be outlawed by the provisions of section 8 (a) (3). Moreover, the requirement that those union-security agreements permitted by the section must be authorized by a majority of the employees eligible to vote rather than a majority of the employees voting is contrary to existing procedures in political and corporate elections and creates an obstacle which can only serve to reduce drastically the number of such agreements. The impact of this provision would be considerable in view of the fact that approximately 44 percent of the workers covered by collective-bargaining agreements are covered by agreements which contain union security provisions other than closed shop.

2. The amendments would throw upon the Board a serious administrative burden. There are some twenty to thirty thousand collective-bargaining agreements containing union security provisions now in effect. The Board now has a tremendous backlog of unfair-labor-practice and representation cases. It would, under this bill, be required to take on the additional function of conducting elections to determine the union's authority to enter into such agreements or to determine whether authority previously given was rescinded.

3. Employees could with impunity completely defy the union even under union-security contracts permitted under the bill. He could engage in any type of activity inimical to the interests of the union, such as engaging in wildcat strikes, strikebreaking, and racketeering and yet not be subject to its discipline so long as he pays his dues. The bill has gone far beyond its objective, if its aim is to outlaw the closed shop.

4. The amendment makes the employer the judge of the justifiability of firing or retaining a nonunion employee under a union-shop agreement. It does not require that employees actually lose membership in a union but only that the employer has reasonable grounds for so believing. This belief might be contrary to the facts so that the Board would find it necessary to determine not a state of facts but a state of mind.

Union Unfair Labor Practices

The bill further amends section 8 of the Wagner Act by the addition of a new subsection (b) declaring the following conduct on the part of a labor organization or its agents to be unfair labor practices:

1. To restrain or coerce (A) employees in the exercise of the rights guaranteed in section 7; provided, that this provision shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership. (B) an employee in the selection of his representatives for the purposes of collective bargaining or the adjustment of grievances.

2. To cause or attempt to cause an employer to discriminate against an employee in violation of section 8 (a) (3) or to discriminate against an employee whose membership in the union has been denied or terminated on some ground other than his failure to pay periodic dues or initiation fees uniformly required as a condition of acquiring or retaining membership.

3. To refuse to bargain collectively with an employer.

4. To engage in or encourage the employees of any employer to engage in a strike or refusal to handle if an object thereof is a secondary boycott, jurisdictional strike, strike against a Board certification or an effort to require any employer or self-employed person to join any labor organization or employer organization.

5. To require of employees covered by a union-shop agreement the payment of fees in an amount which "the Board finds excessive or discriminatory under all the circumstances." In making this finding the Board is to consider, among other things, the practices and customs of labor organizations in the particular industry, and the wages currently paid to the employees affected.

6. To force or require an employer to pay or agree to pay any money "in the nature of an exaction" for services which are not performed or not to be performed.

Comment: The proposal contained in section 8 (b) (1) making it an unfair labor practice on the part of the unions and their agents "to restrain or coerce employees in the exercise of rights guaranteed in section 7" would lead to protracted litigation, because of the difficulty in determining who are agents of a labor organization and what constitutes restraint and coercion within its meaning. Moreover, assuming that these prescribed acts involve violence and physical coercion, the provision is unnecessary because offenses of this type are punishable under State and local police laws. In fact, the enactment of this provision would make unions and their agents liable twice for the same offense, once under State and once under Federal law. Employers run no such double risk for interfering with their employees' rights. There is a lack of compelling evidence that State law enforcement has broken down to the extent which warrants the Federal Government intruding into a field more properly the sphere of State and local enforcement officials. Furthermore, the amendment is impractical because an effective remedy against such offenses is quick arrest, criminal trial, and conviction—not an administrative hearing followed months or years later by a cease and desist order. Finally, the Board would have to increase

its staff tremendously to investigate the many charges of this character which would be filed. It would have to concern itself with issues with which it should not be concerned. For example, the Board in determining whether mass picketing was being engaged in would have to determine the number of pickets who may be used on the picket line.

The effect of the amendment proposed in section 8 (b) (2) is discussed in connection with section (8) (a) (3), supra.

The amendment proposed in section 8 (b) (4) would not be objectionable if the prohibited activities were more precisely defined and were limited to those which are generally recognized as clearly unjustified, such as jurisdictional strikes and boycotts, and strikes against Board certification. The principal objection to section 8 (b) (4) is that the language of certain of its provisions is so broad as to represent an indiscriminate attack on forms of peaceful action by labor unions without regard to whether the objective of the action is the promoting of legitimate interests in wages, hours, and working conditions or the furtherance of such illegitimate objectives as jurisdictional disputes. Thus, for example, under the provisions of paragraph (A) all secondary boycotts would be prohibited including those which may be directed against sweatshop conditions or other conditions and which are necessary to protect the interests of the workers. The section would also outlaw all sympathy strikes. While such strikes should not be encouraged, they frequently are necessary to the achievement of legitimate union demands and when properly used should be a protected activity.

In addition, the changes made by the conference committee in paragraph (D) would make it possible for an employer in the allocation of work tasks to favor the members of a nonunionized craft at the expense of a craft which has been unionized. The provision as it originally appeared in the Senate bill prohibited strikes or boycotts for the purpose of requiring an employer to assign to members of a particular union work tasks assigned by the employer to members of some other union. The Senate bill thus limited this prohibition to controversies between two or more labor organizations over the right to perform particular work tasks. The provision as amended by the conference committee, however, prohibits strikes or boycotts to require an employer to assign particular work to employees in a particular union or in a particular trade, craft, or class rather than to employees in another union or in another trade, craft, or class. The effect of this change is to proscribe the use of strikes or boycotts where an employer attempts to undermine a craft union by discriminatory assignments of work tasks to unorganized employees in another trade, craft, or class. The conference committee version thus goes far beyond the original objective of preventing jurisdictional strikes and boycotts and creates a statutory technique for undermining craft unions.

Furthermore, the changes made by the conference committee in paragraph (A) forbidding strikes or boycotts to require a "self-employed person" to join any labor organization may give rise to the use by employers of so-called self-employed persons to undermine the wage and hour standards of employees. This paragraph would prevent the regular employees from taking effective action in such situations even though their wage and hour standards were directly and intimately involved.

Finally it should be noted that the conference committee has substituted the language "where an object thereof" for the language "for the purpose thereof" as the test to be used in determining the legality of certain concerted activity by labor unions. The effect of this amendment is to outlaw as an unfair labor practice any strike or refusal to handle which has as any of its objectives a practice prohibited in section 8 (b) (4). This amendment adopts a view even more restrictive than that followed by the courts in the days when the concerted activities of labor unions were subjected to prosecution under antitrust and conspiracy laws. Even under these decisions the test adopted by the court in determining whether union activity was unlawful was that of primary objective.

The provisions of section 8 (b) (5) were added by the conference committee. This section would require the Board to determine whether union fees were excessive or discriminatory. The danger in this provision arises from the fact that in making the required determination, the Board may in effect be required to regulate many of the internal union affairs. For example, in determining whether a particular fee was excessive the Board may have to decide whether union officers were making excessive expenditures, whether the union was organized and run economically, and whether expenditures authorized by the union such as donations to charity were proper. Obviously, the Board should not be required to decide such matters. Despite the existence of abuses in a few instances, it would appear that the amount of union fees can best be determined by the unions themselves.

The provisions of section 8 (b) (6) are directed against so-called feather-bedding practices. This section was also added by the conference committee. This provision like so many other provisions of the bill, although directed toward a desirable objective, could easily be used to interfere with legitimate union activities. In evaluating the possible impact of this section it must be borne in mind that many of the practices now viewed as feather-bedding practices had their origin in the health and safety requirements of workers. The determination, therefore, of whether a particular demand by a union for the employment of additional help is in effect featherbedding or a legitimate demand would in many cases require a detailed knowledge of the requirements of the particular company involved. The difficulty of accumulating this type of information and the type of experience necessary to make a just determination of the issue is obvious.

The chief danger in the provision is that it may restrict labor organizations in their attempts to combat speed-ups, to protect the safety and health of the workers, and to spread the burden of unemployment. These considerations suggest that the solution of this problem could better be left to the collective bargaining process.

Section 8 (c): The bill further amends section 8 of the Wagner Act by the addition of section 8 (c). This section provides that "expression of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice * * * if such expression contains no threat of reprisal or force or promise of benefit." This provision for some reason does not expressly include oral expressions of views. This omission in view of the express reference to written statements would appear to be inadvertent.

Comment: This provision was substituted by the conference committee for the Senate provision prohibiting the Board from finding any noncoercive statement to be an unfair labor practice. It thus goes far beyond the Senate provision and far beyond the mere protection of an admitted constitutional right. By saying that statements are not to be considered as evidence, the bill requires the Board and the courts to close their eyes to the plain implications of speech and disregard clear and probative evidence. In no other field of law are a man's statements thus excluded as evidence of an illegal intention. The sweeping character of the prohibition is such that, if enacted into law, it will seriously circumscribe the Board in the prevention of the unfair practices proscribed by the bill. In this connection it should be noted that this limitation would apply not only to employer violations of the act but also to union unfair labor practices as well.

Section 8 (d): Collective bargaining is defined to mean the performances of the mutual obligation of parties to meet and confer in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or the settlement of any question arising thereunder, and the execution of a written agreement incorporating any agreement reached, but no obligation exists to agree to a proposal or make a concession providing that where there is an agreement a party may not terminate or modify such agreement unless there is first given:

(1) Sixty days' written notice of such proposed change;

(2) Offers to meet and confer for the purpose of negotiating a new or modified contract;

(3) Notifies the Service (Conciliation) within 30 days after such notice if no agreement has been reached; and

(4) Continues the terms and conditions of the agreement without strike or lock-out for 60 days after such notice is given. Employees who engage in a strike during the 60-day cooling-off period lose their status as employees under the Wagner Act.

This section also provides that the provisions of paragraphs (2), (3), and (4) shall become inapplicable if the contracting union is superseded by another union certified by the Board as a bargaining representative and that the duties imposed by section 8 (d) are not to be construed as requiring the parties to a collective agreement to discuss or agree to any modification of its provisions to be effective during its term.

Comment: Under the provisions of section 8 both unions and employers are required to bargain collectively. A violation of this requirement is made an unfair labor practice, subject to a cease-and-desist order from the Board. A strike or lock-out during the 60-day period specified in section 8 (d) defining collective bargaining would thus constitute an unfair labor practice. There is no reasonable ground for discriminating against employees by providing an additional penalty which will cause them to lose their status as employees under the NLRA. An order to the employer to cease and desist issued months after the violation cannot compare in severity with the loss to the employee of his job.

Moreover, the section is silent as to the Board's authority to consider such factors as provocation on the part of the employer. Under this section an employer who desires to rid himself either of the employees or their representatives can engage in the most provocative conduct without fear of redress except by way of a lengthy hearing before the Board. In contrast to this relatively delicate treatment provided for such action by an employer, employees unwilling idly to countenance abuse, who resort to self-help under the circumstances, lose their employee status under the act and are subject to summary dismissal.

A further objection to section 8 (d) arises from the provision stating that the section shall not be construed to require parties to discuss and agree to any modification of a collective agreement during its term. This provision would nullify the salutary rule established by the board that the obligation to bargain continues despite the execution of a collective agreement. This rule does not mean that the parties must reach any agreement. It merely requires that there be negotiation in good faith. This principle obviously is one in the interest of industrial

peace. The seriousness of the change proposed becomes apparent in view of the difficulty of determining what is an amendment to a contract or merely an interpretation of its terms. Employers desirous of avoiding collective bargaining can do so merely by asserting that the matter which the union desires to negotiate is in effect a modification of the collective agreement. Employees thus are left to resort to strikes in order to bring about the adjustments they desire.

Representation Cases

Section 9 makes a number of important changes in the Wagner Act.

Section 9 (a) amends the act to permit individual employees or groups of employees the right to present and adjust grievances without intervention of the bargaining representative provided the adjustment is not inconsistent with the collective agreement and provided further that the bargaining representative has been given the opportunity to be present at such adjustment.

Comment: This proposal merely requires that the bargaining representative be given an opportunity to be present at the adjustment of a grievance. It does not require that the bargaining representative be given an opportunity to be present during the preliminary discussion or to participate in the adjustment. This provision thus makes available to employers a means of undermining the status of the duly chosen bargaining representative by dealing directly with individual employees in the settlement of their grievances and by giving favored treatment to nonunion employees.

Section 9 (b) prohibits the Board from including professional employees in units with other employees unless they first vote in favor of such inclusion. In addition, in determining whether members of a craft may be separated from a larger unit, the Board may not dismiss a craft petition on the ground that a different unit has been established by a prior determination. Finally, the Board may not include guards in the same unit with other employees and may not certify any labor organization as the bargaining representative of guards if it admits to membership employees other than guards. This last provision was added by the conference committee after the Supreme Court's decision in the Atkins case.

Comment: The restriction on Board discretion with respect to professional employees and guards would require the Board wholly to ignore existing and satisfactory bargaining patterns and units. It would disrupt existing bargaining units and weaken the bargaining power of professionals and guards.

The craft unit limitation would tend to fragmentize unions based upon membership broader than a single craft. This is particularly serious when applied to the large enterprises covered by the national act. It would disturb existing bargaining patterns and would encourage raiding by rival organizations. It would thus result in industrial unrest. Moreover, it would require employers to deal with many crafts rather than a single industrial union.

Section 9 (c) (1) permits employees to file petitions for elections to certify a collective bargaining representative or to deprive of exclusive representative status one currently recognized by their employer as certified as their representative. Employers are also given the right of petition after the union has actually claimed a majority or demanded exclusive recognition. Section 9 (c) (1) further provides that hearing officers in representation cases may not make any recommendation to the Board.

Comment: The provision of section 9 (c) (1) permitting proceedings to decertify a bargaining representative would furnish employers with a useful device for undermining the position of the bargaining agent and for delaying collective bargaining. By encouraging dissident groups to file petitions, the employer can repeatedly bring into issue the majority status of the bargaining representative.

The most serious objection to the provision permitting employer petitions in single union cases is that in situations where unions are established in a plant and only questions of continuing majority are involved, the Board would not clearly have discretion to dismiss the petition if there was no reasonable basis in fact for the employer to doubt that the labor organization still represents a majority. Employers thus are given a useful device for delay. Moreover, unions would be compelled to engage in election campaigns at the close of each bargaining term and would be tempted to make unreasonable demands in order to retain the allegiance of the employees. Uninterrupted and stable bargaining relations would thus be impaired.

Presumably the purpose of the proposal forbidding hearing officers in representation cases from making recommendation to the Board is to isolate the Board members from the Board agents who conduct the representation investigations required under the act. These investigations are fact-finding, to determine the identity of the representative selected, if any; they are entirely nonadversary; and they result in no order requiring the employer to do or refrain from doing anything. The Administrative Procedure Act of 1946, in recognition of these facts, expressly exempted these proceedings from the separation-of-functions provision of section 5 of the act, as well as from the other careful procedural and decisional safeguards established in that law. The effect of the instant bill is to override the Administrative Procedure Act in this respect without any basis in the record for doing so. Moreover, the Board is denied the assistance which the hearing officers' recommendations provide, although no considerations of fair procedure or due process require it. The only result can be to deprive the Board of the informal judgment of the men who know most about the case.

Section 9 (c) (2): In determining whether to proceed in a representation case the NLRB is to apply the same regulations and rules of decision irrespective of the identity of the persons filing the petition or the kind of relief sought. The Board may not deny a labor organization a place on the ballot by reason of an order with respect to such labor organization or its successor not issued in conformity with Section 10 (c). Section 10 (c) requires the Board, in determining whether a complaint should issue under section 8 (a) (1) or 8 (a) (2) and in deciding such cases, to apply the same regulations and rules of decisions irrespective of whether or not the labor organization affected is affiliated with a national or international labor organization.

Comment: This section would require the Board to place on ballots for election of representatives independent unions which have been found by the Board to be company-dominated and which have been ordered by it to be disestablished. It would have to do so in an election ordered the day after such an order issued and regardless of the fact that its order had not been complied with. The proviso to section 10 (c) would prohibit the Board from issuing an order to withhold or deny recognition to a company-dominated union unless it would issue the same order with respect to an affiliated union.

These proposals, on the basis of purported equal treatment of affiliated or nonaffiliated unions, ignore the difference in facts and circumstances which warrants the difference in remedy prescribed by the Board. They overlook the fact that the very existence of a labor organization under the dominance of an employer provides the employer with a device by which his power may be made effective. The employer is thus able, with little further action on his part, to obstruct his employees' right to self-organization. The employees, even though they would not initially have chosen the company-dominated union if they had been free of employer domination, may, unless the disestablishment of such a union is required, "by force of a timorous habit, be held firmly to * * * (their) choice."

Unions affiliated with national labor organizations stand in a different posture. Because of their affiliation they draw strength and direction from sources outside the employer's control. Assistance by an employer to a local union thus cannot extend to the point of constituting domination. It is sufficient in such cases merely to require the withdrawal of recognition by the employer from the assisted affiliated union.

These proposals would tend to revive the company-dominated union in American industry and by placing the employer on both sides of the bargaining table develop spurious collective bargaining.

Section 9 (c) (3) prohibits the Board from holding elections more often than once a year in any given bargaining unit unless the results of the first election are inconclusive by reason of none of the competing unions having received a majority.

Comment: While the Board has only infrequently directed elections more than once among the same unit of employees in any one year, there have been circumstances which require exceptions to this general principle. Thus, significant changes in operations involving the employment of different occupational groups may require a redetermination of bargaining representation. Similarly, a substantial expansion or diminution of the working force or a new showing of strength by the union might require special treatment. This matter should, therefore, be left to the discretion of the Board.

Section 9 (c) (3) also provides that strikers not entitled to reinstatement shall not be eligible to vote in a Board election.

Comment: This provision is subject to the construction that it would prevent employees who go out on strike because of a dispute over such matters as wages, hours, or working conditions from voting in a Board election held during the strike. The proposal would enable an employer to secure the rejection of an established bargaining agent at the very time that the public interest makes it particularly urgent that collective-bargaining continue. The employer can, in some cases, achieve this result merely by filing a petition for an election as soon as his employees go out on strike. In such an election the strikers who normally would constitute the bulk of the union's adherents could not vote. The defeat of the bargaining agent is thus assured. Antiunion employers are thus encouraged to refuse settlements of disputes in order to bring about strikes and thereby secure the defeat of the collective-bargaining representative.

Sections 9 (c) (4): Nothing in the section is to be construed to prohibit the waiving of hearings by stipulation for the purpose of consent elections.

Comment: The effect of the provision of section 9 (c) (4) read together with provisions of section 9 (c) (1) would be to prohibit the Board from determining an issue concerning representation by means of a consent card check. This procedure is utilized only where the parties consent and consists of a check of the union's membership cards against the names appearing on the employer's pay roll. Consent card checks make possible a quick determination of the question of whether the employees desire a bargaining representative; they obviate the necessity for a formal proceeding in cases in which there are no issues of fact, thus allowing the Board more time to devote to litigated matters, and they have resulted in a

substantial saving in both personnel and money. The type of procedure has been utilized by the Board in over 20 percent of the adjusted representation cases.

Section 9 (c) (4) and 9 (c) (1) would also bar the Board's prehearing election procedure. This prohibition resulted from a change made by the conference committee in the Senate bill. The prehearing election procedure has been useful in making possible quick elections in cases involving no real issues. In many cases the holding of the election has obviated the necessity for further formal proceedings, thus saving a substantial expenditure of money and time. In all cases the parties are entitled to hearing if they so desire. There was no evidence before either the Senate or House Labor Committees justifying the prohibition of this type of procedure.

Section 9 (c) (5): This section was added by the conference committee. It forbids the Board from being controlled, in determining the appropriate unit, by the extent to which employees have organized.

Comment: The effect of this provision is to preclude the establishment of collective bargaining in many industries, notably insurance and similar far-flung enterprises. In such industries organization can proceed only piecemeal and to deny collective bargaining in those areas in which organization has been achieved is to deny it entirely.

Section 9 (e) (1): Provides for proceedings to authorize a bargaining agent to enter into a union-security agreement. Authorization is obtained through an election to be conducted by the Board.

Section 9 (e) (2): Provides for elections for revoking an authorization to enter into a union-security agreement.

Section 9 (e) (3): Provides that no election on the issue of a union authority to enter into a union-security agreement may be conducted more frequently than once in a period of 12 months.

Comment: It is estimated that there are between 20,000 and 30,000 collective-bargaining agreements containing union-security agreements in effect at the present time. Under the above proposals the Board would be required to conduct elections to determine whether the union is authorized to enter into a union-security agreement and also in order to determine whether such authorization once given has been revoked. This additional function given the Board obviously imposes a serious administrative burden on that Board; the proper discharge of which would require substantial additions in personnel and appropriations.

This objection could partially be met by requiring that the vote be conducted only after the employer and the union had reached agreement to include a union security provision in the contract. The advantage of this procedure is that it would prevent the holding of many useless elections merely designed to put pressure on the employer.

Section 9 (f) requires as a prerequisite to the processing of representation cases, union shop elections, or unfair labor practice cases that the labor union, as well as any national or international with which it is affiliated, shall have filed specified information with the Secretary of Labor, including its constitution and bylaws, compensation of officers, manner in which officers are elected or appointed, amount of dues, fees, assets, liabilities, and disbursements, and a detailed statement showing the procedure followed with respect to 12 matters of internal operation of the union. These include procedures followed with respect to (a) qualifications for or restrictions on membership, (b) union elections, (c) calling of meetings, (d) levying of assessments, (e) imposition of fines, (f) authorization for bargaining demands, (g) ratification of contract terms, (h) authorization for strikes, (i) authorization for disbursement of union funds, (j) audit of union financial transactions, (k) participation in insurance or other benefit plans, and (l) expulsion of members and the grounds therefor. The requirement that these details of internal union procedure be specified was added by the conference committee. In addition the union must establish that it has furnished all of its members with copies of its financial report.

Section 9 (g) provides that the information required in section 9 (f) be kept up to date with similar annual reports to the Secretary of Labor, and, so far as financial data is concerned, to members of the union.

Comments: By imposing expensive burdens upon the use of the orderly procedures of the act these provisions would encourage resort to self-help. No valid reason can be shown for conditioning access to Board machinery upon the fulfillment of such registration requirements. Indeed, if the purpose of the provision is to make available information on the organization, operation, and finances of unions it would fall short of achievement because of the fact that a great many unions rarely utilize the machinery of the NLRB and would, therefore, not be required to file the required information.

Nor is there any evidence of a need for the collection of such information in the manner provided for in this provision. Most of it is already made public. A study by the Department of Labor shows that 22 of the 26 internationals in the A. F. of L. provide for regular financial reports to the local unions or to the convention, and for regular publication of financial reports. Of 36 international unions in the CIO, 31 provide for regular financial audits by certified public accountants, 30 publish financial reports available to anyone, and 5 provide for financial reports to local unions or to members.

Consideration must also be given to the expense to the Government imposed by this provision. The Secretary of Labor has warned against setting up a new bureau in the Department of Labor compiling figures and collecting documents the use of which would not justify the expense to the Government.

Finally this provision is open to criticism in that it imposes a burden on labor unions not imposed upon business associations in any similar fashion or to any similar degree.

Section 9 (h): This section prohibits the Board from processing any representation case, union security election, or unfair labor practice case initiated by a labor organization unless an affidavit is filed by each officer of such labor organization and the officers of any national or international of which it is an affiliate, that he is not a member of the Communist Party and "does not believe in and is not a member of or support any organization that believes in or teaches the overthrow of the United States Government by force or by any illegal or unconstitutional methods." The provisions of section 35 A of the Criminal Code are made applicable to such affidavits. This provision was substituted for the provision contained in the Senate bill.

Comment: The effect of this provision is to penalize not only members of the Communist Party but, by denying the union its rights under the Wagner Act, penalize also those persons within the trade union movement who have been most active in seeking to rid trade unions of Communist influence. The provision, by placing all members of the union under the same penalties as its Communist officers, would strengthen rather than weaken Communist trade union infiltration. In this connection it should be noted that the denial of rights under the Wagner Act results not only where an officer of a local union fails to file the necessary affidavit but also where an officer of the international fails to do so.

Section 10 amends section 10 of the National Labor Relations Act in several respects.

Section 10 (a) would amend the National Labor Relations Act to omit present language that the power of the Board to prevent unfair labor practices "shall be exclusive." The phrase omitted was included in the NLRA to make it clear that all unfair labor practices were to be handled solely by the NLRB. It has served a useful purpose in establishing a uniform national labor policy in the field occupied by the Federal Statute. No good reason for omitting this provision has been advanced.

Section 10 (a) permits the National Labor Relations Board to allow State labor relations boards to take jurisdiction in cases in border-line industry except where the applicable provisions of the State statute are inconsistent with the corresponding provisions of the bill or have received a construction inconsistent therewith.

Section 10 (b) sets forth the procedure to be followed in unfair labor practice cases. These provisions are essentially the same as those contained in the present act with two major exceptions. The bill would amend the National Labor Relations Act so as to prevent the Board from issuing any complaint or unfair labor practices unless the practices occurred within 6 months prior to the filing and service of the charge.

The bill would further amend the NLRB by requiring that so far as practicable the United States District Court rules of evidence shall apply in proceedings under the act.

Comment: The effect of the 6-month statute of limitations imposed by section 10 (b) would be particularly harmful in cases involving unfair labor practices of a kind that cannot readily be detected, such as those involving company-dominated unions, surveillance, espionage, and similar misconduct. Such activities normally do not come to light until an outside union attempts to organize a plant. Under the present National Labor Relations Act and the Board's rules, employers are afforded adequate protection against untimely charges for the Board will not proceed against them unless good cause appears for the delay. Moreover, even in those cases in which it proceeds, the Board usually does not require the employer to pay back wages for the period of delay. The proposals would merely encourage employer unfair labor practices of a kind that cannot readily be detected by establishing after the passage of a short space of 6 months an absolute immunity against such malpractices. The bill would deprive employees and the public in many cases of the benefits of genuine collective bargaining and encourage resort to strikes and other means of self-help.

The provision applying the United States District Court rules of evidence to Board proceedings would replace the present rule in the NLRA that "the rules of evidence prevailing in courts of law and equity * * * [are] not * * * controlling." Historically, the strict rules of evidence followed in the courts were evolved as a safeguard against erroneous decisions and improper influence upon juries. Such safeguards are unnecessary in proceedings before the National Labor Relations Board because there is no jury and can only serve to hinder the Board in getting all the relevant facts. Further, liberality in admitting evidence cannot of itself cause any prejudice. Where improper evidence so admitted is made the basis of a finding, a clear remedy is available to correct the error in the reviewing courts. Moreover, the Administrative Procedure Act of 1946 already prescribes adequate safeguards and the National Labor Relations Board is subject to its provisions. Finally, the effect of this proposal would be to encumber the administrative process with legalisms and retard or prevent the carrying out of Congressional policy. It may necessitate restricting Board membership to lawyers rather than permitting the present desirable practice of including individuals with special background in the field of labor-management relations.

Section 10 (c) provides that if upon "preponderance" of testimony the Board is of the opinion that unfair labor practices have been committed, the Board shall state its findings of fact and shall issue an order requiring respondent to cease and desist from such unfair labor practice and to take such affirmative action including reinstatement of employees with or without back pay, as will effectuate the policies of the act. Where an order directs reinstatement of an employee, back pay may be required of the employer or labor organization responsible for the discrimination. In determining whether a complaint should issue under section 8 (a) (1) or section 8 (a) (2) and in deciding such cases, the same regulations and rules of decision shall apply irrespective of whether or not the labor organization affected is affiliated. Section 10 (c) further provides that the Board may not order the reinstatement of any employee or the payment of back pay, if such employee was suspended or discharged for cause.

Comment: The provision in section 10 (c) intended to establish so-called equal treatment for affiliated and unaffiliated unions has already been discussed above. The provision limiting the Board's power to order the reinstatement of discharged employees was inserted by the conference committee and is derived from the House bill. This provision would hinder the National Labor Relations Board in the prevention of unfair labor practices. The Board, by its terms, would be required to find, not only that the discharge was in violation of the act, but also that the discharge was not for cause. The effect of this provision is to permit an employer to escape liability for having discharged an employee for his union activities merely if grounds existed which would also justify the employee's discharge. Since an employer can always find some reason for justifying the discharge, this proposal would render a nullity the protection afforded workers by the National Labor Relations Act against discrimination because of union activities. There is no reason why, if the proof shows that an employee has actually been discharged because of his legitimate union activities, the employer should be allowed to escape the consequences of his unlawful conduct of pleading circumstances or conduct which he was perfectly willing to tolerate until the employee became active in the union.

Section 10 (c) also provides that if no exceptions are filed within 20 days after service of a trial examiner's proposed report and recommended order "such recommended order shall become the order of the Board and become effective as therein prescribed."

Comment: This provision is objectionable because it in effect suspends the doctrine of exhaustion of administrative remedies and permits a dissatisfied litigant to sidestep the agency by direct resort to the courts. The agency may thus be called upon to defend a decision it has not made, or be reversed as to rulings which, if error therein had been called to its attention by appropriate appeal, it might have itself corrected. Moreover, the status of trial examiners' reports is already covered by the Administrative Procedure Act of 1946 (sections 8 and 10 (c)) and there is no need at this time for further legislation on this subject.

Section 10 (e) provides for enforcement proceedings in the Circuit Court of Appeals by the Board. Section 10 (f) contains parallel provisions for proceedings brought by "aggrieved" persons for review of a Board order. Both these sections would amend parallel provisions of the National Labor Relations Act to substitute for the familiar phrase, "the findings of the Board as to the facts, if supported by evidence, shall be conclusive, "a new phrase reading as follows:

"The findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive."

Section 10 (j) empowers the National Labor Relations Board to apply to any district court of the United States for a temporary restraining order once a complaint has issued and before determination of the issues by the Board.

Comment: The present National Labor Relations Act, in section 10 (e), grants Circuit Courts of Appeals power to issue temporary restraining orders once a petition for enforcement has been filed in the court, after decision of the matter by the Board. In very few instances has the Board found it necessary to exercise even this power. It may be anticipated that, if this section became law, the Board would be harassed by demands that it seek immediate injunctive relief if unfair labor practices were alleged by either employees or employers. If such applications were made, the clear result would be to throw decision of the merits of such cases into the Federal district courts and thus to oust the Board of jurisdiction, since it is not to be supposed that district courts could act without some inquiry into the merits of the dispute, or that the Board could, at a later date, take a view of the case inconsistent with that of the court. Mere existence of such power might prove a handicap. While in some instances this might prove a speedy remedy, under normal circumstances the Board's docket should be at least as current as that of the district courts. Expeditious handling of cases can better be obtained by adequate funds to enable the Board to act speedily rather than resort to premature consideration of these matters by the courts.

Section 10 (k) in effect provides for the arbitration of work task jurisdictional disputes by the Board itself, unless within 10 days after notice of filing of a charge, the parties to the dispute submit to the Board satisfactory evidence that they have adjusted, or agreed upon methods for the voluntary adjustment of, the dispute.

Comment: This section was amended by the conference committee by striking from the original Senate bill the provision permitting the Board to appoint arbitrators to decide jurisdictional disputes. The determination of jurisdictional disputes requires special technical proficiency not required in the performance of the other functions delegated to the Board. The Senate version would have made it possible for the Board to delegate this function to men who are specially equipped for the purpose. The Board would thus have been able to devote its time to the discharge of its many other responsibilities.

Section 10 (l) would require the Board to apply for injunctions in connection with union unfair labor practices set forth in section 8 (b) (4).

Comment: The immediate requirement of a mandatory injunction is undesirable. The administrative agency charged with the duty of enforcing these provisions should be given discretion to determine whether or not such injunction should be applied for under section 10 (l). Legislative wisdom does not extend to foreseeing all possible contingencies, and circumstances may well arise in which the Government should withhold its hand. Moreover, such weakening of the Norris-LaGuardia Act is undesirable. That act sought to protect workers in their right to organize and bargain collectively through representatives of their own choosing by denying the issuance of injunctions, whether on petition of private persons or officers of the Government, except in the manner and under the conditions set forth in its provisions. The safeguards against Government by injunction which the Norris-LaGuardia Act sought to erect should be preserved.

The mandatory character of this provision contrasts with the discretion vested in the Board in securing injunctions against employers under section 10 (j). In a case involving both an employer unfair-labor practice and a union unfair-labor practice covered by section 10 (l) the anomalous situation would result in which the Board would be required under the provisions of section 10 (l) to accord prior relief to the employer, even if after hearing the Board finds the charges against the union unjustified and the charge against the employer justified.

Section 11: The bill would amend section 11 (l) of the act to require the Board to issue subpenas upon application of any party. Persons subject to such subpenas can petition the Board for an order revoking the subpena upon a proper showing.

Comment: This would change the present law and practice, embodied in the rules and regulations of the National Labor Relations Board and in the Administrative Procedure Act, of issuing subpenas to parties upon a simple statement of the general relevance and scope of the evidence sought to be adduced. Under the bill there would be no discretion in the Board with respect to granting subpenas and no requirement for any showing by parties of relevance or materiality in connection with obtaining subpenas. This proposed change is highly objectionable because it leaves the Board no discretion to prevent harassment of private parties and abuse of the Board's processes by all kinds of improper subpenas and "fishing expeditions" on the mere demand of litigants.

Section 14: Section 14 in subsection (a) declares the right of supervisors to form and join unions but denies them the protection of the National Labor Relations Act and of any local law in the exercise of this right. Section 14 in subsection (b) also provides that nothing in the bill shall be construed as authorizing the execution of any union-security agreement in a State in which such agreements are prohibited.

Comment: The provisions of section 14 (b) are of special interest because of their contrast with the provisions of the proviso to section 10 (a). This proviso permits the Board to cede jurisdiction to a State agency in certain cases only if the applicable State law or decisions are not inconsistent with the provisions of the bill. Section 14 (b), however, expressly provides that in the case where the State law covering union-security agreements is more rigorous than the policy expressed in the bill such State law shall be unaffected.

Sections 102–104: Sections 102–104 provide for the effective date of certain changes. Section 102 provides that the bill shall not make an unfair-labor practice any act which was performed prior to the enactment of the bill which did not constitute an unfair-labor practice prior thereto. Section 102 further protects acts performed pursuant to the terms of a collective-bargaining agreement entered into prior to the enactment date of the bill or, in the case of an agreement for a period of not more than 1 year, entered into between the enactment date and the effective date of the bill, if the performance of such acts would not have constituted an unfair labor practice under section 8 (3) of the National Labor Relations Act.

Section 103 protects certifications issued under the National Labor Relations Act prior to the effective date of the bill. Section 104 provides that the amendments made by the bill shall take effect 60 days after the enactment of the bill. Exception is made in case of the President's authority to appoint certain officers pursuant to section 3.

The PRESIDENT pro tempore. The question is on the adoption of the conference report.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Myers
Baldwin	Hickenlooper	O'Conor
Ball	Hill	O'Daniel
Barkley	Hoey	Pepper
Brewster	Holland	Reed
Bricker	Ives	Revercomb
Bridges	Jenner	Robertson, Va.
Brooks	Johnson, Colo.	Robertson, Wyo.
Buck	Johnston, S. C.	Russell
Bushfield	Kem	Saltonstall
Byrd	Kilgore	Smith
Cain	Knowland	Sparkman
Capehart	Langer	Stewart
Capper	Lodge	Taft
Chavez	Lucas	Taylor
Connally	McCarran	Thomas, Okla.
Cooper	McCarthy	Thye
Cordon	McClellan	Tydings
Downey	McFarland	Umstead
Dworshak	McGrath	Vandenberg
Eastland	McKellar	Watkins
Ecton	McMahon	Wherry
Ellender	Magnuson	White
Ferguson	Malone	Wiley
Flanders	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	
Hawkes	Murray	

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER] is absent on official business.

The Senator from Missouri [Mr. DONNELL] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate because of illness in his family.

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Wyoming [Mr. O'MAHONEY] is detained on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the thirtieth session of the International Labor Conference to be held at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the conference report.

Mr. PEPPER. Mr. President, the Bible tells us that by their works you shall know them. I want to speak for a little while about the works of those who claim the principal credit for the pending legislation—the majority party. I know that next year it will be very conspicuous in the campaign speeches of the majority party. I know that legislation affecting labor—and, I would say, against labor—was one of the campaign promises of the majority party in the last election, and I am sure, Mr. President, that that party has coveted the honor of the sponsorship of this particular legislation. Now, if it be good, if the honor be creditable, they deserve the honor, because they have the control of all the committees of the Congress, and the chairman of the Policy Committee of the majority party is the chairman of the Committee on Labor and Public Welfare, which has brought the pending measure to the Congress, determinedly sponsored it in the Congress, and who no doubt will claim the principal credit for its enactment, should it become the law of the land.

Mr. President, if this so-called labor legislation were an isolated measure it would be more difficult to appraise it in relation to the program and policy of the majority party. But the majority party has been in power in Congress since the first of the year, and this is June. It is now possible to begin to see the perfection of a pattern which that party has been presenting to the Congress and to the country.

I think it is appropriate to call attention to some of the measures which now appear in that picture. For example, the majority party can claim the credit, if it be a credit, for the enactment of the portal-to-portal pay bill, which practically nullified the enforcement of the Fair Labor Standards Act by the Government of the United States, and in the opinion of many constituted a Congressional reversal of the decision of the Supreme Court of the United States rendered in respect to the rights of the working people of this land.

I think the majority party is also entitled to the credit, if it be a credit, for the enactment of the recent rent-control legislation, one provision of which, sponsored by a Republican Senator from the good State of New Jersey, able Senator that he is, provided for what I believe will be almost a compulsory increase in rent of 15 percent, and gave to the Congress and to the country an emasculated, ineffective rent-control law. I think if it be a credit, Mr. President, for the ordinary family in America to have its rent raised, for many families to be obliged to leave their homes because they cannot pay the rent increases the landlord may demand—if that be a credit—surely the honor goes, and should go, to the majority party in the present Congress.

Mr. President, we have just enacted some tax legislation. That too was one of the promises of the majority party. The majority party wanted to cut expenditures of the Government. The majority party wanted to relieve the burden upon the back of the heavily laden taxpayer, and so they have labored in the Congress and brought forth a tax bill for the country. My colleague [Mr. HOLLAND] and other Senators, as well as Members of the House, have placed in the RECORD from time to time eloquent statements showing the nature and effect of the remedial tax legislation which the majority party has pressed through the Congress and given to the country, I believe over the solid opposition of the minority party.

I read from page 5937 of the CONGRESSIONAL RECORD of May 28, where there will be found a table to which I wish to call attention, to show the kind of tax bill the majority party has passed. I believe the table will speak for itself. In the case of a taxpayer with an income of $1,200 a year before personal exemptions, under the present law the married taxpayer without dependents would have left as spendable income $1,162. Under the Republican tax bill the same taxpayer would have left $1,173, or $11 more to spend than he would have left under the present law. That is a 1-percent increase in the spendable income of the taxpayer with a net income, before personal exemptions, of $1,200 a year. That is the credit which the majority party will be able to claim when it goes before the electorate next year on the basis of its performance in the Congress.

Let us take the case of a taxpayer who has a $2,000 net income before personal exemptions. Under the present law that taxpayer would have left $1,810 to spend. Under the majority tax bill he would have left $1,867. By the bounty of the majority party he would have $57 more to spend for his family than he would have under the present law. That is an increase of 3.1 percent in the amount of money the taxpayer would have left. In other words, he is indebted to the Republican Party for having 3.1 percent more money to spend, or $57 more to spend than he would have under the present law. The majority party deserves the credit for that, if it be a credit.

Mr. President, I wish to speak of another taxpayer, a taxpayer who receives $25,000 a year before personal exemptions. Under the present law that taxpayer would have left $15,918. Under the Republican tax bill that taxpayer would have left $17,734, or $1,816 more than he would have left under the present law. But what percentage increase does that represent for that taxpayer? It is 11.4 percent. Remember how much the taxpayer who made $1,200 a year gets from the Republican bill. He gets 1 percent; but the taxpayer who makes $25,000 a year has been so kindly treated by the Republican tax bill that he has left 11.4 percent more money to spend than has the man who receives $1,200 a year.

I want to mention only one other taxpayer. I want to be fair. The Republicans are entitled to credit for this, and I want to emphasize it, so that the taxpayers will know to whom they are indebted for these bounties and munificencies which have been handed to them by the American Congress.

Let us take the taxpayer making $100,000 a year. There are not many Democrats in that class, but a good many Republicans are in that category. I want them to know that the Grand Old Party has been fighting for them in the Congress. I want to show what the Grand Old Party has done. Another way to describe it is the Party of Great Moral Ideas. I want to show what the Republican Party has done for the faithful in the $100,000 class. Under the present law such a taxpayer would have $36,872 left. That was a Democratic tax bill; but under the Republican tax bill he would have left $48,716, an increase in dollars of $11,844, or a percentage increase of 34.2 percent.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MILLIKIN. What is the percentage of payment by that taxpayer?

Mr. PEPPER. I do not recall. I believe the rate is graduated from 10 to 30 percent. I believe that between $13,495 and approximately $100,000, the taxpayers are all in the same bracket. Is that not correct?

Mr. MILLIKIN. Under the present law what percentage of his income does he pay in taxes?

Mr. PEPPER. I do not recall just what percentage of income he pays in taxes. I am talking about how much he has left after he pays his taxes. The bill sponsored by the able Senator from Colorado gives a greater percentage of increase in what the taxpayer has left, to the taxpayer in the high brackets than to the taxpayer in the low brackets.

Mr. MILLIKIN. I suggest to the Senator that it is very important to know what percentage he pays under existing law, if the Senator is comparing the results of the new tax bill with those under the present law.

Mr. PEPPER. He pays a very high percentage of his income in taxes.

Mr. MILLIKIN. While the Senator is studying that category of cases, let him consider the cases of taxpayers all the way up and down the scale, and make a study of what they pay and what they have left under existing law.

Mr. PEPPER. I shall be glad to have the able Senator from Colorado, who was the sponsor of the bill, and the chairman of the committee, inform us as to how much a man who makes $100,000 pays. I gave the figure as to what he would have left. If he makes $100,000 before exemptions, under the present law he has left $36,872, so he pays a little more than $60,000 in taxes. Under the Republican bill he would pay $11,844 less in taxes.

Mr. MILLIKIN. That man, while in private employment, is working about 4 days a week for the Federal Government.

Mr. PEPPER. Yes.

Mr. MILLIKIN. How many days does the Senator want him to work?

Mr. PEPPER. I want him to work at least as much as the poor man works for the support of his Government.

Mr. MILLIKIN. Does the Senator want him to work 7 days a week for the Government? There is no alternative to his argument.

Mr. PEPPER. I lay down the premise—and I invite the contest of it by the Senator from Colorado——

Mr. MILLIKIN. I am here to contest it.

Mr. PEPPER. I lay down the premise that when we are giving tax relief to the taxpayers of the country, we ought to give it first to the ones who need it most.

Mr. MILLIKIN. Those who need it most are getting the largest percentage of relief.

Mr. PEPPER. The man who makes $1,200 a year, and who cannot maintain his family according to a decent standard of living, receives an increase of 1 percent in the amount he has left. He saves $11.

Mr. MILLIKIN. Those who receive incomes of under $5,000 pay the most taxes, and they receive the most relief.

Mr. PEPPER. And they should. The large taxpayers should pay the most.

Mr. MILLIKIN. Of course, they should, and they do. The Senator is not advocating any relief for them.

Mr. PEPPER. On the contrary, I voted for the bill of the Senator from Illinois [Mr. LUCAS], which raised income exemptions of the small taxpayer, and I voted for every amendment offered on the floor during the debate which would reduce the taxes of the small taxpayers. The Senator knows that was one of the issues in the Senate between the majority and minority parties—that if we are going to give tax relief, we should give it first to the people at the bottom of the ladder, who need it the most.

Mr. MILLIKIN. Under the Senator's final position, he would rather not give any relief to the man he is talking about than to give him a 30-percent relief.

Mr. PEPPER. If the Senator is implying that, if the President vetoes the bill, there will be no relief for anyone——

Mr. MILLIKIN. The Senator is stating with complete accuracy that the Senator from Florida would rather not have any relief for the people in whom he is so interested than a 30-percent tax cut.

Mr. PEPPER. Rather than go before the country and tell the people that we are giving most of the relief to those who need it least, I would pay on the national debt and not have any tax relief at all. A 30 percent reduction of the tax rate provides practically no relief for the moderate and low income groups.

Mr. MILLIKIN. We are doing no such thing as that. We are giving most of the relief to men earning under $5,000.

Mr. PEPPER. In percentage?

Mr. MILLIKIN. In amount. I will demonstrate that to the Senator.

Mr. PEPPER. I am simply telling the Senator, according to the figures, the amount they have left.

Mr. MILLIKIN. We are giving most in amount to the men earning under $5,000.

Mr. PEPPER. I am giving the Senator the figures of how much they have left. What is of importance to the man who is paying his grocery bill is how much money he has in his pocket. I am saying that there are more dollars in the pockets of the rich than in the pockets of the poor under this Republican bill, and it is simply indicative of the whole pattern of Republican legislation in this Congress, and I am going to show it in case after case.

Mr. MILLIKIN. What percentage of the poor man's income does he pay in taxes?

Mr. PEPPER. He pays more taxes than he should pay.

Mr. MILLIKIN. What percentage does he pay, if the Senator has the table there?

Mr. PEPPER. I will say this to the Senator: The committee has tried to conceal in the bill what the poor man pays.

Mr. MILLIKIN. The committee has not tried to conceal anything. I am asking the Senator what percentage the poor man pays in taxes?

Mr. PEPPER. The Senator can figure up the percentage if he wants to.

Mr. MILLIKIN. The Senator has the table there. He can read it from the table.

Mr. PEPPER. If he has an income of $1,200 before personal exemptions, under the present law he has left $1,162. Under the new bill he would have left $1,173, and would pay approximately $30.

Mr. MILLIKIN. What percentage is that?

Mr. PEPPER. I do not have the percentage in this table.

Mr. MILLIKIN. What does the $100,000 man pay?

Mr. PEPPER. I do not have the percentage on that. He pays approximately 60 percent. If he pays approximately $63,000 out of $100,000, he pays that percentage.

Mr. MILLIKIN. Is not that a generous recognition of ability to pay?

Mr. PEPPER. What I am saying and what I want the Senator to get in his mind is that we have two classes of taxes levied on the people of the country. One is the direct income tax and the other is the excise tax. What I said about concealment was this. There has not been a dime lifted off the backs of the people who pay the excise taxes. Most of them are poor people. Persons receiving under $5,000 a year pay 80 percent of the total excise tax bill. They have not had a dime of tax relief. So that when we say how much a poor man has paid we must take into consideration the excise tax he pays, the gasoline tax, the tax on the automobile tire he buys, the taxes on the bus fare, train fare, and plane fare which he has to pay. In relation to his income he pays a disproportionate share of taxes through the excise tax of which the Republican majority has not lifted a penny.

Mr. MILLIKIN. The Senator's party has had 14 years to correct those inequities. What has his party done about it?

Mr. PEPPER. We had the Republican depression——

Mr. MILLIKIN. There has been no Republican depression during the past 14 years. There were 9 years of depression under the Senator's party.

Mr. PEPPER. Has the Senator forgotten about Hoover?

Mr. MILLIKIN. I have not. But the Hoover depression was continued for 9 years under the Senator's own party, and nothing was done by his party about it.

Mr. PEPPER. The length of time it requires to get out of a hole depends on how deep the hole is—and we were lucky ever to get out of the hole.

Mr. MILLIKIN. It also depends on what effort is made to get out of the hole and the wisdom of the measures employed in that effort.

Mr. PEPPER. If we had not had the Liberty League and the bought press to obstruct us, we would have gotten out more quickly.

Mr. MILLIKIN. The Democratic Party had the benefits in piling up a $50,000,000,000 deficit. Now the Democrats are saying to a party which has been in power for about 6 months, "Why have

you not done this?" I answer, "What have you done?"

Mr. PEPPER. When the Democrats were writing tax bills they tried to take into consideration the principle of ability to pay, and they laid the principal part of the burden upon the men who were able to pay. The corollary of that principle would be that when we start to reduce taxes, reduce them first where the need is the greatest. It is a policy to the contrary which has been followed by the Republican Party.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. JENNER. Is it not a fact that the Senator loves the common man, the poor man of America, so much that he does not want to give him even a 30-percent reduction in his taxes?

Mr. PEPPER. If the Senator wants to put up my affection for the poor man and judge it by my voting record and compare it with that of almost any other Senator on the other side of the aisle—with the exception of two or three Senators on the other side of the aisle—I think the comparison would be favorable to this side.

Mr. JENNER. How much does the Senator love the poor man—so much that he does not want to give him the benefit of a 30-percent reduction now?

Mr. PEPPER. Not if the Senator and his Republican colleagues are going to make the policy effective in favor of the man who receives an income of $100,000 and give him a great deal more in percentage than is given the poor man. The important thing is, How many more dollars does a man have in his pocket under the Republican bill than he would have had otherwise? I can show that per thousand dollars of income——

Mr. JENNER. Will not the 30 percent help the man whom the Senator loves so much?

Mr. PEPPER. Yes; but I want to be judged by my love for the poor man and not by my love for the rich man.

Mr. JENNER. The Democrats have had 14 years to demonstrate their love for the poor man, and nothing has been done about it.

Mr. PEPPER. We have been trying to pay off the Republican deficit. We have been trying to pay for Hoover.

Mr. JENNER. If I have my figures correct, Mr. Hoover left this Nation in debt about $27,000,000,000; but when Mr. Roosevelt——

Mr. PEPPER. And there were 20,000,000 persons unemployed.

Mr. JENNER. When Mr. Roosevelt got through we had a debt of approximately $260,000,000,000.

Mr. PEPPER. Does the Senator know what the difference in the national income was after that? It might be pertinent to remember that the national income was $38,000,000,000 in Hoover's time, in the Hoover era of America, and in the Roosevelt era it got up to nearly $170,000,000,000. It took a $200,000,000,000 increase in the national debt to conquer fascism. It took a $25,000,000,000 increase during a Democratic administration to reduce the Hooverized unemployment which we Democrats inherited from the Republicans by 50 percent.

Mr. JENNER. Wait a minute.

Mr. PEPPER. And the debt could have been paid off by the difference in the value of the assets of this country in 1 year.

Mr. JENNER. We have a lot of baloney dollars floating around; I will admit that. But I wonder if the poor man is any better off than he was?

Mr. PEPPER. We did not even have baloney dollars in Hoover's time.

Mr. JENNER. Does the Senator know when the Hoover depression ended?

Mr. PEPPER. It started ending on the day Hoover went out of office.

Mr. JENNER. Is that correct?

Mr. PEPPER. It started ending on the 4th of March 1933. Does the Senator remember that? That was the beginning of the end.

Mr. JENNER. This is what I do remember: That from 1933 up until the time we went into the war there were still 10,000,000 Americans walking the streets of the Nation unemployed. I will tell the Senator when the Hoover depression ended. It ended when the New Deal entered World War II, and not until then. Let us not talk about Democrats; let us talk about New Dealers.

Mr. PEPPER. The Senator has given me some interesting information. I suppose he means now to charge that the war was a Democratic war?

Mr. JENNER. Mr. President, let us not talk about New Dealers; let us talk about Democrats. I love Democrats.

Mr. PEPPER. If the Senator wishes to take that position before his country, he is perfectly at liberty to do so.

Mr. JENNER. I do take that position.

Mr. PEPPER. Very well; I shall let the Senator's statement stand the judgment of history.

Mr. JENNER. That is all right. Let history also judge the fact that 10,000,000 men were unemployed during the New Deal administration when our country went into World War II.

Mr. PEPPER. Yes; there were 10,000,000 unemployed at that time, perhaps only half the number of Americans who were unemployed during the Hoover regime, for it is obvious that if 10,000,000 men were unemployed immediately prior to World War II that would show that at that time just 10,000,000 more Americans had jobs than was the case when Mr. Hoover went out of office.

Mr. JENNER. In other words, is the Senator saying that there were 20,000,000 unemployed in Mr. Hoover's time?

Mr. PEPPER. That is right.

Mr. JENNER. According to that, all of us were selling apples to each other. [Laughter.]

Mr. PEPPER. Not exactly, only 20,000,000 unemployed and not 60,000,000—but many of the unemployed Americans who were selling applies in those days were American veterans.

Mr. JENNER. O Mr. President, I will see the Senator from Florida after lunch. [Laughter.]

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. PEPPER. I shall yield in a moment.

Mr. President, I am predicting that if the policies which now are being pursued by the majority party are continued there will be another recession, and the majority party will be entitled to claim the credit for it, too. It will be Hoover depression No. 2, or perhaps we might say it will be the little Hoover depression.

I do not know of anything more indicative of the general policy and trend and character of the Republican program than the prominence which Mr. Hoover has now reacquired in the leadership of his party. I do not say that as a personal disparagement; I am not speaking about the former President of the United States in a personal way with the slightest disparagement; but I say that he and his policies stand convicted by the people of the United States as contrary to the public interest; and when anyone begins to put those policies again into practice and begins to pursue a similar policy, I anticipate that the inevitable result will be something equally contrary to the public interest.

Mr. President, I was talking about the taxpayers. Now let us examine a few of the appropriations which have been controlled by the majority party. Let us consider the Bureau of the Budget's requests for the Department of Labor. Let us remember that it is the Department which has to do with the welfare of the working men and women of America. The Bureau of the Budget's request for 1948 appropriations for the Department of Labor was $103,578,000, and in the House of Representatives the Republican majority there reduced that amount to $89,864,000, and in the Senate it was reduced to $79,862,000.

In other words, the majority party evidently wishes to diminish and impair the ability of the Department of Labor to serve the people of this country, including—and I shall come to that—its effort to resolve industrial disputes and prevent work stoppages.

Now, let us consider the appropriations for the Conciliation Service of the Department of Labor. The Conciliation Service is the branch of the Department of Labor whose duty it has been to try to stop strikes and to settle disputes. But let us see what the majority party has done to the appropriations for the Conciliation Service. The Budget request was $2,678,000. The House of Representatives reduced that to $2,080,000—representing a diminution of almost $600,000 in the appropriations for the agency which was created by the Government of the United States to try to settle disputes and prevent work stoppages. In the Senate the appropriation for that agency was cut to $2,200,000.

Now let us consider the appropriations for the Wage and Hour Division of the Department of Labor. It is the branch of Government which tries to see to it that the workman at the bottom of the ladder receives his measly 40 cents an hour; that is all. He is guaranteed by law 40 cents an hour for his work. In interstate commerce that agency of the Government is designed to see that the workman receives the 40 cents an hour which the law entitles him to receive.

But what did the majority party do with that Budget request? In the House of Representatives it was cut from $5,204,000 to $3,748,000, and in the Senate it was cut to $3,847,000, despite the passage of the portal-to-portal pay bill, imposing additional functions on that Division.

Mr. President, the appropriation for the Federal Security Agency is worthy of attention. The budget request was $976,370,000. In the House of Representatives it was reduced to $899,045,000, and in the Senate to $899,688,000.

Now let us consider the appropriations for vocational education. Vocational education is given to those persons in our economic life who need some training in order to make a better economic adjustment in industry. By means of vocational education they receive training which enables them to do other work as trained persons. However, despite that laudable purpose, the budget request for that agency, which was $29,301,000, was cut by the House of Representatives to $14,200,000, and was set at $17,750,000 by the Senate.

Mr. President, let us now consider the appropriations for vocational rehabilitation. Vocational rehabilitation is given to those persons in our economic life whose limbs are broken during the course of their employment or who in some other way become handicapped as the result of accidents in industry. By means of rehabilitation they are trained to adjust themselves to make a living. The budget request was $20,439,000. That was cut to $18,500,000 by the House of Representatives, and to $18,000,000 by the Senate.

Mr. President, let us now consider the appropriations for 1948 for the Department of Agriculture. Oh, the Grand Old Party has always professed to be a friend of the farmer and to help agriculture, notwithstanding the fact that when the Republicans were last in power, farms were being foreclosed all over the United States and the situation was so desperate that food was being burned at a time when millions of Americans were hungry. In respect to the 1948 appropriations for the Department of Agriculture, the Budget request was $805,141,000. That was cut by the House of Representatives to $572,172,000. That bill has not yet come to the Senate.

Mr. President, I wish to refer now to the school-lunch program, which is a program aided by the Federal Government and matched by the States, by which the school children of America are guaranteed at least one warm, nutritious meal a day. The purpose is not only to enable them to learn better in the schools, but to enable them to live better in America, and to see to it that if an enemy again attacks our land, they will be able to defend it, and will not be rejected by Selective Service for physical or mental deficiency. Mr. President, what did the Grand Old Party do to the school-lunch program? The bill is now in the House of Representatives. The appropriation was cut from $75,000,000 to $45,000,000, and the House also knocked out $6,000,000 for the purchase of surplus food under section 32 of the AAA Act.

Mr. President, I am saying nothing less than that, in order to give the man making $100,000 a year $11,844 in tax reduction, or a percentage increase in spendable income of 34.2 percent, the present Republican majority in Congress would take a good meal a day out of the mouths and bodies of the school children of America. It comes down to that, Mr. President. It is a part of the sacrifice they have exacted; it is a part of the price they have made the people and children of America pay. In order to reduce the taxes of the rich, they would actually take food out of the mouths of the school children of America. From our State my colleague and I have received letters in which it is stated that it has been impossible even to match the State's contribution; yet they have been denied the right to use the income from the lunches they sell to the children who can afford to pay, so that they can give more food to the children who cannot afford the few cents each noon that would be required for the meal that might be served. Mr. President, any party that ignores the welfare of the children of America is not thinking soundly about the essential strength and power of this land of ours.

The Republican majority in Congress cut out availability of $150,000,000 under section 32 for the purchase of surplus farm products. What does that mean? Under section 32 of the Triple-A Act, when tariffs—and they have usually been Republican tariffs—are collected on imports of agricultural products into this country, they are placed in a fund which is used to help agriculture in America. If there is a glut in the citrus market, if it is impossible to sell citrus products, it is the funds of the Surplus Commodities Corporation which might come to the aid of the growers, and to the aid of every other agricultural industry in America. But that has been completely cut out, and the money that comes from the tariffs on imported agricultural products is taken away from the agriculture of this land and deposited in the Federal Treasury, so that it will be possible to make further reductions in the taxes of those who are most able to pay.

Mr. President, that means that we are not only going to be denied a market we now have for our agricultural commodities, but it means many a child and old man or old woman in some part of our Nation who has been the beneficiary of the food which has been bought under that program, will not get it in the future. That is the significance of what has been done in respect to that matter.

Now I wish to mention another feature. We hear talk about the New Deal. Go forth in America today, in almost every section of this land, and see the little farm house; approach it in the evening and see the glow of an electric light breaking from the friendly windows. Who put it there? Every one of those lights should have on it the initials "F. D. R." It was Franklin D. Roosevelt and his party that had the courage and the stamina to fight the Power Trust of America, and put electricity in the homes of the rural population and in the homes of the poor, throughout the length and breadth of this land.

It will be remembered how the power trust fought that movement, how they denounced it, the hundreds of thousands of telegrams they initiated which came here in an effort to discredit the Utility Control Act. But the Democratic administration forced it through the Congress, and the Democrats have maintained and supported it ever since, because they believe in it.

Has anyone seen the Democratic administration cutting down the funds of the REA? They have been trying to increase them, because our goal should be to have electricity in every rural home in America, and at a price the farmer can afford to pay. Even the tenant farmer is entitled to it. But what did the Republican House do? They cut $25,000,000 from the REA budget request, and thereby 25 percent fewer farms will be able to get electricity in 1947 and 1948.

Mr. President, let it be remembered that the money expended by that agency is not charity, it is not a Federal grant. Every dollar of that money is to be paid back. It is merely a loan to the beneficiaries. These projects are self-supporting because they are so wisely conceived and executed.

Mr. President, ride along the rural highways of America, back into the out-of-the-way places, and note the houses from which the only light that gleams is the flickering flame of a little lamp or a candle. In those instances we might as well put up a Republican sign saying, "These homes cannot have REA, but we are going to cut taxes so that the man who makes $100,000 a year will have $11,844 more to spend than he has been having in the past, or an increase of spendable income of more than one-third."

Mr. President, these are all facts, and they are all the representations of what has been done by the House of Representatives in respect to the agricultural appropriation.

Let me take now the Interior Department appropriation. The Interior Department budget request was cut by the House from $295,420,000 to $161,413,000. They cut the Bureau of Reclamation budget request by $145,952,000. What does that mean? I am speaking as a southern Senator for reclamation projects, but the Senators from the West, some of whom are on the floor of the Senate now, without regard to party, have stood here and decried and denounced the disservice that is being done to the great West by the refusal of the Republican majority to carry on the great reclamation program which has been initiated and carried forward so splendidly under the Democratic administration.

Mr. MURRAY. Mr. President——

The PRESIDING OFFICER (Mr. McGRATH in the chair). Does the Senator from Florida yield to the Senator from Montana?

Mr. PEPPER. I yield.

Mr. MURRAY. Those programs, too, are all reimbursable. Every dollar that is to be expended in the development of those reclamation projects, and the construction of the dams in the West, is

repayable with interest. Notwithstanding that, the majority is proposing to block the development of projects in my State of Montana which are absolutely essential. They are cutting the funds, too, for soil conservation, thus permitting the waste of the top soil. It seems to me that the Senator is performing a very fine service in bringing out these facts, to show the unfairness and the political dishonesty of those in the Congress who are making these proposals.

Mr. PEPPER. I thank the Senator from Montana. The Senator from Montana, who has just spoken, is a Democrat, but I have heard words just as strong from Senators on the other side of the aisle who represent western States. I particularly remember the Senator from Oregon and other Senators on the majority side, who are as much opposed to these cuts as are we on this side of the aisle.

Mr. President, had it not been for the great dams which were built under the Roosevelt administration, when there was a Democratic majority in the Congress, I dare say we could not have won the war, at least with the loss of as few lives, or as quickly as we did. Responsible authorities said that we could not have won the war without the aluminum and the other materials which came, directly or indirectly, from those great power projects—the Tennessee Valley Authority, Bonneville, Grand Coulee, and the other projects built under the Democratic administration.

When our soil is wasting away, when power is running without value down the streams into the salty sea, and it is proposed, as a contribution to the national wealth, to save the soil and harness our streams, and make them serve man with food and light and power, a short-sighted policy of Republican economy says no. They would rather reduce taxes on those most able to pay than to continue those programs for the people of America.

Mr. President, for the Commerce Department there was a budget request of $286,989,000. Mr. Henry Wallace, or some New Dealer whom the Republicans might seek to discredit, was not the Secretary of Commerce who submitted those figures. They were submitted by Mr. Averell Harriman's department. Mr. Averell Harriman is one of the successful businessmen of America, trying to help business as Secretary of Commerce. His Department submitted a budget request, through the President, for $286,989,000. How much did it get? It got $194,305,000. That is the agency of the Government primarily charged with helping big and little business in America, trying to keep this Nation prosperous, trying to keep employment at the peak, trying to keep the national income high, trying to preserve the well-being of all the people of America. Yet, Mr. President, in order to reduce the taxes of the man who is making $100,000 a year, so that he will have to spend nearly $12,000 more than he has had, and, similarly, to favor other people who need it less, the majority are willing to cut the budget of the Department of Commerce, and contribute to another depression.

The United States Treasury budget was $2,550,000,000. That was cut to $1,671,000,000 by the House and to $1,710,000,000 by the Senate.

Mr. President, these are merely illustrative considerations which I have given. But what has been done for Federal aid to education? What has been done to help the States of America give their children a better education? Oh, if the majority in Congress were devoted to the public interest, would they not be in favor of public education first? Would they want to deny to any child in this land a chance to go to school, and to a good school, and for at least 9 months a year? Why have not the majority party given us a Federal-aid bill? I think I read in the newspapers that their party, on the other side of the Capitol, said there was not going to be any legislation this year on Federal aid to education. Mr. President, I believe in putting first things first. I would give the children of America a chance to get an education before I would cut the taxes of taxpayers who are already living according to a standard of living far above that of the average American family and the average American home.

With regard to housing, what legislation has been passed? I want to commend the Senator from Ohio. The Wagner-Taft-Ellender bill, or the Ellender-Taft-Wagner bill, or the Taft-Wagner-Ellender bill, however it may be styled, is a forward step. The Senator from Ohio has associated himself courageously with the housing program. But his party is in power; he is chairman of the Policy Committee of the United States Senate; and I understand the Senator is very influential in the other House. Why has not the Congress passed housing legislation? I hope that it will go on the must list of the majority party. By the end of the session, we shall see whether they put housing for the American people and education for the American people as high on the must list as they put the portal-to-portal bill or the bill to limit the tenure of the President of the United States below what the people might choose to award him; in other words, the post-Roosevelt attack on Roosevelt, when the Congress, in the earlier stages of this session, demanded and pushed through a measure saying that a man could not be elected President of the United States if he had served as much as 11 years, even if every qualified voter in America wanted to vote for him for that office. They could not defeat Roosevelt while he was alive, but, after he died, they were able to regulate the number of terms his successor might be able to enjoy.

So I say, if those things have been on the must list, why have not public education and public housing, like the tax bill and these other proposals, been put on the must list?

The President recommended health legislation. He recommended, again, a National Health Insurance Act, to make it possible for the people of America to budget their health cost and their health care. The bill introduced is now before the committee, but nobody is sanguine enough to believe that it has any chance. No, the bill that is primarily being considered is the Taft bill, a bill that appropriates $200,000,000 to aid the States in giving medical charity to the people of America. If one is willing to meet a means test, if he is willing to go up and whisper, and say, "I can't pay," and admit it; if he is willing to humiliate himself by claiming and accepting charity, it will do that much good—$200,000,000 worth. But, Mr. President, the President of the United States recommended an American health bill that would be based on the American principle of insurance. A worker would pay 1½ percent of his wages or salary up to $300 a month; the employer, as in the case of social security, would pay the same amount; and whatever might be needed would be appropriated by the Federal Government. That would make available to almost every man, woman, and child in America a doctor, a nurse, a surgeon, a hospital, X-rays, and the medical care generally that the citizen might need. That is democracy, Mr. President. But does anyone think the majority party is likely to look with favor upon that recommendation by the President of the United States? That is not on the must list, nor is even the Taft bill on the must list. The health of America can wait; public education can wait; reclamation can wait; but we have got to give tax relief to the rich, Mr. President. That is what it all boils down to.

What has been done for the veterans, Mr. President? Have their benefits been increased? Are we going to take tax reductions and give them to the veterans? No, Mr. President; the veterans who fought at Okinawa and the Solomon Islands, and everywhere else upon our broad battle front, and who are now in school are trying to live on $65 a month. They and their families are trying to live on $90 a month. A man in on-the-job training, if he is single, is trying to live on $175 a month. If he has a wife and four children, he is limited by law to $200 a month. Mr. President, the Veterans' Subcommittee of the Committee on Labor and Public Welfare, the other afternoon, recommended certain increases, and there was splendid bipartisan cooperation from the Senator from New York [Mr. IVES], who is now on the floor, from the chairman of that subcommittee, the Senator from Oregon [Mr. MORSE], and also from the Senator from Indiana [Mr. JENNER], who was present. But does anyone suppose we are going to get that bill through the main committee? Does he suppose we are going to get it through the Senate? What we proposed in the subcommittee was to raise the benefit for the veteran in school, who is single, under the GI bill to $75 a month; for the man with a wife, to $105 a month; and for a man with a wife and at least one child, to $120 a month. We proposed to raise to the ceiling in on-the-job training from $175 a month to $200 a month for the single man, and to $250 a month for the married man. We also proposed to provide about $10,000,000 worth of automobiles for the veteran with one or both of his legs off at the ankle or above; with one or both of his hands off, or lost

to use; and also for the veteran who is blind. I do not know whether the attitude of the majority is going to be favorable toward that or not. They are going to say, "We cannot spend any more money," I am afraid. "Let the veteran totter down the street, hobbling on his artificial limb. We cannot give him an automobile. We have got to save money, so we can cut taxes on the rich." I hope I shall be disappointed, but I am calling attention to the situation. Let us see whether the full committee, headed by the chairman of the policy committee of the majority party, supports our subcommittee, where his party was also in the majority. Let us see whether his party supports that recommendation on the Senate floor and in the House of Representatives. If they do, they will be entitled to the credit. But, the way the pattern has been forming, it looks as though that legislation does not have very much chance, Mr. President. It is not on anybody's "must" list.

The minimum wage is now 40 cents an hour. We know what the standard of living of a man making 40 cents an hour is for himself and his family. We know they cannot have even the bare necessities of life. We know that many of the rejects for selective service came from the homes of the poor. But there has been pending here for months legislation introduced by the Democrats generally. I believe one bill was introduced by the minority leader and the Senator from Indiana, for a minimum of 65 cents an hour; but that has not been put on anybody's "must" list. Our bill sets 75 cents an hour. We are going to introduce another one, setting 65 to 75 cents an hour, by an escalator scale. Have Senators heard of that being on any "must" list of the majority party? No; that means more wages for the poor. But let anything be proposed for the rich, and the legislative process reminds one of the alacrity of the flea; it really goes somewhere, in the Congress of the United States.

Mr. President, I have already mentioned social security, and the farmers, and their situation. I have here a business report that appeared in the Wall Street Journal. The report goes on to say that it finds increasing signs that the boom is fading; individual savings tumble; credit buying skyrockets; the building boom lags; unemployment increases. That is all in the Wall Street Journal of May 14, 1947. It goes on to say:

> Unemployment rolls are nudging upward. The Bureau of Labor Statistics is not alarmed, but concedes that the number of gainful workers this summer will be well under earlier optimistic predictions.

It goes on in case after case and shows signs of an oncoming economic storm. Mr. President, I say that instead of trying to take purchasing power away from the people we should now try to build it up to counteract the recession which is already in progress.

Mr. President, have you ever been where the waves of the sea lave the shore and gradually undermine an edifice?

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FLANDERS. I should like to suggest to the Senator from Florida that the Republican tax bill does just the thing he was suggesting. It increases the purchasing power of the people.

Mr. PEPPER. I appreciate the comment of the Senator from Vermont, but the trouble is that under the new tax bill most of the benefits in dollars are given to the people in the higher income brackets.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. PEPPER. Let me finish my statement. Mr. President, I say that because the majority, the masses of the people, the people making less than $10,000 a year, have three times as much purchasing power as the people making in excess of $10,000 a year. Yet the amount that is given to the small taxpayer is very meager—and that is the important thing, Mr. President—whereas the greater part of the total reduction has been given to the people best able to pay. As was pointed out by the Senator from Illinois [Mr. LUCAS], if we were going to help purchasing power we would have added to the exemptions of the poor so they would have had more money, and then they would have contributed more to the purchasing power of the country than would the people in the higher income brackets.

Mr. FLANDERS. Mr. President, will the Senator again yield?

Mr. PEPPER. I yield.

Mr. FLANDERS. Has the Senator from Florida any figures as to the aggregate of saving and increased purchasing power in the lower income brackets as compared to the aggregate in the higher income brackets?

Mr. PEPPER. Mr. President, those figures were placed in the RECORD by the Senator from Wyoming [Mr. O'MAHONEY]. I thought I had the volume of the CONGRESSIONAL RECORD in which they occur. I am not sure that I do. But the Senator from Wyoming proceeded to show that the great volume of saving in dollars went to the people in the high income brackets, and that is, of course, borne out by the figures I have given here—that the man making $1,200 a year, without any exemption, at the end of the year, under the Republican bill, would have about $11 more than he otherwise would have had; but the man making $100,000 a year would have $11,844 more at the end of the year than he otherwise would have had. In other words, his purchasing power would be increased by 34 percent, whereas the purchasing power of the $1,200-a-year man would be increased by 1 percent.

What I now say, Mr. President, is, as the Senator from Illinois argued in the Senate, that if we really wanted to preserve the prosperity of the country we would have given these reductions to the masses of the people in an effective amount, instead of to those who needed the reductions less.

Mr. President, why do I bring up these matters? I bring them up because I aver that all these discriminations against the poor in favor of the rich are a part of the same policy and pattern with the labor bill we are considering here today. I say that the labor bill, like the tax bill, is going to be more burdensome to the poor than to the rich. It is going to place exactions and loads upon the backs of the workers, and not put them on the backs of the employers. I say that the bill is going to drive wages down. If I were to apply a name to the labor bill, I would say it is a bill to cheapen labor in America, because that is exactly the effect it is going to have.

Mr. President, why do I say that? I say that because the organization of labor, which means the labor union, has been the principal instrument by which the wages of the workers of America have been lifted—that and the legislation fixing a minimum wage for a certain class of workers, though the latter applies only to the class at the very bottom of the economic level. The chief weapon the worker has had is the principle of collective security, collective bargaining. That means the workers could work together.

Yesterday I quoted from the former Chief Justice of the United States, Mr. Taft. I am not sure that his distinguished son has in his policy today the liberal understanding of the purpose and the effect of the labor movement that this eminent father wrote into the language I shall read. This is what Chief Justice Taft had to say about the labor unions:

> Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was, nevertheless, unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer.

Mr. President, I lay it down as a premise that anything which deprives labor of the power to deal on equality with an employer is contrary to the interest of labor, and my authority is the former Chief Justice, the former President of the United States, Mr. Chief Justice William Howard Taft.

I say that the labor bill now before us was designed for the purpose of weakening the worker in his bargaining with his employer. It had as its principal aim and intent and design the crushing of the power of the labor unions of America, because many people felt that they were asking too much for the workers of America. Do Senators know that two-thirds of the families of the United States now make less than $2,000 a year? Are they rich? Are they receiving too much? Do Senators know that the Federal Reserve Board made a survey of the savings of the poor and found that two out of five families in America had total liquid savings of less than $40? Are the workers of America receiving too much, Mr. President? Do we in the Congress have to strike down their bargaining power?

I ask that question because in 1946, 82 percent of the hours lost on account of strikes were over disputes respecting wages and hours. The workers were trying to obtain more pay. Seventy-five percent of all the workers on strike in

1945 were on strike because of disputes affecting wages and hours. The labor-union movement of America has tried to obtain more wages and shorter hours and better working conditions for the working men and women of America.

Mr. President, I have here a copy of the United States News, issue of June 6, 1947, which contains an article under the following heading:

Are jobs to become scarce? Estimates that unemployment will climb to 7,000,000 next year.

I call attention to that article. A reading of it should convince Congress that instead of today weakening the labor union we ought to try to strengthen the labor union so as to keep employers from cutting wages when they do not have to do so. Oh, it may be said, "They will not cut wages when they do not have to." Mr. President, I wish that were true. But I cited here in an earlier debate on this subject that the American Telephone & Telegraph Co., the largest monopoly in America, has had an unbroken record of a $9 yearly dividend for 23 years, and not once during the depression did that company reduce the dividend by a dime, but it did fire 150,000 workers.

It is proposed to weaken the power of labor unions to strike, to use their economic strength. The question may be asked, Should they use their economic strength? Chief Justice Taft said they had a right to use their economic strength. In the opinion from which I read he said:

Union was essential to give laborers opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body, in order by this inconvenience to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth.

If we take away that power to make him pay what their labor is worth, the power to inconvenience and to rob him of profit by striking, by stopping work, by withholding their labor, I ask, How many businessmen anxious to please directors and stockholders will withstand the temptation to cut wages but to let dividends remain the same, to let surplus pile up, and let the financial structure of the corporation remain unimpaired?

So I say that a labor bill which weakens labor weakens America. Not only does it diminish our production, but it impairs purchasing power, not to speak of the standard of living of the people.

Why do I say that this bill will have such results. First, I wish to advert to the changes which have been made in the Senate bill. I thought the Senate bill itself struck almost a fatal blow at the organized-labor movement of America. But the conference committee was not satisfied to stop with the Senate bill. It added to it. I should like to call attention to the respects in which the conference committee has changed the Senate bill. My references will be to the conference committee print issued May 30, 1947.

On page 6, in section 2, they have so limited the definition of "agent" as to limit the liability of the employer for wrongs to labor. What do I mean by that? Under the old law, anyone who was acting in the interest of the employer was able to bind the employer. He did not have to be specifically authorized technically as an agent. If he was in the position of the employer and was acting in his interest, he could bind the employer for liability for a wrong against labor. That liability has been diminished. Now before the employer can be held responsible for a wrong to labor the man who does the wrong must be specifically an agent or come within the technical definition of an agent. That change has been made in line 15 on page 6.

I pass on to page 10 of the committee print, dealing with the National Labor Relations Board. Nearly everything that could have been done to impair the efficiency of the Board has been done. In the first place, the membership has been enlarged. It is never possible to get quite the same efficiency in a larger body as in a smaller body. In the next place, the Board itself, as has been pointed out by the Senator from Oregon [Mr. MORSE], is no longer able to administer its own business with the efficiency with which it has done so in the past. For example, in the past it could have a review agency to act as a sort of intermediary, to make studies and recommendations upon cases, and aid the Board in expediting its business. With the hundreds of thousands of cases coming before the Board, limited as the Board is so that it must personally and directly make every decision, and may not have the intermediary agency to which I have referred, the Board will not be able to keep up with its work and give the protection to the workers which the Board was primarily created to provide.

Another significant change has been made by the conference committee. I refer to page 11, section 3, subsection (d). The conference committee created the office of general counsel. The general counsel is to be appointed by the President and confirmed by the Senate. Nevertheless, the general counsel is to have absolute power over the field organization and the attorneys employed by the Board. Even more important, he is to determine when a complaint shall be acted upon by the Board. In other words, one man is made the arbiter of every case that comes before the attention of the Board. The Board has no authority to decide whether a case should be brought, or whether a complaint should be acted upon. That exclusive power is given to one lawyer, provided for by the conference report. That is contrary to what I believe to be sound public policy.

I now refer to page 14, section 7. That section provides that—

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

That is what the National Labor Relations Act provided. It gave workers the power and the right to organize and to work collectively for their common good. But the conference report has added to that language the following provision: "and shall also have the right to refrain from any or all of such activities except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8 (a) (3)."

That may sound innocent on its face, but I point out the possibility that that section may be used as the basis for future "yellow dog" contracts. Under that language I believe that if a worker has a right not to organize, not to join a union, he can agree with his employer not to join a union. He can accept employment on the condition that he will not join a union. That is a "yellow dog" contract, which is infamous in the labor history of America. That is just another instance to show that every inducement is held out to weaken the union, to make organization more difficult or ineffective, to strengthen the hand of the employer and weaken the hand of the worker who is reaching out for a living wage for himself and his family.

I pass now to page 16, subsection (b) of section 8, defining unfair labor practices. For the first time it is made an unfair labor practice to restrain or coerce workers, thereby practically prohibiting a labor union from trying to encourage membership or persuading a group of workers to a common policy. I believe that provision was in the Senate bill. That is not new in the conference report.

I pass to page 18, section 8, subsection (b) (4) (D), dealing with jurisdictional strikes. The President of the United States made a recommendation about jurisdictional strikes. What did he say? I read from page 136 of the CONGRESSIONAL RECORD of January 6 of this year, from the address of the President to the joint session of Congress:

First under this point are jurisdictional strikes. [Applause.] In such strikes the public and the employer are innocent bystanders who are injured by a collision between rival unions.

The President said he recommended legislation to resolve disputes of a jurisdictional character between rival unions.

But in the conference, Mr. President, here is what has been added. I am reading from lines 11 and 12:

Or in a particular trade, craft, or class.

In line 13:

In another trade, craft, or class.

This is the way the Senate bill read:

It shall be an unfair labor practice * * * forcing or requiring any employer to assign particular work to employees in a particular labor organization—

Meaning a union—

rather than to employees in another labor organization.

That meant another union. That carried out a recommendation of the President, but the conference has provided these other words:

Or in a particular trade, craft, or class.

What does that mean? That means that if in a given plant there is a carpenters' group, we will say, engaged in certain work, the employer, if he wishes to break the effect of the union, can

start transferring work, not to another union, but to another craft or class or another trade. He need not transfer it to a union. He can transfer work from a union to the nonunion group, and thereby break the union by taking the work away from them. It is another case not of doing what the President and the people of the country want, which is to resolve jurisdictional strikes and bring about some kind of a solution which will be effective, but the bill and the conference report deny unions the right to strike and effectively to protest against their work being taken away from them and given to nonunion workers. That is not the case of a jurisdictional strike; it is a denial of the right of the workers to defend themselves by their collective action. The American Federation of Labor would be particularly affected by this provision, because they have more craft unions than does the CIO or any other union organization to my knowledge.

Moving on, Mr. President, to subparagraph (5)—I am still referring to section 8—the right is given to refuse to recognize a union, to deal with a union, or to give a union their rights under the law, if they charge a fee in an amount which the Board finds excessive or discriminatory under all the circumstances.

Please understand that all these things I am describing are added onto the Senate bill for the first time. The Board is given the power to fix the union dues that are to be charged to the members of the union, who have constitutions and bylaws and democratic voting rights in their own organization. I aver that a labor union has as much right to fix its own dues as has the lodge to which I belong, or the church to which I belong. That is their business. They do not need the protection of the majority party or of the National Labor Relations Board, in my opinion. Conditions differ. I think it is a democratic privilege to elect their own officers, to provide their own constitution and bylaws, and to fix the dues that shall be paid into the organization which they control.

It is another case of interference in the affairs of the union in order to weaken it in relation to the problem it has to meet. If a union has the right to strike, it will need relief funds for its workers who are out on strike. The Board can say, "We do not recognize your right to build up surplus for the workers." But no one is going to tell the corporation which is the employer that it cannot build up a surplus for hard times. This is another case of discrimination against the workers in favor of the employers.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. There is no such restriction unless a union wants to insist on a closed shop and insist that every employee be fired unless they are members of the union. That is the case in which that provision applies. We say, "If you want a closed shop you cannot have a closed union. You must conduct your union so that anyone can be admitted to it on an equal and non-discriminatory basis."

Mr. PEPPER. I thank the Senator for making it doubly clear that before they can really be recognized in the enjoyment of the rights of a union they have got to submit to that kind of meddling in the affairs of their organization. They have got to let the Board fix the dues to provide a surplus and to provide the relief funds of the union and make them available to furnish assistance to the workers.

Mr. President, I pass on to the next subject I wish to consider, which is paragraph (6), which reads as follows:

> To cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or any other thing of value, in the nature of an exaction, for services which are not performed or not to be performed.

We had some discussion regarding that yesterday. The able Senator from Ohio submitted his views. I asked the Senator from Ohio two questions: First, what about the case of a group of women workers who demand of the employer a 15-minute rest period every morning, and maybe another one in the afternoon, and who demand pay for the time they are resting? That comes within the language of the bill, in my opinion. At least it is a litigable subject, and this bill is replete with opportunities on the part of employers to sue the unions, to claim an injunction, or to claim some kind of redress from the National Labor Relations Board.

I pointed out another case to the Senator from Ohio. In the contracts of most of the unions I am told that a worker reports for work in the morning. The employer may say, "I do not have anything for you today." The worker has gotten up and gone there. He is ready. Under union contracts the worker can get pay for that day, though he does not work. If he strikes or threatens to strike for such a provision in the contract he comes squarely within this language of demanding pay for a time when he did not work. This is a subject of litigation, and I shall come later to a provision of the bill which will show that one of the ways that the employer can wreck a union is to keep his high-price corporation counsel busily engaged suing the union, attaching its funds, and in other ways making the operation of the union impossible or extremely difficult.

I come to the next subsection, (c), which reads as follows:

> The expressing of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this act, if such expression contains no threat of reprisal or force or promise of benefit.

What does that mean?

First, let me state what the law is at the present time. Under the present law, it is an unfair labor practice for an employer to discharge a worker because he attempts to organize or to join a union. The question is always at issue in such a case before the National Labor Relations Board as to what was the real reason for the discharge of the employee. Was he incompetent? Did he violate the rules of the company? Or was he discharged because he was trying to organize or to join a union? The Board has to take all the evidence. It has to have a trial, the way a court would, to determine what was in the mind of the employer when he fired the worker. Why did he fire him? Under the present law, in such a trial anything the employer wishes to introduce, as in a civil or criminal trial, if it is relevant, can be admitted in evidence and considered by the Board.

Suppose 10 workers are fired. Under the present law they make a complaint to the National Labor Relations Board. The Board has a trial to determine from the evidence what was the reason for the discharge of those 10 workers. Was it because they were trying to organize a union in that plant, or was it because they were the 10 most inefficient workers in the organization? Under the present law, if someone heard the employer say, "I hate labor unions; they are a menace to America," that statement could be admitted in evidence. The Board could consider it and weigh it in connection with the act of the employer in discharging those 10 workers. But there were some good lawyers working on this conference report. Some very able, competent lawyers were working on it. They provided that what a man says or writes or prints cannot even be put in evidence unless the statement itself is complete with a threat. In that connection, let us consider a comparable situation; namely, a case in criminal law. Suppose a defendant is on trail for murder, and suppose he has an alibi; suppose he says, "I am a good friend of the deceased. I did not have anything to do with his death. I was somewhere else." Suppose a witness states that a week before the murder the defendant said, "I hate that fellow. He ought to be dead." That testimony would be admissible in any court in the United States; but under this bill, by analogy, it could not be admitted unless the defendant said, "I hate that fellow. He ought to be dead, and I am going to kill him next Saturday night with a pistol." Mr. President, is that fair? Is it designed to give the worker fair protection?

That indicates the way this bill is simply riddled with such hidden knives to strike at the heart of labor. That is why the bill is so much more dangerous than appears on its face.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KNOWLAND. Some time ago the Senator from Florida and the Senator from Montana [Mr. MURRAY] had a discussion relative to the Interior Department appropriation bill, as passed by the House of Representatives. I wish to make a comment about it, but I waited to call the attention of the able Senator from Florida to it until a time when the Senator from Montana had returned to the Chamber. Let me say I am sure the able Senator from Florida wishes to have the record straight and the facts correctly stated.

Mr. PEPPER. I do.

Mr. KNOWLAND. I come from a western State. California is about as far

west as it is possible to go in the United States. Our State is vitally interested in reclamation. The reclamation law was developed under a Republican administration, and it has been with us since 1902.

I happen to be one of those who feel that the House of Representatives made too drastic cuts in the appropriations for the reclamation projects, but I wish respectfully to submit to my able colleagues, the Senator from Florida and the Senator from Montana, that more damage was done to the progress of reclamation in the West by the President's freeze order of last year than has been done by the recent action of the House of Representatives. I wish to call to the attention of the able Senators the fact that when June 30 comes, and when the present fiscal year ends, according to the figures of the Bureau of Reclamation itself, there will be in excess of $56,000,000 of unobligated funds which will be carried over; and the able Senator from Florida will recall that in August of last year the President imposed a freeze order, so that construction could not take place, applying to funds in the amount of more than $85,000,000. That was later modified and increased to $110,000,000, and finally to $130,000,000; and for 1948 the President's freeze order amounted to approximately $177,000,000. So, as a matter of fact, with the amount allowed by the House of Representatives and the amount of the carry-over and with the possible additions which may be made by the Senate, probably sufficient funds will be available to reach the amount of the ceiling which has been placed on the expenditures for reclamation projects by the President of the United States himself.

Therefore I wish to reiterate that I believe more damage has been done to the construction of reclamation projects in the West by the President's freeze order of last year than has been done by the action of the House of Representatives.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAGNUSON. I, too, think the record should be kept straight. The President's freeze order was issued only last August as to reclamation funds which could not be expended at that time. Contracts were not then available, and machinery and materials were not then available. The President lifted the freeze order when work under the contracts could proceed. Then the President, after a long series of hearings and conferences, set a budget figure for this year, after the contracts had been let. The real fact is that after that budget ceiling was fixed on reclamation projects, based upon the advice of the Bureau of Reclamation as to how fast it could progress on certain great projects, such as the Central Valley project and the Columbia Basin project—after that minimum amount had been set, the House, by a yea-and-nay vote, voted to cut the funds for the Columbia Basin project right to the bone.

I hope the Senator from California is correct in assuming that the Senate Appropriations Committee will vote to restore the funds for these items. However, the absolute minimum requested for the Columbia Basin, for instance, which is the greatest reclamation project in the entire world, was $27,000,000, and that was cut to $11,000,000 or $12,000,000. I may have made a mistake of as much as $1,000,000 in stating the amount of the reduction; and, if so, I hope the Chairman of the Appropriations Subcommittee will correct me.

Mr. President, I hope the Senate will restore that cut.

However, in the hearings in both Appropriations Committees it has been stated that the President's freeze order hurt the reclamation projects. I do not know whether it hurt the projects in the State of Montana, but I know that it did not hurt the projects in the States of Washington and Oregon, because the freeze order simply held the funds for such projects in abeyance until they could be spent in the best possible way; and as soon as the machinery and the materials were available, the funds were released by the President.

The President had no intention of crippling or hurting the reclamation projects in the West in any way at all. He never had that in mind. He said so many times to those of us who are interested in reclamation and who talked to him. But those funds could not be used at that time, when we were coming out of the war and when materials and machinery were not available. However, the moment they became available, the President released the funds.

Let me say that the President has written to the chairmen of the two Appropriations Committees only recently, saying that regardless of what action the Senate takes respecting appropriations for reclamation projects, he has no intention of doing such a thing in 1948 as issuing a freeze order in regard to the funds.

Mr. President, the freeze order did not hurt any reclamation project that I know of. However, the action taken by the House in respect to reclamation projects in the West not only cut the appropriations to the bone but struck the worst body blow at both reclamation and power that has ever been struck in their history.

I repeat that the freeze order did not have anything to do with it. It might have temporarily suspended work on those projects, but all the funds were released in a short time. I think the record should be clear as to that. There may have been some project in California which found itself in a different situation, but certainly that was not the case in respect to the reclamation projects with which I am familiar.

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. KNOWLAND. I certainly say that, so far as concerns the development of the great Central Valley project in the State of California, the freeze order was one of the most detrimental things that ever happened to that project. If the Senator will examine the record, I believe he will find that a similar condition exists in the case of many of the other great reclamation projects in the West.

Mr. MAGNUSON. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. MAGNUSON. Let me ask the Senator from California how many weeks the freeze order applied to the funds for the Central Valley project.

Mr. KNOWLAND. It applied to them sufficiently long to cause the suspension of operations during the period when the greatest construction could have been expected; in short, during the fall months and the winter months.

Mr. MAGNUSON. I may be mistaken, but I understand that the Bureau of Reclamation has categorically stated that the delay caused by the short period of weeks during which the President's freeze order was applied to certain reclamation and harbor development and flood control funds did not delay those projects at all in their normal progress, because in many cases the work could not have been continued at that time of the year anyway, and the money would not have been used, even if it had been lying there, available to them.

The statement to which I have just referred was made to me, and I think the hearings held by the House Appropriations Committee on the Interior Department appropriation bill will show those statements.

So, Mr. President, I do not think it is quit according to the facts to place the blame for any delay or jeopardy of the western reclamation projects on the President's freeze order.

Mr. MYERS. Mr. President, if the Senator from Florida will yield to me, I will say to the Senator from Washington that what he has just stated is absolutely true insofar as the flood-control projects in Pennsylvania are concerned. As to flood control, we fear that we may be faced with the same drastic cuts, hatchet cuts, that faced the West in the case of reclamation projects. But the freeze order on the flood control funds did not retard the projects in Pennsylvania 1 week or 1 day.

Mr. KNOWLAND. Mr. President, will the Senator from Florida yield for one more question?

Mr. PEPPER. I yield.

Mr. KNOWLAND. I merely wish to say to my able colleague from the State of Washington, who comes from one of the Pacific Coast States, as I do, and is vitally interested in reclamation, that if it be true that these reclamation projects could not get the materials, and could not get the equipment, and could not, even if they had their funds, go ahead with construction, then why the necessity for the freeze order at all?

Mr. MAGNUSON. The freeze order, as the Senator well knows, covered a multitude of projects, river and harbor projects, flood control projects, and reclamation projects. I do not know whether power projects were included or not, but it covered all three of those categories. The President was trying to balance the budget, and the Bureau of the Budget advised the President, I understand, that if these funds were lying in the Treasury, they probably would not be used anyway during that period, because some of the projects had to slow up in order to get the heavy materials in; and

so the President released the freeze order.

As I recall, the freeze order—I know it was true as to the Columbia Basin—lasted from sometime in August until sometime in October, a period of about 9 weeks. I do not know what was done as to the Central Valley, but that was true as to the Columbia Basin. It did not, however, jeopardize that project one iota, insofar as the chart laid down for it by the Bureau of Reclamation was concerned.

Mr. MURRAY and Mr. WHERRY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Florida yield; and if so, to whom?

Mr. PEPPER. I yield first to the Senator from Montana.

Mr. WHERRY. I thought I should like to comment upon the last statement made by the Senator from Washington. He said that certainly the freeze order did not prevent the work going on in Central Valley.

Mr. MAGNUSON. I did not say that. I said I did not know about that.

Mr. WHERRY. I understood the Senator to say that.

Mr. MAGNUSON. No, I did not.

Mr. WHERRY. I do not care to get into an argument, as chairman of the subcommittee——

Mr. MAGNUSON. I do not want to get into an argument with the chairman, either, because I want him to see that the funds are restored.

Mr. WHERRY. I guess I will take my seat. [Laughter.]

Mr. MURRAY. Mr. President, I only wish to say that the Senator from Washington has explained the effect of the freeze orders exactly as we understood them in the State of Montana. The appropriations for the reclamation projects in my State—I refer especially to the Hungry Horse Dam, an irrigation project—were cut from $4,500,000 to $1,500,000. The effect of that cut would be completely to hamstring the construction work on the project, and render it much more expensive in the end. Witnesses who came here from the State of Montana appeared before the Committee on Appropriations and explained the situation completely. I, too, am very hopeful that the chairman of the subcommittee will sympathize with us and see that the appropriation for that project is restored, because it is of great importance to the State of Montana.

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent to have placed in the RECORD, following the prior discussion on the floor between the able Senator from Washington and the junior Senator from California, relative to the Interior Department appropriation bill, a portion of the House report containing the testimony of Mr. Straus before the subcommittee in the House of Representatives. I merely wish to call to the attention of my able colleague from the State of Washington that in his testimony Mr. Straus, the Commissioner of Reclamation, said that the first and worst blow came August 2, when, because of the freeze order, the Reclamation Bureau was forced to suspend all awards of contracts, and that the order—

knocked our carefully engineered and scheduled construction program into a heap. Also, that block held up further awards virtually through the balance of the construction season until snow fell.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Mr. JONES. We shall go back to Mr. Straus' statement on page 11. The statement intrigues me. You say "the first and worst came August 2, when by the direction resulting from what then seemed a very real danger of adding to inflationary pressures so as to retard reconversion and for the purpose of holding back capital outlay, we were suddenly ordered to suspend all awards of contracts."

You go on to say that "knocked our carefully engineered and scheduled construction program into a heap. Also, that block held up further awards virtually through the balance of the construction season until snow fell. It was then lifted but twice, since then there have been other changes, restrictions, or new blocks on what was to have been a clear track."

In no part of that paragraph are you describing congressional action?

Mr. STRAUS. No, sir. I am not. Specifically, what I am referring to was the general freeze order on public-works construction issued applicable to reclamation and other Federal construction on August 2.

Mr. JENSEN. By the President of the United States?

Mr. STRAUS. Yes, sir.

Mr. JONES. Was the actual order prepared by Reconversion Director Snyder, now Secretary of the Treasury?

Mr. STRAUS. There was an order signed by Mr. Steelman, I believe, and the letter from the President presumably prepared by the Budget. Mr. Steelman was then Director of War Mobilization and Reconversion.

Mr. JONES. Then you go on to say that you had the "stop and go" orders and "whoa!" and "giddap!" direction which interfered with the careful planning of the Reclamation Bureau.

That brings me to the status of your funds as of July 1, 1946, which is the beginning of the present 1947 fiscal year. You had unobligated balances from prior years of $110,236,207. Congress added $109,497,108 in 1947, and that made a total available for expenditure in the fiscal year 1947 of $219,733,315; is that correct?

Mr. STRAUS. Yes, sir; that is correct.

Mr. JONES. How much of the program did the Presidential freeze order stop, dollarwise?

Mr. STRAUS. It stopped everything on which a construction contract had not been finally awarded, which was a majority of the program.

Mr. PEPPER. Mr. President, it is obvious, from what has been said by the able Senators, that we all complain about what the House has done, and we all recognize that the Executive freeze order was a temporary executive order, whereas what we are doing here is fix a permanent legislative policy for the country.

Mr. President, passing on to page 25—and I am speaking now, as I said before, only of the changes made in the Senate bill by the committee of conference—in subparagraph (4) on page 25 of the committee print it is provided:

Nothing in this section shall be construed to prohibit the waiving of hearings by stipulation for the purpose of a consent election in conformity with regulations and rules of decision of the Board.

The effect of that is, by implication, to prevent the Board from granting a prehearing election, which, as a practical matter, will delay the functioning of the Board in giving effect to the right of collective bargaining, which the bill professes to give to the workers of the country.

In the next paragraph, subparagraph (5), on the same page, the conference report reads:

In determining whether a unit is appropriate for the purposes specified in subsection (b) the extent to which the employees have organized shall not be controlling.

Let me state the vice of that. Under the present rulings of the Board, and the present law, if in a large department store a group of workers are already organized, they are usually allowed the right of collective bargaining with the employer without having to wait until half the store or all the store becomes organized. The same principle would apply, of course, to a great industrial plant.

Under the language I have read, it will be completely competent for the Board to say, "In spite of the fact that this department store is organized, we are not going to let the workers have collective bargaining rights with the employer." It is just another case of the principle and the privilege of collective bargaining being restricted and hamstrung by the provisions of the bill.

Mr. President, I call attention to that policy, which is contrary to section 9 (b) (1), section 9 (b) (2), and section 9 (b) (3), where the proponents of the bill purport to wish to encourage smaller units as bargaining agencies for workers.

It will be seen, by reference to page 26, that again the Senate bill has been changed. Under the Senate bill it was sufficient for "a substantial number of employees" to apply for the privilege of holding an election to authorize the bargaining agent to enter into a union-shop agreement with the employer. The conferees, instead of permitting a substantial number of employees the right to demand such an election, has required that the election shall be predicated upon the petition of 30 percent, nearly one-third of the workers, who might desire to have an election. It is another case of making it more difficult for the workers to organize, or even to have an election to determine whether they will authorize their bargaining agent to enter into a union-shop agreement.

On page 27 there is the beginning of several provisions, like those found in a subsequent portion of the bill, where all labor rights under the Labor Act are denied or suspended unless the labor organization files numerous reports and affidavits, or their representatives file such reports or affidavits, which are required by the bill.

The list of things they have to include in those reports goes far beyond the requirements upon any corporation in respect to the reports it has to file. For example, one of the provisions is that

in such a report they must show where all their money went. That could be construed as meaning that every penny had to be disclosed. A corporation does not have to make such a report. The executive of a corporation can pad his expense account and say that he spent the money for company business. Yet he can give $1,000 to a political candidate—and I know of cases where that has occurred—but no one is going to check up on the corporation. The corporation does not have to show anything more than that they used the money for expenses, but the labor union has to show where every dollar of its money went. It is another discrimination against the workers, and in favor of the employers.

Furthermore, Mr. President, a labor organization—and I am referring now to subparagraph (f) on page 27—cannot affiliate with an international union unless the international union itself has also complied with all the technical conditions and requirements which are set forth in the bill. So it merely makes it more difficult for a national union to affiliate with an international union. Thereby it discourages the organization of workers into larger groups, thereby diminishing the bargaining power of the workers of the land. The same principle is embodied on page 30, in subsection (h).

Now, Mr. President, on page 32 of the conference committee print, the National Labor Relations Board is required to observe the same rules, the same technicalities, that a Federal court is required to observe, in passing on the cases that come before the board. We all know, Mr. President, that from the beginning of judicial history the people have complained about the law's delay. I am a lawyer myself, and I know that a lawyer on the other side can delay a case almost indefinitely, if he takes advantage of all the legal technicalities. That is what corporation lawyers are trained in doing, so that when a labor union claims that it has been unfairly treated, the corporation lawyers take the case to the Board, and, like a case in court, one never knows when a smart corporation lawyer on the other side is going to let the case be set for trial, or when he will let it go to an ultimate decision. We know it has been the policy of administrative agencies to try to simplify their procedure and get rid of many of the delaying technicalities of the regular law courts. Yet, what does the conference committee do? It provides:

Any such proceeding—

That is a proceeding before the board, in the protection of workers' rights—

Any such proceeding shall, so far as practicable, be conducted in accordance with the rules of evidence applicable in the district courts of the United States under the rules of civil procedure for the district courts of the United States, adopted by the Supreme Court of the United States pursuant to the act of June 19, 1934.

So, there again, Mr. President, the ability of the board to expedite its procedure and to get to the merit of a case, rather than to follow the technicalities, is simply made more difficult by the provisions of the conference report.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator.

Mr. MURRAY. I should like to ask the Senator if there is not a maxim of law to the effect that "Law delayed is law denied"?

Mr. PEPPER. The Senator is exactly right. The power to delay the case is the power to deny justice to the person seeking it in a court.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. Is the Senator familiar with the fact that the Board hearings today are practically all conducted in accordance with the rules of evidence of the district courts?

Mr. PEPPER. Yes.

Mr. TAFT. Is the Senator also familiar with the fact that there is in the conference report an exception, "so far as practicable," which really leaves it largely to the discretion of the Board and the examiners whether they shall apply the rules of evidence or not? As a practical matter, today the rules of evidence of the district courts, adopted by the Supreme Court, are very liberal. They have gotten rid of all the technicalities of past history. As I say, the actual proceedings of the trial examiners are conducted in accordance with the rules of evidence, so that we were really conceding nothing to the House in putting this in, particularly with the modification, "so far as practicable."

Mr. PEPPER. Mr. President, I appreciate that comment of the Senator from Ohio. But if it is what the Board is now doing, why add anything to the statute, as an admonition to them to tighten up what they are now doing? Why not let them alone, if they have been going along practically observing the rules? But the important thing is, they have had the right to relax some of the severe rules whenever they thought it a desirable thing to do. Now, they must read the statute as meaning something to them; and if they obey the law, they, as a practical matter, are going to feel under greater compulsion to apply rigid court rules and technical procedures than to get at the real gist of a case and to ascertain as expeditiously as possible the facts.

Mr. President, what I want to emphasize by mentioning this matter is the cumulative effect of the bill. Just another little facet is being cut closer; just another little screw is being tightened, as a constriction upon the rights and the protections of the workers. The point to which I have just adverted is not large of itself, but it is the cumulative effect of these things that makes the bill, in my opinion, so fatal a blow at the workers of the country.

UNVEILING OF STATUE OF WILLIAM E. BORAH—RECESS

Mr. TAFT. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. If a recess of the Senate is now to be taken, is the Senate to reconvene immediately following the unveiling of the statue of the late Senator Borah?

The PRESIDENT pro tempore. Under the order adopted by the Senate yesterday, the Senate will now recess for 1 hour, or until the conclusion of the ceremonies in the rotunda. The Chair will suggest that Senators attending the ceremonies return to the Chamber after the unveiling of the statue. The bells will be rung to indicate the resumption of the session, but the Chair thinks Senators should have as the general objective returning to the Chamber by 3:15. The Senate will not attend the services in a body, but all Senators have been invited by the distinguished Senator from Idaho [Mr. DWORSHAK] to attend the ceremonies in connection with the unveiling yonder, under the dome of the Capitol, of the statue of our late great colleague, William Edgar Borah.

Mr. PEPPER. Mr. President, I assume I may continue when the Senate reconvenes, following the ceremonies in the rotunda?

The PRESIDENT pro tempore. The Senator from Florida will have the floor, upon the resumption of the session.

The Senate will now stand in recess.

Thereupon (at 2 o'clock and 15 minutes p. m.) the Senate took a recess for 1 hour.

On the expiration of the recess, the Senate reassembled and was called to order by the President pro tempore.

LABOR-MANAGEMENT RELATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes.

Mr. RUSSELL. Mr. President——

The PRESIDENT pro tempore. The Senator from Florida has the floor. Does he yield to the Senator from Georgia?

Mr. RUSSELL. If the Senator will yield, I think a quorum should be present.

The PRESIDENT pro tempore. Does the Senator from Florida yield for a quorum call?

Mr. PEPPER. I yield.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Myers
Baldwin	Hickenlooper	O'Conor
Ball	Hill	O'Daniel
Barkley	Hoey	Pepper
Brewster	Holland	Reed
Bricker	Ives	Revercomb
Bridges	Jenner	Robertson, Va.
Brooks	Johnson, Colo.	Robertson, Wyo.
Buck	Johnston, S. C.	Russell
Bushfield	Kem	Saltonstall
Byrd	Kilgore	Smith
Cain	Knowland	Sparkman
Capehart	Langer	Stewart
Capper	Lodge	Taft
Chavez	Lucas	Taylor
Connally	McCarran	Thomas, Okla.
Cooper	McCarthy	Thye
Cordon	McClellan	Tydings
Downey	McFarland	Umstead
Dworshak	McGrath	Vandenberg
Eastland	McKellar	Watkins
Ecton	McMahon	Wherry
Ellender	Magnuson	White
Ferguson	Malone	Wiley
Flanders	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	
Hawkes	Murray	

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Eighty-five Senators having answered to their names, a quorum is present.

Mr. PEPPER. Mr. President, turning to page 34 of the conference committee print, the conference has added the following language to the Senate bill:

> No order of the Board shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any back pay, if such individual was suspended or discharged for cause.

That looks like a very simple and innocent provision. It may seem on its face to be a very proper provision, for it appears only to give the employer the right to discharge a worker for good reason. But this is what the provision does: Under the present law a worker may be discharged by his employer for cause, but the Board may go into the real reasons for the discharge, and if the Board finds that although cause was given as the excuse, the real reason was the fact that the worker was trying to organize a union or trying to join a union, the Board may set aside the act of the employer and require the reinstatement of the worker upon that evidence. But this language allows a worker to be discharged because of union activities, although that may be only a concurrent cause of discharge.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Ohio?

Mr. PEPPER. If the Senator will allow me to finish this statement, so as to make the point clear, I shall then be glad to yield.

In other words, if an employer has been allowing workers to smoke in a prohibited area, if he has been allowing workers to show up late for work, if he has been letting them quit ahead of time at the end of the day, or violate any other rules, yet if a given employee, because he has been engaged in union activities which the employer does not like, is selected out of the crowd and discharged for violating a rule, and no one else is discharged for violating the rule, or if it can be shown that the real motivating reason which caused the employer to fire the worker was his union activities, if cause existed it would be a basis for discharge, and this provision would forbid the Board to reinstate the worker. As a practical matter, that is the effect of that language.

I now yield to the Senator from Ohio.

Mr. TAFT. I think the Senator is completely mistaken. That is not all the effect of this language. It merely states the present rule. If a man is discharged for cause, he cannot be reinstated. If he is discharged for union activity, he must be reinstated. In every case it is a question of fact for the Board to determine.

The House language provided that the burden of proof should be on the employee to show that he was not discharged for cause. The Senate conferees took the position that the question was whether he was discharged for cause, and that the burden of proving that cause should be on the employer, because the information is in his hands. So we did not accept the House provision. All this language does is simply to say exactly what the present rule is. If the Board finds that the man was discharged for cause, that is one possible outcome. If it finds that he was discharged for union activity, that is the other outcome. The Board must determine the facts in every case. For years it has had to determine in every case whether a man was discharged for cause or for union activity. In my opinion this language in no way changes the existing provision of law, after the modification which we forced in the House provision.

Mr. PEPPER. Let me comment on what the able Senator from Ohio has said. If it were not intended to change the existing law, why was anything placed in the conference report on the subject?

Mr. TAFT. Let me say why. When we have a conference with the House and the House yields on all the major points, if the House conferees want certain language in, and the language does not do any more than state the existing law, it it a little hard to refuse to put it in. That is why we put it in. For the purpose of the RECORD, I am glad to make that statement, because there is no intention whatever to change the existing law on this particular question.

Mr. PEPPER. I submit the further inquiry, Why did the House put it in?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. Everyone knows that the House was trying to write the strongest bill it could write. Why did the House put it in if it did not intend to do something to tighten up the present law?

Mr. TAFT. When the House put it in, it wanted to shift the burden of proof to the employee. That is why it was put in.

Mr. PEPPER. Exactly.

Mr. TAFT. We said, "We will accept this language if you will eliminate the other." Naturally the House conferees wanted to show that some of the House language was preserved. In general they accepted the entire basis of the Senate bill and the Senate language. What we did here, in effect, was to say, "If you will modify the language so that it does not change the existing law, we will accept it, and you can point to it as one of the instances in which the House language instead of the Senate language was accepted."

Mr. PEPPER. We have an admission from the Senator from Ohio that the language was intended to mean something. It was intended to shift the burden of proof from the employer to the employee.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. Of course, the Senator understands that that part of the House language was taken out.

Mr. PEPPER. Yes. However, I wish to quote from the conference report, and I hope Senators will attend what I am about to quote. I suggest that the result of the conference report is to leave the interpretation of the language exactly as the House intended it. Let us see if that is correct. I read from page 55 of the conference report:

> (10) The House bill also included, in section 10 (c) of the amended act, a provision forbidding the Board to order reinstatement or back pay for any employee who had been suspended or discharged, unless the weight of the evidence showed that the employee was not suspended or discharged for cause. The Senate amendment contained no corresponding provision. The conference agreement omits the "weight of evidence" language, since the Board, under the general provisions of section 10, must act on a preponderance of evidence, and simply provides that no order of the Board shall require reinstatement or back pay for any individual who was suspended or discharged for cause. Thus employees who are discharged or suspended for interfering with other employees at work, whether or not in order to transact union business, or for engaging in activities, whether or not union activities, contrary to shop rules, or for Communist activities, or for other cause (see *Wyman-Gordon v. N. L. R. B.*, 153 Fed. (2) 480), will not be entitled to reinstatement. The effect of this provision is also discussed in connection with the discussion of section 7.

That shows that the Senate conferees agreed to the elimination of the words "weight of evidence," because they do not use those words which are necessary to accomplish the effect which the House sought to achieve. They say that under the rules of the Board itself the Board had to find by a preponderance of the evidence, and therefore there was not any need to put in the words of the House; but they do not disaffirm the purpose of the House, which the Senator from Ohio has acknowledged this afternoon.

What I am saying, Mr. President, is that if an employer has a union employee of whom he wants to get rid, all he has to do is to snoop around and find him violating some rule or regulation or prohibition, and then fire him in spite of the fact that he does not fire anyone else for the same reason; in spite of the fact that the real reason for the discharge of the worker is the fact that the employer dislikes his activities with respect to the union, which may be perfectly legal under the provisions of the bill. There, again, Mr. President, the burden of

proof is shifted. In other words, instead of leaving it up to the Board to put the burden of proof on the employer, the burden of proof is put on the employee, which makes it just a little harder for the employee to get the protection that the law was intended to afford.

Again, Mr. President, I remind the Senate that that is only one single provision of the bill, although many of them are iniquitous. It is a cumulative affair. Everywhere we turn there is a dagger or a nail or a spike to be stuck into the body of labor to make it less effective in the future than it has been in the past.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Ohio.

Mr. TAFT. The conference report does not quite say what the Senator from Florida suggests. The original House provision was that no order of the Board could require the reinstatement of any individual or employee who had been suspended or discharged, unless the weight of the evidence showed that such individual was not suspended or discharged for cause. In other words, it was turned around so as to put the entire burden on the employee to show he was not discharged for cause. Under provision of the conference report, the employer has to make the proof. That is the present rule and the present practice of the Board. The Board will have to determine—and it always has—whether the discharge was for cause or for union activity, and the preponderance of the evidence will determine that question. The mere fact that there may be a little cause or real reason would not in any way lead the Board to refuse to give the employee reinstatement and back pay.

Mr. PEPPER. I do not desire to prolong the argument, because I wish to conclude. I shall have to let the matter stand on the statement of the Senator from Ohio as to the intention of the House in its original bill, what I read from the report of the conferees, and the fact that the language to which I have alluded was put in the bill at all, which certainly was intended to have some effect. Here is the importance of it. It is always a difficult matter to determine the real reason of the employer in discharging a worker. There can always be found some sort of excuse if it is desired to find one. If the employer does not give the worker the benefit of the doubt he can always wait until he smokes a cigarette 3 feet before he gets out of the door, or find some error that would constitute cause. The provision shifts the burden of proof to make the worker show he was discharged for union activities, rather than to make the employer show that the worker was discharged for cause.

Bear in mind, please, this provision in relation to another which I previously discussed. That was the provision in the conference report which denies to the Board the right to consider anything the employer said in advance of the act of discharge which might have any bearing upon his reason for discharge, and keeping such statements out of evidence unless they contain not only a declaration but an actual threat, implied or expressed. Take those two provisions together, and it will be seen that they add many times to the power of the employer to discharge a worker for some reason that may be dissociated from cause or relating entirely to the exercise of the workers' rights under the law.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McMAHON. I am reminded, by the Senator's statement about how easy it is to discharge an employee, of what I found out in an experience I had in Harlan County, Ky., in 1937, when the workers there were trying to unionize the mines. The mine operators hired a group of thugs and gunmen, and when they did not shoot miners for engaging in union activities, one of the tricks to get rid of a worker was to throw dirt in his coal as it went through the tunnel. They shoveled a little dirt in, and if dirt was found in the coal more than twice the worker was discharged for mining dirty coal.

Mr. PEPPER. That is a good illustration of how a charge can be trumped up, and then the employer can make a sanctimonious protest and say, "We have got to preserve the purity of our coal. Three times dirt was found in the coal of this employee; he is a menace to this plant." All of that statement would not be admissible in evidence, under this bill, which for the first time excludes what an employer may say, although relevant, if his statement does not, in addition, contain an actual threat. It is like making a man prove he is innocent and then denying him the privilege of bringing into court pertinent evidence that might have a relationship to the proof of his cause. It is a little bit more tightening down upon the privileges of labor in America.

Passing on, now, to page 39, in subparagraph (k) the conferees dispense with the necessity of the Board's appointing an arbitrator to try to resolve an industrial dispute, but, on the contrary, provide that they shall take a secret vote of the workers to see whether they will accept the last offer of the employer. That is another discrimination against the worker. Why do they not require that the stockholders of the corporation which is the employer be polled to see whether they agree to the last offer made by the workers? It should work both ways.

Suppose there is a dispute between the United States Steel Corp. and the CIO steel workers, and the President of United States Steel Corp. makes an offer and Phil Murray, on behalf of the workers, makes an offer. Under this bill, if they cannot agree, instead of appointing an arbitrator, as the present law allows, a secret vote of the workers must be taken to see whether they will accept the last offer of the President of the United States Steel Corp. There is not a word about requiring the stockholders of the United States Steel Corp. to accept the last offer of Phil Murray on behalf of the workers. No, they do not have to submit to a secret ballot conducted by the National Labor Relations Board. The workers cannot go behind the management of the steel company, but the Steel Corp., by law, through the National Labor Relations Board, can go behind the workers' representatives and try to get them to agree to something that Phil Murray would not agree to in conference with the management. It is another bit of evidence of discrimination against the workers. Again I remind the Senate that it is the cumulative effect of all these provisions which makes the strictures so severe.

I pass on, Mr. President. In all the respects I am talking about the conference bill is worse than the Senate bill. I am not talking about the vices of the Senate bill.

Mr. President, I read from subsection (b) on page 45:

> Nothing in this act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

In other words, this Federal law, as it will be, if enacted, and as such under the Constitution, will be controlling, does not liberalize any State law or Territorial law that might be severe upon the worker. It leaves in effect, all the strictures which any State may impose, whereas in the portal-to-portal bill Senators will recall that we provided a uniform statute of limitations made uniform throughout the country.

If labor legislation of this character is good anywhere in America, it is good everywhere in America. We do not discharge our duty to legislate for the Nation if in any instance in which a State has a law which is worse that the Federal law, we allow such State law to remain in effect.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. I may be mistaken, but my recollection is that at the time when the portal-to-portal pay bill was in the form in which it left the floor of the Senate, to go to conference, the statement the Senator from Florida has just made was a correct statement; but as the bill has come back from the conference, I believe it does permit a State statute of limitations of less than 2 years to apply. I may be mistaken about that, but that is my recollection.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. TAFT. I merely wish to make it clear that in the report of the Committee on Labor and Public Welfare to the Senate, we stated that in our opinion there was nothing in the bill as originally reported by the committee which in anyway would invalidate the provisions of a State law prohibiting the closed shop. That statement appears in the committee report to the Senate, on page 6. In it we pointed out that when the National Labor Relations Act was enacted, it was made clear in the report at that time that the proviso in section 8 (3) was not intended to override State laws regulating the closed shops. At that time

the Senate committee stated that the bill did nothing to facilitate closed-shop agreements or to make them legal in any State where they may be illegal.

In other words, the whole spirit of the Wagner Act and its provisions would prohibit a closed shop, because it prohibits discrimination against people who are not members of labor unions. In order to preserve that right and to keep the Wagner Act itself from abolishing the closed shop everywhere, it was necessary to write in this proviso. But that did not in any way prohibit the enforcement of State laws which already prohibited closed shops.

That has been the law ever since that time. It was the law of the Senate bill; and in putting in this express provision from the House bill, we in no way change the bill as passed by the Senate of the United States.

Mr. PEPPER. Mr. President, the majority, including the able Senator from Ohio, have been going to great lengths to correct what they regard as some of the discovered deficiencies in the National Labor Relations Act. I agree that the Senator from Ohio is correct in saying that the report at that time—not the Wagner Act itself, in its verdict, but the report—indicated that its authors did not intend that that act should override State laws. But why is it that now the majority try to correct every other alleged defect in the Wagner Act, except when the Wagner Act reserved to the States the right to be more severe than the Federal Government and to apply State standards more severe than the national standard, in the opinion of Congress? Why do not the majority remove that obstruction? Why do they not amend the National Labor Relations Act in that respect, and say, "We are legislating for the United States of America, as the Congress of the United States"?

But, no, Mr. President; when there was something in the Wagner Act which was already restrictive of the rights of labor, they left it there. It is only the generous provisions of the Wagner Act that they have overturned; it is only as to them that they made this measure contradictory of the provisions of the Wagner Act.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. My understanding is that the basis of this legislation, constitutionally speaking, is the commerce clause of the Constitution, authorizing the Federal Government to regulate commerce between the States. Throughout the entire history of such legislation that has been its basis.

This measure does not affect wholly intrastate commerce and persons who are engaged in intrastate commerce, rather than interstate commerce. The provision of the measure which exempts any State from the operation of its provisions, if such State has outlawed the closed shop, therefore in effect adopts the State as the agency through which the regulation of interstate commerce shall take place, insofar as the closed shop is regulated.

Mr. PEPPER. That is exactly correct.

Mr. BARKLEY. So in the States whose legislatures desire to exempt their own interstate companies from the operation of this law, all they need to do is to pass a law outlawing the closed shop. Thus they will affect interstate companies as well as intrastate companies.

Mr. PEPPER. The Senator from Kentucky is entirely correct.

Let me point out what the Senator from Ohio has said with respect to the regulation of interstate railroad rates. The Congress is supposed to regulate only interstate rates. The States may, in the exercise of their own power, regulate their own intrastate rates, but they cannot regulate interstate rates. They are limited to what is intrastate. But, as the Senator from Kentucky has clearly pointed out, by this measure the Congress is abdicating to the States the right to determine the rules of conduct respecting interstate commerce insofar as it relates to management-labor relations.

Mr. BARKLEY. Mr. President, if I may do so without imposing too much on the time of the Senator from Florida, I should like to point out the distinction, namely, that in the States where the legislature has not acted to outlaw all closed shops, both interstate and intrastate, the provisions of this measure may be effective, provided a majority of those eligible to vote—not those voting, but those eligible to vote, which is a new principle in elections——

Mr. PEPPER. That is exactly correct.

Mr. BARKLEY. Decide that there shall be a closed shop in the particular plant. It will not apply even in a State where the workers might want it and might by an overwhelming majority vote for it, provided the legislature has said they cannot have it. All that the legislatures need to do in order to impose a ban against all closed shops throughout the United States is to meet and to say, "We will not have any in this State," and thereby both in interstate commerce and intrastate commerce the closed shop will be banned, and the employees will not even be able by an election to establish a union shop, even though a majority of those voting, rather than a majority of those eligible, vote in favor of having it.

Mr. PEPPER. Mr. President, I thank the Senator from Kentucky, for he has shown again that the effect of the conference report will be, not to try to help labor, but further to restrict the rights of labor.

I should like to add something to what I said a moment ago in respect to the elimination of arbitration. In commenting on the provision on page 39, in paragraph (k), in respect to the requirement that the employees shall take a vote on the last offer of the employer, I should have said that paragraph (c), on page 52, also is relevant to that discussion.

Mr. President, another omission in paragraph (c) on page 52 is as follows: In order to encourage the disputants to arbitrate their differences, the Senate bill provided that as much as $500 could be made available out of the Federal Treasury to pay the expenses of arbitration. That provision was changed and the amount to be allowed was eliminated by the conferees. Evidently they are not trying to encourage arbitration and are not trying to help the arbitrating parties to bear the expenses of that obligation on their part. Instead of the arbitration clause, with the provision that not over $500 be made available, as the Senate provided, the conference report provides that a secret ballot must be taken among the employees on the last offer of the employer. It does not seem to me that that is conducive to the settlement of disputes between management and labor and for the best interests of the workers.

Mr. President, I pass on to page 54, section 206, under the heading "National emergencies." The Senate bill did not contain the words "or a substantial part thereof," in the following provision:

SEC. 206. Whenever in the opinion of the President of the United States, a threatened or actual strike or lockout affecting an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for commerce, will, if permitted to occur or to continue, imperil the national health or safety, he may appoint a board of inquiry.

As I have just said, the Senate bill did not contain the words "or a substantial part thereof," as applied to that provision. The Senate bill provided that whenever an entire industry is threatened with a strike or lock-out, the President may appoint a board, which may lead to an application to the Attorney General for an injunction, and to the impairment of the Norris-LaGuardia Act's provisions protecting the workers against government by injunction. But here, again, the conference report is not satisfied with protecting against a strike in a case where an entire industry is affected, but the conference report contains the words "or a substantial part thereof." Who will determine that question, Mr. President? It would not have to be a strike in the entire automobile industry, but it could be a strike against only one of the large manufacturers. A strike affecting any substantial part of such an industry, as construed by the Board or the court, would be sufficient to permit the application of this drastic provision for government procedure by injunction, thus again making it a little easier to evade the provisions of the Norris-LaGuardia Act and to obtain injunctions against workers and to impair their efforts to obtain a better standard of living.

I pass on now to page 60, subsection (e), which reads as follows:

For the purposes of this section, in determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

Mr. President, that is exactly the contrary of the language of the Norris-LaGuardia Act. I read from section 106, title 29, United States Code:

No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States for the

unlawful acts of individual officers, members, or agents—

And this is the condition—

except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

Observe how the conference report makes a labor union liable for the action of a worker in a picket line to a suit at law in a Federal court for damages through an injunction.

Mr. TAFT. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from Ohio.

Mr. TAFT. All this proviso does is to determine the question whether an agent of a labor union should have applied to him the ordinary common law rule of agency. Why a labor union should not be responsible for its agents, under the same rules of law that make a corporation responsible for its agents, I cannot understand. That is what this does. The section of the Norris-LaGuardia Act read by the Senator has nothing to do with injunctions. It has never been considered until very recently in the carpenters' case. That case apparently led to the conclusion that a man who was clearly an agent under all rules of agency was yet not considered an agent of a labor organization. It was one of those privileges which it was felt was not necessary to be continued for a labor organization.

Mr. PEPPER. Mr. President, the Senator from Ohio fails to take into account the difference between a corporation, which is a corporate body, organized for profit, which has relatively few authoritative spokesmen, who can be well controlled and easily disciplined and directed, and a labor organization, which is simply an aggregation of citizens working together for their common good. He wants to apply to an aggregation of citizens, banded together for their common good and the betterment of the living levels of their families, the same rules applied to a body corporate organized for profit, a person, but not a citizen under the Constitution of the United States.

Mr. KILGORE. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from West Virginia.

Mr. KILGORE. Is it not the Senator's interpretation of the language he has read that under the wording, even, shall we say, the grievance committee of a local, inasmuch as they are elected to represent the membership of the local, would be treated as agents?

Mr. PEPPER. Certainly.

Mr. KILGORE. There are so many thousands of those that it would be highly dangerous if a provision of this broad scope should be enacted.

Mr. PEPPER. The Senator is absolutely correct. When we are dealing with a labor organization that involves hundreds or thousands or tens of thousands of people, a labor union leader has no authoritative right to make all of them toe the line of conduct he may lay down. He is no dictator, with a gestapo at his command, to go forth and snuff out the life of the man who does not do what he tells him to do. Remember, we are dealing with passions that are deep in the hearts of men when they are fighting for their children, and they are not going to read some law book to see that they meticulously observe every direction that may be laid down by their leadership, when they are fighting for their lives. Yet, if one of them gets a little out of line, if one of them impetuously does something he should not do, whether the union ever knew of it or not, whether the union forbade it or not, every dollar can be drained out of the union treasury, in a Federal court, which, for the first time, is given jurisdiction, by the proposed statute, in a matter of which it did not have any jurisdiction before.

I have been pointing out the distinction in the bill against the workers. I can turn back to a section to which I previously adverted, in which the proponents of the bill were dealing with the question of agents, and were attempting to amend the law in favor of the corporations.

If someone had the interest of the employer at heart, and was acting on behalf of the employer, and did a wrong to a worker—and I am speaking of subsection 2 on page 6 of the committee print—the case would fall under this language:

The term "employer" includes any person acting as an agent of an employer, directly or indirectly.

Under the present law, it is not necessary to have a directly authorized agent of a corporation to bind it if a wrong is done to a worker. If a trade association acted in the interest and with the point of view of the employer, the employer, therefore, might have been responsible for a large number of acts of people acting in his interest, against workers; but now the conferees carefully prune that; they carefully limit the employer's liability to the acts of a duly authorized agent; but when it comes to the worker they have enlarged, not restricted, the group who may make the treasury of the union liable in suits by corporation lawyers, for instance, in the courts of this land.

As I have said, under that language they have gone directly contrary to the Norris-LaGuardia Act, which provided that a union could not be held responsible "for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof."

That is the present law. The Senate bill did not impair that, but the conference report has gone just the reverse of that, and has provided, as I have read, and I shall read it again:

For the purposes of this section—

This is, the section authorizing suits in the Federal courts against labor organizations, with the right of recovery against their treasuries, all their dues, all their assets—

For the purposes of this section, in determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

Mr. President, I merely emphasize that a man who may be in a picket line is still a citizen, as well as a member of a labor organization. He is subject to arrest and individual punishment for violation of the law. But what the conferees are looking for is a way to drain dry the union treasury, not only to put the worker in jail for what he did personally, or sue him personally for what he did, if it was wrong, but they want to authorize vexatious suits against the labor-organization treasury, because if the organization has not any money in its treasury it cannot effectively help the workers. It cannot participate in strikes, and the worker therefore cannot strike, and will have to take what he can get for his labor.

Mr. KILGORE. Mr. President, will the Senator yield again?

Mr. PEPPER. I yield.

Mr. KILGORE. A parallel of that case might be drawn with reference to corporations. What the Senator has in mind is action aimed at the central treasury of the particular national organization, not at the local involved. In other words, an agent of one local might be liable for damages, but the suit would be not against the local, but against the national or international organization, as the case might be. Is that the Senator's interpretation?

Mr. PEPPER. That is absolutely correct.

Mr. KILGORE. Let us draw a parallel with a corporation. Let us take a corporation such as General Motors. Let us suppose an agent of one of their subsidiary corporations should involve the subsidiary corporation in a damage suit. Under the laws of the United States of America no suit could lie against General Motors, the parent corporation, but only against the subsidiary corporation.

Mr. PEPPER. The Senator is correct.

Mr. KILGORE. But the language of the report goes beyond that; it extends beyond the small organization which caused the damages, and goes back to the parent organization. Is that the Senator's opinion?

Mr. PEPPER. The Senator is absolutely correct. Taking, for example, the United States Steel Corp., which has a great number of subsidiaries, that corporation cannot be sued for something done by one of its subsidiaries; but under the conference report an international union can be sued for something done by one of its local union representatives.

Now, passing on to page 64, this provision in the conference report relating to welfare funds is also new:

(g) Compliance with the restrictions contained in subsection (c) (5) (B) upon contributions to trust funds, otherwise lawful, shall not be applicable to contributions to such trust funds established by collective agreement prior to January 1, 1946, nor shall subsection (c) (5) (A) be construed as prohibiting contributions to such trust funds if prior to January 1, 1947, such funds contained provisions for pooled vacation benefits.

Here is the anomaly of that provision: At the present time hundreds of thousands of workers belong to unions which

have welfare funds obtained in collective-bargaining agreements with employers. The funds are working very satisfactory; there is no complaint about the way they work. They are administered by the unions; that is, by the employees; because they were for the benefit of the employees, and they do not have the feeling that the employer is interfering in these matters. Mind you, Mr. President, every time they obtained those funds they were obtained by collective-bargaining agreement formally entered into between employer and employees. But now all new welfare funds are outlawed unless they are in accordance with the new and strict provisions of this proposed act, and unless the employer, and, in the case of a disagreement, a public representative, is allowed to participate in the administration of the funds.

What certain Senators suggested here last year, Mr. President, when this subject was under consideration, was, the writing of a provision, encouraging welfare funds. The workers who become mangled and maimed, the workers who are killed and who leave dependents unprovided for, the workers who become sick and are unable to obtain adequate care, who need assistance but cannot obtain it—all these should be aided by a declaration of purpose on the part of Congress in favor of welfare funds. Instead of suggesting "let us have more of welfare funds, until a national health insurance act is passed sometime in the future," here, again, is another stone hung around the neck of the workers who are striving to provide for their security and to promote their welfare.

Mr. President, I now pass on to the subject we discussed here yesterday, namely, restrictions on political contributions. I am almost disposed to designate that section as the "political insurance section of the Republican Party," because it looks a little as if the Republicans, who are claiming the authorship of this legislation, would like very much to be protected against the circulation by the labor unions of materal and information crediting them with the responsibility for this legislation. If this is good legislation, I should think the widest disseminaton of knowledge about it would be in the public interest; yet, as the Senator from Ohio advised us yesterday, the railway labor executives at the present time, publishing, with their money, a newspaper called Labor, accustomed to put out a special edition of that newspaper, if they want to, in a political campaign could not put out such a paper, because it would be an expenditure which is prohibited under the provision of this section. Now, I want to read section 313:

It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution—

Such contribution was forbidden by the Senate bill, but the conferees have added the words all the way through in this section—

or expenditure—

That is very important—

in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section.

Furthermore, the Senator from Ohio said yesterday that Mr. William Green could not go on the radio if he wanted to, next year in the presidential election, if the able Senator from Ohio should be the Republican nominee, and President Truman who, I hope, will veto this bill—should be the Democratic nominee, and say "I call on the workers of America to vote for the Democrats, because they are friends of labor." Under section 313 he could be put in jail if he tried to do that. Not only that, but the Senator from Ohio said yesterday that he could not print and disseminate among his friends a pamphlet telling them to vote for Democrats. Oh, no; he could not use any union dues in that way.

Again, Mr. President, the Senator from Ohio is considering a group of citizens banded together for their common benefit as he would consider a corporation created for profit, and he is treating the person who is a citizen like the heartless corporation that may sometimes be considered a synthetic person. So it is rather striking that the Republicans think no higher of a citizen than they do of a corporation, in respect of his rights and privileges.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. I want to point out again that this is word for word the bill recommended by the Democratic Committee on Campaign Expenditures, which examined the campaign expenditures last year, headed by the distinguished Senator from Louisiana, with the distinguished Senator, I think, from Oklahoma [Mr. THOMAS], and one other Democratic Senator, besides the Senator from Louisiana [Mr. ELLENDER], and the Senator from South Carolina [Mr. MAYBANK].

Mr. ELLENDER. And the Senator from South Carolina [Mr. MAYBANK].

Mr. TAFT. And the Senator from South Carolina [Mr. MAYBANK]. They recommended exactly this provision in a separate bill now pending before the Senate, so that it can hardly be said to be of purely Republican origin.

Mr. PEPPER. Mr. President, the Senator, I think, can hardly mean that. I want to call his attention to a difference. The Democratic recommendation did not contain the words "or expenditure."

Mr. TAFT. Yes; I think it did.

Mr. PEPPER. No. I ask the Senator from Louisiana. Did it contain the words "or expenditure"?

Mr. TAFT. In our bill; yes.

Mr. PEPPER. No; but the present law does not contain them.

Mr. ELLENDER. The present law does not contain those words.

Mr. PEPPER. It did not contain them?

Mr. ELLENDER. That is correct. But the bill I introduced on behalf of myself and the distinguished Senators from Oklahoma [Mr. THOMAS], South Carolina [Mr. MAYBANK], New Hampshire [Mr. BRIDGES], and Iowa [Mr. HICKENLOOPER] contains language identical to the language that appears in the pending bill. It is verbatim, as a matter of fact. Permit me to further observe that the language is the same as that now incorporated in the Corrupt Practices Act of 1925, with the exception that the words "or expenditures" have been added and also language to cover primary elections, conventions, and caucuses has been added.

Mr. PEPPER. There may be just a few erring Democrats, but we never did pass that law. The Senator might have recommended it, but it was never enacted into law.

Mr. ELLENDER. The bill is now before the Rules and Administration Committee of the Senate and I think it will pass the Senate, if and when it is reported for Senate consideration.

Mr. PEPPER. But it never became a law?

Mr. ELLENDER. No. The Senator is correct.

Mr. PEPPER. Yes; and the difference is very important. It affects the right of the citizen to go forth and advocate the candidacy of whomever he may choose.

Mr. ELLENDER. May I say to the Senator from Florida it is only in the event that union funds are used for political contributions that a union becomes liable. Mr. Green can talk all he wants to, if he pays for his own time or if the members of the union desire to make individual contributions for such a purpose. For another thing, most unions operate and manage newspapers, and the most of them are maintained by advertisements or by subscriptions from members of the union and from other sources. The proceeds from such newspapers are not union funds. In such cases these newspapers can print anything they desire, and they will not violate the law, so long as union funds are not used to pay for the operation of those newspapers for political purposes.

Mr. PEPPER. The Senator from Ohio apparently did not think so yesterday when the Senator from Washington was interrogating him.

Mr. ELLENDER. I do not recall. May I say to the Senator from Florida, it is only in case union funds are used for political expenditures that unions become liable. That is where the prohibition comes into play.

Mr. PEPPER. Very well. Let us see if the statute says anything about dues. It says the criteria are, first, a labor organization; second, an expenditure. It does not say whether they have to be dues or funds they received from advertising. I should like the Senator to point out the word "dues" to me in the section I have just read—section 315.

Mr. ELLENDER. I did not mention dues. I referred to union funds. If the newspaper is owned by the labor organization and maintained by union funds

there would be a violation if the proceeds of such a newspaper were used for political purposes.

Mr. PEPPER. There is nothing about dues in this section.

Mr. ELLENDER. The Senator is correct. I never made such a contention. It would be an expenditure by the newspaper itself. This provision makes prohibition against the use of dues paid by members of labor unions in order to aid any particular candidate. In other words, if the dues are paid to the union and become a part of the union's assets, then such dues cannot be used for political contributions.

Mr. PEPPER. The best way to clarify the matter is to read the language:

> It shall be unlawful for any * * * labor organization to make a contribution or expenditure in connection with any election for any political office.

Mr. ELLENDER. Where does the labor organization obtain the money which it spends for such purpose? If it obtains it from its members and such funds become a part of the union's assets, then they cannot be used for political purposes unless the law is violated.

Mr. PEPPER. How does the labor organization obtain the money? The organization may get it from one source or another. It may get it through gifts, subscriptions, or in other ways except by dues. That is not the point in this measure. The point here is that the money belongs to the union, and the union spends it regardless of where it obtains the money. If one of its members contributed money to the union for the purpose of paying for a radio speech in behalf of a political candidate or of a political party, and the union spent the money for that purpose it would be subject to the criminal penalty provided in this section.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. Is it not the experience of the Senator from Florida with reference to union publications such as those put out by the railroad brotherhoods, Labor, and others, that the publications are not paid for by the members through subscription, but the publications are sent to the members because a part of their dues pay for the publications? In other words, in most cases the publications are mailed free by the organizations to the members of the union, because of the fact that they are dues-paying members.

Mr. PEPPER. Their dues go into a common fund; yes.

Mr. President, the bill presents an anomolous situation. I think it denies the right of free press. I think if a labor union, as an unincorporated association of citizens, wants to endorse a political candidate, if it wants to put out special issues of its newspaper to appeal to the American people to vote for the candidate, the union should have the right to do so, and a denial of that right is a denial of a constitutional right of which Congress cannot deprive anyone.

The union is not a corporation. A corporation does not have the right of the citizen to vote. Citizens have the right to vote. If a group of citizens should want to pay dues to their union and say to its president, "Use this money to pay someone to speak for us, to protect labor against this calumny" the provision of the bill would deny that privilege. I claim that is a denial of the right of a citizen to give his money to a common fund to protect his political and economic rights.

Mr. KILGORE. Mr. President, will the Senator yield again?

Mr. PEPPER. I yield.

Mr. KILGORE. I should like to suggest another parallel case to the Senator. The Senator knows that subscribers to newspapers do not always agree with the political expressions contained in their editorial columns. The Senator has spoken of the freedom of the press. I agree with the Senator's statement in that respect. It is contended that a labor union cannot use the dues of its membership for political purposes unless 100 percent of the membership should endorse the use that is proposed to be made of the fund. Would it not be just as fair to say that a newspaper should not publish an editorial expressing its views on a political subject unless 100 percent of the subscribers to the newspaper endorse the editorial?

Mr. PEPPER. That is certainly a fair parallel. I will go further than that. I do not want to impugn anyone's personal motives in any sense of the word, but I say that since labor, since the working people of this country, became articulate under the administration of Franklin D. Roosevelt, since they learned to work together to meet the danger and menace of slush funds which corporations can find a way to put into the hands of a favorite, there has been a determined effort on the part of certain individuals in Congress, as well as outside, to strike down the power of workers acting cooperatively through their unions. I cannot but regard the provision in the bill to which I am addressing myself as an expression of that sentiment. It has the effect of stifling and suppressing the legitimate political activity of a substantial part of the citizenry of America.

Mr. President, there are 15,000,000 labor union members in America. If there are four members to each family, which is the average American family, these union members are the spokesmen and the bread winners for 60,000,000 Americans. So, to do anything which will impair their right as citizens to write and to speak their views about their Government is a denial not only of labor's rights, but a denial of the fundamental constitutional right of the citizenry of this land.

The laboring people are poor people. They do not have in their membership rich stockholders, rich directors, rich executives. They pay decent salaries to their leaders, and I think they should. I think a few of the top labor leaders may get more than $25,000 a year. Probably not more than a dozen or say two dozen receive more than that amount. But I am saying that they are representatives of workers and that the membership of the union is composed of workers. They do not have large expense accounts which they can pad and use in political campaigns. They do not own the newspapers of America as, by and large, corporations do, 80 percent of which consistently fought Franklin D. Roosevelt. They cannot work through corporate machinery and exercise its many and multitudinous pressures to achieve their ends. If they do anything they have got to work together through the instrumentality by which alone they can cooperate, their unions, and if that power can be struck down, the political manifestations of the masses of the people of American can be strangled, and when they are taken advantage of, they will be unable to protest effectively in the political forum.

I have said that under this provision of the bill they could not put out a special edition of the union newspaper. I am not at all sure—and there was some question about it yesterday when the Senator from Washington [Mr. MAGNUSON] interrogated the Senator from Ohio [Mr. TAFT]—I am not at all sure that a labor newspaper can give a political endorsement to a candidate without violating the stringent provision of the bill and at least subjecting themselves to suits or to criminal prosecution. They cannot have radio speeches paid for out of union funds for union purposes. They cannot even exhibit information to their members that might be in the nature of a pamphlet. That was stated yesterday in the debate. To deny them the right to give their honest views about candidates to their members, and use their common funds with which to do so, seems to me a dangerous strangulation of civil rights of the citizenry of America.

It was said yesterday that these prohibitions apply to the Association of Manufacturers; that they will apply, for example, in my State to the Associated Industries, which denounced me in about every other pamphlet it sent out to its membership, paid for by corporate contributions to that association. But believe me, that organization will find ways to avoid the penalties of this provision. The corporate contributions in this country will not be checked or strangled. And they are not trying to clean up the politics of America, either.

A study of some of the past presidential elections will disclose how much the du Ponts contributed to the Republican campaigns, how much the General Motors Corp., President Sloan and others, contributed, and how much Joe Pew and his association contributed. Such a study will reveal how much the Rockefellers and the great rich families of America who own the corporations of America or dominate them, contributed. Oh, they will still have a full war chest to contribute to the Grand Old Party when election time comes, Mr. President. Of course, it will cost them a little less if the workers are strangled so they cannot put up some contributions. The large contributors will gain a little from the enactment of this provision.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. May I suggest that the Senator from Florida go one step further and discuss the question of the annual bonuses paid out in election years to directors and high-ranking officials of

corporations. Every one knows the way they get around the prohibition against corporate contributions, by simply declaring bonuses to certain officials, which can be used for political purposes. That loophole has not been closed, I may suggest to the Senator from Florida.

Mr. PEPPER. Chess is a fairly complicated game, but there will never be on any chess board as many means by which to attain an objective as there are corporate devices by which to achieve the objective the Senator from West Virginia has spoken of.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield. I hope it will be a friendly question.

Mr. BREWSTER. I am a little puzzled by the logic of the other side of the aisle, particularly by the statement of the able Senator from Florida concerning the question of corporate contributions and the corporate situation, because it was 2 years ago that the excess-profits tax on corporations was repealed by a Democratic administration under the leadership of the distinguished minority leader of the present day, then the majority leader, the Senator from Kentucky [Mr. BARKLEY]. We took a tax burden of between $3,000,000,000 and $4,000,000,000 off the backs of the very wicked corporations. That was done by a Democratic administration. The bill was signed by the present incumbent of the White House. It was done at a time when we had a budgetary deficit estimated at $30,000,000,000. Now when it is proposed that we should lift a little of the burden off the backs of individuals—64 percent of the $3,000,000,000 reduction being for people with incomes under $5,000—there is the most determined opposition to such a proposal.

If 2 years ago corporations should have been relieved of between $3,000,000,000 and $4,000,000,000 in taxes by a Democratic administration headed by a Democratic President, why is it that it is now being urged by vociferous voices from the other side of the aisle that the President should veto a measure allowing individuals some measure of relief, when the budget is balanced, and when we have reduced our debt by $20,000,000,000 from its peak at that time? Why is it that such a measure should even be questioned?

Mr. PEPPER. I will say to the Senator that it is barely possible that the Democrats, by association with Republicans, fell into Republican error. That is one thing.

Mr. BREWSTER. Am I to understand that they are going to extricate themselves from that error by refusing relief to individual income taxpayers, after having presented the corporations with $4,000,000,000?

Mr. PEPPER. No; but they are not going to help the Republicans make the situation any worse. That is exactly what the Republican tax bill does.

Mr. BREWSTER. Am I to understand the Senator to say that a President of the United States who relieved corporations of $4,000,000,000 in taxes will veto a measure to give $3,000,000,000 relief to the little fellows?

Mr. PEPPER. I profoundly hope he will, and I believe he will.

Mr. BREWSTER. I think the Senator has a very inaccurate estimate of the consistency of the President. I fully hope and expect, from my knowledge of the gentleman here and elsewhere, that he will follow his hand through, and give the same relief to the little people of the country that the Senate, when it was under Democratic control, and with his full collaboration, gave to the great corporations of the country. I cannot conceive of a President with his record of consistency taking such a course as that proposed by the Senator from Florida.

Mr. PEPPER. I wonder if the Senator from Maine would really want to submit to a fair jury the issue of who is the better friend of the people—the Republican Party or the President of the United States. I think that all one would need to do would be to take the record of the President of the United States and the record of the Republican Party, and the jury, without leaving the box, would render a verdict in favor of President Harry Truman.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. I had supposed that the Republican Party submitted this question to the jury of the American people last November, and that they returned a rather decisive answer upon the question of whether they had confidence in the Democratic administration of our affairs.

Mr. PEPPER. I think the Senator from Maine is stretching the issue which was submitted to the people. It will be an issue in the next election, but it was not so clear in the last election. I can imagine the Senator from Maine standing before his constituents at that time advocating the election of the Republican nominee, and saying, "Fellow Americans, if you will elect us Republicans, if there is any man in this crowd who makes $1,200 a year, and now has $1,162 left, he will have left $11 more when the Republicans get in and pass their tax bill. His percentage of spendable income is going to be increased by 1 percent. But if there is anyone in this crowd who makes $100,000 a year, and who now has $36,000 left after taxes, he is going to have $48,716 left, or $11,844 more than he will have left if the Democrats stay in. He will receive a percentage increase of expendable income of 34.2 percent." Just imagine the applause of the masses.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. I think if I were to couple with that statement the statement that "if you elect the Democrats you may expect that they will continue the happy record they have made of relieving the great corporations of this country," the result might be a little different. As the Senator from Florida has so effectively pointed out, 60 corporations combine a great deal of economic power. The corporations were relieved of $4,000,000,000 in taxes. That is the record of the Democratic Party in the matter of tax reduction. The little fellow of whom the Senator speaks did not get very much. He got 5 percent, not 30 percent. He got $2 instead of $11. The people of Maine are hardy people, and they know the difference between $2 and $11. Two dollars is all the Democrats gave to the poor little fellow.

Mr. PEPPER. Did the Senator from Maine vote for that bill?

Mr. BREWSTER. I assuredly did.

Mr. PEPPER. Then I would not complain about it so badly.

Mr. BREWSTER. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. What I am complaining about——

Mr. PEPPER. The Senator does not intend to denounce the Democrats for being temporarily in agreement with the Republicans on the question of tax reduction, does he? Did the Republicans oppose the bill?

Mr. BREWSTER. No. The Republicans supported the bill; and the Republicans are supporting the bill to give the little man some relief, which the Senator from Florida is opposing. I am sure that the people of Maine are intelligent enough to understand the distinction.

Mr. PEPPER. Yes; the masses of the people are intelligent enough to understand the distinction between $11 and $11,000.

Mr. BREWSTER. The difference is between $11 and $2. That is what the Democrats gave the little fellows. We now propose to give them $11, and the Senator makes the heavens ring as he proclaims that no President should sign such a bill. I have more confidence in our President than has the Senator.

Mr. PEPPER. I know that the Senator from Maine is a real friend of the Democratic President. I know that he will support him next year. But, Mr. President, this is what I wish to emphasize seriously: I am not proud of the repeal of the excess-profits tax, but I will say that that was the repeal of a wartime levy. I am not a member of the Finance Committee. I am certainly not the chairman of it. If the Senator from Georgia [Mr. GEORGE] were present, he could speak for himself on that question. But that measure was for the relief of super war taxes imposed upon excess profits. The President is not recommending any more tax reductions for the rich. If excessive relief was granted during that time, at least the President of the United States is not proposing to take off more. Yet, consider what the Republican bill does——

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I shall be glad to yield in a moment.

Under the present law—after President Truman's bill, if the Senator wishes to designate the President as the author of it—under the present law, which was enacted by a Democratic administration, if a man is making $300,000 a year, he has only $65,435 left. There was still a great burden of taxation left on the rich after President Truman's so-called excess profits tax bill was enacted.

This is what the Republicans would do: Under their bill, the man who is now making $300,000 a year, instead of having $65,000 left, would have $102,995 left, or an increase of $37,559, a percentage increase of 57.4. President Truman is not recommending that we give a man with such an income an increase of 57.4 percent in what he has left.

Mr. KILGORE and Mr. MILLIKIN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. PEPPER. I yield first to the Senator from West Virginia.

Mr. KILGORE. Mr. President, I am not defending the repeal of the excess-profits tax of 90 percent at the time it was repealed. But I ask the Senator if it is not a fact that it was originally imposed in order to recover excessive profits paid by the Government, because the Government was the largest purchaser in the United States. It was repealed when the Government ceased to be the largest purchaser. That was the basic ground urged upon the Senate and the President for its repeal at that time. At that time the Government was not recouping its own money, and hesitated to penalize taxpayers in that category by taking money coming from other sources.

Mr. PEPPER. I thank the Senator for his valuable contribution.

I now yield to the Senator from Colorado.

Mr. MILLIKIN. Mr. President, I think the Senator made the point a while ago as to what is left of a man's income after the Government takes its share in taxes.

Mr. PEPPER. Yes; that is what he spends.

Mr. MILLIKIN. So the point is the percentage of spendable income he has left after he pays his taxes.

Under the bill which is before the President, the man with an income of $1,500 will have 95.57 percent of his income left. The man with an income of $3,000 will have 90.88 percent; the man with an income of $10,000 will have 80.52 percent. The man with an income of $30,000 will have 68.08 percent. The man with an income of $100,000 will have 48.72 percent left, and so forth, until, when we reach the higher brackets, about which the Senator has been speaking, where the taxpayer is left with 23 percent of what he had before taxes.

Let me give the Senator another statistic or two in this matter. Out of an estimated total taxable income for 1947 of $121,000,000,000, 80 percent is received by persons with net incomes of $5,000 or less. Those persons pay 56.8 percent of the taxes under the present law and under the bill which is before the President they would receive 64 percent of the total reduction.

Mr. PEPPER. Under the two proposals of the Senator from Illinois to raise exemptions and to lower surtaxes, 80 percent of the $2,900,000,000 reduction would be received by those with incomes under $5,000 a year and 20 percent to those with incomes above this amount. Under the Republican proposal, 64 percent would go to those with net incomes under $5,000. Here is the tragedy of the present tax policy: I have not now all the figures before me, but it comes down to this: In 1939 the exemption for a married man was $2,500 and for a single person $1,000—$400 was allowed for each dependent. At that time there were only 5,000,000 taxpayers. In the war years, in our desire to try to pay for the terrific cost of the war, we lowered income-tax exemptions. That is, we brought some 47,000,000 people into the category of income-tax payers. That included not only the rich, but the masses of the American people earning $1,000 to $1,200. In the past several years we have imposed certain excise taxes. My figures from the Treasury show that about 80 percent of all the excise taxes—really sales taxes—are paid by people receiving an income of less than $5,000 a year. Let me say what I think the situation is at the present time. The small taxpayer is kept substantially on a wartime basis because his exemptions are not increased, whereas the large taxpayer is carried back nearer to the 1939 base than is the small taxpayer. The way it workers out is this: When we started off with the income tax we allowed an exemption of approximately $2,500, as I recall, to the family. The reason we allowed the family head that exemption was because we knew it required that much for him and his family to live. Before being generous we were trying to be just. But because of the necessity of the Government having more money, we kept pressing those levels down until at the height of the war we lowered the exemptions to such a point that approximately 47,000,000 people were brought into the category of income-tax payers. For a man with an income of $5,000 the gap between the 1939 rates and those in the proposed bill was reduced by about 3 percent—those with incomes of $100,000 about 13 percent.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I shall yield in a minute.

What we have done, therefore, is to put the large taxpayer substantially back to his status in 1939, whereas we have left the little taxpayer substantially on the wartime level.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. I do not want to prolong this discussion of the tax bill, which is wholly irrelevant to the discussion of the labor bill, but it has been injected. I think it should be noted with reference to the bill in question that the Senator from Maine [Mr. BREWSTER], who says he voted for the bill, claims that it relieved 12,000,000 taxpayers of paying taxes altogether last year and brought about a 5-percent reduction to everyone else. So it was not a bill which was simply in the interest of corporations, because it took 12,000,000 taxpayers off the rolls and reduced individual taxes by 5 percent. That was one of the things we did in that act.

I think the committee was unanimous reporting the bill to the floor of the Senate. The Senator from Georgia [Mr. GEORGE] was chairman of the committee. It was recognized that it was the proper thing to do. There were some scattered objections to it on the ground that it relieved some corporations of excess-profits taxes; but what we were trying to do was to bring about some relief from the war taxes which had been imposed in the interests of the resumption of production for peacetime economy. So that it is not true to say that that bill was wholly in relationship to relief of corporations anymore than it was to the 12,000,000 persons in the lower brackets who escaped altogether. There are now 47,800,000 taxpayers after the reduction of the list by 12,000,000 last year. They got an individual relief of 5 percent by an amendment which I myself offered in the Committee on Finance, and it was adopted by the two Houses.

Mr. PEPPER. I thank the Senator from Kentucky for his contribution.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Colorado.

Mr. MILLIKIN. I believe the fallacy of the Senator's line of reasoning is this: From the figures which I cited to him the great bulk of the revenue of this country comes from people in the lower income tax brackets. If we abandon those brackets prior to the time we substantially reduce expenditures of the Government, we cannot get sufficient revenue. The Senator has mentioned the injustices of the excise tax system. There are many of them, and they will have to be corrected. If we took the income taxes off the lower brackets we could not put an equivalent amount on the higher brackets, because it is not there. You can confiscate completely the income of the so-called wealthy and not meet your revenue needs. We would be driven to the very thing about which the Senator is complaining. We would have to increase excise taxes; and, as the Senator says, the people in the lower brackets would have to pay the larger burden of them.

Mr. PEPPER. Mr. President, I realize that it is difficult to write any tax law. I do not think we should prolong this discussion, but I think that before we start for example, giving $11,000 to a man making $100,000 a year, we certainly should give more to the man at the bottom of the ladder. The Senator has emphasized that we give a 30 percent reduction to the fellow down in the thousand-dollar class, and we give but a ten percent reduction to the fellow in the $300,000 class. But 30 percent of $1,000 is $300, while 10 percent of $300,000 is $30,000.

So what I am saying is that until we can lift the family of the man in the lowest bracket up to a decent level we ought not to raise another man's standard of luxury.

Mr. MILLIKIN. I think there are tests that go fairly to the problem. One is what is left after the tax is paid. Another is how many days a week, how many hours a week, does the taxpayer who is not a Federal employee work for the Federal Government? The gentleman about whom the Senator was talking works probably two weeks a year for the Federal Government. The men in the

high brackets are working from 3 to 6 days a week for the Federal Government. That gives a pretty good measure of the fairness of the tax.

Mr. PEPPER. Yes; but what I am saying is that the man in the higher brackets can afford to work longer, because, to use the Senator's illustration, he can work enough in one day to keep his family, but the poor fellow needs all his time, and then he cannot keep his family on the level which we would like to see in this country.

Mr. MILLIKIN. The end result of the Senator's argument is to take all taxes off the lower brackets, and the end result of that is a duplication in this country of what they are experiencing in Great Britain at this time. That has all been tried and it has ignominiously failed.

Mr. PEPPER. There is something in the doctrine of incentive taxation. I do not want to confiscate all the wealth or income of the man who is making $300,000 a year; but if we go back to the level of 1939 it will be seen that there is not much difference in what he will pay under this Republican bill and what he paid in 1939. In other words, he is merely back to prewar status, but the little fellow is still in a bad situation.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Maine.

Mr. BREWSTER. I am afraid the Senator did himself a great injustice in his suggestion that there is a reduction of $300 on a $1,000 income.

Mr. PEPPER. I was simply putting a hypothetical case. Thirty percent of $1,000 is $300, and 10 percent of $300,000 is $30,000. The percentage of reduction is not the criterion of what is left to the taxpayer.

Mr. BREWSTER. Neither of those have any application to the income, if this is a question of taxes.

Mr. PEPPER. No; I am just suggesting it.

Mr. BREWSTER. That gets down to the $11 and the $2.

I appreciate the suggestion of the Senator from Kentucky that some reduction was accorded individuals. I think the figures were between $3,000,000,000 and $4,000,000,000 for corporations, and approximately $2,000,000,000 for the individual income tax brackets, with, I think, the 5-percent reduction.

But I am still puzzled—and I wish to speak with as much moderation as the Senator from Kentucky did—by the statement that the Senator has followed through consistently in supporting tax reduction insofar as that can be done consistently with our present fiscal condition. Of course, the Senator from Kentucky is the one who was responsible for a statement to the Tammany Society of New York, during the campaign just preceding the Democratic National Convention in 1944, that following the war there would be a tax reduction of 50 percent.

Mr. PEPPER. Who said that?

Mr. BREWSTER. The Senator from Kentucky.

Mr. BARKLEY. Mr. President, that is the third or fourth time the Senator from Maine has quoted me as having made that statement. I made no such statement as that.

I did make a statement, not only to the Tammany Society—the name of which the Senator from Maine seems to enjoy rolling around on his tongue as if it were a sweet morsel—but also to many commercial clubs, boards of trade, and other groups, that, after the war was over and after we had discharged the hang-over obligations arising as a result of the war, I hoped we could reduce the expenditures of this Government to somewhere between $22,000,000,000 and $25,000,000,000; and that if we could do that, we could bring about a very substantial reduction in taxes, and probably in some brackets a 50-percent reduction.

But I never at any time said we could reduce all taxes 50 percent. I never said we would do it; and even what I said about reducing governmental expenditures was a fervent hope which we have not yet realized.

Mr. BREWSTER. Mr. President will the Senator further yield to me?

Mr. PEPPER. I yield.

Mr. BREWSTER. I do not recall that this matter has been mentioned on the floor of the Senate more than once before, when I read part of a clipping from the New York Times in which the Senator from Kentucky was quoted in that way. I do not recall that at that time the Senator from Kentucky questioned the accuracy of the quotation. If he had, I would not have repeated it here.

Mr. BARKLEY. I do not know whether I was in the Chamber when that statement was made.

Mr. BREWSTER. The Senator from Kentucky was in the Chamber at that time.

Mr. BARKLEY. But I am now repeating a statement which I made 3 or 4 years ago, before the war ended, as to what I hoped we would be able to do after the war ended. We may not be able to do it yet. Of course, many times we express hopes that cannot be realized.

Mr. BREWSTER. Does the Senator from Kentucky say that the quotation was inaccurate?

Mr. BARKLEY. I have not seen it yet. I assume that the Senator from Maine accurately quoted it. But if the article indicated that I promised that taxes would be reduced 50 percent after the war ended, it certainly would be inaccurate.

Mr. PEPPER. Mr. President, I wish to add to my discussion of section 313 that this measure provides a criminal penalty for any persons who violate the provisions of that section, which prohibits the making of an expenditure in connection with a political campaign. That would simply mean that, in a campaign, if the workers tried to take any collective or organized part in support of a candidate or a party, they could be subjected to constant criminal harassment, under the loose language of this section.

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. MORSE. The Senator from Florida will recall that earlier this afternoon he and I had a little discussion about the portal-to-portal-pay bill. I have checked into the provisions of the bill. I wish to say, in the interest of the accuracy of the RECORD, that the statement the Senator from Florida made was correct, namely, that that bill, as it came back from the conference, provides for a uniform 2-year statute of limitations.

I knew there was some reference to exceptions in certain circumstances in State cases. In checking into it, I find that the provisions as to State cases relate to cases now pending, but filed within 120 days after the enactment of the bill. As to such cases, the existing State statute will apply. But except as to those cases, the 2-year statute of limitations is uniform.

Mr. PEPPER. Mr. President, I thank the Senator from Oregon for his usual thoroughness in clearing up that matter.

I have adverted to instances in which the Senate bill has been made worse. I shall not present a detailed discussion of the Senate bill, except I wish to remind the Senate that it outlaws the closed shop. Today a substantial proportion of the workers in the United States who are working under collective-bargaining agreements are employed in closed shops; but if this measure becomes law that will be outlawed.

Under this measure there can be only a kind of union shop, and then only under a more onerous condition than that which applied before, namely, the bargaining agent must be authorized by a majority of the members of the union and must be selected specifically by a majority of those eligible to vote—not simply by a majority of those who take part in the election—thereby outlawing the closed shop, and making it more difficult to get a union shop than it has been in the past, and applying to the election on the question of whether to have such a shop a standard which does not apply to the election of a President of the United States or a Senator or a Member of the House of Representatives or a member of a State legislature or a member of a city council or a member of a board of commissioners. In such elections it is only necessary for the successful candidate to receive the votes of a majority of those who vote in the election; but according to the pending measure in order to have a union shop it is necessary that a majority of all those who are eligible to vote shall vote in favor of a union shop. Such a requirement would make a great deal of difference in the political campaigns in the United States, if it were applied to them.

Mr. President, I shall not discuss at length a provision of this measure which authorizes damage suits against labor unions to be filed in the Federal courts, without any requirement of diversity of citizenship or any requirement as to the amount involved, although such requirements are made by the present law. Under this measure, if it should become the law, a union could be dragged into a Federal court even if the amount of damages were only 3 cents. That cannot be done today, under the present law. Moreover, under this measure it would not be necessary to have a diversity of citizenship, as is required under

the present Federal law. In that case, again, the pending measure makes it easier to sue a union than has been the case in the past. Such a provision is another restriction upon the effectiveness of a union in representing the workers of the United States.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. I wish to raise one more question which I think the Senator from Florida had in mind, but which he has not yet mentioned. I refer to the change in the definition of the word "employer." On page 3 of the conference report we find this statement:

(2) The term "employer" includes any person acting as an agent of an employer, directly or indirectly, but shall not include the United States or any wholly owned Government corporation, or any Federal Reserve bank.

I think it is an interesting commentary that the Federal Reserve banks are not included. After all, they are bankers' banks. I know of no good reason why any exception should be made in the case of a Federal Reserve bank, any more than for any other bank in the United States.

I do know of a case of recent origin, coming from Dallas, Tex., in which the American Federation of Labor succeeded in organizing those employees. It is rather interesting to find now that under this measure the Federal Reserve banks will be excluded from that type of organization.

Of course, I know of no group of American workers who are more deserving and in more need of organization than the white collar workers whom we find working in the banks of the United States.

Mr. PEPPER. I thank the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. The House bill contained a complete exemption of all Government instrumentalities of every kind, which include the national banks. We objected very strenuously to that. We included only wholly Government-owned corporations and Federal Reserve banks. Federal Reserve banks issue the currency of the United States. They perform a governmental functions, even though they are not owned by the Government.

In the second place, no salary and no wages may be paid to the employee of any Federal Reserve bank, except with the approval of the Federal Reserve Board. In that respect also, therefore, they are in a position where they cannot make a collective-bargaining agreement, except with the approval and ratification of the Government of the United States.

Consequently it seemed reasonable to treat them as if they were, for this purpose, wholly Government-owned corporations. As I have said, the function of issuing currency is one which is clearly a governmental function, which should not be interfered with, in my opinion, by strikes.

Mr. MORSE. Mr. President, I think it is a very interesting distinction the Senator from Ohio seems to make in this case. The fact is that the white-collar workers in these banks are not permitted to organize under the protection of the Wagner Act. But if we take the Senator's distinction it is interesting, if we apply it, to follow it to its logical conclusion. The shipping concerns of this country carry the United States mail, and I know of no function more important than the carrying of the mail. It is rather interesting, on that ground, that, because they perform some governmental service, we should say to the maritime workers of America, "You cannot have protection under the Wagner Act." The fact remains that what the bill does is to deny to about 25,000 white-collar workers of this country the effective right to organize for their economic protection.

Mr. PEPPER. Mr. President, I thank the Senator from Oregon for making that valuable contribution.

The bill also takes away the right foremen now have to organize and claim the benefit of the National Labor Relations Act. I am not suggesting that they should, or can, under the present law, belong to the same union to which the workers belong, but they can belong to a separate union, and have their right of collective bargaining protected; but they cannot if the conference report bill shall become law. That privilege would be taken away from them. There are many hundreds of thousands of foremen, or supervisors, as the bill defines a supervisor, working in the plants of America who have the right to bargain collectively with their employers for betterment; but by the conference bill that right is denied.

I shall not prolong the discussion respecting the power of an employer to break a labor union if he chooses to do so. I mean that there is a provision in the bill that any worker who is not entitled to reinstatement cannot vote in an election to choose a collective bargaining agent.

Let us take, for example, a corporation in the State of West Virginia, we will say a coal mine. If the workers of that mine strike because they are dissatisfied with the wages they receive, the employer can recruit labor in West Virginia and put it in the mine. Then he can notify the National Labor Relations Board that he wants another election, and if there has not been an election in a year, he can get an election, under the bill, and the only ones who can vote in the election are the new employees, the strikebreakers, as it were. Of course, they will vote the old union out and vote the new representation in, and the old union will be effectively disposed of. So under the bill all an employer has to do is to provoke his workers to strike, recruit replacements, and put them in permanent status, and call for an election, if there has not been an election in a year, and his new strikebreakers would elect new representatives, and the old union would be effectively disposed of altogether.

I mention only two other sections of the bill. One breaks down the Norris-LaGuardia Act, and subjects the working people of this country to Government by injunction, which I believe is violently contrary to public policy, and to the best interests of all the people of this land.

The last instance is the provision of the bill that workers may be required to stay on the job 80 days if the President directs the Attorney General to apply for an injunction, and if the courts grant an injunction, without anybody being required to better their conditions or meet any of their demands during the 80 days during which they have to stay on the job.

As I have said before, I realize it is a serious problem what to do with the coal mines or the public utilities. We may have to have compulsory arbitration, we may have to nationalize the mines and the utilities, I do not know what we will have to do, but I know that only that remedy is fair which will apply alike to both sides, employer and employee. Provision for such a remedy is not contained in the conference bill. It would make the worker stay on the job 80 days, it would not give him a dime of increase in pay, it would not remove any onerous working conditions which might be the occasion of the dispute.

I have adverted to just a few things which pertain to the Senate bill itself. In conclusion, Mr. President, let me say that all over America today there are teeming millions of working men and women the very standard of whose living is in the hands of the United States Senate when it votes today on this conference report. That body of mer and women is entitled to expect of the Senate of the United States a due and fair regard for the protection of their interests and their rights. Not only that, but as they struggle up the hill, as they try to rise a little higher in the level of life, they are entitled to have help, not hindrance, in their struggle. I am appealing to the Senate of the United States not to put the hand of obstruction in the face of the struggling workingman who is striving up the hard road of life.

I am appealing to the United States Senate, Mr. President, at a time when we need our full production, not to adopt the policy which will stop production and stimulate strife between management and labor in America.

I am appealing to the Senate, Mr. President, not to weaken America in a day of all days when she needs the utmost of her economic and moral strength.

I am appealing to the Senate, Mr. President, to see to it that this measure does not break down the only effective weapon the worker has to better his lot—his own labor organization. Though the labor union may have faults and failures and many defects the bill does not stop with undertaking to remedy those faults and failures and defects, but tries to take away from the worker the very means by which he might advance up the ladder of progress and betterment.

I say to the majority party therefore, that if this is to be their work, then beware the consequences, not merely to the working people of the country, but, as the Wall Street Journal said, beware the contribution it makes to the diminished purchasing power, and to the rapidly approaching depression, which is already rushing toward the American economy; and if we have in America another depression, it will drag the world down

to economic chaos, and bathe our country in the flood of communism, from which I doubt if we will be able to remove it for decades in the future.

So, Mr. President, this is not merely a labor bill; this is a bill which relates to the well-being of the American people and to the preservation of democracy at home and abroad.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, an article from the Wall Street Journal of May 14, 1947.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDERAL ECONOMISTS FIND INCREASING SIGNS THAT BOOM IS FADING—INDIVIDUAL SAVINGS TUMBLE; CREDIT BUYING SKYROCKETS; BUILDING "BOOM" LAGS—UNEMPLOYMENT INCREASING

(By Vermont Royster)

WASHINGTON.—The Nation's families are going back to the old American custom of living off next week's pay check.

The rush of cash buyers for automobiles, radios, washing machines, and all the other things that give Americans the world's best standard of living is tapering off. It was a wartime phenomenon anyway. Today we're reverting to the old habit of "$1 down and $1 when you catch me."

To the Government's economists that's just one of a number of telltales whispering that the postwar boom is fading.

Whether the telltales add up to depression, recession, or just a return to normalcy no one knows. But the Nation seems to be "catching up." The high cost of living has caught up with the war-fattened pay envelope. Retailers and wholesalers are catching up on their inventories. Producers are catching up on their backing of orders. And salesmen are beginning to catch up on their old contracts.

SOME OF THE STATISTICS

Here are some statistics Government experts are noting warily in their chart books:

The rate of individuals' savings, squeezed by rising prices, is tumbling despite a second-year round of wage increases. Government figures on first-quarter savings, not yet published, will show the rate of savings has fallen back to about the 1940 level.

Consumer credit, in the doldrums during the lush days, is skyrocketing. The man on the street has returned to his prewar pattern of living up to his income and borrowing when he needs funds.

Spending for luxuries and amusements is on the wane. Even middle-bracket-income families find they have less left over to throw away.

Business' volume of new orders—excepting a few industries—is leveling off. Both wholesalers and retailers are piling up inventories as the production line catches up with customer demand.

The building boom, counted on to take up the reconverrion slack, has failed to live up to expectations. Private reports show industrial construction lags; home building is far below goals.

Unemployment rolls are nudging upward. The Bureau of Labor Statistics is not alarmed, but concedes that the number of gainful workers this summer will be well under earlier optimistic predictions.

The Government experts are not yet ready to hoist a full-fledged storm warning; most basic indices of business activity, such as the Federal Reserve Board's over-all production index, are still high. But the "small craft" warning is already flying. Some businesses have already felt the cooling wind, and others are worried by the falling barometer even though overhead the skies are sunny.

THE SQUEEZE TIGHTENS

The first pinch is being felt by the man-in-the-street, the ultimate consumer, whose ability to save is being squeezed out by the high cost of living.

Commerce Department figures for the first quarter of this year, soon to be published, are expected to show that the rate of savings out of income has declined from the wartime peak to about the 1940 level.

In 1940 the Nation's families as a whole were saving about 10 percent of their net income after taxes. This rate rose sharply during the war until in 1945 nearly 24 percent of income was set aside for savings.

At the war's end this savings rate slid off to about 12 to 13 percent of income and held steady until OPA's demise. With the end of price controls, rising living costs soon squeezed out the little extra gained from pay boosts. Today the Nation is back to a 10 percent rate.

Actually, savings of lower income groups appear to have taken an even worse beating, although no conclusive data are available. An analysis of Government savings bond redemptions shows that while total bond purchases are still high, cash-ins of the lower denominational bonds are more than twice as heavy as cash-ins of the bigger bonds.

SMALL BONDS CASHED IN

Nearly half the $25 bond issues—favorites of wage earners—which were purchased in 1945 had been redeemed a year later, and this rate seems to be increasing. Only 11 percent of the $500 and $1,000 denominations had been redeemed.

As a corollary, this drop in savings has been accompanied by an increase in the volume of short-term consumer credit. Right after the war there was a lot of cash-on-the-line buying of the few available consumer goods. Today, more and more families are mortgaging their next week's and next month's pay checks to get that automobile or radio or washing machine.

In 1946 all types of consumer credit jumped by $2,400,000,000. In March of this year instalment credit alone increased by $70,000,000 to a level nearly 65 percent higher that March of 1945. All in all, consumer credit is hitting a record high level. What worries the experts is that this is happening in a "boom" year when people are supposed to have plenty of cash to burn.

The troubles of the man-in-the-street are being reflected elsewhere too.

Business volume of new orders has already begun to level off except in a few industries. So far production has cut only moderately into the backlog of orders, but the fact that the backlog has been reduced at all is a sign of the changing times. Commerce officials report that the "early rush to place new orders is now over."

INVENTORIES ACCUMULATING

As would naturally be expected from this, inventories are accumulating on wholesalers' and retailers' shelves. This is true of even such once hard-to-get items as automatic washing machines, FM radios, men's shirts, and, of course, nylon stockings.

The passing of the lush-money days has brought some shifts in spending too.

The bust in the night-club business is already an old story. Now almost all luxury and amusement businesses have been hard hit by the competition for the consumers scarcer dollar. And finally, there are indications that the man on the street is getting more penurious about spending for the semi-luxuries. He's finding he bas less extra money than he thought.

That discovery has been particularly hard on the home-building industry. A private survey by a real-estate association, borne out by Government reports, shows that many building plans have gone up in pipe smoke. Prices for existing houses are tottering also in most parts of the country.

Building construction had been looked on by most Government economists as a potential "life saver" in a postwar slump. A vigorous construction program, it was hoped, would take up the slack as it did after World War I. Thus, if the would-be builders are being priced out of the market, as it now appears they are, the Government seers see trouble ahead.

The Government has already turned slightly bearish on its employment prospect predictions. United States Employment Service officials, who once foresaw boom-times for job hunters this summer and fall, are beginning to hedge their predictions. They still insist that employment will "hold up" through the year, but they admit the outlook is "not nearly so good as we thought earlier." Currently, the jobless amount to about 2,400,000.

LEAVES OF ABSENCE

Mr. LUCAS. Mr. President, I ask unanimous consent to be excused from attendance upon the sessions of the Senate during the next 5 days. The Senator from Illinois has had two engagements of long standing in his own State, and he feels it necessary to keep the engagements.

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Without objection, consent is granted.

Mr. THYE. Mr. President, I ask unanimous consent that I may be excused from attendance upon the sessions of the Senate next week, Monday through Thursday.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. BROOKS. Mr. President, I ask unanimous consent to be excused from the Senate for the remainder of the day and on Monday and Tuesday of next week.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. WHITE. Mr. President, on behalf of the Senator from Nevada [Mr. MALONE], I ask unanimous consent that he may be excused from the session of the Senate the remainder of this afternoon and on Monday next.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. CAIN. Mr. President, I ask unanimous consent to be absent from the Senate on Monday and Tuesday of next week.

The PRESIDING OFFICER. Without objection, consent is granted.

LABOR-MANAGEMENT RELATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3020) to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes.

Mr. KILGORE. Mr. President, I shall take just a few minutes to discuss a few phases of the bill which I think are dangerous.

In the first place, it has always been a matter of regret to me that legislative action in the United States should ever be of the pendulum variety. We find a wrong, and we swing over and correct the wrong. Possibly we swing a little too far, and we swing back to correct that. Usually, then, we swing as far in the opposite direction as we had previously swung, or even farther. I think the President of the United States in his message to Congress on the question of labor legislation suggested to Congress how to stop the pendulum in the center with legislation that would be fair to management and labor alike. Labor cannot exist without management, and without labor management has nothing to manage. Management and labor are the basis of our economy, and it is highly important they be kept in balance. It is highly important that both be considered.

It is true the bill before us is called a mild bill. I may suggest that a 25-percent solution of carbolic acid might be considered mild, compared to a 100-percent solution. The pending bill is called mild, because the Senate saw fit to tone it down, and the conference, in the main, sustained some of the results of the toning-down process. The bill was described aptly by its author, Representative HARTLEY, on the floor of the House when he said the purpose of the legislation was to break the union down to the local level. Mr. President, that is not a laudable attitude. We know that the greatest good has come to the union by consolidating into larger unions. We know that management prefers industry-wide bargaining, or at least bargaining with large groups. They prefer to level off wage scales, so they can compete with one another. That was the purpose of the original bill. That purpose was defeated in the Senate.

Some people, Mr. President, I am very sorry to say, are cherishing the idea of breaking union leadership. Is it a good thing to break the leadership of any organization? Would it be a good thing to break down the strength of leadership in government, the leadership of churches, the leadership of industry, for instance? Is it wise to weaken and to break it down? Is it a good plan to legislate just because of animosity toward a certain individual? I need not mention individuals who have aroused the public ire. Is it wise to enact legislation directly affecting 15,000,000 people, because some persons may be irked temporarily by one or two prominent labor leaders? Yet it was in that spirit of resentment that the bill was drafted, and it will be in that spirit that the bill is passed.

The constructive suggestion by the President, with which I was in hearty accord, recommended the formation of a commission to find out what if any amendment is needed in the existing labor laws and the laws governing industry, and the laws governing the relations between management and labor, in order to correct manifest inequities, in a sensible manner, striking a middle-of-the-road course. Such a commission would be expected not to be actuated by a fit of temper because of the acts of some person which were temporarily offensive to the public.

A great deal is said about the mandate of the 1946 election. I may say, Mr. President, it was a very feeble mandate, by a very small percentage of the people. A mandate is supposed to be an expression of the popular sentiment. Let me call attention to the mandate of the 1944 election, in which a large percentage of the people voted, perhaps twice as many as the voters who gave the so-called mandate in 1946. If I were to describe the 1946 mandate, I would say it was the mandate of absentees.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. KILGORE. I yield to the Senator from Florida.

Mr. PEPPER. The Senator would say also it is probably a temporary mandate, too, would he not?

Mr. KILGORE. I thank the Senator from Florida for the remark. To illustrate the manner in which we are departing from the 1944 mandate, I call attention to the fact that there was no platform in the 1946 election. I challenge either party to show that it had a platform in 1946. How can there be a mandate by the people, unless there is a platform? I have yet to hear of any Member of Congress who ran for office in any area, on the basis of declaring, "We are going to crucify labor. Yet it is said a mandate was given in 1946. Let us see how that mandate of 1944, the real mandate, is being followed. In that year there was the platform of the Republican Party. I shall refer to title 2 of the bill as reported by the conference committee, a title which I think has not been touched on as yet. Let us see how that corresponds to the only mandate that the Republican Party has, so far as I can see, or that the Democratic Party has, namely, the party platform, on the basis of which in 1944 the voters cast their votes, to a far greater extent than they did in 1946. In that platform, was it recommended that the Labor Relations Board be divorced from the Department of Labor? In vetoing the Case bill, President Truman branded the establishment of an independent agency as a step backward.

Our minority leader, in describing the provision of the bill, called it a fatal infirmity. I agree with President Truman, and I agree with our distinguished minority leader. Let us see what the Republican platform of 1944 said on the subject. In that platform they promised to place all Government labor activities under the Secretary of Labor. That was a specific promise, that all Government labor activities should be placed under the Secretary of Labor. I challenge any Senator to say that he publicly avowed his intention of wrecking labor unions or seriously hampering their powers, during the campaign. But today it is suggested that we take the Government labor activities out from under the Secretary of Labor. What else does the conference bill do? It renders the Board a relatively innocuous group. It is increased to five members, and is given a chief counsel. It still has a trial examiner. But, Mr. President, the bill takes away the right of appeal from the finding of the trial examiner, unless a member of the Board, one of five men, covering all disputes within the United States, elects to make a review of it himself; and he is not furnished counsel to assist him in making the review. So, we have weakened the right of appeal. The right of appeal that heretofore existed has been taken away.

As I say, I agree with the Republican platform that the activities in the field of labor-management relations, particularly so far as labor is concerned, should be centralized in the Department of Labor. If not, then let us get rid of a Cabinet position, and of a Cabinet officer.

Furthermore, the National Labor Relations Act failed to contain an economic sanction. How can the board reach any finding on a wage dispute, unless they know something of the economics of living in the particular segment of society involved in that dispute?

Another point I wish to mention briefly is the right of the employer to petition for an election. That subject was ably discussed by the Senator from Florida, but I want to mention one other factor. Heretofore, a labor organization could apply for an election. I think it was a weakness in the law, because they could apply and reapply, and that caused disturbances. Under the pending bill, the employer may apply, and after one election is held, nothing further can be done for a year. The danger of that lies in the fact that it may be used to forestall the organization of a plant. Thus we crucified the unorganized workers a very short time ago, when we said to them, "You cannot even enforce the Minimum Wages and Hours Act in the courts of the United States, unless you have a contract with your employer."

Are they all going to be able to secure individual contracts? Mr. President, we all know that the only way they can secure contracts is by collective bargaining, and if we eliminate that provision the employer can, by calling an election in a hurry, forestall organization and get by, and, incidentally, become what I call a "gyp" operator, too many of whom are today operating in the United States on 20 and 30 cents an hour labor in competition with decent men who operate on, say, 60 cents an hour labor. That is another weakness in the present bill which I think is highly dangerous. There are several other weaknesses in it which I have touched upon in the past.

Mr. President, the particular point I want to stress is this: I think we should think seriously before we hamstring our workers, before we strike down their rights. I well remember one incident. In the early part of the war I was in a large airplane factory on the west coast talking to the manager about the workers. I asked him how the women were getting along in the plant. That was in the early days of women working in airplane factories. The manager said, "They do good work, but I am having trouble." I said, "What is the matter?" He said, "Women will not join the union. While this is not a closed-shop plant we have a union contract, and the men belong to the union and the women do not. That simply results in the stirring up of turmoil in the plant and it is holding

back production." Eventually all the women joined the union and production speeded up, and that source of discontent was removed.

Mr. President, I have spoken to a number of industrialists who have told me they would not operate a plant which was part union and part nonunion; that such a plant was troublesome to operate, that there was always bickering among the employees. Yet in this measure we do our utmost to wipe out the idea of a plant-wide union, and instead to make it not only possible, but highly probable, that there will be part union and part nonunion plants.

When labor's throat is cut, 60,000,000 people, who not only produce, but who buy, and by their buying keep the market alive, have their buying power destroyed. The people of the United States in the past, prior to the war, bought 95 percent of our production. We know the people of the United States will have to buy 85 percent of our production if we are to have anywhere near full employment.

When a policy is followed which will result in breaking up labor organizations and sniping at labor leaders, it may in many cases present situations which will result in the wrecking of the treasury of the labor organizations. Let us be fair, Mr. President, both ways. Under the bill a policy may be begun which may result in wrecking the treasury of an international organization. Indeed, such a wrecking would be a very simple thing under the wording of this bill with its rather loose agency definition. Even in what is known as a mine committee in the coal mine, one member of the mine committee could precipitate a suit against the international organization which might wreck the entire treasury. Such an individual might be hot-headed or he might be misled.

Let us recur to the question whether or not the bill would preclude unions from participating in politics. Let us consider the railroad brotherhood. I do not think anyone will question that they are a fairly conservative organization. They have legislative committees selected by the membership, and those legislative committees meet prior to an election. They analyze the legislative records of all the candidates on both tickets, and, they will not recommend an individual who has no legislative record. He must have had one before they will endorse him. Based upon such record they have in the past sent to their membership their recommendations with reference to various candidates running for national and State offices. Under the pending bill they could not spend the money for postage stamps to send out such recommendations. They could not spend the money necessary to print such a recommendation, which is an official action of an official group of their own body elected by them to perform a specific duty. They are precluded from doing that. I can see no way in the world, under the provision in the bill with respect to expenditure, that they could do so. It is not merely a question of radio talks. There is involved their right to hold meetings, to study the relative merits of candidates in elections, to study the relative merits of programs of parties, to decide which platform measures up the best in their belief, and to make known their decision.

Mr. President, I think we are going several steps too far and we are going too far too fast. I think we are removing constitutional rights which belong to the people. A workingman is a constitutional person. A corporation is a legislative legal entity. I believe activities of corporations can be curbed much more easily than activities of a human being can be curbed, be he a laborer, be he a banker, or be he the president of a corportation, or a Member of the United States Senate.

The bill goes even further, Mr. President. It speaks of "associations of employees." It does not speak of "associations of employers." It does not speak of "associations of corporations." There are many loopholes which would permit expenditures by one side, but no opportunity is given for the worker to defend himself. That is what I fear with respect to the bill. I fear what will happen in the future under it. I fear, just as the Senator from Florida said he feared, the ultimate crash that may result under it, the trend toward communism that may ensue.

We have spoken much about communism. Everyone is afraid of communism. No one seems to be able to put his finger on what it is. But I fear the trend toward communism which may ultimately occur and the break-down of the body politic if what is now proposed to be done shall be consummated. The break-down will come when we have reduced the worker to the point where he is at the mercy of his exploiters.

I expressed the fear of what may happen when, a short time ago, the alleged portal-to-portal measure was passed. I say "alleged" advisedly. The measure had very little to do with portal-to-portal pay. It was mainly designed to take away from the individual nonunion worker the ability to protect his right. Now we are trying to do the same to the union worker. The two measures constitute two steps in the wrong direction, two steps toward chaos, two steps toward such a course as began back in 1921 and led down to the smash of 1929. They constitute two steps the United States Senate should not take.

Mr. President, I trust the Senate will not be so blind as to agree to the conference report. It was my hope that we could wait, not a long time, but until we could receive advice from persons who have studied the problem respecting what amendments are necessary to cure the evils we want to cure, instead of simply cutting and slashing ahead. We should call in able men who can make a diagnosis of the situation. Instead I am afraid we will be calling in men to perform an autopsy on the economic structure of the United States.

Mr. IVES. Mr. President, the hour is late and I shall be brief. There are one or two things I should like to say concerning the pending bill before final action is taken upon it. The turbulence of the present debate is indicative of the turbulence which is connected with the consideration of this whole question. All of us who have been closely associated with the formulation of the bill have had that condition more and more borne in upon us as a tremendous force in its consideration. However, I think there are a few fundamental things which we should consider in these final hours in which the debate is closing.

In the first place I think it is generally agreed among those who may oppose this legislation as it stands, that some legislation is necessary. There may be a few exceptions, but I doubt if there are many.

With that hypothesis, that premise, last January we began hearings before the Senate committee on the various bills dealing with this question. I for one had hoped that no legislation might be required. I entertained that hope because it seemed to me that if we could once get collective bargaining itself actually to operating as it should operate, very little if any legislation would be necessary. But the course of the hearings indicated to me, as they progressed, that there are abuses, that inequities exist under the present statute, and that the abuses must be corrected and the inequities eliminated.

With that conclusion, I offered some legislation of my own. I tried to be as moderate as possible in its preparation. However, even the legislation which I proposed, mild as it was—and I dare say it was the mildest legislation of all introduced—met with plenty of objectors. So I say that in the consideration of this question, based upon the hypothesis I have stated, in a great controversial question of this type it is impossible to obtain legislation on which all of us can be agreed, or upon which, in all probability, a substantial majority of us can be agreed in full. I dare say that any bill that might be drafted by any Member of this body dealing with this subject, even though it might meet with the particular Member's complete ideas on the question, would not completely meet another person's ideas.

That is the story of controversial legislation. How do we handle it? Each person cannot stand unalterably by himself and say, "I am going to have it this way, or that way." We should never be able to legislate on controversial matters if that were the situation. So we compromise. We get together, constantly bearing in mind our over-all objectives.

That is what happened in this particular instance. I am quite sure that not even the Senate bill which was reported from the Senate committee met with the complete approval of all of us. There were things about even that bill which I did not entirely like. Certainly the bill as finally passed by the Senate did not completely meet with my approval.

And so it has been with the conference report. Bear in mind always that we are dealing with extremists as well as with those who would pursue a middle-of-the road policy. I am not reflecting upon any Member of the Senate or of the House. I am reflecting on the public at large, whose influence is quite extensive—thank fortune. We are dealing with some who would like to see labor organizations and legitimate trade unionism in this country destroyed. There is no doubt about it. On the other hand, we

are faced with a situation in which those immediately connected with trade unionism refuse to agree to any type of legislation. They refuse to admit that anything is wrong.

No one could have listened at the hearings during the past winter without knowing that some things are wrong. Yet, when the question arose as to the help which we might be able to receive from those who would be most immediately affected by the legislation, namely, the representatives of organized labor, we received no help whatever. We were left to go it alone. So I say that organized labor has no right to complain too bitterly about the type of legislation upon which we are agreed. They had their chance, and they did not come through.

Mr. President, the opposition to this legislation is similar to the opposition of other types of controversial legislation which we have had before us. The opposition is a combination. It comprises those who claim that the conference bill will absolutely destroy legitimate trade unionism; and we have heard that argument made in the course of this debate. Coupled with that type of opposition there are those on the outside—I am sure that no such sentiment exists in this body—who are opposed to this type of legislation because they believe it does not go as far as they want to go. In other words, it would not destroy trade unionism.

The answer is very simple. This legislation as a whole—and the bill must be viewed as a whole—pursues a middle course. It will not destroy trade unionism. As a matter of fact, properly administered, this legislation should go a long way toward improving conditions in trade unionism.

Mr. President, I recognize that this bill is not perfect. We could not have a perfect bill in the midst of such a controversy. I dare say that I would probably find fault here and there with any type of bill dealing with the subject which might be presented, except a bill which I myself might draft. So the question immediately arises, Shall we face the condition as we find it? Shall we accept the legislation as we find it? Shall we endeavor, through this legislation, to reconcile the differing views of the extremists with whom we must deal? I dare say that the bill before us more nearly reflects the over-all judgment of the Congress of the United States than any other piece of legislation dealing with this subject which could be evolved. That is the significance of this particular bill. Surely it has defects. I recognize them. I should be opposed to it if it were not for the fact that it contains one or two features which I believe to be fundamental. Fortunately those features are part of the bill.

I recognize that in the administration of the new statute real discretion and ability must be shown. That is the first thing we must have. We know the type of National Labor Relations Board which we have. I for one have confidence in that Board.

I have confidence that the two additional members to be chosen under this bill, if it is enacted into law, will be of that same high caliber. If we have that type of administration, even with some of the defects which the bill may contain, we have not too much to worry about in the immediate future.

The second thing which is vital in this matter is an appropriation sufficient to take care of the administration of the act. Let us not deceive ourselves about that. It does not make any difference what type of legislation we may be passing in this instance, if there is not an appropriation sufficient for its administration, no matter how excellent it may be, it never can work satisfactorily. That, too, is fundamental in this question. I assume that an appropriation sufficient to carry out its provisions will be made.

Thirdly, and this, Mr. President, is most important of all, and it is something which all of those who are critics of this legislation should constantly bear in mind, this bill in itself is not an end product. If it becomes a law it will be, and rightfully so, subject to change during the years ahead. One of the great troubles with the National Labor Relations Act has been that it has not been changed. The whole field of labor relations is an extremely dynamic field, constantly changing in every way, in techniques, procedures, and everything else; and to say that 12 years ago we could or today we can enact legislation and expect that legislation to hold up for an indefinite period of time—certainly that has been the case with the Wagner Act—is something beyond the realm of probability. If the National Labor Relations Act had been changed 9 or 10 years ago, as it should have been, we should not be faced today with the situation which confronts us. But it was not changed.

So I say we have this problem of changing it on our hands; and again I say that we must remember that this bill is not an end product.

What is the answer? The bill itself provides the answer. The Senator from West Virginia [Mr. KILGORE], who just spoke, suggested a commission for study. We do not need any commission for study at this moment before this legislation is enacted. We would not get any better legislation than that which we have today. What we do need now is to have established a group of that type to see how this legislation itself is working, to follow it, to check with the administrators of it, to find out if the procedures and techniques which they are following are of the kind which enables them to produce the results which we are seeking. That, Mr. President, is prepared for in the creation of a joint congressional committee as provided for in title IV of the bill.

I am not worried about this bill. Recognizing and accepting all of the charges which have been made against it, I am not worried about it, because if that committee is established and if it does the job which it should do and can do, most of the things which have been anticipated will never come to pass. I know whereof I speak in this instance. I have been through this kind of situation before. Where flaws show up, as inevitably they will, I assume that the committee will have the common sense and intelligence to make recommendations to the next session of the Congress to see that amendments are prepared and enacted.

I want to say in closing that if anything shows up which is harmful to the trade-union movement in this country, as a result of this legislative action—if the bill is finally enacted into law, I shall be among the first to do my utmost to see that such a situation is corrected. That is the way we progress, Mr. President. That is the way we go forward in this country. If we always had the way clear, if we always knew where we were going, we would not be living in this world. We have to take things as we find them. This type of legislation is the only type of legislation with which to approach and, finally, to solve the problems of labor relations which face us.

Mr. BARKLEY. Mr. President, I shall not detain the Senate more than a very few moments, but before we vote I wish very briefly to give, not in detail, but merely in the briefest sort of outline, my reasons for being unable to support the conference report.

Mr. President, I recognize the truthfulness of the statement made by the Senator from New York [Mr. IVES] that legislation of this sort deals with a dynamic subject. It deals with human emotions; it deals intimately with a man's relationship to his family and his ability to support his family as he should like to support it, in order to give it an equal chance, if possible, with the family of every other American citizen. I realize how difficult it is for men who have strong convictions to come together on legislation involving so much controversy as that which any labor legislation necessarily involves.

I voted against the bill when it passed the Senate recently, and I gave in some detail my reasons for my inability to support it, which I shall not reiterate at this time. Among the reasons which I gave was my fear that in view of the House bill, when it came back to us it would be a worse bill, from my standpoint, than it was when it passed the Senate. While I concede that the conferees made some modifications in the provisions of the House bill and eliminated some others, which improved the legislation, I still think that out of the 34 changes made by the conferees in the legislation the Senate conferees yielded on more than a majority of them, some of which were more or less technical and routine, but some of which were important, in my judgment, and which, to that extent, made the bill a worse bill than it was when it passed the Senate a few weeks ago.

Moreover, Mr. President, there were some eight or ten new provisions put into the conference report which were not in either bill. A point of order was made against them in the House, and in a long decision the Speaker overruled the point of order, and therefore there is no point in my arguing that question, and I do not do so.

My objection to this legislation and my inability to support it do not grow out of my intransigent attitude toward labor legislation. They do not grow out of any desire on my part to have no bill at all; but I am not required, either by my

own conscience or by the situation which exists in this country, as I see it, to vote for a bill the majority of whose provisions I think are objectionable, in order to get some things for which, if incorporated in the bill by themselves, I would vote.

In the first place, I reiterate my objection to this measure because it does something which I think should not be done, and that is something that conferees could not remedy, because it was contained in both bills: The conference report removes the Conciliation Service from the Department of Labor. The Conciliation Service has never been, to my knowledge, accused of partisan action. It has never been given public credit for the magnificent work it has done in settling thousands upon thousands of labor controversies and preventing thousands upon thousands of strikes. Its services in that respect never got into the newspapers and never were accorded to the Conciliation Service on the credit side of its operations. I still agree with the Republican platform in 1944 and with the Republican candidate in 1944 in advocating that all labor activities and all labor agencies should be consolidated under the general jurisdiction of the Secretary of Labor. I raised my objection to that provision when the bill was passed by the Senate. My objection has not been removed by anything the conferees have done.

Mr. President, I object to this measure because it does what we have seldom, if ever, done before: It leaves to the determination of the local authorities in a State the question whether a Federal law shall be in effect in that State. There is not a criminal statute on the books, passed by any Congress, within Federal jurisdiction, that states that if a legislature of any State shall pass a law contrary to the act of Congress, the act of Congress shall be null and void insofar as that State is concerned. We might as well pass an act of Congress against counterfeiting the currency of the United States, but in it provide that if any State legislature authorizes counterfeiting, then the Federal law shall be null and void in that State. We might as well say that the Interstate Commerce Commission shall have the right under the Constitution to regulate commerce among the States by regulating the rates that affect interstate commerce, but also provide that if a State legislature shall pass a law contrary to that regulation, then the Federal regulation shall be null and void. The Constitution of the United States provides that all taxes shall be uniform throughout the United States. It does not make a similar requirement with respect to other legislation. However, it seems to me utterly inconsistent for Congress to assume jurisdiction over interstate commerce and then provide that its administration shall be spotty to the extent that any State legislature in the United States may nullify an act of Congress by passing a law of a different effect.

That is what this measure does, Mr. President. It provides that there may be a union shop; it undertakes to abolish the closed shop. But it says there may be a union shop, provided a majority of those who are eligible to vote in that shop—regardless of whether they vote—do vote in favor of having a union shop. As the Senator from Florida pointed out so ably, that is a principle of plebiscites and elections that is not recognized anywhere in the laws of the United States.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. It is recognized in the constitution of Ohio. In order for a bill to be passed in the Ohio Legislature, it is necessary that it receive the affirmative votes of a majority of all those elected to the legislature, no matter how many are present. The principle is not a departure from any fundamental democratic principle.

Mr. BARKLEY. I do not dispute the constitutional provision of Ohio that in order to pass a law a majority of the elected representatives shall vote for it. But such a principle is not recognized in any elections, except in the States that require that a majority of all the votes cast shall be required in order to nominate for office, in which case if there is not a majority it is necessary to have a run-off primary. To that extent, no validity is recognized in a nomination unless the nomination is made by a majority of those who vote. But even in those States, it is not required that a majority of the eligible voters shall register their favoritism or preference for any particular candidate. Even though less than a majority of all the eligible voters in the State may vote in a primary or in an election, the man or woman who receives a majority of the votes cast is elected.

Let us suppose there is a labor organization in any plant—a union or even not a union—and let us suppose that a thousand persons work in the plant and that all thousand of them are eligible to vote. Let us further suppose that only 600 of them vote. Under the provision we are now discussing, 501 of the 600 would be required to vote affirmatively in order to have what this measure calls a union shop. It may be said that the other 500 should have voted. Perhaps they should have. It might even be said that 49 percent of the American people, who sometimes do not vote in an election, should vote. However, sometimes they do not. Nevertheless, their failure to vote does not invalidate the election. Some Members of the Senate have not received the votes of a majority of all the eligible voters in the States in which they are elected.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I wish to say that I think the nearest analogy to what the Senator is discussing is to be found in the Federal Marketing Agreement Act which requires that 66⅔ percent of all the producers of a certain commodity in a certain area must give their consent in favor of the marketing agreement before it can be put into effect. That is a very stiff requirement, and it means that conditions must be so desperate that two-thirds of all the farmers who are eligible to vote will vote for a Federal marketing agreement. Nevertheless, time and again it has been necessary for that to be done in order to save their economic lives.

Mr. BARKLEY. Mr. President, I happened to be in the Senate at the time when the Agricultural Adjustment Act was passed. We tried to make it democratic in the real sense that the farmers themselves should decide whether it should be applicable to their crops; and in Kentucky we had election after election with respect to tobacco. In order that no group of farmers might complain because a bare majority had made the law applicable to their crops, we did require that 66⅔ percent should be required to vote in favor of the application of the marketing agreement before it should go into effect. I think that is still the law, and I think we have had from 90 to 93 percent of the farmers vote to put such a marketing law in effect.

Mr. AIKEN. That is true. But the situation has to be very bad and very desperate before that many votes can be obtained.

Mr. BARKLEY. But the situation with respect to quotas on agricultural products is quite different from the situation in regard to the voting of a body of laboring men as to whether they wish to have a union shop in the plant in which they work. I object to that principle, Mr. President. I will not go into further detail about it, but I object to it because I do not believe it is a fair principle; I do not believe it is fair to require, in effect, that a majority of all those who work in a plant and who are eligible to vote shall be registered in favor of a union shop, before a union shop can be installed in that plant.

So, Mr. President, I have registered three objections to the proposed legislation: first, the requirement that the majority of all those who can vote must be registered; second, the requirement that in any State where a legislature has passed what we call a nonunion or closed-shop bill, even a majority of those who want to vote cannot register their desire because they cannot even hold an election in such a State. I do not recall how many States have recently enacted such legislation. I think it is 10 or 12. Perhaps the Senator from Montana [Mr. MURRAY] can tell me. There are a dozen or more, I think.

Mr. MURRAY. I think there are that many, at least.

Mr. BARKLEY. I would say, roughly, a dozen or more States. I am not impugning the motives of legislatures. They have a perfect right to do that with respect to intra-State business if they see fit to do it. They have a perfect right to control what happens in their State, so long as it does not interfere with interstate business. The Supreme Court has held time and time again that when the United States Congress intervenes in a field where it is supreme, the law it passes shall take precedence, in the regulation of commerce among the States, over any State law which may be enacted, either for intrastate commerce or which might indirectly affect interstate business.

Mr. President, I think the provision proposed is an unwise precedent. I think it cannot be justified in good gov-

ernment and good legislation. I do not believe that any State legislature should have the right to nullify an act of Congress so that it will not take effect in that State. That is a serious objection to the proposed legislation, in my judgment.

There are other things which I might record as reasons for my objection. I do not believe that the restriction placed upon the activities of labor organizations in the matter of expressing their views concerning candidates and issues places them on an equality with their employers in doing the same thing.

Mr. President, the proposed law makes it unlawful for a labor organization, without mentioning the name of any candidate for office, to issue a pamphlet or an advertisement in a newspaper advocating a position for or against something which might affect an election.

Certainly that is not on an equality with the practices of associated and organized employers issuing full-page advertisements all over the country. We know that last year, when certain legislation was pending in the Congress, full-page advertisements were printed all over the United States against certain things. They did not say anything about candidates, but the things they were advocating or opposing could be easily identified with candidates running for office, for the Congress, for instance, at that time. This was just before the election. They did that, and if it was in violation of any law in existence, nothing was done about it, and I do not know that it was in violation of any law. But under the conference report bill no labor organization could do the same thing.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MYERS. Along the line of the Senator's remarks, I have before me a statement of the National Association of Manufacturers which on July 3, 1946, in an advertisement entitled "The Future With Confidence," published in the Washington Post, had this to say:

> The members of the National Association of Manufacturers have no intention of rocking the inflation boat—now or at any other time.
>
> If OPA is permanently discontinued, the production of goods will mount rapidly and, through free competition, prices will quickly adjust themselves to levels that consumers are willing to pay.
>
> The great majority of American manufacturers are determined to produce as much as they can, as fast as they can, to sell at the lowest possible prices.
>
> American manufacturers are also determined that such price increases as may be necessary will be only those fully justified by increases in wage and other production costs.

That is one of the advertisements that appeared in the newspapers all over the United States, paid for by the National Association of Manufacturers.

Mr. BARKLEY. I thank the Senator.

Mr. President, I do not see any fundamental difference in principle between expressing one's opinion with respect to the qualifications of a man who is appealing to the people to elect him to office, and putting intense pressure on him here in Washington after he is elected to office. It is no more harmful to go before 27,000,000 or 40,000,000 people in advocacy of, or in opposition to, some principle of government than it is to descend on Washington and put pressure on 96 Senators or 435 Members of the House of Representatives; and that is not unlawful, and is not made unlawful by the proposed legislation, or any other bill I know anything about, unless they resort to some criminal practice, bribery or some other practice that is unlawful per se.

So, Mr. President, without any further discussion and without taking the time of the Senate and delaying a vote upon the proposed legislation, I wish to say that I cannot support the conference report bill. I speak only for myself; I do not pretend to represent anyone in the Senate except myself.

I am not speaking for the President of the United States. I do not know what his attitude will be toward the proposed legislation. I do feel that when it is sent to him he will analyze it and have it analyzed as fully as is possible, and as fully as he should do, to determine what its provisions are. After he has done that, I am sure he will act upon it as his own conscience dictates to him, according to his own conception of his high duty, without regard to any effect it may have upon him, politically or otherwise. I have that much confidence in the President of the United States, who, in addition to his many other qualities, is an honest man, a fearless man, and a sincere man, a man who, in the exercise of the high office which he holds, desires to do as nearly right as he knows how.

In this connection I am tempted to quote a phrase of Lincoln's which I think applies to President Truman. In his debate with Stephen A. Douglas in Illinois in 1858, when he was a candidate for the United States Senate and was advocating certain things, a delegation came to Mr. Lincoln in Springfield one day and said, "Mr. Lincoln, you cannot be elected, you cannot win the senatorship, by advocating the things for which you stand." I can imagine how Abraham Lincoln straightened up to his full 6 feet 4 inches and said, "Gentlemen, I am not bound to win, but I am bound to be right."

Mr. President, that is an immortal sentence, one which, to me, speaks the very essence of statesmanship, sincerity and morality. I think that that remark of Abraham Lincoln can be applied to President Harry S. Truman. He is not bound to win, and I could not tell him how he could win, for I have no crystal ball in which I can see what the people may do in any election. I would say to him that he is not bound to win, but he is bound in good conscience to be right, according to his own conception of what may be right, after seeking all the advice he can obtain.

Since I have voted against the bill, Mr. President, I have received many letters. Some of them have praised me for the vote I cast. Others have criticized me for the vote. To those who have approved my vote and have expressed their approval in correspondence I have of course nothing but appreciation, and to those who have criticized me for voting against the bill I say that I appreciate their frankness, because their criticism has not been bitter. Some of the letters disagreeing with my vote have been from my warmest friends. I appreciate their frankness, I appreciate their sincerity. I give them the same right I claim for myself, the right to be judged by their own conceptions of their duty.

We cannot satisfy all men. We will be fortunate if we satisfy ourselves that we have done our duty according to the light that Almighty God gives us in order that our feet may follow the path of rectitude.

Mr. President, I am sorry, deeply sorry, that a bill was not produced which I could consistently and conscientiously support, but I cannot support the pending conference report, and therefore I am compelled to vote against it.

Mr. TAFT. Mr. President, I do not intend to make a speech. I merely say that I filed an explanation of the conference report, which appears in yesterday's RECORD. We will check some of the statements made today, which have not been actually corrected on the floor, and I will later file a statement that may further explain some of the mistakes that have been made by those who criticize the provisions of the conference bill.

Mr. MAGNUSON. Mr. President, on yesterday, I asked the chairman of the Committee on Labor and Public Welfare, the Senator from Ohio [Mr. TAFT], how many concessions had been made to the House bill. The Senator informed me that in his opinion only three important changes or concessions had been made. I do not quarrel with the Senator's evaluation of whether the changes were important or of secondary importance. The reason I ask the question is because, as the two bills have been rightly described by the press, the Senate bill was a milder bill than the original House bill. I was wondering to what extent the final bill had absorbed the so-called harsh House bill. The managers on the part of the House, in a statement to the House, intimated and implied, by way of generalities, that more of the House bill than of the Senate bill was included in the conference report. As a matter of fact, the chairman of the House Labor Committee stated on the floor of the House, at page 6383 of the RECORD, and this is very significant:

> I think you are going to find there is more in this bill than may meet the eye.

In that statement, I agree with the chairman of the House committee; there is much more. But, for the purpose of the RECORD, I have made an analysis of the conference report. I agree with the Senator from Ohio that some of the changes are minor. I do not agree that only three important concessions were made. But, for the sake of the RECORD, by actual count, there are 36 concessions made by the Senate managers, 36 absorptions of the harsh House bill. Not to delay the Senate any longer, I have underlined them in red in the conference report, and I would like to ask unanimous consent to have the underlined portions placed in the RECORD at this point in my remarks.

Mr. TAFT. The Senator will remember that, as I said, yesterday I placed in the RECORD a complete analysis of the changes, with explanations of what they were. The most of them were not acceptances of the harsher House bill. They were acceptances of the statement in a somewhat different form, or they were in regard to reaffirming the existing law.

I have listened to four complete criticisms of these changes, in the last 2 days. I do not think those criticisms have led me in any way to change the statement I made earlier, that we conceded no important change. We conceded nothing to the House, which the Senate had debated and discussed. We conceded no further measures which I regarded, myself, as of importance; but I am of course glad to have the statement offered by the Senator from Washington placed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

There being no objection, the excerpts from the statement of the managers on the part of the House were ordered to be printed in the RECORD, as follows:

1. The conference agreement adopts the short title of the House bill.

2. The conference agreement contains the declaration of policy of the House bill, with one omission.

3. And thus the conference agreement adopts the definition of person contained in the House bill.

4. The conference agreement follows the provisions of the House bill in the matter of agents of an employer.

5. The conference agreement follows the provisions of the House bill in excluding from the definition of "employee" all individuals employed by persons who do not come within the definition of "employers," not limiting this exclusion, as did the Senate amendment, to employees of persons subject to the Railway Labor Act.

6. The conference agreement follows the House bill in the matter of persons having the status of independent contractors.

7. The conference agreement contains the same definition of "professional employee" as that contained in the Senate amendment, and accords to this category the same treatment which was provided for them in section 9 (f) (3) of the House bill.

8. The conference agreement contains in the definition section a rule to be applied for the purpose of determining when a person is acting as an "agent" of another person so as to make such other person responsible for his acts. A provision having the same effect was contained in section 12 of the House bill, under which the Norris-LaGuardia Act was made inapplicable in connection with certain activities dealt with in that section. Hence, under the conference agreement, as under the House bill, both employers and labor organizations will be responsible for the acts of their agents in accordance with the ordinary common law rules of agency (and only ordinary evidence will be required to establish the agent's authority).

9. The conference agreement does not make provision for an independent agency to exercise the investigating and prosecuting functions under the act, but does provide that there shall be a General Counsel of the Board, who is to be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years. The General Counsel is to have general supervision and direction of all attorneys employed by the Board (excluding the trial examiners and the legal assistants to the individual members of the Board), and of all the officers and employees in the Board's regional offices, and is to have the final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect of the investigation of charges and the issuance of complaints of unfair labor practices, and in respect of the prosecution of such complaints before the Board.

10. The only change in this section from existing law is the insertion of the words "in the manner prescribed by the Administrative Procedure Act." This insertion appeared in the House bill but not in the Senate amendment.

11. The second change made by the House bill in section 7 of the act (which is carried into the conference agreement) also has an important bearing on the kinds of concerted activities which are protected by section 7.

12. This provision contained in the conference agreement would, for example, prevent a labor organization from seeking to compel an employer to hire only union foremen or to discharge foremen who were not members of the union, and in this respect it covers matters which, among others, were dealt with under section 12 of the House bill.

13. Section 8 (b) (4) of the conference agreement has been expanded to cover a matter which was covered by section 12 of the House bill, namely, concerted activity by a union or its agents to compel an employer or self-employed person to become a member.

Two additional unfair labor practices are added which were not contained in the Senate amendment but were contained in the House bill. The first would make it an unfair labor practice for a labor organization or its agents having in effect a permitted union shop or maintenance of membership agreement to require the payment of an initiation fee in an amount which the Board finds excessive or discriminatory under all the circumstances.

14. A similar provision, though broader in its scope, was contained in section 8 (c) (2) of the amended Labor Act in the House bill. It is also made an unfair labor practice for a labor organization or its agents to cause or attempt to cause an employer to pay any money or thing of value, in the nature of an exaction, for services which are not performed or not to be performed. This provision derives from the provisions of the House bill relating to "featherbedding" practices.

15. The conference agreement adopts the provisions of the House bill in this respect with one change derived from the Senate amendment.

16. Section 8 (c) of the House bill contained detailed provisions dealing with the relations of labor organizations with their members. One of the more important provisions of this section—that limiting the initiation fees which a labor organization may impose where a permitted union shop or maintenance-of-membership agreement is in effect—is included in the conference agreement (sec. 8 (b) (5)) and has already been discussed. The other parts of this subsection are omitted from the conference agreement as unfair labor practices, but section 9 (f) (6) of the conference agreement requires labor organizations to make periodic reports with respect to many of these matters as a condition of certification and other benefits under the act.

17. The conference agreement, in section 9 (b), contains one further provision covering a particular classification of employees who were dealt with in the House bill in the definition of "supervisor."

18. Under section 9 (f) (3) in the House bill it was provided that, in determining whether a unit is appropriate for collective bargaining, the extent to which employees had organized should not be controlling. There was no comparable provision in the Senate amendment. The conference agreement, in section 9 (c), contains this provision of the House bill.

19. The "ever has been" test that was included in the House bill is omitted from the conference agreement as unnecessary, since the Supreme Court has held that if an individual has been proved to be a member of the Communist Party at some time in the past, the presumption is that he is still a member in the absence of proof to the contrary.

20. The particular problem dealt with in this latter clarification was provided for in the House bill by the requirement that only certified bargaining agents could make union-shop agreements and petition for elections to authorize their execution.

21. Third, there are added to the matters, with respect to which information must be filed, detailed statements of, or reference to, the provisions of the organization's constitution and bylaws, showing the procedure followed with respect to most of the matters which were covered in section 8 (c) in the House bill (the section dealing with the relations between labor organizations and their members).

22. Section 10 (b) of the amended act under the House bill contemplated that, in unfair practice cases, the Administrator would investigate charges, issue complaints, and prosecute cases. The Senate amendment did not contain comparable provisions. As previously noted, the conference agreement contemplates that these duties will be performed under the exclusive and independent direction of the General Counsel of the Board, an official appointed by the President by and with the advice and consent of the Senate.

23. The House bill provided, in section 10 (b), that proceedings before the Board should be conducted, so far as practicable, in accordance with the rules of evidence applicable in the district courts of the United States under the rules of civil procedure.

24. The conference agreement in section 10 (c) contains this provision of the House bill.

In section 10 (c) the House bill provided that the Board should base its decisions upon the weight of the evidence. The Senate amendment retained the present language of the act, permitting the Board to rest its orders upon all the testimony taken. The conference agreement provides that the Board shall act only on the preponderance of the testimony—that is to say, on the weight of the credible evidence.

25. The House bill also included, in section 10 (c) of the amended act, a provision forbidding the Board to order reinstatement or back pay for any employee who had been suspended or discharged, unless the weight of the evidence showed that the employee was not suspended or discharged for cause. The Senate amendment contained no corresponding provision. The conference agreement omits the weight-of-evidence language, since the Board, under the general provisions of section 10, must act on a preponderance of evidence, and simply provides that no order of the Board shall require reinstatement or back pay for any individual who was suspended or discharged for cause.

26. The House bill provided that in proceedings under section 10 a proposed report and recommended order would be filed by the person conducting the hearing on behalf of the Board, and that the recommended order would become final if not excepted to within 20 days. The Senate amendment did not contain any comparable provision. The conference agreement adopts the language in section 10 (c) in the House bill in this respect.

27. The conference agreement follows the provisions of existing law and the Senate amendment with the addition thereto of provisions requiring the issuance of subpenas as a matter of course on the request of any party, as was provided in the House bill.

28. Many of the matters covered in section 12 of the House bill are also covered in

the conference agreement in different form, as has been pointed out above in the discussion of section 7 and section 8 (b) (1) of the conference agreement.

29. To make certain that there should be no question about this, section 13 was included in the House bill. The conference agreement, in section 14 (b), contains a provision having the same effect.

30. One important duty of the Director which was not included in the Senate amendment is included in the conference agreement and is derived from the provisions of the House bill providing for a secret ballot by employees upon their employer's last offer of settlement before resorting to strike. Under the conference agreement it is the duty of the Director, if he is not able to bring the parties to agreement by conciliation within a reasonable time, to seek to induce them to seek other means of settling the dispute, including submission to the employees in the bargaining unit of the employer's last offer of settlement for refusal or for approval or rejection in a secret ballot. While the vote on the employer's last offer by secret ballot is not compulsory as it was in the House bill, it is expected that this procedure will be extensively used.

31. Section 302 of the House bill and section 301 of the Senate amendment contained provisions relating to suits by and against labor organizations in the courts of the United States. The conference agreement follows in general the provisions of the House bill with changes therein hereafter noted.

32. The conference agreement follows these provisions of the House bill except that this subsection is made applicable to labor organizations which represent employees in an industry affecting commerce and to employers whose activities affect commerce, as later defined.

33. Section 302 (c) of the House bill contained provisions describing the venue of suits to which labor organizations were parties and section 302 (d) provided for the manner of service of process upon labor organizations. These provisions of the House bill appear unchanged as section 301 (c) and (d) of the conference agreement.

34. Section 302 (e) of the House bill made the Norris-LaGuardia Act inapplicable in actions and proceedings involving violations of agreements between an employer and a labor organization. Only part of this provision is included in the conference agreement. Section 6 of the Norris-LaGuardia Act provides that no employer or labor organization participating or interested in a labor dispute shall be held responsible for the unlawful acts of their agents except upon clear proof of actual authorization of such acts, or ratification of such acts after actual knowledge thereof. This provision in the Norris-LaGuardia Act was made inapplicable under the House bill. Section 301 (e) of the conference agreement provides that for the purposes of section 301 in determining whether any person is acting as an agent of another so as to make such other person responsible for his actions, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

35. The conference agreement adopts the provisions of the House bill, with one change.

36. Section 207 of the House bill made it unlawful for any employee of the United States to strike against the Government. Violations of this section were to be punishable by immediate discharge, forfeiture of all rights of reemployment, forfeiture of civil-service status, and forefeiture of all benefits which the individual had acquired by virtue of his Government employment. The conference agreement, in section 305, makes it unlawful for any individual employed by the United States or any agency thereof (including wholly owned Government corporations) to participate in any strike against the Government. Violations are to be punishable by immediate discharge and forfeiture of civil-service status, if any, and the individual is not to be eligible for employment by the United States for 3 years.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	O'Conor
Baldwin	Hoey	O'Daniel
Ball	Holland	Pepper
Barkley	Ives	Reed
Bricker	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Byrd	Johnston, S. C.	Robertson, Wyo.
Cain	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Connally	Lodge	Sparkman
Cooper	McCarthy	Stewart
Cordon	McClellan	Taft
Dworshak	McFarland	Taylor
Eastland	McGrath	Thomas, Okla.
Ecton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Ferguson	Magnuson	Watkins
George	Maybank	Wherry
Green	Millikin	White
Gurney	Moore	Wiley
Hawkes	Morse	Williams
Hayden	Murray	Wilson
Hickenlooper	Myers	Young

The PRESIDING OFFICER. Seventy-two Senators having answered to their names, a quorum is present.

The question is on agreeing to the conference report.

Mr. TAFT. On the question of agreeing to the conference report I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HILL (when his name was called). On this vote I have a pair with the senior Senator from Maryland [Mr. TYDINGS], who is necessarily absent. If present and voting the Senator from Maryland would vote "yea." If I were permitted to vote, I would vote "nay."

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the junior Senator from Pennsylvania [Mr. MARTIN], and will vote. I vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Wyoming [Mr. O'MAHONEY]. The Senator from Nebraska, if present and voting, would vote "yea," and the Senator from Wyoming, if present and voting, would vote "nay."

The Senator from Missouri [Mr. DONNELL], who is absent by leave of the Senate, is paired with the Senator from Utah [Mr. THOMAS]. The Senator from Missouri, if present and voting, would vote "yea," and the Senator from Utah, if present and voting, would vote "nay."

The Senator from Pennsylvania [Mr. MARTIN], who is absent by leave of the Senate, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Pennsylvania, if present and voting, would vote "yea," and the Senator from New York, if present and voting, would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate because of illness in his family. If present and voting, would vote "yea."

The Senator from Illinois [Mr. BROOKS], who is absent by leave of the Senate, is paired with the Senator from New Mexico [Mr. CHAVEZ]. The Senator from Illinois, if present and voting, would vote "yea," and the Senator from New Mexico, if present and voting, would vote "nay."

The Senator from Vermont [Mr. FLANDERS], who is necessarily absent, is paired with the Senator from California [Mr. DOWNEY]. The Senator from Vermont, if present and voting, would vote "yea," and the Senator from California, if present and voting, would vote "nay."

The Senator from Nevada [Mr. MALONE] is absent by leave of the Senate on official business.

The Senator from Maine [Mr. BREWSTER] is absent on official business. If present and voting, he would vote "yea."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate. If present and voting, he would vote "yea."

The Senator from Missouri [Mr. KEM] is necessarily absent. If present and voting, he would vote "yea."

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If present and voting, he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], who is absent on official business, is paired with the Senator from Nevada [Mr. MCCARRAN]. The Senator from New Hampshire, if present and voting, would vote "yea," and the Senator from Nevada [Mr. MCCARRAN], if present and voting, would vote "nay."

Mr. HILL. I announce that the Senator from New Mexico [Mr. CHAVEZ], who is necessarily absent, is paired on this vote with the Senator from Illinois [Mr. BROOKS]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Illinois would vote "yea."

The Senator from California [Mr. DOWNEY], who is absent on official business, is paired on this vote with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from California would vote "nay" and the Senator from Vermont would vote "yea."

The Senator from Nevada [Mr. MCCARRAN], who is absent on official business, is paired on this vote with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Nevada would vote "nay" and the Senator from New Hampshire would vote "yea."

The Senator from Wyoming [Mr. O'MAHONEY], who is absent on public business, is paired on this vote with the Senator from Nebraska [Mr. BUTLER]. If present and voting, the Senator from Wyoming would vote "nay" and the Senator from Nebraska would vote "yea."

The Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland, is paired on this vote with the Senator from Missouri [Mr. DONNELL]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Missouri would vote "yea."

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Pennsylvania [Mr. MARTIN] has previously been announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "nay" and the Senator from Pennsylvania would vote "yea."

The Senator from Illinois [Mr. LUCAS] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], and the Senator from Louisiana [Mr. OVERTON], all of whom are absent by leave of the Senate, would vote "yea."

The result was announced—yeas 54, nays 17, as follows:

YEAS—54

Aiken	Gurney	Revercomb
Baldwin	Hawkes	Robertson, Va.
Ball	Hickenlooper	Robertson, Wyo.
Bricker	Hoey	Russell
Buck	Holland	Saltonstall
Byrd	Ives	Smith
Cain	Jenner	Sparkman
Capehart	Knowland	Stewart
Capper	Lodge	Taft
Connally	McCarthy	Umstead
Cooper	McClellan	Vandenberg
Cordon	McKellar	Watkins
Dworshak	Maybank	Wherry
Eastland	Millikin	White
Ecton	Moore	Wiley
Ellender	O'Conor	Williams
Ferguson	O'Daniel	Wilson
George	Reed	Young

NAYS—17

Barkley	Langer	Murray
Green	McFarland	Myers
Hayden	McGrath	Pepper
Johnson, Colo.	McMahon	Taylor
Johnston, S. C.	Magnuson	Thomas, Okla.
Kilgore	Morse	

NOT VOTING—24

Brewster	Flanders	Martin
Bridges	Fulbright	O'Mahoney
Brooks	Hatch	Overton
Bushfield	Hill	Thomas, Utah
Butler	Kem	Thye
Chavez	Lucas	Tobey
Donnell	McCarran	Tydings
Downey	Malone	Wagner

So the conference report was agreed to.

LEAVES OF ABSENCE

Mr. CAPEHART. Mr. President, I ask unanimous consent to be absent from the Senate for a few days in order to have my eyes treated.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. HOLLAND. Mr. President, I ask unanimous consent of the Senate to be absent on Monday next.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent of the Senate to be absent on next Monday, Tuesday, and Wednesday.

The PRESIDING OFFICER. Without objection, leave is granted.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

Mr. REED. Mr. President, I move that the Senate proceed to the consideration of Senate bill 110, Calendar No. 40.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

Mr. RUSSELL. Mr. President, the Senator does not intend to proceed with the bill this evening, does he?

Mr. REED. No. I have just conferred with the majority leader. When the motion is voted upon, he will move that the Senate take a recess until Monday.

Mr. STEWART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEWART. What is the pending business?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas that the Senate proceed to the consideration of Senate bill 110.

Mr. STEWART. So that, if the motion is agreed to, that bill will be the pending business on Monday?

The PRESIDING OFFICER. That is correct.

Mr. WHITE. Mr. President, if the Senator will yield, if the bill is made the unfinished business it is not expected that any action will be taken tonight. I shall move that the Senate take a recess until Monday.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas [Mr. REED].

The motion was agreed to; and the Senate proceeded to consider the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers, which had been reported from the Committee on Interstate and Foreign Commerce with amendments.

LABOR-MANAGEMENT RELATIONS—CORRECTION ON ENROLLMENT OF HOUSE BILL 3020

The PRESIDING OFFICER. The Chair lays before the Senate a concurrent resolution coming over from the House of Representatives, which will be read.

The concurrent resolution (H. Con. Res. 52) was read, considered, and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 3020) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes, the Clerk of the House is authorized and directed to make the following correction: In the matter in parentheses in the section designated as "SEC. 15" in title I, change the figure "10" to "11."

RECESS TO MONDAY

Mr. WHITE. I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 36 minutes p. m.) the Senate took a recess until Monday, June 9, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 6 (legislative day of April 21), 1947:

UNITED NATIONS

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Monnett B. Davis, of Colorado, to be the Representative of the United States of America in the Economic Commission for Asia and the Far East established by the Economic and Social Council of the United Nations March 28, 1947.

AMERICAN MISSION FOR AID TO GREECE

Dwight P. Griswold, of Nebraska, to be Chief of the American Mission for Aid to Greece.

UNITED STATES FOREIGN RELIEF PROGRAM

Richard F. Allen, of the District of Columbia, to be Field Administrator of the United States Foreign Relief Program, pursuant to Public Law No. 84, approved May 31, 1947.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 6, 1947

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father in Heaven, who knowest all and lovest all, mercifully hear our supplication. As each day brings new duties, may we waste no time on lost opportunities, but turn the leaf of another day and behold the page with confidence and assurance. Remind us that whatsoever we sow that shall we also reap; like falling grain, it revives and springs again. We pray Thee to give hope and purpose to our labors, lest weary human flesh sow but little and have naught else. Humble our pride and disturb our overconfidence. When we are selfish, forgive; when we wander astray, recall; and when we think ill of others, do Thou restrain. O lift us to those lofty tablelands of the soul against which the storm may beat in vain. Be unto us a shaft of light breaking through the clouds, and those who have sown in tears shall reap in joy.

Grant Thy blessings of comfort, safety, and good health upon our President and his household.

In the Saviour's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 17. Concurrent resolution accepting the statue of the late William E. Borah and tendering the thanks of Congress to the State of Idaho for such contribution.

The message also announced that the Senate had ordered that the Secretary be directed to notify the House of Representatives that Mr. SPARKMAN has been appointed conferee on H. R. 3203, an act relative to maximum rents on housing

accommodations, to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, in lieu of Mr. FULBRIGHT, excused.

COMMITTEE ON AGRICULTURE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. GRAHAM asked and was given permission to extend his remarks in the RECORD and include an editorial from the Evening Star entitled "Handicapping Justice."

Mr. MEYER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Parsons (Kans.) Sun.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pontiac (Mich.) Daily Press.

HENRY WALLACE AND THE REPUBLICAN PARTY

Mr. BREHM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Speaker, in my opinion, Republicans everywhere should join in singing the Doxology.

A reporter asked Henry Wallace in Raleigh, N. C., yesterday if he would support the Republican Party in 1948, and Mr. Wallace replied that he could not imagine himself campaigning for a Republican under any circumstances.

"Praise God from whom all blessings flow."

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BREHM. I yield.

Mr. RANKIN. He also said that he would not support Harry Truman, so we will also join in the Doxology.

Mr. BREHM. Then let us make it unanimous.

EXTENSION OF REMARKS

Mr. BELL (at the request of Mr. GOSSETT) was given permission to extend his remarks in the RECORD and include certain excerpts.

SUBCOMMITTEE ON IMMIGRATION OF THE COMMITTEE ON THE JUDICIARY

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Judiciary in charge of immigration be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. STANLEY asked and was given permission to extend his remarks in the RECORD and include a communication addressed to His Excellency Hon. William M. Tuck, Governor of Virginia, by the members of the State Corporation Commission of the Commonwealth of Virginia on the settlement of the telephone dispute in Virginia.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD.

Mr. MANSFIELD of Montana asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole this afternoon and include certain articles and newspaper clippings.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD on the subject of consumer credit and include a statement he made before the Committee on Banking and Currency.

Mr. COFFIN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Farm Journal.

COMMUNISM IN EUROPE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, on yesterday President Truman very rightly condemned the steal of Hungary by the Communists. I am sure every American joins him in that protest. But, Mr. Speaker, I have been listening a long, long time to hear that same kind of protest concerning the steal of Poland, the steal of Estonia, the steal of Latvia, and the steal of Lithuania. Such a protest, Mr. Speaker, is long overdue.

PRESIDENT TRUMAN DENOUNCES COMMUNISM IN EUROPE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, first I desire to compliment President Truman for denouncing the Communists taking over Hungary. It is now in order to denounce their taking over Bulgaria.

I also desire to join the gentleman from Wisconsin [Mr. SMITH] in saying that I should like to see him do the same thing with reference to every other country that has been overrun by the Communist Party in Europe which is dominated by a minority racial group that is perpetrating the most sadistic brutality ever known on the innocent people of Russia, Hungary, Poland, and every other country they have overrun.

I say it is time for the American people, with the President leading the way, to break relations with every Communist controlled country in the world and let it be known that we will not do business with any gangster government on earth. I will not only join him in that fight, but I will contribute every ounce of energy I have to driving communism from our shores, and encouraging the people of Europe to restore self-government and free themselves from the criminal persecution to which they are now subjected at the hands of the sadistic racial minority which now dominates them from Moscow.

In that way we can free our own country of this communistic filth and at the same time encourage the Christian nations of Europe to free themselves from the most cruel system of brutality and slavery this world has ever known.

INFORMATIONAL SERVICE, STATE DEPARTMENT

The SPEAKER. The unfinished business is the consideration of House Resolution 224.

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Speaker, during the few short months I have been a Member of this distinguished body there have been a great many matters of legislation about which misrepresentation, much abuse, and many misstatements have been made. However, I feel that in the case of the so-called Voice of America perhaps more has been said in error than upon any other single piece of legislation with which I have been associated. It is perhaps one of the most misunderstood pieces of legislation that this House has had under consideration for several months.

The United States of America has but one commodity for sale in the markets of the world. That commodity is a way of life. It is, if you please, a way of freedom. It is what we have come to know as the American way. We have nothing else to sell. We do not seek to be aggressors. We do not seek the acquisition of the lands or the rights of other peoples. We have but one item to sell and that item is the truth about how we live in this country. Oppression and tyranny are riding throughout the world. The peoples of the other nations of the earth are largely in intellectual darkness. Those who rule them are determined that they shall not come to know a better way of life or better conditions of living. It is this situation that the so-called Mundt bill proposes to meet with positive and aggressive action. It is proposed that we carry a message of hope into darkness, that we light the lamps of knowledge, and that we give the other peoples of the earth something to look forward to besides oppression and tyranny.

Much has been said about the personalities connected with this program. Much has been said about the inefficiency of operation; about the poor selection of material to be broadcast. But actually, for an operation of this magnitude, for an operation which has continued unabated for some 20 months, there have been very, very few instances in which serious errors have been made. Personally, I think the broadcasting feature of the program has been overstressed. Actually the Voice of America, as that term pertains to the radio broadcasts, is but a small feature of the measure now under consideration. There are a great many other aspects. There is the aspect of the exchange of students, the aspect of the exchange of professors on a reciprocal basis.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. RANKIN. I want to ask a question about these broadcasts. Is there any provision in this bill for Congress to see copies of these broadcasts and to know what is being broadcast to Europe? I know some people, even on the Federal pay roll, that I would not risk to tell what America is doing and what the people of this country think. I think there ought to be a provision for everyone of these broadcasts to be filed with the Congress of the United States.

Mr. JACKSON of California. I am quite certain that copies of the broadcasts are available upon request, or could be sent upon request.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Ohio.

Mr. BREHM. How about the reception sets in the other countries. Are they permitted to listen in on our broadcasts?

Mr. JACKSON of California. As far as we have been able to determine from the testimony given before the subcommittee on this bill, there is no restriction at the present time upon the short-wave receivers.

Mr. BREHM. Even in Russia?

Mr. JACKSON of California. Not even in Russia. Naturally, I do not know exactly how many but hundreds of thousands of persons listen to the Voice of America broadcasts.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Under this bill do we get teachers from Russia to come over here and teach in our colleges, universities, and schools?

Mr. JACKSON of California. There is written into the bill the proviso that all exchange of students and professors must be on a reciprocal basis and that if any professor, student, or any other person receiving benefits under this act engages in political activity or activities detrimental to the best interests of the United States they shall be deported.

Mr. HOFFMAN. Yes; but we never deport them.

Mr. Speaker, will the gentleman yield further?

The SPEAKER. The time of the gentleman from California has expired.

CALL OF THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER (after counting). Sixty-two Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 72]

Allen, Ill.	Bennett, Mo.	Byrne, N. Y.
Andrews, N. Y.	Bland	Byrnes, Wis.
Barden	Boykin	Carson
Beall	Buckley	Celler
Bell	Burleson	Chelf
Clark	Hess	Ploeser
Clements	Hoeven	Plumley
Clippinger	Holmes	Powell
Cole, Kans.	Jenkins, Pa.	Rabin
Combs	Jennings	Rayfiel
Davis, Tenn.	Johnson, Tex.	Reed, Ill.
Dawson, Ill.	Jones, N. C.	Reeves
Dingell	Jones, Wash.	Rich
Domengeaux	Kee	Riley
Doughton	Kefauver	Rizley
Douglas	Kelley	Rooney
Elston	Kennedy	Ross
Fallon	Keogh	St. George
Fellows	Klein	Sarbacher
Flannagan	Landis	Sasscer
Fogarty	Lane	Scott, Hardie
Fuller	Lesinski	Scott, Hugh D., Jr.
Gallagher	Love	Seely-Brown
Gamble	McCormack	Short
Gifford	Macy	Smith, Kans.
Gorski	Mansfield, Tex.	Smith, Ohio
Granger	Martin, Iowa	Snyder
Hale	Meade, Ky.	Stockman
Hall, Leonard W.	Meade, Md.	Sundstrom
Harless, Ariz.	Miller, Md.	Tollefson
Harness, Ind.	Mitchell	Van Zandt
Hart	Morrison	Wadsworth
Hartley	Norton	West
Hébert	Owens	Whitten
Heffernan	Pace	Youngblood
Hendricks	Pfeifer	Zimmerman
	Philbin	

The SPEAKER. On this roll call, 319 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON THE JUDICIARY

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that Subcommittee No. 4 of the Committee on the Judiciary may sit and hold hearings today during the general debate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO FILE REPORT

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file a report on the bill H. R. 3737.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. THOMAS of New Jersey asked and was granted permission to extend his remarks in the RECORD and include a report from the Subcommittee of the Committee on Un-American Activities.

Mr. KEATING asked and was granted permission to extend his remarks in the RECORD and include an address by Mr. Cecil B. Dixon.

Mr. MASON asked and was granted permission to extend his remarks in the RECORD and include an article by John O'Donnell appearing in the Washington Times-Herald.

Mr. BUSBEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article entitled "Striking Similarities of Nazism, Fascism, and Communism."

Mr. DAWSON of Utah asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Post.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. WILSON of Indiana asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Bedford Daily Times-Herald.

Mr. McCONNELL (at the request of Mr. TIBBOTT) was given permission to extend his remarks in the RECORD and include a radio address he made recently.

Mr. O'KONSKI asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file a report on the tax bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ACCEPTANCE OF THE STATUE OF WILLIAM E. BORAH

The SPEAKER. The Chair recognizes the gentleman from Idaho [Mr. GOFF].

Mr. GOFF. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 17 accepting the statue of the late William E. Borah, and tendering the thanks of Congress to the State of Idaho for such contribution.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the statue of the late William E. Borah, presented by the State of Idaho, now in the Capitol Building, is accepted in the name of the United States, and that the thanks of Congress be tendered to the State for the contribution of the statue of one of its most eminent citizens illustrious for his historic renown and distinguished civic services.

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Idaho.

The resolution was agreed to

A motion to reconsider was laid on the table.

INFORMATIONAL SERVICE, STATE DEPARTMENT

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, prompted by what was said on the floor here this morning prior to the call of the roll, I wish to observe that in my official career I have proceeded upon the belief that no man in public life was entitled to a private opinion on a public question. As a result of following that course I have often found myself at war with others but always at peace with myself.

Mr. Speaker, I get a great deal of comfort out of witnessing the change of feeling that has come over official America. But I would like to say that it is going to take more than protests and denunciation to cure the evils in the making, of which we are in part responsible. The policy of appeasement that we too long pursued has resulted in the creation of a force that has all the world, with the exception of ourselves, trembling in their boots. I want to see positive action taken—a proving of faith by deeds. Promises are not sufficient.

Mr. Speaker, a great deal of good, in my opinion, is going to come out of the situation brought about by the Appropriations Committee in refusing to make appropriation for the particular activity with which we are concerned in the consideration of the pending resolution. The committee probably based their action upon the ground that no legislative authority existed for the making of the appropriation, but I suspect that the controlling thing which influenced the action of the committee was the lack of confidence that the committee had in the administration of this program.

Mr. Speaker, I was one of those who some time ago attacked this particular activity of the State Department, and I think there was abundant justification for the position that we took at that time. I must say, however, that the picture has completely changed in the past several months and that the agency in the State Department carrying on this work is an entirely different group, in the main, from what it was when the State Department took over following the passing out of the OWI.

I am convinced that this is an activity which the security and the welfare of our country demand we carry on. It is not propaganda in the sense that we are endeavoring to mislead or to bring about an attitude false to the best interests of other people; it is something that we must do to make ourselves understood, to meet and to resist the campaign, world-wide in character, that is being waged mainly against the United States by Soviet Russia.

Let me say at this point that England, as unfavorable as her economic situation happens to be, is at this time expending between forty and forty-five million dollars in her informational program. The amount of money that is being requested by the State Department is, in my opinion, insufficient to carry on this informational program in the manner that it should be conducted, but will suffice to keep it going. I know what is troubling the membership of this House. Members are not so much against the continuation of the program as they are against the personnel which has been carrying on the program. They have the fear that people who are too far to the left are being used—people who are more interested in reform than in telling the story of America.

Much of the criticism against the State Department's international information program centers around its administration, and thus around the man responsible for its execution—William Benton, Assistant Secretary of State for Public Affairs. Criticism of Mr. Benton, I believe, is wholly unjustified, and altogether unfair. In my opinion it would be difficult to find a man better qualified, in his business background, previous experience, ability as an organizer, and in his talents for leadership to head this vitally important Government activity than Bill Benton. One of the most successful independent businessmen in the country, and with an equally impressive record of achievement in education, Bill Benton, during the past 2 years, has done a remarkable pioneering job, in organizing and directing the Government's program to tell to the world the story of the United States.

Bill Benton has a thoroughly American background. His father, a professor at the University of Minnesota, died when he was a boy of 10, and his mother moved to a Montana homestead, following the spirit and example of the pioneers who built America. There followed a period that was tough for both the mother and the children. But hard work and the pioneer spirit prevailed. His mother later became a well-known and successful teacher, and the boy went to the Shattuck Academy, in Minnesota, and afterward to Yale University, where he graduated with the class of 1921.

From 1922 to 1936, Benton was in the advertising-agency business. In this he made a spectacular success, directing many large advertising campaigns, and pioneering in the use of radio in advertising.

At 35, having accumulated a substantial fortune, he decided to retire from the advertising business. In 1937 he accepted a vice presidency of the University of Chicago, on a 6 months-per-year basis. At the University of Chicago, his main activities were in developing new instruments of education, particularly broadcasting, motion pictures, and publications. At the suggestion of Benton, the University of Chicago acquired the Encyclopaedia Britannica, Inc., and, in 1943, he became chairman of the Encyclopaedia Britannica board. Under his leadership, the Britannica expanded into the field of classroom motion pictures through its subsidiary, Encyclopaedia Britannica Films, Inc.

During his free 6 months' period, Benton participated in founding the Committee for Economic Development, of which he was vice chairman until he came to the State Department. He played a vitally important part in directing the work of the Committee for Economic Development, which had the support and participation of many of the country's leading businessmen and industrialists.

Benton also had other business interests. He acquired ownership of several small companies in the fields of music publishing, broadcasting service, and wired music, the key company of which is the Muzak Corp.

Mr. Benton's success as a businessman is evidenced by his record of building up the capital value of the companies he owns. Since 1937, with a capital investment of less than $250,000, these companies have been so successful under his direction that their capital value today is estimated at close to $10,000,000.

In August 1945 Benton was appointed Assistant Secretary of State for Public Affairs. In accepting this post he gave up all his outside interests involving operating responsibilities.

Benton faced a gigantic and challenging job in the State Department. It included the direction of the work of the State Department in projecting to foreign peoples a full and fair picture of American life and of the aims and policies of the United States Government, helping to develop in the American people a closer understanding of the problems and policies in the field of foreign affairs, and responsibility for United States participation in the United States Educational, Scientific, and Cultural Organization.

I doubt if any man in the executive departments has worked harder than Bill Benton during the past 2 years. He averages 12 or 14 hours a day on the job. Benton has labored continually to improve the personnel in his organization, and increase the efficiency of the operations for which he is responsible. The evidence that has accumulated speaks eloquently of the success achieved by the international information service in combating misrepresentations of the United States, and telling the facts about this country and its policies. Equally impressive is the evidence of the need for continuing, over a long period, the Department's information program as an essential arm of our foreign policy.

At this point I should like to insert the following telegram received by a number of Members of Congress. The telegram, which speaks for itself, is as follows:

As trustees of the University of Chicago we have worked closely with William Benton for many pears as vice president of the university and later as a trustee. As head of Encyclopaedia Britannica and Britannica Films as well as other business interests Benton is one of the very successful independent businessmen in the country. His business experience together with his background in education—8 years as vice president of the University of Chicago—his success in publishing and in educational motion pictures and radio, in our opinion qualified Benton in an unusual way to administer the international information services and cultural program.

This telegram was signed by John Nuveen, Jr., Nuveen & Co.; Dr. Robert E. Wilson, chairman of the board, Standard Oil Co., Indiana; Frank Sulzberger, president, Enterprise Paint Manufacturing Co.; Graham Aldis, Aldis & Co.; Edward Eagle Brown, chairman of the board, First National Bank, Chicago; Harold H. Swift, vice chairman of the board, Swift & Co.; Walter P. Paepcke, chairman of the board, Container Corp. of America; Paul C. Russell, president, Harris Trust & Savings Bank.

I should also like to insert excerpts from a letter published in the Washington Post, May 17, signed by five men closely associated with Mr. Benton in various civic activities.

The kind of criticism that is now being leveled at Bill Benton is the kind of thing that keeps responsible and able people from going into Government work. It may be an effort to save face on the part of those who questioned the need for OIC. The sudden decision that the operation is important but

that there must be something the matter with Benton is an old and familiar pattern in Government and one that we protest in this case. Benton's record as a businessman and an administrator is well known to those in the business community.

He is one of the most successful independent businessmen in the United States; one of us can speak with special authority on this subject, because Mr. Hoffman serves as a member of the board of directors of the Encyclopaedia Britannica and of Britannica Films and knows of the extraordinary progress these companies made under Benton's leadership in the last 5 years.

He combines with this business experience a background in education (8 years as vice president of the University of Chicago), in broadcasting, in publishing, and in educational motion pictures. He has experience, skill, and enthusiasm, and he has an Americanism rooted in his boyhood in Minnesota and Montana that has found expression in every phase of his thinking and his career.

Bill Benton is the top man in the country for this job. It would be difficult indeed to find anyone who matches his initial qualifications for administering America's international information and cultural program. And it would be tragic, for the sake of a political maneuver, to waste the 20 months of experience he has acquired in mastering an assignment that is as new and unfamiliar to our country as it is necessary.

Signers of the letter were Paul G. Hoffman, president, Studebaker Corp.; Ralph E. Flanders, United States Senate; Eric A. Johnston, president, Motion Picture Association; Walter D. Fuller, president, Curtis Publishing Co.; Marion B. Folsom, treasurer, Eastman Kodak Co.

I know Bill Benton personally, and have the utmost confidence in his competency to direct the activities of the State Department for which he is responsible. I do not think General Marshall could find a better qualified man for the job. The country needs a vigorous and efficient international information program, and I believe there are many Members of Congress who share my hope that General Marshall will retain Bill Benton as the directing head of this State Department agency.

We have at the head of the State Department the best man that came out of the war. He is not only a great soldier; he is a great statesman, and probably enjoys a larger measure of public confidence than any other living American; and given a free hand, as I believe he is being given, he will make a record unsurpassed in the field of statecraft and diplomacy.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Mississippi.

Mr. RANKIN. Now then, just waving aside the program of telling the world about the United States, you provide here for the interchange of instructors. Does the gentleman know that communism is being spread in the educational institutions of America largely by those foreign immigrant professors who come in here for that purpose?

Mr. COX. I am not combatting the charge——

Mr. RANKIN. And we are simply augmenting that policy in this bill.

Mr. COX. Let me say to the gentleman that the bill provides for a screening of personnel, not only by the FBI, in whom everyone has confidence, but by the security group within the State Department that performs quite as efficiently as does the FBI.

Mr. RANKIN. But it does not screen the ones they send us. We screen the ones we send them, but the poison is being spread by the ones that have flooded in here and are now teaching in educational institutions of America, spreading communism among American students.

Mr. COX. This whole matter revolves around the question: How much confidence have you in General Marshall?

Mr. RANKIN. I have confidence in no man sufficient to authorize him to open the floodgates to a lot of Communists to come here and mislead the children of this country. But, remember, General Marshall does not screen the ones coming here from behind the "iron curtain."

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Illinois.

Mr. BUSBEY. The gentleman now addressing the House has the reputation for being fair and honest second to none, and I am sure that he does not want anything to be in the RECORD that is not absolutely true. If I recall right, he made the statement that they have an entirely new set-up down there.

Mr. COX. I said in the main.

Mr. BUSBEY. And that they have gotten rid of this OWI crowd.

Mr. COX. In large part. The OWI personnel has been eliminated in large part. There were many good and very able people connected with OWI and a few of those are still being used.

Mr. BUSBEY. I would like to say for the gentleman's information that I hold in my hand a photostatic copy of the personnel records of this group in Paris, France. They have nine people. Six of the nine are still hold-overs of the old OWI crowd in Paris.

Mr. COX. If there are undesirable people still in the State Department can we not and should we not, rely upon General Marshall to get rid of them? That is my feeling about this question. I indulge the profound conviction that we would make a grievous mistake if we did not authorize this appropriation and continue the foreign informational service that is now being carried on.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. RANKIN. General Marshall will not have anything in the world to say about the professors that are sent here from Europe any more than he has to say about the ones that are in here now, as I said, poisoning the minds of the students of this Nation.

Mr. COX. Let me say that I have a different opinion of General Marshall. He is no painted front, he is in the State Department to run it, and he is going to run it if he performs as I am confident he will. It is his responsibility to chase out of the Department the little and bad people still remaining there and thus recapture for the Department the confidence of Congress and the country which it should enjoy.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Minnesota.

Mr. JUDD. Does not the gentleman know that the committee wrote in on page 3 beginning in line 21 this sentence:

If the Secretary finds that any person from another country, while in the United States pursuant to this section, is engaged in activities of a political nature or in activities not consistent with the security of the United States, the Secretary shall promptly report such finding to the Attorney General, and such person shall be promptly deported.

Mr. RANKIN. If the gentleman from Minnesota had gone through the hearings we have, he would find how hard it is to pin that label on these Reds who are today teaching in some of our schools and spreading communism throughout the United States.

Mr. JUDD. We do not say if they are members, we say if they are advocating things not consistent with our security they shall be deported.

Mr. COX. Russia is on the air 24 hours out of the day disseminating false information about the United States. Are we to sit silently by and see this continue? Are we to deny ourselves the right and privilege to tell our own story, to interpret our own acts, and to draw a picture of our own national life? I trust that you will not permit your afore-taken opinions to hold in the light of the record that was made by the Committee on Foreign Affairs. They had before them the present Secretary of Commerce, Mr. Harriman, who was formerly Ambassador to Russia; General Smith, the present Ambassador to Russia; General Marshall, and General Eisenhower, all of whom were unanimous in the opinion that this activity is essential as a part of the foreign program of the State Department.

On the question of the merits of the bill, consideration of which the pending rule makes in order, Secretary Harriman, who was formerly Ambassador to Russia, testified before the Committee on Foreign Affairs as follows:

Certainly it is a fact that with our world trade running to imports and exports substantially in excess of $20,000,000,000, it is essential to our commercial interests to have America understood, its life, the quality of its workmanship and the quality of its products, follow a general sympathy for a nation and its objectives.

In terms of percentages of this approximately $20,000,000,000, I think it is not an exaggeration to say that the total appropriations asked for is something like one one-thousandth of the sum that I have been speaking of, so that I believe that from only the commercial aspect it will be justified, but, as I say, the commercial aspects are secondary to the other objectives.

* * * * *

As I say, there were two fundamental misunderstandings about America and that was due to the fact, naturally, that the normal channels of commercial news cover the things that are bought by the British publications, and the British people are like us, they like sensational news, they like something which is stimulating and interesting to read, and

such part of the limited British press rather tended to emphasize such things as our strikes. At that time there was already an inflationary spiral of price increases.

I assure you that the British people got the impression that we were in more or less a chaotic economic condition. If there was a riot in connection with a strike, naturally that was news.

The other misunderstanding came from the drive that was on in the United States to get food for Europe and the hungry areas. In addition to that there had been the fact that we had gone off rations. It was of great interest to the British people, because they were on rations. The things that were said in the press at that time, encouraging the people to cooperate in making food available to take care of the hungry areas was naturally published.

Therefore the impression you would get, the general impression of the cautious reader, would be that America was in an economic chaotic condition and that we are living in greed and that we were not thinking of any of the suffering that existed anywhere in the world.

* * * * *

I cannot state too fully my opinion that this program is an essential part of our foreign program and without monitoring what other people say against us, without stating on an affirmative basis what our objectives are, what our principles are, what life is in America, our reputation can only suffer.

There has been a good deal said about some individuals here, there, or the other place. My impression is, from where I have seen them, not only in Moscow and London but in my travels around, that the men we have abroad on this service are a very high type, high quality, and balanced kind, and as many newspapermen are, they know how to work and they work overtime and long hours.

We are inadequately staffed everywhere but those people have enthusiasm for their work and morale is good. We have many high-quality people. I mention Dr. Nevins and I assume you would know of him, as an example of the quality of our representatives on the other side.

However, the flow of information back to the State Department is a very important aspect of our work and it is of very great importance to our political negotiators in terms of knowing how to deal with critical questions that come up.

When General Smith, now Ambassador to Russia, was before the committee he testified, in part, as follows:

General SMITH. I would like to say, by way of preamble to you and to the other members of the committee, that, of course, I am competent to speak on this very important question only from the point of view of an American representative to the Soviet Union, and my knowledge of the broadcasting program now being conducted by the State Department is limited to that part of it which is directed toward the Soviet Union.

In that particular phase we have had, and continue to have, the most intense interest, because we think it is a vitally important thing.

I see it this way: Those of you who visited Europe as the guests of our headquarters after the war, and some of you who traveled with me, will realize that as a result of the aftermath of the war the people of central Europe are in a state of mental confusion, mental and physical depression, the like of which it is impossible for the average American to imagine. They do not know which way to turn. The political ideologies on which they have pinned their faith in the past have proved false. They are groping for a ray of light and they are susceptible to almost any form of propaganda that will offer them something in the way of hope for the future.

* * * * *

This country has a commodity to sell which is in demand everywhere in the world, and that is a democracy which we have proved to ourselves, by experiment and experience, provides a decent way of life for the average citizen; provides a basic respect for human liberty and for the rights of the individual. That is something for which there is a crying demand everywhere in the world.

I have heard it said that democracy should sell itself by its own basic transcendant value, and without advertising. That is a theory of "the man who builds a better mousetrap" type. I do not know whether this theory actually works in the present day, when all sorts of political ideologies, some of which are not acceptable to us, are attempting to sell themselves by much more forceful means and by direct advertising.

You could not sell soap without advertising, and I do not believe that you can sell any other commodity, even one which is in as great demand as the American brand of democracy.

In Europe the air is filled for 24 hours a day with recommendations of various brands of political ideologies that we think are inferior to the commodity that we have to offer. And I submit most respectfully that if we remain silent in the face of this flood of advertising we simply will turn over the groping peoples of Europe to forces which are not entirely compatible with the way of life that we consider desirable and representative of real democracy and human freedom and human dignity.

* * * * *

We do not intend, nor do we wish, to set up any invidious comparisons between our country and any other country, but we do think that it is desirable that the citizens of the rest of the world understand our way of life, how our people live, how they go to school, what the farmer does, what the workingman does, and understand definitely that our people believe in peace; that we are working hard for peace; that we are striving to implement the only agency we see capable of bringing about a condition of world peace—the United Nations; and that the efforts we make to help people elsewhere in the world are not selfish and are not based on political imperialism, but are genuinely altruistic.

* * * * *

Mr. JUDD. You are willing to say on the record that on the whole these programs have been effective in giving more information, and a more accurate picture of America?

General SMITH. Indeed I do, and they will continue to be effective, increasingly effective, as the technical difficulties inherent in broadcasting the vast distance involved are overcome, and as the programs are revised and improved to appeal to the tastes of the Soviet listener.

Mr. JUDD. When I asked about more and better programs, I had in mind also mechanical standards.

* * * * *

General SMITH. I would like to point out that it took a long time for the BBC to build up the present audience and their reputation for credibility. As matter of fact, it took them many months to whip the technical difficulties involved in broadcasting to eastern Europe. I have been interested in noting that our own people have overcome to a large extent those difficulties in an infinitely shorter time. We have profited by the mistakes that the BBC made, and our technical people have been very good. I should say if we graph the relative excellence of our broadcasts, ours would go up in a sweeping curve like this just in a matter of weeks, whereas the BBC took a long time to accomplish the same results. It will take us a long time, too, to raise our program to the level we want to attain. We cannot expect to do this in a matter of months. It has to be a continuing program, and we have to approach it intelligently and objectively. I say again that I agree with you, that an honest, uncolored, straightforward presentation of our ideals seems to me, not knowing very much about it, the best approach. I have never liked to think of these present broadcasts at all as propaganda. I do not consider them propaganda. We are simply telling our story.

* * * * *

General SMITH. I am not a regular member of the State Department. I belong by profession by another one, and I must state quite frankly here that I think the job has been extremely well done. I have been surprised. As a professional soldier, you know, we do not always throw flowers at the diplomats. It is not in our military tradition to do so, but I must say they have tackled this thing; and I think as far as the Russian broadcasts are concerned, they have tackled it amazingly well.

In Moscow we sit in and listen. I have this sort of informal advisory board. The press is included. We are a small family. There are not too many Americans in Moscow, and we hang together pretty well. The corps of correspondents there are practically the same as members of the family.

* * * * *

Mr. JARMAN. In view of my agreement that not only a cross section of our country and the events which occurred in it should be presented on this program, but also that it should be an absolutely accurate picture, and uncolored, it naturally follows that I also agree that whenever an isolated lynching occurs in the South it should be referred to, because we have so very few down there that the references will be so few and far between that it would not do our country any harm.

General SMITH. There is no reason, Mr. Congressman, why we should not tell the truth about it. The Soviet press is well represented in this country. TASS has an able corps of reporters and correspondents, and they report back to the Soviet Union. They cover the news well over here. If we did not make reference to things like that, which appear normally as items of American news to the Soviet press, we would lose out.

Furthermore, take the last lynching. The important thing to inform the Soviet citizens about is that while there was a lynching the most determined efforts were made by the State and Federal Governments to bring the perpetrators of the atrocity to trial. They are being tried. The fact that they are being tried should be recorded and should be made known to the Soviet Union. Otherwise, the Soviet citizens would gain the impression that whenever there is a lynching reported there is a corpse hanging from every lamppost and nothing whatever is done.

Let me quote from testimony given by General Eisenhower.

General Eisenhower testified:

On the other hand, through the war I and all of my associates were constantly struck by the appalling ignorance that exists throughout the world about the United States; things that we take so much for granted that we do not even think about them are completely unknown to much of the world.

* * * * *

I have this theory, sir. I believe that most of you here would agree with me that we instinctively trust nations in which the power resides in the hands of people, because we believe that people do not want wars.

Therefore, I feel that the more the advantages of that type of government are spread

throughout the world the more likely it will be that that system is followed by other countries, many of which are now trembling in the balance. They do not know which way to go.

If they can find out what we believe to be the advantages of our system, they should, and we believe that they would, go along in that line. The more that that system is practiced throughout the world, certainly the fewer will be the potential aggressors in the world, and as a result the more secure we will be. There is where I come into the picture.

To my mind, the more democracy is practiced in the world the more secure we are, and therefore the less we would have to pour into armies and navies, and such other sterile organizations that produce nothing for this country.

* * * * *

Therefore, in my opinion there is this field that must not be neglected, in the exchange of students and the getting out of facts. I do mean facts about the standards of living we have in this country and our workmen, in terms of dollars, necessarily. I think it ought to go out in terms of ice boxes, radios, cars, how much did they have to eat, what they wear, when they get to go to sports spectacles, and what they have available in the way of art galleries and things like that.

I think there is no field that can be neglected. However, the organization you need, and the technique, there I must say I am not only ignorant; it is not my business.

* * * * *

Mr. LODGE. Thank you very much, General.

I assume that you also feel that living as we are now in a period of conflict, though not at war, this program has an even greater significance than it would have in a normal period of peace?

General EISENHOWER. I most certainly do. I believe in the positive program of trying to lead the world toward democratic forms of life and I do not see how you are going to do it unless they have the knowledge with which to make their own conclusions and decisions.

* * * * *

Mr. MANSFIELD. General, I am very glad to hear your whole-hearted and outspoken approval of a program of this sort.

Now in your opinion, if we are going to pour dollars into different countries throughout the world to feed people, and necessarily so, do you think it would be a necessary corollary to implement that policy as well as to implement the policy of aid to Greece and Turkey, to at the same time bring the true story of America to as many people as we possibly can so they will understand what we stand for? Truth is the best propaganda.

General EISENHOWER. I believe it so thoroughly, sir, that to my mind there is nothing to argue about.

I can see no significant reason that you could bring to bear against that general proposition.

* * * * *

Now the facts of history—though not all of them—would lead these people to give us the trust that we should like to have; in spite of some unpleasing aspects of our past, we do honestly believe in the purity of our motives today, and therefore I think that it is another region in which education throughout the world is necessary.

We are going to use our power, our influence and our wealth to lift people up and to give them a chance to live their own lives. If we are to do that they must know the facts about the country on which they are depending.

* * * * *

Therefore, as I say, the only thing we can do is put out the truth about it, and I do not believe in doing it in an antagonistic manner. I do not believe we should challenge anybody in this world.

My theory is that we can all live peacefully together if we will each have a little sense, but truth is the important thing to help us develop some sense, all of us.

As I see it, if you go into this thing, you must go into it on a basis of a long-term proposition.

As I say, it is not merely the beaming out of facts. I would encourage the exchange of students, of scientists, of doctors, of instructors, of even theologians; anything you could think of that would tend to carry back into these various countries an understanding of what we are doing and just how we live, and we, in turn, getting some clearer idea of why people act thus and so. We think we offer a reasonable proposition, for example, in the atomic bomb. We think we are very reasonable. Others do not seem to think so. Why? What is the background of it? Because the more you understand these difficulties, the better will be our own programs in turn.

I believe it should go in the fields of art, science, and everything. Everything educational.

I would consider the use of just what you would call publicity, or let us say the propaganda phase of it, if you want to use that word, as a mere part of the whole program. Possibly not all of it needs to be Government-supported.

If we can get our great colleges, institutions, and foundations of that kind interested in this thing we will improve all the way through.

Therefore, I would say that you could not expect to reach those people very quickly, and on a very broad base at first.

There is another thing we know, that science will constantly bring to us easier and better ways of getting information. One day it will practically be impossible for the Government to say, "You may not have a radio that will pick up anything but a particular wave length," because science will go so far that anyone can learn what someone else is saying on that radio.

* * * * *

Mr. JUDD. I think the question that has caused more discussion, not only in this committee but in the Congress, and perhaps all through the country, is the question of personnel. There is little disagreement as to the need for some such program, and the importance of it. Three things are essential to its success: A sound plan, money, and then men to administer. The biggest question is the kind and quality of the men to administer it.

Have you had kick-backs, favorable or unfavorable, from the type of personnel that has been working in this program in the various countries abroad?

General EISENHOWER. There has been no word of criticism come to me. I will go out personally and voluntarily and vouch for people that I have been with in periods of stress and strain, and I will say that if General Marshall cannot pick the right kind of people, then I do not know who can.

Mr. JUDD. General Smith told us, and we had read in the paper about one man in the Embassy in Moscow who did not come up to specifications.

General EISENHOWER. He fired him, too.

Mr. JUDD. I know it. You have not heard of other cases of that sort?

General EISENHOWER. No. If they found someone who was not operating, they would get rid of them.

Mr. JUDD. Have you had any reports that said, "Over in the Embassy one of the State Department men is a so-and-so, and causing more trouble than he is doing good, and we wish that he could be eliminated"?

General EISENHOWER. I cannot recall any specific instance, but I have had many others of exactly the contrary type, where heads of our mission and people working with our military people in places like Russia, Bulgaria, Yugoslavia, and so on, they stated exactly the opposite, that they have a happy family, and they all work together.

Now let us see what General Marshall said. I quote from his testimony:

As I said some time ago, when I returned from China it was apparent to me that we had to take very definite action in order to have the United States and its purposes understood by the people generally in the world and that we had no conception here at home as to how little we were understood and to what degree we were misrepresented.

This bill would at least permit us to interpret ourselves to the world and have our motives better understood, and what we have done better comprehended.

I had an experience in propaganda in China which was very instructive, and it there became glaringly apparent to me that the only basis on which we could contend against such a procedure, which has become so common in this modern world, particularly as it developed, during the World War period, is by some method of spreading the truth abroad until people develop confidence in the fact that we are stating the truth.

The problem then is how that is to be done. There are different methods. The USIS is one method. Broadcasting is one method. The exchange of students and intellectuals and so on is another method, but all of them are very important to us as a people, and very, very important to the State Department in connection with our foreign policy.

I should say they are important to Congress, which has acted in a very generous manner toward the people of many countries and the world, and what it has done is little understood by those people who were the recipients.

I might say here, Mr. Chairman, that I would suggest that it would be a good thing to bring Mr. McNutt, our Ambassador to the Philippines, who just came back from Asia and Europe generally, and who was impressed with the great lack of knowledge and the seriousness of the misunderstandings of people generally as to just what the United States has done and what its intentions were.

It is very hard for us here at home to comprehend the degree to which our actions and purposes are not comprehended and the degree to which they are misrepresented.

I do not think any nation in the world has ever been more generous than the United States and I am rather inclined to think that no nation has ever received so little credit for that generosity.

However, that is our own fault, in my opinion. We have means to correct it and this law, if I understand it, is the authorization along that line. So long as propaganda is engaged in, we will be confronted by the necessity of taking some action ourselves.

I would be unalterably opposed to our following an ordinary propaganda procedure. I do not think it would be acceptable to the Congress and I am quite certain it would not be acceptable to the people and in line with our traditional thought on what is the right thing to do.

We cannot accept a negative attitude. And it cannot be, if it is to be successful, a hit-or-miss program.

Mr. Speaker, that is what these four distinguished Americans had to say on this subject. Whom can we better afford to rely upon than them?

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I hope that none of you will become unduly agitated or alarmed over this legislation. So far as I am able to ascertain, I doubt if any foreign country is going to sever

relations with us if this bill fails to pass. This is not quite as serious as some would have you believe.

I am sure you enjoyed the remarks of my good friend and distinguished colleague from Georgia who just preceded me. He is always very persuasive, but today I thought he was laboring under some difficulty, which was no doubt obvious to you also. I just do not think his heart was in this assignment of defending the Office of International Information and Cultural Affairs.

Mr. Speaker, there is considerable controversy over whether or not the United States Government should engage in the business of disseminating propaganda. I do not have the time to enter into that discussion with you this morning. Let us assume that in order to keep pace with some of the other nations we must engage in a propaganda campaign. Even then the present program cannot be justified. However, I have never been able to convince myself that we should copy the methods of other countries, or that we should now set up a propaganda agency in order to convince European nations we are their friends.

The idea of the Government operating a news agency is certainly most novel and extraordinary. Mr. Kent Cooper, executive director of the Associated Press, in criticizing this program, said, and I quote:

> Abhorrence of the Government going into the news business has been so ingrained into our national character that to legalize it is like amending the Constitution.
>
> The American Government, by entering the world-wide propaganda contest, is becoming involved in a vicious circle, in which some countries are carrying on news propaganda with some of the money they have obtained through American financial credits.

I cannot understand why any further proof of our friendship for European nations should be required. Hundreds of thousands of our finest young men have spilled their blood on the battlefields of Europe and thousands have lost their lives on European soil. The United States spent about $330,000,000,000 to win the last war. Since the war ended we have poured something like $12,000,000,000 more into the different European countries. Still there are those who contend that we must have a propaganda agency to convince those people that we are their friends and that we are really interested in their welfare.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. BUFFETT. With the United States pouring hundreds of millions of dollars into the various countries of Europe to finance their experiments in socialism, does not it seem a bit stupid after spending millions to urge that we are devoted to the principle of free enterprise? They are going to judge us by the money we are spending and not by our talks on the radio.

Mr. CHENOWETH. I thank the gentleman for his contribution.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield briefly to the gentleman.

Mr. RANKIN. One of the things that disturbs me is that it seems as if we are going to import professors from behind the iron curtain to try to tell the students of America what a great country that is. I think it is dangerous.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield briefly.

Mr. DONDERO. This program would be just about as useful to America as Robert Toombs of Georgia was to Jefferson Davis when he was in his cabinet and as Thaddeus Stevens of Pennsylvania was to Abraham Lincoln during the War Between the States. They injured rather than advanced their respective causes.

Mr. CHENOWETH. I thank the gentleman.

Mr. Speaker, I want to speak for a moment about the present program of the Office of International Information conducted by the Honorable William Benton, Assistant Secretary of State. It happens that I am chairman of a subcommittee of the House Committee on Expenditures in the Executive Departments charged with the responsibility of investigating expenditures in the State Department. I am not speaking now in my capacity as chairman of that committee, but merely as a Member of the House. Our committee has not completed its work. My observations are purely my own and I speak for no other member of the committee. However, I have formed some rather definite impressions about the manner in which money is being spent in the State Department. If you will look at the list of officials and branches of the State Department, as contained in the Congressional Directory, I am sure you will be surprised to note how rapidly these officers and agencies in the Department have multiplied.

It is quite a task, I assure you, to investigate the present expenditures in the State Department. I call the attention of the House to the fact that the State Department has grown since 1939 from a total of 5,421 employees at a cost of $17,122,000 to a total of 24,561 at a cost of $181,535,000. It is very apparent that this expansion of the State Department is abnormal, and that some reorganization is absolutely necessary.

The gentleman from Georgia has referred to General Marshall. All of us have the highest respect for General Marshall. However, General Marshall knows very little, in my opinion, of what is actually going on in the State Department. He has not had and does not now have the time for details. He was in Moscow, you recall, for a couple of months, and has been back just a short time. It is physically impossible for the Secretary of State, regardless of who he may be, to personally supervise the different activities of that Department. He must rely on what others tell him.

I have come to the conclusion, after Mr. Benton appeared before our committee for a couple of days, that he is spending too much money on this cultural program. I refer particularly to the broadcasts in foreign languages. I have had a committee investigator check these activities in the New York office. From his reports I am convinced this program is too extravagant and could be carried on with much greater efficiency and economy.

Recently you heard my colleague from Ohio [Mr. BROWN] discuss the pictures that were sent abroad and which were described as works of art. These pictures were sent to Europe as samples of American art. I am sure all of you were disgusted with what you saw. Congress would be in an indefensible position if such projects are authorized by any bill we pass in this House. With reference to broadcasting, I think Mr. Benton has something like 600 people in New York, most of whom are engaged in the broadcasting program. I do not believe that such a staff is necessary. However, we have no assurance that there will be any retrenchment in case this bill is passed.

I am not satisfied that a propaganda agency should be established in the State Department. I raised this question when the Foreign Affairs Committee was before the Committee on Rules in support of this bill. I feel that the State Department should and does furnish information on the United States in every part of the world. I am confident that our ambassadors and ministers and everyone connected with our foreign offices are doing all that they can in their official capacities to see that essential information on our country is being supplied to all who make inquiry. I make a distinction between information and propaganda. We have always furnished information through the proper officers in the foreign service, but we are now considering the proposal to supplement information with propaganda. I believe they should be kept separate.

I wish to give you the observations of Dr. Ben M. Cherrington, of Denver, on this situation. I might state that Dr. Cherrington established the first Division of Cultural Relations in the State Department in 1939. He is now director of the Social Science Foundation of the University of Denver. He says:

> As one who has been fairly close to the Department of State's activities in this field, may I say that I believe it important that the Department be authorized to conduct information services throughout the world, as well as to participate in international cultural activities.
>
> However, I am strongly convinced that it will be a grave error to combine these two functions. They are essentially different. Information is an instrument of the Department of State whereby our policy and program are disseminated abroad. Cultural cooperation, on the other hand, should be characterized by reciprocity and mutuality of interest. There should be no imposition by one nation of its culture on another people. Furthermore, a program of cultural cooperation should arise in the educational, scientific, and cultural institutions of the country. It has been our American tradition to divorce these activities from the Federal Government, in favor of their development under the auspices of State and local governments and private enterprise. A cultural-relations program appropriate to our American tradition, therefore, should stem from the educational, scientific, and cultural agencies of the country, the chief function of the Department of State being to stimulate, facilitate, and coordinate it.

I submit that Dr. Cherrington advances a most logical argument why information and propaganda should not be confused. Personally, I think it is beneath the dignity of our great State Department to engage in propaganda. They should confine their activities to handing out information. If it is wise and necessary for the United States to enter the propaganda field then that agency should be established in some other department of our Government. These two functions should not be combined under the direction of one man in the State Department, as proposed in this measure.

Mr. Speaker, the bill in its present form should not pass.

The SPEAKER. The time of the gentleman from Colorado [Mr. CHENOWETH] has expired.

Mr. HERTER. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to speak out of order and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CHARLES HALLECK: A GREAT LEADER

Mr. GILLIE. Mr. Speaker, Republicans of Indiana are understandably proud of the outstanding record which is being made by a distinguished Hoosier son, CHARLES A. HALLECK, as majority leader of the House of Representatives. They are pleased and gratified—but not at all surprised—at the vision and ability he has demonstrated in his new position of national leadership, and of his unfaltering devotion to the objectives and ideals of the Republican Party.

This feeling of pride in the accomplishments of a noted Indiana son is doubly felt by those of us who have had the privilege of working in Congress side by side with the majority leaders for many years.

When CHARLES A. HALLECK first came to Congress in 1935 from the Second Indiana District he served as the lone Republican Member of the Hoosier delegation. The Halleck record in Congress helped to turn the tide in Indiana in 1938 and the Republican delegation from Indiana has since grown to nine House and two Senate Members.

Last Wednesday night at the Hotel Statler in Washington our delegation held another of its regular meetings with H. C. Springer, chairman, and other officials of the Indiana Republican State Committee. Also in attendance was our national chairman and former House colleague, B. Carroll Reece.

During the meeting a statement was unanimously adopted, praising the national leadership of Mr. HALLECK and the splendid record of Gov. Ralph F. Gates and the Republican administration in Indiana.

Under leave granted to extend my remarks, I include this statement in the RECORD:

We, the Indiana Republican Representatives in the United States Congress, are here in another friendly gathering at Washington in recognition of the services extended to us by an able State organization and a capable government at home, marked by competence of officials and sincerity of legislation.

Meantime we in Washington have had before us the national problem. We know that it has been well administered for the majority of the people of America.

The Congress of the United States has entrusted the majority leadership of the House of Representatives to our colleague and fellow Indianian, CHARLES A. HALLECK, Congressman of the Second Indiana District. His leadership has been second in its success to none in the history of our party or of our Nation. It has contributed to the passage by the Congress of a party program broad in scope, liberal in concept and effect, sound in economics, and beneficial to all the people of the Nation.

The leadership of our party in both House and Senate, where we are ably represented by Senators HOMER E. CAPEHART and WILLIAM E. JENNER, has demonstrated for all Americans the capacity of the Republican Party to govern wisely and well, through the untrammeled voice of the people expressed by their servants.

This leadership has strengthened our hands in republicanism not only in the Congress and in the State of Indiana but throughout the great Republic we love and serve.

We are deeply grateful to the events which gave us this leadership. We are proud of the performance of our party in the Congress under this patriotic and statesmanlike guidance. We welcome this opportunity presented today to congratulate the people of this great representative Republic, the adherents of the political faith of Lincoln, and the true lovers of freedom for men throughout this land, and upon the service performed in their behalf by those who are our leaders.

ROBERT A. GRANT,
GEORGE W. GILLIE,
FOREST A. HARNESS,
NOBLE J. JOHNSON,
GERALD W. LANDIS,
EDWARD A. MITCHELL,
EARL WILSON,
RAYMOND S. SPRINGER,
Members of Congress.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I am not going to speak about H. R. 3342, referred to as the Voice of America, but I am going to speak for 5 minutes and bring to you the voice of 10,000,000 veterans who are interested in some legislation which I have had before this Congress since January 3.

On January 3, I introduced a bill to make the terminal-leave bonds redeemable in cash. I could not get any action out of the committee on said bill; and on March 4 I filed a petition on the Speaker's desk to bring the bill before the House for consideration, but, unfortunately, for some reason, that petition has only about 101 names attached to it. I wonder what is causing the delay in getting action on this legislation?

I want to quote to you from the speech made by the gentleman from Massachusetts [Mr. MARTIN] when he was just a mere minority leader. Look at the fine language he used when we adopted the conference report on July 31, 1946, as shown on page 10588 of the CONGRESSIONAL RECORD of that date:

I want to serve notice that nothing is ever settled until it is settled right. If the officers could have cash, then there is no reason on earth why the private soldiers should not be treated the same. After all, it is the good old private and noncom who carried the greater burdens of war. I believe, whatever we do today, this fight will continue. If we do not give fair, equal treatment today, why, then, the next Congress will see the injustice corrected. Eventually, the American people will see that fair play prevails.

During the Seventy-ninth Congress, the then minority leader said "the next Congress will see the injustice corrected"; and now that he is not a mere minority leader, but the powerful Speaker of the House of Representatives, as such Speaker, I appeal to him to demonstrate to the Congress that he meant what he said when he had little power, and that he urge the majority to pass legislation whereby terminal-leave bonds shall be redeemable in cash, or legislation providing that the bonds shall be negotiable.

Is there anything unfair or unjust in H. R. 3, which I introduced on January 3, 1947? However, there appears to have developed some objection to H. R. 3 on groundless fears that it might disturb the cash position of the Treasury or interfere with the balancing of the budget. Whereupon, on May 19, in order to do away with the above groundless fears and objections, I introduced a very simple bill, known as H. R. 3521, providing that the terminal-leave bonds shall be negotiable in the same manner and to the same extent as negotiable instruments payable to bearer, but no person in possession of such a bond shall be considered to be a holder for valuable consideration unless he took it in consideration of the payment of an amount not less than the sum of the principal of such bond plus the interest accrued on such bond to the last day of the month in which the bond was delivered to him.

I believe that I have talked to a majority of the membership of this Congress and I have yet to find one who has any objection to this bill, H. R. 3521, but I am unable to get the bill out for consideration by the House. But where is it lodged? It is still lodged in the committee without any affirmative action being taken thereon, and no report either favorable or unfavorable has been made to the House.

Let me say to this fine man in the chair—and I respect him—he is a fine leader and is a fine organizer and he together with the majority leader the gentleman from Indiana [Mr. HALLECK], for whom I have the greatest respect and admiration and who has shown his fairness in leadership, together with the majority whip the gentleman from Illinois [Mr. AHRENDS], who also is a constructive leader, if they would just give a whisper in favor of consideration of this legislation, I am sure that the veteran holding terminal-leave bonds would soon be able to get some cash instead of waiting for a period of 5 years.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. BREHM. I remind the gentleman from Florida that our distinguished Speaker used the word "eventually." I hope that eventually it may be done.

Mr. ROGERS of Florida. Yes; eventually, but he said "this Congress" as I have read, and I call upon him now, because here is a bill that nobody can object to. It is a bill simply to make these bonds negotiable, and nothing else. It will call for no appropriation out of the Treasury, it will not affect your efforts to reach a balanced budget. It does nothing under God's sun except to give these boys the right to use these bonds. There is not another bondholder of the Government who cannot use his bonds today to get cash. You can get cash on the Treasury bonds; you can get cash on the E bonds; you can get cash on the F bonds; you can get cash on the G bonds; and such bond holders have cashed more than $15,000,000,000 worth of them since their issuance, yet the veteran who needs his money cannot use his bonds to get cash. And Congress is still sitting here doing nothing.

No appropriation is necessary. The only thing that is necessary is to make them negotiable, and nothing else.

Can you find one man who is against it? I have not found a man who has said he is against it, yet I cannot get any action on this legislation.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. COX. I should like to say to the gentleman that while I have not signed his petition to discharge my committee that is in line and consistent with my record in such matters. I, of course, could not be expected to move to discharge my committee, which has never seen the bill.

Mr. ROGERS of Florida. There is a rule of the House that says that when a bill has been before a committee for 30 days it shall be in order to file a petition to discharge the committee from further consideration in order that the House might consider the legislation, and I filed the petition so that each Member of the House might have an opportunity to sign same so that the House could pass on the merits of the measure, and it is up to each Member as to whether or not he signs the petition.

Mr. COX. I may say to the gentleman that I see no objection to his bill, and I will vote for it if I have the opportunity to do so.

Mr. ROGERS of Florida. I certainly hope the gentleman will help me to give him an opportunity to vote for one of these bills, as I believe he will take pride in so doing.

During the war we all wanted quick action from our soldiers—to get the job done—and it would have been sheer folly to have handed a soldier a bomb that would not explode for 5 years. Now that they have done this job 10,000,000 veterans want quick action from us; they don't want a bond that cannot be cashed for 5 years. I appeal to you to help pass this legislation so that the boys can get their cash. They got action with bombs; now let us give them action on the bonds.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. HERTER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I have been opposed to the State Department's broadcasting program or propaganda program ever since it was started, because I have felt very conscientiously that it was doing more harm than good. I still feel that the broadcasting program is in the same hands that it has been for some time and that it will continue to be. I was delighted when the appropriation covering it was thrown out of the appropriation bill on a point of order.

The program we have before us now would make that expenditure in order.

In an argument we listened to today we were told that America had only one thing to sell to the world. That one thing was the American way of life. Well, personally, I do not want to sell the American way of life to the world, because always when I have sold something I lost possession of it. That is exactly what we are going to do in our program in this instance. We are going to lose possession of our American way of life in trying to foster it all over the world. That is my attitude; therefore, I am opposed to this bill.

The SPEAKER. The time of the gentleman from Illinois has expired.

SHOULD BE NO OPPOSITION TO FOREIGN INFORMATION PROGRAM

Mr. SABATH. Mr. Speaker, I yield myself the balance of the time on this side.

Mr. Speaker, I am convinced that if the membership of the House were aware of all the distinguished leaders of science and letters, of business and the professions, and of public service who have endorsed and urged the passage of this bill to authorize by law a foreign information program in the State Department, and if they fully realized at what disadvantage our own businessmen are placed for lack of an effective program of this kind, there would be no effective opposition.

Certainly there is no one here who would have the audacity to insinuate that either Gen. George C. Marshall, the Secretary of State, or the Honorable James Byrnes, or the Honorable Cordell Hull, or the Honorable Sumner Welles is lacking in patriotism or devotion to our country, or has the slightest tinge of pink in his outlook; yet these outstanding Americans are in the very forefront of the advocates of this bill.

The heads of the principal radio broadcasting and manufacturing companies joined in a single statement in its support.

Professional radio leaders, writers, editors, executives, businessmen, industrialists, labor leaders, religious leaders, women's clubs, educators, publicists, high naval and military officers—in short, responsible citizens from every walk of life—have raised their voices severally and jointly in behalf of the program and of this legislation.

GALAXY OF BIG NAMES

Space does permit me to present even a representative roster of the galaxy of big names who have advocated such a program. I select these few names at random merely to suggest the wide range of enthusiasm the project has evoked: Philip Reed, chairman of General Electric; George Schuster, president, Barnard College; George Zook, president, American Council on Education; William Paley, chairman, Columbia Broadcasting Co.; B. M. McKelway, editor, Washington Star; Gardner Cowles, Jr., publisher and radio owner; William Batt, president of SKF Industries; Albert Warner, commentator and news editor for MBS; John Collyer, president, Goodrich Rubber Co.; Paul G. Hoffman, president, Studebaker Corp.; Palmer Hoyt, publisher, Denver Post; Ben Moreel, president, Jones & Laughlin Steel Corp.; Fleet Adm. C. W. Nimitz; Gen. Omar N. Bradley; Gen. Dwight D. Eisenhower; Secretary of Commerce Averell Harriman.

Newspapers and magazines are almost unanimous in their editorial endorsement of the program; and the exceptions are in themselves endorsements.

ALL ARE PATRIOTIC

Surely there is not one of these hundreds of individuals and organizations and publications not as devoted to our country and its ideals as the few gentlemen here on this floor who, blinded with prejudice and with minds closed to every new idea, have misrepresented all that has been said here, and who in season and out seek to prejudice the minds of the people against all progress.

Unfortunately, it is always easy for a few able men with strong voices to create antagonism against deserving legislation if the proposals represent any departure from tradition.

NOTHING TO FEAR FROM ADVERTISING OUR WAY OF LIFE

Mr. Speaker, we have nothing to fear from making known to the whole world our way of life. We have nothing to lose by familiarizing all the people, everywhere, with our institutions, our wonderful country, our cities, and our farms and our factories. We can gain much.

We should make known the superiority of those things we produce or manufacture, which we must continue to produce and manufacture and sell abroad if we are to remain prosperous and dispose of our surpluses. We now possess the facilities for production of vastly more than we can consume; and the whole world is hungry for a portion of our production. I believe this legislation is a major step in the right direction.

WHAT IS FOREIGN?

Mr. Speaker, I regret profoundly that some mention has been made on this floor, in the House of Representatives of the United States of America, or "foreign-sounding names," with some insinuations against the loyalty of people with such names.

Mr. Speaker, what is "foreign"?

I would remind the gentleman that in the Continental armies which fought that this country, with its blessings of liberty, freedom, and rich natural resources might be born, there were Poles,

Germans, Dutch, English, French, Scotch, Irish, Welsh, Danes, Swiss, Italians, Catholic, Protestant, infidel, Jew, Negro, Indian; why even the Friends of William Penn's colony upheld the torch of freedom!

In every war in which this country has been engaged people with "foreign" names have distinguished themselves with valor and glory.

There has just been delivered to us the two volumes of combat-connected casualties in the Navy in World War II.

I beg of the gentlemen study the names listed there—the names of Americans who died gloriously that this country, that this democracy, might live.

Here is our own State of Illinois. Let me read from the "A's" on the very first page: Abbott, Abel, Abrahamson, Abt, Abts, Acock, Adami, Adams, Adamson, Aden, Agrimonti, Ahlstrom, Albietz, Aldrich, Alexander, Allabaugh, Allan, Allison, Allsop, Almanza, Althamar, Altmann, Amato.

What is foreign, Mr. Speaker?

Let me go on, not taking the names in order, but at random from succeeding pages: Bacha, Beaudry, Cadwallader, Christopoulos, Dworniczek, Erickson, Farni, Ghent, Gluba, Haas, Jones, Laszewski, Makucas, MacDougall, McGonigal, Mytys, Nalazek, Palouyan, Pappas, Riordan, Rios, Quan, Radke, Schmitt, Smith, Sajtar, Stein, Steinberg, St. Germain, Straus, Swanson, Torres, Van Buren, Weber, Zabinski.

THEY DIED FOR THIS COUNTRY

Mr. Speaker, what is foreign?

Those boys died for us, for our country, and our free institutions.

Whether their grandfathers came from Maine or the Ukraine; from Oregon or County Cork; from Georgia, U. S. A.; or Georgia, U. S. S. R., life was equally sweet to all of them.

Loyalty to this country is not measured in terms of surnames, or of religious affiliation, or national derivation.

And in war and in peace, the immigrant has built this country, made this country, won this country, preserved this country, whether he came on the Mayflower or the Queen Mary; whether he spoke English or Chinese, Gaelic or Slavic, German or Arabian.

THEY CREATED WEALTH

Anyone who has studied the glorious history of this, the greatest country in the world, knows that the immigrants have created wealth out of nature's bounty, and that they have served their country well.

Here are some more names, the names of immigrants who have made vast contributions to American science, industry, arts: Andrew Carnegie, Samuel Slater, John Jacob Astor, Michael Cudahy, Frank Assman, Joseph Bulova, David Sarnoff, William S. Knudsen, Ole Evinrude, Lucas Petrou Kyrides, John Garand, John A. Roebling, Simon Baruch, Joseph Pulitzer—you know their names, and a thousand more.

Other anonymous millions built the railroads, rolled the steel, dug the ore, broke the plains, felled the timber, tilled the fields of cotton, wheat, tobacco, and corn.

What is "foreign"?

LET US HAVE FAITH IN AMERICA

Let us have faith in our country, in the unending solidity of this splendid structure of popular representative government so nobly fashioned by the founding fathers.

Are we ashamed now that this country was born in revolution?

George Washington, Thomas Jefferson, Ben Franklin, James Madison, Gouverneur Morris—they had faith in the people. They built so well that this Government has endured without change from its inception 170 years ago, longer than that of any other great power.

Shall we then falter in our faith?

No, Mr. Speaker, we have nothing to fear from a few misguided men if we continue to maintain our democratic system.

If valid criticisms are made, then they serve us well, for we can correct the faults; and if they criticize and ridicule what we know is right, then their words fall on barren soil. There is no other system of free government that can compete or compare with the American system. The few students who come over here under authority of this legislation will return to their homelands missionaries for our way of life; and our students abroad will find that no other people have achieved what Americans have achieved in comfort, in freedom, and in equality.

UNFOUNDED ACCUSATIONS UN-AMERICAN

We are not experts at everything. We cannot produce everything.

We have received from across the seas many capable, patriotic men and women who have contributed greatly to America, and who have served her well. It is due to them as much, if not more, as to the descendants of the earliest settlers that this has become the greatest country in the world. The dream of freedom is common to all men; and America is the tangible form of that dream everywhere.

Let us desist from these unworthy insinuations against the loyalty of other Americans just because of the spelling of a name.

Such unfounded accusations are unfair, undemocratic, and un-American. Certainly I disagree here most strongly with many of my colleagues on both sides of the aisle, but shall I question their loyalty to this country we both serve to the best of our ability and according to our lights?

BUT SOME LEAN TO FOREIGN IDEAS

But, Mr. Speaker, I cannot extend that tolerance to a few who constantly criticize and assail every progressive proposal, and who seem to feel that the Nazi system, or the government of the Russian czars, is a better way of life than the American way. Theirs too often are the voices which shout "un-American" when they should be shouting "Hurrah!"

There are those who seem deeply sympathetic to our defeated enemies who forced upon us, to defend our way of life, a ghastly war which cost us 300,000 dead, almost a million casualties, and created a staggering public debt of $270,000,000,000 which cannot be paid off for generations yet to come.

They seem to feel that the czarist regime in Russia, or the corrupt Hapsburg empire of Austro-Hungary, or the imperial Fasicst Italy of Mussolini, or the oriental despotism of the Christian-killing Turks, or the infamous horrors of Hitler's nazism, or the bloody rule of Franco in Spain, are preferable to the free American way.

Perhaps they think only of the moment, when they see in Europe that the Bulgars, the Poles, the Czechs, the Slavs, the Rumanians, and other small nationalities are about to attain the freedom and independence for which they have dreamed and schemed for centuries; and, because these men have lost or never had that dream of freedom, they see only the violence, the temporary orientation of Russia which seems to promise them protection of their freedom.

SHOULD STUDY AMERICANISM

These discordant souls should study the history of America. They should read the inspired words of Thomas Jefferson. They should realize that the liberal and humanitarian principles of our constitutional democracy made possible the sharing of our freedom with all.

For my part, I am opposed to all isms.

I believe sincerely that fascism is a greater threat to America than communism, but I oppose both with equal vigor.

Since the sixteenth century, people have come to this country to escape not only want and misery and physical degradation, but religious persecution and political and intellectual repression. Here the horizons are wider. Let us, Mr. Speaker, keep them that way.

There is no room for nazi-fascism; there is no room for communism.

Let democracy continue as it has, always growing, always becoming better, and we need not fear the future.

COMPLIMENTS COMMITTEE

I desire to offer to the Committee on Foreign Affairs, which unanimously reported this bill favorably to the House, my sincere personal congratulations and compliments on the way they have discharged their duties and their obligations to our great country.

I am sure that the gentleman from South Dakota [Mr. MUNDT], who presented the report, and other distinguished members of the Committee on Foreign Affairs will have ample opportunity to explain the bill in full detail, and satisfy the membership that there is nothing to be feared, for every practicable safeguard has been set up to prevent deterioration of the program.

I know, too, that gentlemen of the House and the Nation at large have full confidence in the Secretary of State, General Marshall, who will have ultimate responsibility for the conduct of the program; in Mr. William Benton, who rose from midwestern farm boy to head an advertising agency so successful that he could retire from business and devote himself to public service at an age when most Americans have yet to make their first million, and who, God knows, does not bear any fearsome foreign-sounding name; and in Mr. J. Edgar

Hoover, the head of the Federal Bureau of Investigation, who will be responsible for screening out from the personnel any individuals who might have a thought not approved by some of the ultrapatriotic gentlemen who have spoken here today in opposition to the bill.

In these hands, and in the language of the act, we can all feel secure, and know that in every way the rights and interests of our country have been fully protected.

Mr. HERTER. Mr. Speaker, I yield the balance of my time to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, yesterday by virtually unanimous vote the House appropriated $5,280,000,000 for the War Department. Along with the rest of you I supported that measure, because along with the rest of you I believe we have got to have a strong defense system; that we have got to be prepared for the contingency of war; that it is essential we remain strong and secure as a nation. I call attention to the fact, however, that with no opposition $5,280,000,000 was appropriated because of the chaotic, and uncertain, and disturbing conditions prevailing in the world today.

We come before you this afternoon asking you to authorize an appropriation which, if the State Department got every dime it asked, would be $31,000,000. It is not going to get every dime of that. We know that the Committee on Appropriations is going to reduce the request considerably. They may give $20,000,000, they may give $10,000,000 or $12,000,000, but I call attention to the contrast in figures. We are asking for this comparatively paltry sum and this authorization so that the Congress at long last can do something constructive to win the peace, to prepare for peace, to give the peace department of this Government a little money and a little authority and a little equipment for once as we so rightfully give it to the War Department.

I am appalled at some of the arguments I have heard today, because I cannot reconcile them with the attitudes I know prevail in the hearts of men who made them and who want peace and who want the American concept to spread. I call attention to the fact that the Secretary of State, Mr. Marshall, has said that if this battle for peace is going to have a chance to win, he needs this kind of legislation. And, every Assistant Secretary of State in the Department has said the same. General Eisenhower, Chief of Staff, has said that if his preparedness to maintain the security of America is to work effectively, he wants this type of program enacted into law. General Bedell Smith, our Ambassador in the most troublesome spot in the world today, our Ambassador to Moscow, came back from Moscow to plead for this kind of legislation, and the Committee on Foreign Affairs reports it to you unanimously. Every responsible authority this country has that is charged with the heavy duties of protecting America and of promoting and preserving the peace is a strong support of H. R. 3342 and the program it would set in motion.

The costs of this program are, at the outside, $30,000,000. Compare that, if you please, with the $12,000,000,000 we have already authorized since the war to be spent overseas to achieve the objectives that all the advisers this Government has in the field of security and peace tell us they cannot well achieve without this legislation and without this program.

Now let us get the picture clear. I join the gentleman from Georgia [Mr. COX] in saying I think the Committee on Appropriations rendered a service to Congress by refusing to appropriate the money in bulk fund and by knocking out the present so-called cultural program on a point of order, because now we have before you comprehensive, clear-cut legislation, with at least 20 congressional controls over this program which have never existed before. In the course of the general debate and in the course of the consideration of the bill under the 5-minute rule we are going to explain those controls and safeguards to you one by one.

We are not asking you to continue as it is the program now functioning. We are asking you to establish a new office and a new program with new guide lines and new safeguards and new controls, with authority completely in the hands of Congress, and we ask you to appropriate for it what you think is wise after the authorization is made.

At this time I ask you only to be good enough to hear the arguments, to grant the rule, to give us a chance to tell you why all of the men of the Government at the top levels charged with defending us in times of war and protecting the peace have joined the unanimous vote of the House Committee on Foreign Affairs in urging you to enact this new program for winning the peace.

THE DOCTRINE OF RECIPROCITY

Let me point out just one or two of the safeguards. We are going to discuss them in detail when we get into general debate. This legislation does something which I know most of the Members of this House want to have achieved. On page 3, if you will look at the bill, the so-called Mundt bill writes into the legislative language of Congress for the first time in American history the doctrine of reciprocity insofar as our interchange and contact with foreign nations is concerned. It provides that this program will operate only with those countries engaging in reciprocal arrangements with us. Let me say to those who fear that a Russian or two is going to come to America that we now have in this country 3,669 Russians inspecting America, looking at our plants, and going to school. None of them came in because the OIC is in operation. None of them came in under the Voice of America program. They came in despite the program. They will continue to come in unless H. R. 3342 becomes a law. They came in because the law of the land today has nothing against their coming in with visitors' visas. They came in under visitors' visas, as citizens of one country have a right to visit another under existing international arrangements of comity. But this legislation will make a change in that, because the Russians have permitted us to send only 250 Americans over there, and this writes into law the principle of reciprocity. Those that want to do something about getting our arrangements with Russia on a realistic, reciprocal basis vote against their own convictions and their creed if they vote against this legislation, because it writes into law the doctrine of reciprocity for the first time in American history.

Let me say a word about the professors who might come over to this country from Russia or some other Communist country. This legislation provides that if any visitor from any country under this program is over here engaging in activities not consistent with the security of the United States or of a political nature, the machinery of deportation shall be brought against him promptly and completely—an additional safeguard, completely new, and novel, in American history. It is a new safeguard in the interest of security, in the interest of peace, and in the interest of reciprocity, the only firm foundation upon which nations can live as friends and endure under peaceful conditions.

To those who say that in the employment of this particular agency there are some who are unfit for the job, and I presume that is true, let me say that we have set down an arrangement for screening everyone of them by the FBI. Everyone now employed and everyone who might be employed is to be screened by the FBI, and the check is complete. It is in fact as comprehensive and as detailed as the check we made against the men working on the Manhattan project developing the atom bomb during the war. There is not a Chinaman's chance that a Communist or a Fascist or any un-American can work his way into the employment of this division of the Government under the restrictive legislation written into this act. This legislation makes certain that the Voice of America will at all times be a truly sturdy American voice.

I yield to the gentleman.

Mr. JACKSON of California. Is it not true that a great many other countries under this plan besides Russia are involved in this interchange of information?

Mr. MUNDT. Russia is going to be considered as being directly reached by but a very small portion of the program. The magazine America, of which we are going to tell you later, deals with Russia. This program deals largely with those areas of the earth where it is so important for us to maintain friendly contacts if America is going to have the friends it needs in these disturbing times. I hope you will now vote for this rule so that Congress can have the opportunity to consider this important peace program on its true merits.

Mr. HERTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MUNDT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3342) to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3342, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MUNDT. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, let me make it clear in the first place, continuing about where I left off while talking on the rule, that in asking you to support H. R. 3342 we are not asking you to perpetuate a program nor are we asking you to experiment on uncharted seas on which we have had no experience. Regardless of what happens on this question today, the OIC expires on July 1. If you do nothing at all, the only thing that takes the place of the experimental program which has been carried on in sending information from America throughout the world will be some locked desks, some empty offices, and dust accumulating on some old files.

We are asking you to enact this legislation establishing a new office—the Office of Information and Educational Exchange—to engage in a new program to be financed by new appropriations specifically named and which activity will be staffed in large part by new personnel because every present employee in the OIC on the 1st day of June received his termination notice because that office expires on July 1 and everybody will have to be reappointed or find employment in a new position.

In my opinion, it would be tragic to muffle the Voice of America either by slashing its jugular vein through denying the appropriations required to conduct a United States information service abroad or by darkening the beacon light of American freedom which now shines brightly in some areas and just manages to filter through into others but which all the world today recognizes as the last and best great hope of all mankind to perpetuate the peace and promote sound justice and good will. H. R. 3342 provides the machinery and the methods for projecting the voice and spirit of America not only by short-wave radio but by the printed word, the use of information centers abroad, the friendly visit of invited technicians and by other methods. It also sets up procedures whereby students, scholars, and serious observers from abroad can visit America and learn about our formula of freedom here in the greatest successful laboratory of freedom, tolerance, and self-government the world has ever known. Mr. Speaker, all of us talk about peace but H. R. 3342 sets in motion the minds and actions of men to do something about creating the only sort of environment in which peace can flourish and endure.

This is not a question to be decided by differences between so-called isolationists and internationalists. It is a choice between adopting a policy for America which embraces either incapacitation or initiative as the device by which we hope to exert our leadership in this postwar world and by which we expect to get across to questioning people in every foreign land the real truth about American concepts, American ideals, and American objectives.

Certainly if we gag our own voice, strait-jacket our own hands and feet, and place blinders on our own eyes, our hope of leading the world to peace and away from atomic annihilation is indeed both dim and dreary. It is because I am convinced the vast majority of the Members of Congress of every party, from every section of the country, and of every variety of thinking from the standpoint of what they consider proper and appropriate American foreign policy believe and must agree that whatever our policy and wherever and however we build for a secure tomorrow we must in this supersonic age of travel and communication keep the rest of the world advised of our purposes and our program that I have labored so long and so hard to bring H. R. 3342 before you in a form and language which I dare to hope will win your overwhelming support.

By the most conservative estimates we are already committed to spend or have spent nearly 12 billions of American dollars abroad since the end of the war. What is the purpose of these vast expenditures? We all know the answer—it was spent, whether wisely or wrongly and whether poorly or well, because all Americans desire this hard-won peace to endure. What a commentary it would be on the judgment and prudence of this Congress were we to refuse to dedicate, let us say, one-fourth of 1 percent of what we are already pledged to send overseas for the just and noble purpose of making positive that the people and the places which receive this American aid know that it comes from a friendly America, that they know why it comes, and that they know something about the peace-loving, unselfish, nonaggressive, good Samaritans who comprise America and who ask in return for their billions only that world order be restored and world peace sustained. Unless there is no merit at all in the economic axiom that "it pays to advertise," this program is one which we cannot afford to avoid.

Mr. Chairman, the Office of Information and Educational Exchange will operate to win friends and influence people abroad. Its objective is to make friends for Uncle Sam and to win converts away from the war-god Mars. It is an adventure in good will. For less than one-fourth the cost of a single modern battleship we propose through this program to try just once in the long, bloody history of war-torn relations between countries to give truth and understanding, and friendly feelings an opportunity to help put an end to the continuing wars which have brought civilization to the abyss of an atom-bomb-accumulating armistice. Suppose we fail—the most we can lose by trying is less than the cost of 30 seconds of the type of war we are trying to avert and which up to now has never been averted by any of the traditional, customary, and proverbial methods men have tried.

Mr. Chairman, against a mobilized world public opinion that knows what it wants and has plans how to get it, there is no power or purpose which can be arrayed successfully. The great objective and the end goal of the program I am today proposing is to do its full part in helping to plant and to nourish the thoughts and ideals in the hearts and minds of common people everywhere which will marshal such informed opinion into effective channels for preserving the peace.

Over the long pull, sir, if peace is to prevail it is essential that the hatreds, the greeds, the selfishness, the avarice, the distrust, the misunderstandings, the suspicions, and the false concepts of all humanity must be toned down and controlled by self-restraints and general enlightenment. Men and women everywhere must come to know for themselves those things which are basically sound and fundamentally true if right is to conquer might and if war is not to recur.

Let us remember that the coin of peace has two sides. It has its material as well as its spiritual side. When battalions of men meet across boundary lines, war is the result. H. R. 3342 sets up a procedure for bringing about the meeting of minds across boundary lines in the pursuit of peace and the mutual understandings upon which peace can be built enduringly. We plan to utilize the free flow of ideas and culture across boundary lines which will enrich the life of everyone. We plan to exchange scholars and students, textbooks and techniques, periodicals and programs, to the end that children throughout the world may come to be taught the virtues of showing consideration for others and the vices of bigoted and bludgeoning types of state worship.

This program has no special creed to espouse save peace, justice, and tolerance. It is an American program to induce others through reciprocal means to cooperate in promoting good order and good will. It recognizes no monarch greater than the Prince of Peace. It gives the common people who fight all of the wars an opportunity to learn the truths and practice the concepts which will avoid future wars. It provides a people's foyer leading to the temple of permanent peace.

We ask you to appropriate about one-fourth as much as it costs to build a single battleship, to try something new in the field of international relations; to try something different in what up to now has been an ineffectual record in trying to perpetuate world peace. We ask you to join us in an effort to marshal public opinion around the world for peace, and to eliminate misunderstandings, suspicions, doubts, and skepticisms which have held men apart. We ask you

to do that by joining us in the passage of this legislation.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. SHAFER. Is this legislation to make possible berths for those who have already been in this type of work?

Mr. MUNDT. No. Very definitely it is not.

Mr. SHAFER. As I understand it, others who come in now under your bill must all be screened.

Mr. MUNDT. Precisely. In fact, those presently employed who may be reappointed must also be screened by the FBI.

As I have said, this is not a program to be abhored by isolationists and to be acclaimed by internationalists, whatever those outworn terms may mean or imply. The rapid march of world events during and since the war have outmoded such distinctions and have invalidated most of the arguments used by either group to substantiate its reasoning. The question we face today is not whether we should attempt to isolate ourselves in an atomic era of supersonic planes and jet-propelled weapons in which vast oceans and whole continents have become of less consequence in self-defense than was formerly true of a single river or a mountain chain. The question we must face up to now is whether the great United States should incapacitate itself by denying to ourselves weapons of information and communication which all other important nations are now utilizing with accelerating speed and significance.

Surely he who today preaches a doctrine of incapacitation for America goes far beyond those who in the era of the twenties and thirties, and up to Pearl Harbor, were classified as isolationists. At least those who would have isolated America from the wars abroad wanted to keep America strong at home and were generally found in support of great defensive military establishments. However the super-duper stay-at-homes of today who embrace the doctrine of incapacitation for America through opposing a program of informational and educational exchange make pikers out of yesteryear's so-called isolationists by comparison. These incapacitators would disarm America of its weapons for defense and offense in the significant era of world opinion at the very juncture of history when the fate of all humanity rests upon the development of sound world opinion and the recognition of sane concepts and peaceful purposes by the Nations and the peoples of the earth. Isolationists had the merit of wanting to keep America out of war. Incapacitationists surely can claim slight merit for desiring to keep America out of the peace.

If we incapacitate ourselves by disqualifying ourselves as effective leaders in the world by eliminating our contacts abroad, how are we going to maintain peace? How are we going to resist and offset the propaganda coming out of poisonous mouths in many parts of the world, maligning and slandering America and misrepresenting us? If we deny curselves the right of rebuttal; if we deny ourselves access, through equipment and means, to the hearts and minds and eyes and ears of the world, how are other countries to learn the truth about America? If we refuse to tell the American story ourselves, who will replace us on the air waves and on the printed pages of the world?

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. JONES of Alabama. Will not this service arm and sustain the people in those foreign countries who are making the fight for recovery and the great fight for democracy?

Mr. MUNDT. Absolutely. There is no one so completely under the heel of a dictatorship but what there still burns a little flame of freedom somewhere in his country. Back in the hills and in the little huts there are people in every land dreaming of the day when they can be free. This gives them something to hope for. It gives them some idea of what they dream about in the darkness of their dictatorial oppression. It provides a sense of reality that what they hope and pray for may some day come to pass in their own areas of the world.

No man ever gets so rich that he can afford to lose a friend. No nation ever becomes so powerful that it can afford to ignore what other countries think about it, whether they be big or small, civilized or uncivilized. Good will means something to a country in time of peace; and sometimes, as was demonstrated in the north Africa campaign, it may mean the difference between defeat and victory in time of war. So I think that over the long pull, if we are going to have peace, it is essential that we provide the mechanism and machinery whereby we can promote those points of view and points of contact which are favorable to us.

We have provided over 20 safeguards in the Mundt bill, not only against infiltration of un-American individuals into the organization which is to be created, but safeguards protecting the economy of America; safeguards providing that Congress be kept informed of what is going on; safeguards providing for guidance and counsel and advice from the private professions and industry to help the State Department develop the best possible type of program; safeguards precluding the employment of aliens except in those areas where Americans are unable to speak the dialect being broadcast; safeguards so that the Voice of America will be spoken by Americans and the spirit of America will be interpreted by loyal American citizens who are enthusiastic, sincere, and able exponents and disciples of our cherished ways of life.

We have included safeguards providing that wherever possible the State Department must use private agencies in order to carry out the program; safeguards so that Congress by concurrent resolution can stop the program or any portion of it any time it chooses without a Presidential signature, because we want the Congress and the country to feel secure and convinced that this is a program of Americans broadcasting the voice of America in a manner in which all Americans can be proud.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. BLOOM. I know the gentleman has given a great deal of time to the preparation of the bill but there is one thing I think ought to be explained to the committee and that is the present channels that we have in the air. If we should not pass this legislation or do something so as to retain those channels we lose them. I wish the gentleman would explain to the committee that if those channels are once given up through lack of use at the end of this month we have lost them never to get them back; they are gone forever and we could not do the thing we are trying to do here. We must retain those channels.

Mr. MUNDT. The gentleman is precisely correct. Under the international allocations of short wave channels, when you cease to use your channel your rights are lost. It is very similar to the land situation in my State in the old days when people established squatters' rights. Squatters would move in there and as long as they lived on a quarter section and defied the elements, if they lived there long enough the land became theirs. But if they moved off for a while they lost their squatters' rights, somebody else moved in and they never could get their rights restored. So it is with these wave lengths. If we do not use them, if we let them go even for a little while they are lost to us forever and some other country will appropriate them to broadcast their propaganda against us. Unless we adopt this legislation we lose our squatters' rights on the highly valuable wave lengths now assigned to us.

Mr. BLOOM. Some other country will move right in and take those wave lengths over and we have lost them forever.

Mr. MUNDT. The gentleman is correct.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. CHIPERFIELD. What has been done in this bill with regard to reciprocity?

Mr. MUNDT. I explained that at the beginning of my remarks. I know the gentleman was called from the Chamber by a telephone call and might not have been here when I touched on it, and I did so rather hurriedly.

In this bill for the first time in legislative history, let me say to the gentleman from Illinois, there is a formula for reciprocity. Briefly, if concessions are not granted us we do not grant them to such countries over here. It is in the bill and it seems to me it is a tremendously significant safeguard, it is a great step forward, it is an affirmative declaration. It is not a policy which antagonizes anybody but it is a fundamental policy which would be made clear by my bill and which would work with equity for all concerned.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I am delighted to yield to the ranking minority member of my subcommittee who has given invaluable help in the perfecting of this legislation.

Mr. RICHARDS. Is it not a fact that another good safeguard is contained in the bill to the effect that the policy may be terminated by Congress itself at any time? I do not know whether the gentleman mentioned that or not.

Mr. MUNDT. I mentioned it but I may have skipped over it rather hastily. In order, however, to make this remain a congressional activity under complete congressional control at all times, we put in a specific proviso that the whole program or any portion of it can be repealed by concurrent resolution of Congress. We retain the right to exercise our own judgment in maintaining control of the legislation and in evaluating its effectiveness.

NEW CONGRESSIONAL CONTROLS OVER NEW PROGRAM

Mr. Chairman, before concluding I want to call attention specifically to the 20 definite and complete congressional controls which H. R. 3342 set up to direct and govern the activities of this new office and the new and expanded program which this legislation authorizes it to undertake. Nothing is further from the fact than to make the careless and unsupported statement that H. R. 3342 proposes simply to continue in existence a prevailing program or to project a present policy into permanency. H. R. 3342 does nothing of the kind, Mr. Chairman. H. R. 3342 is new legislation. It is specific, clear-cut, comprehensive, and it establishes controls and safeguards never before found in any American program of information service abroad, whether it be that operated in the Western Hemisphere alone under the office of the Inter-American Coordinator or whether it be that of the OWI during the war, the psychological-warfare program of the War Department, or the OIC which temporarily took over some of the operations of the Office of War Information during the postwar era but which office is being definitely and completely terminated on June 30 this year, regardless of the outcome of this legislation.

Let me give you the facts from the printed record and I hope you will supplement this information by reading the comprehensive volume of hearings which we held on H. R. 3342 and the committee report which accompanies it. Here, however, by specific, definite reference to page, section, and line are the new safeguards by which Congress will direct the activities of this new program and by which Congress will keep it constantly under its control and supervision.

No. 1. On page 3, section 201, line 15, you will find set forth in unmistakably clear language the doctrine of reciprocity governing our international relations and activities. I have discussed this previously in this address so I shall not elaborate upon it further now.

No. 2. On the same page, page 3, starting on line 21, you will observe that we require the Secretary of State to turn over for deportation any foreign visitor who abuses the privileges he enjoys under his visitor's visa by engaging in activities of a political nature or in activities not consistent with the security of the United States. May I add, Mr. Chairman, that since visitors are now in the United States and will always be here whether we enact H. R. 3342 or not, this is a highly significant new safeguard since it gives the Secretary of State authority and instructions which will not only stop any existing un-American activities on the part of foreign visitors but which will make certain under the exchange program we propose to establish there shall be no abuses of this type. This safeguard is specific, stern, and clear.

No. 3. On page 4, section 203, line 19, we provide that no assistance under this act shall be furnished of any character not in keeping with the free democratic principles and the established foreign policy of the United States. Mr. Chairman, here once again we write into law the clear conviction of Congress that this shall be an American program, projecting American concepts, and conforming with American ideals.

No. 4. Page 9, line 4: Here we make clear that nothing in this act shall authorize the extension of services and advice to foreign countries relating to the organization, training, operation, development, or combat equipment of the armed forces of a foreign government. You see, Mr. Chairman, throughout this legislation we retain the fundamental purpose of this program. This is a peace bill, sir, and not in any sense a war measure or a military proposition.

No. 5. On page 8, section 403, line 12, we specify that the Secretary of State shall encourage the performance of the services proposed under this legislation by private American individuals and agencies. Only where private enterprise is unable or unwilling to function is it contemplated the information and educational exchange program established under H. R. 3342 shall be handled by the Government itself.

No. 6. Again on page 8, section 403, line 16, we provide that the services abroad rendered by a Government agency shall be advisory, investigative, or instructional in character for purposes of demonstration and not in competition with private enterprise.

No. 7. Still on page 8, section 403, line 20, we make even clearer that such services abroad shall not include the construction of public works or the supervision of such construction. It is our purpose to aid private engineers and private American enterprises to secure business connections and contracts abroad and not in any way to interfere with private enterprise. That we have been successful in doing this is clearly apparent from the fact that the Committee on International Relations of the Engineers Joint Council has enthusiastically recommended passage of this bill. The testimony of their spokesmen is found on page 178 of the printed hearings available to each of you.

No. 8. Page 9, line 8, we specify that services by our Government to foreign countries shall not be undertaken if such services will impair the fulfillment of domestic responsibilities of any Government agency. In other words, we clearly recognize and stipulate that the primary function of an American Government agency is to handle the needs and requirements of Americans first.

No. 9. Page 9, line 12. Here we stipulate clearly that this is to be no great haven of bureaucracy and no starry-eyed adventure by impractical idealists or theorists. Here it is provided that the Department of State shall invite in outstanding leaders—please note the language is mandatory—in the various fields of activity covered by this act to review and extend advice on the policies in each of the various categories concerned.

No. 10. Page 11, section 502, line 7: We have made it crystal clear in the language of this so-called Mundt bill that this program will not establish competitive Government radio and press agencies to compete with private American enterprise. Note the language of this specific congressional directive:

> The Secretary shall encourage and facilitate by appropriate means the dissemination abroad of information about the United States by private individuals and agencies, shall supplement such private information dissemination where necessary, and shall reduce such Government information activities whenever corresponding private information dissemination is found to be adequate.

Mr. Chairman, the Office of Information and Educational Exchange as proposed by H. R. 3342 will become the only Government agency in the United States operating under a congresesional mandate to work itself out of a job as soon as possible.

No. 11. Page 11, line 15: Here we stipulate directly that this act shall not be construed in any way to give the Government a monopoly in the production or sponsorship on the air of short-wave broadcasting programs or a monopoly in any other medium of information. Mr. Chairman, it is interesting to observe here that all seven of the short-wave liscencees in the United States are in favor of this program and that well over 80 percent of the editorial opinion of this country has also been expressed in support of it.

No. 12. Page 11, line 17: We provide specifically here that the State Department shall—again please note this is a directive not a suggestion—invite in outstanding private leaders in cultural and informational fields to review and extend advice on the Government's international information activities. We have proposed, sir, to mobilize in this great crusade to win and preserve the peace the best brains and capacities of America both in and out of Government in every field of endeavor and pursuit incorporated in this legislation.

No. 13. Page 11, still in section 502, near the bottom of this page, please, on line 21: To make double certain and completely positive that there shall be no competition by the Government against private enterprise we stipulate that all films, broadcasts, and other materials in the fields of mass media shall be identified as to Government source when they are so projected.

No. 14. Page 14, line 4: Again to make positive that this becomes truly the voice of America we stipulate that the employment of aliens shall be sharply limited to services related to the translation or narration of colloquial speech in foreign languages when suitably qualified United States citizens are not available. These will be very few in number but where they are required their services become invaluable.

No. 15. Page 16, section 703, starting on line 21: To prevent this operation from becoming a sprawling bureaucratic office and to safeguard the American taxpayer we specify that the maximum use must be made of existing Government property and facilities where Government property or services are required to be used under this act. Thus where embassy property abroad can be used, it will be; where existing offices can be used at home, that is required. Small as are the outside expenditures to be made by this operation, we have set up safeguards that they all be used economically and efficiently.

No. 16. Page 18, section 901, starting on line 14: This is the now famous loyalty check on all personnel to be used in this program. It requires that all people employed or assigned to duties under this act must first be screened and certified as to loyalty and security by the Federal Bureau of Investigation. I have discussed this earlier in this speech so I shall not amplify upon this safeguard further now. It is the complete answer, however, to those who worry as all of us rightfully should lest un-American influences creep into this or any other division of the State Department. You can be sure before the FBI certifies as to their loyality the people in this division will be completely and adequately investigated and examined.

No. 17. Page 19, section 904, line 20: This safeguard provides that nothing in this act shall authorize the disclosure of any information or knowledge in any case in which such disclosure is prohibited by other law of the United States such as in the case of atomic developments, for example, or where it is inconsistent with the security of the United States. Since the War Department is to be represented on the Interdepartmental Coordinating Committee advising the Secretary of State on the conduct of this program this provides a full and effective safeguard concerning our military secrets as well as upon other developments which might better not be disclosed.

No. 18. Page 20, section 906, line 18: Once again to make definite and clear the mandate of Congress we here provide that it shall be the duty of the Secretary of State—need I add, sir, that any Cabinet officer can be impeached for a violation of duty—that insofar as is practicable the services and facilities of private agencies, through contractual arrangements or otherwise, must be utilized in carrying out the provisions of this act. By bringing in here the element of contractual arrangements we specifically provide the avenue and agency for utilizing a wide field of private agencies in implementing the program set up in H. R. 3342.

No. 19. Page 21, section 908, beginning on line 6: To retain the full control of this program in the hands of Congress—and whom, may I ask, are we to trust if we cannot trust ourselves?—we provide that the authority of this act or any provision of it shall terminate whenever such termination is directed by concurrent resolution of the two Houses of Congress. Since such a termination procedure does not require the signature of the President it means that a simple majority of the Congress can terminate this program in whole or in part at any time it so desires or at any time it finds or feels that the program is neither effective nor efficient. Seldom has legislation been written which carries a more direct and decisive safeguard.

No. 20. Page 21, section 909, which is the final section of the act and which begins on line 11: Here we provide that the Secretary of State must submit to Congress semiannual reports of expenditures made and activities carried on under the authority of H. R. 3342. In addition we must appropriate the money specifically for every activity under the act at the beginning of each fiscal year. Thus we will be kept fully and currently informed and advised as to what is being done and we can and will govern ourselves accordingly when the annual appropriation bills come before Congress. The Congress and the country will be kept advised concerning the achievements and the operations of this program. By this device the full force of public opinion and congressional authority becomes one final safeguard to make certain the United States Office of Information and Educational Exchange is being wisely and effectively operated on a broad program to help preserve the peace and to maintain a climate of public opinion everywhere which will be conducive to the attitudes and understandings which are essential if war is to be permanently averted.

Mr. Chairman, in one way or another I have worked on and toward this legislation since early in 1943, when I introduced my first bill on this general theme. We have won a great war at colossal cost in life and limb and fortune. Can we now win the peace? If so, can we hold it secure and make it permanent? Talk and good intentions and negative attitudes alone will neither outwit nor outlast communism, and they will never outlaw war. We must do something affirmative and positive and American if this last great bastion of freedom in all the world is not to succumb to the stresses, the strains, and the seductions of our day and time. Through the program outlined in detail in H. R. 3342 we establish a mechanism and authorize the machinery for waging a crusade for peace. Its cost is less than insignificant as compared with just 1 year's preparedness for war, to say nothing of just 1 day's participation in the type of conflict which next will come if we fail in our efforts for peace. Surely it is worth the trial. We Americans have led the world in education, in production, in government, in our standards of living, and in our standards of justice. Now, if ever, we have a chance to lead the world toward a way of life and a type of understanding which will win and sustain the peace. H. R. 3342 can be our first big definite self-sustained step in that direction. It is a start up the trail leading to an objective which all Americans hold dear—that of eternal peace.

Do some of you say this is impossible? Do some argue it is not worth ten or twenty or thirty million dollars a year to try? Are there faint-hearted among you who believe this challenge is too great to attempt? Because it has never been done must we believe it can never be? Is there any good reason not to start that which has already been too long delayed? I urge you to be citizens of great faith. Certainly an era which can produce the jet-propelled plane, the death ray, and the atom bomb can conquer the problem of the boundary line. Are we to let imaginary lines scrawled by mere man across the face of the earth hold us back from conquering what at most is but a mental attitude in an age when we are actually conquering the space between the planets?

Mr. Chairman, we dare not fail to try every reasonable expedient to preserve the peace. No man can say that anything which promotes mutual understanding and cements friendships is not a deterrent to war. And, sir, unless all of human history is a fictitious mockery it stands unchallenged and unchallengeable that anything which eradicates misunderstandings and erases skepticisms helps create the environment in which friendship and prevailing understandings thrive. Today, all I ask you to do is to make the effort.

I ask you to have courage and confiddence and conviction enough to try something different to help avert war and to help promote peace. I ask you to try this not as a substitute for anything—it is not proposed in lieu of armies or navies or soldiers or bombs or the United Nations—it is proposed as something additional, as a supplement to what we are already doing which if it succeeds can win for every country the security which no country in the history of the world has up to now enjoyed. I urge you to enlist in this ethical echelon in the battle for peace not in the terms of what it might cost to conduct the campaign but in the tragic terms of what it might cost if we fail in our over-all efforts to make this peace a permanent thing. I urge your support for H. R. 3342.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. RICHARDS. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from South Carolina is recognized for 10 minutes.

Mr. RICHARDS. Mr. Chairman, I have been impressed in recent weeks and months with the general agreement among the American people, and also within the Congress itself that there is need for such a program as is proposed in this bill.

A good many people have expressed doubt about the way this program has

been or will be conducted. Some Members of Congress have criticized some of the personnel connected with the undertaking. So I wish to confine my remarks right now to that phase of the question.

There is no doubt, Mr. Chairman, that the loyalty of these people must be unquestioned because they are the voice of America, they operate the conduit through which that voice is to be made felt throughout the world. There is no question about that. I think we all agree on that.

I believe every Member of the House will agree that we are fortunate in having in charge of the State Department at this time one of the great Americans of all time. Someone said a minute ago: "Well, General Marshall is a great man, his loyalty is unquestioned, but he cannot look after everything in his Department." Why, of course, he cannot. When General Marshall was Chief of Staff he could not personally lead the Normandy invasion and he did not, but he selected a good man to do it and he gave that man over-all supervision to perform that operation. General Eisenhower, who was our leader in the European theater, could not personally conduct all of the operations in connection with the Battle of the Bulge, but he selected a good man to command there and he kept in close touch with the operation and with the conduct of that battle.

Anyone who knows General Marshall intimately knows that when it comes to the selection of good men to work under him he is an expert, and they also know that he does not hesitate to fire any man he believes cannot fill the bill. Someone has said: "You will have a personnel man down there under General Marshall." You have. The Assistant Secretary of State in charge of administraton is General Marshall's right-hand man. His name is John Peurifoy.

Let me tell you about John Peurifoy. I have known him many years, and his family all of my life. He is from South Carolina. His forebears came to this countr. 150 years before the American Revolution and their descendents have served this country faithfully, as leaders, in war and in peace, ever since. There is no question, there can be none, of John Peurifoy's loyalty, character, and outstanding ability.

Let me tell you what John Peurifoy did, General Marshall's personal appointee, the first thing after he went into this job. He called up the FBI and said: "I want you to investigate me. I have a tough job to do and to do it well my loyalty to our Government must be above suspicion. I want you to investigate me and everybody down here."

And in passing may I say that since General Marshall was appointed Secretary of State he has himself requested of the Attorney General that top priority be given to the investigation of the loyalty, patriotism, and Americanism of every employee in the State Department.

Mr. Chairman, in my opinion, this bill goes a little too far in one respect.

I am going to vote for the bill, but I voted for an amendment in the committee, and I am going to offer that amendment here, to make what I consider a fairer bill. This bill goes a long way. It says that the Secretary of State can employ no one under this program until the Federal Bureau of Investigation has investigated him as to his loyalty. That is all right. I am for that. The Federal Bureau of Investigation is a fact-finding agency. The Federal Bureau of Investigation has peculiar facilities to find facts about anything or anybody. But, the Federal Bureau of Investigation is not a quasi judicial agency, and I am against the provision requiring that the FBI certify an applicant before the Secretary of State can employ him. I think the bill as written is a reflection on the Secretary of State though not intended to be.

If we cannot have more confidence in the Secretary of State, whether he is a Democrat or Republican, this Government is in a pretty bad way. It is my purpose at the proper time to offer an amendment to correct this situation.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from California.

Mr. ANDERSON of California. I think that I share with the gentleman the high degree of admiration that every Member of the Congress has for General Marshall, and I think we applaud the committee in its care with which they are going to scrutinize the selection of people who work on this program. I have listened very carefully to the gentleman's remarks as well as the remarks made by the gentleman from South Dakota. There is one thing that still puzzles me and which has not been touched upon. Who listens to the Voice of America? What information does the committee have before it that would indicate to the House what people of what countries to which these broadcasts are beamed actually hear the programs?

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. RICHARDS. Mr. Chairman, I yield myself five additional minutes.

In reply to my distinguished friend, I would say that people all over the world are listening to the Voice of America. The Department gets 25,000 letters a week about the program from abroad. It costs 30 cents apiece to mail them from foreign countries all over the world. That is evidence in itself that foreign peoples are listening to the Voice of America. And we have unlimited other evidence, and I hope we will have time to present some of it to the Members today. But I wanted to return to this matter of personnel because it has been harped on so much.

There is one man who has been identified with this undertaking, pilloried by some, and I think very unjustly, William Benton, Assistant Secretary of State. He has been in charge of this program for 20 months.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Georgia.

Mr. COX. I am very much pleased that the gentleman should take the time to express his confidence in Mr. Benton, who heads this activity in the State Department. I should like to say that I know Mr. Benton. I do not believe there is anybody in the entire country that approaches him in the qualifications needed for this particular work. I believe he is the best man that could possibly be found.

Mr. RICHARDS. I thank the gentleman for that.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I do not want to yield any more.

Mr. Benton has shown himself to be an unselfish, patriotic, progressive, outstanding, and loyal American citizen. He has done a wonderful job in this thing. Some people in this Congress and some people in the country have intimated that it might be necessary to throw Mr. William Benton to the wolves in order to get the opposition to accept this program but I for one am not willing to throw him to the wolves, because he has made America Voice-of-America conscious. He is the one who has constantly dinned it into Americans that even during peacetime we have a battle on our hands, that we must get across the American viewpoint to the other people of the world in order that they may get a true picture of the kind of people we are, what we believe in, and what we stand for.

Bill Benton does not need this job; he took it only to render service to his country. He was a successful businessman long before he was selected to put across the Voice of America; and he has really put it across whether you like all of his methods or not.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-one Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 73]

Allen, Ill.	Gorski	Muhlenberg
Andrews, N. Y.	Gossett	Nodar
Angell	Granger	O'Toole
Barden	Hale	Owens
Beall	Hall, Edwin Arthur	Patterson
Bell	Hall, Leonard W.	Pfeiffer
Bland	Harless, Ariz.	Philbin
Boykin	Harness, Ind.	Plumley
Brown, Ohio	Hart	Powell
Buckley	Hartley	Rabin
Bulwinkle	Heffernan	Rayfiel
Burleson	Hendricks	Reeves
Byrne, N. Y.	Hess	Rich
Byrnes, Wis.	Hoeven	Riley
Celler	Holmes	Rooney
Chadwick	Johnson, Tex.	Ross
Chapman	Jones, N. C.	Sabath
Clark	Jones, Wash.	St. George
Clements	Kefauver	Sarbacher
Clevenger	Kelley	Scott, Hardie
Clippinger	Kennedy	Scott, Hugh D., Jr.
Cole, Kans.	Keogh	Seely-Brown
Combs	Klein	Sheppard
Davis, Tenn.	Lane	Short
Dawson, Ill.	Lemke	Smith, Kans.
Dawson, Utah	Lesinski	Smith, Ohio
Delaney	Love	Stigler
Dingell	McCormack	Stockman
Doughton	McMahon	Sundstrom
Douglas	Macy	Thomas, N. J.
Elston	Mahon	Tollefson
Fallon	Mansfield, Tex.	Van Zandt
Fellows	Martin, Iowa	Vinson
Flannagan	Meade, Ky.	Wadsworth
Fogarty	Meade, Md.	Weichel
Fuller	Miller, Md.	Wilson, Tex.
Gallagher	Morrison	Worley
Gamble	Muhlenberg	Youngblood
Gifford	Nodar	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3342, and finding itself without a quorum, he had directed the roll to be called, when 312 Members responded to their names—a quorum—and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. RICHARDS. Mr. Chairman, as I was saying when the point of order was made, there are certain factors that have made the American people conscious of the worth of a program like this. I mentioned Mr. Benton's great work, the general confidence in the Secretary of State, and a few other factors. But I think the conversion of the American people to the need of a program like this is due, more than anything else, to the present-day policy of Russia. General Marshall has testified that we are being lied about and maligned throughout the world by certain nations antagonistic to our form of government and our way of life. The worst view of our life is being shown to other peoples in the hope that they will lose confidence in our system and that the totalitarian system will be exalted. We must combat it. We must realize the importance of this great dynamic force, air waves and radio.

Many nations have used it during the last 10 or 15 years, in war and in peace. Hitler softened up his intended victims by propaganda programs sent through the air, not truths such as we want to tell about America but a gilded view of the kind of government dictators intended to foist upon the world. Japan used it to soften up her enemies in the Far East. Mussolini used it in his Mediterranean conquests. Russia is using it. We do not know how much Russia is spending on a program like this but we do know that it has been testified by people who should know that they are spending more than all the other nations of the world combined. England is spending forty or fifty million dollars to give the people of the world her conception of a proper kind of democratic government and democratic life. It would be folly for this great American Nation, dedicated to liberty and justice, to refuse to defend itself by the spoken word.

May I say here that everyone on the Committee on Foreign Affairs is convinced of the worth of this program. It is not a partisan program. The foreign policy of the United States is nonpartisan. This is an American program, and I believe it is entitled to your support.

Mr. JUDD. Mr. Chairman, I yield myself 10 minutes.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from California.

Mr. ANDERSON of California. I trust that the gentleman will enlarge on the question I asked the preceding speaker, about what people in what countries hear the Voice of America. That has not yet been developed.

Mr. JUDD. One of the other members of the committee, I believe, will deal with that. I want to approach it from a little different angle.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. BREHM. The gentleman from South Carolina said that Hitler and Mussolini used this program. I simply hope the gentleman will explain that the same thing will not happen to us that happened to them by using the program.

Mr. JUDD. The program that we intend to use is totally different from that which Hitler and Mussolini used. Their purpose was to bewilder and mislead peoples to soften them up and extend control over them by a series of lies and incessant repetition of the lies. If we were to try to outdo the Nazis in lying, to misrepresent rather than accurately present America it would, of course, be utterly indefensible and contemptible. I would not vote 1 cent of the taxpayers' money for any such purpose. Fortunately we do not have to go out and lie about America. What we have to do is to present the truth. But we have to do it repeatedly and effectively.

When I see the magnificent job of salesmanship the Fascists and the Nazis and the Communists have done for such rotten products, I am ashamed that we, with such a good product, have on the whole done such a poor job of salesmanship, have been so almost apologetic about the system of government that has given a better life to its citizens than any other in history.

I want to devote my remarks at this time in the general debate to a discussion, insofar as I am capable of it, of the basic philosophy underlying this proposal, and also of the contention made several times today, that if we have a good product it will sell itself, that we do not need to tell the story to the people of other countries.

If a person can get two bars of soap and can try out both of them, he will choose the product he finds is the better. But hundreds of millions of people today are not in a position to sample for themselves what life is like under our American flag, under freedom. They have to depend on the reports that come to them, and the other side is giving them distorted reports 24 hours a day. If people hear only lies that are big enough and told often enough, how can they escape being confused?

I submit it is not a tenable position to argue that just because we have a better system, of course, everybody in the world knows it. The fact remains that a lot of people in the world do not know it.

A friend of mine just came home from a visit to south China. He was born out there. He knows the language. He went to his native place in the interior where he was brought up as a boy and where he knew the people and they knew him. He sent me some of the questions that the people asked him: "Is it true that the Americans have turned over the occupation of Japan to Russia? Is it true that all American forces have been withdrawn from Japan leaving the running of the country to the Japanese? Is it true that American troops in China number 100,000?"

He said that some Chinese told him they had heard we had up to 3,000,000 troops there when actually we have less than 10,000.

"Is it true that American troops murder, rape, and maim an average of one Chinese every day?"

Of course it is impossible to have troops in any country without some mishaps, even crimes. Every one of them can be built up all out of proportion by an enemy of our way of life.

My friend was asked: "Is it true that the new Sino-American commercial treaty makes China a vassal of America?"

In that new treaty, China made some concessions and we made some concessions. Yet only the report of the concessions that China made goes out in Communist propaganda, and America is portrayed as a cruel imperialistic nation forcing her will on weaker nations. They know America was not like that in the past, but after the Yalta betrayal, it is understandable that their confidence in us can be shaken by such propaganda.

Mr. Chairman, it is not enough for us to have a good product. We have to present it. Our good deed is not enough if they do not know about it. Or the deed may be interpreted as having ulterior motives if we do not take the trouble to explain why we did it.

Something which, if done to us, would mean to us that the individual or nation which did it is our friend, may perhaps be interpreted by those with a totally different background and set of values, as indicating that the doer is an enemy.

Until the Teheran and Yalta Conferences the United States had come as near to living by the Golden Rule in its international relations as any nation in history. But sometimes I wonder if we really understand the Golden Rule. We read it and interpret it just as it is ordinarily written: Do unto others as you would have them do unto you. That is adequate when we are dealing with people having the same background and set of values as ourselves; but when we are dealing with people of a totally different background, then we have to understand its true meaning which is: Do unto others as you would have them do unto you—if you were they. That is a very different thing.

Often we have not taken the trouble to project ourselves in our imagination over into their way of thinking, so we can see ourselves and our deeds as they see them. But only as we do that can we present our way of life—how we got the way we are and why—in such a way that they understand us and what we do.

Our forefathers came to this country in the beginning because they had an idea, a vision, which they were unable to work out in Europe. They came here to plant and develop that idea—human freedom and political equality. They had two wide oceans between them and the rest of the world. Then the steam engine was invented and they put it into boats to make steamships, which destroyed the oceans as barriers. Then we invented the airplane, the rocket, and ultimately the atomic bomb. Thus with

our own inventions we ate up the cake of our physical separation from the rest of the world, but still, nostalgically, thought we had it.

Sometimes I wish we had a planet all by ourselves. But I know that being Americans we would not be happy if we had such a planet. We would lie awake at night on that planet thinking up some way to get over to this planet and start doing business with it.

Surely Pearl Harbor proved that no matter how much we may want to ignore the rest of the world, the rest of the world is not going to ignore us. Now, if it is not going to ignore us and we have to deal with it, then we want to deal with it in such ways as to promote the security and prosperity and well-being of the United States.

There are four main means by which we can deal with the rest of the world, four measures by which we can try to influence favorably the thinking, ideas, and attitudes of the people around the world.

First, by diplomatic measures—the strength and skill of our diplomacy.

Second, by military measures—the strength of our military organization and the skill with which we handle it at the right times.

Third, by our economic and financial measures—the strength of our economy and the skill with which we handle our economic relations with the rest of the world.

Fourth, by ideological measures—the strength and attractiveness of our ideas and the skill with which we present them. This, of course, does not take the place of and cannot do the work of the other three, but it is an important part of the total scope of our contacts with the rest of the world, and it can greatly assist the other three.

More and more countries are spending more and more money each year on this means of trying to influence other nations and peoples. France is spending on propaganda abroad 30 percent of her total foreign office budget. If we were to do as much in the ideological field as France, we would have to spend almost a third of the total appropriations for our State Department.

Russia is spending more on it than any other nation. Why? Because her rulers know what one man, Karl Marx, did with an idea, and what Lenin and Stalin have done with that idea. They saw what Hitler did with an idea. They know what the Pilgrims, when they came to this country over 300 years ago, did with an idea.

The great heroes in Russia today are not industrial magnates or scientists; they are not the great generals. The heroes in Russia today, and the highest paid persons in the land, are the skillful users of words, those who know how to take an idea and, whether true or false, present it in an attractive, convincing form. They have learned it is their most potent and effective weapon throughout the world. Surely we have learned it is their most dangerous weapon. And yet some are saying it is needless and useless for us to do anything at all in this particular field of activity.

Mr. Chairman, I think we have to give the Russians credit for doing an extraordinarily skillful job in presenting their ideas to the rest of the world. For example, at San Francisco, at Moscow, at London, at Paris, at Lake Success, one of their delegates at least three times a week gets up and makes a speech in which he launches attacks on us for lynchings in America, our alleged imperialism in China or Korea, what we allegedly are doing in the islands of the Pacific, or the Middle East, or Latin America, our so-called dollar imperialism and so on. They keep the world's attention so focused on the alleged evils—and some of them are there—of our western civilization that millions of people all over the world, including the United States, fail to note, or at least to appreciate fully, the fact that Russia herself is forcing on all her neighbors as cruel and ruthless and utterly despotic an imperialism as any the world has ever known.

It was gratifying to read last fall that one day in the assembly of the United Nations, after the Russian delegate had got through with his usual denunciation of American "imperialism," Mrs. Roosevelt got up and said, "Just because you say it every day does not make it true." Well, if it takes so long for Americans to see through the humbug—and many Americans are still taken in by it—what can you expect of persons in the interior of Europe or Asia, who have little or no background of knowledge by which to judge all the charges and lies; no standard by which to measure the propaganda against us. The testimony is overwhelming that it is increasingly effective. Are we not to make an effort to present the truth, to say nothing of an effort to correct the untruths?

Mr. Chairman, I have had some experience in this field, because I spent the best 10 years of my life in this business of trying to spread ideas. I was a missionary in China. Some spread ideas by speaking or preaching. You long ago discovered that that was not the way for me to go about it. Some did it by teaching, and it is a good way.

Some did it through agricultural and industrial work, giving people better crops and tools, more food and better living conditions as the means of proclaiming and demonstrating their Christian faith.

It was through medical work, bringing to people better physical and mental and I hope spiritual health that I tried to spread the ideas I believe are the most important truths in the world.

The great Teacher said, "You shall know the truth and the truth shall make you free."

I believe that—believe that the truth and the truth alone will make men free. But how can it make men free if they do not know it? And how can they know the truth if they do not hear it? And how can they hear it if nobody tells it?

Mr. Chairman, there can be no question as to the need for the activities proposed in this bill—their importance in the world-wide struggle between freedom and slavery. What we must now determine is whether the measures authorized are the best way to meet the need.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. RICHARDS. Mr. Chairman, I yield 13 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Chairman, I think that the passage of this bill is of vital importance to this country in spreading the truth and nothing but the truth to all of the other countries in the world.

This bill is not aimed only at the dissemination of information into Russia. That, of course, is a part of the whole world picture, and I think it is tremendously important if we are going to continue to send relief abroad and to appropriate huge sums of money for that purpose, and to appropriate something like $400,000,000 for Greece and Turkey. At the same time we ought to tell the people throughout the world just what America is, just what we stand for, just what we intend to do.

I do not believe in the window or show type of propaganda. I believe that the best type of propaganda is to tell the truth; and, as the distinguished gentleman from Minnesota has just stated, the truth will make you free.

I have been somewhat disturbed in the consideration of this bill by statements both direct and indirect made against the director of this particular branch of the State Department. Attacking a governmental activity by attacking its leader is, of course, nothing new in politics, and it has become a familiar technique; but I feel that we are extremely fortunate to have such an individual as Bill Benton as director of this particular program in view of the fact that he has a splendid business background to back up what he has already accomplished. I wish to refer the membership of this House to a statement which appeared in the Washington Post of May 17, 1947, and which can be found on pages 198 and 199 of the hearings, a statement signed by such individuals as Mr. Paul G. Hoffman, president of the Studebaker Corp.; Mr. Ralph E. Flanders, a Member of the other body; Mr. Eric Johnston, president of the Motion Pictures Association; by Will D. Fuller, president of the Curtis Publishing Co.; and by Miriam B. Folsom, treasurer of the Eastman Kodak Co. These gentlemen are men who know Mr. Benton very well. They are individuals who have worked with him in private business and they tell us in no uncertain terms of their confidence in his ability. For the benefit of the membership of the House I wish to quote a few lines from the article which appeared in the Post of that date. They said:

> We are five of the men who have worked most closely with Bill Benton in various civic activities. The kind of criticism that is now being leveled at Bill Benton is the kind of thing that keeps responsible and able people from going into Government work.

I might interpolate to say there that despite the fact that Mr. Benton has been charged with being an associate of Mr. Chester Bowles, that as a matter of fact there had been no connection between

these two people for over 12 years. In 1935 Mr. Benton left the firm of Benton and Bowles, went to the University of Chicago where he served as vice president, and from that position he was asked by his Government to accept his present position in the State Department. I think also it might be well to bring out that Mr. Benton has a real American background. As a boy before the First World War he left Minnesota with his family and migrated to Montana where he helped to prove up on a dry land homestead. I think that indicates quite clearly the type of individual with whom we have to work, an individual who believes primarily in the efficacy and worthwhileness of private enterprise, a man who has come into the Government at a loss as far as he is concerned financially, and a man who has contributed of his great ability to the development of a program that is necessary for the welfare of this country.

I sometimes wonder why some men come into the Government to work, and at other times I wonder why once we get a good man he stays with us, because so many of them have had to take too much in the way of abuse from Members of Congress, and they have been in a position where they have been unable to defend themselves. I think we ought to try and be fair and impartial in considering a program of this kind.

Bill Benton is being blamed for a lot of wartime ghosts for which he was not responsible. Many Members of Congress hated the OWI, and are blaming Benton for that. Many Members of Congress did not like Nelson Rockefeller's operation in Latin America, and now they are blaming Bill Benton for that. Many Members of Congress did not like Bill Benton's predecessor, Archie MacLeish, and they blame Bill Benton for that. We are not voting on OWI today. We are not voting on Nelson Rockefeller's wartime operations. We are not voting on Archibald MacLeish. We are voting on a proposed information program in the State Department which began after the war was over.

A prominent Senator remarked recently that if Benton had come to Washington as an unknown man, and started a completely new organization, he could have made 100 times as many mistakes, and would still have only one-hundredth as much criticism. He is not criticized for his mistakes, but rather for the ghosts which preceded him.

Bill Benton in 20 months has reduced the personnel from 11,000 to 3,000. Bill Benton is trying to bring into effect a new program, to pick the best, and the highest type of personnel, and to give to the people of all the world the kind of a picture of America that we want him to give, a fair, impartial, and unbiased picture.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD of Montana. I yield to the gentleman from South Dakota.

Mr. MUNDT. I think the gentleman should add to his very fine statement that Mr. Benton had no connection with the OWI at any time, in any way, at any place.

Mr. MANSFIELD of Montana. The gentleman is absolutely correct.

One of the things in connection with this bill has to do with the exchange of students.

EFFECTIVENESS OF STUDENT EXCHANGES

First. Here is the story of one student. In 1936 a man from Afghanistan came to the United States to study engineering. He obtained his degree at Massachusetts Institute of Technology and spent a year of training at Denver, in the laboratories of the Bureau of Reclamation. The man then returned to his native Afghanistan, where Japanese engineers were employed in many key government jobs. When war broke out between Japan and the United States, the Japanese were expelled by the Afghan government, and this American trained engineer was appointed Minister of Public Works. He called for American advisers. Last year this former American student gave a contract to a New York engineering company for $16,000,000 to construct a dam in Afghanistan. The exchange of students is good business. It also has produced an important leader in a key country, bordering on the Soviet Union.

Second. The exchange of students has a measurable effect upon the political attitudes of students who study under a democratic system. Of the 19 German students who went to Oxford on Rhodes scholarships before the recent war, 15 were anti-Nazi throughout the war. My authority is a report by the Secretary of the Rhodes Trust, quoted in the London Times last December 21. There is no question that the political views of students who study abroad is greatly influenced in favor of the country which provides the education. If the United States is out to make political friends, I do not know a better way than through the exchange of students.

Mr. Chairman, some mention has been made of the use of private agencies and personnel in this particular part of the State Department. I would like to bring to the attention of the House the fact that for 6 years the Department of State has been placing contracts with the Institute of International Education, a nonprofit organization in New York, to supervise scholarships for foreign students.

Also for 6 years the State Department has been using the American Library Association for various tasks in the field of books and libraries. At one time the association administered the three American libraries in Latin America as a "pilot" operation in the absence of a professionally qualified administrative staff in the Department, but it gave up that responsibility in line with its stated policy of not engaging in long-term commitments for administration of such programs. The Library Association continuously consults and advises the State Department on books which are sent abroad.

The American Council on Education has been supervising the State Department's aid to American schools in Latin America. Mr. Roy Tasco Davis, well known formerly as United States Minister in Central America and director of a private school in Maryland, has headed that work under the American Council on Education.

The State Department has given a contract for the past 3 years to Science Service, Inc., a private organization, to select and translate American scientific books into Spanish and Portuguese.

The State Department's broadcasting operations, as you know, are to a large extent carried out by private radio companies, operating under contract with the State Department. All the radio transmitters are managed by private companies, and approximately half of all broadcasting programs are prepared by private companies.

The State Department has obtained 16-millimeter educational films from more than 100 American companies and private organizations. All new motion pictures required by the State Department for distribution in foreign countries are produced by private film companies.

The practice of looking first to a private agency has been a policy of the State Department for a number of years.

Other Government agencies which participate in this program are also utilizing private services. The Department of Agriculture has utilized the services abroad of staff members of 26 of the 48 land-grant colleges.

Last year, for example, the Department of Agriculture had survey missions in three foreign countries. The mission to China was headed by Dean Hutchins, vice president of the University of California. The mission to the Arab states was headed by President Harris, Utah State Agriculture College. The mission to the Philippines was headed by Dean Call, of the University of Kansas. It is natural that the Government turns to the great agricultural colleges for help.

Of course, there will always be a residue of this information and educational work which no private agency can handle. The magazine Amerika, which the State Department sends to Russia, is necessarily a Government magazine because the Soviet Government does not permit the circulation in that country of private American magazines.

Also, when a foreign government asks for training in census taking, or weather forecasting, or public-health administration, it is natural that experienced personnel for such services are most likely to be found within the Government than outside because of the unique public nature of such work.

The point I want to make is that the use of private agencies is not a new policy. It is a policy already in daily use.

In conclusion, I would like to call to the attention of the committee the fact that we have the approval of all the private broadcasting companies and by and large the great majority of newspaper publishers and editors. They have indicated their belief in the need for a program such as this, and I sincerely hope the House will see fit to pass this measure overwhelmingly.

Mr. Chairman, under unanimous consent granted me previously, I am inserting at this point a series of articles and letters having to do with the business under discussion:

[From the Christian Science Monitor]

A START TOWARD UNDERSTANDING

AN INTIMATE MESSAGE FROM WASHINGTON

(By Neal Stanford)

WASHINGTON.—The fact that Voice of America short-wave broadcasts are now expected to continue in one form or another is as much to the credit of Gen. Dwight D. Eisenhower as to anybody. His brief testimony on the Hill the other day on why the Voice of America should not be silenced was impressive and effective. It was simple, straightforward, and persuasive. In fact, because it was so effective and revealing, your correspondent is taking the liberty of paraphrasing the high lights of General Eisenhower's brief testimony.

I have sat with some of my fine friends in the Russian Army by the hour trying to explain to them the basis of our Government. They simply cannot understand such things as our idea of a free press, one that can publish what it pleases, coupled, of course, with responsibility for the truthfulness of its reporting. They simply say: "If you were real friends of ours, you would not allow such and such a thing to go out."

There nothing has a right to be in these broadcasts but fact and truth. If you do not stick to fact, soon you will become aware of disbeliefs. It will recoil on you and defeat you if you try to get slick about this thing. It must be true.

These programs must be persistent and be put out by persons who know what will appeal to the audiences they are trying to reach. There is no use talking academic principles to someone thinking in terms of food, clothing, and what you get for your day's work. We don't realize that in Russia people are living six and seven in a room; that they let out space by the cubic meter and not by the room. It should impress them to know that here a man can have a cottage, a car, or a refrigerator.

When I met the Russians in Berlin, I wanted to arrange an exchange of visitors. I thought it would be a good thing. So one day I invited each other country to send 100 officers into our area to see what they wanted. The Russian member, a friend of mine, was disturbed and objected, so I said: "All right; I will withdraw your invitation." But he said: "I want an invitation."

Afterward he came to me and said he was embarrassed and had something to explain. "For 25 years," he said, "we have been surrounded by enemies. We had no friends. The result is we have trained every Russian soldier that everybody is his enemy—everybody who is not a Russian. Therefore, if I invite your men to come down as freely in my sector as you are asking mine into yours, we will have incidents. They will be shot. We will have all kinds of trouble."

For the first time I began to understand this fellow's problem. He was trying to meet on a friendly halfway basis but the teachings of his people for the past 25 years would not let him.

I do not believe the Russian people really know our atomic bomb proposals. Things like that are not disseminated in that country as in ours. For instance, we actually had Russian soldiers honestly asking us, when we met them in Vienna: "Where did the Americans get so many Russian jeeps?" You see, they operate under a different system. It is not considered necessary to tell them so many things.

Every capital in the world knows the facts about our military situation as of this minute. There is no question about it. Their military people know we are disarmed.

I think there should be reciprocity in all these things—exchange of scientists, observers, students, etc. It is a thing that establishes good faith.

I know that even when we are telling the truth we will be accused of telling lies. They will do that for a long time. But what we are trying to do is make a start in promoting a condition that will be favorable and in which the peaceful idea can grow. We cannot expect to reach these people quickly and on a very broad basis at first.

There will be disappointments, but if we stick to the truth, and use every possible means of exchanging truths with other peoples, we cannot but help add advantages to ourselves. There can be no absolute security for the United States until every nation enjoys a comparable feeling of security. All that arms can do is give you a relative feeling of security. I do not care how many guns and planes and ships you pool. Only as we get a common basis of believing in each other, do you have security. Then I can go fishing.

COMMITTEE FOR UNITED STATES INFORMATION ABROAD,
Washington, D. C., June 2, 1947.

The Honorable MIKE MANSFIELD,
House Office Building,
Washington, D. C.

Dear Mr. MANSFIELD: The Committee for United States Information Abroad has been formed by a group of citizens who have learned from personal experience that it is important to explain ourselves to foreign countries. To quote General Eisenhower in his statement in support of the Mundt bill, we are "constantly struck by the appalling ignorance that exists throughout the world about the United States; things that we take so much for granted that we do not even think about them are completely unknown to much of the world."

We think it is vital to tell the people of the world what the people of the United States are like, how they live, what they think, what they believe. It is vital to share our knowledge with them, and bring theirs to us.

The United States policy of extending aid to free nations makes no sense unless we also export American ideas. We are convinced that if the true purposes of the United States are known and understood around the world, that we will have friends around the world. We are also convinced that if we allow any distortion of those purposes and ideals through propaganda around the world, without correction, then the responsibility for that distortion and the danger it represents, is partly ours.

The United States Information and Educational Exchange Act of 1947, H. R. 3342, known as the Mundt bill, provides the basis for continuing a constructive program, including the exchange of students, teachers, and technical persons abroad, as well as the Voice of America broadcasts.

We are well aware that there have been criticisms of part of the activities now carried on by the State Department. We think also there may be certain changes needed in the proposed legislation. Such corrections can be made without altering the purpose of the bill. It is most urgent now to take necessary steps to avoid complete disruption of the program.

We therefore strongly urge you to support this legislation, as requested by Secretary of State Marshall.

Sincerely yours,
RALPH MCGILL, *Chairman.*

COMMITTEE FOR UNITED STATES INFORMATION ABROAD,
Washington, D. C., June 3, 1947.

The Honorable MIKE MANSFIELD,
House Office Building,
Washington, D. C.

DEAR MR. MANSFIELD: I have learned from some Members of Congress that some confusion exists between the Mundt bill, H. R. 3342, and an international radio broadcasting measure pending before the House Interstate and Foreign Commerce Committee.

This confusion should be cleared up before the vote on the Mundt bill this week. I have made inquiries at the State Department and have obtained the following information:

On March 24 and 25 the Acting Secretary of State sent to Congress two proposed bills, both relating to broadcasting. The first measure would give to the Secretary of State general authority for conducting an international information program, including broadcasting. This proposal was redrafted and introduced by Representative MUNDT, and is now on the House Calendar. The proposed legislation being considered by the Interstate and Foreign Commerce Committee concerns broadcasting alone, which it would place in a federally chartered corporation to be known as the International Broadcasting Foundation. It has not yet been introduced as a bill and no hearings have been held.

Passage of the Mundt bill will in no way prejudice the consideration at a later date of the International Broadcasting Foundation. The two bills supplement each other and both are sponsored by the Secretary of State. Also, as I understand it, the provision in H. R. 3342, which would authorize broadcasting, might still be needed if the Foundation proposal were later passed, if (as I presume everyone would concede to be necessary) the State Department would still participate in preparation of the broadcasts, at least at the policy level.

As chairman of the Committee for United States Information Abroad, I again urge you to support the Mundt bill, and to assist in correcting any misunderstanding concerning its relation to the International Radio Foundation proposal.

Sincerely,
RALPH MCGILL, *Chairman.*

Mr. MUNDT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. JACKSON], a very valuable member of the subcommittee working on this legislation.

Mr. JACKSON of California. Mr. Chairman, to possibly repeat a few remarks I made this morning before a very small but select audience as the House convened, I should like to say again that since I have been a Member of the House of Representatives I have heard a great many palpable misstatements and inaccuracies made on the floor regarding pending legislation. It is my very sincere opinion that more half truths, more vagaries and more prejudices have been aired in connection with the so-called Voice of America program than on any other single legislative topic. So violent and so entirely likely have been some of the allegations made that when I originally found myself appointed as a member of the subcommittee under my distinguished colleague, the gentleman from South Dakota [Mr. MUNDT], I was completely predisposed against the measure and personally convinced that the material being broadcast to foreign nations was not only ill-conceived and presented with an unbelievably high degree of stupidity, but actually subversive and tending to destroy the very foundation of this country.

The initial hearings before the subcommittee served to dispel much of the confusion existing in my mind relative to what has already been done and what is presently contemplated for the future. In full justice to the critics of the program it must be admitted that some mis-

takes and errors have been made. However, it also might well be pointed out that errors, inconsistencies and faulty judgments are not completely and entirely limited to the confines of the State Department or to Mr. Secretary Benton. A careful examination of the facts might even prove that some of the opponents of this measure have not always been entirely accurate in their statements, nor have they always been infallible in their considered judgments.

In proposing a program of cultural exchange between this country and other nations we on the committee have attempted always to keep in mind one basic, fundamental thought. We have, as I said this morning, only one thing to sell to the world, and to the gentleman who said, "When you sell a thing you lose possession of it," I should like to point out that the men who first brought Christianity to the world did not lose possession of it. It grew to something bigger and finer than they had ever conceived it could or would. The men who have sold liberty and freedom in this land have not lost it. Our forefathers who sold the first doctrines of a representative government did not lose it, but we stand in danger of losing it and we stand in very serious danger today. What we conceive to be unfettered freedom of action for the individual under law is what we have to sell to the world. You can call it liberty, call it the democratic process, call it the American way, or call it anything else, it still remains the one commodity we have to vend.

Mr. NIXON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from California.

Mr. NIXON. The gentleman has been discussing what America has to sell on these programs. Has the gentleman any evidence as to how successful the means of selling has been? What kind of audience has been built up for these programs?

Mr. JACKSON of California. I am very grateful the gentleman has brought up this point. To digress for just a moment on that question, the public-opinion poll conducted by the War Department in the American zone of occupied Germany last year showed that 75 percent of all radios in the American zone are used for listening to the Voice of America. This was an increase of 12 percent over the preceding year.

A public-opinion poll in Budapest, Hungary, last November showed that there were 100,000 licensed radio sets. Of these, 62,000 could pick up short-wave broadcasts, and 43,000 were actually listening to the Voice of America.

The State Department last year received 60,000 letters from foreign lands relative to the Voice of America radio program. These letters made specific comment on the programs. I do not think there is any question but that the Voice of America is being listened to, and listened to most widely.

There is slight disagreement on the basic premise that this program is desirable. Few indeed are those who would claim that such a program is unnecessary or undesirable. The basic issues have been confused, however, as is so often the case, with personalities and with questions of ability and selectivity and questions of procedure. We cannot toot upon a tin whistle in a world of percussions and brasses. We are dealing and we shall continue to deal for many years to come with a world in which every effort is being made to subjugate peoples by men who use ignorance as a weapon to defeat life and freedom and peace, by men who use hatred, bigotry, and intolerance to subjugate the minds of men. The danger we seek to avert by this program is not directed against chains upon human hands, for unfortunately most of the world today is under chains. Rather we fight against the bondage of human minds which follows as a natural result of ignorance of other people, their habits, and their respective ways of life.

We propose under the terms of this bill, H. R. 3342, to attack this ignorance on the part of others with every weapon of enlightenment on which we can lay our hands. It has been truly said that to know a man is to like him. Can we afford not to tell the world about America, about our true aspirations, our true purposes, and our prized liberties, when the press and the radio of other lands through 24 hours of every day cry out a program of hatred, falsification, vilification, and calumny?

If General Motors can spend $15,000,000 a year to advertise automobiles, can we do less to advertise freedom of speech, press, and worship? If Procter & Gamble can spend $21,000,000 a year to advertise bubbles and lathers, can we do less for a world nurturing a hope of freedom than to tell them about schools, churches, farms, and homes in the very cradle of liberty?

Take the magazine America. I have here one of the most recent issues. Do any of the gentlemen take exception to the content matter? Is this anything tending to undermine and destroy democracy and freedom? It tells about Abraham Lincoln, letter carriers, vacuum cleaners, electric irons, threshing machines, lawn mowers, trucks, and farms. In Russia there is a circulation of 50,000 copies of this magazine, and they are dog-eared and tattered before the last person has read them. They are passed from hand to hand until they are completely worn out. It unveils to the people of Russia a world of which they have never dreamed, a world of which they have never heard, a world in which a man is a creature of human dignity and of personal opinion and in which machines do the work done elsewhere by human backs. Can anyone imagine that this revelation could fail to have a strong, moving impact upon people whose minds have been closed to the subjects given herein? Is this un-American? Is this something which tends to destroy freedom?

The last page in the magazine is on the Declaration of American Independence, and it starts out with words like these:

We hold these truths to be self-evident, that all men are created equal and that they are endowed by their Creator with certain inalienable rights, and that among these are life, liberty, and the pursuit of happiness.

Certainly that is not subversive and does not tend to tear down the things that we have.

Why do Communists find it necessary to reindoctrinate and reorientate soldiers of the Red Army who return to Russia? Why has it been found necessary to almost drive some of them back to a life which they once accepted with docile compliance?

Mr. Chairman, those who know attribute the defection of their loyalties to the sudden and moving discovery that outside the borders of their own land there is a world full of amazing and wonderful things, a world brought forcibly to their attention by their service during the war.

What moves a member of the Russian Embassy, working in the Russian Embassy, a Russian, to fill his brief case with secrets stolen from the Canadian Government under the very eyes of his colleagues and return them to the Canadian Government? What else but a feeling of new friendship discovered in a world he never knew existed?

That is what we are trying to take to these people.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. JARMAN].

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I gladly yield to the distinguished chairman of our subcommittee.

Mr. MUNDT. Mr. Chairman, I want to announce to the Members of the House since I notice several gentleman looking at copies of the magazine America that we have some extra copies here which contain the complete English translation which will be much more intelligible to the Members than if they merely look at the Russian language.

Mr. JARMAN. Mr. Chairman, reference was made during the discussion of the rule today to the increase in the cost of the State Department since 1940. I believe it was about 500 percent. I can but call attention to the increase in the cost of the War and Navy Departments during that time. These increases are, by and large, of exactly the same pattern and for the same reason.

Reference was also made to the fact that this information program is a new one. That is quite true. The testimony of General Eisenhower before our committee when he was asked that direct question by me was to the effect that we in the United States, and the United States Army particularly, gained a realization of the value of such a program for the first time from the Germans during the war. Yes, it is a new program.

Now, we passed an appropriation bill here yesterday for upwards of $5,000,000,000 for the War Department. The State Department has asked, as our distinguished chairman has said, for only $31,000,000 for this program, which is infinitesimal by comparison, I repeat, even if the House should grant the entire amount.

Many of you will remember that a bill similar to this was under consideration by the Seventy-ninth Congress, practically throughout its existence. Exhaustive hearings were held by the Foreign Affairs Committee. Some members of the committee wished to improve the bill by rewriting it and amending it. That occurred, and finally the bill passed the House perhaps a year after the hearings, but too late for consideration by the Senate last year. That is the trouble now. That enabled the Appropriations Committee, very properly I think, to decline to appropriate funds for this program, because there was no authorization of law for it, it having been done heretofore under the President's war powers, I believe. We do not criticize the Appropriations Committee. They were probably right. We just hope they will continue that same policy in other bills. Practically the same bill as passed the House was reintroduced. Exhaustive hearings occurred again. The committee has amended the bill considerably, and improved it. Now, time is of the essence, because if this bill does not become law by the end of this month, the cultural relations program will necessarily discontinue for lack of funds. As has been said, the wave lengths of the Voice of America will have to be abandoned, and some other country, so many of whom are anxious for those wave lengths, will greedily grab them up. The rooms and buildings in other countries which we now have rented for libraries and for the school program will have to be abandoned, and others will rent them. Finally, the broadcasting material, very expensive material, will have to be sold or junked or abandoned.

The personnel of the department will disband and be scattered to the four winds. Of course, there are Members of this House, charming gentlemen that they are, who will contend that it would be an improvement for the personnel to disband. But no member of the Foreign Affairs Committee, no Member of the House who is thoroughly familiar with that situation, will agree with them. On the other hand, I thoroughly agree with my distinguished colleagues, the gentleman from South Carolina [Mr. RICHARDS] and the gentleman from Montana [Mr. MANSFIELD], in their opinion that while mistakes have naturally occurred—mistakes always occur in any such large organization as that; you and I make mistakes; I make them, and I am afraid some of you do sometimes—while mistakes have occurred, I am strongly of the opinion, in fact, I am absolutely convinced, that on the whole a great job for this country has been done under the able direction of Assistant Secretary Benton, in which I wish to congratulate him.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. JARMAN. I yield.

Mr. RIZLEY. I wish the gentleman would turn to page 9, section 404 of the bill, and tell me what that means.

Mr. JARMAN. Why, the gentleman can read the English language as well as I can. Of course the gentleman knows what that means. The gentleman ought not to ask me that. He understands that.

Mr. RIZLEY. Does that mean that this Government is going to take anyone they want to put on this program, whether a foreign citizen or not, and pay his expense of training in any college or public or private institution in this country?

Mr. JARMAN. I do not think it means that, but I will yield to the author of the bill, who can probably explain it better than I can.

Mr. MUNDT. It does not mean that at all. It provides for an exchange of students. The students pay their own expense. The State Department can reimburse the Government. That is handled specifically under terms of procedure now well-outlined and in operation.

Mr. RIZLEY. Regardless of what the gentleman says, I was not facetious at all. The last part says to provide for training for somebody making a request upon the Secretary. He makes his request to some Government agency to provide for such training from State and local agencies or private institutions and organizations, and that would be the responsibility of the Federal Government.

Mr. MUNDT. The gentleman is taking a few words out of the context. If he will read the whole paragraph he will understand the meaning.

Mr. BREHM. Mr. Chairman, will the gentleman yield for a consent request?

Mr. JARMAN. I yield.

Mr. BREHM. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD immediately following the remarks of the gentleman from Alabama.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I yield for a question; but then I must decline to yield further.

Mr. McDONOUGH. I wish to ask the gentleman, a member of the committee, if the committee during its study of the bill gave consideration to the effect the bill would have upon the increase of immigration of this country if we advertise the virtues of the United States as thoroughly as the bill proposes.

Mr. JARMAN. My recollection is that no particular consideration was given by the committee to that question.

Mr. McDONOUGH. Does not the gentleman believe it will have that effect by increasing desires on the part of millions of people in Europe and other parts of the world to come to the United States?

Mr. JARMAN. It will undoubtedly have that effect.

Mr. McDONOUGH. And will that not result in inclination to pass legislation to meet that situation?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I gladly yield to the gentleman from Minnesota.

Mr. JUDD. This cannot possibly change our immigration laws as a result of these programs going abroad; there is good reason to believe people in those countries will seek with increased determination to correct their own societies and rebuild them along the pattern of freedom they see in America.

Mr. JARMAN. And we have such confidence in this country that we do not fear those who may come here because of this advertising.

Now, Mr. Chairman, I must decline to yield further.

Mr. Chairman, this program is based almost entirely on the conviction that mutual understanding between the peoples of the world will serve as a firm foundation for lasting peace and that by contributing to peace it will save the taxpayers of this country a thousand, yes, I will say a millionfold of its cost.

The program contains many things which have been long-standing functions of the State Department and which have been in progress through general authority given that Department. I refer particularly to the radio news bulletin which goes to our embassies throughout the world daily, I believe, and which I so thoroughly enjoyed and by which I kept in contact with the United States in South America 3 years ago before this Division of the State Department came into being. The library program is some 12 or 15 years old. While it was possible for those programs to be carried forward by the State Department under general authority then, now that they have been brought into this Cultural Relations Division and the Congress has declined to provide funds for it, it would—I am not a lawyer—but I am afraid it would be impossible for the State Department to carry those very necessary and worthwhile functions on in the future because of the declination of the Congress to provide funds therefor.

Mr. Chairman, unless one with a contrary view appeared during the one day when I was unavoidably detained, every single witness who appeared before our committee was vigorously in favor of this legislation. They were such distinguished gentlemen as Secretary of State Marshall; Under Secretary Dean Acheson; General Eisenhower; General Bedell Smith, who was General Eisenhower's chief of staff during the war and is now our Ambassador to Russia; and Secretary of Commerce Harriman, a former Ambassador to Russia and England. Not only did all of these gentlemen vigorously urge the adoption of this legislation, but no opposing witness appeared, despite the invitation I heard extended by our able chairman through the press to anyone in the United States who wished to appear against this legislation and the assurance given by him that he would be happy to have them. Unless they appeared on that one day I was absent, no single witness appeared against the proposal.

You tell me that a program, the criticism of which has been so widely publicized as has this, particularly during the last few months, throughout the United States, you tell me that after an invitation like that, when a committee has heard testimony for many days, there would not be witnesses in opposition?

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from California.

Mr. JACKSON of California. May I say that on that one day there were no witnesses in opposition to this bill.

Mr. JARMAN. I thank the gentleman. I thought that was true but I wanted to be sure. You tell me that under those conditions, when no one appears, not a single person appears against the bill, that the program is all wrong? If so, I would like for you to explain to this House why that is true and why the people of the United States generally are incompetent to ascertain that fact.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from South Dakota.

Mr. MUNDT. I think the gentleman may well add a list of the distinguished witnesses that appeared in support of the bill in addition to the fact that none appeared against it. There were such great organizations as the American Legion, the Veterans of Foreign Wars, Amvets, and others, all offering testimony in the hearings strongly endorsing this legislation. Certainly everyone is not wrong except those opposing it on the floor of the House.

Mr. JARMAN. I thank the gentleman with whom I thoroughly agree. I am impressed that the main trouble, Mr. Chairman, is probably the fact that the critics of this program are disturbed because it does not embellish the situation in our country. They apparently feel that it should be made to appear more attractive than it really is; whereas we are willing for the people of other countries to see and hear it "as is." I do not indulge in the insinuation that we who favor this legislation entertain more respect for and confidence in our country than those who oppose it, but we wish this program to continue to neither embellish nor belittle it. We wish it to be a proportionate cross section of our country as it is.

Relative to the circus-lady picture, for instance, which has been so generally criticized, I call your attention to the fact that we do have circus ladies in this country who somewhat resemble this picture. While by no means an artist, I also refer to the fact that General Eisenhower considers this phase of the program very valuable. Now with reference to the broadcast about Senator TAFT and Mr. Wallace, I do not believe that one who has read them and is thoroughly familiar with the conditions under which they were rendered could possibly criticize either. The whole Taft broadcast was entirely in order and not the least bit uncomplimentary to this gentleman. The Wallace broadcast went only to Germany and was not very complimentary to the Wallace family as statesmen, but highly so as raisers of corn.

I am afraid the trouble with the Voice of America in the eyes of its critics is the fact that in the words of General Marshall, "Its broadcasts do not gild, but cover the earth with truth." It is the purpose of the entire program to send not only to Russia, but throughout the world, a true cross section of what happens in these United States of ours. The fact that this seems to be so generally realized in other countries enabled either General Marshall or General Eisenhower to says, "The people of the world believe our broadcasts."

We wish to continue to deserve this reputation and cannot do so if we color or slant the information we send them.

Mr. Chairman, it is the purpose of the State Department to continue to conduct this program in such a way that the people of the world will continue to believe these broadcasts. Despite the criticism of those who think a different picture than that which really exists should be painted to the people of other countries, the State Department is not going to yield to that insistence and spread false propaganda, even though these critics believe such would benefit the United States. We members of the Foreign Affairs Committee thoroughly agree with and approve this determination.

I was surprised to hear General Eisenhower say that even during the war it was the best policy to spread the truth. I was dumfounded when he replied in the negative to my inquiry if it was not necessary to use a lot of falsehoods during the actual critical phases of the battles. Although stating that falsehoods were sometimes used at critical periods, he insisted that the truth generally paid even during war. He gave as an illustration when we took the island of Pantelleria. That was his first hop from North Africa. He said substantially: "I would not agree that broadcasts should go to that island to the effect that we were going to bomb it, that we were going to attack it and destroy those there if they did not surrender until we were actually ready to do it, because I was afraid if I did that and did not follow through we would not get the results which you will recall we did get when the attack actually occurred."

I need not call your attention to the fact that Pantelleria was one of our easiest operations.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BREHM. Mr. Chairman, America not only financed but won two wars for the world. America fed the world after both of these wars. America has given and is still giving as well as lending untold millions to help feed and rehabilitate the rest of the world.

Now, Mr. Chairman, if the rest of the world is so stupid as not to know the ideals and objectives of America, then it is just too stupid to ever understand our ideals regardless of any type of program which the State Department may institute.

Mr. Chairman, I have a constituent in Ross County, Ohio, who not only founded but who was the director of the American Library in Paris in 1918, where he served in that capacity for 7 years. He tells me that any attempt to change the ideas of Europeans about the United States is worse than futile. He also tells me that his experience convinces and proves to him that it is not only stupid but absolutely wrong to attempt to tell Europeans what to think. Mr. Speaker, this constituent, speaking with authority, implores me to use my best efforts to prevent any more American dollars being wasted on such stupidity.

Mr. COLE of Missouri. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN (after counting). One hundred and two Members are present, a quorum.

Mr. MUNDT. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Chairman, as a new Member of this body I have felt for some time that one of the greatest dilemmas with which we have been faced has been our desire to legislate so as to eliminate administrative weaknesses. It is a very difficult thing to do. The executive department has grown tremendously during the past few years, and in this time has developed certain tendencies which fill many of us with trepidation. I believe that the great majority of the Members of this House are for some type of program, and I believe that their worry comes chiefly from the question which has arisen concerning the quality of the personnel. I believe also that a great part of that worry has been justified.

I think one thing should be made very clear, and that is that this is not the OWI. The OIC has inherited certain people from the OWI, but upwards of 11,000 people were employed at home and overseas at the peak of the Government's international information and cultural activities in wartime. In November 1946 the OIC total had been reduced to 3,140 and the present total is about 2,800. I am informed that new people from outside sources were aggressively sought and placed in key positions, and that only the best of those in the transferred agencies were retained.

The merger in the State Department, the drastic reduction in personnel and the adaptation of these activities to peacetime rather than wartime requirements was a gigantic job. It was accomplished in a few months and without any break in the continuity of the Government's overseas information program.

The OIC has come under criticism for the alleged inefficiency of some of its operations and, as I say, there has been criticism of its personnel. With respect to the first point, almost all OIC operations have recently evidenced improvement in terms of the response of foreign audiences, due, in the main, to improvements in operations growing out of experience. As an illustration may be cited the fact that the number of letters received by the Voice of America has increased steadily from an average of about 5,000 to an average of 25,000 a month. The number of people seeing OIC motion pictures abroad has increased until the total is now approximately 10,000,000 a month. Last year, 3,000,000 people used OIC libraries abroad. The number of foreign students assisted has increased sharply, and the placement of articles in the foreign press has also increased.

The interest manifested indicates the growing effectiveness of the OIC measured by the yardstick of the response of foreign peoples.

I might say here that the reports from Italy, from members of the United States press over there, are that the Italian people are very much disturbed at the

prospect that there may be a discontinuance of these broadcasts and other services. They have come to rely on these programs in many ways; and particularly from the point of view of the exchange of technical information with respect to hygiene and other matters, they have come to regard these programs as very valuable. It seems to me that just now, with the Italian treaty ratified, with Yugoslav troops poised on the Italian border, with the threat of riots, with De Gasperi trying to form a cabinet which will exclude the Communists, this is a poor time indeed for us to say, "We will be silent. We will continue to do good by providing you with relief but we will be silent. We will, in the words of Mr. Churchill, do good by stealth."

Since assuming responsibility for OIC nearly 2 years ago, Mr. Benton has been keenly aware of the importance of personnel and he has been constantly seeking to improve the standards of personnel and to bring new and competent people into the organization. I heard the other day, for instance, that an old friend of mine, Stewart Brown, who used to be with the U. P. in Rome, is now the deputy director. Another good man is my old friend John Begg, who is assistant director for media. And there are others. Notwithstanding the uncertainties as to the OIC budget and the problems of integrating the personnel into the Department of Foreign Service, 124 new professional people have been brought into the OIC from the outside since July 1, 1946. Thirty-five of these have been placed in top supervisory positions.

As a further illustration of the policy of strengthening top-level personnel, it is interesting to note that 9 out of the 10 division chiefs of OIC have been changed since January 1, 1946. The total overseas personnel numbers approximately 1,800, of whom about 325 are Americans. Each information staff abroad functions as an integral part of the foreign mission. The reason there are so many aliens is for the same reason that you have them in the Foreign Service, where I believe about 60 percent of the overseas personnel are aliens. Aliens are cheaper and in certain jobs more useful. As far as the domestic personnel is concerned, I would call your attention to the fact that a year ago the OIC employed approximately 290 alien employees, and that within the past year the number has been reduced to 14, a reduction of some 95 percent.

I think those figures are convincing and encouraging and I could go on and tell you something about the individuals, mentioning names and citing records. But there is no time. It is more vital that I point out to you that there is intellectual starvation in Europe today, particularly in central and eastern Europe. When the war was over there was an almost Messianic hope that America was going to come in with the implements of peace as she came along with the implements of war. When I say "implements of peace" I do not just mean relief; I mean intellectual stimulation and comfort. Do not forget that particularly in central and eastern Europe for years before the war all that these people were fed in the way of intellectual nourishment was what the Nazi propagandists fed them. There is an intellectual aridity in that part of Europe which is the result of this historic fact. There is a moral crisis in Europe and there is an intellectual crisis, too. This crisis is underlined and accentuated by an ethical nihilism which is creeping in all over Europe and which threatens to become more widespread and more barbaric even than nazism. If we do not do something about it nobody will. If we do not assume intellectual leadership, how can we assume political leadership? This is a war for men's minds. We shall be silent at our peril. During the war there was a poem which was revived from time to time as Americans went off to battle:

> Though reason chafe and love repine,
> There came a voice without reply,
> It's man's perdition to be safe
> When for the truth he ought to die.

It is important that we in America live according to these truths, but it is also vital that we should declare these truths and identify them and explain them to those who for all these years have been fed predigested pabulum by the totalitarian states. If we do not, we can have no hope of winning them over to our system of government. Democracy must be an article of export if we are to make it survive and spread and serve as a sword and a shield in defense of our system. We 140,000,000 Americans are the happy few who now have the salvation of western civilization in our hands.

If we do not pass this legislation it will be one more indication that we are fundamentally and intellectually isolationists. The people of the world will not believe what we tell them after that. They will not understand all the minor domestic implications of this thing. They will observe that here in America we have decided that we have nothing to say to them. In a world of rapid communications and vehement proclamations we prefer to remain silent. I believe that it is vital that we approve this measure. I have been assured that the personnel will be further improved as it has been improved in the past.

Mr. Chairman, I think that we must urgently shed light where now there is darkness. I believe that we in America, with our idea of liberty which is still the great revolutionary concept of the day, must be articulate in our attempts to throw back the reactionary forces of darkness and despair and despotism which in spite of the war's end still are very much on the march.

Mr. COLE of Missouri. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. MUNDT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. DIRKSEN], a member of the Committee on Appropriations.

Mr. DIRKSEN. Mr. Chairman, I believe there are two fundamental problems before us. The first is: Do we want an informational program at all? If that is answered in the negative, then nothing else matters. The second problem is: What kind of program do we want?

With respect to the first problem as to whether or not we want an informational program, my answer would be "Yes."

It was only a few days ago that we observed Memorial Day, and I expect from 10,000 rostrums we spoke of freedom and of a new birth of freedom. That is why hundreds of thousands of young Americans died. And the question is: Do we stop there or do we go on with the crusade? Now, the great obstacle to meeting the yearning of freedom everywhere in the world is falsehood. That is the thing we are contending with in an informational program.

For quite some time now I have been noting some of the falsehoods that go out over the radio, which have appeared in Pravda and which have appeared in Izvestia and some of the other organs of communication. I want to read to you a few of them because they are authentic. They said or wrote in some of these media: "It was the Russians who crushed the Nazis."

You see, we had nothing to do with it. They make it appear that we were not a part of World War II, made no contribution to victory, lost no young men on the field of battle. Millions will believe it if that goes uncontroverted.

There was a motion picture in Prague called Victory Over Asia. A colonel of the United States Army tried to gain access. He had great difficulty. They showed that the victory over the Japanese was won by Soviet troops and there was not an American soldier in evidence anywhere. In that motion picture, which was made by the Soviet Union, they showed the surrender in Tokyo Bay, and there was not an American officer or admiral present. That is the thing that goes on today. Shall it go uncontroverted?

In Pravda they said, "Only Soviet Union has modern equipment." They said nothing about the $11,000,000,000 of equipment that we lavished upon them. They never mentioned the casualties of the American Army and Navy in the Russian journals. They only had the casualties of Russia.

They stated in Pravda that in the United States there are one and one-half million jobless veterans.

You see, the purpose is to break down confidence on the part of the people, in the integrity and in the greatness of the American system.

In Pravda they said, "Veterans are faced with poverty and hunger, and receive no care from the United States."

In Pravda they said, "There are 350,000 United States soldiers who cannot read and write their own name." They seek to convey the impression that this is an illiterate country.

In Russian journals they said, "Nothing can stop inflation in the United States."

In these same journals they said, "A fierce struggle is going on in the United States."

In those same journals and over radio Moscow they have said, "Only the Soviet delegation at United Nations fights for peace."

You see, we are the enemies of mankind. They seek to establish that we are

imperialists. This is going out over the radio. I heard Moscow radio when I was in Turkey and Greece, and I had the transcriptions translated so that I could understand what was being said.

They have said in Izvestia, "World Bank was designed to ensnare small countries."

They said in these Russian journals, "American imperialism has come to kindle civil war in Iran."

They said, "Americans are trying to transform China into a military base."

They said, "The United States interferes in democratic regimes in Poland, Rumania, and Yugoslavia."

A few months ago they said, "We are interested in the bases in Greenland, because they are intended to bomb vital centers of Europe."

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. MUNDT. Mr. Chairman, I yield the gentleman one additional minute.

Mr. RICHARDS. Mr. Chairman, I yield the gentleman one additional minute.

The CHAIRMAN. The gentleman is recognized for two additional minutes.

Mr. DIRKSEN. There are two other items that you should hear. Here is what they said over the radio in Korea: "American soldiers are murdering workers in south Korea."

That is below the thirty-eighth parallel. That is what we occupy. Then they said, "United States troops blowing cholera germs across the border to kill people in north Korea."

What chance has freedom in the world unless the one great exemplar and exponent of freedom in the world can roll back that whole wave of falsehood, can roll back that slow stain that is designed for miserable, impoverished, and hungry people who, like entombed miners, hear the tap-tap of a rescue party, believing there is still a chance? But when this kind of falsehood goes out to 150,000,000 people outside of Russia and persuades them finally that we are the enemies of mankind, then what happens to every effort that we make, consonant with and pursuant to the sacrifices that were made in World War II, to meet and to still the yearning for freedom that is so strong in human hearts in every part of the earth?

I do not know how much it will cost. Maybe ten million will be enough, maybe fifteen million; but in any event we cannot let this kind of falsehood go on without challenge, because it simply undermines the efficacy of everything that the United States seeks to contrive in this world. I saw an example of visual propaganda in Guatemala when I was there. I was talking with our Minister in 1940. I saw how clever these propagandists were. They took the story of the Battle of the Little Big Horn, in which the braves of Sitting Bull had annihilated the forces of Custer, and simply perverted American history and made it appear that Custer's forces had annihilated Sitting Bull and all his braves. Show that to mestizos with some Indian blood and they get the wrong impression about the United States unless it is undone.

In an integrated world where the burden of peace is upon our shoulders, is it not important that we present our message to the world and enhance the hope of a peace that has a chance to endure?

It was not until World War II that we became fully aware of the importance of psychology as an aid to victory. The very fact that we established an Office of War Information to advise people in foreign countries of our objectives and purposes and the added fact that within the Military Establishment itself there was created a Psychological Warfare Branch is the best evidence of the importance of information in the pursuit of victory.

The victory has been won and the problem now is to win the real victory of peace. Who will deny as he appraises the feverish condition of the world today and who knows the difficulties and obstacles to peace and the purposes of victory that it becomes necessary to carry that purpose to every corner of the earth. Other nations are spending untold sums to popularize their viewpoint and their ideology and it is difficult to appreciate the viewpoint of those who would at this stage of the peace negotiations revert to a kind of psychological isolation. If that should be the policy of the Congress and the country then we should recognize at once that in the days ahead it will be America against the world because their efforts in the field of propaganda, information, and publicity will not cease.

The case seems all too clear for a continuation of an informational program and that brings us to the second problem, namely, what type of a program.

At the very outset of my remarks I stated that the proposition before us embraces two problems. The first is whether or not we shall continue an informational program, and the second what kind of a program shall it be.

With respect to this second problem, I share the dissatisfaction of many Members of the Congress with regard to the type and efficacy of the programs that have heretofore been carried on.

Like you, I want to be certain that it will present America in a proper light. I want to be certain that it will represent the spirit, the achievements, and the greatness of this country.

The ministries of propaganda in totalitarian countries are only too glad to obtain, if possible, that kind of literature and that type of motion pictures which presents certain seamy aspects of American life in order to persuade their own people that this country is filled with dissension, racial antipathies, a faltering faith in our own system, and other sentiments which are designed to put us in a bad light.

If such countries could contrive it, they would not care to present to their people historical films which show the growth and evolution of America but instead present such bawdy presentations as Tobacco Road and the Grapes of Wrath, which overemphasize and magnify a facet of American life which is the exception rather than the rule. These ministries of propaganda would be interested in such books and publications as are captious and critical of our own form of government. They would be interested in radio programs which reflect upon the purposes and objectives of the United States.

All this bears out the importance of placing this program in competent hands who will make certain that the real story of America and the American tradition will be told.

To that end I propose at the appropriate time to offer an amendment which would create an Advisory Commission with power to formulate the policy that would be expressed under the authority in this measure. I am setting out here the full text of the amendment:

Amendment to H. R. 3342: Page 18, after line 5, insert the following title, and change the title numbers, section numbers, and cross references in other titles of the bill accordingly:

"TITLE IX—ADVISORY COMMISSION TO FORMULATE POLICIES

"FORMULATION OF POLICIES

"SEC. 601. There is hereby created a United States Information and Educational Exchange Advisory Commission (hereinafter in this title referred to as the Commission) to be constituted as provided in section 602. The Commission shall formulate and present to the Secretary of State the policies to be followed and adhered to in connection with the interchange of persons, knowledge and skills, the assignment of specialists, the preparation and dissemination of information about the United States, its people and its policies, and the carrying out of the other provisions of this act.

"MEMBERSHIP OF THE COMMISSION; GENERAL PROVISIONS

"SEC. 602. (a) The Commission shall consist of 10 members, not more than six of whom shall be from any one political party, as follows: (1) Nine members to be appointed by the President, by and with the advice and consent of the Senate, and (2) the Secretary of State or such officer in the State Department as may be designated by such Secretary.

"(b) The members of the Commission shall represent the public interest, but of the persons appointed under clause (1) of subsection (a) of this section, one shall be selected from among educators, one from among individuals formerly in active service in the armed forces of the United States, one from representatives of labor, one from the newspaper business, one from the motion picture industry, one from the radio industry, and three from persons having general business experience. All persons so appointed shall be persons of national reputations in their respective fields. No person holding any compensated Federal or State office shall be eligible for appointment under clause (1) of subsection (a) of this section.

"(c) The term of each member appointed under clause (1) of subsection (a) of this section shall be 3 years except that the terms of office of such members first taking office on the Commission shall expire, as designated by the President at the time of appointment, three at the end of 1 year, three at the end of 2 years and three at the end of 3 years from the date of the enactment of this act. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term. Upon the expiration of his term of office any member may continue to serve until his successor is appointed and has qualified.

"(d) The President shall designate a chairman and a vice chairman from among members of the Commission.

"(e) The members of the Commission shall receive no compensation for their services as

such members but shall be entitled to reimbursement for travel and subsistence in connection with attendance of meetings of the Commission away from their places of residences.

"(f) The Commission is authorized to adopt such rules and regulations as it may deem necessary to carry out the authority conferred upon it by this title.

"(g) The Commission is authorized, without regard to the civil service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such clerical assistants as may be necessary in carrying out the provisions of this title.

"RECOMMENDATIONS AND REPORTS

"SEC. 603. The Commission shall from time to time prepare and transmit to the Secretary and to the Congress its recommendations for carrying out the various activities authorized by this act, and shall submit to the Congress a quarterly report of all programs and activities recommended by it under this act and the action taken to carry out such recommendations."

Mr. Chairman, you will observe that an advisory committee of 10 with established reputations is provided for and that the members of such a commission would be appointed by the President, by and with the advice and consent of the Senate. Under such a provision if a person with oblique views should find a place on this commission, the responsibility would then be chargeable to the legislative branch. The amendment specifies the background of the members of the commission so that they will bring to their responsibilities experience in every field of communications. They would not be compensated and the amendment requires that from time to time they must transmit to the Congress their recommendations for carrying out the provisions of this act.

I am confident that with this type of a commission there will be a clear and distinct check upon the types of programs to be carried out, and there is complete reason to believe that the real America would be represented to the people abroad as an answer to the untruths and falsehoods which are constantly being disseminated to millions of people concerning conditions at home and the objectives we have in mind in bringing peace and freedom to the hundreds of millions who live in misery today and still nurture a slender hope for liberty.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RICHARDS. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I would like to pay tribute to the gentleman from Missouri [Mr. SHORT], who only a few days ago made such a wonderful appeal for the continuation of the Voice of America program. Mr. Short's speech was sufficient in itself to have assured the necessary appropriations to continue this vital service to the nations of the world. I commend the Foreign Affairs Committee of the House for bringing this legislation to the floor, authorizing these broadcasts through the legislative processes.

America has assumed a most prominent place among the nations of the world. With such a distinction there goes with it responsibilities which we should not look lightly upon. For more than 150 years America has gone forward under the principles enunciated by our founding fathers, "rule of the people." It is all the more appropriate that this bill emanated from the House of Representatives. A man cannot sit here as a Member of this body without being elected by the people of the district he serves. Each of us in this body has the distinction which no other public official in the United States could boast. It is the only job to which a person could never take office by appointment.

Now, this program is designed to convey to the radio audiences of the world, among other things, information about our representative form of government, freedom of speech, freedom of press, and freedom of religion. If the trend toward communism is halted, a large measure of credit would rightfully go to these informational American broadcasts.

I believe in economy in the operation of the Government. I do not, however, favor eliminating necessary and needed functions in order to get it. The Voice of America was established on January 6, 1946, by the State Department for the purpose of letting the world know what America is thinking and doing.

These broadcasts are on a 24-hour schedule, beaming programs in 24 different languages to all corners of the world. We do not know what the exact figures are on the listening audience, but they are far greater than most people think. More than 50,000 letters were received by this organization in 1946 relative to this program. Sixty-five percent of these letters were received from Europe, 25 percent from Latin-America, and the remaining 10 percent came from the Far East. Statistics reveal that a conservative estimate of listeners runs more than 100,000,000. This is very indicative of a large world audience.

On this daily schedule of broadcasting, the world hears quite a variety of programs. Thirty-six transmitters are kept in constant operation sending out over 5,000 programs a month. The breakdown of programs shows that of all programs included, 17 percent is devoted to news, 34 percent on developments in all fields of American life, 3 percent on drama, 28 percent to music, and 18 percent in variety, such as radio shows which are familiar to us.

It is very evident that these peoples want and need these programs. They hear them, that we are certain. In a recent letter to the Assistant Secretary of State William Benton, the Honorable Hans Olav, who is the counselor to the Norwegian Embassy, had this to say, and I quote:

> I have just returned from a 3 months' visit to Norway during which I talked with and met many people. In literally every place I visited, I found that those who had short-wave sets were keenly interested in the American programs and told me rather proudly that they were able to pick up the United States. They were grateful not only that good music was heard, but also for the occasional educational and other talks carried on the short-wave programs. It seems to me that this living link of the spoken word and musical note between the United States and Norway is of inestimable value to the betterment of understanding between our two peoples.

We know that there are relatively few radio sets abroad in comparison with the number in America. Nearly all foreign sets are equipped with short-wave receivers and the Department's personnel in these countries inform us that people will come from miles to hear the programs of the Voice of America.

It is entirely above all barriers of language, literacy, national boundaries, and censorship. When the former Secretary of State, James Byrnes, made his famous speech at Stuttgart, Germany, last year, the Polish censors refused to tell the people about it. They allowed nothing to be printed and kept everything contained in this speech secret from the Polish people. It was rebroadcast by the Voice of America and soon the Polish censors released all the details because the people had heard it anyway over their short-wave sets.

Letters and reports from the four corners of the earth clearly demonstrate to the State Department that the people are very much interested in what goes on here in America. The British Broadcasting Corp. is spending $20,000,000 annually in putting 98 program-hours a day in short wave to foreign nations. The 1947 appropriation to carry on these broadcasts amounted to the sum of $7,804,321, which is not excessive for the great benefits derived.

The State Department has as its target, broadcasts beamed to every country of the world in which there is a radio set. Requests are coming from everywhere to increase the period of time allotted each country. The Balkans want more. Southeast Asia wants more. The whole world wants more.

Let us keep on telling the world about our progress. The nations of the world should be privileged to continue to hear this program. The Voice of America should be expanded, not hamstrung.

Mr. MUNDT. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BENDER].

THE PIECES OF THE TRUMAN PROGRAM

Mr. BENDER. Mr. Chairman, I have no word of criticism of Mr. Benton. I am sure he is a very estimable gentleman, and, of course, I yield to no one in my respect for the members of the Foreign Relations Committee and its very able chairman and the chairman of the subcommittee.

Any realistic appraisal of the world situation today makes it obvious that spending money to propagandize our way of life through such devices as the Voice of America is a flagrant waste of taxpayers' funds. The picture of tons of potatoes being deliberately destroyed by our Department of Agriculture did more damage to American prestige abroad than a hundred radio broadcasts can ever repair. Within the past 2 weeks it has been revealed that we have 1,031 employees in the State Department Office of Information and Cultural Affairs in the domestic branch alone. There are hundreds more overseas. We know that their objectives are praiseworthy. They are out to win friends for the American way of life as opposed to socialism and communism. But we shall not win converts to our economic system unless we demonstrate at home that we can solve

our problems more effectively under liberty than they are solved overseas under totalitarian regimentation—on the British Socialist model or the Russian Communist pattern. I urge Congress to use the money we should be wasting in this way to give American taxpayers some indication that we have not forgotten them. Just as Americans would deeply resent any widespread effort by British Socialists or Russian Communists to propagandize us, so do Europeans resent this propaganda technique on our part.

The Voice of America broadcasts are just one piece of the Truman program.

The pieces are beginning to fall into place, and the pattern is becoming clear. It is not a pretty pattern; it is not a pattern which the people of the United States can look on with confidence or with a sense of hope for the future.

Taken alone, something could be said for the avowed purposes of the program embodied in H. R. 3342—the promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and public dissemination abroad of information about the United States, its people, and its policies. That sounds like a laudable purpose, and, in fact, such interchange has been going on for generations.

But we have learned to look behind the titles and the labels of measures proposed by the Truman administration.

The Greek-Turkey-aid bill was presented to this Congress as a humanitarian measure, designed to relieve hunger and suffering. The Truman administration attempted to conceal and disguise its true character, which was admitted only after the measure was subjected to searching examination on the floor of the House. Then it was admitted that all of the so-called aid to Turkey was to be military aid, and most of the aid to Greece was to be military aid. The humanitarian purpose turned out to be hypocrisy.

No, Mr. Chairman, we must look behind the high-sounding title in the present bill about the interchange of knowledge and seek out the true character of this measure. Its true character is not difficult to discover. The Voice of America program is nothing more or less than the propaganda arm of the Truman doctrine. It is just one more piece in the pattern of the Truman adventure in international relations.

What are some of the other pieces in the Truman program which have become apparent in the past few days?

On May 26, Mr. Truman urged the Congress to authorize a program of military collaboration with all the petty and not so petty dictators of South America. Mr. Truman submited a draft of a bill which would authorize the United States to take over the arming of South America on a scale far beyond that involved in the $400,000,000 hand-out to Greece and Turkey.

Under the Truman proposal the United States would train the soldiers, sailors, and airmen of the other nations of the Western Hemisphere. We would maintain, repair, and replace the military equipment of those nations. We would transfer American arms, planes, ships, and other military items and munitions, together with technical information, and we would accept in payment for such activity anything which would be satisfactory to the President. This is the most far-reaching proposal for the militarization of this hemisphere at American expense of which it is possible to conceive. It means the pouring out of the resources of the United States in support of the Fascist gang around dictator Perón in Argentina. It means the pouring out of the resources of the United States behind every ambitious dictator-on-the-make in South America. It means turning South America into an armed camp. But this is only one piece of the emerging Truman pattern.

On June 2, Mr. Truman continued his campaign for universal peacetime military training in the United States by releasing the Truman commission's recommendations. Even Mr. Truman's commission did not attempt to estimate the staggering cost of this adventure into militarism at home, but it estimated that the outlay of $1,750,000,000 a year was only a part of the total.

Let me repeat, this Truman commission itself admits that an annual cost of $1,750,000,000—more than four and one-half million a day from now on—would be only a part of the cost in dollars of this proposal to fasten a permanent military system upon the United States. But even the cost in dollars is not as important as the cost in American liberty. Every instinct of the American people rebels at the proposal that the military should take over in America. They know that where military control begins, there the basic American liberties end.

But military control at home is a part of the emerging Truman program. The Truman administration is using all its propaganda resources in an attempt to soften up the American people to accept this idea. On Wednesday of this week the New York Times carried the headline "Patterson backs 'military mind'." Mr. Truman's Secretary of War was at Columbia University outlining the charms of the military mind, and according to the New York Times news story, and I quote:

> Mr. Patterson was joined in his defense of the "military mind" by Secretary of the Navy James Forrestal who cited wartime incidents to give point to his argument.

Yes; the Truman administration is busy in its attempt to sell the idea of military control to the people of America. And hand in hand with this propaganda campaign go secret meetings for industrial mobilization.

On June 4, a widely read Washington columnist reported, and I quote:

> One of the most secret meetings since war days was held behind tightly barred doors in Washington's vast Pentagon building last week.

The writer is Mr. Pearson, and no one has attempted to refute his report. He went on, and I quote:

> Plans were laid in detail for the establishment of an industry reserve corps of American workers and employers in major American industries.
>
> Purpose of the reserve corps would be to prepare industry for rapid conversion to wartime production in an emergency. Special training courses for employers and employees will be worked out if the plan finally is approved. The industrial corps would have units in every major manufacturing plant in the Nation.

This is the kind of thing which is taking place behind barred doors in the Pentagon Building, about which the people of the United States learn only by accident. This is a part of the emerging Truman program.

It is against this background that the Voice of America program must be considered. This vast foreign propaganda machine proposed by the administration is a part of this program. It is a part just as Mr. Truman's friendship with the dictator Perón in South America is a part. It is a part just as Mr. Truman's eagerness for universal military training in the United States is a part. It is a part just as Mr. Truman's proposal for arming every South American country to the teeth is a part. It is a part of the whole Truman doctrine of draining off the resources of the United States to support every reactionary government in the world.

I am opposed to the Voice of America just as I am opposed to every part of the dangerous and irresponsible Truman doctrine.

Mr. JARMAN. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, finally we know just where our colleague stands on this legislation. I suppose we may even assume that he is against all foreign missions.

Mr. Chairman, as I have listened to this debate and have tried to summarize the objections to the pending bill, I have concluded that the greatest objection is that the program may not be properly administered in the interest of America. This is tantamount to saying that America does not have enough patriotic men and women to whom this program might be entrusted. It seems to me that this is a rather fatal admission for a gentleman to make and, in fact, an absurd position for gentlemen to take.

While listening to the debate I asked myself the question "Is democracy on retreat in the world?" We have just witnessed within the last few hours the trojan horse technique of Russian aggression, and we know that from VE-day on the world has witnessed a bloodless conquest of communism. Communism has been spreading like a prairie fire. All of us know that false Russian propaganda has played an important part in the spread of communism.

I visited Europe immediately following VE-day, and I had an opportunity somewhat similar to that of the gentleman from Illinois [Mr. DIRKSEN] to hear some of the Russian broadcasts, the only answer to which we can make is to give even more strength to the Voice of America, to the end that we might be able to penetrate the iron curtain of Soviet influence. Immediately after victory in Europe and as soon as the Russians reached Berlin, they started to spread false propaganda. Ten days or 2 weeks after VE-day I was at Magdeburg, Germany, on the banks of the Elbe River. I stood at one end of Friendship

Bridge, which was built by American men and with American money, and guarded at the other end by Russian soldiers. This was the bridge which was used to transfer the displaced persons from one zone to another. Immediately after VE-day—Russia did not wait 24 days or 24 months, but perhaps within 24 hours—a picture of Joe Stalin was placed on a large road sign at the Russian end of Friendship Bridge welcoming the displaced persons back into the Russian occupied part of Germany. The minds of these displaced persons were being poisoned by false propaganda which came from the Russian-controlled radio in Berlin.

Since VJ-day I have traveled in the islands of the Pacific. I was recently in Greece and Turkey. All over the world Russian propaganga is villifying American democracy and defaming our institutions in the eyes of the people of the world. We cannot say that this propaganda is not having influence. We know that it is having influence. We see definite evidence daily of the spread of communism as it sweeps across the earth.

To abandon this program now would mean that all that has been spent on it in the past and all the good that has been accomplished so far would be a total and complete loss. It would be even worse than a total and complete loss, because the Russians would say to the rest of the world that the great truths which have been heard over American radio were nothing more than false propaganda and that even the American people realized the falsity of the statements which had been made by the Voice of America over the airways of the world and had repudiated the program.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kentucky.

Mr. CHELF. Is it not true that when some 5,000 tons of wheat was given out by the Russians in the French zone here a few months ago there was great fanfare but no mention made whatever when some 2,000,000 tons were given to those same unfortunate people in France by the United States?

Mr. COOLEY. The gentleman is correct. Mr. Chairman, this is a very important matter. The objections offered to the passage of this bill should not appeal to the intelligence of the Members of this House.

Someone, a moment ago, referred to some statement which was attributed to the Saviour. We all know that the Saviour once said: "Ye shall know the truth and the truth shall make you free." We must free the minds of the people of the world by letting them know the truth about the institutions of America. We have liberated the bodies of the oppressed people of the universe. We must not now permit their minds to be enslaved.

Mr. MUNDT. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I think the question before us can be summed up in this fashion. We fought the war not with money alone, we fought it with money, with men, and with ideas. We are now asked by the opponents of this bill to win the peace with money alone. This we cannot do unless we want to tie one hand behind our backs. We can win the peace only with men and with ideas as well as money.

Let us see what arguments the gentlemen who oppose this bill have to muster against it and how they square those arguments with the arguments they themselves have made in the past.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I will yield as soon as I have finished my statement.

Mr. HOFFMAN. The gentleman referred to those who made arguments against it. We have not had any opportunity to make any argument.

Mr. JAVITS. It has been argued before on many occasions by those who now oppose this bill, and at great length, that appropriations which were made for relief and other purposes to aid in the reconstruction of Europe that they did the United States no good, because nobody knew that they came from the United States, and that such assistance represented the humanitarian and statesmanlike act of the United States. Here is a bill which proposes to make us to make clear to the world just what we are doing and why we are doing it. Nevertheless it is opposed. May I point out that the cost involved in this whole program is at most three-tenths of 1 percent of our program of reconstruction since VJ-day and probably as little as two-tenths of 1 percent.

The second argument which has been made is that our friends tell us that if we just stick to the United States and use all our money here to make this the best system on earth, everybody will want to imitate it. But if we do not tell them what it is, and do not tell them how it works, then they will not be able to imitate it because they will not know what it is, and they will not know just what it is we want them to imitate.

Last, the gentlemen who oppose this bill have told us before that they want to save money, they want to make the program for the world's reconstruction as inexpensive as possible. Is there any better way to save money than to convey information on the policies, the motives, and the ideas of the United States by every media of radio, movies, and press, thereby encouraging efforts at reconstruction within these countries and shortening the time within which we must assist them with the goods which these very same gentleman have constantly opposed our appropriating money for?

Obviously, what is happening is very simple. The gentlemen who always oppose every measure which would enable the United States to strike a blow for world peace by assisting with postwar reconstruction are opposing this bill.

This bill has one other very important point. It tries to inject into our foreign policy the necessary human quotient. For what is foreign policy? It is nothing but men's aspirations, their hopes, their fears, their prejudices. If we do not transmit ideas abroad we can never hope in an effective way to deal with the hopes, the fears, the prejudices, and the aspirations of the world.

Finally, this is not a program in the main for broadcasting the Voice of America. The bill has been very wisely drawn and very necessarily drawn to be a program for the exchange of men, too. That to my mind is one of its important and principal points. It proposes the exchange of technicians, of students, and of professors. It proposes to help to acquaint the people of the world personally and physically with each other. Every traveler, every soldier who has been abroad and who has seen the conditions abroad and talked with foreign peoples, will tell you that the most effective way to convince the world that America's purposes are peaceful and constructive, that we want nothing and want to exploit no one, is by having people see us in action on our home grounds. I think this bill, considering its benefits is the cheapest expenditure the Congress has been called upon to make for a very long time.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. ARENDS. Let me ask the gentleman a question in all sincerity. We assume, naturally, that our students going to other nations of the world will try to teach the other nations of the world our form of living, what we are doing in our country, and tell them of our democracy, and so forth. Naturally we come to the conclusions that the people of the other states in the world will do the same when they come here. Suppose Russian students come over here and try to teach us a little more about communism. In this bill there is a provision to prohibit these students from staying here any longer, that we can deport them if their mannerisms or their characteristics are not what they should be. So what do we do? We say, "All right, we are going to deport you." I remember distinctly that only a few years ago the Congress passed a resolution to deport Harry Bridges, but it never happened. I am wondering what might happen in this instance.

Mr. JAVITS. The answer to both of the gentleman's questions is as follows:

The bill prohibits any political activity by any student, professor, or other person who comes over under its terms under penalty of prompt and summary deportation. The case is quite different from the Bridges case where he was admitted as a resident alien; these students and professors are admitted only under the specific limitations of this bill, and these provisions were drawn by the legislative counsel at the committee's request with just such a situation in mind. It is not telling us but boring from within that any American fears, and the bill fully protects us against political activities or activities not consistent with our security by those coming here under the bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RICHARDS. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, the headlines in the afternoon papers proclaim

the fact that the Reds have taken over Bulgaria, too. Today it is Bulgaria; yesterday it was Hungary. Who tomorrow? Who is going to be next? The pattern is always the same—infiltration, boring from within, and then a coup d'état. How far will communistic totalitarianism dare to go? What is the end going to be? How will we fare if its objectives are fulfilled?

The bill now before us is going to help to determine how far communistic pressures can go, what the end will be, and what its effect on us will be.

We have decided on the foreign policy of this Nation. We are committed to a policy of aggressive world leadership. We are trying to lead the world away from war, trying to induce men to sit down together around council tables and talk out their differences; to settle them peaceably instead of resorting to war. So we are not concerned with a matter of policy today. The only question before us today is how vigorously we are prepared to back up the policy on which we have embarked. If we are going to provide the leadership which the world needs so desperately, and wants so desperately, we shall have to acquaint the world with the things that America stands for. We know how vigorously Russia pursues her propaganda activities. Concrete evidence of this has been presented to us time and again during this debate. Some of us have seen how effectively this propaganda is carried on in other countries. We know that in all such activities which are intended to foster world revolution and world communism, Russia uses her best minds. There is no limit to the number of persons used or to the amount of money expended. And they are making progress. We see evidences of that every day. There is plenty of fertile ground in the world in which to spread communistic propaganda. Where human misery abounds, and it does in so much of the world, communistic doctrine and hate propaganda find their most effective medium for growth.

By contrast, we are sending out a few outstanding men like Byrnes and Marshall, but we provide them with limited funds and inadequate personnel, often poorly paid and poorly prepared personnel. Yes, in many cases we are sending out file clerks for diplomats, and then sitting back and expecting diplomatic wonders. It cannot be done. Starvation policies will not produce results, either in the State Department or in foreign lands. We must keep abreast of the times and fight fire with fire. We must tell the world what is going on in this country and what this country stands for.

We need not concern ourselves about the threat of war—not now. But 5 years from now or 15 years from now, I do not know. Then it may be too late to concern ourselves. We must keep abreast of what is going on and match propaganda with information so that the world will know what this Nation stands for and what it is trying to do. Then our leadership will count in the world.

We have more to sell in this country than any other nation on the face of the globe. We have Americanism. There is nothing else like it. We must let the world know about it. Communism is being sold to the world today. It is time we learned to sell Americanism. We can do it if we will. This is one means of doing it.

Mr. Chairman, I want to commend the great Committee on Foreign Affairs, and particularly its distinguished chairman, the gentleman from New Jersey [Mr. EATON], and the chairman of the subcommittee, the gentleman from South Dakota [Mr. MUNDT], for bringing it before the House. They have performed a real service to their country and to the world.

Mr. JARMAN. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I recently made.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RICHARDS. Mr. Chairman, before we close this debate, I want to commend the Members on both sides of the aisle on the splendid spirit of nonpartisanship shown here today. I am glad that there is a general understanding of the great problems now confronting our country in the foreign field and that it is generally realized that we must make the voice of America heard and understood throughout the world.

I wish to pay tribute to the great chairman of the Foreign Affairs Committee, the gentleman from New Jersey [Mr. EATON], who has worked so long and hard for world understanding and cooperation. May I pay tribute to the gentleman from South Dakota [Mr. MUNDT], chairman of the subcommittee and author of this bill, who has so effectively led the forces in favor of this program?

Mr. MUNDT. Mr. Chairman, I want to thank the gentleman from South Carolina for his kind expressions, and I reciprocate them.

I now yield the remainder of the time, 5 minutes, to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, first of all I wish to pay tribute to our brilliant and distinguished colleague, the gentleman from South Dakota [Mr. MUNDT], He, with his subcommittee, has worked very hard and very wisely in the preparation of this bill. He has had the unanimous support of the membership of the whole committee on both sides. He has brought a good bill here, although we admit that no single piece of legislation will meet all the requirements of this vast and complex problem.

I thank the distinguished gentleman from South Carolina [Mr. RICHARDS] for his kind words. I have a very profound affection and regard for him, as I have for his colleagues. It is encouraging once in a while in the political rough and tumble to get something besides a brickbat.

I want to stress the necessity for this legislation. I join with everyone in disgust and disappointment over the absurd failure and unnecessary mistakes and of this program in days recently gone by. When, for example, I saw that unspeakable picture of a fat prostitute designed to be sent out over the world as a picture of American womanhood, I almost gave up in despair. But that has gone over the dam, with a great many damns along with it, well deserved, and we now confront a situation from which there is absolutely no escape.

This world is shaken to its foundation. Every race everywhere is disturbed, spiritually as well as economically and politically—shaken from all their old foundations. God only knows what the future will mean for our children and for future generations in all the world; but one thing is certain, we are going to go up or down together, and this Nation of ours stands today as the one great leader, I believe ordained of God, to call the rest of the world into a time of hope and progress, after the chaos resulting from war. This is why I want to see America interpreted to mankind so that our leadership will receive full understanding and response.

What is America? It is not boots and shoes and gadgets to be sold, as one gentleman here seemed to think today. It is not a certain way of acquiring automobiles or bank buildings or bank accounts. Somebody asked me the other day, "What is America?" I answered, and you must forgive a poor ex-preacher for this point of view: "America is a beautiful soul." That is what has made America a spiritual and material power: A passion to be free, a consciousness of the dignity of the individual made in the image of God, a great passion that men should have full opportunity to realize themselves. That is the spiritual reality that we mean when we say "America."

What is an American? An American is a man whose soul loves the soul of America. No matter what color he is, what his politics may be, what part of the world he may be born in, if his spirit responds to the spirit of freedom that created this country and made it the hope of the world, he is an American.

Our problem now, Mr. Chairman, is to make Americanism dominant in every portion of the world. The only way to do that is to drive out bad ideas by putting good ones in their place and keeping them there.

I hope this legislation will go through, and I hope the Government will summon men of vision, men of spiritual passion and understanding, to organize and develop this program and make it a success.

The first step, as I see it, is for the Members of this House to overcome their fears and anxieties and prejudices and vote for this legislation. Let us do a good job—while we are at it.

The CHAIRMAN. The time of the gentleman from New Jersey has expired; all time has expired.

The Clerk will read.

The Clerk read as follows:

TITLE I—SHORT TITLE, OBJECTIVES, AND DEFINITIONS

SHORT TITLE

SECTION 1. This act may be cited as the "United States Information and Educational Exchange Act of 1947."

Mr. HOFFMAN. Mr. Chairman, I submit a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

ARE WE AS DUMB AS WE SEEM?

Mr. HOFFMAN. Mr. Chairman, leaving out all reference to purposes and motives, let us take a look at what we are doing.

Not long ago the Congress voted $350,000,000 to be used to aid the unfortunate people of Europe. That appropriation was made not only because we are kind-hearted, solicitous for the welfare of others, but for the added reason that we desire to stop the spread of communism.

The argument was that hungry, suffering people were more apt to listen to and adopt false teachings than were those more comfortably situated.

Then we came out in the open, and, yielding to the President's plea, the Congress voted $400,000,000 military aid and access to billions of dollars of war-surplus supplies to aid the Governments of Greece and Turkey. Again the effort to frighten our people in order to get them to support this measure. The argument was made that Russia, with its communistic hordes, was marching south and east.

Assume for the moment and for the sake of the argument that our fears were justified and that to protect ourselves from Russian aggression, from the march of communism, it was necessary to use our dollars, our materials, and our men to stop communism at the Turkish frontier, a doctrine to which I do not subscribe, let us examine our subsequent action.

Having embarked on a policy which will cost billions of dollars, mountains of materials, and perhaps the lives of a million or more Americans if war comes as a result of that, the other body, day before yesterday, ratified a treaty with Italy. Under that treaty, and a policy which we have adopted, billions of our dollars will go into Italy and of those dollars, Russia, under the present treaty will get from Italy one hundred million.

Will someone please tell us why we should give our dollars, our materials, and the services of our men to stop the Russians and Communists from moving south and east, and at the same time make it possible for Russia to obtain money from Italy which can supply it only because of our money and material; from Italy which contributes only because of our insistence, thus using the aid which Russia receives from us through Italy to strengthen the movement of the Communists south and east?

But, Mr. Chairman, the height of absurdity is reached here today in this proposed legislation. Under this bill we are asked to authorize the expenditure of additional billions which when expended will tend to defeat the objectives which we are told we are seeking to obtain when we appropriate the seven-hundred-odd-million dollars for foreign aid and for aid to Greece and Turkey.

Millions of the taxpayers' money are to be spent to stop communism in Greece and Italy, and now today, by this bill, we are asked to authorize the expenditure of other millions to bring teachers of communism here where in American schools, colleges, and universities and in public forums they can, and they will, advocate the acceptance of communism.

Apparently what we need is some sort of institution to examine and determine whether we are sane, dumb, foolish, or just emotionally overwhelmed with theories handed to us from abroad, or by those the Republicans in days gone by, characterized as wide-eyed, long-haired fuzzy-wuzzies.

Into my office within the last few days have come hundreds of cards from farmers protesting the cuts in the appropriation bill for the Agriculture Department. Those cuts were made because it was necessary to cut down on our expenditures. We have taken the money away from our own farmers and now are told we must give it to the State Department to spend to bring guest speakers of communism to teach our children what they should do.

When will the Republicans who are hanging onto the tail of the "international kite," let go, get back to earth and common sense?

I have voted to cut domestic appropriations time and again because I thought this Government of ours needed a little economy. Now, you turn around here, denying to the farmers of the country the money they asked to enable them to improve their production in order to feed the hungry people across the seas, and you appropriate those same dollars you asked me to take from the home folks to bring Communists over here to undermine our Government. Does that make sense? To me it does not. I am telling you, I am getting pretty tired of voting against the interests of my farmers or what they think is their interest, voting against my own interest from a political standpoint, and having some Members of this House, some of them Republicans, dish out millions upon millions of dollars to these foreign governments and to the New Dealers and left-wingers on one pretext after the other. Why does the Congress do it? I would like someone to tell me.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Kentucky.

Mr. CHELF. The gentleman does not sincerely believe that Russia is going to let anybody come over here and teach us anything, does he?

Mr. HOFFMAN. What is the idea then of appropriating the money? Why waste the money?

Mr. CHELF. The gentleman does not believe that Russia is going to let teachers come over here and teach us anything, does he?

Mr. HOFFMAN. Why, certainly, if we are fools enough to accept their teaching. Does not the gentleman know that Russia has been doing that very thing for the last 10 or 15 years. Does not the gentleman know that some of them have already been convicted? What does the gentleman think Browder and Foster have been doing for the last 20 years?

Mr. CHELF. I am talking about under this bill. They do not want their stooges enlightened by us capitalists.

Mr. HOFFMAN. That is the object of this—have us pay for their propaganda. This bill will let them come over here and teach our young folks, not the old folks—we are too hard-headed—but take the youth of the land and teach them communism, and we, under subsection 3, pay them $10 a day to do it. I say it is all nonsense.

Mr. CHELF. Do not undersell the youth of America.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to say to the gentleman from Kentucky that Russia has her instructors in almost every college in America teaching communism and undermining America.

Mr. HOFFMAN. And under this bill we are going to pay them for coming over here, feed and house them, and probably clothe them, and wine and dine them while they are here. See section 4, page 13 of the bill for the authorization for entertainment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. COLE of Missouri. Mr. Chairman, I object.

Mr. MUNDT. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Michigan.

Mr. Chairman, first of all I want to commend the attitude of the gentleman from Michigan in asking unanimous consent to withdraw his motion because along with the rest of us he would like to expedite the public business and get along with a consideration of the merits of the resolution.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Why did not the gentleman give us some time then so we could discuss the merits long ago?

Mr. MUNDT. I am sorry, we only had 60 minutes. I did not have the time. I would have been glad to have given some of it to the gentleman if I would have had more time.

I do not now want to take much time discussing the particular motion to recommit to the committee because the gentleman himself has offered to withdraw the motion and wants to continue discussion of the bill. I want to correct one misunderstanding, however, which has arisen about this bill. It does not provide any place, anywhere, for paying the expenses of foreigners who want to come to this country. He said we would be paying Communists to come to this country. Such is not the case. This

legislation simply corrects a situation which now exists rather than creating the conditions which he said might exist if this bill becomes law.

As I said in the debate earlier, there are now 3,696 Russians in this country today who came here quite apart from any relationship whatsoever to this bill. If you read the language on page 3, you cannot miss it. When this bill becomes law it will no longer be possible for the Russians to have 3,696 people in this country while denying Americans the right to visit their country. We are correcting in this bill that which the gentleman complains is taking place, but we are not creating the problem; we are, in fact, correcting it. As to the second aspect, about somebody coming over to our schools and teaching our children communism, I call your attention to the language, mostly in monosyllabic words, on line 21, page 3:

> If the Secretary finds that any person from another country, while in the United States pursuant to this section, is engaged in activities of a political nature or in activities not consistent with the security of the United States, the Secretary shall promptly report such finding to the Attorney General.

That is a safeguard not now existing. We write that into law when we pass this legislation. It does not become operative unless we pass the bill, but if we pass the bill, then it becomes an effective safeguard.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I would like to ask the gentleman just what article 4 on page 15 means, if it does not mean expenses of travel throughout the United States for foreign-born itinerants.

Mr. MUNDT. That is something entirely different. Of course, we provide for information tours. We have been doing that with the Belgian editors. We have been doing that with the Argentine journalists, and we have been doing that for many years with people that we officially entertain in this country. It does not provide for payment of tuition in colleges and educating other people unless we deliberately bring to America designated groups or individuals that we ourselves are eager to have educated in and about America.

Mr. COLE of Missouri. What does section 3 mean then?

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from New York.

Mr. COUDERT. In order that the RECORD may be quite clear, I think the gentleman has stated it, but I would like to have him state it even more clearly, is it the intent of the committee that drafted and sponsored this bill that the provision on page 3, section 201, to the effect that the Secretary is authorized to provide for interchanges, and so forth, does not in any way mean that there is any obligation to pay the expenses of such interchanges?

Mr. MUNDT. The gentleman is correct. There is no obligation. If at some time the United States finds, as it may well find, that it is desirable to bring additional students from a country like China, we could, if there were an authorized expenditure for such a purpose, make payments, but there is no obligation at all in the language of the bill requiring the United States to do so. It is not at all contemplated as a general policy.

Mr. COUDERT. The reason I asked the question is because, as a member of the Committee on Appropriations, I want to be sure just exactly what the intent of this bill is so that when the Departments comes to us and says we want "x" million dollars to transport students from abroad and keep them here we know just what was intended by the Congress in enacting this bill.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Minnesota.

Mr. JUDD. There may be many countries from which it is important that students come to this country, and which cannot get American exchange to support them here. In those cases it would be possible under this language—and it is intended—that the United States should assist in the transportation and maintenance of those students. Almost invariably arrangements can be made with the university or college where they study in America for them to have free tuition or scholarships, but their transportation and maintenance might be provided by us in certain cases where it is in our national interest to do so.

Mr. MUNDT. Mr. Chairman, with that explanation before us, I ask that the motion to recommit be defeated.

Mr. COLE of Missouri. Mr. Chairman, I withdraw my objection.

Mr. RAYBURN. I object, Mr. Chairman.

The CHAIRMAN. The question is on the motion to recommit offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. DONDERO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I understand, the purpose of this bill is to sell America to the rest of the world. There is an old saying that if a man is honest he need not go around telling people about it, his actions will speak louder than his words. If America has not been sold to the world in the last 160 years, I doubt very much if $31,000,000 is going to sell it to the world now. For 100 years or more the people of the Old World have been coming to this land in such large numbers that 25 years ago it was necessary to put the bars up to pass a law known as the quota law. They had heard about America. I suppose there are many Members on the floor of this House like myself whose parents both came from the Old World, long before the days of the War Between the States. They had heard about America and its government of freedoms. Since that time they have come in such increasing numbers that as I say, we put the bars up. In that period of time the people who came to America have been in constant communication with their relatives, their friends, and their neighbors across the sea. They were told of the blessings of liberty and life here. You have never heard of any exodus of these people from our shores. A recent poll taken in England of people between the ages of 18 and 30 on whether they desired to emigrate to America showed 80 percent in favor of doing so. In Italy over 90 percent were in favor.

You say that America has not been sold to the world? Let me say as a member of a committee who left the shores of the United States less than 2 years ago and journeyed in some 15 countries of Europe with one exception people came to us and asked if there was not something we could do to help them come to the great United States. If America, this land of opportunity, has not been sold to the people of Europe would they be so eager to come to the United States?

Not long ago I was talking with Mr. Constantine Brown, foreign news analyst for the Washington Star, a very distinguished journalist and columnist at the very top of his profession and nationally known. He spent the first 4 months of this year in various countries of the old world, Europe particularly. His statement to me was: "All of Europe would like to come to the United States if they were permitted to do so." Do you think it is necessary to sell the United States to the rest of the world, when you go to foreign countries and stand in the presence of long rows of white crosses of the men who wore the uniform of our country and died in the cause of liberty and freedom? Do you think it is necessary to sell the United States to the rest of the world after we have spent some three hundred billion dollars and sacrificed the lives of 300,000 of our precious American boys? Europe knows that hardly a nation or a people across the ocean but has received aid from us. One of the problems of our army of occupation in Germany while I was there—the summer of 1945—was to keep the Germans who were in the Russian zone of occupation from coming into the American zone of occupation. They know us well and knew they would be better treated under our flag? Of course they know.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Minnesota.

Mr. JUDD. There is no man in this House for whom I have greater respect than I have for the gentleman from Michigan, and I am sure his people in Detroit, Mich., have that same feeling, based on his integrity, ability, and devotion to duty. But does not the gentleman find it necessary and advisable periodically to go back to Detroit to tell his people what he has done here and why he did it? Is his good work here enough, unless he describes it to them, and explains the reasons for his actions? Does not the gentleman find that of value to him?

Mr. DONDERO. Perhaps it is what I stand for and what I do and the way I vote in this Chamber rather than what I say back home.

Mr. JUDD. Do not you have to have both—the deed plus the word?

Mr. DONDERO. May I suggest that this $31,000,000 might be better spent, if it must be spent, in cleaning up some of the problems here at home rather than to try and tell the rest of the world what it already knows. This bill is unnecessary and a waste of public money. I trust this bill will be defeated.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Illinois.

Mr. SABATH. I am under the impression that the gentleman is in error. He is laboring under the impression that this aims to encourage immigration. This bill has nothing to do with immigration nor does it advocate immigration.

Mr. DONDERO. Not at all. I know perfectly well the purpose of the legislation.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RIZLEY. Mr. Chairman, I think I realize the futility of attempting to defeat this bill, but since we may not have a chance to cast a record vote, certainly I do not want the record to be silent as to my position in connection with this matter.

Of course, I do not question the good faith of anyone or the right of anyone to support this sort of legislation. I can well understand how my friends on the other side of the aisle would be all out for a program that may call for $10,000,000 or $20,000,000 or $30,000,000 or $50,000,000 or $100,000,000 to be expended during the campaign year of 1948 by the executive branch of the Government. I do not blame them. This bill has some peculiar things in it. In the first place, there is no limit to the amount that can be appropriated. Section 601 on page 12 says, and I quote, "Appropriations to carry out the purposes of this act are hereby authorized." How much? There is no limitation. Certainly, under the present leadership, I assume that Mr. TABER would not go hog wild. But there is no limitation whatever upon the amount that may be spent for this sort of a program—no limitation whatever—a blanket authority to the Committee on Appropriations to spend all of America's substance if necessary. This is too much authority to place in the hands of good men. But our friends supporting this bill say it is a program to sell America to the rest of the world.

Sell America? I wonder if the Gold Star Mothers of World War I in this country whose sons are sleeping over there think that it is necessary to sell to Europe and the rest of the world the interest of America in breaking up dictatorships and aggressors. I wonder if the Gold Star Mothers of World War II think that it is necessary to spend a lot of money now to sell the people of Europe and other parts of the world on the greatness of America.

We sent our kids over there in two world wars to fight. Thousands of them are seleeping on foreign soil as a sacrifice to American ideals.

Someone said recently that we had spent $15,000,000,000 since the close of World War II, in aid to the rest of the world. The facts are that a recent survey shows that more than $20,000,000,000 in technical and economic assistance has gone abroad in the past 2 years. Fifty-nine countries are benefiting today from United States economic and technical assistance extended since the end of fighting in world War II, and then the proponents of this measure say that it is necessary for us to go on an all-out spending spree, in order to convince the rest of the world that America loves them and wants to help them.

The money spent and converted in this tremendous program to help rehabilitate a war-torn world, includes $12,000,000,000 in loans, direct grants and relief expenditures, lend-lease, and surplus property credits and expenditures on collateral and technical cooperation projects, plus this country's $2,700,000,000 contribution to UNRRA and $5,925,000,000 subscriptions to the world bank and monetary fund.

A partial break-down by countries, according to a survey made by Mr. Garnett D. Horner, shows the all-out pouring out of the public purse strings by Uncle Sam, to aid in rehabilitating countries everywhere in the world:

Albania: United States' share of UNRRA supplies from June 30, 1945, to June 30, 1946, was $13,052,284. Additional $27,450,000 allotted by UNRRA in July 1946.

HIGHWAY TO CANADA

Australia: Lend-lease shipments since VJ-day estimated at $17,500,000. Fixed war installations, costing $37,394,000, including 30 airports and 11 seaports, transferred through last June 30.

Belgium: Has received $100,000,000 Export-Import Bank loan. Lend-lease aid from VJ-day through last September 30, aggregated $68,000,000. Surplus property costing $380,000,000 transferred for $54,000,000. Two airports and 39 other fixed war installations transferred.

Canada: Alaska highway, which cost United States $138,312,166, turned over to Canada April 1, 1946.

Czechoslovakia: Export-Import Bank credits of $22,000,000 and surplus property credit of $9,304,694. Also benefited from UNRRA.

Denmark: Export-Import Bank credit of $20,000,000, plus nearly $20,000,000 in surplus property credits.

SHIPS FOR FRANCE

Finland: Export-Import Bank credits aggregating $77,500,000, plus $15,000,000 credit for purchase of surplus property. Also benefited from UNRRA.

France: Export-Import Bank credits amounting to $1,200,000,000, plus $720,000,000 surplus property credit and additional credit for purchase of 75 Liberty ships. Many fixed war installations transferred.

Great Britain: Loan by special act of Congress of $3,750,000,000, plus $650,000,000 credit for surplus property and lend-lease settlement. Approximately 800 fixed-war installations transferred.

Greece: To get $250,000,000 economic and military assistance under special Greek-Turkish aid program, plus share in post-UNRRA $350,000,000 relief program. Export-Import Bank loan of $25,000,000, surplus property credit of $45,000,000 and another $45,000,000 credit for purchase of ships have been made available. Lend-lease aid amounted to $75,000,000 as of last June 30. Also benefited from UNRRA.

DIRECT AID TO ITALY

Iceland: 27 fixed-war installations costing $65,000,000, including three air fields, transferred as of last June 30.

Italy: Received $140,000,000 in direct relief administered by Foreign Economic Administration. Export-Import Bank loans and earmarked credits aggregate $130,000,000. Surplus property credit of $10,000,000 available. Total of $258,000,000 credited to Italy for lira used by American troops in Italy under special financial agreement. To share in new $350,000,000 relief program.

Netherlands: Export-Import Bank credits aggregate $263,000,000, plus $20,000,000 surplus property credit. Lend-lease shipments from VJ-day to last June 30 amounted to $50,000,000. Eighty-four fixed-war installations, valued at $44,384,624, transferred.

New Zealand: Surplus property credit of $5,500,000. Twenty-two war installations, costing $207,069, transferred.

Norway: $50,000,000 Export-Import Bank credit. More than $6,500,000 in lend-lease supplies shipped since VJ-day.

Poland: Export-Import Bank credit of $40,000,000, plus $50,000,000 surplus property credit. Benefited from UNRRA. May share in $350,000,000 relief program.

Portugal: War Department and Civil Aeronautics Administration have trained Portuguese personnel in weather-observation techniques, operation of communications equipment and other air navigational aids. Airports in Azores returned to Portuguese control.

LEND-LEASE FOR SOVIET

Spain: Air strips in Spanish West African colony of Rio de Oro, built under 1945 agreement, transferred to Spain at price of $136,697, which was 56 percent of declared cost.

Soviet Union: Approximately $250,000,000 in "pipe line" lend-lease supplies, to be paid for in 22 annual installments beginning in 1954. Benefited from UNRRA.

Yugoslavia: Received much help through UNRRA.

Burma: Has received approximately $11,000,000 worth of lend-lease transportation equipment.

Egypt: Airport built near Cairo during the war transferred to Egypt as part of $11,800,000 surplus property deal.

Ethiopia: $3,000,000 Export-Import Bank and $1,000,000 surplus property credits. Benefited from UNRRA.

India: To retain more than $50,000,000 of proceeds from sale of surplus war property in India. Many war installations, including 62 airports transferred.

Iran: $25,000,000 surplus property credit; is negotiating for another $30,000,000. Lend-lease aid in 1946 fiscal year amounted to nearly $5,000,000. Many war installations transferred.

THE TURKISH LOAN

Iraq: Approximately $41,000 in educational aid.

Lebanon: More than $90,000 in educational aid.

Liberia: United States building $20,000,000 airport at Monrovia, and operating 5-year sanitation program involving expenditure of $200,000 a year.

Syria: More than $10,000 in educational aid.

Saudi Arabia: $10,000,000 Export-Import Bank loan, plus $2,000,000 surplus-property credit. Air base at Dhahran transferred.

Turkey: To get $150,000,000 from $400,000,000 Greek-Turkish aid program. Has been granted previously $40,000,000 Export-Import Bank credit, plus $10,000,000 surplus-property credit and additional $5,000,000

credit for purchase of ships. Educational aid amounts to $65,000.

Yemen: $1,000,000 surplus-property credit.

China: Export-Import Bank credits total $82,793,750 so far. Lend-lease aid after VJ-day amounted to about $700,000,000. Surplus property costing originally about $900,000,000 sold to China for $210,000,000 under complicated payment formula. Big beneficiary under UNRRA. To share in new $350,000,000 relief program.

Philippine Republic: Special aid authorized by Congress amounts to $695,000,000, including $400,000,000 to pay private war-damage claims.

Austria: War Department has shipped about $60,000,000 worth of civilian supplies to Austria. Export-Import Bank granted $1,000,000 loan. Surplus-property credits amount to $2,000,000. Benefited also from UNRRA.

Germany: War Department has furnished more than $400,000,000 worth of civilian supplies.

Hungary: Has used half of $30,000,000 surplus-property credit; remainder suspended last week following pro-Communist government change. Fate of $7,000,000 Export-Import Bank credit, uncertain. Benefited from UNRRA.

Japan: War Department has provided $267,000,000 worth of civilian supplies.

Korea: More than $37,000,000 in civilian supplies shipped by War Department through March. Army is handling $25,000,000 surplus property credit. Benefited from UNRRA.

Argentina: $193,000 Export-Import Bank credit extended to Argentine firm for purchase of harbor barges here. United States expenditures on cultural and technical cooperaton amount to about $104,000 for 1946 and 1947 fiscal years.

Bolivia: Cultural and technical projects, $245,000.

Brazil: Export-Import Bank credits of $70,000,000. Cultural and technical projects amount to $680,000. Several air bases transferred to Brazilian control.

Chile: Export-Import Bank credits, $42,000,000; cultural and technical projects, $195,000.

Colombia: $517,800 Export-Import Bank credit. Cultural and technical projects, $342,000.

Cost Rica: Approximately $1,300,000 spent for building parts of Inter-American Highway in Costa Rica. Cultural and technical projects, $240,000.

Cuba: Cultural and technical projects, $190,000.

Dominican Republic: Cultural and technical projects, $75,000.

CREDITS FOR MEXICO

Ecuador: Export-Import Bank credit of $1,000,000. Cultural and technical projects, $288,000. American-built air base at Salinas and military base in Galapagos turned over to Ecuador.

El Salvador: $165,500 spent on building parts of Inter-American Highway in El Salvador; $160,000 on cultural and technical projects.

Guatemala: Inter-American Highway expenditures, $232,700; cultural and technical projects $425,000.

Haiti: Cultural and technical projects, $86,000.

Honduras: Inter-American Highway expenditures, $354,500; cultural and technical projects, $63,000. Naval base, Puerto Castilla, turned over with American-built installations.

Mexico: Export-Import Bank credits total $87,000,000, including $50,000,000 authorized during recent visit of President Aleman, which also resulted in $50,000,000 currency stabilization agreement. More than $574,000 spent on cultural and technical projects.

OTHER OUTLAYS

Nicaragua: Inter-American highway and Rama road expenditures, $1,250,000; cultural and technical projects, $180,000.

Panama: Inter-American highway expenditures, $13,000; cultural and technical projects, $34,000. Ninety-eight defense sites returned to Panama.

Paraguay: Cultural and technical projects, $38,000.

Peru: Export-Import Bank loan, $450,000; cultural and technical projects, $470,000. Air base at Talara, costing $2,000,000, turned over to Peru.

Uruguay: Surplus property credit, $666,666; cultural and technical projects, $67,000.

Venezuela: Cultural and technical projects, $144,000.

The United States also is contributing to cooperative health and sanitation projects in many Latin-American countries on a long-term basis, with figures on expenditures not broken down for the 2-year period covered in this survey.

My very able friend the gentleman from Illinois [Mr. DIRKSEN] a master at this microphone, read a whole list of lies that had been published in Pravda and other places about the United States of America by the Russian press and Russian radio. Does he mean to imply that we should start on a program of lying ourselves to offset the lies that he says Russia is telling about us? Is that the implication to be drawn from his statement?

If the people whom we expect to reach by this broadcast are not "sold" now on the American way of life and the largeness of the American heart, then we had better give them up as a bad job. Certainly if they have not been sold by the practices of America in keeping with the philosophy of the Saviour when he said, "I was hungry and you gave me food; I was thirsty and you gave me drink; I was naked and you clothed me"—they are not going to be sold by a bunch of high-powered radio commentators' slick tongues who are able to put out a multitude of expensive, honeyed words.

If we want to do a better job of selling America, let us spend some more money by increasing our Embassies and our Legations, and sending genuine Americans over to inhabit the Embassies and the Legations—rather than pouring out millions of dollars over short-wave broadcasts which necessarily must be largely lost in the air because of the absence of receiving sets at the other end of the ether waves. Does anyone believe for a moment that Uncle Joe Stalin is going to permit the Communists in Russia to keep short-wave radio sets to listen to American broadcasts?

We better be realistic about this business. We Republicans in the House said we were going to cut the budget $6,000,000,000—did we mean what we said? Well, we cannot cut the budget if we continue to vote unlimited authority for unlimited appropriations on schemes of this kind.

I make the bold statement that if everyone in the House will read this bill in its present form, without comment from anyone, that there would not be 50 votes in favor of the bill.

This bill should be recommitted to the Committee on Foreign Affairs for further study.

Mrs. BOLTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think that perhaps a woman can speak from her heart about the thoughts and feelings of women, wives, and mothers, whether they be gold star or blue star or whatever they may be. We have a gold star mother in the House. I have not talked with her as to her feelings about this bill. I do not know how she feels, but I do know that the women of this country do not want any more wars and that they are willing to expend everything, save only their honor, in whatever seems wise to set up the kind of a climate that peace can live in. That is a climate where there is understanding, and there cannot be understanding unless there is exchange of thought and ideas. The best way to get exchange of thought and ideas is in exchange of personnel. There has been so much said about this radio program. I am all for it. As it happens I know something about international radio. I know it is not easy, if you give up your frequencies to get them back again. There is truth in what has been said on this floor in that regard. I think it would be the height of stupidity for us to lose hold of the air rights that we have. It has not been easy to get them. If you are familiar with the Havana Conference and so forth, where all the radio people met and tried to do each other out of wave bands. To relinquish our bands, would be little less than stupid.

I would like to emphasize the exchange of teachers, of students, of technicians, of specialists of all sorts with all the countries of the world. There are other countries in the world than Russia. Why do we do nothing but talk about Russia, Russia, Russia? Yes; she is the other big titan, that is true. She is a very strong country, we hear, but is she not a very weak country, really, for she does not have even the fundamentals of right living. She does not know what it is to do something for the other fellow. She has not learned that the height of happiness is to do something for somebody else. Without such knowledge no nation has begun to live.

We who are women want every possible thing done that will lead to greater understanding. We want to open the paths to the consciousness of other people. We want them to know what it is we have here, even though it is still imperfect. This bill has been most carefully worked over by our committee and by our subcommittee limiting and protecting where such provisions were necessary. I am certain this House is going to pass this legislation for I have confidence in the sanity and judgment of the Members of this House. Through this program, well used, we shall be setting up two-way roads to understanding. All who want from us will be giving us much in return as the exchange of skills, of ideas, of ever-increasing fellowship slowly bridge the dark river of doubt that must be spanned as we build the great highway to peace.

The CHAIRMAN. The time of the gentlewoman from Ohio has expired.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. RANKIN. Mr. Chairman, as far as the foreign broadcasts are concerned there may be some merit in them when they tell what America thinks; but I was utterly disgusted with the broadcasts that went out from the State Department to Russia while Henry Wallace and Harold Stassen were over there misleading the people of Europe as to what the American people thought. They reminded me of the Irishman who came back from a trip to France and said the French were so dumb that he could hardly make them understand their own language.

If you will provide that a copy of every broadcast be sent to the Speaker of the House of Representatives and to the President pro tempore of the Senate for the inspection of the Members after it is sent, in order that we may know what is going on, that program might have some merit; but if you are going to put a bunch of semi-Reds down there to pump a lot of Red propaganda into Europe to mislead them as to what the American people think, you will be doing the American people irreparable harm.

Another thing, you provide in the bill for the exchange of professors. God knows if we could send out of this country a boatload of professors once a month for a while, we might be doing this country a great deal of good.

And talk about deporting anybody. It is all we can do to get Eisler tried, much less deported.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. ARENDS. And we could not even deport Harry Bridges despite a resolution of Congress.

Mr. RANKIN. No; and we could not even deport Harry Bridges. The Supreme Court finally made him a citizen.

These Communist professors are in almost every college in America, and they are undermining and destroying confidence in this Government and trying to destroy the American way of life. I am speaking from the cards, because I have heard the testimony, and read the testimony, taken by the Committee on Un-American Activities.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. RANKIN. I yield.

Mr. HOFFMAN. If we cannot reform the Communists who are here in America, how can we hope to reform the Communists in their own back yard?

Mr. RANKIN. Certainly we cannot.

Great Britain is not asking to send any teachers over here. These teachers will come from behind the iron curtain. That is where they will come from—Russia.

I would like to vote for a reasonable bill, but there should be some amendments taking out the vicious portion of this measure.

I realize that it is a good thing for the rest of the world to know about America, but do you think they do not already know? Do you think they do not know now that we are going to send propaganda there? Do you think this is going to help if we send propaganda there to try to make them believe that the United States is on its way to communism? If you let some men broadcast that is the kind of doctrine they will get.

I submit this bill ought to be seriously amended. There ought to be a provision that a copy of every broadcast should be sent to the Speaker of the House and the President pro tempore of the Senate to be inspected by the Members of Congress that we may know what is being told to the people in Europe. Then there are these provisions here for bringing people over to this country from behind the iron curtain. That provision should be eliminated. We have too many of that kind here now.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BREHM. Does not the gentleman agree with me that if the world by this time does not know our ideals and our objectives that they are just too stupid ever to understand them, regardless of any type of program which the State Department may engage in?

Mr. RANKIN. The statesmen of the world know about the American Government. After the last World War almost every government in Europe crashed. They rewrote their constitutions, or reformed their government, but not a single one of them followed the Constitution of the United States. Governments have crashed since this war closed and they have set up other kinds of government, but not a single one of them has followed the pattern of the Government of the United States.

You have a lot of propaganda going out from this country today over the radio, through picture shows and even through the press, that is misleading as to what the American people think. I for one am not willing to continue that kind of policy at Government expense.

This bill should be drastically amended or recommitted to the committee from which it came.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mrs. LUSK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very much interested in this bill. In my opinion, it is perhaps one of the most important pieces of legislation that the House will have an opportunity to consider. Because I am not a member of the committee I have not felt the necessity of speaking for the bill, as there seems to be a great deal of interest in favor of the bill. However, the gentlewoman from Ohio presented a challenge to me I feel I must accept.

I would like for you to know I feel that America has a great deal to be proud of up to this point. Our people have conducted themselves in a way that the country can be proud of and we can stand behind them. But we of the Congress cannot let them down at this point. This great task is far from being finished. Our boys have done their part. The people of this Congress must do their part at this time in helping to make the peace if we are to live up to the ideals that our servicemen established and the things they felt they were fighting for when they went overseas. I have many letters, and I am sure all of you have, outlining the things they were doing, the reasons why they were on the battlefronts, the things they felt they were doing for the people at home. It is just as important now that we carry that standard and those ideals forward and that we keep our position at the head of all nations and that we fulfill our opportunity for leadership.

Mr. Chairman, a great deal has been said about the importance of education, that we must educate our children in this Nation if we are to maintain our place as a leader of nations. The world is too small now to think of only one nation when we speak of education. There is no better way for us to carry on a program of world education than through the plan presented by this bill for the Voice of America. It is very important that we help students in other nations, students who live in other lands, to understand our plan of education. We also have an opportunity to learn from them about their way of life.

For quite a long time now in the public-school program we have been exchanging student teachers with colleges of other countries in order that they would know more about our plan of teaching and our method and administration of public-school education and could go home and carry out the things we feel are important. Our student teachers have gained much in understanding of world affairs. The same purpose will be served in teaching people about our country and the things we want them to go home and teach their people. This exchange of students with other lands will have a wide influence toward creating a greater confidence and understanding of our way of life.

The plan for the Voice of America is a fine plan and I urge your support of it.

Mr. BUSBEY. Mr. Chairman, I move to strike out the last two words.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from South Dakota.

Mr. MUNDT. Mr. Chairman, I wonder if we can agree on time. This is the first section of the bill. There are many more sections of the bill to be read.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object——

Mr. MUNDT. Mr. Chairman, I have not made a request.

Mr. HOFFMAN. Why does the gentleman want to cut us off now? At least let us talk about it. If you are going to broadcast to the whole world, let us broadcast to you a little bit.

Mr. MUNDT. Mr. Chairman, if the gentleman wants to speak I will not make the request.

Mr. BUSBEY. Mr. Chairman, I have asked for this time because of the necessity of taking a plane in a short while for Chicago, and I may not be here for the final roll-call vote on this bill.

I think everyone in the House knows that I probably have criticized this program of the State Department as much if not more than any other Member. The criticisms I have leveled at the State Department have been justified. I do not hesitate to say that I believe the total

number of hours I have spent right down in the State Department day after day, week after week, month after month, total more than the combined number of hours spent down there by all Members of this body. More than likely I am the only Member who has gone to New York and spent a whole day in the broadcasting station, there to find out exactly what has been going on. I criticized the art project very vigorously on the floor of the House on May 13. I criticized the personnel of this department under Mr. William Benton on May 14. I inserted in the RECORD the names of those to whom I objected and my reasons for doing so. Therefore, I believe I am qualified to speak on this particular bill. If the truth were known, in all probability I am one of the few Members of the House who has taken the time to read every single word of the hearings on this bill. Unfortunately there are some defects in it. I hope you will see fit to adopt the various amendments to remedy them.

I am extremely sorry that the committee during the hearings did not go into the personnel problem in greater detail. One of the best things that could happen to this program would be to let it die on June 30 and start a new one. Why saddle the Secretary of State, General Marshall, with all the personnel that is in the Department at the present time? Let him employ these people temporarily until he selects the ones he desires to maintain permanently on the staff.

In spite of my vigorous opposition to the program under present operation, I am going to vote for this bill, because I believe General Marshall will correct the existing situation. However, he cannot perform miracles, and I assure you that if some of the changes I am requesting are not made, I shall ask permission to bring your attention to exposures of this Department which are shocking. I feel that there is a place in the policy of our Government for a program of this kind if it is conducted properly by the right personnel, becoming and fitting to the standards of the United States of America in the eyes of the world.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to commend the gentleman for his fine work. I want to ask the gentleman if he does not think that this bill could come to us today with better grace if William Benton would resign?

Mr. BUSBEY. That may be the gentleman's opinion, but I do not think, if he knew William Benton, that he would expect him to resign before this bill is considered by the House.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BUSBEY. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUSBEY. I will say, however, to my colleague, the gentleman from Illinois [Mr. CHURCH] that if this bill passes the Congress and becomes law I, for one, feel that there are many people in this country who can conduct this program much better than Mr. William Benton. I hope Mr. William Benton does resign to make room for a capable administrator, because he has not done everything he should have done to correct his personnel problem in the State Department.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Montana.

Mr. MANSFIELD of Montana. As a member of the committee who listened to Mr. Benton, I want to go on record as expressing my full confidence in him as the administrator of this program, and express the hope that we will continue to have him if this program is continued in the future. I think he is a good, sound, American.

Mr. BUSBEY. The gentleman is entitled to his opinion.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. GROSS. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the gentlewoman from Ohio said very seriously, "Those who want from us will give to us." I have not seen that in operation yet but I hope to live to see it in operation. When that comes about, we will be all right from then on as far as our budget and one thing and another is concerned.

I am going to vote against this bill. I have weighed it for some time in my mind and come to some conclusions which I am willing to defend.

A businessman in my town who came here from Europe in the twenties and has done well and made money came down here and wanted me to fix him up and get the necessary papers so he could go over to Europe to gather up the remnants of his family and some of his friends if he could find them. He spent nearly 3 months over there. I had quite a conversation with him recently. He carried a considerable sum of money from other people in America for their friends over there, so that he might go through the narrow streets and hunt for these poor people. He said that everywhere he went the people are thankful for what America has done except in England where, he said, you cannot find a man who does not take pride in telling you to your face that the only reason America got in the war was to save our own necks. But as far as Europe was concerned, he said, we should not send any money over there. They will never help themselves as long as we continue to do it.

It does not make any difference how much information you put back of the iron curtain, even if you get it to the people, because they are helpless. It is like selling religion in the world through the centuries; to sell religion to the poor beggar in the street who had no influence or prestige does not get you anywhere. What we have done over there does not help the little people. The politicians are satisfied with the ignorance of the people and their power over them. It keeps them in their positions.

He said that in the five countries he visited he did not come to a place where he could not buy a steak when he wanted it. He said it was costly, that they charged you for your napkin, they charged you for your knife and fork, and they charged you for your chair to sit on, but you could get it.

He said that he left there in the twenties and they had two classes there then, and they have two classes today. The only badly off people he found were the displaced persons. You will not help them with this information and the expenditure of more money. I am not voting for any more money to go out of this country to Europe.

He said, and I believe him, for he is honest and his friends are over there, that they will never help themselves as long as we continue to dump money in there and make bums out of them.

I said, "How about communism over there?" He said, "You do not see or hear much of it. They do not call it that and do not talk about it. A man who employs less than 30 people is on his own and has hard going, but a man who employs more than 30 people has government aid. He has material that he has to give to the government."

So you can see those governments are doing nothing for their poor people. They never did. They always had two classes and they have two classes now. He said he saw no beggars compared to what he saw in the twenties when he left Europe, because the poor are getting relief, and the others are getting along. I said, "How about merchandising?" He said, "It is as good as it is here, in the five countries where I was." I said, "Where did they get the merchandise?" He said, "They are manufacturing and they are importing. The stores are full of people. There is a lot of money, but the people are doing nothing for themselves."

So I am not going to support this legislation. You can talk all you want about the iron curtain, but the people behind the iron curtain are helpless. The few who are in control dominate. That applies all along over there. Those governments, those political leaders, have never done anything for their poor, and they will not do anything for them now except to continue to feed them.

This information comes from the grass roots, from a man seeking his friends. He said he smuggled several of his friends out of Poland across the border. I said, "How did you do it?" He said, "You can do anything over there with money. It is all black market, double cross, and graft. You stroll down to the border with some money in your pocket and say to the guards, 'You stroll,' and they will stroll." He said, "You can take as many friends across the border as you want to. As long as you are only going over there with money you are only building up graft, double cross, and backmail."

Now, my friend is a businessman and he has a genuine interest in his friends and relatives and I am taking his advice.

I will not vote for another dollar to go over there when we have so much need over here with an unbalanced budget. You Republicans ought to remember that you promised a balanced budget. You promised to save money. Now, show that you mean what you said.

Mr. COUDERT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, like my colleague the gentleman from Illinois [Mr. BUSBEY], I, too, supported my colleagues on the Committee on Appropriations subcommittee on the State Department, under the chairmanship of the distinguished gentleman from Nebraska, in striking out the appropriation requested for this activity of the State Department.

I have no doubt that on the record before them that subcommittee was fully justified and that the House was fully justified because of the inadequacy and the deficiencies in the execution of the program. For my part, in voting as I did to do that, I was actuated primarily by a desire to call attention to an inadequate and improperly conducted program and clear the underbrush so that we could start afresh with a new operation in a very important field. To my mind, there is one and only one justification for this program, so much of a justification that I can hardly, I am ashamed to say, see the other side.

In effect, if we turn down this bill we are taking from our Government a weapon, a potent weapon, in the great conflict of the times that we are living in; as much so as though we gave up the atomic bomb, although there is, of course, a difference.

This is a weapon. We are confronted today in this troubled and dangerous world with the choice of two alternatives, it seems to me. One: We may succeed, and God help us if we do not, in bringing about some semblance of peace through cooperation and bona fide efforts of the United Nations or a similar organization; and, failing that, we are headed, I fear, into a tragic and inevitable conflict with that other great power that seems determined to achieve peace solely by conquest of the entire civilized world.

In either alternative, the part that is played by the United States is going to be enormous. We are the other great power. I think we are the great power. To say to our Government and to our Department of State that you shall not be permitted to use—that you shall be deprived of one of the greatest of modern weapons, the weapon of ideas, the promulgation of idea—propaganda, if you like—is to say, in effect, that you are deprived of a great and vital weapon. It is for that reason, Mr. Chairman, that I think we should pass this bill because in principle it is sound and in principle it is necessary. I am not so concerned as to its form; it may be that it could be improved by amendments.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. BREHM. Should we still go ahead with compulsory military training if these beautiful ideals are going to work? Do we need them both?

Mr. COUDERT. I am very much afraid that we may need them all, because if we fail to achieve peace through cooperation we will be faced with the greatest danger since this Republic was born, and there is no weapon that we can afford to give up and there is no potential friend or ally from one end of the world to the other whom we can afford to neglect or surrender.

I hope the bill passes.

Mr. BREHM. Talk softly and carry a big stick; is that right? An olive branch in this hand and a sword in the other hand? It does not make sense.

Mr. COUDERT. I am afraid so.

The CHAIRMAN. The time of the gentleman from New York [Mr. COUDERT] has expired.

Mr. COLE of Missouri. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I take this time to call attention to some of the provisions of this bill that have not been discussed during the entire 2 hours of debate, and only briefly touched upon.

The distinguished gentleman from South Dakota [Mr. MUNDT] said there was no provision for paying the expenses of citizens or subjects of other countries or for paying their traveling expenses included in this bill.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. Not at present. I read from section 702, line 20, page 14, of the bill:

> In carrying on activities which further the purposes of this act, subject to approval of such activities by the Secretary, the Department, and the other Government agencies are authorized—

And now I read from page 15, line 8, item No. 3—

> under such regulations as the Secretary may prescribe, to pay the transportation expenses, and not to exceed $10 per diem in lieu of subsistence and other expenses, of citizens or subjects of other countries, without regard to the Standardized Government Travel Regulations and the Subsistence Act of 1926, as amended;
>
> (4) under such regulations as the Secretary may prescribe, without regard to the Standardized Government Travel Regulations and the Subsistence Act of 1926, as amended, to provide for planned travel itineraries within the United States by groups of citizens or subjects of other countries, to pay the expenses of such travel, and to detail, as escorts of such groups, officers and employees of the Government, whose expenses may be paid out of funds advanced or transferred by the Secretary for the general expenses of the itineraries.

Mr. MUNDT. Will the gentleman yield now?

Mr. COLE of Missouri. I still refuse to yield because I want to complete the reading of these provisions in the bill.

> (5) to make grants for, and to pay expenses incident to, training and study—

All that I have read applies to citizens and subjects of other countries.

Mr. Chairman, the section I shall now read, in my opinion, does not even rise to the dignity of respectable nonsense. Listen to this:

> to provide for, and pay the expenses of, attendance at meetings or conventions of societies and associations concerned with furthering the purposes of this act when provided for by the appropriation.

Mr. MUNDT. Will the gentleman yield now?

Mr. COLE of Missouri. I refuse to yield. Now, does that limit the societies whose expenses are to be paid to conventions? All that is required is that they be concerned with furthering the purposes of this act. Any communistic society or other society known to be subversive could avail itself of this provision if it was concerned with furthering the purposes of this act.

There are no safeguards. Furthermore, who ever heard of paying the expenses of members of private societies with taxpayers' money. I repeat, this proposition does not even rise to the dignity of respectable nonsense.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. I yield.

Mr. MITCHELL. I understand that on the floor of the House $5,000 was appropriated for the WCTU convention in Atlantic City here recently.

Mr. COLE of Missouri. I do not remember anything about that. I most certainly did not vote for it.

I am opposed to this entire proposition and hope that this bill will be defeated.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Oklahoma is recognized.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I have consistently throughout this session supported President Truman and General Marshall in what I thought to be their foreign policy. When it came to the Greek-Turkish loan I did not hesitate but voted for it because I believed that it would accomplish its announced purpose, which was to stop the rising tide of communism in Europe.

Then when this bill came up today, as far as the title is concerned "The Voice of America," I am for that at least as far as radio broadcasting is concerned. It will not help much but it will not hurt anything. But I do think there is one provision in here that is dangerous, and it is this section here providing for the exchange of students, professors, and technicians.

I am a little surprised that the author of the bill, the distinguished gentleman from South Dakota [Mr. MUNDT], a member of the Un-American Activities Committee, a man who ought to know the way the Communists work by infiltration in educational institutions, surprised that he would bring this thing in here at this time. Now, 3, 4, or 5 years from now when we get a little more settled condition in the world it may be all right to let them send their teachers here. You know what they will be, they will be teachers of economics, they will be teachers of history and government, they will be teachers of politics. Those are the fields in which they will work their subversive influence.

Now, you talk about good will. You do not have to talk about the boys who lie dead over on Normandy and Omaha beaches, you do not have to talk about the boys who did not come back from Europe, but for 2 years we had two or three million of the best ambassadors of good will scattered over the face of Europe that could possibly be found. They performed many acts of kindness. They were kind to the children of France, Belgium, Luxemburg. They shared

their rations with them and gave them their candy bars. They made love to the girls in those countries, they broke their windows, they had their little differences, but they gave their chocolates to the children and cigarettes to the adults. These more than offset the little irritations.

To say that this program can take the place of the three or four million ambassadors of good will we had over there is just asinine, it is ridiculous, it is nonsense.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. JACKSON of California. I wonder if the gentleman knows, touching the matter of subversive activities, that this bill has the unqualified support of the American Legion, the Veterans of Foreign Wars, the AMVETS, and that practically every Member who fought in the last war is for this resolution today?

Mr. JOHNSON of Oklahoma. I do not know anything about the Veterans of Foreign Wars; I do not know anything about the American Legion, or anyone else being for it; but I do know that in the light of our past experience, certain provisions of this bill are utterly inadequate.

Mr. HOFFMAN. Does not the gentleman think it a pretty good idea to listen to what the Members of Congress have to say who came back from over there?

Mr. JACKSON of California. I think the returned veteran is the one to speak, the ones who bears the scars of battle upon them. They are not opposing this bill in Congress today.

Mr. JOHNSON of Oklahoma. I will say this. I spent 2 years in Europe, and I am against this exchange of workers and students provision. The gentleman made a great deal of this little magazine Amerika of which the State Department distributed 50,000 copies and told us about its being so dog-eared after the Russians got through reading it. I just wonder how long since Joe Stalin has been anxious for us to send over that booklet telling about Abraham Lincoln and the capitalist system? That is what is told in that booklet. If Joe Stalin wants that kind of stuff sent into Russia, why are we spending $400,000,000 to stop Russia in Turkey? If Joe Stalin is getting down to this "old buddy" kind of stuff, then the hundreds of millions we are spending are going to waste.

Talk about exchanging teachers, professors, and technicians. I well remember the experiences we had in 1938 when we had an exchange with German professors in some of our universities. They would get hold of graduates from West Point or Annapolis, pump them dry, and then 2 years later sink them in the North Atlantic. That is what we are going to get now. Why do we want Russian professors over here teaching economics and government? Why do we want a Russian professor over here talking to his roommate and preaching communism to him? Oh, you say he can be deported. Well, some of the gentlemen will tell you how hard it is to get the Attorney General to deport Mr. Gerhart Eisler. Here you are giving them the cloak of legality to come in and preach communism. They will not be Eislers. They will be here under the sanctity of the law. It is just ridiculous and that portion of it should be taken out of the bill.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from West Virginia.

Mr. ELLIS. I call the gentleman's attention to page 5, section 301. It appears that anyone can be brought into this country on the approval of the Secretary of State. In other words, just get on the boat and come over here. But if it is proven that he is undesirable he has to be returned under the immigration laws.

Mr. JOHNSON of Oklahoma. Yes. Who is going to check on them?

Mr. ELLIS. It seems like they can come in on invitation by the Secretary of State, but if they are found to be undesirable they have to go back under the immigration law of 1917. If anybody knows of anyone who has been sent back or disturbed under that law I would like for that gentleman to tell us this afternoon. That man will be here just as safe as you are as long as he wants to stay.

Mr. JOHNSON of Oklahoma. I am sure of that.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman knows all the students and professors he has talked about have not come here under this program. They came in under the laws that existed long before this bill, and still exist. Does not the gentleman realize that we are making an effort here to correct, not aggravate the situation? We are trying to do two things: To put on a reciprocal basis those countries which have been sending students and professors to us but who have been unwilling to let ours go to them, and to assist in interchange of students and professors between the United States and dozens of countries besides Russia, countries that we are not afraid of and that are not sending over political agents, and whose good will and understanding we desire and need.

Mr. GAVIN. Mr. Chairman, will the gentleman yield to permit me to ask a question.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent that the gentleman be granted five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MUNDT. Mr. Chairman, reserving the right to object, it seems to me that we should get further than the first section of this bill before we start giving additional time.

Mr. GAVIN. Mr. Chairman, we have not had much opportunity. Give us a chance to air our views.

Mr. MUNDT. I have no desire to cut the gentleman off but I do not want to give an extension of time to everyone.

Mr. GAVIN. The gentleman has not had an opportunity to speak. He has been questioned here. Mr. Chairman, I ask unanimous consent that the gentleman be given an additional 5 minutes.

The CHAIRMAN. The gentleman from Oklahoma indicates he does not want the time.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, on November 5 of last year there was a change in the political complexion of this House on the promise of those who ran on the Republican ticket that they would quit the doctrine or idea of saving at the spigot and wasting at the bunghole. Do not think for 1 minute that the people of this country do not know that we have been making these vast appropriations for foreign relief. I voted for the $400,000,000 for Greece and Turkey. They know that since this war closed, when we were saddled with a debt of $300,000,000,000, that we have spent an additional $15,000,000,000 in Europe and in Asia.

I want to just talk to you for a few minutes about the provisions of the bill and what it really means. There has not been much said about it. This bill is the largest, most far-reaching blank check for power and money, provided they can get it, that has ever been before this House. Now listen to the provisions:

SEC. 701. In carrying out the purposes of this act, the Secretary is authorized, in addition to and not in limitation of the authority otherwise vested in him—

(1) * * * to make grants of money, services, or materials to State and local governmental institutions in the United States, to governmental institutions in other countries, and to individuals and public or private nonprofit organizations both in the United States and in other countries.

There is an unlimited power of attorney that you give to the Secretary of State to give money, materials, and anything he sees fit to any nation and anybody in the world, at any time, in any amount.

2. To furnish, sell, or rent, by contract or otherwise, educational and information materials and equipment for dissemination to, or use by, peoples of foreign countries.

Now, if you want to vote for that and then face the angry members of the parent-teacher associations of this country who are showering this House with protests against cutting the school-lunch program to the extent of $30,000,000, why, go to it. If you want to get on a wagon like that and ride and be in the attitude of a drunken man taking a joy ride in the dark, who knows he is on the wagon but does not know where in the hell he is going, why, go to it.

To go on:

3. Whenever necessary in carrying out title V of this act, to purchase, rent, construct, improve, maintain, and operate facilities for radio transmission and reception, including the leasing of real property, both within and without the continental limits of the United States, for periods not to exceed 10 years, or for longer periods if provided for by the appropriation act.

Did you know that was in there? That is worth knowing when you vote on this thing.

4. To furnish official entertainment necessary for the purposes of this act.

I have heard that word "entertainment" in acts before. I always tremble when a representative of this country goes abroad to negotiate with representatives of foreign countries, because I remember that we never lost a war but never won a conference. I remember that when our representatives started out for Yalta we took with us bourbon and scotch, and Stalin took vodka and champagne, and from what happened there his vodka and his champagne were more potent and more bewildering than our bourbon and our scotch.

Now, the President took his son Elliott along as an official witness, and Elliott wrote a book. He said that on one occasion, when he quaffed drinks through the bubbles of the champagne, and when everybody was high, that Joe Stalin proposed a toast to the 50,000 Germans they proposed to shoot without a trial, and Elliott said—I do not doubt his veracity; the people who interviewed him cannot deny that he is entitled to some credit, because they put him on the witness stand. He claimed that Churchill was full; I doubt that. He may have been feeling good, but he seemed to have sense—he protested that toast of Stalin's and said that it was contrary to Anglo-Saxon jurisprudence and his conception of justice, and thereupon our President, Franklin D. Roosevelt, suggested a compromise, that they only shoot 49,500 without a trial.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. JENNINGS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JENNINGS. Then, Elliott said, he staggered to his feet and they all joined in the toast.

When you go to explain to your constituents back home about the money you are authorizing to be appropriated for entertainment, there is just one way to entertain an international meeting, and that is with alcohol. I am not making a prohibition speech but I will make this observation: I have read history and I have observed mankind for a number of years. I never yet have heard of a drunk hero or of any man who found wisdom in the bottom of a bottle.

That is not all. Here is some more of this blank check you are asked to sign and turn somebody loose with, God only knows who:

> To establish and maintain in the United States reception centers for foreign students and for visitors representative of the fields listed in section 201 above.
>
> To provide for printing and binding outside the continental limits of the United States.
>
> To employ, without regard to the civil-service and classification laws, persons on a temporary basis, and aliens within the United States.

That is what you are asked to do. Do you want to do it?

The truth of it is, my friends, let us just wait a little bit. Why this hot haste? Why this hurry? You are fixing to do something that commits this Congress to the appropriation of uncounted millions of dollars. Why not recommit this measure and bring in a measure here that will protect the people of the United States?

Here are these bawdy pictures that they hold up as representative of the men and women and the boys and girls of the United States of America. How many million dollars did that cost the American people? Do not think for 1 minute that we got that folderol for nothing. We paid for it up into the thousands of dollars, and we caught them with the goods, caught them breaking up the hatch although they had taken time to hide the shells; we caught them with wool in their teeth, caught them in the very act. Now they come back and want more money. One of my friends over here said Mr. Benton is sponsoring this thing. He is the fellow who is responsible for it.

Let us take our time, now. Do not worry. We are spending money over there now by the millions every day.

Mr. HOFFMAN. They might have wool in their teeth, but the lady does not have any clothes on.

Mr. JENNINGS. That is the reason they painted her picture.

Mr. MORRIS. Mr. Chairman, I move to strike out the last 5 words.

Mr. Chairman, I am not too enthusiastic for this bill. I have some apprehension as to whether or not it will be administered as it should be. If it is, then it will be conducive towards peace, and that is why it has an appeal to me. I think this bill is 10 times, yea, a hundred times better than the Greece-Turkey matter that I opposed with all the vigor of my soul, which was not too much, I grant you; at least, it had very little effect. But I think this bill, if it becomes a law and is properly administered, will help to bring about peace.

I have not heard a word from anybody yet about what the other countries in the world might give to us. We are, in my judgment, becoming too big-headed in this country. It is liable to lead us to war and has helped to lead us to war in the past. We do not have enough of the spirit of the Master about us, I am sorry to say.

I love this country with a fervor. I would be willing to give my life, now, any time, for the old red, white, and blue. I offered it once and came near giving it on half a dozen battlefields in the First World War. I like you folk on both sides of the aisle. I have learned to think a lot of you, and I am going to like you whether you like me or not; but I am saying to you that with all the admiration I have for you and the consideration I have for you, there is too much hate in your hearts.

There is not enough real Christianity in my heart or the heart of any one of us.

Let us look at the record. Right before the last war, according to information I have gleaned from the Encyclopedia Britannica, the World Book, and other authentic publications, documents, records, and so forth, the people in Norway, Denmark, and Sweden had practically eliminated tuberculosis among their cattle; and the cheese and butter and milk from those countries brought premiums on the world markets because of their purity.

A number of other diseases which plagued us were, so I understand, eliminated by those people. So, you see, we can learn a great deal from them by exchanging students and scientific knowledge.

Why, you ask most any school child in America where the largest trees are and he will say, as I heard it alleged on the floor of the House, that they are out in California. I have a high regard for the great State of California although I was born in Texas and raised in Oklahoma, but the biggest trees in the world are not in California. We think so. Why? Because it is so easy for us all to become bigheaded, to think that everything we have is the biggest and best in the world. I can see, my friends, that this great beloved country of ours for which I am willing to give my life is about to be catapulted into an empire to try to run this world, and I am against it.

Mr. Chairman, I believe that this measure will help to bring us back to common sense. Some great man made this statement. He said, "I never met anybody in all my life who did not know more about some things than I know."

How true that is, my friends. I have never met anyone, however ignorant he might have been, whether he knew his A B C's or not—no I never met anyone who could not tell me a lot of things. I have been somewhat of a student all my life. I was admitted to the bar to practice law when I was 21 years of age. I am a former county attorney. I practiced law privately for 8½ years. I was a district judge for 9½ years. But there is a lot of law that I do not know and millions of other things I do not know.

I say to you that I believe these people coming from foreign countries can bring us some good ideas. I am not scared to death just because some might come from Russia, or some other country, and just because a few of them might get in a position where they might brag about their country, that they are going to turn us communistic. I say, in my judgment, there is too much hysteria and people are unreasonably scared to death. We over on this side of the aisle have not convinced you on the other side of anything, and you on your side have not convinced us of anything different from our original political philosophies and yet we have been doing a lot of talking, each trying to convince the other for a long time, and both meeting with failure in that effort.

Mr. MITCHELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I came here today pretty well prepared to be in opposition to this bill. It does not have everything in it I think it should have, but I do think there is one very important safeguard. That, I believe, you will find on page 21, section 908, line 6. It says:

> The authority granted under this act, or under any provision thereof, shall terminate whenever such termination is directed by concurrent resolution of the two Houses of the Congress.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield.

Mr. MASON. It has never been done, and that is the answer to that.

Mr. MITCHELL. I thank the gentleman for that information, but this is my first term. I have a lot to learn.

Mr. Chairman, I feel that although I do not think this bill has everything that I would like to see in it, that it is worth a trial. I certainly hope that this will be the antidote for the insidious diseases and poisons spreading throughout the world. I hope we can sell the peoples of war-torn Europe and of the Far East on the idea that Americans are people who love peace and want peac and want to be friendly.

I just came out of a rough war. I do not like being shot at. I hope I do not have to be shot at again. I hope this bill will be a means of convincing the people of the other countries that we do not want to be shot at and that we do not want to shoot at them. We want to be friendly.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield.

Mr. JOHNSON of Oklahoma That is what I was trying to get at. That is what we had in 1938 and 1939 We did not want to shoot. We wanted to be friendly. We knew it but Germany did not know it. That is the whole thing I think you are going to build up under this exchange of students. We are going to sell the idea that we are peaceful, and everybody will find it out except Russia. We do not need to tell the people in America about it. We had better start talking about preparedness and not get into what we did in 1938 and 1939.

Mr. MITCHELL. I am glad the gentleman agrees with me. The gentleman said that Germany did not know how we felt about it in 1938 and 1939. I, too, believe we should have a strong national defense. I hope we do not have to use it. I hope this bill will provide ways and means of preventing us from using it—I am economy-minded. I have voted for economy ever since I have been here, but I am not going to be for economy if I have to be shot at again and if my buddies have to be shot at.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield.

Mr. RAMEY. I wish to say that I agree with the gentleman from Indiana. I came here convinced that I would not support this bill, but after hearing the information given by the gentleman from Illinois [Mr. DIRKSEN], I think I shall support it. There is one correction of a remark that I would like to have explained by the gentleman from Minnesota, Dr. JUDD, although he does not seem to be here right now. That is about the $5,000 appropriation for the WCTU. That was by unanimous consent, and it was an educational matter, dealing with opium and such as that.

Mr. MITCHELL. I thank the gentleman. I am glad to know that. I was concerned about that.

To continue, I hope this bill is passed. I intend to vote for it and I hope that my vote will be received all over the country in the spirit in which it is given.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. MITCHELL] has expired.

Mr. HARLESS of Arizona. Mr. Chairman, I move to strike out the required number of words and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. HARLESS of Arizona. Mr. Chairman, a great deal has been said concerning the personnel in the offices that are disseminating information from the Voice of America. It so happens that I attended college with some of the top men in that organization. I have before me a letter from the wife of one of the top men in Voice of America, who also attended college with me. I know the writer of this letter and her husband well, because they were personal friends of mine. I want to read some excerpts from this letter. I am particularly interested in the fact that our distinguished colleague from Illinois [Mr. BUSBEY] has changed his ideas since meeting in New York with the top men of the Voice of America. Mr. Delgado, the husband of the party who wrote this letter, was one of the men he visited. These excerpts from this letter from Catherine Morgan Delgado are very interesting. She is the daughter of a former Supreme Court Justice of my State. Mr. Delgado, in my estimation, is one of the most intelligent young men I have ever had the privilege of meeting.

This letter says:

> Several weeks ago Congressman BUSBEY visited the New York office of the State Department's radio branch, met three men who are largely responsible for what goes on the air from the United States. One was my husband, Mucio Delgado, still a constituent of yours (and still a Knight of Columbus from Arizona)—

I may say parenthetically he is a very ardent Catholic—

> who is chief of the Broadcast Division; a second was John Sheehan, head of the New York office, a very devout Irish Catholic who has been known to frown at anyone reading a copy of PM; the third was Mr. Thayer of the Russian desk, a relative of the Cabots and Lodges of Massachusetts, long a United States Foreign Service officer, who during the war served with the Army's OSS.
>
> Those who cry for sifting out Communists and other subversives seem to forget that the FBI has been screening these Civil Service people for years. In an operation conducted in 26 languages to reach 67 countries it is naturally impossible to fill out a staff completely with citizen personnel sufficiently familiar with local dialects and backgrounds to be effective. Even so, of the 522 radio staff members here more than 200 are World War II veterans and a large proportion of the rest are United States citizens whose loyalties cannot be questioned.

I want you to listen to this particular part because I think it is very important. The writer says:

> Incidentally, when you hear bluster about inefficiency and waste, remember that 522 people are putting out in 26 languages at least three times as many broadcast-hours as any domestic commercial network. This compares to NBC's roster of 10,000 employees in New York.
>
> As a radio widow who knows only too well that long hours often make up for what some informed believers have termed a ridiculously inadequate set-up, I resent that sort of unfair Americanism and criticism.

I happen to know these people. When we come here and bluster and bandy words about without knowing what we are saying I think is is most unfair. We have heard a great deal of talk here today and we have had crepe draped around some of the war heroes and the Gold Star mothers, but if any of you are willing to carry the responsibility for a third world war and the death of your sons and grandsons you just vote against this program today. You must not do it for the simple reason that we cannot afford to fight a war and have our sons die on foreign soil, spend our money to win a war and then go silently home and let the rest of the world tell of their activities while we die at the roots.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. BENDER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I was sitting in the rear row just a few minutes ago with four chairmen of the subcommittees of the Committee on Appropriations. I heard these gentlemen remarking about the difficult time they were having reducing expenses, cutting costs. I can readily appreciate their dilemma because I too am a Republican and I promised along with other Republicans that we would cut the cost of government to the bone.

I recall as a member of the Committee on Public Works that we had a meeting early in the session and we had a sort of gentleman's agreement that we would not submit any new projects, that we would not approve any new projects during this session of Congress. In my own county of Cuyahoga in which the city of Cleveland is situated, there is a river, the Cuyahoga River.

In 1946 the War Department recommended certain improvements at the port of Cleveland. These are shown in House Document No. 629, Seventy-ninth Congress, second session. Among the recommendations made by the Government was that six railroad bridges that are a menace or hinderance to navigation be replaced with new bridges and that one bridge be rebuilt.

The total cost of these improvements is estimated by the Army engineers at $13,236,800, of which the Federal Government would spend $10,927,400 and the railroads $2,309,400.

Until such time as these bridges are replaced, plant owners along the Cuyahoga River are unwilling to set aside money for plant improvements because they are unable to move the larger type of Lakes boats along the river because of the narrowness of the bridge openings.

It is especially important at this time that funds be provided to replace bridges Nos. 25, 8, 9, and 1. These four bridges would cost $8,800,000, of which the Federal Government's share would be $6,975,500 and the railroad's $1,824,500.

First on the above list is bridge No. 25, owned by the Wheeling and Lake Erie Railroad. This is one of the oldest bridges in the inner harbor and the opening is very narrow with the result that boats move through the draw with great caution and this bridge is an extreme hazard to navigation.

Two large steel plants are located above this bridge on the deep-water channel, one of which is the property of the Defense Plant Corporation, and is leased to the Republic Steel Corp., and the other is owned and operated by the Jones & Laughlin Steel Corp.

If the Government makes an appropriation for the above bridges, construction will start almost immediately as the railroads are advancing funds for the preparation of plans and are ready to pay their share of the cost of the bridges.

In the rebuilding program for America and the world, steel and steel products in unlimited supply are necessary, and when these old railroad bridges are replaced the steel companies located in the Cuyahoga Valley will be able to increase their production.

This and many other worthy projects are being sidetracked in the name of economy.

We voted in this Chamber to reduce President Truman's budget by $6,000,000,000. Now I am informed that we will be lucky if we reduce it by $4,000,000,000, or possibly $3,000,000,000. For the life of me I cannot understand my Republican friends when they are willing to spend $31,000,000—this item has been upped from nineteen to thirty-one million dollars—to tell the people of the world how wonderful we are. We appropriate money to continue governments that the common people of those countries do not want. Do you think the people of Greece want the present Greek Government? Do you think if the people of Russia had a chance to get rid of some of their leaders they would not jump at the chance? Do you think in Czechoslovakia and in Poland they like the kind of government we helped to put over on them? Do you think those people love us in America for permitting a Soviet regime to rule in many of these countries? Now we anoint their heads with oil, we supply them with money, and we are going to spend $31,000,000 to tell the people how wonderful we are. The natives do not think their governments are wonderful. If they had anything to do with it they would come over here. They would get out of those places. They do not need to be educated about the United States of America. They love our country. They would like to come over here, and you know it. But they do not appreciate our keeping corrupt rulers in power with our money.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Is there not a bill in the Judiciary Committee by which 400,000 of them are trying to get over here?

Mr. BENDER. Yes. There are many who have come in here illegally now trying to stay here. How in the world are we going to be consistent Republicans and reduce expenses if we vote for all these boondoggling projects?

You do not need $31,000,000 to tell the people of the world about the United States. If they have not learned up to this time, with an expenditure of $300,000,000,000 in the last war, they never will learn. The United States of America is not asking the world for a thing.

Mr. HOFFMAN. Have we not left a black trail all across Europe, especially in England.

Mr. BENDER. Someone said that England is spending $50,000,000 for propaganda. Sure. It is our money they are spending in England. Is it not true we provided the money for them? We are perpetuating a Socialist government over there, a government that is far out of line with what we have here in the United States of America.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. And they are negotiating a loan with Russia which will certainly come out of the $3,750,000,000 we loaned Britain.

Mr. BENDER. The gentleman never made a truer statement in his life.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, the Jackson Day dinner was held last night in Los Angeles, Calif., to an enthusiastic crowd of over 1,300 Democratic Party leaders. The scheduled national speakers were John W. Snyder, Secretary of the Treasury, and Gael Sullivan, acting chairman of the Democratic Party, and Mrs. Eleanor Roosevelt.

The national committeeman of California, Edwin W. Pauley, used his influence to cancel the appearance of Mr. Snyder and Mr. Sullivan a few hours before the banquet hour. It was therefore too late to secure national speakers to take their place. The excuse given by Mr. Pauley, was that he disapproved of a tentative draft of policy of the State Democratic committee which mildly criticized the Truman doctrine. The draft of policy had no connection with the Jackson Day dinner. The recent speeches of Mr. Henry Wallace in California have given rise to the rumor of a Wallace slate of delegates in 1948. There will undoubtedly be a Pauley slate for Mr. Truman. By the stupid political action of Mr. Pauley, Mr. Snyder and Mr. Sullivan in gratuitously insulting the official State Democratic Party organization, James Roosevelt, the chairman of the Democratic State Central Committee of California, and the third speaker of the evening, Mrs. Eleanor Roosevelt, there will now undoubtedly be a third slate of delegates headed by a Roosevelt, a name very potent in California.

Such a development would no doubt, put California in the Republican column in the presidential election of 1948. If it occurs, the Republicans can thank Edwin W. Pauley, the man whose nomination for Under Secretary of the Navy was rejected by the other body of the United States Congress.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I thought for a few minutes that the gentleman from California was giving a Voice of America broadcast. It sounded like some of the broadcasts that I heard from the Voice of America in Europe after the war was over. Those broadcasts made me blush with shame. The broadcasts I heard in Europe were not the voice of America but the voice of the radical left-wing New Deal of this country. I am sure the Jeffersonian Democrats in this House would have blushed with shame and denied they represented the true America.

I came over to the House this afternoon expecting to support this bill. I believe in selling America to the world. I have had some bit of experience, as some of you have, in traveling around most countries of the world. I had one experience that I wish to tell you about down to South America. I took a trip on a Norwegian freighter. No one could speak English but the captain. There were only a few of us on the boat. On that Norwegian freighter there was a short-wave radio set. What do you think we got in the way of broadcast? Broadcasts from Italy, Germany, and from those broadcasts they put out a little news about America. I was shocked about the news from the United States, because some of those broadcasts made me feel that the people in Detroit and Chicago were starving to death. The broadcaster mentioned a murder in the United States. Why, you would have thought that half of the town was in a riot. It was such a poor picture of America. And, I felt all along that the Congress, that our State Department, or that someone ought to be selling the true facts of America to the world.

But, in looking at this bill presented by the committee, you find not a bill to beam radio program to other countries, but a bill so wide and open to include bringing an unlimited number of aliens to our already overcrowded schools. This will crowd out many a worthy GI. It is not a Voice of America broadcast bill. It covers the whole field of information, transfer of funds, official entertainment, with our citizens paying the bill.

Let me point out some other features of the bill. The purposes of the bill in the report seem to be all right; I cannot quarrel with them, but let us explore the bill. Here are some of the things it will do.

On page 3, line 9, there is a provision for some foreign guest instructors to help sell America.

I find on page 6, line 4, and again on page 13, lines 16 and 17, some references to official entertainment. Now, is that part of the Voice of America? I think that this representation, as has been pointed out, is liquid refreshments of some kind. I just cannot go along and say to the farmers and the folks in my district that "We are going to tax you to help furnish liquor and drinks and other

forms of entertainment to a lot of foreign guests of this country." I also feel this, that the committee should keep in mind that the universities of this country are lined up and crowded with American GI's that want to go to school, and in this bill we bring in an unlimited number of foreigners to crowd out the veteran. It should be pointed out that we are already bringing in thousands of students and they just do not go back. They come in under the nonquota provision of our immigration laws.

Then I find, on page 15, that they pay for travel, conventions, and social activities, yes, pay $10 per diem to make them welcome. The bill carries no limit on the amount of money to be so spent.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Michigan.

Mr. HOFFMAN. While you are paying your veterans something like $200, you are going to pay these folks their travel expenses and $300 a month.

Mr. MILLER of Nebraska. It just does not make sense to me.

On page 5, lines 1 and 2, it says these aliens are going to help teach English here. Perhaps they will add to the ever-increasing rolls of ism teachers in our schools.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Does the gentleman think as a physician that, after we have drenched England, France, Italy, Russia, and all those other countries with our benefactions and our goodness, using a hypodermic needle on them now to the extent of $31,000,000 will do any good?

Mr. MILLER of Nebraska. This country is not on very good terms with the rest of the world. You cannot buy friendship; my experience in traveling the world over tells me that few countries like us. Bonds from all South American countries were, with one exception, defaulted after World War I.

It appears in this bill that the same old crowd of OWI will run the program. We best let this group go out of existence and start anew. I will support a real radio selling program to the world, but not the voice of radical left-wingers that are now in control. This bill is too broad and not in the interests of America.

Mr. BRADLEY. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, like the gentleman who just preceded me, I came here with the thought of supporting a reasonable bill—something which might involve some moderate expenditure for the Voice of America. I am literally astounded by reading this bill. It seems to me to have no limits outside of heaven for practically anything one wants to do. The provisions of it are broad, and deep, and wide, and they cover practically the entire world.

Let us take a few items very quickly. Take section 201. There is no limit to the number of people who could be taken into the country or sent out of the country under these provisions. Is it 10, or 10,000, or 100,000? I have no idea. Everything is left up to the Committee on Appropriations. Has the Committee on Appropriations become the legislative body of the House of Representatives? According to this bill, I think it would be.

Take section 202, which provides for publications, books, periodicals, and so forth. No limit again. Go the limit. Nobody seems to care.

Take section 203. We go into the question of providing for education and assistance to schools. At the present time we have people in this country begging for assistance in education. The schools of Arkansas, the schools of Texas, and the schools of many States need educational help, and we cannot give them a thin dime, but we can come out here and say, "Spend what you want on education abroad, whatever the Appropriations Committee will give you."

Go over to the next page, section 301. You can assign anybody you want to any purpose, in any number, except you cannot assign the Army and the Navy to help the Army and the Navy of some other country.

Let us go to the next page, section 303. We even go to the limit of allowing Government personnel to accept office under foreign countries. Will we let them take the oath of allegiance to those countries? Nothing here says they cannot. Are we going to send a man from here and say he can take the oath of allegiance to that country and then be loyal to our own? I find not a word that says you cannot.

Let us take one more item and then quit. We go over to training in section 404. In this we not only provide that all the boys can go, or all the boys can come, but we say that the United States is authorized to give training and orientation courses for the boys that come and the boys that go. I do not know how anything could be written broader, or anything could be written for which more money could be spent, or how this House could waive its authority any more than it does if it passes this bill.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman referred to section 201 as though there was a limitation, depending on the appropriations. No; it does not depend on the appropriations. There is no limitation whatever in line 9, page 3, dealing with students, trainees, teachers, guest instructors, and professors. Only the Secretary is authorized to provide for interchanges between the United States and other countries. It does not depend upon appropriations.

Mr. BRADLEY. I thank the gentleman for his observation. I simply remove the previous qualification and say there is no limit. I hope the bill will be recommitted for revision.

Mr. MURDOCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill may be in need of amendment as has been suggested. If so, I am happy to see amendments offered and will work in certain cases for their approval. In general, I approve of the intent and purpose of the bill.

Most of the discussion we have heard today has been criticism of the personnel who produce the Voice of America. It has been said that many persons connected with OWI have been retained and are still connected with this work. I do not have first hand knowledge but I cannot concur in the criticism either of the OWI or its successor, VOA. I have known some of the young men connected with this splendid work and I know of their fine intelligence, good Americanism and intense loyalty, therefore I would stake my life that their part of this great work has been well done. While I am on the matter of high quality and competency as well as deep loyalty and patriotism, I would like to express my entire confidence, not only in the young men referred to but in Mr. Benton, now at the head of the agency. But I should like to say a word now concerning the provisions for exchange of instructors and students with other nations.

Having been a college instructor I have had some experience which bears somewhat on this matter. I have not been a student in foreign lands but I have had instructors from abroad and I think I can properly evaluate them. As an instructor I have had foreign students and whether I did them any good or not I know what impressions they made on me, and that is what I would like to suggest very briefly.

One of the most effective instructors that I ever had through my school career was a Nordic whose English I could follow with difficulty but whose scientific instruction made a deep impression upon me. He had degrees from several universities in northwestern Europe and he gave me information and impressions of the peoples and institutions of Norway, Denmark, and Sweden which were virtually equivalent to college studies there.

I did have an exchange professor from Germany at a period between the two World Wars, and of all things, he taught the danger-charged subject of economics. It was at a time when Germany was giving birth to nazism and he was a choice product of a German university. Was he a dangerous subversive? And did he delude me and pollute my mind and that of other students? He did not. I have often thought of that man and wondered about him. If he went back to Germany or was in Germany at the time when Hitler came to power, I know he would have been the first to have been thrown into a concentration camp, for all of his teachings were exactly the reverse of what the Hitler philosophy embodied. If Germany had had more men like him, Hitler would never have been more than a paper hanger.

As an instructor have I had foreign students? Yes, several interesting ones. One of these foreigners was a mature man, a brilliant fellow, a Russian, directly from the land of the former Czars. Ah, was he a Nihilist? Or a Bolshevik? Did he carry bombs? No, he had a great deal of spirit but not of the kind you might suppose. He was a White Russian, a Greek Catholic priest and he had seen

members of his own family cut down by the Reds, and had barely escaped across Siberia with his life. He is the only person of Russian blood I have ever known, and I learned more from him than he learned from me. I would be glad to admit students from Russia like him.

Have I had orientals as students? Yes; Chinese, Japanese, and turbaned Hindus. Those orientals disquieted and embarrassed me by their earnestness and eagerness to learn. One illustration will suffice.

In an educational lecture before a class containing one of these Hindu students I mentioned a little book entitled "Leonard and Gertrude" while discussing Pestalozzi and other educational reformers. Imagine my pleased surprise that evening in the university library, while most of the members of that group were probably attending social functions, to find that Hindu student poring over the little book by Pestalozzi. As I passed him I casually inquired, "Do you find that interesting?" Said he, with great earnestness, "I must translate this into the language of my people." In a lengthy conversation with him I discovered his reason for that determination.

Has America had any successful experience in the matter of exchange of students? Several years ago the University of Arizona for a considerable period regularly exchanged students with the University of Mexico. I am convinced that that cultural exchange has had an important influence upon the friendly relations of our two countries. No one will deny that the presence of so many Chinese students in American schools, supported by the Boxer fund, have improved their knowledge of and their attitude toward the United States. If time permitted, I could tell of further improvements in American-Chinese relationship by the labors of high-class instructors in such Chinese universities as at Nanking. I am convinced further that only through the exchange of information and cultural appreciation with the other important peoples of the world can we make ourselves a little more secure in this dangerous situation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OBJECTIVES

SEC. 2. The Congress hereby declares that the objectives of this act are to enable the Government of the United States to correct misunderstandings about the United States in other countries, which constitute obstacles to peace, and to promote mutual understanding between the people of the United States and other countries, which is one of the essential foundations of peace, by means of—

(1) the interchange of persons, knowledge, and skills;

(2) the rendering of technical and other services to other countries on the basis of mutual cooperation; and

(3) the dissemination abroad of public information about the United States, its people, and the principles and objectives of its Government.

With the following committee amendment:

Page 2, line 4, strike out the words "correct misunderstandings about the United States in other countries, which constitute obstacles to peace, and to."

The CHAIRMAN. The question is on the committee amendment.

Mr. HALLECK. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3342) to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies, had come to no resolution thereon.

LEWIS DESCHLER, PARLIAMENTARIAN OF THE HOUSE OF REPRESENTATIVES

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, tonight National University will honor itself by honoring our distinguished Parliamentarian. No man in the history of law has ever been more worthy of the degree of doctor of laws than Lew Deschler, once a son of Ohio but now grown too great in our esteem to be claimed by any State—he is now the property of the Nation, and peculiarly the property of the House of Representatives which he has served so faithfully, so fairly, and with such ability as to earn all the honors which could be heaped upon him.

I know that those of you who are not privileged to know this honor that is coming to that great institution in this great city of ours will wish to know that our own beloved Lew Deschler is to be crowned king of lawyers by this institution tonight in his own right.

EXTENSION OF REMARKS

Mr. DIRKSEN asked and was given permission to revise and extend the remarks he made today and to include the text of an amendment he proposes to offer to the bill.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MESSAGES FROM THE SENATE AND SIGNING ENROLLED BILLS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House, the Clerk of the House be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills or joint resolutions duly passed by both Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask for this time in order to announce the program for next week.

On Monday and Tuesday we will take up first matters from the Committee on the District of Columbia, including, as I understand it, the tax bill. Also House Concurrent Resolution 49, which is an adverse report on Reorganization Plan No. 2.

Then the unfinished business, of course, will be the further consideration of H. R. 3342, which has been before the House today.

We had scheduled for this week H. R. 3492, having to do with the disposition of war housing. Not having been able to dispose of that this week, that will come on, I trust, on Tuesday, for consideration.

On Wednesday it is expected that the Government corporations appropriation bill will be ready for consideration and it will probably continue through Thursday.

On Friday we hope to have ready for consideration the legislative appropriation bill and also a deficiency appropriation bill.

Of course, conference reports may be called up at any time; and also any rules or matters that are urgent may be called up if time permits.

Mr. RAMEY. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RAMEY. There will be a definite commitment with reference to Saturday, the 14th, Flag Day? There will be no session on that day, 1 week from tomorrow, will there?

Mr. HALLECK. I cannot say about that. We are running into short time on many of the appropriation bills. I am hopeful that we may consider them expeditiously and bring them to passage at as early a time as possible. I cannot say about a week from tomorrow.

The SPEAKER. The time of the gentleman from Indiana has expired.

EXTENSION OF REMARKS

Mr. MITCHELL asked and was granted permission to revise and extend the remarks he made and incorporate certain extraneous matter.

Mr. JENNINGS asked and was granted permission to revise and extend the remarks he made in Committee of the Whole and include certain statistics.

Mr. COLE of Missouri asked and was granted permission to revise and extend the remarks he made today in Committee of the Whole.

Mr. SMITH of Wisconsin asked and was granted permission to revise and extend his remarks in the Appendix and include an editorial.

Mr. JENSEN asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Country Gentleman.

Mr. MURDOCK asked and was granted permission to extend his remarks in the RECORD and include a radio address he made last evening.

PAY ADJUSTMENT ACT OF 1942 FOR CADETS AND MIDSHIPMEN

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to withdraw from the Consent Calendar the bill S. 321, an act to amend the Pay Readjustment Act of 1942 for cadets and midshipmen.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. ANDREWS]?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that after the business of the day and any other special orders today I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GAMBLE (at the request of Mr. COLE of New York), indefinitely, on account of illness in his family.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 30 minutes.

PRESIDENT'S REORGANIZATION PLAN NO. 2 OF 1947 NECESSARY TO CARRY OUT OBJECTIVE OF PUBLIC EMPLOYMENT OFFICE SYSTEM

Mr. HOLIFIELD. Mr. Speaker, I have asked for this time to speak on the subject of the President's Reorganization Plan No. 2, which, we are told, will come to the floor next Tuesday. It is rare in legislative procedures for very simple issues to be so distorted and confused as they have been in connection with the consideration of the President's Reorganization Plan No. 2 of 1947. Obscured in the testimony presented before the House Committee on Expenditures in the Executive Departments are a few sound, simple facts upon which the President's reorganization plan rests. Briefly, these facts are:

First. The Wagner-Peyser Act of June 6, 1933, established the United States Employment Service Bureau in the Department of Labor.

Second. The failure of the States to make adequate provision for taking claims of unemployed workers in 1938 resulted in the diversion of the facilities of the United States Employment Service to claims taking activities and the financing of the Employment Service facilities out of funds appropriated under title III of the Social Security Act.

Third. The inadequacy of our Nation-wide system of public-employment offices for dealing with the war-emergency problems led to its federalization and subsequent transfer to the War Manpower Commission.

Fourth. With the liquidation of the War Manpower Commission, the United States Employment Service was returned to the United States Department of Labor in order that it could be in an agency of Cabinet status and where its functions could be coordinated with closely related activities in the field of labor.

Fifth. In the Department of Labor, the United States Employment Service has operated efficiently.

Sixth. During the period when the United States Employment Service was in the Federal Security Agency, the finding of jobs for workers was subordinated to the function of paying them benefits.

Seventh. In the Servicemen's Readjustment Act of 1944, the Congress provided that the Federal agency administering the United States Employment Service shall maintain that Service as an operating entity.

Eighth. The President's reorganization plan assures that administration of the United States Employment Service as an operating entity and protects it against again becoming subordinated to the negative program of paying benefits instead of finding jobs for unemployed workers.

UNITED STATES EMPLOYMENT SERVICE

When State unemployment compensation benefit payments began in 1938, the facilities of the public employment offices, which had been established under the Wagner-Peyser Act in 1933, were expanded so that these offices could apply the work test for the State unemployment compensation authorities. To finance the speedy expansion of Employment Service facilities, funds were granted to the States under title III of the Social Security Act which authorized the payment of administrative costs of the State unemployment compensation programs.

Because of the failure of the States to make adequate provision for taking claims of unemployed workers, the facilities of the United States Employment Service were commandeered for this purpose. Employment Service facilities were diverted away from their original purpose of finding jobs for workers to taking claims. This diversion of facilities together with the emergency method of financing the expansion of the Service led to the transfer of the United States Employment Service to the Social Security Board in the newly established Federal Security Administration in 1939.

The defense program revealed glaring inadequacy in our Nation-wide system of public employment offices for dealing with the problems then emerging and the system was placed under Federal operation in January 1942. Later the same year, the United States Employment Service was transferred to the War Manpower Commission to which responsibility for the recruitment of our civilian manpower had been assigned. Here its activities were rapidly expanded and it acted as the main operating arm of that agency until after VJ-day.

With the imminent liquidation of the War Manpower Commission in 1945, it was necessary for the President to carefully review the situation and determine whether the United States Employment Service should be returned to the Federal Security Agency. After analyzing all alternatives the President recognized that the United States Employment Service program had fared poorly during the period when it had been integrated with unemployment compensation in the Federal Security Administration. We also recognized that the United States Employment Service program was more closely related to the functions of the Department of Labor than to the functions carried on by the Federal Security Administration. The Employment Service was, therefore, returned, by Executive Order 9617, to the Department of Labor where it had originally been placed by Congress. It continued as a federally operated program in the Department of Labor until November 16, 1946, when the administration of the State and local offices was transferred back to the States in accordance with the Labor-Federal Security Agency Appropriation Act for 1947.

The successful experience of the United States Employment Service since its return to the Department of Labor in 1945, where Congress had originally placed it, substantiates the President's conclusion that its continued effective operation depends upon its remaining permanently in that Department.

The President's plan is further supported by congressional action which established the Department of Labor. Congress stated that—

> The purpose of the Department of Labor shall be to foster, promote, and develop the welfare of the wage earners in the United States, to improve their working conditions, and to advance workers' opportunities for profitable employment.

It should be perfectly apparent to everyone that the Department of Labor cannot effectively carry out its statutory obligation to advance workers' opportunities for profitable employment without some responsibility for the only Nation-wide agency established specifically to advance workers' opportunities for profitable employment.

Incidentally, the President's action was earlier endorsed by the Republican Party in its platform of 1944, which states:

> The Department of Labor has been emasculated by the New Deal. Labor bureaus, agencies, and committees are scattered far and wide, in Washington and throughout the country, and have no semblance of systematic or responsible organization. All governmental labor activities must be placed under the direct authority and responsibility of the Secretary of Labor.

An analysis of the activities of the Department of Labor reveals that there is an important working relationship between the Employment Service and every operating division in the Department of Labor—the Wage and Hour Division, Apprentice Training, Conciliation Service, and other divisions concerned with fostering, promoting, and developing the welfare of the wage earners of the United States.

Since the return of the United States Employment Service to the Department of Labor it has grown in vigor and effectiveness. In 1946 the public employment offices handled one of the largest work

loads in all peacetime history. Reconversion employment problems were handled promptly and efficiently. A well-balanced program was introduced throughout the Nation, and this program, together with the State and local office facilities, were transferred to State administration with scarcely any interruption in the service. Federal-State relations were established on a sounder basis than ever before.

The contribution of the public Employment Service has been reflected in the economic well-being of this country. In 1946 the number of calls made at public employment offices for job placements, job information, job counseling, and other related services totaled 134,600,000; an average of 11,200,000 calls for each month. The number of job applications during the same period amounted to 10,400,000; an average of 864,500 each month. Employment counseling interviews totaled 1,362,000; an average of 113,500 per month. Job referrals averaged 1,059,000. Employer service calls totaled 1,723,000; an average of 143,600 per month.

Services to veterans during 1946 represented a substantial part of the total activities. For example, 5,640,000 job applications were from veterans. Employment-counseling interviews to veterans amounted to 1,015,000. There were 4,508,000 local job referrals of veterans.

The number of handicapped job seekers totaled 643,000 during 1946, with approximately 429,000 disabled veterans in this group. Employment-counseling activities to the handicapped expanded markedly during 1946 and totaled 209,000 initial interviews for the period. Job-placement activities also increased, and a total of 214,000 local placements of handicapped workers were made during the year. Approximately 138,500, or 65 percent of all job placements for handicapped workers, were disabled veterans.

The public employment offices made 7,140,000 job placements during the year, of which approximately 5,519,000 were made in nonagricultural employment; of these about 2,033,000 were veterans.

The placement activities of the public employment offices extend to all types of employment. For example, more than 40.2 percent of the placements are made in manufacturing industries; another 15.5 percent in trade; about 11.5 percent in construction; and the remaining placements are distributed in service, household, and other employments.

It is estimated that the placements made in manufacturing constituted more than 20 percent of the total workers hired, in contrast with approximately 10 to 13 percent when the United States Employment Service was in the Federal Security Administration.

WORK TEST

The fact that the local offices of the public employment service apply the work test for the State unemployment compensation authorities had led to widespread misunderstanding and to the erroneous conclusion that the main purpose of the public employment offices is to facilitate the taking of claims and payment of benefits; in other words, that the tail does and should wag the dog. The work test requires that a prospective claimant for unemployment compensation benefits register with the local employment office to see if the office has a job opening for which he is qualified. If such a job exists the employment office refers the worker, and if he is found to be satisfactory by the employer and accepts the job, the unemployment compensation authorities are in no way involved. If the worker refuses the employment, the facts are reported to the unemployment compensation authorities for such action as they deem appropriate in connection with the worker's claim for benefits. If no job is available, it is necessary for the claimant to report at regular intervals to the employment office as evidence that he has not obtained employment or has not left the labor market; in short, that he is able and willing to work.

Upon the sands of this simple functional relationship between the two programs has been built labyrinthian arguments that the United States Employment Service must now be ripped from its moorings—its working relationships with other bureaus promoting the welfare of the wage earner severed—and transferred to the agency concerned with education, public health, cancer control, public assistance, infant and child care, food and drug administration, and similar programs.

SUBORDINATION OF EMPLOYMENT SERVICE TO UNEMPLOYMENT-COMPENSATION FUNCTIONS

The testimony presented makes it abundantly clear that the Employment Service program was completely subordinated to the unemployment-compensation functions from shortly after the time the Social Security Board encouraged the States with model draft legislation until the emergency federalization of the Service in 1942. Yet the opponents of the President's Reorganization Plan No. 2, with protesting piety, now declare that they, too, recognize that the public employment-office activities—the aggressive development of job opportunities and placement of unemployed workers—should take precedence over the payment of benefits to unemployed workers. The fact remains, however, tha. so long as the two programs were under the direction of the Federal Security Agency emphasis was placed inescapably upon the prompt payment of benefits, and Employment Service staff was diverted to claims-taking activities. The finding of employment opportunities for workers was neglected.

It is interesting to note in this connection that the president of the Interstate Conference of Employment Security Administrators attempts to dismiss these facts by saying that at the time most States began paying benefits in 1938, we were in the midst of a recession. He further asserts that if the same conditions were to arise again, the same sort of neglect of finding employment opportunities for unemployed workers would occur. According to the witness, "There were no jobs and all we used our personnel for was to line them"—unemployed workers—"up. There were no jobs to refer them to."

The facts are that in 1938, the year to which the witness refers, over 4,000,000 workers found employment in manufacturing activities alone, and manufacturing at the time engaged only about 20 percent of our working population. What happened was that workers found employment through their own unaided efforts when employment-office facilities were being used for lining up unemployed workers so that they could be given not jobs but benefits.

One of the primary responsibilities of the public employment office is to facilitate the employment of workers by providing a central point in each community where workers may ascertain the existence of job openings and employers the existence of available workers to cut down the loss of time between jobs. The conclusion that the Employment Service personnel should be used for lining up unemployed workers for claims payment, instead of lining up jobs for such workers reflects either a gross misunderstanding of the purpose of a public-employment-office system or a callous indifference to the welfare of our working population.

It should be apparent to everyone, as was pointed out by the Under Secretary of Labor in his testimony before the Committee that where you have an integration of the functions of the unemployment compensation and employment service with an interchangeablity of staff, the payment of benefits inevitably takes precedence over the searching out of suitable jobs for unemployed workers.

So persistent is the propensity to subordinate the public-employment-service functions to those of paying unemployment-compensation benefits that Congress has had to take cognizance of the fact in the Servicemen's Readjustment Act of 1944. In section 604 of that act, Congress provides that, "The Federal agency administering the United States Employment Service shall maintain that service as an operating entity."

Congress has decided that this provision is necessary to assure, as far as veterans are concerned, that no administrative reorganization shall be permitted to divert the efforts of the public employment service from providing effective employment assistance and job counseling to veterans. Congress, in fact, has guarded against a repetition of past mistakes by rescinding that portion of the President's Reorganization Plan No. 1, of 1939, which unfortunately consolidated the functions of the United States Employment Service with those of the unemployment-compensation program. This mistake was not rectified until the federalization of the system in 1942.

BUDGETS, ACCOUNTING, AND EXPENDITURES PROCEDURES

In some of the testimony presented before the committee, an attempt was made to tie the functions of the unemployment compensation and employment service programs together on the basis of their budget, accounting, and expenditure procedures. The cost of administration of both programs in the States is financed 100 percent by the Federal Government, and on the basis of the testimony, one might come to the erroneous conclusion that if the unemployment compensation and employment service programs were brought together

under a single direction in the Federal Administration that there would be no necessity for the States to account for funds they receive from the Federal Government.

Congress in fact makes three appropriations for three distinct programs administered by the State agencies. The State agencies administer, first, the public employment offices; second, State unemployment compensation system; and, third, Servicemen's Readjustment Allowances. In accordance with the purposes of the Wagner-Peyser Act, the Congress appropriates funds for the administration of public employment offices. It likewise appropriates funds, in accordance with title III of the Social Security Act for the administration of State unemployment compensation systems. Appropriations for the administration of Servicemen's Readjustment Allowances are made to the Veterans' Administration, and are granted to the States in accordance with budget requests prepared by the States for the purpose of administering the payment of Servicemen's Readjustment Allowances.

The States are permitted to commingle the funds appropriated for the three different programs in a single account. From these commingled funds they may finance temporary excess expenditures for any particular program. States cannot, however, permanently transfer funds appropriated by the Congress for one program and use those funds to finance another program.

Those who attempt to masquerade the points at issue by shrouding them in budget, accounting, and expenditure procedures forget that Congress is not ready to abdicate its responsibilities and to dish out funds with no accounting from the States for their expenditures for the specific purposes for which the funds have been appropriated. In other words, Congress is not willing to appropriate funds for one program and find these funds being transferred and used for the expansion of another program contrary to the wishes of Congress. Wherever the United States Employment Service might be located, it would be necessary for the States to itemize funds for the employment service program as distinct from other programs in order to obtain administrative grants which Congress appropriates for employment service purposes.

CONCERN OF STATE EMPLOYMENT SECURITY ADMINISTRATORS

Some of the members of the Interstate Conference of Employment Security Administrators testified that the Employment Service does not belong in the Department of Labor because that Department was established by Congress to promote the welfare of labor. They fail to explain, however, how the Department of Labor could carry out its obligations to advance opportunities for profitable employment for workers independently of the Employment Service activities. Interestingly enough, in approximately a third of the States both unemployment compensation and employment service administration is located in either the State department of labor or agencies dealing with labor matters. For example, both the unemployment compensation and employment service are located in the department of labor in New York, Wisconsin, Georgia, and Illinois, to mention only a few States. These departments have continuing relationships with the United States Department of Labor in connection with apprentice training, wages and hours administration, labor statistics, and similar matters affecting employment problems. All evidence indicates that the location of these programs in the departments of labor in the States in no way impairs the effectiveness of either program. As a matter of fact, the programs have been more effectively administered in the department of labor in some States than they have in an independent agency in others.

On the basis of the testimony a thoughtful person might ask why the State employment security administrators are so anxious to have the Federal agencies responsible for the employment-service program transferred to the Federal Security Agency where the unemployment compensation program is located. The answer is quite simple. The State employment security administrators have a sharp eye on their own personal interests.

The employment-security administrators are afraid that the pattern of organization recommended by the President for Unemployment Compensation and Employment Service might eventually be adopted by some of the States to the personal disadvantage of the administrators who now in most instances have control of both the unemployment compensation and employment service programs. While this possibility seems extremely remote, it is understandable that some State bureaucrats are likely to be apprehensive about any possible action that might adversely affect their bureaucratic interests. This apprehension has been repeatedly manifest in their opposition to strengthening the Veteran's Employment Service of the United States Employment Service.

REORGANIZATION PLAN NO. 2 FOR STRONG EMPLOYMENT SERVICE

There is one point concerning which there is unanimous agreement—that finding a man a job is far more important than the paying of unemployment benefits. The President's Reorganization Plan No. 2 seeks to support this principal by continuing the United States Employment Service in the Department of Labor where it will be protected against subordination to the unemployment compensation program.

On the basis of our review of the history, experience, and accomplishments of the public employment service in this country it is our firm conviction that the interest of this system will be best advanced by the continuance of the United States Employment Service in the Department of Labor in accordance with the President's plan.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1135. An act to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly the House (at 5 o'clock and 14 minutes p. m.), pursuant to its order heretofore entered, adjourned until Monday, June 9, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

756. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 13, 1946, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of the inland waterway from New Orleans, La., to Apalachicola River, Fla., and the Apalachicola and Chattahoochee Rivers to Columbus, Ga., authorized by section 8 of the River and Harbor Act approved on March 3, 1925 (H. Doc. No. 300); to the Committee on Public Works and ordered to be printed, with an illustration.

757. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 31, 1946, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Redstone Creek, Pa., authorized by the Flood Control Act approved on August 18, 1941 (H. Doc. No. 301); to the Committee on Public Works and ordered to be printed, with two illustrations.

758. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the appropriations for the fiscal year 1947 for the various departments and agencies (H. Doc. No. 302); to the Committee on Appropriations and ordered to be printed.

759. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of $747,660 for the Department of Labor (H. Doc. No. 303); to the Committee on Appropriations and ordered to be printed.

760. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $785,000 for the Department of Commerce (H. Doc. No. 304); to the Committee on Appropriations and ordered to be printed.

761. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $12,026,000, together with a proposed provision pertaining to an appropriation for the fiscal year 1948 for the Federal Security Agency (H. Doc. No. 305); to the Committee on Appropriations and ordered to be printed.

762. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $23,065,000 for the Office of Rent Control, Housing Expediter (H. Doc. No. 306); to the Committee on Appropriations and ordered to be printed.

763. A communication from the President of the United States, transmitting a supplemental estimate of appropriation in the amount of $700,000 to the President for the fiscal year 1948, containing a clause relating to a restriction on the use of a 1947 appropriation (H. Doc. No. 307); to the Committee on Appropriations and ordered to be printed.

764. A communication from the President of the United States, transmitting deficiency estimates of appropriation for the fiscal year 1946 in the amount of $8,124.07 and supplemental estimates of appropriation for the fiscal year 1947 in the amount of $53,700 for the judiciary (H. Doc. No. 308); to the Committee on Appropriations and ordered to be printed.

765. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $194,000 for the Indian Claims Commission (H. Doc. No. 309); to the Committee on Appropriations and ordered to be printed.

766. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1948 in the amount of $2,700,000 (H. Doc. No. 310); to the Committee on Appropriations and ordered to be printed.

767. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $125,000 for the War Department for civil functions in the form of an amendment to the budget for said year (H. Doc. No. 311); to the Committee on Appropriations and ordered to be printed.

768. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal years 1947 and 1948 in the amount of $2,059,500, together with a draft of a proposed provision pertaining to existing appropriations, and proposed authorizations for the expenditure of power and other revenues and Indian tribal funds, for the Department of the Interior (H. Doc. No. 312); to the Committee on Appropriations and ordered to be printed.

769. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of $2,551,300 for the Department of Labor (H. Doc. No. 313); to the Committee on Appropriations and ordered to be printed.

770. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of Navy equipment to the Miami Power Squadron; to the Committee on Armed Services.

771. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SIMPSON of Illinois: Committee on the District of Columbia. H. R. 1634. A bill to amend section 1, and provisions (6), (7), and (8) of section 3, and provision (3) of section 4 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," and to add sections 5a, 5b, and 5c thereto; without amendment (Rept. No. 539). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALE: Committee on Interstate and Foreign Commerce. H. R. 599. A bill declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway; without amendment (Rept. No. 541). Referred to the House Calendar.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 3484. A bill to transfer the Remount Service from the War Department to the Department of Agriculture; with an amendment (Rept. No. 542). Referred to the Committee of the Whole House on the State of the Union.

Mr. EATES of Massachusetts: Committee on the District of Columbia. H. R. 3737. A bill to provide revenue for the District of Columbia, and for other purposes; with an amendment (Rept. No. 543). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 1493. A bill for the relief of Anna Malama Mark; without amendment (Rept. No. 540). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 3744. A bill to authorize the construction of a railroad siding in the vicinity of Franklin Street NE., District of Columbia; to the Committee on the District of Columbia.

By Mr. GEARHART:

H. R. 3745. A bill to amend the Social Security Act, as amended, to increase the benefit amounts for certain workers covered under the act after 1937, and for other purposes; to the Committee on Ways and Means.

By Mr. SCRIVNER:

H. R. 3746. A bill to decontrol sugar; to the Committee on Banking and Currency.

By Mr. McMILLAN of South Carolina:

H. R. 3747. A bill to provide for the sale by the Federal Works Administrator of the property situated in Washington, D. C., known as the Capitol Park Hotel; to the Committee on Public Works.

By Mr. MATHEWS:

H. R. 3748. A bill to provide additional compensation to widows and other dependents of certain veterans; to the Committee on Veterans' Affairs.

By Mr. POTTS:

H. R. 3749. A bill to amend section 203 of the Federal Employees Pay Act of 1945; to the Committee on Post Office and Civil Service.

By Mr. WOLVERTON:

H. R. 3750. A bill to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 3751. A bill to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ABERNETHY:

H. R. 3752. A bill for the relief of Grenada County, Miss.; to the Committee on the Judiciary.

H. R. 3753. A bill for the relief of Montgomery County, Miss.; to the Committee on the Judiciary.

By Mr. ANDREWS of New York:

H. Res. 234. Resolution that the President's message of June 4, 1947, transmitting a report of the Advisory Commission on Universal Training dated May 29, 1947, be printed as a House document; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States with reference to the ratification of an amendment to the Constitution of the United States relating to the terms of office of the President; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LEMKE:

H. R. 3754. A bill for the relief of Oscar and Anna Carlblom; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 3755. A bill for the relief of Kitty Hayes, Eunice Hayes, Kathryn Hayes, and Florence Hayes Gaines; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

608. By Mr. HULL: Petition of the Common Council of the City of Milwaukee, Wis., with reference to the development of the St. Lawrence seaway project; to the Committee on Public Works.

609. By Mr. HARDIE SCOTT: Petition of the Ukrainian American Citizens' Association, Inc., of Philadelphia, Pa., urging passage of H. R. 2810, a bill to authorize the United States during an emergency period to undertake its fair share in the resettlement of displaced persons in Germany, Austria, and Italy, including relatives of citizens or members of our armed forces, by permitting their admission into the United States in a number equivalent to a part of the total quota numbers unused during the war years; to the Committee on the Judiciary.

610. By the SPEAKER: Petition of American Veterans' Committee, Territory of Hawaii, petitioning consideration of their resolution with reference to a change in the naturalization laws which was enacted by the twenty-fourth session of the Legislature of the Territory of Hawaii; to the Committee on the Judiciary.

611. Also, petition of American Veterans' Committee, Territory of Hawaii, petitioning consideration of their resolution with reference to requesting Congress to amend section 73 of the Hawaiian Organic Act; to the Committee on Public Lands.

612. Also, petition of Conrad Post, No. 179, of the American Legion, Petersburg, Ind., petitioning consideration of their resolution with reference to enacting laws that will give the veterans of World War I the same benefits, pensions, and relief as the Spanish-American War veterans are now receiving; to the Committee on Veterans' Affairs.

SENATE

MONDAY, JUNE 9, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Forgive us, O God, that we are so anxious, in all we say and do, to have

the approval of men, forgetting that it is Thy approval that brings us peace of mind and clear conscience. Make us aware of the record Thou art writing—the record that one day will be read by the Judge of all the universe. We need to remember that there is no party in integrity, no politics in goodness. We pray for Thy grace and Thy help to do better and to be better.

Through Jesus Christ. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 6, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 9, 1947, the President had approved and signed the following acts:

S. 583. An act to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating holdings therein, and for otLer purposes;

S. 993. An act to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes; and

S. 1022. An act to authorize an adequate White House Police force.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3020) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes, and it was signed by the President pro tempore.

RATIFICATION OF PROPOSED AMENDMENT TO CONSTITUTION RELATING TO TERM OF OFFICE OF PRESIDENT

The PRESIDENT pro tempore laid before the Senate a certified copy of a joint resolution of the Legislature of the State of Wisconsin ratifying the proposed amendment to the Constitution of the United States relating to the term of the office of the President, which was ordered to lie on the table.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 127 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on the Judiciary.

TRANSFER BY NAVY DEPARTMENT OF A LANDING CRAFT TO MIAMI (FLA.) POWER SQUADRON

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Miami Power Squadron, a subdivision of United States Power Squadrons, a nonprofit organization, of Miami, Fla., had requested the Navy Department to transfer a landing craft, infantry, for use by that organization in furnishing instruction in piloting, navigation, and related subjects; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by delegates of the Seaboard Zionist Regional Conference at Charlotte, N. C., relative to the proceedings of the General Assembly of the United Nations concerning Palestine; to the Committeee on Foreign Relations.

A resolution adopted by Conrad Post, No. 179, the American Legion, Petersburg, Ind., favoring the enactment of legislation granting veterans of World War I the same benefits, pensions, and relief as the Spanish-American War veterans are now receiving; to the Committee on Finance.

Petitions of the members of the St. Petersburg Townsend Club, No. 2, and members of the Tallahassee Townsend Club, No. 1, both in the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A letter in the nature of a petition, signed by R. R. Gudgel, chairman, Chapter No. 7 (Lower Manoa), American Veterans' Committee, Territory of Hawaii, praying for the enactment of legislation to amend the naturalization laws; to the Committee on the Judiciary.

A letter in the nature of a petition, signed by R. R. Gudgel, chairman, Chapter No. 7 (Lower Manoa), American Veterans' Committee, Territory of Hawaii, praying for the enactment of legislation to amend section 73 of the Hawaiian Organic Act, and the Hawaiian Homes Commission Act; to the Committee on Public Lands.

By Mr. CAPPER:

A petition signed by 331 citizens of Bay City, Mich., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

PROTEST AGAINST REDUCTION IN AGRICULTURAL APPROPRIATIONS FOR FARM OWNERSHIP OR PRODUCTION LOANS

Mr. CAPPER. Mr. President, I have received an interesting letter from Harold Swanberg, president, Kansas Farmers' Union, St. Marys, Kans., remonstrating against any reduction in the agricultural appropriation bill for farm-ownership loans or production loans. I ask unanimous consent to have the letter printed in the RECORD and appropriately referred.

There being no objection, the letter was received, referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

KANSAS FARMERS UNION,
St. Marys, Kans., June 7, 1947.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: I understand, under the agricultural appropriation bill, a substantial cut is to be made for the Farm Home Administration. Farm-ownership loans are being eliminated and production loans are being cut 40 percent.

I feel that Farm Home Administration is carrying on worth-while work, and is particularly helping the veteran and the young farmer get a start in farming. I know it is almost impossible for these young fellows to lease land mainly because with our equipment, established farmers can handle more land and are in position to purchase the land that is for sale. I feel that the Farm Home Administration is contributing much to the protection of the family-type farm. The Kansas Farmers Union does not like to see this cut that will be a detriment to the young farmer and veteran.

Sincerely,

HAROLD SWANBERG,
President.

UNIFICATION OF ARMED SERVICES—PETITION OF MEMBERS OF NEBRASKA LEGISLATURE

Mr. BUTLER. Mr. President, I ask unanimous consent to present for appropriate reference, and to have printed in the RECORD with the signatures attached, a petition signed by 39 of the 43 members of the Nebraska Legislature, in connection with Senate bill 758, to provide unification of the armed services.

There being no objection, the petition was received, ordered to lie on the table, and to be printed in the RECORD with the signatures attached, as follows:

To the Members of the Eightieth Congress of the United States of America:

The undersigned, members of the sixtieth session of the Legislature of the State of Nebraska, hereby petition the United States Congress to expedite action upon and favorably consider S. 758.

It is the belief of the undersigned that the proposed unification of the armed forces of the United States is in the interest of economy, efficiency, and the promotion of a more effective defensive plan for these United States. Such an organization of the armed forces is essential to the implementation of any defense plan capable of an adequate protection of our homelands.

John P. McKnight, Joe W. Leedom, Harry F. Burnham, R. B. Steele, Glenn Cramer, John F. Doyle, C. C. Lillibridge, Wm. Hern, Earl J. Lee, Harold C. Prichard, William A. Metzger, H. V. Heiliger, J. V. Beneach, Ed F. Lusienski, George W. Bevins, Dwight W. Burncy, Fred W. Mueller, Roy B. Carlberg, Harry A. Foster, Lester H. Anderson, Karl E. Vogel, John P. Callan, Harry L. Pizer, Ed. Hoyt, George C. Weborg, Thomas H. Adams, Ray Babcock, Lloyd Kain, W. F. Schroeder, A. P. Person, Clyde F. Critsyer, Roy Wood, Henry D. Kosman, Leo A. Seaton, Emut C. Raasch, W. P. Tronnan, C. Petrus Peterson, Walter R. Raecke, Charles F. Findik.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WATKINS, from the Committee on Public Lands:

S. 30. A bill to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev.; without amendment (Rept. No. 244); and

S. 686. A bill to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.; with an amendment (Rept. No. 245).

By Mr. WILEY, from the Committee on the Judiciary:

S. 1360. A bill for the relief of Eric Seddon; without amendment (Rept. No. 246);

H. R. 1221. A bill for the relief of Eva Bilobran; without amendment (Rept. No. 247);

H. R. 1482. A bill for the relief of the legal guardian of Gilda Cowan, a minor; without amendment (Rept. No. 248); and

H. R. 1514. A bill for the relief of certain disbursing officers of the Army of the United States, and for other purposes; without amendment (Rept. No. 249).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. WILEY introduced Senate bill 1403, to amend the Social Security Act, as amended, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. PEPPER (for himself, Mr. WAGNER, Mr. THOMAS of Utah, Mr. MURRAY, Mr. CHAVEZ, Mr. GREEN, Mr. MAGNUSON, Mr. MYERS, Mr. TAYLOR, Mr. LANGER, and Mr. MORSE) introduced Senate bill 1404, to raise the minimum wage standards of the Fair Labor Standards Act of 1938, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

(Mr. TAYLOR introduced Senate bill 1405, to provide for distribution of the CONGRESSIONAL RECORD to Army and Navy establishments and colleges and universities, which was referred to the Committee on Rules and Administration, and appears under a separate heading.)

By Mr. CHAVEZ:

S. 1406. A bill for the relief of Mrs. Clara Gallegos; to the Committee on the Judiciary.

By Mr. O'MAHONEY:

S. 1407. A bill authorizing the issuance of a patent in fee to Robert E. Doyle; to the Committee on Public Lands.

AMENDMENT OF SOCIAL SECURITY ACT TO INCREASE CEILINGS ON EARNINGS OF RETIRED WORKERS AND WIDOWS

Mr. WILEY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to increase the ceilings on earnings of retired workers and widows, and I request that an explanatory statement prepared by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the explanatory statement will be printed in the RECORD.

There being no objection, the bill (S. 1403) to amend the Social Security Act, as amended, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Finance.

The explanatory statement presented by Mr. WILEY was ordered to be printed in the RECORD, as follows:

INTRODUCTION OF BILL TO INCREASE CEILINGS ON EARNINGS OF RETIRED WORKERS AND WIDOWS

Mr. WILEY. Mr. President, I am introducing today a bill to amend the Social Security Act, which would increase the amount of money that may be earned by a retired worker or widow or dependent child while receiving social-security payments.

At the present time, if a man or woman over 65 years old is receiving an old-age pension, that pension ceases in any given month that the individual earns more than $14.99 from outside wages. That sum of outside earnings is obviously a tragic pittance in these days when high prices and inflationary conditions, brought about by under production, have rendered such small sums almost meaningless. The same condition is currently true in the case of widows and dependent youngsters whose survivors' insurance aid also ceases in any given month when the earnings are in excess of $14.99.

The purpose of my amendment, therefore, is to raise the ceiling from $14.99 to $25. This has been recommended in the past by the United States Social Security Board, which suggested a $25 or $30 a month ceiling.

In other words, under my amendment, a widow could be working on the outside and could make up to $25 a month from her private employment and still get her widow's aid. It may be suggested that this is still a terribly low limit on ceilings. Nevertheless, my suggestion corresponds with that of the Social Security Board, which has given extensive consideration to the matter. We are presented here with a problem that we cannot allow too large a sum in outside earnings for obvious reasons. At the same time, we seek to encourage supplementing of widows' and retired workers' sums in these inflationary times so that they can maintain themselves in reasonable comfort.

By my amendment I do not mean to even imply that by this slight change in our law we are in any way solving our grave social-security problem. I have previously introduced Senate Concurrent Resolution 13, for the purpose of establishing a Joint Social Security Committee, which would reevaluate the whole subject of social-security aid. It is obvious in these times that the whole subject of aid to the aged, to the blind, to the needy, to widows, to dependent children must be restudied, with the public interest in mind.

I believe that there is a very clear and obvious responsibility of the Federal Government to these folks to help assure them their security. We want to encourage qualities of industry and diligence rather than the qualities of sitting back and waiting for money from the Federal Government.

From my contacts with the Social Security Board I do not believe that my amendment would involve any great expense to the Federal Government. It would be very difficult to get an exact estimate of how much money this would cost Uncle Sam. That would depend entirely upon the business conditions in the country, whether employment opportunities were abundant or were scarce.

However, I believe that the Eightieth Congress should take action along this line as a beginning, albeit a small one, toward the end of adequate security.

MINIMUM-WAGE RATES

Mr. PEPPER. Mr. President, on behalf of myself, the Senator from New York [Mr. WAGNER], the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from New Mexico [Mr. CHAVEZ], the senior Senator from Rhode Island [Mr. GREEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Pennsylvania [Mr. MYERS], the junior Senator from Idaho [Mr. TAYLOR], the Senator from North Dakota [Mr. LANGER], and the Senator from Oregon [Mr. MORSE] I ask unanimous consent to introduce for appropriate reference a bill to raise the minimum-wage standards of the Fair Labor Standards Act of 1938. I request that the bill be printed in the body of the RECORD, together with an explanatory statement of the content and purpose of the bill.

The PRESIDING OFFICER. Without objection, the bill will be received, and appropriately referred, and, without objection, it will be printed in the RECORD, together with the explanatory statement.

There being no objection, the bill (S. 1404) to raise the minimum wage standards of the Fair Labor Standards Act of 1938, introduced by Mr. PEPPER (for himself, Mr. WAGNER, Mr. THOMAS of Utah, Mr. MURRAY, Mr. CHAVEZ, Mr. GREEN, Mr. MAGNUSON, Mr. MYERS, Mr. TAYLOR, Mr. LANGER, and Mr. MORSE), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That subparagraphs (1) through (4) of subsection (a) of section 6 of the Fair Labor Standards Act of 1938 are amended to read as follows:

"(1) during the first year from the effective date of this act not less than 65 cents an hour.

"(2) during the second year from such, date, not less than 70 cents an hour.

"(3) after the expiration of 2 years from such date, not less than 75 cents an hour.

"(4) in the case of employees in Puerto Rico and the Virgin Islands, not less than the rate (not in excess of the applicable rate under subparagraphs (1), (2), or (3) of this section) prescribed in the applicable order of the Administrator issued under section 8."

SEC. 2. Subsection (b) of section 6 of the Fair Labor Standards Act of 1938 is hereby repealed.

SEC. 3. Subsections (a) and (c) of section 8 of the Fair Labor Standards Act of 1938 are amended by substituting for the words "40 cents an hour" wherever they occur the words "the applicable rate under subparagraph 1, 2, or 3 of subsection (a) of section 6."

SEC. 4. This act shall become effective upon expiration of 120 days from the date of its enactment.

The explanatory statement presented by Mr. PEPPER was ordered to be printed in the RECORD, as follows:

ELEVEN SENATORS URGE CONGRESS TO SET A DECENT MINIMUM WAGE FOR INDUSTRIAL WORKERS

Senators CLAUDE PEPPER, Democrat, Florida; ROBERT F. WAGNER, Democrat, New York; ELBERT D. THOMAS, Democrat, Utah; JAMES E. MURRAY, Democrat, Montana; DENNIS CHAVEZ, Democrat, New Mexico; THEODORE F. GREEN, Democrat, Rhode Island; WARREN G. MAGNUSON, Democrat, Washington; FRANCIS J. MYERS, Democrat, Pennsylvania; GLEN H. TAYLOR, Democrat, Idaho; WILLIAM LANGER, Republican, North Dakota; and WAYNE MORSE, Republican, Oregon, will introduce in the Senate today a bill to raise the minimum wage of industrial workers in interstate commerce from 40 cents an hour immediately to 65 cents, to 70 cents at the end of 1 year, and 75 cents at the end of 2 years. Companion bills will be introduced in the House of Representatives at the same time by Congressman JOHN W. MCCORMACK, Democrat, Massachusetts, and RAY MADDEN, Democrat, Indiana.

This bill carries out the suggestion of President Truman that the minimum wage under the Fair Labor Standards Act be raised to at least 65 cents an hour when he signed the portal-to-portal pay bill on May 14.

It is high time that our Congress paid heed to the needs of the common people of this country. There has been no increase in legal minimum wage since the law was passed in 1938. Since 1938 the cost of living has risen over 55 percent.

The sponsors of this bill recognize the possible impact upon many businesses of a sudden sharp raise in the minimum wage from 40 cents to 75 cents immediately, and have, therefore, provided for a 2-year interval before the higher figure would become applicable.

In our opinion, the ultimate minimum wage of 75 cents under our bill would bring economically defenseless workers who are

grossly underpaid a step closer to a decent minimum American standard of living. The rise in the cost of living alone justifies this increase. Seventy-five cents an hour would mean only $30 a week, or about $1,500 a year. The cost of living in representative cities in the various geographic regions of the country in 1946 was $2,265.27 for a family of four in Norfolk, Va.; $2,176.24 in New Orleans; $2,216.97 in Atlanta; $2,319.24 in Chicago; $2,422.68 in New York City; $2,284.83 in Pittsburgh; $2,379.25 in Washington, D. C.; and $2,170.32 in Los Angeles. It can be seen, therefore, that 75 cents an hour is a modest compromise with need.

In introducing this legislation we recall the pledge made by the chairman of the Senate Labor Committee, Senator TAFT, on March 21, 1947, during debate on the portal-to-portal bill, to the effect that his committee will take the matter of a higher minimum wage up at the earliest possible moment and give full consideration to amendments to the basic provisions of the Fair Labor Standards Act.

Since then, however, although minimum-wage legislation has been referred to a subcommittee, no hearings have been scheduled and no action appears to be pending. Meanwhile, the minimum wage remains at 40 cents an hour.

As the St. Louis Post-Dispatch observed editorially recently following the President's approval of the portal-to-portal bill and his request for a minimum wage of at least 65 cents, "Any Congressman doubting that the President is right on minimum wages should sit down and figure out how he and his family would live on less than $26 a week."

DISTRIBUTION OF CONGRESSIONAL RECORD

Mr. TAYLOR. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill which has to do with furnishing copies of the CONGRESSIONAL RECORD to veteran facilities, colleges, and institutions of learning throughout the Nation. In my travels about the country at different times, making talks at these installations and colleges and universities, I have found that very often they do not receive copies of the RECORD and they would be very much interested in getting them. I think it is only fair that they should have them in these institutions of learning.

There being no objection, the bill (S. 1405) to provide for distribution of the CONGRESSIONAL RECORD to Army and Navy establishments and colleges and universities, introduced by Mr. TAYLOR, was received, read twice by its title, and referred to the Committee on Rules and Administration.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS—AMENDMENTS

Mr. O'MAHONEY submitted amendments intended to be proposed by him to the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers, which were ordered to lie on the table and to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. WILEY, from the Committee on the Judiciary:

Harold R. Medina, of New York, to be United States district judge for the southern district of New York, vice Samuel Mandelbaum, deceased.

ELECTION FRAUDS IN MISSOURI

Mr. KEM. Mr. President, on Friday last, the subcommittee of the Senate Judiciary Committee having the matter in charge completed a preliminary hearing on Senate resolution 116, the purpose of which is to authorize and direct the committee to make a full and complete study and investigation concerning the failure of the Attorney General of the United States and the Department of Justice to act with respect to alleged irregularities in the Democratic primary election held in the Fifth Congressional District of Missouri on August 6, 1946, with a view to ascertaining whether the Attorney General and the officers of the Department of Justice have properly performed their duties with respect to the investigation and prosecution of any violations of law which may have occurred in connection with said primary election.

The people of my city and my State, long oppressed by fraudulent elections, are grateful for the effective and intelligent approach which the subcommittee, consisting of the Senator from Michigan [Mr. FERGUSON] as chairman, the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. McCARRAN] have made to this important matter. I may say in passing that we are fully satisfied with the procedure of the Judiciary Committee of the Senate in making a preliminary examination. We realize that Senate action is required for a complete investigation, and we are confident that this will be forthcoming in due course.

The charges made against the Attorney General are of a grave character. The Attorney General and the members of his staff should be given ample opportunity to explain fully why the investigation which the Federal Bureau of Investigation was authorized to make was restricted to interviews with only six witnesses; why under date of January 6, 1947, the Department of Justice advised the FBI that "We are closing our file and informing you that no further investigation is desired," and why under date of February 10, 1947, the Attorney General advised the junior Senator from Missouri, who had made an official inquiry, that "the Federal Bureau of Investigation at my instance conducted a full investigation into the charges of fraud in this primary."

I ask unanimous consent to have appended to my remarks at this point an editorial from the Washington Evening Star of last Saturday entitled "What Is a Whitewash?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT IS A WHITEWASH?

Attorney General Clark has indignantly denied the charge by two Republican Senators that he was responsible for a whitewash of last year's patently fraudulent Democratic primary in Missouri's Fifth Congressional District.

This was the contest in which President Truman joined hands with the notorious Pendergast machine and the CIO Political Action Committee to defeat the incumbent, Representative SLAUGHTER. A State grand jury has declared that Mr. SLAUGHTER was defeated by a "deliberate, calculated, and premeditated plan to miscount and otherwise steal votes."

Obviously, a mess of this sort holds the ingredients of a first-class political scandal, and the statements of partisans should be handled with caution. Therefore, since the Republicans are charging a whitewash, and since Mr. Clark denies this, the best approach is to examine, not what these individuals say, but the things that were done or not done.

After complaints had been received, the FBI was instructed to investigate. But by the express direction of the Attorney General, the scope of this investigation was severely restricted. According to J. Edgar Hoover, the FBI, under the restraints imposed by Mr. Clark, could do no more than interview four members of the election board and two reporters for the Kansas City Star, who had exposed some of the vote frauds. On the basis of these interviews, plus an examination of the material in the hands of the men questioned, a report was prepared. It revealed no violation of Federal law. In the words of the FBI, however, the contents of this report did not "constitute the results of an investigation, but pursuant to the specific instructions of the Attorney General are merely a summary of data developed by the Kansas City Star and the election board."

It has been intimated that this report served as the basis for a conclusion by three Federal judges that there was no ground for an investigation by a Federal grand jury. It now develops, however, that even this is not correct. All the judges relied on was a synopsis of the report of an admittedly restricted investigation.

It is not clear from all of this that there was a deliberate, conscious effort by the responsible authorities to refrain from unearthing the facts of this stolen election. But it is clear that the Attorney General, until last week, never directed or permitted the FBI to make the thorough investigation of which it is capable, and which Mr. Clark personally and properly has insisted upon in other types of cases affecting civil rights.

There remains the question whether this amounts to a whitewash.

According to Webster's Dictionary, the verb whitewash, in its colloquial sense, means "to exonerate or clear of charges by means of an investigation * * * of a perfunctory or superficial character."

REDUCTIONS IN AGRICULTURAL APPROPRIATIONS

Mr. YOUNG. Mr. President, during the past week I have received numerous communications from farming interests all over the United States expressing deep concern because of the drastic cuts in appropriations affecting the fundamental and most necessary functions and programs of the United States Department of Agriculture.

I believe that the farmers of America are united in their opposition to the drastic cuts, particularly in the so-called section 32 funds, involving appropriations for continuation of the soil conservation program and, more particularly, the total elimination of the 1948 program. All these communications, editorials, and resolutions also express deep concern because of the reduction in

funds for school lunch, REA, and the Farmers Home Administration funds.

I certainly hope that the Senate of the United States will correct what I believe to be a serious mistake on the part of the House of Representatives as it deals with agriculture.

Mr. President, I ask unanimous consent to insert in the RECORD as a part of my remarks a resolution adopted by the County Commissioners of Barnes County, N. Dak.; an editorial from the Fargo Forum, Fargo, N. Dak., dated Thursday, June 5, 1947; and a resolution adopted by the North Dakota Farm Bureau meeting in State convention at Devils Lake, N. Dak., on May 31, 1947.

There being no objection, the resolutions and editorial were ordered to be printed in the RECORD as follows:

VALLEY CITY, N. DAK., *June 4, 1947.*

Senator MILTON YOUNG,
Washington, D. C.

DEAR SENATOR YOUNG: The following resolution was passed by our county board of commissioners on June 4, 1947. I was instructed to send a copy of the resolution to you.

"We, the Commissioners of Barnes County, N. Dak., in session today, have had occasion to study the agricultural appropriation act as it relates to the actual functioning of farm programs in North Dakota.

"1. The proposed reduction of appropriation in the AAA program would very largely wipe out all past gains in the soil building program.

"2. The hot school lunch program must be maintained particularly in our rural areas since it provides a higher nutrition level for the children of our Nation, in addition to the fact that it provides a steady additional market for any items of food that will inevitably be surplus.

"3. The REA program should be expanded rather than reduced. The benefits to farmers who have the use of this service cannot be measured in dollars.

"4. It is essential and most important that adequate funds be appropriated for price support to protect farmers against price collapse.

"5. The Farmers Home Administration has need for and can make excellent progress with adequate funds. To reduce this program would be a disastrous measure, particularly for veterans of World War II and for both veterans and other young folks who wish to purchase a farm under the FO program.

"*Be it resolved,* That we, the commissioners of Barnes County, urge that you do everything in your power to increase the appropriations above the present recommendations and as near as possible to the recommendations of the Budget Bureau. It is absolutely essential in order that agriculture shall maintain and continue to be a stable part of the national economy."

Yours sincerely,

C. T. BECHTLE,
Barnes County Auditor.

[From the Fargo Forum of June 5, 1947]

BUREAU FOR ECONOMY, BUT WITH SELECTIVITY

An old American truism took a tumble at Devils Lake last Saturday * * * the truism that all groups of American citizens favor tax reduction in the abstract, but kick like a bay steer when tax cuts pare into appropriations touching their particular business, activity or group.

North Dakota Farm Bureau members, taking an entirely reasonable stand and displaying a breadth of vision which many legislators might emulate, decided at Devils Lake that economy must be achieved if government remains strong, and that Department of Agriculture services, along with others, must be cut.

Bureau members, in their discussions, emphasized future demands by consumers for quality in farm products, in the need for research to develop quality and improve the machinery of marketing. They noted that triple A and PMA payments do not bulk importantly in the present farm income—suggesting a chance for cutting the budget right there—but they insisted that the basic machinery of such agencies as triple A be maintained, with an eye out for that future when it will be vital to American agriculture.

Said the Farm Bureau statement: "Unless * * * economy be achieved, the financial structure of the country will be imperiled. * * * In that part of government devoted to agriculture there are many places where economies can be effected, and such economies we approve.

"We believe, however, that these reductions should be made selectively and not straight across the board. We * * * are opposed to reductions * * * which would cripple any research program."

Later in its resolution the Farm Bureau members urged consolidation of all agricultural conservation activities and extension services.

There are two important things to note in this Farm Bureau meeting and the action which it took:

First. While farm group protest meetings often go to one extreme or another, this meeting took a reasonable, carefully considered, middle-of-the-road viewpoint. It recognized that agriculture, too, must share in tax reduction, but it urged a judicious selective weeding which would not destroy the basic services which are needed by the Nation's most basic industry.

Second. The Farm Bureau members put their finger, collectively, on the fallacy of that phrase, "across the board." In education, labor contracts, tax increases and reductions, across the board has been the instrument of lazy minds, and of political minds which dislike direct responsibility.

In government, one service may be tremendously important and its growth may mean great savings of health and money in decades ahead, while another service may be merely a Government rest farm for politically spavined retainers. The easy thing—the thing certain not to make enemies—is to propose an across-the-board cut or increase, aiding or curbing the worthy and worthless services alike, displaying the timid anonymity with which Government action so often is cursed.

We see it in educational budgets, in many labor contracts, where percentage raises or cuts, aids or curbs, take no consideration of individual capacities and needs.

The most precious nucleus of democracy is its regard for the human entity, of human rights above statism—yet most of our institutions entirely disregard this factor when mesmerized by that phrase, "across the board."

Joe may be a wizard of efficiency and John a worthless lout, yet a 10 percent across the board raise sees them as one. In a school budget, history and research and science laboratories may seem particularly important, but the raise in budget looks with as much favor on Latin and dressmaking.

AGRICULTURAL MEETING SPONSORED BY NORTH DAKOTA FARM BUREAU, DEVILS LAKE, N. DAK., MAY 31, 1947

At a meeting held at Devils Lake on May 31, 1947, approximately 400 farmers met to discuss agricultural problems and voiced their opinion on the present and future program for agriculture.

In order that a general statement will be available for those that did attend and also the others that did not have the opportunity to attend this meeting, your secretary will endeavor to give a brief résumé of the topics that were discussed and the suggestions and recommendations made.

It was evident from the statements made by Mr. E. J. Taintor and Dean Walster, of the agricultural college, that research for agriculture was still in the dark ages compared to the amount of money and time spent by industry in the development of their products.

Therefore, farmers should support the proposed legislation in Congress recommended under the Flannagan-Hope bill so that funds would be available for research for agriculture, having in mind that the recent budget estimate for the Research and Marketing Act of 1946 of $19,000,000 should be restored, which was reduced by the Appropriations Committee from $19,000,000 to $6,000,000. Farmers realize that without the proper research in their industry they cannot keep pace with industry. They further realize that without proper research we would not have had the seed, fertilizer, and soil analysis which has favored them in the past years.

The group, therefore, went on record favoring restoration of the appropriation to the amount requested.

Mr. J. Earl Cook, of the North Dakota Dairy Association, gave a brief review of the dairy industry and its importance to farm economy. It is recognized that the dairy farmer has had more obstacles to overcome than any other farm commodity and that the parity formula has been out of line within the past years and our farm organizations have gone on record recommending a favorable adjustment in the industry that is closer to the farm family than any other commodity. Dairy farmers, therefore, request favorable consideration on the following measures:

1. Retain present Federal taxes and regulatory statutes with regard to the manufacture and sale of oleomargarine.

2. Parity formula should be revised so that it represents values which are more nearly in line with current conditions and prices which the producer has to pay. The 1909–14 base is obsolete.

3. We protest anticipated cut in appropriations of United States Bureau of Reclamation which will in turn slow up or stop the progress of irrigation development in North Dakota.

4. We protest anticipated cut in appropriations for United States Department of Agriculture. Particularly do we protest the cut in the school-lunch funds, which were cut from $75,000,000 to $45,000,000.

5. Return to normal pricing and production methods: The Department of Agriculture estimates 2,000,000 fewer cows in 1947 than in 1944.

In discussing the present wool situation, the surplus problem, although due to perhaps a war condition, is facing the wool producers in the United States. In order that the wool producers may be protected, the group went on record favoring the six-point wool program submitted by the American Farm Bureau Federation, giving a support price of about 42 cents per pound to wool producers and also that the Commodity Credit Corporation be authorized to support this program. In other words, this program directs the Secretary of Agriculture to support wool prices at not less than 90 percent of the comparable or revised parity price until the end of the Steagall price-support period; also, retain existing tariff rates on imported wool—at least until the world wool situation becomes more stabilized or the competitive position of domestic wool improves.

The wool and potato situation as it is today may be indicative of the problems that may face agriculture when the foreign demands for farm products may be considerably reduced.

The group went on record inviting the Federal Land Bank to return to North Dakota to make farm loans on terms that have been suggested in Washington by Senator

YOUNG and that the reduced loan basis to approximately 55 or a 60 percent basis would be satisfactory.

It was generally agreed among those that discussed the Farm Credit that the Federal Land Bank is necessary for the development of a necessary farm credit in North Dakota. In other words, the farmers who require and need this service are entitled to consideration.

Mr. Ad Geiger, of Pembina County, presented the present situation in connection with the national crop-insurance program, reviewing some of its history, some of its present weakness, and the lack of participation. Regardless of its present weakness, the group after considerable discussion felt that the crop-insurance program was still in its infancy and that it should be continued if for no other reason than on an experimental basis. Reference was made to the present bill limiting the experience to a number of counties for the various commodities. Some opinions were expressed that there were not sufficient counties included for the various commodities.

However, the group finally approved recommendations of the American Farm Bureau, which favors continuation of crop insurance, both urge its use only with regional adjustments and on a sound actuarial basis.

Mr. J. C. Stewart, of Grand Forks County, reviewed the recommendations of the wheat conference attended by representatives of 13 wheat-growing States held at Omaha in February 1947, where they recognized that after the Steagall price-support period that we may face the same problems as the wool and potato growers are facing at the present time. However, it was felt that with the well-planned program previous to that time that the wheat grower could eliminate some of the expected problems if an organized effort was made to do so.

The export problem would appear to be the major factor to be considered, and the Omaha conference went on record recommending United States participation in the national-wheat-agreement meetings, whereby a planned program could be formulated as soon as possible. Also, that a soil-conservation program should be considered as a requisite of the wheat farmers and not to overstimulate production; that every source for new uses be studied and that the wheat farmers themselves financially support a program to advertise and dispose of their own product.

A report of the recent International Wheat Conference was read wherein we find that two of the main obstacles why the recent Conference failed to reach an agreement was the failure of Argentina to go along with an agreement. However, the real stumbling-block seemed to be the existing bilateral agreement between Canada and the United Kingdom, whereby the Canadian Government fixed a flat ceiling of $1.55 per bushel. This agreement having been made some time ago and the British insisted that this agreement remain in effect regardless of any subsequent international agreement. United States took the position that we could not agree to a ceiling of less than $1.80 for the first year of the agreement.

The group meeting at Devils Lake unanimously agreed that they approved of our Nation's representatives in withholding approval of the so-called international-wheat agreement, and that no agreement should be made which would put our Nation at a disadvantage.

Mr. Ervin Bourgois, of Burleigh County, presented the problem of the conservation program for the farmers, stating that a great deal of confusion exists at the present time due to the fact that there are three agencies; namely, the Soil Conservation Committee, the AAA Committee, and the Extension Service that more or less overlap in the service to the farmers and that there should be some plan formulated that would coordinate these agencies to eliminate this confusion and overlapping.

It was agreed by the group at this meeting that recommendations be made favoring a consolidation of the Soil Conservation Service, the Production Marketing Administration, and the Extension Service, with the belief that such consolidation would result in greater efficiency and economy on the part of the Government and less annoyance and confusion to the farmers, and that selection of those who administer these services should be selected as much as feasible by the farmers in the various States, counties, and communities, and that the local counties and States should have much more power of initiative than they are permitted at the present.

Mr. Chas. Fleming, of Pembina County, outlined the program and services of the Agricultural Adjustment Administration, known as the Triple A or Production Marketing Administration. It was recognized by the group that the AAA is the basic factor upon which our present farm program has been built. Also recognizing the fact that too many have interpreted it as an income act rather than a program that was set up to administer the farm program, sponsoring better farming methods, encouraging soil conservation, assisted in handling the commodity credit loan program and which will have considerable to do with our future marketing agreement.

The group, therefore, went on record definitely favoring the continuation of this act at least until such a time as something better is proposed and accepted, realizing that as time goes on progress will make it necessary to modify our present farm program.

Several recommendations were made to change the administration of the AAA program on the State and county levels. Resolutions were passed dealing with the administration on the State and county levels as follows:

1. We do hereby recommend that in the administration of the farm program, more power be placed in the hands of the farmers. That the county committee be given full authority to establish the county farm program operating budget and that they be responsible for the spending of money from said budget.

2. We further recommend that the State of North Dakota be divided into five geographic districts, and that each district have a representative on the State committee. That said representative on the State committee be elected by vote of the chairman of the county committee of said districts.

3. We further recommend that State committee members be elected for a period of 3 years, and that in the beginning, one man be elected for 3 years, two men for 2 years, and two men for 1 year. We also recommend that the director of the North Dakota Extension Service, by virtue of his office, be an ex-officio member of the State committee.

Mr. P. J. Donnelly gave a brief review of the functions of the Farm Advisory Council which is a group of operating farmers who have worked with the staff of the North Dakota Agricultural College in promoting and studying the best methods and services that the North Dakota Agricultural College and especially the experiment station can give to the farmers. The work of the Advisory Council will, no doubt, be of a great service in the future to North Dakota agriculture.

The group also went on record that full support should be given by the Federal Government in the development of the REA in North Dakota and other States which have not made the progress in the development of rural power. Contrary to the American Farm Bureau Federation's recommendation, the Appropriation Committee reduced the funds available for REA loans $25,000,000 below last year and also cut the administrative expenses $1,550,000 below last year.

The American Farm Bureau Federation and member States have been in accordance with the plan of a 20-percent reduction for the Department of Agriculture. However, it was the general opinion of this group that it should be a selective rather than a straight across the board cut in the agricultural appropriations. It was conceded that a larger reduction could be made in the national administrative agency and in some instances on the State level, but the greater encouragement should be given to the farmer committees who are in the best position to administer the various programs.

The group went on record opposing the transfer of the so-called section 32 funds, amounting to $148,000,000, to the United States Treasury. Such funds should be retained to finance the export of surplus agricultural commodities as was intended when such funds were originally segregated; also, that the budget estimate of $19,000,000 for the Research and Marketing Act of 1946 should be restored to its original amount.

In reference to the appropriations set up under the budget estimate of $300,000,000 for the agricultural conservation program under the AAA, it was the general opinion of the group that a reduction in the payment for 1947 was not alarming, neither would it be a financial distress at the present time.

Regardless of this fact, farmers will remember the wheat program and the 30-cent-bonus program whereby a great many of the farmers in our State and elsewhere were deprived of a price for their wheat which they understood would not change during the year and a great many farmers had sold their wheat to make the necessary payments on their indebtedness, due to the fact that they had been given a definite price for the year by the Government agencies.

The group, therefore, felt that the Government or Congress are not acting in good faith for the reason that in the appropriation bill last year Congress authorized the Secretary to announce a $300,000,000 agricultural conservation program for the year 1947, and an announcement of this program, with the rates of payment, was made last fall.

Farmers feel that if the Government and its agencies do not, and will not, keep faith in their promises, the development of the future farm program is going to be difficult.

EXCHANGE OF POLITICAL HORSES IN MIDSTREAM—EDITORIAL FROM THE DAILY OKLAHOMAN

Mr. MOORE. Mr. President, I am in sympathy with the interest of the Democratic Party in having invincible proof of the necessity for the continuation of that party in power so that we may be extricated from the many emergencies to be faced, by those who have a thorough comprehension of the problems involved.

At the present time, one of the greatest reasons for the continuation of this party in power is national security and the preservation of that degree of domestic economy which has proved so satisfactory. The present urgency for maintaining the philosophy of the Democratic Party is the continuance of an efficient program to insure ample spending and high employment on the part of the Government in order that the people may be saved from themselves.

In the time intervening between now and the national election, the people of this country may have a lapse of memory and it could be that they would be unaware of the efforts made on behalf of the administration to retain high taxes, high bureaucratic employment, and everything incident thereto. I have seen some suggestions in an editorial of the Daily Oklahoman about certain streams

that it might be helpful to the Democratic Party to get us into the middle of because it would be very dangerous to change horses at such a time. This editorial makes certain suggestions which I think the people ought to know about, and especially the Democratic Party which might avail itself of these suggestions. If it does not make a complete campaign issue, it would certainly provide a good slogan, and I ask unanimous consent to have the editorial printed in the body of the RECORD for whatever aid it might be to this worthy end.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHICH SHALL IT BE?

Another Presidential campaign is fast approaching and a casual view of the political field will reveal any number of streams in which it would be positively dangerous to exchange horses. In fact there are as many of those fear-provoking streams as any former campaign was able to uncover.

Just which one of our many available streams is going to be selected as the one in which it will be the most dangerous to exchange political quadrupeds? The strategists will have to make it definite and certain. For the inclusion of all our streams in the danger list might cause the populace to doubt that the entire lot constituted any crossing hazard.

Which shall it be? Are we to hear of the dangers attending the exchanging of horses while the atomic bomb remains uncontrolled or while the national debt remains unpaid or while wartime taxes remain glued to the ceiling? Perhaps we shall hear that it is dangerous to exchange quadrupeds while Asia is in ferment and while the multiplied tribes of Europe are still carrying on the blood feuds that have distracted them for the past 2,000 years.

We ought to know definitely before very long. Time is running out and the planners must choose with little delay the stream whose crossing is supposed to present the maximum of danger. Possibly the most promising of the lot is the issue of the national debt. How about "Don't exchange horses until the national debt is paid"?

FEDERAL TRIAL EXAMINERS—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address by him before the Federal Trial Examiners' Conference on June 6, 1947, which appears in the Appendix.]

AMERICAN FOREIGN AND DOMESTIC POLICY—ADDRESS BY SENATOR FERGUSON

[Mr. BUSHFIELD asked and obtained leave to have printed in the RECORD an address entitled "Our Foreign and Domestic Policy," delivered by Senator FERGUSON before the Economic Club of Detroit, on June 2, 1947, which appears in the Appendix.]

ONE WOULD BE WORSE—EDITORIAL FROM MEMPHIS COMMERCIAL APPEAL

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "One Would Be Worse," from the Memphis (Tenn.) Commercial Appeal of Monday, June 2, 1947, which appears in the Appendix.]

THE SOIL FERTILITY BILL—EDITORIAL FROM THE TENNESSEE FARM BUREAU NEWS

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "The Soil Fertility Bill," published in the June 5, 1947, issue of the Tennessee Farm Bureau News, which appears in the Appendix.]

DEBT RETIREMENT VERSUS TAX REDUCTION—ARTICLE BY ROY A. FOULKE

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an article entitled "Debt Retirement Versus Tax Reduction," written by Roy A. Foulke, and published in Dun's Review for May 1947, which appears in the Appendix.]

LILIENTHAL: NO BOMB BACK-DOWN—ARTICLE FROM THE WASHINGTON TIMES-HERALD

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Lilienthal: No Bomb Back-Down" from the Washington Times-Herald of June 7, 1947, which appears in the Appendix.]

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. MORSE. I ask unanimous consent that the subcommittee of the Committee on Labor and Public Welfare dealing with the Veterans' Administration may hold a meeting during the session of the Senate this afternoon.

The PRESIDING OFFICER (Mr. COOPER in the chair). Without objection, it is so ordered.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between the carriers.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morse
Baldwin	Gurney	Murray
Ball	Hatch	O'Conor
Barkley	Hawkes	O'Daniel
Brewster	Hayden	O'Mahoney
Bricker	Hoey	Pepper
Bridges	Ives	Reed
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Kem	Russell
Butler	Kilgore	Saltonstall
Byrd	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Tydings
Downey	McGrath	Vandenberg
Dworshak	McKellar	Watkins
Ecton	McMahon	Wherry
Ellender	Magnuson	White
Ferguson	Maybank	Wiley
Flanders	Millikin	Wilson
George	Moore	Young

Mr. WHERRY. I announce that the Senator from Illinois [Mr. BROOKS], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Nevada [Mr. MALONE] is absent by leave of the Senate on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate because of illness in his family.

The Senator from Indiana [Mr. JENNER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

Mr. BARKLEY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from North Carolina [Mr. UMSTEAD] are absent on public business.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Florida [Mr. HOLLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Seventy-two Senators having answered to their names, a quorum is present.

The question before the Senate is the first committee amendment, which the clerk will state.

The CHIEF CLERK. On page 3, line 12, after the words "relating to", it is proposed to insert "freight classifications or to."

Mr. REED. Mr. President, the first thing I want to do is clear away some of the confusion caused by a deliberate campaign of misrepresentation that has been carried on for several years. This has been designated by propagandists in opposition as a "railroad" bill. It is true that the railroads and other carriers are supporting the bill, but it is also true that the shippers of the United States are universally asking that the bill be enacted into law. I ask unanimous consent to have printed in the RECORD at this point a tabulation of 958 farm, labor, commercial, and civic organizations who have asked the Congress to enact into law Senate bill 110.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTING S. 110

The following is a list of organizations supporting S. 110, as shown by the record of hearings on H. R. 2536, Seventy-ninth Congress, and S. 110, Eightieth Congress:

GOVERNMENTAL AUTHORITIES, STATE AND FEDERAL

Arizona Corporation Commission; Arkansas Public Service Commission; California Railroad Commission; California Senate and House (joint resolution); Colorado Public Utilities Commission; Connecticut Public Utilities Commission; Florida Railroad Commission; Florida State Senate; Idaho Public Utilities Commission; Idaho State Department of Agriculture; Indiana Public Service Commission; Interstate Commerce Commission; Iowa State Commerce Commission; Kansas State Corporation Commission; Kentucky Railroad Commission; Louisiana Department of Agriculture and Immigration; Louisiana Public Service Commission; Maine Public Utilities Commission; Maryland Public Service Commission; Massachusetts Public Utilities Commission; Michigan Public Service Commission; Mississippi Public Service Commission; Montana Board of Railroad Commissioners; Mountain-Pacific States

Conference of Public Service Commissions; National Association of Commissioners, Secretaries, and Directors of Agriculture; National Association of Railroad and Utilities Commissioners; Nebraska State Director of Agriculture; Nebraska State Railway Commission; Nevada Public Service Commission; New Jersey Board of Public Utility Commissioners; North Carolina Public Utilities Commission; Office of Defense Transportation; Ohio Public Utilities Commission; Oregon Department of Agriculture; Oregon Public Utilities Commissioner; Oregon State Highway Commission; Pennsylvania Public Service Commission; Senate and Assembly of California (joint resolution); South Carolina Public Service Commission; South Dakota Public Utilities Commission; State of Delaware Board of Agriculture; State of Delaware House of Representatives; State of Kansas Commission of Revenue and Taxation; Vermont Public Service Commission; Virginia State Corporation Commission; Washington State Department of Transportation; Wisconsin Public Service Commission; Wyoming Public Service Commission.

CARRIER ORGANIZATIONS

American Merchant Marine Institute, Inc.; American Short Line Railroad Association; American Trucking Associations, Inc.; American Waterways Operators, Inc.; Association of American Railroads; Brotherhood of Locomotive Engineers; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees; Freight Forwarders Institute; Idaho Truckers Association; Intercoastal Steamship Freight Association; Massachusetts Motor Truck Association, Inc.; Middle Atlantic States Motor Carrier Conference, Inc.; National Association of Motor Bus Operators; National Federation of American Shippers; National Water Carriers Association, Inc.; New Orleans Steamship Association; Pacific American Steamship Association; Railway Labor Executives' Association; Southeastern Greyhound Lines; Utah Motor Transport Association, Inc.

SHIPPERS', TRAFFIC, AND TRANSPORTATION ORGANIZATIONS

Allegheny Regional Advisory Board; Atlantic States Shippers Advisory Board; Billings, Mont., Traffic Bureau; Buffalo Traffic Club; Buffalo Transportation Club; Burlington, Iowa, Shippers Association; Capital District Railroad Club of Albany; Central Pennsylvania Traffic Club, Williamsport; Central Western Shippers Advisory Board; Chain Store Traffic League, New York; Clinton, Iowa, Manufacturers and Shippers Association; Columbia River Tariff Bureau, Oregon; East St. Louis Traffic Conference; Florida Freight Traffic Bureau; Florida Rate Conference; Fort Worth Freight Bureau; Georgia-Alabama Textile Traffic Association; Glades Traffic Association, Florida; Great Lakes Regional Advisory Board; Greater Miami Traffic Association; Hood River Traffic Association, Oregon; Industrial Traffic Association of San Francisco; Industrial Traffic Managers Association, Seattle; Inland Empire Waterways Association, Walla Walla, Wash.; Illinois Central Employees Service Club of Rockford, Ill.; Illinois Territory Industrial Traffic League; Jamestown, N. Y., Transportation Club; Junior Traffic Club of Seattle; Keokuk, Iowa, Shippers Association; Manitowoc-Two Rivers, Wis., Traffic Club; Manufacturers Traffic Club of Lancaster, Pa.; Memphis Freight Bureau; Merchants and Manufacturers Traffic Bureau, Muskogee, Okla.; Mid-West Shippers Advisory Board; Muscatine, Iowa, Shippers Association; Nashville Freight Bureau; National Association of Shippers Advisory Boards; National Industrial Traffic League; Newark, N. J., Traffic Club; New England Motor Rate Bureau; New England Shippers Advisory Board; New Jersey Industry Traffic League; New Orleans Traffic and Transportation Bureau; Niagara Frontier, N. Y., Industrial Traffic League; North-Eastern New York Traffic Association; Northwest Shippers Advisory Board; Ohio Railroad Employees Citizens Taxpayers League; Ohio Valley Transportation Advisory Board; Oregon State Motor Association; Pacific Coast Transportation Advisory Board; Pacific Inland Tariff Bureau, Inc., Oreg.; Pacific Northwest Advisory Board; Peoria-Pekin, Ill., District Shippers Conference; Peoria-Pekin, Ill., Railroad Traffic Association; Philadelphia Maritime Exchange; Pittsburgh Region Chapter of Association of Interstate Commerce Commission Practitioners; Port Operating Corporation of Florida; Portland, Oreg., Traffic Association; Propeller Club of the United States, Port of Charleston, S. C.; Quincy, Ill., Freight Bureau; Railway Business Women's Association of Buffalo, N. Y.; Rogue River Valley Traffic Association, Oreg.; San Antonio Traffic Club; Seattle Traffic Association; Southeast Shippers Advisory Board; Southeastern Shippers Conference; Southern Paper Manufacturers Conference; Southern Motor Carriers Rate Conference; Southern Paper Manufacturers Traffic Conference; South Traffic League; Southwestern Industrial Traffic League; Stronghurst, Ill., Cooperative Livestock Shipping Association; Tampa Traffic Association, Florida; Texas Industrial Traffic League; The Shippers' Conference of Greater New York; Traffic Bureau of Sioux Falls, S. Dak.; Traffic Club of Wilmington, Del.; Trans-Missouri-Kansas Shippers Board; Transportation Association of America; Transportation Club of Louisville; Tri-Cities Traffic Association, Illinois; Wenatchee Valley, Wash., Traffic Association; Western Railway Club of Chicago; Wisconsin Paper and Pulp Manufacturers' Traffic Association; Yakima Valley, Wash., Traffic and Credit Association.

AGRICULTURAL AND LIVESTOCK ORGANIZATIONS

American Farm Bureau Federation; American Fruit Growers, Inc., Florida; American National Live Stock Association; Arizona Cattle Growers Association; Arizona Farm Bureau Federation; Arizona Vegetable Growers Association; Arizona Wool Growers Association; Arkansas Beef Cattlemen's Association; Associated Farmers of California, Inc.; Blue Lake, Oreg., Cooperative; California Agricultural Council; California-Arizona Cotton Association; California Canners League; California Cotton Cooperative Association, Ltd.; California Deciduous Growers League; California Grape Growers and Shippers Association; California Growers and Shippers Protective League; California Lima Bean Growers Association; California Packing Corp.; California State Farm Bureau Federation; Camp Point, Ill., Commercial and Agricultural Association; Central Arizona Cattle Feeders Association; Central Arizona Growers-Shippers Association; Chicago Livestock Exchange; Cranberry Canners, Inc., Pacific Division, Washington; Dairy Cooperative Association, Oregon; Dried Fruit Association of California; Eastern Washington Cooperative Beet Growers Association; Eugene, Oreg., Fruit Growers Association; Evaporated Milk Association; Everglades, Fla., Growers Cooperative; Farm Bureau Cooperative Exchange, Oregon; Farmers' Equity Cooperative, Wisconsin; Farmers Grain Cooperative, Utah; Farmers Union Cooperative Association, Pilger, Nebr.; Farmers Union, Local No. 354, Colorado; Flathead, Mont., Sweet Cherry Association; Florida Citrus Canners' Association; Florida Citrus Commission; Florida Growers and Shippers League; Florida Vegetable Committee; Fort Pierce, Fla., Cooperative; Fruit Growers League, Oregon; Golden Guernsey Association, Wisconsin; Grass Valley, Oreg., Grain Growers, Inc.; Guernsey Breeders Association, Wisconsin; Huron, Ohio, Grange; Idaho Beet Growers Association; Idaho Cattlemen's Association; Idaho Farmers' Union; Idaho Cooperative Council; Idaho Potato and Onion Shippers Association, Inc.; Idaho Seed and Feed Dealers; Idaho Shippers and Growers Association; Idaho State Grange; Idaho State Horticulture Society; Idaho Wool Growers Association; Indian River, Fla., Growers Service; Indiana State Grange; Josephine Growers Cooperative Association of Grants Pass, Oreg.; Kern County, Calif., Potato Growers Association; LaCrosse, Fla., Growers, Inc.; Lake Okeechobee, Fla., Farmers Cooperative; Mason, Ohio, Grange; Miami, Fla., Home Milk Producers Association; Milwaukee Growers Association; Missouri Farmers' Association, Inc.; Montana Horticultural Society; Montana Stock Growers Association; Mountain States (Montana-Wyoming) Beet Growers Marketing Association; Mouse River, N. Dak., Cattlemen's Association; National Grange; National League of Wholesale Fresh Fruit and Vegetable Listributors, Philadelphia Branch; National Council of Farmer Cooperatives; Nebraska Stock Growers Association; Newbry Orchards, Oregon; New Mexico Cattle Growers Association; New Orleans Cotton Exchange; New Orleans Green Coffee Association; North Dakota Stockmen's Association; Northern Montana Beet Growers' Association; North Pacific Grain Growers (Oregon-Washington); North Pacific Nut Growers Cooperative, Oregon; Northwest Canners Association (Washington-Oregon); Northwest Produce Association, Washington; Ohio Council of Farm Cooperatives; Oregon Association of Nurserymen; Oregon Prune Exchange; Oregon State Horticultural Society; Oregon Turkey Growers; Orlando, Fla., Citrus Growers Association; Pacific Cooperative Poultry Producers, Oregon; Pacific Fruit Exchange; Pacific Wool Growers, Oregon; Palmdale, Calif., Irrigation District; Pecos Valley, Tex., Cooperatives, Inc.; Pennsylvania Association of Cooperative Organizations; Pennsylvania State Council of Farm Organizations; Philadelphia Produce Exchange; Pondera, Mont., Beet Growers Association; Portage Cooperative Creamery Association; Salt River Valley Water Users Association, Arizona; South Dakota Sheep Growers Association; South Dakota Stock Growers' Association; South Texas Cooperative Marketing Association; Southeastern Wisconsin Cheese Association; Southeastern Wisconsin Fruit Growers Cooperative; Southern Oregon Hop Growers Association; St. Joseph Live-Stock Exchange; St. Joseph Stock Yards Co.; Seminole County, Fla., Farm Bureau; Sumner, Wash., Rhubarb Growers Association; Sun River, Mont., Beet Growers Association; Texas Pecan Growers Association; Tongue and Yellowstone, Mont., Beet Growers' Association; United Dairymen's Association, Washington; United Fresh Fruit and Vegetable Association; Utah Wool Growers; Vermont State Grange; Washington Canners Cooperative; Washington Certified Seed Potato Growers; Washington Cooperative Farmers Association; Washington Growers Packing Cooperative; Washington Nut Growers Cooperative; Washington State Cattlemen's Association; Washington State Farm Bureau; Washington State Hop Producers, Inc.; Washington State Peach Council; Waukesha County, Wis., Farm Bureau Cooperative; Western Oregon Live Stock Association; Western Montana Beet Growers' Association; Western South Dakota Sheep Growers Association; Wisconsin Canners Association; Wisconsin Council of Agricultural Cooperatives; Wisconsin Dairyman's Association; Wisconsin Experiment Association; Wisconsin Farm Bureau Federation; Wisconsin Hybrid Corn Breeders Association; Wisconsin Implement Dealers Association; Wisconsin Livestock Breeders Association; Wisconsin Milk Dealers Association; Wisconsin Swiss and Limburger Cheese Production Association; Wisconsin-Upper Michigan Fruit Jobbers Association; Wyoming Stock Growers Association; Wyoming Wool Growers' Association.

BUSINESS ORGANIZATIONS

Alabama Cotton Manufacturers Association; American Cotton Manufacturers Association, Atlanta; American Paper and Pulp Association; Arizona Retail Lumber and Builders Supply Association; Associated Cooperage Industries of America, Inc.; Associated Employers of Oregon; Associated General Contractors of America, Arizona Chapter; Associated General Contractors of America, Northwest Branch; Associated General Contractors of Nevada; Associated Grocers Cooperative, Seattle; Associated Industries of Massachusetts; Associated Industries of New York State; Associated Industries of Vermont; Association of Washington Industries; Automotive Maintenance and Garage Association of San Francisco, Inc.; Blairsville, Pa., Board of Trade; Board of Trade, Salamanca, N. Y.; Bureau of Hotels, Restaurants and Purveyors, California; California Chain Stores Association; California Warehousemen's Association; Carbon County, Utah, Associated Industries; Chicago Heights Manufacturers Association; Coal Producers Association of Washington; Dallas, Tex., Wholesale Credit Men's Association; Douglas Fir Plywood Association, Washington; DuBois, Pa., Board of Trade; Easton, Pa., Board of Trade; East Side Manufacturers Association, Illinois; Florida Chain Store Association; Foreign Trade Association of Southern California; Forest Products Corp., Port Everglades, Fla.; Furniture Manufacturers Association, Inc., California; Galveston Cotton Exchange and Board of Trade; Georgia Cotton Manufacturers Association; Glendale, Calif., Merchants Association, Ltd.; Harlan County, Ky., Coal Operators Association; Hazard Coal Operators' Association; Henderson, Ky., Board of Trade; Idaho Coal Dealers Association; Idaho Lumber Dealers Association; Idaho Retail Grocers Association; Illinois Manufacturers Association; Illinois Valley Manufacturers Club; Independent Apparel and Retailers Association, Oregon; Independent Natural Gas Association of America; Insurance Board of Cleveland; Intercoastal Lumber Distributors Association; Kansas City Board of Trade; Los Angeles Wholesale Institute; Louisville Board of Trade; Lumbermen's Exchange of the City of Philadelphia; Manufacturers Association of Berks County, Pa.; Manufacturers Association of Connecticut, Inc.; Manufacturers Association of Delaware County, Chester, Pa.; Manufacturers Association of South San Francisco; Merchants and Manufacturers Association, California; Mining Association of Montana; Montana Wholesale Grocers Association; National Association of Mutual Savings Banks; National Wooden Box Association; Nevada Mine Operators' Association; Nevada Retail Merchants Association; New Orleans Board of Trade; New Orleans Clearing House Association; New Orleans Rice Millers and Grain Merchants; New Orleans Sugar Refiners; New Orleans Warehousemen; New York Produce Exchange; North Carolina Cotton Manufacturers' Association; North Pacific Millers' Association; Ohio Association of Retail Lumber Dealers; Omaha Grain Exchange; Oregon Automobile Dealers Association; Oregon Coast Association; Oregon State Pharmaceutical Association; Peoria Board of Trade; Philadelphia Textile Manufacturers' Association; Portland Retail Trade Bureau; Railroad Security Owners' Association; Railway Business Association; Retail Furniture Association of California; Rockford, Ill., Fuel Merchants Association; San Antonio Manufacturers Association; San Francisco Hotel Association; San Francisco Real Estate Board; San Francisco Restaurant Association; San Francisco Retailers' Protective Association; South Carolina Cotton Manufacturers' Association; Southern Appalachian Coal Operators' Association; Southern Brick and Tile Manufacturers' Association; Southern California Restaurant Association; Southern Pine Association; Southern States Industrial Council; Springville, N. Y., Board of Trade; Stockton, Calif., Merchants Association; Tanners Council of America; Tennessee Manufacturers' Association; Texas Cotton Industries; Tri-State Packers' Association, Inc., Maryland; Utah Coal Operators Association; Utah Metal Mine Operators Association; West Coast Lumbermen's Association; Wholesale Fish Dealers Protective Association of Philadelphia; Wholesale Oystermen's Association of Philadelphia; Wisconsin Coal Bureau, Inc.; Wisconsin Manufacturers Association; Wisconsin Retail Lumbermen's Association; Wisconsin-Upper Michigan Fuel Dealers Association.

CHAMBERS OF COMMERCE, CIVIC, AND OTHER ORGANIZATIONS

Aberdeen, Wash., Chamber of Commerce; Abilene, Tex., Chamber of Commerce; Ainsworth, Nebr., Commercial Club; Akron, Ohio, Chamber of Commerce; Albany, N. Y., Chamber of Commerce; Albion, Nebr., Commercial Club; Albuquerque, N. Mex., Chamber of Commerce; Alexis, Ill., Commercial Club; Alhambra, Calif., Chamber of Commerce; Alliance, Nebr., Chamber of Commerce; Alma, Nebr., Chamber of Commerce; Alto Pass, Ill., Community Club; Altoona, Pa., Chamber of Commerce; Amarillo, Tex., Chamber of Commerce; Amsterdam, N. Y., Chamber of Commerce; Anaheim, Calif., Chamber of Commerce; Angeline County, Tex., Chamber of Commerce; Annapolis, Md., Chamber of Commerce; Areadia, Calif., Chamber of Commerce; Arcola, Ill., Chamber of Commerce; Artesia, Calif., Chamber of Commerce; Asbury Park, N. J., Chamber of Commerce; Ashland, Oreg., Chamber of Commerce; Associated Civic Clubs of Northern Utah; Associated Civic Clubs of Southern Utah; Astoria, Oreg., Chamber of Commerce; Atwood, Ill., Lions Club; Aurora, Ill., Chamber of Commerce; Aurora, Mo., Chamber of Commerce; Austin, Tex., Chamber of Commerce; Azusa, Calif., Chamber of Commerce; Baker County, Oreg., Chamber of Commerce; Bakersfield, Calif., Chamber of Commerce; Baltimore Association of Commerce; Banning, Calif., Chamber of Commerce; Batavia, N. Y., Chamber of Commerce; Battle Creek, Mich., Chamber of Commerce; Battle Mountain, Nev., Chamber of Commerce; Bayard, Nebr., Chamber of Commerce; Beatrice, Nebr., Chamber of Commerce; Beaver, Pa., Businessmen's Association; Beaver City, Nebr., Chamber of Commerce; Bedford, Pa., Chamber of Commerce; Belleville, Ill., Chamber of Commerce; Bellflower, Calif., Chamber of Commerce; Bellingham, Wash., Chamber of Commerce; Bend, Oreg., Chamber of Commerce; Bergen County, N. J., Chamber of Commerce; Bernal, Calif., Boosters Club; Berwick, Pa., Rotary Club; Bisbee, Ariz., Chamber of Commerce; Birmingham Chamber of Commerce; Blaine, Wash., Chamber of Commerce; Bluffs, Ill., Civic Club; Blytheville, Ark., Chamber of Commerce; Board of Harbor Commissioners, city of Wilmington, Del.; Board of State Harbor Commissioners, San Diego, Calif.; Boise, Idaho, Chamber of Commerce; Bonham, Tex., Chamber of Commerce; Boston Chamber of Commerce; Boulder, Colo., Chamber of Commerce; Boulder City, Nev., Chamber of Commerce; Boulder City, Nev., Junior Chamber of Commerce; Boulder City, Nev., Lions Club; Brea, Calif., Chamber of Commerce; Bridgeport, Nebr., Chamber of Commerce; Broadway Association, New York, N. Y.; Bronx Chamber of Commerce; Buffalo, N. Y., Chamber of Commerce; Burbank, Calif., Merchants Association; Burlington, Iowa, Chamber of Commerce; Burlington, Wis., Chamber of Commerce; Business and Civic Association of the Tonawandas, Inc., New York; Butler, Mo., Chamber of Commerce; Butler, Pa., Chamber of Commerce.

Caliente, Nev., Chamber of Commerce; California State Chamber of Commerce; Camden County, N. J., Chamber of Commerce; Camden, Tenn., Lions Club; Camp County, Tex., Chamber of Commerce; Cape Girardeau, Mo., Chamber of Commerce; Cardondale, Ill., Business Men's Association; Carlisle, Pa., Chamber of Commerce; Carpinteria Valley, Calif., Chamber of Commerce; Carthage, Ill., Chamber of Commerce; Casper, Wyo., Chamber of Commerce; Cedar Rapids, Iowa, Chamber of Commerce; Centralia, Wash., Chamber of Commerce; Central Coast Regional Council, California; Central Council of San Francisco Property Owner's League; Central Valley Council, California; Centralia, Ill., Chamber of Commerce; Centralia, Mo., Chamber of Commerce; Centreville, Iowa, Association of Commerce; Chamber of Commerce and Board of Trade of Philadelphia; Chamber of Commerce and Civics of the Oranges and Maplewood, N. J.; Chamber of Commerce of Delaware; Chamber of Commerce of Norwalk, Conn.; Chamber of Commerce of St. Petersburg, Fla.; Chamber of Commerce of the State of New York; Chamber of Commerce of the United States; Chambersburg, Pa., Chamber of Commerce; Charlotte, N. C., Chamber of Commerce; Cheyenne, Wyo., Chamber of Commerce; Chicago Association of Commerce; Childress, Tex., Chamber of Commerce and Board of City Development; Chillicothe, Mo., Chamber of Commerce; Chillicothe, Ohio, Chamber of Commerce; Chula Vista, Calif., Chamber of Commerce; Cincinnati Chamber of Commerce; Cisco, Calif., Chamber of Commerce; Cisco, Tex., Chamber of Commerce; City Center Civic Club, San Francisco; City Efficiency League, California; Civic League of Improvement Clubs and Associations, California; Clarksville, Tenn., Chamber of Commerce; Clarksville, Tex., Chamber of Commerce; Clearwater, Calif., Chamber of Commerce; Cleveland Chamber of Commerce; Clinton, Iowa, Chamber of Commerce; Coal City, Ill., Civic Club; Colton, Calif., Chamber of Commerce; Columbia, Mo., Chamber of Commerce; Columbia, Pa., Chamber of Commerce; Columbus, Nebr., Chamber of Commerce; Columbus, Ohio, Chamber of Commerce; Commerce and Industry Association of New York, Inc.; Commercial Exchange of Philadelphia; Compton, Calif., Chamber of Commerce; Cornellsville, Pa., Chamber of Commerce; Corona, Calif., Chamber of Commerce; Corpus Christi, Tex., Chamber of Commerce; Corry, Pa., Chamber of Commerce; Council Bluffs, Iowa, Chamber of Commerce; Corvallis, Oreg., Chamber of Commerce; Creston, Iowa, Chamber of Commerce; Crete, Nebr., Chamber of Commerce; Cumberland, Md., Chamber of Commerce; Curtis, Nebr., Chamber of Commerce; Dallas, Tex., Chamber of Commerce; Dallas, Oreg., Chamber of Commerce; The Dalles, Oreg., Chamber of Commerce; Decatur, Ill., Association of Commerce; Delaware County, Pa., Chamber of Commerce, Chester; Denver Chamber of Commerce; De Pere, Wis., Chamber of Commerce; Des Moines, Iowa, Chamber of Commerce; Detroit Board of Commerce; Dexter, Mo., Chamber of Commerce; Dodge, Nebr., Chamber of Commerce; Douglas, Ariz., Chamber of Commerce; Downey, Calif., Chamber of Commerce; Down Town Association, San Francisco; Durham, N. C., Chamber of Commerce.

Eastland, Tex., Chamber of Commerce; East Los Angeles Property Owners Protective Association; East St. Louis, Ill., Chamber of Commerce; El Centro, Calif., Chamber of Commerce; Elizabeth, N. J., Chamber of Commerce; Elko, Nev., Chamber of Commerce; Ellensburg, Wash., Chamber of Commerce; Ellwood City, Pa., Chamber of Commerce; El Monte, Calif., Community Chamber of Commerce; El Paso, Tex., Chamber of Commerce; Ely, Nev., Lions Club; Escondido, Calif., Chamber of Commerce; Eugene, Oreg., Chamber of Commerce; Eureka, Calif., Chamber of Commerce; Eureka, Calif., District Boosters Association; Eureka Valley, Calif., Citizens' Association; Eustis, Fla., Chamber of Commerce; Eustis, Nebr., Commercial Club; Evansville, Ind., Chamber of

Commerce; Everett, Wash., Chamber of Commerce; Fairbury, Nebr., Chamber of Commerce; Falls City, Nebr., Chamber of Commerce; Fargo, N. Dak., Chamber of Commerce; Fayette, N. C., Chamber of Commerce; Fillmore, Calif., Chamber of Commerce; Flagstaff, Ariz., Chamber of Commerce; Fontana, Calif., Chamber of Commerce; Forest Park, Ill., Chamber of Commerce; Fort Collins, Colo., Chamber of Commerce; Fort Madison, Iowa, Chamber of Commerce; Fort Worth, Tex., Chamber of Commerce; Fox Lake, Ill., Chamber of Commerce; Frankfort, Ind., Chamber of Commerce; Freeport, Ill., Chamber of Commerce; Fremont, Nebr., Chamber of Commerce; Fresno County, Calif., Chamber of Commerce; Fullerton, Calif., Chamber of Commerce; Galveston, Tex, Chamber of Commerce; Garfield, Wash., Chamber of Commerce; Gary, Ind., Chamber of Commerce; Gastonia, N. C., Chamber of Commerce; Gering, Nebr., Chamber of Commerce; Gettysburg, Pa., Chamber of Commerce; Glendale, Calif., Chamber of Commerce; Glendora, Calif., Chamber of Commerce; Glenview, Ill., Chamber of Commerce; Goldsboro, N. C., Chamber of Commerce; Good Government League of San Francisco, Inc.; Grand Island, Nebr., Chamber of Commerce; Grandview, Wash., Chamber of Commerce; Grants Pass, Oreg., Chamber of Commerce; Greater Latrobe, Pa., Association; Greater Little Rock, Ark., Chamber of Commerce; Greater Maywood Association, Chicago.; Greater Mission, Calif., Improvement Association; Greater Orlando Chamber of Commerce; Greeley, Colo., Chamber of Commerce; Green Bay, Wis., Association of Commerce; Grennville, Tex., Chamber of Commerce; Grinnell, Iowa, Chamber of Commerce; Grove City, Pa., Commercial Club; Hagerstown, Md., Chamber of Commerce; Hanford, Calif., Chamber of Commerce; Harbor District Chamber of Commerce, California; Harrisburg, Pa., Chamber of Commerce; Hastings, Nebr., Chamber of Commerce; Havana, Ill., Chamber of Commerce; High Point, N. C., Chamber of Commerce; Hobbs, N. Mex., Chamber of Commerce; Holdrege, Nebr., Chamber of Commerce; Hopkins County, Tex., Chamber of Commerce; Hoquiam, Wash., Chamber of Commerce; Huntingdon, Pa., Chamber of Commerce; Huntington Beach, Calif., Chamber of Commerce; Huntington, Long Island, Chamber of Commerce; Hynes, Calif., Chamber of Commerce.

Idaho Postwar Planning Committee; Idaho State Chamber of Commerce; Indiana State Chamber of Commerce; Iowa State Chamber of Commerce; Italian Chamber of Commerce, Chicago; Ithaca, N. Y., Chamber of Commerce; Jacksonville, Ill., Chamber of Commerce; Jamestown, N. Y., Chamber of Commerce; Kalamazoo, Mich., Chamber of Commerce; Kansas City, Mo., Chamber of Commerce; Kankakee, Ill., Chamber of Commerce; Kenton, Ohio, Chamber of Commerce; Keokuk, Iowa, Chamber of Commerce; Kern County, Calif., Chamber of Commerce; Kingston, N. Y., Chamber of Commerce; Kirksville, Mo., Chamber of Commerce; Klamath County, Oreg., Chamber of Commerce; Knoxville, Tenn., Chamber of Commerce; La Crosse County, Wis., Chamber of Commerce; La Grande, Oreg., Chamber of Commerce; La Habra, Calif., Chamber of Commerce; Lake City and Columbia County, Fla., Chamber of Commerce, Lamar, Mo., Chamber of Commerce; Lancaster, Pa., Chamber of Commerce; Lansdale, Pa., Chamber of Commerce; Lansing, Mich., Chamber of Commerce; Las Vegas, Nev., Chamber of Commerce; Leroy, N. Y., Business Association; Lewisburg, Tenn., Chamber of Commerce; Liberty, Mo., Chamber of Commerce; Lima, Ohio, Association of Commerce; Lincoln, Nebr., Chamber of Commerce; Lindsay, Calif., Chamber of Commerce; Lockport, N. Y., Chamber of Commerce; Lompoc Valley, Calif., Chamber of Commerce; Lone Pine, Calif., Chamber of Commerce; Long Beach, Calif., Chamber of Commerce; Longmont, Colo., Chamber of Commerce; Longview, Wash., Chamber of Commerce; Los Angeles Chamber of Commerce; Los Angeles County Chamber of Commerce; Los Angeles Property Owners Protective Association; Louisiana, Mo., Chamber of Commerce; Loveland, Colo., Chamber of Commerce; Macomb, Ill., Chamber of Commerce; Manistee, Mich., Board of Commerce; Marion County, Tex., Chamber of Commerce; Market Street Association of San Francisco; Marshall, Tex., Chamber of Commerce; Marshall, Mo., Chamber of Commerce; Marshalltown, Iowa, Chamber of Commerce; Mason City, Iowa, Chamber of Commerce; Marysville, Calif., District Chamber of Commerce; McKeesport, Pa., Chamber of Commerce; McMinnville, Oreg., Chamber of Commerce; Melrose Park Chamber of Commerce, Chicago; Memphis, Tenn., Merchants Exchange; Merchants' Exchange of St. Louis; Mexico, Mo., Civic Club; Milan, Tenn., Chamber of Commerce; Milton, Pa., Chamber of Commerce; Milton-Freewater, Oreg., Chamber of Commerce; Milwaukee, Wis., Association of Commerce; Minatare, Nebr., Lions' Club; Mineral Wells, Tex., Chamber of Commerce; Minneapolis Chamber of Commerce; Minonk, Ill., Chamber of Commerce; Minot, N. Dak., Association of Commerce; Moberly, Mo., Chamber of Commerce; Modesto, Calif., Chamber of Commerce.

Monahans, Tex., Chamber of Commerce; Monessen, Pa., Chamber of Commerce; Monongahela, Pa., Business Men's Association, Inc.; Mount Clare-Elmwood Park District, Ill., Chamber of Commerce; Montgomery, N. Y., Chamber of Commerce; Montpelier, Idaho, Chamber of Commerce; Mount Carmel, Pa., Businessmen's Association; Mount Carmel, Pa., Rotary Club; Mount Carroll, Ill., Commercial Club; Mount Pleasant, Pa., Civic & Business Association; Mount Shasta, Calif., Chamber of Commerce; Mount Vernon, Ohio, Chamber of Commerce; Murfreesboro, Tenn., Chamber of Commerce; Muscatine, Iowa, Chamber of Commerce; Nampa, Idaho, Chamber of Commerce; Nauvoo, Ill., Unity Club; Nebraska City, Nebr., Chamber of Commerce; Nevada, Mo., Chamber of Commerce; Newark, N. J., Chamber of Commerce; Newark, N. Y., Chamber of Commerce; Newark, Ohio, Chamber of Commerce; Newburgh, N. Y., Chamber of Commerce; New Bedford, Mass., Board of Commerce; New Brunswick, N. J., Chamber of Commerce; New Jersey State Chamber of Commerce; New Orleans Association of Commerce; Newman Grove, Nebr., Commercial Club; Newport Harbor, Calif., Chamber of Commerce; Newton, Iowa, Chamber of Commerce; Niagara Falls, N. Y., Chamber of Commerce; Niland, Calif., Chamber of Commerce; Niles, Ohio, Chamber of Commerce; Norfolk, Va., Association of Commerce; Norfolk, Nebr., Chamber of Commerce; North Coast Regional Council (California State Chamber); North Hollywood, Calif., Chamber of Commerce; North Idaho Chamber of Commerce; North Kansas City, Mo., Chamber of Commerce; North Platte, Nebr., Chamber of Commerce; Northeast Philadelphia Chamber of Commerce; Norwalk, Calif., Chamber of Commerce; Nyssa Oreg., Chamber of Commerce; Oakland, Calif., Chamber of Commerce; Oakmont, Pa., Chamber of Commerce; Oak Park, Ill., Chamber of Commerce; Oceanside, Calif., Chamber of Commerce; Ogden, Utah, Chamber of Commerce; Ohio Chamber of Commerce; Oil City, Pa., Chamber of Commerce; Olean, N. Y., Chamber of Commerce; Olney, Ill., Chamber of Commerce; Olympia, Wash., Chamber of Commerce; Omaha Chamber of Commerce; Oneida, N. Y., Chamber of Commerce; Oneonto, N. Y., Chamber of Commerce; Ontario, Calif., Chamber of Commerce; Orange, Tex., Chamber of Commerce; Orange County, N. Y., Chamber of Commerce; Oregon City, Oreg., Chamber of Commerce; Organized Business, Inc., Columbia, S. C.; Oroville, Calif., Chamber of Commerce; Osceola, Iowa, Chamber of Commerce; Oswego, N. Y., Chamber of Commerce; Oxnard, Calif., Chamber of Commerce, Agriculture and Industry; Pajara Valley, Calif., Chamber of Commerce and Agriculture; Palestine, Tex., Chamber of Commerce; Palisades, Nebr., Community Club.

Palm Springs, Calif., Chamber of Commerce; Palouse, Wash., Chamber of Commerce; Pana, Ill., Chamber of Commerce; Pasadena, Calif., Chamber of Commerce and Civic Association; Pasco, Wash., Chamber of Commerce; Paterson, N. J., Chamber of Commerce; Pecos, Tex., Chamber of Commerce; Pekin, Ill., Association of Commerce; Pendleton, Oreg., Chamber of Commerce; Pennsylvania State Chamber of Commerce; Peoria, Ill., Association of Commerce; Perry, N. Y., Chamber of Commerce; Pershing County, Nev., Chamber of Commerce; Phoenix Chamber of Commerce; Phoenixville, Pa., Chamber of Commerce; Pilot Rock, Oreg., Chamber of Commerce; Pine Bluff, Ark., Chamber of Commerce; Pioche, Nev., Chamber of Commerce; Pioche, Nev., Lions Club; Pittsburgh Chamber of Commerce; Placentia, Calif., Chamber of Commerce; Plymouth, Wis., Association of Commerce; Pocatello, Idaho, Chamber of Commerce; Pomona, Calif., Chamber of Commerce; Portage, Wis., Chamber of Commerce; Port Alleghany, Pa., Chamber of Commerce; Port Huron, Mich., Chamber of Commerce; Port of Camas-Washougal, Wash.; Port Townsend, Wash., Chamber of Commerce; Porterville, Calif., Chamber of Commerce; Portland, Oreg., Chamber of Commerce; Pottstown, Pa., Chamber of Commerce; Poughkeepsie, N. Y., Chamber of Commerce; Princeville, Ill., Civic Association; Prineville, Oreg., Chamber of Commerce; Providence, R. I., Chamber of Commerce; Pueblo, Colo., Chamber of Commerce; Punxsutawney, Pa., Chamber of Commerce; Quakertown, Pa., Chamber of Commerce; Quincy, Ill., Chamber of Commerce; Raleigh, N. C., Chamber of Commerce; Ranger, Tex., Chamber of Commerce; Rawlins Wyo., Chamber of Commerce; Reading, Pa., Chamber of Commerce; Red Bank, N. J., Community Chamber of Commerce; Redding, Calif., Chamber of Commerce; Redlands, Calif., Chamber of Commerce; Reno, Nev., Chamber of Commerce; Renovo, Pa., Rotary Club; Rialto, Calif., Chamber of Commerce; Richmond, Calif., Chamber of Commerce; Riverside, Calif., Chamber of Commerce; Riverside, Ill., Chamber of Commerce; Riverton, Wyo., Chamber of Commerce; Roanoke, Va., Chamber of Commerce; Robbins, Ill., Chamber of Commerce; Rochester, N. Y., Chamber of Commerce; Rock Springs; Wyo., Chamber of Commerce; Rockford, Ill., Chamber of Commerce; Rock Island, Ill., Chamber of Commerce; Rosalia, Wash., Chamber of Commerce; Sacramento, Calif., Chamber of Commerce; Sacramento Valley, Calif., Council; St. Joseph, Mo., Chamber of Commerce; St. Louis Chamber of Commerce; St. Paul Association of Commerce; St. Petersburg, Fla., Chamber of Commerce; Salem, Oreg., Chamber of Commerce.

Salt Lake City, Utah, Chamber of Commerce; San Antonio, Tex., Chamber of Commerce; San Benito County, Calif., Chamber of Commerce; San Bernardino, Calif., Chamber of Commerce; San Bernardino County, Calif., Board of Supervisors; San Diego, Calif., Chamber of Commerce; San Francisco Chamber of Commerce; San Francisco Federation of Taxpayers; San Francisco Property Owners' League; San Francisco Veterans Legislative Council; San Gabriel, Calif., Chamber of Commerce; San Jose, Calif., Chamber of Commerce; San Joaquin, Calif., Regional Council; San Joaquin Valley, Calif., Council; San Leandro, Calif., Chamber of Commerce; San Pedro, Calif., Chamber of Commerce; San Rafael, Calif., Chamber of Commerce; Santa Ana, Calif., Chamber of Commerce; Santa Barbara, Calif., Chamber of Commerce; Santa Cruz County, Ariz., Chamber of Commerce; Santa Maria, Calif., Chamber of Commerce; Santa Monica-Ocean Park, Calif., Chamber of Commerce; Santa Paula,

Calif., Chamber of Commerce; Santa Rosa, Calif., Chamber of Commerce; Savannah, Ill., Chamber of Commerce; Scotts Bluff, Nebr., Chamber of Commerce; Scribner, Nebr., Chamber of Commerce; Scottsdale, Pa., Community Civic and Industry Association, Inc.; Seaside, Oreg., Chamber of Commerce; Seattle, Wash., Chamber of Commerce; Sedalia, Mo., Chamber of Commerce; Shamokin, Pa., Chamber of Commerce; Shamokin, Pa., Rotary Club; Sheboygan, Wis., Association of Commerce; Sheridan, Wyo., Chamber of Commerce; Sherman, Tex., Chamber of Commerce; Sikeston, Mo., City Council; Somerset, Pa., Chamber of Commerce; South Chicago, Ill., Chamber of Commerce; Southern California Council; Southern Council of Civic Clubs, California; Southern Promotion Association, California; Southgate, Calif., Chamber of Commerce; South Shore Chamber of Commerce, Chicago; Spokane, Wash., Chamber of Commerce; Spokane, Wash., Merchants Association; Springfield, Ill., Chamber of Commerce; Springfield, Mass., Chamber of Commerce; Sterling, Colo., Chamber of Commerce; Steubenville, Ohio, Chamber of Commerce; Stockton, Calif., Chamber of Commerce; Streator, Ill., Chamber of Commerce; Sunbury, Pa., Chamber of Commerce; Sunbury, Pa., Kiwanis Club; Sunbury, Pa., Rotary Club; Superior, Wis., Chamber of Commerce; Sweet Home, Oreg., Chamber of Commerce; Sweetwater, Tex., Chamber of Commerce; Syracuse, N. Y., Chamber of Commerce; Tacoma, Wash., Chamber of Commerce; Taft, Calif., Chamber of Commerce; Tama, Iowa, Commercial Club; Terre Haute, Ind., Chamber of Commerce; Terrell, Tex., Chamber of Commerce; Texarkana, Tex., Junior Chamber of Commerce; Texas City Chamber of Commerce.

Titusville, Pa., Chamber of Commerce; Toledo, Iowa, Chamber of Commerce; Toledo, Ohio, Chamber of Commerce; Toluca, Ill., Business Men's Association; Tomah, Wis., Chamber of Commerce; Town of Lexington, Tenn.; Trenton, N. J., Chamber of Commerce; Tri-Cities Chamber of Commerce; Troy, N. Y., Chamber of Commerce; Tulare, Calif., Chamber of Commerce; Twin Falls, Idaho, Chamber of Commerce; Tyler, Tex., Chamber of Commerce; Union City, Tenn., Chamber of Commerce; Uniontown, Pa., Chamber of Commerce; Upland, Calif., Chamber of Commerce; Utica, N. Y., Chamber of Commerce; Vandergrift, Pa., Chamber of Commerce; Vernon, Calif., Industrial Development Association; Virginia, Minn., Chamber of Commerce; Visalia, Calif., Chamber of Commerce; Walla Walla, Wash., Chamber of Commerce; Warren, Ohio, Chamber of Commerce; Warren, Pa., Chamber of Commerce; Wasau, Wis., Chamber of Commerce; Washington, Iowa, Chamber of Commerce; Watertown, N. Y., Chamber of Commerce; Waukegan-North Chicago, Ill., Chamber of Commerce; Waverly, Iowa, Chamber of Commerce; Weatherford, Tex., Chamber of Commerce; Wellsville, N. Y., Chamber of Commerce; Western Addition Improvement Association, San Francisco; West Seattle, Wash., Commercial Club, Inc.; Westside Association of Commerce, Inc., New York, N. Y.; West Texas Chamber of Commerce; White Bear, Minn., Association; White Pine County, Nev., Chamber of Commerce and Mines; Whittier, Calif., Chamber of Commerce; Williamsport, Pa., Community Trade Association; Williamsport, Pa., Rotary Club; Wilmington, Calif., Chamber of Commerce; Wilmington, Del., Chamber of Commerce; Windber, Pa., Business Men's Association; Wisconsin Association of Fairs; Wisconsin State Chamber of Commerce; Women's Civic Interest Club of San Francisco; Woodlawn Businessmen's Association, Chicago; Yakima, Wash., Chamber of Commerce; Yonkers, N. Y., Chamber of Commerce; York, Nebr., Chamber of Commerce; Youngstown, Ohio, Chamber of Commerce; Yuma County, Ariz., Chamber of Commerce.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. RUSSELL. When was this list compiled? Has it been compiled recently, or is it a list of those who over the years have from time to time approved the legislation?

Mr. REED. It is a compilation of those who have appeared before the Interstate Commerce Committees of the Senate and the House in the Seventy-ninth and Eightieth Congresses when the pending bill and similar bills have b en under consideration.

Mr. RUSSELL. Then it is over a period of 3 years that the organizations named in the list have endorsed the proposed legislation?

Mr. REED. I forget the exact date when the hearings first began on the House side, but the list is a compilation of those who have appeared during the Seventy-ninth and Eightieth Congresses, or at least if they have not personally appeared, testimony has been offered in their behalf.

Mr. RUSSELL. I notice on the Senator's list any number of chambers of commerce from towns large and small scattered all over the United States. I assume that each of those chambers of commerce did not have a representative appear before a congressional committee, but some one individual perhaps from a State would say, "I am authorized to speak for the San Francisco, and the Glendale, and Sacramento, and other chambers of commerce in California." I merely want to clarify the method of preparing this list of supporters of the proposed legislation. Does the list include the names of those who wrote letters to the committees approving the legislation, or only those whose representatives appeared and testified before the committees, or just how was this list compiled?

Mr. REED. The organizations whose names appear on the list endorsed the legislation during the Seventy-ninth or Eightieth Congresses by the name of the bill then before Congress. There was definitely a statement endorsing the bill filed in behalf of each one on the list.

Mr. RUSSELL. But all of them did not appear before congressional committees personally.

Mr. REED. Certainly not.

Mr. President, an analysis of this list of the groups supporting this bill shows by classifications:

Governmental authorities, State and Federal	48
Carrier organizations	20
Shippers', traffic, and transportation organizations	85
Agricultural and livestock organizations	145
Business organizations	108
Chambers of commerce, civic, and other organizations	552
Total	958

I have asked that a copy of this compilation be placed on the desks of Senators. If Senators will examine the list they will undoubtedly find organizations of various characters within their own States.

Let me point out that the National and State regulatory bodies have united in support of this bill. The Interstate Commerce Commission and the Office of Defense Transportation favor it. The National Association of Railroads and Utilities Commissioners, representing the State commissions of the country, with one or two possible exceptions, is not only in favor of this bill but has strongly endorsed the Senate version now before us, in preference to the original version passed by the House last year. Thirty-two State commissions included in the national organization have taken the trouble to file individual support.

The business and shipping organizations that have gone on record in support of this legislation unquestionably represent 99.9 percent of the traffic moving in this country. The support is not confined to business and shipping organizations, although they number over 200. There are 145 agriculture and livestock organizations represented in the document which I have offered for the RECORD. These include the American Farm Bureau Federation, American National Livestock Association, the National Grange, and the National Council of Farm Cooperatives. All these national organizations representing American farm organizations have appeared before Senate committees from time to time and are familiar to all of us.

The chambers of commerce, civic and other organizations, urging that this bill be passed No. 552. In all, this list contains the names of 958 organizations scattered all over the United States.

If Members of the Senate will examine the list they will find organizations supporting this bill from their States. The bill also has the support of the Railway Labor Executives' Association, the Brotherhood of Locomotive Engineers, the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees, and so forth.

Assertions contrary to all the facts, and contrary to common sense, are being made about this subject matter. One would think from some newspapers and columnists that this bill was offered as a Nation-wide conspiracy on the part of the railroads to impose an economic burden on the people of the United States that would destroy their business to discriminate against some areas and sections; in general to make economic slaves of the people of this country.

That is sheer balderdash.

Can any sane person taking an objective look at the list of those supporting the bill for a moment believe that this far-flung group of labor, farm, and business, shipping and civic organizations would join in such a program? To assume that anything of the kind could even remotely be attempted outrages common sense.

I said that this is a shippers' bill as well as a bill affecting railroads. Let me deal with that phase of the subject. I want to show why shippers are vitally concerned.

Railroad transportation is essential to the commerce of the country. No carrier can legally collect a dime for service rendered, and no shipper can legally pay a dime for service received, except the charge be shown in a published tariff, filed with the Interstate Commerce Com-

mission and/or the various State commissions. For 45 years thousands of published tariffs containing billions—I said billions, not millions—of rates have been largely determined through conferences, rate bureaus, and rate associations.

There is no other method by which this first essential of transportation can be completely accomplished.

Numerous traffic and transportation experts appeared before the committees dealing with this type legislation. I asked every one of them this question:

Do you know of any way that the rates necessary to move the traffic of the country can be arrived at, published and filed, except through the rate-bureau and conference method?

In every case the answer was an emphatic "No."

The Interstate Commerce Act requires the railroads to maintain through routes and joint rates; to interchange their freight equipment so that a full carload may move from one side of the country to the other. Anywhere from 1 to 10 roads may be involved in a single shipment.

Does any sane and reasonable person believe for a moment there is any way to carry out this duty which the law imposes on the carriers without their holding conferences and discussing the practical details of rates and services? Yet the Antitrust Division of the Department of Justice questions the legality of such conferences, even though shippers freely participate in them.

This is why the bill is regarded as a national necessity by the long list of organizations whose names have been put into the RECORD. Their expert representatives unanimously agree that if the policy begun by the Antitrust Division through grand-jury proceedings in Chicago in 1942 were carried through, chaos would result.

I think I am entitled to speak with some degree of experience and knowledge on this subject. I say to the Senate that the policy of the Antitrust Division of the Department of Justice, with regard to rate bureaus and rate conferences would, if carried through, ruin the business life of the country. I am not overstating the case. This is the fact. Every person experienced in traffic and transportation matters will agree.

The Civil Aeronautics Act of 1938 provided for agreement between air carriers "not inconsistent with the public interest." Upon approval by the Civil Aeronautics Board, parties to the agreement are relieved from the antitrust laws with respect to carrying out agreements so approved.

The Shipping Act of 1916 permitted agreements by common carriers by water, and provided for immunity from the antitrust laws upon approval of the agreements by the Shipping Board.

It is hard for anyone to understand why, in the face of these facts, so much bitter opposition is offered, when it is proposed to give rail carriers and motor carriers the same exemptions as their air and water competitors now have.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. MOORE. Has the Senator stated how long the rate bureaus had been in existence before they were questioned by the Department of Justice?

Mr. REED. I am very happy to answer the Senator from Oklahoma. The rate-bureau and rate-conference method of making rates has been in effect without question for about 45 years. The last question that was raised about any of the rate bureaus, rate committees, or rate conferences was around the turn of the century. There was the old Trans-Missouri case, in which the rate bureau undertook to exercise arbitrary authority, and the court stopped it. The rate bureaus reformed themselves, and since about 1900 or 1902 there has been no question about their legality, or any suggestion of a conflict with the antitrust laws. About 1941 the Antitrust Division started an investigation in Chicago affecting motor carriers and railroad rate bureaus. In 1942 a grand jury proceeding was begun. It was alleged that there was a criminal violation of the antitrust laws.

Mr. Joseph B. Eastman was alive in those days. He was the greatest transportation statesman of his generation. He was not only chairman of the Interstate Commerce Commission but was also Director of the Office of Defense Transportation. Joined by the War Department and the Navy Department, he persuaded or at least got the Antitrust Division of the Department of Justice to "lay off." The allegation was correctly made that if the rate bureaus, which constituted the only initiative we had by which rates could be established, were broken up, the war effort would be defeated. That was said by the War Department and the Navy Department. When the War Production Board was established it was authorized to issue a certificate giving to those to whom it was issued immunity from prosecution under the Antitrust Act. It was known as Certificate No. 44, and was issued by the War Production Board to keep the Antitrust Division off the backs of these essential agencies. That certificate expired on October 1 of last year, and there is nothing at this time except a verbal statement or perhaps a written statement by the Antitrust Division that it will not bring any new prosecution until either the courts have decided the cases which are pending or the Congress has legislated in the matter.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. REED. I am glad to yield to the Senator from New Jersey.

Mr. HAWKES. Even after the courts decide the Georgia case and the Lincoln, Nebr., case, still the railroads will be in an area in which they will know nothing about what other prosecutions may be instituted. Is that a correct statement?

Mr. REED. That is correct.

Mr. HAWKES. In other words, they will know nothing definitely except as to the specific questions involved in those two cases?

Mr. REED. That is correct.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. REED. I shall be happy to yield to the Senator from Georgia in a moment.

Mr. RUSSELL. Any time that the Senator is willing to yield will be agreeable to me.

Mr. REED. Congress has to legislate upon this question. Transportation is essential to move the commerce of the country. I talked with the Interstate Commerce Commission this morning. The man in charge of the rate bureau stated that they have 58,000 tariffs on file, and of that number approximately 21,000, as I remember, are railroad tariffs. I asked him how many rates were contained in those tariffs, and I had my secretary listen on the extension telephone and take down the answer. The answer was that he could not tell me definitely, but that the number of rates would run into astronomical figures. I said, "Will they run into the billions?" He said, "I think they would probably exceed billions; they would perhaps go into the trillions."

For 40 years the Department of Justice never raised the question. I have given the history of how it came up in 1941 and 1942. Congress must settle this matter. Transporting the Nation's commerce will not be easy, either on the shipping side or on the carrying side, until Congress has laid down a definite policy.

Let me digress for a moment. The great industries which have developed through our commercial history were at one time unregulated. They grew into large units, so large that there was combination between them which had for its purpose increasing prices, decreasing production, or limiting competition. That was unquestionably injurious to the people. Then railroads and public utilities of various kinds, large quasi-privately owned institutions, came into being. So far as I have known, no one has ever undertaken to apply the antitrust law to a public utility. Public utilities have been regulated.

The Interstate Commerce Act was passed in 1887, and through various stages, down to the last extensive amendment which became effective since I have been a Member of this body,, in 1940, the railroads have become the closest and most completely regulated industry in the United States.

Mr. President and Members of the Senate, we can go either way we wish to: We can, as we have done, make the Antitrust Act applicable to the unregulated industries, such as steel, coal, and rubber, which are not regulated, with the exception of safety regulations applying to coal mining; but we cannot apply both methods, the Antitrust Act and regulation, to the same industry. We cannot apply to a regulated industry the antitrust method of preventing combinations. The two methods will not mix.

Now I am happy to yield to the Senator from Georgia.

Mr. RUSSELL. The Senator has passed the matter about which I wanted to inquire.

Mr. REED. I am very sorry, I will say to the Senator.

Mr. RUSSELL. It is quite all right. I understand how irritating it is to have

one's chain of thought disturbed by questions.

Mr. REED. I want to tell a little story. I see that my good friend the Senator from North Carolina [Mr. HOEY] is here. He was present at the hearing when this incident occurred. I have said that every experienced traffic man in this country, as well as their principals, are in favor of this bill. It so happened in the hearings last year that there appeared Mr. J. B. Norman, of Louisville, Ky. He is one of the foremost and most able rate practitioners and attorneys in the United States. He happened also to be the principal counsel for the Southern Governors in the Southern Governors' rate case. I think the Senator from North Carolina was very active in promoting that rate case when he was Governor of North Carolina, and had a part in hiring Mr. Norman. It has been said that Mr. Norman, as a representative of the Governors, would be against this bill. He is not; he is in favor of this bill.

I shall read from page 98 of the volume of hearings which has been placed upon the desk of each Senator. Mr. Norman said:

> I am very much in favor the passage of this bill or similar legislation. I have felt for many years that the operation of the railroad bureaus and committees was the cause of many abuses. They were absolutely unregulated and they would have these meetings—which I think are absolutely necessary for them—and in secret session would pass on these proposals made by shippers.

Going over to page 99, I asked Mr. Norman the question which I asked every witness, whether or not, out of his experience, he knew of any other way of taking care of the situation than by the publishing of a tariff of rates and filing it. That is the first essential. A carrier cannot collect, nor can a shipper lawfully pay, a dime for service rendered unless that service is described and the charge published in a published tariff filed with the Interstate Commerce Commission or with a State commission. That is absolutely essential before a carrier can perform service and before it can collect for the service rendered. There are 58,000 tariffs which include rates on file with the Interstate Commerce Commission. There is nothing which touches so importantly the commerce of the country and which goes to the actual transportation of it as does the publishing of tariffs.

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. REED. I am happy to yield to the Senator from Maine.

Mr. WHITE. I understood the Senator to say that the alternatives which face us are either to proceed in the courts for enforcement of the antitrust statutes or to turn to our regulatory body and to depend upon the experience, knowledge, and judgment of that regulatory body to deal with many of these questions. Is it not true that for many years the Congress has over and over again directed that the procedure should be through the regulatory body and by means of the regulatory process, rather than through indictments in the courts for violation of the antitrust statutes?

Mr. REED. Yes; the whole procedure has been through the strengthening of regulations, rather than to use the severe and sometimes arbitrary methods of proceeding under the antitrust act.

Mr. WHITE. Mr. President, if the Senator will further yield, let me say that I understand that the proposed legislation is to be an amendment to be added as a new section to the present Interstate Commerce Act. The pending measure would add a section 5a. Is it not true that in principle this amendment would go on where section 5 of the Interstate Commerce Act left off, and would apply new and additional regulatory powers and new methods of handling some of these complicated questions, such as mergers, divisions of traffic, the pooling of traffic, and so forth, and to have those questions determined by men who have given their lives to studying and understanding the minutiae of railroad operations, rather than turn them over to courts of negligible experience in this field?

Mr. REED. The Senator from Maine has clearly and amply stated the situation.

Mr. President, section 5 of the Interstate Commerce Act devolves upon the Interstate Commerce Commission complete authority over mergers of railroads and division of rates. The handling of all those matters, up to the question of rate bureaus, is now provided for under section 5.

The pending bill would permit the rate bureaus to continue, but would bring them under the complete regulation of the Interstate Commerce Commission. Paragraph (2) of the bill, which now lies on the desks of Senators, is a description of what it is proposed to do.

Mr. WHITE. My understanding of the situation is that this measure does not constitute a permission for the railroad companies to enter into binding contracts and binding arrangements with respect to all these matters, but that under the bill the most the railroads could do initially would be to file with the Interstate Commerce Commission applications for permission to do the things specified, and then the regulatory body would assert itself, and the railroads might do only the things which the regulatory body expressly authorized and approved.

So there is no proper justification for the charge that the bill, if enacted, would result in turning over to the railroads themselves the authority to do all this manner of things. On the contrary, this measure points out the specific things as to which there must be regulatory approval before they can be done; and without such approval, the railroads can do nothing.

Mr. REED. I shall try to follow through along the line of thought which has been suggested by the Senator from Maine.

Paragraph (3), on page 3 of the bill, provides that:

> (3) Each conference, bureau, committee, or other organization established or continued pursuant to any agreement approved by the Commission under the provisions of this section shall maintain such accounts, records, files, and memoranda and shall submit such reports as may be prescribed by the Commission, and all such accounts, records, files, and memoranda shall be subject to inspection by the Commission or its duly authorized representatives.

Even there, the agreements between carriers are limited.

Paragraph (4), on page 3, provides in part that:

> (4) The Commission shall not approve under this section any agreement between or among carriers of different classes unless it finds that such agreement is limited to matters relating to freight classifications or to transportation under joint rates or over through routes.

In other words, under that provision a separation is made between railroads, express companies, and sleeping-car companies, which are classified as carriers of one class; pipe-line companies, as another class; carriers by motor vehicle, as another class; carriers by water, as another class; and freight forwarders, as another class. Under that provision, carriers of different classes may not make agreements between themselves unless such agreements are limited to the establishment of joint rates and through routes.

Now let us return to page 2, where we find the heart of this bill set forth. It is stated in paragraph (2), on page 2.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. MOORE. I understand the provision the Senator has just read to mean that there will not be permission for carriers of different classes to make agreements between themselves, unless they relate to a through rate.

Mr. REED. That is all.

Mr. MOORE. And then there will be permission to grant the right to make a division of the tariff for the entire journey. Am I correct about that?

Mr. REED. The attempt is to preserve as much competition as possible between, for instance, three carriers of different classes. Obviously, a motor carrier and a railroad should not have anything in common, unless they constitute a through route.

Mr. MOORE. So if the route is part truck and part water carrier and part railroad, they can agree on a division of the charge; is that correct?

Mr. REED. That is correct. They would establish through routes.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CONNALLY. In respect to the question which has been suggested by the Senator from Oklahoma, let me say that carriers can get together in regard to a joint rate and can provide the ratio of the rate each shall receive. Is there any requirement that the division must be based on mileage or anything of that sort, or can they make an arbitrary arrangement?

Mr. REED. My answer would be, "No." There is no reference to the basis on which divisions should be made; and in making divisions as between railroads, with which I have some familiarity, gen-

erally some consideration is given to the mileage, but not always necessarily so.

Mr. CONNALLY. That is not determinative.

Mr. REED. No.

Mr. CONNALLY. What I had in mind was that a large railroad system has all the advantages over small tap lines, and so forth. Sometimes they do not have any competition; sometimes the small town has no direct connection with any other railroad system than the main system which operates in that territory. If the railroads are free to fix the portion of the rates which shall be allocable to each carrier, I can see some possibility, at least, of injustice.

Mr. REED. I may say to the Senator from Texas that usually, in connection with the division of rates between two or more carriers participating in a division, some consideration is given to the one which originates the traffic, and that would be in favor of the short line.

Mr. CONNALLY. Some consideration would be given; but how much consideration is another matter.

Mr. REED. Frequently a good deal of consideration is given in that way.

Let me say that the American Short Line Railroad Association, to which all the small lines belong, is supporting this proposed legislation.

Mr. WHITE. Mr. President, if the Senator will yield to me, I should like to submit an observation to the Senator from Texas: Of course, the railroads can enter into no final agreements with respect to rates. The rates are ultimately fixed by the Commission itself, and they are either lawful or unlawful, as the Commission may determine.

Mr. REED. No carrier can collect a cent for a service rendered until the tariff has been filed with and has received the approval of the Interstate Commerce Commission or the State commission, as the case may be.

Mr. CONNALLY. I understand that. But I say to the Senator from Maine that if the rate were $2.50 for the combined trip, if the carriers are allowed to make the allocation, the large railroad might receive $2 and the small railroad might receive 50 cents. That is what I had in mind; that there would be no restraint upon them in that case.

Mr. REED. It has frequently been charged that at times some power has been exercised by certain railroads over the division of the rates. The classic case of that kind is in regard to the railroads operating between Chicago and Omaha or Chicago and the Missouri River, where the railroads operating between those areas always insisted that the Union Pacific demanded and was able to get a larger share of the through rate on transcontinental business, let us say, than it should. But the Interstate Commerce Commission has power over the division of rates; and I say again that all that anyone needs to do in order to get a hearing is to go to the Interstate Commerce Commission.

Mr. CONNALLY. Mr. President, will the Senator further yield

The PRESIDING OFFICER (Mr. DONNELL in the chair). Does the Senator from Kansas yield to the Senator from Texas?

Mr. REED. I yield.

Mr. CONNALLY. I was going to suggest that that would require an application by the supposedly aggrieved party which sought to have a correction of the division made; would it not?

Mr. REED. That is correct.

Mr. CONNALLY. And if there were any widespread practices of that kind, the result would be to cause a great many applications to be filed and a great many adjudications to be made by the Interstate Commerce Commission.

Mr. REED. The Interstate Commerce Commission has at times had before it the question of division of rates. The Senator from Maine remembers that before the Transportation Act of 1920 was passed the railroads in New England were in dire distress financially, and the Interstate Commerce Commission ordered a 10 percent or 20 percent increase in the published through rates out of New England to destination. That case went to the Supreme Court of the United States, and the Supreme Court upheld the Interstate Commerce Commission to this extent, that it was proper for the Commission to take into consideration the needs of the carriers in a territory such as New England, as compared with the needs of carriers in other territories.

Mr. HAWKES. Mr. President, will the Senator from Kansas yield?

Mr. REED. I yield to the Senator from New Jersey.

Mr. HAWKES. I wish to ask the Senator from Kansas if it is not a fact, in connection with what the Senator from Texas has just said, that the Interstate Commerce Commission, in finally approving those rates, would, if there were anything which was clearly inequitable, try to cure the inequity. Is not that an accurate statement?

Mr. REED. The Senator from Texas was commenting on an aspect of human nature as to what may happen when a small railroad has the nerve to bring a case against a big railroad and go to the Interstate Commerce Commission. That was the suggestion of the Senator from Texas.

Mr. CONNALLY. I did not suggest that. I stated that that might happen.

Mr. REED. If they cannot agree.

Mr. HAWKES. With the trend of affairs as they have been in this country for many years, I should not think the small railroads would have any reluctance in asking for equity.

I wish to say to the Senator from Texas that I do not see how the rates could be averaged on a mileage basis, because there might be a 50-mile pull over the mountains for which the rates would be very much more than for a straight haul on a level stretch which might be 150 miles long. So I think it must be left to the discretion of the parties and their desire to do equity, and finally to the approval of the Interstate Commerce Commission. Is that a correct statement?

Mr. REED. That is correct. Take the case of two railroads of the same class. In making their division, a traffic officer will say, "We divide on a mileage basis." In computing rates, of course, distance is always a factor, but not necessarily a determining factor.

Mr. HAWKES. I desire to accentuate the point the Senator from Maine suggested, which I think is very important. Many persons have come to me and said, "Why should you embark on a new philosophy of relationship between corporations and Government by passing such a bill, which takes the antitrust laws off the backs of the carriers in case they do certain things"? Is it not true that it is not a new philosophy of relationship at all? Has not the Congress passed a law, I think in section 5 of the Interstate Commerce Act, by which railroads are relieved from responsibility under the antitrust laws in case they merge, or do other things which previously might have been illegal, but which now are legal if they come under the interstate commerce laws, providing they obtain the approval of the Commission?

Mr. REED. That was the genesis of section 5.

Mr. HAWKES. I am heartily in favor of the bill, and I wish to accentuate this point. Section 5a merely permits the doing of certain things necessary and vital in the interest of the public, in the event the procedure provided in the law is followed, and the Interstate Commerce Commission approves the action. Is not that virtually what is provided?

Mr. REED. Stating it liberally, section 5 grants exemption from the antitrust laws to mergers and combinations approved by the Interstate Commerce Commission.

Mr. HAWKES. That is correct.

Mr. REED. That is the substance of section 5, and the pending bill is nothing more nor less than an extension of the powers of the Commission under section 5, to apply to the rate bureaus and rate-making agencies.

Mr. HAWKES. The point I wanted to bring out was that we are not embarking on a new philosophy. We are merely extending the old philosophy. The bill is not bringing new reasoning into the relationship of the antitrust laws to the railroads, except as provided, and we think it is a wise provision.

Mr. REED. Certainly, and we have included many limitations.

Mr. BRICKER and Mr. SALTONSTALL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kansas yield; and if so, to whom?

Mr. REED. I yield first to the Senator from Ohio.

Mr. BRICKER. Is it not true that even now, with the rate bureaus acting as they do, the rates all have to be filed with the Interstate Commerce Commission, and that any rate with which anyone is dissatisfied may be protested by a shipper, by any carrier party to it, or any other interested party, at any time?

Mr. REED. That is correct.

Mr. BRICKER. And the protest receives full hearing, and if the protestant is not satisfied with the decision of the Commission, he can take the case to court?

Mr. REED. That is correct. As I have said before, let me repeat, no common carrier can collect a dime for a service rendered or to be rendered except on the basis of a tariff filed with the Interstate Commerce Commission and/or a State Commission, as the case might be. The carrier cannot collect anything, and the shipper cannot legally pay anything; otherwise, a shipper who is aggrieved may file an objection informally with the Interstate Commerce Commission. The Commission will consider the objection, and it frequently suspends, as it has the power to do, rates which are filed.

Mr. BRICKER. Even though they have been approved in all respects by the rate bureau?

Mr. REED. Even though they have been approved by the rate bureau.

Mr. BRICKER. Is it not also true that even under the present Transportation Act, until 1941, when the antitrust section of the Department of Justice took its first action, no one had ever considered that the carriers were not relieved from prosecution under the antitrust law when applying for the rate-bureau action, with the approval of the Interstate Commerce Commission?

Mr. REED. I have had a fairly wide experience with these matters, and I never heard of any question in the mind of anyone that the rate bureau which had to file its rates after they were agreed upon and published with the Interstate Commerce Commission was violating the antitrust law. That was a new doctrine to me.

Mr. SALTONSTALL. Mr. President, will the Senator from Kansas yield?

Mr. REED. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. In line with what the Senator from New Jersey has said—and I think the Senator from Ohio has intimated it, at least—there are two cases now pending in the courts, one in Nebraska, of which I read in the report, and one in the Supreme Court. If we pass the pending bill, Senate 110, are we anticipating the decision of the Supreme Court? To put the question the other way, can the present law, without this amendment to it, be interpreted by the Supreme Court to cover the objective the Senator from Kansas is seeking to attain by the enactment of S. 110?

Mr. REED. Such a suggestion as that, I may say to the Senator from Massachusetts, is one of the red herrings that is drawn across the trail. The investigation begun in Chicago in 1941 resulted in a grand jury action brought in 1942. The Interstate Commerce Committee, of which I am a member, in 1943 started to consider Senate bill 942, and held extensive hearings on it. That was before the Georgia case was ever filed. We saw the need of clarifying this matter before the Georgia folks ever thought of filing a case, and before the Lincoln, Nebr., case was filed.

Mr. SALTONSTALL. Then, in the opinion of the distinguished Senator, the argument cannot be made against the pending bill which was made, we will say, against the bill providing for the control of tidal lands, namely, that we are anticipating a decision of the Supreme Court?

Mr. REED. I am not a lawyer, I may say to the Senator from Massachusetts, but I have discussed the Georgia case with numerous lawyers, including Mr. J. V. Norman, who represented the Southern Hardware Traffic Association, and I do not think the pending bill has anything to do with the Georgia case. The Georgia case is necessarily based upon a conspiracy charge. If the State of Georgia cannot establish a conspiracy, it loses its case.

Mr. SALTONSTALL. Why is it necessary, then, that this bill be passed, in view of the fact that the Interstate Commerce Commission has been acting on these cases over the period of the last 25 years?

Mr. REED. I would say, because the rate bureaus are always faced with a threat of action by the Antitrust Division of the Department of Justice.

Mr. BRICKER. Mr. President, if the Senator will yield, it is not only a threat, but an actual prosecution, at the present time.

Mr. REED. A threat of prosecution, I should have said; and it was started in 1942 by actual prosecution.

Mr. BRICKER. If the Senator will yield further, the Georgia case does not go directly in the first instance to the rate-making power.

Mr. REED. No.

Mr. BRICKER. The Georgia case attacks the whole railroad rate system as a conspiracy against the southeastern section of the country.

Mr. REED. That is correct.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. HAWKES. To accentuate what the Senator from Kansas has said, I think it might be well to suggest that, according to my recollection, the philosophy of the pending bill was incorporated in a bill by the Interstate Commerce Committee in 1943. That is true, is it not?

Mr. REED. Yes. Former Senator Wheeler introduced a bill similar to this in 1943, and the committee held extensive hearings on it. I am sorry I do not have a copy of those first hearings, which comprise about 1,100 pages.

Mr. HAWKES. I happen to know that what the Senator says is a fact, and the point I wanted to bring out for the Senator from Massachusetts is that the Lincoln, Nebr., case, as I remember it, was instituted 15 months after that, and the Georgia case was filed 13 months afterward; which shows a clear dissociation from the philosophy back of Senate bill 110.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. SALTONSTALL. In other words, the necessity for Senate bill 110 has always been present, but it has never been stimulated or activated, because the interpretation of the old law along these lines has always been dormant, so to speak?

Mr. REED. Section 5 of the Interstate Commerce Act was enacted after the merger of the Southern Pacific and the Central Pacific Railroads. The Union Pacific undertook to upset that merger. That caused the enactment of section 5 of the act, which gave the Interstate Commerce Commission authority to grant or withhold permission to railroads to merge. If they were granted that privilege by the Commission, then they were exempted from the operation of the antitrust act. All the pending bill proposes to do is to extend that exemption to the rate bureaus and their machinery for making rates.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. REED. I gladly yield.

Mr. SALTONSTALL. On page 18 of the report where the minority views submitted by the junior Senator from New Hampshire [Mr. TOBEY] appear. He states in the concluding sentence of the third paragraph:

> A dangerous precedent would be set, encouraging other powerful groups to seek legislation immunizing them from established laws and the power of the courts to enforce them.

That statement is made by the Senator from New Hampshire, on the assumption that the pending bill becomes a law. How would the Senator from Kansas answer that?

Mr. REED. Of course, I disagree with the junior Senator from New Hampshire very thoroughly.

Mr. SALTONSTALL. I understand.

Mr. REED. In the first place, let me call attention to certain of the statements made by the junior Senator from New Hampshire.

Mr. SALTONSTALL. Would this bill, if enacted, create a precedent?

Mr. REED. No.

Mr. SALTONSTALL. That is all I wanted to know.

Mr. WHITE. Mr. President, if the Senator from Kansas will yield, let me say that this bill would not create a precedent, but it follows legislative precedent. It follows acts by the Congress giving to the Interstate Commerce Commission power to act affirmatively in matters of this sort, instead of necessitating recourse to the courts.

Mr. SALTONSTALL. I mention this because it seems to me it should be made clear that, in the event we pass this bill, we are not becoming involved in a controversy with the Supreme Court in pending court actions. Is not that very important?

Mr. WHITE. The 1940 Railroad Act, with respect to certain railroad activities, clearly did precisely the same thing, in principle, that is proposed by the pending bill. It permitted railroads to merge, we will say; but such mergers could become effective only upon approval and after approval by the Interstate Commerce Commission. There was no right in the railroads to enter into effective agreements of this character. They could propose them; that could ask the Commission to approve them; but their right to enter into such agreements

rested in the action of the Commission approving or disapproving.

Mr. REED. May I say to the Senator from Massachusetts, there is nothing novel in the pending bill? It creates no new precedent. It merely extends the line of action that has run through all the legislation touching transportation and the regulation of transportation by Congress since 1887. I wish the junior Senator from New Hampshire [Mr. TOBEY] were here. At page 20 of the report, where the minority views are set forth, the Senator from New Hampshire says:

> Similarly, the bill would permit the reestablishment of old arrangements existing under the illicit pullman monopoly recently divested by the courts in an antitrust suit brought by the Government.

It will be remembered that the railroads formed a company and took over the operation of pullman cars. That was attached in the Philadelphia courts by the Antitrust Division. The district court sustained it. The circuit court reversed the district court, and the case went to the Supreme Court, which, by a 4-to-4 vote, failed to interfere with the action of the circuit court. So if there be a monopoly, it has been reestablished without the passage of the pending bill. That is the only point I wanted to make on that suggestion in the minority views.

Mr. SALTONSTALL. I note that the distinguished Senator from Georgia [Mr. RUSSELL] is in the Senate Chamber. Am I to understand that the Senator from Kansas says that, even if the pending bill should become a law, the suit by the State of Georgia against other States and against the railroads could still be maintained, and that the Supreme Court would still have to decide that case?

Mr. REED. Oh, I think so. I do not think the pending bill touches the Georgia case. I think the Georgia case must of necessity be brought upon a different basis from anything that is touched by the pending bill. In other words, the Georgia case cannot be made to stand unless there be a showing of conspiracy.

Mr. SALTONSTALL. Mr. President, if the Senator from Georgia would be willing to answer a question, does he agree with the statement just made by the Senator from Kansas, that the case of the State of Georgia against the railroads would still stand, on the grounds of conspiracy, even if this bill should become a law?

Mr. RUSSELL. No; I certainly do not agree with the Senator from Kansas. There is no question that the pending bill, if it be enacted, will take the heart out of the Georgia case. Of course, the State of Georgia could win the case, as to past transactions, but it would be absolutely denied any protection against future wrongs. Although there has been much injustice heaped upon us in the years that have come and gone, we are not seeking redress with respect to that. We are now looking for opportunities in the future. If the pending bill were enacted into law, it would give us a right without a remedy.

Mr. SALTONSTALL. If there is a conspiracy among certain States and railroads against a section of the country, including the State of Georgia, will not an action still lie in the courts with respect to that?

Mr. RUSSELL. No, because the pending bill will legalize the conspiracy. It will say to the conspirators, "You may proceed under the protection of a law the Congress has enacted." Mr. President, I have not joined in the debate till now, but the pending bill is not like the original bill which was introduced by former Senator Wheeler. It is an entirely different bill. In my opinion, it is designed to defeat the antitrust suit which is pending at Lincoln, Nebr., and the case of the State of Georgia against the railroads to obtain justice in freight-rate matters. I shall not pursue the matter further in the time of the Senator from Kansas which he has so graciously granted, but it is a strange coincidence that every time the hot breath of justice is felt on the neck of the railroads this bill is pushed forward. The hearings have just been concluded before a special master appointed by the Supreme Court, and he is even now preparing his decision in the case. I do not know what the decision will be. From reading the recent decision by the Supreme Court in the Interstate Commerce case, I am hopeful the decision will be in favor of the State of Georgia and its contention.

Whatever may be the final decision of the Supreme Court, I think it is improper, and I shall so insist in the course of my remarks that the Congress should attempt to deny the Court's jurisdiction, and in fact the Court's prerogatives, on the very eve of a decision, and that if that is done the result will be to deny the State of Georgia the relief in the future that they have sought in the pending action. It will not, of course, prevent the State of Georgia from winning the case based on past wrongs, but it will prevent any remedy in the future to the State of Georgia for any future injustices.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. HAWKES. I should like to say that I listened to the hearings on this proposed legislation day after day, and I found that there was no argument but that the railroads are controlled by the Government to an extent that nothing else is controlled. That is point No. 1. There was no argument in any of the hearings but that conferences with respect to rates, and so forth, are necessary to adjust the trillions of rates now in existence. I say "trillions," because I asked that specific question half a dozen times. The number of rates went way beyond the billions. I was amazed at the figures involved, but that is what I was told. There was no argument but that this transportation system of ours has got to be operated in the public interest.

I would say to my very distinguished and very much respected friend, the Senator from Georgia, that even if the pending bill were passed, and no point, such as involved in the suit now pending in the Supreme Court, could be raised respecting future actions and reactions, nevertheless if the bill is passed and becomes a law it will be because it is assumed to be in the public interest, and in the interest of keeping transportation operating. I personally simply cannot conceive of conspiracy and intimidation and coercion going on in rate committees and bureaus and being approved by the great Interstate Commerce Commission to the detriment of any State or any community.

Mr. REED. I want to add a word respecting what was said by the Senator from Georgia. I do not think the Senator from Georgia, my very good friend, is quite fair when he says that every time justice is about to overtake the railroads a bill of this kind is brought forth. We had 3 weeks of hearings in 1943 on legislation of this nature on a bill proposing to regulate rates, and the Georgia case was not brought until 1944.

Mr. RUSSELL. Mr. President, I do not have the bill before me, but I insist that, according to my recollection, the hearings held on the 1943 bill were on the bill offered by the then Senator Wheeler of Montana who was chairman of the Interstate Commerce Committee, and most of those who are supporting the pending bill vigorously opposed the so-called Wheeler bill. It was an entirely different measure. It gave the various sections and the various shippers a fair chance, but I insist it was not an identical bill with the one now before us, and I do not believe my friend, the Senator from Kansas, will insist that it was an identical bill.

Mr. REED. This is not an identical bill with the former one. I never said it was an identical bill.

Mr. RUSSELL. The general philosophy of the pending bill was involved in the former bill, but there is a difference in their provisions. I say the pending bill was designed to cut the ground out from under the Lincoln, Nebr., case and the State of Georgia case. The pending bill is different from the one introduced in 1943.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. The little colloquy which has taken place between the Senators from Kansas, New Jersey, and Georgia prompts me to ask whether the organizations listed in the tabulation we find on our desks and which are submitted to the Senate as being supporters of the bill which is now before the Senate took such action endorsing the pending bill after the bill was introduced, or whether a good share of those on the list were not on record as supporting the bill which has been referred to and which was introduced by former Senator Wheeler, of Montana? Are they all new endorsements, or do they go back over a period of years?

Mr. REED. As I have already said, the endorsements of the legislation were first given in the Seventy-ninth Congress

when the original Bulwinkle bill was introduced in the House. The endorsements continued to pile up in the Senate when the Bulwinkle bill came here in the Seventy-ninth Congress.

Mr. AIKEN. Then may I ask: Is the bill which we are considering identical or practically identical with the Bulwinkle bill which was introduced in the last session of Congress?

Mr. REED. I think the pending bill is a better bill than the original Bulwinkle bill. I was going to undertake to show in what respect we have made a better bill of the pending measure.

Mr. AIKEN. There have been, have there not, some changes made?

Mr. REED. Yes. I shall be glad to take up that phase of the matter now.

Mr. AIKEN. I want to make sure that the endorsements which are submitted in this tabulation refer to the pending bill.

Mr. REED. They do not all refer to the pending bill in its present language, but the endorsements refer to the pending bill or its predecessor, the Bulwinkle bill, introduced in the House in the Seventy-ninth Congress.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. HAWKES. Is it not correct to say that the previous endorsements certainly all apply to everything controversial contained in the pending bill?

Mr. REED. The endorsements go to a bill which was much more drastic than the pending one.

Mr. HAWKES. That is my point. In other words, those endorsements went to a bill which contained everything of a controversial nature which this bill contains, and the pending bill has things in it which we think cure provisions which were thought evil and which were objected to?

Mr. REED. Originally the Bulwinkle bill as it came to the Senate last year contained in paragraph 2 the following language, which I shall read:

> Any carrier, party to an agreement between or among two or more carriers * * * may, under such rules and regulations as the Commission may prescribe, apply to the Commission for approval of the agreement, and the Commission shall by order approve any such agreement.

We have written into the bill a limitation which reads:

> Any carrier, party to an agreement between or among two or more carriers—

Here is our language—

> concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment of, rates, fares, charges * * * classifications * * * time schedules—

And so forth. There again is our language—

> if it finds that the object of the agreement is appropriate for the proper performance by the carriers of service to the public, that the agreement will not unduly restrain competition, and that it is consistent with the public interest as declared by Congress in the national transportation policy set forth in this act.

That is our language. When the bill came to us it was a wide-open bill. Any agreement between carriers could be submitted to the Interstate Commerce Commission. We say these agreements must be limited to the things which we describe. They must be in the public interest. They must not unduly restrain competition. They must be consistent with the national transportation problem. We cannot go any further in limiting the character of the agreements which may be made and offered to the Commission for its approval or disapproval.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. Will the Senator from Kansas permit me to point out one thing? I notice on the first page the Vermont Public Service Commission is listed as one of the endorsers of the bill. I should like to say that in the last election the people of Vermont indicated very clearly that they wanted a change in the Vermont Public Service Commission, and they made their desire known in no uncertain language. The change was made. I would be very much surprised if the present Vermont Public Service Commission has endorsed the bill.

Mr. REED. I cannot answer the Senator's question.

Mr. AIKEN. That is the reason why I asked when the endorsements were made. I would not say that the commission would not endorse the bill, but I say I would be very much surprised if the commission did do so.

Mr. REED. The National Association of Railroad and Public Utility Commissioners has endorsed the bill.

Mr. AIKEN. I do not question that in the least. I think they would also endorse the pending bill.

Mr. REED. Within the past 2 weeks I have received a letter from the solicitor in Washington of the National Association of Railroad and Utility Commissioners, in which it is stated that at a recent meeting of the executive committee the committee reendorsed the bill, and expressed strong preference for the Senate version as being an improvement over the original Bulwinkle bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. I do not question the statement of the Senator from Kansas at all. I simply stated that, in view of the fact that the reorganization of the Vermont Public Service Commission was completed only about a month ago, in accordance with the mandate of the voters of the State, I would seriously question whether they had taken any action on the bill.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. HAWKES. The Senator from Vermont is not indicating that they would not approve this bill, is he? As I understand, the Senator is simply indicating that the commission has not had time to consider and approve it.

Mr. AIKEN. I am simply stating that the actions of the Public Service Commission of Vermont entered very strongly into last year's primary elections in the State. Disapproval of certain acts of the commission was expressed by the voters. As a result the commission has been reorganized this spring. I doubt if any action has been taken as yet. I do not know what the action would be.

Mr. HAWKES. The Senator is not intimating, is he, that he believes the Vermont commission, if it were to review the facts today, would say that it was opposed to the bill?

Mr. AIKEN. I think it would be difficult to obtain an endorsement of any railroad or power monopoly from the present Vermont Public Service Commission.

Mr. HAWKES. Mr. President, I have not been a Member of the Senate for many years, but I have sat through a great many hearings. I have never seen such uniform approval of anything as I noted in the hearings on this bill. I heard many words from the Department of Justice, which raised various questions. However as I recall, every other Government department was in favor of the bill.

Aside from the Department of Justice, I did not hear a representative of a single organization who did not say that this was an enormous job, and that it had to be done efficiently. While some representatives of the Department of Justice questioned the wisdom of granting this exemption, nevertheless they all admitted that the job had to be done. No one suggested any better way to accomplish the objective of maximum transportation in the interest of the American people than the way proposed by the pending bill, with the controls and regulations it provides by the bill. We have the finest transportation system in the world. I have been all over the world, and there is nothing elsewhere to compare with it.

Mr. REED. Mr. President, I have had experience with virtually all transportation legislation proposed or adopted in the past 25 years. I have never seen a piece of legislation before the Congress of the United States which had so nearly the unanimous approval of the entire shipping public as has this bill. I stated in my opening statement that I thought the organizations which had endorsed the bill—I am speaking now of traffic and industrial organizations—represent 99.9 percent of the traffic which moves in this country.

The present situation is intolerable. We cannot permit it to continue. With due regard not only to the transportation agency, but to the shipping public, the Congress must lay down a policy. The action of the Antitrust Division—I have a difficult time to keep from saying "the screwballs in the Antitrust Division"—and its interpretation of the antitrust law so threaten transportation that the Congress must declare its policy.

Mr. President, I yield the floor.

Mr. AIKEN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COOPER in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and and the following Senators answered to their names:

Aiken	Green	Morse
Baldwin	Gurney	Murray
Ball	Hatch	O'Conor
Barkley	Hawkes	O'Daniel
Brewster	Hayden	O'Mahoney
Bricker	Hoey	Pepper
Bridges	Ives	Reed
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Kem	Russell
Butler	Kilgore	Saltonstall
Byrd	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lodge	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Tydings
Downey	McGrath	Vandenberg
Dworshak	McKellar	Watkins
Ecton	McMahon	Wherry
Ellender	Magnuson	White
Ferguson	Maybank	Wiley
Flanders	Millikin	Wilson
George	Moore	Young

The PRESIDING OFFICER. Seventy-two Senators having answered to their names, a quorum is present.

STATUS OF PUERTO RICO

Mr. TYDINGS. Mr. President, as a result of our war with Spain in 1898, we secured the Territory of Puerto Rico. For approximately 15 years, when I was chairman of the Committee on Territories and Insular Affairs, I endeavored to have the Congress take some action which would settle the ultimate status of Puerto Rico. I am no longer a member of the committee dealing with Puerto Rican affairs, but I have introduced in this session of Congress a bill which I think presents one of the possible solutions.

However, my purpose today is to call to the attention of the Senate, and particularly to the attention of the able chairman of the Public Lands Committee, under whose jurisdiction Puerto Rican matters now come, a table of expenditures, by years, from the United States Treasury in the nature of appropriations or donations to Puerto Rice. Nothing could be more eloquent to show the present unsatisfactory status of the island than this table. I should like to read one or two figures from it.

In the year 1944, the customs taxes collected in Puerto Rico were $1,900,000; the income taxes collected there were $16,243,029; the United States internal revenue taxes collected there were $63,884,358. The total obtained from those three sources was $82,027,387, all of which, under present law, we authorized the Puerto Ricans to keep in their own treasury, and none of it came into the Treasury of the United States.

In addition to that, in 1944, the payments made to Puerto Rico in the form of direct payments along the line of those made to the States under cooperative arrangements, grants to, expenditures, and so forth, amounted to $19,692,474. Thus, out of the Federal Treasury, in 1944, $100,000,000 went into Puerto Rico, for the support of the people who live there.

In 1943, approximately $60,000,000 from the same sources went to Puerto Rico.

There are approximately 2,000,000 people in Puerto Rico, or one person to every acre of land, including the mountains, cities, land that is not suitable for tillage, and the like.

I hope the Committee on Public Lands, when it has opportunity to do so, will review this table and will review the Puerto Rican situation, with which I know the chairman of the committee is already somewhat familiar, because he has visited that Island, in an effort to try to work out some solution of the Puerto Rican problem.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield, although I do not wish to hold the floor very long.

Mr. BUTLER. Let me ask the Senator to state the source of the table which he intends to have printed in the RECORD.

Mr. TYDINGS. Certainly. These figures were sent here at my request. They come from the United States Bureau of the Budget, and they show in detail the collections from customs taxes, income taxes, and United States internal revenue taxes, and a long category of direct appropriations.

Mr. BUTLER. The Senator will have that table inserted in the RECORD, will he?

Mr. TYDINGS. Yes, at the end of my remarks.

I wish to say that many Members of the Senate are not aware of the fact that in order to help Puerto Rico economically we permit her to keep all the income taxes which are paid by Puerto Ricans and all the customs taxes which are paid on imports into Puerto Rico, as well as all the United States internal revenue taxes which are collected in Puerto Rico. In 1944 they amounted to $82,000,000.

So we can see the great necessity for arriving at some solution of the Puerto Rican problem, for as the situation is today we are simply keeping the Puerto Ricans in a state of suspense until we can find some better way to deal with the matter.

Mr. President, I ask unanimous consent that at the conclusion of my remarks this table, which was furnished to me by the Bureau of the Budget, and includes a tabulation of the moneys in the categories to which I have referred, for the years 1935 to 1944, inclusive, be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. TYDINGS. Mr. President, I hope Senators may have an opportunity to study the table, because I know that many of my colleagues who have not had contact with this problem are unaware that, contrary to the normal situation, in which all the money obtained from taxes from the citizens of the United States goes into the Federal Treasury, in the case of Puerto Rico the money obtained by the payment of taxes and the collections of customs in that island remain in the Puerto Rican State or Territorial treasury, for expenditure for local purposes.

This situation has grown progressively worse since I have been a Member of the Senate, and at some time we should proceed to determine what the long-time solution will be, in fairness to the people of Puerto Rico and the taxpayers of the United States of America.

Mr. BUTLER. Mr. President, I thank the Senator from Maryland for his remarks and suggestions. I wish to say that already a number of the members of the subcommittee on Territories and Insular Possessions of the Committee on Public Lands have visited Puerto Rico with a view to recommending ultimately some sort of solution, and it is the intention of the chairman of the subcommittee and several of the members to visit the island again between the adjournment of the present session and the opening of the next.

Mr. TYDINGS. I thank the Senator from Nebraska for his comment. I conclude my brief summation with the statement that if the question of independence for Puerto Rico, similar to the action taken with relation to the Philippines, is put on the ballot in Puerto Rico and submitted to the people for rejection or acceptance, in my opinion an overwhelming majority of them will vote for independence, not because they dislike the United States, because I think they are fond of our country, but because there is no satisfactory solution of the Puerto Rican problem under the stepfather treatment we are compelled to give to questions affecting Puerto Rico, because they are not represented in both bodies of the Congress—they have only a Resident Commissioner in the House—they are far away from us, and we do not see the plight with which the people are confronted. So I am hopeful that when the members of the subcommittee return, one of the things they will recommend will be the submission to the people of Puerto Rico of the question of independence, for rejection or acceptance.

Mr. HATCH. Mr. President, I know how long the Senator from Maryland has been interested in the welfare of Puerto Rico and the other possessions of the United States. I am wondering, from the remarks he has just made, whether in his opinion independence is the final solution.

Mr. TYDINGS. In my opinion independence will result in certain hardships, certain handicaps, and place certain liabilities upon the people of Puerto Rico. On the other hand, it will give them certain assets and privileges and opportunities which they now do not have. In my opinion, the over-all, long-time result, assuming independence is granted, will produce for the Puerto Rican people eventually a happier and more permanent status, both economically and politically, than they will enjoy if we continue the present system.

EXHIBIT A

Federal aid to Puerto Rico for the fiscal years 1935 to 1944

PART I.—CUSTOMS AND TAXES REMITTED BY THE UNITED STATES TO THE INSULAR GOVERNMENT OF PUERTO RICO [1]

Classification	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944
Customs	$1,690,000	$1,639,944	$1,870,000	$1,565,000	$1,245,000	$1,030,000	$840,000	$2,085,000	$2,450,000	$1,900,000
Income tax	1,786,172	2,185,891	3,343,563	3,679,673	3,000,093	2,243,584	2,843,433	7,635,383	11,319,106	16,243,029
U. S. Internal Revenue	139,053	476,524	1,055,707	1,433,778	1,655,095	2,779,496	4,477,481	13,939,989	13,550,072	63,884,358
Total	3,615,225	4,302,359	6,269,270	6,678,451	5,900,188	6,053,080	8,160,914	23,660,372	27,319,178	82,027,387

PART II.—EXPENDITURES MADE BY THE U. S. GOVERNMENT AS DIRECT PAYMENTS TO PUERTO RICO UNDER COOPERATIVE ARRANGEMENTS AND EXPENDITURES WITHIN PUERTO RICO WHICH PROVIDED RELIEF AND OTHER AID [2]

[Excludes loans]

DIRECT PAYMENTS TO STATES UNDER COOPERATIVE ARRANGEMENTS										
Department of Agriculture:										
Agricultural experiment stations	$25,000	$39,479	$53,951	$72,928	$82,118	$93,316	$98,552	$103,213	$100,814	$139,369
Agricultural extension work	70,000	69,644	78,101	93,498	139,571	157,745	185,066	186,941	202,170	279,588
Forest funds, etc	1,690	1,674	2,097	1,807	2,909	7,867	10,786	10,986	4,034	3,701
Department of the Interior: Wildlife restoration									594	1,548
Federal Power Commission: Payments to States under Federal Power Act	147	147	13	13	13	13	13	13		27
Federal Security Agency:										
Office of Education:										
Colleges for agriculture and mechanic arts	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Cooperative vocational education and rehabilitation	109,533	99,425	114,820	226,379	293,779	275,242	344,805	354,776	348,879	373,213
American Printing House for the Blind	[3]	500	586	558	1,503	1,077	1,046	1,061	1,158	1,322
Payments to States under social-security program						216,110	616,232	640,422	220,241	264,667
Department of Labor:										
Payments to States under social-security program									253,506	357,937
Emergency maternity and infant care										54,688
Federal Works Agency: Federal-aid highway system and secondary roads	[3]	[3]	1,277,481	343,978	359,941	679,775	300,848	362,305	623,334	583,117
Total direct payments	[4]	[4]	1,577,050	789,161	929,836	1,481,145	1,607,348	1,719,718	1,804,730	2,109,177
GRANTS TO AND EXPENDITURES WITHIN STATES PROVIDING DIRECT RELIEF, WORK RELIEF, AND OTHER AID, EXCLUSIVE OF LOANS										
Department of Agriculture:										
Farm Security Administration [5]	[3]	[3]		800,352	140,309	276,061		560,481	1,106,395	861,201
Agricultural adjustment program	[3]	[3]	4,218,685	1,344,146	11,313,378	12,342,066	12,068,785	10,754,632	12,733,027	14,967,543
Forest roads and trails			28	1,509	2,861	[3]	[3]	[3]	11,011	11,285
War housing								121,647	828	
Department of the Interior: Puerto Rico Reconstruction Administration		1,430,153	2,945,103	577,341	10,541,256	9,116,837	4,688,329	472,381	13,260	25,894
War Department: National Guard	148,173	192,364	213,887	294,426	227,896	401,056	531,103		12,995	
Federal Security Agency:										
Training of nurses									9,618	68,971
Training of defense workers							399,146	844,409	462,008	243,777
Investigations and control of venereal diseases						74,453	111,100	192,800	242,251	340,031
National Youth Administration					46,945	190,077	863,972	959,307	69,922	
Civilian Conservation Corps			974,358	959,488	1,044,839	1,896,249	1,011,185	1,004,539		
Federal Works Agency:										
Public Works Administration	11,991,678	10,098,834	290,901	615,345	2,274,790	1,756,771	1,359,166	340,824	319,727	
Highways [6]					76,066	193,979	230,447	213,694	457,272	68,520
Public Buildings Administration						469,230	63,136	5,781		54,157
Work relief	[3]	[3]	32,238	38,081		1,337,581	9,120,880	14,520,850	13,741,005	5,309,092
War public works								7,281,200	890,926	[7] 4,688,014
War housing							374,187	3,834,268		
National Housing Agency: Federal Public Housing Authority								148,871	116,250	260,840
Total expenditures within States, exclusive of loans	[4]	[4]	8,675,201	4,630,687	25,668,340	28,054,361	30,821,435	41,255,684	30,186,496	17,583,297
Total expenditures for Federal aid	[4] 12,396,221	[4] 11,982,219	10,252,251	5,419,848	26,598,175	29,535,505	32,428,783	42,975,402	31,991,226	19,692,474

[1] From the annual report of the Treasurer of Puerto Rico.

[2] Compiled from the annual report of the Secretary of the Treasury on the state of the finances based on information furnished annually by the departments and establishments. (See tables 107 and 108 of the 1944 report.)

[3] Not available.

[4] Amounts shown for the fiscal years 1935 and 1936 include only direct payments and grants to States and do not include Federal expenditures within States for which amounts are included for 1937 and subsequent years.

[5] Excludes rural rehabilitation, farm tenancy, and other loans.

[6] Comprises expenditures for elimination of grade crossings and war expenditures for strategic highway network, flight strips, and access roads.

[7] Excess of refunds over expenditures, deduct.

Source: Bureau of the Budget.

LABOR LEGISLATION — ADVERTISEMENT FROM THE WASHINGTON STAR

Mr. MORSE. Mr. President, I ask permission to have published in the body of the RECORD an advertisement appearing in today's issue of the Washington Star. It is a summary of the President's reasons for vetoing the Case bill last year. I think those reasons are particularly apropos for review purposes at the present time, because in my opinion the reasons set out in the advertisement are unanswerable when it comes to the consideration of a veto of the Taft-Hartley bill. In fact, I consider the Taft-Hartley bill even more destructive of sound public interests than the Case bill, bad as that bill was.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

WE YIELD TO THE CRYSTAL GAZERS

Years ago we resolved to let others do the predicting—while we confined our effort in directing the policy of the Brotherhood of Railroad Trainmen, in keeping with the authority vested in the brotherhood's chief executive officers, by action of the lawfully elected delegates in international convention assembled.

This arrangement has worked out so well that we propose to stay with it and let the crystal gazers do the predicting. In that spirit we submit for consideration the following facts.

After carefully studying the Case bill last June, the President of the United States returned it to the Congress unsigned. He accompanied it with a message in which he said, "I would not be properly discharging the duties of my office if I were to approve of H. R. 4908."

In this message the President pointed out certain structural defects in the bill and in constructive fashion the President requested a comprehensive legislative program designed to remove some of the causes of the insecu-

rity felt by many workers and employers—to deal with the underlying causes of industrial strife and unrest.

Believe it or not, the Taft-Hartley bill contains the very same provisions which the President found objectionable in the Case bill. It also contains objectionable provisions which were not in the Case bill—some are political—some trouble-making—some reactionary—and some are very dangerous.

In framing the Taft-Hartley bill the committee paid not the slightest attention to the President's recommendations.

We quote from Public Document No. 651, "Message from the President of the United States, The White House, June 11, 1946," page 5. Referring to section 4 of the Case bill the President said, "Section 4: This creates a new five-man Federal Mediation Board. All mediation and conciliation functions of the Secretary of Labor and the United States Conciliation Service are transferred to the Board. The Board, although technically within the Department of Labor, would not be under the control of the Secretary of Labor.

"I consider the establishment of this new agency to be inconsistent with the principles of good administration. As I have previously stated, it is my opinion that Government today demands reorganization along the lines which the Congress has set forth in the Reorganization Act of 1945, i. e., the organization of Government activity into the fewest number of Government agencies consistent with efficiency. Control of purely administrative matters should be grouped as much as possible under members of the Cabinet, who are in turn responsible to the President.

"The proposed Federal Mediation Board would have no quasi-judicial or quasi-legislative functions. It would be purely an administrative agency. Surely, functions of this kind should be concentrated in the Department of Labor. * * *

"The bill proposes to transfer that Service and its functions to the newly formed Federal Mediation Board. To me this is the equivalent of creating a separate and duplicate Department of Labor, depriving the Secretary of Labor of many of his principal responsibilities and placing the conciliation and mediation functions in an independent body.

"In the eyes of Congress and of the public the President and the Secretary of Labor would remain responsible for the exercise of mediation and conciliation functions in labor disputes, while, in fact, those functions would be conducted by another body not fully responsible to either.

"As far back as September 6, 1945, I said in a message to Congress: 'Meanwhile, plans for strengthening the Department of Labor, and bringing under it functions belonging to it, are going forward.' The establishment of the proposed Federal Mediation Board is a backward step." (Secs. 201–205, the Taft-Hartley bill, is substantially the same.)

Page 7: Referring to section 9 of the Case bill, the President said, "Section 9: This provision deprives supervisory employees of their status as employees for the purposes of the National Labor Relations Act.

"This section would strip from supervisory employees the rights of self-organization and collective bargaining now guaranteed them under the National Labor Relations Act. I fear that this section would increase labor strife, since I have no doubt that supervisory employees would resort to self-help to gain the rights now given to them by law.

"This complex question has long been under consideration by the National Labor Relations Board. The Board and the courts have pointed out that supervisory employees have a dual capacity. In dealing with the employees under them, they act for management. However, with respect to their own wages, hours of work, and other terms and conditions of employment, they act for themselves. The full right of supervisory employees to the benefits of collective bargaining is one that cannot be lightly thrown aside.

"On the other hand, management is entitled to proper protection. Somewhere in the area of disagreement between the parties the line can be drawn with reasonable accuracy. There has been no attempt to draw that line in this section." (Secs. 2 (11) and 14, Taft-Hartley bill, are substantially the same.)

Page 8: In concluding, the President said, "The passage of H. R. 4908 confirms the need for a careful study of labor-management problems, with a view toward long-range remedies. It demonstrates the dangers of attempting to draft permanent labor legislation without painstaking and exhaustive consideration.

"H. R. 4908 strikes at symptoms and ignores underlying causes. * * *

"It must be remembered that industrial strife is a symptom of basic economic maladjustments. We cannot attribute work stoppages to any one factor. As we move from war to peace, severe strains are placed upon our economic system. Labor and management alike are seeking security. The combination of rising prices, scarcity of commodities, lowered standards of living, and altered tax programs today creates fears which are present at the conference table to disturb the orderly process of collective bargaining.

"A solution of labor-management difficulties therefore is to be found not alone in well-considered legislation dealing directly with industrial relations, but also in a comprehensive legislative program designed to remove some of the causes of the insecurity felt by many workers and employers.

"During the past 10 months I have urged the Congress to enact such a program. Among the proposals which I have recommended are adequate insurance against unemployment, health, and medical services for families of low and moderate income at costs they can afford, a fair minimum wage, and the continuance of the price-control and stabilization laws in effective form. These measures would remove some of the major causes of insecurity and would greatly aid in achieving industrial peace.

"Our problem in shaping permanent legislation in this field is to probe for the causes of lock-outs, strikes, and industrial disturbances. Then, to the extent possible, we must eliminate these causes. Strikes against private employers cannot be ended by legislative decree. Men cannot be forced in a peacetime democracy to work for a private employer under compulsion. Therefore, strikes must be considered in the whole context of our modern industrial society. They must be considered in the light of inflationary pressures, of problems of full employment, of economic security.

"Legislation governing industrial relations is workable only when carefully considered against this broad background. I am confident that with painstaking and dispassionate study which will probe fairly and deeply, Congress can evolve equitable legislation which promises an era of peaceful industrial relations.

"We accomplish nothing by striking at labor here and at management there. Affirmative policy is called for, and a congressional committee such as I have suggested is the best means of formulating it.

"There should be no emphasis placed upon considerations of whether a bill is antilabor or prolabor. Where excesses have developed on the part of labor leaders or management, such excesses should be corrected—not in order to injure either party but to bring about as great an equality as possible between the bargaining positions of labor and management. Neither should be permitted to become too powerful as against the public interest as a whole.

"Equality for both and vigilance for the public welfare—these should be the watchwords of future legislation.

"The bill which I am returning to you does not meet these standards. * * *

"It is always with reluctance that I return a bill to the Congress without my approval. I feel, however, that I would not be properly discharging the duties of my office if I were to approve H. R. 4903."

(The Taft-Hartley bill, like the Case bill, is not the answer.)

"It is not labor, but the opponents of labor whose greed is endangering our prosperity and threatening a depression. It is not labor, but the opponents of labor, who have too much power. Who are these overly powerful people of whom I speak? Look to the organizations backing this bill, and there you will find them—this bill is not in the best interests of the whole American people." (Senator ROBERT F. WAGNER, CONGRESSIONAL RECORD, May 12, 1947.)

A. F. WHITNEY,
President, Brotherhood of Railroad Trainmen.

CLEVELAND, OHIO.

Mr. BREWSTER. Mr. President, I am much interested in the matter the Senator from Oregon has just asked to have inserted in the RECORD, indicating why, based on the precedent of the veto of the Case bill last year, the President must obviously veto the labor bill this year. I wondered if there was a parallel advertisement stating that, since the President, in October 1945, signed a bill giving the big corporations the benefit of a reduction of $4,000,000,000 in excess-profits taxes, he must necessarily sign the tax-reduction bill this year.

Mr. MORSE. I hope the Senator from Maine will not press very far with that argument. It is based on one of the false premises of the Republican majority in this Congress that two wrongs make a right. Experience now shows we made a mistake in lifting the excess-profits taxes because it did not promote as much production as it did profiteering.

Mr. BREWSTER. I am sure we shall be much interested to see how far consistency is still considered a virtue.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1288) to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between the carriers.

Mr. RUSSELL. Mr. President, in my opinion the pending bill, the so-called Bulwinkle-Reed bill, presents to the Senate several of the most far-reaching and fundamental issues we will be compelled to determine at the present session of the Congress. As I see the measure, it vitiates and weakens the antitrust laws of this Nation. It has the effect of immunizing the railroads, with all their many and appurtenant bureaus, with their other forms of transportation,

and through them, many other allied industries and financial interests, from any fear of the consequences because of the violation of the antitrust laws. The bill clearly, plainly, and in express terms, eliminates the antitrust laws so far as the railroads are concerned in case they follow the procedure therein outlined.

Furthermore, Mr. President, the measure would remove from the jurisdiction of the courts of this land two tremendously important pieces of pending litigation against the railroads and the appurtenant freight bureaus, one of them being the State of Georgia case, pending in the Supreme Court of the United States sitting as a court of original jurisdiction, the other being the civil action filed through the Antitrust Division of the Department of Justice in an effort to break the stranglehold which the railroads have had upon the people of the West, and to obviate the discrimination against them in freight rates which they have so long borne.

I think it is clear to all that control of the transportation system empowers the controlling agency to direct the course of all industries and of all commerce in this Nation. It empowers those hands to make desolate some areas and to see that others flourish as the rose.

Mr. President, the Senator from Kansas, in presenting this matter, stated that against his bill there had been a campaign of propaganda which had been unfair and injust. He referred to certain commentators, who were unnamed, or writers of one kind and another, likewise unnamed, who, he said, had attacked the pending bill as being the entering wedge for striking down the antitrust laws. Mr. President, as one who has been on the other side of the fence in this legislation, I have not heard nor encountered the propaganda referred to by the Senator from Kansas; but I have seen at every stage of the proceeding the best organized, the best financed, and the smartest propaganda machine back of the pending bill that has ever promoted legislation in the Congress of the United States.

The Senator from Kansas offers a long list of governmental agencies, and of organizations of one kind or another which he says have supported the bill. To my mind, after 14 years of service in the Senate of the United States, and 10 years in a State legislative body, the Senator could not have produced higher or better evidence of the activities of a comprehensive, able propaganda machine that has flooded the offices of Senators with letters in support of the bill, than this list of organizations affords. On the slip the Senator uses, to accompany his argument, the analysis of various associations and organizations supporting S. 110, he arrives at a total of 958 different organizations scattered all over the country. I wish respectfully to point out that 552 of the organizations are chambers of commerce, civic, and other organizations. I hastily scanned through the list, to see why there has been this spontaneous combustion of ideas all over the United States to appeal to the Congress of the United States to relieve from the provisions of the Antitrust Act the poor, oppressed railroads, constituting a great hierarchy already controlled by one or two financial interests. I find in the list the names of certain very interesting organizations. What I say, Mr. President, is not a disparagement of the organizations purporting to endorse the pending bill, but is intended to show the methods which have been employed to put the heat on the Congress of the United States to enact a bill which should never reach the statute books.

I was born and reared near a town of less than 4,000 population. I have been a member of the Kiwanis Club and of the local chamber of commerce and of other civic organizations in that town. I know how they operate. When I am shown a list containing the names of the Bernal, Calif., Boosters Club; the Camden, Tenn., Lions Club; the Ely, Nev., Lions Club; the Mexico, Mo., Civic Club, and other organizations of that nature, that presumably come forward and appeal to the Congress of the United States to repeal the antitrust laws so far as the railroads are concerned, I know what has happened. I know that the railroads, through the vast machinery of their organizations, with the smartest attorney in every town representing them, have had speakers go from one end of the country to the other, appearing in small towns before the Boosters Club and the Lions Club and the Civic Club, whose members have never heard of the Bulwinkle-Reed bill, who have no detailed information on the most complicated thing in our economy today, the freight-rate structure of the country; who do not understand even the impact of that structure upon their community and the business which they operate. After the members and guests have enjoyed the good dinner which has been prepared, perhaps by the ladies of the WCTU in an effort to obtain funds for their organization, the smart lawyer will rise and make them a speech and tell them about the great handicaps under which the railroads are laboring. By skillful innuendo, he throws out the hope that this particular piece of legislation, the bill now pending, will benefit that community and perhaps get them a better freight rate. He says to them, "You do not want to see your transportation system in America endangered." Then, the member present who is his closest friend gets up and says, "I move you, Mr. President, that the Boosters Club go on record as favoring S. 110"; whereupon, the secretary of the club, in the discharge of his duties, writes a letter to the Interstate Commerce Committees of the House and Senate, saying that El Cardo Boosters Club is a strong supporter of S. 110.

Mr. President, to take that kind of testimony as representing 99.9 percent of the people of the United States—as I recall, the Senator from Kansas said the shippers of the United States—is to put the Congress of the United States at the mercy of any powerful lobby having its ramifications reaching out into the grass roots in every community of the land, and to make the Senate the servile tool of the interests that are able to build up and generate such power-propaganda machines. So I say, Mr. President, in all earnestness and in all good faith, the talk about propaganda suggests that the shoe should be on the other foot. Who has been in a position to send speakers to the Niles (Calif.) Chamber of Commerce and ask them to oppose this bill? Where has there been an organization that has had certain able men whom they could send into the remote reaches of the far West, to appear before the people there and explain to them how they have been discriminated against in the freight-rate structure of the country, to tell them how the blighting hand of concentrated wealth had stopped the development of their industries and sought to keep them as hewers of wood and drawers of water—the producers of the raw materials of the country? They ship to the favored areas, to be processed; they pay the freight both ways. They have seen only one side of the picture, and that side was seen in a distorted light.

No, Mr. President; I am confident the Senate will not be persuaded merely by a long list of imposing names. Those of us who are defending the antitrust laws, those of us who are speaking for the less-favored areas, those of us who are speaking for the integrity of our judicial system, and for the opportunity to permit that system to determine the cases which are submitted to it in the manner prescribed by the Constitution, have no such means. We do not have thousands upon tens of thousands of agents to go forth and beat the bushes, and to have letters written to the Senate. We do not have one. I am not familiar with the propaganda denounced by the Senator from Kansas. I do know, though, that in my own office I have received a great many letters from shippers in my State, urging the support of Senate bill 110.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield gladly.

Mr. McFARLAND. The names of those shippers do not appear on this list, do they?

Mr. RUSSELL. I assume, Mr. President, from the length of the list, that some of them must have gotten onto the list.

Mr. McFARLAND. I do not see any of them.

Mr. RUSSELL. We have Boosters' Clubs, we have Lions Clubs, we have chambers of commerce, we have civic organizations in my State. I suppose that they are very much like the American citizens of other sections of the country.

Mr. McFARLAND. Does the Senator suppose that possibly the railroads have suggested to a shipper that they had done a little favor for him?

Mr. RUSSELL. Mr. President, I was just coming to that. I thank the Senator from Arkansas for that suggestion. When I write to the shippers in my State and tell them "I am sorry, but I cannot comply with your request that I support the Bulwinkle-Reed bill; instead of starting to whittle away the antitrust laws of the country they should in my opinion, be strengthened in the interest of the average man; and I know that we will forever be chained to the present system of freight rates, the structure of

which starts with the local bureaus and continues up to the American Association of Railroads, if the pending bill were enacted into law—when I tell them that, I am surprised at the number who write in and state that their good friend, a traveling representative for such-and-such a railroad, had come by and talked to them about the bill and asked them to write letters respecting it, and who later have said that they did not understand exactly all that was implied in the proposed legislation, and that if that was the kind of bill it was they wanted to withdraw their requests that I support the bill in the Senate, and instead they now hoped that I would vote against the bill.

Mr. President, as I have said, there never has been so thorough, so complete and so one-sided a presentation of a bill to every nook and corner of the United States as there has been in the support of this proposed legislation. I know that all Senators have received a great volume of correspondence urging them to support the bill. Undoubtedly they have not received any correspondence asking them to oppose the bill, because it has not been presented in all its implications to the American people, and no agency less than the full Government of the United States could ever hope to present it to all the American people, because no other agency than the powerful interests supporting would have the means with which to do it.

So, Mr. President, we have this effort which is now being made to destroy the jurisdiction of the courts of the land in two important cases, which are vital to the great West, and to the South whence I come. We have this effort made here to immunize the railroads from the operation of the antitrust laws at a time when monopoly is on the march. Small business in this country is being destroyed every day.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MOORE. I am anxious to understand the gravamen of the case which the State of Georgia filed in the Supreme Court as a court of original jurisdiction. Did that case have anything to do with matters dealt with in the pending bill, that is respecting rate-fixing bureaus, or is not that case an action brought to determine whether there was discrimination in freight rates.

Mr. RUSSELL. The charges were conspiracy to invoke unfair freight rates against the State of Georgia.

Mr. MOORE. That is correct.

Mr. RUSSELL. And if the pending bill is enacted into law it will legalize in the future the very thing the State of Georgia complained of in its suit.

Mr. MOORE. Suit was brought by the State of Georgia, and an action was also brought by the Department of Justice against the rate bureaus in Nebraska, I believe it was, at the time when the certificate, so-called, No. 44, was in effect, were they not?

Mr. RUSSELL. Mr. President, I do not recognize certificate 44 by number.

Mr. MOORE. That was the certificate issued during the war which prohibited the Department of Justice from proceeding in the prosecution of those who were charged in Chicago, I believe it was. The Senator from Arizona [Mr. McFARLAND] has heard all the testimony, and can clarify the situation.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McFARLAND. I think the Senator has correctly stated the situation. Order No. 44 was issued as a result of legislation passed by Congress.

Mr. MOORE. That is correct.

Mr. McFARLAND. By reason of the state of war, it was not thought best to have a great many suits pending at a time when different industries needed to be devoting all their efforts to the war.

Mr. RUSSELL. I am familiar with the regulation to which the Senator refers, but I did not recognize it by the number. During the war the War Department, the Navy Department, the Interstate Commerce Commission, and the Office of Defense Transportation requested and secured the issuance of an order which precluded or stopped some criminal prosecutions against the railroads and the freight-rate bureaus for the violation of the antitrust acts.

Mr. MOORE. Then it follows, does it not, that the suit brought by the State of Georgia does not embrace the activities of the bureaus which the pending bill provides may be exempt from prosecution under the antitrust acts?

Mr. RUSSELL. Oh, no; I do not think it follows at all, I may say to the Senator from Oklahoma. The order which was issued by the Federal Government, according to my recollection, applied to criminal prosecutions in the first instance, and not to civil proceedings, such as involved in the suit brought by the State of Georgia.

Mr. MOORE. But the effect would be the same.

Mr. RUSSELL. In the second place, the order which was issued was merely a directive to the United States attorneys and the Department of Justice. Even with all the vast powers which we grant to the executive agencies of government in time of war, I doubt whether there could have been issued an order which would have precluded the State of Georgia from its rights as a sovereign State to seek to right a wrong which had been done to the State of Georgia or its citizens.

Mr. MOORE. I am sure the Senator from Georgia is more familiar with the facts presented to the court in the State of Georgia case than I am, but I thought that that case did not involve matters contained in the pending bill, that is respecting the rate bureaus, but if it did, it was brought prior to the issuance of certificate 44. If it did not, and it is purely a matter of determining judicially whether there is a discrimination of rates against certain sections of the country by the railroads, then the passage of the pending bill would not affect the suit the Senator from Georgia is discussing.

Mr. RUSSELL. Mr. President, I cannot agree with the argument of the Senator from Oklahoma. In the first place the regulation to which the Senator refers was only to control Federal officials. It could not possibly restrain the State in its sovereign capacity from bringing a civil action. The regulation only applied to criminal prosecutions, and no criminal prosecutions have been brought. The only proceedings which have been brought in the courts up until now are civil proceedings—the one that was filed by the Department of Justice in Lincoln, Nebr., and the one that was brought in the Supreme Court as a court of original jurisdiction by the State of Georgia. Certainly the effect of the passage of the pending bill would be to permit the very thing against which the State of Georgia complains, and that is a conspiracy to fix rates and to deny competition as between railroads.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McMAHON. The Senator from Georgia is familiar with the fact, I assume, that the Department of Justice brought a criminal prosecution in Denver, Colo., against certain motor carriers for violating the antitrust laws, and the case was tried before a jury, and the jury found they were not guilty. In other words, it has been tested that a jury in a criminal court may decide upon the reasonableness or unreasonableness of the rate agreed to in the rate bureau, as I understand. Now the Senator has referred to the fact that the passage of the pending bill would oust the courts from jurisdiction.

Mr. RUSSELL. No, I do not say that it would, but in effect, it would make the question moot. It would not withdraw the pending case from the courts, but it would defeat any remedy for the injustices complained of in the suit.

Mr. McMAHON. But let me point out to the Senator that, of course, our courts are designed to interpret rights legally granted by the legislature, that is the Congress. That is what the courts are to determine. There are two conflicting basic principles which the legislature, it seems to me, has to determine, that is as to whether power shall be conferred on rate bureaus to fix rates subject to the approval of the Interstate Commerce Commission, or whether the Department of Justice shall try out the reasonableness of rates before criminal juries all over the country. That creates a very definite problem of policy, not for the Supreme Court, but for the Congress of the United States.

I may say to the Senator that it seems to me one thing which the opponents of the bill overlook is the impossibility of operating an integrated transportation system in this country if every time the rate bureaus act they are to be subjected to being haled before a jury in a criminal case brought by the Antitrust Division. I say that in that way we cannot operate an integrated transportation system, which we must have. I suppose the Senator is familiar with the views of Mr. Joseph B. Eastman, the great Interstate Commerce Commissioner.

Mr. RUSSELL. I have read Mr. Eastman's statements in connection with this legislation.

Mr. McMAHON. It is a fact—and I do not think we should overlook it—that everyone who has had any intimate

connection with the railroads of the country in a regulatory capacity, whether it has been Joe Eastman, Monroe Johnson, or Commissioner Aitchison, who testified in favor of the bill, has uniformly stated that the railroads of the United States cannot be operated without rate bureaus. They cannot be operated without agreements for the sharing of the proceeds from a through shipment of freight from say, the East Coast to California.

Mr. RUSSELL. No one has tried to enjoin such an agreement as that.

Mr. McMAHON. The trouble is that if we pursue the policy which the Department of Justice is trying to pursue, the railroads will find it impossible to proceed under their present way of doing business.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I shall be glad to yield in a moment.

The Senator from Connecticut was one of the ranking officials of the Department of Justice for a number of years, and, of course, has intimate familiarity with all the cases which have been brought by the Department dealing with this question. But I do not believe that the question of distribution of funds as between connecting carriers is in the slightest degree involved in either one of these cases; and I doubt if it has been involved in any criminal prosecution which has taken place. We are not complaining, and the Department of Justice is not complaining, about any distribution between connecting carriers. However, I assert that there should be some competition between parallel lines of railroads or freight forwarders. Despite the fact that it is commonly asserted that the railroads are a monopoly, and despite the fact that they have interlocking directorates, and are largely controlled by J. P. Morgan & Co. and Kuhn, Loeb & Co., who for a long period of time have furnished 88 percent of the finances required to keep them in operation, the railroads are not a monopoly in the sense that the gas company in Washington, D. C., is a monopoly. In the case of two lines which operate, let us say, between the city of Washington D. C., and the city of Chicago, there should be some competition in freight rates. Otherwise the public is absolutely helpless. If there is no competition between lines operating between the same points and traversing practically the same territory, the whole idea of competition falls. The kind of case in which the Department of Justice is interested—and certainly the kind of case which the State of Georgia has in mind—is a conspiracy between competing lines with interlocking directorates to fix rates. Such lines will not let the benefits of competition flow to the consumer.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Following up the remarks of the Senator from Connecticut [Mr. McMAHON], was not the Interstate Commerce Commission established on the theory of regulating rates so as to allow reasonable competition between competing groups of carriers and between competing carriers? I refer to competition which would not lead to bankruptcy. I do not mean such devastating competition as would result in nationalization of the railroads. It seems to me that this bill represents the logical carrying out of that theory.

Mr. RUSSELL. It may appear so to the Senator from Massachusetts; but to me it seems that it is proposed to delegate to the American Association of Railroads and the freight bureaus what should be the functions of a governmental agency. Under the terms of the bill the Interstate Commerce Commission would exercise only the sketchiest sort of actual jurisdiction overy negotiations to fix rates.

Mr. SALTONSTALL. Following the Senator's logic, is not his remedy against the laws which created the Interstate Commerce Commission and under which it is operating? If those laws are not sound, if the Commission is not a proper regulatory body, his complaint lies against the law, and not against agreements which would permit railroads to operate without such competition as would lead to nationalization. If there cannot be some agreements of this kind, how else can we avoid nationalization of the railroads?

Mr. RUSSELL. In my opinion the advocates of the Bulwinkle-Reed bill are driving toward nationalization of the railroads much more rapidly than are those who oppose it. If we freeze this inequitable system of freight rates on the people of the United States and say to the great West and South, "You shall never have any relief from these discriminatory rates," after a while the result will be the nationalization of the railroads. The American people will not forever tolerate unfairness. They will not forever tolerate discrimination. They will eventually demand that the Government take over the railroads. In my opinion the passage of this bill would bring about the nationalization of the railroads of the country much more rapidly than would free competition within the sphere of the law which created the Interstate Commerce Commission.

Mr. SALTONSTALL. Does not everything the Senator has just said go to the point I am trying to make? The Senator believes that the laws under which the Interstate Commerce Commission is established are inadequate, or that the present administration of the Commission is inadequate.

Mr. RUSSELL. I think the present Interstate Commerce Commission has recently shown some appreciation of its proper functions, duties, and responsibilities. Certainly I would not wish to say that I approve of all that the Interstate Commerce Commission has ever done, or that I would condone its failure to do the things that it has refused to do.

The bill goes further than the present law, and undertakes to establish a quasi-governmental agency within the American Association of Railroads, which has no responsibility save to those who finance the railroads and their stockholders. The pending bill would permit the Interstate Commerce Commission largely to escape the responsibility which belongs to it, and which it has often shown no great zeal or enthusiasm to assume.

Mr. SALTONSTALL. Mr. President, will the Senator further yield?

Mr. RUSSELL. I yield further to the Senator from Massachusetts.

Mr. SALTONSTALL. If what the Senator says is correct, how could such an agreement be approved under the provision found in lines 15 to 21 on page 2 of the bill? If the Interstate Commerce Commission is doing its duty, it cannot approve agreements such as the Senator has just described.

Mr. RUSSELL. Mr. President, I regret to appear critical of the Interstate Commerce Commission; but in my opinion the Interstate Commerce Commission is like a great many other Government agencies, both State and Federal. When an agency is newly created, it enters upon its task with the zeal of a crusader. After a certain length of time it becomes fat and lazy. In my opinion the fact that the Interstate Commerce Commission is seeking to secure the passage of this bill is an indication that it does not wish to go to the trouble it should assume to meet its full responsibility to the American people.

Mr. SALTONSTALL. In all matters of legislation, personalities are probably odious.

Mr. RUSSELL. I hope the Senator from Massachusetts is not going to name the individual members of the Interstate Commerce Commission and ask me to pass upon them.

Mr. SALTONSTALL. Let me say to the Senator from Georgia that the Senator from Massachusetts has the highest personal regard for the actions and personality for the late Joseph B. Eastman. Certainly if his theories as to the work of the Interstate Commerce Commission were followed there would be no inherent danger to the American people by supplementing the present laws relating to the Interstate Commerce Commission with the proposed act. Is not that so?

Mr. RUSSELL. I believe the Senator from Massachusetts referred to the late Joseph B. Eastman; did he not?

Mr. SALTONSTALL. Yes.

Mr. RUSSELL. Mr. Eastman would not be present to assist in carrying out this program.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. Let me ask the Senator from Georgia what has happened to the railroads, which are theoretically, if not actually, still under the antitrust laws, which brings about the necessity for this legislation? What disadvantage have they suffered so far that is unfair to them and that makes it so necessary to pass this piece of legislation lifting them out from under the antitrust laws and putting them on an island of safety as compared with other organized industries in the United States which might have a claim for the same sort of sympathy? I myself do not recall that anything has happened to the railroads which brings about any necessity to pass a bill of this kind. Can the Senator tell me what has happened to them that makes it so important that we pass this

bill and that makes them so anxious regarding it?

Mr. RUSSELL. I think it is because of the two lawsuits which have been mentioned.

Mr. BARKLEY. Yes. In other words, there was a lawsuit attacking the validity of the unfair action of the Interstate Commerce Commission in determining rates applicable to certain great sections of the country, and this legislation was originally introduced in order to get in ahead of the decision of the United States Supreme Court?

Mr. RUSSELL. Not only the decision of the United States Supreme Court, but of the District Court for Nebraska in which a case is pending which would give some measure of equality and relief to the people of the West who have labored under this burden for the past 60 years.

Mr. BARKLEY. That is correct. For many years the antitrust laws have applied to railroads just as they have applied to every other industry. Then suddenly a lawsuit has been brought involving the southeastern section of the United States and the middle section, as is indicated by the lawsuit in Nebraska; whereupon this legislation is introduced and is urged and reported in order to obviate the effect of a decision of the United States Supreme Court.

Mr. RUSSELL. I believe the Senator from Kentucky was not present when I stated earlier in the day that every time the railroads and their freight bureaus felt the breath of justice blowing warmly upon their necks they endeavored to rush through the Bulwinkle bill in order to get out from under possible prosecution by the Department of Justice.

Mr. BARKLEY. It was precipitated by two lawsuits seeking to bring justice to certain sections of the United States.

Mr. RUSSELL. The Senator from Kentucky has put his finger on the point.

Mr. MOORE rose.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield first to the Senator from Oklahoma.

Mr. MOORE. In answer to the question of the Senator from Kentucky, these bureaus have been part of the system of rate making under the growing process which has been approved by the Interstate Commerce Commission for 40 or 50 years, and not until 2 years ago was there any question of whether they were violating the antitrust law.

Mr. RUSSELL. I think the Senator from Oklahoma is wholly in error. I tried to get into the debate a while ago, but the Senator from Kansas [Mr. REED] had the floor at the time and was answering some question and did not yield to me. It is a far cry from the freight bureau that is fixing rates on a local level somewhere in the country where there is some measure of competition between railroads and where the Interstate Commerce Commission has jurisdiction which has existed for the years which the Senator has mentioned to the day when the Association of American Railroads was formed. When that association was formed in Washington it set itself up as a supergovernment and made all the members of the association agree that no matter would even be submitted to the Interstate Commerce Commission until it had been first approved by the directors of the Association of American Railroads. That made a great difference. A member could not even get his case before the Interstate Commerce Commission. It might be said that he could appeal it to the Interstate Commerce Commission in spite of the association. Evidence has been produced in the trial of the two cases referred to showing that men wanted to do it, but it was said, "There will be no freight forwarded over our lines. We shall not be able to get our finances from J. P. Morgan & Co., Kuhn, Loeb & Co., and the other interests which finance the railroads. We will be helpless and prostrate." I think that is the reason why the antitrust laws have been invoked only in the past few years. Of course there has been discrimination against sections. People from the West and South have for years protested against it. They have cried out for equality. The steps which have been taken have been a long and painful labor.

The Southern Governors' Association started, I think, in 1930 or 1931, filing petitions with the Interstate Commerce Commission.

There are those who say that I am critical of the Interstate Commerce Commission, but I must say that speed in the determination of cases has not been one of the great virtues of the Interstate Commerce Commission, it matters not who might be presiding over it. Cases can pend before the Interstate Commerce Commission for years. The Commission itself, since 1887, has been issuing orders to the railroads in an effort to bring about a uniform freight classification. Senators talk here about there being literally trillions of rates filed with the Interstate Commerce Commission; and that is a fact. Why do they exist? It is because the railroads and the freight bureaus have built them up. The Interstate Commerce Commission has in the abstract condemned the system because it is so involved and complicated that no person can understand it unless he devotes a lifetime of study to it. Starting in 1887 and periodically thereafter, the Interstate Commerce Commission has ordered the railroads to make a uniform classification of freight, but despite that fact, in the good year of 1947, 60 years later, there still are trillions of rates which the advocates of this bill urge as a reason why the bill should be enacted. If the railroads had established the uniform system there would not be trillions of rates and the whole system would be simpler.

Mr. MOORE. The Senator does not mean that he would divest the Interstate Commerce Commission of the power of fixing rates, does he?

Mr. RUSSELL. I would not divest them; neither would I permit them to escape their responsibility to the American people through the passage of this bill.

Mr. MOORE. The Senator knows also that the Department of Justice is always welcome to go to the Interstate Commerce Commission, where the jurisdiction rests, and make a complaint?

Mr. RUSSELL. Oh, yes. I understand that in this bill there is a pious line written which provides that the Attorney General shall be notified before any of these cartels are approved by the Interstate Commerce Commission. But the Attorney General is supposed to prosecute in the courts, and he is taking that course, and now here is a bill to try to relegate him to the Interstate Commerce Commission.

Mr. MOORE. The Senator is not advocating, is he, that the Department of Justice should assume the authority or the competency to determine the fairness of rates? In other words, the Senator would not divide the jurisdiction between the Department of Justice and the Interstate Commerce Commission, would he?

Mr. RUSSELL. I would not. But there still is a difference between a violation of the antitrust laws and the fixing of a rate by the Interstate Commerce Commission.

Mr. President, I assert that it would be just as logical to pass a law saying that the automobile manufacturers of this country should be permitted to get together to fix prices and cartelize themselves in this country as it would be to pass this bill placing such power in railroads and their satellites.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from South Carolina.

Mr. MAYBANK. The Senator from Georgia has heard the name of Mr. Norman brought into the discussion in connection with the Southern Governors' law case. The Southern Governors organized in approximately 1931 or 1932. That particular case was started in 1939. That was more than 8 years ago. I might say that if it had not been for the action of the governors of the Southern States, with the aid of their contingent funds and the generosity of the legislatures of those States in appropriating huge sums of money, I doubt that there would have been any relief for the South whatsoever. Year after year, governor after governor used his contingent fund and legislative appropriations, and they were able to hire experts, including Mr. Norman and others, and it was only after 8 years of toil and fight and heavy expenditures that any relief whatever was obtained.

Mr. RUSSELL. I thank the Senator from South Carolina for his suggestion. I want to say that when we consider the efforts of the Interstate Commerce Commission to get a uniform classification, which have extended over 60 years, I congratulate the Governors on getting action in 8 years.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McMAHON. I should like to point out that in the case of automobile companies or cement companies or any other kind of companies I can think of at the moment there is no special governmental appeal.

Mr. RUSSELL. I thought of that as soon as I drew the analogy. Suppose we bring the radio stations in. Suppose we

pass a bill which would waive the antitrust laws as to radio interests and permit them to conspire as to which stations shall handle advertising, which station is to be denied the right to take specific programs and which should have a right, among the chains, to have a schedule of distributing programs and advertising so that they could put all the independents out of business and clutter the air waves with programs not fit and proper for the American people. That is a clear analogy, because in that case there is a Federal agency which undertakes to regulate the radio stations of the United States.

Mr. McMAHON. Mr. President, I do not think that analogy will stand up.

Mr. RUSSELL. I did not expect the Senator from Connecticut to agree with me as to that.

Mr. McMAHON. I do not think it will stand up, because, after all, the radio chains are individual operating units. They compete, during the same hours of the day and night, with the other chains. There is no intercommunication that is required—no transshipment of freight or transshipment of passengers, such as in the case of the railroad systems.

Does the Senator from Georgia think the railroad systems of the country could be operated without rate bureaus?

Mr. RUSSELL. I do not know whether they could or not.

Mr. McMAHON. I am not an expert on transportation, and I went to the committee and listened to the testimony on this bill with an absolutely open mind; but I say to the Senator that there was not a single witness who appeared before the committee, either a shipper or a railroad man or a customer, who testified other than that the railroad business of the United States could not be conducted without rate bureaus. Even Mr. Purcell, the vice president of the Chesapeake & Ohio, who has been against this bill, stated in his testimony that it would have been impossible to operate the railroads of the United States without rate bureaus. That was his testimony.

Mr. RUSSELL. Mr. President, the Senator from Connecticut may intrigue himself with the idea that the railroads could not be run without rate bureaus; but I do not think we should become involved in that question, for I think it has no relationship to the issue which is now before us. No one is undertaking to abolish the rate bureaus. We are simply saying that the railroads should be operated in the same way that other corporations in the United States are operated. Let the railroads function and let them perform the responsibility of arriving at freight rates, but let us not throw over them a mantle which will protect them from prosecution or from suits under the antitrust laws to which other citizens of the United States are subject.

The Senator keeps referring to the intercommunication or interchange of freight and passengers. I say we are not concerned with the question of what happens when a passenger or a shipment of freight reaches the end of one line and is passed on to another. The issue before us involves primarily competition between the same stations.

Mr. McMAHON. Does not the Senator think that the basic issue is simply whether we are going to have brought in the courts criminal cases in which conspiracies to fix rates will be alleged, and whether we are going to have such cases tried before criminal juries or by Federal judges in various places in the United States, or whether we are going to vest the responsibility in the Interstate Commerce Commission, which is the body the Congress has set up to regulate the railroads? There is the choice, it seems to me. I think it can be stated quite clearly.

This bill provides that the Interstate Commerce Commission must approve every agreement which is made. The Attorney General will have the right to complain about it, and anyone else will have the right to complain about it; but the responsibility will be fixed in that way. It is for the Congress to fix that responsibility. The Congress can either do it in that way or it can vest that responsibility in the Office of the Attorney General. But I think it would be a very unscientific way of making rates to call upon a jury of farmers in Nebraska, let us say, to decide in their judgment as to the reasonableness of a rate that had been fixed in a rate bureau. As a practical matter, I say the railroads cannot be operated in that way.

Mr. RUSSELL. Mr. President, the Senator from Connecticut is entitled to his own opinion, of course. Of course, I could view the proposed legislation perhaps from a somewhat different angle if I were so fortunate as to live in the official territory which has benefited all these years from the rate machinery which has had the approval of the Interstate Commerce Commission. If I lived in a great industrial State where the industries were controlled in some degree, at least, by those who have financed the railroads, and who are seeking that protection at the expense of the rest of the country, perhaps I would talk about criminal prosecutions, although the Senator knows that the cases involved in this instance are civil cases, not criminal cases. The two groups of cases as to which the railroads are trying by means of the enactment of this measure to escape responsibility of a judgment are the civil cases brought at Lincoln, Nebr., and the civil cases filed in the Supreme Court of the State of Georgia.

Of course, no one can blame the State of Connecticut and other States which long have occupied a favored position in the transportation system in this country—a position that has brought them great wealth and great industrial development—for attempting to hold the advantage they have possessed for so long.

But, Mr. President, certainly those of us who have suffered and have been impoverished under the same system which the Senator from Connecticut defends cannot be expected to sit here quietly and see the railroads and their agencies and their appurtenances escape the consequences of violating the antitrust laws, when we know the result will be to keep us down in the same unfortunate and inferior position, in respect to the economic contest across this country, that we have struggled against for so many years.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. A moment ago the Senator referred to the situation in the radio industry; but he need not confine himself to that, because the Communications Commission has jurisdiction over the telephone and telegraph companies and all other communications companies that are engaged in interstate commerce. Similarly, would it not be just as logical to lift all conspiracies in the business world out from the application of the antitrust laws, simply because there is a Federal Trade Commission? Some years ago the Congress established the Federal Trade Commission as a Federal agency to handle all complaints in the economic and business and industrial world, so as to keep unchoked the channels of commerce and to keep them free from the long delays involved by Federal court litigation.

So if we were to lift the railroads out from under the application of the antitrust laws, and were to put them under the control of the Interstate Commerce Commission, should we not also lift the telephone and telegraph and wireless companies and all other communications companies out from under the antitrust laws and place them under the control of the Communications Commission, and in the same way should we not place all business and industrial concerns under the control of the Federal Trade Commission, and thus remove them from the application of the antitrust laws? In that way, all those matters would be left to those Commissions for determination, although none of them are agencies for the enforcement of the antitrust laws.

Mr. RUSSELL. Mr. President, the Senator from Kentucky is most persuasive, and he has illustrated the matter much better than I did. The only thing I fear is that the forces that are back of this bill might seize on the suggestion of the Senator from Kentucky and attempt to strike down what will remain of the antitrust laws after the Bulwinkle bill is passed, if it is passed.

Mr. BARKLEY. I appreciate the suggestion, but I do not think the companies will use any suggestion which comes from me as a means of moving to strike down the antitrust laws and to vest control in those fields in the Federal Trade Commission, the Communications Commission, the Civil Aeronautics Board, or any other commission or agency which has to do with such operations in the United States.

Mr. RUSSELL. Of course, Mr. President, the argument which has been made by the Senator from Kentucky is unanswerable.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McMAHON. Inasmuch as the Senator from Kentucky has referred to the Civil Aeronautics Board, I should like

to say that the Civil Aeronautics Act, which was passed by Congress in 1938, contains a provision which is directly in point with what is sought to be done by the measure now before us. In 1938, in section 412 of that act, the Congress stated that the Civil Aeronautics Board, the regulatory body, is authorized to approve agreements between common carriers by air affecting air transportation, if such agreements are not found to be inconsistent with the public interest. That is exactly in line with what this bill proposes to do in respect to interstate commerce by rail.

Mr. BARKLEY. But it does not lift the airline companies out from under the operation of the antitrust laws if they form combinations in violation of the antitrust laws.

Mr. McMAHON. Yes; it does. Under section 414 of that act (U. S. C. title 49), the parties—that is, the air-line companies—are relieved from the antitrust laws with respect to the carrying out of agreements so approved.

Of course, that is exactly the distinction that I think we should not lose sight of at this time; and it is exactly what the Congress did in 1938, I say to my good friend the Senator from Kentucky, in respect to the air-line companies; and it has worked very well indeed. In aviation there is not nearly the necessity for rate bureaus or conferences that exists in the case of an integrated railroad system.

Mr. HAWKES. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from New Jersey.

Mr. HAWKES. I should like to address myself to the Senator from Connecticut. The point he has raised, I think, is a very important one, and I am wondering if he realizes that Mr. Truman was a member of the Committee on Interstate and Foreign Commerce at that time, and took an important part in drafting the legislation which exempted from the antitrust laws the airplane companies participating in mergers which might have been in violation of the antitrust laws had it not been for that act itself.

Mr. McMAHON. I might answer the Senator in this way: As he knows, I was not fortunate enough to be a Member of the Senate when Mr. Truman was a Senator, except, as I recall, for a period of 15 days; but I think it is vitally important to keep in mind, in considering the proposed legislation, that we are not here to pass out licenses to the railroad companies to do a wrong thing. I think that is the subject of the undue emphasis that is placed on the bill by its opponents. What we are trying to do, as I see it, is to give effect to the national transportation policy which the Congress established in 1938, as I remember. I ask the Senator from Kansas, in what year was the National Transportation Act enacted?

Mr. REED. The original Transportation Act was enacted in 1920.

Mr. McMAHON. I mean the last one.

Mr. REED. In 1940.

Mr. McMAHON. It was in 1940. If we are to give effect to the objectives which are set forth in the National Transportation Act, the only way in which we can do it is to place the responsibility for enforcing the regulation of the railroads in the United States upon the organization which has been set up in the act to perform that function, and that is the Interstate Commerce Commission.

Mr. HAWKES. Mr. President, will the Senator from Georgia yield to me for a moment more?

Mr. RUSSELL. I yield.

Mr. HAWKES. In any number of cases Congress has taken action to permit the doing of things which it considered in the public interest and for doing which it exempted people and corporations from prosecution under the antitrust law. I see on the floor my distinguished friend, the Senator from Arizona [Mr. McFARLAND]. He sponsored and carried through in the Senate, about the time I first became a Member of the Senate, a bill which permitted the merger of the telegraph companies. That was a matter which came under the Federal Communications Commission. He sponsored a bill which permitted the merger of the telegraph companies, and permitted the merger of foreign operations under certain conditions prescribed, because it was considered to be in the public interest to do so.

Section 5 of the Interstate Commerce Act permits certain mergers of railroads, which, otherwise, very clearly they never would have been allowed to consummate at all, because they would have been in violation of the antitrust laws, but section 5 permits those mergers when they are approved by the Interstate Commerce Commission. Those who enter into those mergers are exempted from prosecution.

The proposed section 5 (a), as was very intelligently brought out before the Senate this morning by the Senator from Maine [Mr. WHITE] merely carries that philosophy a step further, because it is deemed to be in the public interest that the railroads should have the privilege of using joint committees and rate-making bureaus, not in coercion and intimidation or in threat, but functioning in such a way that when the matter is finally brought back to the Interstate Commerce Commission, it will be approved.

I have the greatest respect in the world for the Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. I thank the Senator.

Mr. HAWKES. He is one of my very good friends.

Mr. McMAHON. The Senator's regard is not exceeded by my affection and respect for the intellectual integrity and strength of views of the Senator from Georgia on the question we are considering. I am only sorry we cannot find ourselves in agreement.

Mr. RUSSELL. I thank both the Senators for their very kind words. I would feel much better about the situation if we were all together in our view of the proposed legislation. Unfortunately, we do not see it from exactly the same viewpoint.

Mr. HAWKES. I thank the Senator from Georgia for yielding to me. I merely wish to say that in all the hearings I attended—and I attended them very regularly last year, or the year before—everyone seemed to be of the same opinion, that we have the greatest transportation system in the world, and the roads must have the privilege of getting together by means of rate-making bureaus, and defining the vast fabric of rates, in order to continue. In some way it must be ascertained how they can do that and continue doing it without always being suspected of doing the wrong thing, and being subject to prosecution under the antitrust laws. The pending bill was devised from the hearings and from the thoughts and theories and suggestions of almost every faction of those interested.

I thank the Senator from Georgia very much for yielding.

Mr. RUSSELL. I appreciate the contribution made by the Senator.

Mr. President, there are other matters which arose during the course of my statement, questions which were asked me by Senators which I did not answer as fully as I should have, because of my desire to yield to all my colleagues who wished to join in the discussion.

One was a question asked by the Senator from Oklahoma about the wartime relief that was afforded the railroads by exemption from prosecution under the antitrust law. We all know that war is the most wasteful thing of which mankind has any knowledge. All that pertains to war is wasteful. We knew that during the period of the war it was necessary for us to have absolute harmony within the United States, and it was absolutely necessary for us to have complete unity of all our people behind our great effort to protect our civilization. For that reason an order was issued which exempted the railroads and their affiliates from prosecution under the antitrust laws.

I should like to point out what resulted from that. Only a day or so ago I noticed an article in the press to the effect that the Department of Justice was bringing a suit against certain railroads to recover sums running into the millions of dollars, on the ground that Government agencies had been overcharged by the railroads for the transportation of freight during the war.

Mr. McMAHON. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. McMAHON. Does the Senator understand that in the bill there is no bar to the Department of Justice recovering for the Government any overcharges which may have been made as between customer and owner, as it were?

Mr. RUSSELL. No; I do not believe we can enact an ex post facto law. I was using the practice of exempting the railroads as an illustration, to show that that was done to secure harmony and not because all the agencies of the Government necessarily approved of all the actions of the railroads.

Mr. McMAHON. There is nothing in the bill which would prevent the Government recovering for overcharges.

Mr. RUSSELL. No; we cannot pass an ex post facto law.

Mr. McMAHON. But even for the future. In other words, if the railroads 5 years from now, this bill having become

law, should overcharge the Government, charge more than they should charge, there is nothing in the bill which would prevent the Government recovering from the railroads.

Mr. RUSSELL. Of course not. But under the provisions of the bill, all they would have to do would be to run up the overcharge, and treat it as a charge, and the Government of the United States would be helpless to protect itself under the antitrust laws.

Mr. McMAHON. My answer, if I may say so to the Senator, is that if they can engage in such a conspiracy to mulct the Treasury and the people of the United States, they can do it only in conspiracy with the Interstate Commerce Commission. That is the only way in which they can do it.

Mr. RUSSELL. The Senator upon analysis would see that that statement was very extravagant. It would not necessarily have to be as the result of conspiracy. It could be due to oversight or laxity on the part of the Interstate Commerce Commission in refusing to go into the rates submitted to them. The Interstate Commerce Commission itself should go into these matters and control the rates, without leaving it necessarily to a combination of railroads to do so.

Mr. McMAHON. Does not the Senator appreciate that if the Interstate Commerce Commission were to act upon the million rates, or whatever the number is, individually, we would need a bureaucracy which would reach from here to Hawaii and back again—such a bureaucracy as the world has never known?

Mr. RUSSELL. I do not agree with that statement. I think the trillions of rates there are in this country are largely the result of the failure of the railroads to conform to the repeated orders of the Interstate Commerce Commission to get a uniform freight classification. The railroads have purposely built up an aura of mystery about the rate structure in the United States, and have kept it so complicated that the average man cannot understand it.

Mr. McMAHON. If I might suggest to the Senator, let us take as an example trap rock, which we will assume originates in New Haven, Conn. A carload of it when shipped to Rowayton, Conn., carries a certain rate, but if it goes 10 miles farther, of course the rate is higher. Let us assume that instead of trap rock, it is a carload of bath tubs. Obviously, on any kind of economic basis, bath tubs should carry a different rate from trap rock. I do not see how the Senator is going to avoid the necessity of setting thousands upon thousands and even millions of different rates. I do not claim to be a transportation expert, but I do not see how it can be avoided.

Mr. RUSSELL. There will undoubtedly be thousands of rates, but the idea is that each railroad has a different classification for the same commodity. That is what produces these trillions of different rates. There has been some progress made in eliminating that, but nothing substantial has been done to comply with the orders for a uniform classification.

Mr. REED. If the Senator from Georgia will yield, I do not think he meant that each railroad had a different classification for the same commodity. There may be a variation in the commodity classifications in the three principal territories.

Mr. RUSSELL. That is exactly what I am complaining about. Of course, they all have the same classification in the State of Connecticut, referring to the illustration used by the Senator from Connecticut. That same classification would not necessarily apply in a shipment of rock or a shipment of bath tubs from Atlanta, Ga., to Savannah, because we are in a different area.

Mr. REED. There are as a matter of fact three different official classifications, the northern, the southern, and the western.

Mr. RUSSELL. I think there are four.

Mr. STEWART. As a matter of fact, there are five.

Mr. REED. I wanted to suggest to the Senator from Georgia, when he was talking about the millions upon millions of dollars the Government was trying to recover from the railroads because of overcharges or unreasonable charges, that the Government took its case to the Interstate Commerce Commission, did it not?

Mr. RUSSELL. I understand now that the proceeding must originate before the Interstate Commerce Commission.

Mr. REED. That is the only place to which initial resort can be had. The Interstate Commerce Commission is the only body in the country that can determine the reasonableness of rates, upon which the question of an overcharge must depend. Therefore, even in the instance referred to by the Senator, where there was a mere allegation, the force of which I have no idea, it is necessary for the Government to try the case before the Interstate Commerce Commission, which determines whether there is any worth or validity to it.

Mr. RUSSELL. Oh, yes; I fully appreciate that it is necessary for them to go to the Interstate Commerce Commission on that. But the Government has a right to pursue a matter before the Interstate Commerce Commission, and, if relief is denied, as I understand it they have a right to proceed further with it in the courts. The courts are not excluded from jurisdiction completely. The law requires that the matter first go to the Interstate Commerce Commission.

Mr. REED. Where there is a clear case of damage by a railroad, not requiring determination by the Interstate Commerce Commission, the case can go directly to court, but when a finding as to reasonableness is involved, there is only one body in the country that can legally and rightfully say whether a rate is reasonable or unreasonable, and that is the Interstate Commerce Commission. If a suit were filed in court, involving the reasonableness of rates, the court, before it would take full jurisdiction, would require a finding by the Interstate Commerce Commission.

Mr. RUSSELL. Mr. President, in the course of the discussion here this afternoon there has been considerable comment on the Interstate Commerce Commission. It seems that an effort was made by certain Senators to make it appear that I was being unfairly critical of the Interstate Commerce Commission. I have been critical of the Interstate Commerce Commission in times past, and I have no apology to make for that criticism. I want to pay tribute to the Commission for the decisions they have rendered in the Commodity Rates case, brought by the southern carriers, a decision rendered sometime ago, and the decision on the validity of the class rates, decided by the Supreme Court here within the past few weeks. But, Mr. President, criticism of the Interstate Commerce Commission is nothing new. There have been committees of Congress that have gone into matters of the greatest importance, that have been handled by the Commission, who have rendered very critical reports. I do not have them all at hand now. I know the Congress has not been altogether satisfied with the findings and with the actions of the Interstate Commerce Commission. When the Transportation Act of 1940 was enacted—I think it was in 1940—the Congress set up a special Board that was independent of the Interstate Commerce Commission, and directed that Board to do what the Commission should have done many years before, namely, investigate the question of the cost of transportation, and also to go into the whole problem of the freight structure of the Nation, to ascertain whether or not certain sections of the country were being discriminated against for the benefit of other sections of the country. Congress financed that Board for at least 5 or 6 years, to perform duties that were already incumbent upon the Interstate Commerce Commission, by law, but which the Interstate Commerce Commission had not performed.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. STEWART. As a matter of information, and to supplement the Senator's statement, the Board which was set up by the Transportation Act of 1940 was the Board of Investigation and Research.

Mr. RUSSELL. I had momentarily forgotten the technical name of it.

Mr. STEWART. That was the name of the Board. It was given 4 years of life, as I recall, under the Transportation Act of 1940. A year elapsed before the President made any appointments to the Board, or before the appointments were confirmed, at least. The Board therefore had only about 3 years in which to perform the functions or the duties that were required to be performed by it under the act. The Appropriations Committee refused to appropriate any further money to them, and the Board died after a period of 4 years had elapsed. Their period of active service, including the reorganization period, was less than 3 years. The Board should have been continued for 5 or 6 years, but there were a good many Senators opposed to their continued operation; some of whom are on the floor.

Mr. RUSSELL. The same old issue was here that has been here for so long that the memory of man runneth not to the contrary; that is, as to fairness of

the rates in the section of the country from whence a Senator hails. If he hailed from the official territory, he was bitterly opposed to the Board of Investigation and Research being permitted to function, because they were bringing to light information which showed the iniquities of the present set-up, which divides the country into various sections and imposes a higher rate in the West and in the South than it does in the favored official territory. Of course, since I came from the South, one of the least favored sections, I advocated very vigorously that we continue the Board. As I recall, it was defeated by failure to appropriate for the Board.

Mr. STEWART. That is correct. Certainly the Congress had no chance to vote on extending the time. It was useless to make a fight, as a number of Senators knew, but this Board, I may point out to the Senator at this point, started the only real investigation on the cost of transportation that has ever been undertaken. They were making a very careful analysis and study of the freight rate waybill from all sections of the country, over a period of a great many years. That incurred considerable expense not only to certain members of the Board but to the railroads themselves, in furnishing waybills. We published such reports as were completed by the Board of Investigation and Research, which reports are Senate documents that are available today in the document room of the Senate, at least. We were never able to make a complete study of the freight rate cost, as many of us had hoped, and as we would have been able to do, had the Board been allowed to continue for about 2 years longer.

Mr. RUSSELL. I understand, though, that the Board reported, on the basis of the investigation it made, that there was no justification for this time-honored fallacy that it would cost more to transport freight in western and southern regions than it did in official territory. As a matter of fact the Board's investigations disclosed that the railroads could transport freight cheaper in the southern region than they could in official territory, and that in the western region the cost of transportation of freight was only slightly higher than in official territory, and nothing like high enough to justify the extortionate charges for transportation that the people of the West were compelled to assume.

Mr. STEWART. I think the Senator is entirely correct. As I recall, Dr. Ford K. Edwards, an expert connected with the Interstate Commerce Commission, who I believe is still with the Commission, was the first man who discovered that it cost less to operate railroads in the southern territory than in the eastern territory. That is a matter of public record here also. So we have a finding of the expert in the Interstate Commerce Commission to that effect, as well as that of the Board of Investigation and Research.

Mr. RUSSELL. The Interstate Commerce Commission made a similar finding. I wish to join the Senator from Tennessee in paying tribute to the gentleman he named who discovered that fact. We had known that it was a fact, but we were unable to prove for many years that there was nothing to the fallacious conviction that the density of traffic in official territory made transportation costs much lower there than they were in the southern or western territory. The finding of the Interstate Commerce Commission and of the Board of Investigation and Research confirmed what we had long known and contended.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. I rose a few minutes ago to ask the same question that the Senator from Tennessee so ably presented. I might further suggest that it is my recollection from the many meetings which I attended when we endeavored to have additional money appropriated in the Appropriations Committee in the last 2 years to continue the Board of Investigation and Research, that the western discriminations were even greater than the southern, particularly in the Nebraska area.

Mr. RUSSELL. Yes. There is no doubt that some of the States in the western regions are laboring under greater discriminations than we are confronted with in the South.

Mr. MAYBANK. The same is also true in California.

Mr. RUSSELL. Yes, and in the far Western States.

Mr. President, I was discussing the Interstate Commerce Commission and the slowness with which it renders decisions, and the apparent ineptitude it sometimes displays, when we were drawn off into the discussion of freight rates and costs. Any number of committees of Congress have filed reports critical of the Interstate Commerce Commission. Congress has indicated that it did not altogether approve of all the policies of the Interstate Commerce Commission by the amendments which have been passed to various laws which affect the Interstate Commerce Commission. The Senator from Tennessee served as the chairman of a subcommittee of the Special Committee to Study Problems of American Small Business, United States Senate. Last year the Subcommittee on Transportation Program for Small Business submitted a report to the Senate. The committee, after exhaustive hearings, and hearing from hundreds of little shippers over the country, recommended the reorganization of the Interstate Commerce Commission. I wish to read two or three pages from that report. I read as follows:

> For more than 50 years the Interstate Commerce Commission has been the country's principal agency of transportation regulation. It was created with high hopes and expectations that it would wipe out discriminations and excessive charges of rail transportation. Its regulatory control has since been extended over pipe lines, highway carriers, and water carriers. It has been given broad latitude and powers to require that rates and services be just, reasonable, and free from unjust advantage or disadvantage to any person, commodity, or locality.

I interpolate to say that the act of 1940—I believe it was that act—also directed the Interstate Commerce Commission to see that there was no injustice, advantage, or disadvantage to any region of the country. It went further than merely any locality. I continue to read:

> The Commission has enjoyed, in high degree, the confidence and support of Congress and the public. High standards of duty and responsibility have been maintained by its personnel and staff.
>
> It is of great importance to determine why Commission regulation has fallen so far short of its goals. It would, of course, be unfair to fail to give the Commission credit for its substantial accomplishments. Some of these are the elimination of secret rates, rebating, and rate wars, the achievement of greater stability in the rate structure, and the removal or mitigation of many individual and some regional discriminations. The fact must be faced, however, that the hopes of achieving, through Commission regulation, a sound and efficient transportation system, with a structure of rates fair to all shippers, carriers, localities, and regions, remain largely unfulfilled, and without present prospect of fulfillment.
>
> Studies of the Board of Investigation and Research—

This is the Board to which the Senator from Tennessee [Mr. STEWART] adverted, and naturally he was familiar with it because he was the chairman of the subcommittee which made the report. I continue to read:

> Studies of the Board of Investigation and Research pointed out some of the principal weaknesses of Commission regulation.

The following weaknesses are listed:

> The Commission has not investigated transportation from a broad national viewpoint.

Having failed in that duty, Mr. President, now it is proposed to discharge the Commission from the intimate duty which it should assume over these rate structures by merely making the Commission the agency to approve what the private rate-structure agencies, such as the rate bureaus, have gotten together and agreed upon and submitted to the Interstate Commerce Commission. I continue to read:

> It has not acquired expert knowledge of the economy and fitness of the carriers, the efficiency and cost of their several services, the relation of their rates and charges to costs, the effect of rate levels and relationships on commerce.
>
> It has developed no definite, reliable standards for measuring the justice and reasonableness of rates, or determining fair rate relationships.
>
> It has accepted the rate structure of railroads and their monopolistic theories of charging what the traffic will bear, wide differences in rate levels, and disregard of cost of service as lawful and proper, except to the extent that complainants are able to prove the contrary. Such proof is extremely difficult in the absence of definite standards of justice and reasonableness. As a result, few basic changes have been made in the rate structure.

Mr. President, the finding of the subcommittee of the Small Business Committee which was undertaking to protect the small-business enterprises of the Nation from monopolistic practices, was that the Commission had accepted the rate structure of railroads and their monopolistic theories of charging what the traffic will bear. They did that, Mr. President, at a time when the railroads were bound by the antitrust laws, and

now it is proposed to hand over to the Commission all the power of approval, with the railroads being irresponsible so far as violation of the antitrust laws are concerned.

The criticism continues:

It has followed the case-by-case method of making investigations and decisions. It has considered only the matters brought before it by the parties in these individual cases, and confined its conclusions to the narrow issues presented, leaving largely undetermined the broader interests of the general public.

Its rate proceedings are exceedingly slow, formalized, technical, expensive to the parties, and uncertain of results.

The membership of the Commission is too large. Its work has become burdened with so many miscellaneous duties that its main function of rate regulation has suffered.

Mr. President, I ask unanimous consent that the remainder of page 33, all of page 34, and down to the end of the paragraph at the top of page 35 of the report of the Transportation Subcommittee to the Special Committee to Study Problems of American Small Business be printed in the RECORD at this point.

There being no objection, the matter referred to was ordered to be printed in the RECORD as follows:

The Board recommended that the Interstate Commerce Commission be reorganized in the interest of greater efficiency. The Board urged that the Commission itself thoroughly study its organization and procedures, with a view to instituting changes and improvements. Specific changes suggested by the Board were that the Commission modify its present slow and formalized procedures, modeled upon those of the courts, and make greater use of informal methods; that, in its formal cases, it makes a greater use of modified procedures already authorized by its rules of practice; that it establish an Appellate Division, as authorized in the 1940 Transportation Act; that it extend the term of office of its chairman to more than 1 year; that it consider the establishment of regional offices dealing with all types of Commission business within the region; that it expand its research activities pertaining to its regulatory work; that it take official notice of all pertinent facts obtainable from its own accumulated knowledge, in deciding matters brought before it; that it make an analytical study of its decisions and reduce to more precise statement the principles of regulation which have evolved; that it include hereafter in its annual reports, statements of the principles of regulation it has developed.

The Commission has not acted upon these recommendations or indicated any intention of reorganizing. Earlier efforts for reorganization likewise failed. In 1934, Federal Coordinator of Transportation Eastman urged a reorganization [4] by divisions focusing policies into groups small enough to act quickly and decisively. The Commission rejected that proposal, and suggested as a substitute that it be authorized by statute to create one or more appellate divisions. The authority requested was granted in the Transportation Act of 1940, but no appellate division has since been established. In 1939, under the leadership of Chairman Caskie, the Commission finally ordered various changes in its organization, including the assignment of added responsibilities to the chairman, and lengthening the chairman's term of office to 3 years. The changes did not remain long in effect, however, and in 1942 the Commission returned to the old policy of annual rotation of the chairmanship.

There can hardly be room for doubt that a thoroughgoing reorganization of the Commission is long overdue, at least to the extent of placing greater responsibility in the chairman and cutting down formalism and delays. Expeditious, clear-cut action is almost impossible from a group larger than three administrative officials. The time required for consideration and disposition of matters is increased in almost geometrical ratio by the number given responsibility for their execution. Best results are obtained by one executive. No body of 11 men, each with equal executive power and responsibility, can dispose effectively of such large and important affairs as come to the Commission for decision.

The Commission should be directed by the Congress to report its recommendations for its reorganization. Consideration should be given to the recommendations of the Board of Investigation and Research, former Chairman Caskie, and Federal Coordinator Eastman. Reorganization of divisions might be effected along something like the following lines:

1. General policy, coordination, administration, appeals, enforcement (Chairman of the Commission to be head of this Division);
2. Rates, tariffs, suspension, and fourth-section matters;
3. Certificates, permits, construction, acquisition, abandonment;
4. Carrier service, safety;
5. Carrier finance, valuation, consolidations, mergers, statistics, reports, accounts.

This contemplates that the Commission would continue to be, as in fact it always has been, a regulatory and administrative body. The function of establishing legislative policy would remain with Congress. The broad field of economic and technical research, coordination, and promotion of transportation would be primarily the duty of the Federal Transportation Authority, aided by the National Transportation Advisory Council, and by Government agencies dealing with transportation. The Commission, as a regulatory body, would receive the benefits of the research and findings of the Federal Transportation Authority through its official reports and by participation of the Authority and the Public Transportation Counsel in proceedings before the Commission, and by liaison between the Commission and the Authority and the Advisory Council.

Should the Interstate Commerce Commission regulate all modes of transportation? Regulation of all types of carriers by one agency is logically a better means of achieving a coordinated national transportation system than by having each type of transportation regulated by a separate agency. The greatest disadvantages of regulation by one agency are that the agency may become overburdened and unequal to the heavy responsibilities imposed upon it; that regulation may become too slow, expensive, and routinized to accomplish the desired results; that the agency may attempt to force upon the different types of carriers artificial patterns of rates and similarities of regulatory requirements, rather than deal with each carrier according to its inherent advantages.

Proposals have been made that regulation of air carriers, now under the Civil Aeronautics Board, be transferred to the Interstate Commerce Commission. The Board of Investigation and Research, in its Report on Practices and Procedures of Governmental Control, House Document 678, Seventy-eighth Congress, second session, recommended that such transfer be not made at this time, since the Commission has not yet demonstrated its ability to regulate effectively the three modes of transport now under its jurisdiction, and since aviation is a young industry, which has not yet found its full place in the national transportation system, and has many special problems to work out within the industry and in its national and international governmental relations both with reference to commerce and national defense, with which a special agency may be able to deal better than the Commission.

[4] Federal Coordinator of Transportation, Third Report, H. Doc. 89, Seventy-fourth, Cong., 1st sess.; Fourth Report, H. Doc. 394, Seventy-fourth Cong., 2d sess.

Mr. RUSSELL. Mr. President, in addition, as I stated a few minutes ago, there is a tendency for regulatory bodies of this nature to come under the spell of the very able advocates who are employed by the regulated corporations. We have seen it in many of our States. Men go to the public service commissions full of zeal and energy and determination to serve the public interests. Six or eight years later they still have the same high integrity; but as a result of the process of attrition they have reached a state of mind in which they no longer look into these questions, but accept what those agencies submit to them in all cases as being facts. That is not unusual.

We must point out further that those who are serving the Interstate Commerce Commission and the State agencies are in many cases not nearly the equal in ability of those who represent the railroads. The Government simply does not pay the general counsel of the Interstate Commerce Commission $50,000, $60,000, or $100,000 a year. It does not pay assistants salaries of $40,000 or $50,000 a year, but the railroads and the vast financial interests are able to pay enormous salaries.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HAWKES. Does the Senator know of any way to prevent a Government agency, the courts, or any of the representatives of the people, in Congress or elsewhere, from coming under the spell of those able individuals?

Mr. RUSSELL. No; I do not know of any way that we can completely avoid their hypnotic powers; but I am urging the Senate to build up its resistance in order that we may be able to confront the situation so far as this piece of legislation is concerned.

Mr. HAWKES. Does the Senator know of any Government agency that is better qualified to handle itself under the spell of those able advocates than is the Interstate Commerce Commission?

Mr. RUSSELL. I do not. I am not damning or condemning the Interstate Commerce Commission. I think it has men of integrity in its employ. However, I do not believe that it has fully discharged all of its duties and responsibilities to the American people. As a Government agency, I think it is a great deal better than many other agencies I could name.

Mr. HAWKES. I thank the Senator.

Mr. RUSSELL. Mr. President, as has been indicated, the immediate occasion for this bill was, in my opinion, the two cases to which reference has been made, one being the western case, which is pending at Lincoln, Nebr. I should like to make the record complete on this bill. It may be that the report which is going the rounds to the effect that there is an adequate vote to pass it overwhelmingly in the Senate is correct. I certainly

know of no facts which would permit me to challenge that statement at this time. However, I believe that Senators opposing the bill have the responsibility of making a record in the hope that the President will see fit to veto the bill when it is presented to him. We shall then have something to stand on if and when we have the odds on our side so far as numbers are concerned. Therefore, I wish to read a portion of the statement of the assistant district attorney, Mr. Berge, in charge of the Government's case at Lincoln, Nebr. I shall read a few brief excerpts from the statement he made to the court in presenting the case:

The Government charges that through such agreements and understandings the defendants have eliminated competition between railroads by concertedly fixing noncompetitive freight rates and passenger fares and by agreeing upon uniform and noncompetitive train schedules, service, and facilities. The elimination of competition in the fashion charged restrains trade and commerce in transportation by destroying the freedom of individual carriers to compete for business in the American tradition of free enterprise, sustained by the faith that progress and public good are better served by competition than by restrictive agreements among competitors.

I read another brief paragraph from this statement:

The Government also charges that alliances have been formed by the defendants with major industrial groups for the purpose of eliminating competitive influences in both transportation and industry.

Mr. President, I hope that Senators, particularly those from the Western States which will be affected by the progress of this litigation, will catch the full significance of that charge. We all know that it is true. There is an interlocking of directorates and a community of interest between those owning the railroads and those owning great industries, which can eliminate competitive influences, not only in transportation, but in industry. Through this power they can control the destiny of a State or section of the country by preventing industrial progress.

The statement further says:

Its most serious consequence is the restriction of economic opportunity, because monopoly cannot encompass all aspects of the economy save under a collective form of government. It stands solitary against the advancing tide of progress, while the waves of change break against and around it. Its ability to protect its own market is more or less limited by the pressures of the free economy around it; and to that extent it grudgingly tolerates only such changes as are necessary to its own preservation. The power to control transportation is in a large measure the power to control the location and the competitive success or failure of all industry. Power to control transportation, when allied with monopoly power in other industries, is the power to eliminate free enterprise from large segments of the economy and to arrest the normal economic development of various sections of the country.

Mr. President, there can be little doubt that the West and South have much in common in connection with this legislation. They are the areas which have suffered from the discrimination which will be perpetuated if the pending bill should become law.

I wish to make a brief reference to the Georgia case, it being the other case which the proposed legislation would circumvent. It would not deny the courts the right of determination of the issue presented in the case, but it would prevent the courts from issuing judgments which would control such discriminations in the future.

I wish to read from the decision of the Supreme Court of the United States in the case of the State of Georgia, complainant, against Pennsylvania Railroad Co.:

The essence of the complaint is a charge of a conspiracy among the defendants in restraint of trade and commerce among the States. It alleges that they have fixed arbitrary and noncompetitive rates and charges for transportation of freight by railroad to and from Georgia so as to prefer the ports of other States over the ports of Georgia. It charges that some 60 rate bureaus, committees, conferences, associations, and other private rate-fixing agencies have been utilized by defendants to fix these rates; that no road can change joint through rates without the approval of these private agencies; that this private rate-fixing machinery which is not sanctioned by the Interstate Commerce Act and which is prohibited by the antitrust acts has put the effective control of rates to and from Georgia in the hands of the defendants. The complaint alleges that these practices in purpose and effect give manufacturers, sellers, and other shippers in the North an advantage over manufacturers, shippers, and others in Georgia. It alleges that the rates so fixed are approximately 39 percent higher than the rates and charges for transportation of like commodities for like distances between points in the North. It alleges that the defendants who have lines wholly or principally in the South are generally dominated and coerced by the defendants who have northern roads and therefore that even when the southern defendants desire, they cannot publish joint through rates between Georgia and the North when the northern carriers refuse to join in such rates.

Mr. President, I ask unanimous consent to have the paragraph appearing on pages 4 and 5 of this decision printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Without objection, the request is granted.

The matter appearing on pages 4 and 5 of the decision referred to is as follows:

Here Georgia asserts rights based on the antitrust laws. The fact that the United States may bring criminal prosecutions or suits for injunctions under those laws does not mean that Georgia may not maintain the present suit. As we have seen, Georgia sues as a proprietor to redress wrongs suffered by it as the owner of a railroad and as the owner and operator of various public institutions. Georgia, suing for her own injuries, is a "person" within the meaning of section 16 of the Clayton Act; she is authorized to maintain suits to restrain violations of the antitrust laws or to recover damages by reason thereof. *Georgia* v. *Evans* (316 U. S. 159.) But Georgia is not confined to suits designed to protect only her proprietary interests. The rights which Georgia asserts, parens patriae, are those arising from an alleged conspiracy of private persons whose price-fixing scheme, it is said, has injured the economy of Georgia. Those rights are of course based on Federal laws. The enforcement of the criminal sanctions of these acts has been entrusted exclusively to the Federal Government. See *Georgia* v. *Evans*, supra, page 162. But when it came to other sanctions Congress followed a different course and authorized civil suits not only by the United States but by other persons as well. And we find no indication that, when Congress fashioned those civil remedies, it restricted the States to suits to protect their proprietary interests. Suits by a State, parens patriae, have long been recognized. There is no apparent reason why those suits should be excluded from the purview of the antitrust acts.

Mr. RUSSELL. Mr. President, I want to read the conclusion of the court in the Georgia case with regard to whether a cause of action lies. I submit that it should convince any fair-minded man that the State of Georgia had a cause of action in the case which the courts should be permitted to determine, without the Congress rushing in to usurp the prerogatives of the court and to empower these agencies to escape the consequences of their misdeeds. The conclusion of the court is as follows:

If the allegations of the bill are taken as true, the economy of Georgia and the welfare of her citizens have seriously suffered as the result of this alleged conspiracy. Discriminatory rates are but one form of trade barriers. They may cause a blight no less serious than the spread of noxious gas over the land or the deposit of sewage in the streams. They may affect the prosperity and welfare of a State as profoundly as any division of waters from the rivers. They may stifle, impede, or cripple old industries and prevent the establishment of new ones. They may arrest the development of a State or put it at a decided disadvantage in competitive markets. Such a charge at least equals in gravity the one which Pennsylvania and Ohio had with West Virginia over the curtailment of the flow of natural gas from the West Virginia fields. They are substitute fuels to which the economy of a States might be adjusted. But the discriminatory rates fastened on a region have a more permanent and insiduous quality. Georgia as a representative of the public is complaining of a wrong, which is proven, limits the opportunities of her people, shackles her industries, retards her development, and relegates her to an inferior economic position among her sister States. These are matters of grave public concern in which Georgia has an interest apart from that of particular individuals who may be affected, Georgia's interest is not remote; it is immediate. If we denied Georgia as parens patriae the right to invoke the original jurisdiction of the Court in a matter of that gravity, we would whittle the concept of justiciability down to the stature of minor or conventional controversies. There is no warrant for such a restriction.

Mr. President, I read that statement from the decision of the Supreme Court in the Georgia case and I read from the statement that was made in presenting the Lincoln, Nebr., case in order that the Congress might be fully aware of the seriousness of the proposal here made that we invade the prerogatives of the Court and snatch from it these two cases which are of such vital importance to large segments of the population of this Nation.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. STEWART. I have been present on the floor during perhaps the greater portion of the Senator's very fine address, but I did not hear him express an opinion as to the legal effect or result

of the passage of this bill. I anticipated that he would say that it superseded pending litigation or would make it unnecessary to pursue it further.

Mr. RUSSELL. I think it would make absolutely moot any decision that the courts might hand down. The passage of this bill would cut the heart out of the cause of action in the Nebraska case and in the Georgia case.

Mr. STEWART. In other words, passing this legislation would make it possible to do the very thing which is challenged by the State of Georgia?

Mr. RUSSELL. It sanctions and legalizes the very acts complained of in both of those cases.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McFARLAND. If it would not have that effect, why should the proponents be pressing the legislation so vigorously?

Mr. RUSSELL. Of course, the Senator from Arizona is exactly correct. That is the very reason for this legislation. It is to permit the railroads to be exempt from antitrust laws and to escape the consequences with respect to these two cases. That is the immediate reason. But the long-range object is to continue the discrimination against the West and South in the rate structure of this Nation. It would keep us ground down into the earth without any opportunity of equality in this country or opportunity to secure that distribution of industries over an entire Nation that we must have if our whole economy is ever to enjoy to the fullest degree the benefits of our free Government.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HAWKES. I know that the Senator does not want to state anything that is inaccurate in connection with the bill. If there were anything in the bill that would do what the Senator says would be done by its passage, I should not be for it. If this bill would permit conspiracies, intimidation, and coercion, which I understand are the basis of the suit of the State of Georgia, then I should not be in favor of it at all. But, as I understand the bill, it will prescribe a method and a way by which the railroads can meet in joint rate-making bureaus and conferences to establish a rate structure. I assume that that rate structure will be in keeping with equity and justice. It has to be approved by the Interstate Commerce Commission before it can become effective; and unless we have confidence in the Interstate Commerce Commission's not approving inequitable rates which discriminate unfairly against communities and States, unless we have confidence that the Interstate Commerce Commission will not tolerate or approve anything in the nature of coercion, threat, and intimidation, we should get rid of the agency entirely and try to find some other way to do this thing. I do not know how much time the Senator from Georgia spent in the hearings a year or so ago when I was present, but again I say what I said a while ago on the Senate floor, that everyone at the hearings admitted that there had to be some way to enable the railroads to collaborate, to get together to establish the rate structure of the Nation. While there was criticism from the Department of Justice, the overwhelming opinion of the Nation was in favor of arranging the situation so that the railroads would have the right to get together and to discuss these questions in the public interest and then require the approval of the Interstate Commerce Commission of whatever was done. I may say to the Senator from Georgia that at no time was there a suggestion in the hearings, when I was present, of any other way of handling this very complicated and important question of the making of rates.

I have such a wholesome respect, in addition to a deep personal affection, for the Senator from Georgia that I wish him to know that if I believed that this bill would place in the hands of the Interstate Commerce Commission the power and right to permit coercion and intimidation and threats such as are the basis of the suit of the State of Georgia, if I am not mistaken, then I could not for a moment be in favor of the bill; but after studying the matter and listening to the hearings, it is my opinion that no such possibility will exist under this bill unless that great governmental agency goes wrong.

Mr. RUSSELL. Mr. President, I know the sincerity of the Senator from New Jersey, and I am as proud to claim him as a friend as I am any other man I have ever known. But I may say to the Senator that by the very force of the circumstances and the environment in which we have operated we must view this matter from a different position. The Senator from New Jersey has not been so unfortunate as to have felt and have seen the blighting effect of a discriminatory freight rate such as I have felt and have seen in my section of the country for a great many years. I could cite on this floor, for the next few days, illustration after illustration of discrimination against my section of the country in respect to freight rates, as compared with others which obtain within and to official territory, in which the Senator from New Jersey lives. I could show him that in the case of a specific commodity it costs almost twice as much to ship it from Georgia to a place in the West as it costs to ship it from New Jersey or elsewhere in official territory to the same place in the West. We have protested this discrimination and have sought to correct it for many years.

I do not wish to be put in the position of saying that the Interstate Commerce Commission for any ulterior or venal reasons has denied us relief for all these years; but we do know that when, after about 30 or 40 years, we did obtain a slight bit of relief in the class rate cases which were decided a short time ago efforts to set it aside have been made by those who have benefited from the official territory rates.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SPARKMAN. I have been very much interested in what the Senator from New Jersey has said on several occasions in respect to trusting the Interstate Commerce Commission to take action in respect to these various matters. As a matter of fact, is it not true that a great many of these things are done by the railroads among themselves in such a way that they never come before the Interstate Commerce Commission? Perhaps some railroad wishes to put a certain rate into effect itself; and perhaps it would ordinarily do so voluntarily as a good business matter and as a good competitive matter, but it is refused the privilege of doing so by the various committees or rate boards or any number of the myriad of organizations which have been built up to repress and prevent action that otherwise would voluntarily be taken by a railroad itself.

Mr. RUSSELL. I think the Senator is correct.

Mr. President, I have on my desk some of the evidence that was adduced at the trial of some of these cases. The Government offered in evidence case after case in which those who were charged with the responsibility of operating some of the weaker railroads had wished to put into effect rates that would have decreased the charges applying in our section of the country, but they could not do so because of the fact that they could not get them approved by the board of directors of the American Association of Railroads, and they were afraid to go along without that approval, for the reason that they feared they would have been denied the right of transshipment of freight and passengers with other lines, and that would have resulted in great loss, if not disaster, to them.

Mr. HAWKES. Mr. President, if the Senator will yield once more to me, I should like to make a short statement at this point. The Senator has said that small railroads were prevented from taking independent action. That is one thing about which I made it my business to cross question various witnesses who made statements of that kind. However, we did not find one railroad man or anyone else who would say he ever was prevented from taking independent action.

If Senators will read the hearings from beginning to end, they will not find, unless I am mistaken, any witness who testified—certainly no witness so testified while I was there—that he was prevented from taking independent action. Some of the witnesses said they did not feel it was in their interest to take independent action. Of course, that is a matter of judgment. I understand that the Senator means that if they do not consider that it is in their interest, perhaps they will be timid and will not do it. But the fact remains that people in the United States are getting less and less timid all the time.

Under this bill, I think the right to take indepndent action is preserved and safeguarded in every possible way. I think it is up to the railroads to decide whether they wish to take independent action, after the joint meetings and hearings have been held. If they wish to take independent action at that time, but if they are afraid to do so, they have the right to go to the Interstate Commerce Commission and complain about the rates that have been filed, and to

request a hearing. Then the Commission can call for a hearing, if it thinks something incorrect has been done, and, if it wishes, it can change what has been done, or even what the Commission itself has previously approved.

So I think this bill amply safeguards the interests of the various groups, including the railroads, so that they can take independent action.

Of course, perfection never will be achieved. If I asked all the Members of the Senate to draw up a plan by which the great railroad system of the United States could proceed to serve the people without cessation and in a better way than they have been served in the past, I doubt whether any group of Senators could draw up, over a period of either months or years, a plan for a better system than the one that is provided for under Senate bill 110.

Mr. REED. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REED. The Senator from New Jersey has just touched upon an important point. If the Senator from Georgia will permit me to do so, I should like to read to the Senate the safeguards that are written into this bill by the Senate committee. When the bill came to the committee, paragraph (5) of the House bill, which now is our paragraph (6) was not sufficiently strong in regard to the matter of independent action.

Here is the way the Senate committee wrote that paragraph:

(6) The Commission shall not approve under this section any agreement which establishes a procedure for the determination of any matter through joint consideration unless it finds or by condition requires that under the agreement there is or shall be accorded to each party the free and unrestrained right to act contrary to and independently of the initial determination or report, or any subsequent determination or report, arrived at through such procedure, and unless it finds or by condition requires that all carriers of the same class (as defined in paragraph (4) of this section) within the territorial and organizational scope of such agreement shall be eligible to become and remain parties to the agreement upon application and payment of charges applicable to other parties of the same class.

That is what I was interested in calling to the attention of the Senator from New Jersey, and perhaps to the attention of the Senator from Georgia.

The bill also provides that—

Nothing in this section and no approval of any agreement by the Commission under this section shall be so construed as in any manner to remove from the purview of the antitrust laws any restraint upon the right of independent action by means of boycott, duress, or intimidation.

Any carrier or any party who engages in such practices is, by this exception, still subject to the antitrust laws.

Mr. HAWKES. I thank the Senator.

Mr. RUSSELL. Mr. President, I concede that the facts in regard to the writing of the bill are as stated by the Senator from Kansas. But there is such a thing as a difference in degree of evils. In other words, the bill which has been reported from the committee by the Senator from Kansas is better than the bill which the House of Representatives passed last year, and therefore I have felt that it has been a little unfair to the Senator from Kansas to refer to the bill before us as the Bulwinkle bill. For that reason, I have preferred to refer to it as the Bulwinkle-Reed bill or the bill reported by the Senator from Kansas [Mr. REED]. The bill is very bad as it is now, but it is better than the original Bulwinkle bill. It contains more safeguards.

Mr. REED. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. REED. The Senator from Georgia recently referred to a report of the Senate Small Business Committee, of which the junior Senator from Tennessee [Mr. STEWART], I think, was chairman.

Mr. RUSSELL. I did that merely to show that there had been times when other Members of the Congress besides the Senator from Georgia had been critical of the Interstate Commerce Commission, had not thought it was omnipotent and perfect in all its dealings.

Mr. REED. The Senator from Tennessee, who submitted the report to the Senate, gives Mr. C. E. Childe credit for preparing the report.

Mr. STEWART. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. STEWART. I wish to make this interposition. Mr. Childe and one or two other experts were with the Senate Small Business Committee for a period of about 2 years. We made a study for possibly longer than that. Mr. Childe was with the Transportation Subcommittee, of which I was chairman.

The report to which the Senator refers was prepared, not from any hearings held, because it was during the war period and we held very few hearings, but we had access to the report of the Board of Investigation and Research, and the reports of the Interstate Commerce Commission itself, including the report of Dr. Ford K. Edwards, who, as I stated a moment ago, found that the cost of transportation in the Southern Zone or Territory was cheaper than the Eastern Territory. We had the benefit of the advice of other freight rate and transportation experts in the preparation of the report. Mr. Childe was in the employ of the Small Business Committee for many months, and he is entitled to the credit I give him in the letter to which reference has been made.

Mr. REED. I rose and asked permission to interrupt the Senator from Georgia only for the purpose of quoting from Mr. Childe upon the immediate question, as to the rate bureaus, the Senator from Georgia having brought him forward as a witness.

Mr. RUSSELL. Oh, no, Mr. President, I had not mentioned Mr. Childe. The Senator from Kansas cannot get credit for having testimony coming from the opposite party when he offers a witness, because I had not mentioned Mr. Childe.

Mr. REED. With the permission of the Senator from Georgia, may I read Mr. Childe's testimony to the Senate?

Mr. RUSSELL. Certainly.

Mr. REED. On page 641 of the hearings, Mr. Childe testified as follows:

I think that committees, associations, or conferences, such as have been maintained by the carriers for so many years to consider and take joint action on rates, fares, tariffs, train schedules, and like matters, are a practical necessity. I can conceive of no other way for carriers to provide and maintain joint service and through routes and rates, which give due recognition to the interests of the shippers, carriers, and localities concerned. The opinion of students of transportation, carriers, shippers, and regulatory authorities is practically unanimous, I think, that joint action of carriers through committees and conferences is necessary for the maintenance of reasonable and nondiscriminatory transportation service and rates, as required by the Interstate Commerce Act. Shippers and carriers prefer to negotiate rate and service changes through committees, rather than individually. They wish to have organized procedures for giving information about proposed changes, for discussion of the merits of proposals, and for information about action taken thereon. Regulatory authorities prefer to deal with carriers in groups, rather than singly, to obtain information and carry out instructions.

I thank the Senator from Georgia.

Mr. RUSSELL. I wish to have it understood that the witness was offered by the Senator from Kansas, and I shall, before I conclude, offer further statements from Mr. Childe as to the relative cost of transportation within the official territories in the South and in the West.

Mr. STEWART. Mr. President, if the Senator from Georgia will yield, I will say to the Senator that practically the very testimony the Senator read appeared in the report of the Small Business Committee, so that we have it on record twice.

Mr. SPARKMAN. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from Alabama.

Mr. SPARKMAN. I know Mr. Childe, and have a very high regard for him. I am particularly interested in seeing his testimony in the volume before us. I should like to read a little further from the testimony, where he says this:

However, I do not believe there is any necessity or reason for relieving carriers from liability under the antitrust laws.

That is Mr. Childe's testimony, and if I understand correctly, the pending bill does that very thing.

Mr. RUSSELL. That is the purpose of it.

Mr. SPARKMAN. That is Mr. Childe's testimony.

Mr. REED. Mr. President, will the Senator from Georgia yield? I should like to submit a little more of the testimony.

Mr. RUSSELL. I want to get along; but I yield.

Mr. REED. Mr. Childe proceeds:

I believe that the rate committees and other conferences of the carriers should be regulated by the Interstate Commerce Commission to make them more effective in the public interest and to guard against abuses, and that the antitrust laws should remain in full force and effect, as a protection against any combinations or conspiracies for unlawful purposes.

The CHAIRMAN. Let me ask you there—in one breath you say they should be under the supervision or regulatory power of the Interstate Commerce Commission; and in the next you say they should be subject to prosecution under the Sherman antitrust law. Of course, these two things are inconsistent for the simple reason that if you say they can make an agreement, regulated by the Interstate Commerce Commission, the Government

could not prosecute them under the Sherman antitrust law unless coercion could be shown.

Mr. CHILDS. That is true. I think prosecutions under the antitrust law should be against collusive practices for unlawful purposes.

With that I agree.

Mr. RUSSELL. Mr. President, I wish to address myself now for a few minutes to the important aspect of this matter that is involved in invading the functions of the courts at a time when these two important cases are pending and before a decision is reached.

Under our triune form of government, the legislative, the executive and the judicial departments are separate and apart, and each should have an opportunity to operate within its own sphere. The Supreme Court of the United States has taken jurisdiction of the case of the State of Georgia against the railroads and the freight bureaus, and the District Court of the United States in the State of Nebraska has jurisdiction of the western case.

I submit that there is no occasion for the enactment of the proposed law until the courts have determined the issues which are involved in this litigation, and that the Congress should await the determination of those cases in order that we might know how to proceed with legislation of this nature.

We have had no final determination as yet by the Supreme Court. A decision by the Court will at least peel away whatever propaganda there may be on both sides of the question, and will enable us to legislate much more intelligently, and to determine whether or not it is necessary to exempt the railroads from the operation of the antitrust laws.

The railroads have not yet been finally adjudicated as being guilty of a violation of the antitrust law, and the unseemly haste with which this proposed legislation is pushed seems to me a clear confession on the part of the railroads that they have been guilty of violating the antitrust laws, and are asking the Congress to pardon them, instead of letting the executive department doing it, before the judicial branch of the Government has finally found them guilty.

Mr. REED. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. REED. I am astonished at the Senator from Georgia when he speaks of the haste with which the proposed legislation is being pushed.

Mr. RUSSELL. I have contributed nothing to the haste, I may say to the Senator from Kansas.

Mr. REED. We began the investigation 4 years ago. We have taken 4,000 pages of testimony upon this character of legislation. Two volumes of testimony are on every Senator's desk. The committee was in session 33 days last year, and continuously, in an effort to get the opinion of everyone. I think there is no legislation that has come to the Senate during my service of 9 years that has been more thoroughly considered than the bill before us.

Mr. RUSSELL. I did not intend to asperse the diligence of the Senator from Kansas and the other proponents of the bill. There is no question about their diligence. They have probed the question from every angle and in every manner, form, and fashion in which it was possible to examine into it. The railroads themselves have carried the message back to the four corners of the country, spreading all kinds of propaganda as to the need for the legislation. But I say that any effort to reach into the Supreme Court of the United States and the district courts to snatch away from them a cause pending there is unseemly haste. I was not referring to the thoroughness with which the Senator and those associated with him have gone into the matter. I am referring to the general policy or the general principle of going into the courts and taking away from them issues which are there pending. That is an important question for us to determine. I have been one of those who have been very highly critical of the Supreme Court of the United States for its invasion of the legislative field. Time after time, the Supreme Court has practically undertaken to legislate on subjects that are within the sphere of Congress. I do not believe that any Member of the Senate has been any stronger in his criticism of the Court than I have been, but if we continue this business of jumping into the courts, denying them their jurisdiction on matters that are peculiarly within the jurisdiction of the judicial branch of the Government before they have a right to determine them, and thereby aid Congress to legislate intelligently thereon, we are inviting the courts into the legislative field; and no one could criticize them if they took advantage of that invitation.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MOORE. I should like to remind the Senator from Georgia that I am sure he and I both are in accord on the proposition that the Congress of the United States is the policy-making body of the United States.

Mr. RUSSELL. There is no question about that.

Mr. MOORE. And this is a matter of policy. The mere fact that somebody filed a suit in a court is no reason that I know of why Congress should delay pronouncing its policy with reference to the transportation system.

Mr. RUSSELL. My point is that the Congress has fixed the policy in these matters. We fixed it when we passed the Sherman Act, the Clayton Act, and all the other antitrust laws, and now, at the behest of certain people who are about to be pricked with a pin in the courts, we are changing the policy here, when it is grossly unfair to the people who have been placed at a disadvantage for so many years by this artificial rate structure that the railroads and the freight bureaus have built up over the country.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. Yes, I yield.

Mr. McFARLAND. I ask the Senator from Georgia if it is not his opinion that Congress could better legislate on this subject after it has the benefit of the opinion of the Supreme Court as to what extent, if at all, the laws have been violated? If they have not been violated there will not be any need of legislation.

Mr. RUSSELL. I agree wholly and completely with the Senator from Arizona. The railroads, before there has been any official determination of the fact that, actually, what they have done up until this date is violative of the antitrust laws, are coming in and asking for not only a raincoat, but a steel helmet that will immunize them from any future violations of the antitrust laws. They are asking for a complete ticket before the Supreme Court has even decided that they have violated the antitrust laws. Of course, the Congress could legislate much more intelligently after the Supreme Court had passed upon this matter, unless we just want to write a blank check to the railroads and say, not only on this matter, but on all others, "You—the railroads and the rate bureaus—are such great people in this country that you are different from any other citizen and every other organization in the land, and you are hereby given by the Congress of the United States a license that will permit you to walk in or out of any court of the land without any responsibility whatever for violation of the antitrust laws."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Texas.

Mr. CONNALLY. Is it not also true that, if these cases had gone on through the courts, the rule of reason enunciated by former Chief Justice White would have been applied, and they would not be penalized for an inadvertent or technical violation of the antitrust laws, but only in case of a substantial violation which was really detrimental to the public interest.

Mr. RUSSELL. Instead of pleading guilty in the courts to violating the antitrust laws, the railroads and their satellites have come to the Congress. They have said, "We are guilty; they have got us on the hip, and we want you to give us a pardon before the courts can even write a decision in the case." I submit, Mr. President, we ought at least to wait until the Supreme Court has decided the cases, and that any action of Congress in dealing with the problem prior to that time is premature and will result in divesting the people of the country of a protection to which they are entitled. The transportation system of the country can in fact function after the Supreme Court has decided the case.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from New Jersey.

Mr. HAWKES. I thank the Senator. The Senator, I know, is very well informed on this subject, and I think we cannot say that railroads instituted the pending legislation because they felt they were going to be prosecuted in the courts. We brought out this morning the fact that an embryonic bill, in principle, was before the Congress 15 months prior to the Nebraska case, I think it was, and 13 months prior to the institution of the Georgia case. That in itself would indicate that somebody in government felt

that the railroads should know more about the ground in which they could function with immunity from prosecution, for the purpose of giving transportation and facilitating transportation in the public interest. I merely mention that because to me that is an important thing. If the pending legislation had originated after the antitrust suits at Lincoln, Nebr., and Georgia had been started, I might have taken an entirely different viewpoint regarding the railroads' attitude. I might then have said, let us wait on the decisions.

Mr. RUSSELL. I have great respect for my friend from New Jersey, but I must say that the railroads have manifested much more enthusiasm for this legislation since the filing of the cases, and at each stage along the way of judicial proceeding, there has been a renewed effort to get the bill enacted. I say, Mr. President, that we ought not to enact the bill until the courts have determined the law and the facts in those two cases. We cannot legislate on it intelligently and fairly to all the diverse interests of this great land of ours, until the Supreme Court has determined whether in fact the railroads have violated the law and the rights of the respective parties to the case.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Arizona.

Mr. McFARLAND. Regardless of when the legislation was first introduced, I do not think there is any question that the railroads knew that these cases were in preparation, and that the suits would be filed.

Mr. RUSSELL. Mr. President, I have a certain matter here which I intend to place in the RECORD somewhere along the line, which will serve to substantiate what the Senator from Arizona has said.

(At this point Mr. RUSSELL yielded to Mr. TAYLOR, who discussed at some length an article written by Vardis Fisher. Mr. TAYLOR'S remarks appear in the RECORD following Mr. RUSSELL'S speech.)

Mr. RUSSELL. Mr. President, there can be no doubt in the mind of any fair-minded person that those parts of the United States which are not within official territory have been the victims of a grave and un-American discrimination in freight rates for many years. Representatives of the South and of the West have protested this discrimination. The Association of Governors of the Southern States have met with the governors of the Western States to seek means to cure the situation. We have appealed to the Interstate Commerce Commission and we have legislated in the Congress. But the fact remains that the South is still laboring under a handicap of almost 20 percent difference in freight rates, and the far West is handicapped to an even greater degree.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. STEWART. I will say to the Senator that I think it has been agreed that the differential is approximately 39 percent.

Mr. RUSSELL. The figure of 39 percent is correct, but I think that was arrived at before the decision of the Supreme Court in the Class Rates case.

Mr. STEWART. That has not yet gone into effect.

Mr. RUSSELL. It has not gone into effect.

Mr. STEWART. I think there is a differential of approximately 11 percent. The western roads have been ordered to lower their charges 10 percent and the eastern roads to raise theirs the same amount.

Mr. RUSSELL. Unless the railroads conclude that they have sufficient support to amend the bill to wipe out the small measure of justice that was poured out by the recent decision of the Supreme Court, after that rate is effective, I think the handicap under which we will be operating in the South will be 20 or 21 percent.

Mr. STEWART. That is correct. As the Senator from Alabama [Mr. SPARKMAN] has suggested, the 20 percent is simply an arbitrary amount fixed by the Commission itself because it is within the amount of the so-called discrimination.

I want to ask the Senator this question: Has he studied the matter as to what effect the passage of the so-called Bulwinkle bill might have upon the recent decision of the Supreme Court in the Georgia Freight Rate case?

Mr. RUSSELL. No; I have not studied it, but in my opinion, with the exemption of railroads from antitrust laws and with the power vested by this bill in the Association of American Railroads, which is controlled largely by two banking houses in New York, it might wipe out all of the slight step we have made toward justice. They might be able to go back to the decision of the Commodity case, which was handed down by the Interstate Commerce Commission sometime ago, and put us back in the status of citizens of a province or a territory of the United States, instead of being citizens of the United States, because we could not possibly hope to exist in a free economy on a 50 percent discrimination in freight rates.

Mr. STEWART. If I may impose on the Senator's time for a moment I should like to say that the recent decision of the Supreme Court of the United States upheld almost in toto, as I understand, the decision of the Interstate Commerce Commission, which raised rates in the eastern territory 10 percent and lowered rates in the southern territory 10 percent. Am I correct in saying that it would not have been possible had it not been for the provision in the Transportation Act of 1940 which directed the Interstate Commerce Commission to determine whether differences existed, then made those differences unlawful, and directed the Commission to correct the situation?

Mr. RUSSELL. In the long and tortuous path we have pursued in our efforts to be admitted into the Union on a full basis of equality, we have encountered many difficulties. The Commission held for a time that the prohibition in interstate commerce laws as against discriminations between shippers and between ports did not apply to regions.

Finally the Congress of the United States wrote into the law a mandate to the Interstate Commerce Commission to eliminate discriminations as between regions as well as between individuals, shippers, localities, and ports. It was on the strength of that law that finally, some 7 years later, the Supreme Court has decided favorably to the decision of the Interstate Commerce Commission which reduced southern and western rates 10 percent and added 10 percent to the rates which obtained within the official territory.

Mr. STEWART. Has the Senator given any thought to the question as to whether the passage of this bill would at least impliedly repeal that portion of the Transportation Act of 1940?

Mr. RUSSELL. To exempt railroads from the application of antitrust laws would permit them practically to nullify the determinations, in my opinion.

Mr. SPARKMAN. Mr. President, will the Senator yield further before he starts another subject?

Mr. RUSSELL. I yield.

Mr. SPARKMAN. I was interested in what was said between the Senator from Tennessee and the Senator from Georgia a few moments ago with reference to action, after many long years, to get some relief from discrimination against the southern territory in regard to freight rates. As a matter of fact, it has been mentioned several times this afternoon, particularly by the distinguished Senator from New Jersey that we can always rely on the Interstate Commerce Commission for relief in these matters of which we are complaining. How long, as a matter of fact, did it take the Interstate Commerce Commission to act in the southern freight rate discrimination case? Was it a matter of years?

Mr. RUSSELL. I would not be sure. I think it is stated in the decision of the Supreme Court.

Mr. STEWART. If the Senator will yield, I think it was more than 5 years after the 1940 act was passed. I believe the effort was initiated before the act was actually passed. It was begun after we had written certain words into the Senate version of the Transportation Act in 1939, but it was in 1940 before we were able, through the conference committee, to iron out the differences between the House version and the Senate version.

Mr. RUSSELL. The order of the Commission was made effective on the 1st of January, 1946.

Mr. SPARKMAN. Six years after the Transportation Act of 1940 and 7 or 8 years after Congress began to agitate the matter and to exert some pressure on the committee because of the fear that there would be legislative action regarding the subject.

Mr. RUSSELL. Mr. President, in considering what has been stated by the Senator from Alabama we must bear in mind that the full power of the executive branch of the Government, as represented by the President of the United States, the late Franklin D. Roosevelt,

had been thrown into this fight for equality as between sections of this Nation in the all-important matter of tariffs on freight and passengers.

In spite of that act of Congress, in spite of all the findings of the various committees, even with the aid of the President of the United States and the power of his office, it took us approximately 40 years ever to bring to a successful culmination even a beginning of the removal of these unfair discriminations in freight rates.

Mr. President, the South and the West are rich in agriculture and in raw materials, in products of the mines and of the forests. The South is very rich in manpower. In the South we have many people, and we have the highest percentage of population on the farms per acre, of any part of the United States. The fact that our sections of the country have not developed into rich areas, into highly industrialized areas, is not due to a lack of ability on the part of the people of the South and the people of the West. We have seen, in my own State of Georgia and in other Southern States, tens of thousands of the young men and young women, who have been educated at the expense of the State, who have been compelled to leave the protection of their homes and the proximity of their loved ones, to move to other sections of the United States. I could spend much time here on the floor of the Senate in naming man after man, who now is a great leader in the fields of finance or industry in the great centers of wealth and population of the United States, who was forced to leave his own home because of the unequal struggle there for economic equality.

Mr. President, we have seen it during the recent war. We saw the State of Idaho, I believe, reduced in population by approximately 20 percent because the people were compelled to move to other areas or did move to other areas to find employment in the war industries, because there was no such employment available to them in Idaho. When those people have left their homes and have gone to States which were not shackled with these discriminatory freight rates, they have been as successful as people have always been in areas which were not so affected by discriminatory freight rates.

Mr. President, we have been the victims of discriminatory practices which have affected us at every turn. We have been the victims of cartels which, through the discriminatory practices which this bill seeks to perpetuate, have held us in economic bondage because we could not wage this unequal struggle against the obstacles which have been inflicted upon us.

Mr. President, reference has been made to the 1940 amendment. That amendment was made in an effort by Congress to bring about a more nearly equal freight-rate structure. We have had the investigations which have been made by the special commission which was ordered by that act. In that investigation the commission found that there were discriminations against the South and the West. The Small Business Subcommittee on Transportation, in its report, has proven conclusively that there has been discrimination against the West and the South in this all-important matter.

Mr. President, I would that Senators, before closing their minds with regard to this matter, would read extracts from the report of a committee appointed in the Seventy-eighth Congress to investigate the effect upon the country of the centralization of heavy industry in the United States. That committee was presided over by the distinguished Senator from Nevada [Mr. MCCARRAN]; and its other members were the late Senator Bankhead, of Alabama; former Senator Gillette, of Iowa; former Senator Murdock, of Utah; the late Senator Thomas, of Idaho; former Senator Nye, of North Dakota; and the distinguished Senator from Wyoming [Mr. ROBERTSON]. The committee submitted one of the most graphic reports I have ever seen made by a committee of Congress. The committee had printed great maps showing the location of various industries, and it filed a very brief report dealing with the reasons for the disparity in the industrial development of the various sections of the United States.

I wish to quote briefly from that report:

> As things stand now, a glance at the Guide—

The Guide being the map which was submitted—

> will show clearly that we have no economic balance between the four regions—

Referring to the North, South, East, and West—

> and in view of this, to speak of what is so often termed our "national economy" is to indulge in fiction. Ours is a regional economy. Each region has its special problem, stemming from its own unbalanced development, and these crucial problems are not equalized but only slurred when we cover them with the term "national economy."
>
> Our Southern States were overwhelmingly agricultural, and the West largely a wilderness, when our era of large-scale industrialization began. Our industries, at that time, took root where the proximity of resources to the centers of population made it most profitable and convenient for them. Our major industries have since fought a desperate and ruthless battle, subverting our whole transportation system to their purpose, to deny the West and the South the industries they can support and to which they have every right.

Mr. President, in the bill now before us we are asked to give our blessings to an indefinite prolongation of this subversion of our transportation system to the purpose to deny the West and the South any industrial development.

I read further from the report:

> The West and the South * * * together account for at least 65 percent of our mineral production. But the East—

That is to say, 11 States, according to the division made by the report—

> accounted in 1939 for no less than 65 percent of our manufactures. In 1939 the South and West together accounted for only 20 percent of our manufactures, and the East for only 25 percent of our mineral production. In these facts we find an unusual instance of unbalanced and unequal development.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Does the Senator from Georgia yield to the Senator from Maine?

Mr. RUSSELL. I yield.

Mr. WHITE. Is it the Senator's hope to conclude this evening?

Mr. RUSSELL. I can do so if the Senator from Maine desires to hold the Senate in session for some time yet. I have not yet reached the end of my remarks. I have before me certain data which I wish to place in the RECORD, and some which I expect to read.

Mr. WHITE. Mr. President, the Senator from Kansas [Mr. REED] is in charge of the bill. I would not wish to make any motion without his approval.

Would the Senator from Kansas be willing——

Mr. REED. Mr. President, I prefer that the Senator from Georgia conclude.

Mr. RUSSELL. Mr. President, I shall undertake to do so. I may say that I have been very generous in yielding to any Senator who has desired to make a statement in the course of my remarks. I have been on the floor all afternoon, and I am somewhat tired. I appreciate the consideration of the Senator from Maine.

I yielded to the Senator from Kansas whenever he sought to interrupt me, and also to the Senator from New Jersey and to all other Senators who sought to make statements during the course of my remarks. I shall undertake to proceed, if the Senator from Kansas insists on it.

I read further, Mr. President, from the report of the committee which was submitted on October 7, 1944:

> As can be seen, the impulse to centralization is basically anticapitalist. It places the interests of a small group above the obvious needs of the whole economic system. In the end, as we have seen it happen in Europe, the apostles of centralization go from economic pressure to freeze out competition in advance, to the more drastic step of controlling the apparatus of government in order to make their power more complete. The result is a system more feudal than capitalistic, with emphasis upon control rather than freedom, authoritarian rather than rational government. Sooner or later the whole order collapses, and those who forgot that they were only a part of a system find that they have in their blindness caused the collapse and ruin of the whole economy and the whole social order.
>
> The policies, monopolistic and cartellist, which had led Europe to Hitlerism, played a greater part in crippling western industry than we know. In a recent address in Los Angeles, Mr. Wendell Berge, Assistant Attorney General of the United States, said:
>
> "If a statute were passed which stated that with a few named exceptions of well established firms, no company on the west coast was to be permitted to export to Latin America or to the Far East, and no shipping line would be permitted to carry their products to these places, its effect upon western business would be regarded as catastrophic. This is precisely what the private cartel arrangements did to you. I cannot predict, of course, how important exports to foreign countries may become to you in the future, but I do know that you ought to have a chance to develop this business. Cartel arrangements unknown to you have kept you from doing this in the past. Some of them are keeping you from engaging in this business now."

Mr. President, it has developed that even the Interstate Commerce Commission, upon whom so many Senators wish to rely solely and completely for the control of these monopolistic tendencies and cartels which have been manifested through its freight rate mechanism, has been unaware for many years of some of these agreements.

An article written by Mr. Henry B. Kline, which appeared in Forbes magazine, contains the following statements:

Defenders of the railroads have somewhat better grounds for misgivings about the antitrust attack. The attackers sometimes sound as though they want the railroads to compete like so many merchants. It can't be done. To a very considerable degree, carriers must work in close cooperation simply because they are physically a single system.

It does not follow, however, that group action need reach as far as it does. It has gone too far when the railroads, through rate bureaus, prescribe what degree of restraint shall be imposed on competition among themselves. They are doing that.

The western commissioner agreement, which long remained a secret from even the ICC, undertook to set revenue levels in great regions. Truck lines have cost advantages on short hauls and railroads on long ones, but rail and truck rates more and more become identical at every distance—and the private rate bureaus in the two fields cooperate to keep them so.

These are regulatory functions; they belong only in the ICC. It is intolerable that they should be exercised outside the ICC, even beyond its reach. The rate bureaus defeat regulation very much as the holding companies defeated utility regulation before they were brought under control.

And still the railroads want to make price fixing legal by private bureau. They are pushing all-out for the Bulwinkle bill (H. R. 2536) to exempt them from antitrust prosecution—and have already got it passed by the House. The bill should not become law.

WHOSE OX IS GORED?

But, having condemned an interference which was never more than a threat, how can anyone then face about and propose a decisive trespass against a sovereign American institution more sacred than the ICC—the Supreme Court? The Court has accepted jurisdiction in Georgia's suit. Yet the rate-bureau defenders rush action to beat out the Court by making the matter before it moot. It all depends, apparently, on whose ox is gored, whose sacred cow profaned.

There is sufficient other reason to repudiate the Bulwinkle bill. The record of the rate bureaus is not good enough to warrant legalizing them. Not only that, but the ICC has largely disqualified itself from its proposed power to issue certificates of antitrust exemption.

In 1940 the ICC assumed power over inland waterway carriers. Yet it was after 1940 that the ICC granted the railroads leave to charge higher outbound rates on barge-originated grain than on rail-originated. So the barge operators lost their natural advantage, and the shippers lost the advantage of employing their service.

In short, the Bulwinkle bill would perpetuate evils by placing them under very nominal control by an agency which owes the public an accounting for some of its own deeds. When it can see the way, Congress should amend the Interstate Commerce Act to retain the necessary features of group action and eliminate the bad—also to give the ICC itself more specific instruction on such matters as justice between railroads and barges and railroads and trucks, and between the users of these services. The Bulwinkle bill fills neither need; it would preclude filling one of them.

ARGUMENTS IN HALF-TRUTHS

No one is now competent to say what precise form the solution should take. Now that a clear conflict has developed between the Sherman Act and activities carried on in the outer shadows of the Interstate Commerce Act, no one actually knows what the present law requires. Arguments have been too much in half-truths, too much beside the issue. That applies to both sides.

The problem sorely needs a dispassionate peeling away of propaganda onion-layers, followed by a definition of the law. That is a job which, in the last analysis, only the Supreme Court can do. After it is done, and only then, can Congress legislate wisely and to the point.

Maybe, as Mr. Lyne suggests, there are certain "liberals" who hope the efforts to reach a more tolerable regulation of transportation will leave such chaos that the industry will sink into public ownership. There will be no chaos—readjustments, yes, but less radical ones than the railroads have weathered before. Not only that, but the nationalization fans will get nowhere unless the majority of people, most of whom still prefer private ownership, are driven into their arms.

BILL IS A "RADICAL INTRUDER"

In country after country, in area after area of our own economic system, socialism has been established not because of its enthusiasts, but because partisans of the status quo had succeeded in preserving and enlarging nuisances until the people moved in wrath to destroy them.

The class rate decision and the antitrust tests are ways to correct evils—evolutionary ways—within old and honorable American tradition. The Bulwinkle bill, which would close one road of correction, is the truly radical intruder. Give us enough such things and the larger public may indeed join the socializers for an outcome to fit almost anybody's definition of revolution.

Mr. President, the Supreme Court, in unusually well considered opinions, has held in two recent cases that there was discrimination against the West and the South in the matter of freight rates. I shall read some brief extracts from the more recent decision of the Supreme Court in the Interstate Commerce Commission case and have other parts of it printed in the RECORD.

On page 25 of the decision is a paragraph which every Senator who does not reside in official territory might do well to consider. It reads:

The fact remains that economic development in the South and West has lagged and still lags behind official territory. In 1940 the average annual dollar income per person employed in official territory was $1,988; in Southern, $940—

I ask Senators to note that the average dollar income of every person employed in the Southern Freight Territory, where these high rates obtain, was $940, as compared with $1,988 in official territory—

in Southwestern, $1,177; in Western Trunkline, $1,411.

Notice this very significant finding by the Supreme Court:

Official—

"Official" means official territory—the 11 favored States—

has 69 percent of all workers engaged in manufacturing in the United States and 29 percent of all workers in extractive industries.

It has, for example, a high concentration in the manufacture of steel and copper products, though less than 4 percent of the iron-ore reserves, and no reserves of metallic copper. The South and West furnish raw materials to official and buy finished products back. They are also dependent to a great extent on the markets for their products in official, which has over 48 percent of the population of the country, 76 percent of the national market for industrial machinery and raw materials, 64 percent for all goods and sources, 62 percent for consumer luxuries, and 53 percent for consumer necessities. Yet the South and West suffer rate handicaps when they seek to reach those markets. One of the many illustrations will suffice.

This illustration has a particular appeal to me:

Cottonseed oil is a basic agricultural commodity. Class rates on it are 7 percent higher from Southern to Official Territory than they are within Official Territory.

Mr. President, if we undertake to ship one of the commodities that we produce on the farms in the Southern States—cottonseed oil—from the Southern Territory to the favored official territory, it costs us 7 percent more than it does to ship that same cottonseed oil or its products within the official territory. Now, listen to this:

If the cottonseed oil is manufactured into oleomargarine, the rates from Southern to official territory are 35 percent higher than the rates within official territory.

In other words, the South is to be denied the right to manufacture their own product of cottonseed into oleomargarine, under this discriminatory rate system. It is not confined, however, to the South, Mr. President. On page 44 of this decision, the Court holds specifically that there is discrimination against the West, and that this discrimination has prejudiced the growth and development of the West. I will read just merely a few lines from page 44 of the decision:

But we are dealing here with a problem of discrimination—a western rate structure which, as compared with the East, is not warranted by territorial conditions and which prejudices the growth and development of the West.

Yet, Mr. President, in view of that finding by the Supreme Court on a matter that was practically of common knowledge to the people of the United States that there was discrimination against the West, which was prejudicing the growth and development of the West, we find certain western Senators supporting the pending bill, which will perpetuate those handicaps.

Mr. President, the sovereign State of Georgia, which I have the honor in part to represent here, has undertaken to correct an injustice to its citizens and the handicap to the operations of its State government through this case in the Supreme Court. I say, Mr. President, that the State of Georgia is entitled to a decision on the merits of that case, which has already been heard by a special master appointed by the court, and who is even now undoubtedly writing his report to submit to the court, that we are entitled to a determination of that case, and, after all these years of being submerged economically, we are entitled to reap whatever benefits may accrue to us in the event that that decision is favorable.

I will submit this question to any Member of the Senate, as to whether or not, if his State that he is undertaking to represent here on the floor of the Senate had a case of this nature pending in the Supreme Court, what would be his feelings if this issue that was so vital to his people as the evidence that I have presented demonstrates this issue to be of such consequence to the future happiness and prosperity of my people, if a proposal were made to strike down any benefits that would accrue from a favorable decision in that case, how he would feel about a bill of this nature.

Mr. President, I do not think that the Congress of the United States—and there has been no final determination that injures the railroads or any of their myriads of satellites and hangerson through this vast structure of freight bureaus, and when there has been no decision that injures them, that the Congress should deny a sovereign State the right for a full and complete determination of these issues by the Supreme Court. Mr. President, if the Senator is not prepared to move a recess, I should suggest the absence of a quorum. I do suggest the absence of a quorum, but I will withhold it if the Senator wishes to recess at this time.

PRICES AND PROFITS VERSUS EARNINGS

During the delivery of Mr. RUSSELL'S speech,

Mr. TAYLOR. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. TAYLOR. Mr. President, I want to read an article from Statewide, a publication in our State of Idaho. The article is written by Mr. Vardis Fisher. Ordinarily we would have an article such as this inserted in the Appendix of the RECORD, but I think it is of sufficient importance to be read into the RECORD in its entirety. It is not too much. Incidentally, I should like to say that Mr. Fisher won the Pulitzer prize for a novel a few years back. He is a very capable writer. He is a Republican, and has very little use for me, generally, but I will say for Mr. Fisher that, whether we agree politically or not, he is an honest man who is not afraid to say what he thinks. He will write on any subject, regardless of whether it is supposed to be taboo or not. This article by Mr. Fisher begins as follows:

Not long ago this columnist went shopping in some of Idaho's big metropolitan centers and came back empty-handed, reflecting that he was one of the "damphool" believers in the system of free enterprise who, about this time last year, was in favor of the complete abandonment of OPA. At that time it was argued that if all controls were taken off, the genius and resourcefulness—yes, and the wisdom—of this country's industrial leaders would soon return us to competition, quality, and fair prices. On the contrary, never in the history of the world has a people been offered such shoddy junk at such outrageous prices.

It is not the fault of the merchants. The retailers are only middlemen who buy from the wholesalers and sell to the public. They are as helpless as you and I. For instance, one of the things I wanted was a chest—usually called a hope chest—for a girl who is reaching that age; and after looking at some boxes, that were only a little better than orange crates, a buyer for a big chain came up and spoke his mind.

He said in effect:

"All around you is junk, a whole floor of it—and I admit it; but it is all we can get. As a matter of fact, we are buying no more stuff like this. We and Sears and Ward have all gone on a buyers' strike. We realize that the manufacturers of furniture are paying twice as much in wages; but even so, their profits are enormous. We'll close our doors before we'll buy any more of the kind of junk you are looking at." That's what he told me, and that was pretty plain speaking.

And I remembered some facts that make nice reading for Josef Stalin. For instance, of the 100 largest corporations in this country, 44 at the present time are defendants in antitrust cases, and 35 others are under Federal investigation—79 out of 100. As Wendell Berge put it, this Nation "is now experiencing the greatest concentration of economic power in its history."

Mr. President, I think the article I am reading has relevancy to the subject under discussion, the question of rates and exemption from the antitrust laws, and what not. Mr. Fisher in the article touches on several phases. I continue to read:

Do you remember the words of Abraham Lincoln? I quote: "I see in the future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. Corporations have been enthroned * * * the money power of the country will endeavor to prolong its reign until all wealth is aggregated in a few hands and the Republic is destroyed * * * God grant that my suspicions may prove groundless." God didn't grant it. Even here in Idaho which is not a State of big industry and big corporations, there is a steady march toward monopoly and concentration of power. Hotels are an instance.

TAFT, BALL, and HARTLEY have said that "labor has become too big for its 'britches.'" That was true, but is true no longer. The outfit which today is much too big for its "britches" is the big corporations. Three automobile firms control 89 percent of all car and truck production; four iron and steel concerns control 85 percent; and four other firms control 100 percent of all roofing shingles. And these statistics I am taking from one of the few Republican newspapers which are alarmed, and would stop this march toward ruin before it has engulfed us.

Let us go back again to a year ago. We were told then that prices would not advance but would recede if OPA was sacked.

I remember very well the promises made on the floor of the Senate to the effect that if we would simply get rid of OPA everything would be all right, that the magic law of supply and demand would function perfectly.

Mr. Fisher continues:

On the contrary, privately financed housing has dropped more than 30 percent. Building materials as a whole are 25 percent higher, with lumber up to 50 percent, and paint up 80 percent or more.

Mr. President, I digress here to say that in Idaho we produce a great deal of lumber. I know that under OPA regulations the lumber producers were doing very well. I know of one mill operator, a Democrat—at least he professed to be—who was practically ready to join a revolution when Roosevelt came into power, and Roosevelt bailed him out and got him back on his feet, and he became rich, even under OPA during the war—that is, he became rich for Idaho. Some people might not call him rich, and individuals do not become really rich in that area; but he was rich in our eyes, anyway. If he did not become a Republican, he was right next door to it. He refused to vote for several Democrats because they were too radical to suit him. Yet only a short while before that he had wanted to have all debts canceled. He was running around and shouting to high heaven for the cancellation of debts just before Roosevelt saved his ungrateful neck. But now, Mr. President, the price of lumber has gone up 50 percent more since OPA was ended. So I presume this gentleman is doing very well now. I like to see our corporations and businessmen in Idaho do well, but I would rather they would do all right and that the rest of the country would do all right at the same time, rather than have profiteers in one segment of our economy and face the blow-up which we are facing.

Mr. Fisher goes on to say:

To realize how much food has climbed since then you have only to go into a grocery store.

I can verify that, Mr. President. I had been reading in the newspapers that prices had reached their peak, and perhaps were tapering off a little, when Mrs. Taylor and I went shopping for groceries last Saturday, but we left the store with a good deal less than we had gone in to purchase. We made up our minds not to be gouged. The prices were outrageous. They had gone up considerably since we had done our previous week's shopping.

Mr. Fisher continues:

To realize how much food has climbed since then you have only to go into a grocery store. And what about the profits of the industrial giants? We'll take their own word for it.

According to the Wall Street Journal, the earnings of 149 of the largest industrial firms have advanced—

Mr. President, may I say, not 50 percent, not 100 percent, not 150 percent, nor 200 percent nor 250 percent, but, according to Mr. Fisher, and he is a pretty reliable sort of chap—

Earnings of the largest industrial firms have advanced 282.7 percent over 1936; and of iron and steel companies, 370.4 percent.

Mr. President, I wonder if there is anyone who will contend that the earnings of labor have risen in any fair proportion to those figures. Yet, as I pointed out the other day, since I have become a Member of the Senate, practically all the legislation I have seen enacted here has been to help the big fellow and to suppress and push down the little people. They are going to get enough of that sort of thing one of these days and then many individuals who have been pushing this kind of legislation will not be coming back to the United States Senate and the House of Representatives. I can only say, Mr. President, that I hope such individuals will not lead us into such a catastrophe that I shall be obliged sometime to visit their graves where the populace has disposed of them as they have

in the past when they have been beaten over the head too much.

Mr. Fisher continues:

Those are merely examples. Big industrialists have admitted within recent weeks that profits are "embarrassing."

"Embarrassing" is their word, not mine. I am merely quoting Mr. Fisher.

One index of the prosperity of big business is the money it spends for advertising. A hundred and nine companies in 1946 spent more than a million dollars each advertising their products, and such a firm as Procter & Gamble (soap) spent twenty-two and a half million.

The buying public paid for it.

It would be all right if advertising led to higher quality and lower prices, but that is exactly what it is not doing.

I may point out, Mr. President, that in the recent past we have seen the time when we could not buy soap in the stores, or soap flakes, soap powder, or other things one might want, and at the same time fabulous advertising campaigns on the radio and in the press continued unabated, and we were paying for it in high prices for soap that we could not even obtain. The manufacturers simply tacked the advertising costs onto the few boxes they sold, and sold them at absolutely exorbitant prices.

Mr. Fisher continues:

I could fill this entire space with statistics on the profits of the big corporations and with shame-faced statements of certain big-business leaders about those profits. Their weak excuse is that a time is coming when they will not be so prosperous and that as a consequence they must get the dough while the getting is good. And that's exactly the kind of statement that tickles Mr. Stalin.

I should like to support that statement. We hear a great deal of talk about some of us liberals who want to keep the economy on an even keel, who want labor to receive wages sufficient to buy the goods produced by industry. We are called Communists. The gentlemen with the outrageous profit figures which are being published are doing more to help Joe Stalin than are all the Communists and we liberals—whom some like to call Communists—put together.

Mr. Fisher continues:

All over this country, for months and months, the experts have been telling us that a recession is coming, and that after it, there will be a big bust in 5 or 7 or 10 years.

Personally, Mr. President, I do not think it will be that long. I hope it never comes; but the things that are going on are putting our economy so far out of balance that I do not see how it can possibly continue for 5, 7, or 10 years.

Mr. Fisher further states:

That big bust is what Joe is waiting for.

I had thought of buying a new car. I am aware that there may be some good cars coming off the lines now, but a friend of mine, who sells automobiles, advised me not to buy. He told me stories that are simply incredible—of how from the manifold of one car they took a piece of loose scrap iron so large that it had to be cut in two with a blowtorch; of how in another the motor went haywire in a few weeks; and of a third on which the owner, in an effort to keep it running, has spent almost as much as the car cost. As a matter of fact, I have a dentist friend who paid $1,800 plus for a car and has spent about $800 on it since then.

I should like to impress upon Members of the Senate again that in the last election campaign the man who wrote this article never lost an opportunity to take the hide off me as being a radical. He criticized me for wishing to continue OPA. I am not crowing over Mr. Fisher. I honor him for being frank enough to admit that he was taken in by the promises of the big boys that if we would only let them go they would be perfect gentlemen, and everything would be all right. Frankly, I was taken in when I first came here. I did not vote against the carry-back provision and the repeal of the excess-profits tax. As I remember, those were not record votes. However, I said, "If they say that, let us give them a chance and see what happens." I did not protest. At least, I did not ask to have my vote recorded in the negative. But from then on I have done so.

Mr. Fisher continues:

Is it the fault of labor? In part, no doubt; but it is also the fault of manufacturers who are milking the public of every dollar they can get while the udder is full. There was a time, not so long ago, when business in this country was guided by the principle of higher quality and lower prices. We have completely reversed that principle.

We have noticed, Mr. President, that every time President Truman issues an appeal for lower prices and voluntary price reductions—appeals to sportsmanship, manhood, or whatever one chooses to call it—the big fellows jump on him with both feet and tell him to keep his mouth shut and mind his own business, that they are doing fine, and that he is monkeying with the law of supply and demand.

Quoting further from Mr. Fisher:

Today we have higher prices and lower enterprise. Higher prices and lower quality are what they get under monopoly, either of Government or industry.

I agree with Mr. Fisher. I dislike extremes of either kind.

Reading further from Mr. Fisher's article:

We could take all the greed, the shoddy merchandise, the dishonest practices and survive them, indeed, even forgive them, if it were no more than that. We could get along for a while with furniture that collapses when we sit on it, with clothes that fall apart on the second laundering, and with steaks so tough at 60 cents a pound that a dog can't chew them.

I wish I were in Idaho, where I could get steak for 60 cents a pound. I envy my friend Mr. Fisher. We have not been able to find any for 60 cents a pound here; but I agree with him that it is so tough that a dog could not chew it.

Mr. Fisher further says:

We could say it was economic dislocation. We could admit, as we must, that prices must be higher because of higher costs, and because of a huge national debt and inflation; but there is more to it than that.

Some of us have known that our system is on trial and that this will probably be its last trial.

I agree with that statement.

It should be clear to any millionaire who can read that our system is on trial before the whole world, and that if we fail this time, we shall not get another chance and shall not deserve one.

When Mr. Fisher says that, I suppose he is speaking of all the people. But, Mr. President, it is not all the people who are responsible for bringing this catastrophe upon us. It is the selfish monopolists.

I invite the attention of my colleagues to a significant occurrence during the war. When our aviators flew over France they had these instructions: "If you are shot down or forced to bail out over France, do not go to the big houses, the mansions on the hill. Go to the homes of humble workers, because the chances are that you will find the fellow in the big house is sympathetic with the Germans, with nazism, with fascism, and will betray you."

That is not a flat statement. Of course there are exceptions. There are some people in the little houses who do not genuinely love democracy, and there are some who live in the big houses who love democracy and really believe in its principle. But generally speaking, it was so true that our Army gave those instructions to our aviators.

Mr. Fisher continues:

It is clear to a minority of our business leaders, and they have been telling their colleagues to come to their senses; but their colleagues apparently haven't much sense to come to.

Not long ago, for instance, there was a plan originated in a New England town. It was a plan on the part of retailers to reduce prices by 10 percent. Millions of words were written about the plan, but today it is as dead as last year's honeymoon. Retailers could not go on reducing prices unless prices were reduced to them—and the big fat boys, with their hands on monopolies, on the raw materials, refused to reduce. What they want is labor with a halter on it, and the old system of monopolies and unlimited concentration of economic power in the hands of a few.

I support that statement, Mr. President. We have had a fine example of putting a halter on labor here in the Senate Chamber within the last few days. God only grant that the President will veto the bill.

Mr. Fisher further says:

That is what they are getting now. They want another Harding and another decade like the 1920's and another bust. I had the naive idea that the combination of the 1929 crash and Franklin Roosevelt had taught the beef of the big trusts a lesson.

Senators can see how liberal this man is. Generally he criticizes the reforms of Franklin D. Roosevelt. But even he is now fed up with what is going on in the country, and what is going on in the Congress in the way of special-privilege legislation.

Quoting further from Mr. Fisher:

It appears that I and others like me were just about 100-percent wrong.

Meanwhile, the cynical old Machiavellian in the Kremlin sits back and waits. It was revealed the other day, by a correspondent in a position to know, that Stalin has asked his agents in this country to determine when our bust is coming, and how severe it will be. Under Roosevelt millions of words in lip service were paid to free enterprise, and it was said that when controls were lifted, business would accept its leadership and its responsibilities. It may not be too late yet, though one of the shrewdest Republicans I know in Idaho said to me the other day that he has decided it is now too late.

We must wait and see. Right now it looks as if the score is two down and one to go, with Stalin's men filling the bases, and with a monopolist at the bat.

I may say, Mr. President, that the next curve they are throwing at us—the pitcher is wound up and ready to throw it—is the Bulwinkle bill which is before the Senate at the present time.

OFFICES OF VETERANS' AFFAIRS IN THE PHILIPPINES

After the conclusion of Mr. RUSSELL'S speech,

Mr. WHITE. Mr. President, in view of the inclination of the Senator from Georgia to suggest the absence of a quorum, I think it is probably appropriate that I move a recess.

Mr. MILLIKIN. Mr. President, the House has adopted an amendment to Senate Joint Resolution 115, authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines. I desire to move that the Senate concur in the House amendment. As passed by the Senate, the joint resolution contained no date limitation. The House has added an amendment which limits the right to continue or to establish such offices until June 30, 1948, for the reason that the subcommittee of the House Committee on Veterans' Affairs is making a study of the whole subject and did not want to fence itself in with a bill that had no limitation. I doubt whether there would be any objection to the House amendment.

The PRESIDING OFFICER (Mr. BALDWIN in the chair) laid before the Senate the amendment of the House of Representatives to the joint resolution (S. Res. 115) authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines, which was to strike out all after the enacting clause and insert:

That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a) to establish regional offices, suboffices, contact units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary, but in no event after June 30, 1948.

Mr. MILLIKIN. I move that the Senate concur in the amendment of the House.

Mr. McMAHON. Mr. President, I should like to ask the Senator from Colorado if this legislation had the approval of the executive department involved?

Mr. MILLIKIN. Yes, it did. The executive department would like the legislation without limitation. The Senate version was without limitation. The House Veterans' Committee is making a study of these facilities and, as I said, for that reason felt it wiser to put on a time limitation. I would rather have it without limitation, because I feel that it will be many years before we ever can get rid of our Veterans' Administration facilities in the Philippines. I see no harm, however, in accepting the House amendment, although I am confident we will have to renew the legislation against next year.

Mr. McMAHON. I thank the Senator very much.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado to concur in the House amendment.

The motion was agreed to.

RECESS

Mr. WHITE. I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 22 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 10, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 9 (legislative day of April 21), 1947:

DEPARTMENT OF STATE

Norman Armour, of New Jersey, to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons for promotion from Foreign Service officers of class 1 to Foreign Service officers of the class of career minister of the United States of America:

Walter J. Donnelly, of the District of Columbia.
Robert B. Macatee, of Virginia.
George R. Merrell, of Missouri.
Albert F. Nufer, of New York.
Lowell C. Pinkerton, of Missouri.

UNITED STATES DISTRICT JUDGE, DISTRICT OF PUERTO RICO

Hon. David Chavez, Jr., of New Mexico, to be United States district judge for the district of Puerto Rico, vice Hon. Robert A. Cooper.

COAST AND GEODETIC SURVEY

The following-named employees of the Coast and Geodetic Survey to the positions indicated:

To be commander in the Coast and Geodetic Survey, from the dates indicated:
William M. Scaife, August 1, 1947.
Robert F. A. Studds, August 1, 1947.

To be lieutenant commander in the Coast and Geodetic Survey, from the dates indicated:
Gilbert R. Fish, August 1, 1947.
Franklin R. Gossett, August 1, 1947.

To be lieutenant (junior grade) in the Coast and Geodetic Survey, from the date indicated:
Allen L. Powell, August 16, 1947.

To be ensign in the Coast and Geodetic Survey, from the dates indicated:
John R. Plaggmier, July 28, 1947.
Leonard S. Baker, September 9, 1947.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 9, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we pray that Thy spirit may enjoin us to turn to Thy holy word, which gives the basic pattern for every good life: Let not the wise man glory in his wisdom, neither let the mighty man glory in his might; let not the rich man glory in his riches, but let him that glorieth glory in this, that he understandeth God.

Our Father, this day make Thyself felt in every issue before the Congress. Grant that Thy wisdom may be unto us revealed, with clear thinking, buoyant faith, and the truth in our minds that there is no permanent safety for man except in the Galilean Teacher. In the veiled future, known only to Thee, let this be our prayer: O cast us not away from Thy presence and take not Thy spirit from us. In all of life there is nothing so cheap as that which is best, and nothing so blessed as Thy guiding voice.

In the name of the Prophet of Nazareth. Amen.

The Journal of the proceedings of Friday, June 6, 1947, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 52. Concurrent resolution authorizing the Clerk of the House in the enrollment of the bill (H. R. 3020) to make a certain change.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3020) entitled "An act to prescribe fair and equitable rules of conduct to be observed by labor and management in their relations with one another which affect commerce, to protect the rights of individual workers in their relations with labor organizations whose activities affect commerce, to recognize the paramount public interest in labor disputes affecting commerce that endanger the public health, safety, or welfare, and for other purposes."

The message also announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agency:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of Justice.
4. Department of the Navy.
5. Department of the Treasury.
6. Office of Temporary Controls.
7. Securities and Exchange Commission.

TAX VETO WOULD BE INDEFENSIBLE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, the last Democratic Congress, upon the recommendation of President Truman, passed a tax bill in 1945 which reduced the tax on corporations by $6,000,000,000 in the face of a $20,000,000,000 deficit for the following year, and the President signed the measure with every indication of

satisfaction. The Republicans on the Ways and Means Committee and in the House and Senate supported that measure with the understanding that a second tax bill giving relief to the individual taxpayers would be brought out the following year, but this was not done.

How different it is 2 years later when a Republican Congress carried out that pledge by passing a tax-reduction bill that would give $4,000,000,000 tax relief to nearly 50,000,000 individual taxpayers, and when we will have a surplus in excess of $7,000,000,000 after expenditures. Now, the President says that the Republican tax-reduction bill, which is favorable to the individual taxpayer, would be inflationary, hence he hesitates to sign it. Indeed, the indications are that he will veto the measure.

President Truman bases his objection on the fact that individual tax reduction would give the people more of their own money to spend, which he fears may result in further price increases. If there be merit in the President's contention, how does it come that he has repeatedly urged wage increases, which also give the wage earner more money to spend? Where lies the difference?

It is in order for the President to tell us how it comes that the Canadian people have already been given one tax reduction, with a second reduction which will amount to as much as 29 percent, to become effective July 1. The individual taxpayers of the United Kingdom have also been given a substantial tax reduction since the war's end, but if the President has his way American taxpayers will continue to stagger under their wartime tax load until Mr. Truman has been retired to private life.

I have long contended that one of the major causes for the existing labor unrest comes from the numerous deductions taken from pay envelopes, one of the major being the Federal withholding tax, which is also an income tax. The average wage earner bases his pay upon what he takes home. Under H. R. 1, which the President criticizes, such withholding tax would be reduced by as much as 30 percent, which would amount to $1 per week for a worker having a wife and one child, and earning $60 weekly. A yearly saving of $52 in the Federal income tax to a worker may appear inconsequential to Mr. Truman, but it is quite a substantial sum to the average working man, and this increased take-home pay will not force up prices, as does a wage increase.

Tax reduction now would greatly stimulate our economy, while a further continuance of the present tax burden will have the opposite effect.

TAX SITUATION

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 10 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I do not know what the understanding of the gentleman from Minnesota was or what he imagined, but when the tax bill of 1945 was passed there was no understanding with Mr. Truman as to a tax bill in 1946 or 1947.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1948

Mr. JENSEN, from the Committee on Appropriations, reported the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 544), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. GORE reserved all points of order on the bill.

STATE DEPARTMENT MEETINGS

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, a story in the Wall Street Journal this morning reports that the State Department has been holding meetings in Washington for a large group of individuals believed useful for propaganda purposes, and that at these meetings the press has been deliberately barred.

I would venture to suggest that Congress, before it passes any more appropriations for the State Department, or before it authorizes the so-called Voice of America, find out about this home-front secret Voice of America activity at the State Department. It may be that this iron curtain is small, unimportant, and justified but it is a bad sign.

The American people should have a free press and full information about the domestic-propaganda activities of their own Government. Particularly is it important that the State Department, which is rightly agitated about the lack of free information abroad, not resort here to the same iron-curtain tactics that they condemn abroad.

Congress should get the facts and stop this kind of business in its tracks. This incident is certainly a questionable procedure for a State Department that preaches freedom of press and freedom of information.

NATIONAL HEART DISEASE ACT

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I have introduced in the House today a bill endorsed by the American Heart Association, the leading private agency in the field, which provides for a program of research in diseases of the heart and circulation and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such diseases to be administered through a National Heart Disease Institute in the United States Public Health Service.

This bill should truly appeal to the Nation. In return for the expenditure of a fraction of what was spent on a month of destruction by the United States in World War II, new hope and opportunity to live out their lives can be given to millions of people in our own country who otherwise will have to face the tragic prospect of being stricken down in youth or the prime of life by heart disease.

Heart disease strikes not only at the old, causing nearly one out of every two deaths after the age of 45, but it saps the strength of the youth of the Nation as well. It causes more deaths among children and the young between the ages of 5 and 19 than any other disease.

A pathetically small amount of money is now being spent on research to cut the death toll of those who suffer from the Nation's No. 1 killer—heart disease. Although Congress has allocated $29,866,200 for research and control of plant and animal diseases, to the Department of Agriculture alone, no specific amount has been set aside in the Budget of the United States for research in cardiovascular diseases. During World War II—the most destructive in history—battle deaths in our country's armed forces approximated 325,000, but during the same period more than 2,000,000 men, women, and children on the home front were killed by diseases of the heart. Heart disease takes a greater death toll than the five other leading causes of death combined.

Voluntary agencies such as the American Heart Association have been doing yeoman work in leading the fight against heart disease, but thus far their research program in the care, prevention, and treatment of this disease has been seriously handicapped by lack of funds.

The United States Public Health Service which is responsible for raising the standards of health throughout the country and for administering the various health programs which have been established, should be given adequate funds to help meet the challenge of this disease, which has been allowed to take its toll in human lives too long without a spirited attempt to do something about the situation.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances, to include in one an address he delivered yesterday and in the other an editorial.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD in two instances, to include in one an article appearing in the Long Beach Labor News and in the other a resolution adopted by the Los Angeles County Council, Veterans of Foreign Wars.

Mr. RAMEY asked and was given permission to extend his remarks in the RECORD in two instance and to include in one an article appearing in the Sylvania Sentinel entitled "Congress Represents the People."

Mr. WILSON of Indiana asked and was given permission to extend his remarks in the RECORD and include an article by Stewart Riley, publisher, appearing in the Bedford Daily Times-Mail.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include a bill he is introducing today.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD and to include a statement showing the use made of the Committee on Un-American Activities by Members of Congress.

Mr. CUNNINGHAM asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. SNYDER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an article by Mark Sullivan.

Mr. McDOWELL asked and was given permission to extend his remarks in the RECORD and include an article by his colleague, J. PARNELL THOMAS, entitled "Reds in Our Atomic Bomb Plants," appearing in the June 21 issue of Liberty magazine.

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD and include an article.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include an address by Oliver LaFarge, president, Association of American Indian Affairs.

STATE DEPARTMENT MEETINGS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, it was my pleasure to take part in this "secret meeting" of the State Department last week. I should like to inform the Congress that to my mind that meeting of some 250 delegates from some 250 organizations of this country, which was pursuant to legislation passed by this House to give information on foreign policy to the people of the country, was one of the most progressive, sane, and constructive conferences I have ever attended. Mr. PETE JARMAN, Senator CONNALLY, Senator FLANDERS, and I spoke on the evening when these delegates were given the opportunity to speak to and with the Congress.

In order to have the very freest discussion possible—so that the hair could be taken down—these meetings were "off the record."

On the evening when we four Members of Congress participated I can assure you the hair was taken down very constructively.

I agree that it would have been advisable had the State Department opened the meetings to Members of the Congress, but I want to say to this body, Mr. Speaker, that I feel this effort on the part of the Department to give information to one of the great sections of our citizenship—members of 250 national organizations—to have been a most commendable one. It is my earnest hope and my expectation that the material given these delegates will be made available promptly to the Congress.

EXTENSION OF REMARKS

Mr. DOLLIVER asked and was given permission to extend his remarks in the RECORD and include a letter from Otto Knudsen, president, National Institute of Farm Brokers, concerning the conference called by the President for placing ceiling prices on farm land.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PASSMAN asked and was given permission to extend his remarks in the RECORD and include an article on flood control.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD, and further to extend his remarks in four instances and include editorials.

Mr. CHELF asked and was given permission to extend his remarks in the RECORD and include an editorial from the Louisville Courier-Journal.

Mr. GRANT of Alabama asked and was given permission to extend his remarks in the RECORD and include an address by Judge Walter B. Jones, of Montgomery.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD in two instances, and in one to include a resolution of the Illinois General Assembly and in the other a newspaper article.

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD and include certain letters.

Mr. DORN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from Post Commander E. W. Taylor, of the American Legion at Liberty, S. C., in which this post 100 percent favors making the terminal-leave bonds negotiable and expresses its support of the Rogers bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in three instances, and in one to include editorials and articles. I am informed that one of these extensions may exceed the two-page limit, but I ask unanimous consent that it may be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL ORDER GRANTED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders heretofore granted, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

A GROSS OF GREEN SPECTACLES

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a table.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, you will recall, no doubt, the incident related in Goldsmith's The Vicar of Wakefield, when the vicar decided to sell the family colt so as to buy a horse in order to maintain the family position in local society. Little Moses, a son, was sent off by the father to the fair and entrusted with the responsibility of making the trade. In the course of carrying out his responsibility, he fell in with some horse traders. These traders found many faults with the colt and convinced the lad by their many arguments that he should dispose of the colt for a gross of green spectacles.

Recently, Mr. Cecil S. Lynch, executive vice president of the Arkansas Power & Light Co., sent me a pamphlet entitled "Taking the Mystery Out of the Power Problem." Having known Mr. Lynch for many years, I was much interested in this little booklet. I read it carefully. Then I read it again to be sure that my first reaction was correct. The arguments in this little pamphlet, because of the striking similarity, reminded me of the story of little Moses with the colt and the gross of green spectacles.

Mr. Lynch has critically examined in the pamphlet the hydroelectric projects owned by the Government in the Southwest. He has found them of little value unless all of the power produced by them is sold to the local utility companies. He argues that, since the power of these projects has little value, all of it should be sold to the local utility companies for a gross of green spectacles.

Last year the Government sold Mr. Lynch's company the entire output of the Norfork project, which, by the way, is located in the district which I represent, at an average rate of 3 mills per kilowatt-hour. This power was then sold by his company, on the average, for four times the amount which they paid for it. In other words, his company received approximately $2,400,000 for this power from its consumers, for which it paid the Government $664,000 at the dam. This is the green spectacles deal which the local utility companies advocate.

Let us examine the thesis upon which they rely. It is my contention that it is unsound on at least three counts: First, it ignores the value derived from interconnecting and integrating electric plants; second, it holds that the hydroelectric plants must work without assistance; and, third, it finds that the electric companies cannot cooperate with the Government except on the companies' own terms.

Now, let us consider these three different views of this matter:

First. Advantages of interconnecting hydroelectric projects: In this pamphlet is cited as a striking example of the value of interconnecting and coordinat-

ing private electric facilities, the organization of the Southwest power pool in which 11 utility companies in the Southwest were interconnected. The pamphlet says, "Through this arrangement; the electric companies gained in excess of 120,000 kilowatts of generating capacity by building a few transmission lines and working together in harmony without installing a single new generator."

The argument could have been carried a step further, and have pointed out that each of the 11 companies had created additional kilowatts of power by interconnecting within their own systems. I believe Mr. Lynch knows that when two hydroelectric projects are interconnected the sum total of firm power at the two projects is greater after interconnecting than before. I think he also knows that when 15 or 20 such projects located in 4 or 5 different regions separated by hundreds of miles the sum total of firm power will be far greater when these projects are interconnected than when they are separate and isolated projects. Yet when he stops to evaluate a hydroelectric project, he does so on an individual and isolated basis.

Recently a study was made over a period of 1927 to 1945, inclusive, of integrating the proposed Bull Shoals Dam, the Norfork and Denison Dams, both completed. The most critical water shortage over this 19-year period developed between 1938 and 1942, with the most critical shortage occurring in 1940. The following is taken from that report:

It will be observed that the year 1940 found all these reservoirs well below the top of the power pool; however, the low inflow period, including 1940, neither began nor ended at the same time at any two of these projects. For instance, the critical period at Denison Dam began in July 1938 and ended in May 1941; at Norfork it began in July 1939 and ended in December 1942; at Bull Shoals it began in August 1939 and ended in April 1941. Thus it became apparent that during the first year, July 1938, to July 1939, the Bull Shoals and Norfork projects could have carried a considerable amount of the load at Denison, thereby saving water and preserving a high head at Denison and allowing it a larger margin of safety through the remainder of the period. In addition, since the Bull Shoals Reservoir filled before that at Denison, it could again carry part of the Denison load and allow it to fill at an earlier date. After April 1941 Denison and Bull Shoals together were capable of absorbing almost the full load on Norfork, which would result in the Norfork Reservoir filling in less than a year before it would have otherwise filled.

The result of this study shows that by integrating these three dams, the firm capacity would be increased from 62,900 kilowatts to 72,900 kilowatts, an increase of 10,000 kilowatts. This is an increase of approximately 16 percent. It is believed that when all of the projects are interconnected, the increase in the firm capacity will be approximately 20 or 25 percent.

The above advantages are derived from diversity in climate, difference in terrain, mass air movements, and difference in speed of current. In addition, there are advantages resulting from market diversity. Then, too, there are differences in economic activities in the various parts of the region, such as agriculture, mining, oil- and gas-field operations, forestry, and manufacturing, which would tend to create a diversity between the market centers of the area, and would enable larger loads to be carried with the same generating capacity.

Why the advantages of interconnecting and coordinating hydroelectric facilities is overlooked in the pamphlet is not easily understood, especially since Mr. Lynch was basing his case upon similar advantages arising out of interconnecting and coordinating steam plants by the private companies. Could it be that green spectacles are involved?

Second. Advantages of coordinating steam and hydroelectric plants, Mr. Lynch says:

The problem is to find a job that these hydroelectric plants can do without assistance. And that job must be of sufficient value to equal the annual cost of the project.

In other words, he argues that the buyer believes that he must tell the Government, the seller, just how it must sell its power from these hydroelectric plants. The best way, Mr. Lynch says, is for the Government to turn this power over to the companies at the dams, so that they can use the capacity to handle their peak loads, then dump the remainder of the energy into their system for future use.

Now let us take a look at Mr. Lynch's figures. By isolating the Norfork project, he states that his company and sister companies in Louisiana and Mississippi during 1945 absorbed the firm capability of its 70,000-kilowatt capacity, assuming that the second unit at Norfolk had been installed, by using 66,000 kilowatts for a total of 1,640 hours during the year. Now, let me assume that the Bull Shoals project, 30 miles away with 126,000 kilowatts of installed capacity, or 60,800 kilowatts firm capacity, was in operation and that Mr. Lynch had to absorb that also into this system. The only way this could be done would be to use Norfork or Bull Shoals for many more than 1,640 hours at full capacity during the year. If he had used Norfork 3,000 hours, the return to the Government would have been $590,120. If we refer to his chart and put Bull Shoals and Norfork on the peak day load of 196,000 kilowatts, Government hydro would be carrying the full load of from 264,000 kilowatts to 460,000 kilowatts. This would mean that he would be carrying part of his base load throughout the 24 hours with Government hydroelectric power. The only way he could use hydro from any other Government dams during the same day would be as base-load plants.

If Table Rock and Blakely Mountain were in operation, he would have to base load these hydro plants, and, therefore, under his plan, the annual return from Norfork would be only $317,570 to the Government, less than one-half of the annual cost of operating Norfork. It is easy to see, therefore, that the position of the Government would be untenable under Mr. Lynch's plan long before Greers Valley, Wolf Bayou, Narrows, Bull Shoals, Table Rock, Dardanelle, Ozark, Beaver, and other hydroelectric projects come into operation.

Of course, what Mr. Lynch would try to do when more peaking power was available in the Government's hydroelectric plants in Arkansas than he could profitably use in his system, would be to export it far and wide and dump it into affiliated and favored private-company systems. In this way, it would be impossible to give the benefits of this peaking power to the people who have the money invested in the dams and who need it most in nearby communities.

The question arises then: What plan would work to the mutual advantage of both the people and the private companies?

The people will have considerable peaking capacity in their hydroelectric plants which the private-utility companies will need badly. Private-utility companies will have off-peak energy from their steam plants which the Government, as a representative of the people, will need to firm up its secondary energy. This represents a perfect situation for mutual benefits if the parties will cooperate.

Mr. Lynch says:

The Southwest Power Administration appears to be utterly unwilling to do any sharing of gains, but wants them all.

The Government is willing to share the gains, but not for a gross of green spectacles. A fine example of this willingness to work with the private companies is the recent contract signed by the Government with the Texas Power & Light Co.—a contract which all the utility companies in the Southwest should be only too willing to accept as good business.

The way to share the gains is for the Government to sell peaking capacity to the utility companies in return for off-peak steam energy. No money need be exchanged except to settle balances. The energy given by the Government to the company during the peak hours would be returned to the Government during the companies' off-peak hours. It is fairly estimated that an on-peak kilowatt-hour is worth three off-peak kilowatt hours, therefore the companies would return three kilowatt-hours for each kilowatt-hour which the Government gave it for peaking purposes.

The value of an on-peak kilowatt-hour was determined by Mr. Lynch on the basis of $11.50 per kilowatt and 1.19 mills per kilowatt-hour. Computed on this basis, the on-peak energy would be worth 12.69 mills per kilowatt-hour. To show how that figure per kilowatt-hour is arrived at, 35,000 kilowatts at $11.50 per kilowatt equals $402,500; 35,000,000 kilowatt-hours at 1.19 mills per kilowatt-hour amounts to $41,650; $402,500 plus $41,650 equals $444,150; $444,150 divided by 35,000,000 kilowatt hours equals 12.69 mills per kilowatt-hour. By returning to the Government three off-peak kilowatt-hours for each kilowatt-hour given on peak, the company would be receiving the equivalent of 4.23 mills per kilowatt-hour for its off-peak energy. The company purchased 574,000,000 kilowatt-hours in 1945 from sources other than Southwest Power Administration. These purchases represented all kinds of power, much of it dependable and firm. The company

paid 4.7 mills for this energy. By comparison, 4.23 mills for its off-peak power would be exceptionally favorable.

Now, let us apply this plan to the Norfork project over the period 1927–45, based on the actual water conditions and assuming 70,000 kilowatts of installed capacity. For argument's sake the project is interconnected with Denison and Bull Shoals. Let us assume that the Government contracts give Mr. Lynch's company the full use of one generator; that is, 35,000 kilowatt-hours for any 4 hours of each 250 working days a year. This would guarantee him 35,000 kilowatts for peaking purposes during 4 hours every day. To do this would require 2,917,000 kilowatt-hours per month. On a monthly basis the company could use Norfork for peaking more than 4 hours per day on some days of each month. This company would receive annually 35,000,000 on-peak kilowatt-hours and give back to the Government 105,000,000 off-peak kilowatt hours. The table which I ask permission to insert in the RECORD at this point shows how this plan would have worked over the 19-year period. I trust that the Members of the House will study this carefully.

Assumed revenue, Norfork project, 1927–45 [1]

Year	Energy available				Energy required for S. P. A. load plus A. P. & L. contract [4]	Surplus energy for sale	Revenue to S. P. A.		
	Net energy generated	Off-peak energy A. P. & L. to S. P. A. in return for peaking energy [2]	Energy to be borrowed from other projects [3]	Generation plus A. P. & L. return energy plus borrowed energy			Revenue from 40,000 kilowatts at 400 hours use per month	Revenue from surplus energy at 1.10 mills per kilowatt-hour	Total revenue
	Thous. of kw.-hrs.	*Thous. of kw.-hrs.*	*Thous. of kw.-hrs.*	*Thous. of kw.-hrs.*	*Thous. of kw.-hrs.*	*Thous. of kw.-hrs.*	*Thous. of kw.-hrs.*		
1927	398,340	105,000	0	503,340	227,000	276,340	1,032,000	$328,845	$1,360,845
1928	302,518	105,000	0	407,518	227,000	180,518	1,032,000	214,816	1,246,816
1929	255,427	105,000	0	360,427	227,000	133,427	1,032,000	158,778	1,190,778
1930	178,860	105,000	0	283,860	227,000	56,860	1,032,000	67,663	1,099,663
1931	120,941	105,000	1,059	227,000	227,000	0	1,032,000	0	1,032,000
1932	95,877	105,000	26,123	227,000	227,000	0	1,032,000	0	1,032,000
1933	132,040	105,000	0	237,040	227,000	10,040	1,032,000	11,948	1,043,948
1934	103,412	105,000	18,588	227,000	227,000	0	1,032,000	57,287	1,089,287
1935	170,140	105,000	0	275,140	227,000	48,140	1,032,000	0	1,032,000
1936	114,454	105,000	7,546	227,000	227,000	0	1,032,000	0	1,032,000
1937	139,795	105,000	0	244,795	227,000	17,795	1,032,000	21,176	1,053,176
1938	183,766	105,000	0	288,766	227,000	61,766	1,032,000	73,502	1,105,502
1939	192,243	105,000	0	297,243	227,000	70,243	1,032,000	83,589	1,115,589
1940	111,777	105,000	10,223	227,000	227,000	0	1,032,000	0	1,032,000
1941	114,157	105,000	7,843	227,000	227,000	0	1,032,000	0	1,032,000
1942	164,055	105,000	0	269,055	227,000	42,055	1,032,000	50,045	1,082,045
1943	225,139	105,000	0	330,139	227,000	103,139	1,032,000	122,735	1,154,735
1944	123,459	105,000	0	228,459	227,000	1,459	1,032,000	1,736	1,033,736
1945	272,872	105,000	0	377,872	227,000	150,872	1,032,000	179,538	1,211,538
Total	3,399,272	1,995,000	71,382	5,465,654	4,313,000	1,152,654	19,608,000	1,371,658	20,979,658
Minus borrowed energy						71,382		84,945	84,945
Net total						1,081,272		1,286,713	20,894,713
Average annual revenue for the 19-year period									1,099,722

[1] Table based upon (*a*) 70,000 kilowatts installed capacity utilizing actual water available during the period; (*b*) contract to supply A. P. & L. Co. with 35,000 kilowatts during any 4 hours daily for 250 workdays a year for peaking purposes and the comyany to return the project 3 kilowatt-hours of off-peak energy for each kilowatt-hour received; (*c*) borrowing small amounts of kilowatt-hours from other S. P. A. projects; (*d*) S. P. A. serving a load of its own of 40,000 kilowatts using 400 hours per month; and (*e*) selling surplus kilowatt-hours in wet years at 1.19 mills per kilowatt-hour.

[2] Represents the annual energy to be returned to S. P. A. during off-peak periods in exchange for 35,000,000 killowatt-hours of energy annually delivered to A. P. & L. Co. for peaking purposes. Exchange made on the basis of 3 kilowatt-hours for 1 kilowatt-hour.

[3] Small amounts of energy borrowed from other S. P. A. projects during some low-water years.

[4] Total annual energy required to serve S. P. A. load of 192,000,000 kilowatt-hours, and 35,000,000 kilowatt-hours supplied to A. P. & L. Co. for peaking.

The Government would have received under this plan $20,894,712 during the 19-year period. Under Mr. Lynch's plan, the companies would have received amounts varying from $6,033,830 to $17,767,280. The average return to the Government probably would be between these two figures. Mr. Lynch's company's present contract with the Government at an average rate of 3 mills per kilowatt-hour would have returned to the Government only $10,197,816 during the 19-year period.

According to the Army engineer studies, the project should return $712,000 annually to the Government in order to defray all costs of operation and amortize the investment of the people in the projects. On this basis, the project should have returned $13,528,000 during the 19-year period. Under the plan proposed, it would have returned $20,895,000, or $7,367,000 more than necessary to pay all costs at the dam—a saving of $7,367,000 during the period for the people which they could use either as a saving to the consumers in rate reduction or to reduce the time in which the people completely pay for the project.

Third. Mutually advantageous cooperation: The Southwest Power Administration has suggested to the companies the desirability of letting the Government use the supply capacity which the companies have in their lines. This plan would avoid the necessity of the Government constructing lines where unused capacity in existing lines owned by the companies would serve the Government's need.

This plan is consistent with Mr. Lynch's argument. He uses towns A and B. By cooperating, the towns solved one another's problems to the advantage of each. Mr. Lynch realizes the human element. He points out that if there is pride, jealousy, or suspicion, an agreement between the towns cannot be reached. He says:

> It would be much easier to compose the engineering features of this problem than to compose the human elements behind them.

Mr. Lynch has not been able to solve his own human element with respect to the Southwest Power Administration, as he is suspicious and fearful of it. Among other things, he says:

> Acceptance of the proposal that SPA be allowed to use transmission lines of the electric companies for distribution of SPA power would certainly make SPA power available to every customer of the electric companies, and SPA can take any of these customers from the companies by getting those customers to insist on buying SPA power. * * * The SPA rates, it must be remembered, would be subsidized through freedom of this Government Bureau from taxes and from the fact that this Bureau would be using tax funds at lower rates of interest than a business could obtain its money. * * * SPA insists on having an electric system all its own either by construction or by full use of electric-company lines, and it is pushing these insistences under the guise that it is the only possible way that can be worked out for the distribution of power and energy from the Government dams. * * * No; the plan proposed by SPA cannot be worked without great damage and ultimate destruction of the existing electric companies.

In the light of these statements by Mr. Lynch, it is understandable, just as he points out, that town A and town B could not come to a real agreement until they resolved their human differences. Likewise, Mr. Lynch and the Government cannot reach a mutually advantageous agreement relative to the power generated by the dams which the people are building in Arkansas and the Southwest, until Mr. Lynch has resolved his personal attitude toward the Southwest Power Administration, and is willing to

follow the fine example of public service set by the Texas Power & Light Co.

Therefore, the people must reject Mr. Lynch's offer of a gross of green spectacles.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include two editorials and one article.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an address by Mr. George Maurice Morris, former president of the American Bar Association, and two Korean jurists, and in the other an editorial from the Rochester Democratic Chronicle.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include an editorial of June 5 from the St. Louis Post-Dispatch entitled "Lowering the Presidency," and another editorial of the same date entitled "The Attorney General Dodges the Issue."

VOICE OF AMERICA

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, I take this time to serve notice on the Membership of the House that when the so-called Mundt bill providing for a so-called Voice of America comes up for action, I expect to offer a motion to recommit that bill to the Committee on Foreign Affairs.

EXTENSION OF REMARKS

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include an editorial on statehood for Hawaii.

DISSEMINATING IMFORMATION ABOUT AMERICA

Mr. MILLER of Nebrasa. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, in the Christian Science Monitor of Saturday, I read the following:

> There are 17,000 unofficial ambassadors from other lands in the United States. They are watching Americans first-hand and observing everything that Americans do, say, and think. They are living in nearly every State in most of the big cities and towns and rural communities. They do not live in the embassies or the consulates. They live where the ordinary Americans do and the plain citizens in practically every walk of life. They are foreign students in American colleges and American universities.

Personally, I am glad that they are here; they are learning about America and I hope are 17,000 good missionaries that should be considered when the Congress takes up the bill for the Voice of America. The Congress ought to also consider very carefully how many more might be brought in under the so-called bill the Voice of America. We must keep in mind that our universities are now turning away worthy GI's who would like to enter school this year and next year. There is no room for them. There is no surplus housing for aliens. The Voice of America should be recommitted and cut down to just a factual interesting newscast about America.

SPECIAL ORDER GRANTED

Mr. BRYSON. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered I may address the House for 15 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

LESS SPENDING, LESS DEBT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I was very much interested when the gentleman from Minnesota [Mr. KNUTSON] spoke about the tax bill and how the people wanted tax relief, then the distinguished minority leader rose and said that he did not know of any agreement whereby the President agreed to reduce taxes.

That might be, and I presume it is the truth.

Taxes, taxes, taxes, taxes—not more taxes, we want less taxes; as Republicans we want less taxes for the American people. The Republicans promised less taxes and we passed the bill giving them less taxes. It is now up to the President. If the people do not get less taxes it is now the fault of President Truman.

The Republicans passed the tax bill, cutting down the burden of taxation. You know what happened in the last 10 or 15 years under the New Deal. I came here to Congress when we had a national debt of $21,000,000,000. Then the New Deal increased that national debt until on June 4 it was over $257,000,000,000. I was in this House when the Democrats brought in one tax bill after another, requesting taxes from the people, until they brought in 15 different tax bills in less than 15 years. That is some terrible record of taxation. What the Republicans are trying to do is to cut down on these great expenses that the Democrats built up in the last 15 years. More bureaus and functions of government. We have the greatest debt of any nation in the world inherited from a Democratic Congress. We want to apply everything we can on this terrible debt. I would suggest that President Truman use every effort, after he relieves the taxpayers of a little of the burden he placed on them during the Democratic administration in the last 14 years, to cut down Government expenses. If the President will try to cut down the Government expenses we can easily reduce taxes.

The President is asking for spending here and there and everywhere, not only over our own country for every purpose, but he now has a program for spending all over the world. I say to you, Mr. President, cut down on their spending. Less spending means less taxes. I recommend it also to the Democratic Party. We Republicans are cutting down expenses in the House and Senate, but we get no help from the Democrats, no help from the President. Why? They seem too anxious to spend and not to save.

Cut down taxes, cut down spending; less spending, means less debt. Our spending will be the measure of cutting down our debt. We should cut down spending six billions a year and apply it on debt payment.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

PRIVATE RIGHT-OF-WAY TO ROSCOE L. WOOD

Mr. WELCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1288) to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

> Line 8, strike out " for so long as needed" and insert "until this land has access to a contiguous highway or public way."

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. WELCH]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

VOICE OF AMERICA

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, I would like to call the attention of the Members of the House to section 301 of the Voice of America bill.

This section 301 is an immigration bill as it pertains to the entry and deportation of people. As I read the section, it gives authority to the Secretary of State to permit the entry of an endless number of persons. They can come to this country outside quotas and the immigration laws of the country. When deportation is found necessary they are put under the Immigration Act of 1917, and the Department of Justice has a poor record of deporting people. It will be possible for thousands to come to this country and declare themselves to be displaced persons by saying "I cannot be sent home. I will be shot," or "The political picture has changed and I have no home." So they become refugees and stay as long as they want to. In my opinion this section absolutely opens up the

immigration gates of this country. I ask you to please give this section 301 serious study before we vote on H. R. 3342 or the so-called Voice of America bill.

The SPEAKER. The time of the gentleman from West Virginia has expired.

DISTRICT OF COLUMBIA BUSINESS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I would like to inform the House that this is District of Columbia day and that the Committee on the District of Columbia has two bills, the first of which is not controversial, and I propose to call it up in the House as in the Committee of the Whole.

The second bill deals with a revamping of the tax structure of the District of Columbia, and on that I shall move that the House resolve itself into the Committee of the Whole House on the State of the Union, with the possibility of trying to get an agreement for 2 hours of general debate. Then the bill will be read under the 5-minute rule.

AMENDING ACT TO REGULATE THE BUSINESS OF LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I call up the bill (H. R. 1634) to amend section 1, and provisions (6), (7), and (8) of section 3, and provision (3) of section 4 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," and to add sections 5a, 5b, and 5c, thereto, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the bill may be considered in the House as in the Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of chapter V of the Act of June 19, 1934, entitled "An Act to regulate the business of life insurance in the District of Columbia," be amended to read as follows:

"SECTION 1. Superintendent to value policies; legal standard of valuation: (a) The Superintendent shall annually value, or cause to be valued, the reserve liabilities (hereinafter called reserves) for all outstanding life-insurance policies and annuity and pure endownment contracts of every life-insurance company doing business in the District except that in the case of an alien company such valuation shall be limited to its insurance transactions in the United States, and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest and methods (net level premium method or other) used in the calculation of such reserves. All such valuations made by him or by his authority, shall be made upon the net premium basis. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves herein required of any foreign or alien company, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any State or other jurisdiction when such valuation complies with the minimum standard herein provided and if the official of such State or jurisdiction accepts as sufficient and valid for all purposes the certificate of valuation of the Superintendent when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that State or jurisdiction.

"Any such company which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the Superintendent, adopt any lower standard of valuation, but not lower than the minimum herein provided.

"(b) This subsection shall apply to only those policies and contracts issued prior to the operative date of section 5b (the standard nonforfeiture law) of this chapter.

"The legal minimum standard for the valuation of life-insurance contracts issued before January 1, 1935, shall be the method and basis of valuation heretofore applied by the Superintendent in the valuation of such contracts, and for life-insurance contracts issued on and after said date shall be the 1-year preliminary term method of valuation, except as hereinafter modified, on the basis of the American Experience Table of Mortality with interest at 3½ per centum per annum: *Provided*, That any life company may, at its option, value its insurance contracts issued on and after January 1, 1935, in accordance with their terms on the basis of the American Men Ultimate Table of Mortality with interest not higher than 3½ per centum per annum by the level net premium method or by the modified preliminary term method hereinafter described.

"If the premium charged for term insurance under a limited payment life preliminary term policy providing for the payment of all premiums thereon is less than 20 years from date of the policy, or under an endowment preliminary term policy, exceeds that charged for like insurance under 20 payment life preliminary term policies of the same company, the reserve thereon at the end of the year, including the first, shall not be less than the reserve on a 20 payment life preliminary term policy issued in the same year and at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium payment period, equal to the difference between the value at the end of such period of such a 20 payment life preliminary term policy and the full net level premium reserve at such time of such a limited payment life or endowment policy. The premium payment period is the period during which premiums are concurrently payable under such 20 payment life preliminary term policy and such limited payment life or endowment policy.

"Policies issued on the preliminary term method shall contain a clause specifying that the reserve thereof shall be computed in accordance with the modified preliminary term method of valuation provided for herein.

"The legal minimum standard for the valuation of annuities issued on and after January 1, 1935, shall be McClintock's Table of Mortality Among Annuitants, with interest at 4 percent per annum, but annuities deferred 10 or more years and written in connection with life insurance shall be valued on the same basis as that used in computing the consideration or premium therefor, or upon any higher standard at the option of the company.

"The legal minimum standard for the valuation of industrial policies issued after January 1, 1935, shall be the American Experience Table of Mortality with interest at 3½ percent per annum: *Provided*, That any life company may voluntarily value its industrial policies on the basis of the standard industrial mortality table or the substantial industrial mortality table by the level net premium method or in accordance with their terms by the modified preliminary term method hereinbefore described.

"The Superintendent may vary the standards of interest and mortality in the case of alien companies as to contracts issued by such companies in other countries than the United States, and in particular cases of invalid lives and other extra hazards.

"Reserves for all such policies and contracts may be calculated, at the option of the company,, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by this subsection.

"(c) This subsection shall apply to only those policies and contracts issued on or after the operative date of section 5B (the standard nonforfeiture law) of this chapter.

"(1) The minimum standard for the valuation of all such policies and contracts shall be the Commissioners reserve valuation method defined in paragraph (2), 3½ percent interest, and the following tables:

"(i) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental-death benefits in such policies, the Commissioners 1941 Standard Ordinary Mortality Table.

"(ii) For all industrial life-insurance policies issued on the standard basis, excluding any disability and accidental-death benefits in such policies, the 1941 Standard Industrial Mortality Table.

"(iii) For annuity and pure endowment contracts, excluding any disability and accidental-death benefits in such policies, the 1937 Standard Annuity Mortality Table.

"(iv) For total and permanent disability benefits in or supplementary to ordinary policies or contracts, class (3) Disability Table (1926) which, for active lives, shall be combined with a mortality table permitted for calculating the reserves for life-insurance policies.

"(v) For accidental-death benefits in or supplementary to policies, the Intercompany Double Indemnity Mortality Table combined with a mortality table permitted for calculating the reserves for life-insurance policies.

"(vi) For group life insurance, life insurance issued on the substandard basis and other special benefits, such tables as may be approved by the Superintendent.

"(2) Reserves according to the Commissioners reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (A) over (B), as follows:

"(A) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due: *Provided, however*, That such net level annual premium shall not exceed the net level annual premium on the 19-year premium whole life plan for insurance of the

same amount at an age 1 year higher than the age at issue of such policy.

"(B) A net 1-year term premium for such benefits provided for in the first policy year.

"Reserves according to the Commissioners reserve valuation method for (i) life-insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums, (ii) annuity and pure endowment contracts, (iii) disability and accidental death benefits in all policies and contracts, and (iv) all other benefits, except life insurance and endowment benefits in life-insurance policies, shall be calculated by a method consistent with the principles of this paragraph (2).

"(3) In no event shall a company's aggregate reserves for all life-insurance policies, excluding disability and accidental death benefits, be less than the aggregate reserves calculated in accordance with the method set forth in paragraph (2) and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies.

"(4) Reserves for any category of policies, contracts, or benefits as established by the Superintendent, may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for therein: *Provided, however,* That reserves for participating life-insurance policies may, with the consent of the Superintendent, be calculated according to a rate of interest lower than the rate of interest used in calculating the nonforfeiture benefits in such policies, with the further proviso that if such lower rate differs from the rate used in the calculation of the nonforfeiture benefits by more than one-half percent the company issuing such policies shall file with the Superintendent a plan providing for such equitable increases, if any, in the cash surrender values and nonforfeiture benefits in such policies as the Superintendent shall approve."

SEC. 2. That provisions (6), (7), and (8) of section 3 of Chapter V of said Act, be amended to read as follows:

"(6) A provision that after the policy has been in force three full years the company at any time, while the policy is in force, will advance, on proper assignment or pledge of the policy and on the sole security thereof, at a specified rate of interest, a sum equal to, or at the option of the insured less than the amount required by section 5c of this chapter under the conditions specified thereby; and that the company will deduct from such loan value any indebtedness not already deducted in determining such value and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. This provision shall not be required in term insurance, nor shall it apply to temporary insurance or pure endowment insurance, issued or granted in exchange for lapsed or surrendered policies. The policy may further provide that if the interest on the loan is not paid when due it shall be added to the existing loan and shall bear interest at the same rate.

"(7) A provision for nonforfeiture benefits and cash-surrender values in accordance with the requirements of section 5a or section 5b of this chapter.

"(8) A provision specifying the options, if any, to which the policyholder is entitled in the event of default in a premium payment."

SEC. 3. That provision (3) of section 4 of chapter V of said act, be amended to read as follows:

"(3) Except for provisions relating to misstatement of age, suicide, aviation, and military or naval service in time of war, a provision for any mode of settlement at maturity, after the expiration of the contestable period of the policy, of less value than the amount insured on the face of the policy plus dividend additions, if any, less any indebtedness to the company on or secured by the policy, and less any premium that may, by the terms of the policy, be deducted. This paragraph shall not apply to any nonforfeiture provision."

SEC. 4. That said act is amended by inserting after section 5 of chapter V thereof the following three new sections:

"SEC. 5a. Nonforfeiture benefits and cash-surrender values: This section shall apply only to policies of life insurance issued prior to the operative date of section 5b (the standard nonforfeiture law) of this chapter.

"The nonforfeiture benefits referred to in provision (7) of section 3 of this chapter shall be available to the insured in event of default in premium payments, after premiums shall have been paid for 3 years, and shall be a stipulated form of insurance, effective from the due date of the defaulted premium, the net value of which shall be at least equal to the reserve at the date of default on the policy and on dividend additions thereto, if any, exclusive of the reserve on account of return premium insurance and on total and permanent disability and additional accidental death benefits (the policy to specify the mortality table and rate of interest adopted for computing such reserve), less a specified percentage (not more than 2½) of the amount insured by the policy and of existing dividend additions thereto, if any, and less any existing indebtedness to the company on or secured by the policy: *Provided,* That a company may, in lieu of the provision herein permitted for the deduction from the reserve of a sum not more than 2½ percent of the amount insured by the policy, and of any dividend additions thereto, insert in the policy a provision that one-fifth of said reserve may be deducted, or may provide therein that a deduction may be made of said 2½ percent or one-fifth of said reserve, at the option of the company: *Provided further,* That the policy may be surrendered to the company at its home office within 1 month of the due date of defaulted premium for a specified cash value at least equal to the sum which would otherwise be available for the purchase of insurance as aforesaid: *And provided further,* That the company may defer payment for not more than 6 months after the application therefor is made. A provision may also be inserted in the policy that in event of default in a premium payment before such benefit becomes available, the reserve on any dividend additions then in force may at the option of the company be paid in cash or applied as a net premium to the purchase of paid-up term insurance for any amount not in excess of the face of the original policy. This section shall not apply to term insurance of 20 years or less. The net single-premium rate employed in computing the term of temporary insurance or the amount of pure endowment insurance granted as a nonforfeiture value under any life-insurance policy may at the option of the company be based upon a table of mortality showing rates of mortality not greater than 130 percent of those shown by the American Men Ultimate Table of Mortality instead of the table used in computing the reserve on the policy, or in case of substandard policies not greater than 130 percent of the rates of mortality shown by the table of mortality approved by the Superintendent for computing the reserve on the policy, anything herein to the contrary notwithstanding.

"SEC. 5. Standard nonfeiture laws: (a) In the case of policies issued on or after the operative date of this section, as defined in subsection (g) no policy of life insurance, except as stated in subsection (f), shall be issued or delivered in the District of Columbia unless it shall contain in substance the following provisions, or corresponding provisions which in the opinion of the Superintendent are at least as favorable to the defaulting or surrendering policyholder—

"(1) that, in event of default in any premium payment after premiums have been paid one full year in the case of ordinary insurance or three full years in the case of industrial insurance, the company will grant, upon proper request not later than 60 days after the due date of the premium in default, a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such value as may be hereinafter specified;

"(2) that, upon surrender of the policy within 60 days after the due date of any premium payment in default after premiums have been paid for at least three full years in the case of ordinary insurance or five full years in the case of industrial insurance, the company will pay, in lieu of any paid-up nonforfeiture benefit, a cash surrender value of such amount as may be hereinafter specified;

"(3) that a specified paid-up nonforfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than 60 days after the due date of the premium in default.

"(4) that, if the policy shall become paid up by completion of all premium payments or if it is continued under any paid-up nonforfeiture benefit which became effective on or after the third policy anniversary in the case of ordinary insurance or the fifth policy anniversary in the case of industrial insurance, the company will pay, upon surrender of the policy within 30 days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified;

"(5) a statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up nonforfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefit, if any, available under the policy on each policy anniversary either during the first twenty policy years or during the term of the policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the company on the policy;

"(6) a brief and general statement of the method to be used in calculating the cash surrender value and the paid-up nonforfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy, with an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the company on the policy.

"Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy.

"The company shall reserve the right to defer the payment of any cash surrender value for a period of 6 months after demand therefor with surrender of the policy.

"(b) Any cash surrender value available under any policy referred to in subsection (a) in the event of default in a premium payment due on any policy anniversary, whether or not required by subsection (a), shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of (i) the then present value of the adjusted premiums as defined in subsection (d), corresponding to premiums which would have fallen due on and after such anniversary, and (ii) the amount of any in-

debtedness to the company on the policy. Any cash surrender value available within 30 days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefit, whether or not required by subsection (a), shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the company on the policy.

"(c) Any paid-up nonforfeiture benefit available under any policy referred to in subsection (a), in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such anniversary shall be at least equal to the cash surrender value then provided for by the policy or, if none is provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

"(d) The adjusted premiums for any policy referred to in subsection (a) shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding amounts stated in the policy as extra premiums to cover impairments or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (i) the then present value of the future guaranteed benefits provided for by the policy; (ii) 2 percent of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy, (iii) 40 percent of the adjusted premium for the first policy year, (iv) 25 percent of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less: *Provided, however*, That in applying the percentages specified in (iii) and (iv) above, no adjusted premium shall be deemed to exceed 4 percent of the amount of insurance or level amount equivalent thereto.

"In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent level amount thereof for the purpose of this subsection shall be deemed to be the level amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy.

"All adjusted premiums and present values referred to in this section shall be calculated on the basis of the Commissioners 1941 Standard Ordinary Mortality Table for Ordinary Insurance and the 1941 Standard Industrial Mortality Table for Industrial Insurance and the rate of interest, not exceeding 3½ percent per annum, specified in the policy for calculating cash-surrender values, if any, and paid-up nonforfeiture benefits: *Provided, however*, That in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than 130 percent of the rates of mortality according to such applicable table: *Provided, further*, That for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Superintendent.

"(e) Any cash surrender value and any paid-up nonforfeiture benefit, available under any such policy in the event of default in the payment of any premium due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and payment of fractional permiums beyond the last preceding policy anniversary. All values referred to in subsections (b), (c), and (d) may be calculated upon the assumption that any death benefit is payable at the end of the policy or contract year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the dividends used to provide such additions. Notwithstanding the provisions of subsection (b), additional benefits payable (i) in the event of death or dismemberment by accident or accidental means, (ii) in the event of total and permanent disability, (iii) as reversionary annuity or deferred reversionary annuity benefits, (iv) as decreasing term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, and (v) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash-surrender values and nonforfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits.

"(f) This section shall not apply to any reinsurance, group insurance, pure endowment, annuity or reversionary-annuity contract, nor to any term policy of uniform amount, or renewal thereof, of 15 years or less expiring before age 66, for which uniform premiums are payable during the entire term of the policy, nor to any term policy of decreasing amount on which each adjusted premium, calculated as specified in subsection (d), is less than the adjusted premium so calculated, on such 15-year term policy issued at the same age and for the same initial amount of insurance, nor to any policy or contract which shall be delivered outside the District of Columbia through an agent or other representative of the company issuing the policy.

"(g) After the effective date of this act, any company may file with the Superintendent a written notice of its election to comply with the provisions of this section after a specified date before January 1, 1950. After the filing of such notice, then upon such specified date (which shall be the operative date for such company), this section shall become operative with respect to the policies and contracts thereafter issued by such company. If a company makes no such election, the operative date of this section for such company shall be January 1, 1950."

"SEC. 5c. Loan provisions in policies: (a) In the case of ordinary policies issued prior to the operative date of section 5b (the standard nonforfeiture law) of this chapter the loan value referred to in provision (6) of section 3 of this chapter shall be the reserve at the end of the current policy year on the policy and on the dividend additions thereto, if any, exclusive of the reserve on account of return premium insurance and of total and permanent disability and additional accidental death benefits, less a sum not more than 2½ percent of the amount insured by the policy and of any dividend additions thereto (the policy to specify the mortality table and rate of interest adopted for computing such reserve). The policy may provide that such loan may be deferred for not exceeding 6 months after the application therefor is made. A company may, in lieu of the provision hereinabove permitted for the deduction from a loan on the policy of a sum not more than 2½ percent of the amount insured by the policy and of any dividend additions thereto, insert in the policy a provision that one-fifth of the said reserve may be deducted in case of a loan under the policy, or may provide therein that the deduction may be the said 2½ percent or the one-fifth of the said reserve at the option of the company.

"(b) In the case of ordinary policies issued on or after the operative date of section 5b (the standard nonforfeiture law) of this chapter the loan value referred to in provision (6) of section 3 of this chapter shall be the cash surrender value at the end of the current policy year as required by section 5b of this chapter. The company shall reserve the right to defer such loan, except when made to pay premiums, for 6 months after application therefor is made."

Mr. DIRKSEN. Mr. Speaker, I might state for the information of the membership that by the action taken in passing this bill we are bringing the District of Columbia in line with most of the jurisdictions of the country in adopting certain new mortality standards for the District. These are already compulsory in 25 States and are permissive in 12 others and will be of real general benefit to the entire insurance industry.

There is some $873,000,000 worth of effective insurance in the District of Columbia at the present time. This bill proposes to make effective new mortality tables based upon later years so that there may be credit for all the skill and advance that have been made adding to longevity. This in turn will spell out in terms of benefit for all of the policyholders.

It has been prepared under the direction of the Advisory Committee of the industry and it comes here without controversy and with the recommendation of the Commissioners and the Superintendent of Insurance.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. HARRIS. I should like to ask the distinguished chairman of this committee if it is not a fact that it has been some 60 years since the mortality rates for the District of Columbia have been revised.

Mr. DIRKSEN. As a matter of fact, it has been 68 years since the mortality tables have been revised.

Mr. HARRIS. And this proposal brought to the House today is for the purpose of bringing the mortality tables down to date in line with States of the Union which have mortality rates fixed in recent years, and in line with those States where such tables are permissive.

Mr. DIRKSEN. That is correct.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. RICH. This, then, conforms more closely to the standards that have been adopted by the majority of the States.

Mr. DIRKSEN. And brings it up to date.

Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his re-

marks in the Appendix of the RECORD and include a radio address.

Mr. SHORT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

SPECIAL ORDER GRANTED

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House on Wednesday, June 11, following the business of the day and the special orders that may have been entered heretofore for that day.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

PROVIDING REVENUE FOR THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes; and pending that, Mr. Speaker, I should like to arrange with the gentleman from Arkansas [Mr. HARRIS], who for the moment is the ranking minority member of the committee on the floor, with respect to time. I respectfully suggest that perhaps 2 hours of general debate equally divided between both sides will be ample, after which, of course, there will be abundant time to examine the various sections under the 5-minute rule.

Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided.

Mr. HARRIS. Reserving the right to object, Mr. Speaker; as I understand, this is an omnibus bill, a revision of the tax laws of the District of Columbia. There is likely to be quite a lot of debate. There are many Members who have manifested quite an interest in it.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. SABATH. Is the so-called sales tax embodied in this bill?

Mr. DIRKSEN. Mr. Speaker, I can enter into no controversy with respect to the merits of the bill. At the moment we are trying to fix a limitation of time.

Mr. SABATH. Before I can consent to a limitation such as asked for by the gentleman from Illinois I wish to be informed as to whether the bill includes a sales tax.

Mr. HARRIS. The bill as presented to the House does not include a sales tax provision. We understand, however, that some Members have under consideration a proposal to include a sales tax by way of amendment. We have no control over that, of course. I personally have no objection to a time limit of 2 hours if it is equally divided.

Mr. EBERHARTER. Mr. Speaker, reserving the right to object, there are many Members interested in the provision which would penalize the residents of certain States that do not have an income-tax law. I refer to people temporarily residing in the District of Columbia coming from States that do not have an income-tax law. Is that provision to be discussed or has it been put into this bill?

Mr. DIRKSEN. Mr. Speaker, that provision will be abundantly discussed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CALL OF THE HOUSE

Mr. CHURCH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 74]

Allen, Ill.	Hand	Meade, Ky.
Allen, La.	Harless, Ariz.	Morgan
Bakewell	Harness, Ind.	Morrison
Barden	Hart	O'Toole
Bell	Hartley	Owens
Bishop	Heffernan	Patman
Bland	Hendricks	Pfeifer
Bloom	Hess	Philbin
Boykin	Hill	Plumley
Buckley	Holmes	Potts
Burleson	Huber	Powell
Busbey	Hull	Rabin
Byrnes, Wis.	Jarman	Rayfiel
Carson	Jenison	Redden
Case, S. Dak.	Johnson, Okla.	Reeves
Clark	Judd	Richards
Clements	Kearns	Riley
Clippinger	Kefauver	Rizley
Combs	Kelley	Robertson
Courtney	Kennedy	Rockwell
Dawson, Ill.	Keogh	Rooney
Dingell	King	Sasscer
Doughton	Klein	Scoblick
Durham	Landis	Scott, Hardie
Elston	Lane	Scott, Hugh D., Jr.
Evins	Lemke	Seely-Brown
Fisher	Lesinski	Shafer
Flannagan	Lynch	Smith, Ohio
Fuller	McCowen	Somers
Gallagher	McGarvey	Springer
Gamble	McMahon	Sundstrom
Gary	Macy	Taylor
Gifford	Maloney	Towe
Gorski	Mansfield, Mont.	Vail
Granger	Mansfield, Tex.	Vursell
Grant, Ind.	Marcantonio	Weichel
Gwinn, N. Y.	Martin, Iowa	West
Hall, Leonard W.		Youngblood

The SPEAKER. Three hundred and fourteen Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE TO INVESTIGATE POTATOES

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that the Committee To Investigate the Potato Situation may sit today during the general debate.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX ACT OF 1947

The SPEAKER. The question is on the motion of the gentleman from Illinois [Mr. DIRKSEN] that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3737).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, with Mr. ARENDS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DIRKSEN. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. DIRKSEN. Mr. Chairman, today the House will consider a revenue bill for the District of Columbia. Before yielding to the chairman of the subcommittee that handled this bill I wish to indicate a few highlights by way of preliminary.

When the President's budget message came to the Congress in January there was included a budget for the District of Columbia—that is a budget for the seat of government—for the fiscal year 1948. That budget indicated a deficit between expenditures and revenues for the District of Columbia of some $10,500,000. So it became the responsibility of the Congress, since the District is absolutely and entirely dependent upon the Congress for policy legislation and for revenues, to devise ways and means of finding the funds whereby this deficit could be cured.

The Commissioners, who are the executive heads for the District of Columbia, worked out a program that was embodied in some 9 or 10 bills. Those bills were forwarded to me, and in my capacity as chairman of the committee they were introduced. They related to additional revenues from gasoline, amusements, electrical energy, telephone bills, and a variety of services, and included also a proposal for a 2-percent sales tax.

On innovation was developed this year. We contrived with the Senate to hold joint instead of separate hearings upon this revenue measure. A joint committee of the House and the Senate thereupon held extensive hearings, and this work really got under way in January of 1947. They have been at it for a long time, and they made a very exhaustive exploration of this whole matter. They have followed this with the aid of the Census Bureau, the budget officer, and of the Commissioners, and every type of information with respect to revenue and expenditures in the hope that they could contrive a very sound fiscal program not only for the fiscal year 1948 but for the fiscal year 1949 with a minimum of tax devices.

This bill is presented to you today as the fruit of the work of this subcommittee. In my capacity as chairman, I want to commend to the House, the chairman, and the members of that subcommittee, the chairman and the members of the Senate committee. After all, it is a labor of love. They have given freely of their time for more than 4 months for the purpose of devising the bill that is presented today; and I think it is owing to the gentleman from Massachusetts [Mr. BATES], who has had a wealth of experience in the whole field of municipal finance and who was at one time fiscal adviser to

some 39 communities in the eastern section of the country, who has given so freely of his time and who has studied so diligently and so thoroughly in the hope that a tax program could be devised that was sound, that would generate the necessary revenues, and that would have that degree of practicability that it could be applied over the years. So, with that in mind, I recommend to you the bill which the subcommittee has reported and on which the District Committee took action.

I shall yield some time now to the gentleman who has given so freely of his time and who merits not only the credit of those in the Congress, since this committee is an agency and an honor to the Congress, but it does merit the appreciation and credit of the people of the District of Columbia.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DONDERO. Does the bill contain a sales tax?

Mr. DIRKSEN. No; but I can say to the gentleman from Michigan that some effort may be made to insert one. This I can say informally, since I have taken judicial notice of the fact that a proposal to include a sales tax may be offered.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Ilinois.

Mr. CHURCH. The gentleman from Washington [Mr. HORAN] intends to offer a sales-tax proposal. That has been well known for some time.

Mr. DIRKSEN. The Chairman was advised that potentially was ahead of us, but I did not feel it incumbent upon me to name the gentleman from Washington [Mr. HORAN].

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, I yield myself one additional minute.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Washington.

Mr. HORAN. I intend to offer the so-called Dirksen bill, I may say.

Mr. DIRKSEN. I should say in explanation thereof that when the Commissioners message bills to the Congress it is the policy of the chairman of the committee to introduce those bills whether they represent his viewpoint or not. That is one of the responsibilities that the chairman of this committee has.

Mr. Chairman, I now yield 15 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, may I say at the outset that this is the tax or revenue bill for the District of Columbia. As we all know, the legislative functions for the District of Columbia are embraced within the authority of Congress.

At the beginning of the year, because of the very distressing financial condition the District was facing, the Commissioners of the District of Columbia, who are the administrators of the District, found it necessary, in order that they might be able to balance the budget for the fiscal year 1948 which starts on July 1 next and also for succeeding years, to recommend nine different new sources of revenue.

One of those sources was the so-called income tax on individuals and on unincorporated business, the estimated yield to be about $3,150,000; a sales tax of 2 percent on taxable items that would yield an estimated $9,000,000; a tax on alcoholic beverages that would yield an estimate of $2,800,000; a tax on gasoline, increasing it from 3 cents to 4 cents, yielding $1,500,000; an increase in the inspection fee on motor vehicles and trailers from 50 cents to $1, to yield $65,000; an excise tax on cigarettes at 1 cent per package of 20 cigarettes, yielding an estimate of $800,000; and an amusement tax of 10 percent, which would yield $1,000,000; an excise tax on gas, electric, and telephone bills of 2 percent that would yield another $1,000,000, and a payment by the Federal Government for the water that we use, supplied by the District Government, that will yield an estimated revenue of $850,000. The sum total of those nine different sources of revenue would yield altogether approximately $20,298,000.

The reason the Commissioners recommended this tax program was to meet the constantly increasing cost of government in the District. When we stop to think that the District of Columbia, like all other large tax jurisdictions, is faced with ever-increasing costs, not only of personnel but material and everything else that goes into the operation of a community, we find justification for an increase in revenues.

As we look back over the record of the last 10 years from 1937 to 1948 we find that the expenditures in the District have increased from $42,759,000 in 1937 to an estimate of $97,457,000 in 1948, an increase of $54,698,000, or an increase in 10 years of 127 percent.

During the last 3 years alone, as the result of salary increases imposed on the District by Congress, we had to make allowance in the Budget for approximately $11,000,000. Together with the increased cost of operating the District in other respects, we found that we faced in the year 1948 a deficit of $10,494,693. The year 1949 we found we would be facing a deficit of over $12,181,787, and as we went into the year 1950 we were facing a deficit of $20,699,000.

Now, because of this condition that the District faced, your committee thought it would be the proper thing to make a complete exploration of the administration of the District for the past 10 years. To that end we held extensive hearings. We have gone most minutely into the operation and the cost of every department of the District in order to lay the groundwork for what was the reason for the increased cost of government down through that period of time. We came to the conclusion that a good deal of it was unavoidable because of the increases in the labor costs, in the material cost, in the expansion of municipal services, and we also came to the conclusion that by and large the District, operated by the Commissioners, was being carried on in a rather efficient manner. But, having in mind that we were face to face with these deficits, we had to do something about it.

The present source of revenue, it was felt, would not be sufficient, and to that end we had to devise some means by which those deficits could be taken care of and the essential purposes be maintained for a growing community. We must consider also that in the period of only 11 years we have seen an expansion of the highway system, new roads, from 1937, when we then had 826 miles of road with an average width of 30 feet whereas in 1948 we will have 990 miles of road with an average width of 30 feet. So, considering all of those matters we had to make a complete objective study as to what should be done to put this city on a paying basis in order to make its income equal its outgo, or in other words in order that we may meet the expenses of government. To that end we have given a great deal of thought and study to the many suggested revenues offered by the Commissioners, which embrace the various methods of revenue that I read to you a moment ago.

We came to the conclusion that we ought not to embrace a multiplicity of taxes; that we ought to concentrate, if we could, on the most basic of all taxes, and then determining whether or not from those most basic of all taxes sufficient revenues could be developed to meet the operating expenses of the District.

Now, what are the most basic of all taxes in any community? First of all, we know that the real estate tax since time immemorial, has been the major tax in any community. We know also that the income tax is one of the basic taxes in this and many other tax jurisdictions. We know that if we cannot develop sufficient revenues from those most basic of all taxes, that then we ought to go into the so-called emergency field to develop other taxes to meet the expenses of government.

So, we did consider whether or not in the District of Columbia the real estate tax was fair and equitable, and we came to the conclusion that an increase in the real estate tax in the District of Columbia was very justifiable from almost every angle; from the standpoint of fairness, the equalization of the tax level, and the comparison that real estate here pays with other communities of the country. We know as a result of the study of the tax systems in these other large cities of the country, that we have explored into very thoroughly, that the tax load on the real estate taxpayers in the District is below that of any of the large communities of over 500,000 population in the country, so we feel that from that viewpoint, and from the viewpoint of spreading the tax, that real estate, which has not suffered any increase in the tax rate from 1937 up to the present time, ought to be increased from $1.75 per $100 to $2 per $100.

We are not unmindful of the recent increase in the valuation that has taken place in the District. As to what relation that new assessment of values would bear to the fair market today, we find that in the District of Columbia,

with the revised value, the ratio between the assessed value and the actual value is about 70 percent. We have always been led to believe that property in the District was assessed at 100 percent of its actual value, but the reports I have received from the assessors themselves show that the average ratio on business property, apartment houses, and residential properties in the District approximates 70 percent, the ratio of assessed value to what we might say is the market value as of today.

Then we go into the question of adjusted rates compared with all these other 11 cities of 500,000 population and more, and we find that even on the adjusted rate the District of Columbia is still, with one exception, lower than any one of those cities of 500,000 population. Therefore, we have recommended an increase in the tax rate of 25 cents a hundred, that will bring the rate up to $2 a hundred on the 70 percent value.

In addition, we have recommended revision in the income tax that will yield the District approximately $3,100,000. That tax will be assessed on every resident of the District who has resided here for a period of 7 months or resides here on the last day of the taxable year.

Then we feel, in addition to the real-estate tax, in order to adjust the deficit in what we call the general fund, that the Federal Government itself has an obligation to the District of Columbia for the many services it has rendered and is still rendering, and also as a result of the great expansion in carrying through many expensive projects in the Capital City of the Nation. To that end we have recommended an increase of $4,000,000 in the Federal contribution, that is now $8,000,000, and that $1,000,000 of the $4,000,000 be credited to the water fund in repayment for the water the Federal Government now uses in the District.

Further, Mr. Chairman, we are adopting the recommendation of the Commission for an increase in the inspection fee from 50 cents to a dollar, which will bring in about $65,000 a year.

We are also recommending an increase in the gasoline tax from 3 cents to 4 cents. When we stop to consider the tremendous expansion that is now taking place in the capital outlay, that is heavy expenditures for streets, for bridges, and everything else of major consequence in the Highway Department we feel that over and above the ordinary expenses of maintenance and operations we must allow additional revenue to carry through the major projects in this department. The gasoline fund and the inspection fee, upon which they depend primarily, are insufficient to meet their requirements today. We are convinced as a result of thorough study of the finances of the Highway Department that unless we are able to get increased revenue through an increase in the gasoline tax from 3 to 4 cents, many of the major projects will have to stop, such as the highway bridges and the Dupont Circle project. We must provide more revenue and the only way we could find to do that was through an increase of 1 cent per gallon tax on gasoline. The tax of 4 cents will be lower than in either of the adjacent States, where today it is 5 cents in the State of Maryland and 6 cents in the State of Virginia.

Mr. Chairman, that in brief outlines the program for the tax bill in the District of Columbia. I know other Members are going to speak on this very important question. We feel it ought to be thoroughly analyzed from every point of view, but we should keep in mind that the basic taxes on real estate, income, and the Federal contribution in the District of Columbia will meet all the requirements of the District for the next 2 years. I see no reason why we should embark upon a program of developing any other sources of emergency revenue when all the needs can be met from these basic taxes.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. BENDER. In my own State we have a sales tax of 3 cents on the dollar. Has the sales tax been abandoned in the District of Columbia?

Mr. BATES of Massachusetts. We have no sales tax in the District of Columbia. It was recommended, but as I said at the outset, if the basic tax on real estate and the Federal contribution and income tax will meet all the requirements of the District, certainly there is no need to develop other sources of revenue.

Mr. BENDER. We have a valuation of 100 percent on our real estate for the purposes of taxation. Do you say it averages about 70 percent here in the District of Columbia?

Mr. BATES of Massachusetts. I have in my hand, Mr. Chairman, a statement prepared by Mr. Dent, Chairman of the Board of Assessors in the District of Columbia, with reference to the assessed value of all properties that have been sold during the last 2-year period, involving several hundred business properties, apartment houses, and residential properties, and his figures show that the ratio of assessed value to the present market value in the District of Columbia is about 70 percent. He agrees with this and he so testified before the committee.

Mr. BENDER. When was the last general reappraisal of real estate here in the District?

Mr. BATES of Massachusetts. I believe way back prior to 1937, possibly 1930.

Mr. BENDER. How about the personal property tax? Do they have any personal property tax in the District?

Mr. BATES of Massachusetts. The same rate applies to personal property—not income, but personal property. They have the same local rate.

Mr. BENDER. You say the last general reappraisal was in 1930?

Mr. BATES of Massachusetts. About 1930. There has been none since 1937.

Mr. BENDER. That is, there was a reappraisal of some kind in 1937?

Mr. BATES of Massachusetts. No; this year is the first time in 10 years that there has been a revaluation in the District.

Mr. BENDER. That is, there has been a revaluation of all the property?

Mr. BATES of Massachusetts. This is the first year. The adjusted rate today is lower with one exception than in any of those communities of over 500,000 population.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, nobody loves a tax bill, but they are necessary evils. In the District of Columbia you are confronted with a situation that has to be met. The budget is confronted with a deficit of $10,500,000. Everybody in Washington and in the Congress admits that in the Nation's Capital we have the best, and there is always complaint when anything occurs here that indicates we do not have the best. You cannot have the best unless you are going to pay for it. We have to raise $10,500,000 of additional revenue. It does not make anybody happy to have to impose taxes. It does not make me happy. So when, at the beginning of this session the Subcommittee on Fiscal Affairs met with a similar subcommittee of the Senate we had before us some ten alternative proposals. The most important of those proposals was the alternative whether you are going to have a sales tax of whether you are going to raise revenue out of income tax that would bring in more revenue than the present income tax.

I think the House is confronted with that proposition of whether you want a sales tax or whether you want to adjust this income tax so as to make it fair to everybody, and not permit any more tax dodgers on income earned in the District of Columbia. It seems to me that is the simple proposition. If you want a sales tax, you can have it, but you have got to have something.

After very mature consideration and after weeks, and I might say months, of hearings on this complicated proposition, this committee selected the items in this bill, the most important of which is the income tax. Then we have an increase in the gasoline tax. This is a rounded proposition to raise the necessary revenue to operate the Nation's Capital as you and the Nation want it operated. If you do not want to raise the revenue to operate it as it should be operated, then you can say so today, and the responsibility is on the House. This committee has done 3 months of work on this matter and has presented to you what we think is a fair program. That committee sat day after day, busy Members of the Senate and of this House, and we invited every organization, business and otherwise, and every individual in the District who had any interest in this study, to come forward and express their views; and they did so in numbers and at length.

Now, having gone through with all that work and having perfected a program which we tell you we think is fair and just and the best program we can present, the question before this House is, Are you going to accept that program or are you going to throw it in the ash can?

Now it is up to the House. So far as I know, I do not think there is much controversy except about two items in

this bill, and I want to talk about those two items briefly.

One item is raising the gasoline tax in the District of Columbia from 3 to 4 cents. We hear a howl about that. Well, of course, traditionally, everybody howls when you place a tax on them. But let us analyze this objection to the gasoline tax in the District of Columbia. I think before you vote on that matter you ought to know and seriously consider the fact that the District of Columbia has the lowest gasoline tax in the United States.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. SMITH] has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SMITH of Virginia. Can you think of any good reason why the District of Columbia, which is supposed to be the best operated and the most expensively operated city in the Nation, and we want it so—can you think of any reason why this District should have the lowest gasoline tax in the United States? I do not enjoy paying 1 cent additional gasoline tax any more than the rest of you do, but I think we have to consider this matter on the basis of what is fair and right and honest and just. I wonder if you Members know what happens about this gasoline tax. Do you ever see these great big trucks rolling up and down the roads between Florida and New York? And did you ever notice that great big barrel that holds 50 gallons of extra gasoline that is attached on the side of the truck? And do you ever stop to consider why it is there? I will tell you why it is there. It is there so that those trucks which are using the highways of Virginia, North Carolina, South Carolina, Georgia, Florida, Maryland, Delaware, and New York—it is put there so they can dodge the gasoline tax in those States whose highways they are using and wearing out. Is that fair? Is that just? Is that what you believe to be honest and right?

Now, why, why should the District of Columbia enjoy the lowest gasoline tax in the United States when all this money is needed and has got to be had if you are going to have your highways and your bridges in the District of Columbia as they ought to be?

This fund is absolutely essential to the program laid down for the construction of highways and bridges in the District of Columbia over the next few years. If you want those highways and bridges you have got to have the tax to pay for them. If you are going to get the tax you have got to raise the gasoline tax from 3 to 4 cents. That is all there is to it. If you want to strike it out that is up to you. It makes no personal difference to the members of the committee whether you do or not.

Mr. SPRINGER Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SPRINGER. As a matter of fact with this low gasoline tax in the District of Columbia it is eminently unfair to all the surrounding territory, is it not?

Mr. SMITH of Virginia. It is unfair to all the States on the Atlantic seaboard, yes; because, as I say these big trucks carry these supplemental gas tanks, load them up in the District of Columbia, and do not pay any tax in the various States through which they operate.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield further?

Mr. SMITH of Virginia. I yield.

Mr. SPRINGER. And, as a matter of fact, the District of Columbia not receiving enough tax money to take care of her roads, highways, and bridges, they then call upon the people from the various States of the Union to make a contribution by way of taxation to make up the deficit. Is not that true?

Mr. SMITH of Virginia. I think it is the other way around. I just think these improvements will not be made unless the money to pay for them is raised out of the gasoline tax, because it is specifically set aside by law for that purpose.

Mr. SPRINGER. The improvements will not be made if the rest of the States are required to make their contribution.

Mr. SMITH of Virginia. That would be true.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HARRIS. The gentleman, of course, knows that no Federal contribution is made to the District highway fund. Is not that true?

Mr. SMITH of Virginia. That is true except for the matching fund.

Mr. HARRIS. Except for the matching fund which is apportioned to the District of Columbia under the law just as it is apportioned to the various States of the Union.

Mr. SMITH of Virginia. That is right.

Mr. HARRIS. I should like to ask the gentleman what is the gas tax in Maryland and Virginia?

Mr. SMITH of Virginia. It is 6 cents in Virginia and 5 in Maryland.

Mr. DIRKSEN. By virtue of a recent order signed by the Governor of Maryland it is now 5 cents.

And whereas the tax in the District has been 3, it is proposed to increase it by 1 cent until 1952.

Mr. HARRIS. Mr. Chairman, will the gentleman yield further?

Mr. SMITH of Virginia. I yield.

Mr. HARRIS. I understand that the 3-cent rate for the District was fixed during the war, that prior thereto it was 2 cents. Am I right?

Mr. SMITH of Virginia. Yes; I think that is true.

Mr. DIRKSEN. And I might say that under existing law the 3-cent rate continues until 1951.

Mr. HARRIS. It would were it not for this bill.

Mr. DIRKSEN. Yes.

Mr. SMITH of Virginia. In this bill it goes up to 4 cents until 1951.

Mr. HARRIS. 1952, is it not?

Mr. DIRKSEN. Yes; I believe it is 1952.

Mr. HARRIS. Can the gentleman from Virginia tell me what the registration fee is in the State of Virginia?

Mr. SMITH of Virginia. The gentleman has asked me something I cannot answer.

Mr. HARRIS. Can the gentleman tell me whether or not there is any difference in the registration fee in Virginia as compared with the District of Columbia?

Mr. DIRKSEN. No; I cannot.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. SMITH of Virginia. There is one additional feature of the bill I wish to touch, and that is the one dealing with the income tax. I do not know of any controversy over this or objection to it with the one exception of the person who claims domicile elsewhere. Here is what the bill would provide: If a person pays an income tax in another State then he is given credit for that income tax and does not have to pay an income tax in the District of Columbia.

As the District of Columbia will have under this bill the lowest income tax in the country the result is that any person who claims domicile elsewhere and pays his income tax there does not pay any income tax in the District of Columbia. I wonder who will argue that is not fair? Why should not persons pay an income tax somewhere? If they live in the District of Columbia, if they educate their children here, if they enjoy the services of the finest city in the world, why should they not pay this slight income tax if they do not pay it anywhere else? Why should they not pay it to the District of Columbia? I would like somebody to answer that question when we get into the debate.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. That proposition also applies to persons having intangible property here.

Mr. SMITH of Virginia. Yes. If the State in which the persons claim domicile has an income tax or an intangible property tax they get credit for that and do not have to pay it in the District.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. The gentleman stated that a person residing in the District of Columbia would get credit for a tax paid in another State in which he might claim domicile. Does the gentleman mean to say that he would not have to pay any tax in the District then?

Mr. SMITH of Virginia. They would be credited with the amount of the income tax they paid in the other State. If they pay it in another State they would not pay any in the District of Columbia because the income-tax laws in other States are all higher than the proposed income-tax law in the District of Columbia.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, of course, this tax bill does raise the tax rate for the purpose of financing the District of Columbia and applies to real estate, water, and gas. It broadens the base of the income tax and increases the Federal contribution.

It is a great pleasure to me to follow the gentleman from Virginia [Mr. SMITH], particularly upon that phase of the income-tax bill which is made effective by this law. To begin with I would like to advise the House that under this bill Members of Congress, Cabinet officers, and appointive officers of the President are specifically exempted. So there will be no question about that and you will understand that is so. But anyone else in the District of Columbia is not exempted.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not a fact that the language in the bill specifically exempts elective officers?

Mr. O'HARA. That is right.

Mr. HARRIS. And those appointed by the President and Cabinet officers?

Mr. O'HARA. That is right.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Illinois.

Mr. MASON. The language in the bill does not specifically exempt elective officers.

Mr. O'HARA. It so states.

Mr. DIRKSEN. I think what the gentleman from Illinois has reference to is this: He thinks there ought to be clarification. It has been generally agreed, and I think it is the intent and the interpretation of the corporation counsel and every member of the committee that the language is specific. But the amendment that the gentleman from Illinois has indicated to me as clarifying is not objectionable. Certainly if there is any doubt there can be no objection to the clarifying language.

Mr. O'HARA. I am not any more concerned about Members of Congress than I am those who are working down here on our staff and the people in the Government down here who are going to be harassed to pay taxes whether they pay them at home or not. My point is this: If we are going to except ourselves because we are down here as officers of the Government the employees ought to have the same consideration. I shall offer an amendment at the proper time to take care of that little matter.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Illinois.

Mr. DIRKSEN. For the sake of clarification, the income tax is on the books at the present time, and it was adopted by Congress to apply to the District in 1939, and specifically exempts elective officers. That is correct, is it not?

Mr. O'HARA. That is correct.

Mr. DIRKSEN. Secondly, it applies to people who are resident here, and that the difficulties arise from a clarification of residence in domicile, and what this tries to do, in view of some 300 court cases and thousands of cases in the assessor's office, is merely to clarify it, and it adds not one bit, of course, to harassment or the difficulties that tax collection implies.

Mr. O'HARA. The gentleman can argue that at the proper time, but I would like to proceed with my views.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Washington.

Mr. HORAN. I would like to know if any estimates of additional cost of collecting or administering this income tax have been made to the subcommittee.

Mr. O'HARA. Well, I have had none. Perhaps the gentleman from Massachusetts has some information. Actually this is his bill; I mean he was on the joint committee of the House and the Senate and did a tremendous amount of work. It started out to be a joint Senate and House committee, but it ended up with the Senator from Washington [Mr. CAIN] and the gentleman from Massachusetts [Mr. BATES], and, finally, I think it was the gentleman from Massachusetts who did the greater part of the work, and I now yield to him for an answer.

Mr. BATES of Massachusetts. There would be practically no increase in cost because we have today the income-tax law in the District of Columbia, and the administration is set up here already to take on whatever responsibility would come under the provisions of this bill.

Mr. O'HARA. I understand that the income tax here has sort of been run on an honor basis. The people were paid, but they did not go out after them as they probably will under this bill.

Mr. BATES of Massachusetts. There was administration enough to yield $9,000,000 under the present law.

Mr. HORAN. I might say that the testimony before our subcommittee was that we will have to have an increase in the force, and a considerable increase in appropriations, if this income tax as presently written is enacted into law.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Indiana.

Mr. SPRINGER. As I recall, the distinguished gentleman who is now addressing the House introduced a measure in the last Congress, and perhaps in the Seventy-eighth Congress also, to free the employees of the necessity of paying an income tax in the District of Columbia when they were paying an income tax back in their home communities. Is the gentleman now certain that the provisions of this bill will reach that objective which the gentleman had in mind when he introduced his bill?

Mr. O'HARA. This bill provides, and in fact the language, if you read it, includes every one of your office staff, because it says that if they maintain a place of abode within the District of Columbia for more than 7 months of the taxable year, whether domiciled in the District of Columbia or not, that they shall be liable for taxes. The only exemption that this bill takes care of is elective officers and the Members of the Cabinet.

The point I wanted to make in answer to the gentleman's question is this. I introduced what was known as H. R. 3592. It went before the Committee on the Judiciary and passed the House on March 27, 1944. That bill did exempt officers or employees who were working for the Government and who were legally domiciled back home, and that bill was passed by the House. It was passed, I might say, unanimously out of the Committee on the Judiciary. It was granted a rule. We had extended debate here in the House. It was opposed, incidentally, by a few Members from Maryland at that time. It passed the House and went to the Senate. The Senate never acted upon it.

Then again an identical bill, H. R. 534, passed on the Consent Calendar in 1945. It went to the Senate and was amended by the Senator from Virginia [Mr. BYRD]. It came back here and the gentleman from Virginia [Mr. SMITH] objected to sending it to conference. It went to the Rules Committee, of which he was a member, and was locked up there the rest of the time.

Mr. SPRINGER. As a matter of fact, in States where these employees are paying income tax, or a gross income tax, or whatever it is called, they should not be called upon to pay a similar tax here because that would amount to double taxation.

Mr. O'HARA. Of course. In some instances it amounts to triple taxation. I know of cases where Government employees live in the District of Columbia and are paying a tax back home. They work either in the State of Virginia or the State of Maryland, or vice versa. You can make it any combination you want. They get taxed in all three jurisdictions. It is an example of unjust multiple tax chasing. If you talk about communism, if you want to treat your Government employees like that and have a bunch of tax beagles out chasing them, the tax imposed may be $25, or $30, or $50, and those little people do not have the money to fight over that tax. They pay it. I think it is horribly unjust—horribly unjust.

Mr. SPRINGER. Our employees who come here from the various States and have to pay this tax back in our own States should not be called upon to pay any of this tax in the District of Columbia. This bill should be clarified to make that situation specific and certain.

Mr. O'HARA. Yes. I think it definitely should.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I am sure my good friend from Minnesota will not contend that this bill imposes double taxation. It clearly seeks to clarify and define so as to avoid double taxation.

Mr. O'HARA. It does not do any such thing. It says definitely that if they are here 7 months they pay a tax.

Mr. DIRKSEN. Let us get this thing clear so that there can be no confusion.

Mr. O'HARA. I do not think there is any confusion.

Mr. DIRKSEN. There are 32 States that have an income tax.

Mr. O'HARA. That is right. I shall read the 16 that do not have any income tax at all.

Mr. DIRKSEN. There are 16 that do not have an income tax. All the 32 that have income taxes have a rate that is higher than the District of Columbia. There can be no double assessment or taxation in those States. With respect to the 16 States, if they have an intangible tax, that is credited. If there is no income tax in the 16 States, then of course if these people come under the provision with reference to domicile or residence in this bill, they would be taxable here.

Mr. O'HARA. What is an intangible tax?

Mr. DIRKSEN. It might be any kind of a tax, on any kind of an intangible, a security, whatever it might be.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield five additional minutes to the gentleman from Minnesota.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Illinois.

Mr. CHURCH. Let me say to the gentleman that people coming from Illinois pay the burden of Government when they pay the sales tax, which they do not have here in the District.

Mr. DIRKSEN. While they come from Illinois they are living in the Nation's Capital.

Mr. CHURCH. Many of them pay the sales tax, many of them pay the personal property tax. You have not exempted that burden on the little fellow who pays the sales tax in Illinois.

Mr. DIRKSEN. My friend is thoroughly confused. You cannot pay a sales tax in Illinois unless the incidence of the purchase was in the State.

Mr. CHURCH. They are in Illinois for 5 months after the 7 months here. That is what the gentleman is speaking about.

Mr. O'HARA. I am speaking particularly of the income taxes.

Mr. CHURCH. You should have a sales tax, as you have in Illinois. They have not exempted the sales tax.

Mr. O'HARA. I did not intend to create any disagreement between Members from Illinois.

Mr. DIRKSEN. It does not bother this gentleman from Illinois.

Mr. SPRINGER. May I say for the benefit of the gentleman from Illinois that in my own State of Indiana we have a gross income tax, and those employees are required to pay a gross income tax on the salary they receive for their work down here.

Mr. O'HARA. Exactly.

Mr. DIRKSEN. That is right, and they would not pay here.

Mr. O'HARA. They do pay it here, and they have to pay it back in Indiana. That is the point.

Mr. DIRKSEN. So the gentleman's argument that there is double taxation here simply does not work out.

Mr. O'HARA. A Government employee who works down here, who may live in Virginia and work in the District of Columbia, is subject to the tax, or he may live in the District of Columbia and work in Virginia. He gets taxed here and back home.

Mr. DIRKSEN. He gets credit for it. He certainly does.

Mr. O'HARA. He does in the District of Columbia.

Mr. DIRKSEN. That is certainly clear.

Mr. O'HARA. He gets credit for it, but still he is going to pay if the tax is less in his own State.

Mr. DIRKSEN. But he only pays one tax.

Mr. O'HARA. I yield to my friend the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. It has been said that they would pay no tax in the District of Columbia if they pay a tax in their home State, because the tax there is higher than that in the District of Columbia. May I ask my chairman this question. Let us suppose that the tax in my State is sometime in the future lowered to the extent that it is lower than the tax in the District of Columbia. Thereupon the people from my State working in the District would then pay a tax to the State of Mississippi as well as paying a tax to the District of Columbia. Is that right?

Mr. DIRKSEN. But the aggregate of the tax is only one maximum tax and not two taxes.

Mr. ABERNETHY. But the point is, the person would be paying taxes to two jurisdictions.

Mr. DIRKSEN. He pays one tax, and if there is any disparity, he pays in one jurisdiction or the other. But there is only one tax, and there is a reciprocal provision here to take care of that.

Mr. ABERNETHY. I disagree that it would be one tax because I can see in many instances where the tax might be lowered in the States and where the person would pay a tax in the State and also in the District of Columbia.

I know many people who maintain an apartment here but they actually reside in their apartments only 2, 3, or 4 months out of the year. They continue to maintain their apartments because of the tight rental situation at this time. In view of the fact that they are compelled to maintain their apartments, would they not be required to pay a tax to the District of Columbia, although they are here less than 7 months?

Mr. O'HARA. I would think so. I do not see how many of our own employees are going to be protected in that sort of situation. That is merely an example.

Mr. Chairman, my amendment is not for the purpose of permitting a tax dodger to get away. He cannot get away. He must pay his tax back home if there is a tax levied, or he pays it here in the District of Columbia. That is all there is to it.

Of course, the gentleman from Massachusetts knows a great deal about this, but I have lived with this problem quite a while. Permit me to call this fact to your attention.

There are 16 States that have no State income tax. The people from those States are going to be paying taxes here, and you can be sure about that. I will read the names of the States to you: Florida, Illinois, Maine, Michigan, Nebraska, New Jersey, Nevada, Ohio, Pennsylvania, Rhode Island, South Dakota, Texas, West Virginia, Wyoming, and Connecticut.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. RAMEY. The people in the State of Ohio in four of its largest cities pay a tax there.

Mr. O'HARA. Yes; that is the wage tax.

Mr. RAMEY. What about the exemptions there?

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. JENNINGS. Let us consider a case of this kind. Suppose there is a Member of Congress from whatever State it may be who employs a secretary who resides in that State and that secretary pays a Federal income tax on his or her salary or income. Under this law, does the secretary by virtue of the fact that the secretary may be domiciled here, not a citizen, but domiciled here in the District of Columbia say for 6 or 7 months, have to pay another Federal income tax?

Mr. O'HARA. May I say to my friend from Tennessee there is this limitation—that the word "resident" means every individual domiciled within the District on the last day of the taxable year and every other individual who maintains a place of abode within the District for more than 7 months.

Mr. JENNINGS. What is the last day of the taxable year?

Mr. O'HARA. I do not know just what day that would be.

Mr. JENNINGS. We ought to find out about that.

Mr. O'HARA. I think this is definitely the situation, as a practical matter, that our secretaries are going to be here for more than 7 months of the year, and I know that my office help certainly will be.

Mr. JENNINGS. They are citizens of another State who are temporarily here.

Mr. O'HARA. That is right. That is what this bill does not recognize. That is my point. They refuse to recognize the right of that individual to maintain his domicile where he wants it.

Mr. Chairman, I yield to my friend the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. The gentleman read a list of States that have no income tax. Is he aware of the fact that several of those States have no income tax because of a compromise of their State legislatures and they have imposed a sales tax and, therefore, there is a tax?

Mr. O'HARA. I understand that is true.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. HARNESS of Indiana. As I understood the gentleman's reply to the gentleman from Tennessee [Mr. JENNINGS], a person who is domiciled in the District of Columbia for more than 7 months or maintains a place where he can live for more than 7 months is obliged to pay taxes under this provision.

Mr. O'HARA. By the provisions of this act; yes.

Mr. HARNESS of Indiana. Members of Congress have been forced, in recent years, to maintain an apartment or a home here the year round.

Mr. O'HARA. That is correct.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. HARNESS of Indiana. Members of Congress may spend 5 or 6 months in their districts. Are the Members of Congress going to pay a tax here simply because they maintain a place to live?

Mr. O'HARA. Oh, no. The bill takes care of that. Members of Congress are exempted; but the little fellow, the Government employee, and the secretary is not exempted.

Mr. HARNESS of Indiana. That is what I am talking about. Secretaries have to maintain their homes in the District of Columbia and in the districts which we represent. Some of them maintain apartments here the year round.

Mr. O'HARA. That is correct.

Mr. HARNESS of Indiana. Are they going to pay a tax under this bill?

Mr. O'HARA. If they are here more than 7 months of the year, they are. If their tax back home is less, then they would have to pay here.

Mr. HARNESS of Indiana. That does not seem to be fair.

Mr. O'HARA. Of course it is not fair. There is nothing fair about it. Certainly it is a dishonest legislative process when we exempt ourselves but do not take care of the people who are down here for the same reason we are.

Mr. HARNESS of Indiana. I agree with the gentleman.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. JENNINGS. It seems to me their status is exactly the status of a citizen of another State who is here as a transient. These people are transients. They are not residents of the District of Columbia. A person's residence is wherever in their mind they say it is for purposes of voting or for citizenship or for taxes. They are not residents of the District of Columbia and the Federal Government under no circumstances should have the power to toll the income of that person twice. They pay a Federal income tax. They ought not be subject to another Federal income tax for the support of anything here.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. MILLER of Connecticut. I cannot see but what a secretary, resident in a State that has no income tax, is being penalized under this bill. The per capita cost of government in the State of Connecticut, without any income tax, is just as great as the per capita cost of government in the neighboring State of Massachusetts which does have an income tax.

Mr. O'HARA. Exactly.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. BROOKS. What about the constitutionality of the State of Louisiana, for example, attempting to tax a transient from the District of Columbia, residing in the State of Louisiana? Do we have the right to levy an income tax on a nonresident in Louisiana or in your State?

Mr. O'HARA. Let me say to the gentleman that theory has been upheld by the courts. I regret to say that our theory of taxation and tax law has gone to the point where it is a tax dollar-chasing proposition. People who do not live within a State get taxed. In the city of Philadelphia they have what they call a wage tax. People who never lived there, but who work within the confines of the city, are assessed 2 percent of their wages. The principle I believe has been upheld by the court in the Northwestern Air Lines case, which went to the United States Supreme Court.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. O'HARA] has again expired.

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, in considering the District of Columbia tax bill, I hope that we intend to be fair with the citizens of the District of Columbia, and at the same time, it is my intention to be just as fair with my constituents who pay a large share of their income to the Federal Government. This tax problem of the District of Columbia has always been a rather complex one to all of us. There should be no program adopted that would saddle a burden upon the people of Washington, but on the contrary the District of Columbia should not be a haven of tax dodgers.

Taxes are always a burden on any people, and the Supreme Court of the United States has aptly said that the "power to tax is the power to destroy." This statement of the Supreme Court applies as much to the taxpayers of Indiana as it does to the taxpayer in Washington, D. C. It is the problem of Congress to equalize this tax burden as much as possible and then keep it at the lowest possible level consistent with good government and sound business principles. I do not want the people of Washington, D. C., to pay any more taxes than do my constituents in Indiana, but on the other hand I do not want them to pay less taxes than the people in my congressional district, and at the same time, the Federal Government contribute to their budget. If they pay less taxes than my constituents and your constituents, and at the same time Congress contributes to the District of Columbia budget, we are in effect transferring that much of the cost of District government to our constituents as measured by the excess of tax which our constituents pay. That is not fair to our own people, the men and women who elect us to Congress.

The history of the gas tax and its distribution has been the subject of studies by this body upon many occasions. It is one element of the tax structure that can be easily understood. There may be some difference of opinion as to whether the people of the District of Columbia are carrying their share of the tax burden in some of its application, but there can be no dispute as to the gasoline tax.

An exhaustive study of this subject was made in 1940 and a report filed early in 1941, which went into the history of the gasoline-tax fund. That report carried a very thorough and carefully prepared letter by the then Engineer Commissioner of the District of Columbia, Col. D. McCoach, Jr. The letter was dated June 5, 1940, and contained the following statement: "The increase in traffic resulting in constant justifiable demand for major highway improvements, the opening of new streets due to building operations, and the ever-increasing volume of traffic have placed a very great burden on this fund to meet and cope with the situation." He further advised that the Highway Department measure its work by the available money, and let the balance of the street-improvement work go undone. That has been happening for about 8 or 10 years, and especially during the war was needed repair work left undone, so that now the streets of Washington are in a deplorable condition. The need for major capital improvements in the Street and Highway Department is a colossal one as disclosed by the 6-year proposed Young plan of improvements.

Going back into the history of the gasoline fund as disclosed by the report made to this House in 1941, it is disclosed that this gasoline fund never did meet the needs of street work in Washington. Page 7 of this report discloses that during the period from 1924 to 1940 that street and highway improvements drew from the general fund about $42,035,447. At that time the city was much smaller than it is now and there was much less demand on this fund than there is now. The Highway Department in 1941 asked for an increase of 2 cents on the District of Columbia gasoline tax, which would have made it 4 cents, just as we are proposing to do now. The tax was increased in 1941 by 1 cent, making the total District tax 3 cents. I thought then, and I am convinced now, that we should have then raised the tax to 4 cents and we would now have accumulated a small backlog of funds to meet the improvements caused by our inability to do this work during the war period. Now, then, we are faced with a huge capital street, highway, and bridge program and must face it with a gasoline-tax fund practically empty. We now have only enough

in this gasoline-tax fund, plus a 1-cent increase which we propose here to meet current needs. Where is the money coming from to meet capital street improvements? Is it coming from a Federal contribution which will be used to augment the gasoline fund, while we permit District of Columbia drivers to pay a less tax than our own constituents pay? That is just what we have done in the past 20 years of street operation.

Gentlemen, I say that is unfair to our own taxpayers. The average gasoline tax in this country is 4.6 cents per gallon State tax plus 1½ cents Federal tax, which is to say your constituents and mine pay an average of 6.1 cents tax, while the District of Columbia is now paying 4½ cents. Is that fair? I would have no objection if the District of Columbia did not need this additional gasoline tax money for road and street improvements. But when they do need it and do not contribute enough to pay their own street-improvement bill, and Federal funds must augment their dereliction, then it is time for you and me to do our duty by our own constituents. It is not properly spreading the tax burden for us to permit the people of the District to pay less taxes in a given field than do the citizens of your State and mine, and then make a Federal contribution to make up their lack of taxpaying. The true test of tax balance between the people of Washington, D. C., and the people of Indiana, Kansas, Oklahoma, Iowa, and all the other States, is to require them to contribute as much in taxes as do our people, and then the Federal Government make up the difference needed to balance their budget. The people of Washington have not shown a willingness to do that, and I for one am not in favor of going out of my way to help them until they are willing to get down to earth and really meet their own obligations.

Every interested official in the District Government is asking for a permanent gasoline tax of 4 cents per gallon. They are not certain that this will meet the need. In the light of this report which I hold in my hand, I am certain that it will not meet the need. As for me, if it does not, then the tax should be raised to 4.6 cents per gallon, and then the Federal Government contribute the balance needed to meet street repair and capital improvement work in Washington. Let us be fair about this whole matter. There is nothing complicated in the tax problem for Washington. It is one of equalizing the burden as between the District taxpayer and the constituents of the Members of this body. This is the Federal city, and it is my conviction that when the Washington, D. C., taxpayer pays his fair share of the burden, that the Federal Government should make up the balance. Until the District of Columbia taxpayer is willing to do that, then I am somewhat inclined to let him paddle his own canoe.

At least, the gasoline tax portion of this tax problem is a simple one. It amounts to balancing the burden of the District auto driver against the burden of the State driver, and the State driver's burden ranges from 4 cents to 7 cents. Certainly the District of Columbia driver cannot complain about a tax which is equivalent to the lowest tax out in the States. And especially is that true when the 4 cents will not give them all the street improvement money they need.

If you will take a look at page 8 of this report you will see that the District of Columbia officials have been recommending an increase in the gasoline tax to 4 cents since 1932. There has always been evidence of need for additional street funds, and much needed work has been left undone and the streets and bridges neglected until they become a menace and then, at times in the past, the Federal Government has provided the funds through contributions to the general fund of the District which have been diverted to the gasoline fund. That is the history of the past as disclosed by this report. I do not know what mechanics they have used to "mooch" on the Federal Government, but the "mooching" has been accomplished.

The principal "moochers" now are the gasoline station operators, who want to sell gasoline at the expense of Maryland and Virginia, and then have the Federal Government make up the difference in street work. At the time this subject was under consideration in 1941, representatives of the highway departments of both Virginia and Maryland appeared and asked that the difference between the gasoline tax be adjusted, especially since the District needed the money. They asked that the District quit robbing them of large sums of road money which they needed to repair roads leading into Washington.

This report deals with the situation in 1941, and it is much more acute now than it was then. The city is much larger; there are many more streets to repair, and in addition there is much capital improvement needed to solve traffic problems. Who is going to furnish the money for these needs? Will the people of the District of Columbia ask Congress to help build the bridges across the Potomac River, every foot of which lies within the District of Columbia, and at the same time bellyache about equalizing the gasoline tax when they need the money? I believe that the Federal Government should contribute to the cost of building these Potomac River bridges, but not unless and until the people of the District of Columbia are willing to pay their share of road-improvement tax. If they do not want to do that, then let them figure their own way to pay for these Potomac River bridges. It might be a good idea to put a good stiff sales tax on them to pay for these bridges. Finally, the solution of the tax problem is for Congress, and it is up to the people of the District of Columbia to be fair.

I will say, in justice to the people of Washington, D. C., that most of the civic organizations have come out in favor of a 4-cent gasoline tax in the District of Columbia. The Board of Trade, the automobile associations, and others have been fair about this matter. However, gasoline dealers prompted by selfish motives would rather sell more gasoline than be fair about a gasoline tax. The same is true of the Capital Transit Co. This Capital Transit Co. has already been granted an increase in fare and yet is not willing to pay its share of road-tax improvement. Capital does more to damage the streets in Washington than any other agency in the city, and still with selfish complacency is unwilling to pay its share of the cost of keeping up those streets. When the proof is so overwhelming that the money is needed, why does Capital Transit object?

I trust that Congress will equalize this burden between the State taxpayer and the District taxpayer, and then if more money is needed the Federal Government would be more inclined to listen to the appeal of such taxpayers as Capital Transit and gasoline dealers. Until then, I am deaf to their demands as they are unfair and unreasonable.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I did not have the privilege of serving on the subcommittee that acted on this bill. I have made an effort to study it since the bill was printed. Of course, I do not agree with some of the items in the bill. I do not think anybody can agree with every item in a bill of this magnitude.

I want to congratulate the gentleman from Massachusetts [Mr. BATES] and the gentleman from Virginia [Mr. SMITH] on the hard work they did on this bill when it was under consideration. I cannot, however, agree with all the statements that have been made in support of the income tax and some of the other items. I will not, however, deal with the income-tax question, as I believe that has been very well thrashed out, but I would like to mention this gasoline tax.

If the Highway Department of the District of Columbia needs this tax at the present time, I would be for it, but we all know that the District of Columbia was privileged to spend $10,000,000 during the war on construction work here in Washington. In my State and in other States they were denied the privilege of constructing bridges or doing any type of heavy road work. Even at the present time in my own State the highway department is unable to get approval for a few bridges from the Bureau of Public Roads on account of the high cost of materials. If that is true in my State, I think it would likewise be true here in the city of Washington.

I think the highway department in Washington could wait at least 2 years to begin this over-all construction program. There is absolutely no reason in the world why they should pay the tremendously high prices they have to pay now for materials to build elevated highways in the city of Washington. They will not suffer any to wait until we have passed these critical reconstruction days following the war; and I expect to offer an amendment to cut out the increased tax on gasoline not because I do not think it would be needed in ordinary times but I think they can wait. I think that when the emergency is over we can well consider the matter at that time. The people of Washington who passed through the war years can certainly stand the traffic conditions for another two, or at least until prices decline somewhat.

There are several items in this highway program that I cannot understand. One, for instance, is their request for $1,-

800,000 for miscellaneous expenses. I do not believe any highway department can get away with a request for $1,800,000 without explaining what the money is to be expended for. Practically every street in the city of Washington is paved and I understand money has already been allocated for the building of these two bridges across the Potomac.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. VURSELL. I am impressed by the argument the gentleman is making against an increase of the gasoline tax at the present time.

Is it not a fact that inasmuch as special privilege has been granted to the District of Columbia to expend $10,000,000 on highway construction they can well afford to wait a couple of years when they will get much more for their money, because materials and labor are extremely high at the present time? It will be an economy if the committee in its wisdom should refuse to extend this gasoline tax for in time it will give them more highway construction for less money, and will release these materials for more needed housing and various other public improvements.

Mr. McMILLAN of South Carolina. I agree with the gentleman thoroughly. I believe if they will wait 2 years that $1 then will do what it takes $2 to construct today.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. REES. I was under the impression that the Federal Government had contributed large sums outside of the gasoline tax for the building of bridges and highways and things of that kind in the District of Columbia.

Mr. McMILLAN of South Carolina. The Federal Government built this $15,000,000 Memorial Bridge.

Mr. REES. That was not taken out of gasoline-tax funds, was it?

Mr. McMILLAN of South Carolina. No.

Mr. REES. Is it a fact that the District of Columbia has not had enough revenue from the gasoline tax to build the necessary highways and bridges? I am simply asking for information.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. JONES of Alabama. Possibly the gentleman is somewhat confused by the matter of the Federal contribution to highway construction. The District of Columbia participates just as though it were a State organization, participates in the matching of funds proportionately based on the amount of money raised through gasoline and automobile taxes. It has the same relationship as a State in that respect.

Mr. REES. I appreciate that, but I have been under the impression that there has been a considerable amount of highway building, bridge building, and street building financed directly by the Federal Government and not by contribution from funds raised by the gas tax in the District. Am I wrong about that?

Mr. McMILLAN of South Carolina. I believe the chairman of the subcommittee can answer that question if he cares to.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. As has been stated, the Government contributes on the same basis as it does in other States. We have a bridge over here running into Anacostia and we have a bridge into Virginia, for which the Government will pay half the cost. The same is true of the $4,000,000 proposed elevated structure and the Dupont Circle improvement. The Government will pay one-half the cost. Of course, the District has participated, like other States, in PWA authorizations and they have participated in other things that were available just like all other States and subdivisions of those States. There is no difference here from what there is in other States.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. May I request the gentleman to take a little more time to discuss, if he will, the real estate tax in the city of Washington and the District of Columbia as compared with the same tax in other States? I have always been under the impression that the city of Washington here is pretty much of a taxpayers' paradise.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. McMILLAN of South Carolina. I yield myself two additional minutes.

Mr. ALLEN of Louisiana. As I understand it, the real estate tax that some of us, at least, have to pay is more than 100 percent above what the tax in Washington is. I would like to have the gentleman discuss that.

Mr. McMILLAN of South Carolina. For some years I had the same opinion as the gentleman but after looking into the matter I find they have in the District about the same tax as we do because they report their property at full valuation and in my State and in other States they do not hand in their property at full value.

Mr. DIRKSEN. It should be made clear that, first of all, there has been a revaluation of property here and millions of dollars of additional value have been written on the books. Secondly, when we have provided for a 25-cent increase in the present bill over the existing rate of $1.75, that will increase the revenue.

Mr. ALLEN of Louisiana. An assessment of $2 a hundred is not like $5 a hundred that some of us have to pay.

Mr. DIRKSEN. The gentleman from Massachusetts has gone into that whole thing, not only in Washington, but in comparable cities all over the country. He can indicate exactly what that situation is at the moment.

Mr. BATES of Massachusetts. That is exactly the point I raised when I discussed the tax feature on the floor of the House a moment ago. There has been no increase in the tax rate in the District of Columbia since 1937; there has been no increase in valuation since 1937 until this year; but on the basis of assessed value compared with actual value, according to assessment, the ratio is 70 percent of present value and it shows, when compared with cities with over 500,000 population in all the country, that in the District of Columbia we have the lowest tax bill of any city in the country over 500,000 population, even with this legislation.

Mr. McMILLAN of South Carolina. Mr. Chairman, I am opposed to an increase in the gasoline tax in the District for a number of reasons. First and most important is the fact that the increase is not needed. I am reliably informed that even after allowing for a further substantial increase in operating expenses over the 1947 level, which was far above the prewar rate of operating expenditures, the highway department will be able to match its Federal aid allocations and carry out its scheduled program of major capital improvements during the next 2 years. The highway department's own figures further show that from existing tax sources and Federal aid, the District will have nearly double as much money for highway purposes during the next 3 years as was available in the 3 years before the war.

The trouble is, of course, that the highway department wants not only to carry out its ambitious major capital improvement program, but it also wants to spend far more for minor capital improvements and for operating expenses than in 1947, which as I already indicated were far above prewar levels. To be more specific, I understand the department wants to spend about $5,000,000 more for these items alone during the next 3 years than it would spend at the 1947 level of appropriations, and the total appropriated for operating expenses last year was nearly 50 percent above the average amount allocated in the 1939–42 period. On top of all this, the highway department has included in the present program over $1,800,000 for miscellaneous expenditures, none of which had been previously included in the Federal postwar program but were listed after this program was to be completed. If these items are moved back to their original status and if operating costs are increased by, say, another 20 percent over the already high 1947 level, then the highway department will be able to carry out its major capital improvement program without any difficulty.

This seems to be the reasonable course and one which will be in the best interest not only of the highway users but of the public generally in the District. It is generally conceded that any increase in highway transportation costs cannot fail to have adverse effects on the economy as a whole. An increase in the gasoline tax would fall with particular severity on the truckers, the taxicab operators, and similar groups who earn

their living through the operation of motor vehicles. But the effect would be felt by all groups. For example, the truckers who are finding it so difficult to operate on a profitable basis would have to pass the increased cost along. This would mean that the price of milk, bread, and all of the other commodities which are carried by motor vehicles on some stage of their journey to market, would have to be advanced to compensate for the higher cost arising from the gasoline tax.

There seems to be a general impression that because the District gasoline tax is only 3 cents per gallon, the receipts from this tax are relatively small and also that the automotive tax burden is low. Nothing could be further from the truth. According to the figures of the Public Roads Administration, the District collected over $4,000,000 from the gasoline tax last year, with the trend strongly upward. This is substantially more than was collected by such States as Wyoming, North Dakota, and New Hampshire which have extensive road mileages to maintain—see tables below.

Now let us examine the per vehicle tax burden in the District. Based on the number of private and commercial vehicles registered in the District last year, as reported by the Public Roads Administration, the collections from the 3-cent gasoline tax plus motor vehicle taxes were equivalent to almost $50 per vehicle. This compares with slightly over $37 for the State of Illinois, $30 for Massachusetts and $44 for New Jersey. Then, of course, we must include the Federal tax of 1½ cents per gallon of gasoline. When this is added, the per vehicle tax burden in the District comes to approximately $66. And this is still not counting in Federal excise taxes on lubricating oil, parts, tires and accessories, not to mention the Federal excise on a new car. So I think you will agree that the motor vehicle owners in the District are already shouldering a tremendous burden of taxation to operate their cars and trucks.

I see no need or justification at this time for increasing this tax load. As I indicated at the beginning, with any reasonable control of operating expenses the Highway Department will be able to remain solvent and carry out its major capital improvement program during the next 3 years within the present framework of taxation. If 2 years from now the need for additional funds is indicated, then the situation can be reviewed in the light of conditions at that time. But I repeat that there is no need for additional funds now. Furthermore, I strongly feel that any additional increase in the gasoline tax at this time would merely be adding to the inflationary spiral and would result in the highway users receiving diminishing value in roads for their tax dollars. We all know how tight the labor and materials situation is today and little relief from this situation is in sight for some time to come, at least. As I see it, this is the major problem facing the Highway Department at the present time, not lack of funds.

So in closing, I strongly recommend that the gasoline tax be allowed to continue at its present rate in the confident belief that, along with other motor vehicle taxes and Federal aid, it will provide ample funds to meet the Highway Department's need during the next 2 years, at least.

TABLE I.—*Per vehicle tax burden*

	Gas tax rate	State gas tax and registration fees	Federal gas tax	Total
	Cents			
Washington, D. C.	3	$49.47	$16.46	$65.93
Illinois	3	37.58	11.80	49.38
Massachusetts	3	30.21	10.84	41.05
New Jersey	3	44.24	11.60	55.84

TABLE II.—*1946 highway receipts*

	Net gas tax receipts	Registration and carrier taxes (excluding dealers licenses)	Total
District of Columbia	$4,126,000	$2,108,000	$6,234,000
North Dakota	3,840,000	3,532,000	7,372,000
Rhode Island	3,710,000	1,732,000	5,442,000
New Hampshire	3,878,000	3,184,000	7,062,000
Nevada	2,119,000	896,000	3,015,000
Delaware	2,514,000	1,321,000	3,835,000
Vermont	3,026,000	2,724,000	5,750,000
Wyoming	3,704,000	1,334,000	5,038,000

Source: PRA tables, G-1, MV-2, MC-1.

TABLE III.—*Rural road mileage figures*

Rhode Island	2,513
North Dakota	114,657
New Hampshire	12,491
Nevada	23,759
Delaware	3,754
Vermont	13,485
Wyoming	26,794

Source: PRA table RM1, 1945.

District of Columbia: Total street and highway mileage, 990.

Mr. DIRKSEN. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, the joint committee deserves every word of commendation that has been expressed here, because the committee has been most diligent in its studies and in its efforts to compile data which will be of inestimable value to the Congress in the future. I want particularly to congratulate my colleague, the distinguished gentleman from Massachusetts, for his untiring efforts; and even though I cannot agree with the result of his labors it is impossible to forego the privilege of expressing the greatest admiration for his zeal and untiring energy.

I conceive it to be my responsibility to invite your attention to the fact that a study of the District of Columbia's financial condition is an annual event and not something novel or unusual. Your Subcommittee on Appropriations for the District of Columbia each year makes a complete study of District affairs for appropriation purposes and in that connection must of necessity inquire into sources of revenue availability. Any interested individual can get a complete picture of the financial condition and the working functions of this city government by reading those hearings.

Many months ago we knew that the District was going to run into financial difficulty, and we worked with the officials of the District in formulating plans for a complete study of the tax structure. We were constantly advised of the progress being made and we were hopeful for the future. Let us for a moment examine the record.

In May 1945, the report of our committee on the 1946 District appropriation bill stated in part as follows:

If the amount of the budget request for the ensuing fiscal year is indicative of a trend for continually increasing appropriations, it would seem to the committee that a suggestion to the District Commissioners for a thorough analysis of the financial structure and the prospective needs of the District is in order. This should take the form of a more detailed scrutiny of budget requests as presented by the individual deparment heads as well as consideration of locating additional sources of revenue.

In April 1946, in reporting on the 1947 District appropriation bill, our committee said:

The increased cost of government, construction, labor costs, and all other items, makes it necessary to find new sources of revenue or increase existing sources, or curtail services now being performed by government. The committee is informed that studies are now being made in search of new sources as well as of increasing existing sources in the most equitable manner. The Commissioners are to be commended for undertaking such a study and looking to the future needs of the District. They will find encouragement and perhaps some ideas as to sources of new revenue from discussions reported in the hearings.

In May 1945, the Commissioners had appointed a committee of District officials to review the tax structure of the District of Columbia. After this committee made preliminary studies of the subject, and before any final conclusions were reached, the Commissioners felt that it was desirable to secure a cross section of public opinion, and accordingly enlarged the committee by appointing thereon a number of representative citizens.

Thereafter, the full committee gave careful consideration to the sources from which additional revenue might be obtained. They studied almost every conceivable method of taxation. Finally, they selected those methods or programs which they believed would produce the greatest amount of revenue, distributed in the most equitable manner. This was democracy at work on a community problem in a governmental division of our Nation which has no other facility for expressing its opinion.

After that committee made its report, but before any final action was taken thereon, the Commissioners held a public hearing to which were invited all interested individual citizens, as well as representatives of citizen, civic, and trade organizations, who were there given a full opportunity to express their opinions on the tax program. Again the vital principle of democratic action was being employed by the city officials in formulating a just and equitable proposition for submission to Congress.

This was not the final step, however, for in their desire to most explicitly express the opinion of the majority of residents of the District of Columbia who would in the last analysis bear the financial burden of the proposed action, the Commissioners went even further in encouraging a full and complete discussion and expression of public opinion.

There were many discussions over the radio. The Board of Trade devoted full meetings to the discussion of the many proposals. Citizens Associations spend many long and serious evenings in discussion of the vital needs of the community, and the manner in which the taxpayers themselves would bear the increased costs of these improvements. All these steps were taken in order that the entire public and Congress might be fully advised as to the tax program necessary to pay the increased costs of government and services in the District of Columbia.

The plan that was finally decided upon by the District Commissioners was, as much as it could be under the voteless form of government District residents must suffer, the plan most representative of the desires and wishes of the people who would pay the bills.

The plan finally came to the Congress, the bills were drawn and cleared through the Bureau of the Budget. The hearings started. Many days, many witnesses, much, much costs were added because of the extended post-investigation. And now the long-awaited report of the Fiscal Committee at long last is completed.

The result? Well, the city once again is shocked with a feeling of impotency as it observes their own long-studied and long-debated plan almost totally discarded. The Commissioners, with their back against the wall and with the end of the fiscal year only a few days off, can hardly do anything but agree to almost any plan that will mean more revenue.

Well, I cannot agree. I plead with you for a recognition of your responsibility toward the residents of the District of Columbia, those voteless thousands whom we tax and whose money we appropriate.

Just because we have the power is all the more reason why we should not exercise it arbitrarily. Certainly, you all know that the sovereign power is lodged in the United States and the Congress possesses full and complete jurisdiction both of a municipal and Federal nature over the District of Columbia.

Do not let us fool these residents who gave earnest consideration to this tax program. If you do, then please forego all pious expressions of interest in their welfare, which lead them to the belief that they will someday have some semblance of home rule. It is my firm opinion that when the citizens of this community, through their own officials and through their citizens associations and civic organizations, have presented to Congress a tax program which would in their opinion be adequate to finance the cost of local government and provide essential services—that that program should be given first consideration.

These citizens have by an overwhelming majority expressed their desire for a sales tax, the one tax that spreads the cost to all those who derive the benefits; they have demanded overwhelmingly an increased alcoholic beverage tax; they have approved a gasoline tax; and they want a more equitable income tax. The present recommendations of the fiscal committee do not by any stretch of the imagination reflect this community's opinion. The taxpayers are not in favor of an increased real-estate tax. In fact, under the existing law the Commissioners have authority to raise the real-estate tax rate without coming up to the Congress; the income tax proposed is still not corrective of the inequities which exist in the present law; and the increased Federal contribution recommended is apparently based upon nothing but—whim.

Why was the alcoholic beverage tax spurned, and the sales tax ignored? It strikes me that the political expediency of far distant areas of our Nation is clearly and biasly written into the proposals emerging from the fiscal committee. Are we going to play politics with the people of this city in the belief that they cannot come back at us through the power of the ballot box? I am taking my stand with the people and asking the Congress for a square deal.

All too frequently in the past Congress has increased the costs of the District of Columbia without making any provision for increasing its income. In the last Congress $1,950,000 were included in the appropriation bill for which there were no budget estimates.

That, you may say, was the responsibility of the Appropriation Committee. However, I invite your attention to the Hospital Center program, authorizing an appropriation of $35,000,000 with a 30 percent charge against the revenues of the District of Columbia. I invite your attention to the slum clearance bill, the District Redevelopment Act wherein it is provided that at the end of 10 years any deficit will be shared equally by the Federal Government and the District.

I invite your attention to the recent appropriation of $400,000 for plans for a new court building which undoubtedly will cost the District taxpayers many millions of dollars.

I invite your attention to all of the salary acts affecting the teachers, firemen, policemen, per diem and civil-service employees of the District government, which run into millions of dollars in additional compensation annually. I invite your attention to the increased cost of maintenance and operation in every form of municipal endeavor, and frankly tell you that we do not know what we are going to do to maintain the standard of service that is required for this great capital city. We need millions and millions of dollars and this program will not be adequate to fulfill those needs.

I personally am very much disturbed over the school situation in the District of Columbia. Think of 7,000 pupils going to school on a part-time basis in the Nation's Capital. This condition must be rectified and it must be rectified now. It cannot be done, however, if we are to be limited by the program presented to you by the Fiscal Committee.

Those 7,000 pupils in the Nation's Capital City will continue to receive a second-rate education until such time as this Congress accepts its responsibility and provides adequate facilities for them. We have a dozen or so bills pending in this Congress, asking for Federal aid to the school systems across the Nation. There is an ironic sort of humor in this, when we consider that, in the one place where our Federal Government has full responsibility for education—the schools are poorly equipped, overcrowded, and crumbling on their foundations. Heaven help the 48 States if Federal aid means placing the Nation's schools on a par with those in the District of Columbia. And yet we are being asked further to postpone the urgent plans for providing at least a minimum of educational facilities for this Capital City.

Mr. Chairman, there is a little secret among us that what opposition there is to a sales tax comes—not from a due regard for the desires of the residents of the District of Columbia—but from a fear of the effect upon situations back in the home districts of certain Members of this body.

Indeed, one of the Members only last week told me: "I cannot vote for a sales tax here; it would be political suicide back home." That gentleman happens to come from a State which has no sales tax and in which pressure groups probably have convinced him that a sales tax would be unpopular with the people.

Well, they said the same thing out in Washington, some 10 years ago, when our legislature adopted the sales tax. I have yet to hear of one political death which came as a result. In fact, the vast bulk of the people have long since realized that it was a far better solution to their fiscal problems than would have been gained from further increases in real estate taxes or imposition of a second income tax.

There is no place in the country today where a sales tax is more in order than in the District of Columbia. This is the one place where an income tax is hardest of all to enforce—and that fact is one that still is being unrealistically dodged in the present attempt to spread its application. A further increase in property taxes can result only in increased monopoly in real estate holding—making it virtually impossible for a man to own his own home. And every one of us here realizes full well that the stability of this Nation is founded upon its home owners.

There is only one way in which we can force the great bulk of transient and temporary resident population here to pay its share of the District's expense load—and that is by collecting a tax on the transactions entered into by all of those people who take advantage of the facilities here provided for them.

That, as I see it, is the only fair way. It is the only way we can collect from the leeches who have been riding free for years. It is the only way we can lessen the burden on the honest few who have carried the load these many years. It must be adopted if the needs of the District are to be recognized.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I am glad to yield to the gentleman from Indiana.

Mr. SPRINGER. Under this plan which the gentleman is proposing are purchases of clothing and essential food items excluded?

Mr. HORAN. No; the original act did have exemptions, but we are going to introduce that act with amendments of

our own excluding those items, because where you have exemptions and discriminations you greatly impair the act, raise the cost of administration, and encourage abuses.

Mr. SPRINGER. In other words, the proposal is going to be all-inclusive?

Mr. HORAN. That is right. I think it would have to be.

Mr. GRIFFITHS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Ohio.

Mr. GRIFFITHS. I was interested in the statement the gentleman made concerning the 7,000 school children who are going to school part time.

Mr. HORAN. That is right. There are 20 schools now operating part-time classes.

Mr. GRIFFITHS. What is the excuse of the school administration for accepting over 3,200 students from outside the District of Columbia?

Mr. HORAN. We have discussed that with Dr. Corning and Dr. Wilkinson, of the school administration, and they feel that the District really has an additional cost, that is, they are losing about $412,000 a year because of out-of-District people taking advantage of the schools here. However, if they exclude those people they will not gain $412,000, since those students are spread throughout the entire school system, and hence there would not be any great chances to close schools.

Mr. GRIFFITHS. Well, a saving of $412,000 surely would be worth while, would it not?

Mr. HORAN. It would not result in a saving. We have asked them to tighten up on what is a clear invasion of a privilege.

Mr. GRIFFITHS. How many teachers would it take for 3,200 people?

Mr. HORAN. Outside children are allowed to come in and use the District institutions under certain circumstances. It is understood that a large proportion of those who are coming into the District and raising our expenses was allowed by specific acts of Congress, which specifically allowed them to do it. In answer to the gentleman's question, as I have said, they are spread throughout the entire system—a student here and another there.

The CHAIRMAN. The time of the gentleman from Washington [Mr. HORAN] has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. CHURCH. I would like the gentleman to make this clear to the House. First, real-estate assessments are made in the District every year. There is the opportunity of revaluing every year; but the practice has been, as was testified by the Assessor before your committee and my committee, that the Assessor does not do that; he does not accept the new market valuations. He has a rule of assessing property over a 10-year period or longer; what it might be worth over the average time, when he has an opportunity to revalue it every year.

Mr. HORAN. That is correct. Of course, the real-estate tax is a difficult thing to handle on account of the way the District is limited by the Constitution. Parts of the District of Columbia that were originally in Virginia have been removed and since that time the Federal Government has increased its holdings until today of the approximately 70 square miles area only about 49 percent of it is subject to taxation. So you have an expanding city, moving out into the suburbs, but with taxable land stopping at Western and Eastern Avenues. Manifestly, if you are going to have an increase in the metropolitan area that cannot be taxed for the purpose of running the government here, a sales tax is the only way you can get at those people who use the District.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. HARRIS. As I understand, the gentleman is going to propose an amendment, or is it in the nature of a substitute, for a sales tax?

Mr. HORAN. The amendment I will offer will be a new article. It will be based upon the Dirksen bill that was offered by the chairman of the committee. We are amending that, however, to exclude exemptions, and we are making some other changes that I will explain later.

Mr. HARRIS. Would that be additional revenue to what this bill proposes?

Mr. HORAN. Yes; we believe it is very difficult to evaluate the amount that will be collected by a sales tax.

Mr. HARRIS. How much revenue does the gentleman think could be derived from a sales tax such as he will propose?

Mr. HORAN. I believe the estimates are $15,000,000 for the second year. The first year it will be about $11,000,000.

Mr. HARRIS. A 2-percent sales tax?

Mr. HORAN. Yes; it has to be limited by the adjoining States. Maryland has a 2-percent sales tax.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. DIRKSEN. I yield the gentleman two additional minutes, Mr. Chairman.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. BATES of Massachusetts. Does the gentleman claim that by a suggested sales tax that will yield $15,000,000 and eliminate all other taxes, that the real-estate tax today is what might be called a fair tax in the District of Columbia?

Mr. HORAN. I think it would be.

Mr. BATES of Massachusetts. And compared with what the taxpayers pay in their own communities and in their own States?

Mr. HORAN. I think it would be.

Mr. BATES of Massachusetts. I think the gentleman had better look at the figures.

Mr. HORAN. The reason why we have to be careful about property tax is that the area is limited. It puts an added burden on the owners of property.

Mr. BATES of Massachusetts. Do you not think the owners of real estate here ought to assume some share of the increased cost of government, which they have not assumed since 1937?

Mr. HORAN. I think they should. Manifestly, they cannot assume it all.

Mr. BATES of Massachusetts. No, and they are not asked to under this bill.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, we are discussing here today a most unusual problem. I think it is most interesting in that we have seen our good friends whom I love and admire over on our left who have been advocating tax reduction, reduced expenditures, and so forth ever since last November bring us now a proposal to increase taxes.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Washington.

Mr. HORAN. I wish to make it plain that this is not a Federal tax, this is a tax for the local government, raising revenues to balance the budget of an area that can be called both a municipality and a State. Since, of course, only the Federal Government can coin or issue money it becomes incumbent upon us—I know the gentleman from Arkansas agrees—if we are going to make sure that the Federal budget is balanced to do everything we can to take burdens off of the Federal Government and let the municipalities and States shoulder the burdens they should shoulder.

Mr. HARRIS. Yes, I recognize the fact that the gentleman cannot forget that the majority proposes to increase the Federal contribution here out of the Public Treasury in the sum of $4,000,000. I am calling the attention of the House to the fact, that is most amazing and amusing, that after having gone through a 5 months' session hollering about reduction of expenditures, hollering about the reduction of taxes, now we are faced in this Congress with a bill that proposes to increase taxes.

Mr. HORAN. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. I yield.

Mr. HORAN. If you adopt a sales tax there will be no need to increase the Federal contribution.

Mr. HARRIS. The gentleman knows, of course, that taxes are taxes; it does not make any difference what kind is imposed. If it is a sales tax the people are going to have to pay just like they will have to pay any other increase of revenue.

Mr. Chairman, I am not one of those who feel that we should shirk any responsibility that is ours in connection with the fiscal affairs of the District of Columbia. I recognize the fact that the revenue laws of the District need some readjustment. We must recognize the fact that there is a responsibility to the Nation's Capital that we must meet.

One thing of which I am a little apprehensive in connection with any of the fiscal affairs of the District is the tendency first to run to the Federal Treasury. I suppose that no one individual or group here in the District can

be criticized. We talk about increasing the school allotment, providing more welfare funds, providing for increased highways, capital outlay. The first thing, "Let's go to the Federal Treasury."

The proposal under consideration today is not without its controversial features and I wish to discuss it frankly with you. I think every Member of Congress should understand what it is, know what he is doing before he votes. This is a proposal to increase the revenues of the District of Columbia to take care of the added expenditures of the operation of the government of the District of Columbia and the extra capital outlay in both major and minor construction. I want to call your attention to the fact that this proposes to increase the revenues to meet the budget by $10,400,000. Is that right?

Mr. BATES of Massachusetts. That is exactly right, $10,494,000.

Mr. HARRIS. What is the plan to raise this money? In the first place, as you have been told, the real-estate tax is being increased from $1.75 to $2. That within itself, it is estimated, will increase the revenues of the District by $4,500,000.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HARRIS. Mr. Chairman, I think that explains itself. We all know, as everyone in the District knows, what an increase of 25 cents a hundred would mean on real estate.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. But after you increase it from $1.75 to $2, as I understand it, you are still not halfway to what we in the States are paying. Would it not be the fair thing here in the city of Washington, where property is so valuable and so high, where renting has always been good, where the revenues will always be fine, to make the real-estate owners pay a part of this increase and more than two bits?

Mr. HARRIS. May I say to the gentleman that the real-estate people will pay an increase of four and a half million dollars in the revenue yield totaling ten and a half million dollars approximately to be raised.

Mr. ALLEN of Louisiana. But they are paying almost nothing now. They are not paying half as much now as we are paying in the States. The gentleman from Massachusetts has the record over there, and I know the gentleman is familiar with it. Would it not be fair to let the District of Columbia pay at least what the average big city in the Nation pays?

Mr. HARRIS. The tax in the District of Columbia is $1.75 now. This will make it $2 a hundred on a supposed 100-percent valuation.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. According to the Assessor's records, even on the revaluation, it is only 70 percent and on residential property it is only 62 percent. That is what the Assessor has handed to me and what he has testified before the committee. On revaluation even, those are the figures.

Mr. HARRIS. What is it supposed to be?

Mr. BATES of Massachusetts. Of course, the law says and the gentleman from Illinois suggests 100 percent, and I go along with that. I think the assessed valuation is high enough.

Mr. HARRIS. If the gentleman will permit, I explained the difference in the law insofar as the District of Columbia is concerned and various other States. Different States have different assessment valuations. Some States have a 50-percent valuation, some 100 percent. It varies from one State to another. For instance, in my State I believe it is $4.80 a hundred on a 50-percent valuation. In the District of Columbia it is $1.75 on a 100-percent valuation.

Mr. ALLEN of Louisiana. We in our State are assessed on a 100-percent valuation and we pay $5 a hundred.

Mr. HARRIS. I agree with the gentleman that the real estate in the District of Columbia should bear its fair and proportionate part of the responsibility and cost of operation of the government.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Minnesota.

Mr. O'HARA. The gentleman realizes that the Commissioners have raised the assessment 20 percent, whether this bill becomes law or not. So the people in the District of Columbia will be paying, as I am informed, about a 31-percent increase in real-estate assessments. I think the gentleman will agree with me that we cannot make a rule simply because the real-estate tax is as high as it is in the gentleman's State or my State or the State of the gentleman from Louisiana. That does not necessarily fix the fair share of the burden of real estate in the District of Columbia.

Mr. HARRIS. I think it is fair to state that the real-estate tax in the District of Columbia is in the very low brackets compared with other States throughout the Nation.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. The adjusted rate—that is, applying the assessed value to the full value and then getting the adjusted tax rate—in every city of over 500,000 population averages $18.81, and the adjusted rate here is $11.64, and that does not include the so-called town, city, or school taxes in the other cities, so it is much lower here.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HARRIS. There are two other things particularly in this bill that this House ought to become familiar with: One is the income tax to be proposed and the other is the increase in the gas tax.

Now, since my State has an income-tax law, what I am going to say will not necessarily apply. The proposed bill would exempt anyone who has a regular domicile or residence and pays his income tax back in his home State from having to pay in the District of Columbia. This bill provides that where you do not have a residence or domicile status in your own State, and you reside in or are domiciled in the District of Columbia as much as 7 months out of the year or are here on the last day of the taxable year, you then become subject to income tax. Is that not right?

Mr. JONES of Alabama. Mr. Chairman, if the gentleman will yield, does he mean coming from an income-tax-paying State?

Mr. HARRIS. Yes.

Mr. JONES of Alabama. No; he is not subject to the payment of the tax for the simple reason that he makes a certification that he has paid his income tax in his own State, which would be higher than the amount he would pay in the District of Columbia.

Mr. HARRIS. That is just what I said.

Mr. JONES of Alabama. I beg the gentleman's pardon.

Mr. HARRIS. But you have some States where you do not have an income-tax law. The State of Pennsylvania is one and I believe the State of Texas is another. I thnk there are 16.

Mr. BATES of Massachusetts. They have intangible personal-property taxes, and if they pay them, they again would be exempt.

Mr. HARRIS. But the gentleman cannot very well say that a person in the District of Columbia is going to be exempt from the payment of income tax in the State of Pennsylvania because he happens to pay a little intangible property tax there.

Mr. BATES of Massachusetts. Intangible personal-property tax.

Mr. HARRIS. All right. Here is what it will do. It will say to that person who pays no income tax back home, or if he wants to pay an intangible tax, that regardless of where your residence is, where you live, because the State of Texas or the State of Pennsylvania or the other 14 States do not have the income tax, because you stay 7 months in the District of Columbia or live here on the last day of the taxable year, you have got to pay income tax in the District of Columbia.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. You do not have to stay here 7 months, you just keep an apartment here 7 months and you will have to pay it.

Mr. HARRIS. You have to be domiciled here.

Mr. ABERNETHY. It may be just a place of abode. You do not have to stay in it, you just keep it.

Mr. HARRIS. I am talking now of what I believe to be a basic policy. In other words, you say to the people in the States that have an income tax that

if you have a man representing you in Washington in some capacity except an elective office, and he is required to spend a certain amount of his time here each year, he pays his income tax back home and is exempt from paying here in the District of Columbia, but if he does not have an income tax in that State he is not subjected to the tax laws of that State but must pay here in the District of Columbia. I say that is a discrimination insofar as the rights of the States are concerned. I do not know when my State might want to repeal its income-tax provisions, not any time soon, I think, but there is a basic policy involved here. Are you going to treat persons from one State differently from those from another State?

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Illinois.

Mr. VURSELL. I have a question that I think may be of interest to other Members of Congress. I have two secretaries here who do not pay any real estate tax or any taxes of any kind in my own county, but they do pay a rather heavy Federal income tax. As I understand, if this bill passes, in addition to the Federal income tax they will pay a District income tax by virtue of being employed here practically 7 months a year.

Mr. HARRIS. The Federal income tax has nothing at all to do with it. They will be required to pay the income tax here in the District of Columbia.

Mr. Chairman, I wanted to say something about the proposed increase in the gas tax here but I shall refrain from that until later when we read the bill for amendment.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, on last Thursday the Committee on the District of Columbia met to consider the tax question for the coming fiscal year. At that time the committee did not even have before it a printed copy of the bill. The bill, as you will see by looking at it, is 88 pages over-all.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I do not know whether I understood the gentleman correctly. We had a meeting on Wednesday, at which time we had a copy of the bill but not in printed form. On Thursday, the following morning, the bill was available to all the members when we had the final session.

Mr. DAVIS of Georgia. The morning I attended I believe was Thursday morning. Is that right.

Mr. BATES of Massachusetts. That is right.

Mr. DAVIS of Georgia. The bill was not available to me at that time.

Mr. BATES of Massachusetts. It was Friday when we had the full meeting, but we had a reprint of the original bill containing precisely the same language that was considered about 4 days before.

Mr. DAVIS of Georgia. When was the bill I hold in my hand printed and made available to the committee members?

Mr. BATES of Massachusetts. Last Friday morning, before we had the meeting, but precisely the same language, with very minor exceptions, was in the bill of about 4 days before.

Mr. DAVIS of Georgia. That is what I stated at the outset, that I received this bill when I came to the committee meeting Friday morning. I had not seen the bill to which the gentleman has just referred as being almost identical in language, which was discarded, and this bill here printed. I understand the gentleman to say now that that bill was available 4 days earlier than this bill?

Mr. BATES of Massachusetts. We had a separate income-tax bill, as the gentleman recalls. We combined them into this omnibus bill. The original income-tax bill was precisely the same, with one minor change suggested by the gentleman from Virginia [Mr. SMITH] that was incorporated in the new bill. That is about the only real change.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Arkansas.

Mr. HARRIS. Was not another substantial change made with reference to the gasoline tax, placing a limitation of 5 years on it?

Mr. BATES of Massachusetts. The gentleman is speaking about the income tax itself.

Mr. HARRIS. He is speaking about the entire bill.

Mr. DAVIS of Georgia. I am speaking about the entire bill.

Mr. BATES of Massachusetts. The other bill, relating to the gasoline tax, had been printed for 4 days before that time, and it is precisely the same bill as we have on the calendar today in this omnibus bill, except that instead of its being a continuing tax of 4 cents, we make it 3 cents, with the additional cent to continue until after 1952. That is the only change.

Mr. DAVIS of Georgia. I do not dispute with the gentleman as to when the income tax or the gasoline tax bill was printed, but the committee had not had under consideration the bill now before us or the tax items that are in this bill so far as I know or so far as any session of the committee is concerned which I attended.

I join with those who have expressed, and I wish now to express, great appreciation to the chairman of the subcommittee, the gentleman from Massachusetts [Mr. BATES], as well as joining with all those who have paid tribute to his remarkable ability in handling matters of this kind. He has stated that in the short time this bill was under discussion by the whole committee that he and his subcommittee had spent many weeks in considering these items. I have no doubt but what they did spend many weeks considering them. However, this is an 88-page bill and involves money amounting to almost $100,000,000. However much the gentleman and his subcommittee may have studied it, I do not think it is sound to enact legislation involving as much money as this bill does, as long as this bill is, on the basis of what somebody else knows about it. I, myself, would like to know about these matters, and up to this time I have not had an opportunity to make investigations that I would like to make.

For that reason, I believe this bill should go back for further study.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, since we have been discussing the mechanics of this bill, I am afraid that we are losing sight of the objectives of these taxes.

We must keep in mind that during 1937 the taxable income to the District was $42,759,132. In 1948, more than 10 years later, the increased demands for revenue have gone to $97,000,000, that is, an increase of $54,000,000.

Mr. BATES of Massachusetts. Those are the expenditures for 1937?

Mr. JONES of Alabama. Yes, those were the expenditures of 1937, and the anticipated expenditures of 1948, which reflect an increase of $54,000,000.

We have 2 alternatives. Either we go to the Treasury and make a raid on it for the appropriations necessary to manage the functions of government of the District or we raise additional taxes. At the beginning of the session of Congress our most able chairman undertook the study of the financial structure and fiscal policy of the District of Columbia and through these long months he has spent much time and hard labor in perfecting a sound tax program.

Of course, it is unfortunate that taxes must be raised, but there are new demands that must be met. I recognize the fact that it might work some hardship on the income-tax proposal but I hope the Congress will not look upon the exceptions to make the rule, and that is those people who do not pay an income tax in their respective States. Even with this additional tax revenue that will be raised in the District of Columbia, it will be less than any other city of its size in the United States except one, I believe.

So I hope the House will accept these tax provisions. Even though before the committee I was not impressed with the tax on gasoline, I had to take it in connection with the over-all tax program. So there was a limitation placed in the gasoline tax provision that limited it to the fiscal year 1952.

The construction program, schools, street improvements, and all the various functions of government in the District of Columbia need help and need immediate help. As I stated a minute ago, there is no pleasant way of imposing taxes on any people, but at the same time they have the responsibility of their government in the District of Columbia.

I hope you will accept the committee's recommendations and approve the tax program that has been promulgated and presented to you today.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield.

Mr. DEANE. I appreciate very much the statement of the gentleman from

Alabama. I would like to ask concerning the gasoline tax. Is it understood that at the expiration of this period, which is 1952, the gas tax will be stabilized?

Mr. JONES of Alabama. No. In 1952 the 1 cent additional tax imposed between now and that time would be in effect. After 1952 it would require additional legislation to maintain the 1 cent additional tax.

Mr. BATES of Massachusetts. It goes back to the 3 cents which we now have.

Mr. JONES of Alabama. It will revert to the present tax schedule.

Mr. DEANE. One question occurs to me at this time, as to whether or not we might, with justification, secure some additional revenue from this large number of students who are coming into the District from the outside, and who are now coming to the various schools without cost.

Mr. JONES of Alabama. I do not know how you could impose any additional tax, because you would have to impose one type of tax on a nonresident and another type on a resident. I do not see how you could contemplate that.

Mr. BATES of Massachusetts. Of course, by statute the Congress a few years ago authorized the school department to accept pupils from adjoining States without cost if their parents worked for the Government. They have increased the number from 2,200 to 3,300 as of today, and it is now costing the District and the taxpayers nearly half a million dollars to take care of those children.

Mr. DEANE. Does not the chairman feel some remedy should be made of that situation?

Mr. BATES of Massachusetts. I feel the law ought to be repealed, in fairness to the taxpayers of the District, but that is not embraced in this tax bill.

Mr. JONES of Alabama. Let me tell you my own experience in that regard. Immediately after I came to Washington I sent my son to the Kimball School out in the section where I live. He went to school 3 hours a day because they do not have sufficient accommodations for the enrollment. They take half the group at one time and half at another. So we have had not only an increase in population but we have a population shifting within the city.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I yield the remainder of the time on this side, together with that yielded by the gentleman from South Carolina, to myself.

The CHAIRMAN. The gentleman is recognized for 10 minutes.

Mr. DIRKSEN. Mr. Chairman, the expiration of this time will conclude the general debate.

I deem it scarcely necessary to add anything to the excellent summary made by my good friend, the gentleman from Alabama [Mr. JONES]. I think he has stated the case very aptly and very succinctly. There are perhaps one or two items we might have changed, it is true, but we are dealing with the 1948 District budget. The Legislative Committee of the District of Columbia has no control over it. It is handed to us. So on that basis there is an ascertained deficit of $10,500,000. The question therefore is how to find $10,500,000. That is the question that was asked the subcommittee under the leadership of Mr. BATES. I may say in that connection that the subcommittee had a special adviser by the name of Parker L. Jackson, from Massachusetts. He is regarded as a national authority on municipal finance. He is the adviser to the Governor of Massachusetts on municipal finances. He is the adviser to large financial interests who buy municipal bonds. So the committee was amply implemented, I believe, by expert advice.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield briefly.

Mr. HORAN. In connection with the budget, we are not too sure that on the basis of need and unavoidance we may not have more than a $10,500,000 deficit. It is very serious.

Mr. DIRKSEN. But the statement stands that the legislative committee of the District of Columbia has no choice except to deal with the 1948 budget. So the question then is, Where do we get $10,500,000? Where do we get the deficit? Obviously, as the gentleman from Alabama [Mr. JONES] just said, unless we raid the Federal Treasury it must come in the form of taxes. There are a variety of taxes, they are legion, that could be suggested. The Commissioners themselves submitted nine, and the subcommittee explored many under the chairmanship of the gentleman from Massachusetts [Mr. BATES], and the Senator from Washington [Mr. CAIN]. Finally they submitted a proposal to change the rate of the real-estate tax. It is $1.75 now. It is proposed to raise it to $2. It is expected that this will raise substantially $4,000,000. The Commissioners under existing law have the power to increase the real-estate rate, but they do it only in an emergency; so we have to direct them to do it. From this source we will get an additional $4,000,000. We are not going beyond the limit of the formula that is often applied in most of the States. About 65 percent of all the general revenues in the States, in some cases 80 percent, comes from real estate. At the present time real estate in the District supplies about 45 percent of the tax revenue; so the tax increase on real estate is fairly justified.

A second item is the income tax. In addition to the revenues we get now it is hoped this will raise somewhere in excess of $3,000,000 additional taxes. We do not change the rate that exists here, and that has been in existence since 1939. The crux of this proposition is the question of residence and domicile. May a person live in Washington or some other jurisdiction for 7 months in the year, enjoy all the benefits of a splendid sanitary system, enjoy the benefits of police protection, enjoy the benefits of protection by the Fire Department, enjoy the parks, and all the other benefits of a public nature, the stop-and-go signs that protect against hazards on the street corners——

Mr. HORAN rose.

Mr. DIRKSEN. I cannot yield now.

Mr. HORAN. I merely wished to make the suggestion that we have that same privilege.

Mr. DIRKSEN. I am not quarreling about that.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Not now, please.

May a person enjoy those benefits and escape paying any share of their cost?

A great deal of study has been given to this subject. We have had 308 domicile cases and we have had thousands come before the Assessor. We are trying to work this thing out so that it is not on a voluntary basis that people pay, depending on whether or not they want to. This question arose in Maryland in 1942. The Court of Appeals of Maryland ruled on it. I think the decision is very interesting. They said that a person having an intention to return to his domicile outside the State of Maryland at some indefinite period but living in Maryland at the time for a purpose not regarded as transient cannot be regarded as a sojourn by the taxpayer so as to destroy resident status. This man came from New York and had lived in Maryland since 1939, had a splendid Federal job. He claimed he was not domiciled in the State, but the Court of Appeals said, "You are here for a sufficiently specific purpose so that you get all the benefits and protection of an orderly social existence; so you are expected to pay your share." What is wrong with that? That is what we are trying to do in this bill in clarifying this question of domicile and residence. That is the whole story in a nutshell.

First, there is this question of the real-estate tax; secondly, clarifying in existing law this question of domicile without raising the rate. What is the rate? It is 1 percent on the first $5,000 of taxable income. What are the exemptions? One thousand dollars for an individual, $2,000 for a family. If the gross income is $5,000 for a man and wife, the exemption is $2,000, so there is left $3,000 of taxable net income. What is the rate? In that particular case his tax would not be over $30 a year. It is the lowest tax anywhere.

In the 32 jurisdictions that have an income tax, they are all higher and the people coming from there do not pay because there is an offset. In the other 16 they do not pay that at home and if they are domiciled here or if they are resident here for 7 months, if they enjoy all of the benefits of the District, including the parks, the Police Department, and everything else, why should they not contribute something to the Nation's Capital? Is that asking too much? Certainly not. That is the only question that is really involved here.

The other item in this revenue program is the lump sum. Did you know that for 89 years starting with 1790 the Federal Government paid a sum equal to 38 percent of all the District general revenue? Then for a period of 42 years

from 1879 on we paid 50 percent of the whole cost of the District of Columbia. Then for 4 years it was 40 percent. Then it went on a lump-sum basis. Mind you in all that time it was from 40 percent on up, all those years. How much is it in 1947? It is 8.6 percent. That is all we pay. So we felt it ought to be increased.

Why should it be increased? I will tell you why. There are 5,000 mentals over in St. Elizabeths Hospital—and this answers the gentleman from Arkansas—that are charged to Washington. The rate was $2.55 per day, as you will recall, but this has been increased to $3.20 per day. You may correct me if I am wrong. It is now costing us $2,200,000 more. Last year we had a pay-roll increase for Federal employees. We increased the rate, so we had to increase that for the District of Columbia. That cost $5,000,000. We increased the rate for the per diem employees. That legislation came out of the Civil Service Committee. It applied to the Government generally. So we had to raise the per diem employees in the District of Columbia. That cost $724,000.

Now you can understand why the District budget has gone up from $42,000,000 to $95,000,000. It is because of general legislation applying to the whole country that is in the very nature of things made applicable to the District of Columbia. How are you going to help yourselves?

The Congress is responsible. Under these circumstances is it not fair to contribute something more than 8½ percent out of the Federal Treasury?

Now, that $4,000,000 increase is divided as follows: Three million dollars goes to general revenue, and $1,000,000 goes to the water fund. Maybe you do not know it but since time immemorial the Federal Government has been getting its water free of charge from the District of Columbia—$850,000 worth of water every year, for which Uncle Sam has not paid a nickel.

Mr. Chairman, in the name of all good conscience we have to be fair. These people cannot help themselves. They came to us on bended knee and said: "Put a tax on us, but see that it is reasonable and equitable. We will take a real-estate tax increase if you will increase the lump sum a little bit." We made that deal with them and today this program has the approval of the Commissioners, it has been approved by the budget officer, it has been approved by the subcommittee of the Senate and the subcommittee of the House, it has been approved by the Committee on the District of Columbia by a vote of 15 to 2. In the name of conscience, what more can we do in order to bring in here a sound, stable fiscal program to meet the deficit in the 1948 budget that has been laid in our lap?

Mr. Chairman, I hope all Members will support this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act, divided into articles, may be cited as the "District of Columbia Revenue Act of 1947," and that article I of this act may be cited as the "District of Columbia Income and Franchise Tax Act of 1947."

Mr. DIRKSEN. Mr. Chairman, in the nature of an inquiry, I would like to know whether or not we could consider the bill as read, because it is a long bill, and then let any portion of the bill be subject to amendment.

Mr. Chairman, I ask unanimous consent, if it is agreeable with the members of the committee, that the bill be considered as read, and that it be open to amendment at any place?

Mr. HARRIS. Mr. Chairman, reserving the right to object, I think this is a good opportunity for the Members of the House who will be here on the floor to observe the reading of what a revenue bill is for the District of Columbia. Aside from the fact that this bill completely revises the revenue laws of the District of Columbia, and because it was introduced as an omnibus bill only last Thursday, I believe that the Members of this House should have the opportunity of having it read by the Clerk; not that I want to unnecessarily delay the committee and the business of the House today, but I do feel that this is rather important, and I do not think that we should hurriedly pass this without considering the effect of the legislation.

Mr. DIRKSEN. Mr. Chairman, let me amend my request. I ask unanimous consent that the bill be read by title, in other words, we get continuity for each title of the bill, which would mean that the entire income-tax provision would be read without interruption, and then the bill be open to amendment at any point thereof.

Mr. HARRIS. I do not believe we could expedite the consideration of this bill by doing that, and I believe it should be read.

Mr. H. CARL ANDERSEN. Mr. Chairman, if the gentleman will yield, the fact is that we do not have a quorum on the floor at the present time, and what is the use of reading the entire bill?

Mr. HARRIS. Has the gentleman read the bill?

Mr. H. CARL ANDERSEN. I have read a portion of it; yes.

Mr. HARRIS. Does the gentleman really know what the bill contains?

Mr. H. CARL ANDERSEN. I think I know what the average Member of the House knows about it.

Mr. DIRKSEN. I withdraw my request, Mr. Chairman.

The Clerk read as follows:

TABLE OF CONTENTS

ARTICLE I—INCOME AND FRANCHISE TAX ACT

Title I—Repeal of prior Income Tax Act and applicability of this article; general definitions

Sec. 1. Repeal of prior income tax act and retention of certain provisions thereof.
Sec. 2. Applicability of this article.
Sec. 3. Returns under prior income tax act and returns for first taxable year to which this article is applicable.
Sec. 4. General definitions.
(a) "District";
(b) "Commissioners";
(c) "Assessor";
(d) "Collector";
(e) "person";
(f) "individual";
(g) "fiduciary";
(h) "trade or business";
(i) "taxpayer";
(j) "fiscal year";
(k) "taxable year";
(l) "capital assets";
(m) "dividend";
(n) "stock";
(o) "shareholder";
(p) "include", "includes", or "including";
(q) "deficiency";
(r) "corporation";
(s) "resident";
(t) "nonresident";
(u) "dependent".

Title II—Exempt organizations

Title III—Net income, gross income and exclusions therefrom, and deductions

Sec. 1. Net income defined.
Sec. 2. Gross income and exclusions therefrom.
Sec. 3. (a) Deductions allowed.
(b) Deductions not allowed.

Title IV—Accounting periods, installment sales, and inventories

Sec. 1. Accounting periods.
Sec. 2. Period in which items of gross income included.
Sec. 3. Period for which deductions and credits taken.
Sec. 4. Installment sales.
Sec. 5. Inventories.
Sec. 6. Assessor may reject method of accounting employed by taxpayer.

Title V—Returns

Sec. 1. (a) Forms of returns.
(b) Taxpayer to make return whether form sent or not.
(c) Information returns.
Sec. 2. Requirement—who must file.
(a) Residents and nonresidents.
(b) Fiduciaries.
(c) Joint fiduciaries.
(d) In case of taxpayer unable to make own return.
(e) Corporations.
(f) Unincorporated businesses.
(g) Partnerships.
Sec. 3. (a) Time and place for filing returns.
(b) Extension of time for filing returns.
Sec. 4. (a) Secrecy of returns.
(b) Reciprocal exchange of information with the United States and the several States.
(c) Publication of statistics.
(d) Information which may be disclosed.
(e) Penalties for violation of secrecy-of-returns provision.
(f) Preservation of returns.

Title VI—Tax on residents and nonresidents

Sec. 1. Definitions.
Sec. 2. Personal exemptions and credit for dependents.
Sec. 3. Imposition and rates of tax.
Sec. 4. Optional method of computation.
Sec. 5. Credits against tax allowed residents.

Title VII—Tax on corporations

Sec. 1. "Taxable income" defined.
Sec. 2. Imposition and rate of tax.

Title VIII—Tax on unincorporated businesses

Sec. 1. Definition of "unincorporated businesses."

Sec. 2. "Taxable income" defined.
Sec. 3. Imposition and rate of tax.
Sec. 4. Exemption.
Sec. 5. By whom taxes payable.
Sec. 6. Partners only taxable.

Title IX—Tax on estates and trusts

Sec. 1. Resident and nonresident estates and trusts defined.
Sec. 2. Residence or situs of fiduciary not to control.
Sec. 3. Imposition of tax.
Sec. 4. Computation of tax.
Sec. 5. Computation of net income of estates or trusts.
Sec. 6. In case taxable year of beneficiary is different from that of estate or trust.
Sec. 7. Revocable trusts.
Sec. 8. Income for benefit of grantor.
Sec. 9. Definition of "in discretion of grantor."
Sec. 10. Employees' trusts.

Title X—Purpose of act and allocation and apportionment

Sec. 1. Purpose of article.
Sec. 2. Allocation and apportionment.
Sec. 3. Allocation of income and deductions between organizations, etc.

Title XI—Bases

Sec. 1. Basis for determining gain or loss.
Sec. 2. (a) Computation of gain or loss.
(b) Amount realized.
Sec. 3. Exchange in reorganizations.
Sec. 4. Basis for dividends paid in property.
Sec. 5. Exception to applicability of sections 1 through 3.
Sec. 6. Depreciation.

Title XII—Assessment and collection; time of payment

Sec. 1. Duties of Assessor.
Sec. 2. Statements and special returns.
Sec. 3. Examination of books and witnesses.
Sec. 4. Return by Assessor.
Sec. 5. Determination and assessment of deficiency.
Sec. 6. Jeopardy assessment.
(a) Authority for making;
(b) Bond to stay collection.
Sec. 7. (a) Time of payment.
(b) Extension of time for payments.
(c) Voluntary advance payment.
Sec. 8. Withholding of tax at source.
Sec. 9. Tax a personal debt.
Sec. 10. Period of limitation upon assessment and collection.
(a) General rule;
(b) False return;
(c) Waiver;
(d) Collection after assessment.
Sec. 11. Refunds.
Sec. 12. Closing agreements.
Sec. 13. Compromises.
(a) Authority to make;
(b) Concealment of assets;
(c) Compromise of penalties and interest.
Sec. 14. Definition of "person".
Sec. 15. Payment to Collector and receipts.

Title XIII—Penalties and interest

Sec. 1. Failure to file return.
Sec. 2. Interest on deficiencies.
Sec. 3. Additions to tax in case of deficiency.
(a) Negligence;
(b) Fraud.
Sec. 4. Additions to tax in case of nonpayment.
(a) Tax shown on return.
(1) General rule.
(2) If extension granted.
(b) Deficiency.
Sec. 5. Time extended for payment of tax shown on return.
Sec. 6. Penalties.
(a) Willful violation;
(b) Definition of "person".

Title XIV—Licenses

Sec. 1. Requirement.
Sec. 2. Duration.
Sec. 3. Licenses to be posted.
Sec. 4. Where a corporation or unincorprated business has no office or place of business in the District, agent or employee shall carry certificate or license.
Sec. 5. Revocation.
Sec. 6. Renewal.
Sec. 7. Penalty for failure to obtain license.

Title XV—Appeal

Sec. 1. Appeal to the Board of Tax Appeals for the District of Columbia.
Sec. 2. Election of remedy.

Title XVI—Rules and Regulations

ARTICLE II—INCREASE IN RATE OF TAXATION OF REAL AND TANGIBLE PERSONAL PROPERTY

ARTICLE III—AMENDMENT TO MOTOR FUEL TAX ACT

ARTICLE IV—AMENDMENT TO MOTOR VEHICLE INSPECTION ACT

ARTICLE V—INCREASE IN WATER RENTS AND ASSESSMENTS FOR WATER MAINS

ARTICLE VI—FEDERAL PAYMENT

ARTICLE VII—SEPARABILITY CLAUSE

ARTICLE I—INCOME AND FRANCHISE TAX ACT

TITLE I—REPEAL OF PRIOR INCOME TAX ACT AND APPLICABILITY OF THIS ARTICLE; GENERAL DEFINITIONS

SEC. 1. Repeal of prior Income Tax Act: The District of Columbia Income Tax Act as approved and enacted July 26, 1939, and as amended, is hereby repealed with respect to taxable years or portions thereof beginning on and after the 1st day of January 1947 for all purposes, except the following purposes in connection with taxes due or accrued under said District of Columbia Income Tax Act:

(a) For the imposition of assessments and penalties, civil and criminal, for the violation of or failure to comply with any provisions of such act and the regulations prescribed thereunder;

(b) For requiring the making, filing, and submission of returns and reports required by such act;

(c) For the examination of all books, records, and other documents, and witnesses;

(d) For the assessment and collection of the taxes imposed by such act, and the filing of liens therefor; and

(e) For the allowance of refunds of overpayments of any taxes assessed under the provisions of such act.

SEC. 2. Applicability of article: The provisions of this article shall apply to the taxable year or part thereof beginning on the 1st day of January 1947 and to succeeding taxable years.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not finish all that I wanted to say a few moments ago about this bill, and I would like to ask the Chairman of the subcommittee, the gentleman from Massachusetts, a question at this point. I notice that in the report the figures are given as expenditures under the budget requirement for this year as $83,000,000 and some odd hundred thousand, and during the one session at which we discussed this bill in the whole committee, on some notes which I made growing out of the discussion—and the gentleman from Massachusetts gave more information than any one else—I think that these figures were given by the gentleman from Massachusetts. I have here a note that the budget for the ensuing year is $95,082,000. Did the gentleman give those figures at the committee meeting?

Mr. BATES of Massachusetts. The administration set-up in the District is, first, the general fund, into which flow general revenues to meet the obligations of the general departments, including schools. Then we have a highway fund, that is supported entirely from gasoline revenues and registration fees. We also have a water department, which is carried on separately on the revenue from water rates. Lumping the three of them together the estimated expenditures this year are $97,457,500.

Mr. DAVIS of Georgia. That is the sum of $95,082,000 plus the increase in the teachers' salaries, $2,500,000?

Mr. BATES of Massachusetts. That is exactly right, because the teachers' salary increase was not carried in the budget the Commission submitted to the subcommittee this year.

Mr. DAVIS of Georgia. Those are the figures I have. In the committee report, which was only printed on June 6, according to its first page, I saw the figures $83,000,000-odd as being the budget for this year.

Mr. BATES of Massachusetts. There is $71,000,000 in the general fund for 1948, the highway fund is $9,200,000, and the water fund is $8,600,000.

Mr. DAVIS of Georgia. In the discussion before the full committee the gentleman referred to the fact also that the Dupont Circle underpass could not be completed until the year 1950, that is, the construction of it would not even be begun, as I remember now, until 1950. Is that correct?

Mr. BATES of Massachusetts. That is correct. If this 1-cent increase in the gas tax is not approved, the Dupont Circle construction cannot start at all. If it is increased to yield $1,600,000 next year and in 1949, the Dupont Circle project—that is the major project—can start in 1949.

Mr. DAVIS of Georgia. Regardless of the increase in the bill we are now considering, they cannot start now under existing circumstances?

Mr. BATES of Massachusetts. Neither can the additional bridge to Virginia start. Both those projects must go out the window.

Mr. DAVIS of Georgia. Until 1950?

Mr. BATES of Massachusetts. They go out altogether if we do not increase the tax.

Mr. DAVIS of Georgia. If the 1-cent tax is passed, when will the construction be begun?

Mr. BATES of Massachusetts. In the Dupont Circle job the first allocation of funds is the first quarter of 1950, if we approve this 1-cent gasoline tax.

Mr. DIRKSEN. There are some funds available.

Mr. BATES of Massachusetts. The funds the gentleman from Illinois [Mr. DIRKSEN] is referring to are minor expenditures for what we call underground work, but the major part cannot start until 1950 unless this tax increase is approved.

Mr. DAVIS of Georgia. When is it contemplated that the bridge to Virginia can be started?

Mr. BATES of Massachusetts. The cost of both those bridges is $9,000,000. One of them is going to start presently, because the contract is being entered into. They tell me that the other bridge cannot be started until after 1950.

Mr. DAVIS of Georgia. Regardless of whether or not the 1 cent is added now.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to continue for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. May I ask the gentleman what relation, if any, there is between the steel structural work on the South Capitol bridge and the bill?

Mr. BATES of Massachusetts. The foundation for the South Capitol Street bridge is already in. They have readvertised for bids for the superstructure. The bids were excessive so they did not accept them. They do intend to readvertise them around September. But again may I say that if we do not get this 1-cent gas tax it is very probable that the South Capitol Street bridge will go out the window, and also the Dupont Circle job.

Mr. CRAWFORD. I thank the gentleman.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. SHORT. Do I understand our friend the gentleman from Massachusetts to say that we are going to suffer the obstruction of the streets and the street being torn up at Dupont Circle for 3 more years until 1950 before any major work is begun on it when they have already torn it up?

Mr. BATES of Massachusetts. I do not know what the administration problem is, Mr. Chairman, but I do say that the underground work is presently going on and will be completed with available funds. Then, I understand the hole can be covered up temporarily with pavement, and then in 1950 they can start on the actual construction work on the major project.

Mr. DIRKSEN. May I say there will be about $423,000 worth of relocation work under way right along?

Mr. DAVIS of Georgia. Mr. Chairman, inasmuch as my time has been consumed by the Members, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, the facts which have been discussed here indicate to me that this important subject ought to be carefully and thoroughly considered. The matters we are discussing here are matters that I as a member of the District Committee have not had an opportunity to discuss and investigate as thoroughly as I think they should be investigated and discussed.

I recall at one meeting of the joint subcommittee of the Senate and House District Committees when some of the citizens in the Dupont Circle area were complaining and asking that this project be postponed or not entered into that a Mr. Winchester, who, I believe, is the proper official of the District to discuss this matter and give facts concerning it, said as an inducement to the joint subcommittee to provide for and continue with this work that the District had the money with which to do the job. At the meeting last Thursday, the gentleman from Massachusetts told us that the District does not have the money to do the job and repeats his assertion today.

This business of going into a serious question like this of raising taxes without knowing exactly what we are going to do and how far it will go is something that we should not indulge in. We ought to know exactly what is what, and when a member of the District government appears before a joint subcommittee, he ought to be able to give accurate information, information that will be as good today as it was 4 weeks ago when it was given.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. BATES of Massachusetts. That information was given to the subcommittee of which the gentleman himself is a member, and not our subcommittee. Is that correct?

Mr. DAVIS of Georgia. That is correct. It was the joint committee of the Senate and House District Committees.

Mr. BATES of Massachusetts. In the examination of the expenditure sheets I observed that it did not provide for any expenditure until 1950 for the major job of Dupont Circle, and the head of the Highway Department admits that to be so.

Mr. DAVIS of Georgia. The point is that the joint subcommittee was given information on which we had a right to rely and which ought to be accurate, and in passing on these things we ought to take time to carefully consider them.

If I could investigate this I might be like the gentleman from Massachusetts and think this is the right bill to pass, but I do not know that now. I think the Declaration of Independence is a wonderful document, but I would not be inclined to pass it if it had been printed for the first time on Friday and put up for a vote on Monday. More time than that should be devoted to important legislation, and these discrepancies and inaccuracies indicate to me that we ought to take time enough to thresh this out and not undertake to rush it through like this when the Members of the House as well as the members of the committee do not know what the facts are.

The Clerk read as follows:

SEC. 3. Returns under prior income tax act and returns for first taxable year to which this article is applicable: If the taxable year of any person ends on the last day of any month other than December prior to the 1st day of January 1947, such person shall file his return for such taxable year under the provisions of the District of Columbia Income Tax Act as approved and enacted July 26, 1939, and as amended, and pay the taxes imposed by said act on his income for such taxable year at the times specified therefor in said act. Such taxpayer shall also file his return of income, received or accrued, according to his method of accounting, during the period between the last day of such taxable year and the 1st day of January 1947 under the provisions of the District of Columbia Income Tax Act as approved July 26, 1939, and as amended, and pay the taxes imposed by said act on his income for such period at the times specified therefor in said Act. Such portion of such person's income as is received or accrued, according to his method of accounting, during taxable years or parts thereof to which this article is applicable shall be reported and taxed under the provisions of this article: *Provided, however,* That any person whose taxable year ends subsequent to the 1st day of January 1947 may irrevocably elect to file his return of his income for such entire taxable year and pay the taxes imposed thereon under the provisions of this article.

SEC. 4. General definitions: For the purposes of this article and wherever appearing herein, unles sotherwise required by the context—

(a) The word "District" means the District of Columbia.

(b) The word "Commissioners" means the Commissioners of the District of Columbia or their duly authorized representative or representatives.

(c) The word "Assessor" means the Assessor of the District of Columbia or his duly authorized representative or representatives.

(d) The word "Collector" means the Collector of Taxes of the District of Columbia or his duly authorized representative or representatives.

(e) The word "person" means an individual (other than a fiduciary), a fiduciary, a partnership (other than an unincorporated business), an association, an unincorporated business, and a corporation.

(f) The word "individual" means all natural persons (other than fiduciaries), whether married or unmarried.

(g) The word "fiduciary" means a guardian, trustee, executor, committee, administrator, receiver, conservator, or any other person acting in any fiduciary capacity for any person.

(h) The words "trade or business" include the engaging in or carrying on of any trade, business, profession, vocation or calling or commercial activity in the District of Columbia; and include the performance of the functions of a public office.

(i) The word "taxpayer" means any person required by this Article to pay a tax, file a return or report, or apply for a license.

(j) The words "fiscal year" mean an accounting period of 12 months ending on the last day of any month other than December.

(k) The words "taxable year" mean the calendar year or the fiscal year, upon the basis of which the net income of the taxpayer is computed under this article; if no fiscal year has been established by the taxpayer, they mean the calendar year. The phrase "taxable year" includes, in the case of a return made for a fractional part of a calendar or fiscal year under the provisions of this article or under regulations prescribed by the Commissioners, the period for which such return is made: *Provided, however,* That no taxpayer may change from a calendar year to a fiscal year or from a fiscal year to a calendar year within any taxable year without the written permission of the assessor.

(l) The words "capital assets" mean any property, whether real or personal, tangible or intangible, held by the taxpayer for more than 2 years (whether or not connected with his trade or business), but do not include stock in trade of the taxpayer or other prop-

erty of a kind which would properly be included in the inventory of the taxpayer if on hand at the end of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(m) The word "dividend" means any distribution made by a corporation (domestic or foreign) to its stockholders or members, out of its earnings, profits, or surplus (other than paid-in surplus), whenever earned by the corporation and whether made in cash or any other property (other than stock of the same class in the corporation if the recipient of such stock dividend has neither received nor exercised an option to receive such dividend in cash or in property other than stock instead of stock) and whether distributed prior to, during, upon, or after liquidation or dissolution of the corporation: *Provided, however,* That in the case of any dividend which is distributed other than in cash or stock in the same class in the corporation and not exempted from tax under this article, the basis of tax to the recipient thereof shall be the market value of such property at the time of such distribution: *And provided, however,* That the word "dividend" shall not include any dividend paid by a mutual life insurance company to its shareholders.

(n) The word "stock" includes a share in any association, joint-stock company, or insurance company.

(o) The word "shareholder" includes a member in an association, joint-stock company, or insurance company.

(p) The words "include," "includes," or "including," when used in a definition contained in this article shall not be deemed to exclude other things otherwise within the meaning of the word or words defined.

(q) The word "deficiency" as used in this act with respect to any tax imposed by this article means—

(1) the amount or amounts by which the tax imposed by this article as determined by the assessor exceeds the amount shown as the tax by the taxpayer upon his return; or

(2) the amount assessed as a tax by the assessor if no return is filed by the taxpayer.

(r) The word "corporation" includes any trust, association, joint-stock company, or parnership which is classed or should be classed as a corporation for purposes of Federal income taxation.

(s) The word "resident" means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The word "resident" shall not include any elective officer of the Government of the United States or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year.

(t) The word "nonresident" means every individual other than a resident.

(u) The term "dependent" means any of the following persons over half of whose support, for the calendar year in which the taxable year of the taxpayer begins, was received from the taxpayer:

(1) A son or daughter of the taxpayer, or a descendant of either.

(2) A stepson or stepdaughter of the taxpayer.

(3) A brother, sister, stepbrother, or stepsister of the taxpayer.

(4) The father or mother of the taxpayer, or an ancestor of either.

(5) A stepfather or stepmother of the taxpayer.

(6) A son or daughter of a brother or sister of the taxpayer.

(7) A brother or sister of the father or mother of the taxpayer.

(8) A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the taxpayer.

The terms "brother" and "sister" include a brother or sister of the half-blood. For the purposes of determining whether any of the foregoing relationships exists, a legally adopted child of a person shall be considered a child of such person by blood. The term "dependent" does not include any individual who is a citizen or subject of a foreign country unless such individual is a resident of the United States or of a country contiguous to the United States.

Mr. O'HARA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA:

Page 11, line 15, after the words "United States", insert "or employees of the United States Government."

Page 11, line 20, strike out comma after words "United States" and insert period. Strike out words "unless such officers" and all of lines 21 and 22, and add the following: "For the purposes of this act the domicile of such officer or employee shall be in the State in which he expressly declares to be the State of his domicile: *Provided,* That he shall have acquired a domicile in such State under the laws of such State prior to the beginning of the annual period for which the tax is claimed. Such declaration must be made in writing, under oath, to the assessor and the time for filing such declaration shall not expire until 60 days after written demand shall have been received by such officer or employee."

Mr. SMITH of Virginia. Mr. Chairman, I reserve a point of order against the amendment.

Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. SMITH of Virginia. This amendment differs in form from the one the gentleman offered in committee, does it not?

Mr. O'HARA. That is correct. It is different so as to apply specifically, I may say to the gentleman from Virginia, to this language in the bill which defines residence, and it applies to only residents of the District of Columbia.

Mr. SMITH of Virginia. And it would not affect any person who resided outside of the District of Columbia.

Mr. O'HARA. Not at all.

Mr. SMITH of Virginia. In other words, it does not in any way interfere with the existing tax laws of any State.

Mr. O'HARA. Not at all. It applies only to this tax law in the District of Columbia.

Mr. SMITH of Virginia. Mr. Chairman, I withdraw my reservation of the point of order.

The CHAIRMAN. The gentleman from Minnesota is recognized on his amendment.

Mr. O'HARA. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized for 10 minutes.

Mr. O'HARA. Mr. Chairman, I hope I will not need the additional time for which I have asked because of the fact that I spoke at some length on this matter during general debate.

This is the principle, I may say, of a bill which was adopted by this House on March 27, 1944, known as H. R. 3592; likewise of a bill which passed the House on March 5, 1945, H. R. 534.

This amendment applies to section (s) found on page 11 of the bill. Those of you who followed the reading of the bill noticed that "resident" is defined as being an individual domiciled within the District on the last day of the taxable year or a person who maintains a place of abode within the district for a period of 7 months. Members of Congress, Members of the Cabinet, and officers appointed by the President are specifically exempted; yet we have the situation where our secretaries, the help in our offices, and the Government employees are not exempted.

This amendment has a twofold purpose, Mr. Chairman. In the first place let me say—and I say it to the entire Membership—the purpose is to insist that those residents of the District of Columbia who claim to be domiciled in a State pay their taxes back home where they should be paid. That is the first principle. The second principle is: I maintain that every citizen whether he works for the Government, is a Member of Congress, or whoever he may be, has the right to his own domicile whether he lives in Virginia, Maryland, Minnesota, Massachusetts, or some other State. What happens? Your employees are down here for the same reason you are, because you are elected to office. You are exempt yourself under this law; your employees are not. They have no choice about it if they want to work for you, and they are harassed by this law in the District of Columbia. They are going to pay their taxes back home and they are going to have to pay them here because they cannot afford to go into court and fight over the matter of $25 or $30 tax.

It applies to the little man who works here for the Government because he is down here in Washington just as you and I are due to the fact that they tell him this is where he has to work. He is down here and I want him to pay his taxes out in the State where he belongs. I do not want him harassed by additional taxes down here. Oh, yes; they will say this tax is very light. The gentleman from Massachusetts and the gentleman from Illinois, chairman of the committee, will say: "Oh, well, if he pays his tax at home then that ends it because this tax is very light."

Mr. Chairman, I am against the tax dodger. I want him to pay his taxes if he is living here. I do not want him to dodge his tax. Furthermore, my amendment says that he will have to file an affidavit under oath stating where his residence is. If he lies in that affidavit he is subject to the charge of perjury. If he says that his residence is back in Rhode Island, Louisiana, or Minnesota, or wherever it may be, all right, he has a right to make that claim under oath.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Indiana.

Mr. SPRINGER. In other words, each one of the persons who is working here for the Federal Government makes a declaration as to place of residence. When they make that declaration that they live in the State of Indiana or in Arkansas or whatever State they retain their residence in, then they are subject to taxation in that State?

Mr. O'HARA. That is right.

Mr. SPRINGER. And not subject to tax in the District of Columbia?

Mr. O'HARA. That is right. The language in the bill does not create that protection even to the District that my language gives and neither does it create a protection for the State back home where he should be paying the tax.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. How many States are there with no income tax law?

Mr. O'HARA. There are 16.

Mr. McCORMACK. What effect would it have on persons working here and claiming residence in those 16 States?

Mr. O'HARA. I may say to the gentleman that they have the same right under this affidavit to claim their residence back in those States. It is only justice to the residents of those 16 States who have an honest-to-goodness domicile back in 1 of those 16 States. They are paying taxes in some form back there other than income taxes.

Mr. McCORMACK. I will agree with the gentleman in relation to one who is in the employ of a Member of the House or Senate from those States and who lived there before they came to Washington, but what about those who are working year in and year out, month in and month out, in a department down here and who claim a residence in one of those States. How about them?

Mr. O'HARA. They are going to have to come in here and answer and prove in addition to their affidavit that they are bona fide residents back there and they will be subject to the tax back there. They can be pursued by those States, where they claim residence. This is not the case of tax dodging at all. I want those people to pay their taxes in their States. If they are dodging that let them pay it down here.

Mr. McCORMACK. I would not want the RECORD to show the slightest inclination on my part at all that I thought the gentleman had anything like that in mind because I know the gentleman has not. I was trying to pursue the matter to find out what the situation would be with reference to persons in different employment categories.

Mr. O'HARA. They have to make an honest statement. Suppose someone claimed that they are a resident of the State of Texas when they were not. If it was shown upon proof by the District of Columbia that they were not, that person would be subject to a charge of perjury in addition to the penalties provided in the bill.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. As the gentleman pointed out in connection with those 32 States which do have an income tax, it being agreed that the income tax in those 32 States is higher than that which exists in the District of Columbia, there is a possibility, and no doubt certainly many people working in the District of Columbia are paying their taxes here when they ought to be paying them back home?

Mr. O'HARA. The gentleman is exactly right.

Mr. SCHWABE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Oklahoma.

Mr. SCHWABE of Oklahoma. I would like the gentleman to tell me if instead of this being a tax-dodging amendment, it is not a tax-collecting amendment?

Mr. O'HARA. It is a tax-collecting amendment.

Mr. SCHWABE of Oklahoma. It places the money where it belongs.

Mr. O'HARA. Right.

Mr. SCHWABE of Oklahoma. In addition to that, we get our money from the various States. As it is now and as it is under this bill, the money will not go where it belongs at all.

Mr. O'HARA. That is right.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Let us take two States for example, the State of Minnesota and the State of Oklahoma. If the person that is to be taxed lives in the District, and he claims Oklahoma or Minnesota as his place of domicile and pays taxes there, then he is exempt from the payment of any taxes under the provisions of this bill. The gentleman knows that is so.

Mr. O'HARA. That may be true. But we also have the situation existing in Virginia and Maryland, people working in the District, where they are hounding these people and they are paying the taxes back home and also forced to pay taxes here.

Mr. BATES of Massachusetts. That may be true.

Mr. O'HARA. Now, let us not make this a tax-beagle bill; let us make it a fair tax bill.

Mr. BATES of Massachusetts. That is what we are trying to do. We are trying to get away from tax evasion in the District.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from South Dakota.

Mr. MUNDT. I would like to ask a question for information. I come from South Dakota, where we do not have a State income tax. In Massachusetts they do have a State income tax. Does it seem fair to the gentleman that we enact a District tax here which compels the people from South Dakota living in the District to pay a District tax, but which would not compel the people of Massachusetts to pay a tax?

Mr. O'HARA. Let me say to my good friend from South Dakota that we are legislating for the 48 States and the District of Columbia, because when you write a tax bill like this you are affecting every little person who comes in here, and when you make exemptions for yourselves and the higher-paid officers and give no consideration to the little people who are going to be hounded, I think it is mighty poor legislation.

Mr. MUNDT. I believe we should not discriminate between ourselves and our neighbors, and we should not discriminate between States.

Mr. O'HARA. We should not discriminate between the 32 States that have an income tax and the 16 who do not have an income tax, because they have, by agreement, some other tax, which is that share of the burden which would ordinarily be paid in income tax.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. O'HARA. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes to answer some questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MUNDT. Mr. Chairman, if the gentleman will yield further, the gentleman well knows that in States like ours that have no income tax there are other taxes that compensate for that.

Mr. O'HARA. Yes.

Mr. MUNDT. So you are pyramiding a tax on one group of taxpayers and exempting others.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman from South Dakota is in the same situation I am in. In Illinois a great part of the burden of taxes is taken care of by the sales tax. Many of these people are not here longer than 7 months, and so would be paying the sales tax in Illinois, if a resident of Illinois and in Illinois a part of the year. They are paying the sales taxes back home while back home.

Mr. O'HARA. Exactly.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Kentucky.

Mr. CHELF. As I understand it, this would make the person elect where he wanted to pay his taxes; in other words, to his home State or to the District.

Mr. O'HARA. He has to state where he claims he is a resident and has a domicile, nd he must swear to it.

Mr. CHELF. And once he has made that election or selection, then he would make an affidavit, and then would the gentleman say he would have to submit a receipt for income taxes?

Mr. O'HARA. No. We do not get a receipt for our income taxes back home. That is just the difficulty with some of these things. But, he makes his affidavit. He may be able to follow it up with a check that he paid it, or he may have to send and get a photostatic copy

of it. But, he is going to be put to some trouble. If there is any question about his being a tax dodger, he ought to be put to that trouble.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Tennessee.

Mr. JENNINGS. It occurs to me that this is an effort to levy a double Federal income tax on these employees who are not citizens or residents of Washington. They are simply here in a transitory sense. Their residences are in their home States. This is their local residence, and as a rule that is always the principle upon which you determine where a person pays his tax.

Mr. O'HARA. That is the principle of this amendment.

Mr. JENNINGS. The gentleman is exactly right about it. It is fair. We ought not to make fish out of one man and fowl out of another.

Mr. O'HARA. Exactly.

Mr. JENNINGS. Let us have a sales tax if they want some money. I do not mind paying a sales tax on what I buy here, but I do not like to see these little people skinned alive.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. As I understand, the purpose of this amendment is to exempt people who pay taxes in other States.

Mr. O'HARA. That is right; who are employees of the Government.

Mr. ZIMMERMAN. Each State has its own method of taxing its citizens. If a person from Missouri, for example, which has an income tax and also a sales tax and a property tax, pays his taxes there, and another person comes from a State that does not have any income tax, each person paying according to the laws of his State, that person should be exempted just as much as the man who pays in accordance with the law of his State.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. I am not an expert on income-tax questions, so I want to ask the gentleman this question. What is his construction of this bill as it stands on the question of whether the wife of a Congressman would be considered a resident of the District within the meaning of this bill for income-tax purposes?

Mr. DIRKSEN. I would assume, of course, that the exclusion of a Member of Congress would go also to his family.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. There has been some discussion of double taxation. Where is it?

Mr. DIRKSEN. There is no double taxation. Nobody has pointed it out. Nobody has pointed out where it is. That is the trouble. There are a lot of words, and there is a lot of sentimentality round here, but nobody puts it down.

You talk about the little people, and in the same breath talk about putting a sales tax on them. The little person will pay $10 under an income tax but pay $50 under a sales tax. The gentleman from Washington [Mr. HORAN] is going to offer the sales-tax amendment, and there will be no exclusions, so you will pay on food and clothing. If you are worried about the little people, of course, this is an out for them.

Mr. BATES of Massachusetts. The facts are that unless we adopt this tax bill as it is we will in all probability have to resolve ourselves in favor of a sales tax.

Mr. DIRKSEN. We have to find the revenue somewhere. It is inescapable.

What does the amendment offered by the gentleman from Minnesota do? No. 1, it specifically excludes all employees of the United States in Washington from the word and the definition "resident." There are hundreds of thousands here. Some of them have been here for 25 or 30 years. They have not been back home. They say, however, that that home is their domicile, but they live here 12 months in a year. They enjoy the benefits of everything the Nation's Capital has to offer. They enjoy the police protection, the fire protection, the parks, and the schools. The courts are open to them. In one case a gentleman came to me whose domicile is in Pennsylvania but who has lived here for 40 years and has contributed nothing to the upkeep of the District of Columbia.

There is an end to this business of whether you are a visitor or a sojourner in the District but can stay here a lifetime. We have it pretty easy. We have undertaken to say there will be no double taxation. If you pay back home in 32 States, you do not pay here. If you do not pay in the 16 States that have no income tax or have no intangible-property tax, and you are here on the last day of the taxable year and have been here for 7 months of the year, we say it is only fair that you should pay something to the upkeep of the District of Columbia. How easy it is.

The special adviser of this committee, who is one of the foremost experts on municipal taxation, Mr. Jackson, of Boston, spends 4 months a year in New York and 8 months a year in Massachusetts, but he pays an income tax in both Massachusetts and New York. We do not do that under this bill. We try to make it just as palatable and just as fair as possible.

Our friend from Minnesota talks about sending the beagle hounds out after people and harassing them.

We have had an income tax here since 1939 and it is for the purpose of getting away from harassment and getting the thing clarified that we have brought this bill to you. But he proposed by this language to exclude hundreds of thousands of people. It is said we ought to put ourselves as Members of Congress on the same basis as appointees. You are elected to office by the people in a constituency, and you have no choice except to come here unless you want to resign your commission. Then, you would not have to come to Washington and you would have no interest in it.

The other exclusion consists of those who hold tenure by sufferance of the President of the United States when confirmed by the Senate. Those are in the act today. That has been the law for 8 years. Nobody has quarreled about it.

Now, we are simply trying to put everybody who avails himself of all of the benefits of the Nation's Capital in the position of having to pay a little something.

The State of Maryland has resolved this question by her court of appeals. Virginia has resolved it. They say you cannot come here and stay a good many years and get a job on the Federal pay roll and buy a house in Bethesda or Rockville or Hyattsville or any place else and then claim you are a sojourner or a visitor. Here is a decision in 1942 of the Maryland Court of Appeals. They said very definitely they would go into the facts and see whether or not such a person is a sojourner or ought to be taxed for the benefits that are provided. The gentleman's amendment says that you have to expressly declare your domicile in some other State. The language of the amendment says:

> For the purpose of this act, the domicile of such officer or employee shall be the State which he expressly declares to be the State of domicile.

Let us look at that. You could not go into any ancillary facts for the purpose of proving domicile. Let me tell you the most interesting case with reference to that. This question was resolved by the circuit court of appeals in Washington. The Supreme Court of the United States said for the purpose of establishing residence and domicile they can determine your church affiliations, your lodge affiliations, and so forth, for the purpose of determining where you live and the benefits you have. When that determination was made a justice of the circuit court of appeals who had lived in Washington for a long time and who intended to stay here because he has a lifetime tenure resigned his job as vestryman in one of the prominent churches of Washington so that they could not hook it on him so that he would have to pay taxes here, since for the purpose of taxation he would be a resident here.

Talk about dodging? That is the thing we are trying to nail down in the bill as it came to you. Now, my friend the gentleman from Minnesota wants to tear it wide open and bring in the chaos and confusion that we have experienced up to the present time. We have had 2 cases in the Supreme Court, 8 in the circuit court of appeals, and another 300 cases in the district court,

and several thousand cases in the assessor's hands.

If you adopt this amendment, then we are right where we were, and then the assessors will really have to harass them to find out where they live. Here is a chance to get away from this harassment. Here is a chance to get some clarification of these words "domicile" and "resident." Here is an opportunity to have the people bear a fair share of the benefits that they enjoy in an organized society in the place where they live, even though with their lips and with words issuing from their mouths they say, "Yes, we have enjoyed the benefits of Washington for 30 years, but I live in Illinois or Tennessee or Alabama or Minnesota."

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. FORAND. Does the gentleman care to express himself relative to the staffs in our own offices? Most of them are registered in our respective districts.

Mr. DIRKSEN. They would come within the provisions of the language on page 11. If they are here on the last day of the taxable year or if they have lived here continuously for 7 months, they would pay, and they have an offset. If they come from one of the 32 States whose income taxes are higher than in the District of Columbia, then, of course, that would be offset, and they do not pay.

A point has been made with respect to the 16 States where there is no income tax. It seems to me that Judge Jones of Alabama expressed it nicely when he said, "Are you going to let the exception govern the rule or the rule govern?" That is the answer.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. EBERHARTER. Does the gentleman claim that the 16 States should be ignored and that they are merely a slight exception? That constitutes 33 percent of the 48 States.

Mr. DIRKSEN. No; certainly not. If they pay an intangible tax in those States they can offset that; and if they have an income tax they can offset that. But we say they must pay one tax somewhere. It is contended that it is double taxation. It is not. If you pay in Virginia you do not pay here. If you pay in Maryland you do not pay here. If you live in Illinois, my home State, where they have no income tax, and if somebody says, "Sure, I have lived in Washington for 2 or 3 years, but I vote in Illinois"—year after year they enjoy the benefits down here. Should they not pay a few dollars toward the support of this Government?

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes; I yield.

Mr. EBERHARTER. Is it not up to the State where they are domiciled to collect the tax, and not the District of Columbia?

Mr. DIRKSEN. My friend knows that the tax collector of Springfield, Ill., is not going to come down here to Washington on that matter. So, year after year, look at the people who evade taxes. It is not illegal, because under the kind of law we have at the present time it is possible to do it.

Mr. EBERHARTER. The gentleman has not convinced me that there is no discrimination here. I am certain there is.

Mr. DIRKSEN. There is only one tax to pay. We do not care where you pay it. If you do not pay it back home you pay it here.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. JONES of Alabama. A proceeding for the collection of taxes is an action in personam; not an action in rem. It follows the situs of the real estate. It is to the person who enjoys the benefits of the Government where he resides.

Mr. DIRKSEN. That is correct.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DEANE. The distinguished chairman has nade a very able presentation, but in his argument he did not discuss whether this is class legislation, or whether it is constitutional when we exempt the Members of Congress and we tax our secretaries in States that do not have income-tax laws.

Mr. DIRKSEN. All I can say is that provision has been the law for the past 18 years and, insofar as I know, it has not been impeached constitutionally, as yet.

Mr. SCHWABE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SCHWABE of Oklahoma. I understood the gentleman to say that under the provision of subsection (s) on page 11 of the bill, if the tax were paid back home they would not have to pay it here or that he would be given credit for it. I would like to have the gentleman point out that provision.

Mr. DIRKSEN. It is in a subsequent provision. I do not have it before me just now, but I think it is on page 44. However, it is very definite.

I hope the amendment will not be adopted, because you will tear the vitals out of this thing and we will be right back where we started. Then, of course, it becomes necessary to find additional revenue, and you will have to entertain this question of a sales tax or some other tax, because here is a deficit that has to be met. It is the obligation of the Congress, which has life and death power over the District of Columbia, to point the way and develop the revenue.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the issue that I brought before the Committee in general debate earlier today. Let us not for a moment overlook the real issue that we have here. It is not whether or not it is going to be double taxation on any individual. It is whether or not the employees in States that do not have an intangible tax or an income tax are going to have to pay an income tax in the District of Columbia. That is the issue that you have here.

The gentleman from Minnesota [Mr. O'HARA] proposes, if I understand his amendment, that Federal employees from States which do not have an income-tax law will be treated just as Federal employees from States who do have income-tax laws.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. Yes; I yield.

Mr. CHURCH. The State of Illinois has no income tax, but let me also state there is a great burden on the taxpayers of Illinois, paid for by those taxpayers in the nature of a sales tax.

Mr. HARRIS. Yes. The point I was trying to make——

Mr. CHURCH. I know, but that is an intangible tax and not included in this bill as an exemption.

Mr. HARRIS. But the employees of the Federal Government residing in the District of Columbia, although they pay that intangible tax in the State of Illinois, will be required to pay an income tax in the District of Columbia.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. BATES of Massachusetts. If they pay an intagible personal tax or a property tax they have the right to deduct it.

Mr. HARRIS. I should like to ask the distinguished chairman of the subcommittee how many people he thinks would keep a detailed account, a day by day account, of the amount of money they pay under the sales tax in Illinois and take that as an offset on what he pays here.

Mr. BATES of Massachusetts. The gentleman made no mention of sales tax. He was speaking about intangible and personal property taxes.

Mr. HARRIS. But the gentleman from Illinois mentioned the sales tax.

Again the real issue here is whether we shall say to the 16 States of this Nation which do not have an income tax that they are going to have to pay in the Distric of Columbia.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. POAGE. In my home town the property tax for State, city, county, and school purposes is approximately three times what it is in the city of Washington. Because of that tax we do not have to levy an income tax and have not levied an income tax, but under this bill the District in effect would be saying what kind of tax we can impose upon our own people.

Mr. HARRIS. That is exactly what the gentleman from Minnesota proposes to correct by his amendment. His purpose is to have the Congress say to the States that they may have the privilege of levying the kind of tax they want in their State and that the citizens of their State are not to be harassed some other place in the United States which has

adopted some form of tax the other State may not care to adopt.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. JENNINGS. This amendment simply says to the taxing power of the Government, "You cannot within the District of Columbia levy a double income tax on somebody who happens to be here as a transient."

Mr. HARRIS. I disagree with the gentleman. There is no double tax levied here because if there is an income tax in the State of Tennessee, then a Tennessean in the District of Columbia would receive credit for it for District of Columbia income tax purposes. If the Tennessee tax is the higher then he pays no tax here.

Mr. JENNINGS. But the point is that these people are not residents within the contemplation or the general origin of the law; they are simply here temporarily.

Mr. HARRIS. I agree with the gentleman that it is not the province of this Congress through a bill such as this to impose on any State any certain type of tax or to prevent them from adopting any form of tax they wish. We ought not to give the power to the District of Columbia to say that because a resident of their State working here does not pay a certain kind of tax in his home State the District is going to make him pay here.

Mr. FORAND. Mr. Chairman, will the gentleman yield right there?

Mr. HARRIS. I yield.

Mr. FORAND. I agree with the gentleman that this would not be a double income tax, but it would be an additional income tax upon those whose State tax rates were below this rate.

Mr. HARRIS. It would in my opinion be saying to a State, "We are going to penalize the Federal employee from your State because you do not have an income tax." It would not be a double income tax.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. I have asked for this additional time for the purpose of asking a question of the very able gentleman who is the chairman of the subcommittee and who has done a fine piece of work in writing this bill.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. BATES of Massachusetts. I wish to refer to the point raised by the gentleman from Rhode Island, the case of a State where the income-tax rate is lower than in the District of Columbia. In such case the person would have to pay a tax; but the fact is that the rate in the District of Columbia is far, far less than it is in any other State that has an income tax.

Mr. FORAND. But in the case of a State where the rate was lower this would be an additional tax.

Mr. BATES of Massachusetts. He would be exempted from paying a District income tax if his home rates were higher; and the reverse would apply likewise.

Mr. HARRIS. The point that I want to emphasize is that we are dealing with a policy.

I wish to ask the chairman of the subcommittee, who is opposing this, how much revenue would be lost to the District of Columbia assuming the amendment offered by the gentleman from Minnesota were adopted? How much would it take from his estimated revenues under this bill as now written?

Mr. BATES of Massachusetts. The gentleman understands that this amendment offered on the impulse of the moment makes it impossible to give an intelligent estimate; but if the Federal employees of the 16 States that have no income-tax law were exempted it would make a material difference. We, of course, have no way of estimating what the amount would be by way of changed revenue. As the gentleman from Illinois [Mr. DIRKSEN] just told me, it will kill a very important source of revenue upon which we depend to balance the books this year.

Mr. HARRIS. In other words, does the gentleman estimate that these 15 States that have employees here that do not report an income tax back in their States will pay an additional $3,100,000 income tax in the District of Columbia?

Mr. BATES of Massachusetts. The gentleman can make no assumption such as that from what I said. We know in connection with the Federal payments in the past year that over 280,000 people gave the District of Columbia as their place of residence, yet in the District of Columbia less than 85,000 taxpayers paid an income tax in the District of Columbia.

Mr. HARRIS. The gentleman knows that not everyone in the District of Columbia, not everyone who resides here, pays an income tax. They do not make that kind of money. There are a lot of people in the District of Columbia who do not make enough money to pay an income tax, though the exemption is rather low.

I would like to say one or two things further. I do not think the gentleman should in any way by extenuating circumstances or inference leave the impression that any citizen will purge himself in order to avoid paying an honest income tax that he is due to pay.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the gentleman may have two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Illinois.

Mr. DIRKSEN. There is no such implication and, in the second place, now that the gentleman has raised this question, look what this amendment of the gentleman from Minnesota [Mr. O'HARA] will do. It places all the Federal employees in one group, but what about those people in Washington who are not Federal employees?

Mr. HARRIS. They have got to file an affidavit.

Mr. DIRKSEN. That amendment puts them in two groups, whether they work for the Federal Government or do not.

Mr. HARRIS. The amendment makes them file an affidavit stating that they live in the District of Columbia and are residents here.

Mr. DIRKSEN. Why make fish of one and fowl of the other?

Mr. HARRIS. Does the gentleman imply that a person, regardless of where he is from, in this country, is going to purge himself to avoid paying an honest income tax to the District?

Mr. DIRKSEN. Why, certainly not, but the language of the amendment offered by the gentleman from Minnesota says that this shall not include any elective officer, Cabinet member or employees of the United States Government. Now, what about those who do not work for the Government?

Mr. HARRIS. Does the gentleman think his own State of Illinois could provide a tax for that State and for the people of that State wherever they live?

Mr. DIRKSEN. No, but that begs the question with respect to this amendment.

Mr. HARRIS. I disagree with the gentleman. Does the gentleman deny this does not apply generally to the 16 States that do not have an income tax provision?

Mr. DIRKSEN. No. We simply contend that they ought to pay a tax somewhere for the enjoyment of the benefits they have as a result of an organized existence in our society. If they pay back home they do not have to pay here. If they are not here for 7 months of the year or a resident on the last day of the taxable year, they would not pay.

Mr. HARRIS. Then, is this the issue: That the people from the State of Arkansas, where I live, will pay their income tax back home, consequently they will not pay any income tax in the District of Columbia, while people from Pennsylvania, which does not have an income tax law, will have to pay in the District of Columbia?

Mr. DIRKSEN. Does the gentleman want someone to enjoy the fruits of municipal existence without paying a little something for it? That is the question.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. POAGE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 20 minutes, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. POAGE. Yes, sir; let me answer the gentleman's question. As a Congressman from the State of Texas, I will not have to pay any income tax to the District of Columbia under the terms of this bill, but the girl in my office who makes $2,000 a year will have to pay an income tax to the District of Columbia, although her time spent in Washington is the same as mine, and she has to pay out of that $2,000 a year her transportation to and from Washington whereas the Government pays mine for at least one round trip. That is what this bill does. That is the kind of bill that is offered in the name of justice and equal taxation.

Mr. MORRIS. Can that be justified?

Mr. POAGE. Of course not.

Mr. MORRIS. Is there any way in which we can justify it?

Mr. POAGE. Of course not. Not unless you want to try to justify special privileges for yourself at the expense of your employees, and I know the gentleman from Oklahoma does not want to do that, and neither do I.

Mr. MORRIS. If there is, I would like to hear it.

Mr. POAGE. I, too, would like to hear a justification of it, but I am not going to try to justify anything so unfair as this bill. The legislation on its face condemns itself as being an appeal for votes for Members of Congress. The legislation on its face condemns itself as being unfair and inequitable against those least able to express opposition thereto. The legislation on its face condemns itself as being demagogic in that it seeks to secure the support of the Representatives of the majority of the States of the Union without any regard for the rights of those 16 States that have, through their duly elected representatives in their legislatures, adopted other systems of taxation.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Just a moment, and I will be glad to yield. First, let me call this to the attention of the House, because I think it is of vital importance, and I hope that the Members will give me their attention for just a moment. I hope the distinguished gentleman from Illinois will listen to this. Out of keeping with the thoughtful study that the gentleman from Illinois generally gives to matters of this kind, he has this afternoon indicated that he has not thoroughly thought this through. I hope I may have his attention. There is no State in this Union that does not levy taxes sufficient to run that State. And the cities and other subdivisions of each levy sufficient taxes of one form or another to run their governments. As far as the people of the District of Columbia are concerned and as far as this Congress is concerned, it should not make any difference whether they levy it in the form of an income tax or whether they levy it in the form of a property tax, a sales tax, intangible tax, or whatnot. Each State and its subdivisions has its own system of taxation and each State and its subdivisions pays for running its own government out of its own system of taxation. I wish the gentleman from Illinois would listen to me, because I think it is important. Each State in this Union pays for the running of government, and the various localities pay for the running of their governments. These bills are not paid by this Congress, nor are they paid by the people of the District of Columbia. Why does it make any difference to the District of Columbia or the citizens therein or this Congress whether the State of Texas or the State of Illinois levies income taxes or whether they levy property taxes? Whatever form of tax they have, they do not levy it on anybody else except on their own citizens. It happens that in my State and it happens that in the State of Illinois, the people through their legislative assemblies have decided that they would rather levy a higher property tax than to impose an income tax. Whether that is right or wrong, I do not know. I personally, but for my belief that we should divide the forms of taxation between the Federal and local government, might vote for an income tax; I think there is much to be said for it, but my State and 15 other States have decided that they do not want that kind of tax. Why should our citizens be penalized?

Now, this much no one can deny. We levy enough taxes to run the State of Texas and the State of Illinois levies enough taxes to support the State of Illinois, whether they levy it in income taxes or not. So. when the gentleman tells this committee that all he wants is to see that these people pay their share of taxation somewhere, that every citizen of this Nation pays his fair share of taxation somewhere, I do not think he has made out a case for Federal control of State taxation. It is not the duty of this Congress to try to enforce the State laws in Texas, New York, or California, or anywhere else. That is the duty of the State.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. DIRKSEN. The difference is simply this, in the great State of Texas, the legislature does not have to pay any attention to a viewpoint expressed by somebody from Illinois or elsewhere. In the State of Illinois our legislature does not have to pay any attention to the viewpoint expressed by somebody from Texas. But, when it comes to the District of Columbia, which must come to the national lawmaking body, almost invariably they become the victims of the viewpoint that is expressed from the standpoint of Illinois or the standpoint of Texas, and that is the difficulty that we have here, in getting people, whose domiciles may be in Texas or Illinois, or who have lived here for 15 or 20 years, to carry their fair share of the burden. That is the difficulty.

Mr. POAGE. The gentleman again begs the question because, as I have shown, and as no one will deny, the State of Texas and the State of Illinois levy taxes on their people to support their State government. Why should it make any difference to the people of the District of Columbia whether we get those taxes in the form of property taxes or in the form of sales taxes or in the form of income taxes? Actually, in the town where I live the property tax for all purposes, State, county, school, and city, is approximately three times what the property tax is in the District of Columbia, and the tax here includes all the property taxes paid. Why, then, if the people of the District of Columbia want to raise more taxes, they might follow the same policy that the people of Texas follow. I do not say that they necessarily should use our system, but before we decide that the people of the District are imposed on by citizens of other States, we might consider bringing up the property tax in the District and the gasoline tax. If the people of Texas are willing to burden themselves with a property tax far higher than that collected in the District, why should Texas be penalized? Would the sponsors of this legislation be willing to give the citizens of Texas who pay property taxes in that State an offset against any property taxes they might owe in the District? If you propose to levy the same property tax on anyone owning property in the District, regardless of the property taxes paid in that person's home State, why not levy the same income tax regardless of what income tax the person pays in his home State?

I will tell you why they apply a different rule as between incomes and property taxes. I will show you what this discrimination does. I will show you who will be penalized. The gentleman from Oklahoma called attention to who is penalized under this bill. Here is the actual way it works out. In the State of Texas I happen to be blessed with a little property on which I pay property taxes. I as a citizen of Texas, living in a good-sized town, pay $6 per $100 on the property I own in Waco, Tex. They pay $1.75 for $100 in the District of Columbia, incidentally. I could probably get by paying $1.75 on my property in the State of Texas as the people in the District of Columbia do, and by paying only a 3-cent gasoline tax as the people of the District of Columbia do if my State were willing to levy an income tax on that $2,000-a-year stenographer that this bill proposes to tax. But I am glad that in the State of Texas we believe that those who are a little better fixed and own a little more of this world's goods should bear the burden of taxes to support our State and local governments, that those who have property should pay for the running of this State, in order that we might exempt those who have a smaller income, and those on whom the taxes levied in this bill would fall so heavily. The State of Texas collects largely from property owners, but it collects from its people all the money we spend for running the State of Texas and all of the subdivisions thereof. The

property owners of Texas and the automobile drivers of Texas pay more than the property owners or the automobile drivers of the District of Columbia in order that we may give relief to the small wage earner. The proponents of this bill now come forward and say to us, "Even though you people in Texas have taxed yourselves to exempt this $2,000-per-year clerk, even though you pay three times as much property tax as the citizens of the District in order that she may be relieved, we do not like your system, and therefore we are going to tax this girl even though you people are willing to pay her share at home."

What right has Congress to come along and say to us, "We do not like the form of taxation you have in Texas. Of course, you are taxing your people just as much as they are being taxed in the District of Columbia or any other State. Of course, you are running the State government and all its subdivisions just as well as the States that levy an income tax. Of course, you are taxing your people all you need to, but you are taxing them in some other form that the members of this committee dislike." It is not a question, as the gentleman from Illinois suggested, of whether the people of Texas are paying all the taxes they should. It is purely a question of whether or not the members of this committee like the form of taxation we have in my State. It is purely a question that the Representatives here who are trying to saddle this kind of law on us do not like the form of taxation we have and want to tell us what form of taxation we shall levy. They want to assume for themselves the power of our State legislature to decide how we shall levy taxes in the several States. Of course, they say, "We simply want to catch the tax dodger." This is not a question of tax dodging, because every State in this Union levies taxes enough to run its State, and I contend that the people of my State have a right to say to that $2,000-a-year stenographer, "We are going to see that you are exempt from taxation even though in order to give you that exemption the man who owns 100,000 acres of land must be taxed more." Is there anything wrong in our doing that? Not in my book; there is not. But this committee is trying to tell us that that stenographer has to pay taxes, and that if the State of Texas wants her to get a fair deal, then the State of Texas has to reduce the taxes that we levy upon the great wealth in our State, and put part of the burden on small salaries. I do not believe this Congress has either the right or the desire to do that sort of thing.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. FISHER. In this tax bill which proposes to raise a certain amount of money to help run the District of Columbia the net effect of the provision is to make those present here from 16 States pay a larger proportion in contribution to that amount than those from the other 32 States.

Mr. POAGE. That is exactly right; regardless of what benefits they get from the District of Columbia. It bears no relation to the benefits they get. Certainly it cannot be said that the girl working in my office gets greater benefits from the District of Columbia than the young lady who works for the gentleman from Oklahoma, where they do have an income tax.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. Does the gentleman know any place in this Nation where property owners have a better return on their investment and a more certain return than in the city of Washington? Further, the city of Washington has the lowest tax on real property in the Nation.

Mr. POAGE. That is right. The gentleman and I and everybody else who lives any part of the year pay for that. We would pay any increase in the property tax, of course. You know that rentals always carry the property tax. Do not tell me that the people who are here in Washington do not contribute anything to the support of the District government, because they must. You cannot live in a community without contributing to the support of that community. The renters of Washington pay their full share of the property taxes in Washington, of course.

I recognize that these conditions apply to all citizens who are temporarily in Washington, whether they are Government employees or not, and I, therefore, had prepared an amendment to page 44. My amendment is at the clerk's desk. It does all this amendment does and more. It is applicable to all who are bona fide domiciliaries of any State, whether they are Government employees or not. If this amendment is defeated, I shall, of course, insist on my amendment, but since this amendment is before us and since it covers most of the cases of injustice, I shall certainly support it.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. MORRIS. I want to get this straight and I ask the question purely as a matter of information. Is it true, as a result and as a concrete situation that an employee in a Congressman's office coming from a State where there is no income tax would have to pay an income tax?

Mr. POAGE. Yes. That is exactly what this bill as it now stands provides. I know the gentleman from Oklahoma will agree with me that that is not the kind of equal or exact justice that this Congress should accord the citizens of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the amendment. As a member of this subcommittee, as I said this morning, we have tried very hard to devise a tax bill which we thought was fair and which would raise the necessary deficit of $10,500,000.

We could have come here today and proposed a sales tax instead of this income tax. Then we would have the same thing. Members would be getting red in the face and raising their blood pressure because we propose to put a sales tax on poor people. Now, somebody has to pay some taxes. This amendment would not only cut out a considerable amount of the anticipated revenue under this bill, but it is an open invitation to every person who ever lived in any other State of the Union to come in and say, "No, I was born in Texas, and I am, therefore, domiciled in Texas, and I do not have to pay any taxes."

I do not know how many of you are familiar with the language of this amendment. All they have to do is say, "I am domiciled in Texas, or I am domiciled in Tennessee."

Gentlemen have been saying, "You ought not to tell the people of Texas what kind of laws Texas should have." We are not telling Texas anything. We are just saying to the residents of the District of Columbia who come here and live and raise their families and educate their children in the public schools, who enjoy all the benefits of this municipality and who pay no income tax elsewhere, that they must share in the burden and the expenses and help us carry on the city which gives you the benefits that you enjoy.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HALLECK. I do not claim to be an expert on all the technical matters involved in this proposal. However, my understanding is that this matter has been under consideration by the Committee on the District of Columbia for some months and that careful consideration has been given to the problem in all of its different phases, and that the bill was finalliy reported out by a vote of 15 to 2. In view of that fact, it seems to me we ought to indulge the presumption that the committee has gone into the matter and that the legislation is such that we can support it, and I propose to support it.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. MORRIS. I do presume that. I think that is a fair presumption. Why should not the Members of Congress who get the same benefits as those in the offices get come under the provisions of this law?

Mr. SMITH of Virginia. If the gentleman cares to offer an amendment to include Congressmen, so far as I am concerned I shall not oppose it. I am inclined to suspect that a good many others would.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. DAVIS of Georgia. The gentleman from Indiana asked the gentleman from Virginia if this bill had not been considered by the committee.

Mr. SMITH of Virginia. That is the subcommittee.

Mr. DAVIS of Georgia. That was not the whole committee.

Mr. SMITH of Virginia. It was considered by the subcommittee. I want to say that during the consideration by

the subcommittee public hearings were held and everybody had an opportunity to come in and express their opposition to this proposal. As far as I know, I do not know of any citizen of the District of Columbia who did come in and oppose it. As a matter of fact, I doubt it very much whether the people of the District of Columbia feel the same way about this matter of evading taxes as some Members of Congress would seem to imply that they do.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. EBERHARTER. Is it not true that the same proposition was before this Congress within the last 2 or 3 years and was defeated by this House?

Mr. SMITH of Virginia. Not that I know of.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. DIRKSEN. Absolutely not. This matter was disposed of in the Income Tax Act of 1939, which is the law of the District today. What we are endeavoring to do is to reform and make more certain this question of domicile and residence, so that the harassing, as was spoken of, can be stopped and we can determine and ascertain who should pay.

The CHAIRMAN. The time of the gentleman from Virgina [Mr. SMITH] has expired.

The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS] for 5 minutes.

Mr. MORRIS. Mr. Chairman, I claim to be no expert in these matters. I definitely am not. I appreciate the work that has been done by the committee. I compliment the members on their arduous labors, but I cannot for the life of me see how it could be possible and be fair and just to tax those who are least able to pay and yet permit those who are most able to pay to escape. It evidently cannot be, unless somebody answers that. That is a point I make in addition to this other point. I agree with these gentlemen who come from States where they do not have an income tax, that those States evidently levy heavier burdens on real estate and other matters, which equalizes that. Consequently, those people who come from those States which do not have income taxes, it must be assumed, are already actually paying as much as those who come from States where we do have income-tax laws. Therefore, when you levy a burden of District income taxes on them, here, you do in fact put an extra tax burden upon them. And again on the first point I made how can it be just and fair to tax the employees in our offices and not tax the Congressmen? I just cannot see it.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. FORAND. The bill provides that a person living in the District more than 7 months would be subject to the tax.

Mr. MORRIS. Yes, sir.

Mr. FORAND. Someone approached me a few moments ago and asked me how long my staff was in Washington. If the Congress is not to adjourn until the end of July, that is 7 months. Our committee has already received notice unofficially that we are coming back in October. My staff will have to come back. They will have to pay travel expenses back and forth, and will be in the District more than 7 months, and will have to maintain their apartments in the District. Therefore, they will be subject to the tax.

Mr. MORRIS. That is correct. That is a concrete illustration which proves, in my judgment, that the bill is not good as it is written.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. BATES of Massachusetts. The bill also provides that in those States, some 16 in number, that have intangible and personal property taxes, the amount of money they pay shall be deducted, the same as would occur in the cases of those whose personal income tax is paid in other States. The same principle applies to both States and both taxes.

Mr. MORRIS. Well, I cannot quite follow you on that. I believe the only fair way to do it would be to use the sales tax. I think the people who live here ought to pay some taxes. I believe the only way you can equitably arrange it will be by a sales tax. I understand there will be an amendment offered to that effect.

Now, about this committee report, I am sure the members of that committee are all patriotic and splendid men. Some of them are real tax experts, but in my judgment there is nothing sacrosanct about the report of any of these committees. Just because they bring in a report does not mean that we ought to follow it blindly. I am saying to you that I do presume the report of any committee is correct. I presume it is, but when such presumption has been overcome by direct logic and reason and common sense, I am not going to follow it and I do not care what committee it is.

The remarks I have just made were extemporaneous. Later on, in the RECORD, it will appear that this amendment that I have just spoken in favor of—the O'Hara amendment—carried, and therefore it becomes unnecessary for me to offer an amendment as suggested in the RECORD by the gentleman from Virginia [Mr. SMITH].

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BATES of Massachusetts. Mr. Chairman, may I say at the outset that this committee has struggled with this tax revenue bill ever since the middle of last January. From that time to the present we have been continually with it. We realize, of course, the tremendous cost of municipal government. Let me say at this point that I have spent nearly 25 years of my life with this type of problem in pretty responsible positions; and I have some conception of what the real difficulty is that faces the District of Columbia as we look ahead over the period of a few years in respect to the financing of the obligations of this community. To that end a $10,000,000 deficit was facing the District at the end of 1948, a $12,000,000 deficit at the end of 1949, and a $20,000,000 deficit at the end of 1950. The District Commissioners had recommended nine different types of revenue we could develop here under legislation they recommended.

We feel that we should concentrate on the most basic of the taxes, as I said in the beginning, real estate, income, and the Federal contribution. It seems to me we should try to meet the financial obligations of the District government from these three sources instead of going into the field of these so-called special or emergency taxes; and under the provisions of this bill we hope to get the revenue to run the District for the next 2 years. Much has been said, of course, about the so-called sales tax. Under the sales tax, the individual would pay more than under the so-called income tax we are proposing in this bill. As an illustration let us assume that an individual has an income of $8,000 at the present time, that his personal exemption and exemptions for dependents bring that down to where his taxable income was $5,000. Under this bill he would pay only $25. The same person under the 2 percent sales tax that has been suggested by the Commissioners and that we have not approved, he would pay $32.84.

As has been said earlier on the floor all taxes are onerous. There is an old adage that says that "taxes are paid in the sweat of the brow of the man who labors." It makes no difference from what source it may come. We are trying to provide here a basic system of taxation which will meet the requirements of the District of Columbia.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I cannot; I have only 5 minutes.

Mr. POAGE. The gentleman has ten.

Mr. BATES of Massachusetts. But five of that must go to the gentleman from Illinois [Mr. DIRKSEN].

So it seems to me, Mr. Chairman, in the interest of the equalization of the tax load, of the necessity to meet the responsibilities of the District government that we ought to approve the committee's report. We feel that after many months of study and some knowledge of the subject that it is the most fair, the most equitable, the most constructive we can recommend to the Congress. To that end I hope the commitee bill will be accepted. The Commissioners are in favor of the bill, the subcommittee is in favor of the bill, and the full Committee on the District of Columbia which has studied the bill is likewise in favor of it as was shown by their vote reporting it out 15 to 2. I sincerely trust that the bill as we have recommended it will be approved.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman will recall that only a few years before the war the Federal Government contributed about half of the District's budget or nearly 48 percent. That budget has been doubled almost.

Mr. BATES of Massachusetts. Doubled and a half.

Mr. SHORT. Is it not a fact that the population of greater Washington has almost doubled until we have over 1,200,000 people in the great metropolitan area of Washington?

Mr. BATES of Massachusetts. The population of the District of Columbia has increased in a period of 7 years from 690,000 people to 860,000 people in the District itself.

Mr. SHORT. The Members of the House should bear in mind that while the real-estate-tax rate of $1.75 is one of the cheapest and lowest in this country, the assessed valuation of the property in the District is almost 100 percent, whereas in different States it is perhaps only 50 percent of the actual valuation.

Mr. BATES of Massachusetts. May I answer that question as I answered it earlier in the afternoon. Upon the revised revaluation that is being put into effect in the District of Columbia this year, according to the Assessor's report itself, the assessment compared to actual value represents 70 percent.

Mr. SHORT. Is it not also significant for us to bear in mind, to be perfectly fair with the people of the city of Washington, that the Federal Government owns about one-fifth of the total acreage of the District of Columbia?

Mr. BATES of Massachusetts. More than half.

Mr. SHORT. About 19 or 20 percent?

Mr. BATES of Massachusetts. Forty-nine percent.

Mr. SHORT. About 19 or 20 percent of the acreage and more than $843,000,000 in buildings which are tax exempt and on which the Government does not pay a dime?

Mr. BATES of Massachusetts. Mr. Chairman, this is the most equitable tax system we have been able to devise after many months of study and I trust the committee will accept it.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 78, noes 30.

So the amendment was agreed to.

Mr. MASON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MASON: On page 11, line 15, after the words "United States" insert a comma, strike out the following word "or" and insert in place thereof the words "nor shall it include."

Mr. DIRKSEN. Mr. Chairman, this is a clarifying amendment to clarify the last clause. I am sure the committee has no objection because it does not change the text or the meaning of the bill.

Mr. HARRIS. Mr. Chairman, just how would this apply in view of the amendment that has just been adopted?

Mr. DIRKSEN. As between the two clauses in there, the last sentence of subsection (s), page 11, reads such that you do not make a distinction between appointive officers and elective officers. That is the only thing the amendment is designed to correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MASON].

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that title II may be considered as read and open to amendment at any point.

Mr. HARRIS. Mr. Chairman, reserving the right to object, I would like to inquire of the gentleman from Washington [Mr. HORAN] where he expects to offer his proposed amendment?

Mr. HORAN. My amendment to the bill would come on page 84.

Mr. Chairman, I offer an amendment.

The CHAIRMAN. That is not in order at this time.

Is there objection to the request of the gentleman from Illinois?

Mr. HARRIS. Mr. Chairman, reserving the right to object, and I shall not object, except I would like to ask if the chairman of the committee would not explain these titles briefly, as we agree to them having been read, where there are no amendments.

Mr. DIRKSEN. In explaining the titles where there are no amendments, I think I can say that virtually they are the administrative titles dealing with gross income and net income following the Federal law, with the exception of amounts. As the gentleman knows, the rate begins at 1 percent and goes up to 3 percent over $20,000. Then there are the standard deductions. There are personal deductions of $1,000 in case of an individual and $2,000 in the case of married persons.

Mr. HARRIS. And that would include titles 2, 3, and 4?

Mr. DIRKSEN. Yes, virtually all of the general provisions, and would go all the way down, I think, to the end of the income tax title of the bill.

Mr. HARRIS. On what page would that be?

Mr. DIRKSEN. I would say it would go all the way to "licenses" page 79, title XIV.

Mr. SCHWABE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Oklahoma.

Mr. SCHWABE of Oklahoma. On page 22, paragraph 3, taxes:

All taxes imposed upon the taxpayer and paid or accrued during the taxable year except—

(A) Income taxes;

Is it not a fact that in practically every State, if not every State in which there are income tax laws in force, 32 of them, they exempt income taxes paid to the Federal Government; I mean, allow that as a proper deduction. Why should it not be true in reference to income taxes which are sought to be levied by the District of Columbia?

Mr. HARRIS. Mr. Chairman, I have no objection to the titles with reference to the income-tax provisions and relating to the administrative features of it being considered as read and open to amendment. As I understood the gentleman from Illinois, he proposed that the bill be read by title.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the bill be considered as read down to article II on page 84.

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, earlier in the afternoon the gentleman from Arkansas [Mr. HARRIS], became rather vehement in his demands that the House know what is in the bill, and he forced the reading of the bill. Now I want to ask the gentleman from Arkansas if he feels that the House has been sufficiently educated at this point so that we can dispense with the reading of it?

Mr. HARRIS. I think the House was sufficiently advised to vote on an amendment awhile ago that was highly important and the reading of the bill thus far has been of immense value, and I think the gentleman himself is probably enlightened.

Mr. H. CARL ANDERSEN. In line with that confession on the part of the gentleman from Arkansas, I withdraw my reservation of objection.

Mr. HALLECK. Mr. Chairman, reserving the right to object, and I am not going to object, and I hope the unanimous-consent request will be granted. The situation is such that we must complete action on this bill this evening. If we can dispense with the reading and proceed with the consideration of the bill, I am quite sure we can finish it without having to stay here too late.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Will the gentleman advise us what the next order of business will be?

Mr. HALLECK. I have just talked with the minority leader. I think probably we will meet at 11 o'clock tomorrow morning. The action on Reorganization Plan II is privileged. As I understand, that will come up next, and be followed by further consideration of the so-called Mundt bill.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Michigan.

Mr. MICHENER. May I make this suggestion in connection with these 11 o'clock meetings called at the last minute, that Congress be given more notice, if possible, for this reason. You cannot do business in the House unless the committees can do business. Under the Reorganization Act the committees are busy. When committees have hearings set, or executive sessions, and then the night before notice is given that we will come in at 11 o'clock, it throws all the machinery out of gear. I shall not object, but I do wish the majority and minority leaders will give consideration to that.

Mr. HALLECK. If the gentleman will permit me, I have not now asked unanimous consent to meet at 11 o'clock in the morning. I simply made that announcement at this time in order that the Members might be apprised of what is proposed. If the gentleman from Michigan and other committe chairmen have committee meetings scheduled for

the morning of such a character that the 11 o'clock meeting will interfere, then the gentleman can suggest that to me, and certainly that would be given every consideration before any such request for early meeting is made. Of course, generally speaking, I did not anticipate that we would be this long on this bill. We have a number of things we must dispose of. We have a lot of appropriation bills coming along, in respect to which we have dead lines to meet. I do not like to have the House convene before the customary noon hour any more than anyone else. It is simply in an effort to expedite business that the suggestion is made.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The remainder of article I is as follows:

TITLE II—EXEMPT ORGANIZATIONS

SEC. 1. The following organizations shall be exempt from taxation under this article:

(a) Labor organizations.

(b) Fraternal beneficiary societies, orders, or associations, (1) operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and (2) providing for the payment of life, sick, or accident benefits to the members of such society, order, or association, or their dependents.

(c) Cemetery companies owned and operated exclusively for the benefit of their members and which are not operated for profit; and any corporation chartered solely for burial purposes as a cemetery corporation and not permitted by its charter to engage in any business not necessarily incident to that purpose, no part of the net earnings of which inures to the benefit of any private individual or shareholder.

(d) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, to a substantial extent within the District, no part of the net earnings of which inures to the benefit of any private individual or shareholder, and no part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

(e) Business leagues, chambers of commerce, real-estate boards, or boards of trade, not organized or operated for profit and no part of the net earnings of which inures to the benefit of any private individual or shareholder.

(f) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted principally to charitable, educational, or recreational purposes within the District.

(g) Banks, trust companies, building and loan associations, insurance companies, companies which guarantee the fidelity of any individual or individuals, such as bonding companies, and companies which furnish abstracts of title or which insure titles to real estate, all of which pay taxes on their gross earnings, premiums, or gross receipts under existing laws of the District.

(h) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this article.

(i) Corporations organized under acts of Congress, if such corporations are instrumentalities of the United States and if, under such acts, as amended and supplemented, such corporations are exempt from Federal income taxes.

(j) Voluntary employees' beneficiary associations providing for the payment of life, sick, or accident benefits to the members of such association or their dependents, if (1) no part of their net earnings inures (other than through such payments) to the benefit of any private individual or shareholder, and (2) 85 per centum or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses.

(k) Voluntary employees' beneficiary associations providing for the payment of life, sick, or accident benefits to the members of such association or their dependents or their designated beneficiaries, if (1) admission to membership in such association is limited to individuals who are officers or employees of the United States Government or the government of the District of Columbia, and (2) no part of the net earnings of such association inures (other than through such payments) to the benefit of any private individual or shareholder.

TITLE III—NET INCOME, GROSS INCOME AND EXCLUSIONS THEREFROM, AND DEDUCTIONS

SEC. 1. Net income: For the purposes of this article and wherever appearing herein, unless otherwise required by the context, the words "net income" mean the gross income of a taxpayer less the deductions allowed by this article.

SEC. 2. Gross income and exclusions therefrom: (a) The words "gross income" include gains, profits, and income derived from salaries, wages, or compensation for personal services of whatever kind and in whatever form paid, including salaries, wages, and compensation paid by the United States to its officers and employees to the extent the same is not exempt under this article, or income derived from any trade or business or sales or dealings in property, whether real or personal, other than capital assets as defined in this article, growing out of the ownership, or sale of, or interest in, such property; also from rent, royalties, interest, dividends, securities, or transactions of any trade or business carried on for gain or profit, or gains or profits, and income derived from any source whatever.

(b) The words "gross income" shall not include the following:

(1) Proceeds of life-insurance policies: The proceeds of life-insurance policies paid by reason of the death of the insured, whether in a single sum or otherwise (but if such amounts are held by the insured under an agreement to pay interest thereon, the interest payments shall be included in gross income).

(2) Annuities, and so forth: (a) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other amounts received as annuities) under a life-insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year), then the excess shall be included in gross income. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income; except that there shall be excluded from gross income the excess of the amount received in the taxable year over an amount equal to 3 percent of the aggregate premiums or consideration paid for such annuity (whether or not paid during such year), until the aggregate amount excluded from gross income under this title in respect to such annuity equals the aggregate premiums or consideration paid for such annuity. In the case of a transfer for a valuable consideration, by assignment or otherwise, of a life-insurance, endowment, or annuity contract, or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be exempt from taxation under subsection (1) or this subsection. This subsection and subsection 2 (b) (1) of this title shall not apply with respect to so much of a payment under a life-insurance, endowment, or annuity contract, or any interest therein, as, under section 3 (a) (10) of this title, is includible in the gross income of the recipient.

(B) Employees' annuities: If an annuity contract is purchased by an employer for an employee under a plan with respect to which the employer's contribution is deductible under subsection 3 (a) (11) of this title, the employee shall include in his income the amounts received under such contract for the year received except that if the employee paid any of the consideration of the annuity, the annuity shall be included in his income as provided in subsection 2 (b) (2) (A) of this title, the consideration for such annuity being considered the amount contributed by the employee. In all other cases, if the employee's rights under the contract are nonforfeitable except for failure to pay future premiums, the amount contributed by the employer for such annuity contract on and after such rights become nonforfeitable shall be included in the income of the employee in the year in which the amount is contributed, which amount together with any amounts contributed by the employee shall constitute the consideration paid for the annuity contract in determining the amount of the annuity required to be included in the income of the employee under subsection 2 (b) (2) (A) of this title.

(3) Gifts, bequests, and devises: The value of property acquired by gift, devise, or inheritance (but the income from such property shall be included in gross income).

(4) Tax-free interest: Interest upon (a) the obligations of a State, Territory of the United States, or any political subdivision thereof, or the District of Columbia; and (b) obligations of the United States, its agencies, or instrumentalities.

(5) Compensation for injuries or sickness: Amounts received, through accident or health insurance or under workmen's compensation or employer's liability acts, or by way of damages for personal injuries, whether by suit or agreement.

(6) In the case of ministers: The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation.

(7) Income exempt under treaty: Income of any kind to the extent required by any treaty obligation of the United States.

(8) Income of foreign governments.

(9) Pensions to veterans: All amounts up to and including $2,000 paid during the taxable year to veterans under any law of the United States, or under any law of any State, Territory, or political subdivision thereof as benefits or pensions for disability arising out of injuries received during any period of war.

(10) Income from unincorporated business: In the case of any person entitled to a share in the net income of any unincorporated business subject to tax under the provisions of title VIII of this article, an amount equal to the proportionate share of such person in such part of such net income as is in excess of the exemption provided in section 4 of said title VIII: *Provided, however,* That such part so excluded from the gross income of such person shall be reported by and taxed against the unincorporated business under the provisions of title VIII of this article.

(11) Capital gains: Gains from the sale or exchange of any capital asset as defined in this article.

(12) Personal services: If at least 80 percentum of the total compensation for personal services covering a period of thirty-six calendar months or more (from the beginning to the completion of such services) is received or accrued in one taxable year by an individual or a partnership, the tax attributable to any part thereof which is included in the gross income of any individual shall not be greater than the aggregate of the taxes attributable to such part had it been included in the gross income of such individual ratably over that part of the period which precedes the date of such receipt or accrual.

SEC. 3. (a) Deductions allowed: The following deductions shall be allowed from gross income in computing net income:

(1) Expenses: All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered; traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity: *Provided, however,* That nothing herein contained shall be construed to exempt any salary or other compensation for personal services from taxation as a part of the taxable income of the person receiving the same.

(2) Interest: All interest paid or accrued, according to the taxpayer's method of accounting, within the taxable year.

(3) Taxes: All taxes imposed upon the taxpayer and paid or accrued during the taxable year except—

(A) income taxes;

(B) franchise taxes imposed by this article;

(C) estate, inheritance, legacy, succession, and gift taxes;

(D) taxes assessed against local benefits of a kind tending to increase the value of the property assessed;

(E) taxes paid to any State, Territory, county, or municipality on property, business, or occupation the income from which is not taxable under this article.

(4) Losses: Losses sustained during the taxable year and not compensated for by insurance or otherwise—

(A) if incurred in a trade or business; or

(B) if incurred in any transaction entered into for the production or collection of income subject to tax under this article, or for the management, conservation, or maintenance of property held for the production of income subject to tax under this article, though not connected with any trade or business; or

(C) of property not connected with a trade or business; if such losses arise from fires, storms, shipwrecks, or other casualty: *Provided, however,* That no such loss shall be allowed as a deduction under this subsection if such loss is claimed as a deduction for inheritance- or estate-tax purposes: *And provided further,* That this subsection shall not be construed to permit the deduction of a loss of any capital asset as defined in this article.

(5) Bad debts: Debts ascertained to be worthless and charged off within the taxable year or, in the discretion of the Assessor, a reasonable addition to a reserve for bad debts. When satisfied that a debt is recoverable only in part the Assessor may allow such debt, in an amount not in excess of the part charged off within the taxable year, as a deduction. No debt which existed prior to January 1, 1939, shall be allowed as a deduction.

(6) Insurance premiums: All fire-, tornado-, and casualty-insurance premiums paid during the taxable year in connection with property held for investment or used in a trade or business, the income from which is taxable under this article.

(7) Depreciation: A reasonable allowance for exhaustion, wear, and tear of property used in the trade or business, including a reasonable allowance for obsolescence; and including in the case of natural resources allowances for depletion as permitted by reasonable rules and regulations which the Commissioners are hereby authorized to promulgate. The basis upon which such allowances are to be computed is the basis provided for in title XI, section 6, of this article.

(8) Charitable contributions: Contributions or gifts, actually paid within the taxable year to or for the use of any religious, charitable, scientific, literary, military, or educational institution, the activities of which are carried on to a substantial extent in the District, and no part of the net income of which inures to the benefit of any private shareholder or individual: *Provided, however,* That such deductions shall be allowed only in an amount which in the aggregate of all such deductions does not exceed 15 percent of net income as computed without the benefit of this subsection.

(9) Medical, dental, and so forth, expenses of individuals: Expenses in the case of residents, paid by the taxpayer during the taxable year, not compensated for by insurance or otherwise, for the medical care of the taxpayer, his spouse, or dependents as defined in this article. The term "medical care," as used in this subsection, shall include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of diseases, or for the purpose of effecting healthier function of the body (including amounts paid for accident or health insurance): *Provided, however,* That a taxpayer may deduct only such expenses as exceed 5 percent of his net income, or 5 percent of the aggregate net income in the case of husband and wife filing a joint return, computed with the benefit of subsection (8) of this section but without the benefit of this subsection: *And provided further,* That the maximum deduction for the taxable year shall not exceed $2,500 in the case of a husband and wife filing a joint return, or $1,250 in the case of all other residents.

(10) Alimony or separate maintenance: In the case of residents, amounts paid as alimony or separate maintenance pursuant to and under a decree or judgment of a court of record of competent jurisdiction to adjudge or decree that the taxpayer pay such alimony or separate maintenance: *Provided, however,* That all amounts allowed as a deduction under this subsection shall be reported and taxed as income of the recipient thereof if such recipient is a resident as defined in this article.

(11) Contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan: In the return of an employer, contributions made by such employer to an employees' trust or annuity plan and compensation under a deferred-payment plan to the extent that deductions for the same are allowed the taxpayer under the provisions of section 23 (p) of the Federal Internal Revenue Code.

(12) Nontrade or nonbusiness expense: In the case of an individual, all the ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income, or for the management, conservation, or maintenance of property held for the production of income taxable under this article.

(13) In lieu of the foregoing deductions, any resident, whose gross income less allowance for dependents is $5,000 or more may irrevocably elect to deduct for the taxable year an optional standard deduction of $500: *Provided, however,* That the option provided in this subsection shall not be permitted to any such taxpayer on any return filed by him for any period less than a full calendar or fiscal year: *And provided further,* That in the case of husband and wife living together, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction or by use of the optional method provided in title VI, section 4 (a).

(14) Allocation of deductions: In the case of corporations and unincorporated businesses, the deductions provided for in this section shall be allowed only for and to the extent that they are connected with income arising from sources within the District within the meaning of title X of this article; and the proper apportionment and allocation of the deductions to be allowed shall be determined by the Assessor under formula or formulas provided for in section 2, title X of this article

(b) Deductions not allowed: In computing net income, no deductions shall be allowed in any case for—

(1) Personal, living, or family expenses;

(2) Any amount paid out for new buildings or for permanent improvements or betterments, made to increase the value of any property or estate;

(3) Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made; and

(4) Premiums paid on any life-insurance policy covering the life of any officer or employee or of any person financially interested in any trade or business carried on by the taxpayer when the taxpayer is directly or indirectly a beneficiary under such policy.

(5) If the net income of an unincorporated business for the taxable year is in excess of the exemption provided in section 4 of title VIII, no deduction which is allowed or allowable under section 3 (a) of this title from the gross income of any unincorporated business subject to the tax imposed by title VIII of this article shall be allowed as deduction in the return and computation of the net income of any person entitled to share in the net income of such unincorporated business.

(6) Capital losses: Losses from the sale or exchange of any capital asset as defined in this article.

TITLE IV—ACCOUNTING PERIODS, INSTALLMENT SALES, AND INVENTORIES

SEC. 1. ACCOUNTING PERIODS: The net income shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year, as the case may be) in accordance with the method of accounting regularly employed in keeping the books of such taxpayer; but if no such method of accounting has been so employed, or if the method employed does not clearly reflect the income, the computation shall be made in accordance with such method as in the opinion of the assessor does clearly reflect the income. If the taxpayer's annual accounting period is other than a fiscal year as defined in section 4 (j) of title I or if the taxpayer has no annual accounting period or does not keep books, the net income shall be computed on the basis of the calendar year. If the taxpayer makes a Federal income-tax return, his income shall be computed, for the purposes of this title, on the basis of the same calendar or fiscal year as in such Federal income-tax return, if the basis is accepted and approved by the Commissioner of Internal Revenue.

SEC. 2. Period in which items of gross income included: The amount of all items of gross income shall be included in the gross income for the taxable year in which received by the taxpayer unless, under methods of accounting permitted under section 1, any such amounts are to be properly accounted for as of a different period. In the case of death of a taxpayer on the cash basis, no amount will be accrued on his final return; and on the accrual basis, amounts (except amounts

includible in computing a partner's net income) accrued only by reason of the death of the taxpayer shall not be included in computing net income for the period in which falls the date of the taxpayer's death, but such amounts shall be included in the income of the person receiving such amounts by inheritance or survivorship from the decedent.

SEC. 3. Period for which deductions and credits taken: The deductions and credits provided for in this article shall be taken for the taxable year in which "paid or accrued" or "paid or incurred," dependent upon the method of accounting upon the basis of which the net income is computed unless, in order to clearly reflect the income, the deductions or credits should be taken as of a different period. In the case of death of a taxpayer on the cash basis, no amount will be allowed as a deduction which was accrued up to the date of the taxpayer's death; and on the accrual basis, no amount (except amounts includible in computing a partner's net income) accrued only by reason of the death of the taxpayer shall be included in computing net income for the period in which falls the date of the taxpayer's death but such amounts shall be deductible by the estate or other person who paid them or is liable for their payment.

SEC. 4. Installment sales: If a person reports any portion of his income from installment sales for Federal income-tax purposes under section 44 of the Federal Internal Revenue Code and as the same may hereafter be amended, and if such income is subject to tax under this article, he may report such income under this article in the same manner and upon the same basis as the same was reported by him for Federal income-tax purposes, if such method of reporting is accepted and approved by the Commissioner of Internal Revenue.

SEC. 5. Inventories: Whenever in the opinion of the Assessor the use of inventories is necessary in order to properly determine the income of any taxpayer, inventories shall be taken by such taxpayer upon such basis as the Assessor may prescribe as conforming as nearly as may be to the best accounting practice in the trade or business and as most clearly reflecting the income.

SEC. 6. Assessor may reject method of accounting employed by taxpayer: Notwithstanding any other provisions of this article, the Assessor is hereby authorized to reject any return of income reported on a cash basis where, in his opinion, the net income of the taxpayer is not properly reflected and cannot be determined on such basis, and to require the return to be filed on such a basis as in his opinion will properly reflect the net income of the taxpayer.

TITLE V—RETURNS

SEC. 1. (a) Form of returns: The Assessor is hereby authorized and directed to prescribe the forms of returns. All returns required under this title shall be filed on the forms and in the manner prescribed by the Assessor.

(b) Taxpayer to make return whether form is sent or not: Blank forms of returns of income shall be supplied by the Assessor. It shall be the duty of the Assessor to obtain an income-tax return from every taxpayer who is liable under this article to file such return; but this duty shall in no manner diminish the obligation of the taxpayer to file a return without being called upon to do so.

(c) Information returns: Every person subject to the jurisdiction of the District in whatever capacity acting, including receivers or mortgagors of real or personal property, fiduciaries, partnerships, and employers making payment of dividends, interest, rent, premiums, annuities, compensations, remunerations, emoluments, or other income to any person subject to tax under this article, shall render such returns thereof to the Assessor as he may by rule prescribe.

SEC. 2. Requirement: Each of the following persons shall file a return with the Assessor stating specifically the items of his gross income and the items claimed as deductions and credits allowed under this article, and such other information for the purpose of carrying out the provisions of this article as the Assessor may require:

(1) Residents and nonresidents: Every nonresident of the District receiving income subject to tax under this article and every resident of the District, except fiduciaries, when—

(1) his gross income for the taxable year exceeds $1,000, if single, or if married and not living with husband or wife; or

(2) his gross income for the taxable year exceeds $2,000, if married and living with husband or wife; or

(3) his gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds $5,000, regardless of the amount of his gross income; or

(4) the combined gross income for the taxable year of a husband and wife living together exceeds $2,000 in the aggregate or the combined gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds $5,000 regardless of the amount of their gross income.

(b) Fiduciaries: Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) for—

(1) every individual for whom he acts having a net income for the taxable year of $1,000 or over, if single, or if married and not living with husband or wife;

(2) every individual for whom he acts having a net income for the taxable year of $2,000 or over, if married and living with husband or wife;

(3) every individual for whom he acts having a gross income for the taxable year of $2,000 or over, regardless of the amount of his net income;

(4) every estate for which he acts, the net income of which for the taxable year is $1,000 or over;

(5) every trust for which he acts, the net income of which for the taxable year is $100 or over; and

(6) every estate or trust for which he acts, the gross income of which for the taxable year is $5,000 or over, regardless of the amount of the net income.

(c) Joint fiduciaries: A return by one of two or more joint fiduciaries filed with the Assessor shall be sufficient compliance with the provisions of section 2 (b) of this title.

(d) If any resident or nonresident or any fiduciary is unable to make his own return, the return shall be made by his duly authorized agent.

(e) (1) Corporations: Every corporation engaging in or carrying on any trade or business within the District or receiving income from sources within the District within the meaning of title X. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or are engaged in or carrying on the trade or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns.

(2) Affiliated corporations shall file separate returns unless permitted by the assessor to file consolidated returns.

(f) Unincorporated businesses: Every unincorporated business engaging in or carrying on any trade or business within the District or receiving income from sources within the District within the meaning of title X having a gross income of more than $10,000, regardless of whether or not it has a net income. Such returns shall be made by the taxpayer or taxpayers liable for the payment of the tax.

(g) Partnerships: Every partnership, other than partnerships subject to the taxes imposed by title VIII of this article on unincorporated businesses, engaged in any trade or business, or receiving income from sources within the District. There shall be included in such return the names and addresses of the individuals who would be entitled to share in the net income of the partnership, if distributed, and the amount of distributive share of each individual.

SEC. 3. (a) Time and place for filing returns: All returns of income for the preceding taxable year required to be filed under the provisions of section 1 of this title shall be filed with the assessor on or before the 15th day of April in each year, except that such returns, if made on the basis of a fiscal year, shall be filed on or before the fifteenth day of the fourth month following the close of such fiscal year.

(b) Extension of time for filing returns: The assessor may grant a reasonable extension of time for filing the returns required by section 2 of this title whenever in his judgment good cause exists therefor, and he shall keep a record of every such extension. Except in case of a taxpayer who is not within the continental limits of the United States, no such extension shall be granted for more than 6 months, and in no case shall such extension be granted for more than 1 year.

SEC. 4. (a) Secrecy of returns: Except to any official of the District, having a right thereto in his official capacity, it shall be unlawful for any officer or employee of the District to divulge or make known in any manner the amount of income or any particulars relating thereto or the computation thereof set forth or disclosed in any return required to be filed under section 1 of this title, and neither the original nor a copy of any such return desired for use in litigation in court shall be furnished where neither the District nor the United States is interested in the result of such litigation, whether or not the request is contained in an order of the court: *Provided, however,* That nothing herein contained shall be construed to prevent the furnishing to a taxpayer of a copy of his return upon the payment of a fee of $2.

(b) Reciprocal exchange of information with the United States and the several States: Notwithstanding the provisions of this section, the Assessor may permit the proper officer of the United States or of any State imposing an income tax or his authorized representative to inspect income-tax returns filed with the Assessor or may furnish to such officer or representative a copy of any such income-tax returns provided the United States or such State grant substantially similar privileges to the Assessor or his representative or to the proper officer of the District charged with the administration of his title. The Bureau of Internal Revenue of the Treasury Department of the United States is authorized and required to supply such information as may be requested by the Assessor or collector relative to any person subject to the taxes imposed by this article.

(c) Publication of statistics: Nothing contained in section 4 (a) of this title shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports and the items thereof, or the publication of delinquent lists showing the names of taxpayers who have failed to pay their taxes at the time and in the manner provided by law, together with any relevant information which in the opinion of the Assessor may assist in the collection of such delinquent taxes.

(d) Information which may be disclosed: Nothing contained in section 4 (a) of this title shall be construed to prohibit the Assessor, in his discretion, from divulging or making known any information contained in, or relating to, any report, application, license, or return required under the provisions of this article other than such information

as may be contained therein relating to the amount of income or any particulars relating thereto or the computation thereof.

(e) Penalties for violation of this section: Any violation of the provisions of this section shall be a misdemeanor and shall be punishable by a fine not exceeding $1,000 or imprisonment for 6 months, or both, in the discretion of the court. All prosecutions under this section shall be brought in the Municipal Court of the District of Columbia on information by the Corporation Counsel of the District of Columbia or any of his assistants in the name of the District of Columbia.

(f) Preservation of returns: All reports, applications, and returns received by the Assessor under the provisions of this article shall be preserved for 6 years, and thereafter until the Assessor orders them to be destroyed.

TITLE VI—TAX ON RESIDENTS AND NONRESIDENTS

SEC. 1. Definition: For the purposes of this article, and unless otherwise required by the context, the words "taxable income" mean the entire net income of every resident, in excess of the personal exemptions and credits for dependents allowed by section 2 of this title and that portion of the entire net income of every nonresident which is subject to tax under title VIII of this article.

SEC. 2. Personal exemptions and credit for dependents: There shall be allowed to residents the following credits against net income:

(a) An exemption of $1,000 for the taxpayer.

(b) An exemption of $1,000 for the spouse of the taxpayer (1) if a joint return is made by the taxpayer and his spouse, in which case the aggregate exemption of the spouses shall be $2,000, or (2) if a separate return is made by the taxpayer, and his spouse has no gross income for the calendar year in which the taxable year of the taxpayer begins and is not the dependent of another taxpayer.

(c) An exemption of $500 for each dependent, as defined in this article, whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $500, except that the exemption shall not be allowed in respect of a dependent who has made a joint return with his spouse for the taxable year beginning in such calendar year.

(d) If the status of a taxpayer changes during the taxable year with respect to his marital status the amount allowed under subsection (b) of this section shall be apportioned in accordance with the number of months before and after such change. For the purposes of this subsection, a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a month.

(e) Beginning with the first taxable year to which this article is applicable and in succeeding taxable years, the amounts allowed under subsections (a) and (b) of this section shall be prorated to the day of death in the final return of a decedent dying before the end of the taxable year, and as of the date of death the personal exemption is terminated and not extended over the remainder of the taxable year.

(f) In the case of a return made for a fractional part of a taxable year, the personal exemptions and credits for dependents shall be reduced, respectively, to amounts which bear the same ratio to the full credits provided as the number of months in the period for which the return is made bear to 12 months.

SEC. 3. Imposition and rates of tax: There is hereby annually levied and imposed for each taxable year upon the taxable income of every resident a tax at the following rates:

One percent on the first $5,000 of taxable income.

One and one-half percent on the next $5,000 of taxable income.

Two percent on the next $5,000 of taxable income.

Two and one-half percent on the next $5,000 of taxable income.

Three percent on the taxable income in excess of $20,000.

SEC. 4. (a) Optional method of computation: In lieu of the method of computation prescribed by section 3 of this title, a resident reporting on a cash basis for any full calendar year who does not claim credit for taxes paid by him to any State or Territory of the United States or political subdivision thereof under the provisions of section 5 of this title on the whole or any part of his income for such calendar year and, if his gross income for such calendar year is $5,000 or less, and is derived solely from salaries, wages, dividends, and interest, may elect to pay the tax as shown in the following table:

Gross income less allowance for dependents		Personal exemption status	
Over	But not over	$1,000	$2,000
		Tax	*Tax*
0	$1,150	0	0
$1,150	$1,200	$0.50	0
$1,200	$1,250	1.00	0
$1,250	$1,300	1.50	0
$1,300	$1,350	2.00	0
$1,350	$1,400	2.50	0
$1,400	$1,450	3.00	0
$1,450	$1,500	3.50	0
$1,500	$1,550	3.50	0
$1,550	$1,600	4.00	0
$1,600	$1,650	4.50	0
$1,650	$1,700	5.00	0
$1,700	$1,750	5.50	0
$1,750	$1,800	6.00	0
$1,800	$1,850	6.50	0
$1,850	$1,900	7.00	0
$1,900	$1,950	7.50	0
$1,950	$2,000	8.00	0
$2,000	$2,050	8.00	0
$2,050	$2,100	8.50	0
$2,100	$2,150	9.00	0
$2,150	$2,200	9.50	0
$2,200	$2,250	10.00	0
$2,250	$2,300	10.50	$0.50
$2,300	$2,350	11.00	1.00
$2,350	$2,400	11.50	1.50
$2,400	$2,450	12.00	2.00
$2,450	$2,500	12.50	2.50
$2,500	$2,550	12.50	2.50
$2,550	$2,600	13.00	3.00
$2,600	$2,650	13.50	3.50
$2,650	$2,700	14.00	4.00
$2,700	$2,750	14.50	4.50
$2,750	$2,800	15.00	5.00
$2,800	$2,850	15.50	5.50
$2,850	$2,900	16.00	6.00
$2,900	$2,950	16.50	6.50
$2,950	$3,000	17.00	7.00
$3,000	$3,050	17.00	7.00
$3,050	$3,100	17.50	7.50
$3,100	$3,150	18.00	8.00
$3,150	$3,200	18.50	8.50
$3,200	$3,250	19.00	9.00
$3,250	$3,300	19.50	9.50
$3,300	$3,350	20.00	10.00
$3,350	$3,400	20.50	10.50
$3,400	$3,450	21.00	11.00
$3,450	$3,500	21.50	11.50
$3,500	$3,550	21.50	11.50
$3,550	$3,600	22.00	12.00
$3,600	$3,650	22.50	12.50
$3,650	$3,700	23.00	13.00
$3,700	$3,750	23.50	13.50
$3,750	$3,800	24.00	14.00
$3,800	$3,850	24.50	14.50
$3,850	$3,900	25.00	15.00
$3,900	$3,950	25.50	15.50
$3,950	$4,000	26.00	16.00
$4,000	$4,050	26.00	16.00
$4,050	$4,100	26.50	16.50
$4,100	$4,150	27.00	17.00
$4,150	$4,200	27.50	17.50
$4,200	$4,250	28.00	18.00
$4,250	$4,300	28.50	18.50
$4,300	$4,350	29.00	19.00
$4,350	$4,400	29.50	19.50
$4,400	$4,450	30.00	20.00
$4,450	$4,500	30.50	20.50
$4,500	$4,550	30.50	20.50
$4,550	$4,600	31.00	21.00
$4,600	$4,650	31.50	21.50
$4,650	$4,700	32.00	22.00
$4,700	$4,750	32.50	22.50
$4,750	$4,800	33.00	23.00
$4,800	$4,850	33.50	23.50
$4,850	$4,900	34.00	24.00
$4,900	$4,950	34.50	24.50
$4,950	$5,000	35.00	25.00

(b) In applying the above schedule, to determine the tax of a taxpayer with one or more dependents, there shall be subtracted from his gross income beginning with the first taxable year to which this article is applicable and succeeding taxable years, $500 for each dependent as defined in this article.

(c) In applying the above schedule, to determine whether the taxpayer is entitled to the personal exemption of $1,000 or $2,000, his status during the greater portion of the taxable year, as defined in this article, shall control.

(d) An individual not living with husband or wife during the greater portion of the taxable year for the purposes of this article, shall be considered as a single person.

(e) The election given by this section as to the computation of tax due shall be considered to have been made if the taxpayer files the return prescribed for such computation and such election shall be final and irrevocable.

(f) If the taxpayer for any taxable year has filed a return computing his tax without regard to this section, he may not thereafter elect for such year to compute his tax under this section.

(g) This section shall not apply to any fiduciary or to any married resident living with husband or wife at any time during the taxable year whose spouse files a return and computes the tax without regard to this section.

(h) If a husband and wife living together file separate returns, each shall be treated as a single person for the purposes of this section.

SEC. 5. Credit against tax allowed residents: The amount of tax payable under this title by an individual who, although a resident of the District of Columbia as defined in this article, was nevertheless a bona fide domiciliary of any State or Territory of the United States or political subdivision thereof during the taxable year shall be reduced by the amount required to be paid by such individual as income or intangible personal property taxes, or both, for such taxable year to the State, Territory, or political subdivision thereof of which he was a domiciliary. The assessor may require proof, satisfactory to him, of the payment of such income or intangible personal property taxes: *Provided, however,* That the credit provided for by this section shall not be allowed against any tax imposed under title VIII of this article.

TITLE VII—TAX ON CORPORATIONS

SECTION 1. Taxable income defined: For the purposes of this title, and unless otherwise required by the context, the words "taxable income" means the amount of net income derived from sources within the District within the meaning of title X of this article.

SEC. 2. Imposition and rate of tax: For the privilege of carrying on or engaging in any trade or business within the District and of receiving income from sources within the District, there is hereby levied for each taxable year a tax at the rate of 5 percent upon the taxable income of every corporation, whether domestic or foreign (except those expressly exempt under title II of this article).

TITLE VIII—TAX ON UNINCORPORATED BUSINESSES

SEC. 1. Definition of unincorporated business: For the purposes of this article (not alone of this title) and unless otherwise required by the context, the words "unincorporated business" mean any trade or business, conducted or engaged in by any individual, whether resident or nonresident, statutory or common-law trust, estate, partnership, or limited or special partnership, society, association, executor, administrator, receiver, trustee, liquidator, conservator, committee, assignee, or by any other entity or fiduciary, other than a trade or business conducted or

engaged in by any corporation; and include any trade or business which if conducted or engaged in by a corporation would be taxable under title VII of this article. The words "unincorporated business" do not include any trade or business which by law, customs, or ethics cannot be incorporated or any trade or business in which more than 80 percent of the gross income is derived from the personal services actually rendered by the individual or members of the partnership or other entity in the conducting or carrying on of any trade or business and in which capital is not a material income-producing factor.

SEC. 2. Taxable income defined: For the purposes of this title, and unless otherwise required by the context, the words "taxable income" mean the amount of net income derived from sources within the District within the meaning of title X of this article in excess of the exemption granted by section 4 of this title.

SEC. 3. Imposition and rate of tax: For the privilege of carrying on or engaging in any trade or business within the District and of receiving income from sources within the District, there is hereby levied for each taxable year a tax at the rate of 5 percent upon the taxable income of every unincorporated business, whether domestic or foreign (except those expressly exempt under title II of this article).

SEC. 4. Exemption: Before computing the tax upon the taxable income of an unincorporated business, there shall be deducted therefrom an exemption of $10,000, except that where the period covered by a return is less than a year, or where a return shows that an unincorporated business has been carried on for less than 12 months, such exemption shall be prorated on a daily basis: *Provided, however,* That any amount exempted under this section from the tax imposed by section 3 of this title shall be reported and included in the gross income of that person or those persons entitled to a share therein in proportion to the share to which each person is entitled, and shall be reported in the return of each of such persons for his taxable year in which is ended the taxable year of the unincorporated business.

SEC. 5. By whom payable: The taxes imposed by section 3 of this title shall be payable by the person or persons, jointly and severally, conducting the unincorporated business. The taxes imposed under this title may be assessed in the name of the unincorporated business or in the name or names of the person or persons liable for the payment of such taxes, or both.

SEC. 6. Partners only taxable: Individuals carrying on any trade or business in partnership in the District, other than an unincorporated business, shall be liable for income tax only in their individual capacities. The tax on all such income shall be assessed against the individual partners under title VI of this article. There shall be included in computing the net income of each partner his distributive share, whether distributed or not, of the net income of the partnership for the taxable year; or if his net income for such taxable year is computed upon the basis of a period different from that upon the basis of which the net income of the partnership is computed, then his distributive share of the net income of the partnership for any accounting period of the partnership ending within the taxable year upon the basis of which the partner's net income is computed.

TITLE IX—TAX ON ESTATES AND TRUSTS

SEC. 1. Resident and nonresident estates and trusts: For the purposes of this title, estates and trusts are (a) resident estates or trusts, or (b) nonresident estates or trusts. If the decedent was at the time of his death domiciled within the District, his estate is a resident estate, and any trust created by his will is a resident trust. If the decedent was not at the time of his death domiciled within the District, his estate is a nonresident estate, and any trust created by his will is a nonresident trust. If the creator of a trust was at the time the trust was created domiciled within the District, or if the trust consists of property of a person domiciled within the District, the trust is a resident trust. If the creator of the trust was not at the time the trust was created domiciled within the District, the trust is a nonresident trust. If the trust resulted from the dissolution of a corporation organized under the laws of the District of Columbia the trust is a resident trust. If the trust resulted from the dissolution of a foreign corporation, the trust is a nonresident trust.

SEC. 2. Residence or situs of fiduciary not to control: The residence or situs of the fiduciary shall not control the classification of estates and trusts as resident or nonresident under the provisions of section 1 of this title.

SEC. 3. Imposition of tax: The taxes imposed by title VI of this article upon residents shall apply to the income of resident estates, and income from any kind of property held in resident trusts, including—

(a) income accumulated in trust for the benefit of unborn or unascertained person or persons with contingent interests, and income accumulated or held for future distribution under the terms of the will or trust;

(b) income which is to be distributed currently by the fiduciary to the beneficiaries, and income collected by a guardian of any infant or incompetent person which is to be held or distributed as the court may direct;

(c) income received by estates of deceased persons during the period of administration or settlement of the estate; and

(d) income which, in the discretion of the fiduciary, may be either distributed to the beneficiaries or accumulated.

SEC. 4. Computation of the tax: The tax shall be computed upon the taxable net income of the estate or trust, and shall be paid by the fiduciary, except as provided in section 7 of this title (relating to revocable trusts) and section 8 of this title (relating to income for benefit of the grantor).

SEC. 5. Net income: The net income of the estate or trust shall be computed in the same manner and on the same basis as in the case of an individual, except as to the personal exemptions and credits for dependents, and except that—

(a) there shall be allowed as an additional deduction in computing the net income of the estate or trust the amount of the income of the estate or trust for its taxable year which is to be distributed currently by the fiduciary to the beneficiaries, and the amount of the income collected by a guardian of an infant which is to be held or distributed as the court may direct, but the amount so allowed as a deduction shall be included in computing the net income of the beneficiaries whether distributed to them or not. Any amount allowed as a deduction under this paragraph shall not be allowed as a deduction under subsection (b) of this section in the same or any succeeding taxable year;

(b) in the case of income received by estates of deceased persons during the period of administration or settlement of the estate, and in the case of income which, in the discretion of the fiduciary, may be either distributed to the beneficiary or accumulated, there shall be allowed as an additional deduction in computing the net income of the estate or trust the amount of the income of the estate or trust for its taxable year, which is properly paid or credited during such year to any legatee, heir, or beneficiary, but the amount so allowed as a deduction shall be included in computing the net income of the legatee, heir, or beneficiary;

(c) there shall be allowed as a deduction (in lieu of the deductions for charitable contributions authorized by title III, section 3 (a) (8), of this article) any part of the gross income, without limitation, which pursuant to the terms of the will or deed creating a trust, is during the taxable year paid or permanently set aside for the purposes and in the manner provided in title III, section 3 (a) (8), of this article or is to be used exclusively for the purposes enumerated in title III, section 3 (a) (8), of this article.

SEC. 6. Different taxable year: If the taxable year of a beneficiary is different from that of the estate or trust, the amount which he is required, under section 5 (a) of this title, to include in computing his net income, shall be based upon the income of the estate or trust for any taxable year of the estate or trust ending within his taxable year.

SEC. 7. Revocable trusts: The income of a trust shall be included in computing the net income of the grantor of such trust where at any time the power to revest in the grantor title to any part of the corpus of the trust is vested—

(a) in the grantor, either alone or in conjunction with any person not having a substantial adverse interest in the disposition of such part of the corpus or the income therefrom; or

(b) in any person not having a substantial adverse interest in the disposition of such part of the corpus or the income therefrom.

SEC. 8. Income for benefit of grantor: So much of the income of any trust shall be included in computing the net income of the grantor as—

(a) is, or in the discretion of the grantor or of any person not having a substantial adverse interest in the disposition of such part of the income may be, held or accumulated for future distribution to the grantor; or

(b) may, in the discretion of the grantor or of any person not having a substantial adverse interest in the disposition of such part of the income, be distributed to the grantor; or

(c) is, or in the discretion of the grantor or of any person not having a substantial adverse interest in the disposition of such part of the income may be, applied to the payment of premiums upon policies of insurance on the life of the grantor (except policies of insurance irrevocably payable for the purposes and in the manner specified in title III, section 3 (a) (8), relating to the so-called charitable contribution deduction).

SEC. 9. Definition of "in discretion of grantor": As used in this title, the term "in the discretion of the grantor" means in the discretion of the grantor either alone or in conjunction with any person not having a substantial adverse interest in the disposition of the part of the income in question.

SEC. 10. Employees' trusts: (a) exemption from tax: A trust forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall not be taxable under this article and no other provision of this article shall apply with respect to such trust or to its beneficiary, except as hereinafter in this section expressly provided, if such trust meets the requirements for exemption from Federal income tax under section 165 of the Federal Internal Revenue Code.

(b) Taxability of beneficiary: The amount actually distributed or made available to any distributee by any such trust shall be taxable to him, in the year in which so distributed or made available, under section 2 (b) (2) of title III of this article as if it were an annuity the consideration for which is the amount contributed by the employee.

(c) Treatment of beneficiary of trust not exempt under subsection (a): Contributions to a trust made by an employer during a taxable year of the employer which ends within or with a taxable year of the trust for which the trust is not exempt under subsection (a)

of this section shall be included in the gross income of an employee for the taxable year in which the contribution is made to the trust in the case of an employee whose beneficial interest in such contribution is nonforfeitable at the time the contribution is made.

TITLE X—PURPOSE OF ARTICLE AND ALLOCATION AND APPORTIONMENT

SEC. 1. Purpose of article: It is the purpose of this article to impose (1) an income tax upon the entire net income of every resident and every resident estate and trust, and (2) a franchise tax upon every corporation and unincorporated business for the privilege of carrying on or engaging in any trade or business within the District and of receiving such other income as is derived from sources within the District: *Provided, however,* That, in the case of any corporation, the amount received as dividends from a corporation which is subject to taxation under this article, and, in the case of a corporation not engaged in carrying on any trade or business within the District, interest received by it from a corporation which is subject to taxation under this article shall not be considered as income from sources within the District for the purposes of this article. The measure of the franchise tax shall be that portion of the net income of the corporation and unincorporated business as is fairly attributable to any trade or business carried on or engaged in within the District and such other net income as is derived from sources within the District.

SEC. 2. Allocation and apportionment: The entire net income of any corporation or unincorporated business, derived from any trade or business carried on or engaged in wholly within the District shall, for the purposes of this article, be deemed to be from sources within the District, and shall, along with other income from sources within the District, be allocated to the District. If the trade or business of any corporation or unincorporated business is carried on or engaged in both within and without the District, the net income derived therefrom shall, for the purposes of this article, be deemed to be income from sources within and without the District. Where the net income of a corporation or unincorporated business is derived from sources both within and without the District, the portion thereof subject to tax under this article shall be determined under regulation or regulations prescribed by the Commissioners. The Assessor is authorized to employ any formula or formulas provided in any regulation or regulations prescribed by the Commissioners under this article which, in his opinion, should be applied in order to properly determine the net income of any corporation or unincorporated business subject to tax under this article.

SEC. 3. Allocation of income and deductions between organizations, and so forth: In any of two or more organizations, trades, or businesses (whether or not incorporated, whether or not organized in the District, and whether or not affiliated) owned or controlled directly or indirectly by the same interests, the Assessor is authorized to distribute, apportion, or allocate gross income or deductions between or among such organizations, trades, or businesses, whenever in his opinion such distribution, apportionment, or allocation is necessary in order to prevent evasion of taxes or clearly to reflect the income of any of such organizations, trades, or businesses. The provisions of this section shall apply, but shall not be limited in application to any case of a common carrier by railroad subject to the Interstate Commerce Act and jointly owned or controlled directly or indirectly by two or more common carriers by railroad subject to said act.

TITLE XI—BASES

SEC. 1. Basis for determining gain or loss: The basis for determining the gain or loss from the sale, exchange, or other disposition of property shall be the cost of such property, except that—

(a) If the property is of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, the basis shall be the last inventory value thereof.

(b) In respect of any real or tangible property acquired after December 31, 1938, the cost thereof shall be adjusted as follows:

(1) By adding to its original cost to the taxpayer the amount of all expenditures connected therewith, including real-estate taxes upon the property, which were properly chargeable to capital account and were not deducted in any income-tax return which the taxpayer was required to file under the provisions of this article or the District of Columbia Income Tax Act of 1939, as amended; but such additions as are herein provided for shall include only those expenditures made by the taxpayer between the time the property was acquired by him and the date of sale or other disposition of the property.

(2) By deducting from such cost the full loss sustained since acquisition for exhaustion, wear and tear, obsolescence, amortization, and depletion to the extent allowed or allowable (whichever amount is the greater) on such property in all returns required to be filed by the taxpayer under the provisions of this article or of the District of Columbia Income Tax Act of 1939, as amended.

(3) In the case of property (including intangible personal property) acquired by gift or inheritance, where the transfer thereof to the taxpayer was subject to tax by the United States or by any jurisdiction in which the property had a taxable situs at that time, the basis of the property so acquired shall be the highest valuation then placed upon such transfer by the United States or by any authorized taxing State or Territory thereof. If such transfer of the property was not subject to the aforesaid transfer tax, the base shall be the fair market value of such property at the time acquired. For the purpose of this subsection, the time such inherited property was acquired shall be the date of death of the decedent. The basis herein provided for shall be subject to the appropriate adjustment or adjustments defined in section 1 (b) of this title.

(c) If the property was acquired before January 1, 1939, the basis shall be the fair market value as of that date, or, at the option of the taxpayer, the cost of such property, and in the case of real or tangible property such cost shall be diminished by exhaustion, wear and tear, obsolescence, and depletion actually sustained before such date: *Provided, however,* That the preceding valuation so determined shall be adjusted by the appropriate additions and deductions provided for in section 1 (b) of this title to cover the period from January 1, 1939, to the date of sale or other disposition of the property.

SEC. 2. (a) Computation of gain or loss: The gain or loss, as the case may be, from the sale or other disposition of property shall be the difference between (a) the amount realized from such sale or other disposition of the property and (b) the basis as defined in section 1 of this title.

(b) Amount realized: The amount realized from the sale or exchange of property shall be its selling price, and such price shall include cash payments received or to be received subsequently therefor, plus the sum of any mortgage and other encumbrances thereon at the time of such sale or exchange. The amount realized shall also include at its then market value any property received in part or in full settlement of the property sold or exchanged, adjusted to include the then existing encumbrances on such property received in exchange.

SEC. 3. Exchange in reorganizations: When in connection with the reorganization of a corporation, a taxpayer receives, in place of stock or securities owned by him, any stock or securities of the reorganized corporation, no gain or loss shall be deemed to occur from the exchange until the new stock or securities are sold or realized upon and the gain or loss is definitely ascertained, until which time the new stock or securities received shall be treated as taking the place of the stock and securities exchanged. For the purposes of this section, the word "reorganization" means (1) a statutory merger or consolidation; or (2) the acquisition by one corporation, in exchange solely for all or a part of its voting stock, of at least 80 percent of the voting stock and at least 80 percent of the total number of shares of all other classes of stock of another corporation; or (3) the acquisition by one corporation, in exchange solely for all or a part of its voting stock, of substantially all the properties of another corporation, but in determining whether the exchange is solely for voting stock the assumption by the acquiring corporation of a liability of the other, or the fact that property acquired is subject to a liability, shall be disregarded; or (4) a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor or its shareholders, or both, are in control of the corporation to which the assets are transferred; or (5) a recapitalization; or (6) a mere change in identity, form, or place of organization, however effected.

SEC. 4. Basis for dividends paid in property: Where any property other than money is paid by a corporation as a dividend, the base to the recipient thereof shall be the market value of such property at the time of its distribution by such corporation.

SEC. 5. The provisions of sections 1 through 3 of this title shall not apply to the sale or exchange of any property defined as a capital asset by section 4 (1) of title I of this article.

SEC. 6. Depreciation: The bases used in determining the amount allowable as a deduction from gross income under the provisions of section 3 (a) (7) of title III of this article shall be—

(a) where the property was acquired after December 31, 1938, by purchase, the basis shall be the cost thereof to the taxpayer;

(b) where the property was received in exchange for other property after December 31, 1938, the basis shall be the market value thereof at the time of such exchange;

(c) where the property was inherited or acquired by gift after December 31, 1938, the basis shall be that defined in subsection 1 (b) (3) of this title;

(d) if the property was acquired prior to January 1, 1939, the appropriate basis set forth in subsection (a), (b), or (c) of this section shall be used: *Provided, however,* That the taxpayer may, at his option, use as the basis the market value of such property as of January 1, 1939;

(e) the taxpayer may deduct in each taxable year only such amount of depreciation as was actually sustained during that year and such annual deduction shall be based upon the useful life of the property remaining after the date used by the taxpayer in establishing the valuation: *Provided, however,* That the allowance for depreciation actually sustained during any taxable year may not be increased by any depreciation of the property which was allowable as a deduction in any earlier taxable year: *And provided further,* That any basis so established may not be changed in a subsequent taxable year, unless written approval of the Assessor has been first obtained.

TITLE XII—ASSESSMENT AND COLLECTION; TIME OF PAYMENT

SEC. 1. Duties of Assessor: The Assessor is hereby required to administer the provisions of this article. As soon as practicable after the return is filed the Assessor shall examine it and shall determine the correct amount of tax.

SEC. 2. Statements and special returns: Every person upon whom the duty is imposed by this article to file any applications, returns, or reports or who is liable for any tax imposed by this article shall keep such records, render under oath such statements, and comply with such rules and regulations as the Assessor from time to time may prescribe. Whenever the Assessor deems it necessary he may require any person, by notice served upon him, to make a return, render under oath such statements, or keep such records as he believes sufficient to show whether or not such person is liable to tax under this article and the extent of such liability.

SEC. 3. Examination of books and witnesses: The Assessor, for the purpose of ascertaining the correctness of any return filed hereunder, or for the purpose of making an estimate of the taxable income of any taxpayer, is authorized to examine any books, papers, records, or memoranda of any person bearing upon the matters required to be included in the return and may summon any person to appear and produce books, records, papers, or memoranda bearing upon the matters required to be included in the return, and to give testimony or answer interrogatories under oath respecting the same, and the Assessor shall have power to administer oaths to such person or persons. Such summons may be served by any member of the Metropolitan Police Department. If any person having been personally summoned shall neglect or refuse to obey the summons issued as herein provided, then, and in that event, the Assessor may report that fact to the District Court of the United States for the District of Columbia, or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to such summons to the same extent as witnesses may be compelled to obey the subpenas of that court. Any person in custody or control of any books, papers, records, or memoranda bearing upon the matters required to be included in such returns, who shall refuse to permit the examination by the Assessor or any person designated by him of any such books, papers, records, or memoranda, or who shall obstruct or hinder the Assessor or any person designated by him in the examination of any books, papers, records, or memoranda, shall upon conviction thereof be fined not more than $300. All prosecutions under this section shall be brought in the municipal court of the District of Columbia on information by the corporation counsel of the District of Columbia or any of his assistants in the name of the District of Columbia.

SEC. 4. Return by Assessor: If any person fails to make and file a return at the time prescribed by law or by regulations made under authority of law, or makes, willfully or otherwise, a false or fraudulent return, the Assessor shall make the return from his own knowledge and from such information as he can obtain through testimony or otherwise. Any return so made and subscribed by the Assessor shall be prima facie good and sufficient for all legal purposes.

SEC. 5. Determination and assessment of deficiency: If a deficiency in tax is determined by the Assessor, the taxpayer shall be notified thereof and given a period of not less than 30 days, after such notice is sent by registered mail, in which to file a protest and show cause or reason why the deficiency should not be paid. Opportunity for hearing shall be granted by the Assessor, and a final decision thereon shall be made as quickly as practicable.

SEC 6. Jeopardy assessment: (a) Authority for making: If the Assessor believes that the collection of any tax imposed by this article will be jeopardized by delay, he shall, whether or not the time otherwise prescribed by law for making return and paying such tax has expired, immediately assess such tax (together with all interest and penalties, the assessment of which is provided for by law). Such tax, penalties, and interest shall thereupon become immediately due and payable, and immediate notice and demand shall be made by the Collector for the payment thereof. Upon failure or refusal to pay such tax, penalty, and interest, collection thereof by distraint shall be lawful.

(b) Bond to stay collection: The collection of the whole or any part of the amount of such assessment may be stayed by filing with the Collector a bond in such amount, not exceeding double the amount as to which the stay is desired, and with such sureties as the Collector deems necessary, conditioned upon the payment of the amount the collection of which is stayed, at the time at which, but for this section, such amount would be due.

SEC. 7. (a) Time of payment: One-half of the total amount of the tax due as shown on the taxpayer's return shall be paid to the Collector on the 15th day of April following the close of the calendar year and the remaining one-half of such tax shall be paid to the Collector on the 15th day of October following the close of the calendar year, or, if the return be made on the basis of a fiscal year, then one-half of the total amount of such tax shall be paid on the 15th day of the fourth month following the close of the fiscal year and the remaining one-half of such tax shall be paid on the 15th day of the tenth month following the close of the fiscal year. Any deficiency in tax determined by the Assessor under the provisions of section 5 of this title shall be due and payable within 10 days from the date of the assessment.

(b) Extension of time for payments: At the request of the taxpayer the Assessor may extend the time for payment by the taxpayer of the amount determined as the tax for a period not to exceed 6 months from the date prescribed for the payment of the tax or an installment thereof: *Provided, however,* That where the time for filing a return is extended for a period exceeding 6 months under the provisions of title V, section 3 (b), the Assessor may extend the time for payment of the tax, or the first installment thereof, to the same date to which he has extended the time for filing the return. In such case the amount in respect to which the extension is granted shall be paid on or before the date of the expiration of the period of the extension.

(c) Voluntary advance payment: A tax imposed by this article, or any installment thereof, may be paid, at the election of the taxpayer, prior to the date prescribed for its payment.

SEC. 8. Withholding of tax at source: Whenever the Assessor shall deem it necessary in order to satisfy the District's claim for a tax payable by any foreign corporation or unincorporated business, he may, by rules and regulations, require any person subject to the jurisdiction of the District to withhold and pay to the Collector an amount not in excess of 5 percent of all income payable by such person to such foreign corporation or unincorporated business. After such foreign corporation or unincorporated business shall have filed all returns required under this title, and the same shall have been audited, the Collector shall refund any overpayment to the taxpayer.

SEC. 9. Tax a personal debt: Every tax imposed by this article, and all increases, interest, and penalties thereof, shall become, from the time it is due and payable, a personal debt, from the person or persons liable to pay the same to the District and shall be entitled to the same priority as other District taxes, and the taxes levied under this article and the interest and penalties thereon shall be collected by the Collector in the manner provided by law for the collection of taxes due the District on personal property in force at the time of such collection.

SEC. 10. Period of limitation upon assessment and collection. (a) General rule: Except as provided in subsection (b) of this section—

(1) the amount of income taxes imposed by this article shall be assessed within 3 years after the return is filed, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period;

(2) in the case of income received during the lifetime of a decedent, or by his estate during the period of administration, or by a corporation, the tax shall be assessed, and any proceeding in court without assessment for the collection of such tax shall be begun within 12 months after written request therefor (filed after the return is made) by the executor, administrator, or other fiduciary representing the estate of such decedent, or by the corporation, but not after the expiration of 3 years after the return is filed. This subsection shall not apply in the case of a corporation unless—

(A) such written request notifies the Assessor that the corporation contemplates dissolution at or before the expiration of such 12-month period; and

(B) the dissolution is in good faith begun before the expiration of such 12-month period; and

(C) the dissolution is completed;

(3) if the taxpayer omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within 5 years after the return was filed;

(4) for the purposes of subsections (a) (1), (a) (2), and (a) (3), a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day: *Provided, however,* That the periods of limitations upon the assessment and collection of taxes provided in this section in cases where the taxpayer has appealed to the Board of Tax Appeals as provided in this article shall be suspended until such cases have been finally disposed of in the Board of Tax Appeals by final decision, dismissal, or otherwise.

(b) False return: In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(c) Waiver: Where before the expiration of the time prescribed in subsection (a) for the assessment of the tax, both the assessor and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

(d) Collection after assessment: Where the assessment of any income tax imposed by this article has been made within the period of limitation properly applicable thereto, such tax may be collected by distraint or by a proceeding in court, but only if begun (1) within 3 years after the assessment of the tax or (2) prior to the expiration of any period for collection agreed upon in writing by the assessor and the taxpayer before the expiration of such 3-year period. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

SEC. 11. Refunds: Except as to any deficiency taxes assessed under the provisions of section 5 of this title, where there has been an overpayment of any tax imposed by this article, the amount of such overpayment shall be credited against any income tax or installment thereof, whether such tax was assessed as a deficiency or otherwise,

then due from the taxpayer, and the balance shall be refunded to the taxpayer. No such credit or refund shall be allowed after 3 years from the time the tax was paid unless before the expiration of such period a claim therefor is filed by the taxpayer, and no tax or part thereof which the assessor may determine to have been an overpayment shall be refunded after the period prescribed therefor in the act appropriating the funds from which such refund would otherwise be made. The amount of such credit or refund shall not exceed the portion of the tax paid during the 3 years immediately preceding the filing of the claim, or if no claim was filed, then during the 3 years immediately preceding the allowance of such credit or refund. Every claim for credit or refund must be in writing, under oath; must state the specific grounds upon which the claim is founded, and must be filed with the assessor: *Provided*, That if it shall be determined by the assessor, the Board of Tax Appeals for the District of Columbia, or any court that any part of any tax which was assessed as a deficiency under the provisions of section 5 of this title was an overpayment, interest shall be allowed and paid upon such overpayment at the rate of 4 percent per annum from the date such overpayments were paid until the date of refund.

SEC. 12. Closing agreements: The Assessor is authorized to enter into a written agreement with any person relating to the liability of such person (or of the person or estate for whom he acts) in respect of any income tax for any period ending prior to the date of the agreement. If such agreement is approved by the Commissioners within such time as may be stated in such agreement, or later agreed to, such agreement shall be final and conclusive and except upon a showing of fraud or malfeasance, or misrepresentation of a material fact—the case shall not be reopened as to the matters agreed upon or the agreement modified; and in any suit or proceeding relating to the tax liability of the taxpayer such agreement shall not be annulled, modified, set aside, or disregarded.

SEC. 13. Compromises: (a) Authority to make.—Whenever in the opinion of the Commissioners there shall arise with respect of any tax imposed under this article any doubt as to the liability of the taxpayer or the collectibility of the tax for any reason whatsoever, the Commissioners may compromise such tax.

(b) Concealment of assets: Any person who, in connection with any compromise under this section or offer of such compromise or in connection with any closing agreement under this title or offer to enter into any such agreement, willfully (1) conceals from any officer or employee of the District of Columbia any property belonging to the estate of the taxpayer or other person liable with respect of the tax, or (2) receives, destroys, mutilates, or falsifies any book, document, or record or makes under oath any false statement relating to the estate or the financial condition of the taxpayer or to the person liable in respect of the tax, shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than 1 year, or both. All prosecutions under this section shall be brought in the municipal court of the District of Columbia on information by the Corporation Counsel of the District of Columbia or any of his assistants in the name of the District of Columbia.

(c) Of penalties and interest: The Commissioners shall have the power for cause shown to compromise any penalty which may be imposed by the Assessor under the provisions of this article. The Assessor may adjust any interest where, in his opinion, the facts in the case warrant such action.

SEC. 14. Definition of "person": The term "person" as used in this title includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under duty to perform the act in respect to which the violation occurs.

SEC. 15. Payment to Collector and receipts: The taxes provided under this article shall be collected by the Collector and the revenues derived therefrom shall be turned over to the Treasury of the United States for credit to the District in the same manner as other revenues are turned over to the United States Treasury for credit to the District. The Collector shall, upon written request, give to the person making payment of any income tax a full written or printed receipt therefor.

TITLE XIII—PENALTIES AND INTEREST

SEC. 1. Failure to file return: In case of any failure to make and file a return required by this article, within the time prescribed by law or prescribed by the Commissioners or Assessor in pursuance of law, 5 percent of the tax shall be added to the tax for each month or fraction thereof that such failure continues, not to exceed 25 percent in the aggregate, except that when a return is filed after such time and it is shown that the failure to file it was due to reasonable cause and not due to willful neglect, no such addition shall be made to the tax. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be assessed and collected.

SEC. 2. Interest on deficiencies: (a) Interest upon the amount determined as a deficiency shall be assessed at the same time as the deficiency, shall be paid upon notice and demand from the Collector, and shall be collected as a part of the tax, at the rate of 6 percent per annum from the date prescribed for the payment of the tax (or, if the tax is paid in installments, from the date prescribed for the payment of the first installment) to the date the deficiency is assessed.

(b) If extension granted for payment of deficiency: If the time for payment of any part of a deficiency is extended, there shall be collected, as a part of the tax, interest on the part of the deficiency the time for payment of which is so extended at the rate of 6 percent per annum for the period of the extension. If a part of the deficiency the time for payment of which is so extended is not paid in full, together with all penalties and interest due thereon, prior to the expiration of the period of the extension, then interest at the rate of 6 percent per annum shall be added and collected on such unpaid amount from the date of the expiration of the period of the extension until it is paid.

SEC. 3. Additions to the tax in case of deficiency: (a) Neglignece: If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, 5 percent of the total amount of the deficiency (in addition to such deficiency) shall be assessed, collected, and paid in the same manner as if it were a deficiency.

(b) Fraud: If any part of any deficiency is due to fraud with intent to evade tax, then 50 percent of the total amount of the deficiency (in addition to such deficiency) shall be so assessed, collected, and paid.

SEC. 4. Additions to the tax in case of nonpayment: (a) Tax shown on return: (1) General rule: Where the amount determined by the taxpayer as the tax imposed by this article, or any installment thereof, or any part of such amount or installment, is not paid on or before the date prescribed for its payment, there shall be collected as a part of the tax interest upon such unpaid amount at the rate of 6 percent per annum from the date prescribed for its payment until it is paid.

(2) If extension granted: Where an extension of time for payment of the amount so determined as the tax by the taxpayer, or any installment thereof has been granted, and the amount the time for payment of which has been extended, and the interest thereon determined under section 5 of this title is not paid in full prior to the expiration of the period of the extension, then, in lieu of the interest provided for in subsection (a) (1) of this section, interest at the rate of 6 percent per annum shall be collected on such unpaid amount from the date of the expiration of the period of the extension until it is paid.

(b) Deficiency: Where a deficiency, or any interest or additional amounts assessed in connection therewith under section 2 or under section 3, or any addition to the tax in case of delinquency provided for in section 1 is not paid in full within 10 days from the date of assessment thereof, there shall be collected, as part of the tax, interest, upon the unpaid amount at the rate of 6 percent per annum from the date of such notice and demand until it is paid.

SEC. 5. Time extended for payment of tax shown on return: If the time for payment of the amount determined as the tax by the taxpayer, or any installment thereof, is extended under the authority of title XII, section 7 (b), there shall be collected, as a part of such amount, interest thereon at the rate of 6 percent per annum from the date when such payment should have been made if no extension had been granted, until the expiration of the period of the extension.

SEC. 6. Penalties: (a) Willful violation: Any person required under this article to pay or collect any tax, or required by law or regulations made under authority thereof to make a return, keep any records, or supply any information, for the purposes of this article, who willfully refuses to pay or collect such tax, to make such return, to keep such records, or to supply such information, or who makes a false or fraudulent return, or who willfully attempts in any manner to defeat or evade the tax imposed by this act, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and shall be fined not more than $5,000 or imprisoned for not more than 1 year, or both, together with costs of prosecution. All prosecutions under this section shall be brought in the municipal court of the District of Columbia on information by the Corporation Counsel or one of his assistants in the name of the District.

(b) Definition of "person": The term "person" as used in this title includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under duty to perform the act in respect to which the violation occurs.

TITLE XIV—LICENSES

SEC. 1. Requirement: No corporation or unincorporated business, except such corporations or unincorporated business as are expressly exempt under the provisions of title II of this article, shall engage in or carry on any trade or business in the District without a license so to do issued under this article in addition to all other licenses and permits required by law, except as hereinafter provided. For the first calendar year to which this article is applicable, no license shall be required of any corporation licensed under the provisions of the act of July 26, 1939, as amended. Every corporation not so licensed and every unincorporated business shall obtain such license within 60 days after the approval of this act. Every corporation or unincorporated business which commences to engage in or carry on any trade or business in the District after the passage of this act shall obtain a license under this article within 60 days after the date of the commencement of such trade or business in the District. Applications for licenses shall be filed with the Assessor prior to January 1 of each year upon forms prescribed and furnished by the Assessor, and each application shall be accompanied by a fee of $10.

SEC. 2. Duration of license: All licenses issued under this title shall be in effect for

the duration of the calendar year for which issued, unless revoked as provided in this title, and shall expire at midnight on the 31st day of December of each year. No license may be transferred to any other corporation or unincorporated business.

SEC. 3. Licenses to be posted: All licenses granted under this title to corporations or unincorporated businesses having an office or place of business in the District must be conspicuously posted in the office or on the premises of the licensee, and said license shall be accessible at all times for inspection by the police or other officers duly authorized to make such inspection.

SEC. 4. Where a corporation or unincorporated business has no office or place or business in the District, agent or employee shall carry certificate or license: Every corporation and every unincorporated business not having an office or place of business in the District which engages in or carries on any trade or business in the District by or through an employee or agent shall procure the license provided by this title. Every employee or agent of any such corporation or unincorporated business shall carry either the license or a certificate from the Assessor that the license has been obtained, which license or certificate shall be exhibited to the police or other officers duly authorized to inspect the same. Such certificate shall be in such form as the Assessor shall determine, and shall be furnished, without charge, by the Assessor, upon request. No employee or agent of the corporation not having an office or place of business in the District shall engage in or carry on any trade or business in the District for or on behalf of such corporation or unincorporated business unless such corporation or unincorporated business shall have first obtained a license, as provided by this title.

SEC. 5. Revocation: The Commissioners may, after hearing, revoke any license issued hereunder for failure of the licensee to file a return or corrected return within the time required by this article, or to pay any installment of tax when due.

SEC. 6. Renewal: Licenses shall be renewed for the ensuing calendar year upon application as provided in section 1 of this title. No license shall be issued or renewed if the taxpayer has failed or refused to pay any tax or installment thereof, or penalties or interest thereon, imposed by this article: *Provided, however*, That the Commissioners, in their discretion, for cause shown, may, on such terms or conditions as they may determine or prescribe, waive the provisions of this section.

SEC. 7. Penalty for failure to obtain license: Any corporation or unincorporated business engaged in or carrying on any trade or business in the District or receiving income from sources within the District within the meaning of title X of this article without having obtained a license so to do, within the time prescribed by section 1 of this title, and any person engaging in or carrying on any trade or business in the District or receiving income from sources within the District within the meaning of title X of this article for or on behalf of any corporation or unincorporated business not having a license so to do, shall, upon conviction thereof, be fined not more than $300 for each and every failure, refusal, or violation, and each and every day that such failure, refusal, or violation continues shall constitute a separate and distinct offense. All prosecutions under this section shall be brought in the municipal court of the District of Columbia on information by the Corporation Counsel or any of his assistants in the name of the District: *Provided, however*, That the provisions of this section shall not apply to mere collection by an agent of income of a corporation or unincorporated business not having the license required under this title.

TITLE XV—APPEAL

SEC. 1. Appeal to board of tax appeals for the District of Columbia: Any person aggrieved by any assessment of a deficiency in tax determined and assessed by the Assessor under the provisions of title XII, section 5, of this article and any persons aggrieved by the denial of any claim for refund made under the provisions of title XII, section 11 of this article, may, within 90 days from the date of the assessment of the deficiency or from the date of the denial of a claim for refund, as the case may be, appeal to the Board of Tax Appeals for the District of Columbia, in the same manner and to the same extent set forth in sections 3, 4, 7, 8, 9, 10, 11, and 12 of title IX of the Act entitled "An Act to amend the District of Columbia Revenue Act of 1937, and for other purposes", approved May 16, 1938, and as the same may hereafter be amended.

SEC. 2. Election of remedy: The remedy provided in section 1 of this title shall not be deemed to take away from the taxpayer any remedy which he might have under any other provision of law, but no suit by the taxpayer for the recovery of any part of any tax shall be instituted in any court if the taxpayer has elected to file an appeal with respect to such tax in accordance with the provisions of section 1 of this title.

TITLE XVI—RULES AND REGULATIONS

SEC. 1. The Commissioners shall prescribe and publish such rules and regulations consistent with the provisions of this article, as may be necessary and proper for its enforcement and efficient administration.

The CHAIRMAN. Are there any amendments?

The Chair is advised that the gentleman from Texas [Mr. POAGE] has an amendment on the desk.

Mr. FORAND. Mr. Chairman, in view of the fact that none of us believed that we would jump to page 84 so rapidly, I ask unanimous consent that when the gentleman from Texas returns to the Chamber he be permitted to offer his amendment, if he so desires.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. HORAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HORAN: Page 84, after line 5, insert the following:

"ARTICLE II—SALES AND COMPENSATING USE TAX

"Title I—Sales tax

"SEC. 1. Definitions: When used in this title the following terms shall mean or include:

"(a) 'Person': Includes an individual, partnership, society, association, joint-stock company, corporation, estate, receiver, trustee, assignee, referee, or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals.

"(b) 'Vendor': Includes a person selling property or rendering services upon the receipts from which a tax is imposed under section 2 of this title.

"(c) 'Purchaser': Includes a person who purchases property or to whom are rendered services, receipts from which are taxable under section 2 of this title.

"(d) 'Receipt': The amount of the sale price of any property or the charge for any service specified in section 2 of this title, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property of any kind or nature, and also any amount for which credit is allowed by the vendor to the purchaser, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, transportation or service cost, interest or discount paid, taxes paid, or any other expense whatsoever.

"(e) 'Sale' or 'selling': Any transfer of title or possession or both, exchange or barter, license to use, license to consume, conditional or otherwise, in any manner or by any means whatsoever for a consideration, or any agreement therefor, and shall include the rendering of any service specified in section 2 of this title.

"(f) 'Tangible personal property': Corporeal personal property of any nature.

"(g) 'Retail sale' or 'sale at retail': A sale to any person for any purpose other than for resale in the form of tangible personal property. A 'sale or purchase at retail of tangible personal property' shall also be deemed to include the sale of the services of producing, fabricating, processing, printing or, except for the imprinting of copy upon an already printed product, imprinting tangible personal property, to a person who directly or indirectly furnishes the tangible personal property, not purchased by him for resale, upon which such services are performed; other than the rendering of services in connection with the repair, alteration, or reconditioning of tangible personal property on behalf of the owner thereof to refit it for the use for which it was originally produced.

"(h) 'Return': Includes any return filed or required to be filed as herein provided.

"(i) 'District': The District of Columbia.

"(j) 'Commissioners': The Commissioners of the District or their duly authorized representatives.

"(k) 'Assessor': The Assessor of the District or his duly authorized representatives.

"(l) 'Collector': The Collector of Taxes of the District or his duly authorized representatives.

"SEC. 2. Imposition of tax: Beginning 60 days after approval of this act but not prior to July 1, 1947, there is hereby imposed and there shall be paid a tax upon the amount of the receipts from every sale in the District, as follows:

"(a) Two percent upon the amount of the receipts from every sale of tangible personal property sold at retail, including services rendered in connection therewith, except those exempted in section 3 of this title.

"(b) Two percent upon the receipts from every sale of gas, electricity, refrigeration, and steam and from gas, electric, refrigeration, and steam service of whatsoever nature for domestic or commercial use and a tax of 2 percent upon the receipts from every sale of telephony and telegraphy and telephone and telegraph service of whatsoever nature.

"SEC. 3. Exemptions: (a) Receipts from sales of the following and services rendered in connection therewith shall be exempt from the taxes imposed by this title:

"(1) Motor-vehicle fuels upon the sale of which a tax is imposed by the act entitled "An act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924, as amended or as may be hereafter amended; gas, electricity, telephone and telegraph service, and any other commodity or service sold or furnished by a public utility corporation, and cigarettes, if such sales are taxed by some other provision of law in force in the District during or for the period of time covered by any return required to be filed by the provisions of this title.

"(2) By or to the United States or the District or any instrumentality thereof.

"(3) Whisky, wines, liquors, beer, and other alcoholic beverages and drinks compounded thereof or therewith sold for consumption off or on the premises, upon which a beverage tax is levied during or for any period

for which a return is required to be filed under the provisions of this title.

"(4) Materials used in the initial construction of structures or major structural alterations which materials, upon completion of such construction or alterations, become real property.

"(b) The Commissioners are authorized to exempt from the taxes imposed by this title any or all sales, the consideration of which amounts to 50 cents or less.

"SEC. 4. Upon each taxable sale or service the tax to be collected shall be stated and charged separately from the sale price or charge for service and shown separately on any record thereof, at the time when the sale is made or evidence of sale issued or employed by the vendor and shall be paid by the purchaser to the vendor as trustee for and on account of the District, and the vendor shall be liable for the collection thereof and for the tax. The vendor and any officer of any corporate vendor shall be personally liable for the tax collected or required to be collected under this title, and the vendor shall have the same right in respect to collecting the tax from the purchaser, or in respect to nonpayment of the tax by the purchaser, as if the tax were a part of the purchase price of the property or service and payable at the time of the sale: *Provided, however*, That the Collector shall be joined as a party plaintiff in any action or proceeding brought by the vendor to collect the tax.

"SEC. 5. The tax imposed by this title shall be paid upon all sales made and services rendered beginning 60 days after approval of this act but not prior to July 1, 1947, although made or rendered under a contract dated prior thereto. Where a service is billed on either a monthly or other term basis, the payment of such bill for such month or other period of time shall be a receipt subject to the tax herein imposed. The Commissioners may provide by regulation that the tax upon receipts from sales on the installment plan may be paid in full at the time the agreement therefor is made or on the account of each installment and upon the date when such installment is due. The Commissioners may provide by regulation for the exclusion of amounts representing sales where the contract of sales has been canceled, or the property returned, or the receipt has been ascertained to be worthless or, in case the tax has been paid upon such receipt, for a credit or refund of the amount of the tax upon such receipt upon application therefor as provided in section 13 of this title.

"SEC. 6 Presumptions For the purpose of the proper administration of this title and to prevent evasion of the tax hereby imposed, it shall be presumed that all receipts for property and services mentioned in this title are subject to tax until the contrary is established, and the burden of proving that a receipt is not taxable hereunder shall be upon the vendor or the purchaser. Unless the vendor shall have taken from the purchaser a certificate signed by and bearing the name and address of the purchaser and the number of his registration certificate to the effect that the property or service was purchased for resale, the sale shall be deemed to be a taxable sale at retail.

"SEC. 7. No person engaged in the business of selling property or services the receipts from which are subject to tax under this title shall advertise or hold out to the public in any manner directly or indirectly that the tax imposed by this title is not considered as an element in the price to the purchaser.

"SEC. 8. Collection of tax from purchaser: The Commissioners shall by regulation prescribe a method or methods and a schedule or schedules of the amounts to be collected by vendors from purchasers in respect to any receipt upon which a tax is imposed by this title so as to eliminate fractions of 1 cent and so that the aggregate collections of taxes by a vendor shall, as far as practicable, equal 2 per centum of the total receipts from the sales and services of such vendor upon which a tax is imposed by this title. Such schedule or schedules may provide that no tax need be collected from the purchaser upon receipts from any sale the consideration of which is 50 cents or less, and may be amended from time to time so as to accomplish the purposes herein set forth. The tax imposed by this title on motor vehicles and vehicles which are propelled or moved by motor vehicles shall be paid as a condition precedent to the issuance of certificates of title therefor and the issuance of identification tags.

"SEC. 9. Every vendor shall keep records of receipts and of the tax payable thereon in such form as the Commissioners may by regulation require. Such records shall be offered for inspection and examination at any time upon demand by the Assessor and shall be preserved for a period of three years.

"SEC. 10. Returns: (a) Every vendor shall file with the Assessor a return of his receipts and of the taxes payable thereon for the periods ending September 30, December 31, March 31, and June 30 of each year.

"(b) Such returns shall be filed within twenty days from the expiration of the period covered thereby. The Assessor may permit or require returns to be made by other periods and upon such dates as he may specify: *Provided*, That the receipts during any year shall be included in returns covering such year and no other. If the Assessor deems it necessary in order to insure the payment of the tax imposed by this title, he may require returns to be made for shorter periods than those prescribed pursuant to the foregoing provisions of this section, and upon such dates as he may specify.

"(c) The form of returns shall be prescribed by the Assessor and shall contain such information as he may deem necessary for the proper administration of this title. The Assessor may require amended returns to be filed within twenty days after notice and to contain the information specified in the notice.

"SEC. 11. Payment of tax: At the time of filing a return of receipts each vendor shall pay to the Collector the taxes imposed by this title upon the receipts required to be included in such return, as well as all other moneys collected by the vendor acting or purporting to act under the provisions of this title even though it be judicially determined that the tax collected is invalidly imposed. All the taxes for the period for which a return is required to be filed shall be due from the vendor and payable to the Collector on the date limited for the filing of the return for such period, without regard to whether a return is filed or whether the return which is filed shows correctly the amount of receipts and the taxes due thereon.

"SEC. 12. Determination of tax: If a return required by this title is not filed, or if a return when filed is incorrect or insufficient, the amount of tax due shall be determined by the Assessor from such information as may be obtainable and, if necessary, the tax may be estimated on the basis of external indices, such as number of employees of the person concerned, rentals paid, stock on hand, income-tax returns, or other factors. Notice of such determination shall be given to the person liable for the collection of the tax from the purchaser and payment thereof to the Collector. Such determination shall finally and irrevocably fix the tax unless the person against whom it is assessed, within 30 days after the giving of notice of such determination, shall apply in writing to the Assessor for a hearing, or unless the Assessor of his own motion shall redetermine the same. After such hearing or redetermination the Assessor shall give notice of his final determination to the person against whom the tax is assessed.

"SEC. 13. Refunds: (a) Except as to any tax finally determined as provided in section 12, where any tax has been erroneously or illegally collected the tax shall be refunded if application is filed with the Assessor for such refund within 1 year from the payment thereof. For like cause and within the same period a refund may be made upon the certificates of the Assessor and the Collector. Whenever a refund is made upon the certificates of the Assessor and the Collector, the Assessor and Collector shall state their reasons therefor in writing. Such application may be made by the person upon whom such tax was imposed and who has actually paid the tax. Such application may also be made by a vendor who has collected and paid such tax to the Collector: *Provided*, That the application is made within 1 year of the payment by the purchaser to the vendor, but no actual refund of moneys shall be made to such vendor until he shall first establish to the satisfaction of the Assessor, under such regulations as the Commissioners may prescribe, that the vendor has repaid to the purchaser the amount for which the application for refund is made. In lieu of any refund required to be made, a credit may be allowed therefor on payments due from the applicant.

"(b) Application for a refund or credit made as herein provided shall be deemed an application for a revision of any tax, penalty, or interest complained of and the Assessor may receive evidence with respect thereto. After making his determination of whether any refund shall be made, the Assessor shall give notice thereof to the applicant.

"SEC. 14. Any person aggrieved by a final determination of tax as provided in section 12 or denial of an application for refund of any tax under section 13 may, within 90 days from the date of the final determination of the tax or from the date of the denial of an application for refund, as the case may be, appeal to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, 11, and 12 of title IX of the act entitled 'An act to amend the District of Columbia Revenue Act of 1937, and for other purposes,' approved May 16, 1938, as amended, and as the same may hereafter be amended. The remedy provided in this section shall not be deemed to take away from the taxpayer any remedy which he might have under any other provision of law, but no suit by the taxpayer for the recovery of any part of any tax shall be instituted in any court if the taxpayer has elected to file an appeal with respect to such tax with the Board of Tax Appeals for the District of Columbia.

"SEC. 15. The taxes imposed by this title and penalties and interest thereon may be collected by the Collector in the manner provided by law for the collection of taxes due the District on personal property in force at the time of such collection; and liens for the taxes imposed by this title and penalties thereon may be acquired in the same manner that liens for personal property taxes are acquired. If the Assessor believes that the collection of any tax imposed by this act will be jeopardized by delay, he shall, whether or not the time otherwise prescribed by law for making return and paying such tax has expired, immediately assess such tax (together with all interest and penalties, the assessment of which is provided for by law). Such tax, penalties, and interest shall thereupon become immediately due and payable, and immediate notice and demand shall be made by the Collector for the payment thereof. Upon failure or refusal to pay such tax, penalty, and interest, collection thereof by distraint shall be lawful.

"SEC. 16. Whenever there is made a sale, transfer, or assignment in bulk of any part or the whole of a stock of merchandise or of fixtures, or of merchandise and of fixtures pertaining to the conducting of the business of the seller, transferor, or assignor, otherwise than in the ordinary course of trade and in the regular prosecution of said business, the purchaser, transferee, or assignee shall at least 5 days before taking possession of such merchandise, fixtures, or merchandise and fixtures, or paying therefor, notify the Assessor by registered mail of the proposed sale and of the price, terms, and conditions thereof, whether or not the seller, transferor, or assignor has represented to or informed the purchaser, transferee, or assignee that he owes any tax pursuant to this title or whether he has complied with section 1 of the act entitled 'An act to prevent the fraudulent sale of merchandise in the District of Columbia,' approved April 28, 1904, or whether or not he has knowledge that such taxes are owing, or whether any such taxes are in fact owing.

"SEC. 17. Whenever the purchaser, transferee, or assignee shall fail to give the notice to the Assessor as required by the preceding section, or whenever the Assessor shall inform the purchaser, transferee, or assignee that a possible claim for such tax or taxes exists, any sums of money, property, or choses in action, or other consideration, which the purchaser, transferee, or assignee is required to transfer over to the seller, transferor, or assignor shall be subject to a first priority right and lien for any such taxes theretofore or thereafter determined to be due from the seller, transferor, or assignor to the District, and the purchaser, transferee, or assignee is forbidden to transfer to the seller, transferor, or assignor any such sums of money, property, or choses in action to the extent of the amount of the District's claim. For failure to comply with the provisions of this subdivision, the purchaser, transferee, or assignee shall be personally liable for the payment to the District of any such taxes theretofore or thereafter determined to be due to the District from the seller, transferor, or assignor, and such liability may be assessed and enforced in the same manner as the liability for tax under this title.

"SEC. 18. Regulations: In addition to the powers granted to the Commissioners in this title, they are hereby authorized and empowered to make, adopt, and amend rules and regulations appropriate to the carrying out of this title and the purposes thereof.

"SEC. 19. In addition to the powers granted to the Assessor in this title, he is hereby authorized and empowered—

"(a) To extend for cause shown the time of filing any return for a period not exceeding 30 days; and for cause shown, to remit penalties and interest in whole or in part except as provided in section 22 of this title; and to compromise disputed claims in connection with the taxes hereby imposed.

"(b) To request information from the Bureau of Internal Revenue of the Treasury Department of the United States relative to any person for the purpose of assessing taxes imposed by this title; and said Bureau of Internal Revenue is authorized and required to supply such information as may be requested by the Assessor relative to any person for the purpose herein provided.

"(c) To prescribe methods for determining the receipts from sales made or services rendered and for the allocation of such receipts into taxable and nontaxable receipts.

"(d) To require any vendor selling to persons within the District to keep detailed records of the nature and value of personal property sold for use within the District and the names and addresses of the purchasers, where such sales are not subject to the tax imposed by this title, and to furnish such information upon request to the Assessor.

"(e) To assess, determine, revise, and readjust the taxes imposed under this title.

"SEC. 20. The Assessor, for the purpose of ascertaining the correctness of any return filed as required by this title, or for the purpose of making a return where none has been made, is authorized to examine any books, papers, records, or memoranda of any person bearing upon the matters required to be included in the return and may summon any person to appear before him and produce books, records, papers, or memoranda bearing upon the matters required to be included in the return and to give testimony or answer interrogatories under oath respecting the same, and the Assessor, or his duly authorized representative, shall have power to administer oaths to such person or persons. Such summons may be served by any member of the Metropolitan Police Department. If any person, having been personally summoned, shall neglect or refuse to obey the summons issued as herein provided, then in that event the Assessor, or the Deputy Assessor, may report that fact to the District Court of the United States for the District of Columbia, or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to said summons to the same extent as witnesses may be compelled to obey the subpenas of that court. Any person in custody or control of any books, papers, records, or memoranda bearing upon the matters required to be included in such returns, who shall refuse to permit the examination by the Assessor or any person designated by him of any such books, papers, records, or memoranda, or who shall obstruct or hinder the Assessor or any person designated by him in the examination of any books, papers, records, or memoranda, shall upon conviction thereof be fined not more than $500.

"SEC. 21. Registration: (a) On or before the sixtieth day after approval of this act but not prior to July 1, 1947, or in the case of vendors commencing business after July 1, 1947, or opening new places of business after such date, within 3 days after such commencement or opening, every vendor and every person purchasing tangible personal property for resale shall file with the Assessor a certificate of registration in a form prescribed by the Assessor. The Assessor shall within 5 days after such registration issue without charge to each vendor or person who purchases for reseale a certificate of authority empowering such vendor to collect the tax from the purchaser. Duplicates of such certificate shall be obtained from the Assessor for each additional place of business of such vendor. Each certificate or duplicate shall state the place of business to which it is applicable. Such certificates of authority shall be prominently displayed to the public in the places of business of the vendor. A vendor who has no regular place of doing business shall attach such certificate to his cart, stand, truck, or other merchandising device. Such certificates shall be nonassignable and nontransferable and shall be surrendered within 3 days to the Assessor upon the vendor's ceasing to do business at the place named.

(b) A vendor shall refuse to accept a certificate that any property or service upon which a tax is imposed by this title is purchased for resale and shall collect the tax imposed by this title unless the purchaser shall have filed a certificate of registration and received a certificate of authority to collect the tax imposed by this title: *Provided, however,* That the payment of the tax by such purchaser shall not relieve the purchaser of the duty herein imposed upon such purchaser to collect the tax upon any resale made by him; but such purchaser who shall file a certificate of registration and receive a certificate of authority to collect the tax may, upon application therefor, receive a refund of the taxes paid by him upon property and services thereafter resold by him and upon the receipts from which he shall have collected and paid over to the Collector the tax herein imposed.

"SEC. 22. Penalties and interest: (a) Any person failing to file a return or to pay or pay over any tax to the Collector within the time required by this title shall be subject to a penalty of 5 percent of the amount of tax due, plus interest at the rate of 1 percent of such tax for each month of delay excepting the first month after such return was required to be filed or such tax became due; but the Assessor, if satisfied that the delay was excusable, may waive all or any part of such penalty in excess of interest at the rate of 6 percent per year. Such penalties and interest shall be paid and disposed of in the same manner as other revenues from this title. Unpaid penalties and interest may be collected in the same manner as the tax imposed by this title.

"(b) Officers of a corporate vendor shall be personally liable for the tax collected or required to be collected by such corporation under this title, and subject to the penalties hereinabove imposed.

"(c) The certificate of the Collector or Assessor, as the case may be, to the effect that a tax has not been paid, that a return or registration certificate has not been filed, or that information has not been supplied pursuant to the provisions of this title, shall be presumptive evidence thereof: *Provided,* That the presumptions created by this subsection shall not be applicable in criminal prosecutions.

"SEC. 23. Returns to be secret: (a) Except to any official of the District, having a right thereto in his official capacity, it shall be unlawful for any officer or employee of the District to divulge or make known in any manner the amount of receipts or any particulars relating thereto or the computation thereof set forth or disclosed in any return required to be filed under this title, and neither the original nor a copy of any such return desired for use in litigation in court shall be furnished where neither the District nor the United States is interested in the result of such litigation whether or not the request is contained in an order of the court: *Provided, however,* That nothing herein contained shall be construed to prevent the furnishing to a taxpayer a copy of his return upon the payment of a fee of $2.

"(b) Nothing contained in section 23 (a) of this title shall be construed to prohibit the publication of notices authorized in section 27 of this title, or the publication of statistics so classified as to prevent the identification of particular returns or reports and the items thereof, or the publication of delinquent lists showing the names of persons, vendors, or purchasers who have failed to pay the taxes imposed by this title within the time prescribed herein, together with any relevant information which in the opinion of the Assessor may assist in the collection of such delinquent taxes.

"(c) Nothing contained in section 23 (a) of this title shall be construed to prohibit the Assessor, in his discretion, from divulging or making known any information contained in any report, application, or return required under the provisions of this title other than such information as may be contained therein relating to the amount of receipts or tax thereon or any particulars relating thereto or the computation thereof.

"(d) Any violation of the provisions of this section shall be a misdemeanor and shall be punishable by a fine not exceeding $1,000 or imprisonment for 6 months, or both, in the discretion of the court.

"(e) All reports, applications, and returns received by the Assessor under the provisions of this act shall be preserved for 3 years, and thereafter until the Assessor orders them to be destroyed.

"SEC. 24. Penalty for failure to file returns, and so forth: (a) Any person required to file a return or report or perform any act under

the provisions of this title who shall fail or neglect to file such return or report or perform such act within the time required shall, upon conviction thereof, be fined not more than $300 for each and every failure or neglect, and each and every day that such failure or neglect continues shall constitute a separate and distinct offense. The penalty provided herein shall be in addition to the other penalties provided in this title.

"(b) Any person required to file a return or report or perform any act under the provisions of this title who willfully fails or refuses to file such return or report or perform such act within the time required shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than 1 year, or both, for each and every failure or refusal. The penalty provided herein shall be in addition to the other penalties provided in this title.

"SEC. 25. Assessment, reassessment, false, and incorrect returns: The Assessor shall determine, redetermine, assess, or reassess, any tax imposed by this title, except in cases where the tax is correct as computed in any return filed with the Assessor, within 3 years after the filing of any return, except as follows:

"(a) In the case of a false return or a failure to file a return, or failure to include taxable receipts in any return filed, whether in good faith or otherwise, the tax may be assessed at any time.

"(b) In the case of an incorrect return which has not been prepared as required by this title and by the return and instructions, rules, or regulations applicable thereto, the receipts reported shall be assessed or reassessed within 5 years after the filing of such return.

"SEC. 26. Prosecutions: All prosecutions under this title shall be brought in the Municipal Court for the District of Columbia on information by the Corporation Counsel of the District in the name of the District of Columbia.

"SEC. 27. Notices: Any notice authorized or required under the provisions of this title may be given by mailing the same to the person for whom it is intended in an envelope, postage prepaid, addressed to such person at the address given in the last return filed by him pursuant to the provisions of this title or, if no return has been filed, then to the last address of such person. If the address of any person is unknown, such notice may be published in one or more of the daily newspapers in the District of Columbia for three successive days. The cost of any such advertisement in newspapers shall be added to the tax. The proof of mailing of any notice required or authorized in this title shall be presumptive evidence of the receipt of such notice by the person to whom addressed. The proof of publishing any notice required in this title in one or more of the daily newspapers in the District shall be conclusive notice to the person for whom such notice is intended.

"SEC. 28. Extensions of time: Where, before the expiration of the period prescribed herein for the assessment or redetermination of an additional tax, a taxpayer has consented in writing that such period be extended, the amount of such tax due may be determined at any time within such extended period. The period so extended may be further extended by subsequent consents in writing made before the expiration of the extended period.

"SEC. 29. If any provision of this title, or the application thereof to any person or circumstances, is held invalid, the remainder of this title, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

TITLE II—COMPENSATING USE TAX

"SEC. 1. Definitions: (a) When used in this title the following terms shall mean or include:

"(1) 'Use': The exercise of any right or power over tangible personal property by the purchaser thereof and includes but is not limited to the receipt, storage, or any keeping or retention for any length of time, withdrawal from storage, any installation, any affixation to real or personal property or any consumption of such property.

"(2) 'Sale' or 'purchase': Any transfer of title or possession or both, exchange or barter, rental, lease, or license to use or consume, conditional or otherwise, in any manner or by any means whatsoever for a consideration, or any agreement therefor.

"(3) 'Vendor': Every person making sales of tangible personal property in the District: *Provided, however,* That, when in the opinion of the assessor it is necessary for the efficient administration of this title to regard any salesman, representative, peddler, or canvasser as the agent of the dealer, distributor, supervisor, or employer under whom he operates or from whom he obtains the tangible personal property sold by him, the Assessor may, in his discretion, treat and regard such agent as the vendor jointly responsible with his principal, employer, or supervisor for the collection and payment over of the tax.

"(4) 'Purchase at retail': A purchase by any person for any purpose other than for resale in the form of tangible personal property.

"(5) 'Tangible personal property': Corporeal personal property of any nature.

"(b) The definitions of 'person,' 'retail sale,' or 'sale at retail,' 'return,' 'District,' 'Commissioners,' 'Assessor,' and 'Collector,' as defined in section 1 of title I of this act, are hereby incorporated in and made applicable to this title.

"SEC. 2. Imposition of tax: Beginning 60 days after approval of this act but not prior to July 1, 1947, there is hereby imposed and there shall be paid by every person a tax on the use within the District of any tangible personal property purchased at retail. Such tax shall be at the rate of 2 percent of the consideration given or contracted to be given for such property or its use plus the cost of transportation, except where such cost is stated and charged separately.

"SEC. 3. Exemptions: The provisions of this title shall not apply—

"(a) In respect to the use of property used by the purchaser in the District prior to the date on which the tax is imposed by this act.

"(b) In respect to property which is in transit through the District, or which is stored and not used in the District but is so stored solely for the purpose of awaiting further transit through the District.

"(c) In respect to the use of property if the sale thereof has already been or will be subject to tax under title I of this act.

"(d) In respect to the use of property purchased at retail, upon the sale of which the purchaser would be exempt from the taxes imposed under title I of this act.

"(e) In respect to the use by any one person of property purchased from a vendor not maintaining a place of business in the District where the aggregate value of such property subject to the tax imposed by this title is less than $25 in value during any quarterly period.

"(f) In respect to the use of property which is converted into or becomes an ingredient or constituent part of, or is transformed or wrought into, attached to or sold with, a product or commodity produced or manufactured for sale by the purchaser.

"(g) In respect to the use of property by any person who comes into the District on or after the date on which the tax is imposed by this act and establishes a temporary or permanent residence in the District, or engages in any trade or business or commercial activity in the District, if such property was purchased at retail by such person not less than 1 year prior thereto.

"(h) In respect to the use of property if the sale or purchase thereof has been taxed by a taxing jurisdiction other than the District, and if such tax was paid by the person who brings such property into the District: *Provided,* That this section shall not apply to any sales or excise tax imposed or paid for Federal revenue purposes: *And provided further,* That if a tax on the sale or purchase of property is imposed by and paid to any taxing jurisdiction other than the District is less than the tax imposed by this title, the difference between such taxes shall not be exempted under this section.

"SEC. 4. Vendor to collect tax from purchaser; unlawful to advertise tax will be assumed or absorbed: (a) Every vendor maintaining a place of business in the District and making sales of tangible personal property the use of which is taxable under this title, and every other vendor who, upon application to the Assessor, has been expressly authorized to collect the tax, shall at the time of making such sales, or if the use is not then taxable hereunder, at the time such use becomes taxable hereunder, collect the tax from the purchaser. The tax to be collected shall be stated and charged separately from the sale price and shown separately on any record thereof, at the time when the sale is made or evidence of sale issued or employed by the vendor, and shall be paid by the purchaser to the vendor as trustee for and on account of the District, and the vendor shall be liable for the collection thereof and for the tax. The vendor and any officer of any corporate vendor shall be personally liable for the tax collected or required to be collected under this title, and the vendor shall have the same right in respect to collecting the tax from the purchaser, or in respect to nonpayment of the tax by the purchaser, as if the tax were a part of the purchase price of the property and payable at the time of the sale: *Provided,* That the Collector shall be joined as a party in an action or proceeding to collect the tax. No vendor shall advertise or hold out to the public in any manner, directly or indirectly, that the tax imposed by this title is not considered an element in the price to the purchaser.

"(b) Where the vendor has not collected a tax imposed by this title, such tax shall be payable by the purchaser directly to the Collector and it shall be the duty of the purchaser to file a return thereof and pay the tax imposed thereon as provided in sections 7 and 8 of this title.

"(c) For the purpose of the proper administration of this title and to prevent evasion of the tax hereby imposed, it shall be presumed that the use of tangible personal property is subject to tax until the contrary is established, and the burden of proving that the use is not taxable shall be upon the vendor or the purchaser. Unless the vendor shall have taken from the purchaser a certificate signed by and bearing the name and address of the purchaser and the number of his registration certificate to the effect that the property was purchased for resale, the sale shall be deemed a retail sale.

"SEC. 5. Collection of tax from purchaser: The Commissioners shall by regulation prescribe a method or methods and a schedule or schedules of the amounts to be collected from purchasers in respect to any property the use of which is subject to tax under this title so as to eliminate fractions of 1 cent and so that the aggregate collections of taxes by a vendor shall, as far as practicable, equal 2 percent of the aggregate value of the tangible personal property sold. Such schedule or schedules may provide that no tax need be collected from the purchaser upon receipts from any purchase the consideration of which is 50 cents or less, and may be amended from time to time so as to accomplish the purposes herein set forth. The tax imposed by this title on motor vehicles and vehicles which are propelled or

moved by motor vehicles shall be paid as a condition precedent to the issuance of certificates of title therefor and the issuance of identification tags.

"SEC. 6. Records to be kept: Every person shall keep records of sales and of the tax payable in connection therewith and also records of purchases in such form as the Commissioners may by regulation require. Such records shall be offered for inspection and examination at any time upon demand by the Assessor and shall be preserved for a period of 3 years.

"SEC. 7. Returns: (a) Every vendor maintaining a place of business in the District and every vendor not maintaining such place of business but who, upon application to the Assessor, has been expressly authorized to collect the tax, shall file with the Assessor a return for the quarterly periods ending September 30, December 31, March 31, and June 30 of each year, showing the aggregate value of the tangible personal property sold by the vendor, the use of which became subject to the tax imposed by this title during the preceding quarterly period.

"(b) Every person purchasing tangible personal property, the use of which is subject to the tax imposed by this title, and who has not paid the tax due hereunder to a vendor required or authorized to collect the tax, shall file with the Assessor a return for such quarterly periods, showing the value of the tangible personal property purchased by such person, the use of which became subject to the tax imposed by this title during the respective quarterly periods and with respect to which the tax was not paid to a vendor required or authorized hereunder to collect the tax.

"(c) The provisions of section 10 (b) and (c) of title I are hereby incorporated in and made applicable to this title.

"SEC. 8. Payment of tax: At the time of filing the return the vendor or purchaser, as the case may be, shall pay to the Collector the taxes imposed by this title as well as all other moneys collected by the vendor acting or purporting to act under the provisions of this title even though it be judicially determined that the tax collected is invalidly imposed. All the taxes for the period for which a return is required to be filed shall be due from the vendor or purchaser, as the case may be, and payable to the Collector on the date limited for the filing of the return for such period, without regard to whether a return is filed or whether the return which is filed correctly shows the amount of receipts and the taxes due thereon.

"SEC. 9. Registration: (a) On or before the sixtieth day after approval of this act but not prior to July 1, 1947, or in the case of vendors commencing business or opening new places of business after such date, within 3 days after such commencement or opening, every vendor selling tangible personal property for use within the District and maintaining a place of business in the District shall file with the Assessor a certificate of registration in a form prescribed by the Assessor. A person selling tangible personal property for use within the District but not maintaining a place of business in the District, may, if he so elects, likewise file a certificate of registration with the Assessor. The Assessor shall within 5 days after such registration issue without charge to each such vendor a certificate of authority empowering such vendor to collect the tax from the purchaser and duplicates thereof for each additional place of business of such vendor. Each certificate or duplicate shall state the place of business to which it is applicable. Such certificates of authority shall be prominently displayed in the places of business of the vendor. A vendor who has no regular place of doing business shall attach such certificate to his cart, stand, truck, or other merchandising device. Such certificates shall be nonassignable and nontransferable and shall be surrendered within 3 days to the Assessor upon the vendor's ceasing to do business at the place therein named. The provisions of this section shall not be applicable to vendors and persons who have filed certificates of registration pursuant to section 21 (a) of title I.

"(b) The provisions of section 21 (b) of title I are hereby incorporated in and made applicable to this title.

"SEC. 10. The provisions of sections 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, and 29 of title I of this act are hereby incorporated in and made applicable to this title.

"SEC. 11. There is hereby authorized to be appropriated out of the revenues of the District of Columbia not to exceed the sum of $20,000 for the employment of persons specially qualified in the field of sales tax law in connection with the administration of this act. Such sum shall be available for expenditure for personal services without regard to section 3709 of the Revised Statutes and to the civil service laws and to the Classification Act of 1923, as amended."

Mr. HORAN (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the remainder of the amendment be considered as read.

Mr. FORAND. Reserving the right to object, Mr. Chairman, we should know what is in the amendment.

Mr. HORAN. This is the Dirksen bill, I would say to my colleague.

Mr. FORAND. But there are very few Members who know anything about it. I think it should be read.

Mr. DIRKSEN. Mr. Chairman, if the gentleman would yield, what the gentleman from Washington proposes here is a completely new title that embraces a sales tax of 2 percent without any exclusions or exemptions as to commodities and so forth. The gentleman said it was the Dirksen bill. As a matter of fact, it is not except in this sense: It was proposed by the commissioners of the District of Columbia, as part of a program that embraces 9 different taxes. The chairman of the committee in rendering the usual customary official courtesy to the Commissioners of the District of Columbia introduced this bill, whether he agreed with this bill or any such bills or not; and it does bear my name, of course, but only because of the official rule. What is proposed here now is a so-called sales tax, and I see no reason why the amendment should be read, because the gentleman from Washington will explain it in detail.

Mr. FORAND. Does the gentleman say that everything is going to be taxed and that there will be no exemptions?

Mr. HORAN. Unless the committee should decide otherwise.

Mr. DIRKSEN. That is right. There are no exemptions involved. It is a straight across-the-board sales tax.

Mr. FORAND. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The gentleman from Washington [Mr. HORAN] is recognized in support of his amendment.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. CHURCH. I would like to point out some of the reasons why there should be so few, if any, exemptions. There is the expense of collection involved and additional appropriations.

Mr. HORAN. All exemptions lead to abuses sooner or later. Put that down in your book right now. All experience with sales taxes indicates that exemptions are a weakness rather than a strength and leave the door open to abuses. There are some exemptions included here, however, because of a previous Federal tax. I will briefly explain what this amendment which I have offered does.

This amendment provides for inclusion of a sales tax in the bill reported out by the fiscal committee. It would appear as article II, entitled "Sales and Compensating Use Tax." It is the same tax bill as introduced by Mr. DIRKSEN as H. R. 2290, but with the following amendments:

First. It strikes from section 3, subsection (a), paragraph (1), exemptions of cereals and cereal products, milk and milk products, meat and meat products, fish, eggs, vegetables and fruits, tea, cocoa, drugs, medicines, and so forth. It is my opinion that to have such exemptions makes the difficulty of collection increase, and also makes for an unmoral opportunity to cheat on the part of the retailer.

The amendment as proposed does exempt motor-vehicle fuels and alcoholic beverages because a tax is already levied against these items. It exempts all materials used in the initial construction of structures and in major structural alterations.

Second. This amendment further amends H. R. 2290 by providing for collection by distraint upon refusal to pay tax, penalty, and interest. This change was suggested by the District corporation counsel after the bill had been originally introduced.

Third. One further amendment to H. R. 2290 is provided for in the added section, section 11 of the use-tax provision, which amendment provides for authorization of persons specially qualified to administer this act in the sum of $20,000 without regard to section 3709 of the Revised Statutes and to civil-service laws, and to the Classification Act of 1923, as amended.

I make this point—if we pass this bill—and I tell you that I know something about it because we are having hearings on the District budget right now and have to assume the tax program it suggests, the bill before you now is not adequate for the job. We must remember that this city is supplying police service and other services to hundreds of thousands of tourists. These services have greatly increased and run into millions of dollars. The burdens on the District of Columbia are increasing tremendously in every respect and yet the taxable area is fixed. The only tax that you can devise which will meet this situation is a sales tax. Those who ride should pay. That is the basis of a sales tax.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. FORAND. The gentleman said that those who ride should pay. Does he mean that there will be tax on taxicab rides?

Mr. HORAN. It does not so provide.

Mr. FORAND. And also an additional tax on admission to the movies as well as on bread and milk for children, and busses and streetcars?

Mr. HORAN. Let us assume that if we are going to have Government service and we are going to have all of this $13,000,000 a year welfare work projected now that it takes money. Nobody likes taxes, but you must raise the money.

Mr. FORAND. In other words, it is an over-all tax.

Mr. HORAN. That is right.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. WADSWORTH. Can the gentleman give us an estimate as to the revenues which may accrue from this amendment?

Mr. HORAN. It has been estimated, with the exemptions as so amended, to produce as high as $15,000,000 a year, but there are plenty of people who know something about it who say it would raise more money than that. Certainly, if we are going to take up the backlog of construction and capital outlay which faces the District, and which has been authorized by the Congress, $130,000,000 worth of which is still awaiting in capital outlay alone, we can see that we have a difficult tax problem. And we are not meeting it this afternoon.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. HORAN. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CHURCH. Will the gentleman also mention about the school system and the requirements there?

Mr. HORAN. As pointed out by the gentleman, we have 20 schools in the District right now that are on part-time classroom work. It is estimated that somewhere between four and seven million dollars is necessary right now to keep the school children in school for a full day. It is estimated by Dr. Corning, Superintendent of the District Schools, that it is only a matter of weeks until the juvenile-delinquency problem will become a tremendous problem in the District, because of so many children being forced into leisure, during the afternoons particularly.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. MACKINNON. This sales-tax provision has no exemptions, you say. Does it cover building materials?

Mr. HORAN. The exemptions are listed. These amendments exempt certain initial materials going into construction.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks and to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, Government officials and officials of farm loan agencies are meeting in Washington today to seek a way to halt recent wild increases in farm-land prices, according to present reports in the morning papers.

One hundred insurance companies, Federal land bank officials, farm-loan investors, and farm-organization officers have been summoned to the Washington meeting. Among those attending will be State officials of both Maryland and Virginia. According to the announcement, farm-land prices throughout the Nation now average 92 percent above the 1935–39 price level.

According to the report, the Secretary of Agriculture is expected today to urge private-loan agencies to bear down on farm loans from now on. He will ask insurance companies and other lending agencies, it is reported, to follow the Government's lead in farm financing.

The press carries a statement to the effect that Government-controlled Federal land banks now refuse to lend more than 65 percent of what they term "normal agricultural value of a farm." This value is defined as the amount a prudent farmer will be willing to pay in the expectation of average production in normal prices in farm commodities. Normal prices are defined as those which may be expected over a long period in the future—a period reasonably free from inflation or depression. According to the announcement, present farm-products prices are slightly more than double those which Government lending institutions consider normal. They are 150 percent above the more normal prewar period 1935–39 level.

It is difficult for me to understand how the press could carry the story to the effect that Government-controlled Federal land banks now refuse to lend more than 65 percent of what they term "normal agricultural values of a farm," when, as a matter of fact, the 65-percent limitation is a limitation fixed by law, a limitation which Federal land banks cannot exceed. The significant thing, however, about bearing down on farm loans and the Government's lead in farm financing is the fact that the present Governor of the Farm Credit Administration is now urging the passage of H. R. 3330, which is now pending before the House Committee on Agriculture, the very purpose of which bill is to lift the 65 percent of normal value limitation to 75 percent, to the end that Federal land banks might make more liberal loans on farm land. It is more than passing strange that while an agency of the Government, the Farm Credit Administration, is calling upon Congress to authorize a more liberal lending program, a conference is being held in Washington, and we are told that Government officials will advise insurance companies and private lending agencies to bear down on farm loans.

In testifying before the House Committee on Agriculture on Thursday, May 15, 1947, Hon. Ivy W. Duggan, Governor of the Farm Credit Administration, stated that according to a study made by the Farm Credit Administration—

There is a definite need for loans up to 75 percent of normal agricultural value if the mortgage credit requirements of agriculture are to be served adequately. This has been true ever since the establishment in 1933 of the normal value concept in making appraisals. An analysis of all land-bank loans made since 1933 indicates clearly that many farmers would not have been able to obtain their full mortgage-credit requirements from the land bank if there had been no Commissioner lending authority.

Governor Duggan stated further that—

Since July 1, 1945, when the land banks began operating under the 65-percent lending authority, the banks have made a determined effort to serve the credit needs of farmers without the use of Commissioner funds. They have found that the extent to which borrowers ordinarily could be expected to take up the difference between a 65-percent Federal land-bank loan and a 75-percent Commissioner loan, either from their own resources or from other lenders, is uncertain, especially during periods when farm income and economic conditions generally are less favorable than present conditions. The study made of applications received by the banks from July 1, 1945, through December 1945 disclosed that in a great many instances the difference between a 65-percent loan and a 75-percent loan was the margin that enables a returned veteran or a young tenant farmer to complete the purchase of a farm and establish himself as an owner-operator.

Governor Duggan pointed out further that—

We have made loans to veterans since 1944 in the amount of $13,000,000.

And stated further that—

Although at the present time farmers generally are in good financial condition, and most lenders give agricultural loans a high-credit rating, there is still a genuine need for loans of 75 percent of normal agricultural value. Past experience shows that this need will be much greater when conditions are less prosperous.

Special loans as provided for in H. R. 3330 have a definite place in the long-term mortgage field.

The thing that Mr. Duggan is actually worried about is that private lending agencies, managed and operated by the businessmen of America, who have with foresight and vision managed their own affairs, are making loans more liberal than his agency is authorized by law to make. The result is that private capital, through the operation of the private enterprise system, is now meeting the needs of farmers as never before in history. This activity on the part of private capital has decreased the volume of Governor Duggan's business and he is urging Congress to authorize him to make more liberal loans, while the Secretary of Agriculture is urging private lending agencies "to bear down on farm loans."

"CONSISTENCY, THOU ART A JEWEL"

In this connection, Governor Duggan stated to our committee that—

The Federal land banks need a sufficient volume of new loans to enable them to maintain an organization of sufficient efficiency and importance in the farm mortgage field to render adequate and effective service to

farmers who need and prefer the cooperative type of credit service. * * * In order to maintain an effective organization, there must be a sufficient flow and volume of business to provide enough earnings to keep such an organization functioning at all times.

The question is, Does Governor Duggan want more liberal lending authority so that he will be able to maintain an effective organization, or does he consider such liberal lending authority essential to the farm credit needs of the Nation?

I do not think that Governor Duggan will deny the fact that he is the person responsible for having initiated the conference which is meeting in Washington today. From the information I have received, he is the person who at least supplied the substance of the letter written by the President to the Secretary of Agriculture, suggesting the calling of such a conference. For years the present Governor of the Farm Credit Administration has consistently and constantly done everything within his power to beat down farm land values, which represent most of the capital investment of the farmers of this Nation. He has made numerous speeches to this effect. He has traveled from one end of the country to the other in an effort to frighten the public, to the end that farm land values might be definitely and adversely affected. Governor Duggan said that in 1934 "the Federal land banks and Land Bank Commissioner made 73.8 percent of all farm loans; individuals made about 12.6 percent; life-insurance companies made about 2.6 percent, and commercial banks about 6.4 percent. The Federal land-bank loan business has fallen off in the intervening years so sharply that during the first 9 months of 1946, according to figures of the Farm Credit Administration, Federal land banks, and Land Bank Commissioners were doing only 9.6 percent of the farm-loan business; while individuals were making 35.9 percent of the farm loans, commercial banks 35 percent, insurance companies about 13.6 percent, and other lenders about 5.9 percent.

This conference is a deliberate effort to drive down the value of farm land and to frighten the public. This conference will do irreparable injury, to the extent of millions of dollars, to the farm owners of America. Most of our farmers have their entire life savings invested in farm lands and farm homes. Why should they be singled out as the one group in our economy for the slaughter of the value of their investments? What about city property? That, too, has substantially increased in value along with the increase in the national income.

The letter written by the President was ill advised and ill timed. The truth is, this letter has already resulted in the entire amount of $25,000,000 being stricken out of the agricultural appropriation bill which the administration, the Department of Agriculture, and the Subcommittee on Agricultural Appropriations had recommended and approved. It further resulted in a $7,000,000 cut in administrative funds for the Farmers Home Corporation. The effect of these cuts will mean that at least 49,000 veterans who have applications now pending will not be able to finance the purchase of farm homes.

The conference should not have been called. The record clearly shows that farm-land values have neither kept pace with commodity prices, with the Nation's farm income, nor the national income of this Republic. The Governor of the Farm Credit Administration is the person responsible for the conference.

Suppose the president of Standard Oil Co. should announce to the public that Standard Oil stock was not worth the money it is now bringing in the market place. Suppose the president of General Motors or the president of any of the thousands of other big corporations of America were to announce to the public that an investment in the stocks of their companies was not a sound investment; that the investment of such stocks would be inflationary and unsafe. Do not you know that the directors of such corporations would throw out such an unfaithful officer.

The truth is, this man, Ivy Duggan, is poison ivy to the farmers of this Nation. He is a perfect example of a "tomtit" in a top-flight job. The farmers of America should immediately demand his resignation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GROSS. Is not this a clear example of the inconsistencies now existing within the administration all around?

Mr. COOLEY. This is a glaring inconsistency, I may say to my friend. I am a good party man and I do not criticize unless I think I am justified, but how on earth can a man say he is consistent when he asks Congress to liberalize his lending power and then tells private enterprise to be careful and tighten up the lending by private agencies?

According to press reports, there has been a 92-percent rise in farm-land prices above the 1935–39 average. Even if this percentage is accurate, it does not indicate that land values have reached inflationary levels. As I have said, land values have not kept pace with either farm income or with the national income. According to information furnished to me by an agricultural economics statistician of the Department of Agriculture, cash receipts from farm marketings in 1935 were $7,086,000,000 and in 1946, $23,933,000,000—an increase of 238 percent. Net income to farmers in 1935 was $5,052,000,000; in 1946, $15,144,000,000—or an increase of 200 percent. The national income in 1935 was $56,398,000,000 and in 1946 it was $165,000,000,000—or an increase of 195 percent.

Land values have not kept pace with commodity prices. Cotton in 1935 sold for 11.09 cents per pound and on May 15, 1947, cotton sold for 33.50 cents per pound, an increase of 202 percent. Wheat in 1935–39 sold for 83.1 cents per bushel and on May 15, 1947, wheat sold for $2.39 per bushel an increase of 188 percent. Tobacco in 1935 averaged 18.4 cents per pound, and in 1946, 44.6 cents per pound, an increase of 142 percent. I do not have available the information showing the situation with regard to the increase in value of stock in American corporations, but I make the assertion that there has been a far greater increase in the value of stocks of corporations and also in the value of city property generally than there has been in the value of farm land.

Land values have not kept pace with manufactured articles. From 1935 to 1947 there was an increase in the price of men's overalls of 164 percent, of work shirts 163 percent, of women's house dresses 220 percent, unbleached muslin 216 percent, sheets 190 percent, cotton blankets 106 percent, comforters 149 percent.

Certainly farm land values have increased between the years 1935 and 1947. During a substantial portion of that time our Nation was at war and there was an unusually large demand for the products of both our fields and factories. Even though we are now in the postwar period, the world-wide demand for agricultural commodities is just as great, if not greater, than during the war period. If American farmers are expected to supply domestic, civilian, and military needs, and to make a substantial contribution to the food and fiber supply of the world, there is every reason to believe that farm income should continue at or about the present level. We cannot hope to support the vital functions of the Government and to pay the tremendous national debt hanging over this country with declining commodity prices and wage levels. We must maintain our national income at or about the present level. If our agricultural economy is wrecked or thrown out of balance, it will have an immediate effect upon our national income and upon the country's economy.

This is a matter of great importance and if the officials of the private lending agencies of America are expected to follow the lead of the Government in the field of farm lending, it is only natural for them to want to know which way the Government is leading. How can they tell which way the Government is leading when one official of the Government is advocating more liberal loans, before a congressional committee, while another official of the Government is telling private lending agencies to bear down on farm loans and to stop making such liberal loans on farm property? In this important matter, officials of the Government should at least be consistent.

Frankly, I have observed no inflation in farm values in the community in which I live, and I believe that every acre of North Carolina land is worth every dollar that it will bring on the present-day market.

Mr. Duggan should read again the remarks he made before the House Committee on Agriculture in testifying in behalf of H. R. 3330 on May 15, 1947, less than 30 days ago.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment offered by the gentleman from Washington [Mr. HORAN] provides for the introduction of a sales tax in the District of Columbia. As he said at the outset, it is a tax that will raise $15,000,000. The committee gave a great deal of consideration to the sales tax. Our greatest difficulty has been

in trying to find some equitable way to spread the tax load as we feel we have done in the section dealing with the real estate tax, the income tax, and Federal contribution. With the adoption of the amendment to the income tax title we are about one million away from balancing the budget in the fiscal year 1948. With the income tax deleted we still have other sources of revenue which have been recommended by the Commissioners that are still open for consideration by the Committee. We feel, however, that this bill ought to go to the Senate but not containing a tax so wide in scope as a sales tax exempting practically nothing and raising $15,000,000 when we need to raise only $1,000,000. Under the revised schedule that we submitted with the report on this bill we found a surplus at the end of the year of $2,108,000. If you take $3,100,000 away by reason of the revision of the income tax title of this bill it would leave us with a deficiency of only $1,000,000 to meet in order to balance the budget, yet this sales tax amendment provides $15,000,000.

The gentleman from Washington says that our bill does not balance the budget. We are providing the means of revenue by which all the proper requirements in the 1948 budget will be met.

Not only are we providing means by which the 1949 requirements will be met; but we are providing in this bill provisions for an expenditure of $25,000,000 in capital outlay considering funds now available; of that amount $7,000,000 will be available to spend this year for school buildings. I have in mind also, when the gentleman speaks about the overcrowded conditions of the District, that in 1938 there were 92,000 school children in the District of Columbia. Today there are only 90,000. Yet during that period of time we have spent huge sums of money.

Mr. HORAN. Mr. Chairman, will the gentleman yield? The gentleman does not want to misinform the House.

Mr. BATES of Massachusetts. I yield to the gentleman.

Mr. HORAN. Dr. Corning said that is an illusion, that those statements are not backed up by facts. He said that as a matter of fact, and everybody knows it, the birth rate has been on the increase and instead of having less school children there is going to be an increase.

Mr. BATES of Massachusetts. I will answer that by citing figures I received from the School Department today verifying facts I received only a week ago. These figures come from the School Department: In 1938 there were 92,178 children in the public schools of the District of Columbia. As of May 1947, according to the School Department, there are 90,764 children, 1,400 less in the schools of the District of Columbia than there were 10 years ago. During the 11-year period of time, 1937 to 1938, inclusive, for school construction, that is for capital outlay, we have provided $18,611,770. This year there is available for school construction over $5,000,000. In other words, available in 11 years for school construction, at a time when the school population was decreasing, over $23,000,000. It seems to me that that is a lot of money for school construction in any city at a time when the school population is actually less than it was 10 years ago.

Mr. Chairman, this sales-tax bill is a new venture into the tax problem, raising as it does over $15,000,000, which is a fair estimate, when we need only $1,000,000. We ought to defeat the pending amendment this afternoon and permit the bill to go to the Senate for further consideration.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield? I may say that I had reserved time on this amendment and the gentleman obtained his time before I did.

The CHAIRMAN. The last 5 minutes is available to the committee, but the gentleman from Massachusetts may yield to the gentleman from California for a statement, if he so desires.

Mr. BATES of Massachusetts. Mr. Chairman, I yield to the gentleman from California.

Mr. HINSHAW. Mr. Chairman, this bill of the gentleman from Washington [Mr. HORAN] which he has offered as an amendment is a very comprehensive one. I would not be able to state exactly all that is in it. Nevertheless, I think the mere fact that the amendment will raise so much money is a mighty good argument in favor of it, so that ultimately we can reduce the real-estate tax in the District of Columbia instead of increasing it and cutting out the income tax altogether, letting those who use the services of the city of Washington pay for the running of the city. If this will raise fifteen or twenty million dollars it is a mighty good deal.

Mr. BATES of Massachusetts. What the gentleman is suggesting is that we completely rewrite the tax bill on the floor of the House this afternoon and not have in mind anything at all in respect to the equity of the taxes which we are suggesting. It was brought out on the floor of the House this afternoon that the real-estate tax in the District of Columbia has not been increased since 1927; that the ratio of assessed value to real value in the open market is only about 70 percent of its actual value, and that the adjusted rate is lower than any city, with one exception, in the United States with a population of 500,000 or more.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from New York.

Mr. BUCK. I would like to ask the gentleman this question: If the Horan amendment is adopted, would not that permit the elimination of article VI, which is Federal contribution, altogether?

Mr. BATES of Massachusetts. Of course, as I say, if you want to write the whole tax bill over on the floor of the House.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

The question is on the amendment offered by the gentleman from Washington [Mr. HORAN].

The question was taken; and on a division (demanded by Mr. HORAN) there were—ayes 38, noes 58.

So the amendment was rejected.

The Clerk read as follows:

ARTICLE II—INCREASE IN RATE OF TAXATION OF REAL AND TANGIBLE PERSONAL PROPERTY

For eacn of the fiscal years ending June 30, 1948, and June 30, 1949, respectively, the rate of taxation imposed for the District of Columbia on real and tangible personal property shall not be less than 2 percent on the assessed value of such property.

ARTICLE III—AMENDMENT TO MOTOR FUEL TAX ACT

SECTION 1. Section 1 of the act entitled "An act to provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes," approved April 23, 1924, as amended, be, and the same hereby is, further amended by striking out the numeral "2" and inserting in lieu thereof the numeral "4."

SEC. 2. Section 14 of said act approved April 23, 1924, is hereby amended by striking out the numeral "2" and inserting in lieu thereof the numeral "4."

SEC. 3. Section 1 of the act entitled "An act increasing motor vehicle fuel taxes in the District of Columbia for the period January 1, 1942, to June 30, 1951," approved December 26, 1941, is hereby repealed.

SEC. 4. This article shall become effective on the first day of the first month following the approval of this act.

With the following committee amendment:

Page 84, line 14, strike out all of article III and insert:

"ARTICLE III—INCREASE IN MOTOR-FUEL TAX

"SEC. 1. The tax of 2 cents per gallon on motor-vehicle fuels within the District of Columbia, sold or otherwise disposed of by an importer, or used by him in a motor vehicle operated for hire or for commercial purposes, imposed by the act entitled 'An act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes,' approved April 23, 1924, as amended, and increased by the act entitled 'An act increasing motor-vehicle-fuel taxes in the District of Columbia for the period January 1, 1942, to June 30, 1951,' approved December 26, 1941, to 3 cents per gallon effective January 1, 1942, and extending to and including June 30, 1951, is hereby further increased to 4 cents per gallon effective on the first day of the first month following the approval of this act and extending to and including June 30, 1952, and thereafter the tax shall be 3 cents per gallon. When, pursuant to section 14 of such act, gasoline or other motor-vehicle fuel is sold by an agency of the United States within the District of Columbia, for use in privately owned vehicles, such agency of the United States shall, by agreement with the Commissioners of the District of Columbia, arrange for the collection of the full amount of the tax per gallon herein authorized to be imposed and as increased by this section, and shall account to the collector of taxes of the District of Columbia for the proceeds of such tax collections.

"SEC. 2. Section 1 of the act entitled 'An act increasing motor-vehicle-fuel taxes in the District of Columbia for the period January 1, 1942, to June 30, 1951,' approved December 26, 1941, is hereby repealed."

Mr. McMILLAN of South Carolina. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that all debate on this article close in 15 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McMILLAN of South Carolina. Mr. Chairman, the members of the subcommittee and the full committee and the Commissioners have failed to prove to me that it would best serve the interest of the District of Columbia to build superstructure highways of the latest model over the District of Columbia. I understand they want to use this extra tax to build elevated highways and a few other super-duper model highways around Washington. My State has been unable to secure the approval of the Bureau of Public Roads for erecting additional concrete and steel bridges. I can see no reason why they should approve more superhighways in Washington if the States cannot get approval of this appeal at the present time. You can spend $5 now and get about $2 worth of construction. I just cannot see where it is so urgent that we should build additional highways in the District of Columbia at such extreme cost. I do not doubt that we need new school buildings and we need new construction of other types, and I am for getting more money for the District of Columbia, but I just do not believe that it is so urgent that we have additional highways in Washington that we should impose another cent tax on gasoline at this time and deprive the States of material they can use for much needed concrete bridges and other structures the District of Columbia has been having during wartime. As I stated this morning, the District has constructed over $10,000,000 worth of highways during the war, although the States were not permitted to construct any type of bridges whatsoever.

I just cannot go along with this amendment. I think it should be stricken from the bill. I promise to go along with increased taxes or doing anything else to help the people of the District of Columbia get additional highway construction when material gets down to normal where you can get a dollar's worth of material for a dollar. If it were very urgent I would be for it today, but, as I stated before, I just cannot see why this provision should be in the bill when the Highway Department has a surplus of funds at the present time. With the Government funds matching, this fund amounts to around $8,000,000 a year. I cannot see how they can spend any more than that in 1 year when all the streets are paved already and the only thing they can spend it for is building additional bridges, which we need, I will admit, but they can wait until at least one more year, since we have passed the critical war days when we had unusual traffic in the District of Columbia.

I hope this amendment will be voted down. The people of the District can be assured that Congress will assist them in every way possible when material is where it should be. I do not think the District of Columbia needs any more lights or traffic signs. I understand the District has more lights than any other city in the world. I know they are not synchronized as they should be. I am not in favor of giving the Highway Department any more money until we get what we have under control. We have one item in this bill of $1,800,000 for miscellaneous expenses that can cover a multitude of sins. I want to wait until we get some more information on this work before we vote additional funds.

Mr. DEANE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DEANE. Mr. Chairman, there is no justification for raising the gasoline tax in the District of Columbia at this time when revenues from the present tax rate are increasing in such an encouraging manner. Already motor fuel tax receipts in the District have reached the previous peak level, which was achieved in 1942. At that time, you will recall, we granted an increase in the gasoline tax from 2 cents per gallon to the present 3 cents to help the Highway Department carry out the very same program for which they are now asking a further increase in the tax. Due to the effect of the war, of course, there was a falling off in collections, but now we are witnessing a resurgence in the funds available from 3-cent gasoline tax.

At the present time the situation is entirely different from conditions which existed when the tax was last increased. We are now in a period of rapidly expanding gasoline consumption, and the receipts from the present tax rate is bringing in more funds than ever before for highway construction and maintenance purposes. Also, it seems obvious from a study of the projected revenues from the current gasoline tax and other highway-use levies that enough funds will be available from existing sources to carry out an extensive program of highway improvement in the District over the next few years. This seems particularly true when it is considered that it is impossible to proceed with a number of the projects at this time because of the inflationary level of construction costs.

I understand that it has been necessary recently for the Highway Department to turn down bids on certain planned improvements for this reason. As you know, the Public Roads Administration has felt that highway construction should not be performed at just any cost, so that when bids are too far out of line as compared with 1940 they refuse to approve the project for Federal aid.

The people of the District are no different from those in any other part of the country when it comes to feeling the pinch from the rising cost of living. The mere fact that most people agree that it would be nice to have immediately all the highway improvements that are planned for the 7 or 8 years cannot eliminate the other much more important factors in this whole problem. In other words, we cannot ignore the added burden that a 33⅓-percent increase in the gasoline tax here will impose on the motor-vehicle users at a time when all the Government's efforts are being devoted to bringing about a reduction in living costs through the Nation.

Moreover, it must be obvious to even the most amateur economist that larger highway funds from a gasoline tax increase now would only serve to compete with other construction funds in bidding up prices to still more inflated levels. This, of course, would mean that the people could expect to receive less for their money in the way of highway improvements than would be the case if we were a little less frantic about doing work now which could and should be postponed until conditions become more normal.

Another way in which an increase in the gasoline tax would reflect to the disadvantage of the general public is the effect it would have on transportation costs. All foods, fuel, clothing, and so forth, moves to some extent by motor vehicle in its journey from the producer to the consumer. Any increase in the gasoline tax, therefore, necessarily would result in higher prices of essential commodities.

When the funds which the District of Columbia receives from its present gasoline tax are compared with the total motor fuel tax collections in a number of the States, it becomes apparent how ridiculous is the plea that the District cannot get along on its current tax. For example, the District's gasoline-tax revenues in 1946 actually were greater than in seven States—Delaware, Nevada, New Hampshire, North Dakota, Rhode Island, Vermont, and Wyoming. And the highway mileage for which these States are responsible is many times that of the District Highway Department.

Considering all special levies imposed upon the highway users in the District of Columbia, the tax burden is already very heavy. This is shown by the fact that total taxes per vehicle for private and commercial cars and trucks amounted to over $85 last year which is a third or more higher than the average of such taxes throughout the country. Under these circumstances, it seems unfair to further increase this burden at the present time, particularly since additional funds are not needed now to carry out the Highway Department's long-range program.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, the amendment proposed by the committee would increase the gasoline tax of the District of Columbia from the present basic law of 2 cents to 4 cents until June 30, 1952. During the war, in order to get increased revenues for highway purposes in the District, the gasoline tax was increased from 2 to 3 cents. That 3-cent tax was to expire in 1951 and then it was to revert to 2 cents as formerly provided.

The bill as it was originally presented to the committee by the subcommittee contained a permanent provision for a 4-cent tax. In the consideration of the amendment for this increase before the committee, the committee agreed and reported the amendment to the bill to apply the increased tax of 4 cents for a period of 5 years.

We all recognize the fact that we must have highway and street improvements in the District of Columbia. The only question in my mind in connection with this amendment is whether or not the District can actually and will actually expend the money during this period of time, and whether it is needed or justified.

It is proposed that we will have this increase until June 30, 1952, at which time we will then revert back to the 3-cent tax in the District. But if you read the report as it is presented, you will find the real capital outlay beginning in 1950 and running through to 1955. It is not possible to understand why it is necessary to increase the gasoline tax in the District of Columbia by 1 cent for the next 5 years and then when the actual capital outlay on street and structures and improvements begin that it can be reduced to 3 cents. That just does not make sense to me.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. MILLER of Nebraska. Can the gentleman inform the committee what the tax is in Maryland and Virginia on gasoline?

Mr. HARRIS. The tax is 6 cents in Virginia and 5 cents in Maryland.

Mr. MILLER of Nebraska. What is the present tax in the District of Columbia?

Mr. HARRIS. It is 3 cents, and this increases it to 4 cents. That is the only question in my mind, Mr. Chairman, in connection with this increase. I do not hesitate for a moment to say that if we need the money for these capital outlays, certainly we should go ahead and provide for it in some way that would permit the highway department of the District to proceed with these improvements. I do not think, however, we should take it out on increasing tax on gasoline. We are trying to reduce taxes and reduce expenditures when possible. I say again this places our Republican friends in an unusual position. They have been "squalling" their heads off for tax reductions and reduction in expenditures, but here they insist on increasing instead of reducing. We have had a pretty fair amount of construction on our streets and highways during the war in the District of Columbia. As was pointed out a moment ago by the ranking minority member of our committee, we are now confronted with the high cost of construction and shortage of materials as we have been in the past. They tell you that the big project here at Dupont Circle, which was initiated some time ago, must be deferred until 1950. Why? Some say because they do not have the funds. But yet they say they are going to postpone this until 1950 because they do not have the funds, and shortly thereafter they are going to reduce the tax and bring it down to the old figure of 3 cents. It just does not make sense. It does not add up to a program.

Furthermore, we have an annual revenue from the gasoline tax in the District of Columbia of approximately $5,000,000 or just a little more. We have the apportionment from the Federal Highway Act of approximately $3,000,000 annually for 1946, 1947, and 1948, which means that for the District of Columbia you have an annual outlay of improvements for streets and highways totaling between $9,000,000 and $10,000,000.

I maintain that with all the efforts and the fine work of the highway department of the District of Columbia, they will not be able to actually expend the increased amount of money that would be derived from this proposed increased tax. This amendment should be defeated and further consideration given as to the need of the highway program and how best to provide for it.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BATES] to close debate.

Mr. BATES of Massachusetts. Mr. Chairman, this is the very much discussed gasoline tax. The present gasoline tax in the District is 3 cents. It was 2 cents prior to 1940. In 1940 an additional 1 cent was put on to run until 1951. This bill provides a permanent 3-cent gas tax, and an increase of 1 cent beyond that, up to and including the fiscal year 1952.

This is one of the revenue bills to which we have given a great deal of thought and consideration. As a matter of fact, the petroleum industry was well represented and right on the job. We gave their representatives a great deal of time, to see whether or not there could be any possible way by which we could reconcile the outlays or expenditures in the next 3 or 4 years with the revenue from the 3-cent gasoline tax. I am frank to say that after three different days, with a restudy of all the figures they could possibly possess and a reexamination of all the expenditures presented to me by the Highway Department, we had to come to the conclusion that there is no way by which all these major projects we have heard so much about, such as the two highway bridges to Virginia, the K Street elevated project, the South Capitol Street project, and the Dupont Circle project could be carried on. There is absolutely no way by which those major projects can be carried on unless we do find some way to increase the revenue. To that end this 1-cent gasoline tax increase will provide about $1,600,000 a year. If the increase is not made, I tell you frankly, and I express the point of view of the District officials, that the work on the South Capitol Street job or one of the other major projects will have to be stopped. The Dupont Circle job that we hear so much about in the newspapers, which they thought might be started next year or the year after, even with the 1-cent gasoline tax increase cannot start until 1950.

Mr. Chairman, I hold in my hand the expenditure sheets from the period 1947 up to and including the last quarter of 1950. I say to you that we have given a great deal of thought and study to this question and have made a complete analysis of all the facts in order to determine in our own minds whether or not that increase could be justified. We have come to the conclusion that there is no way to avoid it if we want these projects, which have already been authorized by the Congress, to be carried through to completion. We must not forget that in the District of Columbia we have had a tremendous expansion in miles of streets since 1937 when there were 826 miles (based on 30-foot width). There are at present 990 miles, an increase of 164 miles in 10 years. The population since 1940 has increased from 663,000 to 860,000 people at the present time an increase of over 200,000 people. It seems to me, with the accelerated cost in labor, material, and supplies, and everything else that goes into construction of these highways, there must be some additional way by which we can develop revenue by which we can complete these heavy projects that the District of Columbia has planned ahead. The authorization and contracts have been entered into for some of these projects. The only way we can carry them through is to increase the gasoline tax for the next 5 years to 4 cents a gallon. When we do that, we find we are below the gasoline tax in Maryland which is 5 cents. In Virginia it is 6 cents. I trust the report of the committee in this regard will be accepted.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. MCMILLAN of South Carolina) there were—ayes 103, noes 23.

So the committee amendment was agreed to.

The Clerk read as follows:

ARTICLE IV—AMENDMENT TO MOTOR VEHICLE INSPECTION ACT

SEC. 1. Section 1 of the act entitled "An act to provide for the annual inspection of all motor vehicles in the District of Columbia," approved February 18, 1938, be, and the same hereby is, amended to read as follows:

"That at the time of the registration of each motor vehicle or trailer there shall be levied and collected a fee known as the 'inspection fee' of $1."

SEC. 2. Section 3 of said act is hereby amended by inserting immediately after the words "motor vehicles" the words "and trailers."

SEC. 3. Section 4 of said act is hereby amended by inserting immediately after the words "motor vehicles" the words "and trailers."

SEC. 4. This article shall become effective 30 days after the approval of this act.

ARTICLE V—INCREASE IN WATER RENTS AND ASSESSMENTS FOR WATER MAINS

SEC. 1. Water rents charged by the District of Columbia for water used in the District of Columbia on and after July 1, 1947, shall be increased 25 percent over the rents now in effect. Whenever the application of this increase to an existing rate results in a rate with a fractional part of a cent, the rate shall be, if the fraction be one-half cent or more, the nearest higher amount not containing a fraction, and, if the fraction be less than one-half cent, the nearest lower amount not containing a fraction. In computing the rent for the consumption of water in excess of the minimum amount allowed by law for metered service, if the rent is charged for a period beginning prior to July 1, 1947, and ending thereafter, the rent for such excess consumption shall be prorated.

SEC. 2. The rate of assessment for laying or constructing water mains in the District of

Columbia under the provisions of the act entitled "An act authorizing the laying of water mains and service sewers, and for other purposes," approved April 22, 1904, is hereby established at $1.90 per linear foot for any water mains constructed or laid on and after July 1, 1947.

ARTICLE VI—FEDERAL PAYMENT

For the fiscal year ending June 30, 1948, and for each fiscal year thereafter there is hereby authorized to be appropriated, as the annual payment by the United States toward defraying the expenses of the government of the District of Columbia, the sum of $12,000,000, of which $11,000,000 shall be credited to the general fund of the District of Columbia and $1,000,000 shall be credited to the water fund of the District of Columbia, established by law (title 43, ch. 15, D. C. Code, 1940 ed.).

ARTICLE VII—SEPARABILITY CLAUSE

If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act, and the application of such provision to the other persons or circumstances, shall not be affected thereby.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I ask unanimous consent to revert to page 22 for the purpose of striking out two words.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. DIRKSEN. Mr. Chairman, I object.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize the time is getting late but I feel that before we approve this bill there should be at least a word or two in the RECORD regarding the increase in the water tax. Under the provisions of this bill the District is to embark on a $45,000,000 major waterworks construction program. In order to finance the program we provided for an increase of 25 percent in the rate plus a million dollar Federal contribution. From these revenues we will be able on a pay-as-you-go policy to carry on this program over a period of 15 or 20 years and save the taxpayers of the District about $10,000,000 in interest charges that the District would have been compelled to pay if the program of borrowing money was approved as suggested in the bill we had before us.

I just wanted this brief explanation to appear in the RECORD as to the reason for the increase in the water rate and the increase of $1,000,000 in the Federal contribution for water purposes.

Mr. DIRKSEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARENDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, directed him to report the same back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. DIRKSEN. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HORAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Does any member of the minority desire to offer a motion to recommit? [After a pause.] Is the gentleman from Washington opposed to the bill?

Mr. HORAN. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. HORAN moves to recommit the bill to the Committee on the District of Columbia with instructions to report back the bill with the inclusion of more revenue.

Mr. DIRKSEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The motion to recommit was rejected.

The bill was passed.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE ELECTION IN THE THIRD DISTRICT OF WASHINGTON

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, the election of Republican RUSSELL V. MACK in Washington State's Third Congressional District is a repudiation of the Truman administration and radicalism.

Do not forget that President Truman endorsed the candidacy of the loser, New Deal Democrat Charles R. Savage. The Democratic national organization made a desperate campaign on behalf of Mr. Savage.

This election again shows that the Democratic Party nationally is dominated by radicals with their ruinous policy of tax, spend, and elect.

The people again have shown where they stand on that kind of government. What happened in the Washington congressional district is what will happen across the country. Radicals will capture Democratic nominations and the people will continue to vote Republican as the sure way to keep the American way of life.

During the Washington State campaign the issues of sane retrenchment in Government expenditures, relief from outrageous tax burdens and sensible labor legislation, were fought out. Mr. MACK was and is in harmony with the Republican Party.

Mr. Truman certainly would not have endorsed Mr. Savage if he did not believe that, all issues considered, he wanted Mr. Savage elected. The people rejected his plea.

President Truman presently has his opportunity to repudiate Henry Wallace by signing the labor and tax relief bills which the Republican Congress initiated and passed by huge majorities in response to the will of the people and by supporting us in our efforts to cut the cost of government.

Mr. MACK's election is a timely reminder to President Truman that the people are sick and tired of the tax-eating bureaucracy that surrounds him.

The people are for the Republican economy and tax-reducing program. Vetoes of the tax relief and labor bill will be interpreted as expediences to placate the radical masters of the Democratic Party.

As majority leader of the House of Representatives, I congratulate the people of the Third Congressional District of Washington State in sending Mr. MACK to Washington to help us reestablish sanity in government.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of rural electrification, and to include a table of statistics.

ABSENCE DURING QUORUM CALL

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. ALLEN of Louisiana. Mr. Speaker, when the call of the House came today I was unavoidably absent, being before the Supreme Court of the United States moving the admission of a constituent. I want the RECORD to show why I was absent during the roll call.

EXTENSION OF REMARKS

Mr. LODGE asked and was given permission to extend his remarks in the Appendix of the RECORD and include two statements.

ABSENCE DURING QUORUM CALL

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, at the time of the roll call this morning I was also in the Supreme Court moving the admission of a member of the Philadelphia bar, therefore unable to be present.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] is recognized for 20 minutes.

LATIN-AMERICAN POLICY

Mr. HUGH D. SCOTT, JR. Mr. Speaker, have we hit on a consistent policy in Latin America? Is it the maintenance of dictatorships?

A message from the President to the Congress submits a program for the arming of Latin-American Nations, contained in a bill to be entitled "The Inter-American Military Cooperation Act."

If enacted into law it might better be entitled "The Inter-American Meddling Catastrophe."

On a recent national holiday in Brazil, nearly as many paraded in a military show of force as we now have under arms in the United States Army. A friend of mine said to the Bolivian Ambassador, "Whom is this intended to impress?" Said the Bolivian, "Why not ask my friend the Ambassador from Argentina, who is standing next to me? He knows." "Are you impressed, Mr. Ambassador?" said this inquiring gentleman. The Argentine Ambassador replied, "Not particularly, sir."

Well, perhaps he was and perhaps he was not. But he had seen pass in review a mighty show of force including scores of United States tanks and massed weapons, marked "Made in the U. S. A." and presented by us to Brazil. The exigencies of war may have been ample justification for all of this matériel being in Brazil, but its use on this occasion sharpens the point. There is none of it in Argentina. This may be as it should be.

But Argentina has been purchasing Meteor IV jet fighters from Great Britain and negotiations are reported to be pending for the sale of warships by Great Britain to the Argentine Republic.

What is our purpose in arming our neighbors?

Surely not for aggression—all of us, and the administration first of all, would deny that such is our intent.

For defense? Against whom?

Against attacks from abroad?

A prominent Central American said to me recently: "With the kind of arms you're sending us we couldn't begin to defend ourselves against any major power. We know—and you know—that your country would have to step in and do that for us. We strongly suspect that you are simply keeping the current regime in power, whether our people think it is good or bad. How will we ever get a bad man out of office after this?"

Is this, then, a program to prevent the spread of Communist thought throughout Latin America? If it were that, and could be operated effectively, it would command as powerful support as did the Greek-Turkish program.

The Truman program to legitimatize gun-running cannot be directed against communism, if it is a continuation of our present arms-selling program, because one of our favorite customers appears to be Chile, which is paying us $746,000 for equipment that cost United States taxpayers $6,000,000. Chile is the first country in Latin America to welcome Communist members in a recent cabinet. And we give Chile—at about 12 cents on the dollar—landing craft, attack cargo ships, and combat ordnance for one infantry regiment and one field artillery battalion.

And it is no secret that a left-wing government maintains itself in power in Guatemala by tanks and guns generously supplied by us at a time when they might have done more good in United States hands overseas.

Presumably we will give arms to the same countries to whom we lent them or sold them; therefore we will continue to build up the left-wing elements in Chile and Guatemala.

If the program is intended to mean the arming of any and all countries in Latin America, we can pick up—where perhaps we never left off—in Nicaragua. There Dictator Somoza has just kicked out his hand-picked President, using soldiers whom our United States Marines had taught the acts of war.

A policy of helping all without discrimination means helping Argentina, too. And what will our liberals think of that? Certainly they will much prefer to have Argentina buy her guns instead of butter from Britain. Thus she may keep up in the arms race with the United States-aided neighbors.

And while right-wing Argentina puts an economic squeeze on left-wing Chile, as she is now reported to be doing, do we arm Argentina so that she may save the money she is now spending in Britain or do we arm Chile? Or do we arm both?

The British policy, in its high old imperialist prime, was to arm both.

If this new Truman doctrine is "Arm everybody," is that progress?

Up to now, the right wing government in one Latin-American country has known well enough what its left-wing neighbor is doing—both of them—as in the case of Nicaragua and Guatemala—have been loading up with arms donations from Uncle Sam.

Is our future program to include the sending of machine guns to maintain a left-wing government in Cuba while we send military technicians to the Dominican Republic to make certain that Trujillo's tryanny does not totter?

And what connection does any of this have with the good-neighbor policy?

If it be contended that the idea is to avert the growth of communism, how do we know when the Army and Navy equipment which we supply to Brazil may not be taken over by Luis Carlos Prestes, the Communist leader there?

Or when the Communist former cabinet members in Chile may return to power—and to control of the United States-given military supplies?

But the State Department will protest that is not our project. The President's message refers to our "determination to guard against placing weapons of war in the hands of any groups who may use them to oppose the peaceful and democratic principles to which the United States and other American nations have so often subscribed"; the message also says that our arms distribution will not be "indiscriminate."

So we are being told, perhaps, that not everyone will get to ride the gravy train, at the same time that we are being assured that our purpose is to standardize the weapons used throughout the Western Hemisphere—that is, to maintain a market for our munitions makers?

If our purpose is simply to standardize weapons of war in use in the Western Hemisphere, why do we not proceed as we have with other American problems—should not such a proposal be presented to the next Pan-American conference and if our cause is good and our arguments logical we may arrive at the desired result without pressing our armaments upon our neighbors? As surely as we arm one nation we will arouse demands in all of the other nations on her borders for similar weapons from us. As presented in the Presidential message, the program has no end.

If the vague terms of this message can be taken to mean that we will arm only those American Republics we happen to like best at the moment, then we are about to use our tax receipts to buy ourselves some temporary friends and some permanent enemies.

The new Truman doctrine faces backward to the bad old days of intervention into the internal affairs of other American Republics. The one difference is that where once we sent the soldiers now we arm our neighbors and tell them to use their own soldiers, in the event of war or revolution. Our new Truman proposal ought to be labeled the "Wimpy doctrine: Let's you and him fight."

For we cannot truthfully claim that once we supply the arms they will never be used. There have been more than two score wars and armed revolts in the Western Hemisphere since 1932. Napoleon said: "You can do anything with a bayonet except sit on it."

No one will sit indefinitely on all this bargain counter hardware.

Let us not deceive ourselves. The purpose behind this distribution of arms is not to maintain freedom but stability. Save in a few instances, such as Mexico, Costa Rica and Uruguay, for example, our outpouring of military and naval supplies, furnished gratis or cut-rate, will be used to keep in power the current going dictatorships, many of which have survived as long as they have by virtue of our largesse with lend-lease weapons.

Has anybody thought to ask the opinion of Juan Pablo, the Latin American man-in-the-street? Juan Pablo, like John Q. Public, knows that the chance of establishing true democracies where they do not now exist, will diminish in proportion as we pour armed assistance into the hands of established dictatorships.

Do we distrust the "common man" so much that we must rush to prop up every tyrant who oppresses him?

As is to be expected, no estimate of the possible cost of this vast program accompanies the Presidential message. A partial estimate obtained later from the War Department guesses that it would cost about $10,000,000 a year for 10 years to standardize the weapons of the nations in this hemisphere with those of the United States and to train the other nations' soldiers, sailors, and airmen here in the United States.

Yesterday the Navy Department announced that 4 cruisers and 117 other vessels are ready for transfer to Latin-American Nations. These are valued at

$21,115,020. It is not clear what they may have cost us in total.

Even so, these items total over $121,000,000 as a partial installment on the cost of plunging this hemisphere into numerous conflicts—for all of which we shall be roundly blamed by the participants, or at least by the losers.

The $121,000,000 does not include the cost of so-called surplus weapons, the new gifts to be pressed upon our neighvalue of which may well exceed a billion dollars for this surplus property alone.

And this is only a drop in the bucket. There will of course be new weapons and bors; there will be military, naval, and air missions, civilian liaison and clerical staffs, and the State Department will find it necessary to enlarge all of its embassies, consulates, and legations to take care of the new intervention business.

Nor must we forget that the State Department will require substantial funds for information and propaganda. Someone will have to explain how the new weapons are to be used only for the most peaceful pursuits.

The entire program may ultimately run into billions and do much to solve the unemployment situation for the politically faithful.

I have tried to back up the administration's foreign policy as presented to this Congress. But I cannot follow these new vagaries. This slap-happy policy of arming our friends against each other—for that is how it will work out—is the last straw.

I have had enough, Mr. Speaker. I am not going to support a policy which has not been weighed carefully for determination of the many dangers and disadvantages it holds for us, in loss of hemispheric good will and national resources.

There is no sign of a reasoned, consistent over-all policy here, unless there be consistency in a policy dedicated to the maintenance of dictatorships.

If we follow this Presidential proposal, we not only toss away our friends and our dollars—we take leave of our senses.

EXTENSION OF REMARKS

Mr. BREHM asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CLEVENGER (at the request of Mr. HALLECK), for 4 days, on account of important official business.

To Mr. GAMBLE (at the request of Mr. ARENDS), indefinitely, on account of death in family.

To Messrs. HINSHAW, O'HARA, HARDIE SCOTT, BULWINKLE, and PRIEST, for 3 days, on account of official business in connection with transportation investigation.

To Mr. LANDIS (at the request of Mr. SPRINGER), for 10 days, on account of death in his family.

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. BRYSON] is recognized for 15 minutes.

PROHIBITION OF LIQUOR TRAFFIC

Mr. BRYSON. Mr. Speaker, the problem of liquor traffic is greater today than at any other time in the history of our Nation. Our Nation is drinking itself to death, and it is my opinion that the only adequate way to handle the liquor traffic is to wipe it out completely—to prohibit it by constitutional law.

Our homes, our churches, our schools, and our institutions of government are suffering as a result of the liquor traffic. The only thing that is being built up under the present system is the profits of the alcoholic-beverage traffic whose sales have increased from $3,500,000,000 during the year 1941 to more than $8,000,000,000 in 1946.

Divorce rates, broken homes, and crime are steadily rising, and those factors can to a great extent be attributed to the liquor traffic. Read your daily newspapers and see how many of the major crimes are directly connected with the consumption of intoxicating beverages.

I am introducing today a joint resolution proposing an amendment to the Constitution of the United States to prohibit the manufacture, sale, transportation, or possession of beverages containing more than one-half of 1 percent alcohol by volume.

The problem of beverage alcohol is one that has concerned this country almost from the days of its first settlement. The first prohibition law was passed by the General Court of Massachusetts in 1637. It prohibited the sale of "sack or strong water" to Indians. The Virginia Constitution of 1676 prohibited the manufacture and sale of "ardent spirits."

In 1808 the first temperance society was founded at Moreau—Saratoga—N. Y. It was known as "the Union Temperance Society of Moreau and Northumberland."

In 1829 the selectmen of each town in the State of Maine were authorized to decide whether or not liquor selling should be prohibited.

In 1833 a congressional temperance society, composed entirely of Members of Congress, was organized by Secretary of War Lewis Cass, of Michigan. In 1840 the Washingtonian Temperance Movement was inaugurated at Baltimore, and some 150,000 men throughout the United States took the pledge.

In 1847 all but one county of Iowa voted dry under local option. In 1850 Vermont went dry by 8,000 votes and throughout the 1850's many States passed prohibitory laws, including the State of New York. Most of these laws were defeated by technicalities.

In 1856 the movement for national constitutional prohibition was inaugurated by the Sons of Temperance.

In 1372 the Catholic Total Abstinence Union was organized.

In 1873 occurred the famous Woman's Crusade when bands of praying women closed many saloons, and out of which grew the National Woman's Christian Temperance Union.

In 1873 the Legislature of the State of Minnesota enacted a law providing for a special tax on saloon keepers, the funds realized to be used for an inebriate asylum.

On December 27, 1876, the first step toward the enactment of the eighteenth amendment was taken when a Member of the other body rose from his knees at a prayer meeting held in a house on the site of which the Supreme Court now stands, went to the Capitol and introduced a bill providing for the submission to the States of a prohibitory resolution and made a speech in its behalf.

In 1879 the House of Representatives of the United States, by a vote of 128 to 99, created a House Committee on the Alcoholic Liquor Traffic. The same year the National Liquor Dealers Association was organized at Cincinnati, Ohio, and the following year they got an alcohol-leakage bill adopted, under which later many scandals arose by reason of the alcoholic-beverage traffic cheating the Government out of taxes.

In 1882 again a resolution for a national constitutional prohibition amendment was introduced in the other body. In 1885 this was reintroduced and the committee reported the resolution out favorably.

In 1888 the same resolution was introduced in the other body, and Representative J. A. Pickler, of South Dakota, introduced it in the House. Again it received a favorable report from the committee of the other body.

In 1913 the resolution which afterward became the eighteenth amendment was introduced in the other body, and in the House it was introduced by Representative Richmond Pearson Hobson. The Hobson resolution received 197 votes for and 189 against, failing of the two-thirds vote necessary for passage.

The same resolution was introduced in the House in 1915 by Representatives Edwin Y. Webb, of North Carolina, and Addison T. Smith, of Idaho; and in the Senate, by two Members in the other body. Both resolutions were reported favorably by the respective Judiciary Committees, but died on the calendar.

But in 1917 the same resolution reintroduced in both Houses was adopted 282 to 128 in the House; 65 to 20 in the other body, was submitted to the States, and finally became law. It remained the law of the land until 1933, when it was repealed by the twenty-first amendment.

This history has been repeated to show of what slow, gradual growth was the movement that finally led up to an overwhelming determined majority of the common people of this country taking a decision to completely and nationally outlaw beverage alcohol in 1920 and holding to it for 13 years.

The adoption of a national constitutional prohibition in 1917, which was quickly ratified by the required number of States, came after 28 States had already adopted State-wide prohibition; in 7 other States more than a majority of the people were living in dry territory in counties, villages, and townships; and in still 3 other States a majority of the members of the State legislatures represented legislative districts which were under local prohibition by a majority vote of the people.

The upswing toward State prohibition began about 1906, 11 years before the eighteenth amendment was adopted. By 1913, when the amendment was introduced, there were 9 dry States, with a population of 14,685,961; 31 other States which under local prohibition had a population living in dry territory of 26,446,810. But the swift multiplication of dry States ending in Nation-wide prohibition took only 4 years—from 1913 to 1917.

It was a people's movement. Political leaders for the most part ignored or resisted it. The people were led only by ministers, priests, converted drunkards, and nonenfranchised women. But they raised up for themselves leaders and devised techniques. For 13 years they successfully resisted all assaults on this, their achievement.

Now again a peoples' movement has started. The Gallup poll has shown consistently 33 percent or slightly over, of the people favor a return to national constitutional prohibition. A steady increase of dry territory under local option has been proceeding ever since repeal. While it is difficult to obtain accurate local option figures because some States do not require returns on such elections to be made to the State liquor authorities, it has been estimated that, of some 20,469 local option elections held since repeal, the drys have won 12,519. Local option net gains in 1946 were more than twice as great as in 1945. Elections were held in about 2,078 places in 25 States, of which the drys won 1,276 and the wets 798. The steady increase in no license territory has been remarkable in some States, such as the State of Kentucky where 92 out of its 120 counties are now dry. It is estimated that about one-third of the territory of the United States with a population of some 30,000,000 is dry today, although 12 States, some of which are the driest in the Union, have no local option. These States are: Arizona, California, Idaho, Indiana, Iowa, Kansas, Nevada, North Dakota, Oklahoma, South Carolina, Utah, and Wyoming. The District of Columbia and the Territories of Hawaii and the Virgin Islands are also denied the right to vote on whether they shall be subjected to the sale of alcoholic beverages or not. Two States are nominally dry by constitutional provisions, Kansas and Oklahoma, but permit beer sales. Mississippi is dry except for beer and wine.

A not inconsiderate number of the people of this country have been disenfranchised on a question of as much moment to them as the right to ban the sale of alocholic beverages in their own communities if they see fit. The State of South Carolina has by an overwhelming popular majority elected to return to State prohibition, but this right has been denied them by the State legislature. The Federal Government by a practice of issuing tax receipts for taxes collected on the sale of alcoholic beverages in the several States in violation of the laws thereof has created a situation in which all law is being brought into contempt. This immoral action has reached the point where a Kansas newspaper has charged that a Federal tax receipt was issued by a Treasury Department employee to a Kansas bootlegger at the sheriff's desk in a jail in which he was imprisoned for violation of Kansas State law. The State of Mississippi has been persuaded by this immoral practice of the Federal Government to tax her black market in liquor profits, thus condoning instead of prosecuting and fining violations of her State liquor law.

Meanwhile, the condition of the people of this country under the free sale of alcoholic beverages has become pitiable.

Reports of the Federal Bureau of Investigation show arrests for offenses connected with the use of beverage alcohol during the repeal period, as follows:

Year	Total number of arrests	Arrests per 100,000 population
1932	373,124	1726.3
1933	557,764	1842.0
1934	637,390	2085.0
1935	742,675	2249.1
1936	803,584	2266.8
1937	852,268	2269.6
1938	786,277	2044.4
1939	815,539	2083.6
1940	888,635	2160.0
1941	926,002	2346.6
1942	938,099	2777.9
1943	1,038,342	2414.1
1944	1,077,399	2362.2
1945	1,228,150	2613.1

Increase in arrests for drunkenness have soared from a ratio of 22.7 percent per 100,000 population of 1933 over 1932 to 134.2 percent per 100,000 in 1945. Two States, Connecticut and Massachusetts, have made surveys of their condition as regards drunkenness. The Connecticut War Council, which made its survey in 1943, reported two-thirds of all nontraffic arrests were for drunkenness and that this burden had a bad effect on courts, jails, and the police. The special commission to investigate the problem of drunkenness in Massachusetts found the State was paying out approximately $61,000,000 per year for mental patients, crime costs, and dependency due to alcohol, while taking in some $13,000,000 a year in tax revenue from its sale. Offset this against the reports of Dr. George W. Kirchway, former dean of Columbia Law School and former warden of Sing Sing Prison, a noted criminologist, who stated:

As between 1910 and 1923, the latter date being the high-water mark of reaction against national prohibition, there was a decrease of 37.7 percent in general criminality in the United States in proportion to population. The chief reductions were in public intoxication, 56.3 percent; disorderly conduct, 51.5 percent; vagrancy, 52.8 percent; fornication and prostitution, 28.8 percent; malicious mischief, etc., 68 percent; larceny, 42.3 percent; assault, 53.1 percent; and burglary, 11.4 percent.

And Sanford Bates, Superintendent of Federal Prisons and Commissioner of Correction for the State of Massachusetts, who stated in his report for 1928:

Offenses against the person declined from 11,394 in 1910 to 7,962 in 1927.

Offenses against property declined from 12,179 in 1910 to 12,160 in 1927.

However, the rate of offenses against the person during this period declined from 337.42 per 100,000 to 187.69 per 100,000, while the offenses against property declined from 360.66 to 286.66 per 100,000 population.

Mr. Bates showed that under prohibition the number of offenses against the person declined more than 40 percent; offenses against property, about 30 percent; drunkenness, 40 percent; while neglect of children had declined more than 50 percent.

Many States are being impelled to erect special hospitals and clinics for the care of their alcoholics at an expense which will greatly increase the discrepancy between tax revenue and outgo caused by the use of such beverages. The Keeley Cure Institutions which had reported 8,000 patients a year before prohibition, in 1931 had only a parent institution in Dwight, Ill., with 35 to 50 patients and only a dozen branches as compared with 100 branches and 300 competing institutions in preprohibition years. Prohibition practically solved the problem of alcoholics.

The Attorney General of the United States, opening the citizenship meeting of the District of Columbia American Legion, on April 8, said:

The seriousness of the need for building resistance in our youth is best seen when it is recognized that about 70 percent of all men and women sentenced to Federal penitentiaries have records of juvenile delinquency.

He said these statistics clearly indicated—

We can expect better results from all-out efforts to build up this resistance to the spread of this highly communicable infection on our social structure than from any efforts to cure the disease, no matter how vigorous. Once the thinking of youth is warped to unsocial and destructive tendencies, it appears that our efforts to turn these delinquents to constructive and useful lives becomes very difficult. Our problem, therefore, is to devise ways of immunizing youth to the spread of this destructive thinking.

The best place to build up this resistance is in the home. We may be pardoned for doubting, however, that it will be built up in homes where the mother leaves little children neglected while she spends her time in beer parlors and cocktail lounges, or takes babes in arms and children of 3 and 4 with her into these places and feeds them beer out of her glass.

The only thing that is being built up under the present system is the profits of the alcoholic beverage traffic whose sales have increased from $3,327,664,370 during the fiscal year, ending June 30, 1941 to $7,770,000,000 for the fiscal year, ending June 30, 1945.

Everything else is being broken down, including the home.

We have waited until the war was over and the troops were home to introduce this measure, in order that there might be no question as to the full discussion and free determination of all the people of the United States on this matter of public policy.

If it is desired by the people that the present conditions shall continue, that is their privilege and also their responsibility. But if the people are tired of

these conditions and desirous of changing them, it is proper that they should be given an opportunity of doing so, and that the people of those States which have been disenfranchised on a subject of such vital importance to them should have their remedy through the Federal Government.

If it is argued that there will again be resistance to law by those who will refuse to abide by the decision of the majority in this matter and that the people are helpless to put their decisions on a high level of public policy into effect, I have only to point out that this amendment cannot become law without the will of a majority of the American people. And that as before, leaderless, the people themselves raised up leaders and devised techniques, so there is still in the genius of the American people when confronted with a problem, that power of creating techniques through the power and pressure of public opinion which will, once they have arrived at clear-cut conclusions and decisions on this question, bring about that effective enforcement which will not admit of their longer being balked in their desire to raise their children in healthy communities, free from the intrusions of offensive liquor advertising and the monopolization of public amusement by an utterly soulless traffic that delights to profit on the destruction of youth under the pretense of providing recreation.

We have practically succeeded in banning opium from the entire world.

I introduce, not the eighteenth amendment, but a resolution for a proposed amendment to the Constitution which includes the good features of both the eighteenth and twenty-first amendments and which I believe furnishes a framework within which that other narcotic drug, alcohol, that is destroying the American people, can be relegated to the shelves of the curious poisons of the Middle and Dark Ages.

This is not an exercise of Federal controls over the functioning of normal activities of the States but an exercise of the police power to ban completely the sale of a dangerous narcotic drug, similar to our present Federal control of opium.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 20 minutes.

SPECIAL TAX STUDY GROUP NOT AUTHORIZED BY COMMITTEE ON WAYS AND MEANS

Mr. EBERHARTER. Mr. Speaker, the announcement of the appointment by the chairman of the Committee on Ways and Means of a Special Tax Study Committee came as a stunning surprise. The matter was never discussed by the committee—either in open hearings or executive session—and, as far as I know, the committee has not authorized the appointment of this or any other advisory committee of outside experts. The chairman of the committee has taken it upon himself frequently to make decisions that should have been reserved to the entire committee. But the star chamber procedure of making committee decisions in the Knutson private office must stop.

Under the Legislative Reorganizaton Act, each standing committee is required to keep a complete record of committee action. I charge that there is now in existence no record of any committee action authorizing the appointment of a special tax study committee. Since the chairman obviously has exceeded his authority, the tax study group has no official standing, and I shall strongly oppose any efforts to legitimatize its present illegitimate status.

There are several reasons for my opposition to giving any official status to this outside advisory group:

First. The committee already has the constant and able advice of the Chief of Staff of the Joint Committee on Internal Revenue Taxation, Mr. Colin Stam, and his competent staff of full-time tax experts. The Secretary of the Treasury has assured the committee that his staff, as well as the tax legislative counsel, Mr. Surrey, and the director of tax research, Mr. Shere, whose experience and capabilities are recognized among tax authorities throughout the country—will be available for consultation by the committee during the proposed revenue revision. The technical and administrative people of the Bureau of Internal Revenue are subject to our call. Mr. Stam, Messrs. Surrey and Shere, and internal revenue representatives, in order to obtain the recommendations of industry, agriculture, and labor on tax matters, already have held frequent conferences with taxpayers' groups on the subjects which the Committee on Ways and Means now has under consideration. Many of these taxpayers' groups, however, will present their problems directly to the committee in open hearings. Moreover, a staff of technical advisers has recently been added to assist the committee in its day-to-day activities. Whenever we go into executive session, therefore, to draft the tax bill, we shall have as much information and as proficient technical assistance as can be efficiently utilized. It is difficult to see what useful role a "special tax study committee" can perform. This group cannot sit on a full-time basis with the committee or with our professional staffs. A comprehensive revision of the Internal Revenue Code is a matter for continuous and painstaking study and draftsmanship and even the ablest and most objective advisory group of Federal tax specialists, on a part-time basis, would be nothing but a hindrance to the committee and its staffs.

Second. If an advisory committee is to be appointed, it should not be stacked with members whose views on tax matters are so openly one-sided. Roswell Magill, selected by Chairman KNUTSON to head the advisory group, and Mr. John W. Hanes were the two witnesses before the Committee on Ways and Means in favor of H. R. 1, which the minority report correctly described as "a discriminatory patchwork of political expediency, neither equitable, timely nor sound." At least four of the remaining members have at various times supported the enactment of a Federal sales tax.

Mr. J. Cheever Cowdin has for many years presented the tax views of the National Association of Manufacturers to the Congress, while Dr. C. S. Duncan has been for 25 years an economist with the Association of American Railroads.

This tax study committee is overloaded with a group of reactionaries on tax matters. This hand-picking of the members renders utterly ridiculous Chairman KNUTSON'S observation that the inclusion of several Democrats on the committee "will assure that the tax revision bill which we hope to bring out early in the next session will have the united support of both parties."

This episode is diabolical in its cleverness—but it is too slick to be palatable even to many Members of the Republican Party in Congress. The Knutson theory of Federal taxation is now revealed for all to see. As the author of H. R. 1 he advocates income-tax reduction which will result in an increase in take-home pay of 4 cents an hour to the $4,000 man, but $19 an hour for the $300,000 man. To provide this bonanza for the rich, he now proposes a host of Federal excise or sales taxes which everybody knows falls heaviest on the poor.

I do not make these charges idly—for this intention of the Republican majority has been expressed several times in the current hearings of the Committee on Ways and Means. The final touch has been the affected air of impartiality through the appointment of this Special Tax Study Committee to pronounce the NAM benediction over the sordid scheme.

I serve notice that these efforts will not go unchallenged. Mr. Magill and his cohorts have no official status, and they should be given none. Should they ever appear in executive session of the Committee on Ways and Means, I shall raise a point of order. And if I am overruled on the point of order, I shall take the matter to the floor of the House The Constitution vests the House of Representatives with exclusive power to originate revenue legislation. The House has delegated jurisdiction over tax measures to the Committee on Ways and Means. The people are entitled to the assurance that only their duly elected representatives, or properly selected professional employees of the Government, shall participate in the drafting of tax legislation. The taxing power so carefully restricted in the Constitution should not surreptitiously be delegated to, or subverted by, small groups representing their own selfish interests.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include an editorial from the Bridgeport Post of June 5.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3020. An act to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal respon-

sibilities of labor organizations and employers, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 3020. An act to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

ADJOURNMENT

Mr. CANFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 10, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred, as follows:

772. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to authorize the official shorthand reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; to the Committee on the District of Columbia.

773. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 127 individuals whose deportation has been suspended for more than 6 months under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on the Judiciary.

774. A letter from the President, Board of Commissioners, District of Columbia, transmitting a report entitled "A Parking Program for Washington"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JENSEN: Committee on Appropriations. H. R. 3756. A bill making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 544). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3106. A bill to reenact and amend the Organic Act of the United States Geological Survey by incorporating therein substantive provisions confirming the exercise of long-continued duties and functions and by redefining their geographic scope; without amendment (Rept. No. 548). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2878. A bill to amend the act approved May 18, 1928 (45 Stat. 602), as amended, to revise the census roll of the Indians of California provided for therein; with amendments (Rept. No. 549). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3022. A bill to promote the mining of coal, phosphate, sodium, potassium, oil, oil shale, gas, and sulfur on lands acquired by the United States; with amendments (Rept. No. 550). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. S. 1230. An act to amend sections 2 (a) and 603 (a) of the National Housing Act, as amended; with an amendment (Rept. No. 551). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 553. A bill for the relief of Arsenio Acacio Lewis; with an amendment (Rept. No. 545). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. H. R. 1486. A bill to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land; with an amendment (Rept. No. 546). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. H. R. 2151. A bill authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe; with an amendment (Rept. No. 547). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JENSEN:

H. R. 3756. A bill making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. BEALL:

H. R. 3757. A bill to exempt from the manufacturers' excise tax certain articles sold to fire-fighting companies not organized for profit; to the Committee on Ways and Means.

By Mr. CASE of South Dakota:

H. R. 3758. A bill to create or establish a memorial to Chief Sitting Bull; to the Committee on Public Lands.

By Mr. CUNNINGHAM:

H. R. 3759. A bill to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Public Works.

By Mr. CURTIS:

H. R. 3760. A bill to amend section 22 (b) (6) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 3761. A bill to raise the limit on the amount of annual income from other sources which may be received by the widow or child of a veteran of World War I or II without disqualifying such widow or child for a pension for the non-service-connected death of such veteran; to the Committee on Veterans' Affairs.

By Mr. JAVITS:

H. R. 3762. A bill to provide for research relating to diseases of the heart and circulation and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such diseases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LANDIS:

H. R. 3763. A bill to amend the Federal Food, Drug, and Cosmetic Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MADDEN:

H. R. 3764. A bill to raise the minimum wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. PRICE of Florida:

H. R. 3765. A bill relating to the sale of Paxon Field, Duval County, Fla.; to the Committee on Expenditures in the Executive Departments.

By Mr. McCORMACK:

H. R. 3766. A bill to raise the minimum wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. TOLLEFSON:

H. R. 3767. A bill to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BOGGS of Delaware:

H. R. 3768. A bill to amend section 3469 (b) of the Internal Revenue Code to provide that the tax imposed on the transportation of persons shall not apply to transportation on boats for fishing purposes; to the Committee on Ways and Means.

By Mr. CUNNINGHAM:

H. R. 3769. A bill to provide that membership in the National Guard shall not disqualify a person from serving as a part-time referee in bankruptcy; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 3770. A bill to amend the Hawaiian Organic Act so as to reduce the residence qualification in divorce proceedings from 2 years to 1 year; to the Committee on Public Lands.

H. R. 3771. A bill to provide for the admission to citizenship of certain noncitizen parents of persons who served in the armed forces of the United States, or in the merchant marine, in World War II; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 3772. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, so as to permit adjustment of benefits authorized by section 1506 thereof and similar benefits extended by governments allied with the United States in World War II; to the Committee on Veterans' Affairs.

By Mr. PACE:

H. R. 3773. A bill to amend title I of the Bankhead-Jones Farm Tenant Act, as amended, so as to increase the interest rate on title I loans, to provide for the purchase of insured mortgages, to establish a redemption period for nondelinquent insured mortgages, to authorize advances for the protection of the insured loan security, and for other purposes; to the Committee on Agriculture.

By Mr. BRYSON:

H. J. Res. 213. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MEADE of Maryland:

H. J. Res. 214. Joint resolution to provide for the designation of the Veterans' Administration hospital at Baltimore, Md., as the Pfc. Carl V. Sheridan Hospital; to the Committee on Veterans' Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Connecticut, ratifying the proposed amendment to the Constitution of the United States relating to the terms of office of the President; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States to enact a uniform system of old-age pensions and aid to widows and aid to dependent children; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 3774. A bill for the relief of Bank of America National Trust and Savings Association; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 3775. A bill for the relief of Anthony Lewis; to the Committee on the Judiciary.

By Mr. CORBETT:

H. R. 3776. A bill for the relief of John J. Franklin, James H. Bradford, William M. Orr Co., and Alex Maier; to the Committee on the Judiciary.

By Mr. SOMERS:

H. R. 3777. A bill authorizing Henry W. Rodney, an employee of the War Assets Administration, to accept the decoration tendered him by the Chinese Government; to the Committee on Foreign Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

613. By Mr. WELCH: Resolution 6552, passed by the Board of Supervisors of the City and County of San Francisco, that Congress be and hereby is strongly urged to reconsider the action of the House of Representatives and act to provide sufficient funds for the orderly, rapid development of the Central Valley project, the completion of which is so vital to the people of California; to the Committee on Appropriations.

614. By the SPEAKER: Petition of Mr. J. Kennedy Carr, Daytona Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

615. Also, petition of Mrs. B. F. Crane, Zephyrhills, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

616. Also, petition of the membership of the St. Petersburg Townsend Club, No. 2, St. Petersburg, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

TUESDAY, JUNE 10, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Lord of our lives, wilt Thou teach us true discrimination, that we may be able to discern the difference between faith and fatalism, between activity and accomplishment, between humility and an inferiority complex, between a passing salute to God and a real prayer that seeks to find out God's will. We can stand criticism. We can stand a certain amount of pressure. But we cannot stand, O God, the necessity of making grave decisions with nothing but our own poor human wisdom. Our heads are not enough and our hearts fail us. Cabbages have heads, but they have no souls. We, who are created in the image of God, are restless and unhappy until we know that we are doing Thy will by Thy help.

This is what we pray for, through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 9, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Mills, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1634. An act to amend section 1, and provisions (6), (7), and (8) of section 3, and provision (3) of section 4 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," and to add sections 5a, 5b, and 5c thereto; and

H. R. 3737. An act to provide revenue for the District of Columbia, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 1288. An act to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood; and

S. J. Res. 115. Joint resolution authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines.

RATIFICATION OF PROPOSED AMENDMENT TO CONSTITUTION RELATING TO TERM OF OFFICE OF PRESIDENT

The PRESIDENT pro tempore laid before the Senate a certified copy of a joint resolution of the Legislature of the State of Connecticut ratifying the proposed amendment to the Constitution of the United States relating to the term of the office of the President, which was ordered to lie on the table.

PARKING PROGRAM FOR THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate a letter from the President of the Board of Commissioners of the District of Columbia transmitting a report entitled "A Parking Program for Washington," which, with an accompanying report, was referred to the Committee on the District of Columbia.

PETITION AND MEMORIAL

A petition and a memorial were laid before the Senate by the President pro tempore and referred as indicated:

A telegram in the nature of a petition from Property Owners and Associates' Protective League of America, Dallas, Tex., praying for the enactment of legislation to abolish rent controls; ordered to lie on the table.

A letter in the nature of a memorial, signed by Albert Vontz, Jr., secretary, Montgomery County (Ohio) Brewers and Beer Distributors' Association, remonstrating against the enactment of legislation providing an appropriation of $5,000 to the WCTU to help bring representatives from England to their convention; ordered to lie on the table.

CONTINUATION OF SOIL-CONSERVATION PROGRAM

Mr. CAPPER. Mr. President, I have received a telegram from the Western Kansas Development Association, Garden City, Kans., signed by J. Herman Salley, president, embodying a resolution adopted by that association urging an appropriation sufficient to insure the continuation of the soil-conservation program.

I ask unanimous consent to present the telegram and request that it be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

GARDEN CITY, KANS. *June 10, 1947.*

Senator ARTHUR CAPPER,

Washington, D. C.:

The directors of the Western Kansas Development Association, representing the 46 western counties of Kansas, in executive sessions on June 9, 1947, passed unanimously the following resolution:

"Be it resolved, That the Western Kansas Development Association bring all possible pressure to bear on the proper authorities to keep the fundamentals of our agricultural-conservation program intact so that it may continue to encourage those practices that will be of permanent residual value in maintaining the productivity of our soils for future generations."

WESTERN KANSAS DEVELOPMENT ASSOCIATION,
J. HERMAN SALLEY, *President.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr MILLIKIN, from the Committee on Public Lands:

H. R. 3143. A bill to authorize the construction, operation, and maintenance of the Paonia Federal reclamation project, Colorado; without amendment (Rept. No. 253);

H. R. 3151. A bill to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.; without amendment (Rept. No. 254);

H. R. 3197. A bill to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District increasing the reimbursable construction cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period; without amendment (Rept. No. 255); and

H. R. 3348. A bill to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella Division of the All-American Canal irrigation project, California; without amendment (Rept. No. 256).

By Mr. ROBERTSON of Wyoming, from the Committee on Public Lands:

H. R. 1628. A bill relinquishing to the State of Illinois certain right, title, or interest of the United States of America, and for other purposes; with an amendment (Rept. No. 250);

H. R. 2207. A bill to authorize the Secretary of the Interior to convey certain lands within the Shiloh National Military Park, Tenn., and for other purposes; without amendment (Rept. No. 251); and

H. R. 2852. A bill to provide for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area, in the State of Kentucky; without amendment (Rept. No. 252).

By Mr. DWORSHAK, from the Committee on Public Lands:

H. R. 174. A bill to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588); without amendment (Rept. No. 258); and

H. R. 2369. A bill providing for the suspension of annual assessment work on mining claims held by location in the Territory of Alaska; with an amendment (Rept. No. 259).

By Mr. AIKEN, from the Committee on Expenditures in the Executive Departments:

S. 1306. A bill relating to the construction and disposition of the San Jacinto-San Vicente aqueduct; without amendment (Rept. No. 257).

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 10, 1947, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 115) authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SALTONSTALL:

S. 1408. A bill for the relief of Henry B. and Violet P. Backenstoss; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1409. A bill for the relief of Markoto Iwamatsu; to the Committee on the Judiciary.

(Mr. O'CONOR introduced Senate bill 1410, to extend the time during which applications for mustering-out payments may be filed in the case of persons who were separated from the service prior to the enactment of the Mustering-Out Payment Act of 1944, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. STEWART:

S. 1411. A bill for the relief of Willie Ruth Chapman; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 1412. A bill for the relief of Mrs. Lorraine Malone; to the Committee on the Judiciary.

By Mr. VANDENBERG:

S. J. Res. 124. Joint resolution to enable the President to utilize the appropriations for United States participation in the work of the United Nations Relief and Rehabilitation Administration for meeting administrative expenses of United States Government agencies in connection with United Nations Relief and Rehabilitation Administration liquidation; to the Committee on Foreign Relations.

By Mr. BRICKER (for himself, Mr. CAIN, and Mr. ROBERTSON of Virginia):

S. J. Res. 125. Joint resolution to strengthen the common defense and to meet industrial needs for tin by providing for the maintenance of a domestic tin-smelting industry; to the Committee on Banking and Currency.

EXTENSION OF TIME FOR FILING APPLICATIONS FOR MUSTERING-OUT PAYMENTS

Mr. O'CONOR. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to extend the time during which applications for mustering-out payments may be filed in the case of persons who were separated from the service prior to the enactment of the Mustering-Out Payment Act of 1944. I request that an explanatory statement of the bill prepared by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Maryland will be printed in the RECORD.

There being no objection, the bill (S. 1410) to extend the time during which applications for mustering-out payments may be filed in the case of persons who were separated from the service prior to the enactment of the Mustering-Out Payment Act of 1944, introduced by Mr. O'CONOR, was received, read twice by its title, and referred to the Committee on Armed Services.

The explanatory statement presented by Mr. O'CONOR and ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR HERBERT R. O'CONOR IN RE MUSTERING-OUT PAY BILL

One of the numerous benefits provided by the Congress, on behalf of a grateful Nation, to the men and women who served in the armed forces during World War II, has been the mustering-out payment, provided by Public Law 225 of the Seventy-eighth Congress.

Under this act which was passed and became law in 1944, members of the armed forces honorably separated from the service after the date of enactment automatically received this payment—one-third of the stipulated amount at the time of final discharge from active service, and the remaining amount in two equal installments, 1 month and 2 months, respectively, from the date of the original payment.

Any members of the armed forces entitled to mustering-out pay who had been discharged before the effective date of the act were given 2 years from such effective date in which to apply, and it is with reference to such former members of the various services that I am now concerned.

In checking into this matter with officials and others within the State of Maryland, I find a situation—and I presume a similar condition exists in all the other 47 States—to the effect that many who were entitled to the benefits of this act did not make application within the prescribed 2 years and, therefore, have lost their opportunity for payment.

Inquiry to the various services discloses that there are no accurate figures available as to the number of eligibles who failed to apply. Coast Guard headquarters officials, however, estimate that out of approximately 250,000 veterans eligible, possibly 50,000 have not applied. At the War Department I am informed that, while the accurate figures had not been compiled, they would estimate that possibly 250,000 of the 1,250,000 eligibles had failed to make application. No figures are available at the Navy Department but it is suggested that a like percentage of Navy personnel and marines eligible for this mustering-out payment, had not applied.

On the basis of these figures it would appear that some 400,000 to 500,000 members of the armed forces who had been discharged between December 7, 1941, and the date of enactment of the act of 1944 are now unable to avail themselves of the payments which had been made to so many other former servicemen. While possibly some of these former service people may not desire this pay, it can be taken for granted that many of those who did not, for one reason or another, apply within the period set forth in the act would be helped now if another opportunity were given them to procure the payments provided for them. In fact, I am informed by service officials that applications are still coming in, even though the law no longer permits payments.

It seems to be only simple justice to these former service men and women to renew the opportunity for their applications, just as has been done time and again in the matter of reinstatement of service insurance and the like. Accordingly, I am introducing a bill which would provide for acceptance by the services of applications for mustering-out pay at any time during the period beginning on the date of enactment of this act and ending 1 year after such date.

REPORTS BY COMMITTEES RELATIVE TO EMPLOYEES AND EXPENDITURES OF FUNDS

Mr. WHERRY submitted the following resolution (S. Res. 123), which was referred to the Committee on Rules and Administration:

Resolved, That every committee serving the Senate shall report to the Secretary of the Senate within 15 days after December 31 and June 30 of each year the name, profession, and total salary of each person employed by such committee or any subcommittee thereof during the period covered by such report, and shall make an accounting of funds made available to and expended by such committee or subcommittee during such period, and such information when reported shall be published in the CONGRESSIONAL RECORD. The first such report shall cover the period beginning on January 3, 1947, and ending on June 30, 1947, and succeeding reports shall cover the 6 months period ending on the preceding December 31 or June 30, as the case may be.

SEC. 2. The information required to be reported and published under this resolution shall be in lieu of the information required to be reported and published under section 134 (b) of the Legislative Reorganization Act of 1946, as amended, in the case of committees of the Senate and their subcommittees.

BENEFITS FOR CERTAIN OFFICERS AND MEMBERS OF POLICE AND FIRE DEPARTMENTS OF DISTRICT OF COLUMBIA—AMENDMENT

Mr. McGRATH submitted an amendment intended to be proposed by him to the bill (H. R. 1997) to provide seniority benefits for certain officers and members of the Metropolitan Police force and of the Fire Department of the District of Columbia who are veterans of World War II and lost opportunity for promotion by reason of their service in the

armed forces of the United States, which was referred to the Committee on the District of Columbia, and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred to the Committee on the District of Columbia:

H. R. 1634. An act to amend section 1, and provisions (6), (7), and (8) of section 3, and provision (3) of sectior 4 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," and to add sections 5a, 5b, and 5c thereto; and

H. R. 3737. An act to provide revenue for the District of Columbia, and for other purposes.

HUNGRY HORSE DAM AND MONTANA RECLAMATION PROJECTS—ADDRESS BY SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a radio address entitled "Appropriations for Hungry Horse Dam and Bureau of Reclamation Projects," prepared by himself for delivery in Montana, which appears in the Appendix.]

THE MISSOURI VALLEY AUTHORITY—ARTICLE BY MORRIS L. COOKE

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "Plain Talk About a Missouri Valley Authority," written by Morris Llewellyn Cooke, and published in the January 1947 issue of the Iowa Law Review, which appears in the Appendix.]

STEEL REQUIREMENTS FOR FULL EMPLOYMENT—A STUDY BY DR. LOUIS H. BEAN

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a study on steel requirements for full employment, by Dr. Louis H. Bean, economist in the Bureau of the Budget, which appears in the Appendix.]

SETTLEMENT AND COLONIZATION OF UTAH—ADDRESS BY SENATOR WATKINS

[Mr. ROBERTSON of Wyoming asked and obtained leave to have printed in the RECORD an address entitled "Deseret—Land of the Honey Bee—A Unique Experiment," delivered by Senator WATKINS at the opening of the exhibition showing an early pictorial history of Utah and its colonization by the Mormon people, in the Congressional Library on June 7, 1947, which appears in the Appendix.]

UNIONS AND POLITICS—EDITORIAL FROM THE WASHINGTON POST

[Mr. MCCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Unions and Politics," from the Washington Post of June 8, 1947, which appears in the Appendix.]

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent that a subcommittee of the Committee on the Judiciary be permitted to sit during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. MORSE. Mr. President, I ask unanimous consent that the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare may meet at 3 o'clock this afternoon.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. COOPER. Mr. President, I ask unanimous consent that a subcommittee on the Committee on the Judiciary be permitted to meet today at 2 o'clock.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. BALDWIN. Mr. President, I ask unanimous consent that a subcommittee of the Committee on Civil Service may meet this afternoon.

The PRESIDENT pro tempore. Without objection, the order is made.

NOTICE OF HEARING ON NOMINATION OF DAVID CHAVEZ, JR., TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF PUERTO RICO

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, June 17, 1947, at 10 a. m., in the Senate Judiciary Committee Room, room 424, Senate Office Building, upon the nomination of David Chavez, Jr., of New Mexico, to be United States district judge for the District of Puerto Rico, vice Hon. Robert A. Cooper. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Missouri [Mr. DONNELL], chairman, the Senator from Oklahoma [Mr. MOORE], and the Senator from Nevada [Mr. MCCARRAN].

SEVENTH TRIENNIAL CONVENTION OF WORLD'S WOMAN'S CHRISTIAN TEMPERANCE UNION

Mr. CAPPER. Mr. President, because of the urgency of the matter, I am about to make a request concerning House bill 1179, which was placed on the Senate calendar some days ago with a favorable report from the Committee on Foreign Relations. The best way to explain the bill is to quote the report of the Senate Committee on Foreign Relations:

The purpose of the bill is to authorize an appropriation of $5,000 to enable the United States Government to assist in defraying the expenses of the Convention of the World's Woman's Christian Temperance Union to be held in this country next month. It seems proper and desirable for our Government to render such assistance. This is particularly true at this time, when we cannot fail to recognize the desirability of encouraging better understanding and relations among the peoples of the world. To this convention will come representatives from 55 nations. Moreover it will be recalled that representatives from the United States attending world conventions of women's organizations in other lands have been accorded courtesies by the governments of those lands.

During the consideration of the bill by the Foreign Relations Committee, it was pointed out that in 1936 an appropriation of $10,000 was authorized by the Seventy-fourth Congress to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union. A similar act authorized an appropriation of $10,000 for expenses for the meeting of the Associated Country Women of the World in the United States in 1936. Ample precedent, therefore, exists for the proposed legislation.

The report from the State Department raises some question about the establishment of a precedent should this bill be enacted, but I feel the above statement from the committee report answers the Department's question. Mr. Dean Acheson, Acting Secretary of State, goes on to say:

After consideration of the provisions of the proposed bill, the Department has concluded that from the standpoint of our international relations there is no objection to its enactment.

In closing, I invite attention to the fact that the sum which would be authorized is but 50 percent of the money appropriated for similar purposes on previous occasions. This, I think, is in keeping with the present efforts at economy.

The urgency for action lies in the fact that the present Seventeenth Triennial Convention of the World's Woman's Christian Temperance Union is in session. Inasmuch as it has passed the House and is on the Senate Calendar with a favorable report from the Senate Committee on Foreign Relations, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 1179.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kansas that the unfinished business be temporarily laid aside and that the Senate consider House bill 1179 to aid in defraying the expenses of the Seventeenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1947?

Mr. MCGRATH. I object.

The PRESIDENT pro tempore. The Senator from Rhode Island objects.

CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hill	O'Conor
Barkley	Hoey	O'Mahoney
Brewster	Holland	Pepper
Bricker	Ives	Reed
Bridges	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Bushfield	Johnston, S. C.	Robertson, Wyo.
Butler	Kem	Russell
Byrd	Kilgore	Saltonstall
Capper	Knowland	Smith
Chavez	Langer	Sparkman
Connally	Lodge	Stewart
Cooper	McCarran	Taft
Cordon	McClellan	Taylor
Donnell	McFarland	Thomas, Okla.
Downey	McGrath	Tobey
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
George	Maybank	Wiley
Green	Millikin	Wilson
Gurney	Moore	Young
Hatch	Morse	

Mr. WHERRY. I announce that the Senator from Illinois [Mr. BROOKS], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. MCCARTHY] and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

Mr. BARKLEY. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Illinois [Mr. LUCAS], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Texas [Mr. O'DANIEL] is absent because of a death in his family.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from Maryland [Mr. TYDINGS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Eighty Senators having answered to their names, a quorum is present.

EXECUTIVE SESSION

Mr. VANDENBERG. Mr. President, from the Committee on Foreign Relations I desire to report favorably five nominations. They are being reported unanimously. In each instance there is a very definite emergency which calls for immediate action by the Senate, as I think will be obvious when I state the names. Therefore, pursuant to the formula recommended by the Senator from Georgia [Mr. GEORGE], I am going to ask that the Senate proceed to the consideration of executive business. After that consent is granted, if it shall be granted, Mr. President, I shall ask for the consideration of the nomination of Dwight P. Griswold, of Nebraska, to be Chief of the American Mission for Aid to Greece. I am sure it is perfectly obvious to all Senators that there must be no further delay in designating the Chief Administrator of the program for aid to Greece.

I shall also ask for the confirmation of the nomination of Richard F. Allen, of the District of Columbia, to be Field Administrator of the United States Foreign Relief Program, which Senators will recall was also voted recently by the Senate. Mr. Allen is a lifelong international executive of the American Red Cross, and obviously is a uniquely available person for this responsibility.

I shall also ask for the confirmation of Norman Armour, of New Jersey, to be an Assistant Secretary of State. Here again the vacancy caused by the resignation of Mr. Braden requires immediate attention. Mr. Armour, I am sure all Senators will recall, is a lifelong career diplomat in the American Service with an exemplary record, which I shall be very glad to detail if any Senator wishes.

I shall also ask for the confirmation of Emmet O'Neal, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines. This post is vacant at a particularly difficult and important moment due to the retirement of former Ambassador McNutt. Mr. O'Neal has the unanimous approval of the Foreign Relations Committee.

I shall also ask for confirmation of the nomination of Monnett B. Davis, of Colorado, to be the representative of the United States of America in the Economic Commission for Asia and the Far East. Mr. Davis is now American Consul General to Shanghai. The commission to which he is appointed is meeting in Shanghai on June 16, again making prompt action necessary.

Therefore, Mr. President, on the basis of this brief explanation, which I hope may suffice, I repeat that all nominations are unanimously reported, and I ask unanimous consent that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Is there objection?

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. VANDENBERG. Mr. President, I now report the five nominations to which I have referred and ask unanimous consent that they be stated by the clerk for action in executive session.

Mr. SMITH. Mr. President, as a member of the Foreign Relations Committee I am glad to cooperate with our distinguished chairman in offering these nominations for confirmation, but in the case of one name particularly, for the RECORD I should like to make a brief remark. I have known Mr. Norman Armour, who has been nominated for the important post of Assistant Secretary of State, all his life. He comes from my State of New Jersey. I am very proud that he does, but he has also been a personal friend of both myself and my family for years. I have followed with enthusiasm his wonderful record of service in representing the United States in many countries of the world, including especially the countries of the Western Hemisphere. It is a great privilege for me to say this brief word in urging the confirmation of his nomination for this important post.

Mr. CONNALLY. Mr. President, reserving the right to object, I have in my hand the Executive Calendar. The first name on that calendar is that of Mr. Joe B. Dooley to be United States district judge for the northern district of Texas. That nomination has been before the Senate since the 28th of April. I ask unanimous consent of the Senate that at the termination of the consideration of the bill which is now before the Senate—and I should like to have the attention of the Senator from Kansas [Mr. REED]—the Senate proceed, in executive session, to consider the nomination of Mr. Joe B. Dooley.

The PRESIDING OFFICER. In the absence of objection——

Mr. REVERCOMB. Mr. President, will the Senator from Texas yield for an inquiry?

Mr. CONNALLY. I yield.

Mr. REVERCOMB. With respect to the nomination of Mr. Dooley, am I to understand that the Senator from Texas wants to take it up——

Mr. CONNALLY. After the termination of consideration of the bill now before the Senate.

Mr. REVERCOMB. After consideration of the bill which is now before the Senate?

Mr. CONNALLY. Yes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHERRY. Reserving the right to object, I will say that it is my purpose, after the bill which is now pending shall be concluded, to move that the Senate consider the succession bill. I understand that at that time the distinguished Senator from Texas proposes that the Senate shall go into executive session in order to consider the nomination of Mr. Dooley to be district judge for the northern district of Texas.

Mr. CONNALLY. That is correct. I made that statement.

Mr. WHERRY. Has the Senator any idea how long the nomination will take?

Mr. CONNALLY. I want to be conservative in my statement. I think one afternoon will be the maximum time required. I have no objection to fixing a limit on debate when the time comes to consider the nomination.

Mr. WHERRY. I ask the distinguished Senator if he will withhold the request until later on in the afternoon in order that I may confer with him and see if it is possible to arrange matters so that we cannot only take up the nomination to which the Senator from Texas refers, but also the legislation I mentioned, in a manner agreeable to both sides.

Mr. CONNALLY. I will say to the Senator that if he makes the request, I shall defer to his request, but I was assured by those whom I thought were responsible leaders that when the tax bill was out of the way I could obtain action on the nomination of Mr. Dooley. The leaders, however, had different programs. I did not cause any disturbance in that connection; I permitted them to proceed with the legislation they wished to have considered; but I think it is time that the nomination be now considered.

Mr. WHERRY. I agree with the Senator.

Mr. CONNALLY. It has been before the Senate for a long while; it is important, we must face it, and I hope very much that the Senator from Nebraska will find means to allow the Senate to proceed with the nomination.

Mr. WHERRY. I will say to the distinguished Senator that if he will confer with me we will arrive at some conclusion which I think will be satisfactory to him.

Mr. BARKLEY. I may offer the suggestion that this request can only be made when the Senate is in executive session.

Mr. CONNALLY. The Senate is in executive session.

Mr. BARKLEY. I know that, but if it goes over until later in the day the Senate would have to go back into executive session before the request could be made. That might be a needless process.

Mr. WHERRY. The Senator from Texas can ask unanimous consent that the Senate go into executive session at a moment's notice. There is no difficulty about that. I have no ulterior motive in this matter at all.

Mr. CONNALLY. I am sure of that.

Mr. WHERRY. The bill to which I referred was supposed to be taken up,

and I would deeply appreciate it if the Senator from Texas would withhold his request now so we may confer and see if we can arrive at some conclusion which will be satisfactory to all. I shall be glad to join with the Senator to ask unanimous consent that the Senate go into executive session for the consideration of the nomination in which he is interested.

Mr. CONNALLY. Mr. President, I shall submit to the request of the Senator from Nebraska. I wish to observe, however, that all legislation is important.

Mr. WHERRY. Certainly.

Mr. CONNALLY. But it is also a part of our constitutional duty to pass on nominations. That is of importance also. The Senator will bear witness that I have not irritated him or annoyed him about this matter, because I have given way on a number of occasions on the assurance that the nomination would be taken up at a certain time. I have not caused any disturbance, but I do want to insist at this time that the nomination should be considered and disposed of.

Mr. WHERRY. I thank the Senator.

Mr. MOORE. Mr. President, I want to make the observation that, in my opinion, the nomination to which the Senator from Texas has referred will take up very considerable time, and it will not be possible to pass upon it with only a brief period of discussion.

Mr. CONNALLY. I said that I thought a day would be sufficient. I wish to be generous. I do not want to cut off anyone from discussing the nomination.

Mr. MOORE. Of course, I could not predict how much time it may take, but it is very controversial.

Mr. CONNALLY. No matter when the nomination comes before the Senate, the same situation will prevail. It will be necessary to consider the nomination at some time or other.

Mr. MOORE. It is a matter which involves the policy of the Senate.

Mr. CONNALLY. That is correct.

Mr. MOORE. That is my opinion about the matter.

Mr. CONNALLY. I do not wish to argue with the Senator from Oklahoma. I am willing to defer the matter until later in the day, with the understanding that the Senator from Nebraska will cooperate with me to obtain consideration of the nomination. I withdraw the reservation of objection.

Mr. CONNALLY subsequently said: Mr. President, since I made the unanimous-consent request with respect to the Dooley nomination, certain information has come to me. I am informed that the junior Senator from Texas [Mr. O'DANIEL] has been called to Texas because of a death in his family. I anticipate that he will return within a few days. I would not desire to proceed with the nomination until his return. That will in no wise interfere with our agreement, if we can get together with respect to fixing a time. I desired to make that explanation so that there would be no suspicion or charge that I had called the matter up under those circumstances. I had no knowledge whatever of the fact that the junior Senator from Texas had gone to Texas, and no knowledge of the death in his family until advised a few minutes ago by Mr. Johnston, secretary to the Senate minority.

Mr. VANDENBERG. Mr. President, I ask that the five nominations be stated by the clerk.

The PRESIDING OFFICER. The nominations will be stated.

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST—NOMINATION OF MONNETT B. DAVIS

The Chief Clerk read the nomination of Monnett B. Davis, of Colorado, to be the representative of the United States of America in the Economic Commission for Asia and the Far East established by the Economic and Social Council of the United Nations March 28, 1947.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE AMERICAN MISSION FOR AID TO GREECE—NOMINATION OF DWIGHT P. GRISWOLD

The Chief Clerk read the nomination of Dwight P. Griswold, of Nebraska, to be Chief of the American Mission for Aid to Greece.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES FOREIGN RELIEF PROGRAM—NOMINATION OF RICHARD F. ALLEN

The Chief Clerk read the nomination of Richard F. Allen, of the District of Columbia, to be field administrator of the United States foreign relief program, pursuant to Public Law No. 84, approved May 31, 1947.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ASSISTANT SECRETARY OF STATE

The Chief Clerk read the nomination of Norman Armour to be Assistant Secretary of State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

AMBASSADOR TO THE PHILIPPINES

The Chief Clerk read the nomination of Emmet O'Neal to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines.

Mr. BARKLEY. Mr. President, before that nomination is acted upon I wish to say just a word with respect to this appointment.

Mr. O'Neal is a member of one of the old and prominent families of Kentucky. His father was an outstanding lawyer of the Louisville bar. One of his brothers was mayor of the city of Louisville and a member of the highest court in the State. Mr. O'Neal himself in his younger days was sheriff of Jefferson County, which is the county in which the largest city of the State is located, the city of Louisville. He served for 14 years in the House of Representatives. He became a member of the Committee on Appropriations, and there was no more industrious, painstaking, or conscientious member of that committee than Mr. O'Neal was during his membership on it.

He is a man of excellent judgment. He is level-headed. He knows the Philippine Islands by reason of his association with its problems while he was a Member of the House of Representatives. He is a man of the highest integrity and of the finest character. I think he will be a most excellent representative of this country in the new Republic of the Philippines at this critical hour of their history, and I am glad to give my endorsement to his nomination. I predict that he will have a successful career as a representative of this country in the Philippine Islands.

Mr. COOPER. Mr. President, I endorse everything my colleague has said in expressing approval of the nomination of Hon. Emmet O'Neal to be Ambassador Extraordinary and Plenipotentiary to the Republic of the Philippines. Although we belong to opposite political parties, I have known Mr. O'Neal for many years, and I believe I am acquainted with the estimate which the people of his native State place upon his ability and character.

As my colleague has stated, Mr. O'Neal has had a distinguished career both as an official and in his profession as a lawyer. I know that in his own State of Kentucky, where he is very widely known, he enjoys the respect and confidence of the people. Like my colleague, I believe that he will discharge his duties in this position with great ability and with honor to his country.

Mr. MAGNUSON. Mr. President, I should like to add a word with respect to this nomination.

For many years I served in the House with Emmet O'Neal. He became one of my close personal friends. As both Senators from Kentucky have said, he is a man of very high character and outstanding ability. I know that the people of Kentucky are proud of him.

During his term in the House of Representatives, in his service on the Committee on Appropriations, Emmet O'Neal made it almost a hobby to understand the problems of the Philippines. This is a new Republic, embarking upon a new governmental policy in the Far East. I am sure that Emmet O'Neal will not only represent the United States well in Manila, but will be of great help in the problems of the Philippine people in the days to come as a new nation.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Emmet O'Neal to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines?

The nomination was confirmed.

Mr. VANDENBERG. Mr. President, I now ask unanimous consent, in connection with each of these five nominations, that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

DIPLOMATIC AND FOREIGN SERVICE

Mr. GEORGE. Mr. President, will the distinguished Senator from Michigan move that all the nominations in the Diplomatic and Foreign Service,

which have been on the calendar for many days, be now considered and confirmed en bloc?

Mr. VANDENBERG. I suggest that the Senator from Georgia make the request, inasmuch as my request for the consideration of executive business was limited in scope.

Mr. GEORGE. Mr. President, I ask unanimous consent that all the nominations in the Diplomatic and Foreign Service, which have been on the calendar for many weeks and have had the approval of the Committee on Foreign Relations, be considered and confirmed en bloc, and that the President be notified.

The PRESIDING OFFICER. Is there objection to the present consideration of the nominations? The Chair hears none. Without objection, the nominations in the Diplomatic and Foreign Service are confirmed en bloc; and, without objection, the President will be notified forthwith.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. FLANDERS in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. REVERCOMB, from the Committee on Public Works:

Col. Dwight F. Johns, Corps of Engineers, for appointment as President, California Debris Commission, vice Col. Edwin H. Marks, Corps of Engineers, to be relieved.

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Paul J. Sturm, of Connecticut, and sundry other persons for appointment as Foreign Service officers and secretaries in the diplomatic service; and

Hugh S. Cumming, Jr., of Virginia, and sundry other persons for appointment as Foreign Service officers and secretaries in the diplomatic service.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

Mr. VANDENBERG. Mr. President, I now ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

Mr. RUSSELL. Mr. President, after the proponents of a measure taken up for consideration by the Senate have presented their views, it is customary for the signer or signers of the minority views to proceed. However, the Senator from New Hampshire [Mr. TOBEY], who presented the views of the minority of the committee on the pending bill, was not here yesterday, so I took the floor in opposition to the bill. The Senator from New Hampshire is now present and wishes to go forward, so I yield the floor.

Mr. TOBEY. Mr. President, in Senate bill 110 the Senate has under consideration a measure of far-reaching importance to the humblest citizen of this country. I marvel that the leadership of my party allowed the bill to come up at the present time. In my judgment, there is no possible justification for interfering with the progress of pending legislation, as we have, by interrupting the session for 3 or 4 days for the consideration of this bill. My justification for that statement lies in the fact that the bill has to do very pertinently with the enforcement by the Department of Justice of the antitrust laws, and with two famous cases thereunder, one being the Lincoln, Nebr., case, and the other the Georgia case, each of which is now pending before the proper tribunal.

The bill has no time limit in it. The Department of Justice would take no steps to interfere with the railroads or the shippers unless this bill were brought up at the present time. Here it is. The baby is on the doorstep; and I greet it to the best of my ability, and in language which I hope the people can understand.

The propaganda for the railroad monopoly bill (S. 110) continues to ease the way of this transgression on American free enterprise. Although the bill would place a monopoly grip on the neck of American small business and American farmers, propaganda has been flooding Congress that everybody in America wants this bill.

The Association of American Railroads tells us of the extraordinary unanimity in support of this monopoly bill. This overwhelming support, they tell us, comes from every section of the country. Their general counsel says that their bill is endorsed by every kind of shipper. In other words, the little businessman, as well as the big one, wants his shipments of goods to be conducted by a legalized Nation-wide monopoly. Important farm groups, the railroad association's lawyer says, want to be under this monopoly. State government officials want this bill, the railroad association says.

In this jungle of propaganda, I have made an exploration. I have tried to find some one person, out of the 140,000,000 Americans, who is against the monopoly bill. I have found two. Right out in public, where everybody can see them.

The railroad association did not overlook them. It could not for those two men had gone on record against any railroad monopoly.

Let me tell the story of the policy of two men who are not marching in step with 140,000,000 lovers of railroad monopoly—those unanimous Americans in the railroad association's fairy tale.

I found the two dissenters from the railroad association's unanimous monopoly, on a tip-off which the railroad association gave me. These men testified last year. Their unanimous testimony was melted down into golden words in the Senate committee's report in favor of the monopoly bill. That report was 15 pages long. In those 15 pages, the boiled-down testimony of the railroad association tells 15 times, once for every page, about the transportation policy of the United States. It seems that this transportation policy of the United States intended to give the railroads a monopoly.

So, I looked further in that promonopoly report. I looked for that transportation policy. And I learned that the transportation policy is stated in a congressional statute, the Transportation Act of 1940. It seems that the authors of that statute made a little slip. They failed to put in the statute enough words to give the railroads the monopoly they say this statute intended to give them.

So I thought I would look for the authors of this statute and this policy, to see whose brains produced them—promonopoly brains or antimonopoly brains?

The railroad association did not let the public or the Congress in on the secret, so I will tell it. The authors of the Transportation Act of 1940 and its transportation policy for the United States are two well-known men, named Burton K. Wheeler and Harry S. Truman.

Their views on railroad monopoly are well known. Former Senator Wheeler was in the Senate last year, when the same monopoly bill that is now in Congress was reported favorably to the Senate by a majority of the members of his committee. But he was against it—lock, stock, and barrel. He fought the monopoly bill. He insisted on through hearings. He disagreed with the railroad's monopoly lawyers. He finally introduced a compromise bill, Senate bill 2333, to draw all the teeth and all the fangs of the railroad association's monopoly bill.

His coauthor of the Transportation Act of 1940 and of the transportation policy of the United States was not in the Senate last year. But that coauthor, President Truman, is also on record against railroad monopolies. I quoted from his report to the Senate when I previously spoke on this subject earlier this year.

So we find some big cracks in the railroad association's story about unanimity. First, the association appeals to the transportation policy as causing a big vote for monopoly, but the words of the American language in that policy do not say so. Next, the association appeals to the Transportation Act of 1940, in which that policy is stated, but that statute registers no vote for monopoly. Next, we look to the authors of that statute and that transportation policy, and we find them registered against railroad monopoly.

Encouraged by this, the first clue that there is something wrong in the association's story of "unanimity," I began to look further. Let me tell you what I found.

I looked at the names of the subcommittee for whom Senators Wheeler and Truman wrote their report against railroad monopoly. One of the names was the distinguished and experienced senior Senator from Kentucky [Mr. BARKLEY], now the minority leader. I was gratified, but not surprised, that he arose on the floor of the Senate on January 31 and said he would vote against this railroad monopoly bill.

Let me give some more names on the Senate committee for which former Senator Wheeler and President, then Senator, Truman, wrote their report against railroad monopoly several years ago. One name is that of the senior Senator from New York [Mr. WAGNER]. I am confidently looking forward to his vote this session against the railroad monopoly bill. Another name is that of the senior Senator from Alabama [Mr. HILL]. It is a satisfaction to me that my name is also in the distinguished company for whom former Senators Wheeler and Truman made their report.

Also among the members of that committee, none of whom dissented from the report when it was written, are Senators of my own party, now high in my party's councils. I mention particularly the junior Senator from Illinois [Mr. BROOKS], whose admirable speech on January 22, 1947, I quoted here earlier this year—the speech in which he pledged my party, the Republican Party, to the small businessman and against monopoly. I anticipated his vote this year against the railroad monopoly bill

The junior Senator from Nebraska [Mr. WHERRY] was not in the Senate when Senators Wheeler and Truman submitted their report against railroad monopoly. But the railroad association should not therefore count on him to repair its already cracking "unanimity." A few weeks ago, on the floor of the Senate, he called for a Senate Small Business Committee to protect the small businessman against monopoly, and pointed a special finger at the railroads and at railroad rates.

Further encouraged by these names registered against railroad monopoly, I thought I would look more closely at the railroad association's claim. I wanted to see the stuff of which this claim was made, this claim that shippers unanimously want a railroad monopoly, chambers of commerce unanimously want a railroad monopoly, State legislatures and State officials unanimously want a railroad monopoly, everybody wants it, except, of course, the negligible number I have discovered, the President of the United States, and Republican and Democratic leaders in the Senate.

Continuing my search, I examined the reports made to the Senate by Senators Wheeler and Truman. I wanted to see what it means when the railroad association tells us it has the support of shipping organizations, chambers of commerce, and lots of other organizations.

Nobody will question the accuracy of former Senators Wheeler and Truman. The documents they reported to the Senate are enough. Those documents come right out of the files of the railroad association. And they are very revealing.

The railroads have shown great skill as creators of organizations. They have built organizations and put them into action as independents, neutrals, unbiased organizations. That is a part of the trickery. The railroad associations have created taxpayers' leagues, educational foundations, transportation associations. These have gone to the public, to city and State authorities, to Congress, peddling the railroads' propaganda. There was always one stipulation, and only one stipulation—keep the railroads in the background. Never reveal the connection of the railroads with these dummy leagues and foundations. That is a part of their game.

The railroad associations have also made use of organizations already in existence. In these cases the railroads made every effort to conceal their own role.

Where do I get the facts? From one of the reports submitted to the Senate by former Senator Wheeler and Senator—now President—Truman. They cited one example after another. They said that the railroads "preferred to work under cover, hiding behind apparently nonpartisan organizations stamped 'neutral,' 'independent,' 'unbiased'."

No one in America has been too young or too modest or too remote to receive such education from the railroads. Former Senators Wheeler and Truman told the story of one "taxpayers' committee" organized by the Western Railroad Association. This story will interest especially the senior Senator from Iowa [Mr. WILSON], who was on the special committee to protect farmers and small businessmen from big monopolies, and the junior Senator from Iowa [Mr. HICKENLOOPER], who spoke in support of my party's leadership in the Senate for the creation of a special committee to protect our people.

The railroad association created one of their "taxpayers' " committees in Davenport, Iowa, hired a staff to operate a battery of telephones, and had them telephone all over that city to urge the citizens to attend citizens' meetings. The meetings were called by the railroads, concealed behind the name "Taxpayers' Committee," to speed the railroad propaganda and to produce local and State governmental action favorable to the railroads.

What a perversion of the American town meeting, that institution which has been at the heart of American democracy from earliest Colonial times!

Senators Wheeler and Truman gave some examples of the skill of the railroads in indoctrinating even America's school children with railroad propaganda. They did this through "educational" organizations. I will mention one, which should interest the Senators from Ohio—the example I have taken from the report which was submitted by Senators Wheeler and Truman was developed by a big railroad through a "foundation" in Ohio. In 4 years that "foundation" got the railroad propaganda to a quarter of a million school pupils 865 separate times—an average of once every school day for 4 years, to 250,000 school children.

This railroad-supported foundation had a four-word name, and one of those words was "transportation." That word stuck out so conspicuously, said this railroad stooge, that it might make the boys and girls in the grammar schools, and at any rate the bright young people in the colleges, smell railroads somewhere in this educational foundation. So the stooge organization reported to the railroads that it had changed the label to "social engineering fund." Again I say, What is in a name?

I hope the Senators from Ohio and from neighboring States, whose children and colleges received this railroad propaganda, will ponder one of the letters written to that distributor of the railroads' secret propaganda. The letter was from a college professor. He wrote that, at first, when he received the educational material:

> I had some doubts about the motives behind the thing, but my doubts have been dissipated. Nowhere did I find the first semblance of propaganda.

Mr. President, how many similar organizations have been supporting the railroad monopoly bill, Senate bill 110? How many innocent organizations have been induced to support that bill by railroad propaganda which they, like the college professor, were deceived into believing was not propaganda at all?

I used the word "deceived." Is that too strong a word? Senators Wheeler and Truman stated that the railroad associations in their use of false fronts for their propaganda stooped to stark deception.

We may be told that the organizations supporting the railroad monopoly bill are not colleges or educational foundations, but are hard-headed, hard-bitten organizations which know their way around and could not be deceived into becoming stooges for the railroads. We are told that chambers of commerce are for the monopoly bill, mirabile dictu.

Again I ask the Senators from Ohio to take a close look at the educational foundation which I mentioned a moment ago. Its railroad propaganda was distributed through the Ohio State Chamber of Commerce.

Well, we are told, some genuine taxpapers' associations have registered in favor of the railroad monopoly bill. I suggest that the Senators from California examine the report of Senators Wheeler and Truman, and see how much money the railroads have poured into the taxpayers' association in their State. I suggest that the Senators from New Jersey examine that report on the activities of the New Jersey Taxpayers' Association, which became the sponsor and distributor for railroad propaganda in order to keep the railroads in the background.

Mr. President, I would further suggest, by way of interpolation, that in all these cases a close inspection be made to find out how much money from the railroads went to chambers of commerce for multiple memberships, and so forth, with the result that the master's voice was speaking through those agencies.

"All right," we may be told, "we can rule out some of the chambers of commerce and some of the taxpayers' associations, but how about manufacturers' and shippers' organizations which are supporting this monoply bill," the multiplicity of which were inserted in the RECORD yesterday by the Senator from Kansas. The trouble with that argument is the thoroughness of the railroads' propaganda programs and machinery, which omit from their network no type of organization.

There was, for example, the Shippers and Manufacturers' Transportation Association, which for several years worked jointly with the railroads on legislative propaganda, but then decided that the way to work for the railroads' legislative program was to sponsor the legislation in the name of this manufacturers' association with the railroad contacts working in the background. The executive committee of this manufacturers' association, so-called, put the truth in a confidential memorandum in which it recognized the opposition to open railroad propaganda, and added that a nonpartisan organization, such as this was made to appear, could do the job without arousing the prejudice awakened by open railroad propaganda. That organization was later absorbed in another of the transportation associations which claimed to be an organization of representative businessmen throughout the country plus representatives of agriculture. The organization was supported by a great deal of railroad money, and it experienced difficulty in getting an agricultural representative who was prorailroad. Every farmer whose name they got had the wrong attitude toward the railroads.

The railroads themselves made good use of that organization, guiding the preparation of its educational and research propaganda. This material was then sent to chambers of commerce, to trade associations, to newspapers, and to genuine educational foundations. Some of those recipients may today be supporting the railroad monopoly bill, innocently accepting the educational material which has come to them, not from the railroads, but from the organizations of representative businessmen fronting for the railroads.

But we are told that no matter what we say about all other organizations, we cannot say the same of shippers, for all of them are for the bill, and surely shippers would not want to fasten a railroad monopoly on their own necks. That is true. But the records show that the railroad associations have used shippers' organizations to serve and advance legislation which the railroads want for their own purposes, and the records also show that sometimes shippers do not even know that they are being used to advance railroad purposes.

One businessmen's organization which was listed by Senators Wheeler and Truman in one of their reports to the Senate received heavy financial backing from the railroads. It was really doing railroad propaganda. The president of one of the large railroads said in a confidential communication that it was in fact duplicating the work of the Association of American Railroads.

Now I come to the subject of shippers' advisory boards, whose support of the pending railroad monopoly bill is being so widely touted on Capitol Hill. I have no doubt that most of the shippers who are represented by those boards, and most of the men among their directors, just as in the case of chambers of commerce, have no knowledge that they are being used for railroad purposes either to support the monopoly bill or for other legislation desired by the railroads.

I think it is only fair that the Senate and the country shall be reminded of the relation between the Association of American Railroads and those so-called shippers' advisory boards.

The Association of American Railroads confidentially described those shippers' boards as "a splendid set-up bringing in every important section of the country and every industrial and agricultural interest in each section."

When those boards were induced to enter the political or legislative field, one of their directors promptly resigned. In his resignation, which obviously did not come to the eyes of most of the directors of these shippers' advisory boards, he said that the entrance of the shippers' advisory boards into the field of legislation meant that they would be under the influence of the railroads for this purpose, and that there was no use in kidding themselves to believe anything else.

Even the late president of the Association of American Railroads had to admit, under examination by Senator Wheeler, that the Association of American Railroads used those shippers' advisory boards to promote the legislative program of the railroads.

I shall give two examples of how the railroads have used such shippers' organizations. One example relates to an advisory board which at its annual meeting was induced to adopt resolutions in favor of a special railroad bill. A good show of some minority opposition to the bill, to prove that thorough and impartial discussion was had, was put on at that meeting. One of the division chiefs of the railroad association wrote that "the antagonism shown was from a small minority bloc"—God bless them!—"which we use as 'scenery' occasionally, and they performed very nobly in this case, although they do not know it."

The second example relates to the State of California, where one of the advisory boards was used to contact "practically every shipper in California" against a bill which had passed the State legislature. As a result, the Governor of that State was induced by the railroads, operating through the shippers, to veto the bill.

In one case the representatives of the railroad association said they were trying to impress Congressmen in Washington with the idea that bills desired by the railroads "were backed by solid public opinion," and therefore the shippers' boards were made to appear like independent organizations.

The railroad association also wants us to believe that State government officials and commissions are supporting the pending railroad monopoly bill. It may well be that State officials have been persuaded to the sincere belief that this bill is a good one; but I should like to give a few examples of how State officials frequently act without knowing that they are being so used. State officials are only human; they have the same ills of the flesh that we who are on Capitol Hill have. Senators Wheeler and Truman showed how this was being done in a number of Middle Western and intermountain States. I call this part of their revealing report to the attention of the junior Senator from Nebraska [Mr. WHERRY], who spoke a few months ago so effectively in support of his resolution to create a special small business committee, and pledged my party to help small businessmen against monopolies. I similarly call that report to the attention of the senior Senator from Wyoming [Mr. O'MAHONEY], who made so splendid a fight in the last Congress against the attempt to grant insurance companies immunity from the antitrust laws. The report of Senators Wheeler and Truman shows how railroad associations used State and local officials in the great States of Nebraska, Wyoming, and in many other States, through innocent-appearing organizations and intermediaries, to serve the propaganda of the railroads.

I call the attention of the junior Senator from Illinois, a member of the standing Senate committee which considered the railroad monopoly bill, to the evidence in the Wheeler-Truman report of the railroads' use of a former floor leader in the Illinois State Legislature, and of how he mobilized Illinois State officials into the service of the railroads, without their knowledge, and on the basis of nonexistent demands from his constituents.

I call the attention of the Senators in this body to the many examples in the Wheeler-Truman report of the railroads' use of city and county officials in a great many States, without knowledge by those officials of the fact that they were being used to carry out the program of the railroads.

That recalls an experience when I was a freshman member of the New Hampshire House of Representatives, that august body with 438 members, at that time, 1915, the largest legislative body in the world, outside of the Russian Duma. I remember getting railroad propaganda along the lines of the propaganda now being circulated, and it aroused my anger. I never heard of such things, and I was completely disgusted. Looking into the matter, lo and behold, I found that New England railroads were paying $35 a week to a humble newspaper correspondent, who was writing a weekly letter for the weekly newspapers in New Hampshire. He got $35 a week for trade stories he incorporated in his weekly newspaper article, on condition that he included matters favorable to the railroads. So the propaganda went out. The public, getting these news stories and reading them, thought that the gentleman who wrote the articles was giving his convictions, when, in fact, he had to listen to his master's voice, and was receiving $35 a week for that service.

I call the attention of the Senators from Minnesota to the evidence in the Wheeler-Truman report of the ability of the railroads to make use of their influence in the Minnesota State Legislature, and to the confidential railroad letter which was uncovered by Senators Wheeler and Truman, in which the railroads' representative revealed how he had stopped a bill that had been introduced in the Minnesota State Legislature. He called on the right man in that legislature and then wrote to his railroad superiors: "When I left him I had the

bill in my pocket." No doubt the railroads raised that fellow's salary. It should be known to the Senators from Minnesota, as well as to the State legislators and voters of that and all other States, that the railroads have been able to exercise a pocket veto of legislation in some State legislatures.

The devices employed by the railroad associations to accomplish their purposes, without their sponsorship becoming known to the public, or to officials, are too numerous to mention, or even to uncover. They hired business salesmen selling products of established business concerns as a channel of spreading their propaganda—salesmen who, as the representative of the railroads wrote in a confidential report, "apparently have no connection with us whatsoever." They hired "engineers" to make reports damaging to competing forms of transportation, and in one instance when the report was produced in a committee hearing Senator Truman said that he knew the real facts and that the report was false. It is rare that the railroad propaganda can be so neatly nailed down.

The railroads have, of course, made it their business to get to the newspapers their propaganda for their railroad monopoly bill, and for a great deal of other legislation in Congress and in the State legislatures.

Only a short time ago my distinguished friend the Senator from Kansas, in referring to the Bulwinkle bill—I beg pardon, the Reed-Bulwinkle bill—said, "What is the use fighting this measure? We have the votes, and it is going through." I said something about a Presidential veto. He said, "We will pass it over his veto."

What assurance! What great confidence! I congratulate the proponents of the bill on that state of mind. But time will tell. The end is not yet.

The Wheeler-Truman report shows that in New Jersey the State Taxpayers' Association was used for the purpose of spreading editorial propaganda among the newspapers of that State.

The railroad associations have set up newspapermen to run friendly newspaper services. The Wheeler-Truman report tells of one specific case in Iowa. It tells of another paper called the National Constitution—what a name with which to conjure!—which was described by a representative of the railroads in a confidential report as "an independent Republican weekly—backed by a group of Middle West businessmen." Through this "independent" newspaper—with a question mark after "independent"—railroad propaganda was disseminated, and competing forms of transportation were spied upon, without the public knowing that the hand was really the hand of Jacob.

There is one example from the Wheeler-Truman report which should move the heart of every Senator in this Chamber who spoke for the Special Committee on Small Business and for the need to protect the small businessman. Senators Wheeler and Truman told of the attempt of the railroads to drive out of business the small businessman engaged in truck transportation. They quoted the report of one of the railroad representatives that the best way to kill off the competition of any small truckman—a small businessman, if you please, struggling to make a living and support his family, pay his taxes, and feed his children—the best way to kill off the competition of any small truckman was to have him arrested two or three times; and the confidential report stated that that would be sure to "put him out of business."

This leads me to refer to the danger of giving the railroads a monopoly grip by granting them immunity from the Antitrust Acts. Even without such immunity, they spent a great deal of money and years of effort to retard and to "eliminate," as they put it, the competition of the trucking industry. Some of their cover-up methods were so successful that at times the railroads enlisted in their campaign against their truck competitors even the Association of American Railroads and led an important truckers' association to believe that the railroads were engaged in "constructive efforts to effect coordination" with the trucking industry. Sometimes men ought to pray to be delivered from their friends.

In their campaign the railroads even used parent-teachers' associations and the National Safety Council to spread propaganda against the trucking industry, and of course the associations so used never knew that they were being used.

It was during the hearings when these activities of the railroads were exposed that President, then Senator, Truman criticized the railroads for trying to destroy competition. In the report which he and Senator Wheeler submitted to the Senate they discussed those monopoly attempts of the railroads to destroy competing forms of transportation, and reminded the country of the fact that our economic system is "founded on the belief that competition is the life of trade."

In evaluating the claim that the railroad monopoly bill has the unanimous support of all organizations and the solid backing of the people, it might be helpful for all persons in Congress to know the 10-point plan of the Association of American Railroads for getting its legislation through Congress. I shall here summarize that 10-way plan, from the detailed quotations that Senators Wheeler and Truman produced out of the files of the railroads themselves.

First. The two Senators report that elaborate mechanisms have been set up whereby the whole country is divided into areas. Through these local divisions pressure is brought to bear upon Members of Congress.

Second. The Association of American Railroads has called upon officials of railroads throughout the United States to prepare for it a complete dossier on every Member of the Senate and the House, and in particular to state "the influences which control him and the persons on whom he relies for support," and his entire social and political background.

Talk about the OGPU and the Gestapo! We have a peer of all those organizations in this crowd in the Association of American Railroads, who make a dossier of every Member of the Senate, this body, to see to whom they can look for support, what each Senator's background is. What have we come to in America? Free enterprise? Individual opinions? Independent viewpoint? They are all nullified by the sharp edge of such chicanery and skulduggery as this.

Third. The railroads in every district are asked to get local men who are influential with Representatives and Senators and who can come to Washington immediately when called by the association and can stay in Washington. The association required that these persons should be so "intimate" with the Members of Congress that there would be no danger of a boomerang attack on "our friends as lobbyists."

Fourth. The association suggested that its local railroad people get 100 "influential citizens in each congressional district" to talk to their Congressmen in favor of the railroad association's bills.

Fifth. The local railroad people were asked to line up merchants and businessmen along their railroad route, with particular emphasis upon the small towns.

Sixth. So far as possible, railroad bills should be introduced by Members of the House of Representatives at the request of some organizations other than railroads themselves, and the railroads should then come along and say that they regard the bill as a fair one.

Seventh. Officials of chambers of commerce should be used as witnesses in behalf of railroad bills, and the railroad association would undertake to coach them before they testified in committee hearings.

Eighth. Vacancies on committees having jurisdiction of legislation in which the railroads are interested shall, so far as possible, be filled by Members favorable to the railroads.

Ninth. The Association of American Railroads wanted to make sure that no member of its own staff would do any lobbying, and that they would only make appearances before congressional committees in hearings on bills.

Mr. President, listen especially to this: The association expressed the opinion that effective work with Congress on railroad association bills is not done at hearings held by congressional committees which consider the legislation. Think of that. I call the attention of my distinguished friend, the chairman of the Committee on Interstate and Foreign Commerce, which committee has jurisdiction of questions affecting the railroads, to the fact that two men in whom he believes and with whom he associated, former Senators Wheeler and Truman, reported that the association expressed the opinion that effective work with Congress on railroad association bills is not done in the hearings upon legislation, which are called from time to time, held by the Senate Committee on Interstate and Foreign Commerce. Such hearings, in the opinion of the railroad association, "are largely matters of scenery. Effective work can only be done through personal interviews with Congressmen by men having influence over them."

Is their name legion? Cry out their names. Stigmatize and crucify them before the American people, and leave

the little man to wonder what it is all about, and to wonder whether we in Government care anything about him except to get his vote at election time. Ah, Mr. President, the disillusionment of people is a tragic thing, and it is going on under this Capitol dome, day after day, and night after night. But in the meantime I want to note two facts.

The revelations by Senators Wheeler and Truman were made over a period of years begining a decade ago. The policies and purposes of the railroad association which I have today described were spread fully on the record of the Senate committee and of the Senate year after year during that decade. Among the facts so recorded was the name of the amiable and able official of the railroad association who developed these highly effective policies in dealing with Congress. His policies have never been publicly repudiated by the railroad association. Instead, a few months ago, the author of those policies of the railroad association in its dealings with Congress was elevated to the presidency of that great organization. I wish him great success in his office, for the service of the public interest. But I cannot believe that the policies he outlined in previous years have been discarded at a time when he and his associates are seeking to fasten on our Nation and on its plain people a railroad monopoly based upon the destruction of all our antitrust laws.

The junior Senator from Nebraska [Mr. WHERRY] and the junior Senator from Illinois [Mr. BROOKS] testified on January 24 to the sorry plight of the small businessman, and the domination held over him by big monopoly. Today the small businessman is in no position to defy or attack or even disagree with the railroad monopoly. They and their banking and other corporate connections constitute an inner ring, as the Senate Interstate Commerce Committee has established, in a long series of fully documented reports. The small businessman's hold on solvency and prosperity has been described here as a hold by his mere fingernails. Any powerful railroad can dislodge the position of the small businessman and can put him out of business, if his behavior is lacking in respect for the railroad companies.

Are we now to make the dominance of the railroads over the small businessman and over the farmer and industrial worker and consumer so complete that they will have no chance to protect themselves against monopoly? The passage of this railroad monopoly bill (S. 110) will put a tight monopoly noose around the neck of every individual in the United States.

The evils to which the antitrust laws are directed are so great that we should not for a moment relax our vigilance by any abdication of power over monopoly or the possibility of monopoly. I hold it is more true today than ever that we must use every possible agency against the growth of private power when it threatens to become stronger than the democratic state itself. And if this is an evil, if there is any remote possibility that private power shall become stronger than the state, why should we disarm ourselves by permitting any exemptions to the antitrust laws?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TOBEY. Yes.

Mr. AIKEN. I had thought the Senator probably would bring out another point in his comment on the Wheeler-Truman report and what the committee discovered in the course of its investigations. That is in reference to the railroads using other organizations as friends to do their work for them. The Senator will recall that the Wheeler-Truman report disclosed that the railroads had spent more than $180,000,000 for memberships in organizations. That will be found in the report.

Mr. TOBEY. I touched upon that in my remarks on multiple memberships this morning.

Mr. AIKEN. I was afraid that had not been mentioned.

Mr. TOBEY. No; I brought that out before the Senator entered the Chamber, I think. I understand and concur entirely.

Now, Mr. President, I digress. This is Tuesday morning, the 10th day of June, in the year of our Lord 1947. Here is a bill which in its import and ramifications would affect every large corporation and individual and every businessman and every farmer in the country, and affect them adversely, in my honest judgment, if it is allowed to become law. Here is a bill being considered. Here is the Senator from the State of New Hampshire making a speech on it—whether it is a good speech or not, he would not dare say; but it is an honest speech, it is a forthright speech, and it is founded on fact. I look around this room. I am not speaking to my colleagues on the other side of the aisle, because there are none to whom I may speak. I do see one or two on the other side. But I turn to this side of the great amphitheater, and I see there are three of us in all—four now, with a Senator coming in. I merely point out that I deplore the vacancy of the Senate Chamber; I can speak to an empty Chamber and the indictment will stand whether Senators are here or not. I think I am probably the only Republican who will take the floor against this measure, to speak in any extended manner, and it was known that I would speak at this time. I do not question Senators leaving the Chamber, for the pangs of hunger affect even Senators and may be very real. But I point out that "eyes they have, but they see not, ears they have, but they hear not," for they are not here. There is a kind of vacuum in the Chamber. We debate these questions fully, but the jury who are to consider the evidence and who, in my judgment, ought to hear the truth, frequently are not present. Some effort at least ought to be made to have a respectable group of the great party which I call the Republican Party here to listen to the debate on a measure for which, if I mistake not—for coming events cast their shadows before them—there will be a large preponderance of votes on this side of the aisle, although the bill contravenes our party's platforms and our protestations to high heaven about the concern and interest we have for the small businessman, or do we? But, enough of that.

Mr. RUSSELL. Mr. President, if the Senator will yield, I wish that all Senators had been permitted to hear this well considered, well prepared, forthright, factual speech that has been made by the distinguished Senator from New Hampshire. I am sure, however, that the Senator will recall having made some comment earlier in his remarks about the fact that it has been stated that so many votes were committed to this bill that any resistance to it was futile and a waste of time. It occurs to me it might be that senatorial consciences are not yet entirely dead, and some Senators could not afford to expose their consciences to this very remarkable exposé that has been made by the Senator from New Hampshire. They could not bear to see the hideous monster they have unwittingly embraced, stripped and exposed by the Senator from New Hampshire.

Mr. TOBEY. I thank the Senator. He gives me assurance. He gives me new hope that it is not entirely a case of "love's labor lost."

Mr. President, I intend now to revert to the railroad monopoly in the light of the Interstate Commerce Commission, which was touched upon yesterday, on the floor.

THE RAILROAD MONOPOLY BILL AND THE INTERSTATE COMMERCE COMMISSION

Mr. President, the Interstate Commerce Commission was established in 1887. When the Sherman Act was enacted in 1890, it refused to remove the rate-making activities of railroads from antitrust legislation, though the argument was available that the subject should be placed in the hands of this already existent Commission.

When the Clayton Act was passed in 1914, the same was true. Congress again refused to exempt rate-making activities from the antitrust laws.

Within a few years after the enactment of the Sherman Act, the Supreme Court ruled that the railroads were subject to the antitrust statute. Yet almost 50 years have passed and every attempt to remove the railroads from that statute has been rejected. During all those 50 years the ICC was in existence. The argument has repeatedly been made that the subject should be left to the ICC, not the courts. Yet Congress during all these years has steadfastly refused to yield monopoly power to the railroads, or their rulers, the New York bankers, either by amendment of the Sherman Act or the Interstate Commerce Act, or the Clayton Act, or by any other legislation.

Now, an all-out attempt is being made. Some advocates of S. 110 say it does not exempt the railroads from the antitrust statutes, but merely provides for interpretation of those statutes. Those advocates have crossed their signals and their wires with their supporters in Washington. For the supporters of this legislation in the Interstate Commerce Committee did not use the argument of "interpretation" when they reported the selfsame bill to the Senate in 1946—Senate Report No. 1511. That report says expressly, on page 3, that the bill would have the effect of "removing

from the scope of the antitrust laws" arrangements covered by the bill. That report, by the Senate advocates of the very same bill last year, specifically says that the bill "operates to remove from the operation of the antitrust laws" action taken with approval of the Commission—see page 13 of the report. The same page says that other statutes would not be affected by the bill in its "granting of relief from the antitrust laws."

Why do this in 1947, almost half a century after the Sherman Act was passed by Congress without removing the railroads from its scope, and one-third of a century after the Clayton Act was passed by Congress without removing the railroads from its provisions? The argument is made that things are different, by reason of the enactment of the Transportation Act of 1940, and its establishment of a "transportation policy." The 1940 statute was a codification of the existing law about railroads, motor carriers, and water carriers, putting them all under the ICC. Nothing is said in that statute to indicate any purpose to remove the railroads from the antitrust laws. If that was intended, it would have been necessary to have said so in that statute. The very fact that the 1940 statute does not say so, is proof positive of no such intention. The very fact that S. 110 is now being offered proves that the Transportation Act of 1940 did not intend, and did not effect, the removal of the railroads from the antitrust statutes.

The next argument is that we must trust the ICC. But why are we afraid to trust the Federal courts? It comes down to saying: "We distrust the Federal courts; we want to substitute a commission for the Federal courts."

What have the Federal courts done to merit this stigma and this condemnation? Is it that they have been inefficient in enforcing the antitrust laws? No; the argument of the advocates of S. 110 is that they do not want the Federal courts to entertain the lawsuits that are now in those courts to enforce the antitrust statutes against the railroads.

So the claim is not made that the Federal courts are inefficient, but rather that they are too efficient in enforcing the antitrust statutes. That means that the advocates of the bill expect the ICC to be milder, more lenient, less efficient, in enforcing the antitrust laws.

There is no claim by the bill's advocates that we need some governmental machinery to enforce the antitrust statutes and to make the railroads obey those statutes. If it were so, that claim should have been made much earlier in the past 47 years, since the Sherman Act was adopted. No; the claim is that they want to substitute one enforcing agency for another, one agency that has never had jurisdiction to enforce the antitrust statutes, in place of the Federal courts, which have had half a century in enforcing those statutes.

But then another argument is advanced. The railroad association says it needs the rate bureaus and all sorts of agreements between railroads. Nobody is saying that the railroads shall be deprived of those bureaus or those agreements, provided that they do not violate the law. Nobody is stopping business of all kinds from maintaining bureaus and making agreements, provided that they do not create monopoly or restraint of trade in violation of the antitrust statutes. What the advocates of the bill are really saying is that they want the rate bureaus and the carriers' agreements, even including every action that may violate the antitrust statutes.

Their answer to objections is that the ICC will stop them if their actions constitute violations of the antitrust policy of the American people.

So their argument is not that they want rate bureaus, and that those bureaus will be destroyed under the antitrust laws; their argument is that they would rather have the ICC enforce the antitrust laws affecting the railroads than to have the courts enforce those laws. And we are back again to the question, Do you want to oust the Federal courts because they are incompetent, because they enforce the antitrust laws too poorly, or because they enforce them too well?

The Interstate Commerce Commission already has too much to do. It cannot perform adequately all the duties with which it is already charged. It operates, therefore, through divisions. Each division is really the Commission, in the work assigned to that division. Are we going to entrust the enforcement of the antitrust laws to three men, who are already swamped with other work? Are we going to put that sacred, that basic, that fundamental policy of the American people in the hands of several commissioners, who operate as technicians, who make their reports in the most technical language, whose functioning is practically unknown to John Q. Public? Or are we going to leave it in the Federal courts, whose activities are known to the people?

Are we going to take the enforcement of these antitrust laws away from the Federal courts because they are doing too good a job of enforcing those laws to suit the railroad monopolists?

The pending bill provides the means for the first time in American history of exempting a basic industry from the prohibition of the antitrust law. It sets a pattern for other big businesses to be immunized from the antitrust laws, and they will certainly follow in its train. This is the great precedent. That being so, then we are on the road to cartels, monopolies and eventually nationalization, certainly, of the railroads.

The bill provides the ways and means of placing every activity of the railroads and other land and water carriers under the control of groups dominated by the Association of American Railroads.

The Senate should understand that the bill does not relate only to rate-making, which is, of course, of primary concern to the shipping public. It should also understand that in that field of rate-making the existing law permits carriers to get together for the purpose of making joint rates, thus facilitating the free flow of commerce. There is no legislation needed for that purpose, for Congress has already recognized in the Interstate Commerce Act the need for such collaboration.

This bill extends to every activity of carriers, including servicing and facilities.

I submit that if there is any justification for private companies operating public transportation systems, it must be on the basis that the carriers should compete in improving their facilities and in improving their services. Such collaboration as is necessary in this field and which does not restrain commerce is not a violation of the Sherman Act, but if it is, clearly it should not be immunized from that act. In other words, a conference of competing carriers should not be permitted to prevent a railroad from putting on improved passenger equipment nor should a group of competing carriers prevent a carrier from speeding up his service or putting in improvements that would attract more business to the road.

The record is replete with instances of such things happening. For example, air-conditioning was prohibited on western trains and one railroad was prevented from putting on a streamline train. These are some of the charges in the Government's suit, and I am sure the Senate will agree that no legislation should be passed which would permit a continuation of such practices.

Let us hear no more about the Commission supervising all such activities, for it must be apparent that it would be physically impossible for any body of men to do so. I repeat, under the bill, what the Commission approves is the basic agreement, and from that basic agreement will flow immunity from the antitrust laws for all activities thereunder. This is the very antithesis of American private enterprise. It is the road to facsism in American business, and the people will not tolerate the tremendous power which will be placed in the Association of American Railroads as the over-all agency dominating this basic industry.

Former Senator Wheeler introduced a bill in 1943 on request. Everyone was against it, including the Interstate Commerce Commission, and the committee failed to act on the bill after extensive hearings, or to adopt any substitute.

Mr. President, a few years ago this Nation lost a great public servant. He was a member of the United States Supreme Court. I refer to the late Justice Louis Brandeis, of Boston. When Justice Brandeis was appointed to the Supreme Court I was a younger man. I shall never forget the calumny and abuse that were heaped upon that man by our financial interests in trying to thwart his nomination and confirmation. No nominee for public office ever went through a greater hell than did Louis Brandeis. But finally his nomination was confirmed and he took his place on the Court. He was the great liberal of all time, the people's friend, a man who understood the needs of the public, and who understood legislation and court law. Louis Brandeis has something to say about this question. Although dead, he speaks to us today.

The need for competition, as well as regulation, in the railroad industry was

forcefully expressed on more than one occasion by Mr. Justice Brandeis:

No one has recognized more fully than members of the Interstate Commerce Commission the limitation of accomplishment through railroad regulation. No one recognizes better than they the continuing need of competition to secure satisfactory service * * * To abandon competition in transportation, and rely upon regulation as a safeguard against the evils of monopoly would be like surrendering liberty and regulating despotism. (Louis D. Brandeis, Business—A Profession (1933) 295–299.)

Again quoting Mr. Justice Brandeis:

No system of regulation can safely be substituted for the operation of individual liberty as expressed in competition. It would be like attempting to substitute a regulated monarchy for our republic. Human nature is such that monopolies, however, well intentioned, and however well regulated, inevitably become, in course of time, oppressive, arbitrary, unprogressive, and inefficient. (Alpheus T. Mason, Brandeis: A Free Man's Life (1946) 181.)

Justice Brandeis further said:

It has been suggested that we accept the proposed monopoly of transportation but provide safeguards.

Oh, that the whole Senate could hear him.

This would be like surrendering liberty and substituting despotism with safeguards. There is no way in which to safeguard people from despotism except to prevent despotism. There is no way to safeguard the people from the evils of a private transportation monopoly except to prevent the monopoly. (Felix Frankfurter (ed.), Mr. Justice Brandeis (1932), 134. See also Alfred Lief (ed.), the Brandeis Guide to the Modern World (1941), 179.)

Mr. President, as I conclude this talk, let me ask my colleagues—those who are present and those who are not—to ponder well on this specious attempt to nullify the antitrust laws of our country, which have been on the statute books for decades and which, properly enforced, stand as a bulwark of protection to the people, for whom, in the last analysis, we are trustees, charged with the prime duty of protecting their interests. We have a great trust imposed upon us. We should keep faith with the people.

The bill, Senate bill 110, should therefore, in my opinion, consistent with the people's interest, be voted down. Let us always remember that impulses from the privileged are omnipresent and strong; the voice of the unorganized, weak and faltering.

Let me say a word to the members of my party, the Republican Party. How can we vote for this bill, which, in its purposes and effect, will, if enacted, contravene our party platform's strong statement against monopolies and favoring the enforcement of the antitrust laws, especially in view of our noble professions of deep concern and interest in protecting the interests of the small businessmen of our Nation?

In my opinion, the Republican Party, by opposing this legislation, would make a much more effective record of its proclaimed interest in small business than by any amount of printed verbiage in its party platforms. A test of our sincerity of purpose in this great objective is posed in the words of Holy Writ—"By their fruits ye shall know them."

I love my party, and I believe in it. It has always been my party, with the exception of those years when I followed the immortal Theodore Roosevelt as a Bull Mooser, for which I make no apology. Something of the soul of those great gatherings in Chicago and of that great man entered into me then, and I have never lost it—a zeal for public life, a passion for the interests of inarticulate people. So I, CHARLES TOBEY, Republican, stand on the Republican side of the aisle and make an earnest, sincere appeal to my colleagues today, before they support this legislation, which in the last analysis would strike down enforcement of the antitrust laws in favor of special interests, and to let the courts rule on these pending two great cases. In my judgment the interests of the people are safe with the courts. I charge my colleagues that we should measure up to this great stewardship as trustees for the interests of the little people of this country.

Mr. President, I ask unanimous consent to insert as a part of my remarks a letter from the Chesapeake & Ohio Railway Co. signed by R. W. Purcell, vice president and chief counsel of that company, from which letter I should like to quote one sentence:

In conclusion, let me say that rather than enactment of S. 110 in its present form, I would much prefer to see the cases which are presently pending adjudicated to finality at which time the need for, and scope of, legislation could be better ascertained.

I should like to insert also a telegram from Mr. Robert R. Young, president of the Chesapeake & Ohio Railway Co., expressing his opposition to the legislation; and also an unusual letter from John L. King, of the Washington State Grange, enclosing an evaluation of Senate bill 110 by the Washington State Grange, which I commend to anyone who desires the true facts connected with this legislation.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

THE CHESAPEAKE & OHIO RAILROAD CO.,
Cleveland, Ohio, April 14, 1947.

Senator CHARLES W. TOBEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR TOBEY: A few weeks ago I appeared before the Senate Interstate Commerce Committee and stated my views concerning S. 110—sometimes referred to as the Bulwinkle bill—designed to legalize rate committee and numerous other conference activities of the railroad industry. My views generally were in opposition to the bill as presently drawn. Since that time, however, confusion has been created by statements emanating from certain of the proponents of the bill which were in substance that I favored the legislation with slight modifications.

As a result of the confusion you have asked me to advise you whether the bill as presently amended is satisfactory. It is not.

I stated in my testimony, and I repeat here, that I believe rate conference activity suitably circumscribed and properly regulated under the supervision of the Interstate Commerce Commission is both desirable and necessary. S. 110 does not satisfactorily provide for this for several reasons, one of which is that its rate-making provisions are hopelessly interwoven with its provisions relating to services and facilities.

As I stated to the committee, there should be no legislation permitting the legalization, either with or without the approval of the Interstate Commerce Commission, of agreements restricting facilities and services to be offered by the carriers to the public. In the absence of legislation, reasonable agreements among carriers to provide services and facilities are not today unlawful. There is, therefore, no need for legislation which would open an avenue for legalization—or argument over the legalization—of all agreements. Any such legislation would, in my opinion, be harmful and would restrict railroad progress.

There are presently pending two cases involving the application of the antitrust laws to the railroad industry. One is the case pending in the Supreme Court instituted by the State of Georgia which challenges the legality of present rate-making practices. The other is the case instituted by the Department of Justice in Lincoln, Nebr., which challenges not only rate-making practices but also the legality of numerous practices and agreements relating to services and facilities.

I believe that legislation could be prepared governing rate-making activities which would provide a feasible conference method of rate making under the supervision of the Interstate Commerce Commission which would meet the problems posed by the Georgia case. I do not believe, however, that legislation should be enacted which would deprive the public of an adjudication of the legality or illegality of those practices relating to services and facilities of which complaint is made in the Lincoln case.

In conclusion, let me say that rather than enactment of S. 110 in its present form, I would much prefer to see the cases which are presently pending adjudicated to finality at which time the need for, and scope of, legislation could be better ascertained.

I hope that this letter contains the information which you requested of me. If there is anything further that I can do, please feel free to call on me.

Sincerely yours,

R. W. PURCELL.

NEW YORK, N. Y., *March 4, 1947.*

Hon. CHARLES W. TOBEY,
Senate Office Building:

In answer to your telegram, we can see no need for the Bulwinkle bill, although some legislation clarifying the rate situation would be constructive. The balance of the Bulwinkle bill relating to service agreements we consider quite unnecessary and perhaps even harmful because it may imply some sympathy on the part of Congress for agreements in restraint of progress.

ROBERT R. YOUNG.

WASHINGTON STATE GRANGE,
Seattle, Wash., May 23, 1947.

The Honorable CHARLES W. TOBEY,
Senate Office Building,
Washington, D. C.:

DEAR SENATOR TOBEY: I am enclosing our evaluation of S. 110. I thought you would be especially interested in this evaluation because of the work you have done yourself on this problem. In preparing this report, we consulted prominent attorneys here in Seattle who are familiar with the antitrust laws and freight rate problems.

I am thoroughly convinced that S. 110 would be very detrimental to the economic development of the West, and certainly it appears to be diametrically opposed to the general concept of free enterprise, which the railroads themselves had been advocating.

I would appreciate any comments you have regarding this evaluation.

Sincerely,

JOHN L. KING.

AN EVALUATION OF S. 110

The following statement is submitted concerning the Reed-Bulwinkle bill (S. 110). The committee draft of S. 110 was carefully examined to determine whether it contained the same objectionable features which were present in the Bulwinkle bill, which passed the House in the last session of Congress.

The conclusion, based upon an objective study of its provisions, is that it does. The passage of this bill would not only result in a break-down in the protection of the public against the price-fixing activities of the railroads, but would establish a precedent for the newspapers, medical associations, and other industries which desire to escape the application of the antitrust laws.

There are certain fundamental evils in this bill or any other bill which grants a major industry immunity from the antitrust laws. No matter how many safeguards you include for the protection of the public, the evil is still there.

In the special number of the United States Chamber of Commerce publication, Governmental Affairs, March 13, 1947, it is said:

"For two generations, railroads have arrived at proposals for changes in rates and service through various conferences. Since shortly after World War I the procedure of rate conferences has been under a plan advocated by shippers providing systematic published notices of all rate changes and opportunity for hearings on them. After the passage of the Motor Carrier Act in 1935, motor carriers adopted similar procedures.

"Prior to this decade, the legality or propriety of such procedures was not questioned. The Interstate Commerce Commission, charged with the duty of regulating domestic carriers (other than air lines) in the public interest, knew of and encouraged them and on at least one occasion, when the railroads applied for a rate increase, the Commission in effect told them to get together and work out some needed economies."

Now, let us take a look at the record. As far back as 1897, in the case of *United States* v. *Trans-Missouri Freight Association;* and again, in the following year, in the case of *United States* v. *Joint Traffic Association,* the Supreme Court of the United States held that group action by the railroads in fixing noncompetitive rates was a violation of the Sherman Act and contrary to the basic public policy of free enterprise and independent initiative.

The conference method of fixing noncompetitive rates is nothing more nor less than price fixing. If the corner grocers or the farmers or the plumbers got together and decided that a reasonable price for certain commodities or certain work would be thus and so, those companies or individuals would be subject to prosecution under the Sherman Antitrust Act.

But the railroads have said, "We are different." They would have you believe that because of the "hundreds of thousands of individual rates" it is impossible for the carriers to operate without such a law.

Why is this so?

Under the Interstate Commerce Act each carrier (and, in the case of joint rates, the connecting carriers) is required to fix the rates it desires to charge, such rates becoming effective when filed with the Interstate Commerce Commission in accordance with the act. The published charges may be protested, and when a rate in force or proposed is found to be unjust or unreasonable or unduly discriminatory or otherwise unlawful, the Interstate Commerce Commission is charged with the duty "to determine the just and reasonable rate." As expressed by the Supreme Court, the Interstate Commerce Act provides "a zone of reasonableness" between the maximum, above which rates may be excessively high, and the minimum, below which the charges may be too low or noncompensatory; and it is the plan of the act that within these areas rates initiated by individual carriers or joint rates initiated by connecting carriers shall be adjusted by competitive conditions. *Interstate Commerce Commission* v. *Louisville & Nashville Railroad* (227 U. S. 88 (1912); *Texas & Pacific Ry. Co.* v. *United States* (289 U. S. 627, 636 (1932)); *United States* v. *Chicago, Milwaukee, St. Paul & Pacific Ry. Co.* (294 U. S. 499, 505 (1934)); *State of Georgia* v. *Pennsylvania Railroad Co. et al* (324 U. S. 439, 65 S. Ct. 716, 727 (1945)).

As stated by the Supreme Court in the Chicago, Milwaukee, St. Paul & Pacific case and in the Georgia case, within this "zone of reasonableness" the carrier is "free to adjust its charges for itself." And as stated by the Supreme Court in the Texas & Pacific Railway case, "as the carriers are in competition for the business they may, within the zone of reasonableness, prescribed by the statute, adjust their rates so as to obtain or retain the desired traffic for their own lines," it being the "theory of the act * * * that carriers in initiating rates may adjust them to competitive conditions."

S. 110 would reverse this long-established regulatory scheme by permitting the authorization of agreements setting up private rate-making organizations which, by concerted action, could fix the rates within the area now preserved for the interplay of competition. The relief sought by the Government in its suit against the Association of American Railroads et al., and by the State of Georgia against the Pennsylvania Railroad et al. would preserve the scheme for the play within that area of competitive factors.

It should be here stated that the Government's suit does not seek to enjoin activities of so-called rate bureaus which are not unlawful or to stop them from performing functions properly designed to accomplish efficiency in rate publication and proper cooperative exchange of information. The suits do not seek to enjoin connecting carriers from freely collaborating in the establishment of joint rates in accordance with the Interstate Commerce Act, or to prevent individual or connecting carriers from initiating rates through rate-bureau facilities, so long as such rates are not fixed on a noncompetitive basis, and so long as individual or connecting roads are not bound to the views, conclusions, or action of the rate bureau or other roads or groups.

Section 6 of S. 110 provides:

"The Commission shall not approve under this section any agreement which establishes a procedure for the determination of any matter through joint consideration unless it finds or by condition requires that under the agreement there is or shall be accorded to each party the free and unrestrained right to act contrary to and independently of the initial determination or report, or any subsequent determination or report, arrived at through such procedure, and unless it finds or by condition requires that all carriers of the same class (as defined in paragraph (4) of this section) within the territorial and organizational scope of such agreement shall be eligible to become and remain parties to the agreement upon application and payment of charges applicable to other parties of the same class. Nothing in this section and no approval of any agreement by the Commission under this section shall be so construed as in any manner to remove from the purview of the antitrust laws any restraint upon the right of independent action by means of boycott, duress, or intimidation."

This section does not overcome the objection that the bill does not, by its terms, guarantee a carrier the right of independent action. The right of a dissident carrier to take independent action in the face of the integrated structure of traffic associations, with their inherent power through collective economic pressure, is more apparent than real, in our opinion. Certainly, the activities of the associations in the past do not justify the hope which has been expressed that any individual carrier would retain the right to independent action.

Here, again, let us look at the record. Time and time again we have seen occasions when the Association of American Railroads, through its traffic committees, has impeded and prevented independent competitive action. In the first place, the system is, by its very nature, coercive from top to bottom, as must necessarily follow from the fact that each individual railroad is dependent upon other railroads for through and overhead traffic, which together constitute more than 50 percent of the total tonnage carried by any railroad. The interdependence of railroads indicated by this basic factor is increased by the highly complex financial and operating relationships between railroads and by the delicate essences of economic coercion implicit in any complex industrial relationship.

The history of the activities of the railroads shows that they have never hesitated to impose economic sanctions upon recalcitrant roads by forcing unfair divisions upon such roads and withholding overhead traffic from them.

Perhaps the most serious objection which we have to the Reed bill is that the implications of the price fixing, which would be sanctioned by Congress, extend far beyond the limits of the transportation industry. That is to say, there is a different situation in the transportation industry than that which would prevail in a more or less independent industry. The power to fix freight rates is, in effect, the power to fix prices of practically every basic industry in the country. Transportation costs are a major element in every industrial pricing system and the power to control the cost of transportation is largely the power to dictate initially the location of every industrial enterprise and subsequently the success or failure of those enterprises.

Factors, such as cost of replacement, overhead, volume, sales costs, etc., have little to do in the determination of rates. Railroads are more interested in maintaining preexisting price structures and traffic movements. This, in turn, is influenced by the number and kinds of carriers in competition with the railroads. It is only natural that the railroads desire a rigid price structure throughout the transportation field. That is why they were the leading proponents of the laws to regulate motor carriers and water carriers. The complexity of the rate structure of unregulated carriers made it impossible for the railroads to fix rigid noncompetitive rates.

Proponents of S. 110 will point out that section 4 of the bill provides that the Commission shall not approve any agreement between or among carriers of different classes unless it finds that such agreement is limited to matters relating to freight classifications or to transportation under joint rates or over through routes * * *. This, they say, will prevent agreements among the different types of carriers. What they fail to mention is that one regulatory body is given the power to fix rates of all carriers. The implication is clear. The Commission in approving any particular agreement must consider those rates in relation to the rates submitted to it by other classes of carriers. This must of necessity be one of the basic issues in its consideration. The normal interplay of competition between different classes of carriers cannot exist as long as a single unit has the power to fix rates for all of them.

The ICC is given power to fix prices subject to certain limitations. One of the criteria set out in section 2 is that any agreement which it approves must not unduly restrain competition. However, in par-

agraphs of the bill it is stated that no agreement approved by the Commission shall be deemed a restraint of trade within the meaning of the antitrust laws. These paragraphs, considered in para materia reveal a perilous situation. In effect, Congress is saying to the Commission, "You may not approve any agreement in restraint of trade, but if you do, they shall not constitute a violation of the antitrust laws." More specifically, in paragraph 9 the Commission is given authority to approve time schedules. Under this authority it may say that X train shall leave at 12 noon and Y train will leave at 12 midnight. Competition between X and Y is not only restrained—it is completely eliminated. It is true that they may provide a more round-the-clock service, but there will be little incentive on the part of the railroads to provide new cars and those additional comforts and low-price meals to win passengers away from competitors, if schedules are fixed by the Commission and no competition exists.

If you think this is a fantastic possibility, look at the record in the Pullman case. There the railroads agreed among themselves not to put the newer types of railroad cars into operation.

The industrial basing point system and the noncompetitive freight rate structure go hand in hand. Under the basing point system no account is taken of the relation of the particular plant from which the goods are actually shipped or the method of transportation employed. For example, just outside of the city of Laramie, Wyo., is a small town, Sinclair, which is the location of the refinery owned by the company of the same name. The refinery is located in the center of a large oil producing field. You would expect the price of the gasoline to reflect the absence of transportation charges, but that is not the case. The price of gasoline in Sinclair was based on the rail price from Chicago, the nearest basing point.

These price-fixing schemes could not exist in a competitive system of determining transportation charges. The industrial basing point system must have a rigid freight rate structure behind it.

The evils of the basing point system are well known. It has been employed historically to perpetuate the industrial concentration in certain areas of the country to the exclusion of new competitors in other areas. Discriminatory rate structures have been employed to suppress the rights of new industries both in the South and in the West. There are a number of examples of these discriminatory practices alleged in the complaints of *State of Georgia* v. *Pennsylvania Railroad* and *U. S.* v. *Association of American Railroads et al.* An examination of the trial brief filed by the Government in the latter case is replete with illustrations of the practices to which we have referred.

Perhaps the most amusing anomaly of S. 110 is that apparently the same persons and political parties which protested vigorously in the recent election campaign against what it called tendencies toward regimentation and centralization of power in the Government at Washington are now engaging in one of the most effective and expensive lobbying campaigns to obtain the enactment of a law which, in our opinion, would set up just the sort of bureaucracy to which they recently objected. Of course, the stakes are high and they can afford to spend a good deal of money to accomplish their purpose.

As just one last thought, let us assume for a moment that the bill became a law and that Congress duly turned its supervision over to the Interstate Commerce Commission. Then, let us just suppose that an economy-minded Congress decided to reduce the appropriation of that agency. The hands of the Department of Justice would be tied, while the railroads of this country were run by the Association of American Railroads, a group whose membership does not contain a single representative of the public. It is not a pleasant thought.

JOHN L. KING,
Radio and Research Director,
Washington State Grange.

DEVELOPMENT OF THE SAVANNAH RIVER

Mr. MAYBANK. Mr. President, in the South, and particularly in the State I have the honor in part to represent and in Georgia, history is repeating itself.

Every conceivable effort was made to prevent development of this Nation's power resources by the Federal Government. There were those who contended that our rivers and streams did not belong to the people. Congress and the courts have decided to the contrary; and in recent years we have witnessed a remarkable increase in the value of these waterways to our people.

The Muscle Shoals fight, which began here in the Wilson administration, is well known to all of us. The Commonwealth & Southern, one of the larger power-holding companies, fought at every turn, in the courts and out, the development of the Tennessee River. Had their philosophy prevailed, there would have been no TVA, and the great Tennessee River would not today be giving to the people of that section the benefits they now enjoy.

When the Government won its fight and the Commonwealth & Southern was compelled to bow to the will of the people, I thought that never again would we witness in the South a campaign conducted by holding companies to block and thwart the Government in developing water-power resources.

Today in the South, however, we are witnessing the same tactics, the same double dealing, and the same stifling efforts to which the Commonwealth & Southern resorted in their fight against TVA.

On the Savannah River there is one of the greatest potential power developments in the South. Tied in with this development are flood control, navigation, reforestration, and recreation. The development of the Savannah River means for my people and the people of Georgia what the development of the Tennessee Valley country meant to the people of that section. Based on the testimony of the Army engineers and other competent persons, there is no doubt but that the Government development of the Savannah River is a good investment and will pay handsome dividends. Believing this, the Congress has authorized Clark Hill development, and already $6,000,000 have been expended toward its completion.

Here in Washington during recent weeks we have witnessed the lobbying activities of the Savannah River Electric Co. to shut down this development by the Federal Government of one of our great rivers.

The issue involved in the Clark Hill project is more important than the development of the power resources of this one river. The issue is whether or not the Federal Government is going to scuttle the power-development program of Franklin D. Roosevelt and other great progressives who fought so long and so hard to remove the yoke of the Power Trust from our people.

Today the American people, as never before, are enjoying the benefits of electricity. They are doing this because the Federal Government broke the monopoly the Power Trust enjoyed in power resources.

As a member of the Public Works Administration and later as governor, I led the fight in my State for the Buzzard Roost and Santee-Cooper developments which we now have there. I know how public sentiment can be poisoned, how people can be misled, how people in powerful positions can be influenced when the huge utility-holding companies turn loose their money and their lobbyists against a State or Federal power development.

In counties of South Carolina and Georgia, lawyers have been hired, advertising space bought in county papers, and every conceivable means have been employed by Savannah River Electric Co., in an effort to mislead the people there that the power company could develop Clark Hill without cost to the taxpayer and at the same time bring the same benefits to the people. They said the same thing about TVA and the other power projects which have been developed by the Government in the various sections of the country. At one time they contended there would not be a market for the power developed by these Government projects; that contention has been exploded, because in all these power developments there has been a market for the power developed, and more important, the rates charged the people and the consumers have been greatly reduced, and rural electrification lines developed in all directions.

I cannot conceive that the Savannah River Electric Co. can succeed in its efforts to take over the Clark Hill development on the Savannah River. I am confident that this Congress—even though controlled by the Republican Party—is not going to turn back the progress and reverse the power policies which have been pursued by the Federal Government for almost two decades. The American people in election after election have approved the Government's power policy.

Indeed, the same Savannah River Electric Co. which is now fighting Clark Hill, through its recognized spokesmen, have approved the development of this project by the Federal Government. The first time I ever heard of the Savannah River development was, as a member of the Public Works Board in South Carolina, when representatives urged that this project be included in a PWA program.

And what is more astounding, the very company which is now lobbying here in Washington to defeat an appropriation for continuing the Clark Hill development gave its approval and urged that the Government go forward with the development.

This company, a subsidiary of Commonwealth & Southern, for a number of years held a license for a power plant

at Clark Hill on the Savannah River. They even acquired some acreage for the basin. After holding this license for a number of years and making no efforts to develop it, this company turned back the license to the Government. The company then said, "You take it, we don't want it." But now after the Government took it, spent $6,000,000, but all plans have been completed and approved, the Commonwealth & Southern, through their puppets, come up and say, "We want Clark Hill back." Well, they are not going to get it.

This week hearings will be held by a House Appropriations Subcommittee on the appropriation of funds to continue Clark Hill. As a matter of information for the Congress, at this time I want to quote statements made by an official of Commonwealth & Southern in support of this project. A hearing was held in Augusta, Ga., at which the late Preston Arkwright, president of the Georgia Power Co. and head of the other subsidiary of the Commonwealth & Southern, which hold the license for the Clark Hill project, testified.

This is what he said:

I didn't come here for the purpose of hurting this enterprise. I came here with the view of helping wherever possible. We are not in objection or antagonism toward it. We wish to cooperate with it to the full extent of our ability. I would like to say that we are here for the purpose of its support.

Further in the testimony, Mr. President, the president of the holding company of the Georgia Power Co. testified as follows:

I don't know what you want to do to dispose of the power; I don't know what the policy of the Government would be, but if an arrangement could be made with this company for the absorption of that power, or such part as you allocate to Georgia, which you fix to go into the territory of our company, and on somewhat the plan of the Boulder Dam arrangement, I think we could work out, if you wished it, a satisfactory arrangement whereby that part could be absorbed. I am not saying that we take it all. I believe the Georgia Power Co. could in time absorb it all. Not all at once. Now that means that until that was absorbed, if you wished us to absorb it, it would be turning over to the support of the development all the future growth in the electric power market in the main part of Georgia for at least until 1945.

Further on in the testimony the follow was stated by the president of the company:

I do not demand that we distribute it.

Then later on he said:

But, regardless of what plan you may finally recommend, we stand ready to cooperate to the fullest extent in making available to you any information we may have which you may think pertinent to your investigation.

I hope you will act favorably on the project.

That was the testimony, Mr. President, before the Federal Power Commission, by representatives of the same organization which this year are trying to undermine and destroy that which they approved after the Federal Government had already spent $6,000,000.

Mr. RUSSELL. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. MAYBANK. Mr. President, I appreciate that thought on the part of the Senator from Georgia, but I have a very important engagement with some Government officials this afternoon.

Mr. RUSSELL. I shall, of course, defer to the wishes of the Senator.

Mr. MAYBANK. Mr. President, this is the same company, Members of the Senate, which held the license for this development and did not dig one shovel of dirt or make one effort to carry out promises they made to the Government if granted the license. It is true the company did buy some land, but they dilly-dallied and did nothing toward controlling the floods of this river, harnessing its vast power resources, or controlling erosion on the area which would surround the basin. Having failed to keep faith with the Government and exercise the right of their license, the company returned it to the Government. In other words, they bottled up the project for development by other private resources or by the Government for a number of years. They fooled the people of the Savannah River section and now they ask the right to fool them again.

What is more astounding, they are asking that the wheels be stopped on this development after the Government has already started it. They are asking the Government to abandon it and give the Commonwealth and Southern an opportunity to do something they could have done years ago.

I am confident that this Congress is going to continue this development and we are not going to let this great holding company of New York go down into the South and drive the Government out under the pretense that they will do something they once said they would do, but failed to do.

As I said in the beginning, the issue here is more than this one river and this one development. If this great power utility-holding company should happen to succeed in making this Congress do a flip-over and kill one of the best power developments in the South, then those of you from other States who have similar potential power developments may well expect a similar fate.

There are other great power resources in the United States which need to be developed. I realize the financial strain on our Government as a result of our war debt; but one of the best ways to meet that obligation is to fully utilize our natural resources, and these power projects are selfliquidating.

Mr. President, no government ever went broke developing for the people their own resources.

Look at these power developments over the United States today. They are monuments to the wisdom of great men in government who defied the power trust and said these streams and rivers are going to be developed by the people and for the people. Those developments helped us win the war. They are paying out and the people are receiving untold benefits from them.

The Government can make no better investment than to develop soundly and wisely the natural resources which now lie dormant and are doing no good to anyone.

The Clark's Hill project has passed all the tests. It is regarded as the best undeveloped power resource in the South. The sale of power will assure a return to government sufficient to pay the interest on the investment and liquidate the debt. It will make the Savannah River navigable the year around, from Augusta to Savannah. The basin will cover mostly eroded land on which no farmer could ever enjoy a decent standard of living. As a result of controlling the floods of the Savannah River, the Clark's Hill Dam will open up for cultivation some of the most highly productive land in the South along the Savannah River between Augusta and Savannah. This acreage will be equal to the acreage of the basin. In other words, our section will be trading old, worn-out, eroded land for rich and highly productive land.

Through the Forest Service, the Government will bring back the forests on the Savannah River watershed and will protect the reservoir from silt. Under Government supervision, this area will become a recreational center in a section which badly needs it.

These and many other benefits will flow from this great development on the Savannah River. I appeal to every liberal and progressive-minded Member of Congress to remember the twenties when the power trust octopus grew so powerful that it sought to dominate the political life of this Nation. Our memories are not so short that we do not remember the rates these power companies gouged from the pocketbooks of the people. We remember, too, how they brought down their high rates when the Government demonstrated how cheaply electricity could be generated.

Mr. President, I can remember, and I am sure my colleagues remember, when persons of a modest income could not afford an electric ice box, an electric hot-water heater, or an electric pump. The cost of electricity was so high that only those in the higher brackets could enjoy the comforts and benefits its use brought.

And how about rural electrification? Members of the Senate will recall that the power companies refused to supply electricity except to those who lived in highly concentrated population areas. The power companies said they could not afford to run lines into our rural areas. They were unwilling to take any of their profits from the cities to extend the benefits of electricity to the farmers who produce the commodities which support the cities. But when the Government said it was going to bring electricity to the farmers, the power companies changed their tune and rushed in to skim the cream off this rural power market.

There are those who contend that this great stride in the development of our power resources would have followed as a matter of course, regardless of what the Government did. I do not think anyone seriously believes that, but we

hear it just the same as these giant utility holding companies make another upward surge to block the Government's power program, regain their control over political life, and undo what has been done during 15 years of progressive thinking on this subject by all branches of Government.

Could we have any better example of what the power companies would have done had they been left alone than the one we have in this very Clark Hill project? The Commonwealth & Southern held a permit for this Savannah River development from 1927 to 1932. That holding company has extensive resources. This project could have been completed 15 years ago and all this time the people in the Savannah River country could have been enjoying the benefits of the development, had Commonwealth & Southern discharged its responsibility. Just think of the war plants and industrial concerns which would have located in this section had the Commonwealth & Southern developed Clark Hill when it held a permit.

Now, after all these years of thwarting this development, after blowing hot and blowing cold, after saying they wanted the Government to build it, this Commonwealth & Southern crowd have the unmitigated gall to come up here and ask Congress to deauthorize a project which Congress authorized in 1944, and to turn over to them a project already authorized by Congress, and on which $6,000,000 of the taxpayers' money has been appropriated and spent.

The Commonwealth & Southern has not enough money to hire enough lawyers, to buy enough newspaper space, and to peddle enough propaganda to defeat this project.

I say this because I know the people of South Carolina are not going to be fooled. They tried to fool my people about Santee-Cooper and Buzzards Roost; but we built those projects, and they are paying off, and the people have benefited world without end from their development by the Government.

This project is going to be continued by this Congress because a majority of its membership still believes in the development of our natural resources by the Federal Government. There is no partisan politics in this issue. As a member of the Appropriations Committee, I voted for Government development of natural resources in the West, just as Republican Senators joined me in supporting similar projects in the South.

Partisan politics stop at the river's edge when it comes to developing our great streams and other natural resources.

Mr. MORSE. Mr. President, will the Senator yield at this point?

The PRESIDING OFFICER (Mr. KEM in the chair). Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. MAYBANK. I yield.

Mr. MORSE. I wish to commend the Senator from South Carolina not only for the other points he has made in the course of his speech, but particularly for the point he has just made. Certainly when it comes to developing the natural resources of the United States, all partisan politics should stop. I think the Senator from South Carolina is making a worth-while contribution to the fight which lies some days ahead of us, but which will develop in this Congress on the question of whether the development of the vast natural resources of the country shall be developed for the benefit of all the people rather than for the benefit of the private dollars of a few vested interests in the United States.

Mr. MAYBANK. Mr. President, I thank the Senator from Oregon for that statement, and I assure him that during the number of years that he and I have served in the Senate, both of us have been interested in the development of the Nation's natural resources by the Government, for the benefit of the people, rather than for the benefit of the power companies. I assure the Senator that there never will be any partisan politics in my position regarding these matters.

Mr. President, I know Congress is not going to turn its back on the Clark Hill development. To do so would be an admission that overnight the Power Trust has grown so powerful that it can force Congress to eat out of its hand and march up the hill and down again.

No; the word is not going to be sent from Washington to those constructing the dam at Clark Hill to "cease hauling dirt, move out your equipment, and abandon what you have done because the Commonwealth & Southern has made Congress reverse itself."

No; the word is not going to be sent to the hundreds of people now working on this project to "pick up your shovels and return home," because a utility holding company in New York was able to influence Congress to cut off appropriations and let this great development die on the vine.

Indeed not. When the Government of the United States starts something, it finishes it. The Government has started Clark Hill and it is going to finish it, just as it finished Muscle Shoals and TVA, just as it finished Bonneville Dam, just as it finished Hoover Dam and the other great power projects which every day are pouring out the better things of life to the people of these United States.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. RUSSELL. I am extremely interested in the subject matter of the Senator's discussion, not only with respect to Clark Hill, but with respect to the general philosophy of the public development of the natural resources which belong to all the people of the United States. I am sure the Senator from South Carolina realizes that if Congress were to adopt a policy of inagurating a project of this nature and then abandoning it because some public utility combination had changed its mind and had decided that it wished to take over the project, after having advocated its development by the Government, no persons living within the range of the benefits of any such project would ever know where they stood. The Government would be passing laws and making appropriations to start such projects, and then the utility companies could go all over the United States and cull out those which they wished to have the Government abandon, and perhaps would change the whole form of the enterprise to one that was solely related to power, without regard to all the other collateral benefits to the people residing in that section of the country. I cannot believe that any Congress would be so subservient to the utility interests of the Nation as completely to reverse itself, as it would be compelled to do if the Clark Hill project were abandoned at this stage of the proceedings. It would certainly be a death blow to a section of the country which offers great natural resources, which has never experienced any development through the expenditure of Federal funds.

The Senator from South Carolina and I jointly introduced a bill for the creation of a Savannah Valley Authority. The report of the engineers pointed out 11 dams which should be built on the Savannah River and its tributaries, and if we were to be so foolish as to cut the heart out of this project and surrender the Clark Hill Dam to the private-utility interests, it would sound the death knell to any further development of the project or any other sites approved by the Army engineers.

Mr. MAYBANK. I thank the distinguished Senator from Georgia for his valuable contribution.

I might say that the reason why we have not further pressed our bill for the 11 dams was that we thought that if the Clark Hill Dam were built first, it would further help the projects along and be of benefit to the people. But if this one dam is ever taken by private power interests, there is no other place on the Savannah River that could be properly developed without paying the stream flow or other excessive charges to the power companies.

Mr. RUSSELL. It is the key project.

Mr. MAYBANK. Yes; it is the key project.

Mr. MORSE. Mr. President, I join with approval in the comments made by the Senator from Georgia. I think the tactics of the private utilities he has just described are not limited to his section of the country, however. It is a national pattern they are trying to get by with.

Let me point out to the Senators another part of the pattern. There has been a great deal of public development of power lines in this country. It has been necessary for the Government to build transmission lines into the sparsely populated areas to which the Senator from South Carolina has referred. These have been the areas which the private utilities would not serve when they were building their transmission lines. But now that the Government has developed power services to the sparsely populated areas, what are the private utilities trying to do? We find them active in the House, where the cuts were made in the appropriation bill for the development of western and southern power, trying to get provisions that substations cannot be built and transmission lines cannot be developed by the Government. They

want the people of this country to pay for the development of the great power dams, and then the private utilities want to come in and take the power at the dam site and transmit the power for their own profit and advantage. They want to block the development of sound, self-liquidating public power projects.

I happen to be one who shares the view that we need public power projects as a check upon private power. I am not going to cast my vote in the Senate for any measure that will give to the private utility monopolies of this country an opportunity to come in and take at dam site all power and transmit it, as the Senator from South Carolina has indicated, to the populous areas of our States at rates which enable the private utilities to make big profits.

I think we should make clear at this session that we are going to develop the great hydroelectric plants of this country for all the people, and not for the profit of a few shareholders of a few private utilities. Our people are entitled to cheap power, and the best way to guarantee it to them is to make it possible for the Government to transmit it to them over its own transmission lines when the people want that form of transmission.

Mr. RUSSELL. Mr. President, I am sure we have all noted the revival of interest on the part of the private utilities. It is very marked in the case of the Rural Electrification Administration, one of the greatest agencies to serve the underprivileged people of this country that has ever been enacted into law by the Congress.

At the time the Rural Electrification Administration was proposed, the power companies took the position that it would be uneconomical for the Government to undertake to serve remote farm homes, and predictions were made on this floor when the bill was pending that the Government would suffer a great financial loss by virtue of its attempting to bring electric current to farm homes. All these predictions have failed. Practically all of the cooperatives are financially sound.

Today, however, we see that the private power interests are combating the rural electric cooperatives all over the United States, undertaking to go into areas and skim off the cream, thereby making it impossible for those living in the more sparsely settled areas to get current on their farms.

Mr. MAYBANK. Mr. President, I should like to say, in that connection, that I was fortunate enough to be Governor of South Carolina at the time the real start was made in rural electrification. We made no strides in rural electrification until we formed cooperatives in South Carolina, and the only way to get them formed was for me to threaten to veto the whole appropriation bill, and I did have to veto some sections because of the fight, day and night, by private power companies in South Carolina.

I ask unanimous consent that there be printed in the RECORD a statement by Mr. Preston S. Arkwright, president of the Savannah River Electric Co., at a public hearing in Augusta, Ga., October 2, 1935.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Gentlemen, I didn't come here for the purpose of hurting this enterprise. I came here with the view of helping wherever possible. I do not want to volunteer anything except with the approval of the committee in charge of it. We did not initiate the petition for the development of Clark Hill. We are not in objection or antagonism toward it. We wish to cooperate with it to the full extent of our ability. I would like to say that we are here for the purpose of its support. Probably it might seem unusual to you that the electric power company in the immediate territory to be affected by the development of a hydroelectric plant by the Federal Government should not be in opposition or an antagonist but should come to support it. For my own part, I know of no other instance where that is so.

The Georgia Power Co. is the main distributor of electric service in the State of Georgia. It covers about 75 percent of the area of the State of Georgia, with its interconnected system including perhaps 80 percent of the population of the State of Georgia within the area served by this company. There are in Georgia two other electric power companies, one serving the city of Savannah and immediate neighborhood with which our lines are not connected, and we have no other connection with it. There is another company known as the Georgia Power & Light Co., whose name is similar to our company, but it is an absolutely distinct and separate company which serves a fringe of municipalities in the southwestern part of the State, and with which our transmission system is physically interconnected. Other than those two companies and certain municipally owned operations, the Georgia Power Co. furnishes electric power to the remainder of the State. So we are vitally concerned in the development of additional electric supply in this territory.

We have another interest in the proposed development. The Savannah River Electric Co. is an affiliate of the Georgia Power Co.; the common stock of both of them being owned by the Commonwealth & Southern Corp. The Savannah River Electric Co. was formed about the year 1926, and in that year it acquired the dam site where we proposed to locate a dam at Clark Hill, and it made certain surveys and acquired land for flood rights and got a license from the Federal Power Commission. The company went along until about 1929 with the intention of building and developing the Clark Hill Dam. When the bottom dropped out of the financial market and our business fell off we had to give up the plan—certainly temporarily—and I don't know when we could resume it. The Savannah River Electric Co. owns approximately 40,000 acres which we acquired in connection with the proposed Clark Hill development. Not all of this will be flooded. Of course, in acquiring the necessary land we had to acquire land in the uplands that would not be flooded. I would say that probably we own something over 50 percent of the land which you will need in proceeding with the Clark Hill development.

Now some statement has been made that the Georgia Power Co. has not sufficient capacity for the services of the territory, but that happens not to be the fact, at the present time, at least. We estimate that when the year 1935 is completed that we will have used about 1,400,000,000 kilowatt-hours with a maximum demand of approximately 300,000 kilowatts. This company has 24 hydroelectric plants, all of which are in the State of Georgia, and 32 steam plants. The installed capacity of our hydroelectric plants is 311,360 kilowatts, and for the steam plants 110,500 kilowatts, which gives a total of 421,860 kilowatts. We do have that installed capacity as an independent organization, but in a dry year that generating capacity of our own would be good for approximately 300,000 kilowatts. We have interconnections of our lines with other companies in other States. We have 4 interconnections with the Alabama Power Co. in Alabama. We have 1 interconnection with the Tennessee Power Co.; we have a connection with the Duke Power Co. at Tallulah Falls; we have interconnection with the South Carolina Power Co. at Augusta; and we have interconnection with the Georgia Power & Light Co. So we have 8 interconnecting lines with 5 companies in other States who, themselves, have a certain capacity of generating plants and equipment. The capacity of those interconnecting lines is 206,500 kilowatts. Of course, we can't use all of this at the same time we are using our total owned generating capacity, as our system could not take it. So, we figure we can use 110,000 kilowatts, which gives us a total capacity with interconnecting lines of 410,000 kilowatts.

I assume that in an investigation of this kind you want to know what the market is and what facilities there are now to supply it, and whether the market is being reasonably well supplied, and on that I want to say that any information that the Georgia Power Co. has is at your disposal. We will be glad to furnish you any information that you consider pertinent, by your own examination of our records or any statements you wish us to make of any information possessed by our personnel. In addition to those sources of supply now developed, we started some years ago the development of a water power near Milledgeville, Ga., with an installed capacity of 45,000 kilowatts, and from which we could get some 20,000 kilowatts at 50 percent load factor. (This is known as Furman Shoals on the Oconee River.) That is partially completed. We deferred the completion of that on account of the changed economic conditions, but it stands there with quite a large sum spent on it. The clearing is all made, the dam started and the machinery ordered. It would cost us about $4,000,000 to complete it, and it would yield about 162,000,000 kilowatt-hours per annum. Likewise, we completed about 1930 or 1931 a large steam generating plant with 1 unit having a rated capacity of 60,000 kilowatts, with provision made for the later installation of 3 additional units of like capacity each. It is apparent that by completion of the Furman Shoals hydro plant and the installation from time to time of the additional units in the steam plant any further supply which may be needed for some time could be provided very economically, considering that we have already spent a lot of money toward that end.

Now that would mean as far as the Georgia Power Co. is concerned, that it could not take any electric current from any source today, but its business is not going to stop today, I hope, and we have made an estimate of what our growth would be in Georgia territory basing it upon a past growth and basing it upon the business we have already, and also basing it upon the small growth in the past few years, from this we figure by the year 1945, we could, in addition to our present source of supply without adding to the steam plant and without completing the Furman Shoals development, use about 505,000,000 kilowatt-hours per annum which I understand is approximately the firm and secondary which you figure for Clarks Hill, so that by 1945 we feel we could absorb, if you wish us to absorb it, the output of the Clarks Hill development.

I don't know what you want to do to dispose of the power; I don't know what the policy of the Government would be, but if an arrangement could be made with this company for the absorption of that power, or such part as you allocate to Georgia, which you fix to go into the territory of our company, and on somewhat the plan of the Boulder Dam arrangement, I think we could

work out, if you wished it, a satisfactory arrangement whereby that part could be absorbed. As I understand the report of the Army engineers, they base the feasibility or practicability of this development upon whether the power can be absorbed so as to yield sufficient money to at least pay the carrying charges of the development. I think it can be done if it is desired to do it that way. I am not saying that we take it all. I assume that some of the load would be allocated to South Carolina and perhaps some to Savannah, but whatever remains or if you can't get it absorbed in South Carolina or Savannah, I believe the Georgia Power Co. could in time absorb it all. Not all at once. There was a load-building time allowed at Boulder Dam and it would be reasonable to allow a load-building period here. Now that means that until that was absorbed, if you wished us to absorb it, it would be turning over to the support of the development all the future growth in the electric-power market in the main part of Georgia for at least until 1945.

Let me say, if you will allow me to say it, there has been no statement by anyone here as to high charges by the Georgia Power Co. The gentleman who spoke of 12 cents per kilowatt-hour was from South Carolina, but those are not the charges of the Georgia Power Co. The Georgia Power Co.'s average retail rate is 3.57 cents per kilowatt-hour to residents. That is the lowest average residential, retail State-wide rate east of the Rocky Mountains.

Question from the floor. Is that lower than the rates in Canada?

Mr. ARKWRIGHT. I don't know. My assertion doesn't say in all the world, and I don't say it is low enough, but so far as a reasonable comparison gives, it certainly indicates there is no extortion in the rate, and I seriously question whether anybody else could at the present time make so low a rate.

Our rates provide for automatic reductions so that we estimate that without any further changes in the rate schedules our average rate for residence uses will be 2.60 cents in the year 1945 on the estimated use for that year.

It is not a city rate. It is a State-wide rate. Our rates are the same, identically, everywhere, in the large city and the little town, on the farm, at the foot of the power house and miles away. Everywhere you go we have a uniform State-wide rate and the average is 3.57 cents on a State-wide basis everywhere. I would like to mention, likewise, that we serve 392 cities and towns in the State of Georgia directly and we serve 47 municipalities for resale. All of the municipalities on our lines owning and operating their own distribution, purchase their current from us, with negligible exceptions and those in territory newly taken over by us. No factory has been built in Georgia since we have been in this business within reach of our lines that doesn't take their power from us.

Many of them already in existence had steam plants in operation but have shut down their steam plants and taken our current. There are only a very limited number of isolated plants in commercial establishments in cities served by us, there being only two in Atlanta, for instance. This is further proof that the rates are not extortionate, but that they are reasonable.

Of the 392 cities and towns we serve, 7 of them have a population of 10,000 and over, 7 more have a population of from 5,000 to 10,000, each; 14 have a population of from 2,500 to 5,000. Now, out of the whole 392 towns there are only 28 that are over 2,500 in population. All the rest, namely, 364, range down from something under 2,500, say 2,499, down to 30. It is a rural company. It is a rural State. It is substantially a rural supply company. Many of our localities, the small settlements and small villages, in other States are classed as rural customers. Yet we have no special rate classification for rural customers now, so that if they are classified as rural they get the same rate the city man does. They get the same service and everything else. We made a survey recently to see if we should build additional so-called rural lines in every portion of our territory where we could get a minimum of 3 customers per mile of line, how many miles we would have to build, and how many additional customers could be served. Nobody will say anywhere that anyone can support rural customers at less than three customers a mile, not even the rural administrator. And we think three customers per mile is about as low as you can expect to go, and such a line even will not be self-supporting. This survey in our territory, to see to what extent we could get three customers per mile, showed that it would mean building only 730 miles and only 4,600 possible customers that could be served. So there isn't any neglect of rural electric service in this territory. Certainly there is no disposition to neglect rural service. We realize that it is very desirable to bring electric service to rural communities, and will stretch the point even in cases where they won't support themselves.

We have 128,300 residential customers. For the 12 months ending August 31, 1935, they used an average of 990 kilowatt-hours per annum, in the residences of this section. The national average is 652 kilowatt-hours per annum. Ours is a State-wide system. We have the largest residential consumption per customer east of the Rocky Mountains and, I think, the fifth largest in the United States. This average is of our customers all over the State. This extraordinarily large use evidences the enterprise and aggressiveness of this service company, carrying the benefits of electric service to the greatest number of people and it evidences the suitability and reasonableness of the rates; otherwise, it couldn't be done. We have a rapidly breaking reducing rate beginning at 6.5 cents per kilowatt-hour, and going as low as 1 cent per kilowatt-hour, with an off-peak water heating rate of 8 mills.

I want to say, in presenting the service to the people, this company sold the largest number of refrigerators of any company in the United States, regardless of size; the second largest number of ranges; we sold the largest number of water heaters of any company in the United States, regardless of size. And taking all appliances of every kind in dollar volume, we sold the second largest amount of any company during the year 1934.

It would not be proper to turn over for distribution the electric current developed at this project or to any other distributor who charges excessive rates or who gives inadequate or poor service or who was unresponsive to popular need. Now, if, however, it can be used at reasonable rates widespread over the State by a responsible distributor who will give adequate and decent service, then there can be no objection. We could immediately take a large part of this power and we could rapidly take the rest of the power, and that power would be distributed over the widest area—wider than it could be in any other way, and it could absorb the secondary power. I seriously question if it could be absorbed in any other way without duplicating our facilities and system, and I question if it could be absorbed even then in any other way besides this way.

The company controls 40,000 acres of land necessary for this development. If a reasonable arrangement could be made somewhat similar to the Boulder Dam arrangement, we would, of course, be perfectly willing and ready to put into the pot the land at a reasonable price, based upon its cost.

Now, as I get this situation, they want improvement for navigation, which would be of inestimable benefit to shippers of the section. They want additional protection from floods, which would be extremely beneficial. They want prevention of soil erosion; nothing could be more desirable. They want adequacy of electric supply. They want reasonable rates, which is perfectly proper. But, they want the work done now. And if the Government wants the work done now, and the people care to get it done now, this company is willing to aid by cooperation and the use of the power. I do not demand that we distribute it. I merely say we have the facilities and the market and are willing to do it if you wish. Of course, if it were to be used in destruction of our business and property nobody could expect us voluntarily to surrender the property or promote our own destruction. But if it is to be done in coordination, we would put the property in the pot and immediately begin to assist. In no other possible way could it be brought about as speedily or effectively as by this method. I would like to say also that our plan of absorbing the power is based upon the continued control of the market. We lie outside the Tennessee Valley, but if the TVA or the Santee-Cooper is coming in here we would have one Government project competing with another Government project, and naturally we couldn't absorb the power of all of them or even of Clark Hill if one or both of the others are to take over all or any substantial portion of the business. If municipalities here and there take away the congested business of the city, they lessen our ability to absorb from any source. In that connection, our business is a State-wide business with a uniform price everywhere, and we arrive at that cost by an average. Everybody knows that in the center of a congested city, the customer costs are less than in the sparsely settled country district. We use the business of the city to arrive at an average price and give that average to outside territory. That is the plan here, and that is the plan President Roosevelt is commending in highest terms. A little more that the city might have to pay makes it possible to carry the service into the rural sections at low rates too. The only way this can be done is by averaging the cost. And this is to the interest of the city as well as of the country. Take the city of Augusta, for illustration. It cannot live upon itself. It is dependent upon its trade territory around about. If the city of Augusta is to prosper, its trade territory must prosper also. It is concerned that the smaller places and the country districts shall have their well-being, their comfort, and their prosperity fostered and built up. If the electric service shall be supplied to this territory at a reasonable price as they are that it should be supplied to the city of Augusta itself at a reasonable price. If, on the contrary, the city of Augusta withdraws its business in the hope that it might get a little less rate for its own citizens, but to that extent it places a handicap on the territory from which it draws its trade, and whatever it might gain in this way, if anything, would be at the expense of the trade territory on which it is dependent for its own prosperity.

I state again that company information, records, men, and engineers are at your service. Any information we have will be available to you. If you examine our records, which I hope you will, and if you find that the best way to bring this about and to assure the economics of the project is by the distribution of the power through existing agencies, you will find us most cooperative in forwarding the project. But, regardless of what plan you may finally recommend, we stand ready to cooperate to the fullest extent in making available to you any information we may have which you may think pertinent to your investigation.

I would like to say, furthermore, that our rates are regulated by the Georgia Public Service Commission. If they do not set the rates low enough the Governor kicks them out and puts in another commission. In addition to this, we have recently come under the Wheeler-Rayburn bill and the Federal Power Commission sort of looks after us a little, and there is not much chance of our running away with high rates and improper costs in the future, even if we should want to. This being the situation with our rates and service, what more can anybody do—Government, municipalities, or private companies? What more could anybody else, in honesty, do? And that is what they will get from this distributor of electricity. The only other objective would be to injure the existing company, and I am sure you don't want that. I am sure the Government does not want it. I do not think you, or the United States Congress, or the Federal administration, just for the sake of injuring or destroying someone else or his property, believes in injuring anybody or destroying anybody. Certainly, in this case I do not think this company deserves to be injured or destroyed, nor do I think it necessary in the public interest.

I hope you will act favorably on the project.

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a statement prepared by Wingfield and Henkel, engineers, in connection with a report on the business and properties of the Greenwood County Electric Power Commission, of Greenwood, S. C., commonly known as the Buzzards Roost development; also a financial statement showing a summary of annual gross electric revenues, operating expenses, net operating revenues, and total utility operating income available for debt service expense. This statement shows the huge income which has come to the people of Greenwood County and the adjacent counties.

I also ask unanimous consent to have printed in the RECORD a statement relative to the South Carolina Public Service Authority, also known as the Santee-Cooper development, showing that at this time there is $2,858,204 unincumbered in the contingency fund and the interest fund, over and above current interest requirements.

These public-power developments in the Carolinas, which we were able to obtain through the Congress of the United States under the old PWA, have more than earned their way. There are huge sums of money on hand in addition to the interest requirements. Further, electric rates were greatly reduced through these two State agencies which were built with the aid of Congress by means of the agency of PWA.

In closing, I again wish to remind the people of the Carolinas that despite the statements that there would be no sale for the electricity and despite the statement that the Government was throwing away its money, the Government has been paid every dime of interest on every bond that has been issued, and today we have huge reserves because of the public power program espoused by the great beloved President Roosevelt.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina?

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *June 25, 1946.*

STRANAHAN, HARRIS & CO., INC., AND ASSOCIATES,
New York City, N. Y.

GENTLEMEN: In accordance with your instructions, we have investigated and prepared the accompanying report on the business, properties, and operations of the Greenwood County Electric Power Commission, of Greenwood, S. C., for the period 1942 through 1945, and on the proposed additions to the present properties and business after completion of such additions on or about December 31, 1947.

The report includes a narrative of the development of the properties and character of the business done, an analysis of the historical and present operations and earning power of the properties, a general description of the properties, a value of electric plant in service, and a digest of the rates and wholesale power contracts. It contains a study with estimates of future fixed capital requirements and estimates of the probable future growth of the business and earnings after the proposed steam electric-generating capacity has been installed.

In order to relieve the existing overloaded conditions on the system generating plants and provide for the immediate future growth of the business, the commission proposes to increase its present 6,000 kilowatts of steam electric-generating capacity by installing a 10,000-kilowatt steam turbo-generator unit, together with a 130,000-pound-per-hour steam boiler, coal-handling equipment, and all necessary steam and electric auxiliary equipment. The equipment will be housed in building extensions to the present turbine and boiler rooms. The plans provide for additions to the present main substation and certain additions and improvements in transmission and distribution substations. It is estimated that the cost of these additions and improvements may require an expenditure of $1,500,000. This estimate includes $250,000 as an over-all contingency in event the escalator provisions of the purchase contracts become effective.

The undepreciated fixed capital of the plant in service after giving effect to the estimated total cost of additions and improvements would be as follows:

Electric plant in service as per books Dec. 31, 1945	$5,139,315
Estimated additional fixed capital requirements	1,500,000
Total estimated fixed capital starting Jan. 1, 1948	6,639,315

Our analyses of the annual gross electric revenues, operating expenses, net operating revenues, and other income for the 4-year period, 1942–45, and for the future operations starting with the year 1948, after completion of proposed additions and improvements, developed the following total utility operating income available for annual debt service expense:

Item	Average of 4 years, 1942–45	Year, 1945	Starting year, 1948
Gross electric revenues	$498,983	$524,925	$682,275
Operating and maintenance expenses	209,938	251,927	347,700
Net operating revenues	289,045	272,998	334,578
Other income (rents)	406	418	418
Total utility operating income	289,451	273,416	334,933

The estimated increase in electric revenues of $157,350, after installation of the additional generating capacity, is based upon an increased customers' demand of approximately 5,000 kilowatts, with an annual consumption of 24,000,000 kilowatt-hours. These increases are confined to the commission's present customers. However, the operating superintendent estimates that there is a potential market in addition to these customers, such as the Newberry Cotton Mills, city of Clinton, and the Kendall Mills, whose aggregate demands and consumption would be equivalent to estimated increases for the existing customers. Such potential market furnishes a margin of safety in the event the market projected for the present customers is not fully realized.

The estimated increase in operating expenses of $95,773 is affected by the increase in the amount of steam generation required to serve the projected markets, higher pay rolls and administrative and general expenses, and increased maintenance expenses for production, transmission, and distribution plant. While the present properties are comparatively new and are in a good state of repair, it is our judgment that the future operation of the properties will require higher maintenance expenditures.

In our opinion, the estimated total utility operating income of $334,933 available for annual debt service expense should be attainable by reason of the potential market, the high quality of service rendered, and the fact that the commission's wholesale municipal and industrial rates compare favorably with published utility wholesale rates in the area.

Respectfully submitted.

WINGFIELD & HEINKEL, INC.,
K. S. WINGFIELD, *President.*

Summary of annual gross electric revenues, operating expenses, net operating revenues, and total utility-operating income available for debt-service expense

Item	Average of 4 years, 1942–45	Year, 1945
Gross electric revenues	$498,983	$524,925
Operating and maintenance expenses:		
Production	188,265	231,801
Transmission	3,217	2,945
Distribution	1,463	1,251
Administrative and general	16,993	15,930
Total operating and maintenance expenses	209,938	251,927
Net operating revenue	289,045	272,998
Other income (rents)	406	418
Total utility operating income before depreciation	289,451	273,416

South Carolina Public Service Authority, miscellaneous data

Total authorized bond issue		$30,000,000.00
Bonds unissued		2,926,000.00
		27,074,000.00
Less amount retired		209,000.00
Present outstanding bonds		26,865,000.00
Cash reserves (not encumbered):		
Contingency fund	1,857,333.22	
Interest fund over and above current interest requirements	1,000,871.86	
Total		2,858,204.08

Amount reserved in sinking fund for bond retirement as of May 31, 1947, $243,400.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Inter-

state Commerce Act with respect to certain agreements between carriers.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hill	O'Conor
Barkley	Hoey	O'Mahoney
Brewster	Holland	Pepper
Bricker	Ives	Reed
Bridges	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Bushfield	Johnston, S. C.	Robertson, Wyo.
Butler	Kem	Russell
Byrd	Kilgore	Saltonstall
Capper	Knowland	Smith
Chavez	Langer	Sparkman
Connally	Lodge	Stewart
Cooper	McCarran	Taft
Cordon	McClellan	Taylor
Donnell	McFarland	Thomas, Okla.
Downey	McGrath	Tobey
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
George	Maybank	Wiley
Green	Millikin	Wilson
Gurney	Moore	Young
Hatch	Morse	

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. MOORE. Mr. President, the most convincing argument in favor of the pending bill is the support it has received. During weeks of hearings in the last Congress and in this one, on both the House and Senate sides, not a single shipper, who pays the freight, appeared to oppose the bill. I know of no transportation bill within my experience that has been considered by Congress that has had such unanimous support by those affected. Witnesses from shipper organizations, representing literally millions of individual shippers from every section of the country, testified for the bill, including organizations of farmers and businessmen alike. The only real opposition offered to the bill was the joint resistance of the former Governor of Georgia, who brought an original action in the Supreme Court against eastern and southern rail carriers, and the Department of Justice, which has a suit pending against certain western carriers at Lincoln, Nebr. Their opposition was supplemented to some extent by Henry Wallace, then Secretary of Commerce, and one or two other witnesses representing almost negligible minorities.

Mr. BRICKER. Mr. President, will the Senator from Oklahoma yield?

Mr. MOORE. I yield.

Mr. BRICKER. Does the Senator from Oklahoma mean to infer that the then Secretary of Commerce, Henry Wallace, has a negligible following?

Mr. MOORE. No; I did not so intend.

Mr. BRICKER. The Senator applied that statement only to the other witnesses?

Mr. MOORE. That is all. I do not hold that he has a negligible following. There are some who fear that he has too much of a following.

There is a very practical business reason why the bill has had this unprecedented shipper support. The rail transportation system of this country is one of the most complex business enterprises of the Nation. Without an opportunity for carriers to set up procedures by which connecting carriers may work out nondiscriminatory and reasonable rates between points of origin and destination, and to work out procedures for the performance of service and coordinating schedules, it is obvious to the most casual observer that chaos will follow.

It should be thoroughly understood that the proposed legislation would authorize only those agreements between carriers which are clearly proper and are not in any way contrary to the purposes and objectives of the antitrust laws. It would permit only such agreements as are expressly found by the Commission to be appropriate for the proper performance of service to the public and which meet the standards set up in the bill, namely, first, that they do not unduly restrain competition and, second, are consistent with the public interest as declared by the Congress in the national transportation policy.

It should be remembered that the agreements provided for in the bill are essentially agreements on procedure by which rates may not be raised or lowered without notice to competing carriers, or that services, or types of equipment, or schedules may not be altered, changed, or discontinued until proper notice has been accorded to the competing and connecting carriers. In effect, the bill creates a medium by which information as to the operational practices of competing carriers may be disseminated, thus making it possible for all carriers affected to accommodate their practices to changing procedures.

For more than 50 years rate conferences have been in use by the railroads in order that our complex system of rates may be coordinated, that time schedules may be worked out, and that services may be unified. They have proved satisfactory to the shipping public, to the Interstate Commerce Commission, and to the State regulating authorities. The efficiency of the rail transportation system in America is a tribute to and a recommendation of this long-standing procedure. It was not until the railroads of the country were being called upon to perform almost superhuman tasks during the early days of the war that the Antitrust Division of the Department of Justice undertook a campaign of harassment and interference against the railroads and motor carriers. It has been the considered judgment of many competent lawyers, since the enactment of the Transportation Act and the creation of the Interstate Commerce Commission, that the provisions of the antitrust laws should not be applicable to this highly regulated industry. Two reasons dictated this conclusion—first, the railroads are public utilities, operating wholly within the supervision and direction of the Government under and through the orders of the Interstate Commerce Commission; and, second, the Transportation Act, by its very terms, precludes operations and excludes agreements and conspiracies that are, in fact, made illegal under the antitrust laws.

However, during the critical days of the war the Department of Justice took steps to test out in court its new conception of the antitrust laws, notwithstanding the hazards of placing the war effort in jeopardy. The Army, the Navy, and the Office of Defense Transportation, realizing that the ill-timed efforts of the Department would seriously affect the war effort, intervened and prevailed upon the Antitrust Division to cease and desist. At the instance of the Army, the Navy, and the ODT, the Chairman of the War Production Board, acting under provisions of existing law, issued certificate No. 44 declaring rate bureaus and similar carrier organizations to be requisite to the prosecution of the war and making it improper to commence civil or criminal action with reference to any such bureau. Thereafter, in the spring of 1943, Senator Wheeler introduced Senate bill 942 and hearings were had in May and June of 1943. However, those hearing were never completed. It was assumed that the provisions of Certificate No. 44 would obtain until after the war and the legislative problems could be solved at that time. Shortly after those hearings were discontinued, the Department brought on for trial, in the Federal court at Denver, an indictment against various truck lines for having participated in the operation of so-called rate bureaus prior to the time Certificate No. 44 was issued. The case was tried before a jury and resulted in acquittal of all those charged. During 1944, two civil suits were begun, involving the same question. The Department of Justice brought an action in the United States district court at Lincoln, Nebr., against the western railroads, and the State of Georgia filed an original suit in the United States Supreme Court against eastern and southern railroads. How these suits could have been brought, in the face of the plain terms of Certificate No. 44 and the law under which the certificate was issued, is something that I am unable to understand.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MOORE. In a second, please.

If they are not with reference to such bureaus, then, of course, these suits will not be affected by the adoption of the pending legislation, as has been argued by the Senator from Georgia.

I am now glad to yield to the Senator from Georgia.

Mr. RUSSELL. I do not clearly understand the contention of the Senator from Oklahoma. Does he contend that certificate 44 would be binding on the State of Georgia to prevent bringing any kind of an action to protect the rates charged its citizens? It would be rather unusual if action of this kind could deny the right of a sovereign State to protect its citizens. It might have some effect on the Lincoln, Nebr., case, but certainly, to my mind, it could not bar a State from seeking redress in the courts of the land.

Mr. MOORE. Let us assume that the State of Georgia did have the sovereign right to protect its interest—and I am not saying that it does not have that right—but Certificate No. 44 was agreed

upon by all the departments interested in the prosecution of the war. It might seem untimely for the State of Georgia to undertake to bring suit; I am not saying it was; but certainly the point I want particularly to stress in connection with the argument made by the Senator from Georgia is that the suit filed by the State of Georgia in which the Supreme Court has original jurisdiction could not possibly be affected except as to rate bureaus. As I have understood the argument all the way through, the opponents of this measure do not object to the establishment of bureaus, but they do object to the bureaus, as established and when established, doing things that run counter to the antitrust laws of the United States. No one is defending that. No one is saying that they ought to be exempt from violation of the antitrust laws. Our contention is that what the bureaus have been doing for the past 50 years as these conferences have grown up has never been regarded as being in violation of any antitrust law, because none of the agreements with respect to rates can become legal and binding on any railroads or shippers unless approved by the Interstate Commerce Commission, which is a Government body.

Mr. RUSSELL. Mr. President, the whole purpose of the bill, and I think it was generally conceded, is to immunize the railroads and their freight bureaus from prosecution or civil actions under the antitrust laws. If they have not violated the antitrust laws, there is certainly no reason for introducing the bill.

Mr. MOORE. I will say to the Senator from Georgia that there is not any intention through this bill to immunize railroads from prosecution for violation of the antitrust laws, but it does immunize them from suits brought by the Department of Justice for doing things which it has been contended, and successfully in the past few years, have not been in violation of the antitrust laws. As the situation stands today, the railroads and the conferences which operate in connection with the making of rates are afraid of prosecution. I think it is perfectly plain that the Department of Justice has proceeded from a political angle and brought suits to harass the railroads, as has so often been done throughout the whole program of the New Deal administration. That is not in my prepared statement, I will say to the Senator.

Mr. RUSSELL. I do not intend to debate with the Senator the merits or demerits of any portion of the New Deal. I am primarily concerned with the case brought by the State of Georgia. I am also interested in the Lincoln, Nebr., case, because I favor the prompt equalization of freight rates throughout the entire country.

Mr. MOORE. If the Senator will permit me, I think he will recognize the fact that I am in accord with him regarding the determination and curing of such inequalities as soon as possible, if there is such a thing as discrimination in freight rates. I think the Senator from Georgia and other Senators from the West and South have made considerable study of this subject. I am in favor of providing a remedy for discriminations. I am certainly not in favor of discrimination by one section as against another.

Mr. RUSSELL. I am glad to hear the Senator say that, and I am sure it is true. I do not have the figures before me, but I think there has been considerable discrimination in the rate structure of the Nation and against the State of Oklahoma. However, the Senator and I differ on the necessity for this bill.

Under the present state of facts two lawsuits are pending. They are not criminal prosecutions, but civil actions. These suits might determine exactly how far the railroads might go without violating the Antitrust Act; but before determination is made in those two cases, the action of Congress is now asked to throw a cloak around the railroads in anticipation of some imaginary prosecutions which have not been filed.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. MOORE. I want to make just one suggestion to the Senator from Georgia. I listened very carefully to what he said, and I think he made a very able presentation of his opposition.

Mr. RUSSELL. I thank the Senator.

Mr. MOORE. I have had the opportunity, I will say to the Senator from Georgia, of listening to testimony from various interests which would be affected by this proposed legislation. As I stated at the opening of my remarks, I have never seen any legislation that had such uniform support as this legislation seems to have had, in my judgment, from all parties that seemed to be affected by it.

I yield tc the Senator from New Hampshire.

Mr. TOBEY. Let me point out to the distinguished Senator from Georgia that the situation of the railroads, as far as this whole picture goes, will not be prejudiced or changed one iota if they should now withdraw this attempt, which is ill-conceived in my judgment, and let the courts speak on the matter. The Department of Justice is content to let the matter abide with the courts until a decree is rendered.

On the point of the Senator from Oklahoma that he is impressed by the uniformity of the expressed opinion, I do not think he was privileged to be here—I say "privileged," because he might have learned something—when I was speaking about the process by which this uniformity has been achieved—through chambers of commerce, women's clubs, school children, shipping bureaus, and trade associations. There is the answer; there is the modus operandi. The result is the degree of uniformity which is purchased through the machinations of the Association of American Railroads, taken from their own records, as to how they operate. Before God, it smells to Heaven.

Mr. MOORE. I am very glad to have that contribution from the Senator from New Hampshire.

Mr. TOBEY. I am glad the Senator is glad to have it.

Mr. MOORE. I listened to what the Senator from Georgia had to say yesterday with reference to the verity that ought to be attributed to what he called propaganda. I am sorry to see the Senator from New Hampshire leaving the Chamber, because I want to say that if there was any propaganda submitted to the members of the Committee on Interstate and Foreign Commerce I was not aware of it.

The Senator from Kansas introduced statements which were made by various organizations, and the Senator from Georgia made considerable light of them because of the ease with which such statements can be procured. I agree with him, and I would not enter into a controversy with the Senator from Georgia in regard to how easy it is to get a chamber of commerce or a Rotary club to make such statements.

Mr. RUSSELL. Mr. President, if the Senator will yield, let me say to him that my comment on that matter was mild indeed compared to the strictures of the Senator from New Hampshire [Mr. TOBEY] today, who, quoting by line and verse, showed how that propaganda was organized. The comment I made yesterday was for the purpose of showing generally how such activities are organized.

Mr. MOORE. I am sorry I did not have an opportunity to listen to the strictures of the Senator from New Hampshire on that score.

Mr. TOBEY. Mr. President, if the Senator will yield to me, I should like to say that if it is not asking too much of him, I make the specific request that he take time to read them tomorrow morning, and then I shall take time to answer on these points.

Mr. MOORE. Certainly. Perhaps I shall do so this evening.

Mr. TOBEY. I thank the Senator, although I do not believe they will be available this evening. But he will be able to read them tomorrow morning.

Mr. MOORE. I thank the Senator.

Mr. President, the questions raised by the pending suits have a far greater significance than the successful prosecution of the carriers involved or the political ambitions of anyone who seeks to gain prominence by prosecuting them. These suits have served to call to the attention of the shippers and the public the serious nature of the contention being made by the Antitrust Division of the Department of Justice as to a new judicial construction which it believes should be placed upon the antitrust laws, and have aroused the public to a realization of the serious consequences which would result. In effect the responsibiilty for the railroads and the operation of our transportation system, the procedures involved, and the effects to be accomplished, would rest in the Antitrust Division of the Department of Justice because of its right to bring prosecutions under the antitrust laws, if its theories of the application of the antitrust laws to this regulated industry were sustained. Conversely, the powers and authorities vested in the Interstate Commerce Commission by the direct action of the Congress would be weakened and destroyed, because the Commission would know that its actions regarding the operation of the railroads, the administration procedures of the carriers, and the effects to be accomplished under the orders, rules, and regu-

lations of the Commission could be superseded by the mere conclusion of the Department of Justice that some such operation, procedure, or result violated the antitrust laws.

To refuse to pass this proposed legislation could very well result in seriously impairing the long-standing traditional authority and administrative power of the Interstate Commerce Commission, because our refusal to act would be a tacit approval of the theory of the Antitrust Division of the Department of Justice that its interpretation of the antitrust laws was superior to the administrative decisions of the Commission.

Mr. TOBEY. Mr. President, inasmuch as the Senator from Oklahoma has made the declamando statement that the refusal to enact this law would seriously hamper the functions of the Interstate Commerce Commission, let me point out, if he will yield to me, that there is a higher tribunal than that, namely, the judicial branch of our constitutional Government, the judicial system headed by the Federal Supreme Court. If it is true that a refusal to enact this measure would handicap the Interstate Commerce Commission, I say that in greater measure the enactment of this measure would hamper and hamstring the Supreme Court of the United States and the Department of Justice in determining what is in violation of the antitrust laws, which they are pledged to back up and enforce, and have been for 60 years. That would be the greater evil, in my judgment.

Mr. MOORE. The Senator from New Hampshire knows quite well that if the Department of Justice has information that the antitrust laws are being violated, the Department is not precluded from determining the situation in that respect. The Attorney General, representing the Department of Justice, can investigate the orders which have been issued by the Interstate Commerce Commission; and if they are found to be in violation of the antitrust laws, there is no reason why the Attorney General should not proceed to challenge them.

Mr. President, I am quite certain that no Member of the Senate believes there should be a limitation on or revolution of the procedures in regard to the railroads, through the transportation policy which has been announced by Congress, unless the Congress itself announces such a change of policy. In connection with my contention that the Congress is the policy-making body of the Government with respect to the railroads and other industries as well, let me say that if we were to divide the responsibility for supervising the operation of the railroads between the Interstate Commerce Commission and the Department of Justice, charging the Department of Justice with responsibility in that connection only in so far as the railroads violate the laws affecting them, the result would be the creation of a chaotic condition in the transportation system of the United States. I know that no one wishes to have that occur.

The remedy for the great confusion in transportation that has resulted in the action of the Antitrust Division of the Department of Justice is found in this bill.

It is important for us to bear in mind that the effect of this proposed legislation is not to bring about some violent change in transportation, but merely to make certain that practices and procedures which have been developed by the carriers and the shippers through 50 years of experience are valid, and to place those practices under the regulation and complete supervision of the Interstate Commerce Commission. If we fail to act, such failure will, in effect, sanction by default a revolutionary construction of the antitrust laws. Our failure to act on this bill may well invite legislation by judicial decree, which the shippers of the country have unanimously said would result in public calamity and utter chaos.

The enactment of this proposed legislation will not in any manner result in a weakening of the regulations evercised by the Government with respect to the railroads. In the elaborate scheme of regulation provided by the Interstate Commerce Act, protection of the public against the evils of monopoly is accomplished by exercise of the regulatory powers the Congress has placed in the Commission. Rates cannot be rigged by conspiracy or monopoly action, because the Congress has given the Commission full power to regulate rates by standards that have been clearly defined by the courts.

In a regulated industry, competition is a factor which must be considered in a light somewhat different from that in which it is considered in business in general. Competition between carriers, short of destructive competition, is encouraged and is implicit in the operation of the Interstate Commerce Act. To permit freight-rate competition between shippers is obviously destructive discrimination. Every common carrier must, of necessity, serve the public on a basis of complete equality. Every shipper, large or small, pays the same freight rate; and every shipper knows exactly what his competitor pays for common-carrier transportation services. This fundamental concept of public service must be maintained, and it can only be done by preserving the full rights and powers of the Interstate Commerce Commission. It cannot be done by leaving the way open for the Antitrust Division of the Department of Justice to substitute its judgment and authority for that of the Interstate Commerce Commission, which has functioned as a responsible and efficient agency of the Congress for more than half a century in directing and regulating this all-important segment of our national economy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Mr. MONRONEY had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3203) entitled "An act relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes," vice Mr. PATMAN, excused.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

Mr. HOEY. Mr. President, I was a member of the Committee on Interstate and Foreign Commerce during the last Congress, and it was my privilege to hear the testimony in connection with the pending bill. We took testimony for a number of weeks, and the testimony was given by persons familiar with the subject in all walks of life.

I associate myself very fully with all the Senators who have voiced their opposition to monopoly. I have no sort of trouble about convincing myself that I am in line with those who definitely oppose monopoly.

I think there is a very great misconception about the pending bill and about what it provides. The bill does not remove the railroads from under the antitrust law. It does not take away any substantial right of the Government or anybody else to have the antitrust laws enforced. It merely provides that the railroads may continue to do what they have been doing for 50 years, that is, maintain rate bureaus by which they may hold conferences in fixing rates on specific articles to specific places. Without that, I do not see how it would be possible to operate a system by which the people might be given the opportunity to have freight rates established.

What are the facts about the situation, and what are the circumstances depending upon them? A shipper located on a railroad who wants to get a rate for shipping any specific article, to any place or to many places files an application with the railroad on which his business is located, and the first railroad takes it up with the other railroads. Suppose there were not a rate bureau. He himself would have to take the matter up with half a dozen different railroads in order to procure a rate to be fixed by the railroads on the product which he wishes to ship. Instead of all that trouble, he lets the railroad on which he is located file the application, and that railroad becomes his representative. It wants to get for him the best rate possible, and it takes the matter up with the rate bureau, and every railroad over whose lines the shipment would go is consulted. The railroads discuss the matter, and finally they agree upon a rate. Then, when the rate is agreed upon, everyone is notified, and those who are engaged in shipping similar goods from other points also have notice of it. Then the rate is certified to the Interstate Commerce Commission; they examine it; hold it open for 30 days, and if anyone has any objection, he can still file objections to the rate. If the Interstate Commerce Commission think it is a fair rate, at the expiration of 30 days they put it into effect and advertise it, and then the individual can ship the commodity in which he is interested and he has the benefit of the rate.

Suppose we abolish this procedure. What will be supplied to take its place?

How will shippers be able to get a rate fixed? That is one reason why, among all the shippers who appeared before the Committee on Interstate and Foreign Commerce, there was not one who came there to oppose this bill, because they realized there would be utter chaos if we did away with this method, the only method by which shippers can obtain rates.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. TAYLOR. If we do not pass the pending bill, will the practice of making these through rates be abolished?

Mr. HOEY. If the practice should continue on the same basis on which it has proceeded for 50 years, the shippers would be liable to action under the antitrust laws. I am coming to that in a few moments.

Mr. TAYLOR. They have been liable before, have they not?

Mr. HOEY. I do not think they should be, and that is what I am going to discuss in a few moments.

Far from the bill taking them out from under the operation of the antitrust law, it does no such thing. It specifically provides that the mere fact that the rate bureaus and representatives of the railroads confer together in order that they may arrive at some just rate shall not be held to be a violation of the antitrust law, provided the Interstate Commerce Commission shall finally approve the rate upon which they agree.

I wish at this time to read a section of the bill for the benefit of those who seem to think the bill opens the door wide for violation of the antitrust laws. This provision of the bill covers that very matter:

> Nothing in this section and no approval of any agreement by the Commission under this section shall be so construed as in any manner to remove from the purview of the antitrust laws any restraint upon the right of independent action by means of boycott, duress, or intimidation.

The practices in which it is alleged the railroads would indulge and the means they could employ in order to fix certain rates are denounced in the bill, and the railroads are made subject to prosecution under the antitrust laws if they engage in that sort of practice. Under the bill the mere assembling of persons to hold a conference and discuss a rate shall not be held to be a violation of the antitrust law, but if there is any duress, any intimidation, if there is any concerted action by which an unlawful measure is undertaken to be put into effect, the antitrust law is still available.

Mr. TOBEY. Mr. President, will the Senator from North Carolina yield?

Mr. HOEY. I yield to the Senator from New Hampshire.

Mr. TOBEY. Referring to a comment of the distinguished Senator about the application of the law to rate making, and so forth, let me present this thought.

The Reed-Bulwinkle bill is substantially the Bulwinkle bill considered in the last session of Congress. In the majority report of the committee, under the heading "Need for the proposed legislation," there were set forth the existing rate bureau and rate conference activities which have grown up during the years and which the committee finds to be essential. The exact language is "The nature of these organizations, and the need for their continued existence and operation," and so forth, would constitute such a directive to the Commission that the entire rate-making machinery, including the Association of American Railroads would, if the Commission carried out the intent of Congress as reflected in these reports, be legalized.

When it is borne in mind that the chief points of attack of the Department of Justice and the State of Georgia is on the over-all rate-fixing activities of the Association of American Railroads, it must be clear that the passage of this bill would render those cases moot.

Does the Senator concur?

Mr. HOEY. No; I do not, for the reason that the action in the State of Georgia is not founded solely on the assembling and the agreement on rates. It is predicated on the existence of coercion or intimidation, which the pending bill denounces.

The difference the Senator has in mind arises from the fact that the original Bulwinkle bill did not contain, as this bill does, the provision which I read a few moments ago. Before the committee last year, when we were discussing the matter, this provision was suggested as being highly desirable so as to make sure that no privilege granted to the railroads could be used to violate the right of shippers by intimidation, coercion, or otherwise, so as to inflict on them unlawful rates. In my opinion, the pending bill does not affect in the slightest the case in Georgia, nor does it affect in the slightest the case in Nebraska.

Mr. TOBEY. Does not the Senator appreciate that the Interstate Commerce Commission, under the proposed legislation, would sanction rate conferences or rate conventions, but that the specific rates which came out of them would not be under their control? Does he not also realize that the most important rates are the rates that never see the light of day, because by suasion and other means these things never see the light of day, never get to the Interstate Commerce Commission? That is where the power of the great railroad corporations comes in, and they apply it.

Mr. HOEY. Let me say to the Senator from New Hampshire that there can be no rate promulgated until the Interstate Commerce Commission approves it. What he is saying could not possibly happen, because the bill goes far beyond the present law in that it gives to the Interstate Commerce Commission the right to regulate and to control and to prescribe regulations for rate bureaus. It can make the rate bureau responsive to whatever it says shall be done; that is the provision of the bill.

Under the present law, they cannot do that. Under the present law, the Interstate Commerce Commission has no control over the rate bureau except that it passes upon whether or not it will put into effect the rates prescribed or fixed and approved by the rate bureau. The pending bill goes to the extent of giving the right to say what regulations shall be adopted, what plans shall be followed, what courses shall be pursued, and they can revise the whole matter.

Mr. TOBEY. The Senator realizes that millions on millions of rates never come to the attention of the Interstate Commerce Commission.

Mr. HOEY. They cannot become effective until they do.

Mr. TOBEY. They do not come to them until there is some complaint about them. Did not the Senator hear the statement I read this morning?

Mr. HOEY. Yes, sir; I did.

Mr. TOBEY. Did he not hear the indictment, out of the mouths of the Association of American Railroads, of their nefarious modus operandi, whereby they try to influence people?

Mr. HOEY. I heard what the Senator read.

Mr. TOBEY. Does the Senator take my word for it that that came from the hearings conducted by former Senators Wheeler and Truman, and was based upon the testimony of the Association of American Railroads and their files? I give the Senator my word for it.

Mr. HOEY. I do not question the Senator's word at all.

Mr. TOBEY. If that be true, then the Senator certainly cannot, knowing it as I do, feel much in common with a crowd that plays the game on that lower level; and that is the crowd that is behind the pending legislation, seeking to put it across on the American people.

Mr. HOEY. I may say to the Senator that I am not in sympathy with any group that undertakes to do anything dishonest, any more than is the Senator from New Hampshire; but, because somebody, at sometime, has undertaken the task of putting over a rate, does not begin to discount the management and the integrity and the high purpose of the people who control the railroads in this country.

Mr. TOBEY. Let me tell the Senator an incident that happened downstairs just now. Mr. President, will the Chair bear with me if I say something out of order, but which nevertheless is true? I was dining downstairs with a daughter of mine when a Department of Justice man, a friend of mine, came to me and said, "Sir, I appreciate the factual statement you made about the operations of the Association of American Railroads, in connection with their corrupt practices. May I tell you that, sitting behind you, are three railroad lobbyists, one of whom called you a — — — —, and another of whom said you ought to go to hell. They consigned you to hell, and they attacked you all the way through." I asked him, "Where are they?" He pointed them out to me. I got up and walked to their table, and said, "My compliments to you, gentlemen." I said, "I understand you called me a — — — —, and consigned me to hell, and made other statements about me." I said, "This is a free country—you have a right to make any statement you want, but let me say to you that what I read this morning, which you did not like, was your own statement of your own factual wrongdoing, out of your own records, under the Wheeler and Truman leadership, and," I said, "you are crooked, sirs, from top to bottom, and

you played the game that way. Now, I subside, because I still want to be a gentleman and hold my temper." I walked away. I wanted the Senator to know that, and I want the RECORD to show it.

Mr. HOEY. I am very glad to have the Senator make this statement. I said a few minutes ago, I do not undertake to defend anybody who resorts to such unfair or dishonest practices. I think the Senator will find some people in the railroad business who engage in practices of that sort, but I want to say that I know the railroad people in my State. They are as honorable and as high-toned men as are to be found engaged in any other kind of business. While one may find certain people who resort to the kind of practices mentioned by the Senator, I do not believe that is common practice among the railroad people of this country. I know, in my State, those who constitute the railroad people, both those who work for the railroads and those who operate the railroads. As a general proposition, they are men of high character and of ability and integrity, and they would no more resort to dishonest practices than would people engaged in other avocations or other callings.

Mr. TOBEY. Does the Chesapeake & Ohio Railroad operate in the Senator's State?

Mr. HOEY. It does not.

Mr. TOBEY. I now hand the Senator certain figures. Here is the greatest empire that ever existed in the United States of America. This is the railroad empire, a member of the Association of American Railroads. Ponder it well. Look through it. Find in all history another empire of such scope. Read in connection with that the statement made this morning, out of their own minutes. Note the committee of directors, sitting at 40 Wall Street. That group of directors have supreme power. There is no recourse from their decisions, there is no hearing, no appeal. The edict goes out. There are several other instances where they have supported with strong argument—and what a strong argument—the impeding of progress and the crippling of little business in this country. In order to be courteous, I pass it to the Senator, and he may look it over. It is a huge empire. Few people have any conception of its ramifications. It is too much power to have in free America, and no agency like that, with its far-flung empire, can function in the interest of little men, in my judgment. The very fact that it exists denotes power—and what power, and what intrigues, and what methods.

Mr. HOEY. Since the Senator from New Hampshire has delivered himself of that statement; I want to ask how the Senator would remedy that situation? The Senator is talking about something that is not involved in the pending bill, and that has no connection with it.

Mr. TOBEY. No; I beg the Senator's pardon.

Mr. HOEY. The pending bill has no relationship to the evils of which the Senator complains. There is not anything in the pending bill that will change in any sort of manner the financiers, when they get together to confer. There is not a single thing in the bill that refers to the matter of which the Senator from New Hampshire is talking. The remedy is a different matter entirely. I join with the Senator in asserting the right against the people who control the railroads and the rates of this country. I have been identified with a movement in North Carolina and in the South, undertaking to obtain just and fair freight rates for my section, as well as for the western section. I join the Senator is assailing all improper practices, and I have assailed them; but the pending bill does not deal with that. It has no relation to it. The discussion in which the Senator is engaging is far afield from a consideration of the pending measure.

If I may point out just a few things further, I should like to discuss the matter, and I do not intend to talk too long. I want to relate briefly my experience with the freight-rate situation. I was Governor of North Carolina when the southern Governors first considered the matter of instituting two suits in order to try to obtain fair and just freight rates. We instituted one suit known as the commodity rate case. We instituted another suit known as the class rate case. The southern Governors joined in employing Vance Norman, of Louisville, Ky., one of the great railroad experts of the country. We employed a competent staff of traffic men, and we engineered each suit to a successful conclusion. We won the commodity rate case before the Interstate Commerce Commission, receiving a great deal of relief for shippers all through the South. Again, the class rate case was decided. It had required long hearings, and the case was pending over a period of years. Finally, last year, we won that case before the Interstate Commerce Commission. The case was decided by granting to the South a 10 percent decrease in freight rates, and by adding to those in the official territory. That means the territory to the north and east of the Ohio River.

Mr. TOBEY. The Senator from New Hampshire is fully cognizant of that.

Mr. HOEY. The rates in official territory were increased 10 percent. That made a differential of 20 percent. Our contention had been, and I think justly so, that there was a 39 percent adverse differential in freight rates as against the South. The decision went a long way toward correcting that. I was a member of the freight rate committee of the southern Governors' conference, both when these suits were instituted and when they were tried, as long as I was Governor. The suits have been won, to that extent. We have obtained that relief. We obtained it through the Interstate Commerce Commission. Now, may I say to the Senator that in all the years in which the people of the South have been trying to secure just and fair freight rates, they could resort only to the Freight Rate Bureau, acting with the approval of the Interstate Commerce Commission. We have applied to the Freight Rate Bureau, that the Senator and I have been talking about destroying. We have been able to get consideration, through which we have obtained reasonably fair freight rates. It is the only tribunal, the only forum to which the shipper could go, the only place he could obtain relief. If that is destroyed, as it would be destroyed, if the prayer of the petitions were granted to abolish it and disband it, and to nullify it, we would have nowhere to go to get freight rates. Now, the only other place we can go is to the Interstate Commerce Commission. The Interstate Commerce Commission may be imperfect in many respects. I think it has been slow about many things, and yet that is the only tribunal that has been able to give us any relief. It is the only one that can give relief to any shipper in America. All that the Senator is saying about this great group of financiers controlling the railroads has nothing in the world to do with the pending legislation.

Mr. TOBEY. Oh, yes.

Mr. HOEY. It comes down to the adjusting of rates, the determining of facts, and to having some sort of means of reaching an agreement. The Interstate Commerce Commission is the court of last and final resort. No rate can be fixed by the Bureau unless it is approved by the Interstate Commerce Commission, and that is the place we must go to have it approved. It is the only place Congress has provided that we can go. That is the only forum. It is the only agency. It is the only part of Government that has any authority to fix freight rates. Now, let us come to another thing.

Mr. TOBEY. The Senator would not want to yield right at that point, would he?

Mr. HOEY. I will yield, if the Senator requests it.

Mr. TOBEY. Would it be more agreeable to the Senator if, by way of colloquy, we take it up seriatim?

Mr. HOEY. I yield.

Mr. TOBEY. Answering the Senator's specific complaint, let me point out, in a general way, this empire, which I so elucidated and which will be apparent to every Senator, has a very definite part in this case. In fact there is no place where that line, with that long arm, does not reach, either to the West or to the East.

Mr. HOEY. I will say to the Senator, if he gets ready to break up the empire, I will join him, but I did not want the Congress to break up the one agency from which we could obtain fair freight rates.

Mr. TOBEY. And we who oppose this bill have no objection at all to the sovereignties sitting down and making rates. That is the necessary part of the thing. But what we do insist is that this bill should not come in and strike down the Supreme Court and the Department of Justice, nor any other authority, in the operations and mechanizations of making these rates, and so forth, that transgress the antitrust laws. Then the Department of Justice shall proceed against them. That is what I want.

Mr. HOEY. In reply to that statement let me say that the Senator from New Hampshire knows that the mere meeting together on the part of representatives of railroads to agree upon anything can be brought as an action under the antitrust laws.

Mr. TOBEY. I do not believe the Senator can mention any such action which has been brought.

Mr. HOEY. Such action was brought by the Government. The Government lost the case, the jury acquitting the defendants. The Government, however, brought such a case.

Mr. TOBEY. That is not the function of this bill at all, I will say to the Senator.

Mr. HOEY. The bill would take away every single thing in the nature of vice, and would merely leave the right to the representatives of the railroads and the rate bureaus to meet and confer together with reference to fixing rates.

Mr. TOBEY. That is correct.

Mr. HOEY. And then a rate does not become effective unless approved by the Interstate Commerce Commission. Let me add, that every person, regardless of who he is, has a right to be heard. The bill provides specifically that the Attorney General shall have the right to be heard both concerning any rate which the Interstate Commerce Commission has already fixed, or any rate which it may fix, and before such rate becomes effective there shall be a period of 30 days within which anyone can come forward and point out any objection to the rate. What can be fairer than that? What is there of vice in merely permitting the railroads to get together to see if they can agree on a rate to be submitted to the Interstate Commerce Commission? That is all the bill would do.

Mr. TOBEY. Yesterday on the floor of the Senate—and I was not privileged to be present because of illness in my family—a Senator, I think it was the Senator from Maine [Mr. WHITE], asked the question:

Is section 5 relating to mergers, consolidations, and acquisitions of carriers precedent for this bill?

This bears specifically upon the second paragraph. My answer to that question is:

The origin of section 5 was to permit consolidations of railroads into systems to save the weak carriers by combining them with strong carriers. This was provided in the Transportation Act of 1920. These transactions were comparatively few in number and every detail could be considered and reviewed by the Commission. This section was extended to the motor carriers in 1935 and water carriers in 1940.

The Reed-Bulwinkle bill is of an entirely different nature. Its anounced purpose is to provide the means of extending immunity from antitrust laws to every activity of every form of land and water transportation.

Then this paragraph, answering the Senator from North Carolina:

The wide sweep of the bill can be noted by reading section 2 thereof. The Senate will note that agreements relating not only to rates can be exempted from the antitrust laws, but agreements regarding the arrival and departure of trains, the routes, the interchange of physical facilities, the settlement of claims, the promotion of safety and then finally, a catch-all phrase, which includes everything, "the promotion of adequacies, economy or efficiency of operation and service."

So all those matters come within the purview of the bill. Not only rates, but safety devices and trains and services—all come under the purview of the bill.

Mr. HOEY. It specifies exactly what is included. It leaves nothing in doubt. Now what is the objection to letting the railroads confer about safety devices? What is the objection to letting them discuss matters of schedule?

Mr. TOBEY. There is no objection, unless when they get together the big fellows say, "You cannot have that and the other in the interest of all the railroads," and put a stopper on it. Then that is a combination in restraint of trade. That is a breach of the antitrust laws.

Mr. HOEY. Yes, and actions to stop such proceedings are open to the Government.

Mr. TOBEY. But why take away from the Department of Justice the right directly to prosecute as the Department does now?

Mr. HOEY. It does not take that right away from the Department.

Mr. TOBEY. Then what is the Senator's objection to the Department taking such action?

Mr. HOEY. My objection does not go to taking away such a right from the Department.

Mr. TOBEY. But the bill would take it away from the Department.

Mr. HOEY. No.

Mr. TOBEY. I cannot agree with the Senator. We have different interpretations of the bill.

Mr. HOEY. The bill is just about as plain as it can be made. It provides:

Nothing in this section and no approval of any agreement by the Commission under this section shall be so construed as in any manner to remove from the purview of the antitrust laws any restraint—

That is what the Senator from New Hampshire is talking about—

upon the right of independent action by means of boycott, duress, or intimidation.

The very language of the Senator is applied to the pending bill to contradict the position the Senator has taken.

Mr. TOBEY. I think the Senator will find that language in another part of the bill. I still stand on my contention that the announced purpose and intention of the bill is to provide the means of extending immunity from antitrust laws to every activity of every form of land and water transportation, and, if the Lord is willing, when I speak again tomorrow or the next day, I will give six or seven instances which I think will edify the Senator from North Carolina, and I hope will impress on him that my point was not taken without good foundation.

Mr. HOEY. Mr. President, I always listen to the Senator from New Hampshire with interest, if not with agreement.

As I said a few moments ago, there is nothing in the bill which is adverse to the shipper and to the public. Let us analyze it a little and see if that is not true. I know that yesterday in the discussion which took place on the floor of the Senate a good deal was said about all those who endorsed this measure, and I think the distinguished Senator from Georgia [Mr. RUSSELL] made a very strong point in saying that we all understand how easy it is to induce service clubs and organizations of one kind or another to adopt resolutions. Someone appears before an organization and makes a speech and says, "This is a good bill; we believe it will be of benefit to everyone, and we want you to adopt a resolution favoring the bill," and the organization adopts such a resolution without giving a great deal of consideration to it. I can understand why such criticism would apply to the endorsements made by a great many firms and sometimes by chambers of commerce, but may I call the attention of the Senate to the fact that in every State of the Union an organization set up to represent the shippers, and the organization is a State organization. In my State we call it the North Carolina Utilities Commission. Other States call such an organization a corporation commission. Others call such an organization the railroad commission. But in all the States of the Nation such agencies have been established. They are interested primarily in the shippers. Their business is to look after the shippers' interests. In my own State we have a most excellent utility commission. Three high-grade men, capable, competent, experienced, are in charge of it. They strongly recommend this bill. Not only do they do so, but practically every corporation commission or utility commission that looks after rates in the United States has likewise endorsed the bill. Practically all the State organizations have endorsed it. It is their business to examine into rates. They are not swept off their feet by someone who comes and makes a speech. They are not induced by some representative of a chamber of commerce to endorse it. They go into the matter day in and day out. Of the 10 States in the South 7 have heartily endorsed the bill. None have opposed it.

Let us consider another thing as a very practical matter. Nearly all the large shippers, or those who are able to afford it, have what they call a traffic department in which experienced rate men are employed. Every single shipper who employs a rate man or who knows anything about the bill supports the bill. Why is that? Because they know that the bill provides the only practical means by which they can secure a fair rate edifice and proper determination by the railroads.

Moreover, nearly all the large city chambers of commerce have traffic departments which make a special study of freight rates and constantly deal with them. All the representatives of such organizations throughout the United States are in favor of the bill.

In my own section of the country, which is the South, I was interested in knowing the situation that would develop if we did not have a rate bureau. I desire to read a brief extract from the testimony of one of the best businessmen of the South, a man who does not come from my State but from the State of Georgia. I refer to Mr. William D. Anderson, president, Bibb Manufacturing Co., of Macon, Ga. That company has 10 plants located in the State

of Georgia. Mr. Anderson has had wide experience. He appeared before the committee and said that, of course, coming up through the various channels he had been in charge of the business and knew all about it from beginning to end. He testified to this effect:

I will say that we are very much in favor of the passage of the Bulwinkle bill because of our vital interest in a proper fabric of freight rates from our various mills to all these cities, towns, and hamlets in the United States to which we ship goods. Freight rates are a tremendously important item in the service we have to perform.

These rates must be competitve as between us and other people making goods similar to ours or exactly the same as ours. Our interest is very important and yet at the same time competitive conditions must be maintained. Rates from our place to all these localities must be competitive with rates from the locations of manufacturers who make the same goods, and I cannot imagine how it would be possible for us to successfully do business unless we had a maintenance of the system of making freight rates safeguarded as it is. In other words, without this method of doing it, without these organizations, these freight associations, these committees of railroads that make these rates, work them out and file their tariffs with the Interstate Commerce Commission, I think we would face chaos.

Certainly if this practice should be discontinued by the courts something would have to be substituted therefor, and of course we are quite naturally interested in what possible substitute might take its place. If it were left to us and we made a new line of goods, as we frequently do, or we entered a market we had not been serving and we wanted a rate established from one of our mills in Georgia, say to San Francisco, or to Seattle, or to Boston, or to Portland, and we had not this method open to us for establishing that rate, we would be I think in a bad predicament.

Let us say, for example, that such a shipment had to move over five railroads from our mill to destination. If the traffic men representing these railroads could not confer and work out a well-balanced rate we would be put to it to sit down and correspond with the traffic official of every railroad over which that shipment moved, and we would have to tell him our conditions, have to describe the competition we are facing, would have to try and agree with him on the division of rates, and then get a participation in that rate by every railroad over which the shipment moved.

Such a course would involve as I see it interminable delay. In the meantime the business might disappear and go somewhere else. I do not see how we could function if we had to follow any such course.

So it seems to me, the business being so complex, the making of freight rates being really a profession, and precedents having been built up over the years, in the building and establishing of rates, that if all that were done away with we would face, as I said a moment ago, chaos.

Every single shipper who has dealt with this subject and knows anything about it tells us the same thing. Who is better prepared to know about how to handle the situation than the practical people who deal with it? Are they not better prepared to handle it than someone who goes off on a theory about antitrust law violations, monopoly, or something else? Who knows more about the best interests of the people who ship goods than those who deal with that subject day in and day out, who work with this sort of a problem and must solve it in order to carry on their business? Do they not know more about it than those who argue about antitrust law violations, monopoly, and so forth, and who say, "Here is something that is going to disturb the whole business tranquillity of the country"?

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. TAYLOR. Does the Senator believe that once this bill is passed the railroads will actually cease and desist from making through rates? They are obtaining the endorsements of shippers by telling them, "If we do not get this bill we are going to quit making through rates." Does the Senator believe that they will do so?

Mr. HOEY. No; I do not believe that they tell people that. I have never heard of them telling shippers that.

Mr. TAYLOR. I have.

Mr. HOEY. They point out the difficulties which would ensue if the system of rate making by rate bureaus were broken up.

Let us consider a practical situation. A shipper wants a rate. He cannot make it himself. One railroad cannot make it. It must confer with some other railroad or railroads. Is it right to say that because one railroad confers with another it is thereby guilty of a violation of the antitrust laws? All the bill does is to provide that under such circumstances the railroad shall not be held to have been guilty of a violation of the antitrust laws.

Mr. TAYLOR. As a matter of fact, has the Department of Justice haled any railroads into court for making legitimate rates?

Mr. HOEY. They have been haled into court, and it has been alleged that their getting together constitutes a violation of the antitrust laws.

All in the world the bill does is to make it clear that such action is not a violation of the antitrust laws. It does not take away the right from the Department of Justice or any other agency to enforce the law against anyone who engages in intimidation, unfair practices, or coercion in connection with fixing rates; but it does give a measure of protection to legitimate conferences among rate makers for the purpose of determining what is a fair and reasonable rate to be submitted to the Interstate Commerce Commission.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. ELLENDER. As I understand the bill, it does not in any manner change the present method of rate making.

Mr. HOEY. That is correct.

Mr. ELLENDER. In fact, that system has been adhered to by the railroads for the past 30 or 40 years.

Mr. HOEY. The Senator is correct.

Mr. ELLENDER. What the bill does is to give legal sanction to what has been done in the past.

Mr. HOEY. That is correct.

Mr. ELLENDER. Is it also true that, irrespective of how the rates are fixed, whatever rates are fixed, no matter how they are fixed through these agreements, they must be passed upon by the Interstate Commerce Commission?

Mr. HOEY. That is correct; and they cannot become effective until that is done.

Mr. ELLENDER. Exactly. It strikes me that the opponents of this measure have little if any confidence in the Interstate Commerce Commission.

Mr. HOEY. That is correct. Congress has established the Interstate Commerce Commission, and it has lodged in that body ultimate authority for fixing rates. I do not contend that it is perfect, but it is the only body provided by the Congress to deal with the subject. It is the only body that has ever been able to give shippers any relief. All the relief shippers have had has come from the rate-making body, with the approval of the Interstate Commerce Commission, and by direct appeal to the Interstate Commerce Commission.

In this connection, I should like to insert in the RECORD a list of organizations in the South whose representatives appeared before the committee in support of the bill. I have included not only members of clubs, but people who know something about freight rates.

The list begins with the Alabama Cotton Manufacturers' Association. I shall not take the time to read the list, but I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Alabama Cotton Manufacturers' Association; Arkansas Public Service Commission; Florida Railroad Commission; Florida State Senate; Kentucky Railroad Commission; Louisiana Department of Agriculture and Immigration; Louisiana Public Service Commission; Mississippi Public Service Commission; North Carolina Public Utilities Commission; South Carolina Public Service Commission; Virginia State Corporation Commission; Florida Freight Traffic Bureau; Florida Rate Conference; Fort Worth (Tex.) Freight Bureau; Georgia-Alabama Textile Traffic Association; Greater Miami Traffic Association; Memphis Freight Bureau; Nashville Freight Bureau; New Orleans Traffic and Transportation Bureau; San Antonio Traffic Club; Southeast Shippers Advisory Board; Southeastern Shippers Conference; Southern Paper Manufacturers Conference; Southern Traffic League; Southwestern Industrial Traffic League; Tampa Traffic Association; West Texas Chamber of Commerce; East Texas Chamber of Commerce; Texas Industrial Traffic League; Arkansas Beef Cattlemen's Association; Florida Citrus Canners Association; Florida Citrus Commission; Florida Growers and Shippers League; Florida Vegetable Committee; New Orleans Cotton Exchange; New Orleans Green Coffee Association; South Texas Cooperative Marketing Association; Texas Pecan Growers Association; Galveston Cotton Exchange and Board of Trade; Georgia Cotton Manufacturers Association; Harlan County (Ky.) Coal Operators Association; Henderson (Ky.) Board of Trade; Louisville Board of Trade; New Orleans Board of Trade; New Orleans Rice Millers and Grain Merchants; New Orleans Sugar Refiners; New Orleans Warehousemen; North Carolina Cotton Manufacturers Association; San Antonio Manufacturers Association; South Carolina Cotton Manufacturers Association; Southern

Appalachian Coal Operators Association; Southern Brick and Tile Manufacturers Association; Southern Pine Association; Southern States Industrial Council; Tennessee Manufacturers Association; Texas Cotton Industries.

Mr. HOEY. In addition to these southern trade associations, State commissions, and the like, the chambers of commerce of more than 50 southern cities endorsed the bill by resolution, and of course many of the national organizations which supported the bill represented the South as well as other parts of the country. For example, the National Association of State Railroad and Public Utilities Commissioners speaks for the entire United States, including the Southern States. Likewise, the National Association of Commissioners, Secretaries and Directors of Agriculture speaks for the directors of agriculture of every State in the Union, including the Southern States. The American Farm Bureau Federation, the National Grange, and the National Council of Farmer Cooperatives, all of which support the bill, have important membership throughout the South.

The farm organizations have committees which make a study of the freight rate situation. They have all endorsed this measure. It seems to me that all the way through there is a clear-cut line of demarcation represented by the law as it now is and by the practices which have been followed throughout all the years. All the bill does is to safeguard the rights of those who, acting in good faith, undertake to adjust and agree upon rates and announce those rates and submit them to the Interstate Commerce Commission to be placed in effect.

I cannot see how anything could be fairer than this bill. I do not agree at all with the idea that it would exempt railroads from any of their proper responsibilities. I think it is a practical measure which deals with our existence in the business world, and affords the sort of relief and consideration which must be given if business is to be carried on.

If we do away with this system, we shall have chaos. Whenever I think about chaos, I recall what a certain individual said the other day. He said, "You might get a coordinator if you cannot get a rate bureau." Another man gave a definition of a coordinator which I think it might be well to remember. He stated that a coordinator was a man who came along to establish regimented chaos to take the place of unorganized confusion. In this instance I believe that if we should change the method by which we undertake to fix rates and adopt some other method, we would have regimented chaos, and we would likewise have unorganized confusion.

Mr. REED. Mr. President, will the Senator yield to me before he takes his seat?

Mr. HOEY. I yield.

Mr REED. The Senator from North Carolina has made such a lucid statement that I wish to ask him a question or two.

The Senator from North Carolina remembers that back in the old days before any regulation of railroads or railroad rates, it was the large shipper who got the rebates and the favors, and not the small shipper.

Mr. HOEY. In that connection I should like to remark that that is the difficulty which confronts us if we do away with this system of rate-making.

Mr. REED. Precisely.

Mr. HOEY. The large concern can maintain traffic departments and hire rate experts. It can devise some rate, and persuade the railroad to adopt it. The small shipper has no facilities for doing so. If we take away the rate-making power he will have nowhere to go to have a rate fixed for him.

Mr. REED. Not only can the large shipper hire expert talent and advice, but the railroads and the large concerns, being operated by human beings, favor the shipper who has the most business if they favor anyone. When Senator Wheeler was chairman of the Committee on Interstate and Foreign Commerce and a bill similar to this was under consideration—perhaps it was this bill last year—some traffic men from the northwestern railroads came here and we went into the private office of the Committee on Interstate and Foreign Comerce. We discussed with those traffic men the question as to why they built a warehouse and leased it at a nominal rate to one of the large merchandising concerns. The answer of the traffic men was, "Who can say no to that concern?"

I am sure that the Senator from North Carolina and I would agree that so far as the small shipper is concerned, his salvation is in regulation; and this is an honest-regulation bill.

Mr. HOEY. The taking away or destroying of the functions or activities of the rate bureau would be the hardest blow that could come to the small businessman and the small shipper.

Mr. REED. I am glad to be in full agreement with the Senator from North Carolina on that question.

Mr. McFARLAND obtained the floor.

Mr. TAYLOR. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. McFARLAND. I yield for that purpose.

Mr. TAYLOR. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	McKellar
Baldwin	George	McMahon
Ball	Green	Magnuson
Barkley	Gurney	Malone
Brewster	Hatch	Martin
Bricker	Hayden	Maybank
Bridges	Hill	Millikin
Buck	Hoey	Moore
Bushfield	Holland	Morse
Butler	Ives	Murray
Byrd	Jenner	Myers
Capper	Johnson, Colo.	O'Conor
Chavez	Johnston, S. C.	O'Mahoney
Connally	Kem	Pepper
Cooper	Kilgore	Reed
Cordon	Knowland	Revercomb
Donnell	Langer	Robertson, Va.
Downey	Lodge	Robertson, Wyo.
Dworshak	McCarran	Russell
Ecton	McClellan	Saltonstall
Ellender	McFarland	Smith
Ferguson	McGrath	Sparkman
Stewart	Umstead	Wiley
Taft	Vandenberg	Wilson
Taylor	Watkins	Young
Thomas, Okla.	Wherry	
Tobey	White	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

The Senator from Arizona has the floor.

NOMINATIONS OF JUNIOR OFFICERS IN THE ARMED SERVICES

Mr. GURNEY. Mr. President, will the Senator yield to me?

Mr. McFARLAND. I yield.

Mr. GURNEY. This morning the Committee on Armed Services approved numerous nominations. I have discussed this matter with the President pro tempore, and I wish to say that if the nominations are placed on the Executive Calendar, the printing of the nominations, for there are a great many of them, will require a number of pages of the CONGRESSIONAL RECORD. Moreover, if the nominations are not confirmed at the time when I report them to the Senate, it will be necessary to have the nominations printed in the CONGRESSIONAL RECORD a second time, when they are confirmed. They will also have to be printed on the Executive Calendar each day between the time when they are reported and the time when they are confirmed. The nominations are those of junior officers, and they constitute a part of the list of 25,000 officers authorized as an addition to the Regular Army, as officers in the Regular Army. In other words, originally there was an authorization for 25,000 officers in the Regular Army, and the Congress increased that authorization to 50,000. Let me say that there are 9,000 names on the list which I hold in my hand, representing nominations which have been approved by the committee. The confirmation of these nominations will bring the officer strength up to approximately 44,000.

So, Mr. President, it is my intention, with the permission of the Senator from Arizona, to ask consent to report the nominations today, along with some other nominations of junior officers in the Army and the Navy, and to ask unanimous consent for their confirmation at this time.

With that brief explanation, I ask unanimous consent to report from the committee this list of 9,000 officer nominations.

The PRESIDING OFFICER. Does the Senator from Arizona yield for that purpose?

Mr. McFARLAND. Mr. President, in the absence of the Senator from Georgia [Mr. GEORGE], I feel that I should not yield for that purpose, because I believe that if he were present he would object.

COMMITTEE MEETING DURING THE SESSION OF THE SENATE

Mr. WHITE. Mr. President, will the Senator from Arizona yield to me, to permit me to make a unanimous-consent request?

Mr. McFARLAND. I yield for that purpose.

Mr. WHITE. I ask unanimous consent that a subcommittee of the Committee on Public Lands be authorized to sit this afternoon.

The PRESIDING OFFICER. Without objection——

Mr. HATCH. Mr. President, does the Senator know to which subcommittee of the Public Lands Committee the unanimous-consent request applies?

Mr. WHITE. No. The memorandum which I have before me does not identify the subcommittee which is affected by the request. It is simply designated as a subcommittee of the Committee on Public Lands.

Mr. CONNALLY. Mr. President, reserving the right to object—I shall not object, but I wish to make some observations—let me say that we are confronted with the absence of a quorum. There was a quorum present, if we count those Senators who marched through the Chamber and then went back to their offices. I count now on the floor of the Senate six Members of the Senate. Probably one of the reasons why we are unable to obtain quorums is the fact that we permit so many committees to meet during the sessions of the Senate. I have never before seen in the Senate a situation quite so bad in respect to the ability to maintain a quorum as that which has prevailed during this entire session. I do not know whether the reorganization bill has anything to do with that situation. I voted against the reorganization bill and I submitted a few remarks, which no doubt, contrariwise, insured its passage.

But, Mr. President, this is the Senate of the United States, and a quorum should be present. It is not very pleasant to try to attend the sessions of the Senate and not have a little company in this Chamber. I do not know what the answer is, but something should be done about the situation. I commend a study of it to the attention of the majority leader and his group, and I hope they will see what can be done about it.

Mr. WHITE. Mr. President, I should like first to have action taken on the request I made; and then I shall submit an observation, if I may do so.

Mr. CONNALLY. I was interrupting the Senator, and I was reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. CONNALLY. I shall not object, Mr. President.

Mr. O'MAHONEY. Mr. President, I should like to know what the request is. I come now on the floor of the Senate from attendance upon a meeting of the Appropriations Subcommittee on the Interior Department appropriation bill. I have wanted to be on the floor of the Senate to listen to the discussion of the unfinished business, but I could not be here and also attend the meeting of the committee.

Now a request is made for unanimous consent, and that will be an order of the Senate, which means—although I do not think it is generally recognized to be such—that it will be a commitment of 96 Senators or at present 95. However, there are less than 15 Senators on the floor of the Senate at the moment. Obviously, it seems to me, a unanimous-consent request should not be agreed to without having a quorum actually present in the Chamber and in their seats in the Chamber.

It has been the practice, as I am sure the majority leader will agree, that whenever a unanimous-consent agreement has been propounded, a quorum call has been had, in order that Senators then absent might enter the Chamber and be advised of the request which was made.

The PRESIDING OFFICER. For the information of the Senator from Wyoming, the Chair advises the Senator that the unanimous-consent request made by the Senator from Maine was that a subcommittee of the Public Lands Committee be given consent by the Senate to meet during the session of the Senate this afternoon.

Mr. WHITE. The request applied simply to this afternoon. Of course, much of the afternoon already has gone.

Mr. O'MAHONEY. And I assume that the subcommittee has been in session.

Mr. WHITE. Mr. President, I dislike to trespass on the time of the Senator from Arizona; but the question of how we are to solve the problem, which we all recognize as confronting the Senate and confronting the individual Members of the Senate, is a difficult one, indeed. If any Member of the Senate can suggest a solution of it, I shall welcome it; and I am sure the Senator from Kentucky [Mr. BARKLEY] is equally concerned. I am sure all of us are concerned about the situation which confronts us, but I do not know the answer. I have thought that possibly if we returned to the original plan, which was used at the beginning of this session, namely, to have alternate days for Senate sessions and committee meetings, that might be an improvement. I am not sure that it would not be even better to have the first 3 days of each week reserved for Senate Chamber sessions, during which days the committees would not be authorized to sit, except during the mornings, and to have the remainder of each week—Thursdays, Fridays, and Saturdays—reserved for committee meetings during the afternoons. I do not know whether such an arrangement would be a solution of the problem.

I do know there is a difficulty in this connection, and I do know the situation is most unfortunate, and I do know that I shall join any Senator, including the Senator from Texas, the Senator from Kentucky, and the other Senators who now are on the floor, in any effort to bring about a happier allocation of the time which is available to us each day.

That is all I can say about the matter. When I go beyond that, I am simply talking without knowing what I am talking about.

Mr. O'MAHONEY. Mr. President, the Senator from Maine is never in that position, let me say.

Mr. HATCH. Mr. President, if the Senator from Arizona will yield to me, I should like to inquire, first, whether the unanimous-consent request which the Senator from Maine has made has been agreed to?

The PRESIDING OFFICER. It has not been agreed to.

Mr. HATCH. I have no objection to the request. I, also, wish to make an observation.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. O'MAHONEY. Mr. President, I think consent should not be granted until all these observations have been made, because I wish to make an observation regarding this matter myself.

The Senator from Maine has asked for suggestions in respect to how this problem may be handled, and I think I have one.

Mr. HATCH. Mr. President, I merely wished to call the attention of Senators who were not present just before the Senator from Maine made his unanimous-consent request to the fact that immediately prior thereto the Senator from South Dakota [Mr. GURNEY] made a unanimous-consent request involving action by the Senate on the nominations of more than 9,000 officers of the Army. He had asked unanimous consent to have the nominations reported and considered at this time. The Senator from Arizona [Mr. MCFARLAND] has declined to yield for that purpose.

I was on my feet at that time, preparing to object to the request, for the simple reason that there were then present even fewer Senators than are now present. Notwithstanding the fact that a quorum had just been announced as present, there were not more than half a dozen Senators on the floor, as I believe the Senator from Texas counted the number then present. It occurred to me that before a request such as the one the Senator was making should be acted upon, certainly an actual quorum of the Senate should be present.

I make no criticism of the Senator or his request, but it does emphasize the situation with which we are confronted. I have no solution for it except that I think the very requests being made for committees to meet during the session of the Senate contribute largely to the absenteeism in this body. It was one of the things the Reorganization Act sought to prevent. It absolutely prohibits the meeting of committees during the sessions of the Senate unless unanimous consent is had. We know how that has worked out. Daily these requests are made and consent is given, and the Reorganization Act in that respect is not having any effect whatever.

Mr. President, while I realize that the appropriation bills must be acted on, and it is necessary that the Committee on Appropriations complete its work, there seems to be a determined effort to conclude all other business of the Senate by a certain date in July and to speed the work of the Senate unduly. Committees are in continuous session so that we may adjourn at sometime in July and go home.

I wish to protest against that practice. I think the Congress of the United States is important enough, I think the legislation before this body now, the very bill we are now considering, is important enough to have the presence of Senators on the floor listening to the debate and

to the discussions, and any system which prevents that is bad for the whole process of government.

I think we should forget about the adjournment. We should take whatever time is necessary to complete the business of the Senate, and we certainly should not have committee meetings during the sessions of the Senate except for those committees, like the Committee on Appropriations, considering measures involving time limits making it necessary for them to get their work done soon.

Mr. CONNALLY. Mr. President, like the Senator from Maine, I have no panacea for this situation. Conditions respecting attendance and the maintenance of a quorum have the lowest ebb since I have been a Member of the Senate. Look around at the vacant seats in the Senate. They are supposed to be occupied by Senators, but Senators are not present, and when they come into the Chamber they enter by one door and go out the other. Something must be done to obtain and keep a quorum here in the consideration of important business such as that we now have before us. We have heard two important requests made, one by the chairman of the Armed Services Committee, the other by the majority leader; yet, when consent is given, no one except a handful of us here will know anything about it.

I do not know whether the fault lies with the Reorganization Act or not. In my judgment the Reorganization Act was full of errors, and I think that when it passed the Senate surrendered to a statute control of its own affairs and its own committees, which I believe was wrong. I think the Reorganization Act was harmful in that it did away with many small committees and piled the work onto a few great committees, which cannot transact all the business that comes before them. That is one reason why Senators are not present. They are in attendance upon some committee, undertaking to solve the problems before the committee, but if we had had the small committees, which could have worked in the mornings under the chairmanship of Senators who wanted their committees to amount to something, business could have been transacted more speedily and more efficiently than is being done under the new system of "streamlining Congress." The Constitution fixes our powers and our limitations, and I think that is sufficient guide. We handed over to a statute complete control of our own affairs in the Senate, under the plea that we are "streamlining Congress," which action was largely responsible for many of our difficulties.

I shall not object to the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

Mr. O'MAHONEY. Mr. President, reserving the right to object, I wish to add one or two observations to what has been said by the Senator from Texas and the Senator from New Mexico perhaps repeating something I have said before on the floor of the Senate with respect to this subject.

As one looks around the Senate Chamber now one finds that the galleries are partially filled by citizens of the United States, who have come here from various parts of this great country to the Capitol to see the Senate of the United States in action, to see it in the process of deliberating upon legislation. There is not a single person now in the galleries who will not go forth from this session remarking to himself that as he looked down upon this floor there were less than a score of Senators present, while a great bill, dealing with the railroads of the United States, was under consideration.

Mr. President, I say that if that condition is permitted to continue, it will undermine the confidence of the people of the United States in the congressional form of government. I hold the majority responsible, completely responsible, for what is going on here now, because, as the Senator from New Mexico has said, the majority of the Senate has made up its mind to bring this session of the Congress of the United States to a termination sometime in July, although we all know that the problems of the world are waiting for solution in the Congress. Members of the Senate are not only not in attendance here this afternoon, but they are pursuing a policy the object of which is to bring this session of Congress to a close before we can possibly determine the tremendously important questions dealing with the very fate of civilization.

Mr. WHITE. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. Of course, I yield to the Senator from Maine.

Mr. WHITE. The Senator has information as to the purposes of the majority which have not been made known to me. I cannot find fault with the Senator if he is stating what he knows; but how he knows it is beyond me.

Let me say one other word about the situation, so that we can conclude the discussion and pass on to the business of the Senate. I have said over and over again that I am as much distressed by the situation which has arisen, and which now exists, as is the Senator from Wyoming or any other Senator. I do not believe, however, that while we are in the middle of a session—I call it the middle of a session, I do not know how near the middle of the session it is, but that is as good a description as any—while we are in the middle of a session I do not think we are in the mood, nor do we have the time, to sit down and laboriously work out a modification of the rules of the Senate or a modification of the Reorganization Act. I do entertain the hope that when this session shall have been concluded, with whatever infirmities of action there may have been in connection with the session, during the recess of the Congress something may be done in an effort to find an answer to the problem the Senator has been discussing. I submit that we are not going to find the solution here on the floor of the Senate, sparring back and forth, and telling what we know or do not know about purposes.

I earnestly hope that the pending request of the Senator from South Dakota [Mr. GURNEY] may be acquiesced in. It means not only confirmation of officers of the services, but it means the saving of several hundred and perhaps thousands of dollars, and there is no one in the Senate, whether he is now present on the floor or elsewhere, who will go over the lists of names and have any knowledge as to the particular qualifications of any particular man on the list, unless it happens to be someone from his own State.

I merely make this appeal, that we continue with the business of the Senate this afternoon, with the understanding that whenever there comes a recess, or whenever there comes a stoppage in the burden of the work which is upon Senators, we can give serious and ordered consideration to this problem, and I entain some hope that we may find a solution for it.

Mr. O'MAHONEY. Mr. President, will the Senator yield for me to make a suggestion, to amend his unanimous-consent request?

Mr. WHITE. I shall sit down.

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Wyoming for that purpose?

Mr. McFARLAND. I yield.

Mr. O'MAHONEY. I thank the Senator from Arizona. Would the Senator from Maine entertain the following amendment to his unanimous-consent request?

Mr. WHITE. Mr. President——

Mr. O'MAHONEY. May I state it? That during the further consideration of the bill now before the Senate, no other unanimous-consent agreement for the meeting of any committee, during the sessions of the Senate, except the Committee on Appropriations and its subcommittees, shall be granted.

Mr. WHITE. Mr. President, this is not a request which originated with me. It came to me from a committee, or from a member of the committee that wants to sit this afternoon. I personally am in no position to accept amendments. If the Senator offers it and it carries, that disposes of the matter.

Mr. BARKLEY. Mr. President, may I say that even though the request for unanimous consent were amended as suggested, it could be undone tomorrow, by unanimous consent, could it not? A unanimous-consent agreement can be disposed of by unanimous consent again. So, what would that accomplish?

Mr. O'MAHONEY. Mr. President, of course, that is true; but we have operated in the Senate for a long time under unanimous-consent agreements, by which votes were to be taken at a particular time, and they have been religiously adhered to. I feel that if this additional amendment were agreed to now it would, at least for the consideration of the pending bill, insure the attendance of an actual quorum during consideration of the bill.

Mr. BARKLEY. In that connection, it might have some moral effect in deterring Senators from asking unanimous consent that committees meet while the Senate is in session, but if a Senator should come in with a plausible reason why his particular committee should sit in the afternoon, and ask unanimous consent that they might sit, I doubt whether the previous unanimous con-

sent now referred to by the Senator would avail to prevent another unanimous consent that they meet. While I am on my feet, if the Senator from Arizona will permit——

Mr. O'MAHONEY. May I say to the Senator that all he is saying is that any rule of the Senate may be set aside by unanimous consent; and that, of course, is true?

Mr. BARKLEY. Yes. Mr. President, I deplore as much as any other Senator the absence of Senators from the floor. I have labored with that problem for years. There is nothing new about it, except I think it has been worse this session than before. I do not think the Legislative Reorganization Act is responsible for it. I do not know what is responsible. I cannot project my vision into the bosom of any Senator and find out why he does not attend. He may have work in his office. He may have other things to look after. I doubt now, if a census were to be taken of all the committees that are in session this afternoon, if there are any which have obtained consent to sit during the sitting of the Senate, there would be found a sufficient number of Members there to make up the deficiency between the number of Senators present and the number necessary to make a quorum. I doubt very much if the meeting of these committees in the afternoon has had much to do with absenteeism. I recall that a certain committee before which I was to appear a few days ago obtained consent to meet during a session of the Senate, and I appeared before the committee to testify. The chairman of the committee was the only one who was there. I made my statement and left. Certainly the consent of the Senate that that committee hold a meeting in the afternoon did not result in the absence of a quorum on the floor of the Senate. I do not know what the remedy is.

Now, about adjournment. We all know that the Legislative Reorganization Act fixes the date upon which the Senate shall automatically adjourn, unless we are at war, or unless the President has in the meantime called an emergency. Of course, Congress, under the Constitution, can fix the time that it adjourns, and it can amend that act. I am personally hoping that we shall complete the work of the present session in time to adjourn by the 31st day of July. I think if legislation which remains to be brought before the Senate is no more useful than the bill now under consideration, and the one that is scheduled to follow it, we might adjourn the 1st of July, or the middle of July, or any other date. That is a matter of opinion; but that is what I think about it. I believe that if we are not going to do anything except fiddle around with chicken-feed stuff from now until the 31st of July, and we can get the appropriation bills through by the 1st of July, which we are supposed to do, the country cannot complain very vociferously if we adjourn in July. That is the way I feel about it.

Mr. WHITE. If the Senator from Kentucky will yield, now——

Mr. BARKLEY. Yes.

Mr. WHITE. I am sure the Senator realizes that I have very great respect for his opinions.

Mr. BARKLEY. I appreciate the Senator's respect for my opinions, and, if I may use the language of the Senator from Michigan, it is "totally mutual" between the Senator and me. But we encountered this problem, time and time again, when I was trying to deal with it, in the majority leadership. I wrestled with it all the time. I complained about absenteeism. I called our side into conference. I lectured them. I did all I could to induce Senators voluntarily to be present during the sessions of the Senate. I am satisfied the same efforts have been made on the other side. But what is to be done about it? It is impossible to lasso Senators and bring them into the Chamber; and if that were possible, we could not keep them in the Chamber. I do not know what the remedy is, unless we make our speeches more interesting or——

Mr. REED. Shorter?

Mr. BARKLEY. Or shorter, or unless we devise some method by which men may keep their minds flexible, so that they will not be made up until the vote comes, and Senators, therefore, will have some interest in obtaining information in the Senate that might affect their vote.

With respect to the pending legislation, I assume that every Senator has his mind very well made up as to how he is going to vote. It is generally understood the vote will not be reached for 2 or 3 days. Senators, therefore, take advantage of the situation to attend to other matters, something that is either more emergent in their opinion or that is more desirable. I do not know what Senators are going to do about it. I doubt very much that the Legislative Reorganization Act has contributed much to the present situation.

Mr. McFARLAND. I am indeed grateful to my colleagues who have taken part in this colloquy, because it has brought more Members of the Senate to the floor than I have seen in the Chamber for a long while. But, now that the Senators are present, I should be very grateful if I might proceed with my remarks. I desire to finish this afternoon.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Maine? The Chair hears none, and the request is granted.

Is there objection to the unanimous-consent request of the Senator from South Dakota?

Mr. McFARLAND. Mr. President, I did not yield to the Senator from South Dakota for that purpose. I do not want to go back over that matter at this time, because the Senator from New Mexico said he would object, and the Senator from Georgia has consistently objected to requests of that sort. I should like to proceed with my remarks.

Mr. GURNEY. I wonder if the Senator would yield for a brief statement by way of explanation?

Mr. McFARLAND. I have yielded now about 30 minutes. I feel that I should like to proceed with my statement.

Mr. BUTLER. Mr. President, much of the colloquy arose over the request made by the majority leader with reference to the committee of which I am chairman, the Committee on Public Lands. I want to report that two Members of the Senate are holding a meeting of the Committee on Public Lands. Secretary Clayton and three or four other officials almost as prominent in public departments are present before the committee testifying. If the two Senators were present in the Chamber, it would add only that many to the number present.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

Mr. McFARLAND. Mr. President, I wish to take only a few moments of the Senate's time in discussing the pending bill, S. 110. Freely granting that this legislation is of much importance, the phase thereof which I now desire to take up is of such substance and consequence as to preclude passage of the measure, at least at this time.

In the last 6 years the essence of the bill has been thoroughly discussed in both Houses of Congress, both in committees and on the floors. As a member of the Senate Committee on Interstate and Foreign Commerce during the last 6½ years I have heard the arguments both for and against its adoption. Last year our committee held hearings which lasted over a period of some 3 months, the record of which comprises 2,416 printed pages. This year there were again additional hearings covering 200 printed pages. There was also a voluminous record made in the House. The subject is by no means novel, and its many aspects have been freely ventilated.

It is not my present purpose, however, to discuss the various arguments for and against the legislation. I wish to concentrate my remarks upon, and to invite the specific attention of the Senate to, one fundamental aspect of the matter, so vital as of itself to constitute a serious objection to present consideration of the bill.

I am a strong believer in our Constitution; I am a strong believer in the system established by it for the three separate but coordinate branches of our Government. History has demonstrated what now seems to have been the divinely inspired wisdom of the framers of our Constitution when they laid as the cornerstone of government the system of checks and balances which has made it the bulwark of the greatest Nation on earth.

In this very Chamber, as elsewhere throughout the land, criticism has been forcefully voiced when it has appeared that the courts have read into the statutes things which are not intended by the Congress, and thereby as a sort of judicial legislation they have encroached upon the legislative power. The executive branch has not been free of verbal chastisement when it was thought that that branch had usurped powers properly reposing in the Congress or in the judiciary. But we in Congress certainly

have no right to criticize either the executive or the judicial departments of our Government if we ourselves encroach upon the duties of either of the other departments.

The maintenance inviolate of the three separate branches is just as indispensable today as ever it was before in our national life—yes, even more so; the division of powers is as important today as when it was written into the Constitution by our forefathers. And, if I may be permitted to say so, the occasional clamor that arises over the allegedly apostate delegation by us of our prized but sometimes onerous power to legislate is now increasingly augmented by charges that we neglect our proper function, to toy with that of the courts—a sort of exodus from the forum to the bench, as it were.

Mr. President, the prototype of the so-called Bulwinkle bill was first introduced in the Seventy-eighth Congress in 1943. Basically it differed little from the present version of the bill before us. This bill among other things has the effect of exempting from the provisions of the Sherman Anti-Trust Act certain practices by railroads, dealing with rate bureaus, conferences, and associations. As to whether as a matter of abstract principle there should be such exemptions, I do not now want to comment in detail; nor do I wish presently to discuss whether in fact the record thus far made is probative of concerted action to increase rates. It may be significant, however, to remember that the problem of railroads acting in concert to change rates—perhaps, more accurately, to raise rates—is not a new one for Congress. As far back as 1895, when the Interstate Commerce Commission was relatively fresh on the job, an illustrious predecessor of the present senior Senator from New Hampshire, the Honorable William E. Chandler, who like his successor was a member of the Committee on Interstate Commerce, castigated the ICC for doing nothing while the eastern and western trunk lines formed an association to maintain rates. And then, as now, the Interstate Commerce Commission held that it had no authority over violations of the antitrust statutes; then, as now, the Commission approved of pooling arrangements for the fixing of rates.

That, incidentally, recalls to my mind the statement made by a wise statesman. He was Richard B. Olney, a famous railroad lawyer before Grover Cleveland made him Attorney General of the United States in 1892. He was, in fact, Attorney General at the very time Senator Chandler, of New Hampshire, was complaining bitterly of the brazen defiance of antitrust laws by the railroads. But before that Mr. Olney had been general counsel of the Burlington Railroad, and his chief, Mr. Perkins, president of the Burlington, was very much disturbed about what the Interstate Commerce Commission might do to the railroads. Said Mr. Olney to Mr. Perkins:

> The Interstate Commerce Commission, as its functions have now been limited by the courts, is, or can be made, of great use to the railroads. It satisfies the popular clamor for a Government supervision of the railroads, at the same time that supervision is almost entirely nominal. Further, the older such a commission gets to be, the more inclined it will be found to take the business and railroad view of things. It thus becomes a sort of barrier between the railroad corporations and the people and a sort of protection against hasty and crude legislation hostile to the railroad interests. The part of wisdom is not to destroy the Commission but to use it.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. RUSSELL. It seems then that my statement of yesterday insofar as it may have seemed somewhat critical of the Commission, was nothing novel since there had been criticism of the Commission, and plans for eminent railroad counsel to use the Commission before the Senator from Georgia was even born.

Mr. McFARLAND. I thank the Senator for his suggestion. If the Senator criticized the Commission, of course, it was not the first time that was done, nor will it be the last time.

The wisdom and pertinence of Mr. Olney's observation of more than half a century ago, are a matter on which individuals may differ in opinion, but the fact remains that because of the present cumbersome method of handling rates and the inequitable results thereof, the South and the West have been forced unceasingly, and as yet unsuccessfully, to try to see to it that their farmers, stock growers, and raw-material producers obtain the same fair treatment in the fixing of rates that is afforded the large industrial manufacturers in the so-called official territory. However, these are issues which, as I said a moment ago, I do not want to develop in detail at this time for the reason that there is another decisive factor which should prohibit us from taking present favorable action on the bill.

That factor is the increasing tendency toward breaking down the three independent and separate departments of our Government. Viewing S. 110 in this light brings us squarely to the question: Does this legislation tend to usurp or nullify the functions of the Judiciary?

The question is of such solemnity as to warrant serious contemplation. As it happens, earlier events afford us a background for perspective.

Five years ago the Department of Justice filed an action against insurance companies, the so-called Southeastern Underwriters Case. Generally stated, the question in that case was whether the antitrust laws applied to the insurance companies. That would appear to be a proper inquiry for the courts; but what happened? A hasty effort was made to get legislation through the Congress exempting the insurance companies from the provisions of the antitrust laws. That legislation had hearings before the Committee on the Judiciary, of which I was a member. I had no strong views as to whether insurance companies were in commerce, but I was convinced that it was bad Government for Congress to legislate in anticipation of a court decision. There was an attempt, plainly enough, to beat the courts to the draw; there was an attempt to have Congress by its own edict make noneffective whatever decision the Supreme Court might hand down. Fortunately, some of us succeeded in delaying action on the bill until the Supreme Court had spoken. The major credit for this goes to the senior Senator from Wyoming, Mr. JOSEPH C. O'MAHONEY. The Government won the Southeastern Underwriters case in the courts; and with the resultant clarification of the issues for its assistance, the Congress was then able to work out and pass legislation in line with the principles enunciated in the Supreme Court decision, which permitted State regulation where desired, and provided for the so-called moratorium law which gives the insurance companies until January 1, 1948 either to work out their own problems with the State legislatures, or, failing that, to come under the anti-trust statutes. That the result was a proper and statesmanlike one, in keeping with the spirit of the interplay of coordinate powers, seems beyond cavil.

Another example was the tidelands oil situation. Ownership of the tidelands is, after all, no novelty; it is founded upon long-established principles of law and therefore is basically, and I believe properly, a judicial one, certainly so in the first instance. But in anticipation of judicial determination, the Congress last year passed a measure declaring State sovereignty over those lands. The President vetoed it. The question is now before the Supreme Court. Let the Supreme Court render its opinion. The final fact of ownership of property is peculiarly a matter of law. A judicial decision of the point will not bar congressional action, or a declaration of congressional policy, within the true sphere of the legislative authority. Possibly the tidelands are State property; possibly they should be under the sovereignty of the Federal Government. But in either case the Congress has not only the right, but the duty, to consider the interpretation of the law by the highest tribunal in the land before it legislates on the question. That is the path conducive to enlightened dispatch of public affairs; in a sense, it is merely demonstrative of the ancient maxim to the effect that two heads are better than one.

In the present bill we are asked to exempt the railroads from the impact of certain phases of the antitrust laws; and for what reason? Let us look briefly at the pertinent facts. In 1942 the Government, through the Department of Justice, began the assembling of data which it believed was the basis of an antitrust case against railroads and truckers in Chicago and Denver. In January of 1943, the Department began presenting those data to a grand jury in Chicago. None of this was a secret, and particularly not to the railroads. In the meantime we became involved in the war. The railroads were important factors in the war effort; and, whether it was proper or not, Congress passed legislation which in substance permitted the War Production Board to exempt from antitrust prosecution any activity or industry essential to the war effort. In less than 2 months the War Department, the Navy Department, and the Office of Defense Transportation all informed the War Production Board that the railroads

were essential industry in the prosecution of the war and that no antitrust action should be prosecuted against them. The War Production Board promptly issued certificate 44 on March 20, 1943, which for present purpose and intent immunized the railroads from antitrust prosecution. That certificate was presented before the Chicago grand jury, and it dropped the case. No purpose of substance is served in bruiting this particular interference by one division of the Government with another, because the adamantine fact is that many things must be done in time of war which cannot be countenanced in peacetime.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. RUSSELL. The Senator from Arizona is thoroughly familiar with all the details of this matter, and particularly with respect to certificate 44. I have not examined that document closely, but I was of the opinion that it related to criminal prosecutions. Was it sufficiently broad to affect a civil action?

Mr. McFARLAND. The particular actions to which I refer were, as I understand, criminal proceedings before a grand jury in Chicago.

Mr. RUSSELL. It was my opinion that certificate 44 merely referred to criminal prosecutions, and was a "red herring" so far as concerns the two civil actions which are pending against the carriers.

Mr. McFARLAND. I note these developments merely because I am relating the history of these antitrust cases.

But even before the institution of the Chicago and Denver cases, there was a growing movement in the States against the effect of private rate agreements between carriers. The charge that the railroads had conspired together in violation of the antitrust laws did not originate with the Department of Justice. An Interstate Commerce Commission report, cited in the hearings on the predecessor of the pending bill in the Seventy-ninth Congress—pages 1344–1345—showed that as early as 1937 the Southern States accused the railroads of violations of law in connection with rate fixing.

In the early summer of 1944, about a year after the Chicago proceeding was dropped, the State of Georgia filed its case against the railroads. In August of that same year the Department of Justice brought another action in Lincoln, Nebr.—United States against Association of American Railroads et al. It should be noted that in the Lincoln case, which was filed while the War Production Board's certificate of immunization was still in force, the Government alleged that its charge was founded upon matters that had occurred prior to the immunization, and upon matters that were not immunized. Although the court has held that the immunization certificate was not a bar to filing the Lincoln case, the defense of the railroads in that case is that certificate 44 barred such antitrust proceedings and that the action is concerned solely with violations of law with respect to rate bureaus. The State of Georgia, of course, was not bound by the immunization certificate and brought its case under the broad charge of a conspiracy to violate the antitrust statutes.

Early in 1945 the first so-called Bulwinkle bill was introduced in the House, and hearings were held on it. It passed the House on December 10, 1945, and in March of the following year hearings were commenced before the Senate committee. The bill was subsequently reported late in 1946, amended in some degree, and failed to pass the Senate when it was caught in the legislative tangle that generally accompanies the closing days of a session of Congress.

Meanwhile, let us see what has happened in the judicial field. The Supreme Court accepted jurisdiction of the Georgia case, and extensive testimony has been taken by a master appointed by the Court, the Honorable Lloyd K. Garrison. The case has been set for final argument. It is a big case; the evidence is tremendously voluminous; and it has been estimated that the master's findings are not likely to be completed before late this summer or early fall—all of which indicates that the Supreme Court decision on the Georgia case can quite confidentially be expected in the next term of Court, next year.

Trial of the Government's case at Lincoln, Nebr., began on or about April 23. Here again it is likely that a final Supreme Court decision is possible in the next term of that Court some time next year.

What does all this mean? It appears quite certain that two cases, broadly involving many of the precise problems embraced in the present bill, will be examined and interpreted in the light of existing law by the Nation's highest judicial tribunal within the space of a year, if not sooner. The issues in the cases are in every sense justiciable. I have already briefly adverted to specific instances wherein the separate exercise of the judicial power has been useful in the study and promulgation of legislation.

Let me add here that, as a lawyer, I am not always impressed with the cogency of the legal reasoning of some members of the Court, nor with some of the opinions that have been expressed by some of those members. One of the ancient and cherished prerogatives of the bar is to disagree with the bench. By no stretch of imagination am I now suggesting that the Congress is to be bound by whatever opinions and decisions may be made by the courts upon this important and highly controversial question. But I am urging, as forcefully as I can, that it is the constitutional duty of Congress to refrain from interference with the judicial process; it is the moral duty of Congress to await a decision by the Court; it is in the public interest and in the interest of orderly procedure and good common sense for Congress to see what the Court says before it legislates on a question that is of such great importance to this Nation.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. McMAHON. Does the Senator not think that it is up to the Congress to determine the policy and for the Supreme Court to interpret the law, rather than to determine what our policy should be?

Mr. McFARLAND. It is without question the duty of the Congress to determine the policy; but I say it is not the duty of the Congress in effect to try cases before decisions are rendered and thus endeavor to do away with the Supreme Court in that manner. That is exactly what is threatening to take place with respect to these cases.

Mr. McMAHON. It seems to me that the Senator begs the question. It is up to the Supreme Court to decide the issues presented in cases, under the laws of the United States. Congress had a right to determine what the transportation policy of this country should be. As the Senator knows and as I pointed out yesterday, in the case of airplane companies and also in the case of steamship companies which are governed by the Water Carriers Act, Congress did for them exactly what the pending bill would do for the railroads. To say that the Congress does not have a right, no matter what the state of affairs is at this time, to determine that it shall do for the railroads what it has done in the case of the airplane and in the case of the steamship, seems to me to be rather a non sequitur.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. RUSSELL. The Senator from Connecticut states that the Senator from Arizona begs the question. I say that the question begging is being done by those who are advocating this bill. Before there has been any determination by the courts of the country that the sponsors or promoters of the bill have violated the Antitrust Act they rush into Congress and seek the enactment of a law which would give them immunity from that act in perpetuity. Congress has fixed the policy. It was fixed when we enacted the transportation laws and when we enacted the antitrust laws. It is a matter of seeking to avoid a judgment of the court changing the policy while the question is pending in the Supreme Court. It is a clear invasion, or an attempt to invade, the proper prerogatives of the judicial branch of the Government by the legislative branch of the Government at the behest of those who would seek to escape a judgment which would define how far they may go under the Transportation Act without violating the antitrust laws.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield to the Senator from Kentucky.

Mr. BARKLEY. My observation would be along the line of that of the Senator from Georgia. Regardless of what the Congress may have done with reference to air lines and steamship lines, Congress long ago laid down the policy with respect to railroads, which it had a right to do. Railroads were the first interstate agencies ever regulated by Congress. The Interstate Commerce Act has been amended from time to time. Congress passed the Transportation Act of 1920 following the return of the railroads to their owners after World War I, and Congress declared a policy in that act. In 1940, 20 years later, we wrote a new Transportation Act and declared a

policy therein. So that Congress has exercised its right and power to fix a policy with respect to railroads long before it did so with respect to air lines and other agencies of transportation. Having laid down that policy, Congress is now asked to change it in the midst of litigation in which the Supreme Court will interpret that policy, and we are asked to do that because parties on one side of that litigation are afraid the interpretation of the Supreme Court may not be in their favor or to their satisfaction; and we are asked to cut the ground out from under the Supreme Court in interpreting a policy which we long ago laid down, just as 2 or 3 years ago we were asked to do the same thing with respect to insurance companies when there was a lawsuit pending in the courts in regard to them.

The business of insurance companies had previously been decided not to be interstate commerce, but the Supreme Court later decided that it was interstate commerce. In spite of the original opinion of the Supreme Court, it always was interstate commerce, just as much as a certificate of stock in a corporation issued in New York and sent through the mails or otherwise across State lines was interstate commerce and was so regarded. So that what we are asked to do here is the same thing we were asked to do while an insurance law was pending in the Supreme Court. By the very able and alert action of the Senator from Wyoming [Mr. O'MAHONEY], exerted largely by himself but in cooperation with some others, a satisfactory piece of legislation was passed.

I think the Senator from Arizona is eminently correct in his statement that we are seeking, in effect, to cut the ground from under the Supreme Court in interpreting a policy which long ago Congress enacted.

Mr. McFARLAND. I thank the Senator.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. McMAHON. Let me say to the Senator from Kentucky that, again, the analogy which is sought to be drawn will not hold up, I think. In the case of insurance, the Federal Government never sought to bring it under regulation. On the other hand, the Federal Government has sought to bring the railroads under regulation.

The Senator has said that we are trying to cut the ground out from under the Supreme Court. Of course, the matter can be stated in that way, if Senators wish to do so. On the other hand, can it not be said that we are proposing, as it is within our right to do, that the Interstate Commerce Commission shall be, in full force and effect, the regulatory body to regulate the railroads of the United States? The rate bureaus, which I think all of us agree must be maintained if we are to have a unified transportation system in the United States, were not attacked by the Department of Justice or by anyone else for a period of 40 years. But suddenly that system is attacked.

I think it is within the purview and the right of the Congress to say now that as between having criminal juries and district court judges or the Interstate Commerce Commission decide upon the reasonableness of rates throughout the country, we shall see to it that the Interstate Commerce Commission shall do exactly that, and that in doing so the Commission must not approve any agreement that is in violation of the public interest.

I do not wish to intrude further upon the time of the Senator; but if he will indulge me for one moment more, I should like to quote from a case to be found in the Three Hundred and Ninth United States Reports at page 470, the case of Federal Communications Commission against Sanders Brothers Radio Station. In its opinion, the Supreme Court said:

Thus the act—

Speaking of the Federal Communications Act—

recognizes that the field of broadcasting is one of free competition. The sections dealing with broadcasting demonstrate that Congress has not, in its regulatory scheme, abandoned the principle of free competition, as it has done in the case of railroads, in respect of which regulation involves the suppression of wasteful practices due to competition, the regulation of rates and charges, and other measures which are unnecessary if free competition is to be permitted.

In that case the Solicitor General made a very interesting observation in the Government's brief, as follows:

There is an essential difference between the present statute—

That is, the Federal Communications Act, which was being tested out—

and legislation such as the Interstate Commerce Act which regulates the manner in which a public utility shall be operated. In the regulation of railroads Congress has taken over control of the rates and charges which may be collected and has otherwise assumed authority to prescribe the manner in which the business shall be conducted. The Transportation Act of 1920 was designed to effectuate that control for the primary purpose of assuring the public an adequate and efficient transportation system.

Let me say a further word, if the Senator will permit: This measure simply affords a chance for the Congress to decide whether it wishes to have regulation of the railroads by district court judges and by juries impaneled in various courts in the United States or whether it wishes to have regulation of the railroads by the body which the Congress of the United States has said should do the regulating.

Mr. McFARLAND. Mr. President, I should like to call the attention of the distinguished Senator to this point: He says the railroads have been using these booking agencies for 40 years. However, let me point out that we do not know whether any violation of the antitrust laws has been occurring in that connection for 40 years. This is the first time the question has been brought into the courts, and now the courts will determine whether there has been a violation of the antitrust laws. We now have the opportunity of obtaining the benefit of a judicial determination of just what the railroads can do without violating the anti-trust laws. However, we are asked to establish a new policy at a time when we do not have the benefit of the Supreme Court's decision.

Mr. RUSSELL. Mr. President, will the Senator yield to me?

Mr. McFARLAND. I yield.

Mr. RUSSELL. I think the very cogent comment which has just been made by the Senator from Arizona absolutely demolishes the argument of the Senator from Connecticut.

I should also like to point out that during all the period of years to which the Senator from Connecticut has referred, and during which he has said these freight bureaus or rate bureaus were operating, the monopoly was not then complete. It was only after the Association of American Railroads was organized and after it set up its headquarters here in the city of Washington—a supergovernment of the railroads, which was not responsible to the people of the United States—and after it went so far as to determine what matters could be taken before the Interstate Commerce Commission, that this rate-bureau arrangement was challenged by anyone. So long as competitive forces were allowed to operate to any extent, no one challenged the action of these rate bureaus and no one questioned whether they operated in violation of the antitrust laws. But when this railroad hierarchy was set up in Washington, as an organization of the owners of the large railroads of the United States, with the power of life and death over the other railroad lines, and when that organization arrogated to itself the power of determining what could be brought before the Interstate Commerce Commission and what could not be brought before the Interstate Commerce Commission, this question was raised. No wonder there was raised in the minds of the attorneys of the Department of Justice, as well as in the minds of the attorneys for the State of Georgia, the question of whether the antitrust laws had been violated. That organization had supreme power to deny, even to the Federal Government, complete jurisdiction over rate controversies.

So the reference of the Senator from Connecticut to all the years during which the question was not raised is absolutely meaningless, because not until the last few years, when the Association of American Railroads established its headquarters here in the city of Washington and began establishing the freight pattern of the United States without regard to the Interstate Commerce Commission, did anyone ever claim that there had been any violation of the antitrust laws?

Mr. McFARLAND. Mr. President, I thank the Senator from Georgia for that observation and contribution.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. McFARLAND. I shall yield to the Senator from Alabama in a moment.

First, Mr. President, I wish to say that I wonder whether the railroads would admit that they have violated the antitrust laws for forty-odd years.

Now I yield to the Senator from Alabama.

Mr. HILL. Mr. President, let me say that if the Senators will examine the

hearings before the Interstate Commerce Committee of the Senate on House bill 2536, at page 470—the hearings were most extensive, but no doubt the Senator from Arizona recalls this matter, as a member of the committee—there will be found at that point a letter from Mr. Eysmans, who was assistant to General Atterbury. The letter was addressed to Mr. J. J. Pelley, another railroad executive, I believe. They were discussing the proposal to develop the Association of American Railroads into the organization that it is today. That discussion occurred in 1935. At that time there was no such set-up of bureaus as there is today under the Association of American Railroads, and in that letter they were discussing the matter of bringing into being the set-up which exists today, and which now is being attacked in the Supreme Court. At that time the Interstate Commerce Commission was in existence, of course. Let me read what Mr. Eysmans said in his letter to Mr. Pelley, in speaking about how they would set up the organization, whether they would take this tack or that tack, or would work in this way or in that way:

Judge Fletcher—

Who, as we know, is and has been the counsel for the American Association of Railroads; he is the representative of the railroads in the city of Washington——

Mr. McFARLAND. And a splendid and honorable gentleman.

Mr. HILL. Yes; he is a splendid and an honorable man. He is my neighbor, I say to my friend the Senator from Arizona; he lives near my home, and he is a fine gentleman.

As I said, he is the lawyer for the Association of American Railroads. Mr. Eysmans, in commenting in 1935 on the suggested plan for the set-up, said:

Judge Fletcher believed it would avoid the danger of having the whole plan attacked as being a violation of the antitrust laws. We have got to watch that, because if we are not careful the whole plan we formulated will be attacked as a violation of the antitrust laws.

Mr. BARKLEY. And they are still watching it, are they not?

Mr. HILL. They are still watching it. They worked out this plan, and I am glad to see that there is somebody else watching it. Both the Department of Justice and the State of Georgia are diligent in this matter, and they are watching it. The fact that they have watched it, and that they have taken this plan to the Supreme Court of the United States, is the reason why this bill is before the Senate today. It is not a question of the Interstate Commerce Commission fixing the rates. It goes to a bigger question than that; it goes to the question of the set-up, the machinery and the procedure for fixing the rates, and as to whether or not that set-up and that machinery, under the Association of American Railroads, is such a conspiracy as to violate the antitrust law.

As we know, the provisions of the antitrust law do not go to the question whether rates are reasonable or unreasonable, whether a contract is reasonable or unreasonable. It is a question whether or not there is a conspiracy which prevents competition, because competition, as we know, is the heart of the American free enterprise system, and in battling this bill here today, I will say to the Senator from Arizona, he is making a fight to save the American free enterprise system.

Once we pass the bill, we have taken the first step toward socialization of the railroads, toward nationalization of American industry. The bill might well be titled, "A bill to destroy the American free enterprise system," or "A bill to nationalize and socialize American industry."

Mr. McFARLAND. I thank the Senator for his contribution.

Mr. O'MAHONEY. Mr. President, will the Senator from Arizona yield to me?

Mr. McFARLAND. I yield.

Mr. O'MAHONEY. Last night, Mr. President, I offered for printing several amendments to the pending bill. They are all more or less interrelated. They deal, first, with the fundamental issue in the bill, namely, whether or not the Congress of the United States should now for the first time give legislative sanction to the type of organization which the railroads have privately formed to administer rates, to fix rates in the first instance, and to carry on the railroad business of the country as a national transportation system.

These amendments also deal with the question as to whether or not the standards in the bill as it has come from the committee are sufficiently clear to protect the public interest when agreements are made between carriers of one class with carriers of another class, for example, agreements between railroads and pipe lines, or railroads and motor carriers.

They deal also with the question as to whether or not these agreements are clearly intended not to be discriminatory among shippers or among geographical areas.

I think these amendments go to the very heart of the measure which is under consideration, and in order that they may be clearly understood. I think it would be very advisable if they could be printed in their proper places in the bill. I therefore ask unanimous consent that 125 copies of S. 110 be printed for the use of the Senate showing certain amendments intended to be proposed by me and that the bill as proposed to be amended be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

[Amendments proposed by Mr. O'MAHONEY in small caps, omitted parts in black brackets, committee amendments in italics]

S. 110

A bill to amend the Interstate Commerce Act with respect to certain agreements between carriers

Be it enacted, etc., That the Interstate Commerce Act, as amended, is amended by adding after section 5 thereof a new section as follows:

SEC. 5a. (1) For purposes of this section—

"(A) The term 'carrier' means any common carrier subject to part I, II, or III, and shall include any freight forwarder subject to part IV, of this act; and

"(B) The term 'antitrust laws' has the meaning assigned to such term in section 1 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914.

"(2) Any carrier, party to an agreement between or among two or more carriers concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment, of rates, fares, charges (including charges as between carriers), classifications, divisions, allowances, time schedules, routes, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service, may, under such rules and regulations as the Commission may prescribe, apply to the Commission for approval of the agreement, and the Commission shall by order approve any such agreement (if approval thereof is not prohibited by paragraph (4), (5), or (6)) if it finds AFTER PUBLIC NOTICE IN THE FEDERAL REGISTER AND PUBLIC HEARING NOT LESS THAN 10 DAYS THEREAFTER that the object of the agreement is appropriate for the proper performance by the carriers of service to the public, that the agreement IS NOT DISCRIMINATORY AMONG SHIPPERS OR GEOGRAPHICAL AREAS, will not unduly restrain competition, and that it is consistent with the public interest as declared by Congress in the national transportation policy set forth in this act; otherwise the application shall be denied. The COMMISSION SHALL PRESCRIBE AND MAY FROM TIME TO TIME MODIFY THE RULES AND REGULATIONS UNDER WHICH SUCH AGREEMENTS MAY BE MADE (WHICH SHALL INCLUDE PROVISION FOR THE REPRESENTATION OF SHIPPERS AND INTERESTED STATE REGULATORY COMMISSIONS OR OTHER AUTHORITIES IN HEARINGS THEREON), AND THE approval of the Commission shall be granted only upon such terms and conditions as the Commission may prescribe as necessary to insure compliance with the standards above set forth in this paragraph. NO SUCH AGREEMENT FOR THE ESTABLISHMENT OF ANY ASSOCIATION OR ORGANIZATION COMPOSED OF TWO OR MORE CARRIERS, OR PRESCRIBING RULES, REGULATIONS, OR PROCEDURES FOR ITS CONSIDERATION OF ANY OF THE SUBJECTS HEREINBEFORE SPECIFIED, SHALL BE APPROVED BY THE COMMISSION UNLESS SUCH AGREEMENT SHALL FIRST HAVE BEEN SUBMITTED TO AND APPROVED BY THE CONGRESS BY JOINT RESOLUTION.

"(3) Each conference, bureau, committee, or other organization established or continued pursuant to any agreement approved by the Commission under the provisions of this section shall maintain such accounts, records, files, and memoranda and shall submit TO THE COMMISSION such reports as may be prescribed by the Commission, and all such accounts, records, files, and memoranda shall be subject to inspection by the Commission or its duly authorized representatives. NO BANKER, BANK, OR OTHER FINANCIAL INSTITUTION SHALL BE A MEMBER OF ANY SUCH CONFERENCE, BUREAU, COMMITTEE, OR OTHER ORGANIZATION, OR PARTICIPATE DIRECTLY OR INDIRECTLY IN ITS CONSIDERATION OF ANY OF THE SUBJECTS SPECIFIED IN PARAGRAPH (2) OF THIS SECTION.

"(4) The Commission shall not approve under this section any agreement between or among carriers of different classes unless it finds that such agreement is limited to [matters relating to] *freight classifications or to* [transportation under] joint rates or [over] through routes; and for purposes of this paragraph carriers by railroad, express companies, and sleeping-car companies are carriers of one class; pipe-line companies are carriers of one class; carriers by motor vehicle are carriers of one class; carriers by water are carriers of one class; and freight forwarders are of another class.

"(5) The Commission shall not approve under this section any agreement which it finds is an agreement for a pooling, division, consolidation, merger, purchase, lease, acquisition, or other transaction, to which section 5 of this act is applicable.

"(6) The Commission shall not approve under this section any agreement which establishes a procedure for the determination of any matter through joint consideration unless it finds or by condition requires that under the agreement there is or shall be accorded to each party the free and unrestrained right to act contrary to and independently of the *initial* determination or *report, or any subsequent determination or report*, arrived at through such procedure, and unless it finds or by condition requires that all carriers of the same class (as defined in paragraph (4) of this section) within the territorial and organizational scope of such agreement shall be eligible to become and remain parties to the agreement upon application and payment of charges applicable to other parties of the same class. Nothing in this section and no approval of any agreement by the Commission under this section shall be so construed as in any manner to remove from the purview of the antitrust laws any restraint upon the right of independent action by means of boycott, duress, ECONOMIC PRESSURE, or intimidation.

"(7) The Commission is authorized, upon complaint or upon its own initiative without complaint, to investigate and determine whether any agreement previously approved by it under this section, or terms and conditions upon which such approval was granted, is not or are not in conformity with the standards set forth in paragraph (2), or whether any such terms and conditions are not necessary for purposes of conformity with such standards, and, after such investigation, the Commission shall by order terminate or modify its approval of such agreement if it finds such action necessary to insure conformity with such standards, and shall modify the terms and conditions upon which such approval was granted and may impose additional terms and conditions to the extent it finds necessary to insure conformity with such standards or to the extent to which it finds such terms and conditions not necessary to insure such conformity. Any person, including the Attorney General of the United States, may make complaint to the Commission of any action taken under or pursuant to an agreement theretofore approved by the Commission, and the Commission, upon such complaint or upon its own initiative, shall after hearing determine whether any such action is in conformity with such agreement and with the terms of the approval thereof by the Commission and is consistent with the standards above set forth and whether its approval of the agreement should be modified or terminated or additional terms or conditions be prescribed with respect to the particular action complained of. The effective date of any order terminating or modifying approval, or modifying terms and conditions, or prescribing terms or conditions, shall be postponed for such period as the Commission determines to be reasonably necessary to avoid undue hardship.

"(8) No order shall be entered under this section except after interested parties (including in all cases the Attorney General of the United States) have been afforded reasonable opportunity for hearing.

"(9) No agreement approved by the Commission under this section, and no conference or joint or concerted action pursuant to and in conformity with such agreement as the same may be conditioned by the Commission, shall be deemed to be a contract, combination, conspiracy, or monopoly in restraint of trade or commerce within the meaning of the antitrust laws: [*Provided, however*, That this paragraph shall not apply to agreements, or parts thereof, dealing with matters over which the Commission has no jurisdiction] *Provided, That the approval by the Commission of any agreement concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment of, time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any subsequent modification or amendment thereof or of any supplemental or other agreement made pursuant to any provision contained in the original approved agreement: And provided further, That the approval by the Commission of any agreement providing procedures for the consideration, initiation, or establishment of time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any joint or concerted action taken pursuant to any provision of such agreements.*

"(10) Any action of the Commission under this section in approving an agreement, or in denying an application for such approval, or in terminating or modifying its approval of an agreement, or in prescribing the terms and conditions upon which its approval is to be granted, or in modifying such terms and conditions, shall be construed as having effect solely with reference to the applicability of the provisions of paragraph (9)."

Mr. BARKLEY. Mr. President, may I ask the Senator from Arizona a question?

Mr. McFARLAND. I yield to the Senator from Kentucky.

Mr. BARKLEY. Following the comment of the Senator from Alabama with respect to the operation of the organization, and the machinery to which he referred, it is not my understanding that the Department of Justice, or that the Government in any way intends to take away from the Interstate Commerce Commission its right to regulate rates. The lawsuits now pending do not involve any diminution of the power of the Interstate Commerce Commission to regulate rates in cases which reach the Interstate Commerce Commission.

I understand one of the objections to the present process is that the machinery to which the Senator from Alabama referred is a method outside the Commission to determine what sort of proceedings will ever arise before the Commission, and it is that machinery, which is ex cathedra, in a sense, outside the jurisdiction of rate making before the Interstate Commerce Commission, by which the Interstate Commerce Commission is approached by a process which channels into it or out of it proceedings which determine what rates shall be and what they shall pass upon. Am I correct about that?

Mr. McFARLAND. I think the Senator has correctly stated the position of the Department of Justice.

Mr. BARKLEY. So, the absence of this legislation will in no way take away from the Interstate Commerce Commission its right to determine rates, their reasonableness, their fairness, and certain practices which are delineated, either by the permission or by disapproval, in the Transportation Act itself. So that what is attempted in the litigation upon which the Supreme Court is supposed to pass is to determine whether, in part, at least, in the preliminary steps leading up to a case before the Interstate Commerce Commission there has been a conspiracy on the part of those engaged in the action which is a violation of the antitrust law.

Mr. McFARLAND. I thank the Senator. Certainly Congress should want the benefit of the interpretation of the Supreme Court as to what those rights are, and what the railroads can lawfully do under the antitrust laws.

Mr. HILL. Mr. President, what has been expressed as a legitimate area of collaboration. Is not that correct?

Mr. McFARLAND. That is correct.

Mr. HILL. Speaking about the Interstate Commerce Commission fixing rates, does not the evidence show very clearly that of all the rates fixed, not more than 1 percent are every really acted upon by the Interstate Commerce Commission? Is not that true?

Mr. McFARLAND. That is true.

Mr. HILL. In other words, it is a physical impossibility for the Commission to pass on all detailed rates. They are filed there, and if nothing is done in 30 days, they automatically become effective.

Mr. McFARLAND. What does a farmer in Alabama, for example, know, or what can he know about a rate that is filed with the Interstate Commerce Commission?

Mr. HILL. That is all the more reason why he should be protected, and the railroads should be required to live up to the antitrust laws. Is not that true?

Mr. McFARLAND. That is correct.

Moreover, Mr. President, in all sincerity I ask, what harm can come from waiting for the Supreme Court decision? Are the people likely to be harmed by awaiting the action of the Court? With the law-making, the law-enforcing, and the law-evaluating agencies of the Government all concentrated upon them and their activities in this field, the carriers are hardly going to take further harmful action to the prejudice of the public, and hence of themselves, pending the decision of the Court and possible later action by Congress. Are the railroads being prejudiced by such delay? Nothing has happened or is going to happen that will adversely affect the railroads pending the Supreme Court decision. When the immunization certificate expired last fall, the Department of Justice wrote Mr. John Steelman, Director of the Office of War Mobilization and Reconversion, a formal letter assuring him that the Department did not plan any additional actions pending the settlement of the issues in the Georgia and Lincoln cases. That letter was distributed by the American Association of Railroads to its members, and it has been generally recognized as an announcement in good faith that nothing would be done by the Government pending judicial decision. In short, insofar as Federal action is concerned, the railroads are operating just as if the immunization certificate 44 were in full force and effect. There will be no change in the status quo until there are decisions by the Court. The States might take additional action against the carriers, but it is scarcely to be supposed that they will do so under the present circumstances.

There can be little doubt as to the effect this bill would have upon pending litigation, and less as to why there is such present pressure in some quarters

for its adoption. It was charged by the Government witnesses before our Committee that the apparent purpose of pressing for early enactment of this bill is to attempt to deprive the courts of jurisdiction in the two pending antitrust suits; that was the exact testimony of Mr. Wendell Berge, Assistant Attorney General.

Mr. President, it has been suggested on the floor, during the debate, that the two decisions would not be affected by the pending bill. The Department of Justice, which is charged with responsibility of prosecution in the Lincoln case, thinks the decision in that case would be affected by the passage of the bill. Governor Arnall testified the bill would affect the Georgia case, and he placed in the record, a letter from the attorney general of the State of Georgia to that effect. Whose opinion is to be accepted—the opinions of the defendants in those cases, or the opinions of people charged with responsibility for the prosecutions on behalf of the public?

Mr. HILL. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. HILL. The Senator was a member of the committee. He heard a great part of the evidence. He is a very able lawyer, a former distinguished judge. Does he have any doubt in his mind that the passage of the pending bill would affect the two cases in court?

Mr. McFARLAND. There is no doubt in my mind, I may say to the distinguished Senator from Alabama. But I say that, regardless of what we may think, individually, we should take the word of the lawyers who are prosecuting the cases. We should not try the cases here on the floor of the Senate and say that in our opinion the prosecution will not be affected, when the Department of Justice says that both cases will be affected, when the former Governor of Georgia says they will be affected, and when the attorney general of that State, charged with responsibility for prosecution of the Georgia case, says the pending legislation would do away with that case. Are we to substitute our opinion on the floor of the Senate for the opinions of persons who have carefully studied the cases? Let us face the pending bill on its true merits. Let us not go far afield and try to push the cases aside and say that they would not be affected, when the people charged with responsibility say they would be affected.

Surely it is not the desire of Congress to try lawsuits. We are not equipped properly to try cases, nor do we have the time. But more important than that is the fact that it is an encroachment upon the field of duty of the judiciary as outlined in the Constitution of the United States.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. HILL. The Senator recalls, no doubt, a letter that was put in the record, at page 1348 of the hearings on H. R. 2536, before the Senate Committee on Interstate Commerce. It was a letter written on November 26, 1935, by Judge R. V. Fletcher, who has been identified as the lawyer for the Association of American Railroads, to Mr. Stacy B. Lloyd. He was talking about the very thing that is under discussion today—the machinery, the set-up that was brought into being about 1935 by the Association of American Railroads. Among other things, Judge Fletcher had this to say:

> In the fifth place, in my opinion, the railroads should be exempted entirely from the operation of the antitrust laws and existing statutes should be amended so as to eliminate standards of competition and the so-called existing channels of trade and commerce. As I see it, no regulated industry—

I ask Senators to listen to this—

> no regulated industry should be subjected to the sanctions of antimonopoly statutes. Neither does it seem to me that railroads should be forced to compete—

"Should not be forced to compete," Judge Fletcher says—

> in an era when their rates and, to a large extent, their service are under the control of regulating bodies.

Mr. B. O. Young would strongly dissent on the matter of their services being under the control of regulating bodies. When the time comes for me to speak, I think I shall have something to say about that, too. We know there is a broad field, a very great field in which there is no regulation, as the Senator from Arizona knows. Then, Judge Fletcher goes on to conclude the paragraph by saying:

> In my opinion the importance and value of competition in transportation have been tremendously overestimated in the public mind.

So Judge Fletcher said very frankly in the letter that what he was seeking to do was to remove the railroads from the operation of the antitrust laws. He does not believe there should be any competition among the railroads.

Mr. McFARLAND. Mr. President, in further answer to the question by the Senator from Alabama as to the effect that this bill would have upon the two cases, I wish to state, that there is no question in my mind that, should the legislation be enacted, the railroads will promptly file motions for dismissal in both the State of Georgia and the Lincoln, Nebraska, cases, alleging that this bill legalized most if not all of the practices that are attacked in these actions at law. A more effective disposition by Congress of legal actions pending in court could scarcely be devised, short of a direct dismissal by fiat. Granted that this is the purpose of present pressure—or even one of the purposes—should the Senate accede and in effect dispose of the issues pending in the courts?

I do not and cannot approve of the Congress taking any such action. I do not and cannot approve of the Congress legislating to deprive a sovereign State of its legal and judicial remedies. I do not believe that the Constitution contemplated any such action by the Federal Government, particularly where the judicial process is invoked to test rights or obligations created by earlier acts of Congress, as is the present case. I most emphatically do not approve of a policy which is sought to be established here, under pressure, of the Congress settling legal actions by legislation. That was tried in the insurance case and in the tidelands case, and I believed it was wrong. I believe it is wrong in this case.

To avoid an imputation either of ingenuousness or sophistry, I say frankly that in my opinion there can be no question about the inherent rights, the Constitutional rights, of Congress to overrule the principle established by judicial decision when that decision is expository of law other than the meaning or effect of the Constitution.

Mr. HILL. Mr. President will the Senator yield?

Mr. McFARLAND. I yield.

Mr. HILL. While the Senator is speaking of the Constitution and the rights of the States let me suggest that, as he so well knows, the framers of the Constitution thought so much of the rights of the States that they provided that a State in a matter of this kind would not have to go before a district judge or a circuit court, or before any lower court whatever, that the State could go directly into the Supreme Court of the United States.

Mr. McFARLAND. I thank the Senator.

Apart from the constitutional field, there can be no question that Congress has the power to change the result of a court decision if the popular will, reflected in the Congress, decrees such a change. But that is a vastly different thing than is here contemplated.

We are faced here with a powerful pressure movement to get Congress, by legislative action, to preempt the courts and anticipate a court decision. Ostensibly, this pressure emanates from the railroads or from kindred interests. The pressure is indicative of a fear of the judicial result; but how myopic is such a view! Why, it is entirely possible that after the Court decisions in these cases, the railroads themselves will not need and will not want any legislation. But regardless of what the outcome of these cases may be, the Supreme Court will definitely give its interpretation of the law, and Congress will then be in a position to pass whatever legislation is needed, if any.

Many years have elapsed without this legislation, during which our transportation has continued. If the railroads have done nothing wrong, they have nothing to fear. But even if our laws need to be changed, is it to be supposed that Congress will enact laws less in the public interest if the Supreme Court has heretofore placed its construction upon present law? Why, then, should Congress take action which will hinder or in any way jeopardize existing lawsuits? Why should Congress assume a superior, exclusive wisdom? The answer, clearly, is that we should not impinge upon the judicial branch. Our position is certain and secure; our place in the tripartite scheme is so great as hardly to invite effort to expand it; our role is to preserve our own function untrammeled and to exercise it wisely in coordination with the other branches.

I do not want to be misunderstood. I am not unmindful of the fact that the

railroads in the United States have performed a superb service for the people, particularly during the last war. No single thing has caused our Nation to progress and to go forward more than have our great transportation systems. I do not for one moment want Congress to fail to take any needed action in their behalf.

But the Nation is entitled to the tempered, conjoined services of all its branches of government. In this instance, the dual opportunity exists for combining the wisdom of the courts with that of the Congress, and by this favorable action again to demonstrate the dynamic values of our democratic institutions—a concern as precious to the railroads themselves as to the American people.

I am entirely willing to sit down and carefully consider this question when the Supreme Court has passed upon the two cases and pointed out what the rights of the interested parties are under existing laws.

But, Mr. President, if ever there was a time when Congress should move cautiously; should carefully preserve and demonstrate anew the firm, vital, and enduring principles of our Constitution and the form of government by it created; should unequivocally act to convince the Nation and the world that it, as the peoples' representative, adheres to that Constitution and that form of government—it is now. I therefore urge the Senate to reject this bill.

ISSUANCE OF GERMAN MARK NOTES IN GERMANY BY ALLIED OCCUPATION FORCES

Mr. KNOWLAND. Mr. President, on November 18, 1946, Gen. Lucius Clay appeared before the Senate committee to investigate the national defense program, and testified. During the course of the testimony some questions were raised as to the issuance of allied military marks in large denominations in the occupied territory. On January 17 at the time a resolution was under debate in the Senate I mentioned on the floor and read into the RECORD, page 412 of the CONGRESSIONAL RECORD of that date, a part of the testimony which had been given before the War Investigating Committee at that time. For the information of the Senate, I wish to ask unanimous consent at this time to have placed in the RECORD at this point in my remarks a letter dated November 29 addressed to Mr. George Meader, chief counsel of the committee, and signed by George F. Schulgen, brigadier general, United States Army, Acting Chief, Civil Affairs Division; a copy of a letter addressed to my secretary by a representative of the War Department; a copy of my letter of May 2, addressed to the Secretary of War asking for additional information; a copy of the letter of acknowledgment of May 6 from the War Department; a copy of a letter dated May 23 from Daniel Noce, major general, GSC, Chief, Civil Affairs Division; and also the letter I received from Robert P. Patterson, Secretary of War, dated May 29.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NOVEMBER 29, 1946.

Mr. GEORGE MEADER,
Chief Counsel, Special Committee Investigating National Defense Program, United States Senate.

DEAR MR. MEADER: In accordance with your request to Lt. Gen. Lucius D. Clay, deputy military governor, Office of Military Governmilitary currency and Reichsbank currency lowing documents are furnished for your information:

(a) Finance and Property Control Report, Military Government, United States Zone, dated September 20, 1946, regarding Allied military currency and Reichsbank currency in the United States zone. No information on this matter is available for the Russian zone (enclosure No. 1).

(b) Passenger-car and truck capacity for Germany under the Level of Industry Plan. Copy of press release based upon official cable from Berlin enclosed (enclosure No. 2). Distribution of this capacity by zones obtained from cable from Ambassador Murphy, OMGUS, to State Department, April 23, 1946 (enclosure No. 3).

With respect to 1,000-mark notes, the report of the Military Governor for July 1946 shows RM 48,940,000 in 1,000-mark notes in the German banks in the United States zone in Berlin. A tabulation of the 1,000-mark notes printed by the United States showing the number turned over to the British and French is given on Incl. No. 4. The portion of these notes held by the United States is still in unopened boxes. None have been issued.

With respect to 1,000-mark Allied notes which may have been issued by any other ally, the Commanding General, European Theater, on November 22, 1944, issued instructions to all United States Army disbursing officers prohibiting the acceptance of any 1,000-mark allied notes without the approval of a general officer. This was later changed to permit acceptance only upon approval by the office of the Theater Fiscal Director. These instructions appear to have been strictly enforced; and I am informed that less than ten 1,000-mark allied notes have ever been received from Army disbursing officers.

Amendments to the policy directive in JCS No. 1067 are now being assembled and pertinent papers will be forwarded to you as soon as possible.

Sincerely yours,
GEORGE F. SCHULGEN,
Brigadier General, United States Army, Acting Chief, Civil Affairs Division.

WAR DEPARTMENT,
WAR DEPARTMENT SPECIAL STAFF,
Washington, D. C., April 30, 1947.

Mr. GEORGE WILSON,
Secretary to Hon. William F. Knowland, United States Senate, Washington, D. C.

DEAR MR. WILSON: Confirming our conversation of this date, the United States occupation authorities in the United States zone of Germany have placed in circulation, over and above marks already in circulation, approximately 200,000,000 allied military marks or reichsmarks as of February 1947. No break-down is available on the portion of each type so placed in circulation as both are interchangeable. Marks in United States zone German banks were reported as of September 1946 at approximately 226,000,000 allied military marks and 5,450,000,000 reichsmarks. There is no known means of determining or estimating which of the marks now in circulation in the United States zone are of other than United States zone origin.

Sincerely yours,
DWIGHT T. HAMERSLEY,
Major, GSC.

MAY 2, 1947.

Hon. ROBERT P. PATTERSON,
Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: On November 18, 1946, Gen. Lucius Clay appeared before the Senate Committee to Investigate the National Defense Program and in a portion of his testimony referred to the amount of military marks that had been issued by the United States Government. During part of the testimony, I asked General Clay how many notes of 500, 1,000, or 10,000 marks are there in the American Zone. General Clay could not give me specific information on this question, but assured me that the information would be made available.

To date this information has not been received and I am desirous of obtaining the answer to my question.

For your information, a part of the testimony appears on Page 436 of the CONGRESSIONAL RECORD of January 17, 1947.

Sincerely yours,
WILLIAM F. KNOWLAND,
United States Senator.

MAY 6, 1947.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

DEAR SENATOR KNOWLAND: This is in acknowledgement of your letter of May 3, addressed to the Secretary of War, regarding the present distribution of German mark notes of various denominations within the American Zone of Germany.

Your request is being brought to the attention of those authorities within the War Department primarily concerned, and you will be further advised at the earliest possible time.

Sincerely yours,
DWIGHT T. HAMERSLEY,
Major, GSC.

MAY 23, 1947.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

DEAR SENATOR KNOWLAND: I am in receipt of a communication from General Clay, in which he advises me that he has received a letter from you inclosing a copy of a letter you addressed to the Secretary of War relative to the number of large denomination mark notes in the United States zone of Germany. General Clay referred to a request made of him for this information when he appeared before the Senate committee last fall. At that time, General Clay asked the Civil Affairs Division to obtain the necessary information since he did not have it in mind and transmit it to the committee.

In compliance with General Clay's request a letter dated November 29, 1946, containing the desired information, was sent to Mr. George Meader, chief counsel for the committee. Apparently the contents of this letter were never brought to your attention.

With reference to your letter of May 3 to the Secretary of War on the same subject, I am advised that a reply from the Secretary is being dispatched to you containing the information requested.

I trust that the forthcoming reply from the Secretary of War in conjunction with my letter will clarify the matter to your satisfaction.

Sincerely yours,
DANIEL NOCE,
Major General, GSC, Chief, Civil Affairs Division.

MAY 29, 1947.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

DEAR SENATOR KNOWLAND: I have your letter of May 3, 1947, in which you request information as to how many notes of 500-, 1,000-, and 10,000-mark denomination there are in the American zone of Germany.

From information available in the War Department, as provided by the United States Military Government officials in Germany, there are no 500-mark notes or 10,000-mark notes in the United States zone banks in Germany. However, the total number of 1,000 mark allied military notes held by banks in the United States zone aggregated 10,345 in December 1945, 35,940 in June 1946, 46,022 in March 1947. In addition, the Land Bremen had approximately 2,900 of 1,000-mark allied military notes. It may be of interest to you to know that on December 31, 1946, the banks in the United Kingdom zone had 151,000 of these notes in the city of Berlin. It was estimated that the banks in the Soviet zone exclusive of savings banks held in excess of 1,600,000 of these notes on September 30, 1946. There is no indication available as to the quantity of notes in the hands of individual Germans in the zone.

In this connection, your attention is invited to the information provided Mr. George Meader by the War Department by letter dated November 29, 1946, in response to questions by Mr. Meader regarding General Clay's testimony before the Senate Special Committee Investigating the National Defense Program.

Sincerely yours,

ROBERT P. PATTERSON,
Secretary of War.

Mr. KNOWLAND. Mr. President, I merely wish to point out that the testimony showed that so far as the United States Army was concerned it did not issue in the occupied area any German mark notes of a larger denomination than 100 marks. Larger notes had been printed up to a denomination of a thousand marks each. While these had been printed, none were issued by the American Army. I understand that certain of these marks were turned over to the British Army and the information furnished to the committee indicated that no such large denomination marks had been issued by the British Army. I have no information as yet as to whether any were turned over to the French and issued by them. So that leaves only one country that could possibly have issued the large number of 1,000 denomination marks which are now in German banks and, of course, they had to come, by process of elimination, from the Russian zone.

I think it is important that the matter be pursued either by the Military Affairs Committee or by some other committee of the United States Senate, because as these marks were ultimately converted into United States money orders and sent back to the United States, to that extent they were a charge upon the American taxpayer.

No reliable information is yet available as to the amount of money issued by the Russians that finally got into the hands of the American financial authorities and were converted into dollars. But my suspicion is, based on the information which I have put into the RECORD today, that it will amount to a considerable sum of money, and I believe that there is one way that this situation could be checked. No conversions could be made into dollars by American soldiers overseas except through the Army fiscal offices and through the Army post office by the purchase of money orders, and I believe, unless the records have been destroyed, and I have no reason to believe that they have been destroyed, that between the Post Office Department and the military authorities there must be a complete list of the amounts of conversions that were made by men in the United States Army into dollars and sent back to this country. If we get that information—and we will have the information as to the payroll of the American Army in the occupied territory—I think we can obtain a reasonably good idea as to the amount of this paper money which we have been converting into dollars.

LABOR-MANAGEMENT RELATIONS—ARTICLE AND EDITORIAL FROM PM

Mr. MORSE. Mr. President, I ask unanimous consent to have two items from today's issue of PM printed in the body of the Record, because I wish to be associated with the contents thereof.

The first is an article appearing on page 3, entitled "Members of War Labor Board Warn Taft-Hartley Bill Will Bring Chaos"; the second is an editorial appearing on page 2 of the same issue, entitled "Road Signs for a Taft-Hartley Veto."

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From New York PM of June 10, 1947.]

MEMBERS OF WAR LABOR BOARD WARN TAFT-HARTLEY BILL WILL BRING CHAOS

A highly significant fact about the Taft-Hartley bill is that Congress, in passing the measure, did not have the benefit of counsel from any of the former public members of the War Labor Board.

The public members of the WLB held the balance of power, during the war, between the spokesmen of unions and industry. They were the handful of men who, with respect for the desires of each group, hammered out the decisive policies of labor-management relations under which the "Arsenal of Democracy" outproduced the Axis and the world. No comparable group of objective, unprejudiced citizens has had equal experience with the realities of industrial relations in a time of crisis.

It would seem only natural for Congress, in shaping new labor legislation, to seek the advice of these experienced citizens. But Congress did not seek their advice.

Two former WLB public members, belatedly invited to testify before the Senate Labor Committee, were given only two or three days' notice and directed to furnish numerous copies of elaborate written statements in advance—an impractical assignment for such busy men.

Sponsors of the labor bill may have preferred to avoid giving a hearing to the WLB public members. PM thinks that their viewpoints should be available to the people, and statements on the Taft-Hartley bill by five of the WLB's most prominent former public members are printed below.

Frank P. Graham, president, University of North Carolina, Chapel Hill, N. C.:

"The conference bill should not, in my opinion, be accepted for the following reasons:

"1. It unfairly confronts the President of the United States of America with the necessity of accepting the bad provisions in order to have the good provisions in the bill. Senators MORSE, IVES, and others were wise in seeking to separate the bill into its independent parts for separate and fair appraisal. It would, therefore, be wiser now to reject the omnibus bill and wait a while longer for a sound bill devoted only to the development of fair, responsible, and productive industrial relations.

"2. This bill will, at a critical time, tend to weaken the foundations of free collective bargaining and will impair the growing values of the impartial umpire and of voluntary and binding arbitration.

GREATER BURDEN PLACED ON COURTS

"3. This bill will tend to remove the settlement of many industrial disputes from management and labor and transfer them to lawyers, the Federal board and the courts. Provisions in the bill will require much clarification, numberless rulings by the board, heavy litigation in the courts and long delays in settlements, with consequent confusion, loss of morale and loss of production.

"4. This bill will tend to weaken the disciplinary power of unions and cause as many headaches to management as to wise and responsible labor leadership. Such leadership is increasingly on the rise in America in spite of the irresponsible abuses of power by a few labor dictators. These comparatively few irresponsible leaders can be brought under responsible control without including those provisions in the bill which unnecessarily do damage to sound industrial relations.

"5. Some provisions in this bill will impair the equality of bargaining power, will unnecessarily do damage to the growing values of (a) the free and increasingly responsible labor movement, (b) free and more socially responsible business enterprise, and (c) labor-management cooperation in the American way for maximum production.

"The world now needs the most that America can produce against the hazards of international disintegration, another World War, and the ruin of our civilization. Against the most monstrous threats to human freedom the world has ever known American management and labor cooperated in an unprecedented industrial production which enabled the brave youth of America and the Allied nations to win the final victories over the Fascist axis powers.

"In the present world, threatened now with hunger, misery, and cruel tyrannies, human freedom again needs the cooperation of management, labor and agriculture for this maximum production for the relief of hunger and misery, for the prevention of war, and for the organization of the nations toward human freedom, social justice, and enduring peace in the world."

Edwin E. Witte, professor, University of Wisconsin, Madison, Wis.:

"The labor control bill passed by the Congress is mild only in comparison with the original House bill. It is more restrictive than the Case bill which was vetoed by the President last year. It goes far beyond restoring conditions as they were prior to the enactment of the Wagner act. It places many restrictions upon unions to which they were not subject even in wartime. It is the most drastic measure of the kind ever passed by the National Legislature of any democratic country. No corresponding restrictions are imposed upon or are now applicable to corporations or employers' associations. Its net effect is greatly to increase the extent of Government intervention in labor relations and the powers of administrative agencies of the Federal Government."

GREATER POLITICAL ACTIVITY BY UNIONS FORESEEN

"How this bill will work out will depend very largely upon the reactions it produces within the ranks of labor and management. That it will produce much resentment among organized workers seems certain. But this resentment may find expression in greater activity in politics rather than in an increased number of strikes. There is real danger, however, that the downward trend in strike losses, which has been pronounced since February 1946, may be reversed. This legislation may throw into turmoil industries in which union-management relations have long been satisfactory. It invites both labor and management to resort to legal jujitsu to settle their differences, and this bill leaves management fully as exposed in this respect as is labor.

"Believing as I do that satisfactory labor relations can be developed only between the parties and through the democratic processes of collectives bargaining. I regard the proposed extension of governmental authority in labor relations to be a bad mistake."

Nathan P. Feinsinger, professor, University of Wisconsin, Madison, Wis.:

"The Taft-Hartley bill, supported by a number of Senators and Congressmen whose records belie any antiunion bias, must be appraised as an attempt to protect the public, management and the individual worker against certain 'abuses' of organized labor.

"My criticism of the bill is that it is visionary, impractical, and escapist, tested by 'the realities of industrial life.'

"First, the bill is visionary in that it attempts, by legislative fiat, to regulate the complicated human and economic variables inherent in the delicate relationship between the individual worker and group, between the representatives of workers and the managers of capital, and between our American system of industrial self-government and society as a whole. Such an attempt would be difficult to rationalize in a democratic country at any time. In a political era characterized by protests against 'regimentation,' it passed understanding."

SANCTIONS OUTMODED OR SELF-DEFEATING

"Second, the bill is impractical in that it relies on sanctions either long outmoded in efforts to achieve sound industrial relations—the labor injunction and damages—or self-defeating. Thus, for example, an erring union would be educated to its responsibilities as collective bargaining representative by the disestablishment of collective bargaining at the plant.

"Third, the bill is escapist, in that it concentrates on symptoms of industrial neurosis in isolated cases, ignoring completely certain basic human and economic maladjustments in our industrial democracy with which enlightened leaders of management, as well as of unions, have only recently begun to grapple. The bill, by providing easy though unintended avenues of attack on all unions, good and bad, would divert the energies of union leaders from these problems to the elemental struggle, as they see it, for survival and security. Labor, management, and the public of the courtroom are no substitute for the rigors of the bargaining table.

"Enactment of the bill into law before completion of the 'study and report on basic problems affecting labor relations and productivity,' provided by title IV of the bill, is putting the cart before the horse. It is not too late to revise the procedure if we are to have progress rather than just motion, in seeking to solve the basic industrial-relations problems of our time."

WAYNE L. MORSE, United States Senator, Oregon, Washington, D. C.: "I voted against the Taft-Ives-Hartley bill because in my judgment it is administratively unworkable. It weakens the Norris-LaGuardia Act, and it places in the hands of many anti-labor employers the opportunity to weaken unions by keeping them involved in litigation befor the courts.

"Many of the amendments adopted by the conference committee are cleverly designed to enable employers through final court action to secure injunctions and also to dissipate the treasuries of unions through court action.

"I am afraid, in order to avoid the unjust features of the Taft-Ives-Hartley bill, many unions will decide to boycott the National Labor Relations Board by resorting in the first instance in every labor dispute to direct economic action.

"I predict that whenever labor considers itself strong enough to defeat an employer by striking a labor union will do so rather than subject itself to the unjust provisions of the Taft-Ives-Hartley bill."

Lloyd K. Garrison, attorney:

"The Taft-Hartley bill looks to the past and not to the future. We have learned by experience that the best labor relations are the product of mature collective bargaining and that Government intervention in the bargaining process is the surest way to retard its development. But the Taft-Hartley bill adopts, in the case of major disputes, the discredited Smith-Connolly techniques of compulsory waiting periods and secret ballot votes cast at Government expense under Government auspices, with boards of inquiry and injunctions thrown in to boot. As experience has shown, nothing could be more calculated to hamstring collective bargaining or to get the Government deeper into the business of fixing wages and other terms of employment—the prelude to fixing prices and profits.

"Granted that some strikes can become so serious that the Government must enter the picture in one way or another, wisdom dictates that the Government be left free in each instance to adapt its techniques of settlement to the needs of the particular case. But the Taft-Hartley bill ties the hands of government by laying down a single rigid pattern to be followed in each emergency. This seems to me the height of rashness.

TURNS CLOCK BACK TO NINETEENTH CENTURY

"The bill interferes with the freedom of employers and unions to work out their own arrangements by prohibiting certain types of agreements no matter how much they may be desired by the workers and the management. The bill strikes at some abuses which some unions have engaged in, but it goes beyond this legitimate objective by subjecting to injunctions and damages particular kinds of strikes which have been lawful at least since the Norris-LaGuardia Act (passed in the Hoover Administration), and some other kinds of strikes which have been lawful since the latter part of the nineteenth century. The bill goes beyond labor relations altogether in prohibiting working people from making political contributions through unions, even when they specifically authorize their money to be used that way.

"The bill further turns back the clock of history by its treatment of the Wagner Act. It is not content to add to the act from start to finish, introducing many subtle changes which will weaken some of its main foundations. The bill chops up the National Labor Relations Board into virtually two agencies and makes other burdensome administrative changes, all of them contrary to the principles of the Federal Administrative Procedure Act which Congress passed last year by unanimous action."

BAD FAR OUTWEIGHS THE GOOD

"Collective bargaining still is young in many important industries It needs guidance in its formative stages. This guidance can come effectively only from the leaders of industry and labor acting together. The aim of statesmanship should be to bring those leaders together in an organized group for the successful development of free collective bargaining and of voluntary methods of settlement, and giving them necessary support in the way of staff and other governmental aid. The Taft-Hartley bill makes a gesture in that direction by providing for the establishment of a labor-management advisory committee, but its role is made so secondary and the bill will engender so much strife and bitterness that progress by agreement scarcely can be hoped for."

COAL STRIKE ENCOURAGED

"I believe that the bad in this bill so far outweighs the good that the bill should be rejected and the whole subject reconsidered in a calmer and less hurried atmosphere.

"Some say that the bill must be enacted if only to deal with the coal crisis. These people, I think, are grossly mistaken. If the procedure of the bill is applied to a coal strike this summer and if the miners go along with its injunctions, the effect will simply be to postpone the strike to the fall when the waiting period will run out; and the fall is a better time to strike from the union's point of view. Moreover, the union will have obtained under the bill a Presidential board of inquiry, plus a secret ballot vote under Government auspices on the question of whether or not to accept the employers' last offer. The miners can be expected to vote overwhelmingly the way the union wants them to, as they have always done in the past, and thus, at the moment the waiting period comes to an end and the strike is on in earnest, the union will be fortified by a great showing of rank-and-file sentiment in the governmentally sponsored voting. One could scarcely devise a less effective way of discouraging a coal strike or a more expensive way of ultimately reaching a settlement."

ROAD SIGNS FOR A TAFT-HARTLEY VETO

It is significant that, in all the discussion of the Taft-Hartley labor bill, its defenders have seemed strangely reluctant to analyze its terms and how they would work, and place the defense upon that basis.

The fundamental weakness of the bill is its philosophy—the presumption of its sponsors that, because strikes occurred in the aftermath of a great war, unions must be curbed, restricted, and weakened. Ever since last year, of course, the number of strikes has been falling, and strikes are near an all-time low. But the specific provisions are the expression of the philosophy.

Take a look, for example, at a little-noticed paragraph slipped into the bill by the House-Senate joint conference committee. This paragraph—section 14 (b)—provides that State laws on union security shall supersede Federal law.

We have been told, ad nauseum, that the Taft-Hartley measure does not damage union security; that it merely limits the check-off of dues and outlaws only the closed shop, leaving union-shop and maintenance of membership clauses untrammeled. In truth, however, section 14 (b) turns the whole field of union security over to the mercies of State legislatures, which notoriously are more easily captured by corporation interests than Congress.

A basic premise of the Wagner Act was a declaration that labor relations are a matter of national concern. In State after State attacks on union security have been beaten by Federal court rulings that restrictive local statutes in conflict with national law were void. Yet, now the Taft-Hartley bill repeals these court decisions, validates the State laws, and repeals the sound philosophy of the Wagner Act—that the labor relations of an industrial country cannot be trusted to the States alone.

Take a look at some other little noticed provisions of the bill. Section 308 gives employers a right to sue unions for damages in jurisdictional strikes and secondary boycotts. Yet in another section of the bill such actions are defined as unfair labor practices.

which the National Labor Relations Board must forbid. Nowhere in the bill is a union given power to sue an employer for "unfair labor practices." When the employer is the offender, the union's only remedy is to have the practice forbidden by the NLRB; it cannot also sue the employer for damages.

Or look at the technical changes in procedure, rules of evidence, and rules of proof imposed by the NLRB. These changes were scarcely debated, even on the Senate floor, and their exact meaning would have to be determined in years of litigation. But the apparent effect would be to single out the NLRB, among all Government administrative agencies, and force the Board to follow legalistic rules previously followed only in the formal courts. An NLRB hearing might become not an informal but equitable search for truth by experts, but a cockpit for lawyers. If the rules saddled on the Board by the Taft-Hartley bill are sound for an administrative agency, why weren't they adopted by Congress in the 1946 Administrative Procedure Act?

The Taft-Hartley bill is shot through with such cunningly selected legislative fauna and flora. Yet we are told that it is merely designed to correct "abuses."

What it is actually designed to do has been tacitly admitted by its cosponsors, Representative Fred A. Hartley, Jr. and Senator Robert A. Taft. Mr. Hartley's objective, he gleefully indicated to reporters, was to get the toughest bill that conceivably might go through the Senate. Mr. Taft's objective was revealed in a formal statement last week end, when the Senator complained that President Truman by vetoing the Case bill last year had "resisted the effort to curb the power of the labor union leaders." Not just to cure "abuses," but to "curb the power" of unions in bargaining generally is the function of the Taft-Hartley bill.

No sound observer argues that labor unions could not function under the Taft-Hartley measure. The free democratic trade-union movement is now too powerful to be destroyed in America. But the bill, if it became law, would disrupt unions at least temporarily, give aid and comfort to the minority of bitter-end union-fighting employers, create deep tensions and bitterness in a field of human relations of central importance to our society.

Former public members of the War Labor Board—men who had unparalleled practical experience in the difficult area of wartime industrial relations—disapprove the Taft-Hartley bill. Five of them, in statements given to PM today, term the bill, in effect, unfair, unworkable, exceedingly unwise. Each suggests it is bad legislation, the product of muddled thinking and momentarily inflamed emotions.

Because the Taft-Hartley bill passed Congress by large pluralities, President Truman faces a double obligation in handling it. It is not sufficient for him simply to veto the bill, he must try to frame a message so persuasive that votes will be switched in the Senate and the veto sustained.

The Chief Executive was given the constitutional power of veto for the express purposes of checking bills arising from misinformation, blunder, and passion. A courageous and forceful veto message may prove the factor to help restore sanity in Congress—sufficient balance and discretion, at least, so that a minimum of 32 Senators will uphold the White House and make the veto stick.

WILLARD SHELTON.

NOMINATIONS OF JUNIOR OFFICERS IN THE REGULAR ARMY

Mr. GURNEY. Mr. President, earlier in the day I asked unanimous consent that the Senate proceed to the consideration of nominations in the Regular Army. I had hoped that later in the day I could obtain consideration of the nominations. Since making the first request, which was objected to at that time, I have talked with a number of Senators. It has been suggested that a list containing the names of as large a number as 9,000 officers who are presently in the Army of the United States with temporary commissions, and to whom the War Department is now offering Regular Army commissions, should probably lie over for 1 day.

Therefore I do not wish to report these nominations at this time for the Executive Calendar. There is no necessity of going into executive session for that purpose. However, at the suggestion of certain Senators who have thought they might like to look over the list, I ask that I be allowed to present the list now, and that it lie on the table overnight. Some time tomorrow I shall again present a request that the nominations be confirmed. At this time I wish to give notice that I shall make the request tomorrow. If the nominations are allowed to lie on the table overnight, it will not be necessary to have them printed in the Executive Calendar, but the list will be available to any Senator who wishes to examine it between now and tomorrow.

The PRESIDING OFFICER. The Chair understands that the report is not now being made, but as intended to be made, is furnished for the information of Senators.

Mr. GURNEY. The list is being sent to the desk now for the information of any Senator who would like to examine it.

The PRESIDING OFFICER. Without objection, the list will lie on the table.

LEGISLATIVE PROGRAM

Mr. WHERRY obtained the floor.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. REED. May I inquire of the Senator from Kentucky [Mr. BARKLEY] and the Senator from Georgia [Mr. RUSSELL] if they can give me any idea as to how much more time will be desired by the opponents of the bill which is pending before the Senate? I think we should conclude with 2 hours more on this side.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. I do not know how much time will be consumed, because I do not know how many Senators intend to address the Senate on the bill.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. RUSSELL. I cannot advise the Senator from Kansas as to just how much time will be consumed by the opponents of the bill. I have not canvassed the entire situation. As a matter of fact, I do not know that I ever heard a question of that nature asked of any two Senators at any time since I have been a Member of the Senate. Certainly I have no control over the time which any Seantor may consume.

Mr. REED. The Senator from Kansas fully understands that; but the Senator from Kentucky is the minority leader and the Senator from Georgia has taken the lead in opposition to the bill. When I talked with the Senator from Georgia some time ago about an arrangement for the consideration of the bill, we discussed the question, and he thought that we should conclude consideration of the bill in 2 days.

Mr. RUSSELL. I do not know that I ever used the expression "2 days." Frankly, at one stage of the proceedings I did not think it would require more than 2 days. At one time I felt rather lonesome in my opposition to the bill. I could find only two or three Senators who even proposed to vote against it, much less speak against it. To my great gratification, however, the implications of the bill seem to have dawned on other Senators, and some of them have prepared speeches. For example, I did not know how the Senator from Arizona [Mr. MCFARLAND] felt about the measure until yesterday. This afternoon he made a very learned and erudite speech against it, and I thoroughly welcome it.

Mr. REED. The Senator from Arizona spoke to me on the subject some time ago.

The reason for my inquiry is that I contemplate making a request of the majority leader to begin night sessions tomorrow night. I do not want to do that if it can be avoided.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. I merely wish to observe that I do not see anything in the legislative situation which is so urgent as to require night sessions on this bill or on any other bill at this time. I do not know what the legislative program of the majority is. I understand that following this bill there is to be a so-called succession bill. I do not know how long that will take. I do not know what is to follow that bill. It may be an appropriation bill.

It does not seem to me that the situation surrounding this particular measure, or the legislative situation in general, requires night sessions. However, I have no objection to night sessions when they are necessary.

Mr. REED. I hope the minority leader will not forget that I am asking for information, and not advice.

Mr. BARKLEY. Frequently we volunteer advice, whether it is asked for or not.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. RUSSELL. I am a member of the minority party, and have no control whatever over the time of meeting of the Senate. If the Senator from Kansas decides to request night sessions, so far as the Senator from Georgia is concerned, he will be present.

I wish to join the Senator from Kentucky in stating that in my opinion there is nothing whatever so emergent about either the legislative calendar or anything which has transpired in connection with the pending legislation, as to require night sessions. If the Senator from Kansas wishes to keep us here, the Senator from Georgia will be present, and he will endeavor to ascertain that there is a quorum of the Senate present if there are to be night sessions.

I do not believe that there has been any unusual loss of time in connection

with the bill. The opponents have spoken at somewhat greater lengths than have the proponents, but I believe that as many supporters of the bill have spoken, as opponents. I shall strongly protest the passage of the bill. I do not know whether I shall speak on it again or not.

I am reminded of the old story about the colored man in my section of the country who went catfishing. He caught a big catfish. He brought the catfish home. He had it in the kitchen and trying to clean it. The catfish was squirming and jumping so that he could hardly hold it in his hands. He said, "Catfish, what on earth are you jumping and squirming for? I ain't getting ready to do nothing to you but gut you." [Laughter.]

The bill of the Senator from Kansas guts a lawsuit filed by the State of Georgia, and I intend to squirm and protest against it as vigorously as I may. I hope I shall be joined by many of my colleagues on this side of the aisle; and I welcome assistance from the other side of the aisle.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. REED. My only purpose is to dispose of the bill as early as we reasonably can. During recent days I have discussed the question with the Senator from Georgia [Mr. RUSSELL], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Alabama [Mr. HILL]. We have a crowded calendar of business to be disposed of before the Congress can fairly end this session on July 31, which I hope we shall be able to do.

Mr. RUSSELL. I share that hope.

Mr. REED. My only purpose is to dispose of the bill. If it is not any more consequential than the Senator from Kentucky [Mr. BARKLEY] thinks it is—although I believe the Senator from Georgia does not share the view of the Senator from Kentucky——

Mr. RUSSELL. I did not understand that the Senator from Kentucky thought this was an inconsequential bill. I thought he referred to the so-called succession bill as being a bill of no great moment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. I think I stated earlier in the afternoon that if the program of the Senate did not bring out more useful legislation than the measure now under consideration and the one which I understand is to follow it, we might as well adjourn as quickly as possible. That is a matter of opinion.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. REED. I merely wished to place the situation before the Senate. I am not the one to determine whether we shall have night sessions or not. The progress we make on the bill tomorrow, with the remaining debate to be considered, will certainly have a great influence upon my request of the Majority Leader with respect to night sessions beginning tomorrow night. I hope we shall be able to avoid night sessions.

Mr. RUSSELL. Mr. President, will the Senator yeild?

Mr. WHERRY. I yield.

Mr. RUSSELL. If it is decided to have night sessions, the Senator from Georgia will be present and will remain as long as any other Member of the Senate, until the session is concluded.

Mr. WHERRY. Mr. President, I listened with deep regret to the comment and the observation of the minority leader relative to legislation which he said, so far as he was concerned, was of such a character that it should not prevent an adjournment even on July 1. He was ready to say that he thought that possibly it was not important. I think that there are other opinions not only with respect to the Bulwinkle bill, but I am satisfied that there are some very earnest opinions regarding the succession bill. I am reminded that on June 19, 1945, the President of the United States felt that a succession bill was so urgent that he sent a special message to the Congress of the United States requesting its immediate enactment. That was not done. Then in January 1946, in his message on the state of the Union, he suggested as "must" matter legislation making provision for succession to the Presidency in the event of the death, incapacity, or disqualification of the President or Vice President, as recommended by him on June 19, 1945. He asked that it have the immediate consideration of the Congress. That was not done at that time. Now we come to his message of February 5, 1947, to the present session of the Congress, in which he admonishes us once again as to the importance of the proposed legislation and calls attention to the fact that it has not been passed. It is one of his proposals which has been urgently impressed upon the Congress, and in a special message we are again asked by the President of the United States to pass a succession measure.

The reason I make this particular observation is that this is not the first time that this proposed legislation has apparently been dealt with somewhat lightly. As one who is interested in carrying out the wishes, desires, and suggestions of the President of the United States, I feel that it is worthy legislation and I propose after the particular pending legislation shall have been concluded to request the Senate to consider the measure on the ground that it is necessary, needed legislation, approved by the majority and asked for by the President of the United States.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield to the Senator from Kentucky.

Mr. BARKLEY. I should be much happier if I had more evidence of the approval of the Senator of the recommendations made by the President of the United States with respect to legislation. I appreciate that what the Senator says regarding the President's recommendations as to the particular bill is true. I have always reserved the right to disagree with any President in office, and I have now and then exercised that right. I did not agree with the President when he sent his original message. I did not then think that any legislation on the subject was necessary. I did not agree with the reasons assigned for recommending the legislation. I have not since changed my mind about it. I do not mean to intimate that I dealt with the subject lightly, but I feel that it is not useful legislation at this time, and I so stated. The President understands how I feel about it, because I have talked to him with reference to it.

A while ago we got into a verbal altercation with reference to whether Congress ought to adjourn in accordance with the "streamlined" Reorganization Act. I am one of those who think it should, unless there is some emergency which will keep us here, which I do not now visualize. If the remainder of the program which will be brought forward is as useless as that which we now have before us we need not worry about an early adjournment of the Senate. I hope that the program of legislation which the Senator from Nebraska is attempting to present will not be limited to the succession bill.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. RUSSELL. I should like to suggest that I was so impressed with the contention of the Senator from Nebraska that he is favorable to the program of the President of the United States that I would almost expect the Senator from Kentucky to stick with the Senator from Nebraska if the Senator from Nebraska would stick with him.

Mr. BARKLEY. I did not make an open proposition.

Mr. WHERRY. I heard the colloquy earlier in the afternoon and then the statement made by the distinguished minority leader who, I understand, loves me as much as he does any other man with whom he so often disagrees. He has a perfect right to his opinions about what legislation is important and what is unimportant. I am sure he does not mean in any way to treat lightly this very important legislation which has been suggested by the President three times since 1945. For once I think my position should give the minority leader and some of my distinguished friends on the opposite side much encouragement, and certainly it should give them new hope to know that I am in full accord with the suggestion made by the President of the United States with reference to this important legislation. I think it should not be put off any longer, but should be passed by both Houses of Congress.

Mr. BARKLEY. Mr. President, if the Senator will permit me again to speak—I do not want to delay the recess which I am sure the Senator is anxious to bring about——

Mr. WHERRY. That is correct.

Mr. BARKLEY. Inasmuch as we are talking about two bills, which I have characterized, probably in a too frank expression of my opinion of legislation, the one we now have before us, which I feel is useless, and the one which is to follow it, which I feel is also useless, let me say that if the Senator is so anxious to follow the President in regard to the bill which I have just described as useless, he might enlarge his field of co-

operation by agreeing with the President in regard to the bill we now have before us which will be voted upon at an early date, or as it may be acted upon by the President when it reaches him, if it does. If the Senator will go along on that bill—

Mr. WHERRY. The Senator will go along with me on the succession bill?

Mr. BARKLEY. I might forgive the Senator for his mistake in regard to the following legislation.

RECESS

Mr. WHERRY. Mr. President, if there is nothing more to come before the Senate at this time, I move that the Senate recess until tomorrow at noon.

The motion was agreed to; and (at 5 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 11, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 10 (legislative day of April 21), 1947:

POSTMASTERS

The following-named persons to be postmasters:

GEORGIA

Adrian L. Anglin, Lumpkin, Ga., in place of O. W. Patterson, deceased.

K. Elwyn Titshaw, Pitts, Ga., in place of H. C. Titshaw, deceased.

ILLINOIS

Milton W. Pearce, Alhambra, Ill., in place of E. L. Marinko, resigned.

INDIANA

William Rollings, Tipton, Ind., in place of Roy Beck, retired.

KANSAS

Robert E. Hultgren, Marquette, Kans., in place of William Westling, resigned.

MICHIGAN

Clarence F. Bushman, Rochester, Mich., in place of J. M. Stackhouse, deceased.

MINNESOTA

Robert B. Miller, Sr., Freeborn, Minn., in place of H. H. Wood, resigned.

Elbert J. Larson, Hewitt, Minn., in place of L. S. Burnett, resigned.

Laurie J. Hilger, Iona, Minn., in place of B. M. Hilger, resigned.

Harris D. Holmgren, Lafayette, Minn., in place of Anton Malmberg, retired.

Raynold E. Olson, Lake Lillian, Minn., in place of I. T. Strom, deceased.

Arthur M. Eykyn, Lamberton, Minn., in place of H. G. Haas, resigned.

Harold J. Rossetti, Nevis, Minn., in place of J. I. Brown, resigned.

Hilda G. Ruthenbeck, Okabena, Minn., in place of L. E. Hotzler, transferred.

Jerome L. Chmielewski, Princeton, Minn., in place of C. E. Paulson, resigned.

Alban D. Bertrand, Sleepy Eye, Minn., in place of George Glotzbach, resigned.

Neil E. Stone, Solway, Minn., in place of C. V. Fredrickson, deceased.

Evelyn McGivern, Staples, Minn., in place of T. L. Wolf, resigned.

Herbert Aufderheide, Wanda, Minn., in place of M. P. Gorres, resigned.

Leo H. Lorenz, Watkins, Minn., in place of J. M. Wurst, resigned.

MISSOURI

Frank S. Evans, South West City, Mo., in place of Abe Paul, deceased.

Edna M. Duckett, Williamsville, Mo., in place of J. E. Ferguson, deceased.

NEBRASKA

Harry L. Dresslar, Grant, Nebr., in place of U. V. Dobbs, resigned.

NEW YORK

John M. Keyes, Buffalo, N. Y., in place of D. A. Driscoll, retired.

NORTH DAKOTA

Carl V. Larson, Gwinner, N. Dak., in place of H. F. Nelson, resigned.

TEXAS

David L. Haberle, Jacksonville, Tex., in place of D. M. Beall, resigned.

UTAH

Melinda R. Liljenquist, Hyrum, Utah, in place of Cantril Nielsen, resigned.

WISCONSIN

Robert A. Ducharme, Adams, Wis., in place of C. R. Eaton, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 10 (legislative day of April 21), 1947:

DEPARTMENT OF STATE

Norman Armour to be an Assistant Secretary of State.

UNITED NATIONS

Monnett B. Davis to be the representative of the United States of America in the Economic Commission for Asia and the Far East established by the Economic and Social Council of the United Nations, March 28, 1947.

AMERICAN MISSION FOR AID TO GREECE

Dwight P. Griswold to be Chief of the American Mission for Aid to Greece.

UNITED STATES FOREIGN RELIEF PROGRAM

Richard F. Allen to be Field Administrator of the United States foreign relief program, pursuant to Public Law No. 84, approved May 31, 1947.

DIPLOMATIC AND FOREIGN SERVICE

Emmet O'Neal to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines.

TO BE A CONSUL GENERAL OF THE UNITED STATES OF AMERICA

John J. Muccio

TO BE FOREIGN SERVICE OFFICERS OF THE CLASS OF CAREER MINISTER OF THE UNITED STATES OF AMERICA—APPOINTED DURING THE LAST RECESS OF THE SENATE

George Atcheson, Jr.	Loy W. Henderson
Maynard B. Barnes	George F. Kennan
Ellis O. Briggs	H. Freeman Matthews
Selden Chapin	Robert D. Murphy
Monnett B. Davis	John Carter Vincent
Waldemar J. Gallman	

TO BE FOREIGN SERVICE OFFICERS OF CLASS 3, CONSULS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Charles J. Little	Hector C. Prud'homme
Paul H. Norgren	R. Smith Simpson

TO BE FOREIGN SERVICE OFFICERS OF CLASS 4, CONSULS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Leonard Lee Bacon	John B. Lynch
Walter Galenson	Charles B. Marshall
Paul L. Guest	Charles H. Owsley

TO BE FOREIGN SERVICE OFFICER OF CLASS 5, A VICE CONSUL OF CAREER, AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Eugene Desvernine

TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Thomas W. Ainsworth	Oliver S. Crosby
Alfred L. Atherton, Jr.	Harold J. Edelson
John W. Burnett	David H. Ernst
Richard H. Courtenaye	Richard B. Finn
Scott George	John F. Leich
Herbert Gordon	William H. Sullivan
Grant G. Hilliker	Charles R. Tanguy
Rogers B. Horgan	Arthur D. Weininger
John D. Iams	Joseph O. Zurhellen, Jr.
William M. Kerrigan	
Richard H. Lamb	

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 10, 1947

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy, holy, holy, Lord God of life and hope, before whom the generations of men come and go, unto Thee we look for the fulfillment of worthy aspirations which make life worth while. So order our daily conduct that it shall be in harmony with Thy will. Enfold within Thine arms our families and separated loved ones, and bless them with happiness, peace, and good cheer.

As we labor to shape the life and destiny of our Nation, give unto us pure hearts and open minds, that hard problems may be answered and solved to the amelioration of perplexing questions. O speak unto us in word and deed and with authority, and direct us so that we shall have no regrets of a mistaken life and an undiscovered Saviour. With these treasures of understanding, we pray Thee to lead us on through these busy, burdened days, and in Thy name, O Master, make us better men and women. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendment of the House to a joint resolution of the Senate of the following title:

S. J. Res. 115. Joint resolution authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines.

EXTENSION OF REMARKS

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include a sermon by William J. Lichau, of Rogers City, Mich., in memory of our late colleague, Fred Bradley.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1948

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 235, Rept. No. 552), which was referred to the House Calendar and ordered to be printed:

Resolved, That during the consideration of the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

EXTENSION OF REMARKS

Mr. CHURCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an

editorial from the Chicago Tribune on its one hundredth anniversary.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Jacksonville Times-Union.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial and in the other a newspaper article.

CALL OF THE HOUSE

Mr. WOODRUFF. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALLEN of Illinois. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 75]

Andresen, August H.	Gary	Mansfield, Tex.
Barden	Gifford	Marcantonio
Bell	Gore	Martin, Iowa
Bishop	Gorski	Meade, Ky.
Bland	Granger	Meade, Md.
Boykin	Grant, Ind.	Morrison
Brophy	Gwinn, N. Y.	Norrell
Buckley	Hall, Edwin Arthur	Norton
Bulwinkle	Hand	O'Toole
Burleson	Harness, Ind.	Owens
Busbey	Hart	Patman
Carroll	Hartley	Peterson
Carson	Hébert	Pfeifer
Case, S. Dak.	Heffernan	Philbin
Clark	Hendricks	Plumley
Clements	Hess	Powell
Clevenger	Holmes	Price, Fla.
Clippinger	Horan	Priest
Cole, Kans.	Huber	Reeves
Combs	Hull	Riley
Courtney	Jarman	Rivers
Dawson, Ill.	Jenison	Rizley
Devitt	Kelley	Robertson
Dingell	Kennedy	Smith, Ohio
Domengeaux	Keogh	Smith, Va.
Doughton	Klein	Somers
Durham	Landis	Towe
Flannagan	Lesinski	Vail
Fuller	McGarvey	West
Gallagher	McMillan, S. C.	Wood
Gamble	Maloney	

The SPEAKER. On this roll call, 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that on tomorrow the Subcommittee on Public Buildings and Grounds may be permitted to sit during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SUBCOMMITTEES OF THE COMMITTEE ON THE JUDICIARY

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that on tomorrow all subcommittees of the Committee on the Judiciary may be permitted to sit during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL ORDER GRANTED

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes today after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. WADSWORTH asked and was given permission to extend his remarks in the Appendix of the RECORD and include copy of a speech broadcast by Dr. Frank N. Buchman from Caux, Switzerland, together with introductory remarks by Rear Adm. Richard E. Byrd.

Mr. LECOMPTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a set of resolutions adopted by the Lions Club of Albion, Iowa.

Mr. MICHENER asked and was given permission to include certain telegrams in remarks he will make later in the day.

Mr. CROW asked and was given permission to extend his remarks in the RECORD and include an address of the Honorable D. Lane Powers in presenting the Honorable JOSEPH W. MARTIN, JR., Speaker of the House of Representatives, to the president of the board of trustees of Pennsylvania Military College, and also the address of the Honorable JOSEPH W. MARTIN, JR., Speaker of the House of Representatives.

Mr. NORBLAD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a proclamation by the Governor of Connecticut on Flag Day.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on two subjects.

Mr. ROONEY asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in each to include newspaper clippings.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include a recent address made by Pope Pius XII.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include two newspaper articles concerning the gift of $32,000,000 to the city of Pittsburgh by the Andrew W. Mellen Trust.

CHANGE IN CONFEREES

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. MONRONEY] may be substituted for the gentleman from Texas [Mr. PATMAN] as a conferee on the bill, H. R. 3203.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The Clerk will notify the Senate of the change.

EXTENSION OF REMARKS

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that I may be permitted to include in connection with my remarks on House Concurrent Resolution 49 a letter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REORGANIZATION PLAN NO. 2 OF 1947

Mr. HOFFMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Concurrent Resolution 49; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, the time to be equally divided and controlled by the gentleman from Alabama [Mr. MANASCO] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Concurrent Resolution 49, with Mr. DONDERO in the chair.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. 2 of May 1, 1947, transmitted to Congress by the President on the 1st day of May 1947.

Mr. HOFFMAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, under the reorganization bill, the President has submitted Plan No. 2, and House Concurrent Resolution 49 disapproves of that plan. Under the reorganization bill, if any one provision of the plan submitted meets with disapproval, and the House is opposed to that plan, the whole plan goes by the board. It is unfortunate that is so, but that is the way that the law was written in 1945.

The matter up today is the one where we are asked to transfer to the Labor Department the administration of the Unemployment Service.

Mr. Chairman, I ask unanimous consent that the Clerk may read, because it expresses the views of the committee, from the committee hearings on page 18 a statement submitted in 1939 by President Roosevelt.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

I find it necessary and desirable to group in a Federal Security Agency those agencies of

the Government the major purposes of which are to promote social and economic security, educational opportunity, and the health of the citizens of the Nation. * * *

The Social Security Board is placed under the Federal Security Agency, and at the same time the United States Employment Service is transferred from the Department of Labor and consolidated with the unemployment-compensation functions of the Social Security Board in order that their similar and related functions of social and economic security may be placed under a single head and their internal operations simplified and integrated.

The unemployment-compensation functions of the Social Security Board and the employment service of the Department of Labor are concerned with the same problem, that of the employment, or the unemployment, of the individual worker.

Therefore they deal necessarily with the same individual. These particular services to the particular individual also are bound up with the public-assistance activities of the Social Security Board. Not only will these similar functions be more efficiently and economically administered at the Federal level by such grouping and consolidation but this transfer and merger also will be to the advantage of the administration of State social-security programs and result in considerable saving of money in the administrative costs of the governments of the 48 States as well as those of the United States. In addition to this saving of money there will be a considerable saving of time and energy not only on the part of administrative officials concerned with this program in both Federal and State Governments but also on the part of employers and workers, permitting through the simplification of procedures a reduction in the number of reports required and the elimination of unnecessary duplication in contacts with workers and with employers.

Mr. HOFFMAN. Mr. Chairman, the situation to which the President then referred and the reasons for his action are the same today as they were then. As we all know, the Unemployment Service is concerned with the finding of jobs. The payment of compensation for unemployment to those who are unemployed in the States is administered by practically the same officials.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN. Mr. Chairman, I yield myself five additional minutes.

The advantage of having this in the Federal Security Agency is that if a man goes to the unemployment-compensation agency and asks for unemployment compensation, the individual in charge of that agency, if he also has charge of the unemployment service, instead of paying the compensation can say, "Here, John, you go over to Jones and get yourself a job. There is one there." These two services are administered by States under practically one head.

The only advantage that was given by any witness or rather the only argument that was advanced by any witness was that by Mr. Webb, and his argument was that if we would transfer this service permanently to the Department of Labor, then the Department of Labor would furnish—and get this, please—would furnish advice and leadership. He conceded that the Federal Government does not pay the compensation for the unemployed. He conceded that the Federal administration does not find any jobs. When a man wants a job, he goes to his State organization. When he wants compensation, he goes to his State organization, and the States have unified those services. So, I trust you will see the advantage of following the recommendation that the President made in 1939 and continue the administration of the two agencies as now carried on by all of the States but one.

Let me repeat, all of the States except one have unified and combined their services under the agency which has to do with the payment of unemployment compensation, which is under Federal Security Administration. That means economy and efficiency. That one State is, I think, Louisiana, and in the hearings 33 of the States asked for the approval of this resolution which the committee has submitted.

Mr. Chairman, I yield back the balance of my time.

Mr. MANASCO. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the views I am about to express represent my individual views which I submit for the consideration of my colleagues.

The gentleman from Michigan [Mr. HOFFMAN] has made reference to the recommendation in 1939 of our late President, Franklin D. Roosevelt. The gentleman's reference is correct, but that recommendation was made at a time when unemployment existed to a considerable extent and when there were many demands or applications for the payment of unemployment compensation and under conditions where from a long-range point of view a proper evaluation of the unemployment service on the Federal level could not be given a fair appraisal. In the light of what has happened in the years of experience since that time, it seems to me that the recommendation of President Truman is a correct recommendation and should be adopted by the Congress.

The action of the majority of the committee on the Unemployment Service—and that is the only matter in dispute in Reorganization Plan No. 2—is based on evidence from the representatives of State agencies. Their opposition is based on the fear that if the United States Employment Service is in the Labor Department and the Unemployment Compensation Service is in the Federal Security Agency that it might result in those States that have both under the same State agency being later compelled to have both activities on a State level separated and put into two different State agencies.

This reorganization plan has absolutely nothing to do with the action on a State level. It is confined wholly to a Federal level. Within the limits of a State, a State is supreme in determining and deciding for itself how its employment service and unemployment compensation service shall operate. No matter where the United States Employment Service is located on the Federal level in any Federal agency, under no conditions can a Federal agency, directly or indirectly, influence or order a State to join both of these agencies together on a State level or to separate these activities on a State level. While the argument of the State level will be advanced, as it has been, in our consideration of plan No. 2 recommended by President Truman, to me it does not seem to have any relevancy. There are decided differences in the practical operation of those two activities on the Federal and on the State level.

We must have in mind that the main functions of the Federal Security Agency relate to social welfare, the welfare of our people from a broad social angle. The Federal Security Agency administers Federal help, educational, and social activities. It conducts research in those fields. It administers Federal grants, such as aid to the blind, noncontributory old-age pensions, in copartnership with the State; control in a broad sense of payments of unemployment compensation and contributory pensions, as well as better effectiveness of both, and the more efficient operation of both, as well as other activities which come under the head of social welfare.

The United States Employment Service has no immediate relationship to any of these activities. Mark you, I say "immediate relationship." It has a relationship to unemployment compensation payments, but one that should precede and not succeed the payment of such compensation. The more we put unemployed to work, the less unemployment compensation a State will have to pay. While they have that relationship to each other, they have separate and distinct primary purposes that differ one from the other. I am talking now on the Federal level. One activity should not predominate over the other, and on the State level a proper relationship of one to the other can be maintained with better effectiveness where both are in the same agency than if both are in the same agency on the Federal level.

The United States Employment Service is responsible for serving workers in trying to get them jobs. To try to get jobs in cooperation with the several States is their primary and immediate duty. Widespread unemployment during the economic collapse preceding 1933 led to the Wagner-Peyser Act. It was established by this act as a bureau in the Department of Labor.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield right there?

Mr. McCORMACK. Yes; I yield.

Mr. HOFFMAN. But it never amounted to anything until you had the payments for unemployment compensation later on, did it?

Mr. McCORMACK. No; I cannot agree with the gentleman on that. Unemployment compensation was a part of the Social Security Act, which came later. I am unable to agree with the gentleman in what he said, because the Wagner-Peyser Act, you will remember, was passed when there were widespread abuses in the field of private employment agencies. Those of us who were here then know of the events that led up to the Wagner-Peyser Act; the tremendous abuses that were engaged in throughout the country by private employment

agencies, and the necessity for something being done from a governmental angle, and that was accentuated by the depression we were in from 1929 to 1933. So those two things the abuses of the private employment agencies and the economic condition of our country, were the two main factors in congressional action which resulted in the passage of the Wagner-Peyser Act. That is the only time that the Congress has ever passed on the question as to where the United States Employment Service should go. The Congress itself said it should be placed in the Department of Labor.

We must bear in mind that the only time the Congress passed on the question was in 1933 when it passed the Wagner-Peyser Act and Congress itself placed the United States Employment Service in the Department of Labor. Furthermore, it is only 2 years ago—now, mark this, Mr. Chairman—only 2 years ago the Congress itself in the passage of the Servicemen's Readjustment Act of 1944 provided specifically the Federal agency administering the United States Employment Service shall maintain that service as an operating entity.

In 1933 we said the United States Employment Service shall go into the Department of Labor as a bureau.

In 1944 when we were dealing with unemployed veterans, those who came back from the wars and were seeking employment, we provided an agency for them, but we said they shall maintain that service as an operating entity. We therefore provided that Federal efforts to obtain work for veterans could not be linked up with the Unemployment Compensation Service or any other bureau or division. If we do that in relation to the veterans why should we place the United States Employment Service relating to other workers on the Federal level outside of the Labor Department? The basic proposition is to try to get a job for someone who is unemployed whether he be veteran or nonveteran. Why discriminate—and I use the word "discriminate" descriptively. If it is right to separate the agency to obtain jobs for veterans from any Unemployment Compensation Bureau why is it right to place the job placement agency for other workers in the same agency as the Unemployment Compensation Bureau?

Congress has taken one position with reference to getting jobs for unemployed veterans and it takes an opposite position if this resolution is adopted with reference to other workers. I repeat we cannot be right in both. Now, mark you, we are discussing the Federal level. The injection of the State level had no relevancy to the argument today because this reorganization will not affect the State.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN. Do not veterans get jobs through the States?

Mr. McCORMACK. Let me ask the gentleman a question in answer.

Mr. HOFFMAN. But I asked the gentleman from Massachusetts a question.

Mr. McCORMACK. Of course, that is so, but the United States Employment Service——

Mr. HOFFMAN. I will say it is so.

Mr. McCORMACK. The United States Employment Service has a very valuable field in which to cooperate with the several States in the over-all labor picture, the research, letting one State know what the labor situation is in any other portion of the country so they can correlate their knowledge and records.

To follow the gentleman's argument would be to wipe out the United States Employment Service.

Mr. HOFFMAN. That is right.

Mr. McCORMACK. At last the gentleman has disclosed his mind.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN. The United States Employment Service does not place an employee in a single job, does not pay a single wage check. The only thing it does is that it is supposed to know where there are jobs, and then it is up to the States to get the jobs for the unemployed.

Mr. McCORMACK. That is the gentleman's opinion. Oh, the gentleman cannot pass that off with a wave of his hand. That is the gentleman's opinion.

The Federal Government is paying 100 percent of all State employment activities in the States. I repeat, the Federal Government is paying 100 percent of every dollar spent by the employment service of any State.

This matter does not affect the State level at all. That is an important thing to keep in mind. The injection of the State level argument is for the purpose of influencing the minds of the Members of this body when we should be considering this question only on the Federal level.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes; but first let me ask this question. I repeat, Why do we exempt from putting into the Federal Security Agency here in Washington the division we created only 2 years ago to get jobs for unemployed veterans, yet now we want to put into the Federal Security Agency, an agency concerned with social-welfare activities, the same activity in relation to nonveterans? The basic proposition in either case is that of trying to get some unemployed person a job.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from North Carolina.

Mr. COOLEY. It might be appropriate to read a little excerpt from the Republican platform of 1944 in which the Republican Party stated the following:

> The Department of Labor has been emasculated by the New Deal. Labor bureaus, agencies, and committees are scattered far and wide, in Washington and throughout the country, and have no semblance of systematic or responsible organization. All governmental labor activities must be placed under the direct authority and responsibility of the Secretary of Labor.

It seems to me that this is an effort to redeem that platform pledge of the Republican Party of 1944. If the Republicans meant what they said in their platform I do not see how they can oppose this bill at the present time.

Mr. McCORMACK. The gentleman's contribution is very pertinent. That was one of the planks in the Republican platform. I do not express that from a political angle, but it is evident we are taking this out of the Department of Labor where it belongs.

The Department of Labor was created years ago in recognition of the dignity of labor. Now we have the labor bill that is now before the President that labor feels very much distressed over. I will not discuss that today. You are coming in here now by the rejection of this reorganization plan and you are taking out of the Department of Labor an activity that is directly concerned with labor and you are putting it into the Federal Security Agency, which is mainly and directly concerned with legislation of a social welfare nature.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman one additional minute.

Mr. McCORMACK. Mr. Chairman, it seems to me we are coming and going at the same time. The only two times the Congress itself has passed on this question was in 1933 when the Congress said this bureau shall go to the Department of Labor and 2 years ago we specifically provided in connection with jobs for returning veterans who were seeking positions that that agency shall be a separate entity and by that we provided that they could not put that in the Federal Security Agency.

What is the difference if a man wore a uniform or not if he is out of work? The important thing is he wants a job. We have provided special consideration for veterans to try to give them preference, to which they are entitled, but the main, the basic proposition of a person out of a job is work and the important thing we are interested in is trying to get him a job. We provided 2 years ago that the agency for veterans shall not go into the Unemployment Compensation Commission and if this resolution is adopted today we are providing that the agency for all other workers shall become a part of the Federal Security Agency. This is on a Federal level where there is no conflict such as there might be on a State level.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I rise in support of the resolution reported from the Committee on Expenditures in the Executive Departments. I may say that the Committee on Expenditures held very interesting hearings on this question. We heard the Director of the Budget, Mr. Webb, who explained Reor-

ganization Plan No. 2 as proposed by the President, and defended it. We also heard from the representatives of a very considerable number of the States. I remember very interesting testimony from the State administrator of the State of Virginia, also interesting testimony from the State administrator of the State of New York, also interesting testimony from a gentleman from Wisconsin, Mr. Rector, who represented a large group of State administrators. It became perfectly apparent to the members of the Expenditures Committee that the sentiment among those who actually administer these laws in the States is very much opposed to having the Employment Service stationed permanently in the Department of Labor.

I do not pretend to be a master of all the details of this problem, but here are some of the things that made an impression upon me as I listened to the stories told by the representatives of the States.

As the gentleman from Michigan has stated, practically all of the States have established, each for itself, a unified administration of employment service and unemployment compensation. As a matter of fact, they have followed the advice, it may be said, of the late President Roosevelt, who, as ha been mentioned here this morning, stated 2 or 3 years ago that, in his judgment, it was impossible to divorce the problem of employment service and the problem of unemployment compensation, for the reason that you are dealing with the same man. First you have the job seeker, and if you cannot find him a job then that same man steps over to the next desk—I am speaking figuratively now—in a State organization as they are now set up and applies for compensation. The trouble with the present situation is, from the angle of the States, that two separate budgets have to be prepared in each of these State offices. One budget must be prepared for submission to the Federal Employment Service at Washington, and the other has to be prepared for submission to the Social Security Agency. In preparing those budgets the State administrators find it almost impossible to arrive at an accurate division and an accurate figure demonstrating conclusively just how much time, for example, was spent by the employee in working on the employment side and how much time he had spent working on the unemployment compensation side. They have to keep work sheets, or try to, or guess as to how many hours John Smith spent on the employment side in a given day and how many hours on that same day he spent on the unemployment compensation side.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Minnesota.

Mr. JUDD. Not only do they have to prepare two budgets, but they have to undergo two audits, checking how much was charged to this side and how much was charged to the other side. Naturally each of the two Federal agencies wants to have as much charged to the other as possible and therefore the States are in constant confusion.

Mr. WADSWORTH. That is true. The difficulty does not stop with the preparation of two separate budgets.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BENDER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WADSWORTH. The difficulty does not stop with the preparation of two separate budgets, and that is hard enough, but as the gentleman from Minnesota says, each of those budgets, with all of the financial transactions involved in them, are audited.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As a matter of fact, if this resolution is adopted and the United States Employment Service is put into Federal Security, they would have to have two separate budgets anyway.

Mr. WADSWORTH. But they would come from the same Federal source, and that is the trouble. Today they come from two separate Federal departments.

Mr. McCORMACK. But you have to have two separate budgets anyway in the State, because the expenses for the unemployment compensation come out of taxes, or a certain percentage of them, at least, for that purpose, and the other would have to be an appropriation by Congress, and you would have to have two separate budgets anyway and two separate appropriations. The gentleman recognizes the difference between the State and the Federal level does he not?

Mr. WADSWORTH. I certainly do recognize the difference, but I think they are closely associated. Over-all management is under the general supervision of the Federal Government. At the State level the actual work is done. The man is interviewed. A job is found for him. If a job cannot be found for him, then that same man is taken care of under the compensation law.

The trouble is today that these two budgets have to be sent to two separate departments of the Federal Government. Each has its own idea about budgeting and auditing. As the gentleman from Minnesota has indicated, they do not agree. Then the authorities in the State are left puzzled as to how they are going to meet the requirements of the budget and the audit from two separate Federal departments.

If this resolution of ours is passed, automatically the United States Employment Service will return to the Social Security Agency, where it was at the time President Roosevelt wrote that letter. I did not agree with him about everything, some of you may remember, but I think he was right about that, and the State administrators today think he was right and asked us practically unanimously to restore the situation as it existed at the time that letter was written. It makes easier for them the administration of an exceedingly difficult set of laws. After all, the final responsibility for the success of this thing, this whole effort, rests in the States. True, the Federal Government finances the undertaking very largely and establishes general policies, but the man who is being tested is the man who sits at Albany or Richmond or at Springfield, Ill., or Boston, Mass., and meets the people, those seeking jobs and those entitled to compensation. He wants an opportunity to come to the one authority in Washington and get orders, if you please, rather than have to go to two.

Mr. MANASCO. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the question is whether or not we want to return the United States Employment Service to the Department of Labor, where it was placed by an act of Congress in 1933, or whether we want the Employment Service to revert to the Federal Security Agency, where it was transferred in 1939 by an Executive order of President Roosevelt.

I do not think it makes any difference as far as the effectiveness of the organization is concerned whether the United States Employment Service is in the State Department, the Interior Department, the Labor Department or the Library of Congress. I think that is an unimportant matter. But I do think that we should have all of our independent agencies under a Cabinet head except those agencies that are regulatory bodies and quasi-judicial bodies.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. Does not the gentleman feel that in any event both of these agencies ought to be under one head, that is, the Employment Service and the Unemployment Compensation?

Mr. MANASCO. I think the States have now reached the state of maturity in the administration of unemployment compensation that the Congress should immediately pass an act turning all of the administration of that part of the program back to the States, and there would not be any words then about any dual budget.

Mr. JACKSON of Washington. Under the present plan the Federal Security Agency handles the compensation end of it and the Department of Labor handles the Employment Service.

Mr. MANASCO. That is right, but if you are going to have a Department of Labor, why divorce it of all the activities that go along with matters pertaining to labor?

Mr. JACKSON of Washington. I realize that, and I am not disputing as to which department it ought to be in. It seems to me the only point is that they both ought to be in the same agency.

Mr. MANASCO. As a matter of fact, they have to prepare separate budgets now. If it were under the Library of Congress they would still have to prepare separate budgets, under the law passed by Congress, and they would have to say, "We need so much money for the Unemployment Compensation Division of our Department and so much money for the Employment Service," which means that they would still have to submit two different budgets. The only intelligence it requires of a State officer is to have a secretary that would know which place to address the letter. It would have the same effect.

Mr. JACKSON of Washington. The State administrators tell me that from the administrative standpoint it is almost impossible to try to administer a

program such as this where you have two different agencies under two different departments.

Mr. MANASCO. The gentleman would also find that practically all of these State officers would like to get back on the Federal pay roll where they have a little protection on retirement and so forth. Many people have been putting pressure on Congress about this. I have a copy of a letter which I am going to insert in the RECORD here.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. HOFFMAN. Did I not understand you to say that in your opinion the unemployment compensation should be administered by State officials?

Mr. MANASCO. I certainly did.

Mr. HOFFMAN. Then why not put their administration back in the Unemployment Bureau because the State certainly furnishes the jobs in the State?

Mr. MANASCO. We are doing that right now. We turned it back last year on a rider to an appropriation bill.

Mr. HOFFMAN. Why not combine the services so that there would be only one service?

Mr. MANASCO. I am trying to get the Federal Government out entirely from the unemployment-compensation program because the money is collected in the States on the pay rolls. You cannot take money that is collected in Michigan and put it into unemployment compensation in Alabama so I see no reason in the world why the Federal Government should continue in the State unemployment-compensation field. But there is a place in our country for a national employment service because if you have 500,000 people unemployed in the State of Michigan we might be able to absorb 7,000 or 8,000 of them in Alabama or 7,000 or 8,000 of them in Maryland or Pennsylvania.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. HOFFMAN. You could do that by writing a mimeographed letter and sending it to the 48 States any time you want.

Mr. MANASCO. Certainly, and it can be done by the Library of Congress or the Bureau of Labor Statistics or any other organization.

But, Mr. Chairman, getting back to the pressure that is brought with reference to this matter, most of these people are paid by Federal funds. I have a copy of a letter which I have already obtained permission to insert in the RECORD. This letter is from Mr. Stanley Rector, president of the State administrators of the employment-security agencies. He appeared before our committee and is a very intelligent gentleman. This is a report from him:

INTERSTATE CONFERENCE OF
EMPLOYMENT SECURITY AGENCIES,
June 3, 1947.

To all State administrators.
From Stanley Rector, president.
Re President's Reorganization Plan No. 2.

On May 27 representatives of the conference appeared before the House Committee on Executive Departments and Expenditures in connection with the proposal in the Reorganization Plan No. 2 to permanently sever the administration of unemployment compensation and employment service in the Federal province—this through permanently locating USES in the Department of Labor.

In preparation for the appearance, the executive committee had analyzed the poll of State sentiment conducted by Howard Hausman, legislative chairman. In the light of this poll a statement was prepared, reflecting the prevailing viewpoint of State agencies and the unanimous position of your executive committee. This statement was filed with the committee for the record. A copy is attached hereto.

Those making appearances, in the order named, were: Stanley Rector, Wisconsin; Milton Loysen, New York; Fred Garrett, Idaho; Harry Crozier, Texas; Ben T. Huiet, Georgia; Jim Bryant, California; and Jim Graham, Connecticut. All spoke in opposition to the proposed severance; and most, in response to questioning as to where they considered the Federal administration of unemployment compensation and employment service should be unified, indicated a preference for the Federal Security Agency.

Judging by reactions of committee members, it can be fairly stated that our appearances strengthened the position taken by an overwhelming majority of State agencies—namely, that there should be unification (integration, consolidation, coordination—call it what you will) in the Federal province, and that this unification should be brought about in the Federal Security Agency.

It is reasonable to anticipate a committee report in line with our collective position. It was my understanding, before leaving Washington on Thursday, May 29, that the report would be forthcoming on the first day or two of this week, and that House action would be taken during the latter part of this week.

It is my estimate that the House will reject the Reorganization Plan No. 2, and it is my further estimate, based on sampling, that, unless some very effective work is done on the Senate side within the next 10 days, the Senate will not reject the plan. Since both branches of the Congress must reject a reorganization proposal, a failure on the part of the Senate to reject will mean that the Reorganization Plan No. 2 becomes law on July 1 of this year.

Before leaving Washington, I made arrangements with Senator TAFT, chairman of the Senate Committee on Labor and Public Welfare, to extend to the States a hearing on the matter. The hearing will probably be afforded us some time next week. Dates have as yet not been definitely established, and, in any event, it will be necessary for us to go in on very short notice. I tentatively plan to leave for Washington this week end to be on the ground.

While I have no doubt that the members of the Senate subcommittee set up to hear the matter will approach the issue openmindedly, my guess is that a majority of the subcommittee group is presently disposed to transfer the USES to the Department of Labor. How we may be able to affect this state of mind, assuming it exists, remains to be seen. An unfavorable Senate subcommittee report is very much in the picture. Our main reliance must be on individual State action. Every State administrator who has not as yet done so should, within the next week or 10 days, communicate his position, together with his reasoning, to each of his Senators. Obviously, there are cases in which certain administrators may well elect to spend their time and energy on other matters. Administrators who have already communicated with their Senators—and I have received copies of some very well written letters—should consider a follow-up.

I need not recite to you the considerations which prompted a great majority of the State administrators to express active opposition to the Presedential Reorganization Plan No. 2. However, in view of the prevailing mood of the Congress, you should certainly stress to your Senators the economy features of consolidation, both in the Federal and State provinces—one regional set-up, one budgeting procedure, no complexities of breaking down expenditures and accounting for them in a dual auditing procedure, etc. Personnel and fiscal regulations, while they have not been bothersome so far, as a consequence of dual authorship, can well become a most irksome problem, if permanent severance occurs.

Without extended comment, I give you this sentence from the Reorganization Plan No. 2 (given as a reason for the transfer): "Policies and operations of the employment service must be determined in relation to over-all labor standards, labor statistics, labor training, and labor law—on all of which the Labor Department is the center of specialized knowledge in the Government." Does this not mean the impression of uniform national labor standards, law, etc., on the administration of USES under the auspices of the Labor Department? You might recall in this connection our concern with such implications in the original Wagner-Peyser plan prepared by the Labor Department and submitted to the State agencies last September.

I think it will be most helpful in clarifying the issue to put primary emphasis on the necessity for the consolidation of the two functions in the Federal province. Where the consolidation should occur, is subordinate and, in fact, not really at issue in the reorganization plan. As you know, the USES will automatically revert back to, and be integrated with unemployment compensation in, the Federal Security Agency 6 months following the expiration of the First War Powers Act. A number of persons on Capitol Hill, with whom I have talked, while favoring consolidation, feel that it should be achieved in the Department of Labor. Well and good. For what seems to me very good reasons, I think that consolidation should occur in the Federal Security Agency. In view of the difference of opinion on this point, what we can properly ask for is a rejection of the present plan, which would permanently sever the two integrally related administrations, and leave the issue as to where consolidation should take place for consideration when the Congress takes up the general revamping of the Social Security Act. The matter of where needs to be fully considered, but such a measure of consideration cannot be given under the present circumstances.

Incidentally, for your information I have before me a letter addressed to the American Federation members of State employment security commissions, by Mr. Ralph Cruikshank, of the Washington A. F. of L. staff, stating that the American Federation of Labor also favors coordination of the two agencies. He feels that coordination should occur in the Department of Labor.

You can make up your mind now to accept this proposition. If USES goes to Labor under the present proposal, the Federal administration of our unemployment-compensation system will follow it there. I personally do not believe that our country's social-insurance system should be administered by a Federal department set up as a protagonist of any particular group interest.

Following is the membership of the Senate Committee on Labor and Public Welfare.

If you have a Senator on this committee, it is more important than ever that you communicate your views immediately:

ROBERT A. TAFT, Ohio.
GEORGE D. AIKEN, Vermont.
JOSEPH H. BALL, Minnesota.
H. ALEXANDER SMITH, New Jersey.
WAYNE MORSE, Oregon.
FORREST C. DONNELL, Missouri.
WILLIAM E. JENNER, Indiana.
IRVING M. IVES, New York.
ELBERT D. THOMAS, Utah.
JAMES E. MURRAY, Montana.
CLAUDE PEPPER Florida.
ALLEN J. ELLENDER, Louisiana.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. KARSTEN of Missouri. Is it not a fact that the author of the letter which the gentleman has just read comes from a State where the employment service is in the Department of Labor?

Mr. MANASCO. That is the information I have.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. JUDD. The gentleman is not suggesting that Mr. Rector is on the Federal pay roll, is he?

Mr. MANASCO. No, I am not. But practically all of the money to pay his salary comes through these two appropriations.

Mr. JUDD. But it is raised in the State of Wisconsin and sent down here to Washington and then goes back in grants for the payment of unemployment compensation. It is Wisconsin money. Surely the gentleman does not contend that an American citizen of any State does not have a right to use whatever means are at his disposal to develop public opinion in favor of his views. If he were a Federal employee, then I would agree with the gentleman.

Mr. MANASCO. Absolutely. But part of the appropriation that pays the salaries of his employees comes from the Employment Service; that is, the major part of it. I understand that USES transfers the money to the States. This same gentleman made the following statement on page 200 of the hearings after I asked him a question as to what the situation would be if we were to place this under the Library of Congress and if they would not still have to submit the same break-down for that budget: "We would still submit the same break-down."

Of course, I realize it is very difficult for Congress to reorganize our executive agencies. We must give the President authority to do that. As a matter of fact, I am not for all reorganization programs. To show you that this is not a partisan matter, I voted this morning to reject the plan on housing, because I think the housing program and the construction agencies should be under one head and the insuring and lending agencies should be under another head. But if we continue to reject all reorganization plans that come up here, I do not see how we can continue to cuss out the executive department for having a sprawling bureaucracy all over the face of the globe.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. MANASCO] has again expired.

Mr. MANASCO. Mr. Chairman, I yield myself one additional minute.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. JUDD. Will the gentleman not agree that if the President would not send up so many things in one reorganization plan, it would not be rejected? In each plan that we have rejected it was because of one item. Last year we had seven or eight items in one plan that were rejected because of only one. Unfortunately we can only accept the whole or reject the whole.

Mr. MANASCO. That is correct.

Mr. JUDD. Each plan carried what could be called, not a legislative, but an administrative rider. In order to defeat that rider, we have no choice but to disapprove the plan.

Mr. MANASCO. The Congress itself could reorganize the Government, but you could not afford to take up a whole day on one particular agency employing 30 or 40 men. You have to take several of them together. We could spend the rest of this Congress reorganizing the Federal departments and I do not believe you could get one of them reorganized, because somebody would object to every one that came up.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. HOFFMAN. Did not the gentleman himself last year vote against one of these plans because he had put in one particular thing?

Mr. MANASCO. I certainly did, and I did it again this morning.

Mr. HOFFMAN. If the gentleman would just use his influence down there to make it a good plan, it would be all right.

Mr. MANASCO. Well, I have very little influence.

In June 1933 the Congress enacted the law which is now generally referred to as the Wagner-Peyser Act. That law created the United States Employment Service as a bureau in the Department of Labor, with responsibility for the promotion and development of a national system of public employment offices. Under that act the responsibility of the USES was not terminated with the establishment of the national system of public employment offices. After extended hearings by the committees of both Houses and after exhaustive debates on the floor of the House and Senate, the Congress reposed in the United States Employment Service a continuing responsibility for the development of the tools and techniques which are the lifeblood of an effective, full-functioning system of public employment offices. The United States Employment Service, under this bill, was given the responsibility for maintaining a system of interstate clearance of labor, for gathering, analyzing, and disseminating labor market information reflecting Nation-wide job opportunities and employment trends. It is responsible for maintaining a Nation-wide farm placement service and of paramount importance the United States Employment Service was, under the Wagner-Peyser Act, given the responsibility for the maintenance of a placement service for veterans.

Mr. Chairman, it was not by mere accident that the United States Employment Service was created as a bureau in the Department of Labor. It was in that Department which the Congress, after careful consideration, determined that it quite properly belonged. It is not at all difficult to understand how this conclusion was reached. We need only to turn to the organic act creating the Department of Labor and we find that one of its basic responsibilities is to advance the wage earners' opportunities for profitable employment. This is also the fundamental purpose and objective of the United States Employment Service. The United States Employment Service is a bureau created for the express purpose of effectuating one of the basic purposes of the Department, of which it is now a part—the Department of Labor.

Mr. Chairman, I submit to the Members of this House that as of this date, there has not been enacted a single piece of legislation which has changed the basic purpose and responsibilities of the United States Employment Service, nor relieved the Department of Labor of its responsibility for promoting employment opportunities for the wage earner. But notwithstanding the inextricable relationship of the Employment Service program to the basic purposes of the Department of Labor, the United States Employment Service has been shifted from pillar to post. In 1939, it was transferred under the Reorganization Plan of the President to the Federal Security Administration; in 1942 by Executive order of the President to the War Manpower Commission; and in 1945 back to the Department of Labor. Now we have before us the majority report of the Committee on Expenditures of Executive Departments which proposes to uproot again this Bureau and transfer it to an independent public-welfare agency—the Federal Security Administration.

Mr. Chairman, I am deeply concerned by this proposal. This proposal by its very nature deemphasizes the Employment Service program since its purpose is to consolidate the employment-service activities with those of the unemployment-compensation program in the Federal Security Administration. The majority report itself gives recognition to the fact that in the national employment security program the overriding consideration is the finding of jobs for wage earners and not the payment of unemployment compensation. And yet in spite of that fact, it proposes to transfer the United States Employment Service to the Social Security Administration which is concerned primarily with the unemployment-compensation program, a program admittedly merely incidental to the basic objective of obtaining employment security for veterans.

It is not my purpose to belabor the welfare of the veterans in this picture. I

am fully cognizant of the fact that the welfare of the veterans is injected all too often into many legislative issues without justification or merit. But I cannot overlook the fact that the Congress itself in 1944 expressed deep concern over the effect of the consolidation of the activities of the Employment Service with those of the unemployment compensation in the Social Security Board under the Reorganization Plan promulgated in 1939.

Mr. Chairman, the consolidation in 1939 is a proven failure. Notwithstanding protestations to the contrary, the Employment Service program was subordinated to unemployment-compensation activities. The Employment Service for veterans became a mere shell; it had no real program calculated to find profitable employment opportunities for veterans. It was wholly ineffectual.

It was for this reason that in 1944 the Congress enacted legislation to strengthen the Veterans' Employment Service. It was for this reason that title IV of the Servicemen's Readjustment Act of 1944 was enacted. It was for this reason that the Congress in that act, after careful deliberation, provided that the agency administering the United States Employment Service shall maintain that Service as an operating entity. It was the veterans' organizations of America who, in unison, demanded a segregation of the employment service activities from the unemployment compensation program. Let us contrast the concept of a full-functioning Employment Service program as presently carried out by the United States Employment Service in the Department of Labor with the lack of any real program during the period of Federal Security Administration direction.

Today there is conducted by the USES a full-functioning Nation-wide, well-organized campaign for job development. Veterans' employment representatives throughout the country systematically and periodically communicate with employers for the purpose of promoting job opportunities for veterans. The job-counseling program, particularly for veterans, has been tremendously expanded. Placement methods and techniques have reached a high stage of development. The labor market information service, as the keystone of the Employment Service, has attained national recognition for supplying vital information to employers and employees alike. The United States Employment Service in the Department of Labor, through its occupational analysis work and industrial services, have contributed immeasurably to the employer by rendering assistance in connection with problems which involve the recruitment, selection, assignment, transfer, and promotion of workers with a view to promoting stability in employment and the most effective use of workers' skills and abilities. The State and local employment office, under the leadership of the United States Employment Service, has now become a key center in the local community and is now actively participating in local community programs and problems concerned with employment and increasing stabilization of employment. Many of these services were nonexistent and those that did exist did not function with any degree of effectiveness when the United States Employment Service was subordinated to the unemployment compensation activities in the Social Security Board.

Mr. Chairman, with the emphasis placed by the Department of Labor on a full functioning Employment Service, we have obtained results for the veterans. For example, during the calendar year 1946, 5,640,000 job applications were filed with the State and local offices by veterans. That number represents almost 60 percent of all job applications filed in the State and local employment offices throughout the Nation during that year. During the same year, 1,015,000 veterans were given job counseling interviews; that number represents more than 75 percent of all the job counseling interviews given in all of the State and local employment offices throughout the Nation; 4,508,000 job referrals were made for veterans and 2,033,000 job placements were effected for veterans. With the veterans of the Nation utilizing the Employment Service to that extent, they have a vital stake in its effective operation. They are entitled to some assurance that the Employment Service will be retained in the Department whose primary responsibility is to promote for them gainful employment; whose efforts will be directed at developing the tools and techniques and formulating programs to facilitate and to stabilize their employment.

Mr. Chairman, let us not too soon forget our special obligation to the veterans who left the service of their country with scars that cannot be healed and with impaired capacity to engage in gainful employment. Above all, let us not forget the disabled veterans. For them the Employment Service in the Department of Labor has developed selective placement techniques. During the calendar year 1946, 429,000 applications for employment were filled by disabled veterans with the State and local public employment offices. During this same period, 138,000 job placements were effected. This number represents 65 percent of all placements made of handicapped workers. In other words, 65 percent of all placements of handicapped workers were disabled veterans. During the same year 209,000 disabled veterans were given job counseling interviews.

In spite of this grave responsibility to our veterans, in spite of the previous action of the Congress to separate the Employment Service and the Unemployment Compensation programs manifested through the enactment of the provision in title IV of the Servicemen's Readjustment Act to which I previously referred, we have various administrators of the State unemployment compensation commissions urging its transfer to the Federal Security Administration because they are not disposed to prepare separate budgets for two separate programs. This position is, of course, absurd. In the first place even if the Employment Service were transferred to the Federal Security Agency, a separate budget estimate would be required for each of the respective grants. Secondly, Mr. Chairman, I submit that the overriding consideration here is not whether State Administrators must prepare a separate budget for the Employment Service grants. The important consideration here is whether we are to have an effective Employment Service geared to promote job opportunities for veterans. We must not return to the folly of 1939.

I urge the Members of this House to remember our obligations to the veterans and to reject the majority report.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I remember a speech that Charles Taft, who heads up a volunteer aid organization in the State Department, made some years ago in Washington to the General Federation of Women's Clubs. The first line of that speech, which was subsequently extended in the CONGRESSIONAL RECORD, was: "Nothing will ever be simple again."

I have fussed against that conclusion for a long time, but the more I see of these bewildering agencies and interests and obligations of the Federal agencies, the more I am inclined to take some stock in that statement that nothing will be quite simple again. So there is a real responsibility, if we can, to simplify, and I believe that the action which the committee proposes today is in the interest of simplification, by rejecting the proposal of the President of the United States.

I went through this lesson back in 1946 in connection with an amendment to an appropriation bill, under which the United States Employment Service was finally returned to the States. What a difficult job it was. I want to say to my good friend, the gentleman from Alabama [Mr. MANASCO], that when he speaks of pressure he will never quite know what pressure is like until he gets into a difficulty of that kind. There was pressure on all sides. I remember how intrigued I was with the fact that when we left the Appropriations Committee at 12 o'clock and action had been consummated, I went to my office, which was practically 12:10 Washington time. The telegrams had already arrived from Chicago and elsewhere, notwithstanding the fact it was only 11 o'clock in Chicago. But somehow or other they seemed to know, and promptly they loaded me up with protests about this thing. They did not want the United States Employment Service to go back to the States. Obviously, there was a reason. The employees would have to qualify under new standards, and, manifestly, the States would have something to say about it, and rightly so. But the most interesting pressure, for getting these agencies back into the hands of the States, were the telegrams and letters from 47 governors. If I remember correctly, there was one governor who did not join in, and that was the Governor of Utah. Every governor other than that, Democrat and Republican, was anxious to have this employment service come back where it belonged. I tried to approach it from the standpoint of theory. Un-

less you do you are going to be baffled by all of this stuff that is on the statute books. You must try to rationalize this.

The social conscience of the country has accepted the thesis that we must find a job for a jobless man. We accepted that way back in 1933 and that is the reason why in June of that year we passed the Wagner-Peyser Act which provided matching funds, matching with the States for the purpose of maintaining these offices. So there was the first part of the theory. There was a whole series of State and local employment offices to find a job for a man if he were jobless. There were certain requirements, of course. You could not make him take any kind of work, and they could require approval, or they did require approval, of what went into the State law. So the word "suitable" crept in; you must find suitable work. So over the years there has been enough interpretations to fill this room as to what constitutes suitable work. But now assuming that you cannot find him a job, then the social conscience dictated that we ought to pay him under a formula for a given period on the basis of his earnings over a given quarter so that he had a chance to look around for a job and still could maintain his family. So there you have the whole theory: First, to find a job for a jobless man; and, secondly, if the Federal Government and the State failed to find him a job then to compensate him with unemployment compensation for a limited period. Out of those two theses came this legislation. First, there was the Wagner Act that matched funds amounting to about $3,000,000 a year; and in 1935 we enacted the Social Security Act. It simply provided, of course, that there would be a tax upon the States and it would be remitted to the extent of 90 percent if they complied with the State law, and therein, of course, were the minimum requirements that were dictated by the Federal Government. So here you have two agencies operating, the United States Employment Service and the Bureau of Employment Security in the Federal Security Agency. It worked all right until finally they transferred the United States Employment Service to the Federal Government. You remember the fuss we had about that. The President wired all the governors to surrender USES, and inside of 11 days—think of it, what a testimony to the expedition with which those things go ahead—in 11 days these agencies had been transferred to the Federal Government and put in the War Manpower Commission. We did not quarrel about it and the governors did not quarrel about it for the very good reason that we had a war to win. But obviously they expected that USES would come back; and so from time to time in the Labor-Federal Security appropriation bill we constantly wrote a proviso that they must be returned to the States when the emergency was over.

But let me illustrate: When the emergency was over the Federal Government, true to form—here was a power that they had suddenly gotten by the sufferance of the States and the voluntary actions of the States—did not want to let go, notwithstanding the fact that 47 governors wanted that power to be returned. That is the reason we have this controversy on the floor today.

We did not accomplish all we wanted to because there was another deliberative body that emasculated some of our work, and we had a compromise and the transfer to the States became effective on the 15th of November 1946. You see that is a good 6 months ago. Everything worked out very well up to that time but you had this very paradoxical situation. Imagine this Chamber in which we are now sitting to be a large room in an office building in Detroit, Chicago, New York, or elsewhere, and just imagine a barricade right down the middle. Over on this side was the United States Employment Service office operated by the Federal Government to get jobs. Over on the other side was the State unemployment-compensation commission. Yet for both the explicit question was whether or not there was suitable work for a person. Over on this side of the barricade the bureau of employment security maintained its offices. So if a man could not find a job after dealing with the Federal Government and they certified him, he went across the aisle to a State agency. You know, some of our friends who were operating under Federal control were not too careful about certifications and sometimes for political and other reasons they would certify anybody. They threw an undue burden upon the States.

Is it any wonder that the States rebelled? Is it any wonder that their administrative officers rebelled? Everybody rebelled, including the governors. So we got that patched up, by taking the Federal Government out of the operating phase of USES.

At the operating level is where you find a job for a man, at State level. You do not find a job for him in Washington. How stupid was the argument that used to come out of the Labor Department and the Federal Security Agency about how necessary it was to maintain job placement at the Federal level. Where are the jobs? On Pennsylvania Avenue, on F Street, on Jackson Place? Why, the jobs are out in Beanville, Podunk, Cleveland, San Francisco. That is where the jobs are. Every reason and every logic dictated that the business of placing people in jobs should be done at the grass-roots level.

There is a little supervisory group now that the President wants to transfer to the Labor Department when the effective date of the War Powers Act is over, under which it would go back to Federal Security. The committee has looked at it and said, "No. We will put it back in the Federal Security Agency where it belongs." After all, you are dealing with just two facets of a security pattern, security in the field of jobs. That is security.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOFFMAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. DIRKSEN. Mr. Chairman, the President's language about reconciling it to the old labor technique and labor standards and all that sort of thing is rather interesting but I do not think there is any force in it and if the President would examine it very closely he would find there was no force in it. The jobs are at home and today, USES is doing its job at the grass roots level. So you take that as a part of a whole security pattern that involves not only giving the man a job but paying him when he is jobless.

The interesting thing is that existing law provides that when a man is jobless, the payments have to be made through the United States Employment Service offices. Just see how closely this thing is integrated. The States have already integrated both of these functions. But now comes a proposal to leave it in the Labor Department so the question of unemployment compensation will be administered by the Bureau of Employment Security and the question of job placement will be supervised by the Labor Department. As has been so well pointed out by the distinguished gentleman from New York [Mr. WADSWORTH] two separate audits have to be made. There are two allocations of funds to be made. There are two budgets to be maintained. You fly right in the face of duplication if this is placed in the Labor Department.

Mr. Chairman, there is another thing about it. I do not mind confessing my own confidence in the Security Agency as distinguished from the Labor Department, and I will tell you why. It was too manifest when we went through this controversy and struggle last year that the Labor Department under the present Secretary of Labor, and I esteem him as a friend, was reaching out for more and more authority and went so far as to insist that there be a provision in the conference report that if in his judgment this business of placing jobs at State level was not carried out to suit him he could walk right into a State, create, establish, and maintain a completely separate job-placement service. Now, as you know, when a high administrative official will go that far, I begin to develop a little lack of confidence in his appreciation of where State jurisdiction begins and Federal jurisdiction ends. It is not a case of not having faith in his sincerity, but I cannot go along with that sort of thing. It looks like an effort to reach out and get more and more control. If you leave one function in the Federal Security Agency and one in the Labor Department, just give it a little time and there will be new techniques, new ideas, new approaches, new statistical findings that will be used as a foundation for new policy to get this thing in a fog, and finally back into Federal hands.

It will be the beginning of an effort to reach out and haul the United States Employment Service back into Federal control. They have not given up. Why, you should see some of the check-ups that have developed in the field as to the activities of these people in trying to bring about an ultimate restoration of this whole job-placement program to the Federal Government. They will not give up. Once the virus has bitten them, why somehow or other the infection is

deep and enduring, and they never give up. So, if we are going to make sure that this is going to be administered at the grass roots level, then let us do the wise and sensible and the simple thing; put them in the Federal Security Agency and administer both of them from that place.

I want to say to my friend from New York that I was deeply intrigued with the testimony of the Commissioner of New York in the hearings when he said that this thing is so big and it is so important and it involves so much money, namely, hundreds of millions of dollars, and it involves the welfare of so many millions of people, that it deserves a much larger place than it is getting in the Federal Government.

Now, the sensible thing then would be to leave all of these functions in the Federal Security Agency and then have Congress, by policy legislation, insist that the dignity of the office that will administer this function will not be something subordinate to the Federal Security Agency, but something that is commensurate with the importance of the matter, the welfare of the number of people involved and the hundreds of millions of dollars involved. This could be a first step. First, to reject this reorganization plan and make sure that both of these functions go to Federal Security, and then have the appropriate committee of Congress carefully examine this whole business and give it the dignity and the station that it truly deserves.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. BENDER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman was here in 1933 when the Wagner-Peyser Act was passed. The gentleman is very familiar with it, having served on the Committee on Appropriations throughout these years, and is tremendously interested in this problem. Could he tell the committee how it was that the Congress originally placed the jurisdiction of the Employment Service in the Department of Labor?

Mr. DIRKSEN. Well, for this very good reason, I think. We were just beginning our researches and our explorations in the whole field, and here was an established agency of government. So, it was only natural, I expect, that in the first instance we should start with the Department of Labor. Congress, and the President, and the Advisory Committee on Federal Security, and everybody, were feeling their way, and the best testimony about that is the fact that there were whole areas of the security pattern that were not covered because they did not have the actuarial data; they did not have the information to submit to Congress, so there was that final effort at that time. That is the answer, I think.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. WADSWORTH. My recollection of the chronology may be inaccurate.

Mr. DIRKSEN. No; it is correct.

Mr. WADSWORTH. The Wagner-Peyser Act was passed before we had any social security.

Mr. DIRKSEN. As a matter of fact, it antidated it by 2 years, but I thought the point of the question was why, specifically, the Labor Department as distinguished from any other agency of government.

Mr. HARRIS. Mr. Chairman, if the gentleman will yield further, it occurred to me that the Congress determined when the act was initially passed that it should be placed under the supervision of the Department of Labor, and that certain conditions later on brought about the action of the late President Roosevelt, in the administration of it, to transfer certain functions under certain circumstances to the Federal Security Agency.

Then in the course of a war and several years the administration of this service now appears to be placed back in the Department of Labor. It seems that we have been going in circles. I just wondered why the Congress decided first it should be in the Department of Labor and now decides it should be in some other agency.

Mr. DIRKSEN. Let us see whether the chronology of it will not clear it up. The Wagner-Peyser Act was approved in June of 1933. The Social Security Act was approved in June or July or thereabouts of 1935. The President of the United States by order transferred this to the Security Agency in 1939. It was then transferred to the War Manpower Commission in 1942, and there was a reason for taking it out of Security, because of the war. We had a manpower job that reached not only into the Army but into the whole economic structure of the country. So there were those shifts for reason. But since there was no Security Agency in 1933 the Labor Department, as distinguished, I think, from any other existing department, was probably the logical place to put it. However, since that time a whole structure of Security has grown up until it is a towering giant that goes into every corner of the country and touches virtually every family that works for a livelihood. So that is the whole story. I am in complete concurrence with the action reported by the committee here to reject the plan, because rejection of the plan and the return of this to the Security Agency is in the interest of simplicity, it is going to avoid some duplication, and then it is going to make the job easier of finally giving it that dignified station in the Federal structure that it well merits.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Missouri.

Mr. KARSTEN of Missouri. The gentleman made the statement that Congress should take some affirmative action to insure that the Employment Service will not become subordinate in the Federal Works Agency. Does he really have such a fear, that if it goes into the Federal Works Agency it will be subordinate?

Mr. DIRKSEN. It is not a case of feeling it is subordinate, it is a case of conviction, which is supported by the observations made by the Commissioner of New York, who I thought made a splendid statement to the committee, that it deserves a better station than it has at the present time.

Mr. KARSTEN of Missouri. But the gentleman does feel that Congress should take some affirmative action in that connection?

Mr. DIRKSEN. To enhance its station?

Mr. KARSTEN of Missouri. To be sure that it will not become subordinate.

Mr. DIRKSEN. I do not think it will become subordinate to the point where we need to worry about it, but after all there is a dignity that befits a billion-dollar operation by the Federal Government.

Mr. HOLIFIELD. Mr. Chairman, I yield 7 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, never in my life did I hear a better speech than the one just delivered by the gentleman from Illinois, Hon. EVERETT DIRKSEN, exactly on the other side of the question from the conclusion he reached.

I want you men to let me talk to you just as if I were in your office for a minute. You cannot justify in any way in the world your present advocacy of building up bureaucracy, in the light of your own formerly expressed convictions. You claimed you have been fighting bureaucracy for years. I glorified in your fight, and I am still engaged in that fight while you now take the other side. My good friend, the gentleman from Illinois [Mr. DIRKSEN], the most plausible, the most eloquent speaker in this House, says that now the Federal security system is a towering giant that goes into every nook and corner of the land—that is the truth, that is the danger, yet he applauds a witness from New York whom he quotes as saying that it must be given a much larger place in our Government than it now holds.

I say "No." Not only do I say "No," but I say it will imperil the foundations of this Government if you do.

I call your attention to the fact that the estimates produced by the committee of our good friend from Michigan [Mr. WOODRUFF] during the hearings, showed, before we began to cut down the contributions, that there would be an accumulation in this social security fund of $70,000,000,000 by 1970. Give any bureau or any bureaucrat that much money power and you shrink into comparative impotence the legislative power of this Government. It will absolutely swamp and swallow the executive, the judicial, and the legislative branches of this Government. Right now, according to the admission of the gentleman from Illinois [Mr. DIRKSEN], it is a towering giant. How I did glory in the fight that he made last year to recapture this power for the States, and, incidentally, I want to remind you that I am still doing business at the same old stand—I do not believe we ought to add one cubit to the stature of this "towering giant" that we have created and nourished. It will de-

stroy our Government unless we curb it. It ought to be the mission, to which we dedicate ourselves religiously, to strike the shackles that are being forged to fetter free government and vest the whole power in the States. That is what ought to be done.

You talk about getting jobs? Less than 5 percent of all the jobs that have been got were secured otherwise than by private contacts at "the grass roots." Less than 5 percent of them came through the Federal service or the State service or both together.

Where does your brother go when he loses his job? He goes to you. And where do you go? You go to somebody you know. And there is the job-producing contact.

President Truman's Reorganization Plan No. 2, of 1947, is sound, just, best under all the circumstances, and in accord with the expressed will of Congress. No one can read it without sensing its sincerity and wisdom. The President is trying to cooperate with us. We should gratefully and gladly approve the plan we are considering, and defeat the pending resolution of disapproval.

Our friend and colleague the gentleman from Wisconsin [Mr. KEEFE] last year in reporting the Labor-Social Security appropriation bill said to us that it was right and proper to take the power back to the Labor Department from whence it had been taken. He cordially approved. So did we all. There we have a responsible Cabinet member to execute the law we write. We have no such assurance if we commit this trust to a "towering giant" and thereby increase his stature and his muscular development.

I want to read to you what Congress said when we created the Labor Department. I quote:

> The purpose of the Labor Department shall be to foster, promote, and develop the welfare of the wage earners in the United States, to improve their working conditions, and to advance workers' opportunities for profitable employment.

That is what we said should be the province of the Department of Labor. You cannot escape the logic of the President in agreeing with us. The Labor Department cannot triumph over Congress. But a bureau with an accumulation of $70,000,000,000 can and will. It will become so powerful that it could subvert and frustrate all other governmental power. We have no right to play fast and loose with powers that were bought with sweat and blood and tears through the years of the infancy of this Republic. We ought not, I submit, to "run out" on the gentleman from Illinois [Mr. DIRKSEN] and his splendid fight that he made last year to restore this power to the people in the grass roots, where it belongs and where only it can be administered unselfishly for the benefit of the rank and file.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HOLIFIELD. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am so delighted to yield to my distinguished friend, whose name I have been taking pridefully if in vain.

Mr. DIRKSEN. I feel almost contrite when I say to my good friend from Alabama that I have real difficulty in following his argument. My contention is, put the eggs in one basket for purposes of simplicity and elimination of duplication, and then it is so much easier to take a look at their far-flung activities, and get it all in one package, not only for purposes of legislation but for purposes of appropriation. It seems to me the gentleman from Alabama moves in the direction of not one agency, even though it might be large, but two large agencies. This is taking the sin of lesser degree, when you do have to have some bureaucracy, by confining it to one rather than to two.

Mr. HOBBS. I will be delighted to try in my feeble way to answer that very plausible argument. I am not moving in any direction from our battleground of last year. You—our leader then—are reversing the charge you led. I am still fighting dangerous bureaucracy, in the cause of observance of the law we wrote. I am not in favor of building into more elephantine proportions the "towering giant" whose present power has been sufficient, I fear, to win this engagement. Bureaus grow and are made dangerous and ever more dangerous by inside manipulation and magnification. Being on the Appropriations Committee, the gentleman knows that is what you have to fight all the time. You know that the salary of a bureaucrat is dependent upon the number of employees he can squeeze into his department, whether they ought to be there or not. You know that we ought to deny this savory meat of more power, to the insatiable appetite of this and every other bureaucratic "towering giant."

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I am interested in this resolution. As chairman of the Subcommittee on Appropriations dealing with the appropriations for the Employment Service, the Department of Labor, and the Federal Security Agency, I may say I have had some experience, since I have been a Member of Congress, in dealing with the problems involved.

It must be understood and recalled that the Wagner-Peyser Act was passed in 1933. That act set up a system of employment services on a cooperative basis with the States. The Federal Government paid most of the expense, but the States matched certain funds. It was not until 1936 that the Social Security Act was enacted and it did not become effective until 1937. Thus we have had the system of employment offices under the Wagner-Peyser Act for years before the system of unemployment compensation under the Social Security Act came into being.

You will recall that title III of the Social Security Act set up the unemployment compensation system.

Unemployment compensation was financed how? It was financed by virtue of a tax levy of 3 percent on pay rolls. Ninety percent of that 3-percent tax was supposedly set apart for the payment of administrative expenses of unemployment compensation. The Social Security Board that was charged with the responsibility for carrying on and carrying out the provisions of the Social Security Act as it related to unemployment compensation had to do something to carry out the purpose of Congress; and one of the things they did was to designate the Employment Service as the agency of government to which employees would have to report who were out of employment in order to be exposed to a job opportunity, in order that they might receive unemployment compensation under State law. Therefore, through the action of the Social Security Board in designating the United States Employment Service as the agency to permit the Unemployment Compensation Service to function, the two from that point on became intimately related. We cannot maintain a system of unemployment compensation, under existing law, without having an Employment Service corollary to it to perform the functions that are required in order to qualify an individual for the benefits under unemployment compensation.

What has happened as a result of this very close relationship and as a result of the tremendous growth of the Unemployment Service in this country and as a result of the fact that the President took over the State employment services? It became a question as to how they were to be financed and as to how they have been financed. Who has paid the administrative expenditures of the offices? Have they operated under the original provisions of the Wagner-Peyser Act? They have not. The administrative expenditures of the employment services have been entirely paid out of the same money, out of the same funds that pay the administrative expenses of unemployment compensation, and very properly so. There is no reason in the world why it should not be that way, no reason in the world, because that 3-percent tax on pay rolls is paid by the employers in the respective States of this Union. That is State money. The tax is levied for that purpose. Here is an integrated system of security for workers.

There ought to be some amendments to the law. There ought to be a rewriting of the Wagner-Peyser Act, and I understand that is going to be undertaken. The law ought to be rewritten and the two programs, the unemployment compensation program and the program of the employment services, ought to be brought close together. There is no question about that at all. We have tried to do that as far as we have been able to do it on the Appropriations Committee. You will recall that I took a rather definite part in fighting to return these employment services to the States.

So we have today throughout this Nation one office out of which operates the

unemployment compensation group and also the employment service group, all operating in one office and under State control and all financed under the operation out of the so-called title 3 funds that are levied under the provisions of title 3 of the Social Security Act.

The question is, Should we have the operating head that allocates the funds and determines how much money shall go to the State for operation of the Employment Service in the Labor Department, leaving the unemployment compensation over here in the Federal Security Agency, or shall they be put together? I have always felt they should be put together. I stated clearly on the floor of this House a couple of years ago that I felt the Employment Service as it then was being carried on properly belonged in the Labor Department. They were then under Federal operation—the employment operations have gone back to the States with the Employment Service.

The situation is changed somewhat right now. They should be put together. They should be in the Labor Department or they ought to be in the Federal Security Agency. I do not care particularly where they are.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Alabama.

Mr. HOBBS. May I say that I agree with the gentleman 110 percent and that we ought to do exactly what he is advocating. The first step toward that will be to divorce this by taking it into the Labor Department temporarily until we can amend the Wagner-Peyser Act.

Mr. KEEFE. I do not believe that is the way to do it. Just look at the situation we are up against. You have the Social Security Act which provides for unemployment compensation. That involves all this great system of social security. Title III provides for unemployment compensation. I did not write that. I was not here then. It was put in here by a Democratic Congress. A Democratic Congress enacted that law. You are not going to take that out of administration of the Social Security Board. You now have the Social Security Administration that is handling the administration of that part of social security and the President by virtue of his power of reorganization has transferred out of the Labor Department the Children's Bureau which is charged under the Social Security Act with the responsibility for administering other titles of the Social Security Act. So you have brought together in the Federal Security Agency, if I may say so, by action of the President and taken out of the Labor Department a function which has been there for years, namely, the Children's Bureau which administers other provisions of the Social Security Act. That clearly indicates an attitude on the part of the President to concentrate in the Federal Security Agency those functions which related to the Social Security Act. When I saw that I applauded it, I approved it, and I supported it. I felt that it was a proper function of the President to see to it that the Children's Bureau was transferred out of the Labor Department and put over where it belongs, with the Federal Security Agency. That was in line with the idea of consolidating in one place those functions that relate to the subject of social security.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. JUDD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. KEEFE. Mr. Chairman, we get up against this question of the Employment Service. The President says this service is going to stay in the Labor Department. The operating end of the service is out in the States. The operating end is combined with the Social Security Administration which administers unemployment compensation. They are in the same office, they are both under that direction and control. Now, should the operating end of the Employment Service at the Washington level be in the Labor Department now with the Social Security Administration handling the operating end of the employment compensation or should they both be put together and have one operating head here in Washington?

That is the question that we have to determine. Now, if the President's plan is effective, it will mean that this supervisory organization, called the USES, headed by Bob Goodwin, will be in the Department of Labor. It means if it is not made effective, it will revert back to the Federal Security Agency, and there you will have placed together the operating heads of the Unemployment Compensation and the Employment Service.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Alabama.

Mr. MANASCO. Does not the gentleman think that our State unemployment compensation commissions now have had enough experience to know how to operate their own organizations and that the Congress should divorce the Federal activities altogether from unemployment compensation and turn them back entirely to the States? We could eliminate a few Federal employees by doing that.

Mr. KEEFE. Of course, I feel that the States are fully competent to administer their State laws, and all unemployment laws are State laws. They are State enacted. The only requirement is that in enacting the State laws they must conform to standards set up by the Federal Government which, theoretically, furnishes the money under which the laws are administered.

Mr. MANASCO. That is right, and it takes a few Federal employees to theoretically furnish them money, so that if we turn it all back to the States, we could eliminate some employees.

Mr. KEEFE. May I say to the distinguished gentleman that when we brought the bill in there this year there was a provision for $900,000 for administration of unemployment compensation by the Social Security Board. The USES, performing the functions of supervising the employment services, asked for around $8,000,000, and we cut them down to the same amount, $900,000, and it has caused quite a storm of protest. They were asking for more money at the Washington level to supervise the Federal Employment Service operated by the States than they had the year before to manage the whole show and actually run these 1,800 offices throughout the Nation.

I think I have delineated the question before the House, and you must determine whether or not to reject the President's proposal, and if you do, you will put in one place this time in the Federal Security Agency the control of the administration of unemployment compensation and the Employment Service. I personally have not any great tremendous feeling as to where they ought to be placed but I say they should be brought together, because they operate together, and you cannot operate one without the other.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MANASCO. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN of Missouri. Mr. Chairman, I rise in support of Reorganization Plan No. 2. Under the Reorganization Act that was passed last year, the President makes suggestions to the Congress in connection with reorganizing the executive departments in order to promote efficiency and economy.

This plan has three parts to it: The first deals with the United States Employment Service, the second part relates to the Wage and Hour Division, and the third part concerns coordinating enforcement policies of various labor laws.

I am vitally interested in the committee report on the President's plan to permanently locate the United States Employment Service. It has long been my opinion that our public employment service must play a vital role in assuring high levels of productive employment. To be fully effective in carrying out its responsibilities in this connection, the United States Employment Service should remain in the Department of Labor, where its policies, standards, technical assistance, and services can best be geared to the other activities now carried on in that Department.

I find that the section of the committee report dealing with the United States Employment Service is devoted almost exclusively to the views which were presented by State employment security directors. The report fails to bring out the fact that these directors for the past 5 years have been concerned exclusively with unemployment compensation and only since last November have they had any responsibility for the administration of public employment offices. A careful review of most of the reasons which the State directors have given for recommending the transfer of the United States Employment Service to the Federal Security Agency will indicate that they reflect a very narrow conception of the functions of the public employment offices. In the main these State directors seem to be concerned with the routine business management and budgetary aspects of the public employment service rather than with the basic fundamental objectives of providing effective job assistance and job counseling to veterans

and other job seekers and to promoting employment opportunities by maintaining sound job-development relationships with employers.

The State directors' lack of understanding of public employment service experience during the past 6 or 7 years is evident from the statement in the committee report and I quote:

> During the years preceding the war, the public employment service gained rapidly in establishment of employer confidence. During the war much ground was lost and employer confidence deteriorated steadily, largely due to the fact that both compulsion and social planning were to a considerable extent substituted for free services.

The committee would have rendered a real service to this House if it would have gone into the facts behind this assertion instead of blindly quoting it as one of the bases for recommending the transfer of the United States Employment Service to the Federal Security Agency.

I think, Mr. Chairman, that the Members of this House are entitled to know the facts concerning the development of the public employment service in this country since the prewar years. Perhaps the best index to employer confidence and acceptance of public employment offices may be found in the volume and kind of job placements which public employment offices make with employers. Such placements are based upon job orders which employers give to the local offices and obviously these orders would not have been given had there not existed employer confidence. In 1940, the public employment offices made some 3,700,000 job placements. This was at a time when the Employment Service was under the domination of the unemployment-compensation program in the Federal Security Agency. In 1946, though, with the USES, a separate identifiable agency, in the Department of Labor the public employment offices made more than 5,500,000 placements.

The mere number of placements does not itself reflect the kind of service which the public employment offices perform. It is more important that we know the kind of jobs on which workers are being placed and for which employers are being serviced. In 1940, about 36 percent of all of the placements were made in the service industries, domestic services, and private households—jobs of relatively short duration and paying very small wages. Only 20 percent of all the placements in 1940 were in the manufacturing industries where are found the higher semiskilled and skilled jobs having relatively longer duration and paying reasonably satisfactory wages. By 1946, manufacturing industry placements constituted 40 percent of all placements and had increased threefold over those made in 1940. This increase in the volume of job placements and the tremendous improvement in placing workers in higher skills and better-paying jobs occurred during the years that the United States Employment Service was not a part of the Federal Security Agency. Contrary to the assertions of the State unemployment compensation directors and the apparent belief of the committee, the public employment offices in 1946, a peacetime year, and following the experience of war years, have established a better record and played a greater role in assuring full use of our labor resources than has ever been true in the history of this country.

Mr. BENDER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

The gentleman from Missouri will proceed.

Mr. KARSTEN of Missouri. The Members of this House, Mr. Chairman, should know that this is only one of the many statements of misinformation or evidences of lack of information which may explain the recommendation of the committee to transfer the United States Employment Service to the Federal Security Agency. I, for one, prefer to support Reorganization Plan No. 2, because it reflects a careful study and review of the functions of the various Government departments in the executive branch of the Federal Government. I am not inclined to be persuaded by the special and narrow interest of some State directors, who represent only another species of government bureaucrats, that the United States Employment Service should be transferred out of the Department of Labor. These officials have little or no knowledge of the functions and responsibilities which are lodged in the Federal Government. I strongly urge upon the Members of this House that they search their consciences and bear in mind their views concerning Government efficiency and economy on this matter. I am sure they will come to the conclusion which I have reached that the United States Employment Service properly belongs in and should continue to be a part of the Department of Labor.

I have spent a great deal of time pondering over the words of the committee in their report to the House on Concurrent Resolution 49 to disapprove the President's reorganization plan. I have had particular trouble in understanding the exact purpose of the committee in its somewhat brief disposal of that part of the plan which would give the Secretary of Labor power to standardize procedures and policies for the enforcement of the Davis-Bacon Act, the Copeland Act, and the so-called 8-hour laws all applying to Government construction work. After admitting the value of such a move the committee proceeds to state, and I quote:

> A more appropriate step at this time would seem to require careful consideration of these laws by appropriate congressional committees.

The committee arouses my curiosity, however, by failing completely to reveal what this more appropriate step may be. Personally I can think of nothing more appropriate in the interests of governmental efficiency than to standardize the enforcement policies of many different Government agencies administering the same labor law. I can see no virtue whatever in having a law administered in one way by one agency and in another way by a second agency, and so on down the list of Government agencies.

The Davis-Bacon Act went on the books in 1931. It provides for the Secretary of Labor to determine the prevailing wages for laborers and mechanics in the locality where public works of the United States are being built under contract. Each such construction contract of the United States in excess of $2,000 must contain a stipulation that the wages in performance of the contract shall not be less than those determined by the Secretary. Does the committee suggest that the appropriate step is to repeal or modify this valuable piece of legislation?

The 8-hour laws similarly provide for payment for overtime of one and one-half times the regular rate of pay to mechanics and laborers performing contracts for the construction of public works of the United States. I believe that the time and one-half principle for overtime is too well established as a universal industrial practice to warrant its abandonment at the present time. Does the committee nonetheless imply that the United States Government should now take the initiative in lowering the basic labor standards of this country?

And I believe the same question is pertinent in regard to the Copeland anti-kick-back statute which makes it unlawful for any person to induce wage earners building public works financed by Federal funds to give up a part of their wages in response to force, or threat, or intimidation. This statute blocks a serious loophole found to exist in regard to the Davis-Bacon and 8-hour laws. I assume, therefore, that an intent to repeal those laws would extend to the anti-kick-back statute.

If, on the other hand, the committee is convinced that some other method of administering these laws should be adopted, certainly the Members of this House are entitled to know the disposition of the committee in this regard. And if there is a fatal infirmity in the method chosen by the President, I believe he, too, is entitled to receive the benefit of the committee's opinion and its suggestion as to a more appropriate step toward better organization for enforcing these laws. In choosing to condemn this phase of the plan with faint praise, coupled with a suggestion for consideration by another congressional committee, the proponents have been clearly derelict in their duty to this House.

Each feature of this reorganization plan appears to me to be altogether fitting and appropriate. The Employment Service operated very successfully in the Department of Labor for many years and recently has been returned to that Department as one of the many necessary steps toward normalcy from wartime operation. To require any future reshifting would, of course, constitute an unwarranted temporary disruption of a function which is clearly a labor function of the Government; that is, supervising the use of funds for obtaining jobs for the unemployed.

The Administrator of the Wage and Hour Division cannot consistently with good government continue to be vested with autonomous authority within the

Department of Labor and I am convinced that the plan presents a sound solution in this respect. It is preposterous to assert that the Secretary of Labor should not be vested with the labor functions of Government where they have any effect upon any person other than the wage earner. Upon the same principle the functions of the Secretary of Agriculture under the Packers and Stock Yards Act should be transferred on the equally false grounds that the Secretary is interested in the welfare of farmers to the exclusion of packers who are regulated by that act and of the general public.

No; I cannot agree with the Committee on Expenditures in the Executive Departments. I believe the prime requisite of good government is to place as far as possible under one roof all functions which relate to the same general national problems. In no other way are we going to advance in the practice of good government. It seems to me that this is the only object of this plan, and that there can be no disapproval by fair-minded men of a reasonable Presidential purpose. After all, have we not indicated to him by the Reorganization Act itself our desire to trust largely to his discretion in these matters? Therefore, do we not now find ourselves in the position of having to carry out our declared policy by approving the reasonable use of that discretion? It seems to me that we do. Any other approach would seem to be an indirect attack upon the act itself—and I believe we must decide that question separately upon its own merits.

My plea, therefore, is for a restrained and reasonable approach to this problem. Let us address ourselves impartially to the effects of this plan. I know I have tried my level best to do so and I can only conclude that I must oppose the resolution.

Mr. BENDER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION. Mr. Chairman, I rise in support of the resolution, House Concurrent Resolution 49, which proposes to reject President Truman's Reorganization Plan No. 2. There have been many very able and splendid speeches on this subject made by gentlemen on both sides of the aisle. It is not a partisan or political matter. I am sure every Member of the House is trying to reach that conclusion which will best serve this important activity of our Government, unemployment and unemployment compensation. The veterans are not involved.

In the State of Kentucky, of course, we have an unemployment service organization set up that is very ably and efficiently conducted by one Dr. Babb. I understand he appeared before a committee of this House, handling this resolution, and declared it would be to the best interest of the unemployment and compensation services in Kentucky that those services be a part of and directed by the Social Security organization of the Federal Government, and not in the Department of Labor as suggested by the President in his plan. Some 32 other States took a similar stand. I think they are right, their position makes sense to me.

If this resolution is adopted and these State services are articulated with the Social Security Board I think in the end we shall eliminate the double budgeting, the double auditing, and the double checking that would be necessary if the President's plan were followed; and it would save money to the Government, it would give more efficient service to the unemployed; and it would provide them jobs and take care of their unemployment claims more efficiently, expeditiously, and economically.

I can see no good reason at all why the President's reorganization plan should be approved as it will cost more and be less efficient. There is every reason as stated by Dr. Bobb, the director of the Kentucky services and also by the organizations of at least 32 other States why it should not be disapproved. I am very happy therefore to unite in the approval of this measure as urged by a number of my colleagues.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. ROBSION. I yield.

Mr. ELLIS. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-one Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 76]

Barden	Fisher	Marcantonio
Bell	Fuller	Martin, Iowa
Bishop	Gallagher	Meade, Ky.
Bland	Gamble	Miller, Calif.
Bolton	Gary	Mitchell
Brooks	Gifford	Morrison
Buckley	Gorski	Owens
Bulwinkle	Granger	Pace
Burleson	Grant, Ind.	Patman
Busbey	Harless, Ariz.	Peden
Byrne, N. Y.	Hart	Pfeifer
Carson	Hartley	Philbin
Case, N. J.	Hébert	Ploeser
Case, S. Dak.	Heffernan	Plumley
Celler	Hendricks	Powell
Clark	Hess	Price, Fla.
Clements	Hinshaw	Priest
Clevenger	Holmes	Reeves
Clippinger	Hope	Richards
Cole, Kans.	Huber	Riley
Combs	Hull	Rizley
Cooley	Jarman	Robertson
Cotton	Jenison	Smith, Ohio
Courtney	Jennings	Somers
Crawford	Kee	Stratton
Dawson, Utah	Kelley	Taylor
Devitt	Kennedy	Thomas, Tex.
D'Ewart	Keogh	Towe
Dingell	Kerr	Vail
Domengeaux	Landis	Vinson
Doughton	Lesinski	West
Durham	McMillan, S. C.	Worley
Fernandez	Mansfield, Tex.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DONDERO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Concurrent Resolution 49, finding itself without a quorum, he directed the roll to be called, when 328 Members responded to their names, disclosing that a quorum was present, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

The CHAIRMAN. The gentleman from Kentucky will resume.

Mr. BENDER. Mr. Chairman, I yield five additional minutes to the gentleman from Kentucky.

The CHAIRMAN. The gentleman from Kentucky is recognized for five additional minutes.

Mr. ROBSION. Mr. Chairman, I wish to disclaim any responsibility for this quorum call. I had about concluded the remarks I had in mind to make.

This, of course, is a very simple resolution. But one issue is submitted. The resolution is short. It reads:

That the Congress does not favor the Reorganization Plan No. 2 of May 1, 1947, transmitted to the Congress by the President on the 1st day of May 1947.

This does not preclude the President from submitting some other reorganization plan if he sees fit.

There is no partisanship in this resolution, as I understand it. Quite a number of Members from both sides of the aisle have spoken in favor of the resolution and against the Reorganization Plan No. 2. The agencies of the Government themselves are divided as to what is the best thing to do. The Department of Labor thinks they ought to have this compensation and unemployment service, but the report states that the professional group in the Bureau of the Budget do not agree. Some think it ought to go to the Department of Labor, others insist it should go to the Social Security Agency.

Recently in the city of Washington representatives of 33 States of the Union, including Dr. Bobb of Kentucky, adopted a resolution stating by unanimous action on the part of these representatives that this service should be in the social security branch of the Government and not in the Department of Labor. They went on record as opposing Reorganization Plan No. 2 as submitted by the President. The Social Security Agency opposes the transfer of these services to the Department of Labor.

In 1939 President Roosevelt placed this service in the Social Security Agency. These services were not in the Social Security Agency at the time the Government took them over from the States and the States surrendered these activities to the Federal Government for the period of the war emergency. The Social Security Board has experience in handling this particular problem. The Department of Labor has not had that experience. You have 33 States, you have President Roosevelt, you have a committee reporting this resolution, you have the Social Security Board, all agreeing that we should not adopt this Reorganization Plan No. 2. The Bureau of the Budget is divided. I urge we adopt this resolution and return this service to the Social Security Agency. The States levy and collect the taxes to pay the unemployment compensations and the States pay out the money and therefore their wishes should have great weight. The States are opposed to the President's plan and favor the resolution before us and I am sure you will adopt this resolution and reject the President's plan.

Mr. HOLIFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, it is significant that in practically every State since the Employment Service has been turned back to the States the Employment Service and the employment compensation are operated by the same agency. It has been found on State and local levels that these programs have to be integrated in order to properly serve the people.

We must consider not only the workers, who turn to the Employment Service for locating jobs or to unemployment compensation for benefits during periods when they are unable to find work, but we must consider the broader aspects of the problem of full employment and its effect on our total economy. Just as the general welfare is being served better by the correlation under one administrative head of these two programs on State and local levels, I believe there should be integration on the Federal level. This is especially true since policies relating to each of these functional agencies must be coordinated and must not be conflicting. In the hearings it was pointed cut that the States have a great deal to say about policies within their respective States. However, it was also made clear that suggestions of a policy nature which originate in Washington frequently carry the force of administrative orders. When two agencies in Washington are formulating policy suggestions which frequently conflict they have to be reconciled by the State administrative bodies. Consider the loss in efficiency and the accompanying confusion.

There is a question as to whether these two programs should be integrated in the Department of Labor or in the Federal Security Agency. Incidentally the Labor Department requested that the unemployment compensation be transferred to it. I think this question of location is unimportant at this time, although a large percentage of the State administrators urged that the combined activities of these agencies be placed in the Federal Security Agency. I recognize some serious objections to such a course. Involved in this whole problem is the need to find a solution for the administration of these two programs which involve both management and labor and in which the general public has a greater concern than does either of these two interest groups. General economic considerations require that the administration of these two agencies be fair and objective, and free from the pressure either of organized industry or of organized labor.

There is more involved here than merely the location of the Employment Service. In my judgment, these agencies should be brought together, and the passage of this resolution will afford time for resolving the broader aspects of the problem.

Mr. BENDER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I was impressed by the remarks of the gentleman who just addressed the House. I was also impressed by the remarks of the gentleman from Illinois [Mr. DIRKSEN], and the gentleman from Wisconsin [Mr. KEEFE].

It seems plain to me, and I believe a vote will show that it is plain to the Members of the House, that greater efficiency can be had in the administration of unemployment compensation and the placement of men on jobs throughout the Nation if here in Washington, as we now have it on the local State level, there would be a consolidation and coordination of the activities of these two agencies, and I think employment activities should rest with the Social Security Agency. Consequently, I am supporting the resolution offered by the gentleman from Michigan and am opposed to the President's Plan No. 2 as suggested to the Congress.

Out in Illinois, one of the great States of the Nation, a great industrial State as well as an agricultural State, the people who pay the bills to support job placement and compensation in Illinois, a part of which money goes to other States from this great wealthy State that I have the honor to represent, they want the President's plan defeated, and they insist that the Federal Security Agency is the place where this responsibility of Government should rest. They believe that it will make for a greater convenience in the direction of opportunity at the State level, and that it will conserve some of the money that is taken from them and other States which is later allocated back to the States. So, it is perfectly plain to me that this question should be resolved by defeating the President's plan and supporting the proposal offered by the gentleman from Michigan.

In the future employment and unemployment compensation will become more of a major problem than it is today, and I should like to divert for 1 minute to suggest that in our consideration of other legislation coming to the floor of this House we ought to keep in mind that this great country, rich and powerful as it is, owes its first obligation to see that its affairs are conducted so that the men and women of these United States of America get first place on job placements, on educational opportunities, and on opportunities for housing of which there is such a great shortage in this country today.

That brings me where I should like to divert to say that while it is almost out of order, it is so relevant that I should like to point out that at the present time there have come into this country, without visa, 47,000 people from foreign countries during the year 1946. There are at the present time 17,000 young men and women in this country taking advantage of the housing and taking advantage of the opportunities of our educatioaal institutions, whereas we have a great shortage of opportunities for education, yes, even to the GI's who went out and defended this country in the four corners of the world who now, by reason of the disruption of educational facilities, want an opportunity to complete their education in this country. Seventeen thousand of these men and women of ours are displaced now in the educational institutions of this country by reason of the infiltration into this country of 17,000 students. Even now we have some shortages of opportunity for labor, yet 47,000 have come in under nonquota opportunities in this country during the year 1946.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BENDER. Mr. Chairman, I yield five additional minutes to the gentleman from Illinois.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from California.

Mr. HOLIFIELD. Of course, the gentleman realizes that he is not speaking in order on the Reorganization Plan that is before the House, but commenting on the particular point which he has brought up out of order, I may say that there are also many American boys and girls that are taking advantage of the educational opportunities overseas in this exchange.

Mr. VURSELL. Does the gentleman have the number?

Mr. HOLIFIELD. I do not have the exact number.

Mr. VURSELL. In my opinion, due to the unsettled condition of the world and the lack of opportunity throughout the world, there are very few young men and women from America seeking educational opportunity in the universities of the world outside the continental limits of the United States.

I am a little alarmed at legislation that would open the door wider for people to come in here without any let or hindrance or without any check. May I say that in my judgment there are countless thousands that have come in through the borders without any regard to law or without any regard to the regulations set up by this Government under the immigration statutes. So we are finding ourselves where we are being asked to open the gates wider to the great disadvantage of the returning soldiers who fought throughout the world to preserve opportunities for their own people and for them when they returned. We shall hear more about that later on when the next bill comes to the floor of the House.

May I repeat that in all of our deliberations I think that sometimes we stray too far in our interest in other countries and opportunities for other people to come into this country, to the great detriment of the people who have the first right and the first call on the institutions of this country and upon the opportunities this country offers to the defenders of this country and the people who defended it on the home front in the last great world crisis.

Mr. HOLIFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, may I preface my remarks by reading a statement made by Keen Johnson, Under Secretary of Labor, appearing at page 61 of the hearings:

> The need for the reorganization of the Government was pointed out in President Roosevelt's message, which you are familiar with, of January 12, 1937, in which he stated:
>
> "In these years of world history, a self-government cannot long survive, unless that Government is an effective and efficient agency to serve mankind and carry out the will of the Nation.

"The Government without good management is a house built on the sand. In striving to make our Government more efficient, you and I are taking up in our generation the battle to preserve the freedom of self-government which our forefathers fought to establish and hand down to us."

The message went on to say that no enterprise can operate effectively if set up as is the Government today. The chaos of establishments in the Federal Government, numbering approximately 100, makes it impossible for the President and the Congress to exercise effective supervision or direction, nor can overlapping, duplicating, and contradictory practices be avoided.

Let us depart from a partisan discussion and see just what an independent, impartial agency recommended, so far as the position of this Department is concerned. I refer now to a statement and study made by a group of experts, among whom were Louis Brownlow, Luther Gulick, and Charles Merriam, who came to the conclusion that between the Department of Labor and the Federal Security Agency, or a proposed Department of Social Welfare, the matter should be determined on a basis of whether a particular governmental program involves rights or needs. Those who conducted that study were of the opinion that wherever a program is based upon the rights of an individual it should be allocated to the Department of Labor and that any program based on the need of an individual should be allocated to the Welfare Agency.

WAGE AND HOUR DIVISION RIGHTS AND NEEDS

The second part of the President's reorganization plan would transfer the functions of the Administrator of the Wage and Hour Division to the Secretary of Labor. Now, as you know, when Congress passed the Fair Labor Standards Act, it placed the Division in the Department of Labor, and in so doing used this language in section 4 (a):

There is hereby created in the Department of Labor a Wage and Hour Division which shall be under the direction of an Administrator—

And so forth. The act did not specifically give the Secretary of Labor an adequate legal basis for supervising and directing the affairs of the Division. As a consequence, the Division has had an ambiguous status in the Department. I think it is time for the Congress to spell out in clear detail what it means by "in the Department of Labor."

At present, the Wage and Hour Division, for budgetary purposes, is in the Department. Its personnel and budgetary policies must conform to the budgetary policies of the Department as a whole. Also, its legal advice comes from the Solicitor's office, which is under the control and authority of the Secretary of Labor. But because the Congress in 1938 did not spell out clearly its intent there have been some doubts as to the authority of the Secretary of Labor over the Wage and Hour Division in matters of public policy and enforcement procedures.

It is hard for me to give serious consideration to this section of the joint resolution because I cannot see any possible reason why the Division should not be under the direct authority of the Secretary of Labor. On the other hand, there are very good reasons why it should be wholly within the Department. The Secretary of Labor is the Cabinet officer who is responsible to the administration for all labor matters. If this reorganization plan becomes law it will do much toward easing the administrative burdens of the President.

The Administrator of the Division and the Secretary are in accord in supporting the reorganization plan. There is a splendid spirit of cooperation between the Wage and Hour Division and the other divisions and bureaus of the Department. And, of course, there must be. And certainly the Secretary of Labor, who in the public mind is responsible for all governmental functions in the field of labor relations, should be given specific authority to direct the activities of the divisions in accordance with this responsibility. I am certain that there will be no practical change from the present situation. The Secretary has stated frequently, and I quote from one such statement:

If these powers are granted to me I will, of course, make an appropriate delegation to the Administrator and other subordinate officers of the Department.

As the Cabinet officer and adviser to the President on all matters relating to labor, the Secretary should have the clear and unquestioned authority to tie in the administration of the Fair Labor Standards Act with the over-all administration of the other labor functions of the Department.

It seems to me that to say otherwise would be comparable to saying that a city superintendent of schools should have no authority to direct the policies of a senior high school in his muncipality.

The desire for efficiency in carrying out the Government's functions in the field of labor dictates that all such labor functions which have any impact on worker and employer relationships or which arise out of them should be clearly allocated to the Secretary of Labor. At present the Secretary of Labor has final authority and responsibility for determining prevailing wage rates for building construction workers on public works construction. He has the ultimate control and the responsibility for determining prevailing minimum wages and for administering the provisions of the Walsh-Healey Public Contracts Act.

This problem resolves itself into the logical or reasonable discussion as to whether or not you are going to have a unified or coordinated plan under the Department of Labor, or whether there is going to be a division of responsibility. I say that where any attempt is made to divide responsibility, it is bad legislation to try to hamstring the executive branch because what happens then is poor regulation and poor supervision. It may be good politics, however, so the question is, Are we playing politics or are we trying to do a good job of administering or making it possible to do a good job of administration?

There are those who say that labor needs no protection by the Government; that business will be fair, but the Wage and Hour and Public Contracts Division of the United States Department of Labor reports that during the 1946 fiscal year, 54 percent of all manufacturing industries inspected were found to be in violation of the Federal minimum wage overtime and child labor laws. Nearly 12,000 plants were involved and more than $9,000,000 owed to 200,000 underpaid employees. In all, more than 2,300,000 workmen were inspected. The bulk of businessmen, of course, were law-abiding. Inspections were made where the Department of Labor suspected violations. Now this is just so much tweedledee and tweedledum. There is an effort here, by means of this resolution to really sabotage effective administration.

And under Reorganization Plan No. 2 of 1946 the Congress gave him the final authority and responsibility with respect to the administration and enforcement of the child-labor provisions of the Fair Labor Standards Act. I should like to make a parenthetical point here, Mr. Chairman, with regard to the spirit of cooperation which exists between the Secretary of Labor and the Administrator and about which I spoke a moment ago. The actual administration of the Walsh-Healey Act and the enforcement of the child-labor provisions of the Fair Labor Standards Act are in charge of the Wage-Hour Administrator, although the Secretary has the final authority and responsibility for these matters. The arrangement has proved to be efficient and practicable and has presented no problems. Therefore, it is not reasonable to assume that transferring the other functions of the Administrator to the Secretary of Labor would present any problems in administration. On the other hand, as I have pointed out, there are many good reasons for the transfer.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

Mr. BENDER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GROSS].

Mr. Chairman, since we will require only about three more minutes on this side, I wonder if we cannot agree on time. I make the unanimous-consent request that we close debate in 20 minutes.

Mr. RAYBURN. You cannot make any unanimous-consent request in Committee of the Whole. The time has already been fixed in the House. Members do not have to yield time unless they want to.

Mr. BENDER. I withdraw the request, Mr. Chairman.

Mr. GROSS. Mr. Chairman, I had intended to oppose this resolution until I heard the Whip on the Democratic side make his defense of it, express himself as to how he felt about it. That changed my position entirely.

This resolution, if enacted into law will cut out a lot of duplication, it will cut out a lot of dissatisfaction, it will expedite work, it will save some money; and that is a thing we have all got to do wherever we can. Our taxes are getting out of hand. The cost of living is going to absurd extremes. We have got to save a dollar wherever we can irrespective of the opposition we get from the other side of the aisle. I noticed on the

streets this past week here in the city that bananas were selling for 25 cents a pound. I never heard of such a thing in my life. It is utterly ridiculous and completely indefensible. There is absolutely no reason for such price and no man can defend the selling of bananas at 25 cents a pound. It is utterly reprehensible. The United Fruit Co. made public statements in advertisements saying that they are selling their bananas delivered in this country at the port for 5½ cents a pound.

I know, of course, that several gentlemen will seek the floor after I relinquish it to tell me that I voted against OPA. Sure, I voted against OPA, but under OPA we could not get any bananas at all; there were none.

This morning I noticed in the press that meat had disappeared from the Philadelphia markets yesterday, with the prediction that it will be up from 8 to 11 cents a pound when it reappears in a few days. At the same time there are 17,000 more head of cattle on the Chicago livestock market than there were a week ago. Fellows on the other side of the aisle are going to tell me that I voted against OPA. Sure, I repeat again, I voted against OPA, but we had no meat at all under OPA. It is a matter for the administration to stop this hijacking of the necessities of life. OPA was removed, sure; but it is the responsibility of the administration to get after these robbers, thieves, and hijackers of these necessities.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. No; the gentleman can get his own time to come here and defend the failures of his party, to defend his taxes, to defend his spending until they got us into a $280,000,000,000 debt and placed on our backs taxes that are absolutely confiscatory, policies that have driven the cost of living up until we find bananas at 25 cents a pound. We cannot live with fruit at such prices or with the commonest cuts of meat at 40 and 50 cents a pound.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Mr. Chairman, may I have order, please?

I am making a plea for legislation that will help push this Federal Government back into Washington where it belongs and trim it down to button-hole size. I want to get Uncle Sam back into a position where the common man can respect him again. He is getting himself into such position and will stay there if we can whittle down the bureaucrats and the money spenders. We ought to be seeing more of him. He is back in the newspapers, it is true, but he ought to be there a lot more. We want to get living in this country back on such a basis that we can once again eat meat, bananas, potatoes, and the things usually bought on the general market and not have the money depreciated on the one hand and the people overcharged on the other.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I will give the gentleman the rest of my time to come down here to defend this thing.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania yields back 1 minute.

Mr. HOLIFIELD. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I wish to call attention of the Members to the actual services rendered by the United States Employment Service.

Many of the services are based on assistance, data, knowledge obtained from close contact with personnel in other branches of the Department of Labor.

ACTIVITIES OF THE UNITED STATES EMPLOYMENT SERVICE NATIONAL OFFICE

First. The national gathering and distribution to all local offices in the States of labor-market information reflecting employment trends, job opportunities, hiring specifications, and conditions of work on an occupational, industrial, and local-area basis. This information is now used by all employment offices in connection with employment counseling and placement service activities, and by employers, labor organizations, and community groups concerned with location of plants and employment stabilization.

Second. All technical services resulting from occupational analysis work such as the Dictionary of Occupational Titles, job descriptions and definitions, aptitude tests, trade questions and employment interviewing aids, and the analysis of physical requirements of jobs and physical capacities of workers. These techniques are used particularly in the placement of disabled war veterans and handicapped workers. They constitute basic services which the USES furnishes to both the VES and the State services.

Third. Nationally directed programs, such as (a) the job-development program, with specific emphasis on obtaining employment opportunities for veterans; (b) coordinated and improved counseling for veterans, handicapped workers, and new entrants into the labor market; and (c) such special programs as the national Hire the Physically Handicapped Week.

Fourth. The clearance of labor, both skilled and unskilled, between the States, and the bringing together of workers and the appropriate job opportunities and professional and technical personnel who must look to the national labor market for employment opportunities. This includes service to college graduates, particularly World War II veterans who are finishing their education under the GI bill and who for the most part are seeking positions in sections of the country other than localities where they have finished their education.

Fifth. The National Roster of Scientific and Specialized Personnel, which constitutes the only national register of our scientific manpower resources, and which is regarded by the Army and Navy and others concerned with national security as an indispensable activity.

Sixth. Working relationships with national organizations of employers, labor, and veterans, who are concerned with employment problems and whose activities are organized on a Nation-wide basis.

Seventh. All technical training materials and staff training assistance now being given by the USES to State and local employment offices.

Eighth. The manual of employment-office operations, which is the basic document setting forth recognized and tested employment-office practices and procedures and which has been adopted and is used without change or modification by practically all local offices throughout the country; and which is necessary to a Nation-wide network of local employment offices.

Ninth. Technical services provided to the Veterans' Employment Service, including manuals on operating methods and practices; statistical reporting and labor-market information necessary to assure the maximum job opportunities for veterans; as well as budget, fiscal, personnel, and business management services.

Mr. Chairman, I wish to also call attention to a statement appearing in the committee's report regarding the permanent location of the United States Employment Service, and upon which apparently is based the conclusion that the United States Employment Service should be transferred to the Federal Security Agency. It is my opinion that the misinformation contained in the statement may have been an important factor in leading to the erroneous conclusion of the committee that the United States Employment Service should be transferred out of the Department of Labor. The statement to which I refer, Mr. Chairman, may be found on page 4 of the committee report:

> The great weight of the evidence is to the effect that social-security activities, which concern all the people—employers, employees, and generally the public—should be consolidated in one neutral agency. The committee believes it would be as great a mistake to place the Employment Service under the jurisdiction of the Department of Labor as to place it under the Department of Commerce.

On the basis of this statement, it would be equally logical to transfer the United States Employment Service to the Bureau of Internal Revenue.

I believe the Members of the House recognize that social-security activities do not concern all the people—employers, employees, and generally the public. As a matter of fact, the social-security activity to which the committee refers is that of unemployment compensation and it is specifically restricted so that it is applicable only to certain employers and to certain types of workers.

For example, employers who have less than eight employees in their establishments are not covered by the tax provisions of the Federal statute relating to unemployment compensation. Consequently, workers employed in such establishments, unless specifically covered by State unemployment-compensation laws, have no rights to unemployment-compensation benefits when they become unemployed. Nevertheless, these workers properly look to the public employment offices for job assistance and job counseling. Two million youths enter our labor market each year and because these young people have had no prior work history, they are in no way covered by the social-security program, yet many of them rely upon the public employment offices to assist them in obtaining

jobs. In the same way, I might cite the millions of workers in agriculture, domestic employment, government, and charitable institutions who are excluded from unemployment-compensation provisions, but many of whom rely upon the public employment office facilities for job assistance. As a matter of fact, it is far more correct to say that the Department of Labor is concerned with all the people—employers, employees, and generally the public—insofar as employer-employee relations, job opportunities, and other problems relating to the labor market generally are involved.

Mr. Chairman, as I understand the situation regarding the permanent location of the United States Employment Service, it is that if it were transferred to the Federal Security Agency, its program and activities which are focused exclusively on the development and improvement of a Nation-wide system of public employment offices would be subordinated to those of the unemployment compensation activities. This is so because unemployment compensation is regarded in the Federal Security Agency as an integral part of what constitutes the core of its program; namely, the social insurances. Insofar as experience can serve as a guide, the facts are that when the United States Employment Service was transferred to the Federal Security Agency in 1939, it was practically abolished and its functions were consolidated with those of unemployment compensation. As a result, payment of unemployment benefits took precedence over finding jobs for unemployed workers.

Is there any Member of this House who can question for a moment that it is more important to place unemployed workers on jobs than to pay them unemployment benefits? Indeed, I may say that the committee itself is fearful that the United States Employment Service may once again be subordinated to the unemployment compensation activities in the Federal Security Agency. This is evident from the statement contained in its report which reads that the committee is of the opinion that—

> The functions of the United States Employment Service should be transferred to the Federal Security Agency and that the administration of the unemployment compensation laws be consolidated with it in such a manner that emphasis will be placed, in the administration of the consolidated program, upon the work of the Employment Service.

Why is it now necessary for the committee to point out that emphasis should be placed upon the Employment Service in the event that the United States Employment Service were transferred to the Federal Security Agency? Obviously, the answer lies in the fact that the Federal Security Agency would not ordinarily place emphasis on the Employment Service, since it is foreign to the other activities and functions with which it is concerned; namely, the welfare and social insurance programs.

Not only are the activities of the United States Employment Service more closely related to the other activities of the Department of Labor, but the nature of the United States Employment Service responsibilities with respect to the State agencies so far as the public employment office operations are concerned are distinctly different from those of the Federal Security Agency in its administration of unemployment compensation activities. The United States Employment Service is required by statute to promote and maintain a national system of public employment offices, to provide the State and local offices with uniform administrative and statistical procedures, to furnish and publish information on employment opportunities, and to work with local offices on problems peculiar to their localities. None of these responsibilities are found in the Federal Security Agency with respect to the unemployment compensation program.

We do not have in this country a national system of unemployment compensation. Instead, we have independent State systems. This contrasts sharply with the Nation-wide network of public employment offices. When the inter-State transfer of workers is necessary in order to bring job seekers and job opportunities together, the United States Employment Service is required to directly participate in this interstate transfer. On the other hand, when a claimant seeks unemployment compensation benefits in a State other than in the one in which he was previously employed, the arrangements for the interstate payment of benefits is made between one State and another and the Federal Security Agency is in no way involved. This is but one example of the difference in the character of the responsibilities involved in dealing with the States in the case of the United States Employment Service in contrast to those involved in unemployment compensation by the Federal Security Agency. Indeed, I may say that the committee report is in error when it states "The United States Employment Service"—except in the District of Columbia—"is not an operating agency." The statute which created the United States Employment Service requires it to maintain a veterans' employment service, to maintain a farm-placement service, and to engage in the interstate transfer of workers. No such operating responsibilities can be found in the Social Security Act.

I urge the Members of this House to vote in favor of the President's reorganization plan which would permit the United States Employment Service to continue in the Department of Labor where it is now functioning more effectively than ever before in its history. It is my conviction that this is not only in keeping with sound Government organization based on proper distribution of functions, but that it has national implications involving the most effective utilization of our labor resources, promotion of employment opportunities, and indeed, it is not too much to say, a very real bearing on our national security.

Mr. Chairman, the action of the Committee on Expenditures in the Executive Departments favoring Concurrent Resolution 49 to kill Reorganization Plan No. 2 of 1947 has given me considerable cause for concern. I have studied this plan with a great deal of care and I have discovered nothing which would justify the report of the committee. In fact, it appeared to me that this plan has every argument in its favor and none against it.

Now in 1945 the Congress gave to the President the power to reorganize the agencies of government along lines of greatest efficiency and economy. In so doing Congress frankly recognized that this type of function is clearly for the Chief Executive who is charged with the constitutional duty of running the departments and establishments of the Federal Government. This was a wise move, because it seems to me that the President should have a better knowledge of these problems through his Cabinet officers than we Members of Congress have through sporadic hearings.

The entire inference which I draw from the terms of this act is that once the President has determined upon a system of reorganization and has embodied in it a plan, then every presumption should favor its legitimacy and beneficial effects. The Congress should not act to upset the plan unless it is clearly arbitrary and capricious. For indeed, gentlemen, if we are going to initiate a policy of substituting our own judgment for that of the President in every instance, we might as well repeal the Reorganization Act and return to the policy of initiating executive reorganization ourselves.

A supreme example of quibbling over details may be found in the remarks of the committee which relate to the standardization by the Secretary of Labor of procedures for enforcing the Davis-Bacon Act, the Copeland Act, and the 8-hour laws.

As you undoubtedly know these laws relate to minimum wages, to the illegal kick-back of wages and to overtime pay concerning certain workmen employed in the performance of contracts for the construction of public works of the United States. There is no central administration of these acts. Each agency or department of the Government supervises the performance of its own construction contracts and is responsible for seeing that these provisions are complied with by each contractor. There is bound to be varying enforcement depending upon the quality and quantity of personnel available to each agency for this purpose and upon the degree of interest each agency has in this type of problem. It, therefore, seems a logical step to require at least some uniformity in the methods used by each agency enforcing these statutes. This would still leave the actual job of enforcement to each agency, but the approach used would be in conformance with the most effective and reasonable policies developed by the Department of Labor in the course of administration of the Wage and Hour Act.

I know that you are familiar with the remarks of the committee concerning this phase of the plan. They purported to favor it in principle. They hardly could escape favoring it to some extent because of its utter reasonableness. But then, after finding merit in vesting enforcement policies in one Government official the committee went on to state that a more appropriate step would be to require careful consideration of these laws by appropriate congressional committees. In other words, gentlemen,

they say: "Your suggestions have merit, Mr. President, but from now on we intend to do all the reorganizing ourselves."

I have heard a lot about cooperation around here lately. On more than one occasion I have heard it expressed that the President must carry out his pledge of last fall to cooperate with the Congress. Apparently some Members of this House have the notion that cooperation means saying "yes" at all times to every matter which the Congress suggests, whether good or bad, and regardless of whether Congress is itself amenable to suggestion.

Now that is not cooperation—that is meek acceptance of dictatorship of Congress by the legislative branch of government.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman is criticizing the House, I gather, indirectly for not following along on these reorganization plans. I am sure the gentleman realizes that last year when the gentleman's party had control you did not agree with him on the reorganization plans he sent down.

Mr. HOLIFIELD. Yes; I realize there was a difference of opinion at that time.

Mr. HOFFMAN. The gentleman realizes that he is not cooperating with the House on the question of the tax legislation, over which we have sole authority.

Mr. HOLIFIELD. I will say to my chairman that I realize there usually is a difference of opinion between the legislative branch and the executive branch. I am making the suggestion in all good faith and without any bitterness.

Mr. HOFFMAN. If the gentleman will yield further, does not the difficulty in this particular case grow out of the fact that the President has sent down here under one plan what would be, if considered by the House, three pieces of legislation? While we might agree with two of them, here is one that the House apparently does not agree with. If he would not put these all in one basket, we might be able to go along on part of them.

Mr. HOLIFIELD. In principle I agree with that. I admit that in some of the reorganization plans there are items which I do not like. However, I am sure the President finds nimself in that position on the pending labor bill that is before him. There are certain things in there which he advocated, but again, there are many other things which Congress in its wisdom saw fit to attach.

Mr. HOFFMAN. With reference to the labor bill, I think the gentleman is quite right. Undoubtedly we can all find things in that bill with which we do not agree. But does the gentleman recall any proposal for labor legislation being made by any members of the House Committee on Labor or by any Member on the minority side, any single proposition made as to the enactment of labor legislation? Was not the answer always, "No, no, you must not touch the Wagner Act"?

Mr. HOLIFIELD. I will admit there was some argument along that line, but I think there were bills having to do with labor that were introduced on our side of the House. In fact, I introduced some of them myself, which had to do with certain phases of labor.

Mr. HOFFMAN. The gentleman never appeared before the Labor Committee, did he?

Mr. HOLIFIELD. I never had an opportunity.

Mr. HOFFMAN. Did the gentleman ever ask? I never heard of it, and I was over there.

Mr. HOLIFIELD. I may not have asked.

Mr. HOFFMAN. They were just for the record?

Mr. HOLIFIELD. It was because I realized that the bills were not on the Calendar for consideration, and that there was little likelihood of getting them on. I am sure the gentleman has had the same experience.

Mr. HOFFMAN. What I am talking about is a hearing before the committee. The gentleman did not even ask to be heard by the Labor Committee on the bills he says he introduced, so I assume they were just for home consumption.

Mr. HOLIFIELD. Not necessarily, no.

I believe sincerely that the true purpose and meaning of reorganization is that the recommendations of the President, whether he be Republican or Democratic, are entitled to great weight and they should not be overruled unless they are clearly unreasonable or unsound. In my opinion, in my humble opinion, the Reorganization Plan No. 2 is neither unreasonable nor is it unsound. I, therefore, am against the passage of the concurrent resolution and ask that it be voted down.

Mr. Chairman, I ask unanimous consent that I may speak out of order for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, does this have reference to that California convention that you referred to the other day in which you said that the Democratic Party would wreck itself.

Mr. HOLIFIELD. It does not have any reference to that, I might say to my friend.

Mr. HOFFMAN. You do not care to comment any further on that?

Mr. HOLIFIELD. I could at some length if I were so disposed.

Mr. HOFFMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I refer to the remarks made by the gentleman from Illinois [Mr. VURSELL] a few moments ago regarding the student exchange program. Since his inquiry to me with reference to the numbers of American students going to school in foreign countries, I have called the Veterans' Administration and I find that there are as of April 30, 1,492 veterans in 239 different schools in 34 foreign countries. These figures are with reference to veterans only. They do not apply to members of the armed services who are attending schools under the Army educational plan in cooperation with the local European universities. Several thousand undoubtedly fall in this category.

In addition to that, the State Department informs me that there are between 5,000 and 6,000 civilian students who are now overseas in foreign countries. Another 5,000 civilian students are going overseas for short-term summer courses. There are 11,000 additional people who have signified their intention to the State Department to go overseas for educational training during 1948.

In my humble opinion the exchange of students is one of the most valuable projects in the direction of world peace and understanding that we are engaged in.

Understanding between peoples can be furthered through the actual experience of students living and learning with and from each other.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. HOFFMAN. Mr. Chairman, I yield the balance of the time remaining on this side to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, it seems to me there are two main questions involved in this concurrent resolution disapproving the President's Reorganization Plan No. 2.

The first question is the matter of administration. How can the employment services and the payment of unemployment compensation be best handled and administered? The testimony, as I recall, was unanimous that they ought to be administered together on the Federal as well as the State level. Those who think they ought to be in the Department of Labor and those who believe they ought to be in the Federal Security Agency were in agreement that the two can be handled better, more economically, and more efficiently, if they are together. Therefore, I think we, too, can agree that from the standpoint of good administration, the unemployment compensation laws and the employment services ought to be handled together.

The next question is one of policy. Should they be together in the Department of Labor or in the Federal Security Agency with the other social insurances, or, as someone suggested, in the Department of Commerce, or, in still some other Government agency? That is not the question directly involved in this resolution, but it is involved indirectly, because if we do not pass this resolution disapproving the President's plan, they will be separated permanently. Only when they come together again with the expiration of the War Powers Act, will we have a chance to decide where the two may best be handled together, if we want to move them both out of Federal Security Agency.

The President's main argument for putting the Employment Service in the Department of Labor is found in the

fourth paragraph on page 2 of his message. He said:

Policies and operations of the Employment Service must be determined in relation to over-all labor standards, labor statistics, labor training, and labor law—on all of which the Labor Department is the center of specialized knowledge in the Government.

I asked Mr. Rector, of the commission which administers unemployment compensation and the employment service in Wisconsin, and who is also the president of the Interstate Conference of the Employment Security Agencies and who testified on behalf of the men who direct the unemployment compensation and the employment services of the respective States, if he would care to comment on that sentence because it is the President's major argument for his plan.

Mr. Rector, on page 231 of the hearings, said:

Yes. I think the implications in there are very considerable. It has not been said before, but since you raise the point, we might as well speak to the point. There would be a tendency, an undoubted tendency, and we have found it in sitting down there with them, to go over the promulgations of the rules and regulations under which we operate. There is an instinctive tendency on the part of the Labor Department to think in terms of uniform national application of standards of Federal labor law, of Federal training conditions, to force that on the States, if that is a proper term, through regulations and through standards.

* * * * *

That sentence there would be all right; there would be substance to it if we were concerned with an over-all, planned economy, and the substitution of Federal standards upon local standards, State standards throughout; but I am somewhat fearful, sir, of the implications of that sentence.

Now, lest anybody think that he was unduly fearful of Federal pressure, let me read from the testimony on page 82 of Mr. Keen Johnson, Under Secretary of Labor. He had said one of the major reasons why the Department of Labor thought the Employment Service should be under it was because his Department believed that out in the States the Employment Service had been and would be subordinated to the payment of unemployment compensation. I replied that if that were the case "the people in the States would know it and would be objecting to it. They have not so objected."

We did not have a witness from a single State who said that the employment services were being subordinated to the payment of unemployment compensation benefits. The witnesses said the opposite. They said the States naturally want to keep their reserves as high as possible, and in order to do so they want to pay as little compensation as possible, and therefore the incentive is if possible to find jobs for the workers—not put them on compensation.

Mr. Johnson answered me thus:

Congressman, the United States Employment Service here in Washington would like to continue to be in a position to have sufficient authority to emphasize down there in the State that the major factor in this problem is finding jobs for folks and not paying them a check.

Mr. JUDD. What do you mean, "have the authority"?

Mr. JOHNSON. The over-all supervision, on a national level, and all the Federal aspects of it. We would just like to be in a position to insist. Of course, the authority is in the State legislatures.

Mr. JUDD. That is where we thought we put it. We did not know we left it in your hands.

Mr. JOHNSON. "Authority" was probably an ill-advised word. I mean we would like to be in a position where we can urge and insist.

And then the gentleman from Massachusetts [Mr. MCCORMACK], with his genial smile, put it: "You mean sound suggestions that would be followed."

You see what those men in the States are up against from Washington. That is why they came down here to protest the President's plan. All of those who were willing to speak, except one, said they favored this resolution. We asked why some of the others did not. Mr. Reilon told us on pages 197 and 198 of the hearings that 33 of the State administrators thought both services should be in the Federal Security Agency:

Four thought they should be consolidated but considered that they should be neutral, and I may say that in the light of certain circumstances in their own States, they preferred not to say where it should be. Four were of the opinion that they did not want to say anything.

All of those who were willing to speak out their mind, with one exception, felt that the two functions should be together and that control should be kept in the States.

That is the crux of the matter. If we want to keep control of unemployment compensation and employment services in the States, where we returned them last November, then we should defeat this reorganization plan. I ask all who so believe to vote "aye" on the pending resolution.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. 2 of May 1, 1947, transmitted to Congress by the President on the 1st day of May 1947.

Mr. HOFFMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DONDERO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration House Concurrent Resolution 49, against adoption of Reorganization Plan No. 2 of May 1, 1947, had directed him to report the same back to the House with the recommendation that the resolution do pass.

Mr. HOFFMAN. Mr. Speaker, I move the previous question on the resolution to its passage or rejection.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. COLE of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-four Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 77]

Anderson, Calif.	Gary	Marcantonio
Barden	Gifford	Martin, Iowa
Bell	Gorski	Meade, Ky.
Bishop	Granger	Miller, Calif.
Bland	Grant, Ind.	Mitchell
Boykin	Harris	Morrison
Buckley	Hart	O'Hara
Bulwinkle	Hartley	Pace
Burleson	Hébert	Patman
Busbey	Heffernan	Pfeifer
Carson	Hendricks	Philbin
Case, N. J.	Hess	Plumley
Case, S. Dak.	Hinshaw	Powell
Celler	Holmes	Price, Fla.
Clark	Hull	Priest
Clements	Jarman	Rabin
Clevenger	Javits	Reeves
Clippinger	Jenison	Riley
Cole, Kans.	Kee	Rizley
Combs	Kefauver	Robertson
Cooley	Kelley	Scott,
Dawson, Utah	Kennedy	Hugh D., Jr.
Devitt	Keogh	Short
Dingell	Kerr	Smith, Ohio
Doughton	King	Somers
Durham	Landis	Taylor
Fernandez	Larcade	Thomas, Tex.
Flannagan	Lea	Towe
Fogarty	Lesinski	Wolverton
Folger	Lusk	Wood
Fuller	McMillan, S. C.	Worley
Gallagher	MacKinnon	
Gamble	Mansfield, Tex.	

The SPEAKER. On this roll call 331 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. SCHWABE of Oklahoma asked and was granted permission to extend his remarks in the RECORD in three instances and to include extraneous matter.

Mr. FORAND asked and was granted permission to extend his remarks in the RECORD and include a resolution from the State of Rhode Island General Assembly.

Mrs. NORTON asked and was granted permission to extend her remarks in the RECORD and include an editorial from the Jersey Journal.

Mr. MONRONEY asked and was granted permission to extend his remarks and include a speech.

Mr. EBERHARTER asked and was granted permission to extend his remarks in the RECORD and include an article on the subject of taxes which appeared in the Journal of Commerce of New York today.

Mr. KLEIN asked and was granted permission to extend his remarks in the RECORD and include a radio address by Mayor William O'Dwyer.

INFORMATIONAL SERVICE, STATE DEPARTMENT

Mr. MUNDT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3342, to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means

of public dissemination abroad of information about the United States, its people, and its policies.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3342, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, June 6, the Clerk had read down to line 18 on page 2. There was pending a committee amendment to strike out the language on lines 4, 5, and 6, page 2, which the Clerk will again report.

The Clerk read as follows:

Committee amendment: Page 2, line 4, after the words "United States to" strike out the balance of line 4, all of line 5, down to and including the words "and to" on line 6.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 7, after the word "and" insert the word "of."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 8, after the word "peace," strike out the words "by means of" and insert "and to correct misunderstandings about the United States in other countries. The means to be used in achieving these objectives are—"

The committee amendment was agreed to.

Mr. MASON. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Motion offered by Mr. MASON: Mr. MASON moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Illinois [Mr. MASON] is recognized for 5 minutes.

Mr. MASON. Mr. Chairman, we have a bill before us with 21 pages. There is only one page and three lines that deal with this broadcasting system. All the rest of the bill deals with other matters. Some of them I consider very foolish and very undesirable from the standpoint of America.

I call your attention to page 15, paragraph 3, which reads:

Under such regulations as the Secretary may prescribe, to pay the transportation expenses, and not to exceed $10 per diem in lieu of subsistence and other expenses, of citizens or subjects of other countries, without regard to the Standardized Government Travel Regulations and the Subsistence Act of 1926, as amended—

I wonder why we should pay a greater per diem to citizens of other countries than we allow to our own governmental employees? The bill goes on to say—

provide for planned travel itineraries within the United States by groups of citizens or subjects of other countries, to pay the expenses of such travel, and to detail, as escorts of such groups, officers and employees of the Government, whose expenses may be paid out of funds advanced or transferred by the Secretary for the general expenses of the itineraries.

Why should we invite groups to come here from other countries, pay their travel expenses all over the United States to take in the beautiful scenery we have to show; to pay them per diem expenses and to assign Government employees as escorts to go around with them and show them the beauties? I do not see any sense in that at all.

Then again on page 16 it reads:

To provide for, and pay the expenses of, attendance at meetings or conventions of societies and associations concerned with furthering the purposes of this act when provided for by the appropriation.

What societies? Why, it might be the Political Action Committee or any other committee; and we are to pay the expense of their attendance at conventions.

I say that this bill in its present form is absolutely unsound and that we should strike out the enacting clause.

Mr. MUNDT. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from South Dakota is recognized for 5 minutes.

Mr. MUNDT. Mr. Chairman, I shall not take the 5 minutes because I believe the members of the committee are of one mind, that we should discuss this bill intelligently, section by section, so that we can find out exactly what is in it and not simply jump around from page 1 to page 15, to page 17, and quote a few sentences out of context and try to draw conclusions in that fashion.

We propose to read the bill section by section, to discuss the details of it and try to make clear to you all that is in the bill. Then we will ask you to vote up or vote down those sections after you understand them.

I would like to say just this before closing: I do not believe this Committee and this Congress are going to vote to send this bill back to the committee without real consideration, a bill of this significance which has been studied as carefully as this has been through hearings which in their beginning date back as far as 2 years. It has been carefully scrutinized by the subcommittee, it has been studiously considered by the full committee. It passed both committees unanimously. It has the support of every responsible American in government charged with defending this country in time of war or in promoting and protecting our peace, including Secretary of State Marshall and all his assistant secretaries, including Gen. Bedell Smith, our Ambassador to Russia, and including General Eisenhower himself, who came before the committee to testify that this is of great importance to him as our Chief of Staff in this troubled world.

I ask the Committee to vote down this preferential motion so we can proceed with the business before us.

The CHAIRMAN. The question is on the motion of the gentleman from Illinois.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 86, noes 109.

Mr. MASON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MUNDT and Mr. MASON.

The Committee again divided; and the tellers reported that there were—ayes 92, noes 119.

So the motion was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 2, line 18, after section 2, subsection 3, insert a new subsection 4, as follows:

"(4) the dissemination abroad of public information about the United Nations, its organization and functions, and the participation of the United States as a member thereof."

Mr. FULTON. Mr. Chairman, I will speak briefly on this amendment. This amendment adds a new subsection 4 on page 2 under the objectives of the act. The amendment permits the dissemination abroad of public information about the United Nations, its organization and functions, and the participation of our Nation in that organization.

One of our troubles so far has been that we have not had adequate information given of the position of the United States in dealing with international affairs. We know there are many people in the United States who are confused as to our position, so you can realize how much confusion there is abroad. This will also show to the countries of the world that this particular kind of broadcasting is just not to be patting ourselves on the back, but it is to be a factual and comprehensive function. Under the bill with this amendment, we are to explain the relations of the United States, both within and without the country, as they deal with other countries, and I therefore ask that this amendment be adopted.

Mr. MUNDT. Mr. Chairman, I would like to say that the gentleman has discussed his amendment with the members of the subcommittee, and the subcommittee is perfectly willing to accept it.

Mr. RICHARDS. Mr. Chairman, we concur in the gentleman's amendment insofar as this side of the aisle is concerned.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from South Dakota [Mr. MUNDT] tells us that we ought to read this bill paragraph by paragraph and offer amendments if we do not like it. In the next breath he says the committee has been considering this proposed legislation for 2 years, or at least holding hearings. Now he comes along and wants to add a new section to the bill, all of which proves what? Apparently that they do not know what they really desire. They do not know how bad it is. Amendments cannot cure the evil it will do.

Every Member of this House who has been here over one term knows very well that once you create a new agency or once you let a department get its finger in on a new activity you cannot stop

them—never. It grows and grows—calls for more and more money and employees, and always more power. Over before the Committee on Expenditures in the Executive Departments we are holding hearings and considering the writing of a new merger bill for the armed forces and creating a Secretary of National Defense. The purpose of that is to provide for the security of this country, putting in a new member of the Cabinet who is to have control—and that is one part of the bill—over our national production. He is to coordinate all of our resources and industries. A Board is to make an estimate of our national resources; it is to find out what we have and what we are short of—critical materials, I assume. It is to get the whole economic productive machine ready for war if and when it comes.

What has that to do with this? Under this bill, if you will refer to it, you will notice it provides that the Secretary of National Defense—oh, no, no, no; the Secretary of State—you know what kind of a department we have down there, and I do not care who is head of it—there is no indispensable man, there is no man who knows everything—under this bill, the Secretary of State can spend as much of this money as he wishes in as many different ways as he wishes—doing what? Bringing in men from outside, bringing them into our factories, teaching them or permitting them to learn our processes, our methods, our secrets of production—discovering how it is that we in time of stress can produce more of the things necessary to defend ourselves in time of war than all the other nations combined, as we did in the last war—and become as Churchill said, the greatest power in all the world.

By this bill you are putting in the hands of the Secretary of State and his outfit down there, the outfit that has harbored the Reds in the last 10 years, who had them inside, putting it in the power of the Department of State to bring over from abroad the agents of other countries and turn them loose in our industrial world to learn our processes, how we do things, how we get mass production, how we make things better than they do. How do you like that kind of a procedure? What is the use of the Secretary of State, General Marshall, if you please, what is the use of his coming before our committee and asking for a bill to provide for the national defense, for a unification of the armed services, and then have the Secretary of State come in here and ask us to appropriate, as he will later, some thirty-odd million dollars to bring over these people from other nations, the agents of other countries, who are or soon may be our enemies, and put them on the inside where they can drag out everything that we know about production and about processing, all of those things which have brought us into the position where we are as we are today, the most powerful nation in all the world?

What is the use, what is the sense, where is the judgment that says to us that we should hand with this bill to the Secretary of State and his representatives the key to all our secrets, the combination to our industrial safe, and put in the hands of Russia or the countries which it controls the ability to compete with us for the very things both in quality and quantity which will make us secure in the years to come? Why do we not be sensible, why do we not be consistent? Why, as I stated the other day—and I say to you gentlemen, I saw some of you gentlemen from California—you were asked to vote, and many of you did vote, because the leadership of the Republican Party asked you to do so, to cut appropriations—sure you did—for the things that your people wanted, for the things they should have when we have the money, and now be asked to vote some of those same dollars to aid the skilled agents of other nations unlock the doors, now closed, which enable us to make ourselves secure. Now the same people ask you to turn around here and vote for a bill which will give millions of dollars to an agency of this kind, which judged by its past will give away our national shirt.

Mr. BENNETT of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to H. R. 3342 which provides for a program of information and educational exchanges between the United States and foreign countries.

It is but another piece of futile patchwork in an already haphazard pattern of foreign policy. The very fact that we are willing to engage in a radio contest with the Russians, upon the merits of our respective systems of government, and upon the question who won the war, shows the lengths we have been driven from our course in seeking a just peace.

According to its sponsors, the bill has two primary objectives. First, to promote mutual understanding between the people of the United States and the people of other countries by the free exchange of information and of persons and skills, which it is claimed will contribute immeasurably toward the promotion of world peace. And second, to correct misunderstanding and misinformation about the United States which exists in other parts of the world. It is estimated that up to $31,000,000 a year will be spent for this purpose under the direction of the Secretary of State.

It is contended that it is to our national interest and advantage to "sell the United States" by means of radio broadcasts directed to other countries through which we would advertise the virtues of our brand of democracy and our free enterprise system.

Mr. Chairman, this bill is further proof of the complete frustration of the leaders of our bipartisan foreign policy and their inability to determine where we are going next. This country fought and won two world wars in the last generation in order that people and governments everywhere might be free. What these wars cost our own people in lives and money needs no reiteration. But in spite of this sacrifice—in spite of the fact that our soldiers fought and died in all parts of the world—in spite of the fact that we have poured untold billions of our substance for the relief of people everywhere—it is still asserted that we are a "misunderstood Nation" and to eliminate this "misunderstanding" we must use the radio to broadcast our virtues to the world. We must sell America over the air.

In the light of contemporary history, Mr. Chairman, with due respect to its sponsors, I assert that this proposal is unadulterated folly.

Who sold America to the Pilgrims and the countless millions who followed them to America from every country on the face of the globe in the last 2 centuries. Who sold America to the troubled and oppressed peoples of every land who have constantly sought refuge in the United States? Surely in the eighteenth and nineteenth centuries their information about American freedom didn't come to them by short wave radio or through the interchange of professors and students. No, Mr. Chairman, they came here—and will continue to come here—because for more than 200 years—even in the remotest corners of the earth—people have known that the United States meant freedom in the fullest connotation of the term. Things which are self-evident require no proof. That the United States, its people and its institutions, are still free is a statement not susceptible to rational dispute. That the United States, and its people, desire a just and decent peace for all nations—in spite of any foreign policy we have followed up to now—is also incontrovertible. Neither 10,000 radio denials from the Kremlin at Moscow, nor 10,000 radio reiterations sent back to Moscow, can change these indisputable facts.

Yet we go on with these experiments. Frustration follows bewilderment and so we accept one expedient after another—hoping against hope that we may hit upon a solution. But somehow—no matter how many side excursions we take—we come back to the big unsolved question—what can we do to stop the Russians. Is there any sensible citizen in this country today, not addicted to wishful thinking, who believes that what we may say over the radio to foreign countries will have any appreciable effect upon the Russian program of aggression. Is there any reasonable citizen who believes that by exchanging students and professors we can dissuade Stalin from his course of expanding totalitarianism? Nevertheless, we grasp at this straw. We take this action so it can be said we are doing something to stop communism. It matters not that the proposal is visionary, impractical and ineffective. It matters not where we go as long as we are going somewhere.

No, Mr. Chairman, this problem of Russian domination cannot be solved by halfhearted and futile gestures such as this. Radio broadcasts and exchange of information may have their proper places in world enlightenment, but our problem today is too important and too vast to experiment in this makeshift manner. The problem of Russian expansion cannot be solved piecemeal. It is one big inseparable job. It must be assessed in its entirety and treated in its entirety. Measures of this type only

add to the futility and confusion. They mislead the people. The only real way to meet the issue is to tell the American people the whole truth. W should base all future action on their verdict. Nothing less will ever suffice.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with no hesitation, I shall support H. R. 3342. My service with the armed forces in India, Burma, China, and throughout southeast Asia, as well as in Europe, and my continuing interest and study of the current international scene have indelibly impressed upon me the great need that confronts us today to make our democratic way of life better known throughout the world. The position of leadership which this Nation now occupies, whether by chance, choice, or compulsion, has focused the eyes of all peoples upon us. All over the world there is a hunger for news regarding the United States, its institutions, and activities, and in many areas an eagerness for closer and broader relations between their peoples and ours. If we do not offer a full and fair picture of our purposes, our programs, and our objectives, both at home and abroad, others will, and with misinterpretation, distortion, and falsehood. That campaign of misinformation is right now being waged relentlessly.

In a recent typical week, the world was told that the American policy in Germany seeks to effect "an imperialist peace, based on the enslavement of nations"; that "American policy in the Far East is one of world conquest"; that we are making a colony out of the Philippines; that we are launching a race of armaments; that the Turkish Army is secretly being run by American and British agents; that the income of workingmen in this country has declined by 50 percent. Only truth can furnish an antidote for such false propaganda.

This bill would make it possible for us to tell our story and to combat the falsehoods regarding us which are now so widespread and subversive of a stable world order. It would enable us to satisfy the desire of other peoples for closer and broader educational, technical, and professional relations with the United States. It would enable us to use every legitimate means to project understanding and good will abroad—radio broadcasts, news bulletins, documentary films, books, and libraries, and the interchange of students, trainees, teachers, professors, technical and professional leaders, and specialists.

I call attention especially to these last activities partly because I have given them some study and partly because the most vigorous attacks by the opponents of this measure seem to have been centered upon this particular activity. It is dealt with in title II of this bill. No one who is acquainted with the Boxer indemnity program of years ago will doubt the lasting value, political as well as educational, of the interchange of persons, knowledge, and skills which is embraced within title II of this legislation. You will remember that our Government turned back money paid to it as indemnity by China, on condition that those funds be used to pay the expenses of Chinese students in this country. Many of these scholars have returned to China to form the closest to a democratic nucleus which can be found in that country. That program is in large measure responsible for the fact that the Chinese know us and we know them better than any other Asiatic country.

Moreover, Federal interest and support of such interchanges is not novel. As I understand it, this proposed bill is in affect, simply an extension of the Act for Cooperation with the Other American Republics under which programs of educational and technical interchange have been conducted by the Department of State since 1939. The beneficial results of that program are indications of the value of this type of activity, not only in terms of mutual understanding, but also for realistic business relations. Students brought to the United States from South and Central America have, within a very few years, attained positions of influence and prominence in their own countries, where they have been able to, and have in fact, sown the seeds of understanding and friendship between our country and theirs.

One graduate student in economics was called home to Paraguay to become Minister of Commerce; another returned to Guatemala to become Minister of Finance and now is the president of the national bank. Under this proposed bill such programs would be extended to other areas of the world.

It is true that many nongovernmental institutions and organizations have done splendid work in international interchanges in the past. More of such activities, however, are needed, and it is precisely to help such institutions, to assist them with their problems and to aid them financially, when necessary, that this bill is proposed.

For that reason I am particularly pleased to observe that section 403 and, especially, section 906 of the measure before us make it a definite matter of policy that the Secretary of State shall utilize to the fullest the advice, services, and facilities of private agencies in carrying out the provisions of the act. If anything, I hope that the language of section 906 may be strengthened by amendment, which I understand will be offered. I feel strongly that these private agencies should be affirmatively encouraged to continue and enlarge the valuable work which they have undertaken.

The interchange program of the organizations and agencies which the Secretary would use should be determined upon the advice of the outstanding technical and professional leaders of this country. The American way of life has provided maximum encouragement of private initiative in the promotion of professional and technical development, with the Federal Government extending, assisting, and supplementing such activities only when necessary. This principle, so well recognized in our domestic activities and institutions, is, by section 906, carried over into our international relations. It thus insures that the program to be developed under the proposed bill will not be construed as the assumption by the Federal Government of activities which properly belong elsewhere, but rather as positive, active, but supplementary assistance in encouraging the American people to speak effectively and directly to other peoples of the world.

There are no doubt other amendments which may contribute to improve this legislation in detail. But certainly the Committee on Foreign Affairs has presented to us here the broad outlines of a measure which deserves the support of all of those who believe that this Nation cannot, with safety or security, or in its own enlightened self-interest, retreat into a smug, self-satisfied, comfortable shell and ignore the responsibilities—yes, the expenses and national deprivations, if you will—of world leadership, and that the true destiny and immortal greatness of this land we love, as well as its welfare and probably its survival, lie along the path of acceptance rather than evasion of this manifest destiny, and that a most important step in the fulfillment of the role which is ours is to instill in the minds and hearts of our brothers across the sea a true picture of the lofty ideals, the benign motives, and the friendly objectives of our incomparable democracy. Around the globe the weary, the hungry, the frightened cup their ears to catch the voice of America. If we still that voice, if we disregard their yearning, they will turn to those who will eagerly seize the opportunity to substitute distortion for fact.

With an abundance of evidence available that an informational vacuum abroad will be filled, if we are silent, by those unsympathetic, if not hostile, to the interests of my country, without impugning in any degree the motives of those who may differ, I must cast my vote as I sincerely believe the best interests of this Nation and the world dictate, and with emphatic earnestness, urge upon my colleagues approval of this measure.

Mr. FELLOWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I cannot accept this bill as it is now written. This does not mean that I do not have full respect for and confidence in this committee. I can swallow one dose of medicine, no matter how unpalatable it may be, but I cannot take the entire medicine cabinet and the cabinet all in one single gulp. This is not, as I read this bill, the Voice of America. I find no objection to that. Let me say something else, that if this committee were administering this act I could throw many of my doubts into the wastebasket. If this committee were supervising and administering this act I would go along perhaps with the thing in it which says you can build public works in a foreign country if it is accessory to the demonstration of our technique. I could go along with this exchange of professors. I can say that I can think of some that I would exchange permanently with nothing to boot, if this committee were going to do the picking. I could go along with the provision of inviting organizations and groups into this country and paying their expenses if this

committee, with its discrimination, were going to do the choosing. I can say further that I could go along with this provision that provides that we shall pay for the entertainment of these people, no matter how many or who they are, or the type of entertainment because I know this committee is made up of men of temperance.

Perhaps my trouble is this, lack of feeling of confidence in some branches of this Department of State. Last year I sat on a subcommittee of the Committee on the Judiciary to investigate the circumstances surrounding the theft of hundreds of our secret documents out of the Department of State files. Those documents were taken by men within and delivered to men without, which is the essence of conspiracy. The FBI arrested a man in New York, a man of Russian birth and of doubtful loyalty, and they found 267 of these documents in his possession. One man testified before this committee that the possession of one in particular was a threat against our security. Three of those men were arrested. One of them received a fine of $500; another a fine of $500; and a third a fine of $2,500, only by the benign special prosecutor of our Department of Justice, who accepted those fines.

Let me say further that one of the men in this country today, who spent his spare time with these culprits who were taking these documents while we were still fighting Germany and Japan, I understand is today in our Diplomatic Service.

So, if I am a little bit skeptical about some branches of this Department of State it is because of the reasons here given you. We sat through weeks investigating this proposition, and we found that while Germany was still fighting us our secret documents were taken out and carried to New York and delivered to somebody there. Mr. Chairman, it does disturb me more than a little that there is no assurance that men of the character of the distinguished membership of this subcommittee will adminster this proposed statute.

No. I say we need a surgeon on this bill and I am awaiting with confidence that distinguished legislative surgeon, the gentleman from Illinois [Mr. DIRKSEN], who will be along in a minute.

Mr. ROBSION of Kentucky. Mr. Chairman, I arise to express my opposition to many of the provisions of H. R. 3342 which purports to provide for the exchange of persons, knowledge, and skills between the people of the United States and other countries and for other purposes. Briefly, it provides:

First. That we exchange teachers, scientists, skilled mechanics, machinists, other workers, and exchange of persons holding official positions.

Second. To exchange students, educational facilities, construct schools, industrial plants.

Third. Provide materials for the carrying on of this broad and world-wide program.

Fourth. It is claimed by the proponents of this program that it will cost annually more than $30,000,000. It is pointed out, however, by those who have made a careful study of this program that if the program is carried out as provided in this bill it may cost as much as $80,000,000 annually.

Fifth. It contemplates carrying on a broadcasting program between this country and other countries of the world. It is urged that we should adopt this program in order to acquaint the people of other nations with our form of Government and the American way of life and express our friendship and interest in them.

We made heavy contributions of blood and treasure in helping to win World War I. Following the war we loaned to the Allied Nations billions of dollars, nearly all of which loans have since been repudiated. We sent our armed forces to Europe and to other parts of the world in helping to win that war. In World War II we sent approximately 8,000,000 to 10,000,000 men and women of our armed forces to Europe, Asia, and to almost every part of the world. More than 300,000 of our fine young men and women gave their lives and we are now paying compensation for disabilities to more than a million who served in that war and received disabilities. We spent approximately $340,000,000,000.

Since the close of the war in Europe our Government, relief organizations, and many relief groups, churches, and welfare organizations have turned over to the people of Europe, Asia, and Africa more than $18,000,000,000. The people of the various countries of the world that would be the beneficiaries of this legislation have had opportunities to see Americans, their way of life, and America in action in furnishing men in battle, supplies, and relief. If we have not by these sacrifices in blood and treasure proved to the people of the world what we stand for and our friendship for the people of the world, how can we hope to accomplish that by the program provided for in this bill?

There are many provisions of this bill that are objectionable to me and I believe to a majority of the Members of this House. In my honest opinion it will do much more harm than it will good. We have been told that the chief purpose of this bill is to reach the people of countries that have been and are dominated now by totalitarian governments and especially those dominated by Communists. This, of course, means Russia and her satellite nations.

BOLSHEVISM AND COMMUNISM

Mr. Chairman, when I first came to Congress in 1919, there was a great political and social upheaval in Russia and a number of the Balkan States. The Bolshevists murdered the Czar of Russia and his family and took over. They were considered dangerous to the peace of the world. They developed into what we now call Communists. Congress passed laws against bolshevism and communism and we have almost every year since that time passed laws to strengthen our laws against communism so that as our laws stand today, an alien person who has at any time been a Communist cannot come into this country and our laws provide for the deportation of aliens in this country who are now or have been Communists.

Why did we pass these stringent laws against communism? Because our high courts and other officials finally came to the conclusion that the avowed purpose of communism is to overthrow this Government by force and violence.

Now, the bill before us proposes to exchange teachers and students taking postgraduate courses between this country and other countries, and a number of countries are now under the control of Russia and the communistic philosophy of government, industry, agriculture, and education. Of course, the Communists despise our form of government. They are opposed to our form of worship and as I understand, are opposed to religious instruction or the practices of religion. So, here today, we are called upon to make a breach in our immigration laws and our restrictions as to communism and other subversive groups and open up the gates and invite them to come in and give to them entry to our schools, our colleges, our other institutions, and our industrial plants. Not only do we invite them to come in but we pay their expenses to come to this country. We pay at least a part of the salaries of these professors and teachers who will come to our schools, colleges, and universities and allow them $10 a day for subsistence and we also pay the transportation of students coming into this country from other countries and we give them more subsistence than we allow our GI's in taking their training under the GI bill of rights and, strange to say, we also pay the transportation and other expenses of our teachers, students, and others in going to these foreign lands and while in these foreign lands.

Some have urged that these professors and students will not come from communistic and other subversive groups. The Communists and other subversive groups always find a way to get into our country. In the first place, in nearly all of the foreign countries, persons could not leave those countries and come to the United States without the approval of their governments. Will the governments of these countries that participate in this program be willing to send teachers, professors, and postgraduate students to our country that will favor the political, economic, and religious ideals of the people of the United States? Will they let persons come to this country to denounce their form of government and advocate our form of government? If they should send some one of that type to this country, do you think they would permit them to return to Russia or the country dominated by Russia and tell the people of their own country of the superiority of our form of government, our private enterprise system, the superiority of our schools and other activities of our people?

This proposal does not make sense. This bill does not apprise the Congress or the American people of the amount of money involved. It is a blank check covering the world. It does not limit the powers of those who will carry it out. Their power will be almost unlimited. For instance, section 203 gives the Secretary of State the right to pro-

vide assistance to schools, libraries, and community centers in foreign countries. Section 204 authorizes the Secretary of State to provide for the development and demonstration of better methods for teaching the English language abroad. Section 202 authorizes the Secretary of State to provide for exchange between the United States and other countries of books and periodicals. Section 301 provides for the assignment of specialists of other countries to the United States. Section 302 gives special allowances. It does not spell out the nature and extent of these special allowances. It provides that these foreign professors, scientists, technicians and students, as well as others, to be taken about over this country at the expense of this Government and hold conferences and other meetings. It gives to them entry into our schools, colleges, universities, and into our industrial plants, coal mines, and so forth. In other words, they will have more encouragement and greater freedom in going about over this country than the average American citizen has.

They will know all about our country and let us bear in mind that those who will come here will be the most alert and intelligent of the citizens of the countries from which they come. Perhaps, in some instances it may turn out to be helpful, but it may turn out as it did after World War I. We held out the olive branch to the German people and provided for these exchanges somewhat along the same line as provided in this bill but not on such an extensive scale. These Germans came to our country and they made the most of their opportunities. They gathered confidential information. They took pictures and acquired knowledge in every line of activity in this country and we found out when World War II came on that Germany was the best informed about the United States, its weaknesses as well as its strength, of any other nation in the world. Because of the disturbed condition of the world at this time, I believe that under this program we will find out later on that those who come here will acquire more information and knowledge about our country than did the Germans, and this knowledge may be used against us. I wish to repeat that, no doubt, in some cases the right sort of people may come, but I am apprehensive, and I am sure that the American people, too, generally, if they knew what is proposed in this bill, would be apprehensive.

DANGERS AND BURDEN

I have pointed out some of the dangers to our country in carrying out this program. It means a heavy burden to the already overburdened taxpayers of America. This program, in my opinion, will cost at least $50,000,000 annually and this is merely a beginning. How many of these professors, scientists, technicians, and students taking postgraduate courses will remain in this country? There is nothing in the bill that limits their stay here. It is provided in the bill that they can be deported if they are found to be undesirable. These persons cannot always be easily apprehended. It is against our laws for an alien to get into this country if he is a Communist or to remain here, but the fact is they do get in and remain.

Enormous sums of money are spent each year by our Government in efforts to track these Communists down. Of course, they deny that they are Communists and it is difficult to prove. We have discovered that many Communists have been occupying and it is believed that many others still occupy key positions in our Government in violation of our laws. President Truman recently felt so much apprehension about the Communists holding office in our Government that he asked the Congress to appropriate $50,000,000 to pay the expenses of the FBI and other agencies of the Government to investigate those who were believed to be Communists.

The American people have demanded that we cut down and not increase the expenses of Government and the Congress, in trying to meet the demands of the American people, have made substantial cuts, not that they desired to deny benefits to our own people but in order to make our Government financially sound. We have denied Federal aid for our schools and other benefits. We have an admitted indebtedness of approximately $260,000,000,000. The interest on this debt alone is approximately $5,000,000,000 a year. We have the highest per capita debt and the highest per capita tax of any leading Nation of the world. Why should we now enter upon this world-wide program? No one knows what it will cost and no one knows how greatly it may harm our country. It is urged that we should exchange broadcasting programs with foreign countries. That would not reach the people of Russia and her satellite nations. In the first place they do not have many radios and these governments determine to a large extent those who may hear these broadcasts from the United States. However, we have millions of radio sets and our people would certainly hear plenty about the glories and wonders of communism, nazism, and other subversive political ideologies. We have had exchange of broadcasts for some time. They have built up an enormous bureaucracy and it has cost the American people tremendous sums of money without apparent or tangible results.

If this program is to be put on, there should be vital changes from what it now is. Believing that the program set out in this bill will not only be expensive but will be dangerous to our country, I am constrained to express my opposition.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that all debate on section 3 of title I and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The CHAIRMAN. The gentleman from Arizona [Mr. HARLESS] is recognized.

Mr. HARLESS of Arizona. Mr. Chairman, it seems foolhardy for us to vote a total of $750,000,000, $400,000,000 for Greece and Turkey and $350,000,000 for central Europe rehabilitation, then stand silently by and not tell the people who will be benefited by these appropriations what our situation is through failure to pass this legislation.

I cannot understand why anyone would want to throw away money, literally down a rat hole, and not take advantage of the expenses we are going to incur by appropriations for the rehabilitation of Europe. It is literally not sound economy. Furthermore, if anyone would properly analyze our entire world situation, we want the rest of the world to know what we are doing about our educational system.

I heard many stories from veterans as they came back from the war that we were sending goods into France and into Germany, and that the people which were being benefited by these goods were not even informed as to what country they came from. I heard a reliable Member of this Congress refer to a lady who was in Paris 5 days after we arrived there. Truckloads of food rolled into Paris and written on the side of the truck was the name of another country as sending the goods into Paris. She looked inside the trucks and the trucks contained American food, American brand canned goods, which had come from America.

I understand we sent 500,000 tons of wheat to France, and we never even told France we were sending it, and the people of France did not know it. Russia sent a mere 5,000 tons, and they had the brass band out telling them about it. I know that if anyone will analyze the situation, they will know that we want the rest of the world to know what we are doing.

I want to mention a situation here in America which we are not doing justice to. We put our heads in the sand. Less than a week ago I was among the Papago Indians of Arizona and New Mexico, and I can tell you about a place where there are 6,000 Papago Indians which this body recently cut off, and about 5,000 out of 22,000 school children are going to school, and we made a contract with them in 1868 that we would educate them; that we would furnish them 1 teacher for every 30 students. Next winter I estimate that between 3,000 and 5,000 of these people will starve to death because they cannot take care of themselves. I think we are acting mighty foolish here in many respects, and it makes my heart bleed when I see these Indians improperly cared for, and you are sitting here today and you are clipping us in a manner that will prevent us from sending information to the world just as you clipped those Papago Indians some 3 weeks ago when you cut down the appropriation for the Interior Department.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, I think it is unfortunate that the committee did not bring in a bill that would provide for dissemination of knowledge of the United States by means of broadcasting. This bill is entirely too broad. A part of the first section of

the bill is all right, and I can support that part of the bill, which reads:

To enable the Government of the United States more effectively to carry on its foreign relations by means of public dissemination abroad of information about the United States, its people, and its policies.

Now that means factual information about America.

This present bill is entirely too broad. It puts in the State Department functions that it should not be attempting, and if you look over the other sections of the bill, as someone has pointed out, it is not a bill to disseminate information through radio. I would like to vote for a bill to beam via radio information about America to other countries. I believe in that approach in selling America, and I think it ought to be done.

But read the bill on page 3; lines 11 and 12 state:

The Secretary may provide for orientation courses and other appropriate services for such persons from other countries upon their arrival in the United States.

Now, what are "other appropriate services"? That is pretty broad, is it not?

On page 6, line 4, and again on page 13, line 16, the bill provides for "representation allowances" and the furnishing of "official entertainment without regard to section 901 of the Foreign Service Act of 1946." Now, what are official allowances and official entertainment? Is it liquid refreshments?

Then, I read on page 14, line 14, that the bill permits $10 a day to entertain these people; to pay some of their expenses. To do what? To attend meetings and functions of societies. Now, that is not selling America, as I understand it. There are many similar provisions in the bill. I pointed out yesterday that there are 17,000 students now in the United States from all the different countries in the world going to our universities. Now that is a sizable number. I have here a letter from the State Department dated February 7 pointing out the number of individuals in the United States under nonquota provisions of the law.

Under the nonquota provision, since 1940, 188,678 people have come into the United States; last year, 47,297. Under the quota system, 39,144 came in in 1946. Most of the nonquota aliens are students, scientists, and individual businessmen looking at America. By the way, most of them are staying here, too, under the nonquota system. They are not going back.

Our universities are crowded today. In the last few weeks I have written seven letters to medical schools trying to get a worthy GI entered in medical school in 1948. I have heard from five universities and they are filled up for 1948. This young man cannot go to medical school unless he finds some place that wants to take him. I do not know how many of these students coming here want to go to medical schools or law schools or technical schools, but a great number of them would. We need housing in this country for our veterans. Why load up this country with a great many individuals from foreign countries? There are now 17,000 going to school. I welcome them. I think they are emissaries of good will and I hope as they go back to their own countries they will speak well of America. This bill might well double the number of alien students coming to our schools.

I shall offer a motion, at the proper time, to recommit the bill to the Committee on Foreign Affairs with the instructions to present a factual, interesting radio program to foreign countries about the United States, its people and its policies.

The CHAIRMAN. The Chair recognizes the gentleman from Delaware [Mr. BOGGS].

Mr. BOGGS of Delaware. Mr. Chairman, I feel somewhat like one of our people who signed a contract and thought he had a very fine deal until a few days later when he was looking over the contract he noticed some small print down at the bottom. I feel in that frame of mind because, like most everyone else, I am for spreading truth throughout the world and for creating and developing an appreciation of our free American system, but when I finally read this bill and heard the discussion on the floor, and then referred in detail to the testimony taken before the committee, I realized that what I was for was not contained in this bill; that we have gone far afield—not necessarily intentionally—from the precepts which we all cherish here in America.

When I refer to our free-enterprise system, our Federal, State, and individual responsibility under our system, I certainly do not mean to imply the horse-and-buggy days. I mean an effective, progressive, live America, effective in its cooperation with the rest of the world. But certainly this bill goes too far in many respects, which are now being made clear to the Members of the House.

For instance, we are placing the Federal Government, maybe only an inch and maybe only a yard, we do not know how far it will go, into the field of education. How far do we want to go in centralizing our educational system and placing a Federal influence and direction on that vital part of our free American system? I do not know whether we should place our Government too far in the field of publications in competition with a free press. I do not know how far we should permit our Government to proceed in the field of broadcasting.

If you will refer to the testimony before the committee, and if I had time I would give you the various citations here, you will note that even General Smith, our Ambassador to Russia, after indicating that cultural progress in Russia was by far ahead of the rest of the world in his opinion, accounted for it by saying the radio and press are controlled by the Government and are directing a strong effort toward increasing the cultural standards of those people, but that left unsaid, naturally his apparent implication, that we were behind because we were not following a similar program.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. OWENS].

Mr. OWENS. Mr. Chairman, I would like to comment briefly on some of the remarks that have been made by preceding speakers.

There has been some talk about education throughout the world and throughout the United States. For about 5 weeks I have been sitting as a member of the Committee on Education and Labor and listening to the testimony of those who desire Federal aid for education. I have noted that slightly over half of the States of the Union are asking for aid to education from the Federal Government because of the fact that they cannot furnish that aid themselves or cannot give the children of their States a proper education. Strangely, enough, the very States that need that aid have, in large part, been those that have been most forward in coming before the House and asking that we give aid to foreign nations.

It is true that I voted for the $350,000,000 appropriation for food and medicine for war-devastated countries, because I thought they needed it. Those States voted not only for that and also to give $400,000,000 to Turkey and Greece. Now they are following it up with this bill which comes, however, under Republican sponsorship. It has a dangerous tendency because while we are asked for $300,000,000 or more for this Federal aid to education, which will reach a billion dollars a year in a few years, we are being asked that this aid be given to foreign countries. If we do that, there is no question but that we will have to follow that by giving to all of those States this aid even before they have made any proof whatsoever that they need the aid.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield.

Mr. HOFFMAN. You say that this bill comes to us under Republican sponsorship. Listen—I sat down here and counted the Members as they went down the aisle on a teller vote, and there were only 89 Republicans who voted to strike the enacting clause and only 53 voted the opposite way. It is not a Republican measure.

Mr. OWENS. The gentleman's meaning is very clear. Now, there is another point I want to make to you. I have just finished an investigation in the Central States with respect to schooling. I ask you to go into those schools and see some of the books and observe what is being taught to those children. I say we ought to devote our attention right now to going into our schools in the Nation and observe what is being taught to those children before we go over or invite people to come into our country and disseminate the same type of knowledge and put our stamp of approval on the things that are now being done in our schools.

When I heard the words that are being used here today such as "manifest destiny," I shudder. I have heard the words "manifest destiny" before. Those words brought us into a war at the close of the last century. They helped to bring us into the First World War. Let us stop this manifest destiny as the world

leader and teacher. Let us think of America first.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield.

Mr. SPRINGER. In some of our colleges the GI's who are seeking to secure an education have no opportunity of being admitted because of the in-rush of people coming to those colleges. That situation should be taken care of here and some of those things that our money is being wasted on in foreign countries certainly should be eliminated. Does the gentleman agree with that idea?

Mr. OWENS. I agree with the gentleman wholeheartedly. That should be the program along with the investigation of the schools. I make the charge that our State Department and our armed services are starting on a program to keep the control that they have had for years. They hate to give it up.

There are other portions of our Government here who would attempt to keep the same control. They do not want to give it up. They do not want to have the bureaucratic departments and employees thereof diminished. We ought to have an investigation of what has been done during the last 15 years.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield.

Mr. BREHM. How does the gentleman reconcile the position of our State Department and some of our leaders in this country, who are advocating military conscription, going into an armament race with Russia now, with the position they are now taking of cooperation? If we are going into an armament race, as we certainly are, then why in the name of common sense do we need a program of this kind? They are absolutely at sword's points. Is that not correct?

Mr. OWENS. I agree with the gentleman. I do not believe there has been any thought whatsoever given to the matter. I believe it is just a question of going on and on, in an attempt to stop the economy program of the Republican Party. They are going to stop it any way they can. They will get us into war to stop it, just so that they do stop our program to balance the budget and establish real economy in our governmental operations.

It is my opinion that legislation such as that which is being proposed by the bill under discussion constitutes an apparently innocent, but nevertheless subtle and dangerous way to extend control and absolute control of our Federal Government. One of our noble founders, Thomas Jefferson, repeatedly warned us against such sinister methods of ending our great constitutional form of Government.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. OWENS] has expired.

The Chair recognizes the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, the Master said, "Or what man is there of you, whom if his son ask bread, will he give him a stone? Or if he ask a fish, will he give him a serpent?"

As a matter of fact, our immigration laws keep millions of people out of this country. So that all these people who love America could not come over here if they wanted to. We keep them out. They would love to come in. They do not hate America. This is the only country in the world that is giving away anything. In the New York Times last Sunday they carried a chart of Europe showing exactly the amount of money that has been given by the United States since the end of the war to every foreign country—to Russia and to Russian satellite countries, and to other European countries. Millions of people throughout the world are hungry. They want bread. They do not want "baloney." They want to be fed. They do not want books, radio broadcasts, or hymns to be sung. I love to sing hymns, but there is a place for that. When people are hungry you cannot make them feel good by singing O, Beulah Land, or Bringing In the Sheaves. What they want is bread. If you are going to throw $31,000,000 into Europe, let us put it in bread. They will love you a lot more if you feed them.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to my friend.

Mr. KNUTSON. But of course that would not provide jobs.

Mr. BENDER. Well, it would for the bakers.

Last Sunday, John S. Knight, publisher of the Knight newspapers, in his Sunday editorial, had this to say about the alleged Voice of America:

> The conflict over the Voice of America still rages with Assistant Secretary of State William Benton marshaling added support for the Voice from an impressive committee of educators, newspaper editors, and industrialists.
>
> The concept of the Voice as a potent agency for promoting democracy throughout the world seems ludicrously naive, but then, when in recent years has American foreign policy been anything else?
>
> There is no substantiated proof that the Voice reaches any appreciable number of listeners in countries under Soviet domination. Still, our State Department seems impressed because Russia's chief propagandist, Ilya Ehrenburg, has taken some notice of it.
>
> A more practical view is expressed by Arthur Bliss Lane, former minister to Poland, who says that he considers it "tactless, to say the least, to attempt to educate these people in the American way of life, namely, democracy, when that very democracy has been deprived them through our action at Yalta, which has resulted in their domination by the Soviet Union."
>
> Mr. Lane suggests the money might better be spent in developing the personnel of the Foreign Service to the point where it could function adequately.
>
> Arguments by proponents of the Voice that Government appropriations for its "cultural" radio program are small in comparison to the millions spent by Procter & Gamble to sell soap to Americans fall pretty flat.
>
> Recent developments in Hungary prove rather conclusively that our brand of "soap" isn't selling in Russia these days.

It has been stated that so many of these countries do not know where these gifts are coming from. If you want to render a Christian service to the people of other lands, since we deny them entry, then feed them. Provide bread. Do you think a man's hunger will be appeased by a radio broadcast or by photographs of buxom maidens which appeared in Life magazine recently?

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. BREHM. Would the gentleman agree with me in what Ray Henley says, that there is bound to be continuous and endless confusion in the minds of our own people as to our objective and our purposes, so long as we talk international peace and cooperation every day before high noon, and talk about bristling armament and military training systems and conscription from high noon until midnight?

I say we are confused. Our leaders are confused in this country. You cannot have both. You cannot have this program of cooperation and talk of peace with an olive branch in one hand, and arm our boys with the other hand.

Mr. BENDER. Of course, we appropriated $400,000,000 to Greece and Turkey, and you know most of that is going to pay debts of Greece and Turkey and going into armament. It is not going for food. Do you think those foreign countries love America when we are implementing governments that they dislike, governments that they detest? Even singing on the radio to them or printing beautiful books will not change them.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mrs. BOLTON. I just wanted to remind the gentleman that man does not live by bread alone.

Mr. BENDER. Nor by radio broadcasts.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

By unanimous consent, the pro forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the amendment may again be read for the information of the Members.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 70, noes 51.

So the amendment was agreed to.

The CHAIRMAN. If there are no further amendments to section 2, page 2, the Clerk will read.

The Clerk read as follows:

DEFINITIONS

SEC. 3. When used in this act, the term—

(1) "Secretary" means the Secretary of State.

(2) "Department" means the Department of State.

(3) "Government agency" means any executive department, board, bureau, commission, or other agency in the executive

branch of the Federal Government, or independent establishment, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. MURRAY of Wisconsin. Mr. Chairman, in support of the contention made by the distinguished gentleman from Illinois [Mr. OWENS] I think it is well that we take time really to find out what the educational set-up is within the confines of the United States. I should be pleased to support certain parts of the pending bill. I believe in the Voice of America part of it, but I certainly do not subscribe to the Cook's tours that are involved. Nor can I understand why so many people have not been to school after these 14 years of the more-abundant life.

Take for instance the State of New Mexico about which our distinguished colleague spoke. According to the Census Bureau 27.3 percent of the people in New Mexico have never gone to school for over 5 years' time. We have many States where from 25 to 35 percent of the people have not attended school for over 5 years.

The table from the Census Bureau shows that the West, the Midwest and northern States have much higher percentage of education. By the way, Iowa is not only a great agricultural State but is a State, I may say to my colleagues where only 4 percent of the people have not been to school for more than 5 years. So I repeat it is not only a great agricultural State but it is also a great educational State.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. TALLE. I wish to thank the very able gentleman from Wisconsin for paying tribute to my State; and will he not yield to me long enough to permit me to to say ever since the day statistics on literacy were first gathered in our country, Iowa has held first place.

Mr. MURRAY of Wisconsin. I thank the gentleman.

Mr. Chairman, the table shows the regions where our educational need is the greatest. Every child born in America is entitled to educational advantages. From the national standpoint our obligation is to see that every child in America has somewhere near an eighth-grade education. I attended school with many of these lads from foreign countries and I presume all of you have. They came here under their own power. There are 17,000 of them here now in our schools. The professor- and student-exchange program has merit but we must not forget that over 40 percent of rural Americans never finish high school. I do not like to see any committee of this House bring in a bill that has so many different horses in it going in so many different directions. The Cook's Tours portion of the bill does not make sense. Why tax people that cannot afford or do not afford trips for their own children to royally entertain someone else?

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Ohio.

Mr. BREHM. The gentleman remembers that during the last few years when the war was on, another great committee of this House came into the well on three different occasions and told us that if we did not adopt a certain bill which they placed before us, a bill that had been recommended and that had been endorsed by certain great Army leaders, a bill that was endorsed by the State Department, the War Department, and Navy Department, we would lose the war. Three different times that hue and cry was raised and three times we turned them down, yet we won the war. This procedure is reminiscent of those days.

Mr. MURRAY of Wisconsin. Mr. Chairman, I have seen a good many men come to this town on the great white horse, and I have seen the same ones leave on a Shetland pony dragging their feet on the ground.

I hoped the committee would divide the sections of this bill so they could be voted on in accordance to their merit. If they insist on covering so many fields it might be well to let the bill cool off, and bring in a bill that is not so all-inclusive.

The following official table from the Census Bureau indicates the necessity of consideration of legislation for general education:

Percent of population 25 years old and over completing less than 5 years of school, by States, in order of rank: 1940

United States	13.5
Louisiana	35.7
South Carolina	34.7
Mississippi	30.2
Georgia	30.1
Alabama	28.9
New Mexico	27.3
North Carolina	26.2
Virginia	23.2
Arkansas	23.1
Tennessee	21.7
Kentucky	20.2
Arizona	19.4
Texas	18.8
Florida	18.5
West Virginia	16.5
Maryland	15.3
Rhode Island	13.7
Oklahoma	13.5
Delaware	12.9
Pennsylvania	12.3
New York	12.1
New Jersey	12.0
Connecticut	11.2
North Dakota	10.8
Missouri	10.3
Michigan	10.2
Massachusetts	10.1
Illinois	9.6
Wisconsin	9.4
Colorado	9.0
Nevada	8.8
Ohio	8.4
District of Columbia	8.2
New Hampshire	8.1
California	8.1
Indiana	7.7
Minnesota	7.5
Maine	7.4
Montana	7.4
South Dakota	7.2
Wyoming	7.1
Kansas	6.1
Vermont	6.1
Nebraska	6.0
Washington	5.9
Utah	5.5
Oregon	5.2
Idaho	5.2
Iowa	4.1

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Ohio [Mr. BENDER] quoted a little Scripture a few minutes ago and in all kindness I would also quote some at this time: "O ye of little faith."

When I hear men talk in the well of this House about students coming over here to America to go to our schools in exchange for students that go overseas, and oppose such a thing, I wonder if they have any faith in the principles of democracy, in the fundamental tenets of our country. Those people come here from those far off destitute lands with their slave psychologies and their oppression. I wonder if they think about those people when they come over here and mingle with the American students, see the standard of living that we have, the freedom of expression, the lack of oppression and all of those things; I wonder why you are afraid to have these people come over here?

Mr. BREHM. Because they will want to stay here and attempt to disseminate their ideologies to the detriment of our people.

Mr. HOLIFIELD. They have to go back under the immigration and naturalization laws. They are only here for the purpose of student training.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Ohio.

Mr. VORYS. There is an awful lot of excitement over this student business, which is unwarranted. There are only 377 students involved, all of them postgraduates. The whole program is $250,000 for this year. And while some of the hearts of the gentlemen here bleed for fear we may bring in Communists, in the whole program there has never been an exchange of students with Soviet Russia. None have gone there and none have come over here.

Mr. HOLIFIELD. I thank the gentleman for his contribution. I want to bring in some information at this point which is parallel with the information the gentleman gave, only in reverse.

I called up the Veterans' Administration this afternoon and asked them how many American veterans are studying in European universities and I find out that as of April 30 there were 1,492 American veterans studying under the GI bill of rights in 239 foreign universities in 34 different countries. Remember those are veterans only. In addition to that we have hundreds, yes, thousands, of American GI's who are taking advantage of the fact they are in Europe and near these universities and through the Army's educational program they are also attending those universities. I

called up the State Department and that Department tells me that between 5,000 and 6,000 American civilians are over there going to school at this time.

In addition to that, 5,000 are leaving—some leaving this week and some will leave next week—for short-term courses over in Europe. First, let me stop there and say that about 15,000 American students are over there in those categories, and, in addition to that 11,000 American students have signified to the State Department their intention of going overseas and taking postgraduate courses in the European universities.

Now, again, I say to you, in conclusion, have we anything to be afraid of in allowing these people to come over here? Are you actually in your hearts afraid they are going to convert American democracy into communism or to fascism after the struggles and privations and hardships that they have been through in the last few years? I have more faith in the fundamental strength of the principles of democracy and the standard of living in our country than to think that those people can come over here and convert us. I wager you, if anything, the conversion will be on the other side of the fence, and that we will show these people who never had a chance to see what a free-enterprise economy can do, where civil rights are protected, and to see how it really works. I say that we will bring the light that will work miracles in their lives, and I think they will go back to their countries with a message, and they will have to whisper that message, because they have been living in fear of the dreaded police, but that whisper will spread, and the principles of freedom and liberty will grow in those countries where they are now interchanged. I have no fear of these interchanges.

I say to those that do have fear: "O ye of little faith."

Mr. MUNDT. Mr. Chairman, I would like to see if we cannot agree on a time limit. I suggest that we close debate on this section, as it is not a subject that is controversial. I wonder how many want to be heard on the section now under consideration, the last section of title I?

If no one desires to speak, Mr. Chairman, I ask unanimous consent that debate now close on section 3, title I, so that we can read the next section of the bill.

Mr. BOGGS of Delaware. Mr. Chairman, reserving the right to object, I was standing and I thought the Chairman had recognized me.

The CHAIRMAN. Does the gentleman desire to speak on this section?

Mr. BOGGS of Delaware. Yes.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Delaware [Mr. BOGGS].

Mr. BOGGS of Delaware. Mr. Chairman, I rise to speak again, because this bill vitally concerns me. I was interested in the remark just made by our colleague, the distinguished gentleman from California [Mr. HOLIFIELD]. He would have you think that we are not in favor of exchanging students with foreign countries; that we are afraid to bring people to our country to study and appreciate the institutions which we have. Certainly that is not my view.

I went to school for 4 years at the University of Delaware with exchange students. Our university since 1924 has been carrying on such a program on a local level, under its own authority, and the students of our country desiring to go abroad do so on their own initiative. Those students of foreign countries who desire to come to this country and go to the University of Delaware do so on their own initiative, and voluntarily. So, all of this authority for a student exchange program is merely to put it in the hands of the Federal Government. We have been doing it. The testimony of the Assistant Secretary of State indicates that. On page 12 of the hearings he referred at some length to the many officials of foreign countries throughout the world who were educated in America. Why should the Federal Government come in now and make it appear absolutely essential that we should give the Federal Government legislative authority to conduct a program which is not new but which has been carried on in the traditional American way for years?

When I came home I found that the various experts and authorities of the Government here had been awarded bronze stars and legions of merit for various gadgets and other things they had figured out for our boys overseas to do. In many instances I found that the boys in our outfit were doing just those things as a matter of course every day, and nobody paid any attention to it.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the gentleman from California.

Mr. McDONOUGH. This bill would not deny the exchange of students with foreign countries. I think the House ought to understand that without the passage of this bill that would not be denied, because we are members of the United Nations Educational, Scientific, and Cultural Organization. We became a participant in that and the last session of Congress voted it, and that is an exchange of students of foreign countries on a broad scale, broader than this bill provides, if that is possible. At any rate, we are not denying the exchange of students by any legislative act if we do not pass this bill.

Mr. BOGGS of Delaware. I thank the gentleman. I want to refer to page 11 of the hearings, where Under Secretary of State Acheson was speaking. He said this:

> Now I will turn to the rest of the program: One of the most important parts of this is the provision which extends to Europe and Asia, the cooperation between our Government and other governments.
>
> Do we need legislative action to extend cooperation to other governments of the world? It seems to me we have been doing that in our own American way ever since we have been the United States of America, when and if it was the proper thing to do.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the gentleman from South Dakota.

Mr. MUNDT. I want to correct the statement made by the gentleman from California about UNESCO. I know something about that organization, having introduced that legislation in the House. Although we belong to UNESCO, unless we have this exchange system set up under this program our membership in UNESCO is a paper membership only. This is to do something about it, to make the exchange of students which UNESCO seeks.

Mr. BREHM. If the gentleman will yield, does the gentleman know how many students are now going over under the Fulbright resolution?

Mr. MUNDT. Not as yet.

Mr. BREHM. Nine hundred.

Mr. MUNDT. We are just getting that program under way. We have some GI's going to school in Germany and Austria, and several boatloads are going over this summer.

Mr. BREHM. Nine hundred and eight according to my information are going tomorrow.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the gentleman from Illinois.

Mr. OWENS. May I ask the gentleman from Delaware, who has spoken about the educational feature, whether that does not constitute a subtle, sinister way in which we will have Federal control, which was so well pointed out by one of our noble founders, Thomas Jefferson?

Mr. BOGGS of Delaware. In answer to that, before we vote on this bill I certainly do recommend that the Members read these hearings, not only for what is said but for what is not said in the various statements.

The Clerk read as follows:

TITLE II—INTERCHANGE OF PERSONS, KNOWLEDGE AND SKILLS

PERSONS

SEC. 201. The Secretary is authorized to provide for interchanges between the United States and other countries of students, trainees, teachers, professors, and leaders in fields of specialized knowledge or skill. The Secretary may provide for orientation courses and other appropriate services for such persons from other countries upon their arrival in the United States.

With the following committee amendment:

Page 3, line 9, after "teachers," insert "guest instructors."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 3, line 13, after "United States" strike out the period and insert a comma and the following: "and for such persons going to other countries from the United States. It is the sense of the Congress that the interchange program under this section shall be on a reciprocal basis so far as is practicable, and that when any country fails or refuses to cooperate in

such program on a reasonable basis of reciprocity, the Secretary shall terminate or limit such program, with respect to such country, to the extent he deems to be advisable in the interests of the United States. If the Secretary finds that any person from another country, while in the United States pursuant to this section, is engaged in activities of a political nature or in activities not consistent with the security of the United States, the Secretary shall promptly report such finding to the Attorney General, and such person shall, upon the warrant of the Attorney General, be taken into custody and promptly deported in the same manner as provided for in sections 19 and 20 of the Immigration Act of 1917, as amended."

Mr. ALLEN of Louisiana. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana as an amendment to the committee amendment: On page 3, line 14, after the period strike out the remainder of the line down to and including the period on line 21.

Mr. ALLEN of Louisiana. Mr. Chairman, I am seeking here to eliminate the highly discretionary part of the committee amendment. Following this amendment I intend to offer an amendment to line 8, page 3, after the word "interchanges" to add the words "on a strictly reciprocal basis." It will be noted that the committee amendment practically leaves it up to the judgment of the State Department as to how many students, professors, and others come into this country under this bill. By this amendment striking out the discretionary part and by the following amendment which I propose to offer, I propose to make it mandatory that this interchange be handled on a strictly reciprocal basis. Otherwise, we will be swamped by invaders from Europe. The committee has repeatedly said that this bill places the interchange on a reciprocal basis, but if you will read the amendment offered by the committee, you will see that this is not true. To the contrary, the bill is, at most, only an expression of hope that the Department may keep it on a reciprocal basis, and there is nothing mandatory at all about it, clearly leaving it up to the discretion of the Department as to how many of these foreigners come in under this bill. We have men in many of our departments, and the State Department is not free from them, who would not be averse to breaking down our immigration bars and letting in great throngs of people from Europe and I do not want to give them that discretion. If you will vote to strike out of the committee amendment this wide discretion as I propose in my amendment and then if you will follow that up by making it mandatory, as I shall propose in my next amendment, then we will at least know what is going to happen under this section. What is wrong about putting this on a reciprocal basis? We are told that Russia has perhaps several thousands of persons in this country now in various capacities, while they say we have only two or three hundred over there. What is wrong about requiring Russia to let our people look over her country behind the iron curtain to the same extent as she is now doing over here?

I think if we are going to have this exchange of students and others, although I am not here advocating it, we ought to have some limit on the number of such who come here, and there is absolutely no limit in the bill as the committee has presented it and seeks to amend it.

The bill ought to be worded so as to fix some limit, or else make it strictly reciprocal. As it stands now, there is absolutely no limit at all. The sky is the limit. I do not think we ought to leave a hole in this bill as big as a ginhouse so that as many as want to and as many as the State Department might elect to have come in may do so. That is exactly what the bill does. Some little State Department employee overseas, mind you, might have it in his power to open the gates and let them in by the boatloads. It is not an answer to say that General Marshall will watch all that. He cannot see after everything. He has to depend upon subordinates.

I hope you gentlemen in the House who throughout the years have tried to maintain our immigration barriers and who have tried to sustain our immigration laws will support this amendment to the committee amendment and then support the next amendment I shall offer to not only remove the discretionary part, but make it absolutely sure that if this program of exchange is carried on, it will be done on a strictly reciprocal basis and not be left to the whim and discretion of State Department employees all over the world.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I do not have time to yield to the gentleman. I am very, very sorry. I wish I had the time. I would like to ask for more time, but the gentleman from South Dakota [Mr. MUNDT], the author of the bill, has already served notice that he would object to any such requests made by anybody.

Mr. Chairman, as a member of the Committee on Immigration, I have for a good many years seen the fruits of people getting in here by the hundreds and by the thousands and I have observed how difficult it is—yea, impossible in many cases—to get them out. Twice I introduced bills to deport Harry Bridges and twice this House passed my bills and the bills never went through the other body, and Harry Bridges is still here. We will be up against this sort of situation. Many of these people who will come here will say, "We have no country to return to." Look at what has happened to Hungary in the last few days.

I think, therefore, that the reasonable thing to do, and the fair thing to do, if you are going to have this nation-to-nation exchange, is to do it on a basis of man for man, a 50–50 basis, a basis strictly reciprocal and not give one nation the right to send them over by the boatload while prohibiting our citizens a like privilege. Mind you, I am not here advocating the exchange, but I say if you are going to do it, that is the best way. That is the purpose of my amendment. It is directed to that end. I hope you will support that move because it is a move in the interest of our own country.

I am for sending information to foreign countries. I understood anyway that all General Marshall wanted was authority and money to send foreign broadcasts to Europe and other nations and continents. Well, I am for that. I have reached the conclusion that if it is properly done, by the right parties, it can be an instrument for good. I do not approve of the way it has been done entirely, but I hope the errors will be corrected. I am willing to vote him the authority and money to make such foreign broadcasts. But this bill goes far beyond that. It was not necessary to drag all these other features into this bill.

I support General Marshall thoroughly in his desire to broadcast to foreign countries, but I do not think it is necessary to go as far as this bill goes. Therefore I ask you to give me your cooperation in making it a reciprocal program, if we are to have the exchange at all, so that we will have the right to demand that they go 50–50 with us, make it strictly reciprocal, so that our people may learn as much about the inside of other countries as they are privileged to come here and learn about ours. How can we learn the truth behind the wall of secrecy in other countries if we let them come here and have them forbid us going there? My amendment will make it possible for us to peek behind their wall of secrecy. Why not do it? Of course, as I said, I am not arguing for any of them to come here, but if you are determined to have this exchange of persons, then by all means let it be reciprocal. My pending amendment and the next one I propose to offer will make the privileges and responsibilities on both sides the same, that is, strictly reciprocal. Any other course will be very unfair to our own country. My suggestions will cure some of the glaring defects in this bill—not all of them, however, There are others which I do not have time to discuss and the discussion would perhaps not be pertinent to my amendments. We can give General Marshall the authority he needs to do this foreign broadcasting and we can do it without breaking down the immigration bars.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. ALLEN] has expired.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment. I am heartily in sympathy with the objectives of the gentleman from Louisiana [Mr. ALLEN], who has proposed it. However, to make interchange of students and professors on a strictly reciprocal basis raises some difficulties which I feel sure are not to our advantage. For instance, there are some nations in the world from which it is very important that we have scholars and students come to this country. Yet the universities in those countries, to which we might send students in return, have been destroyed, or they have never developed courses in English to the point where there would be any inducement or advantage for our students or professors to go there. Some of those

countries are not very big, but they stand at vital crossroads of the world, or strategically they are very important. It is essential to the security of the United States that we have every possible favorable contact with them.

I think the gentleman will agree that the Secretary of State, General Marshall, is as mindful of the security of this country as any Member of this House, or a. any other American citizen. To refuse to give him any discretion whatsoever in allowing more students or professsors to go to certain important countries than can come here; or to refuse to allow students or teachers to come from some of those countries to the United States because they do not have universities or colleges which offer courses that would be of value or attractive to American students, would, it seems to me, defeat our own purposes, without any legitimate gain. Therefore, I hope very much that the gentleman's amendment will be defeated.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. VORYS. On this matter of exchange of professors, it does not amount to much. There were 45 professors exchanged last year. The total cost was $150,000. Of the 45, 38 were United States citizens who went abroad to teach. Seven were Latin-American professors who came to the United States. Every college or university abroad that receives a foreign professor under this program must pay the professor the agreed local salary for the professor. I think that those 38 going out and 7 coming in will show that reciprocity would not be to our advantage, when we can get institutions over the world to accept professors from this country on that basis. It might be that we would not have a place for the same number of professors back here. That is what strict reciprocity would mean. That is why I think the language in the bill is better. But the entire exchange program is not very big. It is a small part of this entire program.

Mr. JUDD. The gentleman will agree that sometimes in some small obscure country a genius, a man of the greatest ability, develops whose services would be of great value to the United States. We cannot wisely, in a flat prohibition, prevent making available to ourselves the contributions of such an individual. Genius does not depend on national origin or race. Men of genius may appear anywhere. We should not shut them out.

Mr. VORYS. There has never been any exchange of professors with the U. S. S. R., under this program; never.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. MUNDT. I would like to point out another reason why we should not accept the gentleman's amendment.

It strikes out important safeguards whereby we write into the bill authority to deport anybody in case of any political activity. I think that is a safeguard that should be retained.

Mr. ALLEN of Louisiana. My amendment does not strike that out at all. I simply wanted to preserve that. Eisler came here as an expert, I understand.

Mr. JUDD. And so did Einstein, but they did not either one come under this program.

Mr. MUNDT. Eisler did not come here as an expert. He came here under the directions of Moscow.

Mr. JUDD. Mr. Chairman, I hope the amendment will be voted down, because I cannot see that it adds anything to the bill, or advantage to the United States, and it definitely reduces some of the real advantages of this section of the bill.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. BREHM. Mr. Chairman, I move to strike out the last word.

The gentleman from Ohio [Mr. VORYS] stated that 38 professors had gone from the United States to foreign countries and that 7 had come from foreign countries to the United States and that they were paid by the foreign countries for their services, yet the program cost only $150,000. Will the gentleman explain that to me? How did it cost American taxpayers $150,000 if their services were paid for by foreign countries?

Mr. VORYS. I attempted to explain it briefly. The State Department insists that every college or university which receives a foreign professor under this program must pay the professor the agreed local salary of the professorship. The Department then makes a grant to cover foreign travel. In the case of a professor going, let us say, from Columbia University abroad, who draws a salary of $7,000 at Columbia, but is sent to Brazil which would normally pay a salary of $3,000, the State Department makes up the difference in salary and pays the cost of the foreign travel.

This program is more expensive per head than the student program. The average cost of the student program is less than $700 a student. This, of course, costs more. You are dealing with a high class of individual. You are picking out not the worst, but the best, to send abroad, just as we are picking the best to bring here to come into our institutions.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield.

Mr. COLE of Missouri. Is not the gentleman from Ohio [Mr. VORYS] speaking about section 203, not the section we are now debating? Section 203, page 4, is the policy that has been in effect for the past year under the able leadership of Senator Davis, of Maryland.

Mr. VORYS. No; the only program I am talking about is under section 201, the interchange of students and teachers and professors. As I told you, the interchange of students cost $250,000, the interchange of professors $150,000. The students amount to 377; the professors to 45.

Mr. COLE of Missouri. I still think the gentleman is talking about section 203.

Mr. VORYS. The gentleman is still mistaken.

Mr. BREHM. Personally, I think this is a good deal for the professors. They are getting a nice trip with all expenses paid, getting the same salary in the foreign country wherever they may agree to go. It is a good deal for the professors. I have no doubt some Congressmen would like to take that trip also, get all their expenses paid, and continue to draw the same salary they draw in the United States see and travel abroad just in order to tell the rest of the world what wonderfully gullible folks we Americans really are. I am sure they already know that.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield.

Mr. HOFFMAN. We can get in on that under the classification "specialized knowledge."

Mr. BREHM. I cannot for the life of me understand what is wrong with some of our Members unless their emotional natures are temporarily exceeding their intellectual natures.

Jesus Christ taught us certain ideals 2,000 years ago but He also laid down rules of practical application in order that we might attain those objectives. I believe in those ideals but it appears foolhardy for us to attempt to put His program into operation in this manner. The Christian churches and missionaries have attempted to spread religion for years and years and yet up we come 2,000 years later with the biggest war in history. There is no practical application in this proposed program. Half the people we are attempting to reach do not accept either a Deity or accept Jesus Christ as the Son of that Deity. We will meet them on a plane entirely foreign to them. Give them food labeled "Made in the United States of America." Stay with the food until it is in their hands, as the Mundt amendment proposes in our $350,000,000 relief bill, and they will appreciate our American help. You can only fill their bellies with hot air by talking.

Mr. JACKSON of California. Mr. Chairman, I rise in opposition to the amendment.

Plutarch once said, "No man ever wetted clay and then left it, as if there would be bricks by chance or fortune."

The wet clay of world destiny is ready for the hands that will mold it. The shape it will take depends not upon what any nation fails to do with the pliable substance of it, but upon what positive action is taken to give it form and shape. We can, upon the one hand, deny any responsibility in the matter, and as the greatest moral force in the world today, following the example of Pontius Pilate, wash our hands of the whole unhappy affair. Such a course, to many of us, is morally and intellectually repugnant, and would represent to our minds a breaking of faith with millions of our dead, who gave their lives that this world might become a better place in which to live. Did we put down tyranny and despotism at Normandy, at Anzio, at Tarawa, and at Iwo Jima in vain? Did we place upon the altar of

human sacrifice the flower of American manhood to no avail? Did we pour out our resources, physical and financial, to the winning of a war to free a world, only to turn our backs upon the rise of subsequent oppression and world slavery? Have we spent billions in the winning of a great and costly test at arms, only to draw back in affright at the prospect of spending other and smaller sums in the winning of a peace founded in truth and mutual understanding of each other.

There are those who charge that our program in Greece and Turkey is on the direct road to war. Although I supported that program, I did so with a reluctance which sprang from a conviction that the measures proposed were largely negative, and open to misunderstanding of our ultimate goals and objectives. The program was attacked here on the floor, Mr. Chairman, on the very grounds that other peoples would not understand our motives in those countries. Today, some of the same gentlemen who were so vocal in that regard, propose to strangle the only voice we have for full, frank, and open discussion of our intentions throughout the world.

In common with the other Members of this House who hate and detest communism, I also loathe it. During the war just completed, I served my country with a combat unit overseas. In supporting this program, I only join with the AL, VFW, and AMVETS in endorsing this program.

I repudiate the puerile charges made and the implications that any member of the committee having had this legislation under consideration could or would place the interest of any country on earth above our own. I have often felt that I possessed too much of the spirit of ardent, flag-waving patriotism—of nationalism—of pride in the accomplishments of the American people, and I for one resent the slightest suggestion that the subcommittee or the Committee on Foreign Affairs has considered any interest in regard to the Mundt bill other than the self-interest of this Nation.

It would seem to me, Mr. Chairman, that a most cursory reading of the bill would indicate first of all that we have attempted to place a restriction upon unlimited travel by students and professors of other lands. We have required a new and definite principle of reciprocity in this regard, almost to the point of requiring an eye for an eye and a tooth for a tooth. Today, there is no such restriction in law as the one written into this bill. If you would place some degree of restriction and a much higher degree of supervision upon such educational exchanges, you will approve the provisions herein set forth.

Of course, Mr. Chairman, we do not propose to enter into prolonged discussion of the merits of this legislation with those who are so prejudiced, so jaundiced, and so completely opposed to the rest of the world that they accept Jesus Christ, Galileo, Christopher Columbus, and Socrates with ill grace, because they were, without exception, foreigners.

It so happens that America and the ways of America are practically unknown to the world of today, save for what information sifts into the many subjugated lands by radio, magazines, and an occasional returning student. These are the only loopholes in a score of iron curtains, great and small. We can fight the battle with words, with knowledge, with light, or we can accept the ultimate decision in terms of atoms, cosmic forces, and darkness. If this measure had but one chance in ten million of succeeding in its purpose, I should support it. Translated into terms of immobile guns, tanks, and containers of bacteria, the funds concerned would be but an infinitesimal token payment on World War III. Translated into words of hope for the future for a world in chains, it can be a substantial down payment on peace, and a continuance of our way of life.

Almost without exception, the great veteran organizations, the AL, VFW, AMVETS, the churches, the press, and the radio of this country stand solidly united behind the measure under consideration today. Some of the gentlemen may be prepared to tell America and Americans why our only voice is stilled, and why lies, slander, and hatred have taken over in our place.

I am not concerned with the personalities involved in this debate, but I am deeply concerned with the fate of freemen and men who would be free. This program is positive in its approach to realities, and offers to our hands a weapon for truth in a world in which the roster of free nations becomes shorter day by day. At the present rate, we may soon stand alone. We shall need every weapon at that time.

Milton truly said:

> Though all the winds of doctrine were let loose to play upon the earth, so Truth be in the field, we do ingloriously, by licensing and prohibiting, to misdoubt her strength. Let her and Falsehood grapple; Who ever knew Truth put to the worse in a free and open encounter?

Mr. JARMAN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Alabama.

Mr. JARMAN. I simply wish to express my firm agreement with the statement the gentleman has just made.

Mr. JACKSON of California. I thank the gentleman.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, internationalist this and internationalist that. It appears that if one is not an internationalist in his thinking he is out of step with the new school of thought.

It seems strange to me that many people who come to Washington from the farms of the Nation—good, sound, clear-thinking Americans interested in their home communities and counties, their home State and their Nation—become infected after a few months with Washingtonitis. That is a disease which causes one to feel he has become a great statesman with the weight of all the world's problems on his shoulders.

If he gets a few invitations to the embassies for tea or cocktails—well, he is gone, he is sunk, he is all out for any crackpot idea that will count him in with the world thinkers or the world do-gooders.

Just being a country boy from the rural areas of the great State of Pennsylvania, I have listened with interest to the debate on great world ideas and programs of culture and information; on how we can educate all the people of the world; educate students from all countries of the world, and sell them our ideas on culture, and bar our own boys and girls from an education. Ideas such as spending $70,000 for slapstick, modernistic art, that if you attempted to interpret the meaning would make you a fit subject for a psychiatrist.

We might tell them how the Government insists that all prices be reduced and then proceeds to tax our people to secure money to pay subsidies to buy potatoes to keep them off the market to keep prices up; pile up the potatoes, cover them with kerosene to destroy them, or dump them to make fertilizer.

You can readily see how cultured and informed we appear to the starving countries of the war-torn world.

Now we come to the new Voice of America in H. R. 3342. The old voice which has been sounding off for some time is to be discarded, and certainly it must be admitted their programs were about as ridiculous in performance as many other things we do around here.

If the attitude of the people of the countries of the Old World toward us today is the result of past efforts of the Office of Culture and Information—and mind you, we have dumped $16,000,000,000 in foreign countries since July 1945—then our good friend, JOHN TABER, chairman of the Committee on Appropriations, is deserving of a vote of thanks from the Congress and the American people for his decision to use the ax and officially put out of business this branch of the State Department.

The applause for JOHN TABER'S action had hardly died away before out bounced H. R. 3342, to serve as a new vehicle to pass words instead of food around the world.

I want to say it is a difficult job to put these boys in the cooler to stay put.

We have heard a number of the committee members give us the old catalog stuff that this is an entirely different show—new lines, new acts, new music; that the legislation is so tightly drawn that those engineering this performance will necessarily have to hew to the line. Things will be different—and they now say the State Department boys are completely hog-tied by this proposed legislation. Why is it necessary to have to legislate them into doing the right thing? But mind, you pass this bill and the same old gang that has bounced from NRA to OWI to OCI will take over and Congress will get on to something else and forget the whole matter. We just cannot keep track of them. I have absolutely no faith in the individuals who have been handling this program in the State Department.

No appropriation has been established in this bill; no statistics have been presented to show how many have listened to the programs; nothing to indicate results obtained. Just the same old glittering generalities beating the tom-toms

to weary you. And after you listen long enough you are worn out and pass the bill. Let me say there are but few Members in this House who would dare vote for it if their constituents were in the gallery listening to the debate on this bill.

I presume that by now everyone understands my position on this bill. However, so that everyone in the House will be apprised, I might say that the not too charming, soft, persuasive "Voice of Pennsylvania" will vote against this bill.

The Republicans at least were charged with the responsibility to purge from the Federal pay rolls the element in the State Department who have been running this farce. And we did exactly that. A vote for this bill to resurrect this outfit for a new lease on life will be a hard one to explain to the American people. So I hope you vote your conscience and cast aside your fears that you might be smeared as an isolationist, and as a good American forget political expediency. Have the courage of your convictions and rid the Government of this bungling group of bureaucrats who are making a last-ditch fight for their existence.

Believe it or not, you can save some money for the taxpayers of your State at the same time.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, little did I ever expect to live to see the day when a Republican Congress would grab the New Deal ball and run away with it. It looks to me as if a few of the new Members elected last fall came here under the impression that what the American people wanted was a continuation of the New Deal but with greater economy and more efficiency. As I read the election returns last fall, we received a mandate from the American people to cut out all New Deal stuff and get back to fundamental Americanism. I am surprised to see so-called Republicans sponsoring New Deal legislation. I think it is about time that we sit up and take inventory and get in touch with the people again. We are badly out of touch at the present time.

Mr. O'KONSKI. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am not unmindful of the value of the exchange of foreign students among the nations of the world. I have spent 9 years teaching in various colleges and universities throughout America. Some of the most valuable knowledge I have gained and some of the most important things I have learned about how people live in other countries came from students from foreign countries who attended those universities in which I was teaching. I do not think there is anything more valuable to promote the peace of the world and friendly relations among nations than an exchange of students and professors, with this reservation, however, that that take place during normal times and in times of peace, that it not take place to too large an extent, and that we do not open the gates too wide when we are facing an emergency and a crisis.

In my judgment, this country of ours never faced a crisis such as it is facing today. In this crisis we must always think first in terms of our Nation's security. To give you an idea of what I mean let us recall Hitler's technique in the conquest of European countries, such as Norway. We find that he succeeded in the conquest of Norway by using the plan of exchange of students between Germany and Norway as his spearhead.

The leaders of Hitler's frontal attack in Norway were German students who were sent to the University of Norway on an exchange basis. The people who led the attack for the Nazis in the conquest of Norway were people who at some time or other attended various educational institutions in Norway. They served as the spearhead of Hitler's attack on Norway. Likewise, in Belgium; likewise, in Holland; and, likewise, in Denmark.

I am chiefly concerned about the security of our country. I am wondering if, during these critical hours, it is wise to expand this program of exchange of foreign students. Yes; we have no exchange students from Russia or professors from Russia. But I am not afraid of Russian Communists in America. I am, however, afraid of English Communists in America; Polish Communists in America, French Communists in America, Serbian Communists in America, and the like. Yes; Russia has no professors or students here, but her satellites have them here by the scores. Russia has her satellites in every nation in the world. Those satellites send students here not as Russians, but English, Polish, French, and so forth. These satellites have only one God—Stalin.

Just by way of contrast, while we are here opening the doors to our wealth of information to the world by this bill, listen to what Russia did just yesterday. Here is a United Press release of what Russia is doing. Listen while I quote:

> The Presidium of the Supreme Soviet today issued decrees defining exactly what constitutes a Russian state secret and fixing penalties ranging up to 20 years in a labor camp for any Russian disclosing one.

Now, listen to this:

> The decrees, made public over the Moscow radio and later published on the front pages of all Moscow newspapers, were made applicable to Russian citizens abroad as well as at home and provided penalties for unintentional as well as intentional dissemination of secret information, or for losing documents containing state secrets.

Twenty years in a concentration camp. Now, what do they consider a secret? Listen to this:

1. Information of a military character.
2. Information of an economic character.
3. Information on discoveries, inventions, and improvements of a nonmilitary character.

And listen to this:

4. Information of a "miscellaneous" character.

There you have it. While conflict with that country is inevitable, our potential enemy is closing its gates of information, tightening the screws of its secrets, we come here with a bill inviting the rest of the world to come and get everything we know.

During normal times this bill would be one of the most admirable things to promote the peace of the world and the friendship of the world that I know of. But these are not normal times. Ladies and gentlemen, let us stop, look, and listen. Let us not become victims of betrayal by students and tourists like Norway was betrayed. Let us think only of our own security. We must not think otherwise.

Mr. LODGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it would appear that a great many of the Members of the House who object to being gagged themselves would like to gag the Voice of America. It seems to me to be a fairly inconsistent point of view.

As far as the students are concerned, there has been a good deal of talk about our opening the door to a lot of subversive students. I would like to dissipate that worry once and for all.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I have so little time, I am sorry I cannot yield.

Mr. Chairman, these students, of course, without this bill could come here anyway, insofar as our immigration restrictions allow them, and they would not be subject to the restrictions to which they would be subject as set forth on page 3, line 21. So that, far from opening the doors, we are improving the situation and providing safeguards.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. MUNDT. There are 17,000 students of foreign countries over here now. Under the terms of this bill it will not increase that load, but it increases the safeguards and protections so that we can scrutinize those who are here and deport any of those engaged in political activities. In addition to that, the gentleman from Wisconsin [Mr. O'KONSKI] need not worry about the dissemination of information. We are not opening up the secrets of America, because it will be entirely on a reciprocal basis. We do not make any concessions unless they are on a reciprocal basis.

Mr. LODGE. I thank the distinguished chairman of the subcommittee. We have safeguards all through the bill. We have not only that safeguard, but on page 3, in paragraph 904, there is an additional safeguard. If you will turn to page 19 you will see that no information or knowledge shall be disclosed where it is prohibited by any other law of the United States or is inconsistent with the security of the United States. Then, of course, we have the safeguard on page 18 in connection with the screening by the FBI.

Mr. Chairman, the idea seems to be that it is all right for us to export money and relief and arms and military aid, but it is all wrong for us to say why we are doing this. In other words, those who accuse us of dollar diplomacy are going to be proven right. All we care about is the dollar. We have no ideas that we want to get over. We have no dynamic faith that we want to put behind this thing. We believe that man lives by bread alone and that the reason we are sending relief over there is not because we have certain principles, but simply because it is a way of buying off

trouble. Well, that is not my idea of what our foreign policy should be. It is my settled conviction that we have ideas to export. It is my idea that even the atom bomb will move to the measure of men's thoughts, and it is my profound belief that if we do not make it manifestly clear why we are doing this thing, our actions will be very much misinterpreted.

I would like to read to you for a minute a few excerpts from broadcasts which are being made about the actions of our own country.

A Greek language broadcast commented that "while the Voice of America speaks of freedom and democracy, the reactionary clique of Maximos and Saldaris, encouraged by United States aid, exterminates notable representatives of the Greek people."

Similarly, the Soviet radio, in a broadcast to Hungary, described the United States ban on passports for tourists to Yugoslavia as "a clear indication as to who is letting the iron curtain down, preventing the people of the western countries from learning the truth about the new democracy."

The Soviet radio, in a Czech broadcast, asserted that Attorney General Clark described as subversive elements all Americans who were not enthused over the extent of illiteracy in the United States, and threatened them with liquidation.

We must counter these lies by spreading the truth. We cannot afford to be silent.

Mr. Chairman, I hope very much that this bill will be passed, and soon.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. LODGE] has expired.

Mr. MUNDT. Mr. Chairman, I move to strike out the last word.

My purpose in doing so is to make an announcement. Many of the Members are worried because it is 5:30 and they want to know what disposition we are going to make of this matter. I have talked with the leadership, and at the conclusion of my remarks I will move that the Committee do now rise, because it appears that the legislative schedule outlined for the rest of the week is not going to be as heavy as originally contemplated and that while there is an appropriation bill to be disposed of tomorrow, that will give us an opportunity on Thursday and Friday to finish this bill leisurely.

I hope that in the meantime the Members of the House will do themselves the justice to read the hearings. Never since I have been in Congress have I heard such a disorganized collection of misinformation circulated about any one piece of legislation as about this legislation. It deserves your careful study and your intelligent, relevant attention and consideration.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3342, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. McCORMACK (at the request of Mr. RAYBURN) was given permission to extend his own remarks in the Appendix of the RECORD and include a letter.

Mr. BULWINKLE (at the request of Mr. RAYBURN) was given permission to extend his remarks in the Appendix of the RECORD and include therein an address by the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McDOWELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a resolution passed by the mayor and City Council of the City of Clairton, Pa.

Mr. MURRAY of Wisconsin asked and was given permission to revise and extend the remarks he made in the Committee of the Whole this afternoon and to include therein a table.

Mr. LEONARD W. HALL (at the request of Mr. MUNDT) was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. MUNDT asked and was given permission to extend his own remarks in the Appendix of the RECORD and include extraneous material of various types.

EXPLANATION OF ABSENCE FROM ROLL CALL

Mr. SPRINGER. Mr. Speaker, at the time of Roll Call 74 on yesterday, June 9, 1947, I was appearing before the Supreme Court of the United States moving the admission to practice therein of a constituent from my district. By reason of that fact I was unable to respond to the call. I desire the RECORD to show why I was absent on that quorum call.

THE GOVERNMENT CORPORATIONS APPROPRIATION BILL

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, tomorrow the Government corporations appropriation bill will be before the House. It deals in part with housing corporate activities of the Federal Government.

Before the Appropriations Committee began consideration of the bill for the fiscal year 1948 special investigators for the Congress were assigned the task of making a study of these public housing affairs. This assignment came under the Seventy-ninth Congress. Their report is filled with facts which the people and the Congress should have and which will be brought out during the consideration of the bill tomorrow.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include therein an extract from a report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FLETCHER. Mr. Speaker, you have just heard the Honorable BEN F. JENSEN, chairman of the Subcommittee on Governmental Corporations Appropriations, who is releasing a confidential report regarding the Federal Public Housing Authority prepared for his subcommittee by Robert E. Lee, staff investigator, formerly with the FBI.

The information contained in this report is so electrifying and pertinent to bills about to be voted upon by the Members of the House that I believe this report should be carefully examined by everyone wishing to know just how corrupt and political has been the administration of FPHA.

To give you a sample of what I mean, I quote from the Lee report for the RECORD:

[Extract from confidential report to the House Committee on Appropriations, by Robert E. Lee]

CONFIDENTIAL INQUIRY MADE FOR THE COMMISSIONER

While in the San Francisco area, the investigating staff learned that Mr. Dillon Myer, the Commissioner of the Federal Public Housing Authority, had directed a confidential inquiry to be made concerning allegations of fraud that apparently had been made to him.

While in the San Francisco area, the offices of the staff were contacted by the chief of staff and a member was directed to obtain a copy of the report and review same, wiring pertinent facts to the chief at San Francisco, in order that appropriate inquiry might be made. The staff member was denied access to the file on this matter and consequently first-hand inquiry could not be made.

After return of the chief of staff to Washington, D. C., this matter was again taken up by the Federal Public Housing Authority and they were advised that the powers of subpena would be exercised as soon as Congress reconvened after which threat the file was made available to the writer for a period of several hours only as they desired that it be personally retained by the Comptroller.

The file contained an affidvit from one Hinton A. Miller, presently assistant housing manager of the Los Angeles Authority, and formerly an employee of the Federal Public Housing Authority at San Diego, Calif., which is the largest directly-operated program in the country. This affidavit alleged as follows:

1. That one Aubrey M. Davis was area housing manager at San Diego in 1944, and his resignation was requested by Langdon Post, the regional director, on political grounds.

2. John R. Arvin, was appointed head of the San Diego Housing Authority to further the political ambitions of Langdon Post and insisted on permitting Negroes in white projects creating tension and embarrassment.

3. That said John R. Arvin had a financial interest in commercial facilities at the projects.

4. That certain favored individuals have cars assigned to them which they use for personal furtherment, and Arvin, himself, being furnished with a Government-owned Cadillac.

5. That he, Hinton A. Miller, was ordered by Arvin through one Milton Kraft to attend a Jackson Day dinner which was a command performance on the part of employees of the project, and a collection of $25 per plate was made by a Hale Berlin for William Meyer.

6. That he, Hinton A. Miller, was later asked to attend a luncheon given in honor of candidate for State senate Charles Dail.

(Mr. Hinton also pointed out that he is a registered Democrat, and as a matter of fact favored Charles Dail but still did not like the tactics used). The luncheon was attended by most of the Federal Public Housing Authority officials and its purpose was to organize them as a group to get the tenants out to vote for Dail. Some of the men were afraid of possible persecution under the Hatch Act and in order to assure them that their activities would not be a violation, Mr. Omer Mills, assistant regional director, advised in a speech that Langdon Post had told him to go ahead and do as suggested; that it was not a violation of the Hatch Act.

7. That he, Hinton A. Miller, was assessed $10 by Arvin as a contribution.

8. That assignment to houses would be had by paying Arvin $25 or $50 through Hale Berlin.

One Hyman L. Sunshine, now housing manager at the Los Angeles Housing Authority and former Federal Public Housing Authority employee at San Diego, alleged in an affidavit as follows:

1. That Aubrey M. Davis, the housing manager at San Diego, was dismissed by Post, alleging discrimination against Negroes. Davis requested an investigation of this dismissal in communications to Washington in 1944 as he felt the dismissal was political, but Commissioner Klutznick declined to interview.

2. At a Christmas party in 1944, Arvin, Meyers, and Berlin were in advanced stage of intoxication and were purchasing kisses from typists at $1 each.

3. In the spring of 1945, at a National Association of Housing Officials' Convention, described as a "drunken dinner," paid for by the Federal Public Housing Authority, Arvin announced that Post would either run for Governor or Senator. This was not denied by Langdon Post. Many of the members present expressed their disgust at this attempt to interject the political angle.

4. He, Hyman Sunshine, was ordered to dismiss three maintenance people for starting a union, which he refused to do, and as a result incurred the enmity of his superiors.

In another affidavit by Hinton Miller the following was alleged:

1. That interoccupancy cleaning contracts were given to the San Diego Janitor Service, although the Aztec Co. had put in a lower bid. As a result of this, one Al Bright resigned. Shortly thereafter Milton Kraft, a Federal Public Housing Authority employee, turned up as a partner; however, his name was subsequently removed when the contract was to be renewed.

It was interesting to observe that Mr. Wooten, the comptroller of the Federal Public Housing Authority, indicated that, inasmuch as items of this nature were occurring from time to time, he was requesting the Commissioner to set up an investigation staff to handle these matters.

This reasoning is inconceivable, and it should be noted that in the situation developing at San Diego there already have been four investigations ordered; and if fraudulent activity exists by the time proper investigative authority undertakes to prepare a case, the evidence may well be destroyed or so confused by mishandling that it will be difficult to properly prepare the matter for court. It should be remembered that investigations of a criminal nature require proper schooling and a knowledge of court procedures and training not possessed by members of the Federal Public Housing Authority.

Mr. Speaker, this is only a small sample of what the Lee report discloses regarding the San Diego area. Get it and read what it says about your congressional district. You will be much surprised and disgusted with the administration of the FPHA. Perhaps then you will know why the House Banking and Currency Committee is reporting a bill to the floor asking us to take the disposal of war housing from the hands of FPHA and turn it over to the Federal Works Administration. Perhaps then you will know why the Subcommittee on Government Corporations Appropriations has cut the funds for FPHA approximately $15,000,000 to $10,000,000 and is putting restrictive language in the bill to control many of the abusive practices of FPHA.

The SPEAKER. Under the previous order of the House, the gentleman from Ohio [Mr. BENDER] is recognized for 30 minutes.

THE GREEK-TURKISH AID BILL

Mr. BENDER. Mr. Speaker, our President, Mr. Truman, has had good sense to nominate former Governor Griswold, of Nebraska, to be the Administrator of the monstrous Greek-Turkish military alliance bill.

I wish to extend my deepest sympathy to Grovernor Griswold in the genuine and sincere effort that I am sure he will make to execute what is a completely impossible program.

Perhaps Governor Griswold would profit from reading the RECORD of the debate in the House and Senate on the Greek-Turkish bill. I believe that many of the pitfalls which are inherent in this program received attention in that debate.

First and foremost, of course, is the fact that political democracy and liberty do not exist in Greece. The War Department and State Department have made the grievous error of assuming that military suppression is the first thing needed in Greece rather than the institution of political democracy and the abolition of the present corrupt monarchy.

Thursday in the Washington Post on page 2, we find a headline which reads: "Greek Leader Likes the United States Troop Idea." Mr. Speaker, Sophocles Venizelos, President of the Greek cabinet's Council of National Defense, likes the idea that American troops should be sent to Greece. The United Press story states that this suggestion has been made privately in Government circles. Mr. Venizelos said that the Greek Army, if doubled in size and equipment with American funds, could handle the present situation.

I trust, Mr. Speaker, that every Member of the House will note that the President of the Greek Cabinet of National Defense believed that it would be a good thing to send American troops to Greece and he has the unmitigated brass to tell us now that the Greek Army has to be doubled if it is to deal with the present rebellion in Greece.

Mr. Speaker, I ask that the article from the Washington Post be inserted in the RECORD at this point:

GREEK LEADER LIKES UNITED STATES TROOP IDEA—MOVE HELD UNLIKELY, THOUGH IT WOULD HAMPER GUERRILLAS

ATHENS, June 4.—Sophocles Venizelos, president of the Greek Cabinet's Council of National Defense, today agreed with the suggestion that American troops in Greece would serve to discourage aid from abroad to the guerrillas.

The suggestion with which he agreed has been made privately in Government circles, although there was none who believed the United States was willing to send troops to Greece now.

Venizelos, who also is Minister of the Navy, said in an interview that the Greek Army, if doubled in size and equipped with American funds, could handle the situation. But now, he said, the army was about half the size it should be to handle the guerrillas.

He repeated previously circulated reports that 10,000 guerrillas of unspecified nationalities in Bulgaria and Yugoslavia were being equipped by those nations to fight in Greece.

He charged that the recent guerrilla attacks near the Yugoslav frontier were designed to secure an area in which to establish a guerrilla government.

(In Belgrade, the Yugoslav official agency Tanjug today denied press reports from Athens that an international brigade was being organized at Split to help the Greek guerrillas.)

Well, Mr. Speaker, former Governor Griswold will have to tell Mr. Venizelos that the American people have no intention of sending American troops to Greece. He might just as well also tell him now that we have no intention of financing any increase in the Greek Army. It would be highly desirable if Governor Griswold would make plain to the present Greek Government that a political democracy has to be established in Greece.

I have specific reference to the fact that thousands of Greek patriots are dying in British and Greek concentration camps, that civil liberties are suppressed throughout the country; that honest elections have not been held and that political repression exists everywhere.

Shortly after the Congress passed the Greek-Turkish military alliance bill, the suggestion was made that a general amnesty be granted as the quickest and simplest way to putting an end to the civil war in Greece.

The present Greek Government refused to do this and Gen. Nicholas Zervas, Nazi collaborationist in World War II, now head of the Greek Army, was reported to be quite angry that our State Department should make such a suggestion.

So we find, Mr. Speaker, that Governor Griswold is embarking upon an impossible mission, unless he undertakes to change the political atmosphere in Greece and insists upon a general amnesty and a basic change in this Fascist, monarchial government.

There have been other ugly events since the passage of the Greek-Turkish bill. It came somewhat as a surprise, Mr. Speaker, to the Members of the House that the British Government should assume that the United States would pay for its occupation troops in Greece between the dates of March 31 and the date of congressional enactment of the Greek-Turkish aid bill.

Suddenly, we find that forty to fifty millions of dollars would be paid to the British.

Our State Department has stated that not one penny would go to pay the British, but Assistant Secretary of State Acheson suggested at the time that we might buy ammunition and equipment from the British with which to arm the Greeks. In other words, Mr. Speaker, the British will get paid.

So, Mr. Speaker, we find ourselves staggering from one dirty, filthy mess to

another in respect to the situation in Greece, and with no clear policy based on the institution of political democracy in Greece. We sincerely hope that Governor Griswold will not become a peddler for the impossible Truman doctrine of military repression in Greece, but will undertake his assignment as an American servant, devoted to the democratic concept of the inalienable rights of every citizen in a democracy. We trust that he will see to it that the British do not get 1 cent; we trust that the Greek Army will not be doubled in size; we trust that the funds we voted will actually go for rehabilitation of the Greek economy; we trust that the food we send will not go to feed the wealthy aristocracy of Athens but will actually go to the millions of starving Greek patriots, many of whom, in desperation, are fighting against what they know to be a corrupt monarchy.

Mr. Speaker, as the days roll by—as Italy and France and England move from one crisis to another—we discover over and over again that the entire Truman doctrine is basically wrong.

I wish to quote, Mr. Speaker, from a column written by Mr. Walter Lippmann here in yesterday's Washington Post entitled "A Plea for Prudence." I quote:

> We are too far out front in too many places. We are taking on ourselves too many problems. We are making too many quick decisions. We are accepting too many moral commitments. We are striking too many attitudes.

Mr. Speaker, I quote further from Mr. Lippmann:

> Europe cannot be saved from Soviet domination or from economic collapse and anarchy by a series of unilateral American interventions.

Mr. Speaker, I quote further:

> We are in grave danger, not of withdrawing into isolation, as in 1919, but of advancing into isolated interventions all over the globe. We are not strong enough or wise enough to do that successfully, and we shall squander our influence, our power, and our resources if we attempt it.

Mr. Speaker, in my opinion, Mr. Walter Lippmann has given us some very wise advice. He makes the point in his column that the present Italian Government does not represent the largely elected majority in the legislature.

Mr. Speaker, General Marshall and Mr. Truman are in the process of applying the Truman doctrine of military power to Italy, France, and England. We are undertaking to bolster their economy, to feed their people, to rehabilitate their economy by ourselves, alone, without the help of other nations.

Mr. Speaker, I ask that Mr. Lippmann's article appear in my remarks in the RECORD at this point:

TODAY AND TOMORROW

(By Walter Lippmann)

A PLEA FOR PRUDENCE

The situation in Italy and in central Europe has taken a decided turn for the worse just as the Senate is dealing with ratification of the satellite treaties. Yet it seems to me that what has happened is, if we examine it, a reason, though it runs counter to our feelings, for prompt ratification (which is what Secretary Marshall and Senator VANDENBERG want) rather than for delay.

The new situation is marked by two connected events, one of them in Budapest and one in Rome. In Hungary and in Italy there have been until recently and indeed since the armistice coalition governments. Now there is in Hungary a government which the Communists dominate. In Italy there is now a government in which the Communists and Socialists are not included, against which they are in open opposition and perhaps in actual rebellion.

What makes the situation so dangerously difficult is that the Communist-Socialist opposition to the present Italian government draws its main strength from the industrial areas of northern Italy, which are separated only by an imaginary line from Yugoslavia and Hungary. The stage is, therefore, set, the lines of communication have been opened, for Soviet support of an Italian revolutionary opposition to the de Gasperi government in Rome.

Moreover the political restraint upon the Italian opposition has been reduced, if not removed entirely, by the fact that the de Gasperi government does not represent the legally elected majority in the legislature.

It follows that the frontier between Italy and the Soviet orbit has now become more important than it was when Mr. Byrnes was negotiating the Italian Treaty. The basic issue is, however, no longer what it was, that is to say, where the frontier should be drawn and who should have Trieste and Istria. The question now is whether any international frontier can be established and maintained which will separate the revolutionary opposition in northern Italy from its allies in Yugoslavia, Hungary, and the Soviet Union.

The ratification of the treaty will establish an international frontier which is legally binding upon all the United Nations. The violations of that frontier would then be a question for the United Nations. If, however, the treaty is not ratified the dividing line will be merely the present armistice line which is held by British and American troops. For this reason it seems to me that we have the greatest interest in a prompt ratification of the Italian Treaty, and of the others which are grouped with it. For this will broaden the responsibility for the maintenance of law and order to include all the United Nations. Delay, on the other hand, which in present conditions may be tantamount to rejecting the treaty, would put upon us, with such help as the British could give, the sole responsibility for maintaining the territorial integrity, and maybe even the independence, of Italy.

That would, I believe, multiply the risks and greatly increase the burden which we have assumed. No doubt we shall have to supply the economic support for Italian relief and recovery. But what we must seek to avoid is finding ourselves in a position where an Italian Government, opposed by great masses of Italians, is sponsored and supported by the United States alone.

That would be ruinous to the Italian Government, since it would be pictured as a minority government and a puppet of the United States. The State Department has already laid itself open to that line of attack, which the Soviets will surely pursue, by its effusive and clumsily timed endorsement of the new de Gasperi government.

Europe cannot be saved from Soviet domination or from economic collapse and anarchy by a series of unilateral American interventions. The supreme problem which confronts Secretary Marshall is to extricate the United States from the consequences and the commitments of a spasmodic unilateralism and to get it replaced by a European policy—which we can promote, induce, and support but cannot initiate and impose—of reconstruction and unification and stabilization.

We are in grave danger not of withdrawing into isolation as in 1919, but of advancing into isolated interventions all over the globe. We are not strong enough or wise enough to do that successfully and we shall squander our influence, our power, and our resources, if we attempt it.

Thus we should not have a United States-Italian policy, as we now seem to have, but only an Allied policy in which Great Britain and France, at the minimum, have an equal moral and political responsibility. For to have an American-Italian policy is not a true policy of international cooperation but, in the literal and worst meaning of the word, an entangling alliance.

We are too far out front in too many places. We are taking on ourselves too many problems. We are making too many quick decisions. We are accepting too many moral commitments. We are striking too many attitudes.

For our own good and for the sake of peace most of these things should be shared in the process of decision, shared as to political responsibility, with other governments. For otherwise we may find that Uncle Sam is the head of the parade and that everybody is out of step but uncle.

Against this background of continuous crises, General Marshall made an important speech Thursday at Harvard University. In that speech, there is not one single mention of the United Nations. Oh, yes, he discussed Europe. He discussed the economic situation of Europe. He states that it is wrong for us to engage in unilateral action. He says that our policy is not directed against any country or doctrine, but against hunger, poverty, domination, and chaos. Yes, Mr. Speaker, General Marshall asks for a European program drafted by Europeans. He finally recognizes that political stability depends upon the economic recovery and that we alone cannot finance or organize the economy of Europe, but, Mr. Speaker, not once, not anywhere in his speech, is there a single mention of the United Nations. Why is that, Mr. Speaker? Why is it that our Secretary of State, making a speech defining our foreign policy—a speech dealing with the crucial economic and political issues of the world today—does not once mention the United Nations? The simple truth, Mr. Speaker, is that our State Department considers that the United Nations is dead. Our State Department believes in unilateral action. Contrary to General Marshall, our policy is a military policy. It is a policy of entangling alliances, of unilateral military alliances everywhere in the world.

For our own part, we suggest that these problems be brought before the United Nations for discussion and action. It is entirely useless for England or for France and Italy with governments financed from America to build a program of European reconstruction.

Hungary has had a change in government in the last week. Hungary is occupied by Soviet troops. Suddenly our State Department discovers that Russia dominates Hungary. Any fool would have know that she dominated it long ago. Great excitement has ensued. President Truman has announced that the change of government in Hungary is an outrage. I would like to suggest that there are many things that are outrageous today, including President Truman's attack on Senator TAFT, of Ohio, delivered at his last press conference.

What does President Truman propose to do? Will the State Department now remember that we have a United Nations or will it engage in its customary unilateral and hence self-defeating activities? The blunt fact is as our State Department knows, the United States cannot do one single thing about the situation in Hungary that will make any difference. It will become clear, Mr. Speaker, with the passage of time that our actions in Greece, Turkey, Italy, and France also will add up to a round zero. Except, Mr. Speaker, the American taxpayer in the meantime will pour out five or ten millions of dollars for exactly nothing.

Our President does not like the fact that Senator TAFT pointed out that the Truman foreign policy of entangling military alliances has the effect of pushing prices up in our own country. But in the middle of his hysterical attack on Senator TAFT, President Truman states, and I quote: "The administration fully recognized that these foreign-aid programs would place some strain upon the American economy." Why, Mr. Speaker, does President Truman now a month after the Greek-Turkish military debate acknowledge the fact that his program inevitably pushes prices up under the present situation?

At the time the Congress was debating the Greek military program, the White House was sending out its propaganda boys and its press releases announcing that prices could be pushed down by voluntary efforts. They knew then and they know now that their foreign program will push prices up. It will push wages down. It means a substantial cut in the living standards of the American people. The hypocrisy, Mr. Speaker, that distinguishes the Truman doctrine is nowhere more clearly demonstrated than in the hysterical attack which President Truman launched on BOB TAFT because BOB TAFT took the trouble to tell the American people the truth about the economic effect within America of this insane Truman doctrine.

Thus, Mr. Speaker, General Marshall forgets that the United Nations exists and President Truman belatedly acknowledges that American prices will be driven upward by his foreign program. Frankly, Mr. Speaker, the State Department needs a thorough house cleaning. The military minds which have come to dominate our foreign policy will lead us into war. Their policy of entangling military alliances will bankrupt America. It will force taxes and prices up and living standards down.

General Marshall in his speech last week said that a huge new program of giving away American dollars lies before us. He was speaking only of Europe. For some reason, he did not mention South America. Well, Mr. Speaker, the House will undoubtedly want to give a lot of consideration to the Truman doctrine and its application to South America. A bill has been proposed by the President to make South America into an armed camp at the expense of American taxpayers. I wish, Mr. Speaker, to submit a few questions to our State Department concerning its military program in South America: How much does the program cost? How will the program of arming the dictatorships in South America be paid for? How many revolutions have taken place in South America since 1930? How many civil wars have taken place in South America since 1930? How many changes in government have taken place in South America since 1930? Who will pay for the upkeep of the armaments which we propose South America should have? What is the continuing responsibility in terms of hard cash of this program for the militarization of the Western Hemisphere? What, Mr. Speaker, are the dangers of aggression against South American countries which have led to the formulation of this military program?

Mr. Speaker, I suggest that the State Department had best prepare itself to answer these questions. For my own part, I shall oppose with all my strength the proposal to militarize the republics of South America. It so happens, Mr. Speaker, that every South American country needs equipment to build up its industries. It so happens that most of them need farm equipment. More than half of the countries in South America import food. Starvation is a common situation in South America. If we are going to give any aid to South American countries it should be productive—not destructive. All the armed forces of the United States today are available for the defense of the Western Hemisphere from outside aggression. Not one single additional gun or airplane is needed for the defense of any South American country from aggression. The policy proposed by President Truman to arm such a dictator as Peron in the Argentine will lead to wars in South America and possibly to wars against the United States. It is a policy of criminal waste and can only be the product of a mad military mind which considers that security lies only in armaments rather than in the productiveness and political democracy of a nation.

There have been numerous statements, Mr. Speaker, emanating from our State Department that we were determined to intervene in China, in behalf of the government of Chiang Kai-shek. Apparently some people at the State Department did not like the fact that I revealed on the floor of the House that five divisions of American military equipment had fallen into the hands of Chinese Communists. Apparently our State Department lives in such seclusion that they forget that the American taxpayer opposes any further waste of American funds in China's civil war.

If the United States wishes to do something about China, let us present the situation to the United Nations. If the United States feels that South America is in danger of aggression, let us present the matter to the United Nations. If the United States feels that the events in Hungary are an outrage, let us bring the matter before the United Nations. If General Marshall thinks that we need a ten-billion-dollar-a-year rehabilitation program for Europe, let him bring the matter before the United Nations. If we wish to stabilize the politics in France and Italy, let us bring the matter before the appropriate boys of the United Nations.

Mr. Speaker, a propaganda campaign is being waged by the State Department to build up war hysteria and war feelings—to justify in the minds of the American people unilateral military adventures and military alliances. It would be very well if for once the administration would recognize that it has made a basic mistake in the Truman doctrine. The American people have recognized it and if Mr. Truman persists with his advocacy of militarization of America and the world, he will find that the American people will relieve him of office in 1948.

The American people despise a two-faced policy. They despise waste and they despise inefficiencies. They oppose the military mind. They oppose dictators and dictation. They want no part of Peron, Turkish dictatorships, and Greek monarchies, particularly when they have to pay for them with taxes that are too high.

Frankly, Mr. Speaker, I think Mr. Truman would be better advised to enter the 1948 elections without the Greek monarchy, the Peron government and the miscellaneous dictatorships of the world riding on his back. In the meantime, I suggest that he think seriously about BOB TAFT'S statement that his foreign policy of military aggrandizement is pushing the prices that the American people pay up and not down.

(Mr. BENDER asked and was given permission to revise and extend his remarks and to include therein extraneous matter.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Messrs. WOLVERTON, HINSHAW, O'HARA, HUGH D. SCOTT, JR., and LEONARD W. HALL (at the request of Mr. ARENDS), from June 10 to June 14, on account of investigation of air accident at LaGuardia Field, N. Y.

To Mr. HESS (at the request of Mr. COLE of New York), indefinitely, on account of death in family.

CALENDAR WEDNESDAY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the call of the committees on Calendar Wednesday tomorrow be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following titles, which was thereupon signed by the Speaker:

H. R. 1288. An act to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood.

The SPEAKER announced his signature to a joint resolution of the Senate of the following title:

S. J. Res. 115. Joint resolution authorizing the Administrator of Veterans' Affairs to

continue and establish offices in the territory of the Republic of the Philippines.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 11, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

775. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill for the relief of Mr. Thomas D. Sherrard; to the Committee on the Judiciary.

776. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $120,000 for the Federal Security Agency (H. Doc. No. 315); to the Committee on Appropriations and ordered to be printed.

777. A letter from the Attorney General, transmitting a copy of his final report to the President on Government patent practices and policies; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 235. Resolution waiving points of order against H. R. 3756, a bill making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 552). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. H. R. 3372. A bill authorizing certain agreements with respect to rights in helium-bearing gas lands in the Navajo Indian Reservation, N. Mex., and for other purposes; without amendment (Rept. No. 553). Referred to the Committee of the Whole House on the State of the Union.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 554. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. KUNKEL: Committee on Banking and Currency. H. R. 3612. A bill to amend the Sugar Control Extension Act of 1947 so as to terminate the authority to allocate or ration refined sugar among users for home consumption without amendment (Rept. No. 556). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. FELLOWS: Committee on the Judiciary. S. 50. An act for the relief of Joseph Ochrimowski; without amendment (Rept. No. 555). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOBBS:

H. R. 3778. A bill to amend section 30 of the Revised Statutes of the United States (U. S. C., title 2, sec. 25); to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 3779. A bill providing for the incorporation of the United American Veterans and Auxiliary; to the Committee on the Judiciary.

By Mr. DIRKSEN:

H. R. 3780. A bill to amend section 5 of Home Owners' Loan Act of 1933, and title 26, chapter 4, section 14, of the Code of Laws for the District of Columbia, and for other purposes; to the Committee on Banking and Currency.

By Mr. HORAN:

H. R. 3781. A bill to authorize certain administrative expenses in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. VAN ZANDT:

H. R. 3782. A bill to provide for the payment of retroactive death pension to widows and children of veterans after 7 years continued and unexplained absence; to the Committee on Veterans' Affairs.

By Mr KENNEDY:

H. R. 3783. A bill to correct an inequity existing in the case of holders of adjusted-service certificates who did not accept payment in bonds under the Adjusted Compensation Payment Act, 1936; to the Committee on Ways and Means.

By Mr. CHAPMAN:

H. R 3784. A bill to authorize the Public Health Service to admit to its hospitals persons committed by State courts who are beneficiaries of the Service or narcotic addicts; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON:

H. R. 3785. A bill to authorize the State of Minnesota to condemn lands owned by the United States in the county of Cass, State of Minnesota, for fish propagation, and for other purposes; to the Committee on Public Lands.

By Mr. CELLER:

H. R. 3786. A bill to empower the Supreme Court of the United States to promulgate a code of ethics for attorneys at law practicing before the district courts of the United States; to the Committee on the Judiciary.

By Mrs. DOUGLAS:

H. Res. 236. Resolution making H. R. 2523 a special order of business; to the Committee on Rules

By Mr. PLOESER:

H. Res. 237. Resolution to provide additional funds for the expenses of the investigation and study authorized by House Resolution 18; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JUDD:

H. R. 3787. A bill for the relief of Mrs. Maria Smorczewska; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R 3788. A bill for the relief of Mrs. Mary Rurney; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 3789. A bill for the relief of Dr. Esther Chang; to the Committee on the Judiciary.

By Mr. SOMERS:

H. R. 3790. A bill for the relief of the estates of Arthur F. Saladino, Joseph Spivack, and Irving Weinberg; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

617. By Mr. BRADLEY: Petition of 73 voters of the Eighteenth Congressional District of California, urging that communism in this country be stopped and stamped out completely and that all Communists and communistic sympathizers be treated as traitors; to the Committee on Un-American Activities.

618. By Mr. HARDIE SCOTT: Petition of the Ukrainian American Citizens' Association, Inc., of Philadelphia, Pa., urging passage of H. R. 2910, a bill to authorize the United States during an emergency period to undertake its fair share in the resettlement of displaced persons in Germany, Austria, and Italy, including relatives of citizens or members of our armed forces, by permitting their admission into the United States in a number equivalent to a part of the total quota numbers unused during the war years; to the Committee on the Judiciary.

619. By the SPEAKER: Petition of the city of Paso Robles, Calif., petitioning consideration of their resolution with reference to endorsement of S. 866 and H. R. 2523; to the Committee on Banking and Currency.

620 Also, petition of Homer M. Mohr St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

621 Also, petition of Grant Teeters, Lakeland, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

622. Also, petition of Mrs. Albina Bibeau, St. Petersburg, Fla., and others petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 11, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father in Heaven, as we unite in prayer for Thy blessings upon the Members of this body, we know that Thou art lovingly concerned about the way we live and how we wear ourselves out, taking less care of ourselves than we do of our cars. Bless Thy servants, the Senators, with good health and good sense to preserve it. Bless the members of their families. May they commit them all to Thy care, that no leaden anxiety shall keep any man from doing his best work. We feel that we have to do so many things that we would rather not do, as we plead that we have no time to do some things we know very well we should do.

Help us to make wise choices and proper use of our time.

We wait upon Thee for the continual answer to our prayers.

In the name of Christ, Thy Son. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 10, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 49) against adoption of Reorganization Plan No. 2 of May 1, 1947, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

THOMAS D. SHERRARD

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation for the relief of Thomas D. Sherrard (with an accompanying paper); to the Committee on the Judiciary.

REPORT CONCERNING CONVERSION OF TWO COST-PLUS-A-FIXED-FEE CONTRACTS AND DISPOSAL OF A SHIPYARD

A letter from the Comptroller General of the United States, transmitting a report concerning the conversion of two cost-plus-a-fixed-fee contracts between the United States Maritime Commission and the California Shipbuilding Corp. to a fixed-price basis and the subsequent amendment of one of the fixed-price contracts to cover disposal of shipyard facilities and inventory to the contractor (with accompanying papers); to the Committee on Expenditures in the Executive Departments.

PETITION

The PRESIDENT pro tempore laid before the Senate a petition of the members of the Stuart (Fla.) Townsend Club, No. 1, praying for the enactment of the so-called Townsend plan to provide old-age assistance, which was referred to the Committee on Finance.

OLD-AGE ASSISTANCE—FLORIDA LEGISLATURE MEMORIAL

Mr. PEPPER. Mr. President, on behalf of my colleague the junior Senator from Florida [Mr. HOLLAND] and myself, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD Senate Memorial No. 2 of the Legislature of the State of Florida, memorializing Congress to enact a uniform system of old-age assistance and aid to widows and dependent children.

There being no objection, the memorial was received, referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

"Senate Memorial 2

"Resolution to memorialize Congress to enact a uniform system of old-age pensions and aid to widows and aid to dependent children

"Whereas security of the aged, widows, and dependent children has become a major problem before the American people, and, therefore, justice and the public welfare demand that ample provision be made for the protection of their health and to provide for their support; and

"Whereas the most feasible plan to solve the social and economic problem is the enactment by Congress of a uniform Federal Government program to provide an equitable distribution among our citizens of age 60 or more and among the widows and dependent children a sum sufficient to support and maintain them with respect and decency and in keeping with our American standard of living: Now, therefore, be it

"Resolved, That the members of the Senate and the House of Representatives of the State of Florida do respectfully memorialize and petition the Congress of the United States to immediately enact a national pension system for old age, aid to needy widows, and aid to dependent children, and create a fund for the maintenance thereof, the proceeds of which shall be distributed equitably for all citizens over 60 years of age, all needy widows, and all dependent children without regard to the sum paid or contributed by a State or other political subdivision; and be it further

"Resolved, That copies of this memorial be immediately transmitted by the secretary of state to the Senate and House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Florida."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. REVERCOMB, from the Committee on Public Works:

S. 451. A bill to authorize the Federal Works Administrator through the Commissioner of Public Buildings to provide space to accommodate the needs of the District Court of the United States for the District of Columbia, and for other purposes; without amendment (Rept. No. 260).

By Mr. ECTON, from the Committee on Public Lands:

S. 403. A bill authorizing the issuance of a patent in fee to Gideon Peon; with an amendment (Rept. No. 261).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BALL:

S. 1413. A bill to authorize the State of Minnesota to condemn lands owned by the United States in the county of Cass, State of Minnesota, for fish propagation, and for other purposes; to the Committee on Public Lands.

By Mr. REVERCOMB (by request):

S. 1414. A bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington; to the Committee on Labor and Public Welfare.

By Mr. MCGRATH (for himself and Mr. GREEN):

S. 1415. A bill to incorporate the Jewish War Veterans of the United States of America; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 1416. A bill to amend section 203 of the Federal Employees Pay Act of 1945; to the Committee on Civil Service.

By Mr. BALDWIN:

S. 1417. A bill for the relief of the city of Bridgeport, Conn.; to the Committee on the Judiciary.

By Mr. BALDWIN (for himself, Mr. MCMAHON, Mr. SALTONSTALL, Mr. LODGE, Mr. GREEN, and Mr. MCGRATH):

S. 1418. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. BUTLER:

S. 1419. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds; and

S. 1420. A bill to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii; to the Committee on Public Lands.

By Mr. WHITE (by request):

S. 1421. A bill to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; and

S. 1422. A bill to continue the authority of the Maritime Commission to operate tankers until July 1, 1948; to the Committee on Interstate and Foreign Commerce.

By Mr GREEN:

S. 1423. A bill to enable States and their agencies and political subdivisions to plan for the construction of public works; to the Committee on Public Works.

By Mr. KILGORE:

S. 1424. A bill to enable persons who served in positions in the National Youth Administration to acquire a classified civil service status; to the Committee on Civil Service.

By Mr. HATCH.

S. 1425. A bill conferring jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of Adolphus M. Holman; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1426. A bill to authorize certain administrative expenses in the Post Office Department, and for other purposes; to the Committee on Civil Service.

S. 1427. A bill to amend section 28 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, as amended; to the Committee on Public Lands.

S. 1428. A bill to amend sections 9 and 40 of the United States Employees' Compensation Act, as amended; to the Committee on Labor and Public Welfare.

By Mr. PEPPER:

S. 1429. A bill to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945; to the Committee on Banking and Currency.

S. 1430. A bill to provide that the name of Fred S. Knisley be added to the emergency officers' retired list of the Army of the United States; to the Committee on Finance.

By Mr. MORSE:

S. J. Res. 126. Joint resolution to provide for a suitable and adequate system of timber access roads to and in the national forests; to the Committee on Public Lands.

By Mr. LANGER:

S. J. Res. 127. Joint resolution to establish a joint congressional committee to investigate the loyalty of Government employees; to the Committee on Civil Service.

PRINTING OF PROCEEDINGS AT UNVEILING OF STATUE OF WILLIAM E. BORAH

Mr. DWORSHAK submitted the following concurrent resolution (S. Con. Res. 18), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed, with illustrations, and bound in such form and style as may be directed by the Joint Committee on Printing, 5,900 copies of the proceedings held in connection

with the unveiling of the statue of former Senator William E. Borah in Statuary Hall, Capitol Building, Washington, D. C., on June 6, 1947, together with such other matter as may be relevant thereto, of which 1,250 copies shall be for the use of the Senate, 3,750 copies for the use of the House of Representatives, and 900 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Idaho.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

INVESTIGATION OF COMPLAINTS OF CIVIL-SERVICE EMPLOYEES

Mr. BALDWIN (by request) submitted the following resolution (S. Res. 124), which was referred to the Committee on Civil Service:

Resolved, That the Senate Committee on Civil Service, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to (1) possible methods of settling differences between civil-service employees and their superiors concerning efficiency ratings, dismissals, reductions, and suspensions and (2) the desirability of establishing a board, or other body, to hear appeals concerning such matters and other subjects of complaint by civil-service employees, and to settle and adjust such matters and complaints. The study and investigation shall include the operations and results of the present system of review of efficiency ratings.

SEC. 2. The committee shall report to the Senate at the earliest practicable date the results of such study and investigation together with such recommendations as to necessary legislation as it may deem desirable.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 49) against adoption of Reorganization Plan No. 2 of May 1, 1947, was referred to the Committee on Labor and Public Welfare.

INVESTIGATIONS BY THE SENATE SMALL BUSINESS COMMITTEE

Mr. WHERRY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Pittsburgh Press of June 4, 1947 entitled "Keep Up the Steel Probe."

I read two sentences from the editorial:

The Senate steel investigation started out to show the problems of small manufacturers in getting scarce steel sizes.

* * * * *

This work has been done by the Steel Subcommittee of the Senate Small Business Committee, headed by Senator EDWARD MARTIN, of Pennsylvania.

Mr. President, I also wish to pay a high compliment to the work of the subcommittee, and what they have done.

I should also like to have printed in the RECORD a quotation from the business and finance department of the magazine Time for June 9, 1947, which calls attention to the fine work the Small Business Committee has been doing.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Press of June 4, 1947]

KEEP UP THE STEEL PROBE

The Senate steel investigation started out to show the problems of small manufacturers in getting scarce steel sizes.

It did that, and more.

It turned up evidence of forgery, fraud, and burglary. It showed extensive "daisy chains" of fly-by-night steel brokers, deluding and defrauding their customers—and sometimes each other.

It showed that much of the gray market is due to heavy bidding by South American buyers—principally in behalf of Argentina, where a 5-year plan and an armament program are being undertaken simultaneously.

This work has been done by the Steel Subcommittee of the Senate Small Business Committee, headed by Senator EDWARD MARTIN, of Pennsylvania.

Much of it has been far afield from the problem of small business, but it has a tremendous bearing on the troubles small business is having. We'd like to know more—for instance, about the steel that goes into export while United States factories are forced to close down for lack of material.

The investigation already has cost more than originally was intended. The Small Business Committee has only $50,000 to spend on all of its investigations—the steel shortage being only one.

Under the circumstances, the committee will have to ask for more money or shorten its steel hearings at a time when sensational charges and countercharges still are pending.

That would be a mistake for several reasons. The hearings thus far have helped small business. There is evidence that the supply of steel is easing. They have exposed rackets in a manner that will warn businessmen against shady deals in which they can lose their money and get no steel.

It would be unfair not only to small business, but also to the large basic steel producers, to end the investigation without giving them a chance to answer the charges hurled at their industry.

Exposing rackets, rascality, and bad practices can result in savings to all business and in maintaining industrial employment. The Senate would invest its money wisely by continuing the investigation.

[From Time magazine of June 9, 1947]

STEEL—THE DAISY CHAIN

The steel shortage has cut deep into the production of big corporations. For many a small manufacturer it has been a worse misfortune; some have been forced to shut up shop completely. To head off this blight to business, the Senate's Small Business Committee is trying to find out why small buyers can get no steel. What it found out in hearings last week was that little businessmen can buy steel—if they are willing to pay fabulous prices for it.

One small businessman named David Hillstrom, proprietor of the Corry-Jamestown Manufacturing Corp., of Corry, Pa., testified that in the last year he has paid $206,000 above the mill price for sheet steel. And he paid $18,000 more for steel he never got. He is now paying from $250 to $280 a ton for sheet steel (mill price: $50 a ton) to keep his plant going.

Arthur Boehn, of Cleveland's Boehn Pressure Steel Corp., said that his company had paid up to 14 cents a pound (mill price: around 3 cents). Last week he gave up in disgust, laid off his 100 employees, shut his plant.

MARKET IN GRAY

Solely responsible for this state of affairs was the gray market daisy chain of steel brokers. The committee was not able to pin down the exact workings of the gray market. But the plain assumption was that steel flowed into it from brokers able to buy from mills, by virtue of prewar dealings, or from manufacturing companies with excess supplies. Instead of canceling their mill orders, as they usually would, these companies took delivery and turned the steel over to brokers at a fat profit. As each party in this daisy chain got his cut, the price was run up and steel was kept out of the normal channels which supply small businesses. The fantastic workings of the chain were described by two would-be steel buyers, L. C. Durham and E. A. Kerschbaumer.

Durham, a Chicago fabricator and steel broker, joined the daisy chain through a broker named McAleer, who phoned him long distance. If Durham could be in New York that night, said McAleer, he could buy 100,000 tons of steel. Too eager to pack, Durham grabbed a spare shirt, flew to New York, and hurried to the rendezvous in a suite in Manhattan's Hampshire House.

MARINE RESCUE

The suite was in the name of Kerschbaumer, a Pittsburgh supplier, who had been lured there himself by a promise of 300,000 tons of steel. Also present were middlemen, lawyers, and "company representatives" who assured the buyers that they would have confirmation of the orders from the mills in the morning.

But confirmation did not come the next day, nor for 6 weeks thereafter. Durham, who expected to go home daily, washed his linen in the bathtub. Kerschbaumer, who claimed he had a $40,000,000 letter of credit to back up his bid, said he also agreed to pay the supposed mill representatives a bonus of $18,000,000—at around $62 a ton—for distribution among mill executives. Still he could not close the deal.

One Brooklyn exporter named James Boyle got so mad at the delay, said Kerschbaumer, that he burst in with two very apparently gangster types with guns, demanded 50,000 tons of steel or else. Durham, a husky ex-marine, happened to walk in just then and relieved them of their guns.

DEAD END

Finally, a man named Herbert Karp showed up with what seemed to be confirmation of a 248,000-ton order to be filled by the Firth-Sterling Steel & Carbide Co., of McKeesport, Pa. The buyers, including Kerschbaumer, who had spent $63,000 in entertainment and bonuses, then made their deals for the steel and went home. But no steel was delivered.

Last week the committee found out why; the letter was a phony. And it reached the dead end of the daisy chain when Boyle and Karp appeared. Boyle, a onetime Hollywood scripter, vehemently denied that any of his party had pulled any guns, though he did admit that one of his companions was carrying a revolver—a small one—in his pocket. Karp pleaded even greater innocence on the subject of the phony confirmation. It was handed to him in a Pittsburgh hotel lobby, he said, by a stranger. He had no idea how it happened to bear the signature, apparently not genuine, of an official of the Firth-Sterling Co.

"I learned that it's the easiest thing in the world to pick up the telephone and buy more steel than the whole industry can manufacture in a year," he said plaintively. "Only you never do get delivery."

ST. LAWRENCE SEAWAY—EDITORIAL COMMENT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial from the Cleveland (Ohio) Plain Dealer entitled "Sectional Short-Sightedness," and

an editorial from the Dispatch-Herald of Erie, Pa., entitled "The St. Lawrence Seaway Is Needed."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Cleveland Plain Dealer of June 7, 1947]

SECTIONAL SHORT-SIGHTEDNESS

Opposition to the St. Lawrence seaway and power project, which is again the subject of Senate hearings, has been based all along for the most part on mistaken selfish interests. But none of the opposition of this nature comes with less grace than the sectional opposition of the South.

There are many northerners who have felt that the TVA development was unfair in that it poured northern tax money into a project which, they believed, would benefit the South at the expense of the North. Less sectionally minded northerners, however, have recognized that whatever benefits any part of the United States economically or socially must ultimately benefit the entire Nation.

Opponents of the TVA have come to recognize that, whatever else may be said about that project, it proved a most valuable asset during the war; for it is probable that without TVA's added power output, war industries might not have had enough electricity and the atomic bomb development would have been next to impossible.

The South and other sections which fear—without good reason, we believe—that the St. Lawrence project would harm them cannot afford to overlook the testimony given in favor of that project by Secretary of State Marshall, the wartime Army Chief of Staff.

This project would be a wartime asset, Marshall said, because it would provide a vital new line of communication between the coast and the Midwest, a line of communication safe from submarines for at least a third of its length; because it would assist the over-all industrial development of the Nation's natural resources and strengthen the United States-Canadian plans for hemisphere defense and because it would assure a tremendous source of electric power comparable to that of the Tennessee Valley Authority.

Marshall is in a position to know what he is talking about. He knows what the needs of the last war were and what those of another war probably would be.

If the opponents argue that the seaway and its power project would be vulnerable in an atomic war, the answer is that so will be every other installation of any kind for defense purposes. We don't refuse to build a battleship or an aircraft carrier because it would be something for an enemy to shoot at.

[From the Erie Dispatch-Herald of June 5, 1947]

THE ST. LAWRENCE SEAWAY IS NEEDED

Every great advancement means that some older insitution must give way in part, or even whole. The automobile doomed the buggy and the railroads doomed the canal and stagecoach.

The St. Lawrence seaway would encroach upon the business of railroads and lake shippers, and the power it would produce would not be welcomed by certain affected utilities. Yet we think these interests exaggerate their claims and indulge in unnecessary alarm.

Lake shipping could be protected easily by restricting traffic to transocean freight; electric power is vitally needed in the districts affected; the railroads would, we are certain, gain more business than they would lose.

The great need for the seaway as a means of achieving the maximum potential efficiency of the American economy in time of peace or war is obvious to all except the selfish interests.

Hearings are being held in the Senate in another effort to obtain congressional sanction of the project. Men of prominence in many fields, and representing nothing except the good of the country, are trying again to overcome the powerful lobby that has blocked the seaway.

In an era when this country needs every resource it can muster to strengthen itself against the potential onslaught of its enemies, selfish interests should be made to give way for the common good.

ADDRESS BY JAMES A. FARLEY BEFORE CANADIAN EXPORTERS' ASSOCIATION

[Mr. McGRATH asked and obtained leave to have printed in the RECORD an address entitled "World Trade and World Peace," delivered by Hon. James A. Farley before the Canadian Exporters' Association, at Toronto, Canada, on June 4, 1947, which appears in the Appendix.]

CONSERVATION FARMING—ESSAY BY MISS MURIEL MOORE

[Mr. ROBERTSON of Virginia asked and obtained leave to have printed in the RECORD an essay entitled "Conservation Farming," written by Miss Muriel Moore, a student in the New Market High School, New Market, Va., which appears in the Appendix.]

BROADCASTING OF PROCEEDINGS OF CONGRESS—ARTICLE BY JACK H. POLLOCK

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Let's Put Congress on the Air," by Jack H. Pollock, published in Pageant magazine of July 1947, which appears in the Appendix.]

DESTRUCTION OF POTATOES—ARTICLE FROM BUSINESS WEEK

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article entitled "Doing the Communists Work for Them," from Business Week, May 31, 1947, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. BALDWIN. Mr. President, I ask unanimous consent to be absent from the Senate this afternoon, and also Friday and Monday.

The PRESIDING OFFICER. Without objection, consent is granted.

COMMITTEE MEETING DURING SENATE SESSION

Mr. TAYLOR obtained the floor.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. AIKEN. I ask unanimous consent that the subcommittee of the Committee on Labor and Public Welfare may hold committee hearings on the anti-discrimination bill during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. AIKEN. I thank the Senator from Idaho.

Mr. TAYLOR. Mr. President, I am always happy to yield to the Senator from Vermont.

Mr. AIKEN. I might observe that I think the Senator from Idaho is very much interested in the bill on which the subcommittee is holding hearings.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

Mr. TAYLOR. Mr. President, I have been reluctant to enter into the debate on the pending bill, S. 110, because I am not a lawyer and I know that the antitrust laws have been interpreted by a highly complex group of judicial decisions. But this measure is so sweeping in its scope, so destructive of the ideals upon which this Nation was founded, that I feel impelled to state my reasons for opposing it with all the resources at my command.

It would appear that this proposed legislation is yet another attempt to deprive the courts of jurisdiction over a case which is before them for decision. It is an attempt to amend the law before we know what the courts declare the law to be. It is an attempt to legislate the decision in a particular case which is now undergoing the judicial process.

Mr. President, I submit that it is, therefore, special legislation of the worst sort.

If the Congress approves such a bill as this, it is saying to the Supreme Court of the United States, in effect, "We do not care to have you decide this case. We will decide it and relieve you of responsibility. The separation of the power of the legislative from that of the judicial need not apply."

The State of Georgia and the Department of Justice both have initiated legal action in the Federal courts to curb railroad practices which they deem to be in violation of the antitrust laws passed by Congress. Yet, in advance of the Court's decision in these cases, the Senate of the United States is asked to amend the law so that the railroads will be exempt from the antitrust laws, which are binding on other forms of business enterprise.

The bill under consideration, S. 110, is a descendant of the Bulwinkle bill which was introduced in the Seventy-ninth Congress and failed to become law when opposed by the Democratic majority in the Senate. The language is changed, but the effect is the same.

In brief, S. 110 would free common carrier transportation agencies from the operations of the antitrust laws. It is an obvious and undisguised attempt to obtain special privileges and protection for a system of monopoly practices that affect the economic life of the people in every city, town, and village in the United States. It is an effort to pass legislation for the benefit of special interests that have the power to foster or retard the economic development of whole regions by the control exercised over the lifeblood of commerce—the transportation industry.

The control of the monopoly group is exercised over both transportation rates and services, as I shall show presently. The world, in its chaos today, is looking to the United States for economic leadership. And what is our answer today? Consideration of legislation to weaken the system of free competition, which we know to be the best in the world, and which we hold out to be the answer to the economic problems of the world.

It is passing strange that, with all the pressing matters concerning the future of civilization that drastically need attention, it is necessary to put these aside and consider legislation of which the railroads will be the principal beneficiaries, to the detriment of the public welfare.

In his great economic report to the Congress at the opening of this session, President Truman asked us to strengthen the antitrust laws as a bulwark against depression. Is this to be our answer?

I know those in favor of the bill will say that if the bill becomes law the Interstate Commerce Commission will look after the public interest. Despite all evidences of disregard of the public interest by the railroads in their violation of the antitrust laws presented in the hearings on the proposed legislation, the Interstate Commerce Commission has blandly insisted that the legislation is necessary, totally disregarding the public interest, in an effort to vindicate its own negligence in failing to realize and call attention to the abuses carried on in the various railroad organizations established for the purpose of fixing rates and hindering improvements in service.

THE ICC AND THE WEST

My colleagues from the West will be particularly interested to know that the Interstate Commerce Commission, which was established in 1887, 60 years ago, has never conducted a general investigation of freight rates in the far West.

The West is known in transportation terminology as mountain-Pacific rate territory. It is made up of the area lying west of a line drawn southward along the western borders of North and South Dakota, through Colorado, and then following the western boundary of Texas. Mountain-Pacific territory comprises about 40 percent of the land area of the United States.

At the present rate of progress, the Interstate Commerce Commission on its one-hundredth anniversary will have completed a general investigation of rates in the far West.

It is almost beyond belief that nearly one-half the United States is using a rate structure of the 1880's, with only the patches and makeshift changes that the Interstate Commerce Commission has from time to time seen fit to put on the old rate structure.

To the body that has been so remiss in its duty toward the West this bill would delegate the power to approve all agreements between railroads that would otherwise be in contravention of the antitrust laws.

I dare say that some of my western colleagues from the Mountain-Pacific area are not aware of the great discrepancies that exist in freight rates available to shippers in the far West when compared with those paid by shippers in the East to reach common markets approximately equidistant from the two shippers.

Let me give an example that prevailed prior to the recent general rate increases allowed by the Interstate Commerce Commission.

From Cleveland, Ohio, to Denver, Colo., the short-line rail distance is 1,329 miles; the first-class rate is $2.89 per 100 pounds.

From Portland, Orego., to Denver, Colo., the short-line rail distance is approximately the same, 1,364 miles, but the first-class rate per 100 pounds is $4.03—a difference of $1.14.

Under the ICC decision in Docket 28300, the rate from Cleveland to Denver was ordered lowered to $2.57—increasing the difference to $1.46 per 100 pounds in favor of the eastern shipper.

We in the West rejoice with our friends east of the Rocky Mountains in their good fortune in obtaining a reduction in freight rates.

I think it is fair, however, to call attention to the fact that the Interstate Commerce Commission, in 60 years of its existence, has not seen fit to discharge its duty to examine the general level of similar rates in Mountain-Pacific Territory to ascertain whether we in that territory are due a more equitable rate structure.

Can we expect the Interstate Commerce Commission to discharge additional duties when it has failed to discharge those assigned to it for over half a century?

Will it exhibit the same sluggish lassitude and disinterest in preventing concentration of power on an economic basis as it showed in preventing concentration of power on a geographic basis?

Mr. President, when the day comes upon which we look to the ICC for protection of our economy against trusts, monopolies, and cartels, then Heaven protect us.

There is another question that occurs to me.

Why is this bill so important that it must be placed on the calendar ahead of the vital subject of housing?

Why has the majority so long delayed consideration of the excellent housing bill of the senior Senator from Ohio [Mr. TAFT], which has long since been reported by the Banking and Currency Committee?

Rents are to be raised, veterans are still tramping the streets looking for homes, they are still doubled up with their in-laws.

Yet we forget the heroes who saved us yesterday.

We have no time to consider the Taft-Ellender-Wagner housing bill. We have no time to consider the veterans' emergency housing bill (S. 701).

No; we are too busy watering down the antitrust laws.

Truly, Senate bill 110 is class legislation for the benefit of a few, forced in ahead of measures that are of vital concern to most of the people of the United States.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAYLOR. I am happy to yield to the Senator from North Dakota.

Mr. LANGER. I want to suggest that in the list of things that have not been considered are old-age pensions. I call the Senator's attention to the fact that, last year, when we raised our own salaries, old-age pensions were raised $5 a month only. At that time it was promised that the matter would be considered and studied. Up to the present time, nothing has been done, even though Senators are now again talking of adjourning in a few weeks and going home. I want to compliment the distinguished Senator from Idaho on the very fine talk he is making.

Mr. TAYLOR. I thank the Senator from North Dakota for mentioning the subject of old-age pensions. I am vitally interested in it, and certainly I am prepared at any time to join with anyone who will seek to give our senior citizens a more just share of the fabulous production of this great country.

THE LINCOLN CASE

What are the antitrust charges made by the United States Government against the railroads, their associations, and bankers?

The suit is one filed in the United States district court, at Lincoln, Nebr., charging violation of the Sherman Act by the railroads, by J. P. Morgan & Co., and by Kuhn, Loeb & Co.

The indictment against them charges the fixing of discriminatory freight rates and the retarding of improvements in railroad services, equipment, and facilities.

The case is known as the United States of America against the Association of American Railroads, and others, and is known as the Lincoln case or the Western Railroad case.

Most of the large railroads west of the Mississippi River are defendants.

Generally, it is charged that the western railroads entered into the so-called western agreement under which no improvement in railroad services and facilities or reduction in rates could be made except after notification to all other railroads participating in the agreement.

If there was a protest, it was referred to the western Commissioner, who was the czar of the plan, for a proposed solution by him.

If the czar's proposal was not accepted, the coercive power of a committee of directors with headquarters in Wall Street, the Mount Olympus of the railroad business, was invoked.

The membership of the committee of directors was a cross-section of powerful economic and financial interests in the country.

Pressure by this group was effective in most cases to bring into line the recalcitrant western railroad managements which occasionally had the effrontery to assert managerial discretion to improve service or lower rates in order to obtain new business.

Simply and briefly stated, the plan was one to eliminate competition between the railroads in the West by forestalling any changes not satisfactory to the members of the conspiracy.

In short, an enterprising railroad was prevented from disturbing the status quo by the veto power of interests who maintain their dominant position by perpetuation of the existing status of the railroad industry.

Reductions in rates and improvements in service by an enterprising competitor serve the public interest but conflict with interests of monopolists who fear competition based upon better services for lower rates.

It is sufficient to say at this point that final power over all matters relating to railroad rates and services in the United States is vested in the Association of American Railroads with headquarters in the Transportation Building here in Washington.

Mr. President, there stands the citadel of power which has decreed that the West shall enter the competitive race under a handicap.

The acts charged to the defendants are matters that are of vital concern to the businessman and the farmer in the West, because the acts relate to the everyday matters of transportation on which the success or failure of economic enterprises so often depends.

I offer for your consideration some of the acts performed by the railroads on which the case is brought.

As most of the evidence in the Government's case is from the railroads' own records, there is no doubt of its authenticity.

One matter handled by the Western Commissioner related to potatoes. In this I was particularly interested because Idaho potatoes are justly famous for quality and flavor.

I grant that North Dakota raises some very fine potatoes also.

Mr. MURRAY. If the Senator will yield, I should like to inquire what his opinion is with reference to Montana potatoes?

Mr. TAYLOR. Montana potatoes are very fine. Inasmuch as the Senator from Maine is not on the floor, I do not have to mention Maine potatoes. We will just forget them.

Mr. MURRAY. Of course, the Senator will recognize that Montana was the first State to start the "big potato" habit in the United States. We introduced it in the Northern Pacific dining cars. The Northern Pacific began calling their line the "great big potato route." Montana is entitled to credit for having started in the United States this vogue of fine western potatoes.

Mr. TAYLOR. Mr. President, I want to apologize. The senior Senator from Maine is on the floor, but, whenever I start talking about potatoes, I always look in the direction of the desk where the junior Senator from Maine sits, because we have been together on several propositions having to do with protecting the interests of potato growers. But I want to say that the Maine potatoes are very fine. I might say that, last year, we had our annual "to-do" about potatoes, here in Washington—a dinner, featuring competition between Maine potatoes and Idaho potatoes. The dinner was held in the family dining room of the Senate. I sat across the table from the wife of the Governor of Maine. On each plate there were two potatoes, a Maine potato and an Idaho potato. The Maine potato was round. The Idaho potato was just as big around, but longer. It is a bigger potato. Everybody was cutting the potatoes open. It was all very beautiful. I cut open the Maine potato; it was beautiful, indeed. I cut open the Idaho potato; the center of it was about the color of one of the cigars I smoke.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. TAYLOR. I am happy to yield to the Senator from Maine.

Mr. WHITE. I am glad to hear the Senator's defense of Idaho potatoes; they certainly need it. Maine does not require such defense. Maine's potatoes speak for themselves, and the waiting markets gather them in.

Mr. TAYLOR. The producers of Maine potatoes are able to sell their potatoes, that is true, but I think it will be found that many high-tone restaurants advertise Idaho potatoes as a drawing card.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. LANGER. I call attention to the fact that when either Idaho or Maine want potato seed they buy the seed in North Dakota.

Mr. TAYLOR. Mr. President, in 1946 the State of Idaho produced 42,000,000 bushels of potatoes, of which 32,000,000 were shipped by rail outside the State. In other words, we like our potatoes so well that we consumed 10,000,000 bushels of them ourselves.

Furnishing heater service to prevent the freezing of potatoes during the winter months is extremely important in order that potatoes may reach the markets unimpaired in quality.

One railroad, the Chicago & North Western, proposed to discontinue charging shippers for heater service in order to meet the competition of trucks.

In a letter to the committee of directors from the western Commissioner's files, the czar stated:

Proposed cancellation of heater charges on potato shipments.

That was the heading of the letter.

The practice of furnishing heater service for perishable commodities during winter months is one of long standing in western territory, charges being assessed to cover this additional service. However, in order to meet competition offered by trucks in bringing potatoes to the Chicago market and furnishing such heater service at no expense to the shipper, one of the lines proposed to discontinue any charge for providing this service. The other roads invoked the services of the Commissioner in an endeavor to have such action held in abeyance, stating that similar cancellation of heater charges would, of necessity, have to be made by competing lines, with resultant decrease in net revenues. This matter is now receiving consideration. However, further meetings of all interested roads are being held in an effort to arrive at some equitable practice to be put in effect for next season. In the event the matter is not satisfactorily adjusted in that manner, I shall, within a short time, furnish my conclusions as provided under the Commissioner plan.

Later, in a letter, dated October 2, 1933, to the committee of directors, the western Commissioner, the czar, stated that the proposal had been killed in accordance with his recommendation.

These are his regal words:

Proposal of C. & N. W. Railway Co. to eliminate charges for heater service on potato shipments.

With my letter of September 1, I enclosed copy of my Circular C-6-1 of August 23, 1933, on the above subject, embodying my conclusions in this case and recommending against the proposal. Advice was subsequently received from Mr. F. W. Sargent, president of the C. & N. W. Railway Co., that my conclusions were accepted and that they would be governed accordingly.

In other words, Mr. President, here a railroad wanted to lower the charge, that is, not charge extra for the heater service in shipping potatoes, but the big czar said "Nothing doing. You will charge just the same," and the railroad meekly fell in line.

Thus speaks his majesty.

Certainly, such a procedure as this is not in accord with the best interests of the farmers in the West. At the very least it raises a question of a violation of the antitrust laws which should be decided by the courts.

Everyone knows the importance of the livestock industry to the West. The great variety of packing-house products made from western livestock has a vast distribution to all parts of the Nation.

We find an instance of the western Commissioner taking a hand to block the efforts of an enterprising railroad to lower rates on packing-house products.

The western Commissioner was appealed to when the Chicago Great Western announced its intention to assert independent action and publish reduced rates on packing-house products.

After hearings the czar concluded that the reductions should not be made effective.

This conclusion was unacceptable to the Great Western, so the czar promptly reported that railroad's insubordination to the committee of directors in their temple in the clouds on Wall Street.

A resolution was immediately adopted by the committee calling upon the Great Western to reconsider and recede from its proposed action.

Shortly thereafter President Joyce, head of this recalcitrant railroad, was called to the carpet in New York to discuss with a group of the committee of directors his declination of the Commissioner's decision.

Later, in his annual summary the western Commissioner reported:

As a result of the conference with the subcommittee of the committee of directors, the Chicago Great Western Railroad Co. indicated a willingness to abide by my conclusions under the Commissioner agreement, and the proposal was withdrawn.

When the czar had failed, the gods prevailed.

The unholy idea of competition was exorcized from the tabernacle, and the railroad president, hat in hand, went down the elevator, a chastised man.

Naughty fellow—proposing to lower rates on livestock.

Let the farmers, the growers, and the stockmen pay higher rates, let the housewife pay higher prices, or let the neighborhood butcher absorb the difference, but do not try to lower those sacred railroad rates.

DISCRIMINATORY RATES

There are hundreds of examples of how such enormous powers in the hands of a private railroad supergovernment would work to the disadvantage of the West and the South.

We from the west here were heartened recently by the action of the United States Supreme Court in its decision in the case of New York against the United States.

That decision delivered a body blow at the freight-rate structure which has inhibited the development of what eastern bankers like to think of as colonial areas.

Under the discriminatory freight rate set-up, which has existed for many years, manufacturing in the West has been discouraged while manufacturing in the Northeast has been encouraged.

The railroad boys sat down together many years ago and decided that the industrial hub of our country should be just where it was in the 1800's, and that developing territories such as Idaho and Georgia should be mere colonial outposts, useful for raw materials which would be shipped to eastern factories for processing, and useful as markets for those raw materials after they were manufactured.

Freight rates have been so arranged as to permit the East to take the raw materials out of the South and the West cheaply and, at the same time, to block any attempt on our part to ship finished products to the East.

This decision of the Supreme Court seems to make clear that the Interstate Commerce Commission has the authority to lower freight rates.

By this decision the ICC is empowered to do what the State of Georgia and what the Justice Department have been trying to do through their suits against the railroads.

It may break up this discriminatory rate system.

But if S. 110 becomes the law of the land these suits and decisions will be swept aside.

The railroad private government will again have power to coerce carriers to make rates subject only to the always gentle and always considerate ICC.

Mr. President, let me give another example of the way in which this freight rate discrimination works. Our Idaho wool growers must ship their product all the way to the Boston wool market to sell it. Not only must they pay freight to a point far distant from Idaho, but they must pay freight on the dirt which the wool contains.

There are no wool-cleaning plants in Idaho, because of the freight rate structure and other factors. Therefore, wool is sold "in the grease" as they say in the trade. That means that Idaho woolgrowers pay freight charges to transport as much dirt as they do wool. Idaho wool, uncleaned, runs about 53 percent to 61 percent foreign materials. If we had a processing plant and marketing facilities in Idaho that freight rate could be saved.

Likewise the freight in shipping finished materials—suits, blankets, and clothes of all kinds could be saved. We buy back much of our own wool in the form of finished products—products manufactured in the East. It is the lopsided freight rate structure which makes this sort of hi-jacking possible.

The simple and sensible thing would be to process or clean the wool in Idaho, weave it into cloth in Idaho, and even make suits and blankets in Idaho. It would be a great saving not only to the people of Idaho, the producers, processors, and laborers of Idaho, and would redound to their benefit, but it would also be a saving to all the people of the United States. They would ultimately save these freight rates. But the railroad freight rates on finished goods moving east prohibit this.

S. 110 is a bill that will allow this situation and such schemes as the western Commissioner plan to continue in operation unchecked by liability, to antitrust prosecution, restricting competition in the field of transportation to the detriment of the West.

PRACTICES UNDER WESTERN AGREEMENT

There is documentary evidence available as to the misdeeds of the western Commissioner and committee of directors under the western Commissioner plan on which I could talk for a week, and on which I should probably talk at least that long.

I shall, however, be content merely to list in abbreviated form a few more of the so-called accomplishments under the western agreement.

These are from hearings on H. R. 2536 in the Seventy-ninth Congress; let me read to the Senate this roll of infamy:

In 1934 reductions in rates on less-than-carload agricultural implements moving from Council Bluffs, Iowa, and Nebraska stations to points in Kansas were prevented.

In 1934 elimination of the absorption by St. Louis lines of the expense of trucking shipments from the rails of one line to the rails of another in St. Louis was accomplished. The railroads wanted to make these reductions, but the clearing house, with the czar presiding, said "No."

In 1934 a shortening of running time by 24 hours on California perishables into New York was prevented.

In 1934 reduced excursion fares of 1 cent per mile from Montana points to Chicago and return were prevented.

In 1934 a reduced fare of $57.40 from El Paso to the Twin Cities by way of St. Louis, Memphis, or Vicksburg was prevented.

In 1934 the construction of a spur track to serve an industry already served by one track was prevented through pressure applied by Committeeman Arthur Curtiss James, of 40 Wall Street, New York.

In 1935 a reduced $6 round-trip excursion-coach fare between St. Louis and Chicago was prevented.

Placing of motion pictures on passenger trains was prevented in 1936, and, in addition, it was agreed that no road would put facilities for recreation on any passenger train without giving 8 months' advance notice to all other western lines.

In 1937 reductions in rates on bananas, New Orleans to Shreveport, from 63 to 40 cents, were prevented, according to the Commissioner's letter of January 3, 1938.

In 1937 the Commissioner prevented the Wabash from establishing a week-end round-trip excursion fare of $3.65, Decatur to Chicago and return.

In 1938 the efforts of the Rock Island to substitute tourist cars for standard sleepers between Memphis and Los Angeles failed when the Missouri Pacific took the position that the proposal would break down the passenger-fare structure and make it necessary for other lines to put on tourist cars.

Efforts in 1939 to extend return time limit on round-trip excursion tickets generally to 6 months were unsuccessful.

In 1940 the efforts of the Missouri-Kansas-Texas of Texas to reduce rates on crude oil between the Shreveport group points and Texas points were unsuccessful when the Commissioner, or czar, disapproved.

In 1940 the efforts of the Illinois Central failed to establish the convenience of credit cards good for railroad tickets, pullman tickets, dining and buffet service, all-expense tours, and baggage charges.

In 1941 the Missouri Pacific, by agreement of March 28, 1941, agreed to a slowdown in delivery of carloads of goods at Wichita coming from St. Louis and points east and northeast thereof.

Even transportation involving the sports life of the country was not free from interference by the western conspirators. Football excursions felt the touch of the conspiracy. On November 9, 1935, the Commissioner was involved in the making of an agreement among Texas lines that no intrastate football excursion fares in Texas would be established without the Commissioner's study thereof to determine whether they were in line with his previous opinion on the subject dated August 3, 1935.

This agreement was the result of the action of the M.-K.-T. of Texas in establishing a football excursion fare of $3.15 instead of $4.20 between Austin and Dallas, Tex., in connection with a game at Dallas on October 12, 1935.

Attention is called to an interesting case, Union Pacific Railroad Company against Spano, decided by the Supreme Court of Colorado in 1936, in which a Colorado receiver of grapefruit was able to recover damages from a railroad for slowing up a delivery to him.

Delivery of the shipment, which arrived in Denver about 10:40 a. m. on a given date, could have been made within from 15 minutes to 2 hours, as the consignee demanded, but was forbidden by the railroad during business hours of that day. Delivery was purposely and willfully held up until the following day. In consequence, the market value declined. The fruit dealer sued and won a judgment for damages.

The verdict was challenged by the railroad on the ground that it was forced to take this high-handed action because of an agreement previously entered into by all Denver delivering railroads. That agreement provided that freight of the character involved arriving after 7 a. m. should not be delivered before 5:30 p. m. of the same day. That, of course, means that delivery is delayed until the next day.

The Supreme Court of Colorado, however, upheld the receiver of the grapefruit at Denver.

Apparently the western railroads by their agreements are violating State laws in addition to the Federal antitrust laws.

But let us consider for a moment the effrontery involved in that case.

Imagine a railroad coming into court and admitting, nay asserting, that its arbitrary, inconsiderate, arrogant, and tyrannical action in withholding delivery of fruit for a full day was a part of a prearranged, ordained, and codified canon of railroad ethics.

Mr. President, is this the industry to which we are now asked to give special privileges and special exemptions from the antitrust laws?

Are we to tell them, "Go and sin some more"?

Are we to take away the public's last shred of protection and turn shippers, merchants, farmers, and passengers over to the railroads?

With the experience of effective action of the nature I have recounted under the western Commissioner plan as a background, the Association of American Railroads was formed.

In 1933 preliminary discussions among banking and investment groups led to formation of a steering committee to represent stockholding and investment interests in creating a national organization for the central control of railroad affairs including, of course, freight rates.

THE ASSOCIATION OF AMERICAN RAILROADS

On September 21, 1934, the plan was approved by a joint meeting of the member lines of the American Railway Association and the Association of Railway Executives.

A steering committee which represented the financial interests stood ready to exert its influence and the influence of its associates among directors and substantial stockholders to compel the subordination of interests of individual railroads to the dictates of group interest.

This assured the cooperation of railroad directors.

President Williamson of the New York Central expected that the activities of the Association would produce some unhappiness, but, as he observed to President Atterbury of the Pennsylvania, all must expect in the common good "to be pinched in places where it will hurt."

The smaller roads were somewhat dubious of the mutual benefits to flow from the pinching.

At least two small roads, the Bangor & Aroostook and the Wheeling & Lake Erie, sought to join with specific provisions reserving the right to resist association decisions affecting their respective roads.

Even this limited retention of individual initiative was rejected by the association, and Vice President Cleveland of the Association of American Railroads sought to reassure the doubtful by telling them that as far as possible his policy should be "a cooperative one through leadership rather than through coercion."

But he did not disavow the power to coerce.

He merely promised to refrain from using it so long as the smaller roads behaved.

Ultimately, of course, the very power that produced their fears compelled the small roads to join.

This was an "or else" proposition.

The Association of American Railroads was superimposed on the machinery established in the West, the East, and the South for handling the fixing of freight rates by the railroads.

That is, the Association of American Railroads is the supreme appellate authority to which appeals are made when the regional rate machinery is unable to keep the railroads in line.

The Association of American Railroads, since its organization in 1934, has been very active in preventing rate reductions.

On several occasions, according to its own records, the association has either hastened the effective date of rate increases or persuaded rail carriers to raise rates.

The association is very proud of this.

Concerning one of the general increases in freight rates granted by the Interstate Commerce Commission, the Association of American Railroads boasted that—

largely through cooperative efforts of this department—

That is, the traffic department of the Association of American Railroads—

the effective dates of the advances were set forward at least 15 days earlier than was anticipated.

This means that the people of the United States were saddled with this general rate increase 15 days earlier than would otherwise have been the case had it not been for the Association of American Railroads.

In regard to increased rates on specific items the Association of American Railroads has reported, for instance, that it had secured an increase in the rates on rice by means of cooperation between the common-carrier barge lines operating on the inland waterways and competing rail lines.

Likewise, it has claimed credit for "securing an advance in the cotton rates in both southwestern and southeastern territories."

The records of the Association of American Railroads show many, many other instances in which the association's activities have increased the cost of transportation.

I have picked at random a few of the instances.

Let me read to you from another roll of infamy.

This time the misdeeds are those of the Association of American Railroads:

It persuaded the Chicago lines from increasing their absorption at the Union Stock Yards covering services for livestock. If established at Chicago this policy would have been extended to all markets in Western Territory. It would have saved livestock shippers an estimated $1,000,000 per annum.

It persuaded the southwestern and the western trunk lines to increase their rates and minimum weights on furniture to avoid a reduction in the rates and minimum weights on furniture originating in Eastern and Southern Territories.

The southern and southwestern lines undertook to reduce their rates on paper and pulpboard into the northern markets. This probably would have resulted in a reduction in the rates on the entire paper group and paperboard group from the North. This controversy was finally adjusted by increasing by 10 percent the level of rates which had been proposed by the southern and southwestern carriers.

Largely through cooperative efforts of the Association of American Railroads' traffic department the rates on imported vegetable oils from Gulf and South Atlantic ports have been increased from 3 to 6 cents per 100 pounds, making it unnecessary for what otherwise would have required a reduction from North Atlantic ports.

Largely through cooperative efforts of this department the effective date of the advances were set forward at least 15 days earlier than was anticipated.

It also prevented many reductions in the rates on soda products and created an understanding as between the lines in the Eastern and Southwestern Territories to keep rates up.

It persuaded the Comptroller General to change his rulings to the effect that land-grant deductions should be made in reduced rates on animal food products in the drought-relief territory. Thus, the Government's appropriation for drought relief was cut into for the benefits of the railroads. No humane feelings stay the avariciousness of the carriers.

It persuaded the southern lines not to make a reduction in their citrus-fruit rates which, if made, would have caused a similar reduction in rates from producing points in Texas and California; and the AAR action thus cost well over $1,000,000 per annum.

It has been instrumental in having a policy adopted by the individual railroads not to make joint rates with trucking companies, the result of which has cost shippers and consumers a considerable sum of money.

It persuaded the eastern lines to refrain from rescinding their wharfage charges on coal, which would have represented a considerable saving to shippers.

The AAR traffic department assisted in avoiding suspension of increased rates by the Interstate Commerce Commission and in obtaining modification of other orders or requirements of the Commission that might have resulted in reductions in rates.

It has participated in conferences with shipper groups and obtained, as a result thereof, higher rates, with the retention of traffic.

The result of these activities by the Association of American Railroads is an increase in revenue of millions of dollars to the railroads, taken from the pockets of those who pay the cost of transportation.

Mr. President, the traffic department of the Association of American Railroads boasted in 1938 that it had increased the railroads' revenue at least $3,000,000 a year for a period of several years through lobbying activities which produced increased rates. No doubt it

improved its performance as time went on.

Yet, under this legislation, Mr. President, the Association of American Railroads would be eligible to receive approval from the Interstate Commerce Commission that would throw a mantle of protection from the antitrust laws around the association, and depredations of the American public would go unchecked. The Commission seems to indicate it would give such permission, by approving this proposed legislation in principle.

Mr. President, most of the past success of the Association of American Railroads has consisted of lobbying the ICC.

If monopoly control were turned over to the ICC, the association would be able to play all games on its home grounds.

PRESENT FREEDOM FROM REGULATION

It seems to me that a fundamental assumption of this bill is that the Interstate Commerce Commission is in fact presently empowered to pass upon every detail of rate making and every detail in the physical operation of a railroad, as well. If that assumption were a valid one, perhaps the measure would not be quite so objectionable.

Senate bill 110 is designed to take the railroads out of the jurisdiction of the antitrust laws, that is, the Sherman Act and the Clayton Act, with their amendments.

The supporters of the measure have stated on many occasions that the Interstate Commerce Commission can provide all of the policing necessary to assure that the railroads should not be operated as one gigantic monopoly. They have said that the antitrust laws are not necessary to protect the public interest, insofar as the railroads are concerned. That is an interesting argument; however, it is refuted by the Interstate Commerce Commission itself, in its annual report for the year 1938, from which I quote as follows:

> There is gross exaggeration in the idea that every act of the railroads is subject to regulation. The railroads have a large degree of initiative in the making of their rates and have freely made a multitude of reductions to meet competition. We have no power to control their passenger service and exercise very little control over their freight service. They select and pay their officers without supervision or hindrance. Nor do we undertake to tell them what equipment and supplies they may buy, how they shall operate their shops or maintain their tracks, what rail, ballast, and ties they shall use; what stations or other buildings they shall erect, what construction contracts they shall let, or how they shall manage their affairs in many other ways. The pattern of their regulation is in no way unique, but is substantially the same as is now applied generally throughout the country by the States or the Federal Government to other public-utility companies.

Mr. Wendell Berge, who distinguished himself in a long and brilliant career in antitrust work in the Department of Justice, has assembled an imposing array of court interpretations of the Interstate Commerce Commission Act which documents this contention that the ICC does not attempt minute regulation of every act and every rate of the railroads. It is his interpretation, and that of the ICC itself, that the Commission is empowered only to set ceilings and floors in the field of railroad rates. Within those limits the railroads may set their own rates. In other words, they may compete.

If the entire job of policing the railroads against the monopolistic practices were to be turned over to the ICC, as this bill proposes, we should then also have legislation authorizing the Commission to pass upon every rate, every purchase, and every proposed improvement in service by the individual railroads or by their joint rate-making bureaus. That, of course, would involve a tremendous staff; and if the Congress were to decide upon such a course, it would have to realize that an appropriation of many millions of dollars would be necessary to enable the ICC to carry out such regulation.

The Interstate Commerce Commission has estimated that at present it passes on no more than approximately 2 percent of the rates charged by American railroads.

We have seen that it is not presently set up on such a scale as to be able to police the individual rates of all railroads. We have seen that it is probably not desirable that it should be. That being the case, how much less desirable is it to allow a private rate-making bureau, such as the system headed by the Association of American Railroads, to perform that function.

This bill would make it possible for the Association of American Railroads to function as a kind of supergovernment, in that it would have complete control of the economic life of this Nation, through its final powers to fix rates for transportation of commodities to all sections of the country.

The power to fix railroad rates in our economy is the power to make or break business. The West and the South have been continually retarded in industrial development by the discriminatory freight rates which have been imposed upon those sections under the present system.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TAYLOR. I am happy to yield to the Senator from Georgia.

Mr. RUSSELL. I wish to commend the Senator from Idaho for the very able address he has been making. I also wish to express my profound regret that there has not been a larger attendance in the Senate during the course of the Senator's remarks. The Senator from Idaho has shown conclusively by the factual statements he has made how this bill will militate against the people of the great section of the West from which he comes. He has pointed out how the practices which this bill will make legitimate will increase the handicaps under which the farmers of the West are laboring, and how it probably will strike a death blow at small industry throughout the West.

I regret that so many Senators see fit to close their eyes and shut their ears to the facts. At the time when this important statement is being made by the Senator from Idaho in regard to the vital effect which this bill will have on the West, there are in attendance only about a dozen Senators. The junior Senator from Rhode Island [Mr. McGRATH], the junior Senator from Florida [Mr. HOLLAND], the junior Senator from Alabama [Mr. SPARKMAN], the junior Senator from South Carolina [Mr. JOHNSTON], the Senator from Georgia [Mr. GEORGE], and the Senator from Montana [Mr. MURRAY] are the only Senators present on this side of the aisle. On the other side of the Chamber the eminent majority leader the Senator from Maine [Mr. WHITE], the Senator from Nebraska [Mr. WHERRY], the Senator from Ohio [Mr. TAFT], the Senator from Oklahoma [Mr. MOORE], the Senator from Vermont [Mr. AIKEN], the Senator from Kansas [Mr. REED], and the Senator from New Jersey [Mr. HAWKES] are present.

I regret that a quorum is not present, so that western Senators in particular could have had a better understanding of the devastating effect of the bill upon the great West. I am sure that had they heard and analyzed the remarks which have been made by the Senator from Idaho they would have undertaken to defeat the bill, and prevent their people being held longer in bondage by these illegal acts and conspiracies.

Mr. VANDENBERG. Mr. President, will the Senator include the Senator from Michigan in his list of those present?

Mr. RUSSELL. The Senator from Michigan, the President pro tempore, was presiding, and since he was occupying the President's dais at the time, naturally I did not call his name.

Mr. BARKLEY. Did the Senator put me in the category of those present?

Mr. RUSSELL. I include the senior Senator from Kentucky.

Mr. WHITE. I hope the Senator from Georgia will admit that the quality of representation is high, even if the numbers are not great.

Mr. RUSSELL. The last thing I would do would be to disregard the quality of the representation, but the geographic areas represented by those in attendance at the moment are largely those within Official Territory, which naturally are supporting the pending bill, and I was expressing my regret that other Senators who have such a vital stake in the legislation, particularly those from the Western States, had not heard the remarks of the Senator from Idaho, who has shown that the pending bill is most injurious to the people of the West.

Mr. TAYLOR. I thank the Senator from Georgia for his complimentary remarks and informal roll call. In self-defense, I wish to point out that I am not the only Senator whose remarks on the pending measure have not been listened to.

If the power to fix rates were made absolute, and not subject to challenge, even in the courts, those who controlled the railroads would be the economic dictators of this country. No new industry could start in business anywhere without a nod from this supergovernment in the form of favorable freight rates. No existing business could continue to operate without permission from this super, private government in the form of continued favorable freight rates. The rail-

roads could decide which sections of the country would have a raw material economy and which sections would have a manufacturing economy.

It has often been contended that legislation such as this is necessary to allow the establishment and continuance of joint through rates. As a matter of fact, there is nothing in the present antitrust laws to prohibit the establishment of joint through rates, and the Justice Department has never taken the position that the establishment of such rates was in any way illegal, if they are freely entered into by the participating railroads.

The language of the bill, especially with the committee amendments, seems to be such as to offer a great many safeguards. But the basic fact remains that the bill is one to legalize a monopoly.

In some cases it charges the Interstate Commerce Commission with the job of policing very minute details of railroad management action to see that they are not against the public interest, although admittedly monopolistic. However, there is no assurance that the Interstate Commerce Commission will be given the huge staff necessary to engage in such minute policing. On the contrary, the action of the majority in this Congress has been aimed almost exclusively at reducing appropriations, regardless of need, or the requirements for carrying out laws on the statute books.

There is no reason to believe that the attitude of Senators on the other side of the aisle would be less parsimonious with the Interstate Commerce Commission after it had been given this tremendous job of enforcement. Such a policy seems completely out of line with our ideas of free American enterprise, even if it could be accomplished. It takes from management responsibility to obey the antitrust law. It sets up the ICC as the policeman on the corner who must have his eye on the railroad company manager every moment.

Mr. Berge points up the difficulties of administering any such arrangement very well in his statement on the bill. He says:

> The point simply is, that the language of this act purports to preserve independent action only after the determination has been arrived at through procedures set up in the agreement.
>
> After a proposed rate change has run the whole gamut of the procedures that may be approved by the Commission, then, under the strict terms of the bill, a dissenting carrier may disregard it if he doesn't like the result. The bill does not state that a dissenting carrier does not need to go along through the various phases of the private appellate procedure, or that he can act independently prior to or during the procedural processes.
>
> Moreover, regardless of the inclusion in the agreements of a provision for independent action, approval of an integrated structure of associations, such as now exist, with inherent power, through collective economic pressure, to control a dissident carrier, would, as a practical matter, dissolve a stipulation of independent action into a pious hope.

It seems to me that the limiting language contained in the bill is in the nature of rather attractive window-dressing. The basic idea of the measure is to exempt the railroads from the antitrust laws, and to free them from the requirements imposed by the antitrust laws.

Once monopoly has been legalized, it will be futile to impose minor limitations upon it. In the main, such limitations will be so minute as to be unenforceable under the program here set forth.

It will be noted that the language of the bill is such that the Interstate Commerce Commission, at least in the field of rates, needs only to approve a basic agreement between carriers setting up the rules and procedure for establishing rates. Thereupon any action by the carriers taken pursuant to that master agreement need not be submitted to the Interstate Commerce Commission. Therein we find complete freedom to set freight rates and passenger rates in all areas of the country, on any basis they choose. Therein lies the machinery for completing the rule of the industrial life of this Nation by the men who come to dominate the private rate-making agencies, which would be legalized and exempted from prosecution under the antitrust laws.

There is still another sweeping exemption from the antitrust laws tucked away in an inconspicuous part of the bill. I refer to paragraph 9 of the bill, which reads:

> No agreement approved by the Commission under this section, and no conference or joint or concerted action pursuant to and in conformity with such agreement as the same may be conditioned by the Commission, shall be deemed to be a contract, combination, conspiracy, or monopoly in restraint of trade or commerce within the meaning of the antitrust laws.

The able Senator from New Hampshire [Mr. TOBEY] has summed up the effect of this paragraph very well.

He has pointed out that not only would the railroads or other carriers be freed of the restrictions of the antitrust laws in taking action pursuant to such an agreement, but bankers, financiers, and manufacturers could likewise participate in the immunity.

Any action which could possibly be construed as falling within the scope of a basic carrier agreement would be legalized, and the antitrust laws would be made a mockery.

WARTIME OVERCHARGES

The blackest mark of all against the Association of American Railroads and its subordinate organizations is the one that I speak of now—the gouging of millions of dollars in exorbitant rates, fares, and other charges from the Federal Government during World War II. This was done at a time when it was easy for the railroads to take advantage of a country whose attention was riveted on fighting for its life.

The conduct of the railroads during the war will also serve as a guide for what might be expected of them if they are allowed to obtain immunity from the antitrust laws under Senate bill 110. I say this because, during the war, a small measure of relief from the antitrust laws was granted the railroads in the making of rates on Government traffic. Making of these rates was by a group known as the Traffic Executive Chairmen's Committee, operating under the auspices of the Association of American Railroads.

The high rates paid by the United States Government became a general topic for discussion in transportation circles. In order to ascertain the reasonableness of freight rates paid by the War Department on wartime traffic, the Director of the Bureau of the Budget, the late Harold D. Smith, appointed a committee of three to investigate and report to him.

The committee was composed of three impartial transportation experts, two of whom are Washington lawyers, Charles E. Bell and E. B. Ussery, and W. B. Hammer, a member of the staff of the Interstate Commerce Commission.

The committee issued its report, commonly known as the Bell-Hammer-Ussery Report, under the date of October 20, 1945.

As one would expect, the committee found that immediately after Pearl Harbor there commenced an unprecedented production of the materials and tools required by the armed forces—the Army, the Navy, and the collateral branches of those services, including the Air Forces and the Marine Corps, as well as the Maritime Commission, the War Shipping Administration, and other war agencies.

As the war progressed, this production increased by tremendous leaps and bounds.

Modern instruments and accessories of war were invented, and the production of those already in existence was accelerated.

New plants and facilities were constructed on a huge scale, very largely in areas where none had previously existed, as well as in other areas. Existing plants engaged in commercial production were converted to war production, and at a greatly increased tempo.

Transportation became of transcendent importance, not only for raw materials moving in tremendous volume, but for semiprocessed materials moving to finishing plants all over the country and for finished products from those plants and from primary origins in the various areas to transit or storage points and other destinations throughout the United States, and to the various ports of the country for transshipment overseas.

With the growth of the Army and other armed forces, of military and naval installations, and the shipbuilding plants of the country, huge quantities of construction materials, ordnance, ammunition, subsistence of all kinds, uniforms and other clothing, shoes, raw materials, and finished products of every description had to be transported.

Literally hundreds of thousands of individual items were transported in greater or less volume.

A large proportion of this traffic moved from and to points between which previously there had been little or no commercial movement and, therefore, rates adapted to the movement of a great volume of tonnage between such points had never been established by the carriers.

The report showed that in 1943 about 88,300,000 tons of traffic moved for the War Department at total charges paid

by the Finance Office of the War Department of approximately $1,200,000,000. About 92 percent of this traffic moved by rail.

In 1944 some 94,000,000 tons moved, about 90 percent by rail, at a cost of almost $1,394,000,000.

For the first 8 months of 1945, nearly 71,000,000 tons were transported, 90 percent by rail, with charges of $988,000,000.

It was shown that the total movement of traffic for the War Department during the war period averaged about 100,000,000 tons annually, of which 90 percent moved by rail.

Noting that an exhaustive study would be a herculean task requiring years to complete, the committee confined its study to representative war traffic for account of the War Department.

I wish to call to your attention some of the facts and conclusions shown by this study.

They concern items known to many of us as necessary for waging a successful war against the Axis.

These examples are chosen at random and are representative of what the committee found.

On airplanes and airplane parts it is stated that—

In the opinion of the committee, the rates charged on airplanes and airplane parts, especially the parts, have been excessive.

On ammunition and explosives:

The committee is of the opinion that the Department has at all times since the beginning of the war been assessed excessive charges for the transportation of ammunition, explosives.

In regard to combat vehicles, which classification includes armored cars, Army tractor tanks, gun carriages or mounts, half tracks, and tractors with vehicle beds, the committee stated that—

In the opinion of the committee, the rates charged on combat vehicles to the Pacific coast clearly were and are excessive.

Concerning charges for the transportation of airplane aluminum landing mats, it was held that—

In the opinion of the committee, the War Department has been and is being assessed excessive rates on aluminum landing mats.

In regard to wooden pontoon bridge parts—

The committee is of the opinion that the rates assessed prior to August 15, 1944, were excessive.

On radio outfits:

The committee is of the opinion that excessive rates were assessed on all shipments moving from the Holabird Signal Depot to Pacific coast destinations prior to August 1, 1944.

Concerning shell containers it was stated:

In the opinion of the committee, the presently applicable rates applied on these containers are excessive.

Concerning soldiers' rations the committee found that excessive rates had been charged.

On wire camouflage netting or nets the report stated:

The committee finds that the Department has been assessed excessive rates on transcontinental traffic on all shipments of wire camouflage netting or nets from transcontinental origin groups to Pacific coast destinations moving both prior to and subsequent to March 30, 1945.

In its general conclusions and recommendations the committee makes this significant statement:

Based on the committee's investigations and studies and its general knowledge, it cannot escape the general conclusion and the firm conviction that the Government has paid, and is paying, many millions of dollars in excessive charges for the transportation of matériel and supplies of the War Department.

Likewise—

The Government has not only paid excessive charges in a stupendous amount before and since Pearl Harbor, but it is still paying such excess charges on presently moving traffic and will continue to pay them until appropriate action is taken to remedy this situation.

Thus, we find what the railroads will do when given only a slight amount of relief from the antitrust laws—as was given the Traffic Executive Chairman's Committee for the purpose of negotiating rates for war traffic. What can be expected if this legislation is made law, under which the railroads will be given complete immunity from the antitrust laws?

The answer is all too obvious.

Mr. President, the public interest demands the defeat of this vicious legislation.

Free competitive enterprise must not be weakened by waiving the application of the antitrust laws and the promotion of monopoly.

Various transit arrangements were necessary for the handling of war traffic similar to those needed for commercial traffic.

A transit arrangement, or transit privilege, consists of stopping carloads of a given commodity at some intermediate point or points, designated as transit points, on the route between origin and destinations, for the purpose of some manufacturing or other processing or storage by the shippers or owner of the property, and subsequent forwarding from the transit point to destination.

Under such arrangement the through rate applicable over the route of movement from origin to destination is charged on the commodity so transported, plus a charge for the additional service performed by the carriers at the transit point, and also subject to switching charges, if any, as published in tariffs on file with the Interstate Commerce Commission or State regulatory bodies.

Provision is made that the services of unloading or loading cars at the transit point shall be performed by the shipper or owner of the property, or at his expense.

Under the provisions of the Interstate Commerce Act and the State statutes, the provisions governing transit arrangements, and the charges therefor, applicable to commercial traffic, must be published in tariff form and filed with the Interstate Commerce Commission or the appropriate State regulatory body.

Concerning the handling of these transit arrangements, I believe the Senate should consider the committee's treatment of the subject.

Therefore, I ask unanimous consent that an excerpt from the report be included in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

WARTIME TRANSIT ARRANGEMENT OVERCHARGES

Commencing in July 1941, the War Department has effectuated many transit arrangements with the carriers whereunder War Department material and supplies may be stopped at points intermediate between points of origin and the ports of the United States and accorded various forms of manufacturing or processing and/or storage, and subsequent forwarding to the ports or railheads for transshipment overseas. To a lesser extent similar arrangements have been effectuated on various specific commodities from various points of origin in the United States to various domestic destinations. For the most part such arrangements have been effectuated at points at which the War Department had established Army depots and holding points and had constructed facilities for this purpose. The facilities so provided were usually set up at locations considerably removed from centers of population and industries, in order that they might not interfere with the terminal operations of the carriers at important points. Under such arrangements War Department material and supplies may be stopped and stored at such points while in the course of transportation to the ports or other destinations, thus eliminating the necessity of holding thousands of cars at the ports awaiting vessels for overseas movement.

Many of the aforesaid transit arrangements provide for certain manufacturing of processing, or changes in the method of packaging, as well as for storage of such commodities, but in this respect they do not differ in principle from a great many transit arrangements on commercial traffic; for example, transit arrangements, (1) on grain, whereunder grain can be converted into flour and other milled or processed products; and (2) rough lumber may be converted into dressed or finished lumber or other lumber products.

Some of the transit arrangements accorded the War Department also provide for transit arrangements on the same commodity at not more than two transit points, but here again they do not differ in principle from certain commercial arrangements, for example, (1) on grain shipped from primary markets to Chicago, where it is stored and/or processed and subsequently reshipped on basis of reshipping or proportional rates to other points from which it may again be shipped to still other points where it is milled or manufactured into flour and other finished products, all with the protection of the through rates applicable on the products from the first grain reshipping point to the ultimate destinations of the products; (2) on cotton shipped from country points to compress points from whence the compressed cotton may be shipped to warehousing points, from whence it may be forwarded to points of consumption.

Instead of incorporating in published tariffs the transit arrangements accorded the War Department, the carriers elected to grant such arrangements through the medium of section 22 quotations. * * * (Sec. 22 of the Interstate Commerce Act allows the carriers to quote the Government free or reduced rates.) The most important of these, which authorize transit arrangements on specified commodities from all origins in the United States moving to the various ports and railheads for transship-

ment overseas, and which provide for certain manufacturing and processing, as well as storage at the transit points, and also authorize transit at not more than two transit points on the route of movement are the following: Section 22 quotation No. 31 series, authorizes transit arrangements on specified articles of ammunition, explosives, and so forth, at transit points specifically named in the quotation; (2) section 22 quotation No. 206 series, authorizes transit arrangements on the articles specifically named in the quotation, included within the term "subsistence stores," at transit points specifically named in the quotation; (3) section 22 quotation No. 16 series, authorizes transit arrangements on property of the War Department at transit points specifically named in the quotation, except items of ammunition, explosives, and so forth, on which transit is authorized in quotation No. 31 series, and on subsistence stores on which transit is authorized in quotation No. 206 series.

Scores of other section 22 quotations have been issued from time to time authorizing transit arrangements on specified commodities and groups of commodities from and to specifically named points, specifically named areas, or specifically named territories.

All of these section 22 transit quotations provide for the application of the through published tariff rates or the specific rates or basis of rates set forth in such quotations. All such quotations contain the following provisions:

1. That the rates therein authorized for line-haul application will not be subject to land-grant deductions;

2. That specified charges will be assessed for the transit privileges accorded at each transit point;

3. That such transit arrangements will also be subject to all other applicable charges, including diversion, reconsigning and/or switching charges, if any, as published in tariffs on file with the Interstate Commerce Commission and the respective State regulatory bodies;

4. That additional charges, based on certain distance scales, will be assessed for backhauls and out-of-line-hauls, but subject to certain exceptions where indirect routes meet the rates applicable via direct routes through the transit points.

In their various section 22 quotations, authorizing transit for the War Department and other Government agencies, the carriers have required that the rates and charges authorized in those quotations be subject to the Ex parte 148 increases on and subsequent to May 15, 1943.

Reference is made to the report and order of the Commission, dated April 6, 1943, suspending the increases as of May 15, 1943, and to the fact that in that report the Commission made mention of rates on various commodities which were below the normal level and which had been established at the request of the Government, including the War Department, and that the Commission did not require the suspension of the Ex parte 148 increases in such rates. The Commission's report, of course, was limited to rates in published tariffs on file with it. The Commission also stated in the same report the record does not enable us now to give a more precise specification of such rates, but the petitioning railroads may bring them to our attention by appropriate applications for individual and informal consideration. On April 29, 1943, the carriers furnished the Commission with a list of such purported rates and published transit arrangements thereon.

In the supplemental report of the Commission on further hearing, decided December 12, 1944, in which the Commission further suspended the application of the Ex parte 148 increases, the following statement appears:

"As hereinbefore noted, the Secretary of War at the hearing called to our attention the fact that, with respect to special rates made for the Federal Government, some railroads have apparently construed our findings as authorizing the continuance of the increases in such rates although when compared with normal rates paid by shippers generally the special rates were not below reasonable levels. We are of the view that we should except from our order suspending the authorized increases only rates which had been reduced below reasonable levels as a real concession to the Government, but not rates which, even though reduced at the request of the Government, were not below such levels. The petitioning carriers should remove the increases insofar as they apply to rates or charges which, while established for the Government, were not below reasonable or normal levels as compared with rates paid by shippers generally in the same territory."

The carriers, however, have continued on and after May 15, 1943, the Ex parte 148 increases in all rates and charges provided for in their section 22 transit quotations, including rates covered by such quotations prior to March 18, 1942, and which had been applicable prior to the ex parte increases. Moreover, as to War Department traffic covered by transit quotations issued since May 15, 1943, the carriers provided that the Ex parte 148 increases shall be applied on traffic moving before, on, and subsequent to that date.

The War Department has no record of its tonnage moving under transit arrangements, but from studies the committee has made of the commodities involved and of the section 22 quotations, it has no hesitancy in asserting that such tonnage has constituted a very great proportion of the total tonnage of that Department.

With millions of tons moving each year under these section 22 transit quotations, it is readily apparent that the Ex parte 148 increases have totaled many millions of dollars each year on such War Department traffic. The added charges of the carriers for their services at transit points have also been subjected to the Ex parte 148 increases on traffic moving on and subsequent to May 15, 1943. For example, where the previous transit charge was 3¼ cents per 100 pounds, under the Ex parte 148 increases it became 3½ cents.

In a petition filed with the Commission, the carriers estimated that the amount they have received from the Ex parte 148 increases on Government traffic accorded transit mounted to twenty to thirty million dollars annually.

Commencing in the latter part of 1943 the matter of the elimination of the Ex parte 148 increases from the rates provided for in section 22 transit quotations, has been the subject of extended correspondence and many conferences between the War Department and other Government agencies and the carriers, but the carriers have steadfastly refused to eliminate them. Summarized, their reasons are as follows:

1. That there has been an enormous saving to the Government through the granting of these transit arrangements which authorize the application of through rates from points of origin to destinations on such transited traffic instead of the full combinations of the local rates into and out of the transit points.

2. That under the language of the Commission's decision in Ex parte 148, the transit arrangements accorded the War Department and other governmental agencies are privileges which under no circumstances would have been extended commercially, and that the Ex parte 148 increases should be continued in the light of the Commission's decision.

3. That the mere holding or storing of freight at some intermediate point awaiting a time when it will be to the interest of the owner of the goods to forward it to final destination represents quite an extension of the original purpose of transit arrangements.

4. That every transit privilege granted means a very large increase in the cost of service, and that under a minimum operation the transit arrangements accorded on Government traffic involves four terminal services in place of two on the direct movement, and that in numerous quotations six terminal services are involved instead of the two contemplated under published through rates.

5. That the net income of the railroads has steadily decreased each month as compared with the previous year, beginning in June 1943, and notwithstanding the fact that gross earnings have increased the unit costs have advanced due to increases in wages and costs of supplies; that the conclusion reached by the carriers not to remove the ex parte increases is logical when consideration is given to the very large saving which the Government received on account of these transit arrangements.

The committee's comments on the foregoing reasons advanced by the carriers are as follows:

1. That the establishment of transit arrangements on Government traffic has resulted in substantial savings under the full combinations of the local rates may not be denied. However, it is absurd to measure such savings by the difference in the through rates and the full combinations of the local rates to and from the transit points. Especially is this so when there is taken into consideration the thousands of transit arrangements throughout the country on hundreds of commodities in commercial movement on which the application of the through rates has been voluntarily authorized by the carriers which are substantially less than the full combination of the local rates to and from the transit joints. Why the carriers should advance this reason as a justification for continuing the Ex parte 148 increases on Government traffic moving under transit arrangements is not clear to the committee since it is well known that the carriers have removed such increases on a tremendous volume of commercial traffic accorded transit arrangements, including storage in transit. Such an argument forces the conclusion that the carriers were, and are, unwilling to accord the Government the same treatment they have accorded the commercial shippers.

2. The War Department and other Government agencies have contended with the carriers, and correctly so, that the language used by the Commission in its Ex parte 148 decision is not such as to approve the application of the Ex parte 148 increases on all Government traffic on and after May 15, 1943. It is the contention of the War Department that the line-haul rates authorized in such quotations, without the addition of the Ex parte 148 increases, are rates which had not been reduced below reasonable or normal levels, whether such rates were incorporated in published tariffs or authorized by section 22 quotations.

The Office of Defense Transportation also made efforts to induce the carriers to remove the Ex parte 148 increases in the line-haul rates covered by transit arrangements accorded Government traffic. In a letter dated March 9, 1944, written personally by the late Joseph B. Eastman, then Director, Office of Defense Transportation, addressed to Mr. A. F. Cleveland, vice president, traffic, Association of American Railroads, he urged that the Ex parte 148 increases should be removed. He stated, among other things:

"I do not subscribe to the position of the carriers that an increase in line-haul freight rates is justified simply because storage in transit is granted."

Making mention of several other considerations which, in his opinion, justify the removal of the Ex parte 148 increases, Mr. Eastman stated:

"The Government departments affected did not object to the application of ex parte 148 increases to section 22 quotations made by the carriers prior to the original decision of the Interstate Commerce Commission in this case, and for this reason they believe that the carriers should not insist upon the retention of the increase in connection with section 22 traffic subsequent to the date when the Interstate Commerce Commission ordered these increases removed.

"Moreover * * * it is clear beyond all doubt that the establishment of a transit privilege does not in itself accomplish a reduction of the line-haul rates. The United States Supreme Court in its decision in *Central Railroad of New Jersey* v. *United States* (257 U. S. 247), 1921, said, among other things:

" 'Whether the privilege shall be granted or withheld is determined by the local carrier. If granted, the local carrier determines the conditions, and these are set forth in the local tariff. Although a joint through route with joint rates is established by concurrent action of several carriers, the transit privilege may thus be granted by a carrier without the consent of, and without consulting, connecting carriers. And the whole revenue received for the use of the privilege is retained by the local carrier.'

"It is, therefore, entirely clear that a transit privilege is a special service granted only by the carrier upon the line on which the stop-off takes place. The charge for the service is provided for in a special tariff of that carrier. This charge is distinct and apart from the line-haul rate. * * * The transit service is an auxiliary service the cost of which is borne by the carrier upon whose line the service is rendered. The charges for the transit service accrue to that carrier alone.

"If the charge for the transit service is inadequate, the carrier on whose line the service is performed can undertake to increase the charge to a compensatory level. If, on the other hand, joint line-haul rates were increased to defray the increased cost of the transit arrangement, the connecting carriers, not being called upon to bear the cost, would receive compensation for nothing and be unjustly enriched. Moreover, the charge for the service would, without any line of variance in the cost, vary with the amount of the line-haul rate.

"It follows, beyond any question, that when these storage-in-transit arrangements were established, no change whatever was made in the line-haul rates, for the transit service and the charge therefor are things apart from the line-haul rates. Transit service, as I have said, is a local, auxiliary service confined to the railroad where the stoppage takes place. The line-haul rates in question were, therefore, never reduced, upon request either of the Government or of commercial shippers. They were increased by the original Ex parte No. 148 decision and clearly they should be reduced to conform to the subsequent decision in that proceeding.

"I urge, therefore, that you convey to the carriers my views on this subject, and request them to remove the increases in rates in Ex parte No. 148, which were subsequently suspended by the order of the Commission in the reopened proceeding."

On May 2, 1944, after the death of Director Eastman, Dr. G. Lloyd Wilson, Chief Consultant—Rates, of the Office of Defense Transportation, stated at a meeting in New York of the chief traffic officers of the rail carriers and representatives of the interested Government agencies:

"We have always believed that the Commission in exempting the suspension of Ex parte No. 148 increases until June 30, 1944, the rates on various commodities which had been reduced considerably below the normal basis at the request of the Government did not intend to exempt the rates charged for transportation at the published rates, nor that such rates bear the increase simply because the commodity was accorded transit under arrangements with the Government covered by section 22 quotations. It seems to me perfectly clear that transit is nothing more than interrupted transportation which is charged for at what is known as a 'transit charge' to cover the additional service required of the railroad at the transit point.

"Surely, the Government should not be called upon to pay transportation charges for shipments stored in transit in excess of the charges which are paid by the public merely because the Government is accorded transit arrangements. I have discussed this matter with Colonel Johnson (who succeeded Mr. Eastman as director, Office of Defense Transportation) and he authorizes me to inform you that he agrees that the Ex parte No. 148 increases should not be retained in connection with those rates."

Notwithstanding the statements of director Eastman and Dr. Wilson (with which the Committee agrees), and the arguments presented by the Chief of the Traffic Control Division of the War Department and representatives of other Government agencies, the carriers declined to eliminate the Ex parte 148 increases and they have since steadfastly adhered to that position.

In its decision in *Federal Match Corporation* v. *G. N. Ry. Co. et al.* (128 I. C. C. 145), the Interstate Commerce Commission condemned the assessment of transit charges based on the length of haul. At page 418 of that decision, the Commission said:

"Charges for transit are presumably assessed to cover the extra cost to the carrier performing the transit arrangement, including the expense of clerical hire, delay to cars, policing, etc., and where no out-of-line haul is involved the general practice is to assess a flat charge."

In *Mixed Care Dealers Asso.* v. *D. L. & W. R. R. Co., et al.* (33 I. C. C. 133 at p. 140), the Commission said:

"It is clear that charges for transit service at the same point which vary from $3 to $13.23 per car cannot be successfully defended."

Yet, under the guise of transit arrangements the carriers have imposed a penalty in the amount of 6 percent of the line-haul rates on the traffic accorded transit, and these penalties vary with the measure of the line-haul rates.

The Traffic Control Division made a survey of transit utilization at 44 War Department transit points on July 11, 1945. The average weight of the cars shipped from such points was 57,316 pounds. The charge for the transit service performed at the transit points is constant and assuming that the charge is 3½ cents per 100 pounds the total transit charge on 57,316 pounds would be $20.06. Assuming that the through line-haul rate via the transit point from a given origin to a given destination is 75 cents per 100 pounds and that the rate from another point of origin to the same destination is $1.50 per 100 pounds, a 6-percent increase in the rate of 75 cents on that weight amounts to $25.79 but from the point where the rate is $1.50 the increase amounts to $51.58, both amounts being over and above the charge of $20.06 for the additional service performed by the carrier at the transit point.

To use a concrete illustration, the War Department shipped a car of lead-covered cable from Philadelphia in September 1944, which was stored in transit at Ogden, Utah, and reshipped in May 1945 to San Francisco for export. The weight of the shipment was 43,850 pounds. A 3½-cent transit charge was in effect at Ogden covering the added service performed by the carrier at that point, and amounted to $15.35. The applicable rate from Philadelphia to San Francisco was $1.27, but the application of the Ex parte 148 increase of 6 percent, because the shipment was stopped in transit, resulted in a rate of $1.35; thus, an increase in the transit cost of $35.08. Had the shipment moved from Chicago, from which point the published line-haul rate is 88 cents, the line-haul rate assessed under the transit quotation would have been 93 cents, or 5 cents per 100 pounds greater than the published through rate. The application of the 6 percent increase would have resulted in an increase in the transit cost on this car of $21.92. The combined transit cost on the shipment from Philadelphia amounted to $50.43, while had it moved from Chicago the transit cost would have been $37.27, notwithstanding that the actual service performed by the carrier at Ogden would be the same on both cars.

3. The contention of the carriers that transit privileges accorded the Government are such "which under no circumstances would have been extended commercially" can best be answered in the language of Director Eastman's letter of March 9, 1944, to Vice President Cleveland, of the Association of American Railroads, viz:

"I do not believe, however, that the statement is sound that these transit arrangements would, under no circumstances, have been extended to commercial shippers, in view of the large volume of traffic involved. The same need has not arisen in connection with commercial traffic."

4. Referring to the carriers' claims that every privilege so granted means a very large increase in the cost of service, and that under a minimum operation it involves four terminals instead of two, and in numerous quotations six terminals instead of the two contemplated under the published through rates, it should be noted:

First. The carriers have ignored or failed to give consideration to the facts called to their attention by the Chief of the Traffic Control Division of the War Department, viz:

"(a) That the holding and reconsigning points of the War Department were set up at locations considerably removed from the centers of population and industry for the purpose of not interfering with terminal operations at any important point, and that this had been a deciding factor in avoiding confusion and overburdening of facilities, both at the ports and industrial centers; and that the effective use of these holding and reconsigning points resulted in keeping matériel out of port areas until such times as vessels were ready to take it forward.

"(b) That the holding of matériel at inland points has also been responsible for keeping to a minimum the detention time of cars at the ports, thus enabling a greater utilization of railroad equipment; also resulting in considerable extra revenue for the carriers since it has enabled a quicker turn-around of equipment and the utilization of such equipment on a greater number of hauls during a given period of time.

"(c) That in consideration of the heavier loading of railroad equipment by the War Department, averaging 60,000 pounds per car, a transit charge averaging $21 per car is considered more than ample to cover the additional cost of the additional transit service.

"(d) That all War Department holding and reconsigning points have extensive traffic facilities, averaging 34 miles per installation, were built and are maintained at the expense of the United States Government; that each installation is provided with its own switching power and thus the carriers' obligations with respect to delivery of cars and the switching out of cars for line-haul movement is not as great as it is in cases of most commercial facilities where transit privileges are granted."

Second. On a direct movement from origin to destination two terminal services are required, one at the point of origin and the other at destination. Where transit is performed at only one trainsit point en route,

two additional terminal services are required, whether on commercial or War Department traffic. In both cases, the added charge for the transit service is designed to take care of the cost of that service. As heretofore appears, the transit charge on a car weighing 57,316 pounds is $20.06. Where War Department traffic is accorded transit at two transit points, instead of one, this charge of $20.06 is also paid for the transit service at the second point. Manifestly, there is no justification for adding an additional penalty reflecting an amount equivalent to 6 percent of the line-haul rate. Under this method the added transit charge varies dependent upon the measure of the line-haul rate contrary to findings of the Interstate Commerce Commission in the cases hereinbefore cited.

5. The matter of the net income of the carriers, or their revenues on all traffic transported, has no place in the consideration of the revenues they derive from the line-haul rates on traffic accorded transit arrangements, whether for commercial or Government traffic. In the first place, if their revenues on their entire traffic are insufficient their recourse is in obtaining increases in their rates and charges on all traffic. To single out any specific character of traffic upon which to place a general increase would be to burden that traffic with charges which would not be placed on other traffic. Such a policy cannot be too strongly condemned, especially where, as here, the carriers, under the cloak of transit arrangements, have continued the Ex parte 148 increases in line-haul rates on Government traffic accorded transit privileges, while they have removed such increases in the line-haul rates, and in the transit charges, on commercial traffic. Moreover, by specific provisions in their section 22 transit quotations that the line-haul rates will not be subject to land-grant deductions they have deprived the Government of those deductions from published tariff rates where such deductions would otherwise be mandatory under the statutes.

If the added charges for the services performed at the transit points are not compensatory the remedy is to increase the measure of those particular charges, not only on Government traffic but on commercial traffic.

Findings: The committee finds that the addition of the Ex parte 148 increases provided for in the carriers' section 22 transit quotations on traffic of the War Department transported thereunder on and after May 15, 1943, were, and are not, justified except on commodities on which the Ex parte 148 increases are applicable to line-haul rates which, under the decision of the Interstate Commerce Commission in the Ex parte 148 proceeding, were established below normal, or reasonable, levels. The committee further finds that except on the commodities last herein mentioned the charges on War Department traffic accorded transit arrangements, moving since on and subsequent to May 1943, have been and are excessive to the extent of the Ex parte 148 increases. (Bell-Hammer-Ussery Report, pp. 100-115.)

TRUSTS AND DEPRESSIONS

Mr. TAYLOR. Mr. President, the importance of this bill transcends the subject matter of transportation.

It transcends the question of regional development—of rail rates which will make it possible for the West and the South to take their rightful places in the Nation's economy.

The bill affects every person in the United States.

If it passes, Mr. President, we shall have taken another step toward a great depression.

Will we repeat the mistake of the twenties?

The bust of 1929-32 had its roots in the policies we adopted, the actions we took, from 1921 on. They were the policies which the great leader of Republican thought, Warren G. Harding, bracketed under the term "normalcy."

During the twenties the proportion of business controlled by the 200 largest nonfinancial corporations—as measured by corporate income—rose from 33 to 43 percent.

Basing the point systems to hold up prices were perfected for cement, steel, and other products.

The decline of competition contributed to a disproportionate increase in corporate profits.

It was also partly responsible for the fact that when demand shrunk after 1929, industry trimmed its sails by reducing its output rather than reducing its prices—thus shifting the major burden of adjustment to the discharged workers.

The depression resulted from a lack of purchasing below and a muscle-bound concentration of power and wealth above.

Are we now moving toward another 1929?

We have already voted to abolish rent controls and are preparing to leave the building cycle free to soar and smash.

We have done nothing to provide housing for the middle- and low-income families.

We have reduced income taxes on the higher brackets but have done little to increase the purchasing power of consumers in the low-income groups.

On the contrary, in the House Ways and Means Committee the majority is beginning to talk about sales taxes as a way out.

Sales taxes destroy buying power.

They cut into the income of the consumer.

We have just voted to destroy the Wagner Act, which enabled labor to organize and through collective bargaining to maintain wage scales. If anyone doubts that the object of the Taft-Hartley bill is to hold wages down or reduce workers' pay I refer him to the frank statement of the senior Senator from Ohio [Mr. TAFT] to the effect that the President's veto of the Case bill last year resulted in higher wages. Now that unions have been crippled, wages will go down. Farmers will lose their best customers.

Lack of mass purchasing power will result in slackened sales which will lead to excess inventories which will lead to more discharges, and the cycle will have come full round.

Today we contemplate another blow at economic stability.

We consider a bill to legalize monopoly, to increase economic concentration.

Where will it all end?

I will tell the Senate where it will all end: It will end in a crash.

The Harding doctrine of boom and bust is still gospel in the Republican National Committee.

The elephant never forgets and never learns.

President Truman, in his economic report, gave some thought to the threat of a depression, and one of his recommendations was that we take action to strengthen the antitrust laws.

To date, I have seen no legislation on the floor of the Senate designed to accomplish this salutary end. Instead, I see a return performance of a weary, battered, and sorry old bill to exempt a giant industry from the historic antitrust laws.

I see a proposal to legalize cartels with the blessing of the ICC, a Government agency whose chief testified last year before the Senate Committee on Interstate Commerce that he regarded the railroads as his agency's "clients."

Mr. President, let us save our people from another panic.

Let us preserve their purchasing power and stop the trend toward concentration of wealth at the top.

Let us reject this proposal to legalize monopoly.

Mr. RUSSELL. Mr. President, I do not desire to complain continuously about the lack of attendance in the Senate Chamber, but observing only the distinguished Senator from Kansas [Mr. REED] and the distinguished Senator from Oklahoma [Mr. MOORE] on the other side of the Chamber, and only two or three Senators on this side, I think we should have a quorum present. We have had none up to this time. I wish to acknowledge also the presence of the Senator from Oregon [Mr. MORSE]. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hill	O'Mahoney
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Buck	Jenner	Robertson, Va.
Bushfield	Johnson, Colo.	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	McCarran	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Tobey
Downey	McGrath	Tydings
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

Mr. WHERRY. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. MCCARTHY] is necessarily absent.

Mr. HILL. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on public business.

The Senator from Illinois [Mr. LUCAS] and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Texas [Mr. O'DANIEL] is absent because of a death in his family.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. HILL. Mr. President, let me ask the Senator from Kansas if he knows whether it is the desire of the Senator from New Jersey to address the Senate at this time.

Mr. REED. It is entirely agreeable to have the Senator from Alabama proceed at this time, Mr. President.

Mr. HILL. Very well; I shall do so.

Mr. President, more than half a century ago the Congress of the United States enacted the Sherman Antitrust Act to stop the growing power of monopolistic forces which threatened to control our national economy. The Congress thereby preserved for the people of the United States the American system of free competitive enterprise. The Sherman Antitrust Act has been truly called the charter of economic freedom for the American people. Although the forces of greed and financial and economic power have, through the years, sought to weaken or to destroy it, the Sherman Act has withstood all attacks, and today it stands unshaken as the great bulwark of economic freedom of the people of this country.

Mr. President, today we have before us proposed legislation which is designed to repeal the Sherman Act as applied to a major industry, one which I might aptly and truly call the basic industry of the United States, the transportation industry. There have been many previous efforts by the rulers of that monopoly-ridden industry to exempt their rate-fixing activities from the antitrust laws. The Bulwinkle-Reed bill, the measure now before the Senate, is an all-out effort to remove the activities of these private corporations operating public transportation services and the activities of their bankers from the prohibitions of the antitrust laws. This bill is adroitly drawn, but the undeniable fact is that it effectively provides the means of removing from the application and effect of the antitrust laws a major segment of our economy, to wit, the transportation industry; and because that is the basic industry which controls the life or death of all other industries, legalized monopoly control and domination of that industry will, as surely as night follows day, bring about the destruction of our entire competitive economy.

Mr. President, as I said yesterday, this measure might well be designated as a bill to destroy the American free enterprise system. At this point I wish to read a statement made by Mr. Arne C. Wiprud, special assistant to the Attorney General, and Chief of the Transportation Section of the Antitrust Division of the Department of Labor, not in speaking for any selfish interest, not in speaking for any interest which had any ax to grind, but in speaking as an assistant attorney general and as a spokesman for the Department of Justice, the agency of our Government which, more than any other governmental agency, is charged with the duty of protecting the rights, the interests, and the welfare of the people. He made the following statement before the committee, in summarizing what this bill would do if it were enacted into law:

An analysis of the provisions of S. 110, made in the light of the facts of record and the reports of this committee, compels the conclusion that through its passage the legislative policy of competitive enterprise in public transportation would be supplanted by a Nation-wide cartel-monopoly, under the domination of the Association of American Railroads and the traditional railroad bankers. This is so because that bill would:

1. Effectively repeal the antitrust laws as applied to public transportation.

2. Legalize the continuation and expansion of control over every phase of a carrier's operations by the Association of American Railroads and the traditional railroad bankers.

Insulated from the courts, and without fear of hindrance from other agencies of the Government, they would be free to create combinations of carriers, Nation-wide, with power not only to fix rates, but also to determine what part of the rate each carrier shall receive, at what time its trains shall arrive and depart, over what routes they may operate, what equipment shall be built and how it shall be used, and what should be done collectively to promote—

These particular words are taken from the Interstate Commerce Act—

"adequacy, economy, and efficiency of operation or service."

Mr. Wiprud continued as follows:

In view of the vast powers thus conferred upon the transportation cartel, and the extent of the pressures it would be able to exert upon otherwise independent carriers, it is clear that no carrier could afford to remain long outside the cartel.

3. Undo the public benefits which have resulted, or may be expected to result from antitrust suits involving the Pullman monopoly, the western agreement, the traditional banking houses of J. P. Morgan & Co., and Kuhn, Loeb & Co., equipment manufacturers, safety and signal monopolies, and rate-fixing combinations dominated by the Association of American Railroads, all of which have been and are adverse to the interests of carriers and large sections of the country.

This legislation cannot be considered apart from its effect upon other businesses and the national economy. As transportation is the basic industry which controls the life or death of many other industries, it is clear that those who control the transportation cartel could dominate the national economy.

Further, and equally important, this legislation would set the pattern for similar legislation in other basic industries, particularly if they are regulated industries, such as insurance, utilities, communications, securities, and banking. If we pass this bill, how can be consistently withhold like grant of power to the Federal Communications Commission, the Securities and Exchange Commission, the Federal Power Commission, and other regulatory bodies? Thus this legislation points the road to complete cartelization of all industry in our country, completely reversing our system of private enterprise.

Here it should be stated that there is nothing about the transportation industry that requires different legislative treatment in relation to the antitrust laws than any other private industry, except in the making of joint transportation rates.

All have recognized, Mr. President, including the Supreme Court of the United States, that there is a legitimate area of collaboration in the making of joint transportation rates to facilitate commerce. But that is a far cry from what is sought in this bill, which, in the final analysis, is a desperate bid for continued domination of transportation companies by the banking houses of Morgan and Kuhn, Loeb. They have been brought to book, for their misrule of the railroad industry, in antitrust suits in the Federal court at Lincoln, Nebr., and in the Supreme Court. Only this bill, or similar legislation, can save them.

Mr. President, appearing before the Senate Committee on Interstate Commerce on the pending bill was Mr. Wendell Berge, who, at the time of his appearance, was Assistant Attorney General in charge of the Antitrust Division of the Department of Justice. Mr. Berge is one of the great students of the question of monopoly, cartelization, and antitrust laws, in the United States. Perhaps there is no man in the entire country who, from his study, from his first-hand knowledge, from his experience as head of the Antitrust Division of the Department of Justice, can or does speak with greater authority on the question of cartelization, of monopoly, of antitrust laws, than does Mr. Berge.

In testifying before the committee, Mr. Berge, like Mr. Wiprud, was not representing any railroad or any selfish interests, or any interests which had an ax to grind. He was there as the servant of the people of the United States. He was there, Mr. President, representing you and me and all the people of the United States. He was our spokesman. He was there charged with the duty of being the protector of the rights and the interests and the welfare of the people of the United States.

This is the way he summed up the pending bill. I read from page 65 of the hearings before the Senate committee on Senate bill 110. First he said:

1. Through the device of a hierarchy of associations, headed at the top by the Association of American Railroads, the transportation monopoly, in combination with monopolies in other basic industries such as the steel, cement, and oil combines, has so fixed transportation prices as to maintain the industrial status quo and to prevent new interprises from competing with the industrial monopolies.

2. The arbitrary rail-rate structure established by the illicit monopoly has preyented southern and western regions from developing competitive industries.

3. This bill would legalize the present unlawful domination and control over the Nation's competitive economy possessed by the Association of American Railroads and its industrial allies.

4. The bill would legalize and perpetuate the coercive powers of the Association of American Railroads and its subsidiary organizations, which compels adherence by in-

dividual railroad members to the prices fixed by the action of those associations and compels individual roads to do the bidding of the powerful railroads which dominate the Association of American Railroads and which combine with the powerful industrial monopolies.

Mr. Berge proceeded:

5. Competition between the various forms of transportation, the railroads, the trucks, the freight forwarders, the barge lines, and the pipe lines, has been effectively curtailed through joint action between the organizations in each of those modes of transportation, which have conspired to raise the level of rates in each form of transportation to the highest level.

6. The proposed legislation would facilitate the strengthening of the combinations in each mode of transportation and would encourage the further curtailment of competition between them.

7. The power of the transportation monopoly is so great and the control exercised by the dominant members over all of the railroads in the United States is so tremendous that they have been able to flout with impunity the orders issued by the Interstate Commerce Commission, and even to prevent individual railroads from entering into joint rail-truck arrangements in accordance with the laws enacted by Congress.

8. Individual carriers have been prevented from initiating or modifying rates or from protesting against rates proposed by other carriers, in accordance with the Interstate Commerce Act, without subjecting themselves to veto powers within the hierarchy of associations.

9. Technological improvements have been impeded, air conditioning in passenger trains has been prevented, fast freight and passenger service which some railroads wanted to furnish have been prohibited by railroad associations, and improvements in service and facilities have been curtailed.

Senate bill 110, according to Mr. Berge, "would make possible the immunization of agreements and practices such as I have outlined and which are now under attack in court proceedings instituted by the Department of Justice and the State of Georgia, and might render futile any judgment obtained in those cases to enjoin those agreements and practices. The Department's opposition is predicated, however, on more fundamental ground than the mere desire to save the jurisdiction of the courts in pending antitrust cases, although this itself is an important consideration."

Mr. Berge continues:

This bill raises most serious and fundamental questions of policy which this committee and the Congress must determine. The bill would establish a precedent which would encourage other industries, already chafing under the limitations imposed by the antitrust laws upon the concentration of economic power in private groups, to seek similar immunities.

Other groups, Mr. President, have already announced their intention to follow the example of the transportation industry in asking the Congress to exempt them from the interstate commerce laws, and it takes no prophet to foretell that, if the pending bill should become law, Congress would be literally besieged by industries of all kinds seeking to enter the door through which Congress would have permitted the railroads to pass out from under the antitrust laws. Other industries, innumerable, will be seeking congressional action to remove them from the operation of the antitrust laws. I do not doubt that if transportation, the basic industry, were removed from the operation of the antitrust laws, many other industries, which are to such a great extent dependent upon the transportation industry, will be able to present good cases, strong cases, supporting their desire to be removed from the operation of the antitrust laws.

The pending bill does exactly what the general counsel of the Association of American Railroads said in 1935 he thought should be done. When that association was being organized and the form it should take was being considered, including the machinery it should have and the procedure and practices under that machinery, Judge Fletcher, counsel for the Association of American Railroads, in a letter dated November 26, 1935, addressed to Mr. Stacy D. Lloyd, and appearing at page 1350 of the hearings before the Senate Committee on Interstate Commerce on H. R. 2536, commonly known as the Bulwinkle bill, said:

In the fifth place, in my opinion, the railroads should be exempted entirely from the operation of the antitrust laws and existing statutes should be amended so as to eliminate standards of competition and the so-called existing channels of trade and commerce. As I see it, no regulated industry should be subjected to the sanctions of antimonopoly statutes. Neither does it seem to me that railroads should be forced to compete, in an era when their rates and, to a large extent, their service are under the control of regulating bodies. In my opinion, the importance and value of competition in transportation have been tremendously overestimated in the public mind.

Mr. President, that was in 1935, when the lawyer for the Association of American Railroads was bringing the association into being, helping to determine the charter, the form, and the plan for the association. He declared there should be no competition required among railroads.

The Association of American Railroads was set up. Under it there has been practically no competition. If the pending bill should become law, it would do exactly what Mr. Wiprud and Mr. Berge testified it would do, namely, establish the transportation industry as a cartelized monopoly, without competition, a monopoly destructive of the American free-enterprise system.

Mr. President, many persons seem to think, as has been intimated during the debate a number of times, that today the railroads are under the authority, regulation, supervision, and control of the Interstate Commerce Commission with respect to practically everything they do. That is a very mistaken, a very incorrect understanding of the true situation. There are two kinds of railroad activities; first, those which are subject to the control of the Interstate Commerce Commission, and, second, those which are left to the competitive free-enterprise system, within the managerial discretion of the several railroads. It is the vast field covering competitive free enterprise and the many acts which do not come under the jurisdiction of the Interstate Commerce Commission, but which are left to the discretion of the several railroads, which the pending bill would remove from the operation of the antitrust laws and permit to be controlled by a private government of the railroads themselves. That is exactly what the pending bill would permit. It would ratify and approve, it would make lawful, a private government of the railroads of the United States, set up immediately for the purpose of destroying competition between railroads.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend from Texas.

Mr. CONNALLY. Is it the idea of the Senator from Alabama that the pending bill would result in something similar to the National Industrial Recovery Administration, under which railroads could write their own code of so-called fair practices?

Mr. HILL. There can be absolutely no question about that. Their code would be far more inclusive, far broader, than the old NIRA codes. Railroads could, as I said, and as the Senator from Texas has suggested, set up their own private government, completely outside the jurisdiction of the Government of the people of the United States. All other industries, certainly so far as monopoly and competition are concerned, come under the antitrust laws, and are under the control of the Government of the United States. Under the pending bill, the Government of the United States would lose its jurisdiction over unfair practices by railroads. The railroads would be free to establish a government of the railroads, for the railroads, and by the railroads.

As I have said, many things the railroads are permitted to do are not subject to the power, authority, and regulation of the Interstate Commerce Commission. In its fifty-second annual report, a very recent report, the Interstate Commerce Commission said:

There is gross exaggeration in the idea that every act of the railroads is subject to regulation. The railroads have a large degree of initiative in the making of their rates, and have freely made a multitude of reductions to meet competition.

The aim of the pending bill is to remove all competition. In the event of the passage of the bill, never again could the Interstate Commerce Commission say that the railroads "have freely made a multitude of reductions to meet competition," because the expressed purpose of the bill is to destroy any and all forms of competition among railroads. The Interstate Commerce Commission, in its fifty-second annual report, further said:

We have no power to control their passenger service—

I shall comment on that more extensively a little later, Mr. President—

and exercise very little control over their freight service. They select and pay their officers without supervision or hindrance. Nor do we undertake to tell them what equipment and supplies they may buy, how they shall operate their shops or maintain their tracks, what rails, ballast, and ties they shall use, what stations or other buildings they shall erect, what construction contracts they shall let, or how they shall manage their affairs in many other ways. The pattern of

their regulation is in no way unique but is substantially the same as is now applied generally throughout the country by States or the Federal Government to other public-utility companies.

So, Mr. President, as I have suggested, any idea that the Interstate Commerce Commission has anything like full or plenary power over the activities of the railroads is a very wrong, a very erroneous idea.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. CONNALLY. The Senator referred to the fact that the Interstate Commerce Commission has no control over the purchases of supplies by the railroads and activities of that kind. Is not one of the things that have stood out in the history of railroads the fact that they frequently have their own subsidiary corporations from which they buy supplies, and that such subsidiary corporations are usually very profitable and successful?

Mr. HILL. The Senator is absolutely correct; and as I proceed a little further in my speech I shall quote from the very strong minority views written by the distinguished Senator from South Carolina [Mr. JOHNSTON] and the distinguished Senator from New Hampshire [Mr. TOBEY], which show that the passage of the pending bill would take all these subsidiaries out from under the antitrust laws. I am coming to that point later, I will say to my good friend from Texas. I am glad he raised the question.

As we know, Mr. President, one of the greatest authorities this country or the world has ever had on the question of monopoly, cartelization, the question of protection of free enterprise, was the late Mr. Justice Brandeis. He made a deep study of this subject. He spent many years while he was in the private practice of the law engaged in the trial of cases involving the question of monopolies. He wrote books and treatises and articles on the subject. He was recognized as the great authority on the subject of monopolies. I read from a statement by Mr. Justice Brandeis contained in his book Business—A Profession, pages 295 to 299, published in 1933, as follows:

> No one has recognized more fully than members of the Interstate Commerce Commission the limitation of accomplishment through railroad regulation. No one recognizes better than they the continuing need of competition—

That is the key word in this whole thing, Mr. President, "competition," because competition is the very heart of the American free-enterprise system. Whenever competition is eliminated from our economic and industrial life we no longer have the American free-enterprise system.

> No one recognizes better than they—

The Interstate Commerce Commission—

> the continuing need of competition to secure satisfactory service. * * * To abandon competition in transportation, and rely upon regulation as a safeguard against the evils of monopoly would be like surrendering liberty and regulating despotism.

In all history is there a record of anyone who has been able to regulate despotism? Despotism per se, despotism within its very self, has such power, such full and plenary power, that nothing can regulate it. The only thing that can be done with despotism is to strike it down, to prevent it from ever coming into being, to make an end of it.

Mr. MURRAY. Mr. President—

The PRESIDING OFFICER (Mr. MCGRATH in the chair). Does the Senator from Alabama yield to the Senator from Montana?

Mr. HILL. I yield.

Mr. MURRAY. And yet the growth of monopoly and centralization of business in this country has proceeded to such an extreme that it will now be very difficult to decentralize business. Studies of the subject have been made by Congress and it is thought that collectivism has gone so far in this country that we are only a few theoretical steps behind the degree of collectivism which prevailed in Germany and Italy before the war. Following is a statement which I took from the March 1938 issue of the Fortune magazine:

> Thus collectivism in industry begets collectivism in government. And if this is not collectivism as practiced in the so-called collectivist states, it is only a couple of theoretical steps removed from it. Carried to its extreme, it means the downfall of the economy upon which American business has been reared; the perversion of the democratic order; the destruction of the right to risk and profit; and—all too easily—the loss of those civil liberties that are at present based upon the principle of the limitation of governmental power.

So it seems to me that we have neglected the problem of concentration of business and monopoly, and that is the reason the pending bill is before us today. The railroads have become convinced that they can escape from our monopoly laws because other industries have been able to do so in far too great a degree.

Mr. HILL. I want to thank the Senator from Montana for his contribution. I was going to comment on that point a little later in my remarks. The Senator is exactly right. I regret to say that the necessities of the war effort gave great impetus to that trend toward centralization. The whole trend has been farther and farther away from our great American free enterprise system toward the system of monopoly and cartelization. The Senator from Montana rendered a great and distinguished service to the country as the chairman of the Small Business Committee of this body. He studied this question. He has realized the dangers which lie in monopoly and cartelization to our whole economic system, to our free enterprise, to all the freedoms we enjoy. Today, instead of the Senate debating the pending bill, talking about whether we will pass a bill to take the great basic industry, the transportation industry, from under the antitrust laws and legalize and make lawful monopoly and cartelization of that industry, we ought to be exerting our efforts to try to retard, indeed to break down, some of the monopoly and cartelization which have taken place in other industries in the United States.

Mr. President, since one or two Senators have come into the Chamber since I began reading from Mr. Justice Brandeis, I shall again read the sentence I previously read:

> To abandon competition in transportation, and rely upon regulation as a safeguard against the evils of monopoly would be like surrendering liberty and regulating despotism.

As I said before, there has never been a man smart enough or wise enough to know how to regulate despotism, because despotism in itself has so much power that there cannot be and will not be any regulation of it. As I said, the only thing to do with despotism is to strike it down wherever we find it, whether it be the despotism of a George III or the despotism of the Association of American Railroads.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MURRAY. I am in full accord with what the Senator is saying. It has taken a long time to bring about the present condition of concentration of business and expansion of monopoly in America. It took something over 70 years to accomplish it. But it is thought by some businessmen that we can stop it and that we can make it profitable for industry to decentralize. Many of the large concerns in the United States have already started a movement in that direction. In the study of the subject which was made by Fortune magazine it is pointed out that while it took 70 years to wind up this process, we might be able to unwind it if we put our minds to it. The article says:

> Indeed, the greatest obstacle in visualizing the possibilities inherent in such a reverse of the economy would seem to lie chiefly in the habit of mind that has conditioned every businessman to think of mergers as inevitably more profitable than the sum of their constituent units.

If businessmen could begin to realize what is happening to the country, and that they could make a profit out of decentralization of business and spreading it out, in the South and in the West, it would be possible to bring the United States back into the free competitive system.

Mr. HILL. I thank the Senator for his contribution. As I stated before, as the chairman of the Small Business Committee of the Senate the Senator has made a very fine and thorough study of the whole subject of monopolies and cartelization, and the effect on American business and American free enterprise. He speaks with authority. He has certainly placed his finger on the very heart of this question in what he has had to say.

Quoting further from Mr. Justice Brandeis:

> No system of regulation can safely be substituted for the operation of individual liberty as expressed in competition.

That is the basis of the American system. We know that when we complain that some businesses or some great magnates in business have sought to seize upon or drain off too much profit, and

have taken unto themselves too much from others, perhaps even through the system which we sometimes designate as exploitation, we are warned that we must do nothing to interfere with individual liberty, and that all will be well because of the competition in our system. Yet today the great railroad magnates, supported by the great bankers, are seeking to take competition out of all railroad and transportation business.

Mr. Justice Brandeis further says:

It would be like attempting to substitute a regulated monarchy for our Republic.

I do not believe that we want a king in this country, Mr. President, even though it be King Railroad.

Human nature is such that monopolies, however well intentioned and however well regulated, inevitably become, in the course of time, oppressive, arbitrary, unprogressive, and inefficient. If we study the history of fascism and nazism, and the history of the ruling houses of Japan, we find confirmation of what Mr. Justice Brandeis said.

Mr. Justice Brandeis further said:

It has been suggested that we accept the proposed monopoly of transportation but provide safeguards. This would be like surrendering liberty and substituting despotism with safeguards. There is no way to safeguard the people from the evils of a private transportation monopoly except to prevent the monopoly.

That is the question before us today—whether we, as representatives of the American people, shall prevent this monopoly, or whether we shall become parties to it by giving our approval, our consent, and our ratification to the effort to make the monopoly lawful.

I believe that the late Commissioner Eastman, during his long and distinguished service on the Interstate Commerce Commission, was generally recognized by all groups and all classes of the people as the outstanding authority on the Commission on the subject of railroads and transportation. He spoke words of small comfort to those who claim that the railroads are almost completely controlled by the Commission, and that the matters which Congress left to managerial discretion and free enterprise are of no consequence. He said:

The carriers were returned to private management—

He is referring to the return of the carriers from Government operation to private management after World War I—

in order that the country might have the benefit of private initiative.

Mr. President, I was not a Member of this body at that time. Senators seated before me were not here. But can they not hear the echoes? The Government had found it necessary to take over the railroads for the winning of World War I. As will be recalled, the railroads wanted to get their properties back, with a guaranteed rate of profit, and all that. Cannot Senators imagine how the lobbies rang with the words that the railroads must be returned to their private owners in order that the country might have the benefit of private initiative? Yet today the Congress of the United States is being asked to enact a law which would put an end to private initiative, and which would stifle, strangle, choke, and destroy private industry.

Mr. Eastman further said:

So long as the carriers do not charge rates which are unreasonable per se, unjustly discriminatory, unjustly prejudicial or preferential, or unlawful in other respects, it is a matter for them to determine, in the exercise of their private initiative, whether it is wise for them to meet competitive conditions, and how far they will go in that direction.

That is our American free enterprise system. There is nothing new about it. It applies not only to railroads, but to the man operating the crossroads grocery store or the little tire shop. It is our system.

We—

Meaning the Interstate Commerce Commission—

have not been made managers of the carriers nor given power to encroach upon such fields of managerial discretion. These are matters which in my judgment are left by the law to private initiative. They are not matters of public initiative.

The pending measure proposes to place the matters which Congress has left to free competitive enterprise, and which have been within the managerial discretion of the several railroads, not under the control of the Interstate Commerce Commission but, as I have said, under the control of a private government, the constitution and laws of which are to be merely approved by the Commission. After such constitution and laws of the private government are thus approved, the private government is to go into operation completely insulated from the antitrust laws and with almost, but not quite, complete freedom from worth-while control by the Commission. The degree of control of the previously approved private government by the Commission is set forth, as we know, in paragraph 7 of the bill. This paragraph, as the distinguished Senator from Montana, who is an able member of the committee and who has studied the bill knows, is complicated, wordy, vague, ambitious, and weak. Especially is it weak, and its weakness will grow in proportion to the growth of the railroad-mindedness of the members of the Commission.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MURRAY. Does not the Senator believe that if in the case of the railroads genuine free competition were restored, it would eventually benefit them in the way of permitting industry to develop in the South and West, for instance, which would greatly increase the business of rail transportation? Take, for example, the Western States which are prevented from developing industrially because of discriminatory rates. If such rates were removed and genuine free competition prevailed, we would then witness a great growth and development of business in all parts of the Nation, from which the railroads would eventually profit.

Mr. HILL. The Senator is exactly correct. No one can estimate how much the economy of this Nation has been thwarted and retarded because of the discriminatory practices of the railroads in those areas. There is no way to develop any one section of the country without its having a wholesome and beneficial affect on the economy of the entire Nation.

Mr. MURRAY. Mr. President, as our population increases it becomes increasingly difficult to continue to crowd them into the large industrial centers. Some way must be devised of spreading our people into other sections of the country, where they can find jobs and opportunities in life. If we continue the present system of discriminatory freight rates and other means and methods of preventing the development of the Western and Southern States, an already serious problem will become intensified.

Mr. HILL. The Senator is exactly right. What this bill would do would be to freeze and make permanent the very system by which banking houses, more particularly the House of Morgan and the House of Kuhn, Loeb & Co., and the great railroad magnates of the East, are enabled to retain in their hands control of the economy of our Nation, a condition which results in retarding and, in many instances, strangling national growth and development.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. PEPPER. In respect to the public advantage which accrues from competition, I wonder if the Senator has not observed that competition among various kinds of transportation has had a very salutary influence upon the quality of transportation which the public enjoys. For example, when we developed water transportation did we not give the public an advantage in respect to freight rates from the railroads, because they met the water competition? When we established bus lines and truck lines, did they not give traffic advantages, such as pick-up-and-delivery service at the store and at the depot, and advantages of that sort, as well as more favorable rates? The airplane added another kind of transportation. In other words, is it not a recognized principle that competition of many different kinds of transportation has been of advantage to the public, and, in accordance with the same principle, should not competition even in the same categories be encouraged?

Mr. HILL. The Senator is exactly correct, and I am delighted that he has made that observation. As I go along I shall, at a little later point in my speech, try to show that because of the system developed by the Association of American Railroads the very benefits which were derived from competition among the different types and kinds of carriers are now more and more being taken from us and denied us.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. HILL. I yield.

Mr. PEPPER. The Senator will recall, as some of the others of us do, instances of railroads trying to lobby in State legislatures in an effort to have the legislatures forbid the use of highways to motor

vehicles engaged in transportation. They were not trying to save the highways; they were trying to keep the trucks off the highways in order to avoid competition.

Mr. HILL. They were trying to keep down competition. If this bill should pass and Congress should put its approval on this monopoly, this cartelization, the railroads would be able to suppress competition; indeed, the whole purpose of the bill is to eliminate and wipe out competition not only with bus lines and truck lines but with airplane carriers and all other means or vehicles of transportation.

Mr. President, the bill, if enacted, not only would put an end to competition in transportation in different forms among the different carriers, but it would go much further than that. It would take in many other industries and many other businesses, as is so well brought out by the minority views on the previous Bulwinkle bill, signed by the Senator from South Carolina [Mr. JOHNSTON] and the Senator from New Hampshire [Mr. TOBEY]. In their views those distinguished Senators bring out the following facts:

> Under the specific provisions of paragraph (2), the transportation industry could set up and perpetuate a "private government" which could have the power, through concerted action, to determine the rates to be charged and the service to be performed; the time at which trains shall depart and the time they shall arrive at their destinations, from where they shall leave, over which routes they shall run, and the places at which they shall stop; the equipment and facilities to be used, and whether or not improvements thereon shall be made or suppressed; the part of the rate each carrier shall receive; the allowances which shall be granted to shippers; and the basis and extent of settling claims of passengers and shippers against a particular carrier.
>
> The phrase "promotion of adequacy, economy, or efficiency of operation or service" is so broad as to authorize concerted action comprehending every activity in the transportation industries.

This bill, if enacted, would take railroads from under the antitrust laws, give them exemption from the antitrust laws, permit cartelization, and destroy competition.

Mention was made earlier of the House of Morgan, and of Kuhn, Loeb & Co. The trail now leads more directly to the Wall Street offices.

I continue reading from the minority views of the Senator from South Carolina and the Senator from New Hampshire, as follows:

> It would include the financing, construction, and utilization of equipment, safety devices, facilities, stations, and terminals. It would include action determining whether spur tracks or other facilities, necessary to meet the requirements of particular shippers, shall be constructed, and whether new types of service necessary to promote an advancing economy shall be instituted.
>
> Approval of agreements permitting the industry to organize into combinations and by joint action to make determinations of such wide scope would constitute a delegation to private groups completely to cartelize transportation.
>
> Competition would be eliminated not merely among the carriers within classes of carriers—the trucks and busses, the water carriers, the freight forwarders, the pipe-line companies, the railroads. Paragraph (4) would permit agreements between carriers of different classes "relating to transportation under joint rates or over through routes." But this provision could authorize agreements between the carriers in all the classes of transportation under which collective action could be taken to curtail services, equipment, and facilities. All these things relate to transportation under joint rates or over through routes and, indeed, are within the term "transportation," as defined in the Interstate Commerce Act. The term is defined in that act to include "locomotives, cars, and other vehicles."

I suppose the term "vehicles" includes velocipedes and bicycles—

> vessels, and all instrumentalities and facilities of shipment or carriage, irrespective of ownership or of any contract, express or implied, for the use thereof, and all services in connection with the receipt, delivery, elevation—

Mr. President, even the word "elevation" is included. That means the elevators for wheat, I suppose. I presume the railroads own elevators in Montana. I ask the Senator from Montana whether that is correct.

Mr. MURRAY. That is correct.

Mr. HILL. Inasmuch as the word "elevation" is used, I suppose when a sack of flour is thrown on a car, that is elevating the flour; is it not?

Mr. MURRAY. It is.

Mr. HILL. Those who wrote this measure included everything in it. The lawyer who wrote this bill should have gotten a good-sized fee, because he included practically everything under the terms used in the bill.

I read further—

> and transfer in transit, ventilation, refrigeration or icing, storage, and handling of property transported.

I suppose that would cover almost everything.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. PEPPER. Do I correctly understand that the Senator from Alabama is reading a part of the committee report?

Mr. HILL. I have read from the minority views submitted by the Senator from South Carolina [Mr. JOHNSTON] and the Senator from New Hampshire [Mr. TOBEY] on the Bulwinkle bill of the last Congress; but the last matter I have been reading is the definition in the Interstate Commerce Act of what the term "transportation" includes; and, of course, the bill now before us is intended to apply to that act, insofar as this definition is concerned.

Mr. PEPPER. I understood that the Senator was reading from the views of certain members of the committee, showing that under this measure it would be possible for various types of carriers to get together and agree on rates in a given area.

Mr. HILL. Exactly. Not only would that be possible under this bill, but such a monopoly is in existence today. In other words, this bill is for the purpose of keeping the Supreme Court from proceeding under the antitrust laws to destroy the monopoly that is now operating. As I proceed with my remarks, I shall show how under the bill it is proposed to do just what has been mentioned by the Senator from Florida. The bill, if enacted, will mean that a State with large waterways, such as the State of Florida, with all its fine waterways, will receive practically no benefit from them. Of course, God Almighty put the waterways there, and He sends the water down, during the year, to keep them full of water. But under this bill all those advantages that God put there would be taken away from the people of Florida. Here, Mr. President, is the sharp ax, here is the guillotine blade; and Senators will notice that there is nothing ambiguous or weak or in any way uncertain about the language that is used in this measure.

For instance, paragraph (9) of the pending bill provides that—

> No agreement approved by the Commission under this section, and no conference or joint or concerted action pursuant to and in conformity with such agreement as the same may be conditioned by the Commission, shall be deemed to be a contract, combination, conspiracy, or monopoly in restraint of trade or commerce within the meaning of the antitrust laws.

That is the section which covers or includes all the railroads. What do Senators suppose the railroads weigh, anyway? No doubt they weigh billions of tons, with all their engines and cars and equipment, and tracks. But the few words I have just read would lift all the weight of the railroads from under the Government of the United States and place it under this proposed private government of the railroads.

Mr. President, I quote further from the minority views submitted by the Senator from South Carolina and the Senator from New Hampshire, and let me say that the minority views constitute a very fine report:

> Thus, not only would combinations of carriers participating in agreements for joint and concerted action be immunized from the antitrust laws but their bankers and financiers, manufacturers of railroad and other carrier equipment, and powerful shippers, taking "joint or concerted action pursuant to and in conformity with" the carriers' agreement, would be immunized from the antitrust laws. By these adroit provisions, effectively eliminating the application of the antitrust laws, financial and powerful shipping interests, acting through rate making and other procedures provided in agreements approved by the Interstate Commerce Commission, could ally themselves with the dominant carriers associations to fix transportation rates and limit transportation services so as to stifle new competitors and perpetuate monopoly.

Mr. President, the Senator from South Carolina knows that is exactly what has been done by the railroads under the monopoly set-up which they are asking the Congress to protect. Under the provisions of the pending bill, the Congress is asked to protect that monopoly set-up from the Supreme Court of the United States and the antitrust laws which have been passed by the Congress of the United States.

Mr. President, earlier today, during the course of my remarks, the distinguished Senator from Montana [Mr. MURRAY] called attention to the growing trend in many industries—a trend which, as I have stated, received a tremendous impetus from the necessities of the past

war—toward monopoly, cartelization, and a denial and a defeat of our private, free, American enterprise system.

On the 9th day of March 1947, the New York Times carried a most interesting story on the front page of its business section. The story is entitled "World Survey, a Challenge to Free Enterprise Here." I ask Senators to note the subtitle. We often refer to our high standard of living, of which we are justly proud and which we seek all the time to make higher, so as to provide more of the comforts and the good things of life for our people. The subtitle of the article to which I have referred is "Highest Standards of Living Found in Countries"—

Mr. President, where do you think the highest standards of living are to be found? Do you think they are to be found in countries where there is monopoly, where there is cartelization, where there is nationalization of industry, where there is socialism, where there is fascism, where there is communism? Oh, no, Mr. President. This is the subtitle of the article: "Highest Standards of Living Found in Countries With Political and Economic Liberty."

That is the battle we wage here today, the battle for political and economic liberty, the battle for the kind of liberty which has made America the mightiest and greatest and most powerful nation on the face of the globe. We wage the battle for economic liberty, which is the very heart and core, the sinew and brain, of the American system and the whole American economy.

This article, written by Mr. Russell Porter, says:

A world-wide trend—

That was the thought of the Senator from Montana a few minutes ago when he propounded a question to me—

A world-wide trend away from free enterprise and toward various forms of socialism and communism was shown in a survey published last week by the New York Times. Two world wars and a world depression have broken down private capitalism virtually everywhere except in the United States and Canada.

It is a significant commentary, as pointed out in several quarters, that the standard of living remains highest in those countries, particularly the United States, where there is the least restriction upon competition, the essential characteristic of free enterprise.

When he uses the word "competition" he is talking about the very competition we are trying to protect, defend, and save by our opposition and our effort to defeat the pending bill.

Mr. Porter proceeds in his article:

On the other hand, living standards have deteriorated steadily in countries where competition has been crushed by State monopolies and the private monopolies—trade associations, cartels, etc., which preceded them. Dictators and intellectuals have replaced the kings, czars, and emperors, but they have not solved the fundamental social problem of the world. That has been done best by the people themselves, in lands where they have had individual liberty to establish their own political and economic freedoms.

This presents a challenge to all Americans. Against such a background, how can we protect ourselves against this nationalization and cartelization of the world? How can we keep our competitive system from being destroyed? How can we avoid slipping into the abyss?

The very abyss into which this bill would push us.

How can we help to pull the rest of the world back?

Mr. Porter proceeds:

Public opinion seems to be crystallizing to the effect that if we are to meet our obligations at home and abroad, we must have another miracle of production like that which overwhelmed the Axis. This requires a revival of wartime teamwork, with everybody working and producing more, and with the Government encouraging and stimulating competition in both the domestic and international fields. Otherwise we shall have a restricted, contracting world economy in which free enterprise will wither and die, instead of the expanding economy needed for peace and prosperity.

Then Mr. Porter adds these words:

The role of the Government is not to intervene on either side, as most Americans see it, but to stand by to encourage cooperation and fair play in the public interest and to prevent either side from using monopolistic practices to restrict production and competition.

If we should pass the pending bill we would be doing the very contrary, the very opposite, to what the needs and compulsions of the hour demand, that is, to protect our people from monopoly, to fortify and safeguard and make even stronger the American free-enterprise system.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the entire article by Mr. Russell Porter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD SURVEY A CHALLENGE TO FREE ENTERPRISE HERE—HIGHEST STANDARDS OF LIVING FOUND IN COUNTRIES WITH POLITICAL AND ECONOMIC LIBERTY

(By Russell Porter)

A world-wide trend away from free enterprise and toward various forms of socialism and communism was shown in a survey published last week by the New York Times. Two world wars and a world depression have broken down private capitalism virtually everywhere except in the United States and Canada.

It is a significant commentary, as pointed out in several quarters, that the standard of living remains highest in those countries, particularly the United States, where there is the least restriction upon competition, the essential characteristic of free enterprise.

On the other hand, living standards have deteriorated steadily in countries where competition has been crushed by state monopolies and the private monopolies—trade associations, cartels, etc.—which preceded them. Dictators and intellectuals have replaced kings, czars, and emperors, but they have not solved the fundamental social problem of the world. That has been done best by the people themselves in lands where they have had individual liberty to establish their own political and economic freedoms.

This presents a challenge to all Americans. Against such a background, how can we protect ourselves against this nationalization and cartelization of the world? How can we keep our competitive system from being destroyed? How can we avoid slipping into the abyss? How can we help to pull the rest of the world back? How can we meet all the demands upon us for food, money, and credit without allowing our gifts and loans to be used against us to torpedo our system?

Because of these questions, 1947 has become a critical year for America. Another world war or another great depression could be the end of both free enterprise and democracy in a world already headed toward totalitarianism. Therefore, if there is any one answer to such questions, Americans appear to have made up their minds. It consists of maintaining the Nation's economic strength at its highest possible point. From the standpoint of national security, this constitutes our greatest safeguard against attack from the new nationalism, militarism, and imperialism that are developing in the world. It is also our safest insurance against the lowering of our standard of living.

Public opinion seems to be crystallizing to the effect that if we are to meet our obligations at home and abroad, we must have another miracle of production like that which overwhelmed the Axis. This requires a revival of wartime teamwork, with everybody working and producing more, and with the Government encouraging and stimulating competition in both the domestic and international fields. Otherwise we shall have a restrictive, contracting world economy in which free enterprise will wither and die, instead of the expanding economy needed for peace and prosperity.

A special responsibility rests, in the eyes of the public, upon the leaders of American industry and labor. They have the power to save or to wreck the American way of life. Labor-management cooperation means industrial peace, abundance, a chance to prevent another major depression, survival for ourselves, and hope for the world. Class warfare means strikes, chaos, possibly 1929 all over again, and maybe the third world war.

An immediate test of the devotion of both sides to the American way is at hand. This is in the collective-bargaining negotiations soon coming to a head in the mass-production industries. Whether differences are reconciled by discussions around the table in the democratic tradition, or fought out on the picket line in class warfare, may determine the whole course of American and world history.

The test will be one of self-restraint on both sides. For management it will come on prices and profits. It will be a test of the National Association of Manufacturers in its pledge of constructive action in the public interest, and in its case against the Robert Nathan report and price controls. It has said that competition and consumer resistance in a free market would bring down the cost of living. With few exceptions management now concedes that prices are too high, while profits are booming. The question is: What is it going to do about it?

TEST FOR LABOR LEADERS

For labor the test will come on wages and productivity. It will be a test of the sincerity of the top leaders of the American Federation of Labor and the Congress of Industrial Organizations in their professed loyalty to free enterprise. They know that wage increases cannot be granted in all cases without boosting costs and therefore prices, and that lower prices would do the country more good than higher wage rates unless men and machines are allowed to work with greater efficiency. But what will they do about this?

Either side can wreck the economic system by holding out for excessive wages or excessive profits, but both sides must cooperate in order to save it.

The role of the Government is not to intervene on either side, as most Americans see it, but to stand by to encourage cooperation and fair play in the public interest and to prevent either side from using monopolistic practices to restrict production and competition.

A strengthening of the Government's foreign economic policy in order to stimulate the competitive system in world trade is also considered essential. It must be kept alive despite all the efforts of foreign governments,

trade associations, and cartels to kill it here as they have killed or emasculated it in their own countries. Americans do not want a crusade to enforce our system upon the rest of the world, but they are determined to keep it and are ready to share its benefits with others who wish to adopt it.

Mr. HILL. Mr. President, in his article of March 9, Mr. Porter referred to an article which he wrote 6 days previously, under date of March 3, 1947, which appeared on the front page of the New York Times, columns 2 and 3, and which comprised nearly three full pages of the New York Times. The article is cationed: "Future of free enterprise in world found uncertain—Times' survey shows nationalization trend growing outside Western Hemisphere—mixed economy in many lands."

The article proceeds:

Of 22 nations surveyed by correspondents of the New York Times, Canada appears to be the only one—

The only one out of 22 nations—

in which private enterprise can be said to be functioning today with anything like the freedom from government controls that obtains in the United States.

Mr. President, I shall not take the time of the Senate at this juncture to read this article, but I desire to call attention to one or two subheads.

I refer to the article on Britain, a special to the New York Times from London, dated February 27. The article on Britain, one of the 22 countries surveyed, is captioned:

Britain socializing.

That is not news. We know what is happening in Britain; there everything is moving now toward socialization and nationalization.

I read this from the article on Czechoslovakia:

Private industry in Czechoslovakia retains a respectable position, despite an over-all 70-percent nationalization of industrial capacity.

The article on France is from Paris, March 2, written by Harold Callender, a special to the New York Times:

Since the war France has lived under a regime of mixed economy, with huge new doses of socialism.

I read this from the article on Italy, by Mr. Arnaldo Cortesi, dated Rome, March 2:

Nationalization gaining in Italy.

Here is a story from Budapest, Hungary, dated March 1. The story is old, I am sorry to say. It is captioned:

Capitalism lost in Hungary.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Georgia.

Mr. RUSSELL. We all know, to our sorrow, that not only was capitalism lost in Hungary at the time that article was written, but since then even socialism has been superseded there. The important point to be emphasized in connection with what the Senator is saying is that there is no way ever to reverse any of the trends toward state socialism once they get into full swing. Some country may start out with a political program of nationalization of only two or three industries, but when people are encouraged to take the first step toward socialism, and yet their country embarks upon such a program, even though it has definite limits in its inception, forces are created which it is absolutely impossible to stem at any subsequent time. All private industries and all the individual rights and liberties in that nation must go through the wringer and be eliminated, and men then will be compelled to start again on that tortuous path that preceded the time when King John surrendered to the barons on the plains of Runnymede. Civilization will be set back thousands of years if greedy interests succeed in destroying the antitrust laws and cause a political revolution in the country with state socialism as its goal. We cannot socialize the railroads; we cannot have Government ownership of transportation, without endangering our whole system of free enterprise. As I stated on yesterday, the passage of this bill will generate a demand for governmental intervention, for the American people outside official territory will not forever endure the present unjust and unfair discrimination which handicaps them.

Mr. HILL. The Senator is exactly correct. All history confirms the truth of the statement made by the Senator from Georgia. It must not be forgotten, in connection with what he has just said that if the pending bill were passed, a long step would be taken toward the condition described by him. It would be the greatest step possible toward monopolistic cartelization of the basic industry of America, the railroad industry which is basic because every other industry in the United States depends in some degree on transportation.

Recurring to the survey I was reading and not take too much time on it at this point, it is interesting to note the heading on an article about Spain, which reads:

Spain uses the subtle "I. N. I."

The "I. N. I.," as a reading of the article discloses, is a government corporation, the "National Institute of Industry," which controls the economic and business life of Spain.

There is a special dispatch from Stockholm, under date of February 26, by Peter Hershend, under the heading "Sweden Aims at Socialism."

Senators have heard something about Turkey lately. There is a dispatch from Istanbul, Turkey, under date of March 1, under the caption "Turkey's state capitalism."

I come to the last article. I have skipped a great many. I did not think it necessary to waste time on Russia.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. HILL. Yes.

Mr. RUSSELL. I think it might be well to touch upon Russia, in order that the proponents of the pending bill might see the ultimate objective at which we are sure to arrive, if the proponents succeed in enacting the pending bill. I should be pleased if Senators who are here, defending the free enterprise system of America, would let the proponents of the measure understand what will be the full result of the passage of the pending bill.

Mr. HILL. I thank the Senator. I appreciate his suggestion. I think it has much weight.

Mr. McFARLAND. Mr. President, if the Senator is going to touch upon a matter that the proponents of the pending bill should hear, I think there should be a quorum call. There is but one Senator present on the other side of the aisle, possibly two; and there are but five Senators on this side. If the Senator will yield, I shall suggest the absence of a quorum.

Mr. HILL. I yield to the Senator for that purpose.

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hill	O'Mahoney
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Buck	Jenner	Robertson, Va.
Bushfield	Johnson, Colo.	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	McCarran	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Tobey
Downey	McGrath	Tydings
Dworshak	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Eighty-three Senators having answered to their names, a quorum is present.

Mr. HILL. Mr. President, when the distinguished Senator from Arizona [Mr. McFARLAND] suggested the absence of a quorum I was referring to a survey made by the New York Times of some 22 countries of the world. The results of that survey were published in the New York Times under date of March 3 and March 9. The articles were written by Mr. Russell Porter. The first article to which I refer is captioned "World survey a challenge to free enterprise here," with a subheading, "Highest standards of living found in countries with political and economic liberty." I had not seen fit to comment or to bring to the attention of the Senate the different articles and reports on all 22 of the different countries. I had brought to the attention of the Senate very briefly, largely by use of the headings over the articles, the conditions in a few of the countries.

I had passed over the article or report on Russia. The distinguished Senator from Georgia suggested to me that it might be of interest to know just what the article on Russia relates to, as to private enterprise, monopoly, socialism, nationalization, and cartelization. The

article on Russia was written by that very distinguished writer, Mr. Drew Middleton. It was dated Moscow, March 2, special to the New York Times. I do not know whether the editor was being sarcastic, or whether he had his tongue in his cheek, but it is amusing to note that he headed the article on Russia with these words "Private enterprise in Russia." The article written by Mr. Middleton goes on to say:

Private enterprise does not exist on a large scale in a socialist state such as the Soviet Union, although it is tolerated in a minor way on the fringe of the economy.

All industry here is state-owned. A minor type of private enterprise is the work of war invalids and others who belong to cartels or cooperatives and who do piecework at home or who maintain tiny shops where they do repairing or sell furniture they have made themselves.

Somewhat the same situation exists on collective farms. All collective farmers work in the fields of the farms to which they are assigned and are paid for their work on them. In addition each farmer and his family have a private garden for which they pay a very small yearly rental. In these gardens, which vary in size from a half acre to an acre and a quarter, farmers and their families raise vegetables, usually potatoes, for sale in the markets of town and city.

Payment for such goods is usually used by the farmer to buy extra manufactured goods, often in the same market in which he has sold his food.

Moscow is sprinkled with small one-man watch and clock repair shops that are often assumed to be private enterprises. This assumption is not correct. Such shops are given to invalid soldiers and others by the Government, which also supplies material and pays the worker a fixed rate for his finished product.

As the article brings out, today there is really no private enterprise in Russia. I think the distinguished Senator from Georgia, in suggesting that I read the article on Russia, wanted to point out what we were leading to in this country when we took the first big step toward monopoly, cartelization, and the destruction of American free private enterprise. As the Senator from Georgia has wisely commented, no nation ever started on this road that could stop midway or turn back. It continued on to the end of a socialistic, communistic, or Fascist state, and then perhaps out of the ruin and misery wrought by such a state, the people of that country might start back the long, slow, painful, and tortuous way in an effort once more to establish the worth and dignity of the individual, once more to provide liberty for the individual, and once again to strive to attain some degree of the economic well-being, the relatively high standards of living, and welfare, and the general prosperity, which characterize states which enjoy political and economic freedom, as the United States has enjoyed it.

I shall not consume further time in referring to the survey, but I ask unanimous consent to have the article reporting on the survey printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the article will be printed as requested.

(See exhibit A.)

Mr. HILL. Mr. President, we now have in existence a system of transportation monopoly and cartelization which the bill seeks to protect, and which it would freeze into the American economy. It is the purpose of the bill that this system of monopoly and cartelization shall be protected, approved, ratified, and made lawful, so that the system will not be stricken down by the Supreme Court of the United States under the antitrust laws.

It is interesting to note what has happened since this system came into being in more recent years. As will be recalled, it had its genesis about 1935. Mr. Wiprud, to whom I have previously referred, and from whom I have quoted to some extent, formerly headed the Transportation Section of the Antitrust Division of the Department of Justice. He there made an earnest study of the subject of transportation monopoly and cartelization under the antitrust laws. In the position he occupied he was the servant of the American people, charged with the duty and responsibility of protecting them in their rights and interests. Mr. Wiprud delivered an address on the 20th of last November before the Metropolitan New York Chapter of the Interstate Commerce Commission Practitioners in New York City. I wish to quote briefly from what he had to say last November about how this monopoly transportation system has worked and is working. He said upon that occasion:

Though the current critical situation in the industry is largely attributable to greatly increased costs of operation that require immediate and forthright treatment by regulatory authorities, the railroad problem, as such, stems first and foremost from past banker domination of the entire railroad industry, which in the case of most railroads still lingers on. It is not necessary for me to relate to this group the sordid history of Morgan and Kuhn-Loeb rule of American railroads, a monopolistic rule which a vigorous application of the antitrust laws decades ago could have nipped in the bud. Think of it, two banking houses with little or no permanent investment in any railroad, ruling the financial destinies of virtually all our railroads, and thereby ruling the destiny of the Nation. Their ruthless exploitations—from the Morgan-created New Haven, Boston & Maine Railroad monopoly, which has cost the stockholders untold millions of dollars, to the financial wrecking of the Chicago, Milwaukee & St. Paul Railway Co. by Kuhn, Loeb & Co.—have touched and blighted the entire industry and every community. All this has been recorded for all to read in the investigations of congressional committees, notably the Pujo, Pecora, and Wheeler committees. This is, indeed, the blackest page in American financial history. Some may say that I am "rattling the dry bones of antiquity." But I say to you, though domination by those banking houses has been weakened, and as to some railroads destroyed, through the recent requirement that railroad bonds must be sold at competitive bidding, a requirement which these bankers fought bitterly, that domination lies at the heart of the United States Government's antitrust suit against J. P. Morgan & Co., Kuhn, Loeb & Co., the western railroads, and others, now pending in the United States district court at Lincoln, Nebr.

The whole public-transportation program of the bankers, these rulers of the railroad empire, is restrictive of development of the industry and the Nation. Their program of restricting trucking operations, suppressing air-freight transport, opposing the building of pipe lines, are all familiar to you. I have only this to add on this count. I believe with that able railroad executive, Ralph Budd, when, in 1925, he warned the organized railroad industry that such a destructive program would bring no increased returns to railroad treasuries. He called attention to the great benefits that had accrued to the railroads from the development of the automobile industry, in increased tonnages and earnings. He urged that instead of using vast sums from railroad treasuries to suppress competitors, the railroads turn to a constructive program of utilizing their funds to improve their plants and equipment and increase their efficiency. Then, he said, they need no longer fear competition.

But these rulers of the railroad industry, and their organizations, would not listen. Planned scarcity and monopoly profits has been and is their public transportation program. In their efforts, and they were stupendous, to suppress other forms of transportation, they neglected the improvement of their own facilities and services. Indeed, the backwardness of railroad technology is notorious. The same manufacturers build the same cars, locomotives, and other equipment year after year, with little change in design, efficiency, and price. The whole technology of railroad signaling and communications is an anachronism. Trainmen still go down the track with lantern and flare to protect trains at emergency stops. Radio and the science of electronics have long been effectively used in other forms of transport, where they have contributed greatly to the safety and efficiency of operation. But their possibilities have until recently made no impression on railroad managers.

Why have these unsound conditions persisted? Can it be that railroad managements are bound by agreements or otherwise to preserve an obsolete technology?

I emphasize the word "agreements," because agreements will be the magic key which will unlock the door and open the way for the railroads to obtain protection from the antitrust laws. Can it be that railroad managements are bound by agreements or otherwise to preserve an obsolete technology?

The evidence is in the affirmative. Monopolistic interests have controlled the manufacture of railroad equipment for their own protection, and they have stifled or seriously delayed the development of efficient and economical equipment by progressive manufacturers. The banker-dominated Pullman Co. used its monopoly of the sleeping-car business to suppress competition in that field. As a result, the public was forced to ride in obsolete sleeping cars, averaging 22 years of age, while the Pullman interests enjoyed monopoly profits. The recently successful antitrust suit against this sleeping-car monopoly may correct this situation so detrimental to the railroads and their patrons.

I say by way of interpolation that if the pending bill had been on the statute books the Government might never have brought the suit to break up the Pullman Car Co.'s monopoly. It is because the railroads know that under the antitrust laws the Supreme Court must break up their monopolies—their stifling and paralyzing monopolies—even as it broke up the monopoly of the Pullman Co., that this bill is here today. The railroads for the past 5 or 6 years have been trying to have such legislation as this passed by the Congress.

But one must wonder how the railroad industry under such conditions expects to hold its passenger traffic against the modern airplane and motorbus operated by vigorous, forward-looking managements.

By the terms of the now-famous western agreement, 35 railroads operating west of the Mississippi River agreed to delay improvements in railroad equipment, curtail new transportation service and suppress proposals to speed up freight and passenger schedules. An agreement of similar tenor was entered into between the New York Central and the Pennsylvania Railroads.

Through such monopolistic controls and collusive practices, the equipment of railroads has become deficient both in quantity and quality.

Can anyone imagine any other industry surviving such destructive practices?

Just think, Mr. President. Walk down F Street today, contrast it with what it was when we first came here 15 or 20 years ago, and note the difference. The store windows are different, the lighting is different, everything is different. The merchants have gone forward and have kept pace with the times; they have seized upon modern technology and made use of it, even to the extent of providing air conditioning as my friend from Montana [Mr. MURRAY], knowing the atmospheric conditions on the outside today, suggests. Why have they done these things? Because they knew that under a free enterprise system they could not survive unless they progressed and improved their facilities. But the railroads have done no such thing. What have they done? They have conspired together to make sure that no one of them would act except in concert with the others so that there would not be such progress and advancement as would afford the American people the benefit of a modern, more up-to-date, more expeditious, and more comfortable service.

I continue reading:

Can anyone imagine any other industry surviving such destructive practices?

I want the Senate to listen to this, please. They are knocking on the door of the United States Senate and coming right into the Chamber.

Nor could many railroads continue operations except for financial aid from the Government through RFC loans. The disastrous effect upon the industry is further attested to by the many recurring railroad bankruptcies, with the investor paying the bill through loss of his investment. The bankers, however, who rule but incur no risk, are not removed.

There is an interesting thing. I am sure the Senator from South Carolina [Mr. JOHNSTON], who was on the committee and who has studied this question, knows to what I am referring.

They, or their nominees, usually become the reorganization managers (for a substantial fee), and the bankrupt railroad invariably emerges burdened with a financial structure similar to the one that forced it into bankruptcy, and a set-up which continues banker rule. A new angle to this old story is the comparatively recent success of the larger insurance companies and savings banks in securing control of numerous reorganized railroads. The working relationship between these insurance companies and the Morgan and Kuhn, Loeb firms has been conclusively shown in a congressional report.

That is the report of the Wheeler committee which was made after former Senator Wheeler and former Senator Truman, now the President of the United States, investigated the matter. They brought out those things.

I have dealt with these conditions in broad outline for time does not permit detailed, case-by-case, discussion. I must move on as rapidly as I can to the role of regulation, the more important antitrust cases now pending in this field, the current program of the organized railroad industry, and, finally, what the future holds for private enterprise in the industry as a whole.

But I do believe, from what has been said, that we are beginning to understand some of the major causes of the railroad problem, and the impelling need of vigorous application of the antitrust laws to transportation companies and their bankers, not only to protect the public interest, but to save the industry for private enterprise.

Mr. President, what does he mean by "save the industry for private enterprise?" Senators know there is just one step beyond private enterprise, and that is Government ownership, operation, and control.

Earlier in my remarks, as may be recalled, I spoke about this trend, and I stated that of 22 leading countries in the world surveyed by the New York Times, only one—Canada—today enjoys private enterprise such as we have it in the United States.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. PEPPER. If I correctly recall, the Canadian Government itself owns one great railroad line which runs to the Pacific coast.

Mr. HILL. The Senator from Florida is correct about that.

Mr. President, in speaking of the modernization of railroads, let me say there is a railroad president named Young. That is rather a good name for him, for he has some young ideas. We may not agree with everything he does or says, but certainly he is young in some of his ideas and some of his thoughts. He has been most insistent in his efforts to induce the railroads to meet modern conditions and has recognized the soundness of the statements I have just quoted from Mr. Wiprud; in other words, that the railroads cannot survive unless they are willing to go forward, take advantage of modern technology, make use of modern equipment, and provide the service which invention makes it so inviting for them to give. I spoke about the fact that people were riding in Pullman cars which were 22 years old. Nearly a year ago—on July 29, 1946—Mr. Young's lines, the Chesapeake & Ohio, carried a large advertisement approximately four columns wide and extending almost the full length of the newspaper page. I hold a copy of that advertisement in my hand. It appeared in the Washington Post, and I am sure it also appeared in many other leading newspapers, periodicals, and other publications throughout the country. The advertisement is headed:

Why must sleeping-car passengers put up with "rolling tenements"?

Mr. President, those are not my words; those words appear in the heading of an advertisement published by the head of a great railroad system; the head of that great railroad system is speaking. He says further in the advertisement:

NINE OUT OF EVERY TEN SLEEPING CARS NOW IN SERVICE BELONG IN MUSEUMS! WHAT CAN BE DONE ABOUT IT?

Anyone who ever takes an overnight train trip owes it to himself to read these facts:

The average age of the 6,800 sleeping cars now in operation is almost 22 years. Nearly 25 percent of them were built before the First World War. (Would you expect a comfortable ride in an automobile built between 1910 and 1915?)

Compared to really modern sleepers, these old cars are as out of date as high button shoes! And to ride in these jittering tenements on wheels—

Mr. President, those are not my words; they are the words of Mr. Young, the president of the Chesapeake & Ohio—

25 to 35 years of age, the traveler pays a premium fare.

Of course, we know that the fare which has to be paid by those who ride in pullman cars is much higher than the fare which is charged for riding in the coaches.

Mr. Young further says in the advertisement:

Is it any wonder railroads are losing business to the airways and the highways?

WHAT'S THE REASON?

Don't think this situation is due to the war. It existed long before the war. Only 900 sleeping cars—a mere 13 percent of those now on the rails—were built in the last 16 years, and less than 9 percent are of modern lightweight design.

With over 6,000 new sleepers needed, only 764 had been ordered as of June 1. These were ordered in small lots of varied design by 25 big railroads for their own use. (More than 30 other roads that operate sleeper service did not have a single sleeping car on order.)

Not only does this piecemeal method of buying mean that the new cars will be ill-fitted for through service; it is one of the principal reasons why they will cost four times as much per pound to build as an automobile.

Mr. President, do you appreciate the economic significance of the last sentence I have read from the advertisement? It is obvious that sleeping cars could be purchased at a much lower price if they were built by mass-production methods.

I read further from the advertisement:

Since last September, the C. & O. has tried in vain to get other railroads to agree on sleepers of standardized designs and to place sufficient orders so that all railroads can gain the economies of mass production.

Our efforts have been given no encouragement. We are tired of waiting and so are the travelers we serve.

In other words, Mr. Young was feeling like some of us who have slept in the old "tenement on wheels" sleeping cars to which he alludes in the advertisement. He further says:

Apparently, the only way the C. & O. can get modern sleepers is to have its own built.

Then he states what they are going to do, as follows:

THE C. & O. REPEATS ITS OFFER

The present situation is plain bad business. People want modern equipment. They have shown themselves eager to travel on the railroads that provide it. Even be-

fore the war, new lightweight streamliners were packed to capacity on routes where their old-fashioned predecessors had traveled half empty.

The demand for travel accommodations has never been greater than it is today. Yet ancient sleeping cars still clutter up the rails while the airways and highways shine with new models. It doesn't make sense.

The need is self-evident for an efficient, new sleeping car operating company which can and will buy modern cars competitively in quantity and service them economically.

Mr. President, it was a year ago that Mr. Young was appealing to the railroads to get rid of these "rolling tenements" and to do something which would benefit the railroads, make it possible for them to meet the competition of the other carriers and methods of transportation, and put them on a sound economic and financial basis. But instead of doing that, instead of meeting the needs, the demands, and the compulsions of the situation, they come to Congress and say, "Let us set up our own private government so that we can do just as we please, and have all the monopoly we want; kill competition; stifle development of different sections of the country; and retard the growth of America's economy and business. Let us run everything to suit ourselves."

Mr. President, Mr. Young is a persistent man, as well as the president of the Chesapeake & Ohio, and he evidently did not give up because he got no response to his advertisement of a year ago. As late as Tuesday, May 27, last, only a few days ago, he inserted some new advertisements in the newspapers, one of which appeared in the Washington Post on the morning of May 27, still carrying on his effort to induce the railroads to modernize, to meet new conditions, to put themselves on a sound financial and economic basis. The advertisement of the 27th of May was a full page advertisement, and Mr. Young made this statement at the beginning:

WHY THE RAILROADS CANNOT AFFORD NOT TO MODERNIZE—A DOLLARS-AND-CENTS EXAMPLE THAT WILL INTEREST TRAVELERS, LABOR, AND INVESTORS

For a long time the C. & O. has been saying that America's railroads must modernize their passenger equipment—or forfeit a great opportunity.

In print and in private, we have lampooned the "rolling tenements" that still pass for sleeping cars. We have stumped for modern streamlined trains to replace tired, creaking old day coaches. And over and over we have stated the conviction that, given attractive equipment, and new comforts and services, the railroads could open the door on a new era of travel.

Think what a marvelous thing it would be if the railroads would do what Mr. Young wants them to do, instead of spending their money to send their lobbyists and lawyers and other representatives to Washington to try to fasten this gigantic monopoly cartel upon the American people, upon American industry, and upon American economic life. Think of the result if they would use the same ingenuity, expend the same number of dollars, employ the same time, and make the same effort to modernize their railroads and make it possible, because of the reduction of rates, which could then, no doubt, be put into effect, for more of our people to travel, to see and understand our country, to travel abroad, for that matter, and thus to enjoy greater educational opportunities. What a challenge, what an opportunity, as Mr. Young declares it to be.

In his advertisement Mr. Young proceeds to say:

As an earnest of that conviction—

That is, the conviction that a great, new era lies ahead for the railroads if they are only willing to lift their eyes and see it—

As an earnest of that conviction C. & O. is replacing every old sleeping car, day coach, and diner on all our main lines, with modern streamlined cars. The orders have all been placed. If every railroad were doing as much, there would now be 21,000 new passenger cars on order instead of a mere 3,000.

If Mr. Young, of the Chesapeake & Ohio, can do it, why cannot the other railroads do it?

His next observation is:

But is it practical?

He proceeds to say:

The stand-patters in industry are still shaking their heads.

They are the doubting Thomases.

And lately more reasonable people have been asking, "How can the large-scale replacement of old trains be practical?"

They point out that several of our largest systems had serious deficits in 1946. And everyone knows that the railroads are caught between rocketing costs and lagging rates. "How," they ask, "can such an industry afford large outlays for new equipment?"

The answer is that the railroads can't afford not to make these outlays, and here is a dollar-and-cents example.

He captions the example:

The investment that is fast returning its cost.

He says:

Last August one of the C. & O. lines, the Pere Marquette, installed two ultra-modern trains on its run between Detroit and Grand Rapids. These new daytime streamliners were the last word in passenger attractiveness.

Since they have been in operation the new trains have carried 86 percent more passengers than old trains carried over the same route during the same period of the previous year—when traffic was still swollen by war emergencies.

Mr. President, that is the initiative of the great free American enterprise system at work. That is the answer. The answer is to make use of our great rail transportation system, not to destroy it, not to turn from it to monopoly, to cartelization, to socialism, to fascism, or some other ism.

Mr. Young continues:

And here is the proof of the pudding: In less than 4 years, at the present rate, the increase in passenger receipts will equal the total cost of the trains.

Modern equipment is not a luxury that only a few fortunate systems, like the C. & O., can afford. Even a bankrupt railroad can borrow money today to buy such equipment at 2 percent interest. Since that is the fact, it is almost incredible that less than 100 new passenger cars have been ordered this year.

"Which way do we go?" is his next subhead.

Where do we go? That is the question.

To investors, the labor brotherhoods and the traveling public, the C. & O. repeats its conviction—that our railroads face one of the most critical choices in their history.

If pessimist thinking, old-line practices, and Toonerville equipment continue to be tolerated, then, regardless of rate relief, further deficits and bankruptcies are certain.

There it is, Senators.

But if, on the other hand, these liabilities—

That is, the Toonerville equipment and the old-line practices—

are replaced by modern ideas and modern trains our railroads can again be a credit to our country. They can also be a bulwark of our national defense, which, as every citizen knows, depends on a flourishing transportation system.

I repeat:

In less than 4 years, at the present rate, the increase in passenger receipts will equal the total cost of the trains.

There is the answer to the railroad problem—modernize, make use of that great boon, the American free enterprise system; do not strike it down; do not undermine it; do not torpedo it; do not kill it. All history proves that, whatever its shortcomings, whatever its failures, it is the best system ever devised by the mind of man. It offers the most, it brings the most in happiness, in good things, in high standards of living, in general welfare of the people.

Mr. President, we have been talking about what has happened under the monopoly cartel system, which the pending bill would now freeze and make permanent, giving protection and granting exemption from antitrust laws. Mr. Wiprud, representing the Department of Justice, testifying on behalf of the Department, as the servant of the people, before the Senate Committee on Interstate Commerce, on the last Bulwinkle bill, H. R. 2536, told of the investigation which he and other attorneys in the Transportation Section of the Antitrust Division of the Department of Justice made before the suit was brought at Lincoln, Nebr. The Department of Justice wanted the facts. It wanted to know just what the situation was; first, as to whether or not antitrust laws were being violated; second, what damage had resulted to the people of the West, and to the economic life and welfare of the Nation because of the action of the railroads of the West as embodied in the western agreement. Mr. Wiprud, before the committee, said:

The Government also established by documentary evidence the Nation-wide activities of the Association of American Railroads in the rate-making field and the control over rates in the western United States by eastern interests under the now notorious western agreement.

It is called the "western agreement," but the purpose of the agreement was not to enable the western railroads to control their own fortunates, not to enable them to work out their own destiny, under their own authority and control; not to aid them to take steps to advance the

growth, the development, and the progress of the great West. On the contrary, the agreement was intended to make more powerful and more complete the control, by eastern bankers and railroad magnates, of the western railroads and the economy of the West. Mr. Wiprud says:

I shall not attempt to go over the facts introduced by the Government under my direction at these hearings.

He had charge of the Government case, as senior counsel, representing all the people of the United States. I have quoted from a good many persons today, but I have not quoted from anybody who was representing a selfish interest, or who was the spokesman for any particular group. I have based my case on the facts furnished by representatives of the people, servants of the people, paid to protect and preserve the rights and the interests of the people. I have not even quoted from a single chamber of commerce. If time permits, I shall have something to say about chambers of commerce, and, in that connection, I shall perhaps refer to lobbyists and lobbying. I think it may fairly be said that many of them "Know not what they do." Down through 2,000 years those words have come ringing in our ears. I think they might well be applied to many who think they favor the pending bill, but who do not know the bill; who do not understand it; who do not appreciate its implications and ramifications, or where the bill would inevitably and inexorably lead us, or the abyss into which it would plunge us.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. HILL. Yes; I yield to my friend from Tennessee.

Mr. STEWART. Has the Senator studied the probable effect that the passage of the pending legislation might have on the recent Supreme Court decision upholding the Interstate Commerce Commission in its edict, which directed the adjustment of certain inequities in freight rates between the Southern and Western Territories and the Eastern or Official Territory?

Mr. HILL. I would say to the Senator I cannot state that I have studied the decision in connection with the pending bill as carefully as I should have liked to do, but if the pending bill passes it will be a very positive and definite step in opposition to the very remedy which the action by the Interstate Commerce Commission in that case sought to afford and which I well know the Senator has earnestly advocated for many years.

Mr. STEWART. I fought side by side with the Senator from Alabama in several battles in the years gone by to reach the very point that we thought we had reached the other day, when the Supreme Court decision was rendered. But what I have in mind is whether or not this bill, if passed, might at least be considered to be an implied repeal of that portion of the Transportation Act of 1940 on which the Supreme Court decision of a few days ago in the freight-rate case was based.

Mr. HILL. It might seriously endanger that provision of the Transportation Act.

Mr. Wiprud continues:

The Government's investigation up to that time (1943) established these basic facts:

First, that conference rate making, which had become a common practice in the railroad field, is being adopted in the inland water-carrier field.

Just what I had suggested to my friend, the distinguished senior Senator from Florida, earlier in the afternoon.

Second, that rate bureaus and rate-making conferences in the railroad field and in the motor-carrier field have jointly agreed upon rates which resulted in whole groups of motor carrier rates being gradually forced upward to the full level of railroad rates.

Third, that water-carrier rates through water-carrier rate bureaus are being artificially related to railroad rates.

Fourth, that air express rates were being fixed by the railroads at an arbitrary level over railroad rates.

Fifth, that by this process of private rate making and control, transportation rates have been forced to an artificially high level without regard to the carriers' cost or to the value of the service rendered.

In other words, without any regard to what it costs the carrier to move the freight, or what the value of the freight moved may be, the rates have been artificially raised to a high level.

The conclusion was that the evolution of these private bureaus, associations, and conferences into the present intricate private rate-making machinery for the entire transportation industry is one of impelling public significance. The machinery of the Interstate Commerce Commission—

Mr. President, in view of the question he just asked me, I call the attention of the Senator from Tennessee to this language:

The machinery of the Interstate Commerce Commission for supervising rates is dwarfed in comparison.

That is, in comparison to this private government the railroads have set up. The Association of American Railroads and the western agreement constitute the private government the railroads have set up. Have Senators had time to look at the chart in the hearings showing what this private government is? The chart will be found opposite page 109. There will be found that private railroad government, the Association of American Railroads. We talk a great deal about bureaucracy, about bureaus in Government, but this set-up makes any bureau in government seem, by comparison, to be a cracker. One might as well compare an alley cat to a Bengal tiger as to compare a Government Bureau with the Association of American Railroads. I believe it was Senator Blaine on the Senate floor who used the Bengal tiger as an example. Opposite page 109 Senators will find a picture, a chart, a pattern of that great association. All I can say is, may the Lord help the West and the South if Congress ever passes the pending bill and turns this Bengal tiger loose to raid those two sections of the country.

Mr. Wiprud goes on to say:

It was testified by Government witnesses that adherence to conference rates has been compelled not only by coercive means inherent in rate-bureau and rate-association machinery but also (and this applied particularly to motor carriers) by flagrantly coercive practices such as refusal to interchange traffic with nonconforming carriers, boycotts, intimidation, fomenting of strikes, and the like. By such means, individual rate making is successfully eliminated and transportation rates artificially fixed and maintained. And, finally, as to the bill, S. 942, I testified for the Department of Justice, as follows:

"At this time, we—

Meaning the Department of Justice—

"can only state that this bill, S. 942, or any bill similarly designed to legalize rate-making conferences, would vest in the transportation industry a power greater than that ever heretofore delegated by the Congress to any industry. It has been said that these private rate-making conferences exercise power coextensive with that of the Interstate Commerce Commission; but, as we have seen"—

I call attention of the Senator from Tennessee to this language, in view of his deep interest in this matter and his great work in behalf of the removal of freight rate discriminations—

"they have in fact even greater power, for they determine, with few exceptions, what rates for public transportation shall, or shall not, be filed with the Commission and thus become the 'lawful' rates. And of the rates so determined and filed, the Commission reviews about 1 percent. Clearly such extraordinary powers should not be lightly given. The assertion that the shippers are able to police the results of this private rate-making machinery fails to carry conviction, in view of the record and of the widespread and continuing complaints of private shippers and public officials of excessive and discriminatory transportation charges."

Mr. STEWART. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. STEWART. The Senator has directed my attention to the language he has just read. What the Senator means to emphasize is that in the end the railroads themselves make the rates.

Mr. HILL. Surely they make the rates. Of course, they do.

Mr. STEWART. The process by which that is done is one of the so-called secrets. It is one of these very difficult problems which only the railroads can solve. Oftentimes when those interested in the subject discuss rate making and discriminatory rates affecting the South and the West, as we have done many times, we are told, "Well, that is a very, very difficult problem. It is one that should be left to the experts." One must be an expert in order to understand how freight rates are made. One almost has to be an expert in order to make them. So many experts have been connected with rate making that throughout the years one section of the country has been built up to a high state of industrial development, and it has become so powerful that it is difficult to deal with. Of course, I am not an expert rate maker; my knowledge is comparatively smattering and fragmentary; but I have been given to understand that it has long since become a custom—whether justified by law, frankly I do not know, because there have been opinions both ways—for a railroad, when it desires to make a tariff or rate between Butte, Mont., for example, and Montgomery, Ala., on shoes, overalls, shirts, women's dresses, or some manufactured product made in either

one of the cities, to file the rate with the Interstate Commerce Commission, and if no one objects to it in a certain period of time, perhaps 30 days, it then becomes a fixed rate, and that must be paid by shippers. Does not the Senator from Alabama understand that to be substantially correct?

Mr. HILL. The Senator from Tennessee is correct.

Mr. STEWART. Who could know when the rate was applied for? Perhaps it would be tacked on a little board in a remote room in one of the larger Government buildings in the city of Washington, in close proximity to where the Interstate Commerce Commission held its meetings. So the notice would be so meager as not to be sufficient to those who might be affected.

To digress for a moment, to show what an absurd thing has happened as a result of the creation of the Interstate Commerce Commission, I remember reading a few years ago a portion of the debate on the floor of the Senate when the Interstate Commerce Commission was being created. Senator Cullom, of Illinois, in his zeal and enthusiasm for the establishment of the Interstate Commerce Commission and the passage of the act creating it, said:

> This will become the poor man's court. The shipper will be protected if this Commission is created.

Many times I have thought what a distance we have come since Senator Cullum, of Illinois, expressed what was undoubtedly his honest opinion. He believed that it would become a poor man's court for the protection of small shippers and others. We have reached the point where the railroads have practically dominated the Commission. As I understand, the Commission is helpless to change a rate unless someone objects to it. Who knows about it?

I did not mean to take so much of the Senator's time.

Mr. HILL. Mr. President, as I stated in the beginning, no one has been more diligent or persistent in his efforts to remove these unfair and unjust discriminations against the great western section of our country, as well as the South, than has the distinguished Senator from Tennessee. He has studied this question. He has worked on it. He has been most diligent in his efforts to fight this battle, and I am delighted to have him here today, to interrupt me and make any observation he may see fit to make.

Mr. STEWART. I appreciate the Senator's very courteous remarks. I can return the compliment ten-fold. I know of the Senator's work in this same field. I recall the work which he did in 1939 and 1940 as chairman of a subcommittee of the Committee on Interstate Commerce in effecting the passage of the so-called Transportation Act of 1940. The Senator will recall that after laboring many months the House passed one version of the bill and the Senate another. We almost gave up hope in the closing weeks of the session, when the conference committee finally got together and ironed out the differences, and incidentally did a little legislating of its own. I remember the fine work which the Senator from Alabama did on that occasion. If it had not been for the passage of the act of 1940, and the insertion of words prohibiting discrimination against any region, territory, or zone, the victory which was won in the Supreme Court the other day would not have been possible. In years gone by the lack of that single provision was responsible for the refusal to correct a discriminatory condition. It must be said to the credit of the Senator from Alabama that he is more responsible for that provision than anyone else.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. STEWART. Just a moment before the Senator from South Carolina interposes.

I was not a member of the subcommittee, but I attended the hearings rather regularly. Hearings were held until everyone was pretty well worn down at the heels. They had been going on for 2 or 3 months, almost daily. Finally a group from Arkansas came forward to testify, and a very excellent witness, whose name I thought I had on the tip of my tongue when I started to relate this incident, appeared with a large map of the United States on a cardboard 3 or 4 feet square. On it was the picture of a cow with her head in Arkansas, grazing, and she was being milked in New York. That put new life into the committee. That single incident created considerable newspaper comment, and we took a fresh start after the milking cartoon was exhibited.

Before I take my seat, I call attention to the fact that the Interstate Commerce Commission has not functioned as a poor man's court, as was hoped by Senator Cullum, of Illinois, during the debates. Perhaps we have been responsible. Perhaps we have been derelict in our duty toward that body, by not giving it the power it should have.

During a period of 3 or 4 years I was chairman of the transportation subcommittee of the Small Business Committee of the Senate, of which the distinguished Senator from Montana [Mr. MURRAY] was chairman. Other Senators, including the Senator from Florida [Mr. PEPPER] were members of the subcommittee. The Senator from Montana appointed me to the chairmanship of the transportation subcommittee. We went into the freight-rate question. We procured the advice and assistance of experts. Last year, before the committee folded up, in about September of 1946, we filed a report which is Senate subcommittee print No. 14. I distributed copies of that report among Members of both Houses of Congress.

Among other things recommended in that report, I invite the attention of the Senator from Alabama to the following recommendation:

> That an Office of Public Transportation Counsel be created in the Department of Justice, with the duty of presenting, under the direction and with the assistance of the Federal Transportation Authority—
>
> Which was also recommended—
>
> representing the general public interest in appropriate proceedings before agencies regulating transportation and the courts, matters pertinent to the effectuation of a national transportation policy.

The purpose was to aid small shippers who are absolutely unrepresented in all these matters. In the past the situation has been most pathetic. Sometimes I feel that the Congress of the United States should hang its head in shame because of the fact that we have overlooked our duty of protecting small business interests and small shippers.

I thank the Senator from Alabama for permitting this interruption.

Mr. HILL. I thank the Senator from Tennessee for his splendid and timely contribution. He speaks of the recommendation of his committee for an Office of Public Transportation Counsel representing the public interest. According to my information many State commissions have such a counsel to represent the people. Oftentimes when we attend a hearing to witness the presentation of some case, the railroads, water carriers, and motor carriers have their counsel there. Every selfish interest has a representative, but there is no one there to represent the people.

The Senator suggests that we have a counsel whose duty and business shall be to represent the people in these matters. But instead of having before us a bill to provide such a counsel, we have before us a bill to take from the Attorney General his right to go into court and ask for our protection under the antitrust laws. We have a bill which would reduce the Attorney General and the Department of Justice to the status of an ordinary complainant before the Interstate Commerce Commission. The bill moves entirely in the opposite direction from the recommendation of the distinguished Senator from Tennessee.

Referring to the rules and regulations under the present-day monopoly system of the Association of American Railroads, let me say that among other rules and regulations the Association of American Railroads promulgated a resolution dated May 17, 1935, which was in the early days of the association. That resolution provided that no rail carrier should ask the Interstate Commerce Commission to suspend rates of another rail carrier until representatives of both parties had first conferred with representatives of the Association of American Railroads, and that where one group of lines knew of contemplated publication of rates of another group believed to be harmful to it there must be a conference with the representatives of the Association of American Railroads in advance of filing such tariffs. The tariffs are the requests for new rates to be put into being. As a result of the means and methods adopted to effectuate the unlawful purpose of this combination in violation of the antitrust laws, a private government has been established by the railroad industry. The words "private government," which I use now and have used frequently in my speech today, are based on written statements of those who acted in creating the Association of American Railroads—an organization, a process of administration, a system of police all unknown to our laws, which has been endowed with the power of self-regulation comparable with the United States Government itself.

Every important carrier as a practical matter must have membership in the Association of American Railroads. Every member of the association as a

condition of membership agrees to submit to control by the association, and in all its rates and other activities conform to the procedures and to employ the bureaus and associations established by concerted action under the Association of American Railroads.

To obtain and maintain its membership, an individual railroad must, in respect to all that has to do with rate making and services, surrender its liberty of individual action. Mr. Pelley, of the Association of American Railroads, in effect has admitted this much. A railroad thus surrenders to the government of the industry practically all the privileges in respect to the initiation and revision of its rates and other matters and all the privileges in respect to protesting to the Commission against rates proposed by other carriers, which privileges are accorded to the railroads by the Interstate Commerce Act. A railroad surrenders the privileges accorded to it by the law of the land. It surrenders even the right to complain to the Interstate Commerce Commission against the rates of other carriers and against the veto imposed on its proposals somewhere in the hierarchy to which I referred a short time ago—this superduper bureaucracy in the government of the railroads.

The Bangor & Aroostook Railroad and the Wheeling & Lake Erie Railroad tried to join the Association of American Railroads with a reservation of the right to act independently of the association in rate matters. Their membership was not accepted on such a basis.

It is thus through a private rate-making policy and rate-making process unknown to the law that a decision is made as to what rates are to be filed and what are to be withheld from the official regulatory authorities. Such a concert of action constituting an unlawful conspiracy in restraint of trade interferes with and disrupts the regulatory scheme established by Congress. Such conspiracy restrains, prevents, and hinders the initiation and maintenance of rates, services, and facilities which are just and reasonable and leaves the interests of the States and the people of the States without the protection the law was designed to afford them. The railroads, in creating and employing this process of rate and policy determination, violated the antitrust laws and flouted the procedures provided in the Interstate Commerce Act. Rate bureaus were not so arranged and were not intended to be so arranged as to give economic power into the hands of the carriers of any one territory—that is, the eastern territory—and to accord a relative advantage to the shippers and the economic interests of the eastern, or official, territory, and to discriminate against the West and the South, their ports and their people.

Rate bureaus were intended to be so arranged as not to be used to impair the power of individual carriers or of connecting carriers acting independently and in competition to propose single or joint rates to the Interstate Commerce Commission and to protest to the Commission against rates proposed by other carriers which would deny to some of the States and to their people the use of due process established by law through which their interests were to be served and protected in the making of rates.

Documents of record in connection with the Bulwinkle bill show that the railroads wilfully and with full knowledge of the consequences of their acts organized and utilized a system of rate making and private government by which power over rates and other matters was lodged with conspirators, and rates and policies fixed by them were intended to serve and did serve the paramount interest of the eastern, or official, territory, to the injury and detriment of the West, the South, and other sections of the Nation.

For instance, documents in the hearings on the Bulwinkle bill show that any controversy arising out of the failure to adjust to the satisfaction of the carriers in official, or eastern, territory any rate dispute affecting the carriage of freight between the South and the North or between the West and the East, or official territory, may be referred to the Joint Conference of Contact Committees.

In this conference there are seven votes, one of which is controlled by the railroads operating in southern territory, four of which are controlled by railroads operating in northern, eastern, or official, territory, and two of which are controlled by railroads operating in western territory.

In this conference the eastern territory has absolute power to coerce decisions affecting freight rates to, from, and within the States of the West and the South in whatever fashion the conspirators determine.

The plans of the underlying bureaus, organizations, and the Association of American Railroads taken together further provide for an appeal to the Association of American Railroads in the event that some one or more of the interested carriers should desire to take such a course.

What about this appeal? Here, again, the voting privileges are so distributed that the South is completely dominated by the carriers in eastern, or official, territory. The articles of the Association of American Railroads provide that a majority vote of the board of directors is required for decision. Any member of the board, however, may declare a question controversial, in which case a vote of three-fourths of the board is necessary for a decision. Of 18 votes on the board of directors only 4—less than one-fourth—are controlled by the South, although the rate or other question may be applicable within the South alone. It may be a rate that is applicable only in the South, not applicable at all in the eastern territory. Nevertheless, the eastern territory officials control that rate and, under this monopoly set-up, have within their own hands, the power to control it.

Mr. RUSSELL. The same thing is true with respect to the West.

Mr. HILL. Yes, Mr. President; I am delighted that the Senator from Georgia has made that point, because earlier in my remarks I stated that the same thing is true with respect to the West, except, as I shall show in a few moments, they have been a little more merciful, shall I say, to the South than they have been to the West in the matter of freight rates. In regard to freight rates they have stifled and strangled and choked the West to an even greater and more outrageous degree than they have the South, badly and outrageously as they have treated the South.

Mr. President, let me give an illustration of what the result is. Congress has said in effect that the rates should be calculated or worked out in such fashion as to preserve the inherent advantages of water transportation. That specific provision was written into the law by Congress in 1940, when the Congress put the water carriers under the control of the Interstate Commerce Commission. There is now in the Supreme Court a case which previously has been on appeal; and in that case it is shown with respect to two carloads of grain which went to Chicago from the West, one by rail and one by inland waterway, the two carloads subsequently leaving Chicago on the same train, going to New York by rail, that the charges on the carload which came to Chicago by barge were higher than the charges on the car which came to Chicago from the West by rail, in fact, just enough higher to cancel the advantage which the western farmer would have received from the low rate for transportation by water into Chicago from the western farm. In other words the private government of these railroads took the few cents of benefit flowing from the cheap water transportation on each hundredweight of grain from the pocket of the western farmer and gave it, not to the western railroad which had lost the business to the western inland waterways, but to the dominant railroads in the highly industrialized East. The western farmer received no benefit from the cheaper waterway transportation. He did not get any of that benefit, because by the time his grain arrived at New York, the transportation charges were just as much on his grain, although he had used the cheaper waterway transportation, as they were on the grain that had gone all the way by the higher-cost railroad.

Mr. PEPPER. And that was so, despite the fact that the farmer helped to pay for the waterway.

Mr. HILL. Yes; as the distinguished Senator from Florida has suggested, the farmer helped to pay, out of his own pocket, for the waterway. Nevertheless, after he helped to pay for it, he was denied any benefit from it, and not even the western railroad received the benefit, because the benefit went to the large eastern railroads. Yet we are asked to give our blessings to and to approve and ratify and to become a party to that sort of thing.

Mr. President, I note that the hour grows late. I could continue indefinitely. The Senate will not be surprised to know the results of this system and what it has done.

Let me refer to the Georgia case now pending in the Supreme Court. As I commented in my remarks in the Senate yesterday—and I do not want Senators to forget this point—the men who framed our Constitution, whom we like to think of and pay tribute to, because they deserve tribute, were so much interested in the right of the sovereign States to defend the rights and protect the welfare of their people that they accorded to the

States the right to take cases directly into the Supreme Court. They provided that sovereign States would not have to go into a district court or into a circuit court of appeals or into some other lower court; they were so concerned about the right of the States to protect their people and they were so anxious and eager to strengthen and to fortify that right of the States that in the Constitution of the United States they provided that the States could go directly into the Supreme Court of the United States to protect those rights.

That is exactly what the State of Georgia did. Here is what the record in that case shows in regard to what Georgia and other Southern States have suffered under this monopoly, cartelized, private government of the railroads, owned and controlled by Wall Street bankers and the railroad magnates of the East. At page 548 of the hearings on the Bulwinkle bill before the Senate Committee on Interstate and Foreign Commerce, we find a table captioned "II. Comparison of first-class rate scales within eastern (official) territory and within southern territory—intraterritorial rates—rates stated in cents per 100 pounds."

Mr. President, from the table it appears that to transport 100 pounds by railroad for a distance of 50 miles the cost in the northern and in the eastern sections of the country is 47 cents; in southern territory the cost is 57 cents. In other words, the percentage of the southern rate to the eastern rate is 121.3 percent.

We also find that to transport 100 pounds a distance of a thousand miles cost $1.82 under the eastern rate, and cost $2.49 under the southern rate, or a percentage of the southern rate as compared to the eastern rate of 136.8.

I shall not read all of the table, but at this time I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

II. COMPARISON OF FIRST-CLASS RATE SCALES WITHIN EASTERN (OFFICIAL) TERRITORY AND WITHIN SOUTHERN TERRITORY

Intraterritorial rates

[Rates stated in cents per 100 pounds]

Distance	Eastern scale rate	Southern scale	
		Rate	Percentage of eastern
50 miles	47	57	121.3
100 miles	62	79	127.4
150 miles	73	96	131.5
200 miles	80	112	140.0
300 miles	96	134	139.6
400 miles	109	156	143.1
500 miles	122	173	141.8
600 miles	135	189	140.0
700 miles	149	206	138.3
800 miles	160	222	138.8
900 miles	171	235	137.4
1,000 miles	182	249	136.8
Average			137.7

On a movement of 800 miles within official territory, the table above shows that a rate of $1.60 per 100 pounds applies on first-class traffic, while for the same distance in southern territory, the rate is $2.22. If the 800 miles are divided, 600 in official and 200 in southern, the rate is $2, or 40 cents higher than the normal official rate and 22 cents lower than the all-southern.

Mr. HILL. Mr. President, on the same page of the hearings we find a table with the following heading: "III. Interterritorial rate comparison—Interterritorial rates—Rates stated in cents per 100 pounds."

From that table it appears that from Atlanta, Ga., to Elmira, N. Y., a distance of 931 miles, the first-class rate was $2.35, whereas from Chicago, Ill., to Worcester, Mass., a distance of 933 miles—2 miles farther—the rate was not $2.35 but only $1.69. In other words, the disadvantage of the southern territory as compared with the official, or eastern, territory was 66 cents, or 39 percent.

Mr. President, I ask unanimous consent that that table may be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

III. INTERTERRITORIAL RATE COMPARISON

Interterritorial rates

[Rates stated in cents per 100 pounds]

From—	To—	Miles	First-class rates	Disadvantage of southern territory compared with official	
				In cents	In percent
Atlanta, Ga.	Elmira, N. Y.	931	235		
Chicago, Ill.	Worcester, Mass.	933	169	66	[1] 39

[1] Source: Tariffs on file with the Interstate Commerce Commission, effective in 1941 and at present.

Mr. HILL. Mr. President, a few minutes ago I stated that, badly and outrageously as the South has been treated by this monopoly cartel and this private government of the railroads, operating in violation and in defiance of the antitrust laws of the United States, yet the West has been treated even worse and even more outrageously. I turn to a little volume entitled "Justice in Transportation," written by Arne C. Wiprud, special assistant to the Attorney General in the Antitrust Division of the Department of Justice.

Before I speak of the bill particularly, I wish to read just a brief quotation from Mr. Wiprud which sums up the result of these unfair and unjust rate discriminations under this evil thing, this monopoly, cartel, private government. I read from page 71:

The colonial system in our national economy—whereby the West and the South produce basic raw materials and do little manufacturing, and the East emphasizes the production of high-unit-value manufactures—condemns the country to an unbalanced economy and a lower level of income than would result from the full use of all productive resources. The concentration of manufacture in the North and East is the most obvious characteristic of our economy. More than half of the population of the country is located in eastern territory, where 65 percent of the national income is produced. The resources of the South and West are largely undeveloped. Although these two regions embrace five-sixths of the country's area, they produce only 35 percent of the national income.

He proceeds then to speak about the disparity in per capita income, and says:

Whatever the historic origins of this colonial economy, it is now clear that its perpetuation is preeminently the result of freight-rate handicaps and that a balanced development of regional economies within a national economy demands a thoroughgoing reorganization of the entire freight rate-structure.

What are the territorial differences in freight rates? On the average, goods subject to class rates, so important to industrial developments, must pay rates 37 percent higher in the South than for a comparable service in the East, and in the West these rates are 46 to 71 percent higher than in the East. The differences in rate-making territories of the West as compared with the East are as follows:

Class rates on the average are 46 percent higher in western trunk line territory than in eastern territory; 61 percent higher in southwestern territory—

That is Arizona and Texas, as I recall—

and 71 percent higher in mountain-Pacific territory.

And this condition exists despite the fact that the unit cost of railroad operation is approximately the same in the South and in the East and only a little higher in the West than in the East.

In other words, the cost of operation, the cost of service, does not in any way warrant or give any excuse for these outrageous discriminations in the matter of freight rates.

Mr. President, there are many features of the bill which time will not permit me to discuss now. One feature I had desired to discuss—and I hope the distinguished senior Senator from Montana [Mr. MURRAY] will cover it in his address tomorrow, since I do not find the time to do it this afternoon—is the matter of terminal delays under the monopoly bill. A manufacturer in Montana sought to establish a plant for the manufacture of furniture, and tried for a year and a half to get a rate on moving the furniture toward the East. At the end of the year and a half nothing had been done. I hope the Senator from Montana will go into that tomorrow. I shall not discuss it further. There are many matters of that kind which should be brought out in this debate.

Mr. MURRAY. That is the case of the Yellowstone Cabinet Co., of Billings, Mont.

Mr. HILL. Yes. There are many cases of that kind, cases dealing with lumber, cases dealing with turpentine and other naval-stores products, cases dealing with many different products.

Mr. MURRAY. Including wheat and flour.

Mr. HILL. The Senator from Montana suggests cases dealing with wheat and flour. There are many of those cases which should be covered in the debate, in order that Senators may know what is happening under the railroad monopoly, this cartelization, in order that they may know what the effects of the monopoly are.

I had hoped to address myself to the question of who is for this bill. The Senator from Kansas [Mr. REED] put into the RECORD on Monday, I believe it was, a list of a number of organizations. Does the Senator from Montana recall how many there were, or can the Senator from Kansas advise me as to the number?

Mr. REED. The number of organizations?

Mr. HILL. Yes.

Mr. REED. Nine hundred and fifty-six.

Mr. HILL. I wish I had the time to discuss the list; but I shall make this suggestion: There used to be a famous engine known as No. 97. I suppose every railroad in the country, if this bill passes, will have one of its engines numbered 956.

Mr. REED. Mr. President——

Mr. HILL. If the Senator wants me to go into that, I shall be glad to do so.

Mr. REED. I am not anxious to have the Senator do so.

Mr. HILL. If the Senator wants me to yield, I shall be glad to do so, but I was seeking to come to a conclusion of my remarks.

I should like to discuss these organizations somewhat, but, as I have said, time does not permit. Senators might turn to the hearings on H. R. 2536, particularly to the testimony of Gov. Ellis Arnall of Georgia, beginning at page 417, where he very kindly and wisely reviewed for the committee some of the facts, some of the exposures which had been made before other Senate committees regarding lobbying, the pressures which had been exerted, and the efforts which had been made. Many things he told as to the financial contributions of the railroads to chambers of commerce, which really indicated that at least some of the chambers of commerce, when they endorsed the bill, were endorsing this good fairy godfather who had dropped gold into their treasury.

I shall not have time to go into that. If the debate proceeds at some length, I may take a day to do so. It would take a day to cover that subject, and probably a night, or perhaps the whole night.

At this time I wish to call attention to a survey made by an organization known as Home Town Opinions, Atlanta, Ga.-Washington, D. C., from area headquarters.

They made a poll among independent businessmen on the question of the pending bill. That poll showed that independent businessmen voted 46 percent in favor of the bill, 54 percent against the bill. That was for the Nation as a whole. In my State of Alabama the result was 44 percent for, 56 percent against. I am sure, however, that the businessmen who voted for the bill, if they had time to study it—we realize very well they did not have the time—if they had had an opportunity to go into the merits of the bill, to realize its effects, its meaning, its results, and what it contemplates; to know what would be done by the monopoly cartel which it would freeze into our economic life and into our American way of life, in my opinion there would not have been many of them who would have supported the bill. The fact is, I have had communications from businessmen asking me to support the bill. When I have, in reply, advised them what would be the effect of the passage of the bill, they have written again saying, "I want to ask you to oppose the bill; do not let the bill pass."

Mr. President, on page 401 of the hearings before the Committee on Interstate Commerce on H. R. 2536, there is a letter from the Western Growers' Association, and there are other letters, which show that certain Senators in the beginning looked on the bill with a certain degree of favor. When they began to study it and to see what it would do and what it would mean, they soon found themselves strongly opposing it. It is impossible for me to think that the bill can or will ever become a law. It is difficult to think that Congress would pass such a bill. If Congress should pass the bill, fortunately for the people of the United States there is in the White House at the present time a man who knows this subject. He spent many months as a Member of the Senate, and, more than that, as a member of the Senate Committee on Interstate Commerce, studying the subject. He and the then distinguished chairman of the Senate Committee on Interstate Commerce, former Senator Wheeler, of Montana, spent many days, many months, long periods of time, studying the subject, exposing practices and procedures of the railroads under the monopoly-cartelized system, exposing the evils and the dangers to our economy and to our country, under this system.

The present President of the United States, while a Member of this body, after concluding his studies, characterized the so-called system under the Association of American Railroads as "cartel monopolies." I quote the words, "cartel monopolies." They are the words of the present President of the United States.

He went on to say:

> Even if we limit this number to the present number of class I railroads—137—still we would be freezing the status quo and departing from a fundamental American freedom, the freedom of opportunity.

He added:

> I believe that the proposal is fundamentally based upon the concept that a permanent level or pattern of transpotration has been achieved, and it is now simply a question of organizing its structure and distributing its fruits.

Those were the words of the present President of the United States. Commenting on those words, the author of the book had this to say:

> The railroad program seeks to protect the railroads' investments, regardless of the economic cost to the Nation. It is being advocated in the name of "free enterprise" and under the slogan "preserve the enterprise system," but there is no freedom and there is no enterprise in it. * * *
>
> And as a final bow to competition, the sponsors of the plan conclude that there shall be no competition in rates and charges but only in services.

But I have given Senators the words of the President of the United States. He has not forgotten what he learned while he was a Member of the Senate. He has not forgotten the effects of the railroad monopoly. He has not forgotten the evils and the ills of that monopoly, its harm to the country, its dangers to the American free-enterprise system.

In Mexico, on March 4, 1947, no doubt remembering these things, he uttered these words:

> There is one thing that Americans value even more than peace. It is freedom—freedom of worship, freedom of speech, and freedom of enterprise. It must be true that the first two of these freedoms are related to the third.

That, of course, Senators, is freedom of enterprise.

> For, throughout history, freedom of worship and freedom of speech have been most frequently enjoyed in those societies that have accorded a considerable measure of freedom to individual enterprise. Freedom has flourished where power has been dispersed. It has languished where power has been too highly centralized. So our devotion to freedom of enterprise, in the United States, has deeper roots than a desire to protect the profits of ownership. It is part and parcel of what we call American.

And so, Mr. President, we who stand here today in opposition to the pending bill are fighting the battle for America as we know it, for the American free-enterprise system, for the freedoms of America, freedom of speech, freedom of worship, freedom of enterprise. We fight the battle that we may maintain freedom, that we may preserve our American democracy.

EXHIBIT A

[From the New York Times of March 3, 1947]

FUTURE OF FREE ENTERPRISE IN WORLD FOUND UNCERTAIN—TIMES' SURVEY SHOWS NATIONALIZATION TREND GROWING OUTSIDE WESTERN HEMISPHERE—MIXED ECONOMY IN MANY LANDS

(By Russell Porter)

Of 22 nations surveyed by correspondents of the New York Times, Canada appears to be the only one in which private enterprise can be said to be functioning today with anything like the freedom from government controls that obtains in the United States.

The prospects for the survival of the competitive free enterprise system outside the Western Hemisphere seem covered with uncertainty in view of the growth of nationalization under various forms of socialism and communism.

The tendency is apparently toward moderate exercise of government controls in Britain, the western areas of the continent, and the Pacific, and toward extreme application of government control in the Soviet Union and its satellites in eastern Europe.

Since the end of the war, Canadian business and industry have been restored to virtually their prewar condition, without fundamental changes; price controls have been removed from everything but food and rent.

Britain's nationalization program is planned to leave 90 percent of the economic system in private hands, but hedged about with government restrictions, especially on the use of raw materials and credits and the right to hire and fire.

France has had a mixed economy since the end of the war. Nationalization is written into the new constitution, but the Govern-

ment is going slow on the elimination of free enterprise.

The trend is away from private enterprise toward some form of state control in Italy. The Spanish Government's declared policy is to encourage private enterprise, but the tendency for 8 years has been increasingly toward controls.

Sweden is following a program of slow but sure absorption of the bulk of big business and industry despite strong opposition from bankers, industrialists, and the cooperative movement. Private enterprise is still active in Belgium, but there are many Government restrictions. Holland has more and stricter restrictions.

The situation in Germany is in a state of flux because of the occupation, the lack of economic unification and the nation's uncertain future.

In Russia private enterprise is, of course, outlawed except for some unimportant activities on the fringe of the totalitarian economy. It is reported to be on the way out in Hungary. In Poland, it has recently been emphasized that limited private industries are officially welcome, but whether this toleration is a stopgap until the nationalization of basic industries is made to work satisfactorily is not clear.

For the time being, private enterprise retains considerable position in Czechoslovakia, although industry is 70 percent nationalized, but the Communist-headed Government is opposed to indefinite continuation of the present mixed system.

Although nationalization laws went into effect in Austria last September, the prospects seem better there for the survival of private enterprise than in the rest of southeastern Europe.

In the Balkan countries of the Russian sphere—Rumania, Bulgaria, Yugoslavia, and Albania—industry is being completely nationalized; private enterprise is fighting a losing battle there.

Greek businessmen hope for a revival of private enterprise when the country becomes more settled.

The Australian Labor Government owns and controls many major industries. Since the end of the war political pressures have been growing for more socialization.

In Japan the Government opposes nationalization but is increasing controls over production. Although private enterprise there is in a shaky condition, it is expected to survive during the occupation.

Rival Trends in Australia

(By Roy L. Curthoys)

MELBOURNE, AUSTRALIA, February 25.—Two conflicting trends are manifest in Australia's economy.

One is the strengthening of the capitalist structure by the elimination of weaker groups or units and the consolidation of stronger groups by mergers. The other is the growth of political pressure from the Labor Party for socialization.

In industries like coal, steel, shipping, textiles, food processing, wool, insurance and banking, the tendency in recent years has been toward fewer but bigger corporations. There have also been many amalgamations of enterprise in tobacco, chemicals, cement, glass, rubber manufacture, and breweries, with a general interlocking of widely different industries.

EXAMPLE OF BUSINESS GROWTH

The Broken Hill Proprietary Co., Ltd., has grown from a modest silver and lead mining enterprise into a vast iron and steel concern reaching out through the whole Australian economic structure. It controls 23 major coal mines and went into shipbuilding during the war. Large international corporations like Imperial Chemical Industries, General Motors, Ford Motor Co., Standard Oil and Royal Dutch Shell are now among Australia's biggest profit-makers.

The result of this development has undoubtedly been to strengthen the capitalist structure generally. An economic system under which public companies earn an average profit of 6 percent on the funds employed and the annual earnings of private and public companies rose by $160,000,000 between 1939 and 1946 can hardly be said to be in jeopardy.

Alongside the trend toward the consolidation of capital, however, Labor politicians have insistently demanded political action toward socialization. The Labor Party, at present controlling the Commonwealth Government and five of the six state governments, has as one of its main objectives the socialization of the means of production, distribution, and exchange.

LABOR'S DEMANDS GROW

Since the war the demand for socialization has grown insistently, although the application of this policy is very far from the stage attained in Britain. However, in housing, aviation, banking, insurance, railways, electrical undertakings and shipbuilding government control or ownership is considerable and likely to grow as a result of political pressure. As left-wing influences gain in the industrial wing of the Labor Party, the demand that Labor Government carry out the party's platform on finance, commerce, and industry is certain to increase.

When the Commonwealth Government failed recently to gain exclusive control of interstate civil aviation because airline companies successfully appealed to the high court against the constitutionality of legislation purporting to give the Government a monopoly, pressure from the rank and file of the Labor Party caused the government to establish a rival airline that is now in daily competition against private companies.

Moderate political labor leaders declare this an ideal process of stabilization—healthy competition between private enterprise and Government ownership. "In my opinion, there is room here for both," Prime Minister J. B. Chifley said recently.

Vienna Outlook Vague

(By John MacCormac)

VIENNA, February 27.—The prospects for the continuation of private enterprise in Austria are probably better than elsewhere in southeastern Europe.

Austria is not under complete Russian control and the Volkspartei, which dominates its coalition Government, is a party of business interests as well as peasants. But so many uncertain factors of local and international politics, in addition to economic considerations, help to complicate the present picture that it would be rash to predict how it will look in 5 years' time.

Since the nationalization law went into effect on September 17 last the Austrian Government has become technical owner of 90 percent of the country's commercial banking facilities, about 85 percent of its river navigation, 95 percent of its coal extraction industry, and 50 percent of the nonferrous metal extraction—except aluminum—98 percent of the manufacture of pig iron and steel.

It also owns 35 percent of the iron and steel products—except machinery and structural materials—30 percent of structural iron and steel facilities, 35 percent of the manufacture of machinery other than agricultural and electrical, 25 percent of agricultural machinery manufacture, and 90 percent of the manufacture and repair of railroad equipment, about 50 percent of the manufacture of electric machinery and appliances, and 100 percent of the production and refining of oil.

This, of course, is a formidable installment of socialization.

The chief reason for the passing of so comprehensive a nationalization law, however, is believed to have been a desire to anticipate a Russian claim under the Potsdam agreement to nearly half of Austria's large-scale industry on the ground that it was a German external asset.

NATIONALIZATION DEFERRED

The Volkspartei, although it formally championed the nationalization of some key industries before the election, has no real enthusiasm for it. The application of the nationalization law to the properties of Allied and neutral nationals has been deferred by the Austrian Cabinet until Parliament has passed measures for compensation.

The Russians, who claim about 50 percent of the industries to be nationalized, have refused to admit that these are subject to Austrian law.

Where Austria, in any case, could obtain funds from which compensation could be made is not apparent. She could require foreign interests to accept 20-year or 30-year bonds for their properties. But many of these urgently need rehabilitation or development and funds for this could be obtained only in the United States or Britain.

The political prospects of the Austrian Socialist Party are improving and it is believed possible that it might win the next election. But the election is likely to be too close to permit any other than a new coalition government, which would mean a compromise on socialistic measures.

Those properties which the Austrian Government may buy back from Russia, or take over from former German or collaborationist owners, will certainly be nationalized. Those owned by uncompromised Austrians or western private interests may well remain in private hands.

Belgian Trend Uncertain

(By David Anderson)

BRUSSELS, BELGIUM, February 26.—Those most intimately concerned with private industry in Belgium are in the curious position of not being sure whether the conditions are good, bad, or indifferent. A plausible case can be made out for any one of the three.

The marked gains recorded in most fields of endeavor until last September have been held, but few industrialists can point to any further advance since then. The lack of coal and the scarcity of skilled labor are given as the main factors in the slowdown.

Manufacturers that have surpassed their prewar output include paper, textiles, and many chemical products. For the most part plants suffer from a continued high cost of raw materials, coupled with lower man-hour output.

Private industry in Belgium is still unquestionably very much a private affair, and the well-known ability of the people to resist controls is cited as evidence against nationalization schemes. There is a proposition before Parliament to take over the coal mines but businessmen believe any such program will not be approved for years. The nationalization of the gas and electricity industries also is in the preliminary discussion stage. Government curbs, however, do restrict enterprise.

PRICE CONTROLS IN FORCE

Price controls are laid down for manufactured goods, and the factory owners must observe the regulations even if the middlemen and retailers ignore them. Foreign exchange control is relatively liberal. The 50-percent tax on profits plus the 5-percent capital tax impedes the reequipment and stocking of plants, businessmen contend.

A bitter disappointment to Belgian industry has been the operation of this country's

free-trade program, whereby a long list of commodities can be imported or exported without license. It was hoped that the same policy would be adopted elsewhere, but since that is not the case Belgium is glutted with consumer goods while she exports with difficulty.

The prospects for private industry will be uncertain as long as the trade balance remains unfavorable. Last year imports were valued at 52,000,000,000 francs and exports at 29,000,000,000.

It is possible, therefore, that the nation will be forced to try austerity to reduce domestic consumption. This will not be easy because the people are reaching out for their prewar standard of living, which is no longer attainable, according to economists.

DUTCH AWAIT NEW MARKETS

The Netherlands is primarily a trading community, whereas Belgium is industrial. The Dutch tend to underestimate their position, which they say will be fair until the great markets in Germany and the Netherlands Indies are open. Foreign exchange controls are much stricter in the Netherlands than in Belgium. More severe controls also are imposed on domestic industry.

For example, a 5-year permit must be obtained for any new plant, whose operation will be closely watched. Private enterprise in the Netherlands enjoys easier money than does Belgian, the interest rates are lower and taxes are scaled to encourage industrial modernization and restocking.

BRITAIN SOCIALIZING

(By Michael L. Hoffman)

LONDON, February 27.—While nationalization of industry is the heart of the Labor Government's program for post-war Britain, this country will continue to depend on private enterprise for the conduct of most economic activity.

It is becoming increasingly clear, however, that the role of private enterprise in a partly socialized economic system cannot be left to work itself out as a residue of the nationalization program.

When the present program is completed, coal, road, and rail transport, and electric and gas industries will have been transferred to state ownership. The Bank of England and cable and wireless have already been taken over, but they are only single enterprises whose nationalization makes little or no difference to anyone but their own shareholders.

At least as important for the future of private enterprise as the industries actually nationalized is the extensive control over land use and development that the Government will acquire by the town and country planning bill and the agricultural bill now passing through Parliament. Private initiative in determining the use to which either farm or city land may be put will, in effect, be prohibited.

After all this has been done, however, less than 10 percent of the British employed population, not counting the armed forces or civil service, will be working in nationalized industry.

In this "90 percent of the economy" private enterprise will be responsible for the organization of production and the marketing of products. It would be a distortion of terms, however, to call this "capitalism" as either Karl Marx or the average American businessman would understand that term.

On every hand private enterprise is hedged with restrictions. The investment of capital and the acquisition of raw materials are largely under Government control and apparently will continue so. The control of investment is considered by the Labor Government as a necessary adjunct to the nationalization of basic industries, for which the Government now becomes the responsible entrepreneur.

Not everyone would agree with the head of the Austin Motor Co., who said yesterday that industry had been turned over to the shop stewards, whom he called Communists. However, the amount of freedom an employer retains to hire and fire is severely restricted.

BUSINESSMEN RESIGNED

Businessmen in Britain do not favor nationalization. On the other hand, they accept it with remarkably little protest, largely because they feel it is inevitable in industries already tagged by Socialists.

Both business and a growing section of the Labor Party feel that the Government must soon define an area for private enterprise and let it have a little leg room. It is becoming obvious that Britain now has the worst of two worlds, with neither business initiative nor Government direction able to produce the tremendous economic effort that this country must make if it is to feed, clothe, and house its people.

CANADA HOLDS PREWAR IDEAS

(By P. J. Philip)

OTTAWA, February 27.—The Government's control of industry and enterprise in Canada during the war reached such a peak that private business seemed almost inevitably doomed to disappear. The Government built not only airplanes, tanks, and all forms of armament, but also ships and houses.

It directed the chemical industry and research of all kinds; it built plants for the production of essential materials, such as synthetic rubber and optical glass. It seemed that Government had entered the production business to stay.

During the past year, however, the present administration has shown clearly that it has no intention to substitute public for private enterprise. With a very few exceptions, in new industry, it has got rid of all its plants and retired from the whole production field. There has been no fundamental change in the capitalistic structure of the country and no departure from the old political conception of the Liberal Party that the role of government is to encourage private enterprise and private capital to produce and to provide employment while the party confined itself to the field of public enterprise.

No single industry has been nationalized. It was significant that the recent report of the Royal Commission on Coal Production recommended against nationalization on the ground that it would not necessarily increase production.

On the other hand, the policy followed by the administration has been to restore to private eterprise all reasonable liberty just as quickly as goods and services become available in sufficient quantities to prevent any sudden or drastic rise in the cost of living. Price controls have been removed on almost everything except food and rent, and on the latter, restrictions have recently been slightly relaxed.

What has been even more important from the point of view of private enterprise has been that a first measure of tax relief was granted to corporations during the past session. It is confidently expected that a further decrease in the tax rate will be announced when the Finance Minister brings his budget to this session.

QUICK TAX REDUCTIONS ASKED

It has been significant, too, that many of the Government's supporters in Parliament have joined those who have been urging a reduction of taxation on gold mining and other enterprises, and that the National Liberal Federation has asked that further substantial reductions in taxation be made as quickly as possible to stimulate high production and employment.

It must be taken into consideration, however, that the social service program of the Government and the heavy subsidies paid for wheat and coal production will make it unlikely that the taxation burden on private enterprise will ever be restored to the prewar level.

In the political field, the Canadian Socialist Party (CCF), which alone advocates national ownership of essential industries, remains numerically weak. Although it controls the Provincial Government of Saskatchewan it has not been able so far to establish any Nation-wide representation.

CZECHOSLOVAKIA TESTS POLICIES

(By Albion Ross)

PRAGUE, CZECHOSLOVAKIA, February 26.—Private industry in Czechoslovakia retains a respectable position, despite an over-all 70-percent nationalization of industrial capacity.

The major industrial regions of Bohemia, Moravia, and Silesia show, according to the Ministry of Industrial Statistics, 2,902 nationalized industries with 657,000 employees and 13,439 private industrial establishments with 416,757 employees.

Competition with the 200 or so state trusts into which the nationalized industries have been organized, is difficult. All the important sources of raw material are either state enterprises or government controlled. All important sources of credit also have become state enterprises.

Labor unions, dominated by the firmly communistic Central Trade Unions Council, are in general hostile to private enterprise. The Trade Unions Council and the Communist Party, which is the strongest political power in the country, are now campaigning for nationalization of the principal jobbing and wholesaling houses. So far their campaign has not been successful.

The present salvation of private industry is the national 2-year plan. The plan lays down schedules of production, based on capacity, which require delivery of raw materials to private industry sufficient to enable it to fulfill its production quotas. Also the plan provides for essential financing to make this production possible.

The same situation applies to exports, with a system being set up for private sectors of industry to sell through their own export channels parallel to the export organization for nationalized industry.

Mining is entirely nationalized and in iron and steel production, power, and heavy industries generally private enterprise is negligible. However, the data of the Ministry of Industrial Statistics for production in January, the first month of the 2-year plan, indicate that in other sectors of industry private enterprise continues to play a considerable role.

Half the volume of wool textiles is produced by private firms. Two-thirds of cotton and rayon textiles are privately produced. Something less than half of cotton thread, one-third of agricultural machines, and one-fifth of electric motors are privately produced.

There is a limited chance for a small operator to get private instead of state financing, despite the nationalization of every important financial institution. Small cooperative and private banks of various sorts still have a total of 10,694 employees, compared to 6,900 in the nationalized banks.

However, the future of private industry in Czechoslovakia depends on whether the Marxists, who now have about half the votes, win future elections. That the Communists and left-wing Socialists will not tolerate indefinitely the present compromises, has been made clear by developments since the present government of Premier Klement Gottwald, a Communist, came to power last summer.

French Economy Mixed

(By Harold Callender)

PARIS, March 2.—Since the war France has lived under a regime of mixed economy, with huge new doses of socialism but without the complete repudiation of private enterprise.

Industrialists and businessmen generally incline to the view that the nationalized industries will be mismanaged and eventually will have to be turned back to private ownership.

Socialists—who include far more than the members of the Socialist party—hope the future holds a gradual increase of nationalization. They agree, however, that at present France has bitten off as much as she can chew and should digest what has been nationalized before extending government ownership to new fields.

It is the policy of the present government to limit nationalization to approximately its present proportions. But the fact that it has been extended rapidly since the war and the fact that the governments and their policies are regarded as far from stable have discouraged capital investment in industries susceptible to nationalization.

The Blum government nationalized the railways and part of armament and aviation industries in 1936.

NATIONALIZATION EXTENDED

Since the liberation the socialistic trend has accelerated and the coal mines of Nord and Pas de Calais, the Renault Motor factories, the Bank of France and business banks, gas and electricity production and some insurance companies have been nationalized.

Now the merchant marine is to be subject to partial nationalization, with government control of all of it.

These measures were taken at a time when the French economy was at a low ebb as a result of the War. This was their justification.

Today's conditions offer a test state management which not only must manage but to some extent rebuild major industries. Hence it is impossible wholly to separate the effects of these new measures from the effects of the war and the impoverishment from which France struggles to emerge.

One result of the impoverishment is the shaky currency. Thus one of foundations of capitalism is lacking. So is the economic freedom associated with capitalism, for the state tries to control prices and wages and to ration many foodstuffs and raw materials.

The nationalized Bank of France serves as a powerful lever for government control of credit, which limits that freedom of investment that is one of the principles of capitalism.

The accepted theory is that there is to be a nationalized sector of economy, including key industries and banks, a state controlled but not nationalized sector and a free sector. This mixed economy is merely in the process of creation.

It is noteworthy, however, that of the three strongest parties, the Communists and Socialists are out-and-out nationalizers, while even the Catholic Popular Republicans espouse the doctrine of the nationalization of key industries.

This doctrine was written into the new constitution, which declares that every property or enterprise constituting a national public service or a monopoly should be owned by the community. The prevalence of this doctrine owes much to the belief that to some extent the downfall of the Third Republic was also the downfall of capitalism as the French had known it.

Allies' Systems Shape Germany

(By Jack Raymond)

BERLIN, March 1.—The lack of economic unification of Germany provides a distorted picture of private industry in the country. One would have to know not only the outcome of the Foreign Ministers meeting in Moscow but also the ultimate political character of a free Germany before predicting any economic trend. Certainly no unfettered tendencies are discernible today.

On paper there are four pertinent factors:

1. The people of greater Hesse in the United States occupation zone recently voted for the socialization of major industries.

2. The British military government is committed by home policy to socialization of the Ruhr and other industries in its zone.

3. The Russians have carried forward vast socialization of industry and agriculture in the eastern zone.

4. The Berlin City Parliament voted last week for the socialization of major industries.

Except for the votes in greater Hesse and Berlin, however, there is little indication that the people want socialism. Whatever reforms have been planned or instituted are a direct result of the policies of the occupying powers, two of which officially have little use for the continuance of completely free enterprise. Even in the two exceptions, a military government official says, the sympathy to socialism is probably due to the typical German willingness to let the state run the people's affairs.

WANT BARRIERS LIFTED

This attitude is believed to be reflected by the vote in Greater Hesse, where socialization was approved by 65 percent of the voters. The vote in the Berlin Parliament was unanimous. However, it was said that with the city split into four sectors, even businessmen ordinarily opposed to socialism would grasp some of the methods by which the economic barriers could be lifted.

Under nazism, capitalism was equally excoriated with socialism, although the latter word found curious use in official party doctrine. The average German in the United States zone would probably express a wish for some form of socialization, but according to economics officials here, this reflects more an indoctrination by a slogan than an understanding of its ramifications.

In the process of breaking up cartels some German state officials have advocated that the state take over the parts of cartels that remained. The United States military government has often disapproved such an attitude. However, the Americans are committed to a policy of letting the Germans decide for themselves. If such a decision were put to voting tests tomorrow, the result, according to experts here, would be affected more by power politics than by the soundness of an economic principle.

Slow Progress in Greece

(By A. C. Sedgwick)

SALONIKA, GREECE, March 1.—Industries in Greece are approaching their prewar levels, but at a rate that is far from satisfactory.

This country, thoroughly devastated by the war and by enemy occupation, still knows no peace. Larger armed forces than the nation can afford must be kept up to cope with rebellious elements and to stand in readiness lest Greece's northern neighbor states, in sympathy with these rebellious elements, make a formal attack.

Greek businessmen express confidence that once the security problem has been solved enterprise will go full speed ahead. Now, however, there are not sufficient raw materials and machinery nor is there enough foreign currency with which to purchase raw materials. Internal communications were broken during the war and are only partly mended. They are now being continually attacked by guerrilla forces. The existing harbor facilities make loading and unloading a complicated and costly affair.

FACTORS IN PRICE RISE

In general there is no cheap transport. All this leads to a rise in prices to the extent that they are out of line with world price levels.

This can be remedied only by large-scale rehabilitation. However, if this were done with capital within the country, financial experts believe that it would lead to immediate inflation.

Industrial workers are comparatively well paid. Trades unions are not developed and are constantly influenced by political considerations. One peculiarity of the Greek industries at present is that, although minimum and maximum wages are fixed by the Government, rates are raised in many cases by the employers to avoid labor troubles and to check the inflationary trend. Individual agreement between the employer and employee takes the place of collective bargaining.

It is considered doubtful if any majority Government could enforce nationalization except by force. Present tendencies indicate the reaffirmation of the belief in free enterprise despite the advocacy by almost all political parties of controls in one form or another.

Apart from textiles, chemical fertilizers, and tobacco, which is not officially recognized as an industry, all the industries are in the hands of individuals or companies content with an unimpressive turn-over. They feel that if security is established and foreign capital is made available to them, they will expand to greater limits.

Greece is mainly agricultural. However, there are no great landowners and the farms rarely exceed seven and a half acres. No capital is invested in land.

Capitalism Lost in Hungary

BUDAPEST, HUNGARY, March 1.—Capitalism and private enterprise are on the way out in Hungary.

They have not received their marching orders because Hungary was a mature economy devastated by trade cycles; nor because Hungary's industries, like those of Czechoslovakia, had been owned largely by collaborators with nazism. Unlike Austria and Czechoslovakia, Hungary is still largely an agricultural country, with industry undeveloped.

But Hungary has fallen within Russia's orbit and is currently exhibiting the preliminary results of a successful drive toward establishment of a proletarian dictatorship.

As Erno Gero, Communist Minister of Communications, recently said in a review of the 3-year plan drawn up by the Communist Party, Hungary's coal mines and power plants are already state owned. Heavy industry is operating under state management, and control of the banks and other credit institutions and the nationalization of mining and state control of agricultural products are in process.

RUSSIANS HAVE MAJOR INTEREST

What he did not mention but is still more to the point, Hungarian industries, such as oil and bauxite and river and air navigation, are now owned and administered by 50–50 Russo-Hungarian companies in which the Russians actually own controlling interest.

All Hungarian trade and industry are subject to decisions of the Supreme Economic Council, whose general secretary and ruling voice is a Communist, Zoltan Vas.

Negotiations also have been under way looking toward the integration of Hungary's 3-year plan with that of Marshal Tito for Yugoslavia. Moscow's puppet Premier of Rumania has been talking tenderly of a trial marriage, of customs union, of 1 year's duration, between Hungary and Rumania.

The Hungarian Government to date has been coy in responding to these overtures, but few doubt that eventually Hungary will

find herself in a Danubian customs union, to which Russia also will be a party.

Meanwhile, foreign capital is being cold-shouldered out of Hungary by the same methods that are proving successful in Rumania.

Eventually, under terms of the Hungarian peace treaty, the Soviet Army must leave Hungary. But steps are being taken—with every prospect of success—to install a Communist-Socialist-dominated government in office before the Russian occupation ceases. When that aim has been achieved, private enterprise will have short shrift.

NATIONALIZATION GAINING IN ITALY

(By Arnaldo Cortesi)

ROME, March 2.—As long ago as last August, Dr. Alcide de Gasperi, Italian Premier, declared that "Free capitalism can never rise again in Italy," and events seem to confirm the correctness of his opinion.

Although the Government has not applied or even formulated any extensive program of nationalization it has nevertheless gained a very considerable measure of control over industry and correspondingly has narrowed the field of private enterprise. The trend is therefore most clearly away from traditional forms of capitalism toward some kind or other of state capitalism.

The fall of Mussolini and the restoration of a democratic government was not accompanied by the scrapping of machinery built by fascism to control the Italian economy. It is all still in existence, the only difference being that it is now run rather less efficiently. The Government was, moreover, able to gain a further hold over industry by advancing money to many private firms that were in distress after the cessation of hostilities.

The necessity of avoiding unemployment on an excessive scale obliged the Government to force industry in northern Italy into a standstill arrangement whereby employers were forbidden to dismiss their workers even if there was no work for them. At the same time the Govevrnment came to the employers' assistance, advancing them funds to meet their pay rolls. No clear understanding has yet been reached as to whether this money will have to be repaid and, if so, how. As things now stand it looks as if many industrialists will wake up some day to find that the Government owns a majority interest in their companies.

STATE CONTROL EXERCISED

State control over industry is exercised principally by an organization known as IRI, short for Instituto Ricostruzione Industriale or Industrial Reconstruction Institute. It was founded by fascism soon after the crash of 1928 to succor those industrial enterprises that appeared to be tottering. It has grown so powerful that Premier de Gasperi was able to state last August that it controlled 60 percent of steel industry, 90 percent of ship building, 100 percent of steamship passenger lines, 65 percent of the telephone network, and 35 percent of electric power. Through IRI and other organizations, the state on that date, moreover, controlled 87 percent of savings banks and similar institutions. All other banks were either the property of the state or controlled by it. IRI's power has further increased since then.

The only sector of Italian economy seriously threatened with nationalization is electric power. The Government has changed its mind more than once on this point, alternating between nationalization and stricter controls. Curiously enough, it was the Communist Minister of Finance, Mauro Scoccimarro, who came out most strongly against nationalization, which, however, has not yet been definitely discarded.

In the agricultural field the trend has also been away from private ownership. At one time peasants all over Italy started tumultuously to occupy the lands they tilled, evicting the owners. This has been brought under control, but the Government is making every effort to break up large estates and has promised further reforms aimed mainly at big landowners.

JAPAN'S CHOICES LIMITED

(By Lindesay Parrott)

TOKYO, February 25.—The wreckage of the war and the measures demanded by the Allies to break up the classes accused of causing it have left private industry in Japan in an extremely shaky condition with the question still to be answered whether it eventually will revive or be replaced by a system of nationalization or a sweeping state-planned economy.

Physically, Japanese industry was wrecked by the Allied bombing and currently there is little incentive to its reorganization while the question of reparations still hangs over the nation. In addition, the Allies have taken a series of steps designed to smash the old pattern of capitalism with a few family groups controlling many fields of production.

The Zaibatsu, or family holding company groups, have been dissolved and their securities impounded by the Government for later resale to the public in limited blocks. The managerial class, which operated at a level below the large owners, is largely outlawed from business by purge directives.

GOVERNMENT SUPPORT VITAL

Large estates are being broken up into small owner-operated farms under the new land law. Many key industries that still remain in private hands are forced to rely on the Government for support, since the pools of capital on which they might normally draw are now largely nonexistent.

Under these circumstances the Government is rapidly increasing its grip over production largely because no other method of creating a working economy is available. The Government now allocates such vital commodities as coal and proposes soon to establish public corporations that will have a monopoly of trade in the key fields of silk, coal, fuel, and fertilizer.

The situation is further complicated by the increasing demands of labor, one field in which Government controls have not yet been imposed. In some instances labor has gone so far as to expropriate from the owners, declaring workers' control of production for its own benefit without reference to management.

The present Government is opposed to nationalization, apparently preferring the traditional Japanese system of a private industry closely integrated into the national system. The rapid growth of the Socialist Party, however, makes it doubtful whether the present course can continue. If the April general election ordered by Gen. Douglas MacArthur should be won by the Socialists, considerably greater prospects of nationalization would prevail.

Since the old Japanese system of large concentrations of capital in the hands of a few families apparently is doomed as long as the allies exercise control, the alternative would be continuation of private industry under a much wider system of ownership and probably increasing Government planning and supervision.

POLAND SEEKS INVESTMENTS

(By Sydney Gruson)

WARSAW, March 2.—While Poland is well on the road toward complete socialism, it is not clear how small a role private enterprise will be allowed to play in the country's economic future.

Polish leaders have recently emphasized, for home and foreign consumption, that private enterprise has a distinct place in the economy emerging from the blueprints of the Communist and Socialist planners in charge of the country. By this emphasis the officials hope to pump domestic and foreign capital into the industrial machine.

Certainly, the role assigned to private enterprise has been enlarged in recent months, but no one is sure whether this was a temporary expedient resulting from the Government's preoccupation with the larger nationalization measures now in hand or a decision to make a permanent place in Poland's economy for individual holdings.

EDICT MAY BE RESCINDED

Most foreign observers here believe that the Government will eventually rescind its recent edict listing the number and kind of enterprises that may remain in private hands. Originally, any factory or enterprise employing more than 50 workers on a day shift was booked for nationalization. Now, in some cases, a private factory may employ up to 200 workers a shift.

However, all basic industries are state controlled. What is left in private hands is mainly shops and small furniture, textile, cement, china, glass, and porcelain works. These private establishments work on lines laid down by the Government to fit their output into needs determined by the state.

The building and textile industries provide a good example of the present efforts to make a place for private enterprise alongside state ownership. Private capital will be allowed to invest 50 percent of that needed for rebuilding, and as an inducement the Government has decreed that private persons building houses can dispose of them freely and fix rents at their discretion. In the textile industry the Government has agreed to allocate about 550 tons of all kinds of yarn to private factories in the first quarter of 1947.

While this may seem a small amount, it represents a big advance in the prospects for private factories over what their owners could have foreseen a year ago.

Private industry's future probably depends on the speed with which the huge nationalization program of basic industries is made to work satisfactorily. While the Government is concerned with this larger job it will tolerate private enterprise. The question remains, what will happen when the primary job is finished? Wil' the state then take over all plans of production or will it assign a fair-sized permanent role to individual owners? At the moment no one in Poland is sure. But a good idea of what most Polish businessmen think is reflected in their reluctance to invest.

PRIVATE ENTERPRISE IN RUSSIA

(By Drew Middleton)

Moscow, March 2.—Private enterprise does not exist on a large scale in a Socialist state such as the Soviet Union, although it is tolerated in a minor way on the fringe of the economy.

All industry here is state-owned. A minor type of private enterprise is the work of war invalids and others who belong to cartels or cooperatives and who do piecework at home or who maintain tiny shops where they do repairing or sell furniture they have made themse'ves.

Somewhat the same situation exists on collective farms. All collective farmers work in the fields of the farms to which they are assigned and are paid for their work on them. In addition each farmer and his family have a private garden for which they pay a very small yearly rental. In these gardens, which vary in size from a half acre to an acre and a quarter, farmers and their families raise vegetables, usually potatoes, for sale in the markets of town and city.

Payment for such goods is usually used by the farmer to buy extra manufactured goods,

often in the same market in which he has sold his food.

Moscow is sparkled with small one-man watch and clock repair shops that are often assumed to be private enterprises. This assumption is not correct. Such shops are given to invalid soldiers and others by the Government, which also supplies material and pays the worker a fixed rate for his finished product.

Spain Uses the Subtle INI

(By Sam Pope Brewer)

MADRID, SPAIN, March 1.—The declared policy of the Government is to encourage private initiative and private capital to develop industry. Nevertheless, during the 8 years since the end of the Spanish Civil War, the Government has continued to infiltrate into more and more branches of activity, and it shows no signs of withdrawing.

No industry has been nationalized outright, though the railroads are almost completely Government-owned. A more insidious process is used as a rule.

The Government intervenes partly through direct ownership and partly through ownership by the Government's "National Institute of Industry," commonly called by its initials, "INI." In either case, private capital objects strongly and considers that despite repeated disavowals of such intent, the Government is its direct competitor.

Government competition is bound to be unfair competition, from capital's point of view because it is on unequal terms. Under the present regime, the Government can alter laws to suit the interest of any of its industrial offspring, can cancel contracts, or can alter restrictions on private concerns.

SYNDICATES' ROLE PERVASIVE

In addition, every industry feels the hand of Government upon it constantly through the "syndicates."

Syndicates require some explanation. They are not trade-unions. They are vertical syndicates including every phase of each industry—labor unions along with others—from top to bottom. On every plane the election of delegates is controlled and approved by the Falange and through the Falange by Generalissimo Francisco Franco.

Spanish businessmen occasionally talk hopefully of the eventual disappearance of the syndicates through the inefficiency they have produced. They overlook the fact, however, that this is a "national-syndicalist state," and the syndicates are the Falange and probably will disappear only when and if the Falange disappears.

Meanwhile, their grip gets stronger. Direct competition with private capital is embodied in the INI. INI, founded in September 1941, by the present minister of commerce and industry, operates on the basis of his first-hand study of German activities and along the same lines.

Ostensibly, INI is to foster infant industries and bolster up others considered essential to national security, but they are unable to face foreign competition unaided. Once industries are able to stand alone, INI is supposed to withdraw. The complaint is that INI does not, but like the proverbial camel in the Arab's tent, is demanding a constantly greater share.

In addition to INI's advantages already mentioned, all INI imports are duty-free. This gives it a serious edge on private competition, and since INI is owned by the ministry that issues the import permits, INI has none of the private operators' difficulties in getting them.

It is impossible to get accurate and full information on INI's operations and holdings. Nevertheless, although the Government has direct control of the telephone system and various other companies at the moment, it is INI that really casts gloom over private capital. And there is no present prospect of changing the situation.

Sweden Aims at Socialism

(By Peter Hershend)

STOCKHOLM, SWEDEN, February 26.—The Swedish Social-Democratic Government's postwar program is one of nationalizing big industries. This program aims at the slow but progressive absorption of the bulk of Swedish big business.

The sale of liquor, wines, and tobacco has been a state monopoly for several years. The iron ore mining industry in northern Sweden is controlled half by the state and half by private enterprise. The bulk of the waterfalls producing electricity are state-owned, and the Government through recent legislation has obtained a state monopoly in the distribution of electricity on long-distance lines.

The state also is the biggest forest owner and controls the most important forest industries. The Swedish railway system—most of it now electrified—is mainly state-owned, and the state is rapidly gobbling up the few remaining lines in private operation.

By introduction of the licensing system the state had moved recently toward control of the building industry and farming.

Several official committees are working on proposals for nationalizing various commercial activities. A so-called oil committee has just handed to the Government its recommendation to nationalize imports and the sale of oil and gasoline and their derivatives. It affirms that distribution would become better and cheaper, and oil and gasoline prices would be reduced.

If the proposal is approved by the Riksdag the Swedish offices of United States oil companies will be seriously affected.

Other committees are closely examining the possibilities of nationalizing banking and insurance and even the shoe industry. This project may not be easy, as Swedish bankers, industrialists, and cooperative members violently oppose nationalizing the country's industrial and commercial life.

In strongest opposition to the Government's nationalizing program stands the Swedish cooperative movement. This body consists of one purchasing and manufacturing organization and 676 distributing associations, with nearly 1,000,000 members.

It is the firmest spokesman for free trade, and is extremely influential. Its annual turn-over amounts to nearly one-fifth of the total turn-over in Sweden, or approximately $280,000,000 of the total $1,400,000,000. Its network is composed of 6,467 stores and 28,482 employees, and is thus a factor to be reckoned with. Its main efforts in the manufacturing line are rubber products and lamps, in which cooperators own the biggest works in Sweden.

But cooperative deals in all kinds of goods—from food to paper products, textiles, and chemicals. It has succeeded in bringing down prices of consumers' goods considerably by centralizing purchases and production, and is able to pay out annual interest to all its customers.

The opponents' two main arguments against nationalization are that the state could not run the industries as efficiently as the experts who have run them for generations, and, too, nationalizing would kill all private initiative. An additional argument is that nationalization would compel many of the most capable Swedes to emigrate for bigger profits abroad.

The Government also is trying an indirect approach to get a grip on Swedish big business. A new proposal for vastly increased death duties is to come before parliament this spring. The measure is seen in Swedish business circles as a camouflaged method of forcing industries to sell out to the state. It is argued by its critics that the tax plan is prohibitive in that few or no privately owned companies can absorb these levies.

Turkey's State Capitalism

ISTANBUL, TURKEY, March 1.—Private industry in Turkey is on an extremely small scale, and it is difficult to appraise it by western European or American standards. It is strictly confined to the lightest industry, such as clothing, cotton goods, leather, and other commodities and small implements.

Turkey has only a semi-industrialized aspect, largely because of lack of mechanical inclination and enterprise. An incompetence of private capital has led to state management in Turkey, the concern of which is to endow the country with adequate equipment through state-owned light, medium, and heavy industries while aiding private enterprises to a moderate extent.

As defined by Kemal Atatürk in 1935, state control in Turkey "is not a system copied from socialist hypotheses since the nineteenth century, but a system proper to Turkey and born of Turkey's needs."

Although in many cases its application has proved to be nothing but state capitalism, the function of statism in Turkey has been and is "to produce through the state what private capital and private initiative cannot achieve."

While the State industry presents a purely mercantile aspect with no apparent trend toward or away from capitalism, private industry in this country with its actual precapitalist status shows an evident trend toward capitalism. There is no contradiction between this rise of private industry and the development of state industry, the latter complementing the former and dealing mainly with basic branches.

Foreign competition with Turkish industry faces high local prices and red tape and widespread postwar corruption. The country needs foreign capital and skilled technicians to train local workers.

A Losing Fight in the Balkans

(By W. H. Lawrence)

BELGRADE, YUGOSLAVIA, February 24.—In the Soviet sphere in southeastern Europe—Rumania, Bulgaria, Yugoslavia, and Albania—private enterprise steadily if slowly is waging a losing battle, even if there is no plan to try to copy all aspects of the Soviet pattern immediately.

On the surface, it may seem anomalous that whereas private ownership of land is being extended vastly as hundreds of thousands of peasants receive small plots under the agrarian reform laws, industry at the same time is being more and more nationalized and brought under centralized state direction.

The Communist-dominated governments of this region are smart in recognizing the inherent rugged individualism and the long-held desire for land ownership of all peasant classes, but the size of the plots allotted in the long run may work toward collectivization, since most agricultural experts agree they are not big enough for economic, efficient cultivation. At the same time the nationalization of industry is being effected without the trouble one normally might expect. The state is taking over factories after a great war in which property values lost their meaning and the factory-owning class was particularly affected.

It is only fair to take into account the fact that in the former enemy countries of Rumania and Bulgaria, and occupied countries such as Yugoslavia and Albania, people who were among the "haves" before the war are strictly among the "have-nots" at present. If they have fled abroad, they probably have

no desire to return to the Communist-dominated political system now practiced in their countries.

The result, therefore, in all countries is that the state has assumed the ownership, control, and management of all important industrial enterprises, and in a not unimportant section of Rumanian industry ownership is being organized jointly by the Russian and Rumanian Governments.

At the same time, all four governments are pressing plans to industrialize their countries more and more during the next 5 to 10 years. Industrialization is needed not only to make the countries more self-sufficient as regards the West, with which they obviously are not going to have the same trade relations as before the war, and as a national defense measure.

Domestically the important fact is that industrialization will aid materially in solving the problem of rural over-population and help increase the national purchasing power, which has been unbelievably low.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a letter just received from the Honorable Josephus Daniels, president of the News and Observer, Raleigh, N. C.; also, an editorial which appeared in that newspaper on June 10. I need not remind the Members of the Senate that Mr. Daniels is a real southerner and a great American, one of the outstanding public servants of his era.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

THE NEWS AND OBSERVER,
Raleigh, N. C., June 10, 1947.

Hon. OLIN JOHNSTON,
United States Senate, Washington, D. C.

DEAR SENATOR: I am enclosing an editorial appearing in today's News and Observer headed "OLIN JOHNSTON right."

If we exempt railroads, insurance companies, and newspaper associations as asked by this Congress, we might as well not only repeal the antitrust law but pass an act to give monopoly the right to rob the people and repeal what we call American freedom in trade.

With high regards,
Sincerely yours,

JOSEPHUS DANIELS.

OLIN JOHNSTON RIGHT

It is good news that Senator OLIN JOHNSTON of South Carolina declares: "I am willing to talk until I fall to block Senate approval of the revived Bulwinkle railroad-rate bill."

It will be recalled that the Bulwinkle bill would repeal the antitrust law as it applies to railroads. Senator JOHNSTON says that it would not only accomplish that wicked thing, but would throw the State of Georgia's railroad-rate suit out of the Supreme Court.

Senator JOHNSTON says and truly:

"I see no necessity for extending special privileges to the railroads. If the antitrust laws are fair for the Nation's other industries, they ought to be fair for the railroads.

"I just don't want to let down the bars. We've suffered enough in the South."

Any Congressman who votes for the revamped Bulwinkle bill now pending in the Senate, whether intentionally or not, is lending his influence to two dangerous and destructive courses:

1. To weaken and destroy the antitrust law. (Instead of weakening that measure Congress ought to strengthen it and demand its enforcement. During the war and since, monopoly has strengthened its strangle hold and given body blows to small industries and virtually, in many instances, submarined the American doctrine of free enterprise.)

2. To approve a 39-percent differential in freight rates and to give a virtual present of 39 percent to eastern industries. (As long as the South and West are penalized by a discrimination against them in freight rates, just so long will they be giving a bonus and a near monopoly to manufacturing to the pampered East.)

The Bulwinkle-Reed bill is so manifestly unfair and unjust that it should not be necessary for any Member of Congress to talk it to death. But, certainly, extended debate on such a bill is justified if there is real danger of the bill being passed.

EXECUTIVE SESSION—NOMINATIONS IN THE ARMY AND NAVY

Mr. GURNEY. Mr. President, yesterday I gave notice to the Senate that there were pending for confirmation the nominations of approximately 9,000 officers—a little more than 9,000—in the Regular Army, most of them majors and below that grade. At that time, there was a discussion among a number of Senators on the floor, and the Senator from Georgia [Mr. GEORGE] queried me on the matter. A little later, certain other Senators wanted a chance to study the list, and the list of nominees was laid on the table overnight. I understand now it is generally agreeable that these nominations be submitted for confirmation at this time. In order that there may be no necessity of printing them in the Executive Calendar, they must be confirmed at the same time they are presented. So I ask at this time unanimous consent that the Senate proceed to the consideration of executive business; that it consider the nominations I have spoken of, and following that consider a nomination in which I believe the Senator from Montana [Mr. MURRAY] is interested, and then return to legislative session.

Mr. WHITE. Mr. President, will the Senator include in his unanimous-consent request that the Senate also act upon a nomination from New York.

Mr. HATCH. That, Mr. President, is the nomination of Andrew N. Overby, of New York, to be Executive Director of the International Monetary Fund.

Mr. WHITE. Yes; that is the nomination I have in mind. Will the Senator from South Dakota include that in his unanimous-consent request?

Mr. GURNEY. I understand that at this time the Senate can go into executive session only for a specific purpose and it is understood that after the nominations in question are acted upon, the Senate will return to legislative session.

Mr. WHITE. I think that is correct.

Mr. GEORGE. That is agreeable, Mr. President.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. CONNALLY. Would the Senator have any objection if request were not made that the President be notified? That would give every Senator 2 days' time in which to investigate the matters acted upon by the Senate today.

Mr. GURNEY. Certainly. I shall withhold such request.

Mr. WHITE. I take it the suggestion made by the Senator from Texas applies only to the two nominations proposed to be included in the action taken today?

Mr. CONNALLY. No, as to the nominations which will be presented by the Senator from South Dakota.

Mr. WHITE. It does not include the other nominations?

Mr. CONNALLY. No. I do not make that request as to them.

Mr. HOEY. Mr. President, would the Senator from South Dakota object to including in his request consideration of an uncontested nomination which has been on the calendar for some time, which is that of Bryce R. Holt, to be United States attorney for the middle district of North Carolina? There is no objection to that nomination. It would not interfere with the Senator's request.

Mr. GURNEY. I do not know about that nomination. I do not know whether it would interfere with the request. It is not my responsibility.

Mr. HOEY. The nomination has been unanimously reported and has been on the calendar for several weeks, and there is no opposition to it.

Mr. WHITE. Mr. President, will the Senator yield for a suggestion?

Mr. GURNEY. I yield.

Mr. WHITE. I suggest that the Senator ask unanimous consent or move that the Senate go into executive session; that as a condition of that request or motion, action shall be confined only to those nominations that have been specified, the nominations in the Army and the Navy, the nomination for United States attorney in North Carolina, in which the Senator from North Carolina [Mr. HOEY] is interested, the nomination in which the Senator from Montana is especially interested, and the nomination in which the Senator from New Mexico is interested.

Mr. GURNEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of executive business.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

Mr. VANDENBERG, from the Committee on Foreign Relations, reported favorably without amendment Executive N, Eightieth Congress, first session, a protocol, amending the agreements, conventions, and protocols on narcotic drugs, concluded at The Hague on January 23, 1912, at Geneva on February 11, and 19, 1925, and July 13, 1931, at Bangkok on November 27, 1931, and at Geneva on June 26, 1936, which was opened for signature at Lake Success, N. Y., on December 11, 1946, and which was signed on behalf of the United States of America on that date, and submitted a report (Ex. Rept. No. 5) thereon.

NOMINATIONS IN THE ARMY AND NAVY

Mr. GURNEY. Mr. President, I now report from the Committee on the Armed Services certain nominations in the Army

and Navy, including in the large group 9,212 majors and below for Regular Army commissions.

On Executive Slip No. 253 there are a certain number of transfers to the Regular Navy, without promotions, including lieutenant commanders, liuetenants, ensigns, and 10 warrant officers.

Also on Executive Slip No. 268 there are certain transfers to the Regular Navy, including 4 lieutenants, 63 ensigns, and 21 warrant officers.

On Executive Slip No. 266 there is the nomination of Col. Harris Jones to be the dean of the Academic Board of the Military Academy with the rank of brigadier general.

I submit all these nominations, and ask for their present consideration and confirmation. I ask unanimous consent that the nominations may be confirmed en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota? The Chair hears none, and, without objection, the nominations are confirmed en bloc.

Mr. GURNEY. Mr. President, I ask that the nominations which have just been confirmed in this large Army and Navy list be not again printed in the CONGRESSIONAL RECORD, but that proper reference to the CONGRESSIONAL RECORD containing the nominations be indicated.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS ABOVE THE RANK OF COLONEL IN THE ARMY

Mr. GURNEY. Mr. President, there are some other nominations of officers above the rank of colonel, which I now report from the Committee on Armed Services for the Executive Calendar.

The PRESIDING OFFICER. The nominations will be received and placed on the Executive Calendar.

Mr. WHITE. Mr. President, I now ask that the three other nominations included in the unanimous-consent request made by the Senator from South Dakota be stated, they being the nominations in which the Senator from Montana, the Senator from North Carolina, and the Senator from New Mexico are interested.

The PRESIDING OFFICER. The nominations will be stated.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Bryce R. Holt to be United States attorney for the middle district of North Carolina.

Mr. HOEY. Mr. President, that nomination has the unanimous recommendation of the committee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

INTERNATIONAL MONETARY FUND

The legislative clerk read the nomination of Andrew N. Overby, of New York, to be United States Executive Director of the International Monetary Fund for a term of 2 years and until his successor has been appointed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Thomas M. Robinson to be a collector of internal revenue, district of Montana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHITE. Mr. President, I ask that the President be notified of the action of the Senate with respect to the nominations other than the military and naval nominations.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. WHITE. Mr. President, I move that the Senate resume consideration of legislative business.

The motion was agreed to, and the Senate resumed consideration of legislative business.

RECESS

Mr. WHITE. Mr. President, I move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 29 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 12, 1947, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 11 (legislative day of April 21), 1947:

INTERNATIONAL MONETARY FUND

Andrew N. Overby to be United States Executive Director of the International Monetary Fund for a term of 2 years and until his successor has been appointed.

UNITED STATES ATTORNEY

Bryce R. Holt to be United States attorney for the middle district of North Carolina.

COLLECTOR OF INTERNAL REVENUE

Thomas M. Robinson to be collector of internal revenue for the district of Montana.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Ernest C. Oeding and 9,211 other officers for appointment in the Regular Army of the United States, which were received by the Senate on May 29, 1947, and which were printed in full in the Senate proceedings of the CONGRESSIONAL RECORD of that date under the caption "Nominations," beginning with the name of Ernest C. Oeding appearing on page 6057, and ending with the name of Thomas R. Ostrom appearing on page 6091, were confirmed today.

DEAN OF THE ACADEMIC BOARD OF THE UNITED STATES MILITARY ACADEMY WITH RANK OF BRIGADIER GENERAL IN THE REGULAR ARMY

Prof. (Col.) Harris Jones, United States Army.

IN THE NAVY

APPOINTMENTS IN THE UNITED STATES NAVY

The nominations of Louis J. Rauber and 103 other officers, which were received by the Senate on May 15, 1947, and which were printed in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Louis J. Rauber appearing on page 5346, were confirmed today.

The nominations of Freeman Cutter and 87 other officers, which were received by the Senate on May 26, 1947, and which were printed in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Freeman Cutter appearing on page 5805, were confirmed today.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 11, 1947

The House met at 12 o'clock noon.

Rev. Arthur J. Hagan, St. Cecelia's Church, Back Bay, Boston, Mass., offered the following prayer:

Almighty and Eternal God, our Creator and Redeemer, look upon us with compassion and harken to our prayers. Bless the President of these United States and the Members of the Congress with wisdom and understanding in all their actions. Endow them with clearness of vision, fortitude of purpose, justice and charity in their deliberations that they may under Thy inspiration and guidance bring about peace to a war-torn world. Inflame, O Lord, our reins and our hearts with the fire of the Holy Ghost that we may serve Thee with chaste minds, please Thee with clean hearts. We pray that the peoples of all nations will turn to Thee, their Creator and Redeemer, obeying Thy commandments and recognizing Thee as the beginning and the end of all things.

We pray that brotherly love will inflame the hearts of all men with the spirit of tolerance and understanding, and that Christian charity will permeate the atmosphere of the homes of our own country and the nations of the world. O God, from whom holy desires, right counsels, and just works proceed, grant unto Thy servants that peace which the world cannot give, that, both our hearts being disposed to keep Thy commandments and the fear of enemies being removed, our times by Thy protection may be peaceful.

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947

Mr. TABER, from the Committee on Appropriations, reported the bill (H. R. 3791) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes (Rept. No. 557), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. RAYBURN reserved all points of order on the bill.

EMMET O'NEAL

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I am sure the Members of the House join me in extending our congratulations and felicitations to the Honorable Emmet O'Neal, who on yesterday was confirmed by the Senate as Ambassador to the Philippines. Those of us who had the privilege and pleasure of serving in this body with Emmet O'Neal know him to be a man of great character and integrity and of unqualified ability. The Philippines are indeed fortunate to have such a man as he over there representing the United States of America. He served on the Committee on Appropriations, and as a member of that committee became familiar with the problems with which he will have to deal as the Ambassador to the Philippines. Those of us who served with him will always regard it as having been a high privilege.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the distinguished minority leader.

Mr. RAYBURN. Having known Emmet O'Neal for the many years he served in the House, and his high quality and splendid ability, I join with the gentleman from California in the complimentary things he has said about him. Not only is our country fortunate in having such a man to represent us in the Republic of the Philippines but the Filipinos themselves and their Government are very fortunate that they have among them such a representative of the United States as is Emmet O'Neal, knowing the kind of Ambassador he will make and friend he will be to them.

Mr. ANDERSON of California. I thank the gentleman, and certainly agree with him.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Missouri.

Mr. PLOESER. I should like to add my little bit to this compliment to our distinguished former colleague. It was my pleasure to serve with him on the Committee on Appropriations. In my experience in the House I have known no man of finer integrity or greater industry, or one who had any more courage in doing the things he thought to be right, than Emmet O'Neal. I think it is a fine tribute to the diplomatic service that such a man can be brought into it. I wish him well, and I am sure the entire House of Representatives does likewise.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Pennsylvania.

Mr. RICH. I want to add my word of commendation for the fine things Emmet O'Neal stood for and the work he did while he was in the House. I know all of his colleagues had the utmost confidence in him. As an ambassador of good will from this country to the Philippines, he will serve them and serve us, and I feel confident we will all be satisfied with the work he will do, because he is honest, honorable, conscientious, and hard working. He will do a good job for everybody, I am sure.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Arkansas.

Mr. HARRIS. I join my colleague in paying tribute to our former colleague from Kentucky, the Honorable Emmet O'Neal, and complimenting him on the fine recognition he has received in being appointed Ambassador to the Philippines. The President of the United States, I think, made a good selection in this appointment. I know from the splendid reputation he had here in the House, the character of man he showed us that he is, his integrity being unquestioned, that he will help to bring this young Republic to its place among the nations of the world. I congratulate him and the Nation. I am sure he will continue to render an outstanding service to his country, and I wish him success in this important call.

Mr. ANDERSON of California. I thoroughly agree with the gentleman.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Illinois.

Mr. SABATH. It was my pleasure to serve with Emmet O'Neal from the day he entered the House. I have known him and his lovely family well. He has been an outstanding Member of this House. I know that in him our country will have an able, capable, and sincere representative. I join the gentleman from California in wishing him well. I know that under his initiative our friendship with the Filipinos will grow, and that they will continue to improve their lot and remain always loyal to and appreciative of our country for what we have done for them.

Mr. ANDERSON of California. I thank the gentleman for his contribution.

Mr. ANDREWS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. I had the pleasure of serving on the Committee on Appropriations with the Honorable Emmet O'Neal. He was one of the first men I met when I came to Congress. I always valued his friendship. I concur in the fine things that have been said about him. He is a man of integrity, ability, and dignity. I feel sure he will bring great honor to this country in performing the duties of his new office.

Mr. ANDERSON of California. The gentleman states it well.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Rhode Island.

Mr. FORAND. I thank the gentleman from California for giving me this happy opportunity to join with my colleagues in paying tribute to Emmet O'Neal. I know of no man better qualified for the important post of United States Ambassador to the Philippines. The President of the United States is to be commended for having selected our former colleague for this high and difficult position. I am sure the people of the Philippines as well as the people of the United States will have reason to be proud of the service which our distinguished colleague will render.

Mr. AUCHINCLOSS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. AUCHINCLOSS. Mr. Speaker, I want to add my tribute to what has been said about Emmet O'Neal. I suppose that I am the one Member of the House who has known Emmet O'Neal longer than anybody else. I have known him since 1907, when we went to college together and played on the same baseball team and had a lot of fun.

There could not be any better man appointed to this job, and I know that he will carry on in the finest traditions of America and in a way that we will be proud.

Mr. ANDERSON of California. I am thoroughly in accord with the gentleman.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. McDONOUGH. I join my colleague from California in complimenting the former Representative from Kentucky, Mr. O'Neal. In the short time that I had the pleasure of knowing him in the House during the Seventy-ninth Congress I found him to be a man possessed of very fine qualities and especially of the temperament and characteristics that will make a good Ambassador for the United States to the Philippine Islands. My best wishes for good health and a successful administration goes with him.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. EDWIN ARTHUR HALL. I just want to say that Emmet O'Neal, when he served in the House, was very well thought of. I join with the other Members in congratulating him on his appointment.

Mr. ANDERSON of California. I thank the gentleman.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the distinguished minority whip, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am glad to join in the splendid and much-deserved tribute that the gentleman from California has paid to Hon. Emmet O'Neal, as well as joining with my colleagues.

Emmet O'Neal is a gentleman of understanding and of broadness of mind and character. He is going on an assignment which at this particular time requires a man of his fine, noble outlook on life. I know he will serve in the interests of our country, as well as look after the interests of the Philippines in their relationship to us in an outstanding manner. He will not only be an Ambassador in fact but an Ambassador

of good will, which will cement the strong friendship that exists between the people of the United States and the people of the Philippine Islands for many, many generations to come.

Mr. ANDERSON of California. I feel that the President could have appointed no better man for this difficult job.

Mr. WORLEY. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Texas.

Mr. WORLEY. The fine things that have been said about my good friend and former colleague, Emmet O'Neal, here today are but an indication of the true affection which all Members of the House have for him. His long career as a Member was marked by constant fidelity to duty and an infinite understanding of the complicated processes of government. Although he was and is a Democrat by political faith, his first concern was not of politics, but what was best for the general welfare of the Nation.

There is no doubt that his long experience in government, his uncommon understanding of human nature, and his remarkable ability to make and keep friends will stand him in good stead in his new place.

The new Republic of the Philippines is fortunate in securing such an outstanding statesman and there is no doubt but what, as the distinguished minority whip from Massachusetts, Mr. McCORMACK, has so well said, he "will cement the strong friendship that exists between the people of the United States and the people of the Philippine Islands for many, many generations to come."

We wish him the very best.

EXTENSION OF REMARKS

Mr. DAVIS of Wisconsin. Mr. Speaker, on Friday last our esteemed colleague from Wisconsin, JOHN BYRNES, delivered the keynote address at the national convention of Young Republicans at Milwaukee.

I ask unanimous consent that this addess may be extended in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. ANGELL. Mr. Speaker, on behalf of the Committee on Public Works, I ask unanimous consent that the committee may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

HENRY WALLACE

Mr. MEYER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MEYER. Mr. Speaker, Webster's dictionary defines treason as "the offense of attempting by overt acts to overthrow the government of the state to which the offender owes allegiance." Treason against the United States is defined by the Constitution—article III, section 3—to consist "only in levying war against them, or in adhering to their enemies, giving aid and comfort to them."

The Washington Post yesterday, on the front page, carried the following report of the International News Service:

NEWARK, N. J., June 9.—Henry A. Wallace said tonight that "the United States has become the center of world reaction" and "the common man more and more looks to Russia for ideas, help, and inspiration."

The former Cabinet member and Vice President told a Newark audience at a mass meeting sponsored by the New Jersey Independent Citizens League that "in nearly all the countries of the world we are more and more cooperating with the reactionaries against the common man."

Mr. Speaker, when will the Attorney General of the United States do his duty and indict this renegade who has disgraced his citizenship and return him to the oblivion from whence he came so that he can no longer function as the evil tool of those who would destroy America?

Incidentally, Mr. Speaker, let it not be forgotten that this Henry Wallace is one of the heritages left us by the late Franklin D. Roosevelt.

MEAT INSPECTORS TO CONTINUE AS FEDERAL EMPLOYEES

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, under permission to extend my remarks, let me say first that, under the provisions of the Department of Agriculture appropriation bill requiring the meat-packing industry to pay the cost of Federal meat inspection, the veterinarians and others engaged in that service will continue to be Federal employees, paid by United States Treasury checks, with their civil-service status and retirement rights preserved intact.

It seems that some person or organization has been spreading an alarm among the employees of the Meat Inspection Service throughout the country that if this provision goes through they will thenceforth be working for the packers instead of for the Government and that they will lose all the rights above referred to. Whether such erroneous reports are being spread from ignorance or for mischievous purposes is not known. However, many Members of the House have received letters from their constituents in this service deploring what they have been led to believe is about to happen to them.

In the interest of the convenience of the Membership of the Congress, as well as of the composure of mind of the corps of splendid workers in this vital service, I append the letter of Mr. W. A. Jump, the Budget officer of the Department of Agriculture, which should clarify the matter.

The letter referred to, together with my letter to Mr. Jump, follow:

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON APPROPRIATIONS
FOR DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 5, 1947.

Mr. WILLIAM A. JUMP,
Director, Budget and Finance,
Department of Agriculture,
Washington, D. C.

DEAR MR. JUMP: Word has reached me that some of the veterinarians and inspectors of the Meat Inspection Service have become alarmed over the possibility of their losing their existing status as classified civil service employees, together with loss of retirement rights, in the event the provision in the pending appropriation bill shall become law.

It was my understanding that when the Department, at the request of the committee, submitted language appropriate to the effectuation of the committee's purpose to place the cost of meat inspection upon the packing industry, the question of its effect upon the status of employees of the Meat Inspection Service was taken into consideration and it was determined that the existing status of such employees would be in no wise affected—that they will still be working for the Government and paid by United States Treasury check, that the Secretary of Agriculture will "run the show," in every respect as of now, and that the present civil-service classification, and retirement rights will continue without change.

Will you not please confirm the above impressions by letter?

Also, with a view to quieting the alarm which is apparently spreading among Meat Inspection Service employees, with the loss of efficiency certain to be incurred as the result of any such false rumors, will you not suggest to the chief of the Bureau of Animal Industry that he cause an official communication to be sent at once to all Meat Inspection Service employees, advising them of the facts in reference to the effect of the provision in the bill upon their status as classified, civil-service employees.

Thanking you, and with best personal wishes, I am

Very sincerely yours,
EVERETT M. DIRKSEN,
Member of Congress, Chairman.

JUNE 10, 1947.

Hon. EVERETT M. DIRKSEN,
Chairman, Subcommittee on Agricultural Appropriations, Committee on Appropriations, House of Representatives.

DEAR MR. DIRKSEN: In reply to your letter of June 5, with respect to the provision in the Agricultural appropriation bill for 1948, as passed by the House, under which, if enacted, the Department as of July 1, 1947, would be required to collect from the packing industry the cost of furnishing Federal meat inspection, your understanding is correct, that this provision would not change the existing appointment, grade and salary classification, retirement, or other employment status of the veterinarians, meat inspectors, or other employees in the Meat Inspection Service. They would continue to be classified civil-service employees of the Department, under the direction of the Secretary of Agriculture. New employees would be appointed through civil-service channels, as at present. As stated in your letter, the meat inspection employees would continue to be paid by United States Treasury checks, their salaries being charged to the "meat inspection fund" which would be established in the United States Treasury, and which would be reimbursed, as provided in the House bill, by the funds collected from the industry.

When you requested that the language in question be drafted we appreciated the importance of this aspect of the matter and gave careful attention to it. Since the receipt of your letter, I have checked the foregoing understanding with Mr. T. Roy Reid, the Director of Personnel, Mr. Carroll Hunter, the Solicitor, and Dr. B. T. Simms, Chief of the Bureau of Animal Industry, of the Department, and these officials agree that it is correct.

As requested, I have sent a copy of your letter of June 5, and of this reply, to the Chief of the Bureau of Animal Industry, with the suggestion that he arrange to advise the employees of the Meat Inspection Service at once with respect to the foregoing matter.

Sincerely,

W. A. JUMP,
Budget Officer.

EXTENSION OF REMARKS

Mr. McGARVEY asked and was granted permission to extend his remarks in the RECORD.

Mr. LANE asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include a newspaper article and in the other an address.

Mr. BUCHANAN asked and was granted permission to revise and extend his remarks in the RECORD and include an article from last evening's Star.

Mr. THOMAS of Texas asked and was granted permission to extend his remarks in the RECORD concerning the distinguished Ambassador O'Neal.

OLD-AGE PENSIONS

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Speaker, just because a matter is popular is no reason that it is wrong. I agree that sometimes very unpopular matters are the soundest. I shall not hesitate, as a Member of this Congress, to espouse such unpopular matters, even if I stand alone. No; just because a matter is popular does not necessarily means that it is wrong. I realize it is popular at this time to advocate the betterment of our old-age pension program, but it also is sound that we should improve it. It is good horse sense that we should do it. Talk about building a bulwark against communism. In my judgment, there is no better way in the world to do it than to bring about a better old-age pension program. Why? Because the psychology of it is such that it will make the young folk, as well as the old folk, love the old red, white, and blue more, and love our way of life all the more. It will give a feeling of security to all. I hope and I pray that this session of Congress will not adjourn until we have brought about a program that will improve the present old-age pension set-up. I have a petition in my pocket, and the gentleman from Indiana [Mr. LANDIS] has one, respectfully requesting the Ways and Means Committee to bring out an open bill so that we can better improve our old-age pension program. I hope and trust you will help us with that.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

USE OF WAR PRISONERS AS SLAVES IN EUROPE

Mr. OWENS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include therewith an article.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, several times I have spoken about the situation concerning the use of war prisoners as slaves in European areas. The Secretary of State and the War Department cooperated, and I believe the United States has helped to bring practically every European nation under control with respect to that matter, with the exception of the Soviet Union. They refuse to give us any information concerning their prisoners and where they are held.

It has recently come to our attention that they have been holding not only prisoners of war whom they captured but also have actually taken men we released from captivity and have held them in prison camps under the harshest of conditions. Such prisoners have been subject to great indignities which have brought about their deaths. I think an investigation should be made of the matter immediately by our State Department. I am extending herewith a news article concerning the matter.

(The editorial referred to follows:)

GERMAN FREED BY UNITED STATES DIES A SLAVE IN RUSSIAN CAMP—COMRADE REVEALS STORY OF OFFICER'S SEIZURE

(By John Thompson)

FRANKFURT, GERMANY, June 9.—For many months reports from the Soviet zone have told how the Russians make no bones about seizing German war prisoners, discharged and freed by the Americans, and shipping them off to slave labor in the Soviet Union. Today The Tribune authenticated one of these reports.

Such a case was that of Siegfried Borgman, a German army officer. After serving his time in Camp Carson, Colo., Borgman was shipped back to Germany and discharged. Sent to Oranienburg, in the Soviet zone, to be freed so he could go home to Saxony, Borgman was nabbed by the Russians and taken to Russia to work in the new coal mines in the Caucasus. There he contracted pleurisy, on the starvation diet for prisoners, and died in March.

UNABLE TO FIND FAMILY

His story was related by a survivor of the prison mines, Helmut Mayer, 22, German noncommissioned officer who came home today. Mayer penniless after 2 years as a Russion prisoner, brought a check for $196 made out to Borgman, representing the money the United States paid him for his labor as a war prisoner. Before he died Borgman begged Mayer to take the check, find his family and tell the world how hundreds of Germans, released from imprisonment by the Americans, are now working as slaves for Russia.

Mayer has not yet been able to locate Borgman's survivors, but discharged a part of his promise by telling the Tribune of his own life as a Russian war prisoner for 2 years. Needless to say Helmut Mayer is a pseudonym.

ENTERED ARMY IN 1943

A premedical student, Helmut entered the Army in 1943, serving in Army hospitals on the Italian front, where he was wounded, and later on the Russian front, where he was captured shortly before the German capitulation.

Then he weighed 143 pounds. Last September when he was unable to work longer in the mines because of recurrent malaria and hunger edema he weighed 105 pounds. Now he is up to 121.

Twenty men to a tiny cubicle, Helmut lived with more than 1,000 other prisoners in a camp, guarded by regular soldiers, but under the jurisdiction of the MVD.

ROUSED AT 4:30 A. M.

At 4:30 o'clock every morning the men were roused, and by 6 or 7, depending on the distance away, they were at work in the mines after a breakfast of seven-tenths of a quart of lentil soup. At 6 p. m. they were back at camp for another bowl of soup, a few slices of watery bread, and, rarely, a chunk of meat and a pinch of sugar.

On rare occasions a prisoner might escape, and try for the Turkish border, although everyone knew it was well patrolled. The dead Germans were brought back to camp where their bullet riddled corpses were displayed for 2 days as an example.

The SPEAKER. The time of the gentleman from Illinois has expired.

GENERAL EXTENSION OF REMARKS ON THE APPOINTMENT OF THE NEW AMBASSADOR TO THE PHILIPPINES

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the new Ambassador to the Philippines.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend remarks I expect to make in the Committee of the Whole today and to include therein a letter from the Ulen Realization Corp. to me, a letter from the same firm addressed to General Marshall, a letter from the J. G. White Engineering Co. addressed to Mr. Eugene R. Black, of the International Bank for Reconstruction and Development.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ROHRBOUGH asked and was given permission to extend his remarks in two instances, to include in one a letter and in the other an editorial.

Mr. PLOESER. Mr. Speaker, I ask unanimous consent that during consideration of the bill H. R. 3756 in the Committee of the Whole, the committee handling the bill may have permission to extend in the RECORD certain documentary material pertinent to the consideration of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO COMMITTEE ON AGRICULTURE TO SIT DURING SESSIONS TODAY

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit during the sessions of the House today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PERMISSION TO COMMITTEE ON EXPENDITURES TO SIT DURING GENERAL DEBATE TODAY

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures may have permission to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

WHAT IS A FILIBUSTER?

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I noticed in the morning press that some of the members of the Committee on Foreign Relations charged certain Members of the House yesterday with a filibuster. That grieves some of us, not me, but some of the other Members have suggested that they were feeling badly about it.

I investigated, I looked up the meaning of filibuster. According to reliable authority a filibuster is a delaying action carried on by a minority to prevent the passage of legislation or the consideration of it. Yesterday I stood down here in the well when we voted on the motion of the gentleman from Illinois [Mr. MASON] to strike out the enacting clause of the bill providing for the Voice of America program, and I noticed that by actual count there were 89 Republicans who voted with the gentleman from Illinois [Mr. MASON] to strike out the enacting clause and only 57 who voted against him. So if there was a filibuster it was carried on by the majority, who brought in the Mundt bill, and that is impossible. There must be something wrong with the reporters or with those who charged there was a filibuster.

DIFFICULTIES HINDERING REDUCTION OF EXPENDITURES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, a good many Members of Congress wonder why it is so difficult to reduce our regular appropriation bills when they come before us. I think the answer is provided this morning by an editorial which appeared in the Wall Street Journal which I wish to call to the attention of the House.

It reads as follows:

BEATING THE PARTY DRUMS

A reader of this newspaper in a town of the Middle West sends us a copy of a telegram which he says was signed by a prominent officer of the Democratic Party and was addressed to a local Democratic leader. The text of the telegram follows:

"House Agriculture appropriations bill accompanying H. R. 3601 eliminates all funds for price support of all agricultural products, makes 50-percent cut on all soil-conservation practices and school-lunch programs, and reduces appropriations for personnel to point where administration of conservation and school-lunch programs practically impossible. Crop insurance practically eliminated. The bill also entirely eliminates farm ownership loans to veterans and nonveterans. The production and subsistence appropriations necessary to establish veterans in farming are cut one-third, and tenant-loan insurance is cut 98 percent. All administration forces so badly reduced that farm program cannot function efficiently.

"Please immediately contact leading farmers in your county and cooperating with them send wires and petitions at once to Senator ALBEN BARKLEY and Congressman CLARENCE CANNON, Washington, D. C., urging restoration President's budget. Give publicity to this your local communities and advise Associated Press and United Press of your activities."

The reader who sent the above to this office makes this comment:

"Orders seem to be out to beat the drums. A few farmers were in the village because of rain but they did not seem to be interested in the telegram. Certainly our farmers do not need a Federal dole at this time."

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend the remarks he intends to make in the Committee of the Whole today and include certain statistics on the power question.

FILIBUSTERS

Mr. RANKIN. Mr Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the distinguished gentleman from Michigan [Mr. HOFFMAN] need not feel chagrined if he is accused of conducting a filibuster, one of the most effective operations ever indulged in by a minority to prevent a violation of their rights.

You will likely need the filibuster yourselves some day. The time may come when the ones who now imagine they are in the majority may find themselves in a hopeless minority indulging in a filibuster to save for the American people that great document which our forefathers fought to establish, the Constitution of the United States, which is today being attacked by the subversive elements throughout this Nation and by Communist fronts from one end of the country to the other.

I have no criticism of any man for having the courage to stand on the floor of either House of Congress and fight, or carry on a filibuster when it is to protect the rights of the American people.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is not a filibuster a violation of the rules of the House?

Mr. RANKIN. No; it is usually in the form of extended debate within the rules of the House or the Senate.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. RAINS (at the request of Mr. JONES of Alabama) was given permission to extend his remarks in the RECORD.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1948

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 235, making in order H. R. 3756 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. Speaker, at this time I yield myself such time as I may require.

Mr. Speaker, there are now 19 corporations wholly owned by the United States Government. These corporations are, by and large, free from control either by the President or by the Congress, and yet they have the authority to borrow up to $30,000,000,000 from the Treasury.

For a time, these corporations threatened to become an even greater force in our Government than Congress, their creator; and at times, they arrogantly snapped their fingers in the face of Congress. To curb this trend toward Government by Government-owned corporations, Congress passed the Government Corporation Control Act of the Seventy-ninth Congress.

It was the purpose of this law to bring Government corporations into conformity with the general financial program of the Government. Section 104 of that act established a systematic procedure whereby Congress would pass upon all budgets of the Government corporations as it now does for the regular agencies of the Government.

H. R. 3756 merely clarifies and restates the language of section 104 of the Government Corporation Control Act. This, and other language in the bill which would reduce Government expenditures, might be subject to a point of order under section 2 of rule 21 of the House. Thus, a single objection could prevent

consideration of this bill which is expected to save the taxpayers many millions of dollars. To allow the bill to be considered on its own merits, the Committee on Rules has protected it from dilatory parliamentary technicalities by waiving points of order against it. We are all interested in reducing Government spending as expeditiously as possible, so I expect little opposition to this rule.

RULE WAIVES POINTS OF ORDER ON BILL REPORTED DAY BEFORE YESTERDAY

Mr. SABATH. Yes, Mr. Speaker, this rule waives points of order against a bill reported only day before yesterday. A rule was hastily granted yesterday, and it is under debate today.

In this instance we will have before us the bill providing appropriations for 33 government corporations and independent agencies. Certainly I have had no time to study this bill carefully, and I doubt if other Members have had.

It is my understanding that all of titles 2 and 3 may be construed as legislation involving 22 pages of limitations, restrictions and changes in existing law.

Mr. Speaker, I am for economy in Government as strongly as any Member of this House; but I cannot stomach this penny-wise, pound-foolish false economy with which these Republican appropriation bills are loaded. It seems to me that the Committee on Appropriations has acted in haste, before the appropriate legislative committees could bring out their bills, to effect what members of this one committee have deemed to be necessary changes in existing law.

There are now pending before legislative committees bills that affect the administration, authority, and functions of 13 of the 33 agencies and Government corporations for which appropriations are provided in this bill. Is all orderly procedure in this House to be abandoned in favor of fiat legislation by a single committee?

EVERY EFFORT TO HELP BUILD HOMES FOR VETERANS AND OTHER AMERICAN CITIZENS SCUTTLED

Every effort to provide decent homes for veterans and other American citizens has been scuttled. The National Housing Agency appropriation has been cut approximately $12,000,000 of the entire reduction of fourteen million from last year's funds.

The Committee on Appropriations states in its report that it is "convinced that the program of trying to expedite the construction of residential housing has not been successful."

But I fail to note in the report any honest reasons given for that failure. I know the answer, and so do all of you who will face the facts. It is due to the secret conspiracy between real-estate operators and speculators, builders, contractors, suppliers, and the unconscionable profiteers in human need who torpedoed the administration's carefully planned program for allocating materials to the categories of greatest urgency, who withheld material from the legal market, who clandestinely supplied the illegal black market, who catered to high profits and selfish interests, diverted critical materials and labor to luxury construction, or who sat on their profits and refused to produce until their demands were satisfied, all with the active and enthusiastic help and applause of the Republican Party.

It has been a triumph of private greed over human need.

The reduction in appropriations for the housing agencies means that the program for expediting housing for veterans will be utterly and entirely abandoned, and so-called private enterprise will be free to gouge the veteran to the extent that he will be in debt the rest of his life for mediocre living accommodations.

PROMISES TO VETERANS UNFULFILLED

The responsibility for this situation rests squarely on the Republican Party, and the people know it.

Where now are those fine promises made so often and so loudly by the swarm of lobbyists who infested the Capital last year, glibly promising that if only all price ceilings and material controls were removed private free enterprise would provide millions of homes for Americans? They are gone—gone with the wind and with other like promises.

Wilson Wyatt was doing a job; but the vast and smooth-working real-estate lobby scuttled his program—and then scuttled out of sight.

HOUSING AGENCIES HAVE DONE SPLENDID JOB

In the face of many difficulties and many obstacles, it is my belief that the housing agencies have done a splendid job. All over the land many wonderful public-housing projects will long be monuments to the imagination and daring and zeal of a distinguished group of administrators.

Last Sunday I was gratified to find in the Washington Post a long and laudatory article describing Greenbelt, and reviewing the turbulent history of that highly successful Government housing project on the tenth anniversary of its founding. I suppose there are many lobbyists in the galleries, and many Members on the floor, who would even like to see that project abandoned and its 8,000 contented residents thrown to the mercy of the real-estate wolves.

It is true that at times political pressure, or the pressure of the war agencies, or merely occasional unfortunate poor judgment, brought public housing into existence in bad locations. The impressive thing is that a start has been made toward providing decent shelter for that teeming one-third of a Nation, ill-fed, ill-clothed, ill-housed. The housing agencies, in peace and in war, proved that the job can be done. The lobby has won this fight; but they should realize that unless they can make good on their promises the program will start over again, bigger and better and with unanimous public support. After all, the real-estate men are glad enough to have a helping hand from the Government for themselves through FHA; they will have to realize that the people deserve a break, too.

Now, by this drastic slash, you have removed every vestige of hope that the Government might directly aid in building homes for the deserving men who served their country so well, and now are being so ill-served here.

BUSINESS LOBBY PROMISED EVERYTHING, DELIVERED NOTHING BUT HIGHER AND HIGHER PRICES

I do not know what other reductions have been made by this bill. It was reported only day before yesterday, as I have said, and the rule was granted yesterday in extreme haste. These few remarks are based only on my hasty reading of the report, which came to me this morning. I do not see how any arguments for economy can justify the unjustifiable and unwarranted cuts in the housing program. I believe that under the President's repeated proposals for permanent reorganization there could have been added efficiency and better results.

It is unfortunate that too often we listen to the reports and persuasions of paid lobbyists and propagandists on legislation, and not to the people.

The same thing happened last year, especially just preceding the 1946 elections, when the National Association of Manufacturers, the American Meat Institute, the National Association of Retail Dry Goods Dealers, and all their accomplices in the murder of OPA promised everything if only the price controls were removed.

They have delivered nothing except higher and higher and ever higher prices, and higher and higher profits for themselves.

They said that with the "freeing" of private enterprise shortages would disappear, the black market would disappear, high prices would disappear.

Well, price ceilings were removed. The black market disappeared because black-market prices were legalized, or made even higher. Shortages have not yet disappeared; but it will not be long now before the customers disappear, and profits with them.

The big business lobbies seem to have the ear of the Republicans, and the Republicans follow that siren song blindly. The only comfort is that in another 18 months they too will disappear.

MEAT PRICES UP AGAIN

I charged at that time that all these promises were only falsehoods and lies intended to fool the people.

As you all remember, as soon as controls were taken off the prices of almost everything doubled, especially on meats, and I do not know of the price of a single article which is lower now than it was a year ago.

Now all the newspapers in the country, even those who were most vicious in the fight against OPA, have carried stories announcing that the prices of meats will advance from 8 to 10 cents a pound again.

I do not believe the American people can ever be fooled again by the false promises of big business.

There is no question in my mind but that OPA served the country well. Prices were held down all through the

war. No one went hungry. Of course, housewives did not get all the meat they wanted because the packers went on strike until they could get their pound of flesh. They got what they wanted; the price control law was repealed; and immediately cattle and hogs began their stampede to the markets while the cold-storage plants were emptied, but of course at high prices, and in the face of warning after warning that the supplies of livestock were being exhausted and that the country would face future shortages and still higher prices. Those warnings now are coming true.

Therefore, I hope henceforth any assurances or pledges or promises on the part of these lobbyists that infest the House and infest Washington will be disregarded and that we will act according to our consciences and the wishes of our people back home.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman, as usual, for a question, please.

Mr. HOFFMAN. The gentleman is very, very gracious about it.

Mr. SABATH. I always try to be.

Mr. HOFFMAN. Well, you always are. You always succeed. There is no question about that. What I am wondering about is this meat and the shipping of it abroad by the Federal Government and whether that has anything to do with the price.

Mr. SABATH. It surely does not and cannot tend to reduce the prices.

Mr. HOFFMAN. I would not think so.

Mr. SABATH. I concede that. But the amount that is being shipped abroad is only a small quantity compared to what we are consuming in this country. I hope our country will be able to consume even greater quantities of meat, provided these hold-up people, the packers, will not mulct the American people as they are doing now. If prices were in reach of the average pocketbook we could all buy more meat and other farm products. I wish you would read their financial reports and see the amount of money that is being made by these packers. The largest ones are in my city. Some of the people who live in my district are employed by the packing industry; but, unfortunately, while these packing houses were controlled by pretty honest men like Armour and Swift in years gone by, now they are controlled by Wall Street and they are obliged to take their orders from the Wall Street financiers who now control not only the packing industry but nearly every segment of American private enterprise, and who are interested only in profits, profits, profits, and ignore fair play and the rights and interest of the American people.

Only last night I heard on the American Forum of the Air the Senator from Wyoming, Mr. O'MAHONEY, and our genial friend the gentleman from Tennessee [Mr. KEFAUVER] reciting facts and figures to the NAM spokesman and their Wall Street lawyer on the vast power of the combinations, the huge percentage of industry owned by just a few big corporations as compared to the little fellow, and how the little fellow is being driven out of business by these avaricious financiers.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield again?

Mr. SABATH. I yield.

Mr. HOFFMAN. Do you think we should have continued the OPA indefinitely?

Mr. SABATH. No; not indefinitely.

Mr. HOFFMAN. About how long?

Mr. SABATH. Until conditions were adjusted so that the people would have sufficient food and so that the general civilian production would have been sufficient for everyone, and so that there could be genuine competition that would control prices. As it is now, we have repealed the Price Control Act at least 9 months or perhaps a year before it should have been repealed.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield? I want to get your estimate. I value the gentleman's opinion very highly. I want to get your opinion as to the months or years that you think we should have continued the OPA.

Mr. SABATH. I thank the gentleman for the compliment. I repeat what I just said, that I think it should have been continued for another 9 months or 12 months, and by that time I believe conditions would have been adjusted so that the public would not be mulcted by these willful profiteers.

Mr. HOFFMAN. You said that the packers in Chicago, as I understood you, were controlled by Wall Street?

Mr. SABATH. Yes, sir.

Mr. HOFFMAN. Now, Wall Street is controlled by the international bankers, is it not?

Mr. SABATH. That expression "international bankers" has been used before.

Mr. HOFFMAN. So have the words "Wall Street."

Mr. SABATH. And, also, the House of Morgan and a few others.

Mr. HOFFMAN. And Kuhn, Loeb & Co.?

Mr. SABATH. And Kuhn, Loeb & Co.; yes, sir. I agree with you. Moreover, they are closely affiliated with British finance, as is the Morgan firm, and with other European financiers as well.

Mr. Speaker, I have said what was in my mind in paying my respects to these profiteers and gougers and with reference to the high cost of living that they have brought about and also concerning the promises that you gentlemen on the other side made to the American people when you pledged that you would reduce the cost of living and reduce the outrageous prices saddled on the backs of the people by the trusts and combines which, as I said before, seem to control your actions, with your help.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and I reserve the balance of my time.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as she may require to the gentlewoman from New York [Mrs. ST. GEORGE], and I ask unanimous consent that she be allowed to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, if our Government is to survive it can only do so through the devotion and sacrifice of our people. By the same token if it is destroyed, we, ourselves, will be responsible for our own downfall.

This Republic can only survive and progress if we have an enlightened and educated electorate, who know and understand the mechanics of Government in a free Republic.

In my home county of Orange, we have a youth in Government project, sponsored by the YMCA and under the supervision of the three district-school superintendents, high-school principals, and county officials.

Under this program the high school pupils organize into two political parties, patterned on our two major parties. They hold conventions, file petitions, write party platforms and then go out and campaign for all the State and county offices.

After they have been duly elected, they each serve one day in the office of the official that they represent.

This year for the first time the two parties nominated candidates for Congress and the young man who won the election is here with me today, also the defeated candidate and two school mates.

I believe, Mr. Speaker, such a project should be inaugurated in every school in our country so that our young people, when they come of age, will be ready to assume their obligations and responsibilities.

I am proud that the young people of Orange County, N. Y., are being given the opportunity of understanding how their Government functions and what their duties as citizens are.

As long as the youth of our Nation knows and accepts its responsibility, so long freedom will endure.

The day that they are too lazy and ignorant to guard and know their rights, that day liberty will perish from the earth.

As far as liberty is concerned, we, today, are the light of the world.

We must make that light shine before men.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Speaker, I wish to say a few words in opposition to the rule which has been proposed today, waiving points of order on this bill. I am vigorously opposed to this rule. What I have to say I wish understood as no personal reflection upon the members of the Rules Committee or of the Appropriations Committee, because I have a high regard for the members of both of those committees. But, Mr.

Speaker, the procedure we are following today in waiving points of order on this bill and approving legislation on an appropriation bill, is soon going to lead to a situation where we might as well abolish all of the other committees of the House of Representatives except the Appropriations Committee.

The dangerous encroachment of assuming the jurisdiction of legislative committees not only in this bill but in other bills we have considered recently, but particularly in this bill, is the worst possible sort of legislative policy. I only received a copy of the bill and the report of the committee on yesterday. It would be humanly impossible within that short length of time to consider all of the matters of legislation on this appropriation bill and be in a position to discuss them intelligently. They deal with and amend laws which have long legislative histories and upon which legislative committees have spent months of consideration.

I do, however, want to call the attention of the House to two particular items which are typical of the kind of legislation we are getting into appropriation bills and thereby depriving the regularly constituted committees of the House of their jurisdiction to consider changes in basic laws that this Congress has passed.

Mr. Speaker, throughout the years the Tennessee Valley Authority has rendered a great service to the Nation both in times of war and in times of peace. It is now so far as its major projects are concerned almost completed. Over a period of years the investment in power facilities of the Tennessee Valley Authority is going to be paid back to the Federal Government and then for hundreds, five hundred, or a thousand years—because these dams that are built there are part of the mountains in which they are located and they will last forever—then for all those years that great investment will belong to the people of the United States.

Mr. Speaker, the Military Affairs Committee of the House of Representatives, the Committee on Agriculture and Forestry of the Senate before the Reorganization Act was passed considered many, many times the amortization, or section 26, of the TVA Act relative to the use of its receipts and the paying back to the United States Treasury. They have worked out various compromises which were satisfactory to the people of the Valley, to the TVA, and to the Members of Congress. Only last year, Mr. Speaker, the Committee on Expenditures in the Executive Departments of the House in passing the bill having to do with financial control of governmental corporations, Public Law 248, went into this whole problem and worked out a satisfactory solution. This was also approved by the Senate Banking Committee and approved by the Senate.

But we are now legislating without the Tennessee Valley Authority having an opportunity to be heard; without any representatives of the 7,000,000 people who live in the Tennessee Valley and the 750,000 customers it serves having an opportunity to present their side of the argument. Without any opportunity of the people who are eventually going to pay back this investment in power having an opportunity to appear and present their side of the case.

We have in this bill, beginning on page 7, legislation that is ill-considered, legislation on an appropriation bill that may do much harm to TVA.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. In a moment I will yield.

Legislation that has not been given thorough consideration, has not been thought through; and I am very much afraid of the disastrous results it may have.

I yield to the gentleman from Missouri.

Mr. PLOESER. Certainly no one denies the gentleman the right of expressing his opinion, and my personal regard for the gentleman leads me to believe that his opinion is most interesting; but in observing what the gentleman has said in the statements he has made to the effect that we have done this without any consultation with the Tennessee Valley Authority, the gentleman is assuming something for himself that the committee did not dare to assume for themselves. This, of course, has not been done without consideration, without a year's study, or without consultation with the Tennessee Valley Authority. So if the gentleman proceeds, please get all of the facts so that his statement may be more accurate.

Mr. KEFAUVER. May I ask the gentleman if any of the officials of the Tennessee Valley Authority had any opportunity of testifying before his committee in connection with this amendment of section 26. Did any of the customers or citizens of the Valley have a chance to be heard?

Mr. PLOESER. The gentleman knows, of course, the custom of the House not to hold open hearings before appropriations subcommittees.

Mr. KEFAUVER. That is what I am objecting to.

Mr. PLOESER. There are representatives of the State of Tennessee here in this House. They represent the people or it is presumed that they do.

Mr. KEFAUVER. My point is, Mr. Speaker, that we have large distribution systems in the Tennessee Valley which have cost the cities, the municipalities and the people hundreds of millions of dollars. They entered into contracts with the TVA based upon the fact that section 26 was in the law, that it would give TVA flexibility in operation, and those contractors, obligating the people, the municipalities, and the cities, ought to have the opportunity to come to the Congress itself, to a legislative committee, and present their side of the problem before such a basic change is made in the charter of the Tennessee Valley Authority. Of course we have Representatives in Congress from Tennessee, capable Representatives but they cannot presume to speak for the people of the Valley when there has been no opportunity of expression from the people.

Mr. RAINS. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Alabama.

Mr. RAINS. The gentleman from Missouri a moment ago stated that the rule in the Appropriations Committee was that there could not be open hearings. Is that not all the better argument why this legislation and this particular bill should have been aired at open hearings?

Mr. KEFAUVER. Exactly.

Mr. RAINS. Before the Public Lands Committee, for instance.

Mr. KEFAUVER. I may say to the gentleman that four legislative committees of the Congress, the Military Affairs Committee of the House, the Agriculture and Forestry Committee of the Senate, the Committee on Expenditures in Executive Departments of the House, and the Banking Committee of the Senate, have worked this problem out after long and tedious hearings at which everybody had opportunity to be heard and where representatives of the people, the distributors, the Tennessee Valley Authority, and everybody who had an interest in this great project, could come and tell the members of those committees what they thought about it. They reached a satisfactory solution. Now here in executive session without any representative of the distribution systems or the people, they make this radical change, and in looking over the hearings questions on the amortization provision were not asked of any witness of the TVA when they appeared before the committee. There is no discussion on this legislation in this appropriation bill in the hearings that I have been able to find, even before the Committee on Appropriations.

There have been no hearings on the legislative provisions of the bill. A few casual references were made in the hearings to an amortization scheme which has since been abandoned, but there was no opportunity on the part of TVA to explain to the committee the effect that the bill would have upon its operations. Even more important, the people of the region have had no opportunity to present their point of view and to assert their rights not to be prevented by arbitrary fiscal requirements from securing adequate electric service. This is not the way to write sound legislation, and it is therefore no surprise that the legislative provisions of the bill are unsound. It discriminates without basis or justification against a great region of the country, which Congress has pledged itself to help rather than to hurt.

The TVA Act authorized long-term contracts with municipalities and cooperatives, and over 140 such contracts have been signed in reliance on the provisions of section 26, which were designed to provide the means for assurance of adequate electric service. Seven hundred and fifty thousand consumers are entirely dependent for this necessity of modern life upon the ability of TVA to carry out its commitments. Neither the consumers nor the municipalities or cooperatives which serve them would ever have allowed their welfare to become de-

pendent upon TVA power supply were it not for the provisions which Congress established to permit TVA to fulfill its obligations. A change in the rules of the game at this time would be a breach of the trust reposed in Congress by the people of the Tennessee Valley.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the gentleman does not want the RECORD to show that the Tennessee Valley Authority did not appear before this subcommittee on several occasions. Mr. Clapp, the Administrator, appeared.

Mr. KEFAUVER. Oh, yes. I have read the hearings, I may say to the gentleman.

Mr. JENSEN. We had full and complete hearings with the official body which governs TVA. If the gentleman as a citizen of the Tennessee Valley does not want a few men to run that great TVA, then I would suggest the gentleman introduce legislation to abolish TVA.

Mr. KEFAUVER. I do not see how the remarks of the gentleman are pertinent.

Mr. JENSEN. They certainly are pertinent. The Administrator speaks for TVA, lock, stock, and barrel. If the gentleman does not like that empire within an empire, it is his duty to introduce legislation to abolish that empire which is run by a dictator.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. KEFAUVER. Mr. Speaker, we in the Tennessee Valley are entirely satisfied and very happy with the management of the Tennesse Valley Authority. What we do object to is that the people, the representatives of TVA and anyone else who is interested have not had an opportunity to be heard on this language which hits at the very heart of the charter of the Tennessee Valley.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I cannot yield to the gentleman.

Mr. JENSEN. I do not blame the gentleman.

Mr. KEFAUVER. I must finish my remarks.

Mr. RANKIN. I was going to say that, instead of being a dictator there, the Tennessee Valley Authority is simply carrying out the law passed by the Congress.

Mr. KEFAUVER. That is right. Let me point to another thing, and I do not know whether many of you have had a chance to read this section or not. Section 104 of this act, page 24, assumes a large part of the authority of the Committee on Expenditures in the Executive Departments.

If section 307 is enacted in the form reported by the committee, it would reconstitute section 104 of the Government Corporation Control Act so as to make that section substantially the same in language and in effect as committee print No. 2 of the original Whittington bill, H. R. 2177, issued June 6, 1945, by the House Committee on Expenditures. The original Whittington bill was not only unalterably opposed by TVA and all those dependent on the TVA power system but was affirmatively rejected by the House committee itself, which reported out H. R. 3660, the present law, as a substitute measure.

The amendment to section 104 proposed by the committee specifically contemplates the enactment of annual legislation limiting the use of corporate funds or other financial resources as Congress may determine, and provides that section 26 of the TVA act shall not be affected thereby except as specified in such legislation. Enactment of such an amendment to section 104 would be akin to an outright repeal of section 26. At the present time TVA is authorized to utilize the revenues from its power system for the operation and maintenance of that system and for the provision of necessary direct power facilities. All of the power commitments made by it in the Tennessee Valley have been predicated on the possession of that authority and on the ability to plan the wisest and best use of its power revenues for power system purposes. If this amendment is made effective, however, TVA and all of its municipal, cooperative, industrial, and other power customers would have to assume that as of July 1 of any year it might be deprived not only of the revenues needed for the provision or replacement of necessary capital items but of those required to meet production costs, pay rolls, and other operating expenses. In ultimate result, therefore, the amended section is open to the same objection as the original Whittington bill, which was so emphatically rejected, namely, that it serves to subject TVA, as well as other Government corporations, to the uncertainties of an annual charter which may or may not be renewed each year in whole or in part in the discretion of a congressional appropriations committee.

By the TVA Act and the various amendments which have been added to it from time to time, Congress has carefully and particularly enunciated the policies by which it is to be guided and the specific powers and duties which it is to exercise and discharge. By that act TVA was given a mandate to accomplish certain specific results in a specified geographical area as part of a long-range continuous program. It has been directed to construct a series of multiple-purpose dams and reservoirs on the Tennessee River and its tributaries, to control the destructive floods on that river system, to provide a 9-foot navigable channel on the Tennessee from Knoxville to its mouth, to generate electric power at those projects, to market that power by means of transmission lines and substations to be constructed and maintained by TVA, and to contract with communities within transmission distance to supply their power requirements over long-term periods. As a part of this interrelated and integrated program Congress expressly authorized the acquisition by TVA of the privately owned generating and transmission properties previously serving large parts of the area.

In imposing this mandate upon TVA as a regional corporation, Congress has made a commitment to the people of the area that TVA's essential function of power supply will continue to be performed efficiently and without interruption. In accepting and executing this congressional mandate, TVA, under long-term contracts entered into over its 14 years of existence as specifically contemplated by the TVA Act, is committed to supply the full power requirements of 139 municipal and cooperative distribution systems, serving 750,000 consumers in an area of 80,000 square miles.

No one will deny that TVA has performed an excellent job in meeting its obligations under the above-mentioned power contracts. But neither will anyone claim that it could have performed such a first-rate job had it not been for the provisions of section 26 of the TVA Act. And this section, it must be remembered, does not confer any superpowers or authority upon that agency. On the contrary, it does nothing more than permit TVA to apply its operating revenues to the operation of its dams and reservoirs, to the operation and maintenance of its power system, and to the replacement of old and the provision of new direct power facilities necessary for the conduct of its power business. This authority is far less than that conferred as a matter of course upon the board of directors of any privately owned and operated utility system in the country. In delegating that authority to TVA, Congress has given it no more than the bare minimum of discretion essential to the efficient operation of a power business.

The Federal Government has invested several hundred million dollars in the multiple-purpose dams which have been build by TVA. The power from those dams is not only being absorbed by 750,000 consumers over an 80,000-square-mile area, but that area is dependent upon the continued and uninterrupted flow of that power for its very life. TVA power operations are now ably and efficiently conducted, and the amount of the Government investment in TVA power facilities is being and will continue to be returned to the Federal Treasury at a rapid rate. All this has been made possible by the relationships which have thus far existed between TVA and the distributors of TVA power, which have presented a splendid example of cooperation on the part of Federal and local agencies. That fine relationship can continue only so long as TVA's power customers are able to retain their confidence in the ability of TVA to carry out its power-supply commitments. It is perfectly apparent that no city in the TVA area can afford to let itself become dependent for electricity on a source of supply on which it cannot rely from year to year. If will destroy existing confidence in the Congress insists on taking action which continued ability of TVA to meet the continuing needs of its power customers, those customers will inevitably seek ways

and means of securing another source of power. It is not too much to say that the success or failure of the TVA program hinges on the provisions of this section 307. To enact that section into law would be to cancel out the work of 14 years.

Repeated efforts have been made to deprive TVA of the power to use its revenues to meet the essential requirements of its power system operations as authorized by section 26 of the TVA Act. Each time such proposals have been carefully considered by the Congress, and rejected. Each time Congress has concluded that it is not equipped to determine the operating needs of a power system, the operating expenses of which may vary as much as $15,000,000 between a wet and dry year. Each time Congress has determined that it should not reduce the already irreducible minimum of managerial discretion which it had delegated to the TVA Board of Directors. Each time Congress recognized that it could not wisely decide where or when or what kind of a new substation or transmission line might be needed. Each time Congress concluded that questions in this category do not present the smallest kind of a political or policy issue, but involve pure management decisions for which it should hold the TVA Board of Directors wholly responsible.

When the Corporation Control Act was enacted by the Seventy-ninth Congress, section 26 of the TVA Act was again carefully appraised and its essential character reaffirmed; and section 104 of the Control Act was so worded as to provide that none of its provisions should be construed as affecting the provisions of said section 26 in any way.

In reporting out the Corporation Control Act as it was finally enacted into law, the House Committee on Expenditures in the Executive Departments and the Senate Committee on Banking and Currency, using identical language, had the following to say concerning section 104:

> To insure that such legislation would not be used as a means of destroying any Government corporation or preventing it from carrying out and financing its authorized activities, this section includes a specific provision that it shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law.
>
> The section also provides specifically that no provision thereof shall be construed as affecting in any way the provisions of section 26 of the Tennessee Valley Authority Act, as amended. This language preserves intact the right of the Tennessee Valley Authority to utilize its receipts in carrying out certain operations and business activities as authorized under present law. The budget program of the Authority would be prepared and submitted on that basis and the Congress in passing on such program would take no action based on this bill which would interfere with such right or set a limitation on the use of such receipts for those purposes authorized under said section 26. The committee feels that the present arrangement established by law as to the use of the Authority's receipts is working satisfactorily and that if any occasion should arise hereafter for changing such arrangement, this should be done by an amendment to the substantive law.

Here we have two legislative committees of the Congress warning that the removal of the safeguards written into the original section 104 would constitute that section a means of destroying any Government corporation or preventing it from carrying out and financing its authorized activities. Here we have two legislative committees of the Congress stating that the present arrangement established by law as to the use of the Authority's receipts is working satisfactorily and that if any occasion should arise hereafter for changing such arrangements, this should be done by an amendment to the substantive law. In other words, two committees of this Congress to which have been entrusted the responsibility of passing upon the enactment and modification of substantive legislation have warned against any direct or indirect change in the provisions of section 26 of the TWA Act except after full hearings before a legislative committee, which after all is the regular and accepted procedure which Congress by its rules has provided for the accomplishment of such a result. This appropriation bill flies in the face of that warning in many particulars. It does so particularly and most flagrantly in proposing section 307. Certainly this Congress, having enacted important and essential legislation only after the most careful consideration, and after full hearings and debates, and after rejecting numerous similar proposals as unwise and ill-considered, does not intend to gamble the essential results and objectives of that legislation upon recommendations of an appropriations subcommittee, reached on a speculative basis with no hearings whatsoever.

But what happens here, gentlemen? In section 104, the members of the Committee on Expenditures in the Executive Departments may not have had time to look it over, but the Committee on Appropriations is assuming jurisdiction of the Expenditures Committee by saying that in the future you do not even have to have a closed rule in order to consider any limitation or any arrangement about the retirement of debt or the amortization of power projects; that is, that they shall be germane. They are transferring the jurisdiction of the legislative committee by section 104 directly to the Committee on Appropriations.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Speaker, it is difficult for me to see how the Committee on Appropriations and the Congress can justify, under the watchword of economy, the reduction made in the budget recommendation for fertilizer experimentation and munitions developments at the TVA, Muscle Shoals, Ala., plant. Heretofore, in other appropriation bills we have recognized, as we should, the urgent necessity for research for the military, looking, of course, to the defense of our country. Recognizing, as all of us must, that the first line of defense of this Nation in every war has been the fertility of the soil of the farms of America, how can we now become so short-sighted in the name of economy as to support a reduction in the funds necessary to carry on the experimentation work needed for the preservation and further development of the farm lands of our Nation? This attitude and the action of the Appropriations Committee in reducing the budget estimate for this work is certainly penny-wise and pound-foolish.

It is needless for me to remind the Members of Congress who represent agricultural districts that there is a great hue and cry among farmers today not only for more fertilizer with which to enrich their soil, but better fertilizer. The Muscle Shoals TVA fertilizer plant is dedicated to the development and test of new fertilizer products, in an effort to see whether farmers having materials in concentrated form can work out a program of farm management that will make soil fertility and conservation pay in the farm enterprise. This very worthwhile program is carried on by the Tennessee Valley Authority in test-farm demonstrations in conjunction with, and with the assistance of, county agents of the State extension service.

Mr. Gordon Clapp, Director of the TVA, in his testimony before the subcommittee, states that—

> We use about one-fifth of the plant capacity for distribution through the test demonstration farm program which has been set up in cooperation with the extension services of the States, principally in the valley, but also in a number of States outside the Tennessee Valley.

It has been said that civilization itself depends upon the 6 inches of topsoil on the face of the earth. We have made great progress along the road to soil conservation in this country; however, I am one who believes that we have only begun a fight which must be carried on if we are to preserve the productive capacity of the farms of America. We not only must prevent the erosion of our farm land, but we must find support, and advocate every possible means for the enrichment of our soil. Where, then, Mr. Speaker, is the wisdom of hampering a program of research, in any particular, dedicated to the urgent necessity of finding means for increasing the productivity of the farms of America?

There was a time when the demand for commercial fertilizers was in a large measure localized in the Southern and Southeastern States. This situation no longer exists. The Department of Agriculture states that the average annual consumption of fertilizer in 1935–39 was 7,537,631 tons. There has been an increase in consumption of commercial fertilizer of approximately 1,000,000 tons each year from 1940, when the consumption was 8,249,256 tons. It is interesting to note that the notable increase in consumption has been in the North Central and Western States, where it is two to three times the prewar level. From these figures it is evident that the need and demand for more and better commercial

fertilizer is of interest, not only to the farmers of the South, but to those of the Middle West and the far West, as well.

The Department of Agriculture in August 1944, recommended that Government ammonia plants, with a rated capacity of 300,000 tons of nitrogen be converted for the production of nitrate fertilizer and ammonia derivatives as soon as the war conditions would permit. By August 1946, plans for the use of these individual plants were well worked out. The TVA plant at Muscle Shoals, Ala., was supplying a large part of this very needed ingredient for commercial fertilizer. Last spring, in an effort to meet the ever-increasing demand for commercial fertilizer, on the part of the farmers of this country, and at the insistence of the Members of Congress, the Department of Agriculture stated that full cooperation was being given to Government agencies, meaning the TVA, and private producers to obtain the maximum production of fertilizer, and to expand facilities where feasible. And yet, here we are today, in the face of an extreme shortage, failing to recognize the need for further development of research in the commercial-fertilizer field, curtailing the essential expenditures necessary of the one plant which is charged with the duty, by law, of giving to the farmers of this country, the type and kind of fertilizer their soils need.

Mr. SABATH. I have no further requests for time, Mr. Speaker.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. JENSEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Tennessee [Mr. GORE] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Iowa.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3756, with Mr. ANDERSON of California in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. JENSEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, at the outset of my remarks I wish to pay high compliment to the members of this subcommittee on Government Corporations of the Committee on Appropriations, of which I have the honor of being chairman. Last year for the first time this bill was considered by the Congress. The bill, which is known as the Government Corporations Control Act, was passed in 1945. Hence it was necessary for the Congress to name this committee to look into the fiscal functions of these many Government corporations.

Until this year there were only five members of this subcommittee, the able gentleman from Texas [Mr. MAHON], the able gentleman from Mississippi [Mr. WHITTEN], the able gentleman from Tennessee [Mr. GORE], the minority members of the committee, with whom it is a pleasure to work, and my right-hand man, the gentleman from Missouri [Mr. PLOESER], a most able and conscientious public servant, and myself. Due to the fact that there was a lot of work to be done in relation to the duties of this committee, at the outset of this Congress I requested that the subcommittee be increased to seven members. We now have with us on the committee our able colleague, the gentleman from Oklahoma, Mr. GEORGE SCHWABE, and our very able colleague, the gentleman from New York, Mr. FRED COUDERT, both of whom have been most diligent and cooperative and have rendered valuable service.

We also have with us this year as clerk of the committee, Mr. Claude Hobbs. Claude has done a great job for the committee. Ken Sprangle also helped us considerably as clerk, although he is clerk of other committees. Then we had our very efficient Chief Clerk, Mr. George Harvey, who is always available on call.

I have the highest regard for the staff which assisted us in this very important job of looking into the Government corporations which have borrowing and lending authority of our taxpayers' dollars in the amount of over $30,000,000,000 and all the power that goes with it over our economy.

We asked for a rule on this bill because we are asking for some additional authority and jurisdiction which we feel Congress needs and must have in order properly to look into the operations and the functions of this widespread program of lending and spending of this huge sum of the people's money, any time we, the people's representatives, see fit to do so. We have asked in this bill for authority to look into not only their administrative functions but also to keep close supervision over their lending and spending authority.

When the Government Control Act was originally passed, the report submitted to the Congress by the Committee on Expenditures in the Executive Departments stated that all Government corporations, both fully and partially owned, were to be brought under the jurisdiction of the Congress. But through some fast footwork by spokesmen of some of the partially owned Government corporations they were not included in the bill. So we are asking that several of the partially owned Government corporations also be brought under the jurisdiction of Congress. I cannot imagine that anyone who believes in representative government and in the Constitution of the United States feels that the representatives of the people should not have the authority to look into all the functions of government.

We have in this bill for administrative expenses for these departments $41,649,700, which was a reduction from the budget request of $14,847,550. For other items, including some administrative expenses, as well as construction for the TVA and some other items as set out in the report which I will insert in the RECORD following my remarks, we have allowed $36,097,580, which is $14,039,920 below the budget estimate, a 28-percent reduction in the budget request.

We have purposely made this report quite lengthy. You will note the report consists of 52 pages. Our reason for making the report quite complete and comprehensive is because there are so many things the American people and the Members of Congress would like to know about concerning the activities of these Government agencies, and we felt it right and proper to explain quite in detail in this report just when these corporations were organized; the kind of charter they have; when the charter expires, and also the amount of their borrowing authority, and many other pertinent facts.

Mr. Chairman, I could at this time go through this bill and talk about many things and thus take up the time of the House. But I presume that most of the items will be discussed later. There are some things I wish to call to the attention of the Members of the House and the American people at this time. Those of you who were present heard the gentleman from Tennessee [Mr. KEFAUVER], for whom I have the highest regard, but who, like the rest of us, occasionally is wrong. This is one case where the gentleman from Tennessee is wrong. I know he will tell you that he and I have been in close agreement on a number of bills and that we do respect each other. But the gentleman just stood on this floor and said:

> Why were not many people of the Tennessee Valley and the officials of the municipalities, and so forth, permitted to come before the committee and testify and give their ideas about this, that, and the other?

When the TVA was organized a board of three members was appointed, with almost complete autocratic power over the business of the TVA. I am sure no one will disagree with me on that. They appointed a chairman of that board. The present Chairman is Mr. Gordon Clapp, and I want to say at this time that Mr. Clapp made as good a presentation as any witness that I have heard before a committee of Congress, of which I am or have been a member. He gave testimony willingly and knew what he was talking about; Gordon Clapp knows that I do not approve an authority in any river valley in the United States, because I do not approve of empires within empires, especially in our United States of America. Gordon Clapp knows, as I told the board while in Knoxville last year visiting that great

project, that I had gone along with TVA, as most of the other Members of Congress have, and that I did not propose to introduce a bill to abolish TVA, but that I certainly would fight to the last ounce of my strength to stop another authority such as TVA being instituted on any other river valley of America.

Mr. RANKIN. Mr. Chairman, will the gentleman yield right there?

Mr. JENSEN. I yield.

Mr. RANKIN. Does the gentleman know of another river valley in America which does not have an authority that has developed its water power, promoted navigation, and controlled its floods? If so, I should like to have the gentleman point it out.

Mr. JENSEN. May I remind the gentleman that no river valley in America has had almost $900,000,000 of the American people's money to do that kind of work. You can do a lot of things when you have almost unlimited funds to spend at will.

Mr. RANKIN. I can show you other streams on which hundreds of millions have been spent and they still have not controlled their floods. It will be the high dams on the Tennessee that will prevent a disastrous flood on the lower Mississippi this year, if we escape one.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. PLOESER. I think it is a little early to observe about the control of floods, because the Tennessee Valley Authority themselves say they have not done that. They are seeking new funds and new dams in the hope they will get them under control. So I would not take all the credit for complete control of floods until it is an accomplished fact.

Mr. RANKIN. I did not say complete control; but they are moving in that direction, and they have prevented one or two disastrous overflows on the lower Mississippi, and saved the city of Cairo at one time.

Mr. JENSEN. Some folks who live in the Tennessee Valley say "Yes, of course they have stopped floods because they have inundated most of the land with their lakes that flooded before TVA." Of course, that surely is an exaggeration. The gentleman from Tennessee and the gentleman from Mississippi, who are members of this committee, have counseled with us, yes, compromised with us, until we are in almost complete agreement with the provisions in this bill. I wish to say the feeling of this committee is that the Tennessee Valley has done a good job in the commercial fertilizer field and that it is a national benefit.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. JENNINGS. As the Representative in Congress from the Second District of Tennessee, which is in the heart of this development, I wish to commend the gentleman from Iowa for his fair attitude in this matter and the provisions in this bill with respect to the repayment of the money which the Government used for this power development into the Treasury over a period of 40 years. In my opinion this will be easily met. It is really putting into law what has heretofore been the practice of the Tennessee Valley Authority. I am glad to see that this matter is not before the House in any controversial aspect but that it is the result of a compromise. I believe that as time goes on there will be increased production of power that will augment the income of this authority and that within the period fixed by the gentleman's committee all of this money will be paid back into the Federal Treasury so far as the cost of the power facilities are involved.

Mr. JENSEN. I appreciate the statement by my very fine friend and able colleague from Tennessee.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. KEFAUVER. The gentleman has stated that it is contemplated that the money is to be amortized over a period of 40 years, yet the report on page 12 states that it is contemplated that the Congress approving the Authority's budget each year will specify the amount to be returned to the Treasury during the ensuing year. So as I understand it this does not settle anything on a fixed basis. It says 40 years, but according to the report and according to the bill itself, the Appropriations Committee is given the power to take such an amount of money that they could make them pay it back in 20 or 25 years.

Mr. JENSEN. If the gentleman would read the bill and the report he would not make that statement. The language is very plain and specific. For the edification of the gentleman and for the information of the House I should like to read the language.

Mr. KEFAUVER. May I ask the gentleman the meaning of the language of the third sentence on page 12 reading:

> It is contemplated that the Congress in approving the Authority's budget each year will specify the amount to be returned to the Treasury during the ensuing year.

It does not mean 40 percent. Really, it does not mean anything.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, the Congress of the United States up to the fiscal year 1948 has appropriated the sum of $371,870,759 for power facilities for the Tennessee Valley Authority.

Up to that time the Tennessee Valley had paid back in two payments from power receipts and also in six payments on the bonds which the Reconstruction Finance Corporation holds against them, an amount of $23,631,519, all of which can be found on page 11 of the report, leaving a balance of $348,239,240. That is the amount we have specified in this bill for TVA to pay back into the Treasury of the United States over a period of 40 years under a plan which will not adversely affect the activities of the TVA.

We say that each year they shall pay back 40 percent of their net income on power revenues, which means 40 percent of their net power earnings; that they shall pay in each 10-year period 25 percent of $348,239,240, and that each Congress shall justify an amount which they feel TVA should pay that year. That is because of the fact that dry years may reduce their revenues. We are giving them latitude in which to operate.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. I am sure the gentleman and the members of the committee have the best of intentions about the matter. The gentleman said they would have to pay back 40 percent. I call the gentleman's attention to the language in line 9, page 8, that they shall pay back not less than 40 percent. That leaves it in the discretion of the Appropriations Committee to make them pay back 90 or 95 percent.

Mr. JENSEN. If the gentleman has no confidence in the members of the committee or Members of Congress, then I would say he has reason to get up on the floor and argue that way.

Mr. KEFAUVER. I am not expressing any lack of confidence in the members of the committee but I just wondered if that "less than" was an inadvertence, whether it should be in the bill. Other committees may come along years afterward that I would not have confidence in.

Mr. JENSEN. The gentleman from Tennessee, Mr. ALBERT GORE, is a member of this committee. I am sure you will accept his judgment.

Mr. KEFAUVER. I would take Mr. GORE's word for any matter, as I would the word of the gentleman from Iowa, for whom I have the very highest respect, as well as the other gentlemen of the committee.

Mr. JENSEN. I can assure the gentleman that this is not snap judgment, that we sat for weeks and weeks working out what we thought was a fair, just, and reasonable pay-back schedule for TVA and on other items in this bill.

Mr. KEFAUVER. Is it the idea of the gentleman that they pay back 40 percent of their net each year, or not less than 40 percent, and it may be considerably over 40 percent as decided upon by the committee from year to year? I want to know which it is.

Mr. PLOESER. If there is no objection I would like to have the privilege of answering that. We had a choice of working out some flexible amortization plan, or we had the choice of a rigid, fixed amortization plan whereby they would pay a fixed charge for 40 years until they amortized the investment. I personaly prefer that type of amortization that can be fixed on operations. I think the plan as proposed is a simple and in some manner an ingenious plan. It divides the 40 years into four periods of 10 years each in which the Tennessee Valley Authority is to seek in that period to make at least a 25-percent amortization. Now, because of climatic conditions, having a great bearing on the operation of these dams and power projects,

it was thought that we should make it sufficiently flexible so that there would not be a fixed charge over and above the $2,500,000 bond retirement each year. The way it works, the net income, or what some might call net profits, after all expenses are paid and after the $2,500,000 on bond retirement is paid, that net income is divided, 60 percent retained in the operating fund of the TVA and 40 percent returned to the Treasury. Forty percent is the minimum. There may be years in which this operating income is of sufficient size that it would be easy for TVA to make a greater payment the 40-year amortization program. This is a plan that has been agreed upon by everyone. If the gentleman has anything better that he cares to offer, certainly we are open minded and will be glad to consider it, even though it is a little late in the day.

Mr. KEFAUVER. I may say to the gentleman that I had no opportunity to appear before the subcommittee.

Mr. PLOESER. Neither did the gentleman ask for an opportunity.

Mr. KEFAUVER. You had no open hearings, and we had no way of knowing that you were writing an amendment to section 26. The people of my section would like to have come.

Mr. PLOESER. If the gentleman will read the report on the appropriation bill for 1947, there he will observe that this committee recommended a 40-year amortization program last year and expressed its intent to devise such a program, and all we have done this year is work out that on which we gave you 12 months' notice. I have never seen, in the years I have served on the Committee on Appropriations, any Member of the House denied a hearing. You had 12 months' notice. The hearings proceeded as they normally do, season after season, and you were most welcome. We did not go around and solicit you individually because, very frankly, we are not looking for any more work than we have.

Mr. KEFAUVER. I will say to the gentleman that the House has always refused to put in legislation on section 26 in appropriation bills, and it has always fought down the Senate amendments that were put in by that body from time to time. Certainly, I had no knowledge that they expected to legislate on section 26 in this appropriation bill, and I also know that a good many people down in the valley have been somewhat concerned about not having had a chance to present their point of view about the matter.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. JENSEN. Mr. Chairman, I yield myself 10 additional minutes.

The gentleman from Tennessee [Mr. KEFAUVER] said he had no idea that we were going to operate on section 26. If this operation on section 26 of TVA disturbs the gentleman, I might suggest that the gentleman keep his ears and eyes wide open, because from now on this Congress will operate on a lot of things that need operating on in Government. We are going to cut out a lot of cancers so that they do not destroy the body politic of America. So, I would suggest that the gentleman watch very closely the operations which we are going to perform on the rot that has grown on our body politic in America during the past 14 or 15 years.

Mr. JONES of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Ohio.

Mr. JONES of Ohio. On page 11 of the committee report it appears that there is $371,000,000 invested in the TVA, and it shows $23,631,000 representing bonds, the security for a loan from the Reconstruction Finance Corporation. Is the $23,631,000 all that interest is being paid on out of this investment for TVA?

Mr. JENSEN. The original bond issue which the Reconstruction Finance Corporation holds draws interest and will continue to draw interest until paid out.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Tennessee.

Mr. GORE. The bonds held by both the Reconstruction Finance Corporation and the Treasury, in the total amount of $65,000,000, bear interest.

Mr. JONES of Ohio. Is the balance of $348,000,000 represented by direct appropriations to the TVA, on which no interest is paid?

Mr. GORE. The $348,000,000 which is required to be paid under the amortization provisions of this bill is composed of three parts, one, appropriated funds; two, a transfer of facilities, the Muscle Shoals facility, for instance, built in World War I; and, three, the bonds which are now held by the Treasury. Those held by the Reconstruction Finance Corporation have already been retired.

Mr. JONES of Ohio. In reference to the alleged amortization over a period of 40 years for the TVA, in reality, whether you call it amortization or not, it represents a payment of interest over a 40-year period of 2½ percent annually on the investment, and the United States Treasury is never reimbursed for the capital amount.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. While this bill provides for those payments during the first 40 years, it follows that since this Authority is owned by the Federal Government its earnings thereafter will also belong to the Federal Government.

Mr. JONES of Ohio. Then, if this is to take the place of an interest charge of 2½ percent on the capital investment in the TVA, why do you not just say that forever, ad infinitum, you will pay 2½ percent, rather than limit it to 40 years and leave the impression there will be no interest charge after 40 years?

Mr. WHITTEN. I do not know whether there is any particular point in saying what will happen at the end of 40 years, insofar as most of us here today are concerned, but it is a fact that under the basic law the Authority belongs to the Federal Government, and it will belong to it at the end of 40 years. Whatever it may take in belongs to the Federal Government. The then Congress can do what it may see fit to do with regard to the annual income. In other words, it just is not broken down as to what is interest and what is capital stock. We just say, frankly, that they can make this repayment over 40 years, and it is termed here the payment of the original investment. You could term it interest if you saw fit. The point of it is that such of their funds as can be repaid and keep the authority running on a proper basis should be repaid and will be repaid under this. You can extend it beyond the 40 years when that time comes or you can do it here. I do not see any particular reason for interfering with that. The point I call attention to is that this is different from any other project in the country. Once the original investment is liquidated or amortized, this does not belong to someone else, it still belongs to the Federal Government and the income from it belongs to the Federal Government.

Mr. JONES of Ohio. The point I wanted to make was that when the United States makes an investment in a wealth-producing project such as TVA, if we collect only what amounts to 2½ percent interest, and that is what these payments are over a period of 40 years—it would be 2½ percent of the investment per year to make it pay out in 40 years—we are not collecting the amount of the capital investment, and we are never getting repaid the actual capital amount, because for every dollar the United States has invested it must pay its bondholders the long-term rate of interest, which is about 2½ percent.

It seems to me there is no point in the fact that when the 40 years is up the facility still belongs to the Federal Government because all you have paid in on this project is the 2½ percent interest on the Government investment.

Mr. JENSEN. I can really understand your concern about this matter, but I think it is well that the Congress be informed as to the difference between this project and other federally financed electric power generating projects.

For the past 10 or 12 years the Congress of the United States has been appropriating all these millions of dollars to the TVA. Congress said in effect, "Here it is. Take it. Go down there and spend it at will." And so they did. They never were given even the slightest idea that they would have to pay back a penny of interest or a penny of principal. Further, I believe everyone who has investigated and made some study of the activities of the TVA will tell you that they have done a good job in the development of greatly needed commercial fertilizer. That is a national benefit. It benefits every person in America directly and indirectly. At the present time it is benefiting the starving people in many foreign lands where it is being shipped and used. So TVA is in a different category. You cannot treat this program as you

treat other hydroelectric projects. It makes no difference in the final analysis whether these payments by TVA as provided in this bill are called interest payments or payments on principal.

The fact is that in this bill we are collecting as much each year and will continue to collect as much each year under the repayment program as the TVA can safely pay and still operate in the best possible manner.

Mr. JONES of Ohio. I notice in the TVA audit on page 3 the auditors state that an enterprise is self-supporting only when the revenues are at least equal to the sum of the costs properly chargeable against its revenues.

Some of these costs would be interest charges, amortization of the initial cost, the replacements and depreciation. I congratulate the committee on getting this money back into the Treasury.

Mr. JENSEN. I am sure of that.

Mr. JONES of Ohio. The TVA has been heralded as a yardstick for power rates throughout the United States. Now it develops, if, as the gentleman says, that this is the most that the TVA can bear, then some of these ordinary costs and fixed charges are not included in the proposed pay-back schedule over a 50-year period, such as amortization of initial cost, which would be 1.3 percent; replacements, 1.18 percent; making a total over-all of 4.71 percent, just for amortization and interest alone. So that if it is understood that some of these fixed charges are out of rates and are not returned to the Treasury, then the theory that the TVA is a yardstick is exploded. That is the point I wanted to make, that some of these charges at least are not being provided for in the legislative provision, and the TVA should not be held as a yardstick. As a matter of fact, then, this payment over a 40-year period is at the rate of 2½ percent a year and is really only an interest charge. That would be my understanding of the way this legislative provision attempts to dispose of the property.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr PLOESER. Let me observe again, as the gentleman from Tennessee [Mr. KEFAUVER] also observed, there is flexibility in the program which gives the Appropriations Committee a new look each year. It is their purpose to take care of these things. If the surplus should be such that they could afford to amortize more rapidly, that is fine. They would not object.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. GORE. The distinguished and able gentleman from Ohio [Mr. JONES], for whom I have the highest regard and warmest personal affection, as he knows, does not quite have the correct picture with respect to the financial structure. The gentleman will understand that the total earnings of the TVA is considerably in excess of that part which has been returned to the Treasury, either in return of appropriated funds or in return of bonds. That part which has not been returned to the Treasury has been used to make additions to and improvements in the facilities which are owned by the Government, and the fact is that the real value of the Tennessee Valley power program as a going concern has been financed 24 percent by earnings. If the gentleman wants to regard that 24 percent of the present value of a going utility as interest, he may do so. If he wants to regard it as return on investment, he may do so. Likewise, that which goes back to the Treasury.

As it is set up under the TVA Act and as the committee has conceived this action, the principal investment which the Government has made through appropriations and transfers and bonds will be returned in principal. The remainder, which does not come back in the form of net income every year to the Treasury will be used in the improvement of and in the addition of transformers, generators, and transmission lines, to the end that when the principal is returned to the Government, the people of the United States will own a going concern, free of debt, far larger than it is now. So, over-all, the profits which TVA has earned can be regarded both as principal and interest and will be shown to be a sound and lucrative return on the investment. They thereby increase the earning capacity of the TVA. Mind you, all of the net income of the TVA is the property of the Government. That net income has shown a very rapid increase. From 1940 to 1948, the accumulated earnings amounted to $116,000,000. Now, if the gentleman wants to regard that as interest, then it is a very attractive and lucrative rate of interest.

Mr. JENSEN. We are getting a 40 percent interest rate out of their net power profits.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WHITTEN. I would like to point out that the gentleman from Ohio [Mr. JONES], in his statement took it for granted that the maximum payment would be 40 percent of net income. I should like to point out that for the next year itself, of the estimated $20,000,000, ten and one-half million will be repaid. So that the repayment in 40 years is the minimum. Actually, however, they will pay in less than that, but will pay in accordance with their ability to pay. The coming year they will pay $10,500,000 out of an income of $20,000,000.

Mr. JONES of Ohio. Mr. Chairman, will the gentleman yield that I may answer?

Mr. JENSEN. I yield.

Mr. JONES of Ohio. The point I am trying to make is that in this legislation you have not attempted to set up a formula for the pay-out of TVA; that this is a compromise figure for getting all you feel that the traffic will bear from the income of TVA and has no relationship to a fixed formula for pay-out schedules for capital investment in TVA.

Mr. WHITTEN. I might say there has been no effort to work out a formula such as the gentleman might indicate. I say this is all they can pay to keep it a good business, that is, to develop this into a going concern as it should be with increases to the capital plant, that this is good business to repay it. So the committee thought on the basis set out in the bill; but this figure was not arrived at with the thought in mind thereby to fix a standard such as the gentleman mentioned.

Mr. RANKIN and Mr. D'EWART rose.

Mr. JENSEN. Please permit me to yield to the gentleman from Montana [Mr. D'EWART], who has been seeking recognition for some time.

Mr. D'EWART. My question is regarding the 60 percent that is retained by TVA. I understand under this act TVA will retain 60 percent of $348,000,000 to be used as they see fit.

Mr. JENSEN. No, no; not 60 percent of their revenues from power.

Mr. D'EWART. As I understand it they will retain 60 percent of the net to do with as they see fit.

Mr. JENSEN. No; not exactly as they see fit.

Mr. D'EWART. My question is, Is it reappropriated?

Mr. JENSEN. They have to come before the Congress each year to get permission to spend for capital improvement on power facilites if this bill becomes law.

Mr. D'EWART. Will it be reappropriated?

Mr. JENSEN. Yes; their unexpended balance will be reappropriated each year. I may say that I really believe the American people would be quite happy if they knew that all the dollars this Congress has appropriated in all the past years for Federal hydroelectric power plants could be returned to the Treasury of the United States in 40 years under the same plan as we have worked out for TVA. I believe the American people would be pretty happy if they knew they could expect that from every federally financed power producing plant in the country.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to my distinguished friend.

Mr. PLOESER. Even in the light of the gentleman's current statement I think it is proper to say to the gentleman from Ohio that it was not the intent of the subcommittee to define this method which we applied to TVA as a yardstick for any other project.

Mr. JENSEN. No; most definitely not.

Mr. PLOESER. That was not our intent and we would not ask the approval of the House of this bill making it a yardstick.

The committee in drafting the repayments to the general fund of the Treasury from TVA power income did not attempt to set a formula for a pay-out schedule or to establish minimum annual financial requirements for the TVA. We merely attempted to write legislation to capture as much money as we thought TVA could safely pay into the Treasury under their present rate structure. Whether you call this repayment of money over a period of 40 years amor-

tization or interest at 2½ percent on the capital investment over a 40 year period is immaterial. The point is that we collect the money. We did not mean to absolve the TVA from setting up fixed charges for their annual operation, such as depreciation, a fund for replacements or interest, as such, separately. All we did was to collect the most money we could by compromise with all the members of the committee without disposing of any of these questions. This action of the committee is not to be regarded as a formula of minimum requirements for Government-owned power projects. This situation is unique—therefore we cannot consider this formula a yardstick.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. RANKIN. The gentleman from Ohio spoke of the rate of 2½ percent as interest. We lent money for rural electrification at 2 percent and it is understood—it was testified before the committee, I believe—that the Government got its money at 1½ percent. So that at even the figure given by the gentleman from Ohio it would amortize the amount of the interest.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. JENSEN. Mr. Chairman, I yield myself 10 additional minutes and I hesitate to consume so much time but I do want to clear up this question, if possible.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I am pleased to yield to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. The gentleman from Iowa has referred to how happy our people would be if they knew certain things. The gentleman has also referred to net power revenues. Let me ask him this simple question: The people in my district would be interested to know whether or not on the proportion of taxes which they pay into the Federal Treasury or the bonds which they buy from the Federal Treasury with which to finance these power projects the money they put up will be refunded plus, say, 2 or 3 percent interest on the amount advanced.

Mr. JENSEN. Under the Reclamation Bureau's plan of repayment, the money going into power facilities is reimbursable, with 3 percent interest; but I may say that about 3 years ago a solicitor of the Interior Department decided it was not necessary to send the interest to the Treasury of the United States, but to just keep it and use it at will. That is the main fight we have had in the Interior Department Appropriations Committee. That interest component should be sent into the Treasury of the United States, according to law. I may say that the gentleman from Colorado [Mr. ROCKWELL] has introduced legislation which spells out a directive that this interest component shall be sent to the Treasury of the United States. That bill, however, calls for a rate of interest of 2 percent.

Mr. CRAWFORD. Unless the Government receives back the principal advanced plus interest on the principal which must be gathered together under the rate-making formula which is applied in the sale of the power sold to the people in the particular locality, then the other taxpayers of the Nation do not receive just payment by reason of the fact that they subsidize the electric power rates received by those who are buying from power-producing machinery of the Government?

Mr. JENSEN. I am sure the gentleman has heard me make almost that identical speech at least a dozen times on the floor of this House, and I am very glad to have it reexpressed by my very able colleague from Michigan who is so exceptionally well versed on financial matters of every nature. I am happy that he has spoken.

Mr. CRAWFORD. Is the Appropriations Committee moving in the direction of accomplishing that very thing, along with the other legislative committees of the House?

Mr. JENSEN. Indeed it is. The Government lent the TVA all of these millions of dollars and said: "We will just let you have it." There was not a word said about paying it back. But in my studied opinion the TVA is in a different category than other projects of similar nature where a pay-out plan was agreed to before the appropriations were made.

Mr. CRAWFORD. That means the taxpayers and the bondholders in the gentleman's district and in the other 434 districts represented in this House will be treated fairly, that it is not socially right or morally just or right from any other standpoint to force one group of taxpayers to subsidize the rate of another group.

Mr. JENSEN. Mr. Chairman, now I will talk about Federal housing, which is a very live question at the present time. Last year when the committee was under Democratic leadership a request was made for a full investigation of the Federal housing program from top to bottom. Mr. Robert E. Lee, an FBI agent, was selected to head this investigation. Every member of the Subcommittee on Government Corporations signed the request for this investigation. It started last July and was finished some 6 months later.

The report was then submitted to the committee shortly before we sat this year and I may say it is a most startling and critical report of many of the activities of the Federal Public Housing Authority in a great many instances. In fact, to such an extent that time will not permit me to go into the matter at this time. However, at a later time soon I shall ask that a comprehensive summary of the report by the investigating staff be placed in the CONGRESSIONAL RECORD so that all may read. A separate volume of the committee's hearings on all Federal housing is now available in which you find much information contained in the report mentioned.

I gave a release to the newspapers today in which I pointed out a number of things in the investigator's report:

[From the office of Hon. BEN F. JENSEN, chairman of the Subcommittee on Government Operations of the House Appropriations Committee, room 256, Old House Office Building]

A comprehensive, confidential report made for the House Appropriations Committee on Public Housing as administered by the Federal Public Housing Authority made public today shows conclusively that that agency has failed miserably to carry out the provisions of the United States Housing Act.

The report is the result of a 6 months' investigation for the Appropriations Committee, headed by Robert E. Lee, who was loaned to the committee by the Federal Bureau of Investigation.

High lighting the report's conclusions was the startling fact that more than 31 percent of all tenants of public housing were totally ineligible for such public assistance, yet the FPHA had taken virtually no action to rectify this situation.

The FPHA also failed to dispose of wartime housing and has instead inaugurated a socialized scheme of disposition to mutual organizations which completely ignore any veterans' preference, unless the veteran was already an occupant, according to the report. As the result of these findings, it was necessary for the Banking and Currency Committee of the House to bring out legislation which has already been introduced and about to come to the floor, which will give the veterans preference for purchase as well as rental.

In addition the FPHA has adopted a policy providing that local authorities build up unreasonable cash reserves at the expense of the Federal subsidy for alleged vacancy and collection losses and other contingencies that may or not materialize. This amount approximates $40,000,000.

Under the United States Housing Act, for every dwelling unit built, there should be one slum dwelling unit eliminated. This has been almost completely ignored and the slums have continued to develop and grow, the report says.

In the face of the terrific housing shortage in the United States, 8,110 new prefabricated housing units were sold to France by the FPHA. This was early in January 1946, just at a time when veterans were returning by the millions and were desperately in need of houses.

Storerooms of FPHA were found to be replete with propaganda material to influence passage of public housing legislation. This, despite the fact that section 201 of title 18, United States Code specifically provides criminal penalties for the use of appropriated funds to influence legislation.

The FPHA records were in such "atrocious condition" that a nationally known accounting firm (Price, Waterhouse & Co.) were retained by the General Accounting Office to make an audit, declined to do so after inspecting the books on the ground that the fiscal facts could not be ascertained from their records. One of the FPHA auditors, in describing the condition of the records, said:

"A great many deficiencies existed in accounts for all programs which were not being corrected because of improper staffing. Postings for current fiscal year have been very incomplete, and in many instances are so inadequate that the accounts failed to convey proper meaning * * * the lack of adequate fund controls has been the cause of a large number of errors and is, in the opinion of the auditors, responsible for the lack of internal control of rental-office fiscal activity.

"The auditors are cognizant of the serious nature of these criticisms regarding the work of the finance and accounts division as reported herein, but when it is realized that virtually every account in the general ledger is either in error, inaccurate, or incomplete, and that after several months of operation the cause of the condition has not been remedied or eliminated, there is no alternative as to the conclusion that may be reached," the auditor declared.

The report also criticized what it termed "extravagant personnel policies resulting in overstaffing and duplication of effort." It urged the closing of all regional offices because they were "wet nursing" the local owners who had adequately demonstrated their ability to carry out the objectives of the act without any Federal paternalism.

The veterans' emergency housing program is a dismal failure by reason of delays, cutbacks, and high costs, necessitating the FPHA coming back to Congress requesting additional funds to carry out commitments to local groups, the report declared. The figures presented have indicated that some 20 percent of appropriated funds are absorbed in administrative costs, while 36 percent of its administration personnel drew over $4,500 a year or more in salaries.

The report continued: "Administrative controls in central and regional offices are practically nil concerning such items as travel, overtime, communications, etc. There has been definite indication that the Agency appears partial and paternal to the United Public Workers of America (CIO)."

This report was ordered by the Seventy-ninth Congress as a result of the dissatisfaction of the subcommittee of the Appropriations Committee on Government corporations with the justifications presented last year. At that time, of course, the Democrats controlled the committee.

In one instance, in the San Francisco area, allegations were made that building materials were fraudulently given to private builders by FPHA employees; that political contributions were solicited and obtained by FPHA; that regional offices gave lucrative contracts for servicing surplus material to individuals who had no facilities and took no responsibility.

In San Diego, employees of the FPHA use their official position to intimidate the local housing authorities into giving preferred treatment to CIO strikers, the report charged. In one instance, an FPHA desk made available to Mr. Lee was found crammed with copies of the People's World, the local Communist paper.

Many FPHA bulletin boards carry propaganda urging pressure on Congress on behalf of the CIO unions and castigating Congress for its attempts to shackle labor. In some instances, Communists, including one Communist newspaper editor, were found housed in public housing despite the fact that they were not veterans.

Commenting on this situation, the Honorable Charles K. Fletcher, Republican, of California, whose San Diego district embraces the largest directly operated Government housing program, commented on the House floor yesterday: "This is only a small sample of what the Lee report discloses regarding the San Diego area. Get it and read what it says about your congressional district. You will be much surprised and disgusted with the administration of the FPHA. Perhaps then you will know why the House Banking and Currency Committee is reporting a bill to the floor asking us to take the disposal of war housing from the hands of FPHA."

The Honorable BEN F. JENSEN, chairman of the subcommittee on Government corporations of the Appropriations Committee also made a short speech on the floor yesterday calling attention to the fact that this report would be brought to the attention of Congress during discussion of the bill.

We will be fair with every Government agency, but things have been going on that smell mighty bad, and it is the people's business to know and they shall know. I am sure that my good friend and member on this committee, the gentleman from Mississippi [Mr. WHITTEN] will have something to say about this when he takes the floor today. Is is simply a matter that has to be straightened out sooner or later, and we aim to straighten it out as quickly as we can. In this bill we have made an attempt to straighten out a lot of the difficulties by certain language in the bill and by reducing their requests for funds in order to remove from the pay rolls some fellows who sit around and have so much time to think up a lot of stuff, bad for America.

We have the Inland Waterways Corporation which was instituted shortly after the First World War. It operates from New Orleans up the Mississippi and up the Missouri. It has been losing money most every year since its inception, and so the question was whether we should liquidate it or not. I am happy to say that the committee was very fortunate in having at their service the Small Business Committee of the House, which made a very complete survey and investigation of the Inland Waterways Corporation. They made a report to the committee which contained certain recommendations, and those recommendations and that report will be placed in the RECORD at this point. The committee has adopted the recommendations made in this report which will appear in the RECORD of this date. I want to compliment the Small Business Committee of the House for the good job they did. The chairman of that committee I am pleased to say is our able colleague, a member of this committee, the gentleman from Missouri [Mr. PLOESER].

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from New York.

Mr. JAVITS. I did not realize that the gentleman was going to pass by the housing issue so quickly.

Mr. JENSEN. Oh, we will talk about that some more this afternoon. I am sure, but I hope the gentleman will read the hearings also.

Mr. JAVITS. May I bring the gentleman back to that point and ask this question? Did the committee consider two points; one, whether these housing agencies could be equipped to do something about getting more housing, especially for veterans and, second, whether the way in which their appropriations are handled will equip them better toward that end or will it deprive them of any ability to do more than they are doing now about it?

Mr. JENSEN. I might also say that the American people have invested in all kinds of Federal housing schemes over $14,000,000,000 in the past 15 years in addition to the millions spent for administration, yet we have the housing shortage with us today, and it will continue to be with us until the shackles are taken completely off private producers and home builders.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1948

Mr. JENSEN, from the Committee on Appropriations, submitted the following report:

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Government corporations and certain independent agencies for the fiscal year ending June 30, 1948, and for other purposes.

ESTIMATES

The budget estimates of appropriations for the objects embraced by the bill are contained in the President's budget message, pages 957–1024, 1093–1190, 1235–1347, and House Documents 219, 228, and 237.

SCOPE OF THE BILL

The Government Corporations Control Act of December 6, 1945, which requires that all wholly owned Government corporations submit annual budgets to the Congress, specifies by name such corporations as were in existence at the time that act became law on December 6, 1945.

The accompanying bill presents to the House the recommendations of the Committee on Appropriations, respecting the budgets submitted for the fiscal year 1948, in accordance with the provisions of such act, with certain exceptions.

The budget submitted for the Reconstruction Finance Corporation and its subsidiaries has not been acted upon inasmuch as the act authorizing the Reconstruction Finance Corporation expires on June 30, and legislation to extend its life is now pending in Congress. Pending determinations on this legislation, it is not possible to estimate accurately the requirements of the Reconstruction Finance Corporation. This budget will be considered in a subsequent bill to be reported, after the future of the Reconstruction Finance Corporation has been determined.

The Commodity Credit Corporation and the Federal Crop Insurance Corporation are in the Department of Agriculture and so directly related to the programs of the Department that they have been included in the Department of Agriculture appropriation bill, already passed by the House.

In order to indicate the current status of wholly owned Government corporations with regard to their legal lives as corporate entities and as agencies or instrumentalities of the United States, the following summary tabulation is presented. Those corporations already liquidated are not included in the tabulation. As of the latest date for which available, information has been included regarding pending legislation affecting the corporations with respect to their legal lives. Inasmuch as many of the numerous bills introduced in Congress contain incidental references which may affect Government corporations, the information regarding pending legislation in the table should not be considered as necessarily complete.

Government corporations

Name	Termination date under provisions of existing law or charter	Pending legislation
Banks for Cooperatives	Indefinite	
Commodity Credit Corporation [1]	June 30, 1947 [2]	S. 350 (passed Senate Apr. 8, 1947). H. R. 30.
Defense Homes Corporation [1]	Indefinite [3]	
Export-Import Bank of Washington [1]	do [4]	S. 993 (passed Senate Apr. 21, 1947). S. 414 (insurance fund).
Federal Crop Insurance Corporation	do	S. 1326.
Federal Deposit Insurance Corporation	do	H. R. 974; S. 1070.
Federal Farm Mortgage Corporation	do	H. R. 3330; S. 925.
Federal home-loan banks	do	H. R. 2799, H. Rept. 413.
Federal intermediate credit banks	do	
Federal land banks	do	H. R. 3330; S. 925.
Federal National Mortgage Association	do	
Federal Prison Industries, Inc	do	
Federal Public Housing Authority	do [5]	
Federal Savings and Loan Insurance Corporation	do	H. R. 2798, H. Rept. 411, H. R. 2800.
Home Owners' Loan Corporation	When purpose accomplished.	
Inland Waterways Corporation	Indefinite	
Institute of Inter-American Affairs [1]	do	
Inter-American Educational Foundation, Inc. [1]	do	
Prencinradio, Inc. [6]	May 14, 1946 [8]	
Institute of Inter-American Transportation [6]	Aug. 21, 1946 [8]	
Panama Railroad Company [1]	Indefinite	
Production Credit Corporations	do	
Reconstruction Finance Corporation	June 30, 1947 [7]	H. R. 2535 (surplus property); S. 217.
Regional Agricultural Credit Corporation	Indefinite	
RFC Mortgage Company [1]	do	
Rubber Development Corporation [1]	June 30, 1947	
Smaller War Plants Corporation	Dec. 31, 1946	
Tennessee Valley Associated Cooperatives, Inc. [1]	Indefinite	
Tennessee Valley Authority	do	S. 1277.
U. S. Commercial Company	June 30, 1947 [7]	
Virgin Islands Company [1]	Indefinite	H. R. 3108 and S. 1183.
War Damage Corporation	June 30, 1947 [7]	H. R. 74.
Warrior River Terminal Co. [1]	Indefinite	

[1] These corporations were created under the laws of a State, Territory, or possession of the United States, or under the laws of the District of Columbia, and under sec. 304 (b) of the Government Corporation Control Act, 59 Stat. 602, their status as agencies of the United States expires June 30, 1948, and they are directed to be dissolved.

[2] As an agency of the United States (continued to June 30, 1947, by Public Law 30, approved Apr. 12, 1945, 59 Stat. 30). Delaware charter provides for perpetual existence.

[3] In process of liquidating.

[4] Constituted an independent agency with indefinite life by the act of July 31, 1945, Public Law 173 (59 Stat. 526).

[5] Formerly U. S. Housing Authority. Executive Order No. 9070, Feb. 24, 1942, created the National Housing Agency and consolidated therein the U. S. Housing Authority, to be administered as the Federal Public Housing Authority under the direction and supervision of the National Housing Administrator. Said order is to be in force and effect so long as title I of the First War Powers Act remains in force.

[6] Now in dissolution.

[7] Public Law 656, approved Aug. 7, 1946 (60 Stat. 901) provides for the termination of this Corporation on June 30, 1947.

[8] Certificate of dissolution filed with the secretary of state ,State of Delaware, on date indicated.

The following statement sets forth the net withdrawals from the Treasury, in round figures, of all the wholly owned Government corporations, including Commodity Credit Corporation and Federal Crop Insurance, but excepting the Reconstructing Finance Corporation, as submitted in the budget for 1948 and subsequently amended:

Net withdrawals from U. S. Treasury by wholly owned Government corporations (except Federal Loan Agency) and credit agencies (revised)

[In millions]

	Actual, 1946	Estimated, 1947	Estimated, 1948
Appropriation expenditures (net)	$568	$302	−$4
Capital and surplus subscriptions, less returns	609	309	−3
Cancellation of notes of Commodity Credit Corporation [1]		921	642
Interest payments to U. S. Treasury	−27	−17	−25
Borrowings from U. S. Treasury, less repayments and cancellations	−682	−347	328
Expenditures from trust accounts, less receipts	7	9	−6
Change in cash balances with U. S. Treasurer	−629	85	−5
Net withdrawals from U. S. Treasury	−154	1,262	927

[1] Offset by reduction in borrowings from the U. S. Treasury in equal amounts.

The following is a consolidated balance sheet of all such corporations as of June 30, 1946, 1947, and 1948:

Financial condition, revised as of June 30, 1946, 1947, and 1948

[In millions]

	Actual, 1946	Estimate, 1947	Estimate, 1948
ASSETS			
Loans receivable	$2,295	$3,490	$4,461
Land, structures, and equipment	2,733	2,343	1,956
Commodities, supplies, and materials	619	261	358
Investments	392	375	390
Cash	775	679	685
Appropriated funds	552	230	182
Advances and accounts receivable	741	277	104
Other assets	15	16	24
Total assets	8,122	7,671	8,160
LIABILITIES AND CAPITAL			
Bonds, debentures, and notes payable	3,121	2,707	3,014
Deferred and undistributed credits	221	90	13
Other liabilities	1,940	1,400	1,294
Total liabilities	5,282	4,197	4,321
Paid-in capital and surplus	4,860	6,085	6,853
Earned surplus	−2,020	−2,611	−3,014
Total	8,122	7,671	8,160

The following is a statement of the funds to be received and expended by such corporations for the fiscal years 1946, 1947, and 1948:

Sources and application of funds, revised, by fiscal years

[In millions]

	Actual, 1946	Estimated, 1947	Estimated, 1948
FUNDS APPLIED			
To acquisition of assets:			
To make loans	$1,686	$2,967	$3,274
To purchase investments	100	20	48
To purchase commodities	2,316	1,729	894
To add to fixed assets	94	455	94
To acquire other assets	1	8	13
To operating costs:			
To pay cost of commodities sold	51	67	85
To pay other operating expenses	236	265	226
To pay subsidies and contributions	848	23	13
To retirement of borrowings and capital:			
To retire outstanding obligations to U. S. Treasury	3,420	3,152	1,816
To retire outstanding obligations to the public	988	1,376	1,302
To return capital and pay dividends	169	127	428
To increase working capital	459		
Total	10,368	10,189	8,193
FUNDS PROVIDED			
By realization of assets:			
By repayment of loans	1,754	1,790	2,273
By sales of investments	109	170	150
By sales of commodities	3,033	2,048	797
By sales of fixed assets	12	5	6
By operating income	352	420	431
By borrowing and capital:			
By borrowing from the U. S. Treasury	2,738	2,804	2,455
By borrowing from the public	712	1,413	1,239
By new capital and paid-in surplus	705	345	10
By appropriations	953	992	694
By decrease in working capital		202	138
Total	10,368	10,189	8,193

The committee desires to call attention to the total borrowing authority of wholly owned Government corporations, which as of March 31, 1947, was slightly in excess of $30,000,000,000. The amount of outstanding obligations as of the same date, approximately $11,500,000,000, reduces to about eighteen and a half billion the balance of such borrowing authority outstanding as of March 31. It should be noted that the $18,500,000,000 outstanding is subject to possible reduction of approximately $5,700,000,000, as indicated in the footnotes appended to the statement which follows.

While much of the authority of Government corporations to borrow funds is subject to certain restrictions, such as borrowing for specific purposes only, the total amount is staggering nevertheless. The committee feels that the Congress should maintain a vigilant scrutiny over this aspect of our fiscal structure in connection with its watch over the public debt of the Nation and in connection with its consideration of matters related to our national finances in general.

The following tablation was supplied by the United States Treasury Department on the basis of the latest information obtained

from the individual Government corporations:

Borrowing authority, outstanding obligations, and balance of borrowing authority of wholly owned corporations of the U. S. Government as of Mar. 31, 1947

Corporation	Borrowing authority	Outstanding obligations
Commodity Credit Corporation	$4, 750, 000, 000. 00	$955, 542, 227
Defense Homes Corporation	44, 204, 208. 00	44, 146, 208
Export-Import Bank of Washington	2, 500, 000, 000. 00	271, 900, 000
Federal Farm Mortgage Corporation	[1] 2, 000, 000, 000. 00	2, 621, 500
Federal Intermediate Credit Banks	933, 253, 370. 90	348, 995, 000
Federal National Mortgage Association	13, 762, 382. 87	0
Federal Public Housing Authority (United States Housing Act)	726, 196, 000. 00	350, 002, 000
Home Owners' Loan Corporation:		
Guaranteed as to principal and interest	[2] 1, 838, 950, 325. 00	578, 289, 000
Guaranteed as to interest only		114, 875
Inland Waterways Corporation	5, 009, 059. 48	0
Institute of Inter-American Affairs	[3]	0
Institute of Inter-American Transportation	[3]	0
Inter-American Educational Foundation, Inc	[3]	0
Panama Railroad Company	7, 000, 000. 00	0
Prencinradio, Inc	[3]	0
Reconstruction Finance Corporation and subsidiaries	[4] 17, 241, 570, 623. 22	8, 902, 143, 850
Regional Agricultural Corporation of Washington, D. C	[3]	0
Tennessee Valley Associated Cooperatives, Inc	[3]	0
Tennessee Valley Authority:		
Guaranteed	56, 500, 000. 00	56, 500, 000
On credit of United States	2, 000, 000. 00	2, 000, 000
Virgin Islands Company	[5] 209, 302. 00	209, 302
Total	30, 118, 655, 271. 47	11, 512, 463, 962
Less: Intercorporate items:		
Due to RFC by Defense Homes Corporation	−44, 204, 208. 00	−44, 146, 208
Due to RFC by Tennessee Valley Authority	−2, 000, 000. 00	−2, 000, 000
Net total	30, 072, 451, 063. 47	11, 466, 317, 754
Total borrowing authority	30, 072, 451, 063. 47	
Less outstanding obligation	11, 466, 317, 754. 00	
Balance of borrowing authority	18, 606, 133, 309. 47	

[1] Does not reflect reductions in borrowing authority of an unspecified amount recommended by the President.
[2] In addition, the Corporation has authority to issue bonds for refunding of outstanding bonds. The authority of the HOLC to make new loans expired June 12, 1936.
[3] No amount stated.
[4] Includes indefinite borrowing authority to the amount availed of less cash repayments and notes canceled. Included $7,737,000 authorizations administratively canceled by the Corporation. Reduction of $2,500,000,000 in borrowing authority covered in proposed new charter of RFC.
[5] Indicates outstanding obligations. While the Corporation is authorized in its charter to borrow, the amount of such borrowings is not specified.

Reductions in personnel

Wherever reductions in appropriations require reductions in personnel it should be stated that such reductions in personnel must be undertaken at the earliest possible date. If it is necessary to dismiss any such persons after June 30, 1947, the departments must understand that terminal leave costs will be borne by 1948 appropriation. Dismissals prior to June 30, 1947, will require expenditure of 1947 appropriations for terminal leave.

No deficiency estimate for such purpose for either 1947 or 1948 will be entertained.

Loyalty of employees

The committee has endeavored to advise the heads of the various corporations and agencies which appeared before it that Federal funds are not to be used to pay salaries or expenses of persons antagonistic to our form of government. To that end the committee intends to hold the head of each corporation and agency personally responsible for immediately dismissing and in the future refusing to employ any person who is not completely loyal to our form of government or who belongs to any organization which advocates the overthrow of our Government by force or violence.

War Damage Corporation

Information supplied by the Reconstruction Finance Corporation at the request of the committee indicated that as of April 30, 1947, the War Damage Corporation had to its credit $210,751,618.65 representing the excess of its income over expenses. Also, it was stated that such amount would be turned over to the Treasury in due course. The War Damage Corporation has completed the purpose for which it was created, and is no longer engaged in the business of insuring against loss from war damage. Therefore, the bill contains a provision requiring that the amount indicated above be promptly paid into the Treasury and applied to reduction of the national debt.

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington was organized as a District of Columbia banking corporation pursuant to Executive Order 6851, dated February 2, 1934, and was continued as an agency of the United States by act approved January 31, 1935, and subsequent acts. The bank was established to stimulate the international trade of the United States. The act of September 26, 1940, increased the bank's lending authority from $200,000,000 to $700,000,000. In a message to Congress in June 1945, the President indicated that, with the slowing down and termination of lend-lease, the bank should be empowered to assist liberated countries during the transition from war to peace. Congress subsequently passed the Export-Import Bank Act of July 31, 1945, increasing the lending authority of the bank from $700,000,000 to $3,500,000,000. The same legislation removed the prohibition on loans by the bank and persons participating with the bank to governments in default to the United States Government; made the bank an independent agency; created a statutory bipartisan Board of Directors; and arranged its financing directly from the Treasury instead of through the Reconstruction Finance Corporation. The Board of Directors consists of the Secretary of State and four full-time members appointed by the President of the United States by and with the advice and consent of the Senate, one of whom is designated by the President as chairman.

During the fiscal year 1946 loan authorizations totaling $655,000,000 were made to foreign countries to cover the termination of the lend-lease program, although a large part of the disbursements under such authorizations, $279,100,000, were made in fiscal 1947. Credits to provide dollar exchange to foreign countries for immediate reconstruction of damages suffered from the war were also authorized by the bank in 1946 and 1947, although disbursements of such credit will extend into fiscal 1948. As of April 23, 1947, the total unobligated lending authority of the bank amounted to $815,119,550.81. The committee feels that loans in the categories just referred to, which are based largely upon political considerations, are not in keeping with the purpose for which the Export-Import Bank was organized. While there might have been considerations in the national interest for making such loans during the period immediately following the end of hostilities, and before the International Bank for Reconstruction and Development was prepared to transact business, the committee feels very strongly that the Export-Import Bank should forthwith revert to its traditional function of engaging only in such banking activities as directly stimulate the foreign trade of the United States. The World Bank is now a going concern, and major loans for reconstruction and rehabilitation should be referred to that bank rather than be handled by the Export-Import Bank. In any case, where it may appear in the national interest to extend large loans to foreign countries, such should be approved by the Congress in each instance.

As was pointed out in the hearings, the bank seeks to place loans with private lending agencies before making direct loans. It also endeavors to sell outstanding loans from its portfolio without recourse whenever possible. The committee highly endorses such practices and urges that the bank make the greatest effort to avoid competing with private capital.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$1, 216, 512, 900	$904, 802, 400
Expenses	3, 028, 700	[1] 13, 383, 000
Retirements of borrowings and capital and distribution of surplus	27, 700, 000	171, 100, 000
Increase in working capital		30, 614, 600
Total funds applied	1, 247, 241, 600	1, 119, 900, 000
Funds provided:		
Realization of assets	53, 400, 000	159, 600, 000
Revenues	32, 426, 434	72, 000, 000
Borrowing and capital subscriptions	1, 106, 800, 000	888, 300, 000
Decrease in working capital	54, 615, 166	
Total funds provided	1, 247, 241, 600	1, 119, 900, 000

[1] Includes administrative expenses estimated at $842,000, and reduced to $800,000 by committee.

Of the item "Acquisition of assets," $904,802,400 represents the amount to be loaned in 1948. The item "Realization of assets" indicates the principal amount of loans to be collected.

In the fiscal year 1948 the total amount to be loaned by the bank will be less than its total new loans in the present fiscal year, since more than half of its lending authority is already being utilized. The fiscal year 1948 marks the beginning of the period when collections of loans will play a large part in the bank's activities. Owing to the importance of protecting the public money already loaned by the bank, the committee has granted on increase of $20,000 over the present year in the bank's administrative expenses. In recommending a total of $800,000 for 1948, however, the committee has reduced the budget estimate of $842,000, which is considered excessive.

PANAMA RAILROAD COMPANY

The Panama Railroad Company was incorporated by an act of the Legislature of the State of New York on April 7, 1849, and was operated under private control until 1881, when the original French Canal Company acquired most of the 70,000 shares of its stock. This company and its successor, the New Panama Canal Co., continued to operate the railroad company as a common carrier and also as an adjunct to their attempt to construct a canal, until 1904, when their stock (68,888 shares) passed to the ownership of the United States as a part of the assets of the New Panama Canal Co.,

which were purchased for the sum of $40,000,000, as authorized by the act of Congress approved June 28, 1902. The remaining 1,112 shares were purchased from private owners in 1905 at an average cost of approximately $140 per share.

The name of the corporation is not descriptive of its functions. Although by name a railroad company, it operates harbor-terminal facilities, a telephone system, two hotels, several commissary stores, a dairy, two coaling plants, and a steamship line. Of these activities, all are in the Canal Zone except the steamship line which operates between the Canal Zone and New York. In 1939 three vessels of 10,000 gross tons each were built at a total cost of $13,200,000. They normally maintain a weekly service between New York and Cristobal, but in 1941 these vessels were requisitioned for use by the Maritime Commission and the War Department in the prosecution of the war.

All three vessels have now been returned to the railroad company. Two are now operating, and the third, which required major realterations, should be back in service very soon.

The railroad, comprising 50 miles of mainline track between the cities of Panama and Colon, was the only means of transshipment of freight or of passengers, inasmuch as the Canal is suitable only for oceangoing commerce, until the construction of the trans-Isthmian highway which was built during the war by the United States Government. What effect truck and bus service over this highway will have on the business of the railroad remains to be seen. The opinion is expressed by the company that development of highway facilities will never entirely replace the services of the railroad, particularly for heavy or bulky shipments. While it is likely that the completion of the new highway will reduce the revenues of the railroad without proportionate reductions in operating expenses the Railroad Company is prohibited by treaty from operating busses and truck lines over the highway, which passes through portions of the Republic of Panama. A company in the Republic of Panama presently is in the process of constructing a hotel in the city of Panama. When this is completed it should be possible for the railroad company to reduce its activities in this field. The hotel business of the Company has not been profitable except during the war years.

Under section 304 of the Government Corporation Control Act (Public Law 238, 79th Cong.) the Panama Railroad Company intends to seek reincorporation in the Eightieth Congress. The present functions of the company as an adjunct to the Panama Canal and as an international common carrier are important and are required by provisions of public treaties and notes accessory thereto to be performed by a public agency of the United States.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$1,108,869	$1,706,700
Expenses	45,373,001	[1] 40,128,600
Payment of dividends	1,250,000	700,000
Total funds applied	47,731,870	42,535,300
Funds provided:		
Revenues and cancellations of liability	47,513,099	41,952,200
Decrease in working capital	218,771	583,100
Total funds provided	47,731,870	42,535,300

[1] Includes administrative expenses estimated at $779,700 and reduced to $750,000 by committee.

The committee has reduced the budget estimate of $779,700 for administrative expenses by $29,700 to $750,000. Total administrative expenses, including deficiencies, in 1947 amounted to $760,000. Thus, the amount provided for 1948 is a slight reduction from that available in 1947.

At the beginning of the 1947 fiscal year, it was estimated that the company would show a net deficit for the year. The committee is happy to note that the picture has now changed so that a net profit of approximately $500,000 will be earned. It is hoped that the estimated profit of $395,760 for 1948 can also be increased.

TENNESSEE VALLEY ASSOCIATED COOPERATIVES, INC.

The Tennessee Valley Associated Cooperatives, Inc., was incorporated January 25, 1934, under the laws of the State of Tennessee, for the purpose of receiving and administering a grant of funds made by the Federal Emergency Relief Administration to the State of Tennessee. The funds were made available to assist in organizing, fostering, and financing a chain of self-help cooperative enterprises needed to improve the economic welfare of the lower-income families in the Tennessee Valley area; to assist in the development of cooperative enterprises in the Tennessee Valley area through educational services to individuals and associations concerning the principles of cooperative enterprise; to determine which of the various types of cooperative organizations could advantageously be created and utilized in the area; and to accumulate data and evaluate the services which might be economically rendered by such organizations as well as other scientific data and information useful and valuable from an economic standpoint. The directors of the Tennessee Valley Authority served as the incorporators of Tennessee Valley Associated Cooperatives, Inc., and as its first board of directors, but in so doing, acted in their private capacity as individuals rather than in their official capacity as Tennessee Valley Authority directors. The present directors of Tennessee Valley Associated Cooperatives, Inc., have no present connection with the Tennessee Valley Authority. No act of Congress or Executive order or Federal statute specifically authorized the creation of the Tennessee Valley Associated Cooperatives, Inc.

This corporation will cease to be an instrumentality of the United States on June 30, 1948, under the provisions of the Corporation Control Act of 1945. The committee has been unable to ascertain any sound reason for continuing this entity as a Government corporation, and has therefor provided administrative expenses only for its liquidation.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$15,000	15,000
Expenses	3,000	3,000
Increase of working capital	4,600	4,550
Total funds applied	22,600	22,550
Funds provided:		
Realization of assets	17,700	17,700
Revenues	4,900	4,850
Total funds provided	22,600	22,550

The corporation owns preferred stock in local cooperative enterprises to the value of $33,285 and on June 30, 1947, will have loans outstanding to cooperatives to the amount of $238,480. It is estimated that these loans are worth approximately $125,000.

TENNESSEE VALLEY AUTHORITY

The Tennessee Valley Authority is a corporation created by act of Congress on May 18, 1933. It was established "to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes."

To accomplish these purposes the corporation was specifically authorized to construct such dams and reservoirs in the Tennessee River and its tributaries as will provide and maintain a 9-foot channel in the river from Knoxville to its mouth and will best serve to promote navigation on the Tennessee River and its tributaries and control destructive floodwaters in the Tennessee and Mississippi drainage basins. Insofar as may be consistent with these navigation and flood-control objectives, it was directed to provide and operate facilities for the generation and sale of electric energy.

The corporation was also specifically authorized to take over the World War I munitions-plant facilities in the vicinity of Muscle Shoals, Ala., and to utilize and enlarge these facilities to develop and demonstrate new forms of fertilizer under practical farm conditions and to provide munitions for military purposes. In addition, the President determined, by Executive Order 6161 (June 8, 1933) that the Tennessee Valley Authority should make the surveys, plans, experiments, and demonstrations contemplated by the act to further the proper use and development of the natural resources of the Tennessee River Basin and adjoining territory.

The committee considers that the Tennessee Valley Authority is now substantially complete as a going concern. It is recommended that major additions to its facilities and expansions of its activities in the regions it serves be proposed to and acted upon in the future by the Congress.

In its report on the Government corporations appropriation bill for 1947, the committee stated that the portion of the investments which represent the cost of power-producing plants and facilities in the Tennessee Valley Authority should be amortized over a period of 40 years, and that the Treasury of the United States should be reimbursed insofar as possible for such costs. The goal was, and is, that provision should be made for orderly restoration of the funds provided by the taxpayers of the country as a whole so as to leave a large operating facility owned, free of debt, by all the people. A great deal of study and analysis of relevant considerations has been undertaken, and the committee has included a provision in the accompanying bill to effectuate this goal. Since, owing to variable factors such as volume of stream flow, which affects the amount of electricity generated by water power and sales of electricity, which vary with many factors, including fluctuations in general business activity, it is virtually impossible to know just what the Authority's net income from power operations will be in future years. Also, costs of producing electricity vary, especially when inadequate stream flow requires the purchase of coal for steam-operated generators. Therefore the committee has proposed a plan which requires that a fixed percentage of annual net income from power operations be paid into the Treasury each year. The following figures on the cost of power-producing facilities, prepared by the Tennessee Valley Authority, were used to determine the amount to be paid into the Treasury:

Appropriations for power plant through June 30, 1946	$287,771,841
Transfers of property from War Department	19,026,418
Bonds sold to Treasury and Reconstruction Finance Corporation	65,072,500
Total funds provided by U. S. Treasury	371,870,759
Deduct:	
(1) Funds returned to U. S. Treasury through June 30, 1937:	
Portion of sec. 26 payments provided by power receipts:	
December 1945	[1] 7,087,741
December 1946	[2] 7,971,278
Total	15,059,019
Bond retirements: [3]	
Fiscal year 1944: Sec. 15, series A, bond No. 1, held by RFC, retired Sept. 1, 1943	2,000,000
Fiscal year 1945: Sec. 15, series B, bond No. 3, held by RFC, retired June 15, 1945	2,000,000
Fiscal year 1946: Sec. 15, series A, bond No. 2, held by RFC, retired Sept. 1, 1945	1,000,000
Sec. 15, series B, bond No. 1, held by RFC, retired Mar. 15, 1946	1,300,000
Fiscal year 1947: Sec. 15 (a), series A, interim certificate, held by Treasury, retired Dec. 15, 1946	272,500
Sec. 15, series B, bond No. 2, held by RFC, to be retired June 15, 1947	2,000,000
Total bonds retired from power receipts	8,572,500
Total principal payments from power receipts to Treasury	23,631,519
Outstanding balance of funds provided by Treasury for power power plant as of June 30, 1947	348,239,240

[1] Total payment was $12,597,744, including receipts from other than power operations.
[2] Total payment was $10,336,264, including receipts from other than power operations.
[3] Exclusive of bond interest.

The amount of $348,239,240 is to be paid into the Treasury in not to exceed 40 years; $2,500,000 of outstanding bond principal is to be paid and deducted from net income from power operations each year, and not less than 40 percent of the remaining net power income is to be paid each year until a total of $348,239,240 has been paid. But not less than one-fourth of such amount is to be paid in each 10-year period after June 30, 1948. It is contemplated that the Congress, in approving the Authority's budget each year, will specify the amount to be returned to the Treasury during the ensuing year. It is also proposed that new appropriations for power facilities will be repaid to the Treasury on an amortized schedule not to exceed 40 years after such facility comes into operation.

The committee earnestly believes that this provision is a forward and progressive step in the history of the Tennessee Valley Authority. A schedule of repayments is thus provided whereby flexibility permits prosperous years to cushion payments to be made in less profitable years without destroying the basic provisions of section 26 of the Tennessee Valley Authority Act. Under this plan it is believed that the public interest will be protected without denying the management of the Authority adequate leeway in proposing what disposition shall be made of a portion of power proceeds.

The Authority's budgetary program for the fiscal year 1948 is presented in the following:

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
From appropriated funds:		
Acquisition of assets	$20,328,000	[3] $32,585,000
Expenses	9,225,000	[2] 7,850,000
Increase in working capital	10,853,000	----------
(Deduct adjustment for depreciation)	(500,000)	(500,000)
Total appropriated funds applied	39,906,000	39,935,000
From corporate funds:		
Acquisition of assets	24,737,000	22,788,500
Expenses	28,390,000	30,951,000
Retirement of borrowings and return of earnings to Treasury	12,272,500	10,500,000
Total corporate funds applied	65,399,500	64,239,500
Total funds applied	105,305,500	104,174,500
Funds provided:		
From appropriated funds	39,906,000	[3] 39,935,000
From corporate funds:		
Realization of assets	2,481,000	1,564,000
Revenues	57,535,000	58,945,000
Decrease in working capital	5,383,500	3,730,500
Total corporate funds provided	65,399,500	64,239,500
Total funds provided	105,305,500	104,174,500

[1] Reduced by committee to $28,365,000.
[2] Limited by committee to $7,156,000.
[3] Reduced by committee to $35,021,000.

The item "Acquisition of assets," from appropriated funds, covers continuation of construction of South Holston and Watauga Dams, and construction and acquisition of additions and replacements to chemical plant. The figure $32,585,000 includes the unexpended balance of $15,484,183 which the bill authorizes to be carried over from 1947 appropriations, and $19,684,479 of the budget estimate for the 1948 appropriation, less $2,583,667 of 1948 unliquidated obligations. The committee has reduced the estimate of $27,057,500 for the 1948 appropriation by $4,914,000. By limitation it has reduced the amount for dam construction by $2,000,000 and the amount for additions to chemical plants by $2,000,000. Expenditures for construction of these dams can be reduced by $2,000,000 in the next fiscal year without interfering with their economical completion. The reduction for additions to chemical plant represents deferment of capital additions but does not require a reduction of research in fertilizer development.

The item "Expenses," from appropriated funds, covers operating costs of navigation operations, flood-control operations, fertilizer and munitions resources and development, and resource development activities. The committee has reduced the amount of $7,850,000, as contained in the budget estimate, by $500,000, and intends that such reduction be applied to resource-development activities. The Authority proposed to devote $1,875,000 to fertilizer used in tests and demonstrations. The committee desires that $375,000 of the $500,000 referred to above be deducted, leaving $1,500,000 for fertilizer used in tests and demonstrations. The practice of furnishing fertilizer to the owner of a test farm for 4, 5, or more years without cost or at nominal cost should be changed. While the test farm serves a useful purpose for the compilation of performance data and for education of other farmers in the neighborhood, the recipient of test fertilizer also derives a direct and measurable increase in crop yields and profits. It is only reasonable that such farmers be required to pay at least part of the cost of the fertilizer. Most farmers would be happy to pay a reasonable cost for test fertilizer, particularly after the first year or two. The committee desires that a scheme be adopted whereby the recipient of test fertilizer would pay perhaps nothing or a nominal amount the first year, perhaps 20 percent of the delivered cost the second year, 50 percent of such cost the third year, etc., and after the fourth year the total cost of the fertilizer used on his farm. Such a scheme can be varied according to particular conditions, but owners of farms used for fertilizer tests and demonstations should be graduated to the paying category as soon as possible. Also, steps should be taken to avoid giving any one farmer the benefits of free or unduly cheap test fertilizer over extended periods to the exclusion of all other farmers in the neighborhood or area. The benefits should be spread from one farm to another.

The $125,000 balance of the $500,000 reduction in resource and development activities is to be applied so as to reduce the amount used for fertilizer demonstrations and farm-management assistance and rural organization and cooperative development activities, thus making the total funds devoted to these two activities not more than $860,000.

The Authority proposed to purchase 421 new automobiles in 1948. The committee has reduced the number to be purchased to 221, and has accordingly reduced the appropriation by $220,000. It is intended that these new cars be only for replacement of vehicles on hand, and that those in the most uneconomical operating condition be disposed of and replaced.

Section 102 of the Government Corporation Control Act requires that the budget program submitted by each wholly owned Government corporation shall include a statement of administrative expenses. Schedule B–6 of the budget program presented by the Authority covers its proposed administrative and general expenses for the fiscal year 1948, in amount of $4,805,000.

This amount should be reduced and a total of not more than $4,105,000 should be used for administrative and general expenses, including all costs of activities set out in schedule B–6 of the budget, except the operation of Norris and Wilson villages. In a statement obtained from the Authority after its budget program had been submitted, it was pointed out that the total estimate of $4,805,000 for administrative and general expenses comprised $1,798,000 of appropriated funds and $3,007,000 of corporate funds. The committee has provided in title I of the bill $1,409,000 of appropriated funds to be used for administrative and general expenses, and it desires that a total of not more than $2,696,000 of corporate funds be used for such expenses.

The bill does not carry a legislative limitation but the intent of the committee is clear that the Tennessee Valley Authority man-

agement shall not exceed this amount of $4,105,000 for administrative expenses. This amount is composed of various items as specified in this report. The Tennessee Valley Authority management is directed to conform to such limitations, both as to appropriated and corporate funds (in the aggregate). The reduction in appropriated funds to be used for such expenses was computed approximately in proportion to the deductions applied to funds appropriated for construction and operating costs, except penalty mail costs. The entire reduction of $5,000 from estimated penalty mail costs was made from appropriated funds. The portion of administrative and general expenses applicable to appropriated funds available for construction was reduced $154,000, and the portion for operating costs (resource and development activities) was reduced $35,000, a total of $194,000.

The expense of operating Norris and Wilson villages is not properly an administrative expense, in the opinion of the committee. Since no information was obtainable as to what portion of the expenses of operating Norris and Wilson villages is appropriated funds, an arbitrary determination of one-half, or $195,000, has been made. The expense of operating the villages should be separately presented in future budget programs, with sufficiently detailed data to accurately reveal their financial status, including the sources of funds used and objects of expenses in connection with their operation. The committee can see no justification for maintaining Norris and Wilson villages as an activity of the Authority unless they can be put on a self-sustaining basis. Unless they are put on a self-sustaining basis they should be promptly disposed of by the Authority. The Authority should present a definite proposal to such end at the time its 1949 budget is considered. Apart from excluding the expenses of operating these two villages, the committee expects the administrative and general expenses to be reduced by $310,000. The expense of maintaining an information staff appears to be larger than necessary and, except for the technical library service, is considered to be superfluous to the Authority's activities.

This direction by the committee does not prevent the Authority from allocating its administrative and general expenses to the cost of its various programs and activities for cost-accounting purposes. The statement of administrative expenses in future years should show a detailed break-down of such expenses by projects, programs, and activities and should distinguish appropriated funds from corporate funds.

The following statement showing the application of appropriated and corporate funds for the fiscal year 1948, on the basis of the budget as submitted, was requested by the committee after completion of the hearings:

TABLE I.—*Statement of appropriated funds, fiscal year 1948*

	1948 appropriation estimate	1947 unexpended balance	Less 1948 unliquidated obligations	Total funds applied	Administrative and general expense
Acquisition (and retirement) of fixed assets:					
Construction:					
Navigation, flood-control, and power facilities:					
Upper Holston projects (multipurpose)	$5,253,979	[1] $12,760,765	$2,105,244	$15,909,500	$690,000
Other multiple-use facilities	3,205,500	587,119	62,119	3,730,500	159,500
Other navigation facilities	550,000	----------	----------	550,000	31,000
Investigations for future projects	90,000	----------	----------	90,000	3,000
Total	9,099,479	13,347,884	2,167,363	20,280,000	883,500
Chemical plant	8,661,000	1,960,353	250,353	10,371,000	306,000
General plant	735,268	60,183	10,183	785,268	20,500
Total construction	18,495,747	15,368,420	2,427,899	31,436,268	1,210,000
Purchase of general equipment:					
General plant:					
Transportation equipment	989,011	102,489	142,489	949,011	----------
Other general equipment	176,721	13,279	13,279	176,721	----------
Total purchase of general equipment	1,165,732	115,768	155,768	1,125,732	----------
Retirements:					
Chemical plant	25,000	----------	----------	25,000	----------
General plant	−2,000	----------	----------	−2,000	----------
Total retirements	23,000	----------	----------	23,000	----------
Total acquisition (and retirement) of fixed assets	19,684,479	15,484,188	2,583,667	32,585,000	1,210,000
Operating costs:					
Navigation operations	305,000	----------	----------	305,000	24,000
Flood-control operations	62,000	----------	----------	62,000	7,000
Fertilizer and munitions research and development	1,483,000	----------	----------	1,483,000	157,000
Resource development activities	6,000,000	----------	----------	6,000,000	400,000
Total operating costs	7,850,000	----------	----------	7,850,000	588,000
Adjustment for depreciation charged to construction and clearing accounts	−500,000	----------	----------	−500,000	----------
Total fixed assets and operations	27,034,479	15,484,188	2,583,667	39,935,000	1,798,000
General inventories (excluded in funds applied statement)	23,021	68,466	68,487	[2] (23,000)	----------
Total appropriated funds	27,057,500	15,552,654	2,652,154	----------	1,798,000

[1] Includes all of the unobligated balance from 1947 ($12,056,521).
[2] Excluded from funds applied in accordance with instructions for preparation of budget documents.

TABLE II.—*Application of corporate funds, fiscal year 1948*

	Total funds applied	Administrative and general expense
Acquisition (and retirement) of fixed assets:		
Construction:		
Navigation, flood-control, and power facilities:		
Indirect construction costs recovered from income	$135,500	----------
Power facilities	24,621,000	$769,000
Total construction	24,756,500	769,000
Retirements: Navigation, flood-control, and power facilities: Power facilities	−1,968,000	21,000
Total acquisition (and retirement) of fixed assets	22,788,500	790,000
Operating costs:		
Power operations	14,826,000	1,076,000
Chemical plant operations	10,623,000	690,000
Maintenance of idle chemical properties	18,000	----------
Operation of multiple-use facilities	4,446,000	450,000
Reimbursable services	1,038,000	1,000
Total operating costs	30,951,000	2,217,000
Retirement of bonds	2,500,000	----------
Payment to U. S. Treasury	8,000,000	----------
Total funds applied	64,239,500	3,007,000

The committee desires that a similar statement be submitted in the budget justification of the Authority when consideration is given to its budget program for the fiscal year 1949.

DEPARTMENT OF JUSTICE

Federal Prison Industries

Federal Prison Industries, Inc., was created in 1934 to establish and operate industries in the United States penal and correctional institutions for the production of articles and commodities for consumption in the institutions or for sale to the departments and independent establishments of the Federal Government, and not for sale to the public in competition with private enterprise. These industries are required to be diversified so as to minimize competition with private industry and free labor. One of the major purposes of the Corporation is to provide inmates "a maximum opportunity to acquire a knowledge and skill in trades and occupations which will provide them with a means of earning a livelihood upon release." They are paid wages, on a very low scale, for their employment during incarceration and in the case of those who have dependents a large share of their earnings is sent home to assist in the support of such dependents. This payment in many cases greatly relieves the hardship otherwise experienced by families of prisoners.

Net earnings by the Corporation from January 1, 1935, to June 30, 1946, total $18,457,802. It paid a dividend of $4,774,000 to the Treasury during the fiscal year 1946. This amount equals the original capital of the Corporation plus the net value of property transferred from other Government agencies without exchange of funds through June 30, 1945. It is to have paid an additional dividend of $6,225,293 prior to June 30, 1947, and plans to pay another $3,000,000 prior to June 30, 1948.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$825,000	$970,000
Expenses	8,927,994	[1] 8,944,340
Dividend payments to U. S. Treasury	6,225,293	3,000,000
Total funds applied	15,978,287	12,914,340
Funds provided:		
Revenue	10,097,994	10,090,259
Decrease in working capital	5,880,293	2,824,081
Total funds provided	15,978,287	12,914,340

[1] Includes administrative expenses, estimated at $240,000, and reduced to $225,000 by committee.

The item "Acquisition of assets" includes construction and improvement of buildings used for the industry's plant and acquisition of machinery and equipment under the Corporation's program of providing diversified employment. The Corporation's estimate of administrative expenses for the fiscal year 1948 have been reduced to $240,000 from $268,826 in 1947. Inasmuch as certain positions have been unfilled for some time, the committee feels that a small additional reduction can be made without jeopardizing the efficiency of the Corporation's operations. Therefore its administrative expenses for 1948 have been limited to $225,000.

The financial statements presented to the committee were very clear and understandable and the committee commends the management for its clarity of presenting financial data. The committee also is of the opinion that the Federal Prison Industries has made a good record in general. It is hoped that this favorable record can be maintained in the future.

INLAND WATERWAYS CORPORATION

The chartering of the Inland Waterways Corporation in 1924 was an outgrowth of needs which became apparent in inland water transportation during the period of the First World War. By the Federal Control Act of March 21, 1918, the Director General of Railroads was authorized to expend necessary funds for the purchase, construction, utilization, and operation of transportation facilities on inland waterways. In accordance with this authority, the Director General commandeered substantially all privately owned vessels on the inland waterways and initiated a construction program of new floating equipment. Under the terms of the Transportation Act of 1920, the functions exercised by the Railroad Administration were transferred to the Secretary of War and operated as the Bureau of Inland and Coastwise Waterways Service. By 1924 it had become evident that this operation could not be effectively carried on by a typical Government administrative bureau. Accordingly, by an act of Congress, June 3, 1924, the Inland Waterways Corporation was created. The Corporation was operated under the direction and supervision of the Secretary of War until 1939, when it was transferred to the Department of Commerce.

The Corporation originally had an authorized capital stock of $5,000,000. In 1928, this was increased to $15,000,000. Of this amount, $12,000,000 actually has been appropriated through the Secretary of the Treasury and made available to the Corporation. In addition to this capital stock of $12,000,000, the Corporation has paid-in surplus in excess of $10,000,000. This paid-in surplus consists of the 1924 appraised value of the equipment and facilities turned over to the Corporation by the War Department at the time of its creation. The Corporation has no authority to issue bonds or other long-term debt obligations.

At the time the budget program for the fiscal year 1947 was under consideration, the question was raised by the Secretary of Commerce as to whether or not the barge line should be sold regardless of the fact that all conditions of the act had not been met. The committee at that time recommended that the Corporation should not be sold until all of the requirements of the law had been met.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$2,255,000	$2,200,000
Expenses	8,275,538	[1] 8,374,900
Increase in working capital		189,000
Total fund applied	10,530,538	10,763,900
Funds provided:		
Realization of assets	2,653,936	1,123,000
Revenue	7,815,400	9,640,900
Decrease in working capital	61,202	
Total funds provided	10,530,538	10,763,900

[1] Includes administrative expenses in amount of $418,000.

The item "Acquisition of assets" includes approximately $1,000,000 for the purchase of an articulated unit of a boat and a number of barges. One such unit is to be purchased in 1947. The principal new feature is that the front of the boat and the ends of the barges are square so that they will fit flush together. Basin tests of a model of this articulated unit indicate the possibility of phenomenal increases in efficiency and consequent economies. After the unit to be purchased in the fiscal year 1947 has been tested, and if the tests are successful, an additional unit is to be purchased in 1948. The balance of the $2,200,000 is to be used for further modernization of floating equipment, including acquisition of additional barges and installation of three Diesel engines in operating boats.

Objections have been voiced regarding the Government's continuing to operate a barge line in competition with other carriers. In view of this fact and the fact that the barge line has not been operating at a profit, and since a comparatively large investment in new and improved equipment is proposed, the question of whether the Corporation is to continue its operation has been given consideration by the committee. The Select Committee on Small Business of the House had contemplated making a study of this question. Therefore this committee requested the Small Business Committee to expedite its consideration of the matter. After conducting hearings in various cities affected by the operations of the barge line, the Small Business Committee furnished to this committee a report with recommendations. A copy of that report is to be found on pages 54–58 of part 3 of the hearings. This committee concurs in principle in the recommendations expressed in the report of the Small Business Committee. On the assumption that the barge line will be continued as a going concern for at least several years, whether under Government or private management, the committee has approved the Corporation's budget program without change. It is refreshing to note that although the barge line is handling an increased volume of business it has at the same time reduced its administrative expenses from a total of $640,000 in the fiscal year 1947 to $418,000 in 1948. The management of the Corporation at present is in the hands of an alert and able person, Mr. A. C. Ingersoll, Jr., and the committee is hopeful that the Inland Waterways will set an excellent example for other Government corporations to follow. If the Government must remain in business there is no good reason why its commercial activities should not be conducted on a sound and profitable basis.

Warrior River Terminal Company

The Warrior River Terminal Company was incorporated January 18, 1926, under the laws of the State of Alabama, as the Port Birmingham Railway Company. By amendment to its charter February 12, 1926, the name was changed to Warrior River Terminal Company. Since June 19, 1926, all capital stock of this Corporation has been owned by the Inland Waterways Corporation.

This company was formed for the purpose of acquiring the standard-gage switching line extending from the river bank at Port Birmingham to Ensley, Ala. This facility was acquired on May 1, 1926. The purchase of the stock of this company by the Inland Waterways Corporation was necessitated by the unsatisfactory interchange relations between Warrior River barge-line operators and the railroad, this road being the only means available to river operators for receiving freight from and delivering freight to the Birmingham district.

The company originally had an authorized capital stock of $150,000. Only $100,000 of this amount had been paid in at the time the Inland Waterways Corporation acquired ownership of the outstanding stock. By amendment to the company's charter the capital stock was increased to $1,250,000 in 1931, all of which was issued and purchased by the Inland Waterways Corporation. Both of the purchases of stock made by the Inland Waterways Corporation were approved by the Interstate Commerce Commission. In addition to its capital stock, the Corporation also has paid-in surplus in the amount of approximately $100,000. This paid-in surplus represents a grant from the Federal Emergency Relief Administration of Federal Works for replacement of trestles with steel spans. The company has no outstanding bonds or other long-term debt obligations.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$201,465	$250,000
Expenses	253,270	[1] 299,900
Increase in working capital	265	
Total funds applied	455,000	549,900
Funds provided:		
Revenue	455,000	500,500
Decrease in working capital		49,400
Total funds provided	455,000	549,900

[1] Includes administrative expenses in amount of $20,100.

The item "Acquisition of assets" for 1948 covers the purchase of 50 coal cars. The Company has paid a dividend of $75,000 per annum each year to and including 1946. However, due to reduced net earnings during the war years and subsequently, it is not anticipated that a dividend will be declared in 1948.

The report of the Small Business Committee with respect to the Inland Waterways Corporation also makes recommendations regarding the disposition of the Warrior River Terminal Company. The committee concurs in the recommendations of the Small Business Committee as made in its report.

DEPARTMENT OF THE INTERIOR

Virgin Islands Company

The Virgin Islands Company was established in 1934 to aid in effecting the economic rehabilitation of the Virgin Islands and to promote the general welfare of the people. The United States Government purchased a number of properties, including sugar plan-

tations, two sugar mills, a distillery, a short railroad, and other properties, and formed the Virgin Islands Company, which was incorporated by an ordinance of the municipality of St. Thomas and St. John. An operating agreement between the Secretary of the Interior and the Virgin Islands Company provides for the operation of the various properties for the benefit of the people of the Virgin Islands. The distress of the people on the island of St. Croix was without compare at the time the company was established, and there is little doubt but that the situation has been greatly improved by the activities of the company which is the backbone of the economy of the island. The Company has never paid an actual profit, and the only activity which appears to be profitable is the rum distillery. The company has no Federal charter, and under section 304 (b) must either secure legislative authorization for its continuance after June 30, 1948, or go out of business.

A bill has been introduced in the House (H. R. 3108) for incorporating the Virgin Islands Corporation, the proposed successor to the present company. The Corporation would have a capital stock of $2,000,000 subscribed by the United States. It is proposed that this Corporation would make every effort to place the Virgin Islands on a self-supporting basis and enable the inhabitants to maintain an adequate standard of living. Development of tourist trade is one of the projects being planned to this end. In view of the ideal climate it is not impossible under proper management that a substantial volume of tourist trade could be built up over a period of several years. The committee is gratified to note that the Department of the Interior is seeking to find a solution for the economic plight of these island people.

The committee desires to reiterate the stand of the committee a year ago that "it is to be hoped that some means can be found to meet the needs of these people other than the operation of a distillery," and to express the hope that in the consideration of the pending legislation the whole question of the economy of the islands will be studied with this in view.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$11,300	$8,000
Expenses	946,900	[1] 1,046,700
Retirement of borrowings	20,000	100,000
Increase in working capital	187,900	183,000
Total funds applied	1,166,100	1,337,700
Funds provided:		
By paid-in surplus	800	
Revenue	1,165,300	1,337,700
Total funds provided	1,166,100	1,337,700

[1] Includes administrative expenses in amount of $20,000.

Relatively minor expansion of the plant and equipment of the company is contemplated in 1948, as evidenced by the item "Acquisition of assets."

During the fiscal year 1946, programs carried on by the Company resulted in a net loss of $78,509. For the fiscal years 1947 and 1948, the profit is estimated to be $199,300 and $268,400, respectively, before providing for income taxes which are estimated to be $60,000 and $85,000, respectively. This increase in profits results from the estimated increase in sales of sugar and rum. The operations of miscellaneous programs are expected to continue at a loss during 1947 and 1948. The sales from electricity are expected to produce enough revenue in 1948 to cover the cost of sales and provide a small profit. The net from the sale of rum, if realized as estimated, will finance the losses on the miscellaneous programs, plus other expenses.

During 1946 the income almost equaled the expenditures on the sugar program, and it is expected that the income will at least equal the expenditures in 1947 and 1948. However, inadequate rainfall is an ever-present contingency and adverse weather conditions may easily result in the loss of an entire year's crop.

The budget program has been approved as submitted, including $20,000 for administrative expenses in 1948, the same amount provided for the fiscal year 1947.

NATIONAL HOUSING AGENCY

Office of the Administrator

The National Housing Agency was created by Executive Order 9070, issued February 24, 1942, and represented a consolidation of the civilian housing programs previously vested in 16 Government agencies.

The Agency consists of: The Office of the Administrator, which is responsible for assisting in the formulation of Federal housing programs, for supervising the execution of national housing policy, and for over-all coordination of the Agency's activities; the Federal Home Loan Bank Administration, with responsibilities for the supervision of building and loan and similar financial institutions and the establishment of credit facilities to protect their liquidity; the Federal Housing Administration, with statutory powers to insure mortgage loans made by private financial institutions on privately constructed and owned dwellings; and the Federal Public Housing Authority, which provides financial assistance, pursuant to the United States Housing Act of 1937, in the construction and maintenance of low-rent, slum-clearance housing projects and supervision in varying degrees over their management, and is also engaged in reerection, management, and disposition of temporary emergency housing under the veterans' housing and the public war-housing programs.

The Agency includes several activities which have been defined by section 101 of the Government Corporation Control Act as wholly owned Government corporations subject to the provisions of that act; namely, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the United States Housing Corporation, which are administered within the Federal Home Loan Bank Administration; the Defense Homes Corporation; and the Federal Public Housing Authority (or U. S. Housing Authority).

During the first phase of the veterans' emergency housing program—from February 8, 1946, until the President revised the program in December—the Office of the Administrator carried out the major functions of the Housing Expediter, during a period when the same individual was both Administrator and Expediter. When the veterans' emergency housing program entered its second phase, the President made separate appointments to the post of Administrator and Expediter.

The budget estimate submitted for the Office of the Administrator amounted to a total of $1,215,000 of obligations for the fiscal year 1948. The amount for comparable activities during the 5½ months from January 11, 1947, was $745,500. The estimate for 1948 reflected the new organization pattern of the Office of the Administrator subsequent to the separation of the function of the Housing Expediter from the National Housing Agency by Executive Order 9820, effective January 11, 1947. The following summary statement was included in the justification presented by the Administrator of the proposed 1948 budget program:

"The Office of the Administrator has a responsibility under Executive Order 9070 for the basic research and fact finding which is necessary to discharge the responsibilities of the Federal Government in the field of housing as vested by law in the National Housing Agency. It exercises general supervision over the programs and general administration of constituents of the Agency. It is performing a broader coordinating function of all major activities of the Federal Government relating to housing through the work of the Coordinating Council which was established by the National Housing Administrator and meets with him at regular intervals.

"The Administrator has, under provisions of the Lanham Act, primary responsibility for all funds appropriated for public war housing and veterans' housing, and for supervising the management and disposition of all such housing. In keeping with the functional allocation of activities within the National Housing Agency, the execution of this responsibility has been largely delegated to the Federal Public Housing Authority. Ultimate responsibility for this program remains, nevertheless, with the National Housing Administrator.

"The Office of the Administrator serves as a point of contact on matters concerning or affecting housing activities of the Federal Government for the Congress, other Federal agencies, State and local governmental units, the building and construction industry, the general public, and foreign governments."

The means of financing the budget proposed for 1948 was presented by the Administrator as follows:

Transfers from constituents of NHA:	
Federal Home Loan Bank Administration	$67,500
Federal Housing Administration	180,000
Federal Public Housing Authority	202,500
Total from constituents	450,000
Lanham Act, title V appropriation	100,000
Operation, management, and disposition, public war housing	665,000
Total	1,215,000

The separate functions and programs are carried out by the various constituent units of the Agency, yet it proposes to use $1,215,000 to superimpose a kind of master planning entity on top of these constituents each of which maintains its own planning, coordinating, and administrative staff. While it is true that these constituent units are all concerned with a common element, housing, the activities of each is quite different from the others. The Federal Home Loan Bank Administration and its constituent units perform essentially a program of banking and extension and protection of credit. The Federal Housing Administration is an insurer. The Federal Public Housing Authority carries out what fundamentally is a social program. These activities are unrelated in more ways than they are similar.

The committee is unable to justify to the House the program presented for the Office of the Administrator, and accordingly has effected a drastic reduction in the funds available for 1948. The entire structure of Government corporations and independent agencies is today so confused with interagency borrowing, lending, and transfers of funds that the most able of financiers and accountants are hard put to comprehend the over-all picture. In order that at least one segment of this confused situation may be clarified, the committee has provided that all the funds available to the Office of the Administrator, $100,000 for the fiscal year 1948, shall be in the form of a direct appropriation

from the Treasury, and from no other source. Such amount is adequate to preserve the administrative and policy supervision of the Office of the Administrator, and the committee proposes that unless legislative provision is made to authorize and specify the duties and functions of the Office of the Administrator, the fiscal year 1948 is to be the last year of its existence.

Office of the Housing Expediter

The position of Housing Expediter was created in the Office of War Mobilization and Reconversion on December 12, 1945, primarily for the purpose of developing emergency measures to deal with the acute housing shortage as it affected veterans of World War II. The first Expediter was appointed on that same date. By Executive Order 9686, issued January 26, 1946, the President set forth in detail the functions and powers of the Housing Expediter including a direction that he formulate an emergency program and recommend necessary legislation. The Veterans' Emergency Housing Act, approved May 22, 1946, created the Office of the Housing Expediter, and included authorization for allocations and priorities, the use of premium payments to stimulate production of building materials, and the guaranty of markets for prefabricated houses and new type building materials. The same person, as authorized by the act referred to, was appointed to serve in the dual capacity of Housing Expediter and Administrator of the National Housing Agency. By Executive Order 9820, issued January 11, 1947, these two functions were separated. By Executive Order 9836, issued March 22, 1947, all housing functions previously carried on by the Civilian Production Administration were transferred to the Office of the Housing Expediter. These include all of the administrative duties with respect to the limitations on nonessential and deferrable construction, the allocation and channeling of raw materials, and granting of priorities assistance to producers. In addition, the Office of Housing Expediter is charged with administering the compliance with all its regulations and orders.

The original estimate of salaries and expenses for the Housing Expediter, presented by the Budget Bureau, for the fiscal year 1948 amounted to $12,450,000. This was subsequently revised downward to $7,765,000, as shown on page 465 of part 1 of the hearings. This revision anticipated substantial relaxation and elimination of controls for the remainder of the calendar year 1947, and liquidation of the agency by January 1, 1948 was contemplated under the revised budget program. The committee is convinced that the program of trying to expedite the construction of residential housing has not been successful. It is doubtful that the funds expended have expedited construction at all, and more doubtful that the public has received real value for its funds so used. Reports are prevalent that building materials have become available in a volume that is beginning to saturate the market, and that price reductions in many lines are in the offing because supply is beginning to exceed demand. For these reasons, and because strong sentiment has been expressed in the Congress to the effect that this function should be terminated, the committee requested the Expediter to prepare an estimate of the cost of liquidating that office as of June 30, 1947. The estimate appears on page 474 of part 1 of the hearings. The exact amount of this estimate, $3,539,080 is provided in the accompanying bill.

Federal Home Loan Bank Administration

The Federal Home Loan Bank Administration was created by Executive Order 9070 to administer the functions, powers, and duties of (1) the Federal Home Loan Bank Board, created by the Federal Home Loan Bank Act of 1932, and of its members; (2) the Board of Trustees of the Federal Savings and Loan Insurance Corporation; (3) the Board of Directors of the Home Owners' Loan Corporation; and (4) certain functions, powers, and duties with respect to the United States Housing Corporation which was established to provide housing in World War I, and which is now fully liquidated.

The Federal Home Loan Bank Administration is administered by the Federal Home Loan Bank Commissioner. Under the Commissioner, the operations of the Federal Home Loan Bank System are directed by a governor and those of the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation are each directed by a general manager.

Federal Home Loan Bank System

The Federal Home Loan Bank System is composed of 11 Federal home-loan banks, which are mixed-ownership corporations and therefore not required to submit budgets under the Corporation Control Act, and various building and loan associations, savings and loan associations, cooperative banks, homestead associations, insurance companies, and savings banks. There were formerly 12 such banks, but 2 were combined on March 29, 1946, reducing the number to 11. This system performs substantially the same function in the field of home-mortgage credit which the Federal Reserve System performs as a credit reserve for commercial banks and the Federal land banks perform in the field of farm finance. The only item related to this system which is carried in the bill is the limitation on administrative expenses, estimated at $1,965,000, and reduced by the committee to $1,250,000.

Federal Savings and Loan Insurance Corporation

The Federal Savings and Loan Insurance Corporation was established under title IV of the National Housing Act of June 27, 1934, as a means of restoring and maintaining confidence in the thrift and home-financing institutions of the savings and loan type. Recognizing the importance of available credit for purposes of stimulating recovery from heavy depression and of providing a permanent and reliable source of funds for economical home financing, the Congress provided the safety of insurance up to $5,000 for each account of investors in approved institutions.

The authorized and paid-in capital stock of the Corporation amounts to $100,000,000 and is held by the Home Owners' Loan Corporation in accordance with an act of Congress. The Home Owners' Loan Corporation is entitled to dividends on this stock at a rate equal to the interest rate on the bonds received in payment therefor, such dividends to be cumulative. Dividends were paid from June 27, 1934, to June 30, 1935, since which time they have been accumulated at the rate of $3,000,000 per year. Deferment of dividend payments was for the purpose of accelerating the building of loss reserves with resulting strengthening of the insurance program. Because of the dividend obligation as well as the basic insurance liability of $5,771,876,000 on 2,490 insured savings and loan associations as of June 30, 1946, the Corporation does not contemplate the return of any Government capital during 1948.

While the Corporation has authority to borrow money on notes, bonds, and debentures, there were no such obligations outstanding as of June 30, 1946. In addition to the capital stock, surplus reserves amounted to $67,350,194 on June 30, 1946, and will reach a total of $74,869,000 by June 30, 1948.

The committee wishes to point out that the Federal Savings and Loan Insurance Corporation acts as insurer for savings in institutions whose assets total approximately $5,750,000,000. The home mortgage debt of the country at the beginning of the current calendar year was in excess of $24,000,000,000, an all-time high. It is common knowledge that home prices are highly inflated. Competition between institutions for making loans contributes to inflating home values, and officials of mortgage-lending institutions too often supplement their salaries by commissions received in placing fire insurance on the homes covered by their mortgage loans.

In view of the period of time which has elapsed since premium rates and the ratio of reserves to cover losses was established for insuring deposits in savings and loan institutions, and the factors set out above, the proper legislative committee should undertake a thorough study of the insurance extended by the Federal Savings and Loan Insurance Corporation. The officials of the Corporation should exercise their full discretion under the law to refuse to insure any institutions whose officials sell insurance or receive other fees (which thereby may directly or indirectly influence loan judgment) in addition to their salaries.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$10,893,000	$17,787,000
Expenses	2,111,500	[1] 2,655,000
Total funds applied	13,004,500	20,442,000
Funds provided:		
Realization of assets	1,002,200	7,978,000
Revenue	11,230,600	12,046,800
Decrease in working capital	771,700	417,200
Total funds provided	13,004,500	20,442,000

[1] Included administrative expenses estimated at $670,000, and reduced to $532,000 by committee.

The Corporation has purchased $3,500,000 worth of Government securities in 1947, and estimates that it will purchase an additional $6,000,000 in 1948. Insurance premiums amounted to $7,263,000 in 1947 and are estimated at $8,090,000 in 1948. Contributions to insured institutions amounted to $1,501,000 in 1947 and are estimated at $1,929,000 in 1948. The estimate for administrative expenses in 1948 was $670,000, which has been limited by the committee to $532,000.

Home Owners' Loan Corporation

The Home Owners' Loan Corporation was established under the act of June 13, 1933, as an emergency instrumentality of the Federal Government for the purpose of refinancing the mortgages of distressed urban home owners and to stem the flood of foreclosures resulting from the unprecedented economic collapse of the early thirties, and charged with the responsibility of taking over mortgages on small nonfarm homes, the owners of which were in actual default and who could not otherwise escape foreclosure.

The authority of the Corporation to acquire mortgages of distressed home owners and other obligations and liens secured by real estate in exchange for cash or bonds of the Corporation expired June 12, 1936. Since that time the principal function of the Corporation has been to service the loans and to take over properties where necessary and dispose of them to the best interests of the Corporation. Through this process the Corporation is, and has been, proceeding with the liquidation of its assets.

The total amount of the Corporation's authorized capital—$200,000,000—was subscribed and paid for by the Secretary of the Treasury. The Corporation has authority to issue $4,750,000,000 in bonds, and on June 30, 1946, $743,111,625 of such bonds were outstanding. It is expected that by June 30, 1948, the total bonds outstanding will have been reduced to $300,999,625.

It was originally anticipated that this Corporation would suffer considerable loss, but it now appears that the actual loss eventually to be taken will be only a fraction of

the amount loaned. The total obligations of the Corporation at one time exceeded $3,400,000,000, and it is now estimated that the deficit as of June 30, 1948, will be $50,620,300.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$1,390,000	$1,335,000
Expenses	10,990,000	[1] 8,013,000
Retirement of borrowings	239,112,000	203,000,000
Total funds applied	251,492,000	212,348,000
Funds provided:		
Realization of assets	218,963,000	189,368,000
Revenue	29,394,000	20,268,000
Decrease in working capital	3,135,000	2,712,000
Total funds provided	251,492,000	212,348,000

[1] Includes administrative expenses estimated at $3,723,000, and reduced to $3,000,000 by committee.

The Corporation has had no authority to make new loans except on resale of property to which title has been acquired through foreclosure for 11 years and exists only for the purpose of servicing those loans still outstanding. This task lessens as the years pass and the administrative expenses should be progressively reduced. The committee has reduced the estimate of $3,723,000, by $723,000, to $3,000,000. The committee is of the opinion that it is possible to sell all of the outstanding loans on the books at the present time at not less than face value without recourse. It should be possible to make such sales by areas or States, selling en bloc all the mortgages in a given area. The loans are for the most part paid down to where they are backed by sound mortgage collateral, and should be readily salable in large lots. Every effort should be made to expedite the liquidation of these loans without waiting for them to mature.

FEDERAL HOUSING ADMINISTRATION

The Federal Housing Administration was established June 27, 1934, under the provisions of the National Housing Act, to encourage improvement in housing standards and conditions, to promote a stable home mortgage market, and to stimulate the flow of private capital into the field of home financing through the insurance of mortgages on dwellings. During the present year, the Federal Housing Administration has operated under three titles of the National Housing Act. These are title I, which authorizes partial insurance by the Federal Housing Administration of character loans made for renovation improvement, and within certain limitations, construction of both residential and nonresidential properties; title II, which provides for insurance of home mortgages up to 80 to 90 percent of the appraised long-term value of both new and existing small homes and new rental housing projects; and title VI, which parallels title II, but provides for appraisals on a current cost basis and higher coverage for emergency housing. Title VI was used during the years 1941–45 for insurance of privately financed war housing and was reinstated by the Congress in the spring of 1946 (Public Law 388, 79th Cong.) for insurance of veterans' housing. During normal times the Federal Housing Administration operates exclusively under titles I and II. The authority to insure new business under both titles VI and I, will expire on June 30, 1947, unless legislation extends such authority beyond that date. This will restrict insurance of new construction to title II, but will permit some refinancing under title VI and the usual insurance of existing construction under title II. None of the titles of the National Housing Act contemplates that the Federal Housing Administration either build houses or lend money.

All operating expenditures of the Federal Housing Administration in connection with the programs authorized by titles I, II, and VI of the National Housing Act are financed from the resources of the four insurance funds, namely, the title I insurance fund, the mutual mortgage insurance fund, the housing insurance fund, and the war housing insurance fund. Expenditures of the Federal Housing Administration include: (1) Payment of claims for insurance under the modernization and property-improvement program authorized by title I of the act; (2) payment of charges to the several housing insurance funds resulting from the acquisition, management, and disposal of foreclosed properties acquired under the mortgage-insurance programs; and (3) administrative expenses of the departmental field staffs of the Federal Housing Administration. The net worth of all the various insurance funds on December 31, 1946, was $134,000,000, of which all but an initial contribution of $15,000,000, from funds of the Reconstruction Finance Corporation, has accrued from insurance operations. It is estimated that this net worth will increase to approximately $160,000,000 by June 30, 1948.

Through December 31, 1946, a total of $4,000,000 in dividends had been paid out to members of mutual insurance groups who have paid their mortgages in full. The annual rate of these dividends at the present time is $1,500,000. This so-called mutuality under which dividends are paid is, in the opinion of the committee, a misnomer, since those entitled to receive dividends are not liable for a pro rata share of losses. The committee recommends that legislation be enacted to correct such a situation.

During its 12½ years of operation the Federal Housing Administration had insured loans amounting to nearly $10,000,000,000. As of June 30, 1946, $4,203,000,000 of these loans were outstanding. In view of the fact that this agency has been in existence during a period when the trend of real property values has been almost constantly rising, and fortunately has never been confronted with a period of declining residential prices, it is recommended that the appropriate legislative committee undertake a reexamination of the ratio of reserves maintained against loss contingencies.

The estimate presented for administrative expenses in the fiscal year 1948 was $24,000,000. The amount for 1946 was $11,416,543; and for 1947, $17,624,000. The committee has limited such expenses in 1948 to the same amount as for 1947.

FEDERAL PUBLIC HOUSING AUTHORITY

The Federal Public Housing Authority is one of the three constituent units of the National Housing Agency provided for by Executive Order 9070, issued February 24, 1942, under authority contained in title I of the First War Powers Act, 1941. Under the Executive order, the functions of a number of agencies concerned with defense and low-rent housing were consolidated into the Federal Public Housing Authority, with responsibility for the development and management of housing built with public funds.

The agencies and activities included in the consolidation were:

The United States Housing Authority.

The slum-clearance projects of the Public Works Administration.

Defense housing of the United States Housing Authority.

The Division of Defense Housing of the Federal Works Agency.

The Division of Mutual Ownership of the Federal Works Agency.

The defense-housing program of the Public Buildings Administration.

The housing of the War and Navy Departments (except projects on military and naval reservations).

The nonfarm housing of the Farm Security Administration.

Defense housing of the Farm Security Administration.

The Defense Homes Corporation.

The functions of the Authority are divided into 6 major groups which are presented separately.

After the hearing on this bill last year, the committee had an investigation conducted with respect to the activities and budgetary requirements of local housing authorities and, in general, to make a thorough check of the need for payment of rent subsidies with a view to keeping at a minimum the amount of Federal expenditures. The services of a small staff of trained and competent investigators were utilized for a period of more than 6 months. In the course of such investigation much light was thrown upon the activities of the central and regional offices of the Federal Public Housing Authority, which does not speak well for the manner in which this agency of Government has been managed and operated. The chief of the investigative staff and his assistant were called before the committee during the course of its hearings for interrogation with respect to their findings, and the testimony can be found beginning at page 314 of part 2 of the hearings. The Commissioner of the Federal Public Housing Authority was also interrogated regarding the questionable conditions and practices existent in the operations of the Authority.

The hearings are replete with instances of poor administration in the past and with questionable policies and practices at present.

The General Accounting Office made arrangements for an outstanding commercial accounting firm to undertake an audit survey of the books of FPHA. The report made to the General Accounting Office revealed on the part of FPHA an accounting situation so badly confused that a true audit could not be undertaken. It has been stated that virtually every account in the general ledger is either in error, inaccurate, or incomplete, and that after several months of operation, because the conditions have not been remedied or eliminated, there is no alternative to the conclusions that may be reached.

It was brought out in the hearings that steps are presently being taken to correct this inexcusably bad accounting situation.

Instances of embezzlement of the funds of local housing projects by employees thereof came to the committee's attention. While in each of such known instances restitution of losses was effected and no Federal funds were lost, the Commissioner of FPHA insisted that it was incumbent upon him to determine whether any Federal criminal statute had been violated. The committee is of the opinion that such determination should properly be made only by the Attorney General and has requested him to investigate the embezzlements in question.

There are indications that labor unions are exercising an undue influence in at least some of the personnel actions taken by officials of FPHA. A case in point is cited on page 328 of part 2 of the hearings. A female employee of the Authority at San Diego, Calif., published a pamphlet on behalf of a labor union of Government employees attacking the management and publicizing her victory in an efficiency-rating appeal.

There are indications that travel performed at Government expense by employees of FPHA has been very loosely controlled and that the making of long-distance-telephone calls at Government expense has been subjected to

abuse. The letting of construction contracts by FPHA officials has been shown to be questionable in some instances. Reports of inefficiency and incompetence in FPHA regional offices have reached the committee from several reliable sources.

The proportion of high-salaried personnel on the rolls of the FPHA is much higher than the over-all average for the Government as a whole and is much higher than that existent in any other Government agency which has come to the attention of the committee. Thirty-six percent of the total personnel of FPHA receive salaries above $4,500 per annum, and the list of titles of the so-called specialists employed is startling. This, in connection with other considerations enumerated, has motivated the committee to effect a substantial reduction in the administrative expenses of FPHA. By reducing its percentage of high-salaried personnel, this agency can maintain an adequate and efficient staff for carrying out its proper functions. The committee has included a provision in the bill limiting the number of persons paid in excess of $4,500 per annum to 20 percent of the total in order to bring the number of higher-paid personnel in line with sound business practices.

In its hearings, which are published, the committee has sought to obtain and point out the facts regarding what appears to be in many respects a deplorable condition in a Government agency. The present Commissioner of FPHA cannot be held responsible for errors or irregularities which occurred prior to his incumbency in that position. Being apprised of such matters, the Commissioner is expected to institute such changes as may be necessary to put the FPHA house in order during the fiscal year 1948.

The estimate of administrative expenses of the Authority for the fiscal year 1948 was $15,600,000. This has been reduced by the committee to $10,400,000, an amount more nearly in keeping with the work the Authority is required to perform, and this sum is more than adequate to support all activities of FPHA in 1948 which are necessary in the public interest. The committee expects all reductions in personnel to be made in relation to activities other than those necessary to the proper handling and accounting for the public funds and property entrusted to the FPHA.

Public war-housing program

In order to sustain the defense-production program, the Congress during 1940 enacted the following legislation authorizing the provision of housing for defense workers: The Second Supplemental National Defense Appropriation Act, 1941, Public Law 781, approved September 9, 1940; and the Lanham Act, Public Law 849, approved October 14, 1940. Subsequently, authorizations and appropriations for temporary shelter for defense workers and in-migrant war workers were provided by Public Laws 9, 73, 140, 375, and 353. These acts provided for financing the required emergency housing entirely from Federal funds in localities in which an acute shortage of housing existed or impended and where such housing would not be provided by private capital.

Titles I and IV of the Lanham Act, as amended, authorized $1,515,000,000 for the development of war housing, and additional authorizations of $320,000,000 were made under Public Law 9, as amended. As of June 30, 1946, allotments amounting to $1,560,000,000 had been made to the Federal Public Housing Authority from appropriations under these authorizations.

Section 303 of the Lanham Act, as amended, authorized the use of income derived from project operations to pay expenses for project operation and maintenance. It also provided for the establishment of a $25,000,000 reserve for expenses in connection with the disposition operations of projects constructed with Lanham Act funds. This reserve has been established from the net income from project operations and sales proceeds from the disposition of terminated war housing. Of this reserve $24,000,000 has been allocated to this program and $1,000,000 to the homes conversion program.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$37,440,924	$52,142,470
Expenses	55,291,200	50,210,200
Retirement of borrowings and capital	33,441,970	74,824,332
Increase in working capital	23,109,242	
Total funds applied	152,283,336	177,177,002
Funds provided:		
Realization of assets	71,065,636	109,841,830
Revenues	81,217,700	65,669,800
Decrease in working capital		1,665,372
Total funds provided	152,283,336	177,177,002

Project revenues are estimated in gross for 1948 at $65,669,800, which amount is partly offset by $23,797,800 estimated as direct operating expenses of the projects.

The committee feels that the policies and methods which have been followed by FPHA in disposing of war housing, and especially sales of such housing to mutual ownership groups, are not in the public interest. Legislation is now pending (H. R. 3492) to transfer the entire function of disposing of this housing to another Government agency. The committee endorses the provisions of H. R. 3492 and urges that it be enacted by the Congress at the earliest possible date.

Homes conversion program

The homes conversion program was originated in calendar year 1942, under the provisions of the Lanham Act, and initiated by the Home Owners' Loan Corporation.

Development activities were largely completed prior to the transfer of this program to the Federal Public Housing Authority. Management responsibility was so transferred on August 1, 1944, the concluding development responsibility on July 1, 1945.

The purpose of the program was to provide urgently needed additional housing for war workers by remodeling existing structures, such as large single-family residences, warehouses, factory buildings, and similar structures, into multiple-unit family dwellings, with a minimum expenditure of critical war materials and manpower.

The program was financed in the development stage entirely from war-housing appropriations, at a cost of approximately $90,000,000. Since physical development activities have been completed, there will be no further use of war-housing appropriations except to settle existing obligations. Section 303 of the Lanham Act, as amended, authorizes the use of operating income to meet all operating expenses and to establish a reserve for disposition. Of the total reserve of $25,000,000 so authorized, $1,000,000 has been apportioned to this program. Operating income is adequate to meet all operating expenses and to return to the Treasury a substantial portion of the Government's initial outlay.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$304,164	$201,300
Expenses	15,923,500	10,860,400
Retirement of borrowings and capital	9,242,882	10,263,694
Increase in working capital	579,754	
Total funds applied	26,050,300	21,325,394
Funds provided:		
Realization of assets	4,746,800	6,585,600
Revenue	21,303,500	14,441,300
Decrease in working capital		298,494
Total funds provided	26,050,300	21,325,394

At the end of the fiscal year 1946 there were 48,296 housing units under management and this figure will probably be reduced to 21,352 at the end of fiscal year 1948.

It is the policy of the Federal Public Housing Authority to negotiate cancellations of leases as rapidly as possible, when—

(1) the property cannot be made to produce a net profit before charges for amortization of capitalized cost; or

(2) the owner desires to obtain cancellation and is willing to purchase the unexpired lease term at a price satisfactory to the Government.

Wherever cancellations are negotiated, a stipulation is made which requires continued occupancy preference for veterans.

It is estimated that from revenue receipts and operating balances $10,263,694 from fiscal year 1947 operations will be returned to the Treasury in 1948, and $9,242,530 from 1948 operations should be returned in 1949.

Veterans' reuse housing program

The acute housing shortage, which became a grave national emergency with the return of millions of men from the armed forces, created severe hardship for veterans and their families unable to obtain shelter. It also caused distress to families of servicemen, and to veterans unable to secure the educational benefits provided by law because of the lack of housing at schools and colleges. The Congress therefore added title V to the Lanham Act on June 23, 1945, and amended that title December 31, 1945. An additional authorization to provide temporary housing for veterans was granted in Public Law 336, approved March 28, 1946. Under the authority contained in title V, the Federal Public Housing Authority is providing temporary housing for veterans and servicemen to local governments, educational institutions, local public agencies, and nonprofit organizations. This is accomplished by relocation or conversion of existing federally owned structures, including Federal Public Housing Authority temporary war housing and surplus facilities, such as barracks and quonset huts obtained from other Federal agencies without reimbursement. Re-use makes temporary housing available quickly and at a minimum cost, and conserves new building materials for permanent residential construction. Reimbursement is made under title V to local bodies that had incurred relocation expenses in providing temporary housing for veterans' re-use prior to the act of December 31, 1945, and for those local bodies desiring to develop their entire projects.

On December 28, 1945, the Congress appropriated $191,900,000 to the National Housing Agency to carry out the purposes of title V and supplemented this by an additional appropriation of $253,727,000 on April 22, 1946,

making a total of $445,627,000. A total of $436,697,814 is to be transferred to the Federal Public Housing Authority to provide temporary dwellings for veterans.

It is hoped to provide through Federal financing and within the available funds, approximately 180,800 temporary dwelling accommodations through the re-use of federally owned structures. About 9,600 accommodations were provided by local bodies, which undertook removal and re-use prior to the appropriation of funds for this program and the local bodies will be reimbursed. Local bodies desiring to develop their entire programs on a reimbursable basis are expected to provide approximately 700 accommodations. The balance of 170,500 federally financed accommodations are being developed by the Federal Public Housing Authority under contracts with local bodies.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$390,360,101	$31,697,576
Expenses	796,700	937,400
Total funds applied	391,156,801	32,634,976
Funds provided:		
Revenue	8,345,000	11,586,000
Appropriations	10,570,814	
Decrease in working capital	372,240,987	21,048,976
Total funds provided	391,156,801	32,634,976

After giving effect to anticipated project net income, projected operations result in net program losses amounting to $360,645,142 and $54,340,626 respectively for the fiscal years 1947 and 1948. The bulk of the direct program costs are incurred during the fiscal year 1947. Project costs are carried on the books of account as assets until title to the projects is transferred to the local bodies, at which time the assets are written off and the loss is recorded.

Completion of the program has been seriously retarded by shortages of the materials and equipment required to place the reused structures in livable condition. Costs have risen substantially over original estimates as the result of: (1) Inability to secure the contemplated number of surplus temporary war-housing structures, because of continued high occupancy, thus leading to a greater use of surplus military structures, (2) delays in delivery of materials and equipment and lack of adequate labor supply, and (3) increase in labor rates and in costs of materials and equipment.

Defense Homes Corporation

The Defense Homes Corporation was incorporated under the laws of the State of Maryland on October 23, 1940, by direction of the President. Executive Order 9070 transferred the Corporation and its capital stock to the National Housing Agency to be administered by the Federal Public Housing Authority. The purpose of this organization was to provide housing accommodations of a permanent nature in defense areas for use by defense workers during the emergency, such housing to be disposed of subsequent to the emergency at prevailing market prices.

The Corporation is expected to have accomplished total liquidation of its assets by June 30, 1947. The Federal Public Housing Authority informed the committee that the Corporation would probably return to the Treasury as profits from operations and disposition of assets an amount in excess of $5,000,000. However, the committee has been informed that sales of some of the larger housing units of the Corporation were not made for cash, but on the basis of the Corporation's receiving a relatively small cash payment and notes covered by purchase money mortgages. These notes extend for many years, and in view of the type of construction involved it is felt that any computation of profits should be deferred until the notes are paid or sold. Inasmuch as the Corporation owes a substantial sum in the form of notes to the Reconstruction Finance Corporation, and since the Reconstruction Finance as principal creditor has a claim against the assets of the Corporation, the committee has provided in the bill that all the capital stock of the Defense Homes Corporation shall be transferred to the Reconstruction Finance Corporation. Provision has also been made for the transfer to the RFC of all assets, liabilities, and records of the Corporation. The RFC is to have full charge of the liquidation, including selection of personnel to be used for that purpose. This should result in the taxpayers getting an accurate picture of the net results of the Defense Homes Corporation when it is completely liquidated.

Instead of the budget estimate of $12,300 for administrative expenses in 1948, the committee has provided an amount not to exceed $3,000 which is to be available for payment of terminal leave only.

United States Housing Act program

The United States Housing Authority, which was transferred to the Federal Public Housing Authority under Executive Order 9070, was created on September 1, 1937, by Public Law 412 to provide low-rent housing for families of low income who could not otherwise afford decent, safe, and sanitary dwellings. This basic act, known as the United States Housing Act of 1937, authorized the authority to make loans to local public housing agencies to aid in financing slum clearance and the development of low-rent housing projects. To bring rents in the completed dwellings within financial reach of families in the lowest income groups, the Authority was empowered to make limited annual contributions, provided that the community would also make contributions toward the operation of the projects.

An important amendment to this act was added by Public Law 671, approved June 28, 1940. Under this amendment the unused portion of the borrowing authorization provided in the United States Housing Act of 1937 was made available for the construction of permanent housing to be used primarily for housing war workers for the duration of the war. In accordance with this purpose, the projects initiated under Public Law 671 have been occupied chiefly by war workers who pay prevailing rents for comparable accommodations. On a Presidential finding that such projects are no longer needed for housing war workers, however, the projects are required to be converted to low-rent use. Most of these projects have already received Presidential approval for conversion. As private housing becomes available for occupants whose incomes exceed the maximum allowable for tenants in low-rent projects, these occupants will be replaced by low-income families. These projects will then be on a basis of operation comparable to that of Public Law 412 projects.

An addition to the locally owned low-rent program is possible through the sale of federally owned permanent war-housing projects developed under the Lanham Act, Public Law 849, approved October 14, 1940. The Lanham Act requires the disposition of all war-housing projects but permits transfers for low-rent use only when specifically authorized by Congress. In keeping with this provision of the act, it is the intention of the Federal Public Housing Authority to request authority of Congress for such transfers in those cases in which a community, through its local housing authority, desires to take over a project suitable for low-rent housing and the local government approves and supports the request.

Besides the locally owned projects which constitute the greater part of the low-rent program, the Federal Public Housing Authority has under management some federally owned projects. The main group of federally owned housing projects consists of those developed by the Public Works Administration Housing Division, which were subsequently transferred to the Authority by the President under a provision of the United States Housing Act. This transfer was effected under Executive Order 7732, dated October 27, 1937. The Public Works Administration projects were constructed by the Federal Government with appropriated funds, and consequently the capital cost of these projects is not repayable. They are operated in the same manner as locally owned low-rent projects, except that they are not eligible for annual contribution subsidies nor are any necessary since no debt service is required.

Another group of federally owned housing projects consists of Public Law 412 projects in Ohio. The Federal Government had to take title to these projects as a result of a decision by the Ohio Supreme Court, which denied tax exemption and eliminated the local contributions required under the United States Housing Act. These projects will return to local ownership when State legislative action is taken to permit their operation in accordance with the Housing Act.

Federally owned projects also include a small group of Public Law 671 projects. In order to expedite construction of housing urgently needed during the war, it was necessary for the Federal Government to engage in some direct construction under Public Law 671. These projects will be sold to local housing authorities for low-rent use, but it is not possible to finance the sale of the entire group of projects because of the legislative limitation on the amount of annual contributions that may be committed. As long as the Public Law 412 Ohio projects and the Public Law 671 projects remain under Federal ownership, they are not eligible for annual contributions.

The Authority was created as a "body corporate of perpetual duration" with $1,000,000 in capital stock subscribed by the Treasury. The United States Housing Act, as amended, provides a borrowing and a lending power amounting to $800,000,000 and limits the total annual contributions for which the Authority may contract to a maximum of $28,000,000 per year. Funds borrowed by the Federal Public Housing Authority under Public Law 412 were to be used for loans to local housing authorities covering not more than 90 percent of the development cost of individual housing projects. The Public Law 671 war amendment permitted loans to cover 100 percent of the development cost or direct construction by the Federal Government.

By June 30, 1946, the Authority had borrowed $398,000,000, of which $38,000,000 had been repaid, leaving $360,000,000 outstanding. Long-term loans of $348,097,000 had been made to local housing authorities, of which $71,045,000 had been repaid by refunding operations and $1,408,000 by advance repayments. Another $2,507,217 was outstanding on short-term advance loan notes. Thus, the outstanding balance of loans receivable from local housing authorities, as of June 30, 1946, amounted to $278,151,217. An amount of $41,120,540 had been used for direct Federal Public Housing Authority construction of war-housing projects under Public Law 671. From private sources local housing authorities had obtained $376,990,000. This amount is made up of $147,594,000 in bonds and $229,396,000 in temporary-loan notes, secured by a Federal Public Housing Authority pledge to redeem them at maturity, if necessary. The total paid-in capital of $195,596,284, as of June 30, 1946, consists of capital stock amounting to $1,000,000, funds and property

transferred from the Public Works Administration Housing Division amounting to $140,746,284, and cumulative appropriations for the payment of annual contributions on low-rent projects in an amount of $53,850,000.

The major activities under the United States Housing Act program may be divided into two groups: (a) Those connected with the development and capital financing of low-rent projects; and (b) those concerned with the management of projects and the payment of subsidies in the form of annual contributions.

Development and capital financing operations

Locally owned project—Public Laws 412 and 671: Under the United States Housing Act, low-rent-housing activities are primarily a subject for local determination and control, the role of the Federal Government being limited chiefly to providing technical and financial assistance. Accordingly, title to locally owned projects and primary responsibility for their operation rests with local housing authorities established under the laws of the political subdivisions in which they are located.

Federal assistance can be provided only under conditions prescribed by the United States Housing Act. The local housing authority is required to establish that the locality has a real need for public low-rent housing; ascertain that at least 10 percent of the development cost can be financed from private capital; provide, by tax exemption, a local subsidy equal to at least one-fifth of the annual contribution to be provided by the Federal Public Housing Authority; assure the elimination of one slum unit for every new dwelling unit built; observe statutory dwelling cost limitations; and provide for an economical system of management operations. The local authority must also select and acquire a suitable site, secure proper zoning, prepare site and architectural plans, award the construction contract to the lowest responsible bidder, and supervise and inspect construction.

In furnishing technical and financial assistance, the Federal Public Housing Authority is responsible for reviewing and inspecting the operations of local authorities to assure compliance with the act. The Authority exercises this responsibility by enforcing the provisions of contracts under which it provides loans and agrees to pay annual contributions. The loans to local authorities bear interest at the rate of one-half of 1 percent above the going Federal rate on long-term bonds. Financial aid in the form of short-term loans is made available to local authorities during the early phases of project development. Permanent financing, which normally occurs after construction is approximately 75 percent complete, is accomplished by the sale of two types of bonds—A bonds sold to private investors on the basis of competitive bids and B bonds sold to the Federal Public Housing Authority for the balance of the development cost. The entire loan and annual contribution authorizations provided in the act have been committed, but actual construction of a number of projects was deferred because of the war.

Approximately 90 percent of the short-term financing requirements during fiscal years 1947 and 1948 will be supplied by private investors at lower interest rates than the Federal Public Housing Authority is required by law to charge. The Authority's participation in short-term financing is estimated to be $2,396,750 in fiscal year 1947 and $3,568,250 in fiscal year 1948.

Refinancing of Public Law 412 projects now permanently financed will have a net effect of reducing the Federal Public Housing Authority's B bond holdings by $21,610,000 in fiscal year 1947 and $2,200,000 in fiscal year 1948. Net refunding operations are expected to decline to $2,200,000 during fiscal year 1948 since the Authority's efforts, insofar as permanent financing operations are concerned, will be directed toward the permanent financing of Public Law 671 projects. By June 30, 1948, it is anticipated that all the Public Law 671 projects with fiscal years beginning October 1 and January 1 will be permanently financed and also 75 percent of those with fiscal years beginning April 1 and July 1. This will result in the purchase of $5,256,000 of B bonds during fiscal year 1947 and $15,036,000 in fiscal year 1948. Emergency corrections of war-caused construction deficiencies will also necessitate the purchase of an estimated $300,000 of B bonds during fiscal year 1947 and $300,000 during fiscal year 1948. It is estimated, further, that there will be permanent financing of reactivated projects in fiscal year 1948 which will result in the purchase of $176,000 of B bonds.

The net effect of all anticipated transactions in B bonds will be a decrease of $16,054,000 as of June 30, 1947, and an increase of $13,312,000 as of June 30, 1948.

Federally owned projects: No new direct development by the Federal Public Housing Authority is contemplated, but there will be an estimated expenditure of funds amounting to $3,575,782 in fiscal year 1947 and $1,437,492 in fiscal year 1948 for the liquidation of outstanding obligations, for final contract settlements, and for emergency corrections of war-caused deficiencies.

Management operations

Locally owned projects—Public Laws 412 and 671: As in the case of development operations, the local housing authority is required in the management of these projects to observe certain rules which are concerned with the eligibility of tenants, with rent-income ratios, with standards of physical operation and maintenance, and with accounting practices. The Federal Public Housing Authority reviews management operations of the local housing authority and audits its books to assure compliance with these rules.

Low-rent projects owned by local authorities have three sources of income: (a) rental income, (b) a contribution by the local community, and (c) a Federal annual contribution. Rental income of the projects depends upon the rent-paying ability of the tenants, since a system of graded rents varying according to family income is generally used. In normal low-rent operation, the rental income is not sufficient to meet the project expenses, including operating costs, payment of interest, and amortization of capital costs. This deficit is met by the local and Federal contributions. The contribution by the local community is in the form of tax remission or exemption and represents the difference between full normal taxes and the actual payment in lieu of taxes made by the project. The remainder of the deficit is met by the Federal Government, with the limitation that the local contribution must be at least 20 percent of the Federal contribution and the limitation that the Federal contribution may not exceed the maximum contribution set in the contract for financial aid. In all cases the maximum Federal contribution that may be paid is an amount equal to the yield at the going Federal rate of interest at the time the contract is made plus 1 percent upon the total development cost of the project.

The Federal annual contribution actually paid equals the operating deficit of a project, after giving effect to the local subsidy. The operating deficit is determined by subtracting the total income from the total expenses. Total expenses consist of operating expenses; amounts reserved in the period for repairs, maintenance, and replacements, and for vacancy and collection losses; and the amounts expended for debt service and payments in lieu of taxes.

Thus an increase in the amount of operating expenses and other items that are deducted from rental income of and local contributions to local housing projects, results in a proportional increase in the amount of contributions which the Federal Government is expected to pay to maintain their low-rent character.

It has been ascertained that there is some laxity in checking on the income of tenants in low-rent projects. (See pp. 314–316 of pt. 2 of the hearings.) Failure to assess every tenant the amount of rent he should pay based on his current income results in raising the amount of the Federal contribution. A large amount of impounded liquid funds is being held by the authorities of local housing projects as reserves which have been built up and continue to increase as charges to operating expenses, thereby increasing the Federal contribution. These reserves aggregate at least $40,000,000. The various categories are working capital reserve, reserve for repairs, maintenance, and replacements, reserve for vacancy and collection losses, debt service reserve, reserve for working capital, reserve for operating improvements, and reserve for contingencies. Statements describing these reserves are to be found beginning on pages 106 and 321 of part 2 of the hearings. While charging these reserves as expenses is permitted under the contracts between FPHA and the various local housing projects, such practice is not expressly authorized by law with respect to locally owned housing projects. Although the general counsel of FPHA has submitted an opinion contending that these reserves are legally authorized (p. 266 of pt. 2 of the hearings) the committee feels that such policy is of doubtful legality. In any event the committee cannot subscribe to the payment of full contributions to local projects holding reserves which are beyond all proportion to the financial requirements for maintaining their low-rent character. Accordingly, a limitation has been imposed upon the appropriation for the payment of contributions in the fiscal year 1948, requiring that no contribution shall be paid to a local project unless the amount otherwise due or payable is reduced by one-half the amount of reserves outstanding on its books. Also, the budget estimate of $7,200,000 for the appropriation for payment of Federal contributions has been reduced by the committee to $2,200,000. The committee recommends that the proper legislative committee undertake a thorough study and review of this entire reserve policy with a view to recommending any legislation which may be necessary to enforce the intent of the Congress in this matter.

Another policy of the FPHA permits local housing projects to make voluntary payments in lieu of taxes in excess of the rate specified in its contract up to 10 percent of what is designated as shelter-rent. This practice, the committee feels to be of doubtful propriety and legality, and it has been provided in the bill that the funds appropriated for contributions cannot be used for payments to local projects making payments in lieu of taxes in excess of the rate specified in the original contract with FPHA. Information regarding payments in lieu of taxes is to be found beginning on pages 202, 232, 252, and 317 of part 2 of the hearings.

Owning to the doubtful legality of the afore-mentioned practices, the committee has imposed a further provision on the funds appropriated for contributions to local housing projects whereby all payments of such funds are subject to audit and final settlement by the Comptroller General of the United States. Heretofore the Comptroller General has not had such power with respect to these contributions and could not hold up payments of doubtful propriety. Any question as to the legality of such payments

will now be resolved by the Comptroller General.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$14,398,532	$21,093,742
Expenses	14,489,678	17,408,444
Retirements of borrowing and capital	20,000,000	4,905,019
Total funds applied	48,888,210	43,407,205
Funds provided:		
Realization of assets	24,853,700	4,718,900
Revenues	13,184,773	12,367,274
Borrowings and appropriations	8,300,000	23,300,000
Decrease in working capital	2,549,737	3,021,031
Total funds provided	48,888,210	43,407,205

SUBSISTENCE HOMESTEAD AND GREENTOWNS PROGRAM

Executive Order 9070 of February 24, 1942, transferred to the National Housing Agency (Federal Public Housing Authority) "all functions, powers, and duties of the Farm Security Administration relating to such housing projects as the Administration determines are for families not deriving their principal income from operating or working on a farm." The Farm Security Administration projects were developed out of funds appropriated by section 208 of the National Industrial Recovery Act of 1933, and the Emergency Relief Appropriation Act of 1935. The original purpose of these projects was threefold, (1) to rehabilitate families in distress by providing them with a homestead on which they could supplement income received by seasonal industrial work, (2) to demonstrate a method of redistributing what was considered an overbalance of population in industrial centers by constructing small suburban communities insulated from encroachments by a Greenbelt of farms and forests, and (3) to provide work relief and to increase employment by providing useful projects.

Thirty-one subsistence homesteads, three greentowns (Greenbelt, Greenhill, and Greendale), and eight undeveloped projects were transferred to the Federal Public Housing Authority under Executive Order 9070. In addition a number of loans to cooperative business enterprises connected with these projects, were transferred from the Farm Security Administration. The eight undeveloped projects were immediately declared surplus and turned over to Public Buildings Administration for disposal. The interest of the Federal Public Housing Authority in 16 of the subsistence homestead projects sold to tenant associations prior to the transfer of these projects pursuant to Executive Order 9070 is represented by mortgage holdings. Through June 30, 1946, 1 project of 50 units and 3 individual units had been declared surplus. In addition, 738 individual unit sales had been negotiated. As of July 1, 1946, 14 subsistence homestead projects and 3 greenbelt towns were under direct operation by the Federal Public Housing Authority.

Development of this program was financed from appropriated funds, and assets representing $65,906,689 of such funds were transferred to the FPHA. Administration of these projects is carried on under the terms of the Bankhead-Black Act of 1936, which provides that operating income may be used for operation and maintenance. These funds have also been used to cover disposition expenses, in accordance with annual acts appropriating these operating revenues.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Expenses	$1,613,200	$1,476,100
Retirement of borrowings and capital	3,202,728	1,686,224
Total funds applied	4,815,928	3,162,324
Funds provided:		
Realization of assets	1,794,800	1,590,781
Revenue	1,749,805	1,490,450
Decrease in working capital	1,271,323	81,093
Total funds provided	4,815,928	3,162,224

The Federal Public Housing Authority is now in the process of disposing of all units taken over from the Farm Security Administration. Projects are being sold either as units to individual tenants or in their entirety to tenant homestead associations, depending on whether or not maintenance and operation of community facilities is involved. Sales prices are being determined in conformity with commitments made by the agency of the Federal Government which originally had jurisdiction over these projects, or, in the absence of such commitments, are being based on the fair market value of the property. The terms of the sale provide for repayment of the purchase price over a period not to exceed 40 years, with interest at 3 percent. Advance repayments of the principal are being encouraged. Schools, streets, and other public ways will, where appropriate, be dedicated to local governments. Utility installations and community, commercial, and service facilities now owned by the Federal Government will be disposed of in a manner to assure their continued operation. Land and other properties held in connection with the program and not otherwise being disposed of will be declared surplus to the War Assets Administration as rapidly as possible.

As of June 30, 1946, 3 projects of 605 units had been disposed of, while other projects had been partially disposed of to the extent of 136 units. During fiscal year 1946, lease-purchase contracts were executed for 138 individual units, and 1 project of 50 units, made untenable by floods, was declared surplus. During the fiscal year 1947 it is anticipated that lease and purchase contracts will have been executed for 203 units and 516 units will have been sold. Lease and purchase contracts will be executed for 317 units during the fiscal year 1948, and 46 units will be sold. Dedication of community facilities and public ways is expected to be completed during the fiscal year 1947.

No disposition of housing units of the greentowns is contemplated by the Federal Public Housing Authority during the fiscal year 1948. The committee recommends that the appropriate legislative committee give consideration to reviewing the status of these towns and to possible transfer of the duty of their disposal to another Government agency.

DEPARTMENT OF AGRICULTURE

Federal Farm Mortgage Corporation

Economic conditions in the spring of 1933 were such that the demand for farm mortgage credit far exceeded the funds available. To provide additional farm mortgage credit, Congress passed the Emergency Farm Mortgage Act of 1933, effective May 12, 1933. Section 32 directed the Reconstruction Finance Corporation to make available to the Land Bank Commissioner the sum of $200,000,000 for the purpose of making loans to farmers on the security of a first or second lien on real or personal property in an amount which, together with prior encumbrances might not exceed 75 percent of the appraised normal value of the property.

With the progress of the lending program of the Commissioner under section 32 of the Emergency Farm Mortgage Act of 1933, and of the Federal land banks for their own account, it became apparent that the fund made available to the Commissioner would not be sufficient to meet demands upon it. To meet this situation, the Federal Farm Mortgage Corporation was created on January 31, 1934, and began operations almost immediately. The Corporation is authorized to have succession until dissolved by act of Congress.

The Corporation was created for the following purposes: (1) To provide funds for making loans to farmers by the Land Bank Commissioner; (2) to make funds available to the Federal land banks to assist them in their financing during periods of emergency; and (3) to make loans to joint-stock land banks. To accomplish this, the Corporation is authorized to issue and have outstanding at any one time $2,000,000,000 of bonds fully and unconditionally guaranteed both as to principal and interest by the United States. Public Law 505, of July 12, 1946, extended the lending authority of the Corporation to July 1, 1947. New loans to farmers will not be made during the fiscal year 1948 unless the lending authority of the Land Bank Commissioner is extended beyond July 1, 1947 by legislation. It is expected that the activities of the Corporation in 1948 will be restricted to a program of liquidation.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$16,187,800	$25,413,900
Expenses	4,661,800	[1] 3,303,800
Retirement of borrowings and capital	53,214,400	10,490,000
Increase in working capital		3,224,900
Total funds applied	74,064,000	42,432,600
Funds provided:		
Realization of assets	62,236,700	36,262,300
Revenues	8,150,200	6,170,300
Decrease in working capital	3,677,100	
Total funds provided	74,064,000	42,432,600

[1] Includes administrative expenses estimated at $3,235,000, and reduced to $2,750,000 by committee.

Although no new loans to farmers are contemplated in 1948, it may be necessary for the Corporation to refinance some loans closed in the name of the Land Bank Commissioner prior to July 1, 1947. Such contingencies are not provided for in the 1948 budget.

The earned surplus of the Corporation as of July 1, 1947, is estimated to be $102,649,340.

Administrative expenses for the fiscal year 1948 were estimated at $3,235,000. This has been reduced by the committee to $2,750,000.

Federal intermediate-credit banks

The 12 Federal intermediate-credit banks were organized pursuant to the Agricultural Credits Act of 1923. The term of existence of the banks is unlimited.

The intermediate-credit banks serve as banks of discount to provide a permanent source of credit for local lending institutions to supply agriculture with the types of credit needed at reasonable rates of interest and with maturities adapted to the normal liquidating seasons of the industry. The banks do not make loans directly to individuals

or accept deposits of funds otherwise than as collateral security.

Each intermediate-credit bank operates under the direction of a district farm credit board of seven members, who are ex officio the directors of the Federal intermediate-credit bank, Federal land bank, district bank for cooperatives, and production credit corporation serving the district. Each unit has a separate staff of executive officers and employees, but a general agent and his staff, employed by the district board, serve as joint officers and employees of all four institutions, to coordinate their activities and furnish such services as legal, information, statistical, personnel administration, etc.

The total capital of the 12 banks, $60,000,000, was subscribed by the Secretary of the Treasury and the capital and unimpaired surpluses on June 30, 1946, totaled $92,376,317. It is expected that this figure will reach $94,286,617 by June 30, 1948.

During the year ended June 30, 1946, the banks made loans and discounted paper amounting to $909,298,726 and received repayments of $877,273,257. For 1947, lending activities are estimated at $961,574,100, with repayments of $922,926,900, and for 1948 at $1,007,341,700, with repayments of $985,485,800.

As of June 30, 1946, the banks had outstanding unmatured debentures and notes amounting to $310,895,000 and it is anticipated that these obligations will total $378,112,000 by June 30, 1948.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$969,312,600	$1,016,341,700
Expenses	4,775,400	[1] 5,299,500
Retirement of borrowings and distribution of surplus	577,325,600	673,536,600
Increase in working capital	7,339,400	1,640,900
Total funds applied	1,558,753,000	1,696,818,700
Funds provided:		
Realization of assets	930,665,500	994,845,800
Revenues	6,004,500	6,396,900
Borrowings	622,083,000	695,576,000
Total funds provided	1,558,753,000	1,696,818,700

[1] Includes administrative expenses estimated at $1,755,000 and reduced to $1,250,000 by committee.

Administrative expenses for the fiscal year 1948 were estimated at $1,755,000. This amount has been reduced by the committee to $1,250,000.

Production-credit corporations

The 12 production-credit corporations were chartered in 1933 by the Governor of the Farm Credit Administration pursuant to the Farm Credit Act of 1933. Establishment of the production-credit system was an outgrowth of various efforts to cure long-standing weaknesses in the short-term agricultural credit field. Experience had shown that insufficient capital, inadequate supervision, and the dependence on local resources generally for loanable funds for agricultural production were the chief weaknesses. These corporations each serve one farm-credit district.

In each district the farm-credit board elected or appointed as prescribed by law serves as the board of directors of the corporation. The principal functions of these corporations are to organize, partially capitalize, and supervise local cooperative production-credit associations. The active associations, of which there were 505 on June 30, 1946, together with the 12 corporations operating under the supervision of the Farm Credit Administration constitute a permament system for making short-term agricultural loans to farmers and stockmen in all parts of the country and Puerto Rico.

The initial capital stock of each corporation was provided in the sum of $7,500,000 to be subscribed by the Governor and held by him on behalf of the United States. Payment for capital stock was made from a revolving fund of $120,000,000 provided for the purpose.

Additions to the initial capital stock were made by the Governor until March 1935 when the full $120,000,000 had been subscribed and subscriptions in that sum were maintained for most of the period from that time to March 1944. During that period a general redistribution of capital stock was made on three occasions while transfers affecting several corporations were made on two other occasions.

The capital of the corporations and most of their surplus is invested in class A stock of production-credit associations and in United States Treasury bonds. The income from the corporations' investments is used to pay expenses and to build reserves.

On June 30, 1946, the surplus of all the corporations aggregated $15,558,370, or 15.4 percent of their paid-in capital. This surplus not only safeguards the paid-in capital against impairment but directly influences the amount of paid-in capital required.

Pursuant to the policy of retiring the capital stock or corporations to the extent feasible, repayments were made to the revolving fund in the United States Treasury in the sum of $5,000,000 in April 1944, $6,700,000 in April 1945, and $7,050,000 in May 1946. On June 30, 1946, the aggregate paid-in capital of the corporations was $101,250,000.

The corporations have no specific borrowing authority and have never had occasion to resort to borrowed funds. Each of the corporations is a separate entity and operates within its own financial structure.

Because of the anticipated continued improvement in the financial condition of the production-credit associations through 1948, it is estimated that associations will retire class A stock owned by the corporations in an amount sufficient to enable the corporations to reduce their capital stock owned by the Government from $95,950,000 to $91,150,000 and thereby return $4,800,000 to the Treasury of the United States.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$8,558,500	$7,876,700
Expenses	1,650,000	[1] 1,702,000
Retirement of capital	5,300,000	4,800,000
Total funds applied	15,508,500	14,378,700
Funds provided:		
Realization of assets	13,676,700	12,478,300
Revenues	1,806,800	1,792,300
Decrease in working capital	25,000	108,100
Total funds provided	15,508,500	14,378,700

[1] Includes administrative expenses estimated at $1,702,000 and reduced to $1,600,000 by committee.

The local associations have used accumulated reserves to reduce materially the investment of production-credit corporations in their capital stock. As of January 1, 1947, 12 production-credit associations, having $50,000 or less of their stock owned by production-credit corporations, had fully returned such investment. The rapidity with which the total investment of this nature can be eliminated is affected by the volume of farmers' income generally. The estimate of $1,702,000 for administrative expenses in 1948 has been reduced by the committee to $1,600,000.

Regional Agricultural Credit Corporation

Following an extreme credit stringency during 1930–31, the Reconstruction Finance Corporation was created January 22, 1932, with authority to make loans to aid in financing agriculture, either directly or by way of discount or rediscount of obligations. The Emergency Relief and Construction Act of 1932 extended the power of the Reconstruction Finance Corporation by authorizing it to establish a regional agricultural-credit corportion in any Federal land-bank district (now Farm Credit Administration district) where the need existed. Under that authority 12 regional agricultural-credit corporations, 1 in each Federal land-bank district, were chartered during September and October 1932, to make loans to farmers and stockmen for agricultural purposes.

These corporations were supervised and controlled by the Reconstruction Finance Corporation until May 27, 1933, when such supervision and control was transferred to the Farm Credit Administration.

As a result of the creation of the production-credit system and the reestablishment of lending by commercial banks it became apparent that in some land-bank districts the lending activities of these corporations could be curtailed and in some cases discontinued without detriment to the farmers. Accordingly, the Farm Credit Act of 1937 authorized the consolidation or merger of the regional agricultural-credit corporations. By a series of mergers these corporations were merged into the Regional Agricultural Credit Corporation of Washington, D. C., the only regional agricultural-credit corporation now in existence. The last of these mergers occurred on January 31, 1944.

The capital stock of these corporations has varied in amount from $44,500,000 in 1933 to $100,000, the present capital stock outstanding. In addition to this capital stock which is owned by the Treasury, there is a paid-in surplus of $22,00,000, consisting of various amounts paid in by the, United States. There is a current deficit of approximately $7,700,000.

Condensed statement of sources and application of funds for the fiscal years 1947 and 1948

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$1,766,000	$1,685,000
Expenses	341,500	[1] 300,200
Increase in working capital	834,673	
Total funds applied	2,942,173	1,985,200
Funds provided:		
Realization of assets	2,491,773	1,612,000
Revenues	118,400	88,300
Capital and surplus subscriptions	332,000	
Decrease in working capital		284,900
Total funds provided	2,942,173	1,985,200

[1] Includes administrative expenses estimated at $300,000, and reduced to $200,000 by committee.

Administrative expenses, estimated in the budget program at $300,000, for 1948 have been reduced to $200,000 by the committee.

DEPARTMENT OF STATE

Office of Inter-American Affairs

Five corporations were created by the Office of Inter-American Affairs to assist in carrying out the programs of this war agency. These were created under authority contained in the Third Supplemental National Defense Appropriation Act, 1942, the First Supplemental National Defense Appropriation Act, 1943, and the National War Agencies Appropriation Act, 1944, and were transferred to the Department of State by Executive order effective May 20, 1946. All of the corporations were incorporated under the laws of the State of Delaware. Prior to the fiscal year 1947, funds were provided from appropriations to the Office of Inter-American Affairs. These corporations have not been operated for profit, and losses reflected in the 1948 budgets represent depletion of capital.

Only two of the corporations, the Institute of Inter-American Affairs and the Inter-American Educational Foundation, will be operating actively in 1948 and the programs of both will be completed during the fiscal year 1949.

The committee has approved the budget estimate of funds to be appropriated for 1948, amounting to $7,000,000 for the Institute of Inter-American Affairs and $1,115,000 for the Inter-American Educational Foundation, which funds are for the payment of obligations authorized by law. Administrative expenses have been reduced from the estimate of $788,000 to $550,000 for the Institute of Inter-American Affairs. The estimate of $400,000 for administrative expenses of the Inter-American Educational Foundation, Inc., has been reduced to $250,000 in the bill.

The Institute of Inter-American Transportation and Prencinradio, Inc., are presently in the process of dissolution. The committee has provided that under the head of administrative expenses funds shall be available only for payment of terminal leave. Provision has also been made that such administrative duties and responsibilities as may be necessary during the course of dissolution are to be assumed by such officers and employees of the Department of State as the Secretary of State may designate and that such persons are not to be paid salaries additional to their departmental pay. A provision has also been included in the bill directing that final dissolution and liquidation of these Corporations is to be carried out as rapidly as practicable.

The Inter-American Navigation Corporation is completely liquidated.

Condensed statements of sources and application of funds for the fiscal years 1947 and 1948

INSTITUTE OF INTER-AMERICAN AFFAIRS

	1947, estimated	1948, estimated
Funds applied:		
Acquisition of assets	$1,557	$342
Expenses	9,118,516	[1] 6,929,252
Increase in working capital		245,406
Total funds applied	9,120,073	7,175,000
Funds provided:		
Contributions and reimbursable operations	363,927	175,000
Appropriations	3,736,892	7,000,000
Decrease in working capital	5,019,254	
Total funds provided	9,120,073	7,175,000

INTER-AMERICAN EDUCATIONAL FOUNDATION, INC.

Funds applied:		
Acquisition of assets	$33,600	$9,600
Expenses	1,913,191	[2] 1,565,730
Total funds applied	1,946,791	1,575,330
Funds provided:		
Contributions from other American Republics	170,769	141,338
Appropriations	1,083,577	1,115,000
Decrease in working capital	692,445	318,992
Total funds provided	1,946,791	1,575,330

INSTITUTE OF INTER-AMERICAN TRANSPORTATION

Funds applied:		
Acquisition of assets	$300	$100
Expenses	290,046	[3] 15,700
Retirement of borrowings and capital	200,000	
Total funds applied	490,346	15,800
Funds provided:		
Realization of assets	5,583	
Decrease in working capital	484,763	15,800
Total funds applied	490,346	15,800

Condensed statements of sources and application of funds for the fiscal years 1947 and 1948—Continued

PRENCINRADIO, INC.

	1947, estimated	1948, estimated
Funds applied:		
Expenses	$30,464	[4] $21,487
Retirement of borrowings and capital	88,125	
Total funds applied	118,589	21,487
Funds provided:		
Realization of assets	87,125	16,786
Revenue	1,460	176
Decrease in working capital	30,004	4,525
Total funds provided	118,589	21,487

[1] Includes administrative expenses estimated at $783,000 and reduced to $550,000 by committee.
[2] Includes administrative expenses estimated at $400,000 and reduced to $250,000 by committee.
[3] Amount estimated for administrative expenses. Reduced by committee to $3,000 and limited to payment of terminal leave only.
[4] Includes administrative expenses estimated at $8,850, and reduced by committee to $2,000 for payment of terminal leave only.

AMENDMENT OF SECTION 104 OF THE GOVERNMENT CORPORATION CONTROL ACT

Section 104 of the Government Corporation Control Act (Public Law 248, 79th Cong.) reads:

"SEC. 104. The budget programs transmitted by the President to the Congress shall be considered and, if necessary, legislation shall be enacted making available such funds or other financial resources as the Congress may determine. The provisions of this section shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law, nor shall any provisions of this section be construed as affecting in any way the provisions of section 26 of the Tennessee Valley Authority Act, as amended. The provisions of this section shall not be construed as affecting the existing authority of any wholly owned Government corporation to make contracts or other commitments without reference to fiscal-year limitations."

In reporting H. R. 3660, which became Public Law 248, the Committee on Expenditures in the Executive Departments made the following statement (H. Rept. 856, 79th Cong., p., 12) in explaining the procedure to be followed under section 104:

"It is contemplated that the budget programs as transmitted by the President to the Congress would include, as in the case of estimates of appropriations, language suitable for enactment as the authorizing legislation. Such programs, would be referred to the House Committee on Appropriations and, after hearings, be reported to the House, in the form of (1) simple authorizing legislation, showing that the Congress had considered and approved by the budget program but not setting a limitation on the corporate financial activities other than that provided by substantive law, or (2) legislation incorporating such specific limitations as necessary to enforce the will of Congress in the carrying out of the corporate financial activities or to conform such activities to the general financial program of the Government."

The Senate committee in reporting the same bill after its passage by the House (S. Rept. 694, 79th Cong., p. 5) made the following statement:

"The Congress will consider these budget programs and enact legislation making available such funds or other financial resources, with such directives and limitations, as it may deem necessary. In this manner Congress will for the first time have a systematic procedure for annually scrutinizing and passing upon the budgets of the Government corporations as it now does for the regular agencies of the Government."

The language of section 104, as it has been interpreted, leaves substantial doubt of the authority of the Committee on Appropriations to report to the House limitations on the activities and programs of the Government corporations, so the committee has included in the bill, for consideration by the House, a redraft of section 104 which will clarify the situation and put the Congress, in consideration of the annual budgets of the corporations, in position to place such limitations on the use of corporate funds as may be necessary to carry out the will of the Congress. It is not the committee's purpose or desire to go beyond the intention of the committees which wrote the original legislation as expressed in their reports quoted above. The committee does believe, however, that in view of the interpretations which have been placed on section 104, it is necessary to amend the section if it is to give effect to the intention of the act. Consideration of two annual budgets of the corporations brings the Committee on Appropriations to the conclusion that an annual review of the fiscal activities of the corporations is just as important as an annual review of the fiscal activities of administrative agencies. To clothe a Government corporation with broad powers extending over a long period of years is to place that corporation in position to carry on activities to a degree and in a manner not consonant with the general condition of the Federal finances and which may be entirely out of tune with the policies of the Congress. The Congress is the policy-making branch of the Government and, as such, cannot delegate that power unrestricted over a long period of time without surrendering an important function necessary to be retained if the Congress is to give the kind of attention to the people's business which the Constitution contemplates.

The Federal Treasury is no bottomless pit, and the present staggering debt, $258,000,000,000, makes it imperative that the Congress keep within its immediate control on a year-to-year basis all possible drains on the Treasury. To distinguish between administrative agencies for which direct appropriations are made annually and the corporations which are said to operate on their own funds but which in reality acquire those funds by drawing on the Treasury of the United States and to permit such corporations to draw on the public purse ad libitum is, in the judgment of the committee, somewhat illogical. A Government corporation is a Government agency, and if Government agencies should be restricted in their use of Federal funds, then the corporations cannot be left out of control.

MIXED-OWNERSHIP GOVERNMENT CORPORATIONS

The requirements of the Government Corporations Control Act for the submission of annual budgets are applicable to wholly owned Government corporations only. There are certain of the so-called mixed-ownership Government corporations (that is, corporations the stock of which is partially owned by the Government and partially owned by other interests) which, in the judgment of the committee, should be subjected to the same degree of control as the wholly owned Government corporations. The Government's financial stake in them is such that to leave them free of this control is to leave a large segment of the Government's business interests (which could result in heavy drains on the public purse) without the close supervision of the Congress, which can only be obtained through annual budget review.

Therefore the committee has included, as section 308 of the bill, an amendment to section 101 of the Government Corporations Control Act to provide for the submission of annual budgets by (1) the Central Bank for

Cooperatives and the Regional Banks for Cooperatives, (2) Federal Home Loan banks, and (3) the Federal Deposit Insurance Corporation.

Compliance with clause 2a of rule xiii

The following is submitted in compliance with clause 2a of rule XIII:

EXISTING LAW	IN PENDING BILL
Section 104 of Public Law 248, Seventy-ninth Congress (the Government Corporations Control Act): "SEC. 104. The budget programs transmitted by the President to the Congress shall be considered and, if necessary, legislation shall be enacted making available such funds or other financial resources as the Congress may determine. The provisions of this section shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law, nor shall any provisions of this section be construed as affecting in any way the provisions of section 26 of the Tennessee Valley Authority Act, as amended. The provisions of this section shall not be construed as affecting the existing authority of any wholly owned Government corporation to make contracts or other commitments without reference to fiscal - year limitations."	Section 307 of the accompanying bill: "SEC. 307. Section 104 of the Government Corporations Control Act (Public Law 248, 79th Cong.) is hereby amended to read as follows: "'SEC. 104. The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations, as may be authorized by law, making available for use such corporate funds or other financial resources or limiting the use thereof as the Congress may determine and providing for repayment of capital funds and the payment of dividends. Except as provided in such legislation, the provisions of this section shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 26 of the Tennessee Valley Authority Act, as amended. The provisions of this section shall not be construed as affecting the existing authority of any wholly owned Government corporation to make contracts or other commitments without reference to fiscal-year limitations, as such authority may be necessary to the execution of an approved budget program'."
Section 101 of Public Law 248, Seventy-ninth Congress (the Government Corporations Control Act): "SEC. 101. As used in this act the term 'wholly owned Government corporation' means the Commodity Credit Corporation: Federal Intermediate Credit Banks; Production Credit Corporations, Regional Agricultural Credit Corporations; Farmers Home Corporation; Federal Crop Insurance Corporation; Federal Farm Mortgage Corporation; Federal Surplus Commodities Corporation; Reconstruction Finance Corporation; Defense Plant Corporation; Defense Supplies Corporation; Metals Reserve Company; Rubber Reserve Company; War Damage Corporation; Federal National Mortgage Association; the RFC Mortgage Company; Disaster Loan Corporation; Inland Waterways Corporation; Warrior River Terminal Company; The Virgin Islands Company; Federal Prison Industries, Incorporated; United States Spruce Production Corporation; Institute of Inter-American Affairs; Institute of Inter-American Transportation; Inter-American Educational Foundation, Incorporated; Inter-American Navigation Corporation; Prencinradio, Incorporated; Cargoes, Incorporated; Export-Import Bank of Washington; Petroleum Reserves Corporation; Rubber Development Corporation; U. S. Commercial Company; Smaller War Plants Corporation; Federal Public Housing Authority (or United States Housing Authority) and including public housing projects financed from appropriated funds and operations thereof; Defense Homes Corporation; Federal Savings and Loan Insurance Corporation; Home Owners' Loan Corporation; United States Housing Corporation; Panama Railroad Company; Tennessee Valley Authority; and Tennessee Valley Associated Cooperatives, Incorporated."	Section 308 of the accompanying bill: "SEC. 308. Section 101 of the Government Corporations Control Act (Public Law 248, 79th Cong.) is hereby amended by adding at the end thereof the following: "'This title shall apply to the same extent as to wholly owned Government corporations and for the same purposes to the following mixed-ownership Government corporations: (1) The Central Bank for Cooperatives and the regional banks for cooperatives, (2) Federal home loan banks, and (3) Federal Deposit Insurance Corporation.'"

Comparison of appropriations for 1947, estimates for 1948, and amounts carried in the bill for 1948

Agency	Appropriations, 1947	Budget estimates, 1948	Recommended in bill, 1948	Increase (+) or decrease (−), bill compared with 1947 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1948
Tennessee Valley Authority	$39,906,000	[1] $27,057,500	$22,143,500	−$17,762,500	−$4,914,000
Housing Expediter	[2] [4] 6,457,500	7,765,000	3,539,080	−2,918,420	−4,225,920
National Housing Agency:					
Office of the Administrator	([3] [5])	([5])	100,000	+100,000	+100,000
Federal Public Housing Authority	8,300,000	7,200,000	2,200,000	−6,100,000	−5,000,000
Department of State:					
Institute of Inter-American Affairs	3,456,710	7,000,000	7,000,000	+3,543,290	
Inter-American Educational Foundation, Inc	1,083,577	1,115,000	1,115,000	+31,423	
Total	59,203,787	50,137,500	36,097,580	−23,106,207	−14,039,920

[1] Exclusive of $15,552,654 unexpended balance of 1947 appropriation continued available in 1948.

[2] Received by transfer from "Salaries and expenses, Office of the Administrator and Expediter, National Housing Agency."

[3] Salaries and expenses in 1947 were obtained by transfer from constituent units of the National Housing Agency, in estimated amount of $745,500.

[4] Budget contemplated transfer of salaries and expenses from constituent units of National Housing Agency in estimated amount of $1,215,000.

[5] Represents 5½ months from Jan. 11, 1947 (the effective date of Executive Order 9620), to June 30, 1947.

Administrative expenses

[Limitations on amounts of corporate funds to be expended]

Agency	Allowed, 1947 (includes deficiencies)	Budget, 1948	Recommended in bill 1948	Bill compared with amounts allowed 1947	Bill compared with 1948 budget
Export-Import Bank	$780,000	$842,000	$800,000	+$20,000	−$42,000
Panama Railroad Company	760,000	779,700	750,000	−10,000	−29,700
Tennessee Valley Association Co-ops	2,500	2,500	[1] 2,500		
National Housing Agency:					
Federal Home Loan Bank Administration	1,641,000	1,965,000	1,250,000	−391,000	−715,000
Federal Savings and Loan Insurance Corporation	550,000	670,000	532,000	−18,000	−138,000
Home Owners' Loan Corporation	4,650,000	3,723,000	3,000,000	−1,650,000	−723,000
Federal Housing Administration	17,624,000	24,000,000	17,624,000		−6,376,000
Federal Public Housing Authority	19,900,000	15,600,000	10,400,000	−9,500,000	−5,200,000
Defense Homes Corporation	106,400	12,300	[2] 3,000	−103,400	−9,300
Department of Agriculture:					
Federal Farm Mortgage Corporation	4,050,000	3,235,000	2,750,000	−1,300,000	−485,000
Federal Intermediate Credit Banks	1,585,000	1,755,000	1,250,000	−335,000	−505,000
Production credit corporations	1,650,000	1,702,000	1,600,000	−50,000	−102,000
Regional Agricultural Credit Corporation	341,000	300,000	200,000	−141,000	−100,000
Department of Commerce:					
Inland Waterways Corporation	640,000	418,100	418,100	−221,900	
Warrior River Terminal Company	20,200	20,100	20,100	−100	
Department of the Interior: Virgin Islands Company	20,000	20,000	20,000		
Department of Justice: Federal Prison Industries, Inc	268,826	240,000	225,000	−43,826	−15,000
Department of State:					
Institute of Inter-American Affairs	774,400	788,000	550,000	−224,400	−238,000
Institute of Inter-American Transportation	50,500	15,700	[2] 3,000	−47,500	−12,700
Inter-American Educational Foundation	365,000	400,000	250,000	−115,000	−150,000
Prencinradio, Inc	11,000	8,850	[2] 2,000	−9,000	−6,850
Total	55,789,826	56,497,250	41,649,700	−14,140,126	−14,847,550

[1] For administrative expenses related to liquidation.
[2] For payment of terminal leave only.

Mr. WHITTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I do not want to interrupt the gentleman's remarks, but I had hoped to ask the gentleman who immediately preceded the gentleman from Mississippi just what recommendation the committee is making on the Inland Waterways Corporation.

Mr. WHITTEN. It is following the report of the Committee on Small Business, which made the investigation. In effect, it amounts to this: The committee declares that the Inland Waterways Corporation should be operated by the Government but only so long as it may be necessary to get private interests to take it over and give assurance that they will carry on in the same way and give the same service as the Federal Government has done. As far as I know, there is no opposition from any side to that position. All of us would prefer that private enterprise rather than the Federal Government operate it, but if the Federal Government does have to operate it to insure the same service, then I do not know of anyone who is opposed to a continuance of its operation by the Federal Government.

Mr. Chairman, much discussion has been had here today with regard to the Tennessee Valley Authority. Sometimes being on a committee charges you with lots of responsibility you would not have if you were not on the committee. Frankly, I do not think there is anyone in the Congress who has any more interest in the operations of the Tennessee Valley Authority than I have. I know of no one who has any higher regard for the splendid job the people who are running it have done in its operation. I realize there are others in the Congress who are not believers in this Authority or that method of meeting the problems of the people of the Nation. There are members of this committee who are opposed to the creation of such authorities, but be it said for the members of the committee who are opposed to this type of approach that they have recognized that it is in operation and that it is a creature of law, that it has authority under the basic law, the legislative act which set it up. Recognizing that, they have cooperated with those others of us on the committee in an effort to work out a plan whereby the TVA could carry out its real responsibility in the Tennessee Valley area and continue to be the great organization it is.

This repayment plan that is provided in this bill, frankly is legislation. I doubt that I would have written it into the basic law. It is an amendment to the Tennessee Valley Act. There are many things in this bill that, if left to me, would not be as they are in the bill, but there are many things that except for the efforts of the majority and the minority to formulate a plan on a workable basis for the continued operations of these corporations would have been much worse than they are under this bill.

The Tennessee Valley Authority recognizes that it is to its interest and to the interest of those in other great river valleys of the country that the TVA amortize the investment in it and that the money be returned to the Federal Government on a workable, satisfactory basis. The bill provides that the TVA shall repay to the Federal Government each year $2,500,000, which it owes on its bonds, and in addition thereto shall pay annually not less than 40 percent of its net profit thereafter. The remainder, as authorized under the basic law creating the TVA, can be used for the improvement of its capital plant. This means that at the end of any period the Federal Government will have a more valuable plant. It also means that so far as the money that was put up by the Federal Government is concerned, it will be returned.

I should like to point out that each year the Tennessee Valley Authority will submit to the Congress its budget, it will show its net earnings, it will show to this committee and through the committee to the Congress how much money it has in its hands and can repay. May I point out also that next year they are repaying under the budget estimate $10,500,000 out of an estimated net profit of $20,000,000. May I also point out that as a protective feature, to see that the TVA is not crippled in any one year, it is provided that these funds must be paid by July 1, 1948, which means that if they should have a dry year and should not be able to make a sufficient profit, to maintain its operations and make payments, which we are glad to say they have made through the years up to this point, it would carry them to the point where the Congress would be in session and relief could be granted if need be.

We have tried, as friends of the TVA, to work out a plan with the majority of the committee. They yielded to that extent. At first some members thought that there should be a minimum payment each year. You can recognize that in some years of drought when the TVA would have to buy large quantities of coal that in such years they might not be able to make any certain definite payment. So the plan of a percentage payment was worked out.

To those Members of the Congress who do not believe in the TVA approach to meeting national problems and who are opposed to the creation of such authorities, I point out that this is an authority which is created by law and is now in operation. It is a stupendous operation. You should be for this repayment.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. RANKIN. Does my colleague think that this bill is in any way injurious to the Tennessee Valley Authority?

Mr. WHITTEN. I certainly do not. I believe it is also to the interests of those

who believe in this type of operation because if we handle this on a sound basis and if they do repay to the Federal Government as they indicate they should and would like to and carry this on a business basis, there is a much better chance for the same type of operation to spread over the great river valleys of this country. To those who are opposed to this type of operation I would say that certainly you cannot be opposed to what the committee has done here, which is to provide for the repayment of the money that the Government has spent, which is that much more than is set out in basic legislation setting up the authority.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MILLER of Nebraska. Did the committee take into consideration the fact that the TVA and other Government organizations that now own property might have to pay a greater amount of money than they now pay in lieu of taxes and that, therefore, they might not be able to meet this repayment program that has been set up?

Mr. WHITTEN. The repayment program, if you will read it, provides for a minimum charge based on net profit. So if they have no net profit, you can immediately see that they are not required to meet the payments. But for each year of their operation they have had profits, and we can easily anticipate that they will continue to have them, and having it on the basis of their net earnings, in my judgment, would not cripple the TVA.

Mr. MILLER of Nebraska. The reason I say that is the Committee on Public Lands is holding hearings on how much money Government agencies should pay in lieu of taxes. The gentleman from North Carolina testified before our committee to the effect that the TVA was paying in lieu of taxes on property which it owned in the State of North Carolina at the rate of 12 cents per $100, while taxation on other property was at the rate of $1.32 per $100, and if they were paying the same rate as other groups were paying in lieu of taxes, perhaps they would not have sufficient funds to make the repayments as provided by the committee.

Mr. WHITTEN. I am sorry I cannot answer the gentleman in detail with reference to that matter for the reason that we have not gone into that subject matter. I would like to point out again that this is an appropriation bill. Those who spoke against the rule rather complained about the fact that we were going beyond the jurisdiction of the Committee on Appropriations and to some extent we are. But I am vitally interested in the point the gentleman raises. I believe the Federal Government owns entirely too much land throughout the country and some relief should be granted. But this committee, with regard to the repayment of funds invested thought it was to the interest of the TVA and of the Nation to work this out on a workable basis and insofar as that provision is concerned there is an encroachment on the jurisdiction of the legislative committee.

When you get into all these related and kindred problems, certainly they should go to the legislative committees rather than to the Committee on Appropriations.

Mr. SCHWABE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. SCHWABE of Oklahoma. Is it not a fact that the subject matter under consideration, namely, the amortization of the investment in TVA power, was taken up with the TVA authorities, and we attempted to work out a program so that it would not cripple TVA in its functions and operations?

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTEN] has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself five additional minutes.

I may say in that regard that this repayment provision as set out here was not sponsored by the TVA. Last year, at that time the committee—incidentally, under Democratic control—requested in its report that the TVA submit a plan for repayment. The particular plan that is evolved here, I would not want to charge as having been offered by the TVA. But I say, in all fairness to the majority members of this committee, that every effort was made to handle this matter in such a way as not to cripple the operations of the TVA. This action indicates that. While I would not want to take the responsibility for saying it has been approved by TVA, certain modifications were made in the original suggestion of majority members to eliminate what was thought by the TVA to possibly be crippling in effect.

Mr. SCHWABE of Oklahoma. But with the full knowledge of the TVA and to the extent that the committee thought they had obtained from the TVA authorities their judgment that it would not cripple the functions of the TVA?

Mr. WHITTEN. That is correct.

Now, again I would like to say that when you get the Federal Government operating through corporations, the very fact of having corporations is so that they can operate in a corporate way. There are many provisions in this bill which, if my judgment had been prevailing in the committee, I would not have made. But when the majority members agreed to go along and protect the right of the corporation to operate in a corporate way, it was my judgment that then I could agree, even though there might be some difference of opinion as to certain cuts in administrative expenses.

This bill is the composite judgment of the members of the committee. There are numerous other subjects carried in the bill. Time will not permit me to discuss them in detail.

With regard to the various corporations operating in the South American and Central American republics, all of the appropriations here are required under prior commitments. The committee only carried on those activities which the Government was committed to, and we provide the funds to carry out those essential activities. The Panama Railroad operates a business. We tried to give them sufficient money to run it in a businesslike way.

Then we come to the field of housing. There are several things that are hard to take, but if anybody will read the hearings before this committee, including the report of the investigators of the Appropriations Committee, you can clearly see why it was that this committee took the action it did with regard to the Federal Housing Administration.

I ask any of you, when you get letters and telegrams from back home, to read volume 2 of the hearings before this committee before you answer them, and you will clearly see why the committee took the action it did.

With regard to the Expediter's office, I, together with others, have in times past voted to continue that office, not so much in the belief that it would lead to correction of the deplorable housing situation but in the hope that it would lead to an improvement of the housing situation. We have tried to operate under this set-up and it has not worked, and the Expediter, recognizing this, has from week to week relaxed control of materials because he could see that the enforcement of it had clearly broken down. When the OPA ended, people over the country in many cases thought that ended all control of materials. The Expediter's office for months has permitted any individual to buy all the critical materials they could and pile them up on a vacant lot, and the CPA would merely reserve the right to withhold a permit to build. Of course, you cannot do anything to improve housing along that line and in that way.

Personally I felt that regardless of the high hopes of the administration and of the friends of housing and those who want to increase veterans' housing—and I think you are bound to reach the same conclusion—that much as they have tried, hard as they have tried and as much money as the Congress has appropriated, it has failed; and to follow the plans of the Expediter's office to let this agency go forward for 6 months longer is just needlessly dragging out that which is no longer doing any good. The Democrats did that with the OPA, over my vote, I might say, and it did the country no good and the party no good.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself two additional minutes.

I believe that with regard to housing we must make some new approach because that which has been made has not worked out. That was the conclusion of the committee in regulating the expenditures. Further, in regard to the FPHA, if you want to understand the basis for the committee action, read volume 2 of the hearings.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Mississippi yields back 1 minute.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I have listened with a great deal of interest to the statements of the chairman of the subcommittee and to my col-

league the gentleman from Mississippi [Mr. WHITTEN] and others. I am certain that they have the best of intentions of working out an acceptable arrangement whereby this investment can be amortized over a period of 40 years. Certainly no one ever had any intention that the investment should not be repaid at some time to the Federal Government. However, the plan in this bill is unfair and unsound as I shall point out.

Under the appropriation bill TVA would be required to pay each year as a minimum two and one-half million dollars for bond retirement, plus 40 percent of the balance of its net income. These payments are required to aggregate within the next 40 years $348,239,240, the net amount which has heretofore been invested by the Treasury in TVA power facilities. Any additional appropriations for power facilities are to be amortized in a 40-year period.

These amortization requirements are wholly unnecessary. Under the existing act TVA is required to pay into the Treasury all of its net proceeds not required for conducting its business operations. It cannot divert its proceeds to any other purpose. Without benefit of any compulsory minimum payment requirements TVA, in the last 2 years, has made payments in substantially the amounts which would have been required under the provisions of the bill. In fact, the requirements of the bill are ostensibly based upon TVA's own estimates for the future. However, its effect is to impose a fixed obligation upon the operations which will seriously impair TVA's ability to meet its requirements for expansion in years of unusually high capital requirements. The bill puts TVA in a financial strait-jacket, without securing any assurance thereby that the net amount of Treasury funds invested as of any time will be a single dollar less than would be the case under existing law. On the contrary, by preventing TVA from making expenditures when required in the interest of sound business discretion, the probability is that over the long run TVA will lose opportunities for new business and will be required to make capital expenditures on the basis of low initial cost at the expense of long-term economy. This shortsighted attitude is harmful to TVA, the Tennessee Valley and the power consumers dependent upon TVA, and bad for the United States Treasury.

Congress has given TVA an important responsibility to perform in building up the wealth and resources of the Tennessee Valley area. It must be remembered that as to the power program Congress has applied a double test of TVA performance, not only that it shall operate in the black, but also that it shall operate for the benefit of the people of the valley, that the power from the river projects shall be widely distributed at the lowest possible rates consistent with recovery of cost. The harmonizing of these two requirements, so that neither of them shall be submerged or disregarded, requires a considerable degree of financial latitude from year to year. The bill almost completely ignores the primary responsibility of TVA to contribute to the progress of the Tennessee Valley area. Large fixed payments must be made, regardless of the effect on TVA's ability to fulfill its functions. Congress thus necessarily prejudices the ability of TVA to carry out the governmental program established by the TVA act. There is no necessary conflict between the two requirements, as Congress recognized from the beginning, and as TVA has already demonstrated. TVA can meet both the program and financial tests, if Congress will continue to provide a suitable legislative framework. In the present bill, however, Congress has shortsightedly emphasized the immediate dollar returns, without long-term financial advantage to the Government, and at the expense of program accomplishments.

The 40 percent of net income requirement, together with the requirement that TVA retire its bonds at the rate of not less than $2,500,000 per year, would mean that the actual percentage of net revenues which TVA is required to pay into the Treasury, in the form of bond retirements or as direct cash dividends, would be substantially in excess of 40 percent. With a net income of $20,000,000, as in fiscal 1947, TVA would be required to pay over nine and one-half million into the Treasury, or 47½ percent. If 1947 had been a year of low stream flows, the income could be as little as $5,000,000, in which case the bill would require total payments of $3,500,000, or 70 percent. With a net income of $15,000,000 the bill would require payment of $7,500,000, or 50 percent. These figures show the extent to which Congress has deprived TVA of the money which in some years may be necessary to carry on its business.

The requirements of the bill are far more strict than the committee can justify on any theory. In the hearings, the subcommittee chairman recognized the need for flexibility by suggesting an amortization schedule on a 10-year basis so that the payments into the Treasury could fluctuate from year to year as long as the 10-year payment requirement was met. This flexibility has somehow been lost in the drafting of the bill. In addition to the requirement that TVA pay off a quarter of the power investment in 10 years, under the bill as now written TVA must pay more than 40 percent of its net income in every year. The committee apparently has forgotten that the requirements for new investment will fluctuate within wide limits. It has put TVA in a position where it may not be able to meet its capital requirements in some years even though it may be fully able to pay off the prescribed 10-year amount if it were in position to average the payments in years of low capital requirements with those in years of high capital requirements.

If in years of low capital requirements TVA pays more than the minimums, it must nevertheless pay the minimum amounts in years of heavy capital requirements, so that the average payments are bound to be even higher than those mentioned. Moreover, the largest payments would be made in the first 23 years, when TVA is retiring its bonds, thereafter, the minimum annual rate would drop to a straight 40 percent. It makes no sense to impose heavier burdens on income in the early years of an enterprise, which are characterized by high capital requirements for expansion, than in the later years, when a larger proportion of net income could be used for cash dividends without crippling effect.

There is no justification for basing an amortization schedule for a hydroelectric system on a period as short as 40 years. The dams themselves are virtually geologic structures which will last as long as the hills in which they have been imbedded. The amortization period should not be shorter than the composite life of the major elements of the property, which is 55–60 years. Even these figures are conservative because they involve establishing an arbitrary service life of 100 years for the dams themselves.

In connection with the investment it should be pointed out that a great many of these dams which were built were constructed for war purposes, for the furnishing of power for the quick production of aluminum at Alcoa and for the atomic energy plant at Oak Ridge and that except for the war they would not have been built at that time and would not have been built as rapidly as they were and probably could have been built less expensively. I think the Members of the House ought to know as it has been demonstrated everywhere that things that are built for war purposes or things done for war purposes are usually foreover lost for any other use. They have little salvage value. These dams are also included in the amount of the investment that is amortized and is to be paid off.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. PLOESER. The gentleman does not mean to say that these dams are now lost and cannot be used any more.

Mr. KEFAUVER. No, indeed, they are good dams. My point was that they were built to meet the war needs of that particular time.

Mr. PLOESER. Does the gentleman realize that construction costs are just as high now if not higher than they were then?

Mr. KEFAUVER. Yes. I am just pointing out the great value of these dams to the war effort, but that in spite of this they are also included in the amortization program.

The two great fears I have about this legislation, to be very frank about it, is that if section 26 of the TVA Act is amended by legislation in an appropriation act, then under the rules of the Senate it can be further amended by a simple majority in the Senate; whereas, if there is no legislation in an appropriation bill on section 26 then it would take a two-thirds vote to include legislation in the other body. We all know, of course, the difficult experiences we have had with section 26 with the Senate in the years past.

There are one or two things about legislation on the TVA Act which I wish

to discuss. I would like to call the attention of the chairman of the subcommittee to the first paragraph on page 9 reading:

None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power-producing projects (except for replacement purposes) unless and until approved by act of Congress.

The interpretation I would put on that, and I am sure that is the interpretation of the subcommittee, is that before beginning any new dam or constructing any new steam plant there would have to be a specific authorization from the Congress. That has been the procedure all along. However, I would not want that language construed as preventing the Tennessee Valley Authority from buying a generator, which would be a new generator, and placing it in some of the stalls they already have where they can use additional generators; also if it is necessary to build a distribution place or power line or if it is necessary to make some addition to a dam that is already in existence, raise it or do something with it, I would dislike to see an interpretation placed upon that language that that could not be done without specific authorization from the Congress.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Tennessee.

Mr. GORE. I think I can give the gentleman some history of that particular provision which will reveal quite clearly that the intent of the provision is not what the gentleman entertains the apprehension it might be. As the bill was first drafted, the word "project" was "facility." I persuaded the subcommittee to change the word "facility" to "project" for the specific reason that a facility might be interpreted to be a much smaller installation, not only a generator but a small part of a generator. By the word "project," I think it is clear that the committee intends, and I believe it to be the legislative intent that it applies only to new multipurpose dams, or a hydroelectric dam or a major steam plant. It is not the intent, as I understand the committee, nor is it the intent of the language nor the portent of that language, that it would be restrictive of the smaller items such as generators, substations, transmission facilities, and other such operative facilities.

Mr. KEFAUVER. May I ask the gentleman from Tennessee, also the gentleman from Iowa, and the gentleman from Missouri if they do not think, however, that the language in parentheses in line 5 "except for replacement purposes" somewhat negatives the general idea that has been expressed by the gentleman from Tennessee? I am afraid that the language "except for replacement purposes" might mean they could not put in a new generator unless there had already been a generator at that particular place. In carrying out what the gentleman says is the intent of the committee, and I wish also that a member of the majority would express themselves about it, I wonder if it would not be better to strike out the language in parentheses?

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman one additional minute.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Missouri.

Mr. PLOESER. I see no reason for any such amendment. I think the gentleman from Tennessee [Mr. GORE] has expressed the committee's intent. The language is rather explicit. "Except for replacement purposes" means maintenance or replacement of facilities that are necessary, or the replacement of machinery which has already been arranged for, not projects. I see no need for the amendment.

Mr. KEFAUVER. For instance, if a generator had not been in some place where there is a place for a generator in a hydroelectric plant, the gentleman does not think that language would prevent them from buying a new generator for a stall that is already there?

Mr. POULSON. I also hope that this language does not hamper the management of TVA. I am glad to have the distinguished representative of Tennessee call the House's attention to the possible danger of the misinterpretation of the wording in this bill. I respect his legal opinion and furthermore have always considered the gentleman from Tennessee [Mr. KEFAUVER] one of TVA's most persistent and able champions.

Mr. WHITTEN. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Chairman, I will confine my remarks at this time to the TVA as it is affected by this bill.

To begin with, Mr. Chairman, the TVA is of vast and vital importance to the people I am privileged and honored to represent, but it is far bigger than that. It is of vast importance to all people of the United States; indeed, the TVA, the largest integrated operating utility in the world, is owned by the people of the United States. In it the people have a huge investment—an investment that already has paid attractive dividends and which, I am confident, will continue to be both a profitable and beneficial investment from a narrow dollar-and-cents basis, as well as from a broader viewpoint.

Where are those detractors and doubting Thomases who said that the program would be a failure, that by making appropriations for the TVA we were pouring the people's money down a rat hole? The record belies their calamitous predictions.

What is the record of the TVA? It is first and foremost a record of efficiency, honesty, and fiscal soundness that has been eminently successful.

This agency has been investigated and its accounts audited time after time. No congressional committee or official agency has yet found reason to point a finger of accusation or suspicion at the TVA. It was just last March 17 that the Comptroller General of the United States, our former colleague, Lindsay C. Warren, submitted to the Congress an audit and examination of the Tennessee Valley Authority. I would like to quote from page 7 of his report:

In our opinion, TVA's accounts generally are well conceived, supervised, and maintained, and the Authority is to be commended as one of the foremost Government corporations in the use of accounting in management, comparing quite favorably in this respect with well-managed private corporations.

Insofar as we are qualified to make general observations regarding the character of the management of TVA, and insofar as covered within the scope of our audit, we believe that the management is entitled to the highest commendation for the effectiveness with which the Authority functions and for its accomplishments in carrying out the objectives of the TVA Act.

Let us first examine the record of the TVA power program from a strictly dollar-and-cent investment standpoint. Through the present fiscal year, the TVA power program will have earned a net income, or profit, of $96,563,428, after depreciation. Of this amount $8,527,500 has been used—or by the end of this week will be—to retire TVA bonds which were held by the Treasury and the RFC. Fifteen million fifty-nine thousand and nineteen dollars has been repaid in cash into the general fund of the United States Treasury, plus $5,225,130 paid as interest on bonds. The remainder of net income from power, plus depreciation has been used in the improvements of and additions to TVA power facilities, thereby increasing not only the real and book value of the facility, now a going concern, but increasing, too, the earning capacity of the utility, as has been shown by the rapid accretion in net income earned annually from operations. As a matter of fact, practically one-fourth of the TVA investment in completed power-plant facilities is now represented by earnings by the system itself. This is calculated on actual costs of the power plant now in service, less depreciation, and without regard to higher present-day values and replacement costs. The accumulated earnings of the power program from 1940 to the end of this fiscal year are as follows:

1940	$6,000,000
1941	13,000,000
1942	17,000,000
1943	29,000,000
1944	41,000,000
1945	59,000,000
1946	76,000,000
1947	97,000,000

Sufficient is now known of the present fiscal year operation to show that the TVA will have a net income from its power operations of $20,000,000. It can be seen from the budget submitted by the President that it was anticipated that the TVA would first retire $2,500,000 of its outstanding bonds and, in addition, out of all its proceeds, would pay $8,000,000 into the Treasury in accordance with section 26 of the TVA Act.

So you see, Mr. Chairman, that TVA should be operated profitably and make

systematic repayments to the Treasury is not an innovation—not even a new idea. Indeed, it has always been my understanding that the power program of the TVA, once it was a going operating concern, would operate on a business-like basis and would not only pay its way, but reimburse the Treasury for the moneys appropriated for the power program to the end that eventually the people would be reimbursed for their investment, and that they would still own, free of debt, a going concern from which they could expect continued revenue. That is still my conception of the TVA.

Therefore, Mr. Chairman, I think it is entirely unnecessary to write into law a fixed amortization plan. In the committee, I resisted the inclusion of legislation in this appropriation bill, and I regret that the committee decided to do so against my will. The committee having made that decision, I then undertook, as best I could, to work with the committee to the end that nothing seriously harmful to the TVA would be recommended to the House for passage in this bill.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WHITTEN. Mr. Chairman, I yield three additional minutes to the gentleman from Tennessee.

Mr. GORE. What is the amortization plan provided in the bill to begin with? Is it a 40-year period as pointed out here with the requirement that each annual payment must come from the net income of the preceding fiscal year?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. WHITTEN. We have said to the credit of the majority of this committee, it having been determined to include this legislation in this bill that they also cooperated with the gentleman from Tennessee and myself in modifying any plan to the extent of not crippling the operation of the TVA though in some instances they had no particular regard or did not particularly like that type of operation in Government.

Mr. GORE. I agree with the statement of the distinguished and able gentleman from Mississippi, and although I do not see the necessity of writing this kind of thing in the bill and although I am going to support it with reluctance, I think it is fair to say that the proponent of the bill, the distinguished gentleman from Ohio, the lovable chairman of this committee, has no intention in his heart or any desire to destroy the TVA, and I must say in all frankness that I do not share the views of those who think it will destroy the TVA.

Mr. WHITTEN. I may say further for the chairman of this committee and other members that they made every effort to see insofar as they could that this was placed on a business basis and cooperated fully in their efforts to modify to any extent that might be necessary to protect the operations of this authority so long as it has been created by law and is a tremendous operation and working very well.

Mr. GORE. I thank the able gentleman. As he pointed out earlier in the debate, at first the proposal was that a fixed dollar repayment would be required each year. That would have allowed for no flexibility. The majority of the committee yielded on that upon the solicitation of the gentleman from Mississippi and myself to put it on a basis of percentage of net income.

What is the amortization plan written into this bill? To begin with, the bill requires that the Government's present investment in the TVA power program shall be repaid to the Treasury within a period of 40 years, starting from now. Then a minimum annual payment is required out of the net proceeds of each preceding fiscal year. Net income is to be in accordance with the usage in TVA accounts and reports as, for example, in schedule B–2, on page 1414 of the Budget of the United States for 1948, which gives a comparative statement of net income from TVA power operations. The annual payments are to be made within 12 months after the end of each fiscal year. Section 26 of the TVA Act, however, fixes December 31 following the end of the fiscal year as the latest date which the TVA can make repayments to the Treasury out of net income. The June 30 date written into the bill, therefore, actually applies to retirement of bonds.

The committee's plan also requires that the total of the annual payments in each 10-year period of the next 40 years shall not be less than one-fourth of the total amount of the $348,000,000 advanced by the Federal Government for power purposes.

The plan also calls for payments during the next fiscal year of not less than $10,500,000, including $2,500,000 for bond retirement, from net proceeds derived from TVA's 1947 operations. This amount corresponds to the amount budgeted by TVA for payment in fiscal year 1948. In other words, this provision merely legally requires the TVA to do that which they had previously planned to do and which is incorporated in the budget of the President.

Now, there is neither dispute nor doubt about the capacity, or, as far as I am concerned, the intent of the TVA power system, to earn the sum required to repay the Treasury investment within the 40-year amortization period. I do not regard 40 years from now as being an unreasonable period within which the TVA power program would be expected to amortize itself. I think it can do so, and I believe it should do so.

This proposed plan for cash payments does not in any way interfere with TVA's use of its receipts or of whatever amounts of proceeds that are required for operating expenses. Inasmuch as the fixed percentage payments are required to be made from net income, TVA retains flexibility insofar as variation in operating expenses are concerned.

In general, the recommendations of the committee have been based upon the expectations expressed by the TVA in a report to the committee which will be found in the record.

The committee has also included in the bill language which would prevent TVA from using its proceeds for building a new power-producing project. As a matter of fact, such language, like the requirement that $10,500,000 be paid within the next fiscal year, is entirely unnecessary. Not only would proceeds be inadequate for such a major expenditure, but section 26 of the TVA Act would not permit the use of earnings for the construction of a multipurpose dam. The TVA has never done so, and has steadfastly expressed no intent or desire to do so. In the past, appropriations by Congress have provided for such structures; and with or without this provision in the bill, it will be necessary for Congress to appropriate funds for any such project in the future, as well as for any single-purpose power dam or a steam plant. TVA can continue to use its earnings under section 26 for generating units in existing plants, transmission lines, substations, transformers, and such other facilities as are required in carrying on the business of marketing the power generated at its projects.

In this connection, I would like to point out that the TVA record of repayment, since repayment of appropriated funds and retirement of bonds to the Treasury from net income began, has approximated or exceeded the level of requirement of this plan. As normal operations continue, it is entirely possible that this plan would work no particular hardships except that, successful operations taken for granted, the repayment of total appropriated and borrowed funds may be required by this plan in a period considerably shorter than 40 years.

Continued successful operation of the TVA taken for granted, it will be noted from the language of the bill before us that a considerable part of the revenue from this immense operation is left by this plan for improvement and accretion of the power program and facilities. The fact that this Congress, particularly this Congress, reaffirms this principle, is on the credit side of the committee proposal. Too, the plan gives implicit recognition that further appropriational investment must be made in the TVA program, as you will note in the paragraph beginning on line 19 of page 8 of the bill. This, too, is to the credit side of the proposal. This is true because it is certain that additional capital investment in power-producing projects will be necessary, perhaps sooner than even I now think, in order to supply the needs and demands for electrical energy in this great and rapidly developing region.

I have been in the communities, the workshops, and homes of the valley. I have seen a steady growth of washing machines, of electric irons, milking machines, electric lights, and running water in the farm homes and barns. Yes, Mr. Chairman, I have seen the standard of living in the area steadily rising and we have by no means seen the end. Our need for additional power-producing projects, perhaps very soon, is certain.

Now where are we to turn for further investment in this program? Only to the working partnership between the Congress and the people of the TVA region. The people of the Tennessee Valley have accepted wholeheartedly and with gratitude this great experiment in regional development. The cooperation of local governments has been without stint and without exception. The

desire to make of TVA a success has been well nigh unanimous. True, the people of the region have benefited. Their burden has been made a little lighter, and their hopes brighter, but the country as a whole has benefited, too, not only from the attractive returns from the investment, as I have pointed out, but in a much bigger way in development of production capacity of a vast region. Perhaps it will be pardonable if I recall with pride that at a critical time during the war the TVA was furnishing electrical energy that was producing 51 percent of all the aluminum that went into all of our airplanes. TVA also furnished the power for the Oak Ridge plant that manufactured the atom bomb. These two dramatic examples are, however, but a part of the great contribution to victory which stemmed directly from this agency and from the people of the region. So you see, Mr. Chairman, the people of the valley of the Tennessee look with confidence to a continuation of the mutually beneficial partnership in this regional development. That development has been phenomenal and has enured to the benefit of all America. But, Mr. Chairman, we have not seen the end. As I have pointed out, it is inevitable that further investment for the people through the Congress will be necessary. We have not in the past, nor do we plan in the future, to ask for this investment on any other than a business basis—the basis of regional development and the basis of sound and profitable operation.

I recognize that there are some people who do not share my confidence in the TVA and its administration—and some of them are Members of the present Congress. If the writing of this amortization plan into law will better satisfy my colleagues, particularly my Republican colleagues, as to the soundness and efficacy of this great program with which the future of my people is so inseparably intertwined, then that, too, is to the credit of this proposal. I hope you will pardon me if I say in all good humor that I think the Democrats will recapture control of the Congress next year. But I concede that it is not yet definitely settled—a few districts are yet to be heard from. So it is within the realm of possibility that future development of the TVA program, and therefore the region which it serves, may depend upon the degree of confidence that my colleagues to my left have in the soundness of the investment from a strictly dollar-and-cents basis.

The committee plan, however, is not without danger. The danger of writing a fixed amortization plan into law lies in rigidity of legal language, on the one hand, and on the uncertainty of climatic conditions, business cycles, and other unpredictable qualities of the future on the other. I think this danger is particularly involved in the annual minimum repayment required by the committee plan, even though such minimum is only required out of net income. In a good year, I do not now conceive that it will work any great hardship on the program. But in a bad year, that is in a year in which the net income of the TVA would be small, a hardship and an interference with sound operations might result if, at the same time, average or above-average additions to and improvements of facilities are required to meet utility demands of the area.

Also in this connection, I would like to call attention to the fact that the annual cost of producing TVA power can theoretically vary as much as $15,000,000 as between a very dry year and a year of abundant rainfall. Such wide variation has not been experienced since the TVA program has been in operation, but such a variation in rainfall has been a matter of record. In the event of a year of low precipitation, the TVA hydroelectric power must be supplemented by steam plant production which considerably increases the cost of producing power, and would, therefore, materially reduce net income from operations. So, I doubt the advisability of the minimum annual payment provision of this amortization plan, but in amelioration, it can be said that if such a hardship should occur, the Congress could, and I have no doubt would, make such adjustments in the per period requirements as would permit sound economy and businesslike operations of this very great business, owned by all the people, and so vital to a great region of America.

Mr. Chairman, I have discussed as frankly as is within my capacity the amortization plan contained in this bill, but there are two very, very important reasons, which I have not yet mentioned, why I am not going to oppose this bill on the floor today. One is that in the absence of such an understanding there is reason to believe the TVA might have fared much worse, not only with respect to the amortization plan, but in appropriations also. And, second, it is my understanding that in consequence my colleagues on the committee will resist disastrous amendments to the TVA now pending before another legislative body.

No one in Congress or out could possibly be more concerned that the TVA program have a high standard of operational efficiency than I. If, because of cheap politics, or for any other reason, it should become inefficient and extravagant, the people in the TVA region would be first to suffer. True, all the people of the United States would suffer from the inefficiency in the impairment of their investment and in the impairment of the program of development of a vast area of the United States. But the people in the valley of the Tennessee themselves would be the most directly affected. For it would be they who would receive poorer utility service and at higher rates. Future industrial and economic development of the region is inescapably tied to the success of the TVA.

Therefore, Mr. Chairman, as my colleagues on this committee know, I have and will steadfastly demand efficiency and businesslike procedures and economy in the operation of the TVA and nonpartisan consideration of the agency problems.

I turn now to the appropriation features of the bill as related to the TVA. The budget requested an appropriation of $27,000,000 plus for all phases of the TVA program. From this amount the committee has cut approximately $5,000,000 in appropriation funds. I, of course, regretted to see any cuts made in this particular appropriation. I say this, not to indicate that I am lacking in desires to see economy practiced by the Government. I say it because I believe that the budget of the TVA had been pared to the extent below which no sizable reductions could be made in terms of true economy—unless it be in the case of appropriations for the construction of the South Holston Dam, where it is possible to defer certain items from the next fiscal year to the following fiscal year without affecting the completion date of the dams.

The committee has cut $2,000,000 from the budget estimate of $5,000,000 for continuation of construction of the Watauga and South Holston Dams. This $2,000,000 reduction would result in a deferral to fiscal year 1949 of certain necessary work at South Holston, originally scheduled for the coming fiscal year.

Work on the Watauga project is now at a peak stage and any slowing down in fiscal year 1948 would seriously delay the scheduled completion.

Since South Holston is in the earlier stages of construction there is more flexibility in the schedule and more chance to make up lost time. The work proposed for fiscal year 1949 can be intensified and the scheduled date for completion of the South Holston project in calendar year 1951 can be met provided that there is an increase in the 1949 funds corresponding to any reduction made in the 1948 funds.

The activities which would be deferred at South Holston consist largely of the relocation of the State highway in the reservoir area and the placing of orders for the generating equipment. This highway relocation work includes 7 miles of heavy road construction and a large bridge to replace portions of Tennessee State Highway No. 34, which will be flooded by the reservoir. It is probable that the placing of orders for certain parts of the generating equipment could be deferred until the first of fiscal year 1949 if delivery conditions improve, and still obtain deliveries which would not endanger the scheduled date for power production.

Under the curtailed program, work on the construction of the access roads and bridges at South Holston would be started about August 1947; the installation of compressed air, water, and electric utilities together with other construction plant facilities at the damsite would be started in the spring of 1948; excavation and concreting of the stilling basin at the outlet of the diversion tunnel, stripping of the damsite, and other work in preparation for diverting the river would follow.

The budget estimate of $8,600,000 for chemical-plant construction has been reduced by $2,000,000. To indicate with what regrets and disappointment I have seen the committee take this action, I have but to point to the CONGRESSIONAL RECORD at the time the fertilizer program was being considered last year, at which time, I advocated as vigorously as I could appropriations to greatly expand the TVA fertilizer program by the con-

struction of a fertilizer plant at Mobile, Ala. On the other hand, I find considerable satisfaction in the fact that this bill does appropriate $6,686,000 for chemical-plant construction which will greatly improve the TVA facilities for vigorous and progressive research, experimentation, and production of highly the rapid depletion of which has already created a major problem, and I fear concentrated fertilizers which are so direly needed by the soils of America, in the future will create a problem of much more grave concern.

The largest item to be eliminated by this $2,000,000 reduction will be $1,000,000 intended as a contingency against the possible failure of the nitric-acid towers which are an essential part of the ammonium nitrate plant. These towers were built in World War I and have already outlived their normal period of usefulness. The item would not be spent unless needed. With the elimination of this item, TVA now faces the possibility that if the towers should fail it would be necessary to close down all or a part of the ammonium nitrate fertilizer operations upon which thousands of farmers are dependent in order to produce the food required in the world food emergency. Two hundred thousand dollars represents reduction of the estimate for equipping the nitrate plant to use natural gas. The use of natural gas, if available, would mean substantial saving in the cost of producing ammonium nitrate at Muscle Shoals. With a reduction in the funds for the necessary conversion, TVA faces the possibility of not being ready to use natural gas with the promptness which considerations of economy would require.

Deferral of construction of fluorine-recovery plants in connection with fused tricalcium phosphate and sintering operations at Godwin, Tenn., $390,000. The fluorine which would be recovered has high value in industrial processes and as an insecticide, and there seems to be an excellent chance that all or a large part of the cost of recovery would be liquidated by the sale of recovered by-products. Likewise, the installations would have a substantial value to TVA in preventing any possible claims for crop and livestock damage on account of fluorine fumes.

Elimination of provision for beginning a diammonium phosphate plant, $200,000. This plant would produce on a larger scale a highly concentrated fertilizer under a process which has already proved successful in pilot-plant operations. The product contains nitrogen in addition to a high concentration of phosphorus. The Muscle Shoals plant is particularly adapted to manufacture this product since it produces both ammonia and phosphoric acid.

Elimination of provision for beginning a ferrophosphorus limestone plant, $210,000. This plant would utilize by-product materials now largely wasted by converting them into an animal-feed supplement badly needed to supply the demand for animal feeds with high mineral content. Appreciable economy in phosphate operations would be secured through the sale of this material.

I am sorry indeed that this reduction has been made in the fertilizer program, but I consider ourselves lucky to be receiving an appropriation of $6,686,000 for additions to chemical plants.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

TVA—GREATEST DEVELOPMENT OF ANCIENT OR MODERN TIMES

Mr. RANKIN. Mr. Chairman, nothing could be closer to my heart than the Tennessee Valley Authority.

I was coauthor of the bill that created the TVA in 1933. There was a House bill introduced by the gentleman from Alabama [Mr. HILL] which passed the House, but we struck out all after the enacting clause and inserted the Norris-Rankin bill, introduced by my distinguished friend from Nebraska, Senator Norris, and myself. That bill finally became law.

Under the House bill we could never have built another dam until we had found a market for the power. That meant we never could have built another dam at all.

We could not have built a power line under the Hill bill until we exhausted all our efforts to ship this power over private power lines, which simply meant that we would have been left with only one dam on the Tennessee River, Muscle Shoals, the power companies would have had the power produced there, the people would be paying exorbitant rates, and the farmers of the area would be getting no electricity at all.

At that time power was being sold by the party in power, which is the party in the majority in this House now, to the power company at Muscle Shoals at a little less than 2 mills a kilowatt-hour, while the people within sight of the dam were paying 10 cents a kilowatt-hour for that power for domestic use and the average consumer used less than 40 kilowatt-hours a month.

Today, the municipalities and cooperative power associations throughout the area are paying the TVA 4.29 mills a kilowatt-hour for power and delivering it to domestic users at an average of 1.56 cents a kilowatt-hour; and instead of using an average of 40 kilowatt-hours a month, they are using an average of 209 kilowatt-hours a month.

That 209 kilowatt-hours costs them less today than the 40 kilowatt-hours did in 1933, although the TVA is getting more than twice the wholesale rate the power companies were paying the Government at Muscle Shoals at the time the TVA was created.

The hydroelectric power of this Nation is the greatest wealth we possess, outside of the soil from which we live. When I first came to Congress, the American people were purchasing and using 40,000,000,000 kilowatt-hours of electricity a year. At that time they told us we had all the power we needed. That was the argument they put up against creating the Tennessee Valley Authority.

Last year the country used over 200,000,000,000 kilowatt-hours, or about five times as much as they used then, and the demand is greater today than it ever was before.

At that time we had no rural electrification. If it had not been for the creation of the Tennessee Valley Authority, in my opinion, we would have no rural electrification, to amount to anything, today.

One thing that actuated me in introducing the bill to create the TVA was to get this power distributed to the farmers of the area, especially throughout the district I represented.

My success in that respect has far exceeded my expectations. Every precinct in the 10 counties I represent gets TVA power at TVA rates. While we have not been able to reach every farmer in the district, we are moving rapidly in that direction. Thousands of farmers in the district are enjoying the use of TVA power who 15 years ago never dreamed of getting electricity in their homes.

At the time TVA was created, less than 10 percent of the farms of this country were receving any electricity at all, while as I have explained to you, in the average European country, outside of Russia, more than 90 percent of the farms were electrified. Last year, as the RECORD will show, if you will turn to page 6020 of the RECORD of May 28, we had 57.4 percent of our farms electrified, and we are going forward with the program to reach every farm home in America.

This is one of my greatest services to the people of this Nation; for, as you all know, I not only helped to create and develop the TVA, but I have led the fight for rural electrification from the very beginning.

As I have said before, electricity is the lifeblood of our advancing civilization. The cheaper the rates the more freely it flows, and the more freely it flows the greater are its benefits to mankind.

The TVA is the greatest development of ancient or modern times. It is here to stay; and if the American people just knew what it means, they would have an authority on each one of the other great rivers of this country.

The power generated by the TVA exceeds the combined physical strength of every man in the United States living east of the Mississippi River.

It is the greatest servant mankind has ever known, and the only one the man or woman of ordinary means can afford.

Every person in the United States who turns an electric switch is getting benefits from the reduced rates which the Tennessee Valley Authority yardstick has brought. That yardstick on which you have heard such terrific assaults is a magic wand, if you please, which is showing the American people what electricity is worth.

You can generate power with coal, gas, oil, or water power and distribute it in any State in this Union at TVA yardstick rates. That would save you more than a billion dollars a year on your electric light and power bills.

The Tennessee Valley Authority has not only controlled floods on that stream, but it has been able to hold back the flood waters on the Tennessee and prevent the synchronization of those floods

with the floods on the Ohio, the upper Mississippi and the Missouri, and save the lower Mississippi from such disasters as that area experienced in 1927.

If we had had those dams on the Tennessee River then we would not have had that disastrous flood that wrought such havoc from Cairo to the mouth of the Mississippi River. In addition to that, we have provided navigation on the Tennessee and enabled the Government to construct and operate the greatest defense plan the world has ever known at Oak Ridge, where the atomic bomb was produced with the power generated by the Tennessee Valley Authority.

The TVA has made possible the construction of the Tennessee-Tombigbee inland waterway, which will furnish a slack-water route for all up-bound traffic from the Gulf to St. Louis, Chicago, Detroit, Omaha, Pittsburgh, and all other points on the upper Mississippi, the Missouri, the Illinois, the Ohio, the Tennessee, and their tributaries, reduce the cost of such transportation on an average of more than 50 percent and cut the water distance from Oak Ridge to the Gulf of Mexico by 650 miles.

When John L. Lewis came before our Committee on Rivers and Harbors to protest against the St. Lawrence project where 12,000,000,000 kilowatt-hours of electricity are going to waste every year, just as 10,000,000,000 kilowatt-hours a year are going to waste on the Missouri and 10,000,000,000 kilowatt-hours a year on the Ohio, he opposed it he said because it competed with coal. I took the statements of the engineers and showed him that in the State of Illinois power could be generated with coal and distributed all over the State at a rate not exceeding that charged in the Tennessee Valley Authority area. But instead of that we find that last year the people of the State of Illinois were overcharged to the extent of $110,600,000 for their electric light and power.

Following the footsteps of the Tennessee Valley area and giving power to the people of your districts at what it is worth would mean more for your people than anything else that could possibly be done for them at this time.

These tables I have had compiled leave out REA, because we did not have the figures at our fingertips. They leave out the amount that is used for street lighting and for municipal water pumping.

Even so, they show that last year the American people bought and used 170,000,000,000 kilowatt-hours of electricity or more than four times as much as the American people were using for all purposes when I first came to Congress.

According to Tennessee Valley Authority rates, the American people were overcharged $1,524,000,000 for their electricity last year.

Oh, but they say, the public power projects pay no taxes. That is bunk. If I had time I should like to go into the tax problem and show you where that even the municipalities that distribute this power receive more in lieu of taxes than were paid by the private power companies before the municipalities took over. The city of Tacoma, Wash., pays more taxes in proportion than the private power companies in almost any section of the country. Yet, according to the Tacoma rates, last year the American people were overcharged $1,736,000,000.

According to the Bonneville rate they were overcharged $1,239,000,000.

According to the Ontario rate they were overcharged $1,463,000,000.

I say the greatest project of its kind that has ever been constructed in all the history of mankind is the Tennessee Valley Authority. Instead of attacking it, the rest of the country had better follow its example.

Here is a table showing the number of residential consumers, the amount of electricity used by them, and the overcharges in each State, during the year 1946:

TABLE 1.—*Residential electric service, 1946*

State	Estimated sales data for 1946			Estimated revenues and consumer savings under rates in effect in—							
	Number of customers	Total kilowatt-hours (thousands)	Total revenues	Tennessee Valley Authority		Tacoma, Wash.		Bonneville Administration		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	348,823	551,049	$12,025,500	$7,768,473	$4,257,027	$7,203,275	$4,822,225	$9,163,431	$2,862,069	$6,734,280	$5,291,220
Arizona	112,509	189,886	5,483,200	2,412,608	3,070,592	2,237,146	3,246,054	2,840,298	2,642,902	2,089,099	3,394,101
Arkansas	198,764	178,503	7,390,200	3,473,394	3,916,806	3,222,127	4,168,073	4,094,171	3,296,029	3,007,811	4,382,389
California	2,096,353	2,747,767	77,635,500	47,745,833	29,889,667	44,252,235	33,383,265	56,285,738	21,349,762	41,379,722	36,255,778
Colorado	249,478	285,000	10,656,200	5,200,226	5,455,974	4,816,602	5,839,598	6,127,315	4,528,885	4,496,916	6,159,284
Connecticut	496,409	699,112	24,170,300	11,940,128	12,230,172	11,094,168	13,076,132	14,091,285	10,079,015	10,344,888	13,825,412
Delaware	67,614	84,680	3,458,400	1,490,570	1,967,830	1,383,360	2,075,040	1,756,867	1,701,533	1,289,983	2,168,417
District of Columbia [1]											
Florida	473,537	719,581	24,522,800	10,544,804	13,977,996	9,784,597	14,738,203	12,433,060	12,089,740	9,147,004	15,375,79
Georgia	466,298	774,863	19,417,500	11,747,588	7,669,912	10,893,218	8,524,282	13,844,678	5,572,822	10,174,770	9,242,730
Idaho	128,612	320,077	6,428,100	3,773,295	2,654,805	3,496,886	2,931,214	4,448,245	1,979,855	3,265,475	3,162,625
Illinois	1,965,880	2,348,004	80,560,900	41,569,424	38,991,476	38,508,110	42,052,790	48,981,027	31,579,873	36,010,722	44,550,178
Indiana	850,713	1,050,407	35,876,600	17,830,670	18,045,930	16,539,113	19,337,487	21,023,688	14,852,912	15,462,815	20,413,785
Iowa	543,472	596,426	22,495,600	10,887,870	11,607,730	10,100,524	12,395,076	12,822,492	9,673,108	9,425,656	13,069,944
Kansas	370,659	415,509	15,988,800	7,594,680	8,394,120	7,035,072	8,953,728	8,953,728	7,035,072	6,571,397	9,417,403
Kentucky	424,757	449,387	15,202,900	8,589,639	6,613,261	7,966,320	7,236,580	10,125,131	5,077,769	7,434,218	7,768,682
Louisiana	392,805	344,291	14,495,600	6,392,560	8,103,040	5,928,700	8,566,900	7,537,712	6,957,888	5,537,319	8,958,281
Maine	220,401	231,653	9,158,800	4,020,713	5,138,087	3,727,632	5,431,168	4,735,100	4,423,700	3,480,344	5,678,456
Maryland and District of Columbia	575,993	753,709	23,131,500	13,254,516	9,876,984	12,281,329	10,850,171	15,623,323	7,508,177	11,480,528	11,650,972
Massachusetts	1,218,956	1,212,917	52,044,300	22,951,536	29,092,764	21,286,119	30,758,181	27,063,036	24,981,264	19,880,923	32,163,377
Michigan	1,469,424	2,283,802	62,381,300	37,116,874	25,264,426	34,372,096	28,009,204	43,729,291	18,652,009	32,126,370	30,254,930
Minnesota	621,059	844,102	26,349,700	13,780,893	12,568,807	12,779,605	13,570,095	16,257,765	10,091,935	11,936,414	14,413,286
Mississippi	219,659	249,615	7,512,200	3,823,710	3,688,490	3,545,758	3,966,442	4,499,808	3,012,392	3,305,368	4,206,832
Missouri	773,354	929,247	30,445,800	16,227,611	14,218,189	15,040,225	15,405,575	19,119,962	11,325,838	14,035,514	16,410,286
Montana	115,546	158,262	4,871,500	2,464,979	2,406,521	2,284,734	2,586,766	2,903,414	1,968,086	2,133,717	2,737,783
Nebraska	251,700	309,994	10,615,500	5,604,984	5,010,516	5,201,595	5,413,905	6,602,841	4,012,659	4,851,284	5,764,216
Nevada	32,954	92,334	2,266,400	947,355	1,319,045	879,363	1,387,037	1,117,335	1,149,065	820,437	1,445,963
New Hampshire	148,016	157,381	6,555,800	2,668,211	3,887,589	2,471,537	4,084,263	3,146,784	3,409,016	2,307,642	4,248,158
New Jersey	1,188,709	1,267,118	52,717,600	23,670,202	29,047,398	21,930,522	30,787,078	27,887,610	24,829,990	20,454,429	32,263,171
New Mexico	74,834	83,722	3,512,000	1,411,824	2,100,176	1,309,976	2,202,024	1,664,688	1,847,312	1,222,176	2,289,824
New York	3,707,778	3,910,057	156,199,100	71,695,387	84,503,713	66,540,817	89,658,283	84,503,713	71,695,387	62,011,043	94,188,057
North Carolina	521,611	682,280	20,386,175	10,926,990	9,459,185	10,131,929	10,254,246	12,884,063	7,502,112	9,459,185	10,926,990
North Dakota	86,961	103,278	3,922,100	1,804,166	2,117,934	1,674,737	2,247,363	2,125,778	1,796,322	1,560,996	2,361,104
Ohio	1,822,808	2,499,757	78,609,000	44,099,649	34,509,351	40,876,680	37,732,320	51,960,549	26,648,451	38,203,974	40,405,026
Oklahoma	366,753	326,871	14,020,800	6,253,277	7,767,523	5,804,611	8,216,189	7,374,941	6,645,859	5,426,050	8,594,750
Oregon	329,632	943,945	16,138,900	10,587,118	5,551,782	9,812,451	6,326,449	12,475,370	3,663,530	9,166,895	6,972,005
Pennsylvania	2,317,097	2,873,806	99,370,500	50,380,844	48,989,656	46,704,135	52,666,365	59,423,559	39,946,941	43,623,650	55,746,850
Rhode Island	203,072	173,769	8,107,900	3,445,858	4,662,042	3,194,513	4,913,387	4,062,058	4,045,842	2,983,707	5,124,193
South Carolina	251,146	328,505	9,288,025	5,247,734	4,040,291	4,866,925	4,421,100	6,185,825	3,102,200	4,541,844	4,746,181
South Dakota	86,135	100,364	3,581,200	1,536,335	2,044,865	1,425,318	2,155,882	1,812,087	1,769,113	1,332,206	2,248,994
Tennessee	478,602	977,732	17,438,500	13,113,752	4,324,748	12,154,635	5,283,865	15,467,950	1,970,550	11,352,464	6,086,036
Texas	1,151,128	1,202,519	44,396,600	21,754,334	22,642,266	20,200,453	24,196,147	25,661,235	18,735,365	18,868,555	25,528,045
Utah	151,711	227,610	5,982,600	3,547,682	2,434,918	3,290,430	2,692,170	4,181,837	1,800,763	3,069,074	2,913,526
Vermont	91,856	112,526	4,626,900	2,035,836	2,591,064	1,887,775	2,739,125	2,396,734	2,230,166	1,762,849	2,864,051
Virginia	488,874	649,980	21,323,200	10,341,752	10,981,448	9,595,440	11,727,760	12,196,870	9,126,330	8,955,744	12,367,456
Washington	535,186	1,727,162	25,922,000	18,948,982	6,973,018	17,575,116	8,346,884	22,318,842	3,603,158	16,408,626	9,513,374
West Virginia	310,256	316,316	11,899,700	5,902,251	5,997,449	5,473,862	6,425,838	6,949,425	4,950,275	5,104,971	6,794,729
Wisconsin	721,564	1,031,969	29,786,400	16,203,802	13,582,598	15,042,132	14,744,268	19,093,082	10,693,318	14,029,394	15,757,006
Wyoming	49,649	54,069	2,206,800	966,578	1,240,222	895,961	1,310,839	1,138,709	1,068,091	836,377	1,370,423
United States	29,769,107	38,570,913	1,240,576,900	645,697,497	594,879,403	598,719,864	641,857,036	761,092,450	479,484,450	559,104,825	681,472,075

[1] Included in Maryland.

Here is a table showing the number of commercial customers, the amount of electricity used by them, and the overcharges in each State during the year 1946:

TABLE 2.—*Commercial electric service, 1946*

State	Estimated sales data for 1946			Estimated revenues and consumer savings under rates in effect in—							
	Number of customers	Total kilowatt-hours (thousands)	Total revenues	Tennessee Valley Authority		Tacoma, Wash.		Bonneville Administration		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	47,679	311,293	$7,094,400	$3,704,767	$3,389,633	$3,536,701	$3,557,699	$4,749,701	$2,344,699	$4,267,424	$2,826,976
Arizona	19,304	315,396	5,375,700	2,286,769	3,088,931	2,181,567	3,194,133	2,929,057	2,446,643	2,630,062	2,745,638
Arkansas	38,279	207,097	6,264,000	2,600,124	3,663,876	2,483,989	3,780,011	3,329,191	2,934,809	2,987,239	3,276,761
California	409,837	3,158,435	66,427,700	37,631,292	28,796,408	35,920,779	30,506,921	47,962,793	18,464,907	43,036,514	23,391,186
Colorado	42,413	321,467	8,870,200	3,791,567	5,078,633	3,617,977	5,252,223	4,833,106	4,037,094	4,330,609	4,539,591
Connecticut	68,175	424,340	14,833,500	5,316,920	9,516,580	5,072,464	9,761,036	6,798,935	8,034,565	6,111,402	8,722,098
Delaware	10,304	97,724	2,386,500	909,495	1,477,005	865,249	1,521,251	1,160,221	1,226,279	1,039,775	1,346,725
District of Columbia [1]											
Florida	85,338	563,465	20,449,800	6,845,571	13,604,229	6,529,621	13,920,179	8,741,267	11,708,533	7,835,546	12,614,254
Georgia	74,578	686,358	17,370,000	8,015,213	9,354,787	7,639,500	9,730,500	10,251,600	7,118,400	9,196,025	8,173,975
Idaho	21,373	186,368	3,858,700	2,114,413	1,744,287	2,015,052	1,843,648	2,690,710	1,167,990	2,412,498	1,446,202
Illinois	267,874	1,672,466	57,374,600	23,342,856	34,031,744	22,279,131	35,095,469	29,961,590	27,413,010	26,947,703	30,426,897
Indiana	127,098	711,621	21,811,100	9,772,464	12,038,636	9,345,621	12,465,479	12,513,246	9,297,854	11,232,717	10,578,383
Iowa	103,539	576,104	18,122,000	8,250,222	9,871,778	7,876,909	10,245,091	10,546,098	7,575,902	9,482,155	8,639,845
Kansas	60,843	376,800	11,594,800	4,992,025	6,602,775	4,765,115	6,829,685	6,377,372	5,217,428	5,732,469	5,862,331
Kentucky	56,762	318,743	8,667,100	3,981,493	4,685,607	3,802,951	4,864,149	5,106,308	3,560,792	4,588,536	4,078,564
Louisiana	63,045	425,529	13,474,400	4,621,584	8,852,816	4,413,405	9,060,995	5,884,540	7,589,860	5,273,880	8,200,520
Maine	34,656	162,995	4,950,600	1,978,458	2,972,142	1,881,574	3,069,026	2,508,766	2,441,834	2,248,711	2,701,889
Maryland and District of Columbia	95,027	825,419	20,830,500	11,215,175	9,615,325	10,719,555	10,110,945	14,416,751	6,413,749	12,943,194	7,887,306
Massachusetts	177,781	832,926	31,458,200	10,627,839	20,830,361	10,141,810	21,316,390	13,544,014	17,914,186	12,150,730	19,307,470
Michigan	190,883	1,614,725	42,903,600	18,781,051	24,122,549	17,941,428	24,962,172	23,995,555	18,908,045	21,565,066	21,338,534
Minnesota	107,209	615,547	21,147,200	8,451,267	12,695,933	8,059,198	13,088,002	10,760,119	10,387,081	9,649,256	11,497,944
Mississippi	36,273	248,072	6,910,300	2,740,280	4,170,020	2,612,162	4,298,138	3,487,628	3,422,672	3,131,748	3,778,552
Missouri	132,438	851,624	24,919,600	11,088,225	13,831,375	10,574,881	14,344,719	14,193,955	10,725,645	12,730,926	12,188,674
Montana	18,693	135,266	3,439,700	1,700,588	1,739,112	1,622,644	1,817,056	2,175,335	1,264,365	1,948,590	1,491,110
Nebraska	44,705	253,062	7,187,800	3,435,193	3,752,607	3,279,721	3,908,079	4,405,043	2,782,757	3,953,434	3,234,366
Nevada	6,235	99,872	2,245,600	855,798	1,389,802	816,478	1,429,122	1,094,034	1,151,566	980,698	1,264,902
New Hampshire	19,884	81,038	2,907,600	1,170,978	1,736,622	1,114,076	1,793,524	1,494,419	1,413,181	1,338,688	1,568,912
New Jersey	190,724	1,017,236	38,747,100	13,529,325	25,217,775	12,930,682	25,816,418	17,320,728	21,426,372	15,524,801	23,222,299
New Mexico	14,522	96,999	3,150,300	1,090,256	2,060,044	1,041,583	2,108,717	1,392,023	1,758,277	1,252,496	1,897,804
New York	631,516	5,019,720	158,907,400	52,353,632	106,553,768	50,084,435	108,822,965	67,265,502	91,641,898	60,457,909	98,449,491
North Carolina	85,983	576,333	14,638,871	7,162,068	7,476,803	6,815,273	7,823,598	9,107,134	5,531,737	8,157,218	6,481,653
North Dakota	22,063	105,204	3,818,800	1,431,744	2,387,056	1,364,878	2,453,922	1,825,081	1,993,719	1,636,280	2,182,520
Ohio	239,133	1,589,367	44,537,700	20,964,341	23,573,359	20,046,864	24,490,836	26,882,065	17,655,635	24,129,635	20,408,065
Oklahoma	63,613	324,365	10,511,200	4,384,747	6,126,453	4,179,043	6,332,157	5,586,492	4,924,708	5,023,513	5,487,687
Oregon	50,186	591,616	9,536,200	5,765,681	3,770,519	5,500,480	4,035,720	7,347,070	2,189,130	6,590,754	2,945,446
Pennsylvania	334,727	1,954,941	54,535,900	24,490,982	30,044,918	23,367,542	31,168,358	31,400,135	23,135,765	28,198,333	26,337,567
Rhode Island	26,247	118,311	4,960,200	1,675,754	3,284,446	1,599,119	3,361,081	2,125,346	2,834,854	1,905,660	3,054,540
South Carolina	41,399	277,493	6,669,529	3,201,241	3,468,288	3,056,978	3,612,551	4,080,551	2,588,978	3,661,505	3,008,024
South Dakota	23,211	91,755	3,375,500	1,244,682	2,130,818	1,189,054	2,186,446	1,592,358	1,783,142	1,425,474	1,950,026
Tennessee	65,341	497,765	8,934,900	5,917,495	3,017,405	5,641,407	3,293,493	7,555,620	1,379,280	6,782,572	2,152,328
Texas	198,688	1,546,618	38,153,200	16,780,158	21,373,042	15,994,203	22,158,997	21,456,596	16,696,604	19,295,218	18,857,982
Utah	16,556	133,752	3,969,400	1,856,171	2,113,229	1,774,402	2,194,998	2,375,408	1,593,992	2,134,188	1,835,212
Vermont	13,824	92,100	2,371,000	930,452	1,440,548	886,493	1,484,507	1,184,433	1,186,567	1,059,884	1,311,116
Virginia	73,743	725,889	18,031,300	7,224,601	10,806,699	6,890,300	11,141,000	9,230,403	8,800,897	8,264,647	9,766,653
Washington	74,582	1,187,471	17,418,900	11,195,476	6,223,424	10,693,114	6,725,786	14,353,174	3,065,726	12,899,915	4,518,985
West Virginia	44,517	196,090	6,061,500	2,622,205	3,439,295	2,503,582	3,557,918	3,358,920	2,702,580	3,009,292	3,052,208
Wisconsin	114,308	745,270	21,696,100	10,570,123	11,125,977	10,078,489	11,617,611	13,542,272	8,153,828	12,156,758	9,539,342
Wyoming	7,742	54,416	1,874,900	751,216	1,123,684	716,456	1,158,444	957,849	917,051	859,361	1,015,539
United States	4,692,850	33,016,463	924,775,100	395,363,977	529,411,123	377,463,935	547,311,165	505,850,514	418,924,586	454,171,008	470,604,092

[1] Included with Maryland.

Here is one showing the industrial consumption and overcharge in each State during 1946:

TABLE 3.—*Industrial electric service, 1946*

State	Estimated sales data for 1946			Estimated revenues and consumer savings under rates in effect in—							
	Number of customers	Total kilowatt-hours (thousands)	Total revenues	Tennessee Valley Authority		Tacoma, Wash.		Bonneville Administration		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	2,105	3,494,145	$22,137,700	$14,190,266	$7,947,434	$10,493,270	$11,644,430	$15,651,354	$6,486,346	$16,381,898	$5,755,802
Arizona	301	233,464	2,032,000	1,011,936	1,020,064	749,808	1,282,192	1,117,600	914,400	1,170,432	861,568
Arkansas	2,103	476,294	6,131,100	4,022,002	2,109,098	2,979,715	3,151,385	4,438,916	1,692,184	4,647,374	1,483,726
California	17,692	6,451,937	58,694,600	49,186,075	9,508,525	36,449,347	22,245,253	54,292,505	4,402,095	56,816,373	1,878,227
Colorado	8,104	307,849	4,916,800	2,512,485	2,404,315	1,858,550	3,058,250	2,773,075	2,143,725	2,900,912	2,015,888
Connecticut	5,334	1,496,148	22,078,900	11,216,081	10,862,819	8,323,745	13,755,155	12,386,263	9,692,637	12,960,314	9,118,586
Delaware	420	192,525	2,214,300	1,240,008	974,292	918,935	1,295,365	1,368,437	845,863	1,432,652	781,648
District of Columbia [1]											
Florida	2,351	599,972	8,066,100	3,742,670	4,323,430	2,774,738	5,291,362	4,129,843	3,936,257	4,323,430	3,742,670
Georgia	791	1,613,901	14,583,700	9,143,980	5,439,720	6,781,421	7,802,279	10,106,504	4,477,196	10,573,183	4,010,517
Idaho	527	442,263	2,829,800	2,079,903	749,897	1,542,241	1,287,559	2,297,798	532,002	2,402,500	427,300
Illinois	8,088	6,292,255	77,971,900	40,389,444	37,582,456	29,863,238	48,108,662	44,599,927	33,371,973	46,627,196	31,344,704
Indiana	8,689	2,885,389	33,904,600	18,613,625	15,290,975	13,799,172	20,105,428	20,546,188	13,358,412	21,529,421	12,375,179
Iowa	3,569	916,874	10,096,900	5,785,524	4,311,376	4,281,086	5,815,814	6,391,338	3,705,562	6,684,148	3,412,752
Kansas	2,923	801,731	9,353,500	5,340,849	4,012,651	3,956,531	5,396,969	5,892,705	3,460,795	6,163,957	3,189,543
Kentucky	5,185	1,269,978	13,235,600	7,570,763	5,664,837	5,611,894	7,623,706	8,364,899	4,870,701	8,748,732	4,486,868
Louisiana	3,359	1,112,355	8,803,200	5,167,478	3,635,722	3,829,392	4,973,808	5,704,474	3,098,726	5,968,570	2,834,630
Maine	3,967	608,195	5,876,800	3,326,269	2,550,531	2,462,379	3,414,421	3,673,000	2,203,800	3,843,427	2,033,373
Maryland and District of Columbia	1,429	2,154,593	23,211,400	13,000,241	10,211,159	9,627,161	13,584,239	14,348,359	8,863,041	15,025,203	8,186,197
Massachusetts	6,412	2,733,471	42,468,100	21,191,582	21,276,518	15,713,197	26,754,903	23,399,923	19,068,177	24,461,626	18,006,474
Michigan	2,776	4,233,796	51,811,700	24,144,252	27,667,448	17,875,037	33,936,663	26,631,214	25,180,486	27,874,695	23,937,005
Minnesota	933	993,483	13,344,900	7,366,385	5,978,515	5,458,064	7,886,836	8,127,044	5,217,856	8,514,046	4,830,854
Mississippi	1,688	377,782	4,347,100	2,460,459	1,886,641	1,821,435	2,525,665	2,712,590	1,634,510	2,843,003	1,504,097
Missouri	1,799	1,758,420	19,222,600	11,514,337	7,708,263	8,534,834	10,687,766	12,725,361	6,497,239	13,321,262	5,901,338
Montana	1,791	1,201,069	6,171,800	4,622,678	1,549,122	3,425,349	2,746,451	5,104,079	1,067,721	5,344,779	827,021

[1] Included with Maryland.

TABLE 3.—*Industrial electric service 1946*—Continued

State	Estimated sales data for 1946			Estimated revenues and consumer savings under rates in effect in—							
	Number of customers	Total kilowatt-hours (thousands)	Total revenues	Tennessee Valley Authority		Tacoma, Wash.		Bonneville Administration		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Nebraska	291	322,448	$3,616,300	$2,209,559	$1,406,741	$1,638,184	$1,978,116	$2,441,003	$1,175,297	$2,553,108	$1,063,192
Nevada	72	45,652	396,900	300,850	96,050	223,058	173,842	332,205	64,695	347,684	49,216
New Hampshire	754	300,221	4,008,900	2,212,913	1,795,987	1,639,640	2,369,260	2,445,429	1,563,471	2,557,678	1,451,222
New Jersey	3,263	3,194,395	38,898,200	22,016,381	16,881,819	16,298,346	22,599,854	24,272,477	14,625,723	25,439,423	13,458,777
New Mexico	207	42,231	698,200	348,402	349,798	258,334	439,866	384,708	313,492	402,163	296,037
New York	7,670	9,056,311	70,947,300	35,544,597	35,402,703	26,321,448	44,625,852	39,233,857	31,713,443	41,007,539	29,939,761
North Carolina	3,239	2,429,870	20,132,260	13,569,143	6,563,117	10,066,130	10,066,130	14,978,401	5,153,859	15,683,031	4,449,229
North Dakota	36	18,095	348,200	168,529	179,671	125,004	223,196	186,287	161,913	194,992	153,208
Ohio	13,173	7,867,395	81,579,300	45,847,567	35,731,733	33,936,989	47,642,311	50,579,166	31,000,134	52,944,966	28,634,334
Oklahoma	4,980	766,632	9,009,700	5,270,675	3,739,025	3,910,210	5,099,490	5,820,266	3,189,434	6,090,557	2,919,143
Oregon	2,973	1,108,763	6,730,500	5,485,358	1,245,142	4,055,222	2,665,278	6,057,450	673,050	6,340,131	390,369
Pennsylvania	19,559	10,414,608	110,374,300	67,769,820	42,604,480	50,220,307	60,153,993	74,833,775	35,540,525	78,365,753	32,008,547
Rhode Island	1,214	554,825	9,073,300	4,436,844	4,636,456	3,284,535	5,788,765	4,899,582	4,173,718	5,126,415	3,946,885
South Carolina	1,560	1,169,937	9,172,340	6,200,502	2,971,838	4,595,342	4,576,998	6,851,738	2,320,602	7,163,598	2,008,742
South Dakota	155	64,717	1,000,200	452,090	548,110	335,067	665,133	499,100	501,100	522,104	478,096
Tennessee	1,565	5,109,901	22,241,200	17,503,824	4,737,376	12,966,620	9,274,580	19,327,603	2,913,597	20,217,251	2,023,949
Texas	11,213	3,023,732	31,389,100	18,613,736	12,775,364	13,811,204	17,577,896	20,559,861	10,829,239	21,532,923	9,856,177
Utah	1,209	392,122	3,816,000	2,484,216	1,331,784	1,839,312	1,976,688	2,743,704	1,072,296	2,869,632	946,368
Vermont	939	172,903	2,456,900	1,501,166	955,734	1,112,976	1,343,924	1,655,951	800,949	1,734,571	722,329
Virginia	962	1,319,352	12,198,000	7,257,810	4,940,190	5,379,318	6,818,682	8,014,086	4,183,914	8,392,224	3,805,776
Washington	2,558	4,505,354	19,144,900	14,779,863	4,365,037	10,950,883	8,194,017	16,330,600	2,814,300	17,077,251	2,067,649
West Virginia	1,528	2,295,971	23,149,300	13,634,938	9,514,362	10,093,095	13,056,205	15,047,045	8,102,255	15,741,524	7,407,776
Wisconsin	1,978	1,990,670	24,458,200	12,155,725	12,302,475	9,000,618	15,457,582	13,427,552	11,030,648	14,039,007	10,419,193
Wyoming	1,237	70,512	1,003,800	510,934	492,866	378,433	625,367	564,136	439,664	590,234	413,566
United States	174,662	98,884,506	969,348,400	569,114,734	400,233,666	421,580,814	547,767,586	628,269,378	341,079,022	657,492,892	311,855,508

Here is one showing the total number of customers, the amount of electricity purchased and used by them and the overcharges in each State during 1946.

As I pointed out a while ago, this does not include REA power outside the TVA area, nor does it include power used for municipal lighting or pumping.

TABLE 4.—*Total electric sales, 1946*

State	Estimated sales data for 1946			Estimated revenues and consumer savings under rates in effect in—							
	Number of customers	Total kilowatt-hours (thousands)	Total revenues	Tennessee Valley Authority		Tacoma, Wash.		Bonneville Administration		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	398,607	4,356,487	$41,257,600	$25,663,506	$15,594,094	$21,233,246	$20,024,354	$29,564,486	$11,693,114	$27,383,602	$13,873,998
Arizona	132,114	738,746	12,890,900	5,711,313	7,179,587	5,168,521	7,722,379	6,886,955	6,003,945	5,889,593	7,001,307
Arkansas	239,146	861,894	19,785,300	10,095,520	9,689,780	8,685,831	11,099,469	11,862,278	7,923,022	10,642,424	9,142,876
California	2,523,882	12,358,139	202,757,800	134,563,200	68,194,600	116,622,361	86,135,439	158,541,036	44,216,764	141,232,609	61,525,191
Colorado	299,995	914,316	24,443,200	11,504,278	12,938,922	10,293,129	14,150,071	13,733,496	10,709,704	11,728,437	12,714,763
Connecticut	569,918	2,619,600	61,082,700	28,473,129	32,609,571	24,490,377	36,592,323	33,276,483	27,806,217	29,416,604	31,666,096
Delaware	78,338	374,929	8,059,200	3,640,073	4,419,127	3,167,544	4,891,656	4,285,525	3,773,675	3,762,410	4,296,790
District of Columbia [1]											
Florida	561,226	1,883,018	53,038,700	21,133,045	31,905,655	19,088,956	33,949,744	25,304,170	27,734,530	21,305,980	31,732,720
Georgia	541,667	3,075,122	51,371,200	28,906,781	22,464,419	25,314,139	26,057,061	34,202,782	17,168,418	29,943,978	21,427,222
Idaho	150,512	948,708	13,116,600	7,967,611	5,148,989	7,054,179	6,062,421	9,436,753	3,679,847	8,080,473	5,036,127
Illinois	2,241,842	10,312,725	215,907,400	105,301,724	110,605,676	90,650,479	125,256,921	123,542,544	92,364,856	109,585,621	106,321,779
Indiana	986,500	4,647,417	91,592,300	46,216,759	45,375,541	39,683,906	51,908,394	54,083,122	37,509,178	48,224,953	43,367,347
Iowa	650,580	2,089,404	50,714,500	24,923,616	25,790,884	22,258,519	28,455,981	29,759,928	20,954,572	25,591,959	25,122,541
Kansas	434,425	1,594,040	36,937,100	17,927,554	19,009,546	15,756,718	21,180,382	21,223,805	15,713,295	18,467,823	18,469,277
Kentucky	486,704	2,038,108	37,105,600	20,141,895	16,963,705	17,381,165	19,724,435	23,596,338	13,509,262	20,771,486	16,334,114
Louisiana	459,209	1,882,175	36,773,200	16,181,622	20,591,578	14,171,497	22,601,703	19,126,726	17,646,474	16,779,769	19,993,431
Maine	259,024	1,002,843	19,986,200	9,325,440	10,660,760	8,071,585	11,914,615	10,916,866	9,069,334	9,572,482	10,413,718
Maryland and the District of Columbia	672,449	3,733,721	67,173,400	37,469,932	29,703,468	32,628,045	34,545,355	44,388,433	22,784,967	39,448,925	27,724,475
Massachusetts	1,403,149	4,779,314	125,970,600	54,770,957	71,199,643	47,141,126	78,829,474	64,006,973	61,963,627	56,493,279	69,477,321
Michigan	1,663,083	8,132,323	157,096,600	80,042,177	77,054,423	70,188,561	86,908,039	94,356,060	62,740,540	81,566,131	75,530,469
Minnesota	729,201	2,453,132	60,841,800	29,598,545	31,243,255	26,296,867	34,544,933	35,144,928	25,696,872	30,099,716	30,742,084
Mississippi	257,620	875,469	18,769,600	9,024,449	9,745,151	7,979,355	10,790,245	10,700,026	8,069,574	9,280,119	9,489,481
Missouri	907,582	3,539,291	74,588,000	38,830,173	35,757,827	34,149,940	40,438,060	46,039,278	28,548,722	40,087,702	34,500,298
Montana	136,030	1,494,597	14,483,000	8,788,245	5,694,755	7,332,727	7,150,273	10,182,828	4,300,172	9,427,086	5,055,914
Nebraska	296,696	885,504	21,419,600	11,249,736	10,169,864	10,119,500	11,300,100	13,448,887	7,970,713	11,357,826	10,061,774
Nevada	39,261	237,858	4,908,900	2,104,003	2,804,897	1,918,899	2,990,001	2,543,574	2,365,326	2,148,819	2,760,081
New Hampshire	168,654	538,640	13,472,300	6,052,102	7,420,198	5,225,253	8,247,047	7,086,632	6,385,668	6,204,008	7,268,292
New Jersey	1,382,696	5,478,749	130,362,900	59,215,908	71,146,992	51,159,580	79,203,350	69,480,815	60,882,085	61,418,653	68,944,247
New Mexico	89,563	222,952	7,360,500	2,850,482	4,510,018	2,609,893	4,750,607	3,441,419	3,919,081	2,876,835	4,483,665
New York	4,346,964	17,986,088	386,053,800	159,593,616	226,460,184	142,946,700	243,107,100	191,003,072	195,050,728	163,476,491	222,577,309
North Carolina	610,833	3,688,483	55,157,306	31,658,201	23,499,105	27,013,332	28,143,974	36,969,598	18,187,708	33,299,434	21,857,872
North Dakota	109,060	226,577	8,089,100	3,404,439	4,684,661	3,164,619	4,924,481	4,137,146	3,951,954	3,392,268	4,696,832
Ohio	2,075,114	11,956,519	204,726,000	110,911,557	93,814,443	94,860,533	109,865,467	129,421,780	75,304,220	115,278,575	89,447,425
Oklahoma	435,346	1,417,868	33,541,700	15,908,699	17,633,001	13,893,864	19,647,836	18,781,699	14,760,001	16,540,120	17,001,580
Oregon	382,791	2,644,324	32,405,600	21,838,157	10,567,443	19,378,153	13,027,447	25,879,890	6,525,710	22,097,780	10,307,820
Pennsylvania	2,671,383	15,243,355	264,280,700	142,641,646	121,639,054	120,291,984	143,988,716	165,657,469	98,623,231	150,187,736	114,092,964
Rhode Island	230,533	846,905	22,141,400	9,558,456	12,582,944	8,078,167	14,063,233	11,086,986	11,054,414	10,015,782	12,125,618
South Carolina	294,105	1,775,935	25,129,894	14,649,477	10,480,417	12,519,245	12,610,649	17,118,114	8,011,780	15,366,947	9,762,947
South Dakota	109,501	256,836	7,956,900	3,233,107	4,723,793	2,949,439	5,007,461	3,903,545	4,053,355	3,279,784	4,677,116
Tennessee	545,508	6,585,398	48,614,600	36,535,071	12,079,529	30,762,662	17,851,938	42,351,173	6,263,427	38,352,287	10,262,313
Texas	1,361,029	5,772,869	113,938,900	57,148,228	56,790,672	50,005,860	63,933,040	67,677,692	46,261,208	59,696,696	54,242,204
Utah	169,476	753,484	13,768,000	7,888,069	5,879,931	6,904,144	6,863,856	9,300,949	4,467,051	8,072,894	5,695,106
Vermont	106,619	377,529	9,454,800	4,467,454	4,987,346	3,887,244	5,567,556	5,237,118	4,217,682	4,557,304	4,897,496
Virginia	563,579	2,695,221	51,552,500	24,824,163	26,728,337	21,865,058	29,687,442	29,441,359	22,111,141	25,612,615	25,939,885
Washington	612,326	7,419,987	62,485,800	44,924,321	17,561,479	39,219,113	23,266,687	53,002,616	9,483,184	46,385,792	16,100,008
West Virginia	356,301	2,808,377	41,110,500	22,159,394	18,951,106	18,070,539	23,039,961	25,355,390	15,755,110	23,855,787	17,254,713
Wisconsin	837,850	3,767,909	75,940,700	38,929,650	37,011,050	34,121,239	41,819,461	46,062,906	29,877,794	40,225,159	35,715,541
Wyoming	58,628	178,997	5,055,500	2,228,728	2,856,772	1,990,850	3,094,650	2,660,694	2,424,806	2,285,972	2,799,528
United States	34,636,619	170,471,882	3,134,700,400	1,610,176,208	1,524,524,192	1,397,764,613	1,736,935,787	1,895,212,342	1,239,488,058	1,670,768,725	1,463,931,675

[1] Included with Maryland.

Mr. Chairman, the power business is a public business. Electricity has become a necessity of our modern life. It must be handled by a monopoly, since it would be too expensive for four or five concerns to supply electricity to one community. Besides, the water power already belongs to the Federal Government.

If we had more TVA's to furnish yardsticks for the rest of the country as well as to supply cheap electricity to the people in every section of the country, just think what it would mean to the progress and prosperity of the entire Nation.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I am very happy, coming as I do from the Second District of Tennessee which is in the heart of the Tennessee Valley development, to note the nonpartisan attitude of the entire membership of this House toward this great project.

It is not a question of whether or not there shall be a Tennessee Valley Authority. It is an accomplished fact. This agency was created and now exists by an act of Congress passed May 18, 1933, which has since been amended from time to time. The act is carried into the United States Code under chapter 12a, section 831, and subsequent sections to and including section 831dd of the code.

The corporation created by the act is a creature of the Congress and was created in the language of the act itself—

For the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development, and to improve navigation on the Tennessee River, and to control the destructive flood waters in the Tennessee River and Mississippi River Basins.

Wilson Dam, which was taken over by the Authority upon its creation, was built by the United States Government for the production of nitrates used in explosives during the First World War.

This agency was created and was in existence before you and I came to Congress. This governmental agency since its creation has constructed and is now operating the greatest series of dams, hydroelectric plants, and one of the greatest steam plants, and the greatest system for the distribution of electric current in the world.

The construction of the dams which it built could not have been undertaken by private companies because the dams were constructed not alone for the development of hydroelectric power but in the interests of navigation, flood control, and for the national defense. Prior to the construction of Wilson Dam during the First World War the control of the flood waters of the Tennessee River and its tributaries and the improvement of this river and its tributaries for the purpose of navigation had been discussed for a hundred years.

The Federal Government from time to time has spent billions of dollars along the eastern and western seacoasts of this country, along the Gulf of Mexico, on the Great Lakes, and on the rivers of our country, for the purpose of improving navigation and the prevention of floods. The first extensive expenditure of money by the Federal Government for these purposes on the Tennessee River and its tributaries began with the organization of the Tennessee Valley Authority.

The dams constructed by this agency since its organization on the Tennessee River are: Kentucky, Chicamauga, Pickwick Landing, Wheeler, Guntersville, Watts Bar, and Fort Loudoun.

The dams constructed by the Authority on the tributaries of the Tennessee River are: Norris, Hiawassee, Cherokee, Douglas, Fontana, Appalachia, Nottly Ocoee No. 3, and Chatuge.

The Authority now has under construction the Watauga and the South Holston Dams in upper east Tennessee.

It purchased from power companies the following dams: Hale's Bar, Ocoee Dams Nos. 1 and 2, Blue Ridge, and Great Falls.

As a result of the construction of the dams now completed the Tennessee River is navigable the year round from Knoxville, in my district, to the Gulf of Mexico, to the upper reaches of the Mississippi and its tributaries, and to the Great Lakes. With the completion of the Watauga and South Holston Dams the flood waters of the Tennessee will be wholly under control.

The flood control made possible by this series of dams has materially reduced floods on the Mississippi and there has been no recurrence of the millions of dollars of damage caused by the flood waters of the Mississippi in 1927.

The act creating this authority made it possible to translate the energy of the falling waters of these dams into electric current and at this time the entire State of Tennessee, all its cities, towns, industries, and all the people who use electricity for domestic purposes, including hundreds of farmers, in their homes and in their dairies, obtain their electric current from the Authority. And this is largely true of much of the western section of North Carolina, part of western Virginia, parts of Kentucky, Georgia, Alabama, Mississippi, and Arkansas.

The Government has invested in this project approximately $800,000,000. A portion of this investment is allocated to flood control and navigation, the balance to power production. The Authority at this time is producing and selling annually 12,000,000,000-kilowatt hours of electric current.

Because of the great supply of electric power made available by the Authority the town of Oak Ridge and the great atomic plants which produced the atomic bomb were built by the Federal Government in Anderson and Roane Counties in my congressional district on an area of 60,000 acres. The atomic plant was located in this section of Tennessee for the following reasons:

First. Oak Ridge is far from the sea coast, surrounded by mountains, by the Clinch River and by hills.

Second. Because of the vast amount of electric current which TVA was able to furnish.

Third. Because of the unquestioned loyalty of our people who worked on this project.

More than 1,000 scientists were engaged in the production of the bomb and more than 100,000 people worked on the project.

In addition to this contribution to the winning of the war the use of the atomic bombs blew Japan out of the war and blew Russia into it.

In addition to this, because we had TVA power in unlimited quantities the Aluminum Company of America at its Alcoa plant in Blount Count, within 16 miles of my home in Knoxville, almost trebled its output of aluminum for war use. It is my conviction that thousands of American boys are alive today who would have been killed in this World War but for the fact that the Aluminum Company of America at its plant at Alcoa was able to turn out all the alumium needed for the production of war planes and that we made and used the atomic bomb.

The Tennessee Valley Authority and all of its dams, steam plants, hydroelectric installations for the production of electric current and the transmission lines for its distribution are the property of all the people of the United States. It is not a sectional institution. It is national. It is my conviction that its operation and control should not be a political football; that it should be managed and operated by career men solely interested in the interests of the people of the United States.

I have had the opportunity to closely observe the manner in which this agency has been developed and operated from its inception to the present. I was one of the attorneys who represented the Knoxville Power & Light Co. in a suit filed in the chancery court of Knox County, Tenn., to challenge the constitutionality of the Tennessee Valley Authority Act and the power and right of this agency to create, distribute, and sell electric current in competition with private enterprise. This suit was carried to the Supreme Court of Tennessee. I am familiar with the Ashwander case and with the suit brought by the 19 power companies to challenge the constitutionality of the TVA Act.

The Supreme Court of the United States in these last two suits upheld the constitutionality of the TVA Act and the power granted to the TVA by the act.

I am in a position to know, and I state without the fear of successful contradiction that those in charge of this agency have not played politics with it. The men who built and operated this great development are patriotic and capable. Their work has been constructive and not destructive.

The TVA in 1945 and in 1946 paid into the general funds of the United States Treasury $23,000,000 earned by it during those years. From its earnings over and above the amounts spent for operation, maintenance, and taxes, it has, since it began operating, producing

and selling power, reinvested earnings to the extent of $100,000,000 in power installations and transmission lines, thereby increasing its yearly income.

Of the $65,000,000 authorized bond issue to enable it to purchase the properties of Commonwealth & Southern Corp. it has retired $6,572,500 of said issue and has paid into the United States Treasury as interest on said issue the sum of $4,500,000. It is a going profitable concern.

Mr. WHITTEN. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I heard some remarks made during this debate derogatory to TVA. I regret to hear that. I think TVA is a great modern accomplishment of our Nation. I would like to see more of that sort of engineering development on our rivers rather than less.

I cannot fairly understand the business or political opposition to it, for those features may be safeguarded. There is another thing, though, in a broader aspect that bothers me a lot, and that is the whole question in controversy over proper river control. I have heard it said by some in the debates on the floor of this House through the years that I have been here that if any dams at all are built on our rivers build low dams merely for flood control. There were those who opposed that—who wanted to build higher dams for the conversion of their power into hydroelectric energy for our use. This battle has been raging during these years. I can see only one side of it, for I know dams can serve both purposes.

I was born in Lewis County, Mo., just west of Quincy, Ill., across the Mississippi River. I noticed by the paper the other day that the river is at the highest flood stage in its history west of the bluffs on which Quincy, Ill., is located. I know what that means. I have seen some of the finest farm lands in the State of Missouri covered many feet deep with the raging flood of the Mississippi River right at the time the corn was about in tassel, or before or after, as the case may be. Now, every such flood means great loss of property and often loss of life needlessly, for I believe we could prevent such.

Now, what have we done? We have been carrying on flood control on that river, but getting too little of flood protection and not enough power. How many of the dams built on the Mississippi River produce power? Very few of them.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Missouri.

Mr. PLOESER. The gentleman is talking now about the Keokuk Dam, is he not?

Mr. MURDOCK. Yes; that is one that produces power.

Mr. PLOESER. That is what I wanted to tell the gentleman.

Mr. MURDOCK. But there are other dams on the Mississippi that do not produce power. As a young fellow, I took great delight when that great engineer, Mr. Cooper, and others, succeeded in harnessing the Father of Waters by the building of the Keokuk Dam. I wish we had more men with vision like that today. There are those representing private power interests in this country who have fought every effort on our part to put a dam on any river unless it is rendered only half useful. They are even extending that fight into the West where we must build dams to provide storage for irrigation water if we are to have irrigation, and yet when we want to put in penstocks and put in power plants and produce electricity, we are opposed, and even when we succeed in building dams that will produce power, or necessary storage systems to provide incidental power, they fight us when it comes to a disposition of that power. I have never wanted the Government to distribute power to ultimate consumers but it is a short sighted policy not to produce it at all when it is possible.

I think that is short-sighted policy to force the Government to refrain from the fullest possible production. I have heard many times condemnation on this floor on the Republican side of the aisle and some on the Democratic side of the aisle of an agricultural policy which was said to be a "policy of scarcity," plowing under cotton and killing little pigs, and that sort of thing, to bring the price up. I never did sanction that policy in regard to the destruction of crops. I think it is a false policy, but it is just as bad a policy on the part of business to provide for or force an economy of scarcity by failing to utilize the power of nature in moving water through the building of big dams on our rivers as a part of our flood-control program as it is to plow under cotton or kill little pigs. What we want to do is to produce all the food we can produce and produce all the power we can produce and make it available to the American people. I want to see more of the TVA principle applied not only in the southeastern corner of the country—more power to you, my friends from Tennessee, Mr. KEFAUVER, and colleagues—I want to see it extended all over the central part of our country, in the Missouri Valley; and yes, do not forget we need it applied in the West, in the Pacific Southwest, where we have already made great progress but hardly scratched the surface in the production of hydroelectric power.

The CHAIRMAN. The time of the gentleman from Arizona has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

TENNESSEE VALLEY AUTHORITY

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U. S. C., ch. 12A), including not to exceed $13,000,000 for the construction of South Holston Dam and Watauga Dam and including not to exceed $6,686,000 for chemical plant additions; purchase, hire, maintenance, repair, and operation of aircraft, and the purchase of 221 and hire of passenger motor vehicles; penalty mail (not to exceed $20,000); $22,143,500, together with the unexpended balance of funds heretofore appropriated (the unobligated portion of such unexpended balance to be expended only for public works commenced prior to July 1, 1947), to remain available until expended, and to be available for the payment of obligations chargeable against prior appropriations.

Mr. PLOESER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PLOESER: On page 2, strike out lines 4 to 10, inclusive, and insert the following: "U. S. C., ch. 12A), $22,143,500, including not to exceed $3,253,979 for the construction of South Holston Dam and Watauga Dam and not to exceed $6,686,000 for chemical plant additions; purchase, hire, maintenance, repair, and operation of aircraft, and the purchase of 221 and hire of passenger motor vehicles; penalty mail (not to exceed $20,000), together with."

Mr. PLOESER. Mr. Chairman, this is a committee amendment which clarifies an error made in the printing of the bill. On page 2 of the bill, in line 4, you will notice the words "including not to exceed $13,000,000 for the construction of South Holston Dam and Watauga Dam." The amount should have been $3,253,979. As long as an amendment had to be offered to clear up the point, we have rewritten the language so that it reads somewhat more smoothly. I am sure it has the full concurrence of the committee.

Mr. WHITTEN. Mr. Chairman, the members of the committee on this side of the aisle are in full accord with the amendment.

Mr. PLOESER. This change does not affect the intent of the bill or the money allowed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. JONES of Alabama. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the manufacture and research in the field of fertilizer at Muscle Shoals chemical plant grew out of the National Defense Act of 1916. The plants, however, laid idle after their completion in 1919, while a series of proposals were being considered by the Congress for their use in the public interest. Nearly 150 bills were introduced in the Congress from that time until 1928, when Congress first passed the Norris bill for public operation of the Muscle Shoals facilities, which adequately dealt with the role of fertilizers in relation to basic agricultural problems and operations. The provisions of the 1928 bill became, in 1933, the fertilizer section of the TVA Act.

I would like first to call your attention to the TVA Act itself. The objective of such an undertaking as contemplated in the TVA Act was flood control, navigation, fertilizers, national defense, and the development of power.

Under the provisions of the TVA Act, TVA was instructed to do what it was by then clear the private fertilizer industry could not do; namely, to conduct large-scale, long-term laboratory and pilot-plant research in fertilizer technology with the object of producing bet-

ter, more concentrated, and cheaper fertilizers; and to arrange with State and local agencies and farm groups for their practical testing and demonstration.

The TVA Act authorized large-scale tests and demonstrations to determine the value, effect, and best methods of fertilizer use and their economic returns. New fertilizer products have to be tested and demonstrated under practical farm conditions. This job obviously can be done most effectively by the institutions traditionally responsible for education in the agricultural field. The TVA Act emphasized collaboration with the experiment stations and extension services of the State agricultural colleges and with the farmers and their organizations.

The decision to produce phosphate rather than nitrogen was an early instance of this collaboration. Experts of the United States Department of Agriculture and the land-grant colleges agreed that the primary need of the valley's agriculture, and for that matter of the agriculture of much of the rest of the Nation, was for phosphate, which had always been deficient in most of the soils. What little was originally there had largely been lost through erosion and leaching as a result of the prevailing summer row-crop system. Without greatly increased use of this plant nutrient, it is impossible to grow forage crops on eroding hillsides, check appalling soil losses, keep silt out of the reservoirs, and incidentally increase production of animal proteins.

The experience of TVA and collaborating agencies and farmers since that time has clearly demonstrated that if the soil resources of our Nation are to be restored and maintained, the farmers who own and manage the land must have access to the vastly greater amounts of concentrated mineral fertilizers necessary for that purpose. Furthermore, farmers must have the opportunity to learn through an appropriate educational process the technically sound practical farming methods, including proper use of the right fertilizers, that will achieve this goal.

Government must lead the way by technological research and development to show industry how to produce concentrated materials which are essential to dealing with the national problems of soil fertility. The fertilizer industry for its part must show a willingness to adopt the tools of modern science and to provide farmers with the plant nutrients their soils require.

All of this requires a continuation of the traditional role of Government in education and research. It necessitates also tremendous increases in the quantities and concentration of mineral fertilizers manufactured by industry, and shifts by farmers away from the use of fertilizers predominantly for the production of row crops to the production of legumes, grasses, and hays in a sound rotating system.

Now let us see how far and to what extent this program has been utilized by the farmers in the test-demonstration areas.

A total of 55,492 farms, covering nearly 8,000,000 acres, have participated in test-demonstration activities since they were begun in 1935. The number of farms and acres involved by States are given in the following tabulation:

States	Number of counties	Number of farms	Number of acres
VALLEY STATES			
Inside watershed:			
Alabama	15	5,296	757,587
Georgia	9	2,845	333,113
Kentucky	7	786	132,569
Mississippi	4	1,438	155,297
North Carolina	15	7,845	641,625
Tennessee	62	16,988	2,022,891
Virginia	11	6,130	888,002
Total	123	41,328	4,931,084
Outside watershed:			
Alabama	33	420	189,204
Georgia	45	1,079	313,344
Kentucky	42	1,184	217,271
Mississippi	32	777	205,772
North Carolina	49	1,202	212,151
Tennessee	2	29	4,812
Virginia	59	1,210	278,567
Total	262	5,901	1,421,121
Total valley States	385	47,229	6,352,205
NONVALLEY STATES			
Arkansas	26	514	119,608
Idaho	8	18	1,753
Illinois	16	387	85,516
Indiana	47	115	19,348
Iowa	31	424	85,556
Kansas	12	77	21,184
Louisiana	13	291	53,341
Maryland	5	116	20,490
Michigan	56	1,107	179,394
Minnesota	21	254	63,206
Missouri	20	357	76,010
New Hampshire	10	90	18,318
New Mexico	21	69	8,638
New York	53	843	115,798
Ohio	13	339	55,075
Oklahoma	7	74	21,275
Oregon	8	45	11,872
South Carolina	23	406	65,991
Texas	53	1,160	276,910
Vermont	11	132	38,781
Washington	20	54	10,200
West Virginia	13	260	50,806
Wisconsin	63	1,131	87,032
Total nonvalley States	560	8,263	1,486,102
Grand total, June 30, 1946	945	55,492	7,838,307

It has been pointed out by Chancelor Hutchins, of the University of Chicago, that about one-quarter of the arable land of this country is now ruined or severely impoverished, and that there has been a greater loss of productive soil in the world in the last 2 decades than the accumulated loss in all previous history. Whether, as Dr. Hutchins concludes, another century like the last would be disastrous to our civilization may be debated, but surely it cannot be debated that a Nation with our resource information and know-how cannot afford to let its agricultural plant run down at the heels and become impotent to supply its citizens with adequate amounts of nutritious food. Important time already has been lost. We should be warned by numerous examples of underfed nations and undernourished peoples throughout the world. This is not just a farm problem: it is one which is of vital concern to every segment of our society and the United States Department of Agriculture, TVA, and others concerned with the carrying out of the fertility program must bring the facts of our dwindling soil fertility to the attention of the Nation.

The Clerk read as follows:

FEDERAL PUBLIC HOUSING AUTHORITY

Annual contributions: For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U. S. C. 1410), $2,200,000: *Provided*, That except for payments required on contracts entered into prior to April 18, 1940, no part of this appropriation shall be available for payment to any public housing agency for expenditure in connection with any low-rent housing project, unless the public housing agency shall have adopted regulations prohibiting as a tenant of any such project by rental or occupancy any person other than a citizen of the United States, but such prohibition shall not be applicable in the case of a family of any serviceman or the family of any veteran who has been discharged (other than dishonorable) from, or the family of any serviceman who died in, the armed forces of the United States within 4 years prior to the date of application for admission to such housing: *Provided further*, That no part of this appropriation shall be used to pay any public housing agency any contribution occasioned by payments in lieu of taxes in excess of the amount specified in the original contract between such agency and the Federal Public Housing Authority: *Provided further*, That no part of this appropriation shall be used to pay more than the annual contribution that otherwise would be due or payable with respect to any public housing agency less an amount equal to one-half the total sum shown on the books of such agency as of March 31, 1947, as working capital reserve, reserve for repairs, maintenance and replacements, reserve for vacancy and collection losses, and all other reserves: *Provided further*, That all expenditures of this appropriation shall be subject to audit and final settlement by the Comptroller General of the United States under the provisions of the Budget and Accounting Act of 1921, as amended.

Mr. KEFAUVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the report some charges are made about the Federal Public Housing Authority. I thought there should be some clarification of these charges and so asked the Administrator for comment on them. The statements about which I made inquiry and the Administrator's comment on them are:

Inquiry: A provision of the United States Housing Act of 1937 which called for elimination of one slum dwelling unit for every dwelling unit built by the Government "has been almost completely ignored and the slums have continued to develop and grow."

Comment: FPHA knows of no evidence that would support this statement. The United States Housing Act of 1937 provides, in section 10 (b), "that no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project; except that such elimination may in

the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

As of June 30, 1946—the latest date for which figures are available on equivalent elimination—there were 119,933 dwelling units on projects built under the United States Housing Act of 1937; and the local housing authorities owning these projects had effectuated the elimination of 108,908 substandard units in their respective localities in compliance with their contracts with FPHA. This represents 90.8 percent equivalent elimination. The balance has been deferred temporarily, as permitted by law, in view of the acute housing shortage.

Inquiry: Some FPHA records were in such an "atrocious condition" that a reputable accounting firm declined to audit them.

Comment: On April 30, 1947, the Comptroller General submitted to the Congress a report of a survey of the accounting system of the Federal Public Housing Authority. This survey was made by Price, Waterhouse & Co., a New York firm of independent public accountants, who made the study under the direction of the Corporation Audits Division of the General Accounting Office.

The report of Price, Waterhouse & Co. said: "Our review of the bookkeeping records and financial reports of FPHA has disclosed serious deficiencies in the accounting procedures and in the performance of the bookkeeping work and a resultant lack of accounting control over the assets, liabilities, income, and expenses of the various programs."

The survey was made in the summer of 1946 and was concerned with the accounts for the years ended June 30, 1945, and June 30, 1946. Examination of these accounts necessarily directed major consideration to records and conditions of accounts as they existed in the years before 1946.

FPHA has been fully aware of these shortcomings and has instituted corrective action on its own initiative. Reports of its own Audits Division have pointed out deficiencies and remedial action was begun more than a year before the survey made by Price, Waterhouse.

There were two major reasons for the weaknesses reported in the survey:

1. When FPHA was created in 1942, several types of programs previously administered by other Government agencies were transferred to it. The varied records of these programs had to be brought together and integrated into one accounting system. This huge task is still being carried on.

2. In the period covered by the survey, FPHA used an accounting system suitable for activities carried on with appropriated funds but not suited to the commercial type of operations FPHA was assigned in its war housing programs.

The difficulties presented by this situation were reported by Price, Waterhouse as follows: "Accounts and records for the fiscal year 1945 and prior years were maintained under regulations promulgated by the Comptroller General a number of years ago. * * * This procedure provides for appropriation and fund accounting. * * * However, in the form prescribed, the procedure is not well suited to commercial operations such as those conducted by FPHA, nor does it lend itself to the preparation of statements showing financial position and the results of such operations."

The fact that FPHA had recognized the existence of deficiencies and had taken steps to correct them as early as 1945 is attested by the Price, Waterhouse report:

"The present management [of the Authority] recognized that the accounts and procedures in use in 1945 were inadequate and, at the beginning of the fiscal year 1946 (i. e., July 1, 1945), adopted a revised accounting manual and revised procedures intended to provide both for appropriation accounting as prescribed by the Comptroller General and for financial accounting in the ordinary commercial sense."

Price, Waterhouse stated the opinion that these revised procedures should enable the agency to reconstruct its accounts for the fiscal year 1946 to the extent necessary to prepare an adjusted financial statement suitable for examination. The accountants suggested, however, that this would take time and effort disproportionate to the probable benefits, a view shared by the General Accounting Office.

The deficiencies noted in the report do not involve loose handling of cash or disbursements. This fact is clearly stated by Mr. T. Coleman Andrews, director of the GAO Audits Division, in his letter of April 30, 1947, transmitting the Price, Waterhouse report to the Comptroller General. He wrote:

"The foregoing statement [of deficiencies] is not intended as an implication that there has been laxity in the handling of cash receipts and disbursements. A system of internal control of these is and has been in existence, which should minimize any irregularities in connection with the handling of cash items. The deficiency noted is one of inadequacy of general accounting policies and poor bookkeeping."

Although the substance of the report is concerned with accounts of 1945 and earlier years, Mr. Andrews made this comment concerning the present accounting work of the FPHA:

"The preliminary work now being carried on by this [GAO's Corporation Audits] Division has demonstrated that considerable progress has been made in clearing up old errors and discrepancies and that the recording of current transactions is being carried on in an intelligent, reasonably accurate and satisfactory manner."

Inquiry: More than 31 percent of all public housing intended for low-income tenants is occupied by persons who make more money than the maximum permissible or are otherwise ineligible and FPHA has taken virtually no action to rectify this situation.

Comment: In keeping with the intent of the United States Housing Act of 1937, it is a basic principle of national housing policy that occupancy of low-rent public housing projects shall be restricted to low-income families. FPHA requires that local housing authorities establish income limits appropriate for the housing of such families. Contracts between FPHA and local authorities require the removal of tenants whose incomes exceed such limits.

There are, however, some tenants in Federally aided low-rent projects who are ineligible for occupancy. Some who were admitted as eligible families have become ineligible because of income increases. Others were admitted as war workers to projects that, under an amendment to the United States Housing Act, were used for housing war workers regardless of income for the duration of the war need. When these projects are converted to low-rent use, families with incomes greater than the established limits become ineligible to remain as occupants.

The number of these ineligible tenants is considerably less than the 31 percent attributed to the committee report in news accounts. As of September 30, 1946, only 24.6 percent of the 37,811 families in the 516 low-rent projects were ineligibles. In the projects which have been in continuous low-rent use, 22.6 percent of the families were ineligible. In the 127 projects which had been used to house war workers regardless of income, 35.3 percent were ineligible to remain as low-income tenants.

FPHA permitted local housing authorities to postpone removal of these ineligibles during the war because their removal would have been disruptive of war production and orderly demobilization. With the return of peacetime conditions, however, FPHA required local authorities to begin the removal of ineligibles. At the present time, FPHA requires every local authority to serve vacate notice to at least 5 percent of its total ineligible tenants each month, beginning with those of highest income. The removals are being spread over a period of time in this manner to minimize the hardships involved in relocating families at a time of stringent housing shortage.

Inquiry: The veterans' emergency housing program is a dismal failure.

Comment: Veterans now living in the 165,511 title V accommodations built by the FPHA, instead of in garages, basements, attics, and crowded apartments with their in-laws will be surprised to learn that the title V program is a dismal failure.

The 120,283 family dwelling units and 45,228 dormitory accommodations provided by the FPHA in the title V program constituted nearly 14 percent of all new housing accommodations of all types erected in the United States by private and public agencies combined during the period from the initiation of the title V program about January 1, 1946, to June 1, 1947. Moreover, during the same period, educational institutions, cities, and other local bodies completed 52,133 additional accommodations using surplus Government structures obtained for them under the title V program by the FPHA.

Title V housing constructed by the FPHA has been built at an average cost of less than $2,900 per family unit. It is rented to veterans at an average cost of $31.09 per family dwelling unit per month, including electricity, water, light, and heat. Although the accommodations are temporary and are constructed entirely through the use of surplus Government structures, chiefly Army and Navy barracks, they are built to provide safe, comfortable, and sanitary living accommodations meeting reasonable modern living standards.

The title V program has met an indispensable need during the postwar period. This is particularly true at colleges and universities where the program of GI educational benefits would have been much less effective than it now is if the title V housing had not been provided.

The Clerk read as follows:

TITLE II

The following corporations and agencies, respectively, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1948 for each such corporation or agency, except as hereinafter provided:

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

NATIONAL HOUSING AGENCY—FEDERAL PUBLIC HOUSING AUTHORITY

Mr. Chairman, many city governments and local housing authorities will be adversely affected by provisions of the Government corporations appropriation bill if it is passed as approved yesterday by

the House Appropriations Committee, Commissioner Dillon S. Myer, of the Federal Public Housing Authority, said today:

The bill goes far beyond a mere reduction in the funds to be made available to the Federal Public Housing Authority, Mr. Myer said. The reductions in funds are seriously severe in themselves, but the bill also sets up at least four conditions which may necessitate violations of contracts made in good faith between the Federal Government and local governments.

The bill as introduced would reduce FPHA's funds for administrative expenses from the $15,600,000 requested in the President's budget to $10,400,000 and also reduce the amount available for annual contributions to local housing authorities operating low-rent projects from $7,200,000 to $2,200,000.

The amount of $7,200,000 for annual contributions was requested as the best estimate of the amount FPHA actually would need during the coming fiscal year for payments it had contracted to make to local housing authorities.

These contracts were made under authority of the United States Housing Act of 1937, FPHA pointed out. This act provides that—

The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for.

Local housing authorities have constructed publicly owned housing projects on the strength of this promise of annual assistance and issued bonds based on the assurance of Federal aid in meeting the difference between rental income and operating expenses. An appropriation falling $5,000,000 short of fulfilling these contracts might expose the Federal Government to suits by local housing authorities and private holders of local housing authority bonds to compel full payments due under contracts.

The bill also includes a proviso forbidding any payment of a Federal contribution to a local housing authority which has made payments in lieu of taxes to local governments in excess of the amount specified in the original contract. Contracts vary widely in respect to provisions for such payments in lieu of taxes. A review of contracts now in force indicates that at least 102 of the 272 housing authorities affected would be prohibited from making any payments in lieu of taxes under terms of the appropriation measure as it now stands. At least 61 others would be compelled to reduce their payments in varying amounts. Contracts covering more than 100 more projects have not yet been analyzed.

Stoppage or reduction of payments in lieu of taxes would throw an added burden on the municipalities involved. All of them have provided extra services such as schools and police and fire protection to the housing projects. Many localities have complained that payments in lieu of taxes from the projects have been insufficient to cover the cost of these local government services.

Furthermore the bill would condition payment of the Federal contribution to local housing authorities on a 50-percent reduction by the authorities in the amount of reserves held by them. These reserves are set up to cover repairs, maintenance, replacement, vacancy and collection losses, and other expenses likely to be encountered during the anticipated 60-year life of the projects. These reserves are provided for both in the local authority's contract with the Federal Government and the resolutions under which bonds are issued. They thus involve private bondholders as well as Federal and local government agencies. These contracts cannot be tampered with without subjecting the United States to legal liability.

The existence of reserves is not only dictated by prudent business management but also has contributed to the favorable market enjoyed by local housing authority bonds.

The reduction in funds authorized for administrative expenses is so sweeping that it would require a reorganization of FPHA and a sweeping modification of its program involving discontinuance of functions and consolidation of offices. The present staff paid from administrative funds is approximately 3,500. Preliminary analysis indicates that the maximum staff which can be carried on administrative funds after reductions are made is about 1,720 people, or less than 50 percent of the present staff.

Such drastic reductions might have the effect of reducing the income paid to the Treasury because of inadequate supervision and technical services. If its programs can be conducted according to plan during the fiscal year 1948, it is estimated that a net cash return of $57,000,000 beyond the $15,600,000 requested for administrative use will be returned to the Treasury from housing management profits alone. To this will be added an estimated $30,000,000 from the sale of war housing. These are cash figures. On the basis of sound accrual accounting, FPHA operations for the year are expected to show a net return of $153,000,000.

The bill also imposes an arbitrary ceiling on the proportion of FPHA employees who may be employed in higher-paid positions. This provision is extremely dangerous to the efficiency of the agency because its responsibilities are largely supervisory in character. This emphasis on supervisory functions requires higher grades of personnel than are used for the routines of personnel and fiscal administration.

Mr. COUDERT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from California [Mr. HOLIFIELD] seems to be very much disturbed by the provision in the bill that sets a limit on the amount of this appropriation that can be used for the payment of subsidies to low-rent public housing. I think if the gentleman were to read the record of the testimony and read the report carefully, he would find it is not the intention of the committee, in any way, shape, or form, to affect the legal obligation, contractual obligation, incurred by the United States Housing Authority, pursuant to the Housing Act, for the payment of subsidies. Whatever those obligations are, they are fixed by law. We could not change them if we wanted to, and we have no intention of changing them.

What that limitation in effect means is simply this: the committee estimates that under existing conditions that sum will be sufficient to meet all of the Authority's obligations for the payment of subsidies. Two of the principal conditions that affect the payment of subsidies are these: In the first place, the committee's investigators discovered that a great many of these housing projects under the jurisdiction of the FPHA had become accustomed to accumulating very large reserves, wholly out of proportion to the circumstances under which they came into existence and continue to exist. The aggregate total of those reserves for all of the housing subject to the FPHA amounted to some $40,000,000. That $40,000,000, or the greatest part of it, is not only taken out of income earned from rentals on those projects, and cause thereby an increase in the subsidy liability, because the Government has to make up the difference, but it had also invested it in interest-bearing bonds. So that these housing projects have taken money out of their income that should have been paid for regular expenses, debt retirement and interest, and allowed the subsidy to make up the difference and, on top of that, have invested those funds in Government bonds, and in that way got a further subsidy in the form of interest.

The committee has simply said that until those projects use at least half of those swollen reserves to pay their operating expenses, they may not get a subsidy to that extent.

The other condition that affects the amount of subsidy payable under the contracts and the law is the fact that some 23 percent—that I believe is the statement in the record from the Commissioner—some 23 percent of the residents of these low-cost public housing projects are in income classes far above the maximum ceiling established for those communities, and have been paying rent above the proper maximum rent.

The result has been that the income of the project has been sufficient to carry it, either entirely, as in some cases, or very substantially as in others, and thereby obviate the necessity of any subsidy payment. I believe that disposes of the matter of the subsidies. If we are wrong and more than $2,000,000 is required to pay, then the obligation exists and will have to be met.

As to the operating costs of this agency, as I listened to the remarks of my friend from California I found them strangely reminiscent of the style of the gentleman who is Commissioner of this agency. I call attention to the record and the report of our investigating committee. We gave this agency what we believed was reasonable, proper, and necessary for them to do the job for next year.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Clerk read as follows:

INDEPENDENT AGENCIES AND CORPORATIONS

Export-Import Bank of Washington: Not to exceed $800,000 (to be on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the fiscal year 1948 for all administrative expenses of the bank, including not to exceed $100 for periodicals, $200 for newspapers, and $200 for maps; health-service program as authorized by the act of August 8, 1946 (Public Law 658), and not to exceed $24,000 for temporary services, as authorized by section 15 of the act of August 2, 1946 (Public Law 600): *Provided further*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to congratulate the committee on the language which appears in its report, page 7, wherein it refers to the Export-Import Bank of Washington and states:

While there might have been considerations in the national interest for making such loans during the period immediately following the end of hostilities, and before the International Bank for Reconstruction and Development was prepared to transact business, the committee feels very strongly that the Export-Import Bank should forthwith revert to its traditional function of engaging only in such banking activities as directly stimulate the foreign trade of the United States.

Mr. Chairman, the International Bank for Reconstruction and Development is now attempting to get on its feet, and I am taking this time to issue a word of caution to the officials of that bank, because, in my opinion, the only way the Bretton Woods proposal, insofar as the International Credit Bank is concerned, can possibly succeed is for the Bank to be operated in such manner as to keep the necessary confidence in the minds of our people to purchase the debentures which are to be issued by the Bank. In other words, the lending possibilities of that Bank are dependent upon you, and I, and other citizens continuing our savings and buying those debentures to furnish the dollars necessary to the Bank to extend credit to the other nations of the earth.

Here is a case in point: The Iranian Government has an application before that bank for a loan of $250,000,000. Previously I have obtained permission in the House to insert as part of my remarks certain correspondence between the Ulen Realization Corp. and Secretary Marshall and the corporation, correspondence also with me and with the J. G. White Engineering Corp. These people went into Iran as far back as 1928 and built a railroad for that country. That railroad handled our tonnage during the recent war. Under date of May 28, 1947, the State Department through the American Ambassador in Tehran handed the Iranian Government a check for nearly $400,000 for services of the trains of the Iranian Railway to the United States Army from July to December of 1945. Now, mind you, this road was built by American engineers and American capital.

The Iranian Government stepped in without previous notice and drove our citizens off of this construction job, confiscated their records; and since that time, way back in 1930, the Iranian Government has steadfastly refused to make settlement with our people for their claims amounting to over $1,048,000; and yet, here we are proposing to finance the International Credit Bank with our funds to lend to a country which refuses to meet its obligations to our citizens.

This whole matter is on the up and up and is officially before our people, and I take the floor here for the purpose of questioning the State Department and the other departments of the Government O. K.'ing these applications before the International Bank for Reconstruction and Development without in any way protecting the interests of the American people who have legitimate claims against these governments who desire to negotiate these loans. That is the most effective way I can imagine for the International Credit Bank and the State Department to break down the confidence of our people in those debentures that are to be issued by the Bank. I call upon the State Department and the Treasury Department of our Government to pay some attention to the financial liability of other countries to our own citizens, especially where we go in and build these private jobs.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, if the Export-Import Bank is to proceed as recommended by the committee on page 7 of the report, that is to direct its lending powers for stimulating the foreign trade of the United States, then if our people create claims against these foreign countries which they refuse to pay, just where are we to land in the operation of the Export-Import Bank as well as the International Bank for Reconstruction and Development insofar as American dollars are concerned?

I wanted to get this officially before the Members of the House because they may have similar cases come up with people who are constituents in their districts.

Mr. Chairman, I include as part of my remarks the following communications:

ULEN REALIZATION CORP.,
New York City, June 5, 1947.

Gen. GEORGE C. MARSHALL,
Secretary of State,
Washington, D. C.

MY DEAR GENERAL MARSHALL: A recent press statement prompts me to bring to your attention one further observation in the matter of the Iranian Government's refusal to honor its debt to Ulen Realization Corp. of New York City for services rendered.

The statement to which I refer is a United Press dispatch from Tehran, dated May 27, 1947, which announced that the State Department on May 26, 1947, through the American Ambassador in Tehran, handed to the Iranian Government a check for nearly $400,000 for services of the Trans-Iranian Railway to the United States Army from July to December 1945. This was the final payment of a much larger amount paid to the Iranian Government for the use by our Army of the Trans-Iranian Railway during the period that our troops were stationed in Iran.

Ulen makes no protest against these payments, for certainly our country could not long maintain its international reputation for honesty and integrity if it did not discharge promptly its contractual obligations.

It is, however, an interesting commentary that our Government should pay Iran for the use of a railway facility when the American company that built the road has, since 1930, been denied reimbursement for its expenditures or paid for its services.

Your files will show that the construction of this railway, used by the United States Army, was initiated by Ulen in 1928. Since May 13, 1930, when the Iranian Government, without cause and without consultation or prior notice to Ulen, arbitrarily and unilaterally canceled Ulen's contracts, the company's protest against mistreatment and nonpayment by the Iranian Government has been on file with the State Department.

The Department on various occasions has stated to Ulen that "all appropriate assistance" would be furnished to assist Ulen to collect outstanding balances from the Iranian Government. To date, no assistance has been forthcoming from the State Department and paradoxically this cash payment of $400,000, as well as previous payments, was handed over to the Iranian Government, without even reminding that Government of its long outstanding obligations and default to Ulen.

While Ulen does not protest its Government's payment to Iran for the use of these facilities, it does protest the State Department's continuing failure to use any and all opportunities to impress upon the Iranian Government that, in order to maintain the respect of the American Government and people, it must, in turn, respect the rights of the Amercans who in good faith have rendered services to the Iranian Government.

For the Department's file in this matter, there is attached a photostatic copy of an original letter written by the J. G. White Engineering Corp. of New York City to Mr. Eugene R. Black, United States Executive Director of the International Bank for Reconstruction and Development. This letter will indicate to the Department that it also has a responsibility to other important American interests as well as to Ulen in this matter.

I have taken the liberty of addressing this letter to your home inasmuch as I am sure

that previous correspondence relative to this matter has not been called to your attention.

Respectfully yours,

FRANK H. REDIKER,
Agent and Attorney in Fact for Ulen Realization Corp.

ULEN REALIZATION CORP.,
New York, June 6, 1947.

Hon. FRED L. CRAWFORD,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN CRAWFORD: Knowing of your interest in banking and foreign credit I am taking the liberty of bringing a matter to your attention which I think will be of interest to you.

Ulen, in good faith in 1928 entered into contracts with the Iranian Government for the construction of the southern portion of the Trans-Iranian Railway. Associated with Ulen in this enterprise were three famous engineering firms of world-wide experience and reputation—The J. G. White Engineering Corp. of New York, the Societe de Construction de Batignolles of France and Stewart & MacDonald Ltd., of London. After constructing 251 kilometers of railway, four large bridges and 2,000 meters of timber trestle in the record time of a little over 1 year after the first arrival of materials and equipment, the Iranian Government, after repeated contract violations, and without consultation or prior notice, arbitrarily and unilaterally canceled the contracts. This action on the part of the Iranian Government resulted in their owing Ulen and associates $1,048,585.42. Despite repeated requests for settlement of this debt that Government and its legal counsel (the Dean Acheson law firm) have steadfastly and consistently refused to discuss or settle the matter.

When the Iranian Government canceled the contracts Government military troops moved in evicting our personnel and forcibly took possession of all records, material, equipment, etc. Ulen kept its accredited representative in Tehran for 2½ years attempting to negotiate a settlement of outstanding differences but to no avail and to illustrate the Iranian Government's methods, when our representative was prepared to return to the United States that Government held him as a hostage, and it was only through a long delay and diplomatic intervention that he was able to obtain an exit visa.

This same Government of Iran, in default to Ulen for over 17 years, has now advised the International Bank for Reconstruction and Development of its intent to make formal application for a loan of $250,000,000 from that organization. Apparently, that Government has our State Department support.

It is reported that on May 26, 1947, the State Department, through the American Ambassador in Tehran, handed the Iranian Government a check for nearly $400,000 for services of the Trans-Iranian Railway to the United States Army from July to December 1945. This was the final payment of a much larger amount paid to the Iranian Government for the use by our Army of the Trans-Iranian Railway during the period our troops were stationed in Iran. It is an interesting commentary that the United States Government should pay Iran for the use of a railway facility which Ulen initially built and all efforts of the latter have been to no avail to obtain reimbursement.

The State Department has on various occasions stated to Ulen that all appropriate assistance would be furnished to collect outstanding balances from the Iranian Government. Curiously enough, to date, no assistance has been forthcoming from the State Department and paradoxically the cash payment referred to above was handed over to the Iranian Government without even reminding that Government of its long outstanding obligations and default to Ulen.

With reference to the Iranian Government's request to the International Bank for a loan of $250,000,000, the State Department's subservience to Iran's every whim including the approval of a $30,000,000 credit for war and surplus equipment and matériel, it will be understood if Ulen expresses anxiety at the prospect of the Government of Iran acquiring substantial credits at the expense of American investors, while refusing even to discuss the matter of settling its admitted legal obligations.

I am attaching hereto certain documents which clearly set forth Ulen's position in this matter as well as that of the J. G. White Engineering Corp. of New York.

Should you require any further documentation or information I am available at all times to furnish it.

With kindest regards, I am,

Sincerely yours,

FRANK H. REDIKER,
Agent and Attorney-in-fact for Ulen Realization Corp., University Club, Washington, D. C.

THE J. G. WHITE ENGINEERING CORP.,
New York, May 19, 1947.

Mr. EUGENE R. BLACK,
Executive Director, International Bank for Reconstruction and Development,
Washington, D. C.

DEAR MR. BLACK: This is to advise that we are following with interest Ulen's endeavor to collect its claim of $1,048,585.42 against the Government of Iran arising out of the latter's arbitrary and unilateral cancellation of Ulen's contracts for the construction of the southern portion of the Trans-Iranian Railway.

As you probably know, the J. G. White Engineering Corp., together with the Societe de Construction de Batignolles of France and Messrs. Stewart & McDonnell, Ltd., of London, participated with Ulen in the contracts entered into.

Our company is understandably anxious that settlement of this claim be made so that we may be credited with our proper percentage of participation therein.

In light of our position, it is assumed that the granting of any substantial credits to the Government of Iran will not be consummated until such time as this long overdue debt has been satisfactorily settled.

Sincerely yours,

E. N. CHILSON,
Vice President.

Mr. DAWSON of Utah. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, this measure sets up our appropriation of $800,000 for the Export-Import Bank. According to press reports, Henry A. Wallace and others, posing as spokesmen for the common man in America, are advocating financial aid from the United States of America to Russia and her satellite nations. The theory of this aid, according to Mr. Wallace, is to engender a spirit of good will and peace between our countries. In fact, Mr. Wallace made a speech this week at Newark in which he is reported to have said, "The United States has become the center of world reaction and the common man more and more looks to Russia for ideas, help, and inspiration."

I believe the American people would go to almost any extreme, save sacrificing their own honor, to preserve peace in the world, but if history of the past few years is any indication of the effect of the American dollar on good will toward men, then we should have learned our lesson.

I have just received from the Legislative Reference Service, General Research Section, figures which to me are utterly astounding. United States assistance to the Union of Soviet Socialist Republics and satellite nations—in dollar value—from July 1, 1945, through December 31, 1946, is as follows:

Russia:	
UNRRA	$139,197,001
Lend-lease property credits	241,560,000
Total	380,757,001
Albania: UNRRA	15,774,923
Czechoslovakia:	
UNRRA	150,362,106
Office, Foreign Liquidation Commission	50,000,000
Export-Import Bank credits	2,000,000
Total	202,362,106
Hungary:	
UNRRA	1,291,985
Office, Foreign Liquidation Commission	15,000,000
Total	16,291,985
Poland:	
UNRRA	287,769,989
Office, Foreign Liquidation Commission	50,000,000
Export-Import Bank credits	40,000,000
Total	377,769,989
Yugoslavia: UNRRA	257,251,503
Total assistance to Russia in dollar value	380,757,001
Total assistance to Russia's satellite nations in dollar value	869,450,511
Grand total in dollar value	1,250,207,512
Totals by classification of assistance:	
UNRRA	851,647,512
Office, Foreign Liquidation Commission	115,000,000
Lend-lease property credits	241,560,000
Export-Import Bank credits	42,000,000
Grand total	1,250,207,512

In addition United States assistance amounting to $99,362,817 was given to Austria, a fourth of which is dominated by Russian influence. This total was divided as follows: UNRRA, $34,716,234; Office Foreign Liquidation Commissioner, $10,000,000 (as property credit); and War Department Civilian Relief, $54,646,583.

The following is the amount of aid to five nations (Austria, Czechoslovakia, Finland, Poland, and Yugoslavia) by

various United States Government agencies since VJ-day (September 2, 1945):

1. War Department:	
Austria (until Dec. 31, 1946)	$54,646,583
Austria (until Dec. 31, 1946)	54,646,583
Austria (tentative after Jan. 1, 1947)	12,443,000
2. UNRRA (until Dec. 31, 1946):	
Austria	34,716,234
Czechoslovakia	150,362,106
Finland	1,175,337
Poland	287,769,989
Yugoslavia	257,251,503
3. Office of Foreign Liquidation Commission:	
Austria (property credits)	10,000,000
Czechoslovakia (property credits)	50,000,000
Finland (property credits)	15,000,000
Poland (property credits)	50,000,000
4. Export-Import Bank:	
Austria	$750,000
Czechoslovakia	2,000,000
Finland	72,500,000
Poland	40,000,000
Grand total	1,038,614,752

The following is a tentative estimate of assistance to be rendered to certain European countries which are predominantly influenced by Russia in their political and economic actions. They are Poland, Hungary, Rumania, Bulgaria, Yugoslavia, Czechoslovakia, Albania, Lithuania, Esthonia, Latvia, and Finland, plus Russian-occupied zones of Germany and Austria. The amount to be advanced by the United States to these nations during the period January 1, 1947, through June 30, 1947, is as follows:

UNRRA (to all Russian-influenced Europe)	$200,000,000
Export-Import Bank	40,000,000
United States portion, International Bank	317,500,000
Total	557,500,000
Aid rendered July 1, 1945, through Dec. 31, 1946	1,250,207,512
Grand total	1,807,707,512

This is my first term in Congress and perhaps there are many things I have yet to learn, but if there is anyone in this House who can tell me why we should advance a total of $557,500,000 of American dollars to Soviet Russia and her friends during this current 6 months I would like to hear it.

These roving self-appointed ambassadors can talk all they care to about the love and friendship additional gifts to Russia would bring, but the record to date clearly discloses that these past gifts have brought nothing but abuse and lack of cooperation on the part of our former ally.

If Henry A. Wallace and his friends want to look to Russia for "ideas, help, and inspiration," as he stated in his Newark speech this week, that is their privilege, but I am certain the American people will no longer stand for these huge grants of American dollars to a nation which offers nothing in return but contempt for the American way of life.

Have we not learned our lesson?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. DAWSON of Utah. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman from Utah has struck at a very vital and serious blunder now being made by this Administration. He has asked the question if anyone in this House can tell him why we should during this current 6-month period continue to advance aid to Russia and her satellite countries. I see no one on the floor of this House arise to answer his question and I can assure him that no sensible explanation can be given. No one in this country knows better than Mr. Henry A. Wallace that if we will feed the Russians and their dependents, that permits the Russian controlling group to use their energies to spread their propaganda. Russia cannot spread their propaganda and feed their people at the same time, but if we will feed them, then that leaves them free to spread their propaganda. Every country in the world that is feeding its people today has a government substantially based on the capitalistic, free enterprise concept of life and government. Those countries that do not feed their people are promoting ideas such as communism. If you want to eat you have to give up that kind of activity. If you carry on that kind of activity you have to give up eating. What makes me sore is for American leaders to run up and down this land continually insisting that we feed and clothe and shelter those who refuse to work, and simply want to spread their propaganda.

Mr. DAWSON of Utah. The gentleman from Michigan is perfectly right and I appreciate his contribution.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. DAWSON of Utah. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman from Utah has made a very constructive address here that is food for thought for the entire American people. He is to be congratulated on his efforts.

Mr. DAWSON of Utah. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was greatly interested in the remarks made by the gentleman from Utah, and I am happy to inform the gentleman and the House that this committee is making an attempt, at least in this bill, to bring the Export-Import Bank and all other lending and spending agencies of the Government within and under the jurisdiction of the Congress of the United States. I can readily understand the concern that many people have about this lending of their money by the billions quite promiscuously over the world, and for that very reason this committee, as I said before, is attempting to not only look into the administrative expenditures of all these Government corporations but also to look them over thoroughly and, if necessary, to be in a position to limit their lending authority.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I notice in the Washington Post today a news item to the effect that this Export-Import Bank—it is an American institution, I suppose, or if it has any money at all, it certainly is American to that extent—is proposing to lend to Poland, a Russian satelite state $600,000,000 to rehabilitate and operate the coal mines of Poland, which means that if they get that American money they will use it to equip Russian armies, some of whom have already taken over Hungary, and others are undertaking or shortly will undertake to take over Austria and perhaps Italy and perhaps France.

In addition to that, today's paper carries the news item that the armies of Mongolia, a Chinese province that we helped to take away from our Chinese Ally in the last war and turned over to Russia, are now undertaking an invasion of a great Chinese province which is a short route to India. Yet we say that we ought to keep on pouring money into the capacious maw of the Russian Soviet nation. It is just cockeyed. I do not know when we are going to stop, but there ought to be some great lunatic asylum where we could put people like that and prevent them from undoing this country.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Ohio.

Mr. BREHM. I am certain members of the House Committee on Foreign Affairs could allay all the fears of the gentleman from Tennessee. If they pass the bill they now have up, the Voice of America, it will tell these countries that we gave it to them, and that will make everything all right, according to some of those who favor telling them as well as giving them.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The gentleman from Michigan [Mr. CRAWFORD] was talking about the International Bank and presuming they would sell bonds to the American people. If my memory serves me correctly, after the last World War the Bank of America did sell securities of many South American countries, and the bonds of all of those countries, with one exception, were defaulted. Is there danger of that thing happening here again? Are the American people going to be asked to buy these bonds and securities that may be put out; and if so, can we profit by the experience after the last war, when the American people were left holding the bag?

Mr. JENSEN. The gentleman knows that neither he, nor I, nor this committee, nor anyone else in America can as-

sure him that we will not have a repetition of the conditions we had after the last war. We do know that unless we can cure, and soon, the destructive New Deal disease spendomania, we will have a repetition, and it will not only be of equal detriment to America, it will be a detriment tenfold greater than what we had after World War I, which will, of course, destroy America. It is up to us as Members of Congress and the American people generally through the voice of the Congress to see to it that America does live and progress and prosper. Surely with all the blessings we enjoy in this fair land that is not an impossible task. But it may take the combined will and strength of every true American, so let us all put our shoulder to the wheel by doing the right thing. We can always count on our colleague from Nebraska [Mr. MILLER] to do the right as he sees the right, and for that we all respect you, Doctor.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, two or three times today I have heard Members rise and quote the crazy speeches of Henry A. Wallace.

Let us not overlook our other ambassador of misinformation, Mr. Harold Stassen, who got all the way to Moscow. If there ever was a time on earth when America was fully misrepresented, in my opinion it was while Wallace was speaking in England and Stassen was talking in Moscow.

Wallace's craziest speech was made to the Negroes down in Alabama the other night. He made a Communist speech to a Negro audience in Alabama, and they say that even some of the Negroes who heard him are holding their noses yet. The Negroes in the South have more sense than to believe the stuff Wallace is preaching. They know that what he is preaching under the auspices of this so-called Southern Conference for Human Welfare, which is nothing in God's world but a Communist-front organization, is doing them immeasurable harm.

When you disturb the peaceful relationship that exists between the Negro and the white man, the Negro always suffers. They are getting along fairly well in the South. But when Henry Wallace goes down there and makes a crazy speech to try to stir up friction between the white people and the Negroes, he is doing the Negroes more harm than he could possibly do them good, to say nothing of the injury he is doing the white people of the country.

Mr. COUDERT. Mr. Chairman, I move to strike out the last three words.

I want to say one word, Mr. Chairman, in reference to the remarks of the gentleman from Nebraska [Mr. MILLER], which may have left some Members in confusion as to the role of the Export-Import Bank and that of the International Bank, which is an entirely different bird. If the Export-Import Bank follows the admonition of this committee it will no longer make foreign government reconstruction loans in competition with the International Bank, but will hereafter confine itself to its original and traditional role of making export-import loans.

I may say that at the hearings before the committee the President of the bank appeared to recognize that position quite fully.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. CRAWFORD. The reason I was complimenting the committee so much was that the Export-Import Bank was authorized to lend up to some $3,500,000,000 to fill in the gap between the creation of the Bretton Woods agreement, which brought into operation the International Bank for Reconstruction and Development, and the time the Bank got into its walking suit, you might say. Now, the International Bank for Reconstruction and Development is ready to make loans. This committee has recommended that the Export-Import Bank step out of that field. You did a great job when you made that recommendation and the Congress should back you up in it. The Export-Import Bank has no business making these foreign loans to foreign governments. I am talking about rehabilitation loans. Let the International Bank for Reconstruction and Development make those loans. Let the other countries participate instead of insisting that the people of the United States provide all the credit. Out of the 44-member banks to that agreement, only the United States is now proposing to extend credit. That is unfair. It is not in keeping with the general concept. It is up to the Members of this Congress to notify our people of what is going on.

Mr. COUDERT. Needless to say, the committee is delighted that the gentleman agrees with our conclusions. Let me say to him further that reference in the report to the matter is all that the committee had power to do, under the existing state of law. If this bill passes, next year the committee will be able to take more effective and affirmative action in dealing with these situations.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Will the gentleman tell me where the International Bank will get its funds for operation?

Mr. COUDERT. Of course, that is not within the purview of this subcommittee. But as far as I know, it gets its capital from contributions from the various signatory nations. I think the United States, of course, contributes by far the largest part—30 or 40 percent.

Mr. MILLER of Nebraska. Do we get that by selling debentures and bonds to the American people?

Mr. COUDERT. As I understand it, the Bank sells, if it can, its debentures to the American people or others. These debentures are guaranteed by the United States to the extent of the total American subscription to the Bank's capital funds. So, in effect, they are Government bonds to that extent.

Mr. MILLER of Nebraska. I remember after the last war there were some of these foreign Government-guaranteed bonds. I have in my safety deposit box now a slip of paper that a banker sold to me as being backed up by the United States, but I soon found it was not worth very much in money. My memory may be short, but it is not going to be short enough to buy any more of such debentures and bonds, knowingly.

Mr. COUDERT. At least, the gentleman will not buy any debentures from the Export-Import Bank, because that bank sells them only to the Treasury.

The CHAIRMAN. The time of the gentleman from New York [Mr. COUDERT] has expired.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I question whether I should needlessly delay the committee here. I do not mean to differ with my friends in their discussion of loans to foreign countries by the Export-Import Bank. However, I do feel that it should be pointed out that the operation of this bank and the loans made under it to date are vastly superior over certain other actions that this Congress has taken. I think I am in a position to discuss this because my voting record is conservative. I voted against the British loan because I thought the loan should be made by the Export-Import Bank. You voted a few weeks ago for these two loans, one to Greece and Turkey and the other to the Balkans. Those are for loans that will be used in those countries. Under the Export-Import Bank, first an application must be made and the representatives of this bank have a right to look over and demand that the applicants submit the basis on which repayment will be made. They arrive at an agreeable rate of interest and the terms under which the loan will be repaid.

Here is something else. They provide not for the sending of American dollars abroad, but they extend credit, which must be used to buy American products.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Yes, certainly I yield.

Mr. COUDERT. I just wanted to say one word, to make it perfectly clear. I hope the gentleman will bear me out, the committee has no criticism whatever of the officials of this bank. We were very much pleased and well impressed with the appearance of its officials in our hearings. We have no word of criticism.

Mr. WHITTEN. The distinguished gentleman is correct and I want it understood that I am not trying to deliver a lecture to the majority members of my own committee, but I would like to point out that if this Nation has any obligation to help these nations to reconstruct their railroads, their industry so they can be self-sustaining and if you intend doing anything toward that end you had better do it under the Export-Import

Bank, where they will repay it and where it is an extension of credit to buy American goods, and whereby you can control the expenditure of the money, rather than by a direct grant, as this Congress has done time after time in recent weeks, I might say most of the time against my vote. Certainly, I think the operations under the Export-Import bank are much better. I voted against the British loan for no other reason than I thought you ought to have a definite understanding with reference to repayment so that there could be no misunderstanding in future years when the payments fall due and, further, that credit should be extended to purchase American goods instead of cash. You mark this, the British people at the time that loan was made felt that we ought to give it to them. We felt that they ought to repay it. When the time for repayment comes you are going to see that there will be hard feelings about what each understood about the loan; but under the Export-Import Bank practices there would have been a definite understanding, there would have been a submission by the British Empire of their tax structure and a showing of where they were going to get the money to repay it. Then, too, they could use that credit in this country to buy American goods and would therefore have appreciated the obligation to pay for that which they had. As it is, however, British public sentiment, to a large extent, takes it for granted they should not repay, because we owe this to offset their expenditure, pending the time that we got ready to get into this war.

The Export-Import Bank has been by far the best method we have used in dealing with this matter of loans. I differ with the committee in their handling of this item. I think they showed poor judgment. We are rapidly approaching the time of repayment and then is the time when they should have supervision so that they could see to it that the repayments are made. Naturally in that case the administrative expenses should go up if they are to do a good job; and I think the committee was short-sighted in that regard.

Mr. COUDERT. The fact is that we gave them $40,000-odd more than they got in the current fiscal year.

Mr. WHITTEN. But the test comes in the break-down of the number of their employees. That indicates that during the lending operations they had but few personnel. While the gentleman is correct the bill provides more money than they had last year it is considerably less than was requested; and I think you will agree that Mr. Martin, the gentleman who represented the Bank before the committee, made as fine a showing as any witness who appeared for any corporation and has made a presentation of the necessity for administrative funds to bring back to the Government of the United States the funds which we have lent in good faith and which the foreign governments have agreed to repay.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The Clerk read as follows:

Tennessee Valley Authority: Not later than June 30, 1948, and not later than June 30 of each calendar year thereafter, until a total of $348,239,240 has been paid as herein provided, the board of directors of the Tennessee Valley Authority shall pay from net income derived the immediately preceding fiscal year from power operations (such net income to be determined by deducting power operating expenses, allocated common expense, and interest on funded debt from total power operating revenues) not less than $2,500,000 of its outstanding bonded indebtedness to the Treasury of the United States exclusive of interest, and not less than 40 percent of the remainder of such net income into the Treasury of the United States as miscellaneous receipts. In the 10-year period ending June 30, 1958, and in each succeeding 10-year period until the aforesaid total of $348,239,240 shall have been paid, not less than a total of $87,059,810, including payment of bonded indebtedness exclusive of interest on such bonded indebtedness, shall be so paid. Total payments of not less than $10,500,000 shall be made not later than June 30, 1948.

Mr. GORE. Mr. Chairman, I ask unanimous consent that my distinguished colleague, the Honorable EARLE C. CLEMENTS, a great friend of TVA, may be permitted to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CLEMENTS. Mr. Chairman, upon every occasion when TVA legislation has been considered during my incumbency it has been my pleasure to give it my support. I consider this constructive program of regional development one of the outstanding contributions and accomplishments of the great Roosevelt administration.

The bill under present consideration provides appropriation for not only the continuation but for further development of this immensely worth-while undertaking. The bill provides money for construction of two hydroelectric dams and for chemical plant facilities for fertilizer research, experimentation, and production. I am particularly anxious to see developed better and cheaper forms of fertilizer in order that private industry can better meet the needs of farmers for plant food. Although I am glad to see the appropriation being made in this bill for that purpose, I regret that the committee has reduced the appropriation by $2,000,000 below the President's budget request.

In addition to the afore-mentioned construction appropriation, the bill makes provision for the general operation of the TVA flood control, navigation, fertilizer, and electric-utility programs. I cannot emphasize too strongly, however, that it is false economy to cut the President's budget estimate in this bill.

It is with pleasure that I again support the TVA. I cannot close these brief remarks, Mr. Chairman, without expressing concern over the legislative provisions of this bill, lest they tend to alter the basic program and policy of the TVA. I am pleased with the TVA as it is and see no necessity for these legislative amendments. It has been conducted with wisdom and foresight, and I want it to continue as a mighty factor in the prosperity and happiness of the country it serves.

The Clerk read as follows:

Regional Agricultural Credit Corporation of Washington, D. C.: Not to exceed $200,000 (to be computed on an accrual basis) of the funds of the Corporation shall be available for administrative expenses, including supervision and examination by the Farm Credit Administration and services performed for the Corporation by other Government agencies, and not to exceed $3,200 for penalty mail; and said total sum shall be exclusive of interest expense, legal and special services performed on a contract or fee basis, and expenses in connection with the acquisition, operation, maintenance, improvement, protection, or disposition of real or personal property belonging to the Corporation or in which it has an interest: *Provided*, That no other funds shall be available for administrative expenses of the Corporation: *Provided further*, That of the funds available to the Corporation for administrative expenses, not to exceed $20,000 shall be available for payment to the Farm Credit Administration for supervisory or other services rendered.

Mr. PLOESER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wanted to say just a word or two on the subject of the Inland Waterways Corporation. You will recall that minority views were embraced in the report last year, which minority views expressed the thought that this Waterways Corporation should be sold. There has been a feeling all along on the part of the subcommittee that they probably have not completely satisfied their legislated purposes, and this year in trying to make a more thorough investigation of the affairs of this particular enterprise on the part of the Government, the committee being aware of the fact that the Small Business Committee of this House was studying all forms of government in competition with private enterprise, requested the Small Business Committee to make their study of this particular Government Corporation in time to be able to report it to the Appropriations Committee. The cooperation between the two committees worked out very well. The report was made and it was adopted by the Subcommittee on Appropriations for Government Corporations and incorporated in part 3 of the hearings, which is devoted entirely to the Inland Waterways Corporation.

Under unanimous consent which was previously granted in the House, I will therefore extend at this point in the RECORD the report made by the Small Business Committee to the subcommittee and which was subsequently adopted.

I do this in order that the Members may clearly understand the matter.

(The report referred to follows:)

HOUSE OF REPRESENTATIVES
OF THE UNITED STATES,
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D. C., May 14, 1947.

To: Subcommittee on Government Corporations, Appropriations Committee.

From: WALTER C. PLOESER, chairman, House Small Business Committee.

INTERIM REPORT ON HEARINGS HELD ON INLAND WATERWAYS CORPORATION

1. The Government should get out of the barge business, and we are concerned only with recommending when and how that should be accomplished.

At the moment the Federal Barge Lines is being managed by capable people who know the barge business, but this has not been true in the past. Some portion of the losses may be attributed to the pioneering nature of the project, but poor management and political pressure would seem to have been contributing factors. The fact that the present management has reduced the budgetary pay roll from approximately 2,213 to less than 1,700 people over a period of 10 months, while the tonnage at the same time has increased substantially, demonstrates this fact.

Past labor policy would seem to have had a part in causing the Corporation's difficulties. In 1924, furthermore, the War Department transferred to the Corporation assets appraised at $10,362,843, which were actually worth much less and possibly as little as $1,500,000. The Corporation added to its difficulties by overestimating the useful life of its equipment and charging it off at 3 percent, whereas it should have been charged off at 4 or 5 percent. Finally, and most important, the Corporation has gone along with obsolescent equipment and antiquated methods in the face of rising labor and maintenance costs. Little thought was given to better management personnel, new methods, new types of floating equipment, and labor-saving terminal equipment until the situation took on the proportions of a first-class emergency. Political considerations and outside pressures also appear to have contributed to the situation.

All of this would seem to show that, even though the present management is exceptionally able, the Government has no business in the barge business as a permanent matter.

2. It appears desirable that the Warrior River unit should be sold as quickly as possible.

No funds should be expended to rehabilitate or further develop this division, which has not met its operating costs in any one year and which has been unsuccessful from the beginning. It is suggested that municipalities and civic groups in the locality be contacted with the idea of interesting them in promoting the organization of a corporation which could purchase the barge line and carry on the present type of service. If no interest is displayed by these groups within a year, then we suggest that the division be offered publicly to the highest bidder, reserving the right to reject any and all bids. In either event, the purchaser should not be required to maintain the same type of service as Federal. In view of the continuing losses experienced in the past, we see no reason for that requirement. If no buyer can be obtained within 2 years, the service should be discontinued.

It should be noted that in the concluding hearing on May 12, a letter from H. E. Parker, president of the Warrior & Gulf Navigation Co., was read into the record which indicated that this company may be interested in negotiating for the purchase of the Warrior unit.

3. It is recommended that the Mississippi unit should be sold in a unit as a going concern.

On the basis of present accounting practices, the Mississippi unit, considered alone, shows an over-all net operating income of $803,000 as of January 1, 1947.

The Government has spent millions to establish this common-carrier barge service. Discontinuance at this time would result in writing off a large part of this investment and the public benefits of the service as a total loss. Existing privately owned barge lines would not provide comparable service.

The Federal Barge Lines has the most extensive joint barge-rail through route and rate structure. Furthermore, the privately owned barge lines generally avoid less-than-bargeload shipments and so-called merchandise or package freight since bulk shipment in bargeload quantities is more profitable.

If the Corporation discontinued service at this time, small business would be driven from the river, since it ships almost entirely in less-than-bargeload quantities. The benefits of river transportation would be restricted to a comparatively few large shippers of bulk freight in bargeload quantities. In effect, river transportation would then be available only to shippers of coal, steel, grain, sulfur, oil, and a few other bulk commodities.

Finally, we believe that the committee should not lose sight of the effect upon the rail-barge rate case (ICC Docket 26712) which has been pending since 1934. The principal advocate of the water carriers' position is the Federal Barge Lines. If the Inland Waterways Corporation is sold in a unit as a going concern, proper prosecution of this case will be assured. On the other hand, if operations are discontinued, a large part of the rates involved will for all practical purposes drop out of the litigation.

4. We recommend that Congress approve rehabilitation of the Mississippi unit.

If the Corporation is to continue its service, it appears that new equipment must be purchased almost immediately. Present equipment is in such bad condition that maintenance costs are prohibitive.

Admittedly, several million dollars for complete rehabilitation is a large sum of money but, when considered from the profit-and-loss point of view, it takes on a different perspective. If it can convert the present annual deficit into a substantial annual profit, as forecast, the expenditure will be well justified.

When a detailed prospectus of future operations is prepared and checked against the actual results of operation of a demonstration unit of the proposed integrated tow, the measure of the justification will be clear. This demonstration unit will cost an estimated $1,000,000. If the test shows that the integrated tow is a failure, no further expenditure should be made for this type of equipment and the amount required for rehabilitation will be substantially reduced.

From the engineering data, it appears that the proposed new equipment would substantially reduce both towing and terminal costs. The so-called integrated tow should reduce towing costs by about half. Container and pallet equipment should reduce the cost of handling certain types of merchandise or package freight to an extent which should put that type of service on a profitable basis.

Towing operations have been divorced from terminal operations as a preliminary to turning the terminals over to private operators or municipalities for public use. Improved types of handling equipment are being installed in order to cut down handling costs.

In this way, the management hopes to demonstrate to the privately owned barge lines that merchandise or package freight can be profitable.

As compared with the millions spent in physically improving these rivers to make them fit for navigation, additional funds to further pioneer river transportation should be made available, and, if justified by the prospectus, will certainly make the barge line salable as a going concern.

5. We recommend that the Corporation should continue its services on the Missouri River and should extend them as circumstances require.

It is apparent that the privately owned barge lines will not initiate service on the Missouri River. These operators are generally of the opinion that operations on the Missouri are unfeasible in view of the speed of the current, and the depth and instability of the channel.

With the proposed new towing equipment, Federal Barge Lines hopes to show privately owned barge lines that operations on the Missouri need not be unprofitable.

Barge service is of great importance to the communities on the Missouri River. Rail transportation is costly from these interior points and it is difficult for them to compete with communities which are closer to their markets. The Panama Canal increased their competition by cutting transportation costs from the Pacific coast. Thus their markets were further restricted. The railroads, then, to compete with the Canal, initiated water-compelled rates from the west coast to Chicago so that it costs less to ship some commodities to and from Chicago from and to the west coast than it does in the case of certain Midwest communities.

By lowering transportation costs, barge service will give this area access to new markets and sources of supply.

6. It is suggested that the Mississippi unit should not be sold in sections.

Sale by sections would break up the joint barge-rail through route and rate structure. Furthermore, less-than-bargeload service and merchandise or package service might not survive the blow. Finally, traffic development on the Missouri would be almost impossible since Federal would be subject to a squeeze play at St. Louis on rate divisions with privately owned carriers, and new types of equipment, which are prerequisite to profitable operation, would not be interchangeable with that of privately owned barge lines.

A number of other factors come into play which demonstrate convincingly that sale in sections would be unfeasible. For example, if barges do not go through without breaking bulk, expensive transshipment is necessary. To secure best use out of barges serving Missouri River, the operator should be in a position to add cargo at St. Louis to barges coming out of the Missouri on 6-foot draft to take advantage of 9-foot draft available elsewhere, and vice versa. A Missouri River operator should have somewhere else to work his equipment during the 4 months closed winter season on the Missouri to reduce the burden of fixed charges. No joint through rates with the railroads exist through Missouri River ports; none could be established in connection with such a truncated operation; interior shippers would get no water rates.

As the net result of all the above limiting factors, traffic volume on the Missouri would be severely limited and costs would be greatly increased, making it extremely unlikely that a profitable operation could be developed in the foreseeable future.

To permit the Corporation to take only freight originating on or destined for the Missouri would not solve the problem. The operation must be balanced—empty barges do not earn profits. Barges must be loaded both going and returning to make money. Even now, with an operation which extends from New Orleans to Minneapolis and Chicago, this is at times difficult; but it would be almost impossible if every bit of freight picked up had to be destined to ports on the Missouri. Shipments going out of the Missouri might be destined for numerous points along the other rivers.

7. Inland Waterways Corporation should proceed to offer the property for sale concurrently with rehabilitation.

Sale of the Federal Barge Lines need not await rehabilitation. The Interstate Commerce Commission should be requested immediately to make the necessary appraisal and to keep that appraisal current so that sale will not be delayed when a purchaser is obtained.

Complete rehabilitation is not prerequisite to sale. Purchasers probably will appear when the rehabilitation has proceeded far enough to demonstrate that complete rehabilitation will put the business on a profitable basis. If the new equipment reduces cost sufficiently to show that operations on the Missouri River can be profitable, and that less-than-barge-load and merchandise or package freight will be profitable, the Corporation should not have difficulty in obtaining a purchaser who will undertake to render the same type of service.

It is suggested that the Corporation solicit interested municipalities, chambers of commerce, other civic associations, shippers, and receivers with the idea of interesting them in promoting organization of a corporation to purchase and operate the Mississippi unit. These groups, all of whom have advocated continuation of the Federal Barge Lines in these hearings, should have sufficient interest to take the lead in promoting the organization of a corporation to take over its operation, provided it has been demonstrated that the corporation can return a profit on its investment. If they do not, they can hardly object to liquidation or unconditional sale of the line.

If such a sale cannot be made because of lack of interest or any other reason, the Mississippi unit should be offered for sale to the high bidder, reserving the right to reject any and all bids.

As is pointed out below, purchasers should not be required to undertake to provide the same type of service.

We feel that sale as a going concern should be accomplished within 3 years and, in any event, the Government should be out of the barge line business within 5 years.

8. It appears desirable that Congress should establish a commission of one Representative, a Senator, the president of Inland Waterways Corporation, and a representative of the Interstate Commerce Commission to see to it that both the Mississippi unit and the Warrior unit are promptly sold.

The present management of the Corporation takes the attitude that the Government should get out of the barge line, but it is believed that such a commission certainly will not harm the sales program and may, in fact, give it impetus.

We feel that Congress would thus insure that its announced policy will be effectuated.

9. It is recommended that the statutory prerequisites to sale or lease should be substantially modified by amendment of the act.

We suggest rescission of the requirement that the Secretary of Commerce first make a finding that navigable channels and adequate terminal facilities are substantially available, together with the requirement that the Interstate Commerce Commission first report to the Secretary of Commerce that joint tariffs with rail carriers have been published and filed. The opinion has been expressed by representatives of the Corporation that these prerequisites have been accomplished. In order to nullify the possibility of a technical argument to the contrary, however, it is believed that these provisions should be deleted from the act.

The prerequisite requiring that the Interstate Commerce Commission first appraise and ascertain the fair value of the facilities should not be changed. If Federal Barge Lines is to be sold to a corporation organized by local people, this necessarily must be accomplished by negotiation. The effect of the appraisal will, therefore, be twofold: It will assure a fair return to the Government and, at the same time, protect the Government negotiators from any charge that they failed to obtain fair value.

There would not seem to be any justification for the requirement that any purchaser or lessor agree to continue the facilities "in the common carrier service in a manner substantially similar to the service rendered by the Corporation" and that he supply "ample security by bond or otherwise to insure the faithful performance of such agreement." If the municipalities, civic associations, shippers, and receivers are interested sufficiently to take the lead in promoting the organization of a corporation to purchase the barge line, there is no need for such a requirement since they will have a vital interest in seeing to it that this service is maintained. If they are not, then there would seem to be no reason to place such a burdensome restriction upon any other purchaser. In fact, we doubt very much that any prudent businessman would purchase the barge line subject to any such condition even though he sincerely intended to render the same type of service. Furthermore, any proposed change in the service by a purchaser is subject to protest by interested parties and suspension by the Interstate Commerce Commission.

We suggest that this provision be amended simply to require a certification by the purchaser to the effect that he has a bona fide intent to continue the common-carrier service in a manner substantially similar to the service rendered by the Corporation. In this way, the participation of interested groups in the ownership and management of the corporation will be assured. In effect, the Congress would forcefully demonstrate that it really means to get out of the barge business. If these groups which have argued so strongly for continuation of the Federal Barge Lines are sincerely interested in that service, they will support the organization of a corporation to purchase the line from the Government.

The provisions authorizing sale in two units, the Mississippi and Warrior units, should be retained, as should that prohibiting purchase by railroad interests. If it develops that a departure from the latter of these restrictions is in the public interest, appropriate legislation to fit the circumstances can be proposed at that time.

In conclusion, the attention of the committee should be drawn to the main point at issue in this case: Throughout these hearings, the preponderance of testimony by those who would be affected most by the liquidation of the barge line has been to the effect that the Government should get out of the barge business, but not until the same service is provided by private capital.

That completes the majority report, and there are reservations by Mr. KEFAUVER and Mr. JACKSON of Washington as follows:

(The reservations by Mr. KEFAUVER and Mr. JACKSON of Washington are as follows:)

RESERVATIONS OF CONGRESSMAN KEFAUVER AND CONGRESSMAN JACKSON OF WASHINGTON

We agree with the conclusions of the majority report that the Federal Barge Lines should be rehabilitated and that it should eventually be sold and operated by private enterprise.

The Federal Barge Lines has done a most useful job in pioneering river navigation and in working out rate schedules for river transportation and for joint barge-rail transportation. It is our opinion that with some rehabilitation the Federal Barge Lines will, within a few years, be able to operate at a profit and that it could then be sold to private enterpise. The sale, however, should require the purchaser to give substantially the same service as is provided in the act creating the Inland Waterways Corporation.

We cannot concur in the majority report that the Warrior River unit should immediately be sold. The last Congress authorized the building of the Tombigbee waterway. This connection between the Tennessee River, Warrior River, and the Gulf of Mexico through the Tombigbee River will furnish economical means for an enormous amount of river traffic from the Tennessee and Ohio Valleys to the Gulf of Mexico, and it will also furnish an alternate route for shippers in the Mississippi Valley. The Warrior unit should be retained to pioneer this new river traffic and to establish favorable rates. It should not be sold until this is done.

Also, we feel that even before the Tombigbee waterway is built, the Mississippi unit of the Federal Barge Lines should operate on the Tennessee River. The reason for the prohibition against operating on the Ohio does not apply to the Tennessee. During the interval until a purchaser can be found for the Mississippi unit who will continue giving substantially the same service, I feel that the Mississippi unit should establish rates and give service to shippers desiring to use river transportation on the Tennessee.

That completes the report, Mr. Chairman.

The Clerk concluded the reading of the bill.

Mr. PLOESER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in certain provisions of this bill, part of title III, the committee, of course, recommended and sought to accomplish extension of the same congressional controls over certain mixed Government corporations as has been extended over wholly owned Government corporations, the purpose being that there is really no difference in interest. The majority stock of these corporations is owned by the Federal Government, in one case the overwhelming majority; as much as 99 percent is owned by the Federal Government; so the same rule of congressional appropriation guidance and control should apply to these corporations as would apply to one

that is 100 percent owned by the Government.

In order that the RECORD might be more informative, under the same privilege to extend my remarks, I am going to include at this point in the RECORD a chart of the comparative ownership percentages of Government and other enterprises in these mixed corporations:

Ownership of capital stock in mixed-ownership Government corporations

FEDERAL DEPOSIT INSURANCE CORPORATION

U. S. Government (Treasury Department)	$150,000,000.00
12 Federal Reserve banks	139,299,566.99

NOTE.—This represents the original subscriptions and paid-in stock of FDIC as of Jan. 1, 1934. There has been no change and the figures are still correct today.

CENTRAL BANKS FOR COOPERATIVES

June 30, 1946:	
U. S. Government	$76,500,000
Borrowers (cooperatives, etc.)	1,197,000
Total	77,697,000
Apr. 30, 1947:	
U. S. Government	76,500,000
Borrowers (cooperatives, etc.)	787,300
Total	77,287,300

DISTRICT BANKS FOR COOPERATIVES

June 30, 1946:	
U. S. Government	$102,000,000
Borrowers	5,285,000
Total	107,285,000
Apr. 30, 1947:	
U. S. Government	102,000,000
Borrowers	[1] 7,585,600
Total	109,585,600

FEDERAL HOME LOAN BANKS

June 30, 1946:	
U. S. Government (RFC)	$123,651,200
Member institutions	79,559,450
Total	203,210,650
May 31, 1947:	
U. S. Government (RFC)	122,672,200
Member institutions	94,935,200
Total	217,607,400

[1] Plus $70,800 paid into guaranty fund.

Mr. Chairman, this bill does deal with vast appropriated sums. Other supply bills seem to dwarf this by their amounts. But this bill is most significant in that it deals with functions of Government which influence or control the credit structure of the Nation's economy.

Total assets of all wholly owned Government corporations—including Commodity Credit Corporation, Federal Crop Insurance Corporation, and the Reconstruction Finance Corporation—as of June 30, 1947, are estimated to be approximately $11,800,000,000. The total unobligated borrowing authority of these corporations as of March 31, 1947, was approximately $18,600,000,000. The value of all assets and unobligated borrowing authority at present is approximately $30,400,000,000. This figure $30,400,000,000 can be said to represent the total amount of money, including assets valued in terms of money, which wholly owned Government corporations have under their control at the present time.

Could any bill be more significant in its effect upon the economy? Because of the national and international impact of this vast credit operation it is imperative that the Congress take and hold authority of both expenses and assets of these corporations. In the past it has become a lost responsibility. When this bill becomes law it will properly be a current responsibility. These assets—and what is equally important—the liabilities of the corporations are the assets and liabilities of the people through their Government. The only board of directors in this Government which directly represents the people is the Congress. It is our duty and we must, in my opinion, and the opinion of this committee, carefully assume the performance of such duty.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PLOESER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ANDERSON of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. PLOESER. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ENGEL of Michigan (at the request of Mr. GRAHAM) was given permission to extend his remarks in the RECORD and include an article.

Mr. HARTLEY (at the request of Mr. MATHEWS) was given permission to extend his remarks in the RECORD and include two editorials.

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to include in the remarks I made today a full report of the Committee on Appropriations on Government Corporations. I make this request, Mr. Speaker, because of the fact that it is a rather full and complete explanation of the action taken by the committee in regard to these Government corporations.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. RANKIN and Mr. GORE asked and were given permission to revise and extend their remarks made in the Committee of the Whole and include certain tables and statistics.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD in three instances and include statements he received showing the effect of appropriations in the bill H. R. 3756 on the Federal Home Loan Bank Administration, the Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include a statement of Navy Service Veterans in opposition to the armed services merger.

Mr. BYRNES of Wisconsin (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD and include an editorial.

LEAVE OF ABSENCE

By unanimous consent, Mr. KEARNEY (at the request of Mr. LEONARD W. HALL) was granted leave of absence on account of official business.

HOUR OF MEETING ON FRIDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet at 11 o'clock on Friday.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY—CONFERENCE REPORT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DEFICIENCY APPROPRIATION BILL

Mr. TABER. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to take up the deficiency bill which we filed this morning.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SUGAR CONTROL EXTENSION ACT OF 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 242, Rept. No. 561), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3612) to amend the Sugar Control Extension Act of 1947, so as to terminate the authority to allocate or ration refined sugar among users for home consumption. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

VETERANS' PREFERENCE ACT OF JUNE 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 243, Rept. No. 562), which was referred to the House calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 966) to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387). That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, it is my understanding that the conferees on the rent control housing bill are now meeting, and it is expected that the matter will be brought into agreement this afternoon. The committee has until midnight tonight to file its report. If that report is filed, as we expect it will be, we will call the conference report up for action tomorrow when we convene. We also hope to dispose of the deficiency appropriation bill, consideration of which has just been arranged for by unanimous consent. The rule on the sugar decontrol bill has just been filed, and we should like to dispose of that tomorrow; and, also, if time permits, we should like to dispose of the bill from the Committee on Banking and Currency on disposition of war housing. It is then expected that on Friday we will resume consideration of H. R. 3342, commonly known as the Voice of America bill.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. RAYBURN. Do I understand correctly that regardless of whether or not all the matters that are programed for tomorrow are finished tomorrow, we will go on at 11 o'clock Friday with the so-called Voice of America bill.

Mr. HALLECK. That is my understanding.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be permitted to sit during the sessions of the House during general debate for the remainder of this week.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

Mr. DONDERO. Reserving the right to object, Mr. Speaker, will there be general debate in the House the rest of the week?

The SPEAKER. The Chair cannot definitely state that. There will be very little general debate tomorrow, the Chair thinks, and of course there will be none on Friday when the bill from the Committee on Foreign Affairs is being read for amendment.

Mr. DONDERO. I understand it is a ruling of the Speaker that committees will not be permitted to sit unless the House is engaged in general debate upon legislation.

The SPEAKER. The rules under which we have been conducting the House this year do not permit committees to hold hearings while the House is in session except when general debate is in progress.

Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

PORT OF BOSTON AND ITS ADVANTAGES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the port of Boston possesses excellent facilities and advantages for shipping and industry.

The port of Boston, oldest commercial seaport in the United States where waterborne trade has been going on since 1630, in normal times prior to the war was the second largest in the country in volume of import business.

In 1940, more than 19,000,000 tons of cargo and 2,776,000 passengers, including those on coastwise runs, passed through the port of Boston. Of this cargo, 2,736,225 tons were in foreign commerce with an import value of $164,000,000 and an export value of $29,000,000, with $33,000,000 in customs duties paid.

In this postwar year, under the direction of a new and aggressive Port of Boston Authority, the historic port is making steady strides toward regaining her position of commercial eminence. Steady increases have been recorded in recent months in tonnage figures of both import and export cargoes handled in the port, and this despite the fact that resumption of the once large and profitable coastwise trade has been slow for a variety of reasons.

Three hundred years of experience in handling export and import shipping as well as coastwise trade gives Boston a unique position among the ports of the country. While harbor, track, storage, and labor facilities have been generally strained in American ports since the war, the port of Boston facilities have been tested and found to be capable of handling vastly more than they have had to handle in any previous period.

Boston has an over-all water frontage of some 140 miles, of which 7 miles has a depth of 35 feet or more at mean low water. The main channel approach from Massachusetts Bay along its 7-mile stretch from open sea is 40 feet deep at mean low water. The port is capable of handling at its major piers the largest ships afloat in the largest sheltered harbor in the United States.

Storage and warehouse facilities are excellent, and include the Boston Army Supply Base, the second largest storehouse in the United States, normally available for public use. Commonwealth Pier, Castle Island, and the Army base and the Boston and Albany docks are modern, well-equipped ocean terminals, and the port authority is now at work on a project to implement these facilities by a 10-year construction program which will see two new terminals constructed on the Charlestown waterfront, and additional piers on the South Boston and East Boston shores.

At South Boston is located the largest drydock on the east coast of the United States, constructed by the Commonwealth of Massachusetts, and of great value to shipping. Within the port area, at Quincy, Hingham, and East Boston are some of the largest and best equipped shipbuilding and repair yards in the Nation.

The important natural advantages of the port of Boston are supplemented by ample tug service, by a variety of terminals for handling specialized cargoes, by excellent floating cargo handling cranes, although lighterage is unnecessary, by direct rail and highway connection to every major terminal, by two grain elevators and by fumigating plants for wool and similar cargoes.

Its waterfront labor is considered the most skilled in the United States, with longshoremen to whom work on the piers

is a family tradition and with a number of competent stevedoring firms, equipped with the latest of mechanized cargo-handling equipment.

Safety contests and safety practices have brought insurance rates on industrial risks for stevedores, longshoremen, and other general-cargo handlers to among the lowest in the country, which is an important factor in lowering cargo handling costs.

Boston enjoys the same ocean rates for import and export business as all the North Atlantic ports and today is not only on the same railroad-rate basis as is New York for foreign shipping, via so-called standard line routings, but it also enjoys a lower freight-rate basis than New York on import traffic, via differential routes to the Midwest sections of the United States. This gives an added advantage to shippers out of Boston, since this port provides direct railroad connections to the ships; the port is nearer Europe, the east coast of South America, and the Near East than any other American port, and nearness of shipping brokers and freight forwarders to the customhouse provide for speedy personalized service in clearances of necessary documentary papers.

The port of Boston is freer from the danger of delay arising from congestion than are other important Atlantic ports. One of Boston's great advantages lies in its facility for transfer of goods between ships and railroad cars. No water front in the United States can handle freight between rail and truck and ship with greater facility and economy than at the piers in Boston, served directly by railroad tracks which are usually located in the center of the pier under covered sheds, with rails depressed, avoiding the necessity of lighterage service which is common in New York, Philadelphia, and Baltimore. To the advantage of shippers from Boston, is the one handling of freight between railroad or truck and ship, thus materially reducing the hazards of damage, breakage, or pilferage, in contrast to the situation in other ports where in many instances merchandise is handled several times.

Present excellent terminal facilities including wharves, piers, supporting yards and track facilities, will be greatly improved with the return of facilities used by the Army during the war and the construction of new piers already authorized. All this adds up to increasing speed of handling; and warehouse space for cargo—the country's second largest and most efficient.

Boston's general cargo trade is served by the following piers: South Boston district, New York, New Haven & Hartford Railroad; Commonwealth pier, four berths operated by the Port of Boston Authority; Army base terminal, nine berths, operated by Boston Tidewater Terminal, Inc.; Castle Island terminal, seven berths operated by Terminal Operators, Inc., for account of Port of Boston Authority; East Boston district, New York Central System-Boston & Albany Railroad; East Boston terminal, seven berths, operated by New York Central System-Boston & Albany Railroad; Charlestown district, Boston & Maine Railroad; Mystic docks, six berths, operated by Boston & Maine Railroad; Wiggin terminal, four berths, operated by Wiggin Terminals, Inc.

Boston has two grain elevators, with a combined capacity of 2,440,000 bushels: East Boston Elevator, New York Central System and Boston & Albany Railroad; Mystic Elevator, Boston & Maine Railroad.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on Enrolled Bills, reported that that committee did on June 10, 1947, present to the President, for his approval, a bill of the House of the following title:

H. R. 1288. An act to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, Thursday, June 12, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

778. A letter from the Comptroller General of the United States, transmitting a report concerning the conversion of two cost-plus-a-fixed-fee contracts between the United States Maritime Commission and the California Shipbuilding Corp. to a fixed-price basis; to the Committee on Expenditures in the Executive Departments.

779. A letter from the Attorney General, transmitting a draft of a proposed bill to amend the immigration laws relating to stowaways; to the Committee on the Judiciary.

780. A letter from the Administrator, Federal Security Agency, transmitting a draft of a proposed bill to waive the maximum price limitations with respect to certain passenger motor vehicles purchased by the Public Health Service for use in the Philippine rehabilitation program; to the Committee on Expenditures in the Executive Departments.

781. A letter from the Comptroller General of the United States, transmitting a report on the audit of Reconstruction Finance Corporation and affiliated corporations for the fiscal year ended June 30, 1945 (H. Doc. No. 316); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TABER: Committee on Appropriations. H. R. 3791. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 557). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 3303. A bill to stimulate volunteer enlistments in the Regular Military Establishment of the United States; with an amendment (Rept. No. 558). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 242. Resolution providing for the consideration of H. R. 3612, a bill to amend the Sugar Contrel Extension Act of 1947, so as to terminate the authority to allocate or ration refined sugar among users for home consumption; without amendment (Rept. No. 561). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 243. Resolution providing for the consideration of H. R. 966, a bill to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387); without amendment (Rept. No. 562). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 649. A bill for the relief of Antonio Belaustegui; without amendment (Rept. No. 559). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 379. A bill for the relief of Kuo Yu Cheng; with an amendment (Rept. No. 560). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. TABER:

H. R. 3791. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; to the Committee on Appropriations.

By Mr. SIMPSON of Illinois:

H. R. 3792. A bill to provide for the emergency flood-control work made necessary by recent floods, and for other purposes; to the Committee on Public Works.

By Mr. CANNON:

H. R. 3793. A bill to provide for emergency flood-control work made necessary by recent floods, and for other purposes; to the Committee on Public Works.

By Mr. COLE of Missouri:

H. R. 3794. A bill to incorporate National Service Star Legion; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 3795. A bill to authorize the Federal Works Administrator to design and construct a new Federal office building at Los Angeles, Calif., on land now owned or hereafter acquired by the United States, and for other purposes; to the Committee on Public Works.

By Mr. SASSCER:

H. R. 3796. A bill to exempt from the manufacturers' excise tax certain articles sold to fire-fighting companies not organized for profit; to the Committee on Ways and Means.

By Mr. ALLEN of California:

H. R. 3797. A bill to authorize the official shorthand reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; to the Committee on the District of Columbia.

By Mr. MADDEN:

H. R. 3798. A bill to authorize a preliminary examination and survey of the Little Calumet River, Ind. and Ill., for flood control and run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Public Works.

By Mr. ANDREWS of New York:

H. R. 3799. A bill to authorize the heads of executive departments and independent establishments of the United States Government to grant employees leaves of absence for research and study, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOGGS of Louisiana:

H. R. 3800. A bill to amend the Surplus Property Act of 1944 to provide that veterans' organizations shall be given a priority in the purchase of surplus property; to the Committee on Expenditures in the Executive Departments.

By Mr. DIRKSEN:

H. R. 3801. A bill to amend the act entitled "An act to create a board of accountancy for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. KERSTEN of Wisconsin:

H. R. 3802. A bill to amend section 2 of the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended; to the Committee on Merchant Marine and Fisheries.

By Mrs. ROGERS of Massachusetts:

H. R. 3803. A bill to amend section 1602 of the Federal Unemployment Tax Act with respect to the allowance of an additional credit against the tax imposed by such act; to the Committee on Ways and Means.

By Mr. RIVERS:

H. R. 3804. A bill to authorize the Secretary of Agriculture to dispose of surplus Irish potatoes; to the Committee on Agriculture.

By Mr. LODGE:

H. J. Res. 215. Joint resolution to enable the President to utilize the appropriations for United States participation in the work of the United Nations Relief and Rehabilitation Administration for meeting administrative expenses of United States Government agencies in connection with United Nations Relief and Rehabilitation Administration liquidation; to the Committee on Foreign Affairs.

By Mrs. ROGERS of Massachusetts:

H. Res. 238. Resolution providing for the consideration of H. R. 3583; to the Committee on Rules.

H. Res. 239. Resolution providing for the consideration of H. R. 3516; to the Committee on Rules.

H. Res. 240. Resolution providing for the consideration of H. R. 3308; to the Committee on Rules.

By Mr. CORBETT:

H. Res. 241. Resolution providing for the printing as a House document the history of the Committee on the Judiciary; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LEONARD W. HALL:

H. R. 3805. A bill for the relief of Thomas A. W. Elder; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 3806. A bill for the relief of the Somerville Dressed Meat Co., of Somerville, Mass.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

623. By Mr. MARTIN of Massachusetts: Petition of William S. Greene Chapter, Disabled American Veterans, urging enactment of H. R. 2716; to the Committee on Veterans' Affairs.

624. By the SPEAKER: Petition of the Maryland State and District of Columbia Federation of Labor, petitioning consideration of their resolution with reference to endorsement of a suffrage bill for the District of Columbia; to the Committee on the District of Columbia.

625. Also, petition of the Council of the City of New York, petitioning consideration of their resolution with reference to entry into the United States of displaced persons; to the Committee on the Judiciary.

626. Also, petition of the Montana Society, Daughters of the American Revolution, petitioning consideration of their resolution with reference to representative government; to the Committee on the Judiciary.